iShakti Brainstorms Right Connectivity

Pride Hotels: Expansion Spree

India Business Journal

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A FASCINATING JOURNEY

As India celebrates 75 years of independence, *IBJ* retraces some dramatic changes that have redefined the country.

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Ad agency RK Swamy BBDO to split Two partners of advertising firm RK Swamy BBDO, the agency that put Madras – now Chennai – on the advertising map of India, will go their separate ways. Under a new agreement, RK Swamy will buy out BBDO's stake in the joint entity, while BBDO will buy out RK Swamy's stake in BBDO India. Starting out as RK Swamy Advertising Associates in 1973, the company got on board global agency network BBDO in 1985. After coming together, RK Swamy BBDO ranked among the top-five Indian advertising agencies in its first decade.

IT revenue set for a sharp fall in FY23 Information technology (IT) services sector will see a sharp fall in revenue growth to around 13 per cent in FY23 from 19 per cent in FY22, ratings agency CRISIL has said. However, the current depreciation in the rupee, strong demand for new-age technologies, like artificial intelligence (AI), cloud computing and Internet of Things (IoT), will help the over $220-billion sector maintain double-digit growth, CRISIL has added in a report. The moderation in revenue has been attributed to likely tightening of IT expenditure by companies amid inflationary headwinds in the US and the EU.

Data Protection & Privacy Bill scrapped The government has withdrawn the controversial Data Protection and Privacy Bill, which was first proposed in 2019 and had alarmed big technology companies, such as Facebook and Google. The government has said that it is working on a new comprehensive law. The 2019 law had proposed stringent regulations on cross-border data flows and proposed giving the government powers to seek user data from companies. This was seen as a part of Prime Minister Narendra Modi's stricter regulation of tech giants. The withdrawal was prompted by a Parliamentary panel's review of the Bill, which had suggested many amendments, leading to the need for a new "comprehensive legal framework".

Over 10,000 MSMEs shut down in 2016-2022 The government has come out with consolidated data on number of MSMEs closed over the past six years, including the COVID period, in the country. According to the combined data from the Udyam registration portal and the erstwhile Udyog Aadhaar Memorandum (UAM), 10,067 MSMEs were shut from 2016 to 2022. While 400 MSMEs were shut during 2016-2019, a whopping 96 per cent of the units – 9,667 to be precise – were shut between 2019 and 2022.

Govt mops up Rs 1.5 l cr from 5G auction The country's biggest-ever auction of 5G telecom spectrum received a record Rs 1.5 lakh crore of bids. Mukesh Ambani's Reliance Jio (RJio) cornered nearly half of all the airwaves sold with a Rs 88,078-crore bid. Gautam Adani's group paid Rs 212 crore for 400 mhz, or less than 1 per cent of all spectrum sold, in a band that is not used for offering public telephony services. Sunil Bharti Mittal's Bharti Airtel made a successful bid of Rs 43,084 crore, while Vodafone Idea bought spectrum for Rs 18,799 crore. The auction witnessed sale of 51,236 mhz, accounting for 71 per cent of the 72,098 mhz offered across 10 bands.

Umesh & Lava Katti to buy 1.36 cr HKG shares BSE-listed HKG, one of the fastest-growing business conglomerates which aspires to connect small businesses, has informed the stock exchange that Umesh and

Lava Katti have proposed to acquire 1,36,50,000 equity shares of HKG through an open offer. Corporate Capital Ventures is the manager to the offer. Last month, HKG had successfully participated in an auction of Shri Shivsagar Sugar and Agro Products based in Udapudi in Karnataka to acquire the sugar mill, cogeneration and ethanol plants, office building, godown and guest house from The Belagavi District Central Co-Operative Bank.

Nod for Shriram Group companies' merger
Shriram Transport Finance Company has said that it has received an approval from the Competition Commission of India (CCI) for its merger with Shriram City Union Finance Company. The Shriram Group, a Chennai-based diversified financial services conglomerate, in December last year had announced the merger of Shriram Capital and Shriram City Union Finance with Shriram Transport Finance. In a preparation to commence operations in the merged entity, the group has launched a pilot business as a combined entity across over 550 branches in all five geographical units. The merged entity will be known as Shriram Finance, and it will be the largest retail NBFC in the country.

Banks' NPAs set to drop to 5.5%: S&P S&P Global Ratings has said that non-performing assets (NPAs) of banks are expected to decline to 5-5.5 per cent of the total advances by March 2024. According to the latest Financial Stability Report, published by the RBI, the gross NPAs declined to a six-year low of 5.9 per cent in March 2022. "We project the banking sector's weak loans will decline to 5-5.5 per cent of gross loans by March 31, 2024. Likewise, we forecast the credit costs to stabilise at 1.5 per cent for fiscal 2023 and further normalise to 1.3 per cent," the ratings agency has said.

Union Bank eyes Rs 15,000-cr NPA recovery Union Bank of India expects to recover Rs 15,000 crore from bad loan accounts during the current financial year. A bulk of this will come from accounts undergoing insolvency resolution process. It expects to make recoveries worth Rs 10,000 crore from accounts under the National Company Law Tribunal (NCLT) for resolution of bad loans in 2022-23, the bank has said. Besides, the public sector lender is also likely to shift a few accounts under the new debt resolution company, NARCL.

ONGC, OIL & GAIL win 6 of 8 oil blocks State-owned ONGC, OIL and GAIL have walked away with most of the eight blocks offered for exploration and production (E&P) of oil and gas in the OALP-VII bid round. ONGC has won three blocks in the OALP-VII round, while OIL has won two. GAIL walked away with one block in Rajasthan, while Sun Petrochemicals has won the remaining two blocks, according to information posted by the Directorate General of Hydrocarbons. The government, in the meanwhile, has launched the next bidding round, expecting around $700 million of investment in the 10 areas on offer.

Verbatim...

"I will keep monitoring item by item to rein in prices for anything that goes haywire. This pointed attack on inflation will need to continue."

Nirmala Sitharaman
FINANCE MINISTER

"Open Network for Digital Commerce is a democratisation of the digital commerce world. It can trigger off many startups to bring technology into the remotest corners of India."

Piyush Goyal
COMMERCE MINISTER

"My giving this money is not a sacrifice at all. I feel privileged to be involved in tackling these great challenges. I believe that I have an obligation to return my resources to society in ways that have the greatest impact for improving lives."

Bill Gates
CO-FOUNDER, MICROSOFT

APPOINTMENTS

Ashish Kumar Chauhan, the former MD and CEO of Bombay Stock Exchange, has taken over as MD and CEO of National Stock Exchange.

Paritosh Tripathi has assumed charge as managing director and chief executive officer of SBI General Insurance. Prior to this assignment, Mr Tripathi was general manager of SBI in charge of operations and internal banking group.

Vodafone Idea has appointed Akshaya Moondra, currently its chief financial officer, as its chief executive officer with effect from August 19 for three years.

Pramod Rao, who was group general counsel of ICICI Bank, has been appointed executive director of market regulator SEBI.

With 5G, India has finally taken the first step towards launching high-speed telecom services.

A 5G Boost For Telecom

India's biggest-ever auction of 5G telecom spectrum has ended on a bullish note. The auction came to an end after 40 rounds of bidding spanning over seven days. The success of the auction is clearly visible in Rs 1,50,173 crore of revenue that it brought to the government. The revenue accrued to the government this time is almost double the Rs 77,815 crore generated from 4G auction in 2021. Moreover, 51,236 mhz of the 72,098 mhz of spectrum on offer – amounting to 71 per cent – was sold.

As expected, Mukesh Ambani's Reliance Jio cornered nearly half of all the airwaves sold with a Rs 88,078-crore bid. Sunil Bharti Mittal's Bharti Airtel made a successful bid of Rs 43,084 crore, while Vodafone Idea bought spectrum for Rs 18,799 crore. Gautam Adani's group paid Rs 212 crore for 400 mhz, or less than 1 per cent of all spectrum sold, in a band that is not used for offering public telephony services. The Adani Group's telecom moves will continue to be keenly watched as there are speculations that the business conglomerate may gradually move to public telephony from the current captive use.

With the end of the 5G auction, India has finally taken the first step towards launching high-speed telecom services. 5G networks offer speed that is ten times more than that of 4G, and lag-free connectivity is also ensured. 5G can enable billions of connected devices to share data in real time. India is expected to make up for being late to the 5G party with a shorter rollout time. The country stands to gain from manufacturers ramping up shipments of 5G-enabled mobile handsets, whose prices are also falling.

The successful conclusion of the 5G auctions has an important lesson for the government. It is quite noteworthy that the premium spectrum in the 700 mhz band witnessed better sales, especially with Reliance Jio aggressively bidding and winning substantial radio waves in the premium band. This contrasts with the previous two auctions, which did not find any takers for the 700-mhz spectrum. It clearly shows that industry would respond favourably if policies and prices are realistic.

Unfortunately, for a long time, the government treated spectrum as a revenue-generating machine. The success of this auction clearly shows that the government does not lose out if policy measures are aimed at bringing a balance between the interests of the exchequer, industry and consumers.

A lot of right measures went hand in hand for the auction to succeed. The TRAI lowered the reserve price by around 39 per cent across bands. It also changed the methodology of arriving at the base price. Past auction prices were not used as benchmarks if the entire spectrum on sale in a given band had not got sold earlier.

Besides, the Centre's move to ease regulatory norms around payment of dues, including a four-year moratorium on outstanding payments, came as a breather to telecom companies. Redefinition of adjusted gross revenue to prospectively exclude non-telecom earnings allowed them to spread liabilities over a staggered period. A policy decision to return bank guarantees to telecom companies and scrap spectrum usage charges enhanced their liquidity position and facilitated them to participate in the 5G auction confidently. Separately, increase in tariffs by telecom companies also helped lift their average revenue per user and boosted their margins.

The success of the 5G auction could not have come at a better time. Just months ago, the telecom sector looked like turning into a duopoly with Vodafone Idea almost on the verge of winding up. The 5G auction seems to have dispelled all the gloom and looks to revive the sunrise sector. ■

The success of the 5G auction could not have come at a better time. Just months ago, the telecom sector looked like turning into a duopoly with Vodafone Idea almost on the verge of winding up. The 5G auction seems to have dispelled all the gloom and looks to revive the sunrise sector.

Expansion Spree

The Pride Group of Hotels is targeting to take its hotel portfolio to 100 with over 10,000 keys by 2030.

IBJ BUREAU

Pride Group of Hotels, which currently has 44 properties nationally, has embarked on an ambitious expansion plan. The Mumbai-headquartered luxury hospitality chain is targeting to take its count of hotels 100 by 2030.

With new hotels operational, the Pride Group will have 100 properties with over 10,000 keys spread across various geographical regions, primarily in tier-I and -II markets. The focus is on an asset-light model for expansion with a major slice of the portfolio managed directly by the company. Most of the new properties will be located in popular leisure destinations with great tourism potential.

Good show

Announcing the developments, Pride Hotels Chairman and Managing Director S P Jain reveals: "Subsequent to the challenges due to the pandemic in the past two years, we are now witnessing exponential growth. While we will have 50 properties by the end of this year, we plan to expand our footprints nationally by doubling our portfolio to 100 hotels by 2030. With the market gaining rapid momentum, we will soon come back to expansion mode for our flagship properties."

Pride Hotel CMD S P Jain: Serving a steaming hot success story

Talking about the company's performance, Mr Jain adds: "The Pride Group performed exceedingly well in 2021-22 compared to 2020-2021. The ADR (average daily rate) and occupancy have gone up from 43 to 65 per cent for the current year 2022-23. We are expecting to clock a turnover of Rs 250 crore in this financial year."

Top brands

The new portfolio includes resorts and hotels in Nainital, Jim Corbett, Jabalpur, Daman, Rishikesh, Surendranagar, Dwaraka, Bhavnagar, Bharuch, Agra, Somnath, Dehradun, Chandigarh, Neemrana, Rajkot, Bhopal, Aurangabad and Haldwani. The Pride Group has also forayed into the premium service apartment space with launch of its new brand Pride Suites, with the first property signed in Gurugram.

Currently, Pride Hotels operates and manages a chain of hotels under the brand names – Pride Plaza Hotel (an Indian luxury collection); Pride Hotel (which are conveniently and centrally-located upscale business hotels); Pride Resorts (situated at mesmerising destinations); and Pride Biznotel (mid-market segment hotels for every business). All four brands are well appreciated and frequented by corporate clients and domestic and foreign tourists. Pride Hotel is a homegrown brand that resonates with true Indian hospitality. The group's vision is to establish Pride Hotels as the best Indian hospitality chain. ■

Pride Hotel Bhopal

The Pride Group has forayed into premium service apartment space with launch of its new brand, Pride Suites, in Gurugram.

All About Right Connectivity

A brainstorming session of telecom industry veterans, organised by iSHAKTI, explores ways and means to connect all Indians.

MIHIR SRIVASTAVA

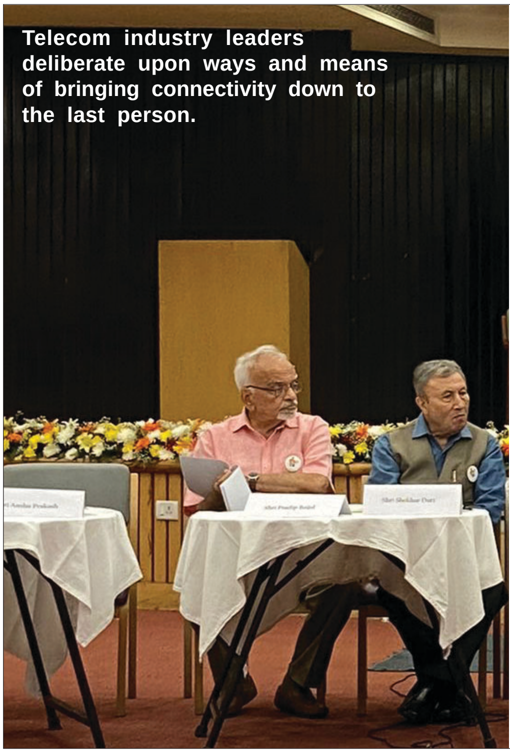
A life without quality connectivity is unfathomable in today's life. Therefore, in its essence, if not in strictly legal sense, quality connectivity is fundamental to leading a purposeful life in a digitalised world. Doyens of telecom sector expressed their vision and strategies for a reliable, secure, sufficient and ubiquitous telecom network becoming a reality for all Indians in a brainstorming session organised by iSHAKTI last month.

iSHAKTI – a purpose-driven foundation committed to promoting local entrepreneurship with a people-centric approach by carrying out research, advocacy and partnering with various stakeholders to harness the potential in the key sectors, such water (*jal*), land (*thal*) and space (*nabh*) – had organised the brainstorming session in collaboration with TEMA and Mavcomm Consultancy. iSHAKTI is committed to helping harness India's great potential in human resources, market and capital and create an ecosystem and culture of openness and collaboration. In telecom, iSHAKTI envisions bringing together various stakeholders in the telecom sector to harness the transformative potential via digital technologies and encourage Indian tech startups – the unicorns – and their investors, IoT-based innovators and communication and hardware manufacturers.

Realising Digital India

This can happen only if there is reliable, ubiquitous connectivity at affordable rates for every Indian. Opening the session, Siddharth Upadhyay, the chairman of Mavcomm Advisory, stressed the importance of a collaborative approach. "The telecom sector has many stakeholders, and a lot is at stake. And all concerned are doing their best. But they will do better if they join hands and work in tandem for the larger goal of realising the ideals of Digital India in its true essence…and creating strategies to ensure the meeting of the collective and individual goals and aspirations. To me, all problems are an opportunity to look within and grow," Mr Upadhyay added.

Dr D K Bhalla, former bureaucrat, author, motivator and the chief enabler of iSHAKTI, welcoming the delegates, said: "India's economic potential will shape the contours of global business." He referred to the recent McKinsey's Global Institute Report that points out that India is one of the largest and fastest-growing markets for digital consumers in the world. "As digital capabilities improve, and connectivity becomes omnipresent, or ubiquitous, technology is poised to briskly and in a radical manner change nearly every sector of our economy and, therefore, by implication, will change the economic life of this ancient country of young people in a significant way." Dr Bhalla cautioned: "There's a digital divide that needs to be bridged. Remote areas and the poorest of the poor have to be integrated into the mainstream."



Telecom industry leaders deliberate upon ways and means of bringing connectivity down to the last person.

Though e-commerce is growing at a phenomenal rate of 25 per cent every year, it still represents only 5 per cent of India's trade which is done online.

"As India marches on to harness the telecom and technological revolution, the pace of development of Satcom has become faster, thanks to the recent reforms and IoT (internet of things) taking the centrestage to ensure integration of many underserved segments in the development process. I see an ushering of a phase of transformation in India for the Indians," added Anupam Shrivastava, a partner of Mavcomm Advisory and former chairman of BSNL.

Shekhar Dutt, a former defence secretary, cautioned about security concerns as one steps forward towards realising Digital India goals. Pradip Baijal, the former chairman of the Telecom Regulatory Authority of India (TRAI), referring to JAM (Jan Dhan-Aadhaar-Mobile) trinity, said: "Get the numbers, and rest will be taken care of." Aadhaar is the key to fixing identity that in turn will ensure

security. Ajay Shankar, a retired secretary of the Department of Industrial Policy and Promotion (DIPP), was of the view that Digital India goals would be meaningful if India became the manufacturing hub and not just an assembling venue." He found support from Atul Kaushik of the Asia Foundation who laid stress on quality R&D, as is the case in the West, as the precursor for manufacturing using state-of-the-art technology.

Last-mile connectivity

Former Union Law Secretary P K Malhotra said that while the right to connectivity is a legal right, by implication and interpretation, it can be considered a fundamental right under Article 21 of the Constitution that guarantees protection of life and personal liberty that is so integrally linked by being connected in this day and age. He also laid stress on amending the IT Act according to the requirements of the right to privacy guaranteed by the Constitution.

Vipin Tyagi, a director of Cview Innovations, talked about quality R&D for problem-solving, and there

"India's economic potential will shape the contours of global business. As digital capabilities improve, and connectivity becomes omnipresent, technology is poised to briskly and in a radical manner change nearly every sector of our economy."

DR D K BHALLA
Chief Enabler, iSHAKTI

were capabilities to deal with all the threats, be it cyber security or data protection, he assured. Rakesh Vats, a retired IAS officer, said that priorities and goals needed to be set, application and regulation of the technology should be robust, and by this way, a lot could be achieved. He gave the example of how doctors were treating patients in remote areas of Bihar and Odisha through telemedicine.

Ashwani Khillan, the COO & CTO of APAC American Tower Corporation, talked about the challenges of the last-mile connectivity. He pointed to varied local policies in different States posing operational problems, while stressing the need for a uniform operational model across the nation. "I am very heartened by the participation of the doyens from the telecom sector, they ushered the digital revolution in India and will guide us in the future to make quality connectivity ubiquitous. We will incorporate their views into a progressive document, taking into account the concerns of all the stakeholders and realise the inherent potential of the telecom sector to making India a truly digital society, as is envisioned by the honourable prime minister," said Prof N K Goyal, the President and chairman emeritus of CMAI, TEMA.

Such brainstorming sessions are the need of the hour for India as 5G spectrum auctions have recently ended with top contenders, like Reliance Jio, Bharti Airtel, Vodafone Idea and new entrant Adani Data Networks bidding for the airwaves. The reserve price for the 5G spectrum auction is a whopping Rs 4.3 lakh. "More than the amount, it is important (to note) that the industry has come out of the pain it was going through," said Telecom Minister Ashwini Vaishanaw, and added: "To provide tele-connectivity to every last person in the most far-flung places of the country, it is imperative to have a thriving telecom industry." The minister's views are not very different from what emerged after a round of brainstorming on how to ensure ubiquitous connectivity.

A Fascinating Journey

As India celebrates 75 years of independence, IBJ makes an earnest attempt to retrace some dramatic changes that have redefined the country.

IBJ RESEARCH BUREAU

It is a momentous period for India and Indians as the country completes 75 years of independence. In a way, 75 years are a mere footnote in the hoary annals of this ancient country, whose recorded history is at least 5,000 years old.

But these 75 years are very significant because they have given a specific identity to India. On August 15, 1947, India – which always existed as a cultural landmass for a very long time – became an independent, politically-unified country with well-defined borders. The enlightened founding fathers of this country chose to make India a democratic republic. Since then, this country has remained a dynamic democratic nation. On the contrary, many countries across Asia, Africa and America, which became independent around the same time as India, slipped into dictatorship.

Agents of change

Abject poverty, severe food shortage, a lack of industries and a flood of other socio-economic problems stared at young India in 1947. The country initially adopted socialism and later – the transition happened rather too late – embraced market economy. Economic liberalisation of 1991 facilitated a dramatic transformation of India from a poor, developing country to the sixth-largest and fastest-growing economy of the world.

In the early years after independence, development was helmed by the government and led by public sector undertakings (PSUs). Large steel plants of SAIL, mega industrial complexes of BHEL and huge, multipurpose dams in Bhakra, Nangal and other places were rightly considered the "the temples of modern India" that shaped the young nation.

Economic liberaliation brought winds of change and private players back to infrastructure. New models of funding projects under public-private partnership (PPP) sprang up. Multiple-lane expressways and highways, expansion of railway network to far corners of the country, new ports and airports as well as mega power plants and new modes of communication played a vital role in the economic transformation of the country.

In a way, 75 years are a mere footnote in the hoary annals of this ancient country, whose recorded history is at least 5,000 years old. But these 75 years are very significant because they have given a specific identity to India.

The world of banking and finance underwent fascinating changes. Rise of private banks, insurance companies and mutual funds spurred competition and benefited customers immensely with many innovative products and services. Microfinance institutions were among the first of the financial sector entities to recognise wealth at the bottom of the economic pyramid. The government's financial inclusion initiatives and emergence of small finance banks and payments banks helped deepen financial inclusion. Moreover, a digital revolution that unfolded in the past decade transformed India into a vibrant, digital payments market and empowered even the marginalised sections of society to transact online.

The securities scam of 1992 was the turning point that set off a comprehensive transformation of the country's stock markets. New stock exchange NSE, with its order-driven, transparent, screen-based trading replaced open outcry trading. Dematerialisation of shares shrank trade settlement cycle from 14 to mere two days, while competition from NSE pushed BSE to usher in transparency and professionalism.

The country's energy sector, in the meanwhile, witnessed awe-inspiring changes. Though thermal energy continues to be the predominant source, its share in the energy mix has been dropping gradually. Oil, gas and renewable energy sources, such as solar and wind, as well as electric power and green hydrogen have been rapidly empowering the growth engines of the economy.

Seventy-five years later, almost every facet of life has undergone marvellous changes. Smartphones and internet have transformed the way people communicate, commute, travel, shop, trade and enjoy their lives.

Improved infrastructure, modern technologies and enabling policies have made travel swifter and more comfortable.

Unfortunately, agriculture has not witnessed any significant changes, except for Green and White Revolutions in the 1960s.

A new India

Seventy-five years later, almost every facet of life has undergone marvellous changes. Smartphones and internet have transformed the way people communicate, commute, travel, shop, trade and enjoy their lives. It has enabled information explosion and benefited everybody. A major pitfall of this phenomenon is a huge challenge to separate news from noise, facts from fiction and sense from nonsense. But that apart, new means of communication, like WhatsApp, Facebook, Instagram and other social media apps, have made it easier to interact with each other no matter how far they are.

Improved infrastructure, cutting-edge technologies, enabling government policies and a wide range of public and private transport facilities – including two-wheelers, cars, trains, metro trains and airlines – have shrunk distance and made travel swifter and more comfortable. Today, a large number of Indians are shopping online. But that does not mean that traditional modes of shopping – like small stores – and modern trade – such as supermarkets and malls – will simply disappear. If cinema and television weaned away a large number of people from old forms of entertainment, like dramas and folk arts, today, they are threatened by newer modes of entertainment, such as streaming sites.

Amid the celebrations, it would not be out of place to focus on some undesirable developments. Unfortunately, agriculture, the backbone of the Indian economy, has not witnessed any significant changes in the past many years, except for Green and White Revolutions in the 1960s. The farm sector, which provides livelihood for about 60 per cent of the country's workforce, definitely needs a new deal. Besides, the country has been witnessing jobless growth for quite some time now. There is a dire need to boost employment opportunities to sustain growth for a long period.

Meanwhile, as India celebrates 75 years of independence, *IBJ* makes an earnest attempt to retrace some dramatic changes that have redefined the country. So, read on, and relive the past, and relish the present. ■

ECONOMY

Terrific Transformation

From a basket case, India has made dramatic strides to become the sixth-largest and fastest-growing economy of the world.

Indian economy's tryst with destiny has been nothing short of awe-inspiring. Abject poverty, severe food shortage, a lack of industries and a flood of other socio-economic problems were too much for the young nation to tackle. But India prevailed, and from a basket case, it has transformed rather dramatically to become the sixth-largest and fastest-growing economy of the world.

Like most other countries at that time, India too adopted a mixed economy – an economic system combining the State and private enterprise – with the USSR model of economic planning. The State assumed a greater role by entering many sectors, such as heavy industries, mining, civil aviation, transport and communication and so on.

The first Five-Year Plan, launched in 1951, aptly focused on agriculture and irrigation to boost farm output.

A heartening feature of Indian reforms is the unflinching support that it has got from across the political spectrum. Governments headed by various political and ideological hues have each contributed immensely in reforming and transforming India.

The second Five-Year Plan and the Industrial Policy Resolution, 1956 laid the foundation for the mixed economy and led to formation of public sector undertakings (PSUs) or State-owned companies. This industrial policy heralded the infamous Licence-Quota Raj, where the government would issue a licence to the private sector to run particular industries and dictate the amount of production through the quotas.

The second Plan provided huge impetus to the industrialisation of India. Steel Authority of India (SAIL), a vital PSU, set up large steel plants in Rourkela, Bhilai and Durgapur in technical collaboration with Germany, Russia (then the USSR) and the UK respectively. Large, multipurpose dams in Bhakra (Himachal Pradesh) and Nangal (Punjab), among others, were constructed to irrigate farms and produce electricity. A new India was born, and India's first Prime Minister Jawaharlal Nehru called these dams and industries "the temples of modern India".

Deepening socialism

The young nation was soon engulfed in several crises. India's borders were threatened, and the country had to engage in wars with China in 1962 and with Pakistan in 1947-48, 1965 and 1971. These wars further aggravated the country's food shortage crisis. The country was literally living from ship to mouth with wheat imports from the US.

Lal Bahadur Shastri, who had succeeded Mr Nehru as prime minister, turned his focus on agriculture. The government worked with M S Swaminathan and other agricultural scientists, and along with American agronomist Norman Borlaug, developed high-yield variety of wheat seeds in the mid-1960s. This set off the Green Revolution, and India soon became self-sufficient in foodgrains. The Green Revolution was followed by the White Revolution or the Operation Flood, helmed by Verghese Kurien, making India the largest milk producer in the world.

In the late 1960s, the Indian economy took a definitive left turn with Prime Minister Indira Gandhi nationalising banking and insurance sectors. Initially, the nationalisation did serve the purpose of accelerating bank lending to agriculture and small enterprises. But gradually, a substantial part of lending began to be influenced by political considerations, leading to large-scale growth of crony capitalism.

Large, multipurpose dams like Bhakra and Nangal and heavy industries gave birth to a new, post-Independence India.

Economic liberalisation brought about competition across sectors, spurred job creation and multiplied economic growth.

A GIANT LEAP

	1947	2022
GDP	Rs 2,70,000 cr	Rs 147,36,000 cr
Per capital income	Rs 249.60	Rs 91,481
Forex reserves	$2.161bn	$580.252 bn
Roads	4 lakh km	65 lakh km
Railway	5,493 km	99,235 km
Installed power	1,362 mw	3,95,000 mw
Food production	54.92 mt	314.51 mt

It is a matter of debate whether India's choice of adopting mixed economy soon after independence led to decades of lost growth. However, Mr Nehru and his government cannot be blamed for leading the country on the path of mixed economy. Most countries of the world – except, of course, the US – had opted for mixed economy during that period. A major drawback with the Indian economy was that it stuck on to the mixed-economy model for a very long time even as most of the world – including the Communist China – around it changed rather rapidly.

A paradigm shift

The economic liberalisation of 1991 set India on a new path of rapid growth. But a lesser-known fact is that the country had gradually begun gravitating towards economic reforms from the 1980s. Rajiv Gandhi, who became the prime minister after Mrs Gandhi's assassination in 1984, brought hopes and reforms to a nation creaking under the burden of socialism. He roped in technocrat Sam Pitroda and unleashed a telecom revolution with setting up of public call offices (PCOs) across the country. Besides, he gave a big push to automation and computerisation and set the stage for India's foray into information technology.

In 1990, India was passing through one of its darkest phases. Mr Gandhi had been killed in a suicide bomb attack, and the Congress Party returned to power short of majority. The country was going through one of the worst economic crises with severe shortage of foreign exchange reserves, leading to a balance of payment crisis. The country had to pledge gold with other central banks several times to secure loan to pay for exports. Finally, India had to bite the bullet and unveil a set of reforms to receive a bailout package from the International Monetary Fund (IMF).

In 1991, then Prime Minister P V Narasimha Rao and Finance Minister Manmohan Singh launched a raft of economic reforms, including dismantling the Licence Raj and drastically slashing Customs Duty on a number of goods. These measures, termed economic liberalisation, unshackled India from its socialist fetters and set the country on a new path of amazing economic growth. Many sectors, some of which were under government monopoly, were thrown open to private and foreign investors. Breathtaking changes across automobile, telecom, banking and finance, civil aviation, retail and other sectors spurred job creation and multiplied economic growth.

A heartening feature of Indian reforms is the unflinching support that it has got from across the political spectrum. Governments headed by various political and ideological hues have each contributed immensely in reforming and transforming India. The current dispensation under Prime Minister Narendra Modi has vigorously brought about some structural changes in the economy with the Insolvency and Bankruptcy Code, 2016 – which aims to restructure and resolve bankrupt companies and tackle mounting non-performing assets – and the Goods and Services Tax – which has eliminated multiple, cascading taxes and unified the country under a single levy.

India and the world face new challenges as they emerge from the shadows of COVID-19. India is now witnessing a worrying, unequal growth, with the organised sector thriving. However, the unorganised sector, which accounts for almost half of the economy, is facing severe distress. Moreover, rising inflation, inequality and unemployment threaten to push the economy into turmoil. A new set of reforms – especially aimed at the informal sector, agriculture, small enterprises and deprived sections of society – can help bring the India story back to the centrestage. ■

INFRASTRUCTURE

Rebuilding India

New concepts, new funding models and encouraging participation of private sector have helped change the country's infrastructural landscape.

Infrastructure sector has turned a full circle in India. Dominated by private players before independence, the government took over infrastructure development for the next 40 years. The private entities returned to the sector once again following economic liberalisation of 1991.

There was a lopsided development of infrastructure during the British rule. Basic infrastructural amenities were fairly well developed in some cities and regions of strategic importance to the British. The biggest contribution of the British was the railway system. However, vast stretches of rural India were left untouched by any development.

So, in a way, the governments of independent India had to develop infrastructure right from scratch, especially in rural areas. The government initially took the lead and replaced the private players engaged in developing and managing infrastructure.

Various development finance institutions (DFIs) – such as Industrial Finance Corporation of India (IFCI), Industrial Credit and Investment Corporation of India (ICICI) and Industrial Development Bank of India (IDBI) – were set up to fund huge infrastructure projects.

Economic liberaliation brought winds of change and private players back to infrastructure. New models of funding projects under public-private partnership (PPP) sprang up. The government, which was providing subsidised credit to DFIs, stepped back and stopped the subsidy. End of the government's subsidised credit and absence of a strong debt market made it unviable for DFIs to operate. Many of the DFIs turned into commercial banks. A brave, new world of private sector-driven funding with a lot of opportunities and challenges had emerged to build the country anew.

Road: PPPs pave the way

At the dawn of independence, some cities had fairly good roads. However, most of the villages lacked even basic roads. Moreover, levels of development of roads varied widely in parts ruled by the British India and those of princely States. It was indeed a big challenge for the government to bring about uniform development of roads and fund them too.

The first Five-Year Plan (1951-56) took up the entire exercise of classifying roads across the country into national highways, State highways, district and village roads. The National Highways Act, 1956 vested the Central government with responsibility of development and maintenance of national highways. The 20-Year Plan, also called the Bombay Plan, envisioned a major expansion of the Indian road network, especially of national and State highways, between

Since 2013, BOT projects hit a roadblock amid delay in construction, lower-than-estimated revenue, over-aggressive bidding, and land acquisition woes, among others. The government then formulated HAM and also turned back to EPC contracts.

Golden Quadrilateral project ushered in the PPP model and set the template for large-scale road network across the country.

IT-driven initiatives, new classes of high-speed trains and a facelift for railway stations have improved train travel by several notches.

A major drawback with Indian Railways is the neglect of freight trains, which also end up paying more to make up for subsidised passenger tickets. Dedicated freight corridors, which were planned since 2007 to correct this anomaly, are yet to materialise.

1961 and 1981.

The National Highways Authority of India (NHAI) Act, 1988 provided a major boost for construction of road by setting up NHAI with the specific mandate of developing national highways. However, it took seven long years for NHAI to become operational, which finally happened in 1995.

By then, economic liberalisation had changed the rules of the game of infrastructure development. Private and foreign companies were being wooed to upgrade old highways and build new ones. NHAI took up the role of a nodal agency to float bids, select developers and coordinate highway development activities across the country.

In 1998, the Atal Behari Vajpayee government launched National Highways Development Programme (NHDP) to build roads of international standards and facilitate smooth flow of traffic across the country. The ambitious programme, which provided huge impetus to the economy by spurring growth of many vital sectors, was to change the country's entire landscape in years to come.

The NHDP was planned to be implemented in seven phases. The first phase, also called the Golden Quadrilateral, connected the four major cities of New Delhi, Chennai, Mumbai and Kolkata with a network of 5,846 km of national highways. The second phase connected the North-South and East-West corridors of the country with 981 km of national highways. That phase of the NHDP connected Srinagar in the north to Kanyakumari in the south and Silchar in the east to Porbandar in the west. The other phases of the programme – including multiple laning of highways, constructing expressways and improving connectivity to State capitals, other commercial and industrial cities and towns and ports, which were pending – have been subsumed into Bharatmala and Sagarmala projects.

Economic liberalisation resulted in a major shift of funding projects from the government to private entities. The earlier engineering, procurement and construction (EPC) contracts – where contractors designed and built the project based on the government's requirement and the government footed the bill – were mostly replaced by a new contract abbreviated as PPP – which has pervaded almost every kind of infrastructure projects.

The PPP contracts are of many types that they have literally spawned an alphabet soup, such as BOT, BOOT, TOT, HAM and so on. The particularly-popular ones are, of course, BOT (Build, Operate and Transfer) Toll – where the concessionaire or the successful bidder designs, builds, operates and collects toll until he has recovered a pre-determined portion of profit and then transfers the road or the project to the government – and BOT Annuity – where the concessionaire builds and transfers the road to the government, which collects the toll, and gets paid annually or bi-annually by the government until the pre-determined profit is reached.

However, since 2013, BOT projects hit a roadblock amid delay in construction, lower-than-estimated revenue, over-aggressive bidding, and land acquisition woes, among others. The government then formulated Hybrid Annuity Model (HAM) and also turned back to EPC contracts. Under HAM, 40 per cent of project cost is paid by the government to the concessionaire and the remaining 60 per cent is to be arranged by the concessionaire during the construction period. The concessionaire is paid back the 60 per cent amount, along with an amount equal to the pre-determined profit, in annuities. Tolling rights in HAM remain with the government.

Railway: Manifold expansion

India was quite fortunate to have a relatively-good rail infrastructure, thanks to the British. The colonial rulers had got a few private companies – Madras Railway, Great Indian Peninsula Railway (GIPR), East Indian Railway Company (EIR) and a few others – to lay rail tracks in some of the cities and other places of strategic interest to them. The rail infrastructure continued to expand ever since the country's first passenger train of GIPR ran between Bombay (Bori Bunder or today's Chhattrapati Shivaji Terminus) and Thane on 16 April 1853. Between 1925 and 1944, nine private companies were taken over by the British government.

After independence, the government began a re-organisation of the country's railways with nine zones, which have grown to 17 today, and renamed the organisation as Indian Railways. The immediate task at hand was to spread the rail infrastructure across the country.

Over the years, the government has electrified around 80 per cent of rail route. Besides, it has harnessed technology to modernise signalling and telecommunication and IT-enabled services for the benefit of travellers.

The distribution sector unfortunately continues to be the weakest link in the country's electricity value chain. The sector is dominated by State-owned discoms, which are steeped in losses and are sitting on mounting debts. The Centre's five bailout packages so far, including UDAY, have done little to change the dire situation.

Electricity Act, 2003 initiated big-ticket reforms in the power sector, like unbundling of SEBs and entry of private players.

Stations across the country have been given a facelift with many modern amenities. Indian Railway Catering and Tourism Corporation (IRCTC), which was set up in 1999, introduced online ticketing service in 2002. Since then, upgraded software has improved speed of online ticketing and made it easier for travellers to reserve tickets online.

Besides, the government has introduced many new classes of high-speed trains in the past three decades, starting with Shatabdi, Rajdhani, Duronto, Tejas, Gatiman and Vande Bharat Express – each class of the trains improving amenities for passengers by several notches. India is just a few years away from having a bullet train too, the rail infrastructure for which is being built between Mumbai and Ahmedabad.

The concept of PPP has also been adopted by Indian Railways, but not as successful as in roads. The PPP in railways is especially largely prevalent in providing last-mile rail connectivity to many ports and industrial clusters.

A major drawback with Indian Railways is the neglect of freight trains, which also end up paying more to make up for subsidised passenger tickets. This has resulted in the railways losing freight and consequently revenue to road transport. Dedicated freight corridors, which were planned since 2007 to correct this anomaly, are yet to materialise. Dedicated Freight Corridor Corporation of India (DFCCIL) has so far commissioned 1,010 km of the proposed 2,843 km of Eastern Dedicated Freight Corridor and Western Dedicated Freight Corridor. If the two corridors meet the latest deadline of 2024, it would push up freight train operations, provide higher revenue for the railways and also spur the country's economic growth manifold.

Power: Discoms spoil the show

Many private power producers and distributors dotted India at the time of independence. Besides, there was lopsided development with some parts brightly lit and many others in darkness. In fact, Shivanasamudra in the kingdom of Mysore housed Asia's first hydropower plant, set up way back in 1902. Similarly, Hussain Sagar Thermal Power Station in Hyderabad was the country's first thermal power plant set up in 1920 during the Nizam's reign. Moreover, in 1947, private sector utilities accounted for over 80 per cent of all electricity supplied in the country.

Immediately after independence, the Electricity Supply Act, 1948 enabled the government to take over all the private power companies. Consequently, power generation, transmission and distribution were vested with respective State Electricity Boards (SEBs). The Centre and mostly the States built initial power plants in the country. By the mid-1970s, rising demand for power led to the Central government setting up National Thermal Power Corporation (NTPC) and National Hydroelectric Power Corporation (NHPC) for putting up and operating thermal and hydroelectric plants across the country. Besides, Power Grid Corporation of India (PGCIL) was incorporated to manage transmission of power between States.

Power sector witnessed sweeping reforms with the opening up of the country's economy in 1991. The Electricity Supply Act, 1948 was amended to encourage private investment in the sector to meet growing demand for power. Subsequently, the Electricity Act, 2003 was introduced which mandated unbundling of SEBs into power generation, transmission and distribution companies. The Act also encouraged entry of private entities in power generation, transmission and distribution to facilitate competition.

Successive governments provided a policy push to renewable energy, especially wind and solar. With this, green energy has grown manifold, mainly driven by private companies. In fact, non-conventional energy has helped push up the share of private entities in power generation to more than 48 per cent, while the Centre and the States account for 25 and 27 per cent respectively.

The distribution sector unfortunately continues to be the weakest link in the country's electricity value chain. The sector is dominated by State-owned distribution companies (discoms), which are steeped in losses – around Rs 59,000 crore – and are sitting on mounting debts – about Rs 4,50,000 crore. As a result, they collectively owe power generation companies Rs 1,03,330 crore as of March 2022. The Centre's five bailout packages so far, including Ujwal Discom Assurance Yojana (UDAY), have done little to change the dire situation.

A lack of political will among States to let discoms raise power tariffs and poor investment in infrastructure have led to aggregate technical and commercial losses (AT&C) of around 21 per cent. Besides, rising cost of power distribution amid low revenue has pushed discoms into the financial mess. The government is insisting on passage of Electricity (Amendment) Bill, 2021, which seeks to delicense the distribution business and bring in more private players and competition into the sector. There is a divergent view, which is equally convincing, that privatisation cannot solve this issue. Meanwhile, power sector continues to be hobbled by bleeding discoms despite achieving an installed capacity of over 4,00,000 mw.

The government is looking to empower major ports with Major Ports Authorities Act, 2021, enabling State-owned ports to compete in evolving market environment. The ambitious Sagarmala project, which seeks to expand port infrastructure with 1,537 projects worth around Rs 6,50,000 crore, is also set to provide a major leg-up to maritime activities.

Port: Public Vs private sector

Ports of Calcutta, Bombay and Madras – the old names of Kolkata, Mumbai and Chennai respectively – were already thriving when India gained independence. The British had taken care to develop them as they helped boost trade and facilitated shipment of the country's precious raw materials to Britain.

Post-independence, the government set about expanding the port network to harness the vast coastline, spanning 7,516.6 km. Kandla in Gujarat's Kutch was the first port developed in independent India in the 1950s to ease volume of trade at the Mumbai port. The government subsequently developed many more ports, including Jawaharlal Nehru Port Trust (JNPT) in Navi Mumbai in 1989. India today has 12 major ports, which are under the Centre's control. Besides, there are around 200 minor ports that come under the jurisdiction

The highlight of the Indian ports story is the emergence of private ports as a big competitor to State-owned ports.

of respective State governments. And then there are private ports, some of them thriving and even challenging the major ports.

The highlight of the Indian story of ports is the emergence of private ports a few years after the economic liberalisation. And what stands out in this story is the startling growth of Adani Ports and Special Economic Zone (APSEZ). It has bought some of the thriving private ports in the past eight years, including Krishnapatnam and Gangavaram in Andhra Pradesh, Dhamra in Odisha and bankrupt Dighi in Maharashtra. Besides, its flagship port Mundra overtook JNPT last April to become the country's largest container port. With 13 ports, APSEZ handled total cargo of 300 million tonnes (mt) in FY22, while the combined cargo traffic of the 12 major ports was 700 mt during the same period.

The government, in the meanwhile, is looking to empower the major ports with the Major Ports Authorities Act, 2021. The law is aimed at developing a faster and transparent decision-making process. It also enables the ports to compete in the evolving market environment. The ambitious Sagarmala project – which seeks to expand port infrastructure and modernise the ports with 1,537 projects worth around Rs 6,50,000 crore – is also set to provide a major leg-up to maritime activities. A faster implementation of the projects with an effective PPP model could turn around the fortunes of the country's major ports.

Number of flyers in the country has almost risen by ten folds from 3.6 crore in 1996 to around 35 crore in 2021. Airports are bursting at the seams, and aircraft are waiting endlessly for takeoff and landing. New airports are being built in Jewar and Navi Mumbai, and there are plans for many more to cater to the rising demand.

Airport: Soaring high

Civil aviation came to India quite early, just eight years after the world's first flight had taken off. In 1911, a flight took off from a polo ground in Allahabad, carrying mail across the Yamuna to Naini. This marked the beginning of India's commercial civil aviation. However, that was only a demonstration flight. The first regular commercial aviation began in the country in 1932, when J R D Tata, who went on to become the chairman of the Tata Group, piloted a plane between Karachi and Mumbai, carrying mail and marking the beginning of air mail service in the country.

Mr Tata set up an airline, which later became Air India. There were eight airlines, including the Tatas' Air India, operating in India before 1947. After independence, the Parliament passed the Air Corporations Act, 1953, which nationalised airline industry and took over the eight domestic airlines. State-owned Air India and Indian Airlines were the only two airlines that began operating on international and domestic routes respectively.

International Airports Authority of India was set up in 1972 to manage India's international airports, while National Airports Authority of India, formed in 1986, was in charge of domestic airports. Both the entities were merged and renamed as Airports Authority of India (AAI) in 1995. Since its inception, AAI has been building, upgrading, maintaining and managing airports across the country.

After 1991, India got closely integrated with the global economy. Higher economic growth led to a spurt in domestic and international air travellers and put pressure on the existing airports. The government opened up the civil aviation sector to private and foreign investors. The year 1999 is a significant one in the Indian aviation industry. That year, Cochin International Airport began operation and became the country's first greenfield airport to be set up on the PPP model.

Soon, Mumbai and New Delhi airports were privatised, and the management of the two airports was transferred from the AAI to private entities

Cochin International Airport set the trend for greenfield airports developed by private players through the PPP model.

The Modi government has embarked on an infrastructure-driven growth model. Accordingly, it has unveiled National Infrastructure Pipeline (NIP), comprising a list of projects worth over Rs 111 lakh crore, to be implemented on a priority in PPP mode.

GVK Group and GMR Group respectively. Later, new airports of Bengaluru and Hyderabad were constructed under the PPP model. Indian airports turned swankier with many modern and flyer-friendly facilities with the entry of private sector.

The AAI currently operates 137 airports and is looking to auction many of its airports to private entities to operate on a long-term lease. Apart from New Delhi and Mumbai, it has leased out six more airports – Ahmedabad, Jaipur, Lucknow, Guwahati, Thiruvananthapuram and Mangaluru – to private sector. Surprisingly, the management of all these six airports has been bagged by Adani Airport Holdings. The company also acquired Mumbai airport from the GVK Group last year and has become the country's largest airport operator.

Number of flyers in the country has almost risen by ten folds from 3.6 crore in 1996 to around 35 crore in 2021. Airports are bursting at the seams, and aircraft are waiting endlessly for takeoff and landing. Two major greenfield airport projects are coming up in Jewar in Uttar Pradesh – being built by a PPP of AAI, Uttar Pradesh government and Zurich Airport – and Navi Mumbai – partnership of AAI, Maharashtra government and Adani Airport Holdings – in Maharashtra. The government is also planning to build many more airports to cater to the rising demand.

75 YEARS IN A NUTSHELL

- Lopsided development of infrastructure during the British rule
- Cities and regions of strategic importance to the British well developed and villages neglected
- Railways the biggest contribution of the British
- Infrastructure development right from scratch, especially in rural areas, by governments post-independence
- Initial development mostly by government funding
- Huge infrastructure projects of early days driven by DFIs
- A big boost to projects after return of private sector post-liberalisation
- Huge leg-up to projects with newer funding models under PPP
- A framework under NIP and NMP guiding massive infrastructure rollout

The road ahead

India's infrastructural landscape has undergone fascinating changes over the past 75 years, especially after re-entry of private sector post-1991. New concepts, such as PPP, and new models of funding have helped projects take off at a greater pace and boosted economic growth.

Meanwhile, the Modi government has embarked on an infrastructure-driven growth model. Accordingly, it has unveiled National Infrastructure Pipeline (NIP), comprising a list of projects worth over Rs 111 lakh crore, to be implemented on a priority in PPP mode. The erstwhile DFI model has been revived with setting up of National Bank for Financing Infrastructure and Development (NaBFID) to fund the projects. The government has also launched National Monetisation Pipeline (NMP) to help in monetising its brownfield assets. It has successfully mopped up Rs 96,000 crore in FY22 by leasing out operational roads, gas pipelines and the like to private entities for maintenance and operation for a certain period. The proceeds of NMP will be used to fund new projects.

The framework for the big infrastructure expenditure plan is ready. The bigger challenge is to procure timely funding and to ensure efficient execution so that projects materialise according to plan.

COMMUNICATION

Changing Face Of Messenger

WhatsApp, Facebook and Instagram have rapidly replaced leisurely letter writing, shock and awe of a telegram and the good, old landline.

On July 15, 2013, the government permanently shut down telegram service in the country. The end of one of the country's oldest – and fastest in those days – services seemed to indicate the extent of changes that had swept across the communication sector. Widespread use of email, short-messaging service (SMS), WhatsApp and other modes of communication had rendered the telegram redundant, compelling the government to wind it up.

Known as *taar* in most Indian languages, the telegram often instilled fear in its recipients as it usually brought bad news of death or illness of kith and kin. Started by the British in 1851, telegram was the fastest mode of communication in the country as there were very few telephone connections up until the mid-1980s.

> Despite their many challenges, communication modes of the bygone era are still nostalgic, thanks to that human touch. But sadly, in spite of all the convenience, the new modes of communication lack that human warmth. It is perhaps a natural order that you gain something only by losing something else.

People generally kept in touch with one another by writing letters. In fact, many a love affairs blossomed and many poets bloomed through this humble mode of communication. If a matter was of urgency, there was, of course, the telegram. And for something much more important and urgent, there was a telephone at the post office or in the neighbourhood.

Telephone was considered a luxury by policymakers, and hence, little was done to make it accessible to the masses. Like cars and two-wheelers, there used to be a very long waiting list to get a telephone connection. Terms like PP or Private Party affixed near a telephone number or trunk call are today nostalgia of a bygone era. The PP essentially meant that the number belonged to a neighbour's telephone, and the neighbour would oblige and let him answer the call. A person in a particular town could contact another person in another town only through a trunk call through their respective telephone exchanges. It was only after the 1980s that the Subscribers' Trunk Dialling (STD) facility enabled people in different towns to make telephone calls directly.

Ringing in a new era

A telecom revolution swept the country in the mid-1980s that literally changed the lives of people and spurred economic growth. It also laid the foundation for the country to transform into an information technology (IT)-driven knowledge economy.

The man behind this big change was Satyanarayan Gangaram Pitroda, better known as Sam Pitroda. Mr Pitroda, an IT engineer who had worked in the US, settled down in India and set up Centre for Development of Telematics (C-DOT) in 1984. He met then Prime Minister Rajiv Gandhi and convinced him with his plan of transforming the Indian telecom sector.

With the prime minister's full support, Mr Pitroda and his team of engineers designed a product specifically for suitable for Indian conditions – 128 P RAX. The product enabled establishing a number of Rural Automatic Exchanges (RAX) across villages. These rural exchanges could connect to telephone exchanges in

Widespread use of email, SMS and WhatsApp led to government winding up telegram service in 2013.

3G- and 4G-spectrum-driven smartphone revolution has changed the way Indians interact today.

HOW INDIANS INTERACTED...

- Letter writing a major mode of communication earlier
- Telegram considered fastest means of interaction earlier
- Telephone connections very few until mid-1980s
- Rural telephony pushed by C-DOT's numerous rural exchanges
- Telecom revolution caused by PCOs in nooks and corners of the country
- Post-liberalisation telecom sector opened up for private and foreign investors
- Cheaper telecom tariffs as a result of shift from licence fee regime to revenue-sharing mode
- Smartphone revolution triggered by 3G and 4G spectrum
- Apps the latest mode of communication

bigger cities and thus bring telephone services to remote villages of the country.

The upgraded telecom infrastructure led to setting up of public call officer (PCOs), the yellow-coloured telephone booths all over India. These PCOs provided livelihood to a large number of people who would run the telephone booths. Besides, easy accessibility of a telephone facility at an affordable cost helped move the wheels of the economy at a greater pace.

Soon, the government began overhauling the administration of the telecom sector. The Department of Telecommunication (DoT), which managed telecom services across the country until the late 1980s, was left with only management functions. Telecom services were carved out of the DoT into separate corporate entities – Bharat Sanchar Nigam (BSNL) in charge of telecom services across India, except New Delhi and Mumbai; Mahanagar Telephone Nigam (MTNL) to run telecom services in New Delhi and Mumbai; and Videsh Sanchar Nigam (VSNL) wholly responsible for managing overseas telephony.

Age of the apps

Post-liberalisation, the telecom sector was opened up for private, including foreign, investment. The government issued wireless or mobile telephony licences to private players, and mobile phones burst onto the scene in 1995. However, it took almost a decade for the masses to hook on to the mobiles. A major hindrance was exorbitant call rates, which ranged from Rs 8.40 to Rs 16.80 per minute. Moreover, incoming call were also charged. High licence fees paid by telecom operators were responsible for such sky-high tariffs.

The New Telecom Policy, 1999, which was introduced during the tenure of Prime Minister Atal Behari Vajpayee, enabled telecom operators to shift from the licence fee regime to a revenue-sharing model. This drastically brought down call rates, made incoming calls free and prepared the ground for the grand mobile revolution.

Around the same time, the stage was also being set for strengthening this mobile revolution by introducing the internet in the country. In 1995, VSNL launched the internet service across India. Gradually, email or electronic mail via the internet and SMS through mobile services provided better, faster and cheaper (free in the case of emails) modes of communication.

The revenue-sharing model and stiff competition among telecom companies had brought down call rates drastically. If the second generation (2G) airwaves or spectrum issued in 1995 had led to call tariff wars among telecom players, subsequent 3G and 4G spectrum auctions pushed mobile companies into a data war. The Supreme Court's cancellation of licences and spectrum allotted in 2G scam and Reliance Jio's disruptive strategies hit the sector badly and led to many telecom companies winding up their operations.

If mobile companies' balance sheets are bleeding, telecom users have never had it so good with dirt-cheap call and data rates and high-speed internet connection, thanks to 3G and 4G spectrum. Moreover, 3G- and 4G-spectrum-driven smartphone revolution has provided people access to innumerable apps – such as WhatsApp, Facebook, Instagram and many others – and drastically changed the way Indians interact today. Besides, smartphones are driving the modern economy by creating and supporting a startup ecosystem, spurring online shopping, boosting entertainment and facilitating digital transactions.

BANKING & FINANCE

Brick To Click

If nationalisation spread banking and financial services across villages and liberalisation improved them manifold, ongoing digital revolution is deepening financial inclusion like never before.

A farmer in a far-off village in Assam is able to receive promptly PM-Kisan instalments paid by the Union government in his bank account.

A trader in a village set deep in southern Tamil Nadu pays for all his provision through his smartphone.

A labourer in Gujarat is able to send a part of his earnings to his family in Bihar through one of those financial services apps on his smartphone.

A student in a distant mountainous village of Kashmir opens a bank account and carries on transactions online without stepping into the bank.

The above transactions were simply unimaginable 75 years ago. Moreover, all those transacting above are common folks in far-flung villages and not your yuppies – young urban professionals. It just shows how much has changed in the world of Indian banking and finance.

But back in 1947, it was more than a challenge for villagers to do banking transactions. Not all villages had banks. In fact, it was a trudge of several miles to a distant village or a city to reach a bank. However, banking operations had started in the country a long ago with Bank of Hindostan in 1770. But the bank closed down in 1832. There were many more banks, owned by traders and companies, concentrated especially in big cities and towns.

The largest and oldest bank still in existence is State Bank of India (SBI). It had begun in 1806 as Bank of Calcutta and was later renamed as Imperial Bank of India. Imperial Bank also served as the quasi-central bank until the Reserve Bank of India (RBI) was established in 1935.

Bank nationalisation had positive impact initially. But as years rolled by, political interference and the resultant crony lending sowed the seeds of NPAs – a malaise that continues to plague the banking sector even today.

Banks continued to be owned by traders and industrialists and were mainly present in urban areas even after independence. Bank nationalisation of 1969 and 1980 attempted to correct this trend by getting banks to open branches in rural areas. The government also directed banks to advance more loans to agriculture, small businesses and rural enterprises. Nationalisation had positive impact initially. But as years rolled by, political interference and the resultant crony lending sowed the seeds of non-performing assets (NPAs) – a malaise that continues to plague the banking sector even today.

Economic liberalisation turned out to be the much-needed panacea for the troubled banks. The Narasimham Committee reports of 1991 and 1997 rolled out the roadmap for opening up the banking sector. The reports had recommended entry of new banks, deregulation of interest rates and end of directed credit, among others.

The banking sector was once again opened to private and foreign entities. However, India is still wary of handing over control of banks to the corporate sector. Private lenders– like HDFC Bank, ICICI Bank and others – changed the very face of banking in the country with plush branches, numerous automated teller machine (ATM) kiosks, credit and debit cards and personalised services. Competition between both public and private sector banks led to better banking facilities for customers, including new schemes and accounts, easier, faster and higher processing of loans and attractive interest rates, among others.

Liberalisation, of course, had its pitfalls with quite a few scams involving Global Trust Bank, Punjab National Bank and Yes Bank, to name a few, as well as innumerable cooperative banks. Each scam has exposed some loopholes in the banking sector, some of which have been plugged.

A high point of the banking sector saga is the consolidation of public sector banks (PSBs). Over the past five years, the number of PSBs has shrunk from 27 in 2017 to 12 currently. The process began with SBI merging its five associate banks merging with it in 2017. Since then, many PSBs have been merged together with a view to a lesser number, yet significantly bigger, PSBs.

A promising development in the banking sector is a decline in lenders' NPAs. Gross NPAs have fallen to Rs 7.73 lakh crore as of December 31, 2021, against Rs 10.36 lakh crore as of March 31, 2018. Concerted efforts by the RBI since 2015, beginning with the Asset Quality Review (AQR) of banks led to recognition of the magnitude of the problem. Since then, stringent provisioning norms and other resolution processes, including the Insolvency and Bankruptcy Code (IBC), 2016 – although IBC has been slower in achieving the desired results – have helped in containing NPAs.

Expanding financial world

Just like banking, the country's financial sector too has undergone breathtaking changes. Each of the financial segments, including non-banking financial companies (NBFCs), insurance, mutual funds and microfinance, has played an important role in enriching people and fast-tracking economic growth.

> Liberalisation had its own pitfalls with quite a few scams involving Global Trust Bank, Punjab National Bank and Yes Bank, to name a few, as well as innumerable cooperative banks. Each scam has exposed some loopholes in the banking sector, some of which have been plugged.

The origins of NBFCs can be traced back to DFIs in the late 1950s which were the major source of funding the country's infrastructure. Gradually, many NBFCs sprang up in various segments, mostly in the private sector. These companies were classified as housing finance companies – HDFC, LIC Housing Finance Company and others – gold loan companies – Manappuram, Muthoot and several others – asset finance companies – like Srei Infrastructure Finance, Shriram Transport Finance and so on.

Initially, they were regulated by the Companies Act. But as they grew and also became financial intermediaries, the RBI took over their supervision. Post-liberalisation, a few NBFCs converted into the country's leading banks, like ICICI Bank and IDBI Bank. Over the years, the central bank introduced stricter regulation for NBFCs, thereby reducing the regulatory arbitrage between banks and NBFCs. This was a significant factor that pushed HDFC to go into a reverse merger with its subsidiary HDFC Bank this year.

At the dawn of independence, there were many private insurance companies, mostly owned by foreign companies, like Oriental Life Insurance Company, Bombay Mutual and Empire of India, among others. In 1956, the government nationalised the life Insurance sector, and Life Insurance Corporation of India (LIC) was set up by taking over the businesses of 245 Indian and foreign insurers.

Similarly, the General Insurance Business (Nationalisation) Act, 1972 amalgamated 107 private insurers and

A ROSY BALANCE SHEET OF 75 YEARS

- Spread of banking across villages after nationalisation
- Explosion of financial services after re-entry of private sector post-liberalisation
- Consolidation of PSBs from 27 to 12 - a high point of banking sector saga
- A decline in lenders' NPAs a promising development
- A wide range of mutual fund and insurance schemes, thanks to stiff competition
- Microfinance the first segment to tap people at the bottom of the economic pyramid
- Financial inclusion deepened by small finance banks and payments banks
- Digital transactions disrupting life in unprecedented ways

Private lenders changed the very face of banking with plush branches and personalised services.

formed four State-owned non-life isnurance companies – National Insurance Company, New India Assurance Company, Oriental Insurance Company and United India Insurance Company. They were incorporated as subsidiaries of General Insurance Corporation of India (GIC).

The 1991 reforms brought the private sector back into the insurance business. The Insurance Regulatory and Development Authority (IRDA) was constituted to regulate and develop the insurance industry. Besides, GIC was converted into a national re-insurer. Today, the industry has 58 insurance companies – 24 life insurance companies and 34 non-life insurers. LIC is the sole public sector life insurer, while there are six public sector insurers in the non-life segment.

Thriving competition in the insurance industry has helped customers, providing them a wide range of choice in terms of policies, pension plans and other schemes. Despite erosion of market share, LIC still continues to be market leader with a market share of 63 per cent at the end of FY22.

Mutual fund industry, in the meantime, began in India in 1963 with formation of Unit Trust of India (UTI) to provide another instrument for people to save money. However, State-owned UTI was not strictly functioning as a mutual fund because the dividends paid out by it were not based on market rates but often higher to encourage savings.

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Mutual fund industry, in the meantime, began in India in 1963 with formation of Unit Trust of India (UTI). Today, 44 fund houses manage more than 2,500 schemes and provide a wide range of choice to investors amid tough competition.

The US-64 debacle jolted many investors and made them realise that market instruments can never provide guaranteed returns.

In its true sense, the mutual fund industry began in 1993 with many private and foreign fund houses setting up their businesses in the country.

By 2001, it had become unviable for UTI's Unit Scheme-1964 (US-64) to carry on business as it was paying dividends higher than what its investments earned. The Ketan Parekh scam of 2001 battered the stock market, and the value of UTI's investment portfolio, which had already shrunk over the years, plunged further down.

UTI stopped redeeming the US-64 units from the public in 2001. The government intervened and promised to pay US-64 investors over the next few years. UTI was bifurcated into two separate entities. US-64 and other schemes of UTI were housed under the Specified Undertaking of the Unit Trust of India. The other entity, UTI Mutual Fund, began functioning like any other mutual fund. The US-64 debacle jolted many Indian investors and made them realise that market instruments can never provide guaranteed returns.

Today, 44 fund houses manage more than 2,500 schemes and provide a wide range of choice to investors amid tough competition. Besides, mutual funds and insurance companies form a significant part of domestic institutional investors (DIIs), who have been supporting the stock market quite formidably as foreign portfolio investors (FPIs) exit the market.

Liberalisation brought with it microfinance institutions (MFIs) which began providing micro-credit or loans in very small denominations to the lower strata of the economy. National Agriculture Bank for Rural Development (NABARD) began a pilot project in 1992 by providing small amount of loans to about 500 women's self-help groups (SHGs) across the country. This pilot project gave birth to microfinance in the country.

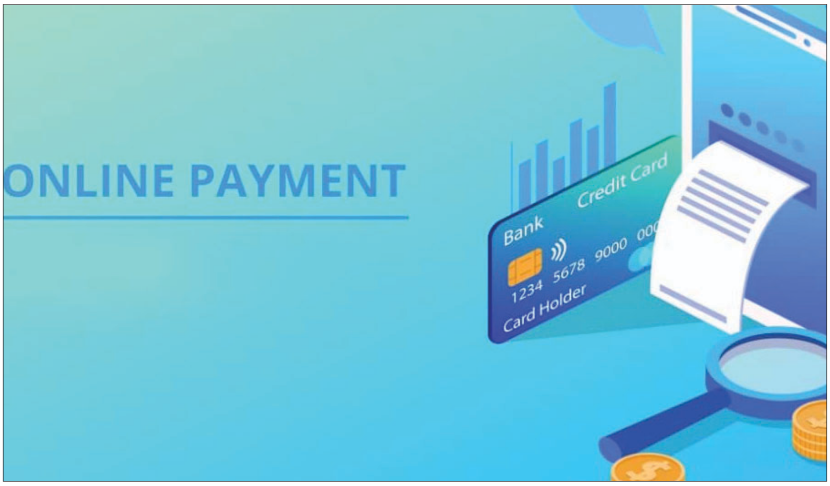
Soon, many private entities floated their own MFIs, led by Swayam Krishi Sangam (SKS) Microfinance, Spandana Spoorthy Innovative Financial Services and many more. MFIs were initially not-for-profit organisations. They were funded by banks which fulfilled their priority sector lending targets by lending to MFIs further lent to farm and rural sectors.

Gradually, many MFIs converted themselves into for-profit organisations and began tapping stock and bond markets to raise funds, lend to more borrowers and expand their micro-credit business. Vikram Akula, the founder of SKS, became the poster boy for aggressive growth of microfinance in the country. MFIs started getting huge funding from private equity and venture capital funds.

In 2010, Andhra Pradesh introduced a law to protect small borrowers from "usurious interest rates" and "forced loan recovery methods" adopted by MFIs. The law put a cap on the maximum interest rate that MFIs could charge. Later the RBI too put many restrictions, including capping of interest rates and limits of funding by banks to MFIs. These curbs badly impacted MFIs and slowed down their business. These developments forced MFIs to do course correction by lending with proper due diligence and spreading geographically across the country from their base in Andhra Pradesh. Around 100 MFIs are competing in a healthy way today and are an important agency for financial inclusion.

Racing to the bottom

Indian banking and finance sector has changed in unimaginable ways over the past decade and a half. Having spread bank branches in rural areas, the government went a step ahead to get each individual at least one bank account. This lofty goal of financial inclusion has got a big push through the Pradhan Mantri Jan Dhan Yojana.



Digital transactions kept life going undisrupted for all classes of people during COVID lockdowns in the past two years.

> NPCI launched the UPI – a digital payment system comprising banks and other fintech companies – in April 2016. Since then, the UPI has enabled seamless transfer of money across numerous entities and facilitated all types of digital transactions.

It was not enough merely for people to have bank accounts. Having brought people into the banking net, it was necessary to get them to benefit from several financial schemes. Pushing financial inclusion many notches up, the government and the RBI introduced the concepts of small finance banks and payments banks to cater to people at the bottom of the economic pyramid.

Small finance banks, 12 of which are currently operating, offer deposit and lending services to unserved and underserved sections of society. They mainly cater to small business units, small and marginal farmers, micro and small industries and people in other unorganised sectors. They are also allowed to sell mutual funds, insurance and pension schemes to their customers. Four payments banks that are functioning today offer the same services. But they are not allowed to offer loans. With their lean structure, these two types of banks are reaching out to people in far corners of the country through small retail shops, banking correspondents and other franchisees and thus deepening financial inclusion.

Finally, a digital revolution that unfolded in the past decade and facilitated online transactions has transformed the banking and finance sector like never before. National Payments Corporation of India (NPCI) launched the United Payments Interface – a digital payment system comprising banks and other financial technology (fintech) companies – in April 2016. Since then, the UPI has enabled seamless transfer of money across numerous entities and facilitated all types of digital transactions. In fact, life continued undisrupted during COVID lockdowns in the past two years for all classes of people - including those in the lowest rung of the economic ladder - thanks to these digital transactions. ■

RETAIL

Shopping Spree

An over Rs 71,55,000-crore Indian retail industry is a happening hive of activity amid fierce competition and unexpected collaboration.

A fierce battle for market share is under way in the over Rs 71,55,000-crore Indian retail industry. Mom-and-pop stores or small, street-corner stores still control about 80 per cent of the retail market. The modern trade – which comprises large corporate houses operating a chain of big retail stores across malls – is now on the defensive after growing their market share to around 15 per cent. Online retailers, the latest entrants in the market, have expanded quickly and hold sway over 5 per cent of the retail market.

Unlike today's cut-throat competition, retail scene before 1947 was quite calm and dominated mostly by small provision or general stores, also known as *kiranas*. Some British businessmen set up supermarkets or department stores, like Spencer's and Army & Navy Stores.

Kiranas continued to be the largest shopping segment even after independence. At the same time, many departmental stores started springing up across the country. Some such early supermarket chains were Apna Bazar – opened by Dadasaheb Sarfare as a workers' cooperative store in Mumbai in 1948 – Super Bazar – set up by the Central government in New Delhi in 1966 – Janatha Bazaar started by the Karnataka government in 1966 – and Safal – set up by NDDB in 1988.

WHAT'S HAPPENING ON RETAIL STREET?

- About 80% of retail market still controlled by *kiranas*
- Malls now defensive after growing market share to around 15%
- With over 5% market share, online retailers a threat to malls
- Consolidation in organised retail blurring lines between modern retail and online retail
- *Kiranas* reinventing themselves to stay relevant and grow in a dog-eat-dog market
- Amazon and Reliance racing to on-board small stores into their supply chain
- Hyperlocal retail a product of a unique collaboration between of *kiranas* and etailers
- Government's ONDC platform to bring together *kirana* and consumers and act as an alternative to multinational platforms

Amazing changes

Just before the winds of liberalisation blew, India's first mall came up in Chennai with a few Singapore-based businessmen opening Spencer Plaza in 1985. As the economy opened up, many more shopping malls, such as Ansal Plaza in New Delhi and Crossroads in Mumbai, were set up. It was also the time when the modern retail appeared on the scene with Shoppers Stop, Pantaloons and Westside – clothing and lifestyle accessories – Planet M – music – Crossword – books – and many others. New job and business opportunities that accompanied economic liberalisation had given rise to a vast section of affluent Indians who would not hesitate to spend. This class of Indians fuelled the spread of mall culture.

Then in 2001, Kishore Biyani set up Big Bazaar in Kolkata. Mr Biyani, aptly called the retail king of India, revolutionised modern trade by providing Western shopping experience with a touch of Indianness. Big Bazaar's big discounts and bigger deals got Indians to shop as if there was no tomorrow.

Soon, many malls sprang up in the nooks and corners of the country, inspired by Big Bazaar's success. But most of them were badly planned and failed miserably. Expertise from mall planners of the West was sought, and new malls that sprang up later not only began housing retail branded outlets but also facilities for entertainment – multiplexes became a part and parcel of malls – food joints, restaurants and the like to provide a wholesome experience of shopping and entertainment.

Apna Bazar in Mumbai and Janatha Bazaar in Karnataka were some of the early supermarket chains in independent India.

Many other big corporate houses, including Reliance Group (Reliance Retail) and Aditya Birla Group (More), soon entered the fray, and malls spread out from metros to tier-I and -II cities.

As malls were expanding swiftly, a silent revolution was on that would give rise to another format of retail – electronic retail or etail or online retail – which would soon rewrite the rules of retail forever. Way back in 1999, K Vaitheeswaran had set up an e-commerce website, Fabmart.com, which marked the beginning of the country's online retail. However, Fabmart was too ahead of its time as a large section of people were still not acquainted with mobile phones and internet. Fabmart was acquired by the Aditya Birla Group and rebranded as retail chain More. Mr Vaitheeswaran launched another e-commerce venture, Indiaplaza.com, which could not compete with its younger peers and had to shut shop in 2013.

In 2007, two ex-Amazon.com employees, Sachin Bansal and Binny Bansal, founded Flipkart, setting off a deluge of online retailers – like Myntra (which was later bought by Flipkart), Snapdeal and many others. Like Amazon.com, Flipkart started as an online bookstore and then began retailing movie tickets, mobile phones, and today sells almost everything. Their fascinating growth was fuelled by widespread use of smartphone and internet by all classes of people, big foreign investments by PE and VC funds and a growing class of affluent, young Indians hooked on to their smartphones.

New trends

Meanwhile, consolidation in the organised retail sector has been blurring the lines between modern retail and online retail. Walmart India's acquisition of Flipkart – physical retail buying digital retail – and Amazon snapping up More – the other way around of digital retail acquiring physical retail – just show how the Indian retail landscape is shaping up.

Big Bazaar's big discounts and bigger deals got Indians to shop as if there was no tomorrow.

Reliance Retail is locked in an aggressive battle for market share with US giants Walmart and Amazon.

Besides, a formidable combination of Reliance Retail and its online retail arm JioMart is engaged in an aggressive battle for Indian market share with US giants Walmart and Amazon. A long-drawn legal tangle between Reliance Retail and Amazon for control over the Future Group indicates how high the stakes are.

The *kiranas*, in the meantime, are reinventing themselves to stay relevant and grow in the dog-eat-dog Indian retail market. They are providing free home delivery and tracking down their customers' requirements and stocking products accordingly. Interestingly, online retail is collaborating with these small stores to improve the former's last-mile delivery. Amazon and Reliance are locked in a race to on-board small stores into their supply chain and thus expand their markets.

This unique collaboration of *kiranas* and etailers has led to hyperlocal retail players – like Dunzo, Swiggy, Zomato, BigBasket and Zepto, among others. Moreover, scores of fintech companies are also chasing small stores and selling them their payment systems, which is facilitating digitalisation of the country's traditional retail.

The Union government too has entered the market indirectly. It is planning to roll out an indigenously-developed online e-commerce network – Open Network for Digital Commerce (ONDC) – that can bring lakhs of *kirana* stores and consumers on a platform that can be an alternative to multinational platforms, such as Amazon and Flipkart.

These are indeed very interesting times for the Indian retail sector, where small stores, modern trade and online retailers will continue to coexist.

MARKETS

Mega Makeover

A set of far-reaching reforms after the 1992 scam changed the way stocks are traded in India and provided a leg-up to bonds, commodities and currencies markets.

Last October, benchmark stock market indices hit all-time highs. While Bombay Stock Exchange's (BSE) Sensex soared past 60,700 points, National Stock Exchange's (NSE) Nifty surged over 18,600 points last year. Since then, the indices have come off their record highs. But Sensex and Nifty are still sizzling at dizzy heights of more than 57,500 and 17,100 respectively. Lakhs of new, young investors, who have joined their seasoned counterparts over the past few years, have been keeping the markets buoyant. Besides, bourses continue to rally as trading now mostly happens on smartphones or laptops in the cool confines of homes and offices even while attending to regular work.

Now, cut back to the downtown Bombay of 1850s, when five traders gathered below a banyan tree just opposite the iconic Asiatic Society building. That was how stock trading began in India almost 150 years ago. With more traders joining in gradually, a trading group – Native Share and Stock Brokers' Association – was formed. It was later renamed the Bombay Stock Exchange and shifted to the current towering edifice on Dalal Street. BSE was followed by Ahmedabad Stock Exchange, Calcutta Stock Exchange and Madras Stock Exchange.

The 1977 IPO of Reliance Industries, steered by its then Chairman Dhirubhai Ambani, created history by getting subscribed by seven times. The RIL stock, which became the darling of investors, played a vital role in spreading equity culture across the country.

With independence, the Securities Contracts Regulation Act, 1956 was promulgated to regulate stock trading in the country. Over time, 23 stock exchanges began operating across the country, with BSE, Asia's oldest stock exchange, leading the pack. The 1977 initial public offer (IPO) of Reliance Industries (RIL), steered by its then Chairman Dhirubhai Ambani, created history by getting subscribed by seven times. The RIL stock, which became the darling of investors, played a vital role in spreading equity culture across the country.

Later in 1986, BSE unveiled its benchmark index, Sensex – a shortened form of Sensitive Index – which became a national obsession with stock market investors. The name Sensex, which comprises prices of 30 leading stocks listed on BSE, was coined by Deepak Mohoni, a stock market analyst.

Economic liberalisation and entry of foreign institutional investors (FIIs) were set to spur Indian markets. But instead the rot that lay beneath the glitzy markets erupted to the fore in the form of Harshad Mehta scam in 1992 and shocked the nation and numbed the markets.

Hailing from a middle-class family, highly-ambitious Harshad Mehta had done quite a few odd jobs before becoming a stockbroker of BSE. Mr Mehta was quick to spot many loopholes in the Indian banking and financial sector. He built close relationship with some of the top bankers and even politicians and was able to get access to huge funds, which he used to jack up prices of shares to unbelievable heights.

At the heart of the securities scam of 1992 were the bank receipts (BRs),

BSE, Asia's oldest stock exchange, had its origin in 1850s with five people trading stocks under a banyan tree in Mumbai.

National Stock Exchange, set up in 1994, brought an order-driven, transparent and screen-based trading system and soon overtook BSE as the country's largest stock exchange.

which used to represent government securities and bonds purchased by a bank. The BRs would be valid for a certain number of days until the securities were physically transferred from the selling bank to the purchasing bank. His close nexus with some bankers helped Mr Mehta to get hold of the BRs. Besides, some bankers conducted fictitious transactions and issued BRs, which showed on their accounts books as pending securities transactions. However, the money related to those transactions was diverted to the bank accounts of Mr Mehta. He would deploy this money into stocks, raises their prices, sell them and make money and duly return some part of the money to the banks that had funded him.

This scam went on for over a year, enriching Mr Mehta – who went by the moniker the Big Bull – and his group of close bankers. He began leading a flashy lifestyle, selling big investment dreams, and soon had a large base of brokers and investors who would follow his tips blindly. Subsequently, routine audits of some of the banks showed huge shortfall of government securities, and the scam finally came to light.

It took the scam of 1992 to reform and transform the Indian stock market. The Securities and Exchange Board of India (SEBI) was set up in 1992, which replaced erstwhile regulator Controller of Capital Issues. A group of experts and officers – including Ramachandra H Patil, G V Ramakrishna, Chandrasekhar Bhaskar Bhave, Ravi Narain and Chitra Ramakrishna – was instrumental in rolling out NSE – a modern stock exchange, promoted by IDBI, LIC and other State-owned institutions unlike the promoter-led BSE – in Mumbai in 1994. The new stock exchange launched an order-driven, transparent, screen-based trading system. NSE soon overtook BSE, and the old, open outcry system of trading in the ring was replaced by modern, screen-based online trading, which brought in transparency. A year later, BSE too went online with its BSE Online Trading (BOLT) system.

The group of experts also set up National Securities Depository (NSDL) in 1996. The country's first depository gradually facilitated holding of shares and securities in electronic form, which eliminated physical shares. The dematerialisation (demat) of shares helped in ending counterfeit shares floating in the market. The paperless trading system also enabled in drastically cutting down the trade settlement cycle from 14 to just two days. The long gap in settling trades earlier had aided Mr Mehta to make large profits and keep rotating the money from one bank to another.

Demutualisation was yet another major reform undertaken by the SEBI. From BSE to Calcutta Stock Exchange (CSE), many of the Indian bourses were more of an old boys' club, with both ownership and day-to-day management concentrated among their broker members. The situation was so bad that many a time BSE would shut operation abruptly just because a few brokers did not have money to settle the trades.

The birth of NSE with its separation of ownership and a professionally-run management began changing these whimsical practices. By the turn of the millennium, the capital market regulator mandated that exchanges go in for demutualisation, which essentially is a separation of ownership and management. BSE got demutualised, while CSE and other stock exchanges shut down because of low volume of trade. The Indian stock market is today dominated by market leader NSE and BSE. Many other stock exchanges, including CSE,

BIG-TICKET MARKET REFORMS

- Open outcry system replaced by online trading
- A new beginning with NSE's order-driven, transparent, screen-based trading
- Trade settlement cycle shrank from 14 to two days with NSDL and dematerialisation.
- Stock exchanges became transparent and professional via demutualisation.
- Many new facilities on bourses, like F&O, stock lending and borrowing and SME platform
- Transparency in government securities market through electronic, screen-based, order-driven trading
- Efforts on to develop a robust corporate bond market
- SEBI trying to revive commodities futures market, which it is regulating since 2015

have stopped trading and operate as financial and market intermediaries.

In 2001, the stock market was hit by another scam, this time masterminded by stockbroker Ketan Parekh. Called the Pied Piper of Dalal Street, Mr Parekh borrowed huge sums of money from cooperative banks to boost prices of ten of his favourite shares, which came to be known as K-10 stocks. The scam did unsettle the market. However, it soon recovered, and the SEBI put in place stringent mechanisms to monitor the markets.

Over the years, the SEBI launched many new trading schemes, such as futures and options (F&O) and stock lending and borrowing, facilitating NSE and BSE to become world-class stock markets. The two exchanges also launched other platforms to enable trading in corporate bonds, currencies and other instruments. Besides, SME platforms of both NSE and BSE have helped SMEs tap the capital market for resources and list on them.

Last year was memorable not just for the record highs of indices. It was also the year of IPOs, with 63 public issues collectively mopping up more than Rs 1,20,000 crore. Of these issues, eight startups raised Rs 43,942 crore, accounting for 38 per cent of the total IPO amount raised last year. After many rounds of investments from PE and VC funds, startups appear to have tapped the capital markets to raise resources.

The government securities market underwent major changes after 1991. An active debt management policy was put in place. *Ad-hoc* Treasury bills were abolished. Changes were made in the auction process of government securities. New instruments, such as zero-coupon bonds, floating-rate bonds and capital-indexed bonds, were introduced.

Amid these celebrations, there was a gloomy development, with NSE getting embroiled in embarrassing controversies. It is incomprehensible that the stock exchange that changed the way India traded finds itself in such a terrible mess. NSE's former MD and CEO Chitra Ramakrishna was arrested early this year in NSE's co-location case, where some stockbrokers were allegedly given preferential access for trading. The second rather embarrassing issue was many corporate governance lapses as well as alleged siphoning of funds from the exchange by Ms Ramakrishna at the behest of an unseen "Himalayan Yogi".

Meanwhile, after a very long bull run, the stock market is giving up gains amid exit of many FIIs. However, the saving grace is huge purchases of stocks by domestic institutional investors, like insurance companies, mutual funds and others, which have cushioned the fall of the markets following large-scale selling by FIIs.

Bonds come of age

India had a fairly well-developed bond market when it became independent. The East India Company and later the British government had developed a rather strong bond market to raise debt to fund for rail and other infrastructure projects. Besides, the RBI was also set up by the British to conduct auction of government securities and other central bank operations.

The big changes in the government securities market unfolded after economic liberalisation. In fact, Harshad Mehta's stock market scam was possible mainly because of the loopholes in the securities market. Besides, the 1992 scam was aptly called the securities scam. Many reforms were effected by the RBI to clean up the government securities market.

An active debt management policy was put in place. *Ad-hoc* Treasury bills were abolished. Before 1991, the government would sell Treasury bills to the RBI directly to fund its expenses. This fiscal deficit or debt monetisation was brought to an end after the government and the RBI signed two agreements in 1994 and 1997. Changes were made in the auction process of government securities. New instruments, such as zero-coupon bonds, floating-rate bonds and capital-indexed bonds, were introduced.

The RBI also introduced the Negotiated Dealing System-Order

SEBI is looking to introduce market-makers and Repo trading in a bid to deepen corporate bond market.

The dream run of commodities futures markets came to an abrupt halt in 2013 with the NSEL scam.

Matching (NDS-OM), an electronic, screen-based, anonymous, order-driven trading system for dealing in government securities. This put an end to the earlier telephone-based trading between banks and other financial institutions. The NDS-OM system brought transparency into government securities trading to ensure that securities market would not be abused as it had been in 1992.

Meanwhile, corporate debt market unfortunately is not as well developed as government securities market. The SEBI, which regulates the corporate debt market, has been trying hard to strengthen it in the past few years. The market regulator is looking to recharge the low level of trading in corporate debt instruments, which are listed on the debt segment of stock exchanges. Limited number of investment-grade or AAA-rated corporate debt and a lack of bond indices are among a few hurdles before the corporate debt market.

The SEBI is looking to introduce market-makers in corporate bonds. These entities quote both buy and sell price orders and create liquidity in the secondary bond market. The cost of market-makers will come down by allowing Repo trade in corporate bond markets. The Repo trade, similar to the one in government securities market, will enable market-makers to sell and repurchase corporate bonds, making it easy to convert bonds into cash and vice versa according to the need. A robust bond market is the need of the hour today when huge investments are needed to fund infrastructure projects on a very massive scale.

The RBI has allowed retail participation in government securities, which is aimed at widening the investors' base of government securities. Under the RBI Retail Direct Scheme, retail investors can open online Retail Direct Gilt Accounts with RBI and link the accounts with their savings bank accounts.

Return of commodities futures

Before independence, India had thriving commodities futures markets – such as Bombay Cotton Trade Association for cotton; Gujarati Vyapari Mandali for groundnut, castor seed and cotton; and Calcutta Hessian Exchange for raw jute and jute goods. Futures trading continued unhindered for a decade even after independence. But the enactment of Essential Commodities Act, 1955 proved to be a major stumbling block for commodities futures. One by one, various ministries of the Central government began banning commodities futures in the country. By 1970, futures trading in commodities had come to a grinding halt.

Commodities futures re-appeared on the scene in 2003 after the government approved its trade and allowed

Futures trading continued unhindered for a decade even after independence. But the enactment of Essential Commodities Act, 1955 proved to be a major stumbling block for commodities futures. One by one, various ministries of the Central government began banning commodities futures in the country.

setting up of commodities markets, like MCX, NCDEX and NMCE. There was a bull run on the commodities markets for a decade, coinciding with the global commodities boom. The dream run of commodities futures markets came to an abrupt halt in 2013 with the NSEL scam. The scam resulted in Forward Markets Commission, the erstwhile commodities markets regulator, getting merged into SEBI, which now oversees commodities futures trade. Since the scam, volume of trade on the markets has been dipping.

Looking ahead

The SEBI, in the meantime, is mulling permitting social stock exchanges to help organisations engaged in improving the lives of marginalised and downtrodden sections of society to raise funds through this platform. The proposal is in initial stages, and such stock exchanges could provide a big push to bring a greater number of people out of poverty.

Meanwhile, equity markets have stabilised and brought many new investors into their fold. Similar efforts and reforms can deepen corporate bond markets and revive commodities markets.

"Gain Your Client's Trust"

"Most organisations often overlook the work done by their teams at different levels. It is necessary to acknowledge and appreciate the work done by each and everyone from time to time to encourage more productivity and innovation."

Sanjay Kothari may have been born in a flourishing family business of gems and jewellery. But that did not exempt him from the business the hard way. His father sent him to work in other firms and learn the tricks of the trade from scratch.

That basic grounding has helped Mr Kothari, the vice-chairman of the Hong Kong-based KGK Group, to expand his family business to newer territories. In the over 30 years of his business life, Mr Kothari has transformed the century-old KGK Group from mining to manufacturing and from marketing to distribution. Mr Kothari – who admires art and loves listening to music – has also diversified his business by venturing into new gemstones, diamonds and jewellery and also made foray into retail and real estate.

With over 12,000 employees, the KGK Group has also made some notable international acquisitions. The group today has four international brands – Martin Flyer, Gregg Ruth, Judith Ripka and Kiros – under its wings. Mr Kothari, a renowned name in the world of gems and jewels, is an Honorary Life President of Hong Kong Gemstone Manufactures' Association. ***Sharmila Chand*** chats up with Mr Kothari and is left impressed by his management principles and practices.

Your five management *mantras*

- **Create a network of support:** A strong network ensures that we are surrounded by people who can help us grow and sharpen our skills. It plays a significant role in tackling challenging tasks and aligning a robust strategy for prospects. Major successful expansions are also a result of strong networks that hold things together.
- **Appreciate work:** Most organisations often overlook the work done by their teams at different levels. It is necessary to acknowledge and appreciate the work done by each and everyone from time to time to encourage more productivity and innovation.
- **Good governance:** Ensure that the management at the top of the hierarchy is neutral and listens well to ensure smooth operation.
- **Equal opportunity:** When the management is unbiased, it gives a space for everyone to grow. It is important to provide equal opportunities to every employee to challenge them to explore their potential hidden skills. This keeps them motivated and expands their horizons.
- **Good CSR:** We all should make sure that we cause as little damage to the environment as possible to conserve our resources. Mother Nature should never be harmed directly or indirectly by your goods. We have to take the responsibility of giving back to the community and nature, which constantly help us in achieving our goals.

Turning point in your career life

Despite being born in the lap of luxury, I lived my life with equanimity and courage. Despite having a huge in-house business, I was sent for training in another diamond firm, where I learnt from scratch when I started my career. I was treated like any other worker. We would start the day with daily chores and would finish late. Those were the growing days of this business, and everyone had a training centre. We have one in our company too. I learnt the basics of the business and the processes and then came back to my own company. Since then, there is no looking back.

Secret to your success

I am passionate about what I do. I give huge credit for where I have reached today to my father, who was a constant guide, and I have earned this position by constantly working hard over the years. I was always keen on exploring creativity and innovating with new technology. I take immense pride to imbibe our ethics of professionalism and management into the group and its functioning. This has played a key role in revamping the IT and corporate identity of the KGK Group.

A person you admire

My Father, Navrattan Kothari, is an inspiration for many, and I am no exception. He gave us an upbringing that was privileged not just in wealth but in values and depth of life. He taught us to stand by principles in true sense.

Best advice you got

When I joined the business, my father's name had a hold in the industry; every move of ours was umpired. We were in our father's shadow. That is when he anticipated our nervousness and gave us advice that changed our business outlook. He said: "You can break open the egg, if you have power. Don't worry about the mistakes as achievements overcome failures. That is the beauty of being successful."

SANJAY KOTHARI
Vice-Chairman,
KGK Group

Your favourite books

I believe that every book and every author gives us something unique to linger upon. However, *The People's Tycoon* by Steven Watts is my most read book. This book pushed me to look at innovations from a different perspective and taught me a lot about leadership. The story centres on the life of Sir Henry Ford, the Ford Motor Company's founder. The story of a Michigan farm boy becoming America's richest man is inspirational and nearly unbelievable.

Your five business *mantras*

- **Understand your speciality and audience:** I believe that before establishing any business, you should have a good understanding of the market to which you want to cater. You must be able to compute and understand all the needs of your clients.
- **Raise brand awareness:** Establishing strong market presence requires acknowledging your brand's necessity and value in society.
- **Innovation:** Never keep to one style. Change is the law of society. All you have to do is come up with a fresh concept for your business to stand out in the market.
- **Product quality:** When it comes to making a statement about your company, the quality of your product is very important. The highest quality is related to the finest business remarks in society.
- **Gain your client's trust:** In any business, it is very crucial to build trust between you and your client. During the pandemic, everyone went into a financial crisis, but the key role was played by how your relationship was with the clients. They stayed together as there was a trust factor with the brand, and the servicing was up to the mark.

Your message on management to youngsters

You might find it hard to crack initially, but perseverance is the key. The beginning is not always the hardest part, sustaining the growth is. Innovate and upskill as often as you can. Understand your team, your values and your vision. The upcoming generation has all the access to learning something new every day. Make sure to use this wisely.

You will be unstoppable once you realise your strengths and work accordingly. ■

Write to us at chand.sharmila@gmail.com

"We all should make sure that we cause as little damage to the environment as possible to conserve our resources. We have to take the responsibility of giving back to the community and nature, which constantly help us in achieving our goals."

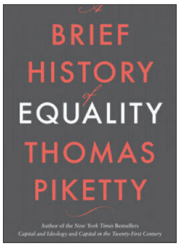
Hope On The Horizon

Renowned economist Thomas Piketty's new book shows that unequal human society is over the centuries moving towards greater equality.

The world's leading economist of inequality presents a concise, sweeping and surprisingly-optimistic history of human progress towards equality despite crises, disasters and backsliding.

It's easy to be pessimistic about inequality. We know it has increased dramatically in many parts of the world over the past two generations. No one has done more to reveal the problem than Thomas Piketty. Now, in this surprising and powerful new work, Mr Piketty reminds us that the grand sweep of history gives us reasons to be optimistic. Over the centuries, he shows that we have been moving towards greater equality.

A BRIEF HISTORY OF EQUALITY



Author THOMAS PIKETTY

Publisher HARVARD UNIVERSITY PRESS

Pages: 320

Price: Rs 699

Mr Piketty guides us with elegance and concision through the great movements that have made the modern world for better and worse: the growth of capitalism, revolutions, imperialism, slavery, wars and the building of the welfare State. It's a history of violence and social struggle, punctuated by regression and disaster.

But through it all, Mr Piketty shows that human societies have moved fitfully toward a more just distribution of income and assets, a reduction of racial and gender inequalities and greater access to healthcare, education and the rights of citizenship. Our rough march forward is political and ideological, an endless fight against injustice. To keep moving, Mr Piketty argues that we need to learn and commit to what works, to institutional, legal, social, fiscal and educational systems that can make equality a lasting reality.

So, what are the main lessons that can be drawn from this new economic and social history? The author says that the most obvious is inequality is first of all a social, historical and political construction. "In other words, for the same level of economic or technological development, there are always many different ways of organising a property system or a border system, a social and political system or a fiscal and educational system. These options are political in nature," he writes.

Another lesson is that since the end of the 18th century, there has been a long-term movement towards equality, he says. This is the consequence of conflicts and revolts against injustice that have made it possible to transform power relationships and overthrow institutions supported by the dominant classes. The dominant classes seek to structure social inequality in a way that benefits them. Sincere attempts have been made in the past few decades to replace them with new institutions and new social, economic and political rules that are more equitable and emancipatory for the majority, he elaborates.

Mr Piketty adds that more recently, the financial crisis of 2008 and the COVID pandemic have already begun to overturn various certainties that shortly before had been considered irrefutable, certainties concerning, for example, the acceptable level of public debt or the role of central banks.

What caused this progress? Mr Piketty has a straightforward answer: The advent of progressive taxes on income and wealth and of the comprehensive welfare State. The taxes reduced inequality and paid for the welfare State, which has provided education, healthcare, old-age pensions and protection against severe deprivation. The idea that growth can solve the world's economic woes is "totally insane". Only a substantial weakening of property rights can solve the economic problems, he writes.

At the same time, we need to resist historical amnesia and the temptations of cultural separation and intellectual compartmentalisation. At stake is the quality of life for billions of people. We know we can do better, Mr Piketty concludes. The past shows us how. The future is up to us.

About the author

***Thomas Piketty** is professor at the Ecole des Hautes Etudes en Sciences Sociales and the Paris School of Economics and co-director of the World Inequality Lab. His books include* The New York Times *bestsellers* Capital in the Twenty-First Century *and* Capital and Ideology. *Mr Piketty's* Capital in the Twenty-First Century *was acclaimed as the most important work of political economy to be published in decades.*

Making Sense Of Lockdown

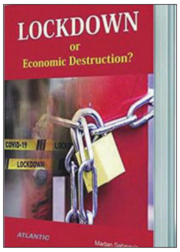
The book discusses the pros and cons of the nation-wide lockdown announced by Prime Minister Narendra Modi on March 24, 2020, to curb the spread of Coronavirus. It is a candid but balanced analysis of the lockdown on the economy at both the micro and macro levels. It studies the circumstances under which the lockdown was imposed and the consequences of this decision on the socio-economic horizon of India. It tries to analyse the justification of the lockdown for a country with eighty percent of its population dependent on government welfare schemes for survival.

The book looks at various economic facets that were distorted due to the lockdown and also does some crystal ball gazing of what the future will look with this new experience of working from home amid panic and fear as no one knows if the pandemic will return even if it seems to end.

It includes 21 chapters, divided into four sections with two initial chapters. The standalone chapters in each section directly lay before the reader the issue and provide the commonly-held view and then attempts to provide the counterview supported by facts.

The book starts with a Prologue describing the way people in India look at the lockdown and the epidemic months after the economy was subjected to a panic exercise. The other chapters talk on various issues which came up during the lockdown and the unlocking process which caused considerable damage to the economy and more importantly to the morale of the common people. As the virus will never be behind us, and that we have to learn to live with the same, the question is whether the government will respond in a different way with each new wave.

LOCKDOWN OR ECONOMIC DESTRUCTION



Author
MADAN SABNAVIS

Publisher
ATLANTIC PUBLISHERS AND DISTRIBUTORS

Pages: 222

Price: Rs 595

About the author
Madan Sabnavis, *a corporate economist since 1987, is currently chief economist of Bank of Baroda. He has worked with erstwhile ICICI, ICICI Bank, L&T, NCDEX and CARE Ratings. Being a non-conformist and, hence, a contrarian, he has tended to question and be critical rather than eulogise policies. He has been contributing many thought-provoking articles in the country's several leading newspapers.*

India's Oil Story

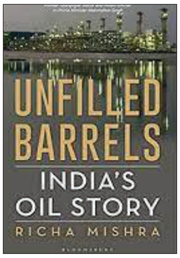
"*Aap akbhaar mein kaam karte ho, toh yeh batao, tel ka daam intna zayda kyo hai*?" (You work for a paper, tell me why petrol/diesel price is so high?) This question I have been asked more often than not. In fact, being a reporter covering the oil ministry has not been easy. Even your family looks at you with accusation if the fuel prices go up, writes author Richa Mishra.

As days went by and I got more exposed to the working of this sector, I felt the need to pen down certain things which showcase what the sector is all about. For most economic reporters covering the Ministry of Finance is the ultimate. Well yes and no. If you have not tracked ministry of petroleum and natural gas you really don't know what economics is about, literally.

Through this book I try to recount India's upstream journey. It is very important to know the role which KD Malaviya played, or what ONGC stands for, Why New Exploration Licensing Policy was a game changer, what an amazing player Cairn Energy was, what corporate war is, and finally how consistency in governance help.

The book tells the story of India's upstream sector. Why producing your own oil and gas matters?

UNFILLED BARRELS



Author
RICHA MISHRA

Publisher
BLOOMSBURY INDIA

Pages: 220

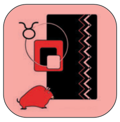
Price: Rs 699

About the author
A girl from Patna *who finished her education in Chennai and started her professional career as a journalist with* The Hindu BusinessLine *in Chennai, moved to Hyderabad to start her journey as a reporter and finally landed in Delhi to evolve as true reporter. It was in Delhi in the late 1990s that the journey as the oil reporter started, and today nothing is more exciting than oil price movement.*

ARIES
Mar 21-Apr 20

This month, you are likely to benefit financially from the government's favour or from your father's assistance. Although investing in the stock market may yield a nice return, Rahu's passage suggests exercising caution before making large investments. Expert advice and a simple investment in a bucket may ensure your success. There are chances of financial success as well as the return of money provided to relatives or friends. While travelling abroad, there may be unanticipated expenditure.

TAURUS
Apr 21-May 21



You should always be cautious regarding monetary gains. The good news is that the year 2022 may most probably bring you closer to people who are looking for long-term relationships as well as those who are trying to make money. The only piece of advice I have is to watch your wages because the month might force you to spend more than you should. Again, never put your faith in anyone. If you're in business and want to give someone credit, you shouldn't be too cautious.

GEMINI
May 22-Jun 21

This month will probably be a mixed bag in regard to money and finances. If you make a strategy ahead of time, you may save money. Short-distance travel results in unanticipated expenses. If you are looking to purchase a new automobile, this month is ideal. A strong return on investment in a foreign-related firm is possible. If you are involved in legal activity, you may incur unforeseen legal expenses. Those working in sales and marketing should have a nice deal in your hands.

CANCER
Jun 22-Jul 22

This month's money and finance horoscope suggests that you may enjoy a great financial period. According to the financial horoscope, most of you may have a decent inflow of money from numerous sources. A quick advancement in your work may also result in extra money in your bank account. Expenses, on the other hand, may rise – especially if you're planning a romantic getaway with your partner. Your financial horoscope also predicts that you may be able to spend your savings on expensive items. The month also includes additional expenses for your sibling.

LEO
Jul 23-Aug 23

Although the month may start off smoothly, certain health issues may force you to spend money on yourself by the middle of the month. A friend or close relative, on the other hand, may approach you for financial assistance. Before providing a helping hand, you should first pay attention to your budget. It won't help you to get someone out of a financial bind only to find yourself in the same situation. If you're working on a project, the failure of that project could result in a financial disaster for you.

VIRGO
Aug 24-Sep 23

At the beginning of this month, planets may trigger some interruptions in your financial planning. To stay within your budget, you may need to eliminate all extra expenses. As the month progresses, you may be able to meet your past obligations while also recovering all outstanding debts from previous periods. If you had some good earnings prospects, it may greatly enhance your financial strength. Keep your cool, be cautious, and put your plans into action quickly. The second half of the month may push you to think creatively to strengthen your finances.

LIBRA
Sep 24-Oct 23

You should be a little more cautious and calculated in your approach this month because your financial situation may be under threat. You are most likely to be in a better financial situation as the month progresses. However, it is preferable to stick to a specific method. Around the middle of the month, several unforeseen circumstances may disrupt your financial strategy. Some previous concerns may re-emerge, which could have an impact on your financial planning. During the second part of this month, your financial situation may remain stable. It may result in some good cash profits from previous investments.

SCORPIO
Oct 24-Nov 22

From a financial standpoint, the month looks bright. Gains and monetary rewards may result from planetary positions. Any investment you've made in the past could pay off big time this month. Furthermore, if you are aware of the changing tendencies in these markets, this is an excellent time to invest in stock markets. Your parents may provide financial assistance to you. If necessary, you can also take out a business loan. You're more likely to give to charity trusts. You might also purchase your boyfriend or spouse some pricey jewellery. Despite all of these costs, your financial situation would be fine.

A Sneak Peek Into The Future Of India

India will complete 75 years of independence in the next few weeks. Ganesha pores over India's horoscope to ascertain what is in store for the country in coming years.

Astrological Viewpoints

Looking at the horoscope of India, Taurus Ascendant is rising, and if we look from economic and financial perspectives, the most important is the economic place in which we see Mars placed with it. This will always provide energy and speed.

For India, three houses are very important because Moon, Mercury, Saturn, Venus and Sun are placed together, and in this national and international transportation and communication, railway, post office, telecom, print media and neighbouring country are placed.

India's growth story is likely to gain momentum after Septembner 2025.

Jupiter is now in Pisces, Rahu in Aries and Ketu in Libra. Saturn will continue to be in retrograde motion in Capricorn and Aquarius. So, there is likely to be mixed results. Moreover, from September 9, 2025, to September 9, 2032, the Mahadasha of Mars will start. And Mars is the owner of the place of FII, foreign collaboration, money flow with partner country, collaboration with neighbouring country and is placed in the finance house, which is likely to continue the growth story of India. Looking at the upcoming major transits and sub-astrological parameters, India may be able to achieve the $5-trillion GDP target in 2027-28.

If the economic barometer is the stock market, then the Nifty is likely to hit 50,505 and the BSE 1,51,515 around October 2028. However, keep in mind that the overall Indian market is not likely to remain up trend forever. There might be some ups and downs in the market in between.

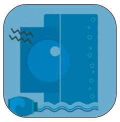
SAGITTARIUS
Nov 23-Dec 21

For the most part, the month looks positive in terms of money and finance for most of you. During this month, you could be able to make some money. You may, however, need to manage your cash and day-to-day spending sensibly. Keep note of any other household and business costs as well. The Sun may transit through the house of losses. During this time, some losses are expected. The period beginning in the middle of the month, on the other hand, may be rather advantageous for you as the inflow of income may increase during this time, points out Ganesha.

CAPRICORN
Dec 22-Jan 20

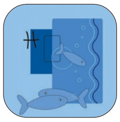
When making any financial transaction, double-check all of your documentation to ensure that your finances are well maintained and cared for. This month, you're more likely to profit from speculative deals. So, if you're thinking about it, go ahead, and do it, according to your monthly predictions. It's an excellent moment to purchase or sell land right now. So, if you've been doing your homework on a property you want to buy or sell, your financial horoscope suggests that you make your decision over the weekend. There's also a probability of a monetary gain towards the conclusion of the month.

AQUARIUS
Jan 21-Feb 18



This month may bring a lot of changes in your financial life, ones that you were not expecting. The revenue flow may be disrupted in the first half, and you may face challenges with your regular income. If you're in business, this month may bring you opportunities that may be incredibly beneficial, according to your monthly financial horoscope. Only by keeping track of your expenses may you be able to save money. You may be in a better position, if you can control your unnecessary expenses. While expenses may be higher, inflow would be favourable.

PISCES
Feb 19-Mar 20



In terms of money, you may incur unanticipated expenses on short trips this month. Vehicle expenses may be incurred. It is possible to repair electronic devices or get new ones. If you work in the media, you could make a lot of money, but you should avoid taking on new projects because you might lose money unexpectedly. Unplanned expenditures on education or course-related materials may occur. In financial matters, a family member may assist you. There may be expenses for religious deeds as well as children's education, both of which may bring delight. Financial assistance is requested by your mother's relatives.

The stock market reacted in panic as R Subramaniakumar was appointed MD and CEO of RBL Bank (formerly Ratnakar Bank) in June. The private lender's shares plunged by over 19 per cent on June 13 and hit a new, 52-week low. Investors were concerned that the troubled private lender was in deeper trouble than what was known. Moreover, Mr Subramaniakumar's appointment to RBL's top post seemed to confirm their worst fears.

The troubles for RBL had begun in late last December, when Vishwavir Ahuja – the high-profile former MD and CEO of RBL who had transformed it from a small-time bank into a new-age lender – had gone on a holiday six months before he would retire. RBL ED Rajeev Ahuja was named its interim CEO. Then this June, Mr Subramaniakumar was asked to take charge of the bank, while Rajeev Ahuja returned to his earlier designation of ED. Investors were quick to sniff further trouble at RBL as Mr Subramaniakumar, a public sector banker, was asked to head the bank instead of continuing with Rajeev Ahuja.

AT THE HELM

R SUBRAMANIAKUMAR

Besides, Mr Subramaniakumar's reputation as a turnaround specialist has further fuelled fears about the future of RBL among investors. Mr Subramaniakumar began his career in 1980 with Punjab National Bank (PNB). A veteran banker with more than four decades of experience, he spent the first 35 years of his career at PNB in various verticals. He rose through the ranks and spearheaded the bank's transformation across digital, human resource, MSME, retail and other businesses.

A physics graduate with post-graduate diploma in computer application, the turnaround specialist is a Certified Information System Audit and Certified Information Security Manager from ISACA. He is also a Certified Associate of the Indian Institute of Banking and Finance and has Advanced Banking Certificate from University of Maryland, USA.

The high point of his long stint at PNB was the technological and digital revolution that he set in motion at the staid public sector lender. He led a team of professionals which resulted in PNB becoming the first State-owned bank to launch RTGS online and implement an enterprise-wide data warehouse. PNB also happened to be the first Indian lender to have the largest Finacle core banking system and the first bank to launch risk-based internal audit.

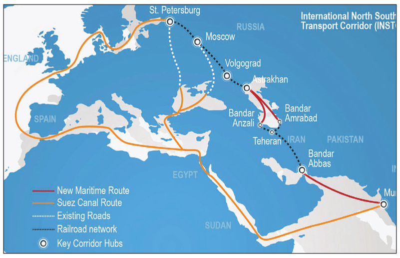
After his stint as executive director of Indian Bank, he retired in 2019 as MD and CEO of Indian Overseas Bank (IOB). In fact, when he had taken

FACTS FOR YOU

INTERNATIONAL NORTH SOUTH TRANSPORT CORRIDOR

The International North South Transport Corridor (INSTC) seems to have emerged as a vital lifeline for Indo-Russian trade amid a shadow of Western sanctions against Russia for attacking Ukraine. The 7,200-km-long multimodal corridor was operationalised in June, is the shortest route for Indo-Russian trade.

The multi-modal transportation network – encompassing sea, road and rail routes – links the Indian Ocean to the Caspian Sea through the Persian Gulf onwards into Russia and Northern Europe. The INSTC – which connects the port of St Petersburg in Russia to JNPT and other ports on the Indian west coast through the Astrakhan port in Russia and the Iranian ports of Anzali and Bandar Abbas – helps reduce carriage cost between India and Russia by about 30 per cent, and it also brings down the transit time between the two countries from the current 40 days to about 25 days.



The 7,200-km-long corridor, operationalised in June, is the shortest route for Indo-Russian trade.

In the long run, the INSTC is seen as a viable alternative to the present trade route through the Suez Canal. There are plans to link INSTC with Chabahar Port in Iran, which India has assisted to expand and is being used for connectivity with Afghanistan and Central Asia.

The foundation of the INSTC was laid in 2000 in accordance with an inter-governmental agreement signed charge of IOB in 2016, the lender was under the RBI's Prompt Corrective Action (PCA) framework because of its weak parameters. Three years later, as he demitted office, despite being under the PCA framework, IOB – it exited PCA in September 2021 – had shown dramatic improvement in most of its operating metrics.

In November 2021, the RBI yet again turned to his trusted turnaround specialist, naming Mr Subramaniakumar the administrator of the bankrupt Dewan Housing Financial Corporation (DHFL). He went to great lengths to unravel the company's convoluted financials and helped unearth the mess at the housing finance company.

A new set of challenges now await Mr Subramaniakumar's expertise at RBL Bank. Apart from trimming its non-performing assets (NPAs), the bank will have to increase its share of current account and savings account (CASA) in its total deposits to slash its high cost of funds. The bank is also looking to regain investors' confidence yet again. With the turnaround man at its helm, RBL may be back in business sooner than later.

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between Russia, Iran and India. Azerbaijan joined this agreement in 2005. It was later ratified by 13 countries – Azerbaijan, Belarus, Bulgaria, Armenia, India, Iran, Kazakhstan, Kyrgyzstan, Oman, Russia, Tajikistan, Turkey and Ukraine.

With the RBI recently allowing invoicing and payments for international trade in rupees, it will facilitate greater bilateral business with sanctions-hit Russia. Taking moral high ground makes good rhetoric. But morality hardly finds any place in a world, dominated by realpolitik and economic interests. No wonder, Russian trade continues to flourish, turning global criticism of its Ukrainian invasion into hollow, meaningless words.

SPIRITUAL CORNER

Akram Science – A Completely New Approach!!!

Dadashri: *The entire worldly life (*sansar*) is a result of misunderstanding. If I tell people to 'have compassion, keep peace, and tell the truth', they will say: 'Only you can have compassion, we cannot.' For thousands of years, the scriptures have sung the same tune: 'Tell the truth, have compassion, be peaceful, and do not get angry.' To this, people say: We want nothing more than to speak the truth, but we just cannot. We never want to get angry, but it happens anyway. So your scriptures are worthless to us. And so, they have just put away their 'scriptural textbooks' on the top shelf!*

I intend to give the world a completely new 'science'. To have compassion, to speak the truth, to be at peace, are all 'effects'. People have the knowledge of 'effects', but no one has the knowledge about 'causes'. That is ignorance. I would like to give you some clarification about 'causes'. Anything that makes things 'open to sky' is called Gnan*.* Gnan *should produce results (*kriyakari*; effective). And for it to be effective, the* Gnan *has to come from knowledge that comes from experience. Scriptural knowledge just leads to aimless wandering.*

Any 'relative' religion should be one that procures results. There is going to be a natural change in all the religions, and this Akram path will find such a simple path that everyone will find this dharma *very easy to follow and reap instant benefits. What is* dharma*? It is that which produces results. Just as rice pudding satisfies hunger, when 'we' give you knowledge of the Self, it will give such an inner happiness that has never before been attained in any lifetime or in any time cycle. There may be external* ashata *(experience of pain; turmoil; uneasiness), but the* shata *(comfortable and pleasant) within will remain all the time. In the world people always have external* shata *(comfortable and pleasant), but no one has internal* shata.

Our science says that we do not have problems with you stealing, or telling a lie, but do the pratikraman *(apology) for it in this way. I would not tell a thief that he should not steal. I would tell him that he should understand the consequences of his act of stealing, and be mindful. All this stealing, telling lies and getting angry is done because it is mandatory (*farajiyat*) – it happens. On the contrary, if you admonish someone not to do something again, he will do it even more. In his mind, the thief will decide: 'I will definitely steal. Who are you to tell me what to do?' Therefore, explain things to him with love. All 'diseases' can be abolished through love. You will find it from the Gnani Purush or from His 'followers'.*

*You will need forgiveness (*kshama*) towards anger (*krodh*), natural frankness (*rujuta*) towards deceit (*kapat*) and tenderness (*maardavata*) towards pride (maan). Let anger occur, if it comes. If pride and greed happen, let them happen, but do pratikraman for them, and turn them around. When you do that, you are doing the highest dharmadhyan (virtuous meditation).*

From the moment you come into dharmadhyan *(virtuous meditation), your interactions with the world will begin to appear immaculate. This is a 'lift' marg (a speedy path to liberation). You can move faster ahead.*

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

In The Nature's Lap

RITIKA KRIT
Founder,
Kamree

A keen environment enthusiast, Ritika Krit is making sincere efforts in revolutionising the healthcare and skincare industry with her Ayurvedic brand, Kamree. Ms Krit, a trained business analyst with a master's in human resource management, recently took an entrepreneurial plunge with Kamree. She is now building her Ayurvedic brand exclusively with natural and herbal ingredients to provide holistic healthcare and skincare solutions. A fitness aficionado, she likes to meditate, do Yoga and go for evening walks, besides enjoying reading sessions with her daughter. In a casual chat with **Sharmila Chand**, *Ms Krit opens up about her passion, her inspiration and many other details of her personal life.*

How do you define yourself?
Very calm and supportive

What is your philosophy of life?
I firmly believe that to love everything else, you must love yourself first.

What is your passion in life?
All about enjoying the art of self-development and self-improvement

What is your management *mantra*?
Creating a sense of belongingness among all our co-workers and staying focused on innovation

A business leader you admire the most…
Ratan Tata

Your source of inspiration…
Meditation, nature and reading books

You are a tough, serious boss or…
A buddy boss!

What do you enjoy the most in life generally?
Exploring new places

How do you de-stress?
My de-stressing *mantra* is all about waking up early, meditating to calm my mind and relax my body and having a warm glass of water every day.

Your *mantra* for success…
Focus, consistency and hard work

Your dream…
My dream is to make Kamree surpass benchmarks and become a globally-renowned organisation.

Ten years from now, where do we see you?
I am affirmative that ten years down the lane, I will be able to make Kamree carve its niche in every household.

Three lessons you have learnt as an entrepreneur…

- ***Nothing always goes according to plan***: Be prepared to be unprepared! No matter how many spreadsheets, project plans and meetings you conduct, there is always a chance that the plan will change.
- ***There are no weekends:*** You can work really hard at maintaining a work-life balance, but business owners don't ever truly stop working.
- ***There are no cheap shortcuts in marketing:*** I often speak to business owners who seek marketing advice. But some of them then shun my recommendations as being "too expensive". However, the truth is that cheap marketing can make your brand look cheap.

Write to us at chand.sharmila@gmail.com

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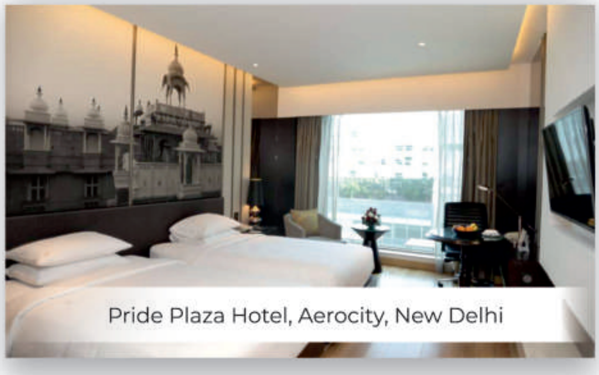

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