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India Business Journal

VOLUME XVII No. 6 Rs 50

DECEMBER 2021

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Sample Illustration: Age - 50, Annuity payable - Yearly, Mode - Offline

Purchase Price*	25 Lac	50 Lac	1 Crore	5 Crore
Option A	1,70,000	3,40,750	6,82,500	34,12,500
Option F	1,34,250	2,69,250	5,39,500	26,97,500
Option J	1,33,750	2,68,250	5,37,500	26,87,500

*Plus applicable tax as per rules *Figures in Rupees*

Option A
Annuity for Life

Option F
Annuity for Life with Return of Purchase Price

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India Business Journal

YOUR GATEWAY TO INDIA INC.

DECEMBER 2021, Rs 50

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The biggest worry in GDP figures is sluggish growth of private consumption.

Pain Behind GDP Numbers

Gross Domestic Product (GDP) and Gross Value Added (GVA) numbers for Q2 of FY22 are out. On the face of it, growth in the quarter ended September 2021 appears quite encouraging. But a closer look reveals many pain points in the economy.

First, the good news is that GDP at 8.4 per cent y-o-y and GVA at 8.5 per cent y-o-y for the quarter under review are encouraging. In terms of actual numbers, at Rs 35.73 lakh crore, GDP in the September quarter is a tad higher than Rs 35.62 lakh crore reported in the Q2 of FY20 or the pre-pandemic period. So, a higher economic output in the Q2 as against the corresponding quarter of the pre-pandemic period bodes well for the economy.

Besides, 11 per cent growth in Gross Fixed Capital Formation (GFCF) or investment in simple terms is the best thing that has happened in a very long time. The GFCF numbers are even rosier, considering that they had contracted by 9 per cent in the year-ago quarter. So, high growth in investments suggests that businesses are looking favourably at India's growth prospects. In fact, in absolute terms, the investments in Q2 are the highest of any Q2 in the past five years.

Sadly, the good news about the GDP figures ends quickly, just as all good things come to a quick end in real life too. Now, coming to the bad news, the biggest worry thrown up by the GDP figures is the sluggish growth in Private Final Consumption Expenditure (PFCE) or private consumption, to put it simply. At 8.6 per cent y-o-y, growth in PFCE is very modest as it comes off a very weak base of a negative 11.2 per cent in the Q2 of FY22.

Moreover, at Rs 19.48 lakh crore, PFCE remains smaller than those in both Q2FY21 and Q2FY20. With such an anaemic private expenditure – the biggest component of the GDP at about 55 per cent of the entire GDP value – investments cannot be sustained. In fact, dismal private expenditure will quickly nullify robust recovery in investments. As businesses would soon cut down on investments if they see that private expenditure is not picking up. This will have an adverse impact on the jobs front and will severely hamper economic revival.

In such times, when private expenditure drops, the government is expected to do the heavy lifting. When private expenditure and investment lag, the government steps up its expenditure to boost overall GDP – economists call it counter-cyclical measures. But in Q2 this year, the government's expenditure was quite low. After contracting by 24 per cent in Q2 last year, it has risen by a mere 8.7 per cent this year. As a result, the government's quarterly spending in current Q2 is the lowest in any Q2 of the past five years.

There are other areas of concern. On the face of it, GVA growth rates of different sectors look decent. But despite decent GVA growth rates, in absolute terms, many of them are below the levels recorded in pre-COVID years.

Overall, the latest GDP and GVA data points to a fledgling economic recovery. While investment growth is heartening, private spending is a cause of concern. Besides, a fiscally-conservative approach taken by the government hits the economy where it hurts the most. Moreover, rising inflation, prolonged supply chain disruption, low or no rise in wages and the resultant damp private expenditure only further aggravate the situation. The threat of the new COVID virus variant looming large complicates the matter. The government cannot afford to be fiscally prudent in such trying times.

Rising inflation, prolonged supply chain disruption, low or no rise in wages and the resultant damp private expenditure only further aggravate the situation. The threat of the new COVID virus variant looming large complicates the matter. The government cannot afford to be fiscally prudent in such trying times.

(Formerly known as Flex Industries Limited)

UNAUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2021

(INR in lacs)

Sl. No.	Particulars		Quarter Ended 30.09.2021 (Unaudited)	Quarter Ended 30.09.2020 (Unaudited)	Half Year Ended 30.09.2021 (Unaudited)	Half Year Ended 30.09.2020 (Unaudited)	Year Ended 31.03.2021 (Audited)
01.	Net sales / Income from operations		302731	222875	578392	422143	889075
02.	Other Income		828	475	1346	861	2281
03.	Share of Profit/ (Loss) of Associate		56	96	(7)	196	130
04.	**Total Income (1+2+3)**		**303615**	**223446**	**579731**	**423200**	**891486**
05.	Expenditure						
	(a)	(Increase)/decrease in finished goods, WIP & stock in trade	(188)	(8852)	(21632)	(7688)	(3250)
	(b)	Consumption of raw material	183532	114493	362686	218407	466347
	(c)	Purchase of stock in trade	495	4501	649	4719	5883
	(d)	Power & fuel	14203	10499	26070	19312	39593
	(e)	Employees cost	23826	19797	45833	36514	79368
	(f)	Depreciation	13479	11475	26210	21924	45572
	(g)	Other expenditure	39296	35723	73431	62540	120847
		Total	**274643**	**187636**	**513247**	**355728**	**754360**
06.	Interest		7504	5849	13774	11244	22907
07.	**Profit(+)/Loss(-) from ordinary activity before tax (4)-(5+6)**		**21468**	**29961**	**52710**	**56228**	**114219**
08.	Tax expenses		4363	7761	9177	14374	29851
09.	**Net Profit(+)/Loss(-) from ordinary activity after tax (7-8)**		**17105**	**22200**	**43533**	**41854**	**84368**
10.	Non-Controlling interest		31	18	56	27	78
11.	**Net Profit(+)/Loss(-) after taxes, non-controlling interest and share of Profit/(Loss) of associates (9-10)**		**17074**	**22182**	**43477**	**41827**	**84290**
12.	**Other Comprehensive income, net of income tax** a) Items that will not be reclassified to profit or loss b) Income tax relating to items that will not be reclassified to profit or loss c) Items that will be reclassified to profit or loss		(20) - (6757) (6777)	(380) 0 (5195) (5575)	175 - 3143 3318	330 - 422 752	513 (89) 2604 3028
13.	**Total Comprehensive income for the period (9+12)**		**10328**	**16625**	**46851**	**42606**	**87396**
14.	**EPS** a) Basic **b)** Diluted		**23.64** **23.64**	**30.72** **30.72**	**60.21** **60.21**	**57.92** **57.92**	**116.73** **116.73**

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MISCELLANEOUS

92% of informal workers' income at Rs 10K Over 92 per cent of the 38 crore informal sector workers registered on the e-Shram portal have a monthly income of Rs 10,000 or below. Besides, 72 per cent of the enrolled workforce belongs to Scheduled Caste (SC), Scheduled Tribe (SC) and Other Backward Class (OBC), according to the latest data. The e-Shram portal has been designed to help the government build a comprehensive National Database of Unorganised Workers in the country. The aim of the portal is to boost last-mile delivery of welfare schemes for over 38 crore unorganised workers in the country.

Crypto Bill after Cabinet nod: Sitharaman Finance Minister Nirmala Sitharaman clarified in the Rajya Sabha last month that the government was not considering a ban on cryptocurrency advertisements. She added that a Bill would be introduced in Parliament after the Union Cabinet's approval. "This is a risky area and not in a complete regulatory framework. We are not considering a ban on the advertisements, but we have been taking steps to caution the public through RBI and SEBI," the finance minister said. The government would soon introduce a Bill related to cryptocurrencies once the Cabinet cleared it, she added.

India sets 2070 goal to be a net-zero economy Prime Minister **Narendra Modi** made the pledge of India achieving net-zero emission goal by 2070 at the COP26 Summit in Glasgow last month. Net-zero state can be achieved by not adding to the amount of greenhouse gases in the atmosphere. The COP26 Summit ended last month, belying high hopes of a climate action breakthrough. Despite reaffirming the devastating impact of global temperatures rising above 1.5 degrees Celsius, the Glasgow meet stumbled on the measures to curb high temperatures. The summit agreed that over $1 trillion was required annually to help poorer nations mitigate climate change. But the richest economies could not agree on who would foot the bill.

Centre slashes Excise Duty on petrol, diesel The Union government last month cut Excise Duty on petrol and diesel on the eve of Diwali. The Excise Duty on petrol and diesel were reduced by Rs 5 and Rs 10 respectively. The cut in levy is aimed at bringing down prices of the auto fuels that had soared by over Rs 100 per litre across the country. Despite the Excise Duty cuts as well as reduction in Value-Added Tax (VAT) across many States, petrol continues to retail at over Rs 100 per litre across most parts of the country. Diesel prices have dropped below the psychological Rs 100 mark.

Three farm laws scrapped in Parliament Prime Minister Narendra Modi made his biggest policy reversal since assuming power in 2014 last month by scrapping controversial farm laws ahead of crucial State elections following a year of persistent street protests. In a televised address to the nation, Mr Modi apologised for failing to convince a section of farmers and said that the Parliament would repeal the legislation in the Winter session. Accordingly, the Farm Laws Repeal Bill, 2021, was passed by both the Houses of the Parliament without debate amid protests by Opposition MPs on being denied a debate.

In a first, India set to release reserves oil India has planned to release about 5 million barrels of crude oil from its emergency stockpile in tandem with the US, Japan and other major economies to cool international oil prices, a top government official has said. This is the first time ever that India, which stores 5.33 million tonnes or about 38 million barrels of crude oil in underground caverns at three locations on the east and the west coasts, is releasing stocks for such purposes. About 5 million barrels would be released and sold to refineries of MRPL and HPCL, which are connected by pipeline to the strategic reserves.

Shimla tops SDG Urban India Index Shimla, Coimbatore and Chandigarh have topped the NITI Aayog's first Sustainable Development Goals (SDG) Urban India Index, while Dhanbad, Meerut and Itanagar were the worst performers, according to a report released by the government. According to an official statement, the NITI Aayog has developed the SDG Urban India Index and Dashboard in collaboration with GIZ and BMZ. The statement has said that the index highlights the strengths and gaps of urban local body-level data, monitoring and reporting systems. "The index and dashboard will further strengthen SDG localisation and institute robust SDG monitoring at the city level," it adds.

International flights plan put on hold Scheduled international flights, which were supposed to resume from December 15, have been deferred in view of the emerging threat from the new Coronavirus variant, Omicron. The Directorate General of Civil Aviation (DGCA) has confirmed that the government has put its plans to resume international flights from December 15 on hold. Scheduled international flights have remained suspended in India since March 23 last year due to the COVID-19 pandemic. However, special international passenger flights have been operating since July last year under air-bubble arrangements formed with 31 countries.

Modi lays foundation stone for Jewar airport Prime Minister Narendra Modi laid the foundation stone for the Noida International Airport in Jewar in Uttar Pradesh last month. The Jewar airport, slated to be completed by 2024, will be one of the largest aerodromes in Asia. Speaking after laying the foundation stone, Mr Modi highlighted the development activities in the poll-bound State and said that the new airport would help the State become an export centre whereby even MSMEs would have easier access to overseas markets. The Jewar airport is expected to handle 1.2 crore passengers per annum. Spread over 1,330 acres, the new airport will be developed by Zurich Airport International.

Kerala takes the STREET to grow tourism Kerala Tourism will launch the STREET project in select spots in seven districts. This initiative is aimed at taking tourism deep into the State's interiors and rural hinterland. This will help visitors experience the diversity of offerings in these locales. The STREET is an acronym for Sustainable, Tangible, Responsible, Experiential, Ethnic, Tourism hubs. Green street, cultural street, village life experience street, and art street are the themes that have been planned.

Verbatim...

MISCELLANEOUS

"If things have value only because they will be pricier down the line, that's a bubble. A lot of cryptos have value only because there is a greater fool out there willing to buy."

Raghuram Rajan
EX-GOVERNOR, RBI

"Everyone seems happy because everyone has bought some kind of a coin (cryptocurrency) somewhere, and it is appreciating in value. But I hope it is not just like Tulip mania. I genuinely hope that it has a softer landing as and when the froth corrects."

Viral Acharya
EX-DEPUTY GOVERNOR, RBI

"India (Indian stock market) is on a 50-year rally. India is maybe where China used to be 10 years ago."

Mark Mobius
FOUNDER,
MOBIUS CAPITAL PARTNERS

"Telecom has been a tough one for us. I think there have been several factors where we could have done better. It's one of a few sectors in which we have not done well."

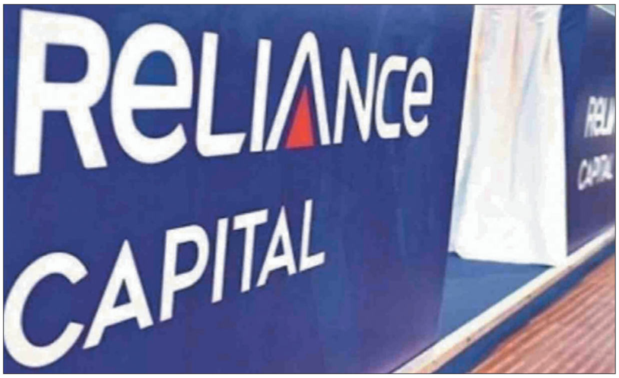
Kumar Mangalam Birla
CHAIRMAN,
ADITYA BIRLA GROUP

FINANCE

Cash rises above pre-demonetisation ratio Five years after the government announced demonetisation to curb black money menace, the currency in circulation (CIC) has now well exceeded the pre-demonetisation level. This reinforces doubt over efficacy of demonetisation. At Rs 29.45 lakh crore as of October 29, the CIC stood at 13.2 per cent of budgeted nominal GDP for FY22, well above pre-demonetisation level of 11.7 per cent. The CIC has been rising steadily in recent years after a slump in the year after demonetisation. Besides, CIC's growth has catapulted particularly since the Covid-19 pandemic hit the country in early 2020.

No bank licences for corporate houses The RBI has refrained from permitting corporate ownership of banks. It has put on hold a working group recommendation that had said that large corporate and industrial houses may be allowed to promote banks after amendments to the Banking Regulations Act, 1949. The central bank has also not accepted a recommendation to allow well-run, large NBFCs, including those owned by a corporate house, to become banks. Both suggestions are "under examination". However, RBI has allowed promoters to retain a 26 per cent shareholding in banks, higher than the current cap of 15 per cent.

Small investors can buy G-Secs directly Individuals can now directly purchase treasury bills, dated securities, sovereign gold bonds (SGBs) and State development loans (SDLs) from primary as well as secondary markets, thanks to the RBI Retail Direct Scheme launched by Prime Minister Narendra Modi last month. According to the scheme, retail investors (individuals) will have the facility to open an online Retail Direct Gilt Account (RDG Account) with the RBI. These accounts can be linked to their savings bank accounts. The RDG Accounts of individuals can be used to participate in the issue of government securities (G-Secs) and in secondary market operations through the screen-based NDS-OM.



RBI supersedes RCL board on "governance issues" The RBI has superseded the board of Reliance Capital (RCL), belonging to the Anil Ambani Group, in view of defaults by RCL in meeting various payment obligations to its creditors. The central bank has also cited serious governance concerns at RCL. The RBI has appointed Nageswar Rao Y, a former executive director of Bank of Maharashtra, as the Administrator of the company. "The Reserve Bank will shortly initiate the process of resolution of the company under the Insolvency and Bankruptcy Rules, 2019," the RBI has said. In the recent past, the RBI had superseded the boards of Srei Infrastructure, Srei Equipment and Dewan Housing Finance.

LIC's IPO set for Q4 of FY22 Department of Investment and Public Asset Management (DIPAM) Secretary Tuhin Kanta Pandey said last month that Life Insurance Corporation of India's (LIC) IPO was expected to take place in the fourth quarter of the current financial year. Several media reports have suggested that the State life insurer's IPO is expected to raise between Rs 40,000 crore and Rs 1,00,000 crore. The government may allow foreign direct investment (FDI) in the State insurer to enable a diversified and stronger demand across varied segments of investors. Several banks are expected to reach out to potential anchor investors for the IPO of LIC.

RBI's scheme moots PMC-USFB merger The RBI has issued a draft scheme for amalgamation of Punjab and Maharashtra Cooperative (PMC) Bank and Unity Small Finance Bank (USFB). The scheme envisages takeover of assets and liabilities of PMC Bank by USFB. The depositors of PMC Bank will get their money back over a period of three to ten years, according to the draft scheme of amalgamation. According to this plan, the acquiring bank will pay the amount guaranteed by DICGC of up to Rs 5 lakh to depositors. For the remaining amount, the bank will pay up to Rs 50,000 above the payment already made at the end of two years.

Face-recognition tech to act as life certificate Minister of State for Personnel Jitendra Singh has launched a "unique" face-recognition technology that will act as a proof of life certificate for pensioners and ensure ease of living for the retired and elderly citizens. All pensioners are mandated to submit their life certificate annually to continue receiving pension. The Ministry of Personnel, Public Grievances and Pensions has already implemented a facility of giving the certificate digitally. The face-recognition technique of giving life certificate is a historic and far-reaching reform since it will touch the lives of every Indian, Mr Singh has added.

CRISIL sees NBFCs' assets soaring by 10% Non-banking financial companies' (NBFCs) assets under management (AUMs) are likely to grow by 8-10 per cent in FY23. This growth will be helped by improvement in economic activity and strengthened balance sheet buffers, according to a report by CRISIL Ratings. The rating agency expects AUM growth to be at 6-8 per cent in FY22. Growth in the previous financial year (FY21) was 2 per cent. The gross non-performing assets (GNPAs) of non-bank lenders are expected to rise by 25-300 basis points, based on asset class, following recent clarification on income recognition, asset classification and provisioning (IRAC) norms, Crisil has said in the report. ■

IOCL to set up Rs 3,681-crore plant IOCL's board has given its nod to set up the country's first mega-scale maleic anhydride plant to manufacture value-added chemical products at its Panipat Refinery and Petroleum Complex (PRPC). The project, with a capex of Rs 3,681 crore, will be commissioned in 54 months from stage-1 investment approval. "The project is proposed to have a capacity of 120 kilo tonnes per annum (kta) of maleic anhydride that is used to make speciality products, like polyester resins and surface coating plasticisers, agrochemicals and lubricant additives," IOCL has said. The unit will also manufacture 20 kta of butanediol that finds applications in polyurethanes and other products.

SJVN wins 100-mw solar power project SJVN has bagged 100-mw, grid-connected solar photovoltaic power project from Punjab State Power Corporation (PSPCL). SJVN has bagged the project through tariff-based competitive bidding process on build own and operate (BOO) basis through e-reverse auction at a tariff of Rs 2.69 per unit. The tentative cost of construction of this project is Rs 545 crore. The project is expected to generate 245.28 million units (mu) in the first year, while the cumulative energy generation over a period of 25 years would be around 5,643.52 mu. The power purchase agreement will be signed between PSPCL and SJVN for 25 years.

Govt seeks asset valuers for FSNL's sale The Finance Ministry has invited bids from asset valuers to assist the government in strategic sale of Ferro Scrap Nigam (FSNL). FSNL, a Miniratna CPSE under the administrative control of the Steel Ministry, is a 100 per cent subsidiary of MSTC. FSNL provides steel mill services and is currently working through eight steel plants across the country. The last date to put in bids is December 6. The broad scope of work for the asset valuer is to carry out valuation of all assets of FSNL, including its plant and machinery, land and buildings and other assets.

Coal India lines up Rs 50,000-crore capex Coal India is aiming at investing around Rs 50,000 crore as capital expenditure (capex) in the next five years. The Rs 17,000-crore capex for the current financial year is "on track", CIL Chairman Pramod Agrawal has said. He has also acknowledged that price revision is "inevitable" and this may happen soon. "We have spent Rs 7,000-crore capex so far, and our Rs 17,000-crore target for the current fiscal is on track. We will invest around Rs 40,000-50,000 crore in the next 4-5 years," Mr Agrawal has said. Most of the incremental capex will go into coal production and evacuation, he has added.

Mumbai High stake sale irks ONGC union The Petroleum Ministry's proposal to give away ONGC's biggest oil and gas fields to foreign companies has met with strong resistance from the officers' union of the company. The union has said that the government should give the company a level-playing field rather than giving away its prime assets to private sector on a platter. The Association of Scientific and Technical Offices of ONGC has petitioned Oil Minister Hardeep Singh Puri against a proposal for giving away 60 per cent stake and operatorship of Mumbai High and Bassein & Satellite offshore assets to international partners for raising output.

BSNL, MTNL to sell Rs 1,100-crore assets The government has listed for sale real estate assets of State-run telecom companies MTNL and BSNL at a reserve price of around Rs 1,100 crore. BSNL properties located in Hyderabad, Chandigarh, Bhavnagar and Kolkata have been posted for sale at a reserve price of around Rs 800 crore. MTNL's assets located in Vasari Hill in Goregaon in Mumbai have been listed for sale at a reserve price of around Rs 270 crore.

Oil PSUs plan 22,000 EV charging stations IOCL and two other PSU oil companies will install 22,000 electric vehicle (EV) charging stations over the next five years. The charging stations are aimed at supporting the nation's target to reach net-zero emissions by 2070. IOCLwill set up EV charging facilities at 10,000 fuel outlets over the next three years. BPCL has said that it will set up 7,000 stations over the next five years, while HPCL has plans for 5,000 stations. IOCL is planning to install 2,000 charging stations over the next year, while BPCL and HPCL are targeting 1,000 each over the same period.

PFC's Q2 FY22 net profit surges by 32% PFC has posted a 32 per cent increase in standalone net profit of Rs 2,759 crore in the September quarter (Q2 of FY22) as against Rs 2,085 crore in the year-ago period. PFC's Credit to Risk-Weighted Assets Ratio (CRAR) was 21.76 per cent, during the period under review, with 18.42 per cent for its tier-I capital and 3.34 per cent for its tier-II capital. The company's net non-performing assets (NPAs) dropped below 2 per cent to 1.92 per cent, the lowest in the last five years. The company declared an interim dividend of Rs 2.50 per share for the September 2021 quarter.

MOIL, workers' union ink new wage pact
The Ministry of Labour and Employment has said that a new wage settlement of MOIL's workers has been signed between the MOIL management and MOIL Kamgar Sanghathan, which will benefit over 6,000 workers. A Labour Ministry statement has said that the wage settlement was signed in the presence of chief labour commissioner (Central).

RIL exits shale gas business in N America Reliance Industries (RIL), the oil refining and petrochemicals company controlled by billionaire Mukesh Ambani, is ending its decade-long venture into North American shale gas with a sale of assets to a company backed by private-equity firm Warburg Pincus. Ensign Natural Resources has agreed to buy drilling rights across 62,000 net acres in the Eagle Ford Shale region of South Texas for an undisclosed price, RIL has disclosed in a statement. "With this transaction, Reliance has divested all its shale gas assets and has exited from the shale gas business in North America," the company has said in statement.

Amazon injects Rs 1,000 cr in India unit Amazon has infused Rs 1,000 crore into its payments unit in India, Amazon Pay, according to regulatory documents. The fresh infusion is expected to help the company compete more aggressively against rivals, like PhonePe, Google Pay and Paytm. In April this year, Amazon Pay had received an infusion of Rs 225 crore. Amazon has been pumping in millions of dollars across various operations, like marketplace, wholesale and payments business, as it looks to strengthen its position in the Indian market. The filing has noted that Amazon Pay India received over Rs 925 crore in FY21 from Amazon Corporate Holdings and Amazon.com.

Telecom companies raise tariffs by 20% Telecom companies have finally announced the much-awaited tariff hikes. Bharti Airtel became the first telecom company to announce a 20 to 25 per cent hike in rates last month. This was followed by cash-strapped Vodafone Idea raising tariffs by 20 per cent. Reliance Jio Infocomm too has announced that its mobile plans will cost at least 20 per cent more a week after rivals had announced tariff hikes. The rate hikes signal the easing of a cut-throat price war that has hit the telecom sector but benefited consumers in a big way.

M&M plans to drive in 16 EVs by 2027 Mahindra & Mahindra (M&M) has revealed plans to strengthen its position in India's electric mobility space. The company is planning to launch as many as 16 electric vehicles (EVs) by 2027. The announced EVs will be in both sports utility vehicle (SUV) and light commercial vehicle (LCV) categories, the company has said. Mahindra has added that out of the newly-announced EVs, there will be eight battery-powered SUVs. "In SUV, we are looking at 13 new launches by 2027, of which eight will be electric," M&M Executive Director Rajesh Jejurikar told reporters in a virtual earnings conference last month.

DLF to add 2.3 million sq ft of retail space DLF Retail has announced six new properties, spread across 2.3 million sq ft, as a part of its expansion plans. These projects will come up in Delhi, Gurugram, Chennai and Goa, the company has added. The new properties will include three premium neighbourhood plazas, two office retail spaces and one premium mall. The three premium neighbourhood plazas include Summit Plaza in DLF 5, Gurugram, Midtown Plaza in Moti Nagar, Delhi, and New Gurgaon Plaza in Sector 91, Gurugram, and two office retail spaces, The Hub in Chennai and Cyber Park in Gurugram, the realty company has said.

IBM lines up more software centres in India IBM is betting big on the India growth story and plans to open more software development centres in the country. The US technology company's expansion is in line with its strategy to partner with the government in its digitisation journey, IBM Chairman and CEO Arvind Krishna has said. On a visit to India recently, Mr Krishna had met Finance Minister Nirmala Sitharaman, Telecom Minister Ashwini Vaishnaw and Minister of State for IT Rajeev Chandrasekhar to discuss deeper collaboration, including skilling and workforce development. "We are very pleased with the progress of our business here," Mr Krishna had said.

BigBasket forays into offline retail Online grocery company Bigbasket is foraying into offline retail with the opening of a new technology-driven, self-service Fresho store in Bengaluru. The launch is a part of the company's vision to open 200 physical outlets across the country by 2023 and 800 stores by 2026. BigBasket, which is a part of the Tata Group, has added that the stores will offer high-quality products at extremely competitive prices. The announcement puts the Tata Group close in competition with Reliance, which has strong presence in offline retail grocery through Reliance Fresh.

Vedanta mulls group restructuring, listing Billionaire Anil Agarwal's Vedanta is mulling a group restructuring. The rejig plan may include demerger and listing of aluminium, iron and steel, and oil and gas businesses as standalone entities. In a stock exchange filing, the company has said that its board has constituted a committee of directors to evaluate and recommend options to restructure the group. Subject to a detailed evaluation, it is the intention that aluminium, iron and steel and oil and gas businesses will be housed in standalone listed entities, Vedanta has added. The restructuring plan is aimed at simplifying and streamlining corporate structure.

RIL, Aramco call of deal on valuation Reliance Industries (RIL) and Saudi Aramco have called off a deal for the Saudi State-owned oil company buying a stake in the oil-to-chemicals (O2C) business of RIL due to valuation concerns. Talks broke down last month over how much Reliance's O2C business should be valued as the world seeks to move away from fossil fuels and reduce emissions. Valuations of refining and petrochemical assets have gone down, especially after the recent COP26 climate talks in Glasgow. Despite this, Reliance had stuck to the $75-billion valuation for its O2C business, set up in 2019.

Happiest Minds to slash US' revenue Happiest Minds Technologies wants to bring down its revenue from the US, the world's largest software market, to under-65 per cent on a sustainable basis. The US' contribution to the software company's revenue is much higher at close to 70 per cent on an average. It had slipped to around 66 per cent in September 2021 quarter. "We used to have around 80 per cent of our revenue from the US alone. We have been diversifying our revenue pool to lower our revenue dependency on that market," notes Happiest Minds Executive Vice-Chairman Joseph Anantharaju.

Cairn, Halliburton partner to raise output Cairn Oil & Gas has announced that it will enter into a technical partnership with US-based Halliburton Company for raising ten-folds the reserve base at its offshore assets as well as for exploring shale oil and gas in Rajasthan. Cairn, a unit of mining group Vedanta, is investing $3-4 billion in exploration and production of oil and gas across its portfolio that consists of the prolific Rajasthan block, Ravva oil and gas field in the Bay of Bengal and Cambay fields in western offshore.

Akasa orders 72 Boeing 737 MAX jets Low-cost airline Akasa Air, backed by billionaire investor Rakesh Jhunjhunwala, has placed an order for 72 Boeing 737 MAX jets. The order may help the US plane-maker regain lost ground in one of the world's most promising markets. Last month, SNV Aviation, which owns Akasa Air, had said that it expected to start flying next year after getting initial clearance from the Civil Aviation Ministry to launch the country's latest ultra-low-cost carrier. The *Reuters* had earlier reported that Boeing was close to winning an order for some 70 to 100 737 MAX jets from Akasa.

The company is targeting to reach 500,000 barrels of oil and oil equivalent gas production in two to three years.

ABB Power is now Hitachi Products ABB Power Products & Systems India on is rebranding as Hitachi Products & Systems India. "Following the recent rebranding of its parent company to Hitachi Energy, its operations in India today announced their evolution to Hitachi Energy India Limited, reaffirming their commitment to accelerating the clean energy transition in India," a company statement said last month. Hitachi Energy, which has focused its purpose on advancing a sustainable energy future for all, views India among its top-five markets for expansion. Formerly known as ABB Power Products & Systems India, the business continued to be listed on India's stock exchanges.

APPOINTMENTS

Fashion and lifestyle e-commerce platform Myntra has named Nandita Sinha as its chief executive officer from January 1, 2022.
Ms Sinha will join Myntra from group company Flipkart, where she is currently vice-president in charge of customer growth and marketing.

Six companies in fray for Executive Enclave Six infrastructure companies, including Tata Projects and L&T, have submitted technical bids to construct the Executive Enclave that will house the Prime Minister's Office (PMO), Cabinet Secretariat, India House and National Security Council Secretariat, according to a government official. The other four companies are Shapoorji Pallonji and Company, NCC, PSP Projects and Ahluwalia Contracts India. According to the CPWD's bid document, the project, which is being executed under the Narendra Modi government's ambitious Central Vista redevelopment plan, will be completed within 24 months at an estimated cost of Rs 1,171 crore.

Amazon asks SC to stay its case with CCI
Amazon.com has asked the Supreme Court (SC) to pause an expedited review of allegations that the US company had concealed information while seeking antitrust clearance for a 2019 deal with the Future Group. The Competition Commission of India (CCI) in June had accused Amazon of concealing facts and making false submissions when it had sought approval for the $200-million investment into a Future unit in 2019. If the CCI rules against Amazon and revokes the 2019 approval, it could have wide-ranging ramifications on the US company's ongoing legal battle with Future against the latter's proposed acquisition by Reliance Retail.

BNPL industry set for 13x growth India's buy-now-pay-later (BNPL) industry is booming and set to surge over ten-fold within four years, note market players. Management consultancy company RedSeer estimates that the country's BNPL market will rocket to $45-50 billion by 2026 from the current $3-3.5 billion. The consultancy company also estimates that the number of BNPL users in the country may rise to 8 to 10 crore customers by then from 1 to 1.5 crore currently. As the maximum credit being offered on BNPL is Rs 1,00,000, much lower than credit card offers, it will take some time before BNPL can disrupt the cards market, opines analysts.

"Weekend Tourism Will Get Much-Needed Fillip"

Like the rest of the hospitality industry, Pride Hotels too is gradually emerging out of the gloom of COVID-19-induced slowdown. As the economy shows early signs of revival, the Mumbai-based luxury hotel chain has geared up to welcome guests back. With an extra dose of caution, Pride has rolled out a bouquet of measures to reassure its guests that all its properties are exceedingly safe and hygienic, stresses Pride Group of Hotels founder and Managing Director S P Jain.

A chartered accountant by training, Mr Jain has mastered the art of buying loss-making hotels at prime locations across major cities and then building them into huge profit centres for the hospitality group. With this well-thought-out strategy, Pride Hotels has made giant strides in the luxury and business hotel segments.

"The Union government recently announced 5 lakh free visas for tourists from 99 countries. This initiative will give a much-needed boost and play a crucial role in growth of inbound tourism."

S P JAIN, Founder & Managing Director, Pride Group of Hotels

With 36 properties spread across the length and breadth of the country, Pride Hotels boasts of over 3,200 rooms, more than 70 restaurants and over 90 banquet and conference halls – all of them exquisitely and artfully designed. In an exclusive interview with ***IBJ***, Mr Jain shares his views on the post-pandemic trends and developments in the hospitality industry, key growth drivers and the upcoming plans of his luxury hotel chain.

■ **What is your take on the present status of hospitality industry, one of the sectors most severely affected by COVID-19?**

Hospitality industry is among the hardest-hit industries. Currently, with the festive season and the new year around, we are seeing demand in the market for staycations at places that are a short drive away. Domestic market is picking up faster than international market as local travellers are looking for a safe weekend getaway. We are also witnessing revenge tourism happening in India.

■ **When do you think that the sector will return to the pre-COVID-19 level in terms of occupancy, average room rate (ARR), investments, etc?**

Hospitality sector has been steadily recovering over the months. It will take at least a year more to reach pre-COVID-19 levels. The industry is currently limited to domestic tourists. Unless foreign tourists arrive in large numbers, it would be difficult to achieve any significant growth.

■ **How has been the support from State and Central governments to the industry to tide over the crisis?**

There was nothing attractive for the hospitality sector in the Union Budget 2021-22. So far, the only respite has been the government's decision to extend the Emergency Credit Line Guarantee Scheme (ECLGS) to the sector. Without the governments' support, the hospitality industry will collapse. We hope that the government will look into it and grant some relief in the forthcoming Budget.

■ **With economic activities picking up, how is the industry gearing up to get back to business?**

We believe that regaining confidence of guests should be the first step in overcoming the crisis. Instilling a sense of safety in the guests will play a huge role. So, further strict sanitising and hygiene measures will need to be applied across the industry, with new practices put in place in order to monitor and control the environment in which the business takes place. Communication will play a lead role in reaching out to guests and needs to be done subtly. As an industry, we should be ready to adapt to the needs of the new travellers, who are locked safely in the confines of their homes.

■ **What are going to be the key growth drivers?**

The Union government recently announced 5 lakh free visas for tourists from 99 countries. This initiative will give a much-needed boost and play a crucial role in growth of inbound tourism. Weekend tourism will get a much-needed fillip with more travellers opting for short breaks within the periphery of the city. Another unique trend in the hospitality sector that will be the major growth driver will be personalised celebrations in hotel rooms for small functions, get-togethers and birthday parties. With these unique sales schemes offering in-room celebrations, guests can avail themselves of more privacy and follow adequate safety protocols. This in turn will also boost room occupancy for hotels and spur sales of food and beverage.

"We have aggressively expanded our footprints to establish our presence across the country. We currently have a portfolio of 36 properties nationally and will soon expand to 50 hotels by 2022."

■ **What according to you are the key deterrents to growth of the market?**

The major obstacles in the growth of the hospitality market are travel restrictions, restrictions on large gatherings and ban on international travellers. Now there is a slight rise in occupancy. But there is also the fear of the third wave of COVID-19 re-emerging in the country.

■ **How has your growth strategy of 'pure management' contracts been panning out over the last few years?**

We have aggressively expanded our footprints to establish our presence across the country. The focus will be on an asset-light model for our expansion with a major slice of the portfolio managed directly by us. In the last six months, we have signed many properties on management contracts, with most of the new hotels on the verge of completion. We have recently launched properties in Udaipur, Dapoli, Mussoorie, Rajkot and Vadodara. We currently have a portfolio of 36 properties nationally and will soon expand to 50 hotels by 2022.

■ **Are there any plans to restructure or rebrand the group hotels, which are present in different segments across the country?**

We have no plans of restructuring or rebranding as we are a well-established hotel chain with four distinctive brands – Pride Plaza (luxury hotels), Pride Hotel (upscale hotels) Pride Resort (leisure hotels) and Pride Biznotel (mid-segment business hotels).

■ **How does Pride Hotels stand out from the rest of the Indian luxury hotel chains?**

Being a truly Indian brand, we start with a traditional welcome of Namaskar and welcome our guests with a Tika, Aarti and garland. Pride Hotels incorporates the five senses of traditional Indian welcome namely – fragrance, music, ambience, regional Indian paintings and frescoes and mouth-watering Indian cuisines. All our public areas play local regional music. All the artworks of the rooms and public areas have taken inspiration from local architecture, culture and colours.

■ **What is your vision for Pride Hotel in the years to come? Is there any plan to float an initial public offer (IPO)?**

Our vision is to establish Pride Hotels as the best Indian hospitality chain. We will plan an IPO after two years as by that time, the hospitality industry would have fully recovered from the setback of the pandemic, and the sector would be witnessing growth. ■

Warming Up To FTAs

After shunning them for long, the government has yet again set out on a shopping spree for free trade agreements.

IBJ BUREAU

India is busy fast-tracking free trade agreements (FTAs) with many countries and blocs. The country sees FTAs as the right vehicle to help it reach its ambitious export targets. The Union Commerce and Industry Ministry has set huge export targets of $2 trillion by 2030 –$1 trillion in merchandise shipments and another $1 trillion in services exports.

The country is currently negotiating some 16 FTA deals. Of these, at least six pacts – one each with the UAE, the UK, the GCC countries, Australia, Canada and the EU – are being fast-tracked.

India and Australia will be finalising an FTA by the end of 2022. A Comprehensive Economic Partnership Agreement (CEPA) with the UAE is likely by March 2022. It is set to kick-start formal negotiations for FTAs with the UK and the EU by the end of 2021.

A major highlight of new FTAs under negotiation is the stress on services sector. In fact, India is looking at tapping its potential services sector, its core strength, through FTAs. The government is boosting various, high-growth services segments, such as higher education, hospitality and medical tourism, among others, to achieve the $1-trillion goal. This attempt is aimed at going beyond information technology (IT) and IT-enabled services (ITeS) segments – the dominant exporters of the services sector – and getting other segments to make their mark in global trade.

"If industry thinks that it would get greater market access in the US, the UK and Canada without opening the Indian market for businesses of those countries as well, then there is no future of industry. Then forget about FTAs and markets."

PIYUSH GOYAL
Commerce Minister

The big push to the services sector will contribute significantly to economic growth, given that the sector accounts for more than half of the country's Gross Domestic Product (GDP). Besides, services make up approximately 40 per cent to India's total exports and employ nearly 2.6 crore people.

Shifting stance

It is quite surprising that the Narendra Modi government should promote FTAs so aggressively today. When Mr Modi first assumed power in 2014, his government seemed to agree with the industry that FTAs were hurting India by a flood of imports and stagnating of falling exports. Up until a year ago, the government actively shunned FTAs and had also begun reviewing all existing trade pacts.

The government had, in fact, shocked the world by walking out of the Regional Comprehensive Economic Partnership (RCEP) in November 2019. A year later, in November 2020, the RCEP was signed by the ASEAN (Association of South-East Asian Nations) and Japan, South Korea, Australia, New Zealand and China. New Delhi's decision to stay away from the mega trading pact appeared to have been prompted by securing the interests of Indian farmers and industries.

Besides, India seemed intent on preventing Asian supply chains from growing more China-centric than they already were. The threat of Chinese goods flooding into India through the RCEP, as was the case with many of its FTAs, had also influenced the government from joining the RCEP.

However, by the end of 2020, the

government had turned around in favour of FTAs and has been vigorously pursuing these pacts this year. COVID-19 has had a significant role in the government's rethink on FTAs. The viral pandemic disrupted the global economy and trade and exposed the vulnerabilities of being heavily dependent on China. Since then, China-Plus-One strategy has become the watchword of almost all countries. Accordingly, the countries continue to deal with China even as they look for another alternative to the Asian giant to ensure that they do not solely depend on it.

This China-Plus-One strategy appears to have jolted the government to look towards FTAs favourably. The government is well aware that there are many countries, such as Vietnam, South Korea and the like, that would easily be an alternative to China. The urgent need to fit into the China-Plus-One strategy has set India off on an FTA-shopping spree. Moreover, with multilateral trade – promoted by the World Trade Organization (WTO) – collapsing, India sees FTAs as inevitable to boost its trade.

Interestingly, the similar line of thinking has made the Indian industry to change tack when it comes to FTAs. The change in favour of FTAs has been prompted by India Inc's desire to be relevant in the China-Plus-One strategy and also to grab a larger share of the global market along with the domestic market.

The Confederation of Indian Industry (CII), India's leading industry association, has welcomed the government's decision to implement the proposed FTA between India and the EU. Speaking at a recent event, CII Director-General Chandrajit Banerjee had said: "The BTIA (Broad-Based Trade and Investment Agreement – the Indo-EU FTA) will really benefit the EU with better access to the huge and rapidly-growing Indian market and India with access to technology and innovation."

All About Indian Exports

Merchandise Export	Services Exports
$291 billion FY21 SHIPMENTS	**$206 billion** FY21 EXPORTS
$1 trillion FY30 TARGET	**$1 trillion** FY30 TARGET

The Steering Committee for Advancing Local Value-Add and Exports (SCALE) – a committee of top Indian CEOs, headed by former MD of Mahindra & Mahindra Pawan Goenka – has argued that India's proposed FTAs could help push exports of auto components, textile and other products. In a presentation made before Commerce and Industry Minister Piyush Goyal, the SCALE committee has called for a push to the China-Plus-One strategy to attract investment from multinationals while positioning India as an export hub. The committee has urged the government to reduce five disabilities for domestic companies – cost and ease of doing business, market access via trade treaties, technology and quality issues and supporting Brand India for manufacturing.

Indian FTAs In Numbers

TOTAL PACTS - 42

Operational Pacts - 14

Pacts In Negotiations - 16

Pacts Proposed & Being Studied - 12

The Federation of Indian Export Organisations (FIEO) has, in the meanwhile, stressed that inking FTAs with India's major trading partners, such as the US, the UK, the EU, Australia, New Zealand, Canada, and Israel, among others, will boost exports and help in attracting more foreign investments into the country. "One of the reasons for the success of Vietnam in attracting investment and relocating units (from China and other parts of the world) is its effective FTAs with the rest of the world," points out FIEO President A Sakthivel.

Past setbacks

There is a flurry of activities related to FTAs today. In fact, India had seen such a rush for activities even in the past between 2000 and 2015. It would not be an exaggeration to say that India is a past master of these trade pacts. With some 42 trade agreements – including those operational, the ones being negotiated and the ones being studied – India is among the top Asian countries to have the maximum number of FTAs.

India-Sri Lanka Free Trade Agreement (ISLFTA), which became operational in 2000, was the first of such

With multilateral trade, promoted by WTO, collapsing, India sees FTAs as inevitable to boost its trade.

FTAs. Besides, India's other major FTAs are the ones with Singapore (2005); SAFTA (2006) – South Asia Free Trade Agreement with the SAARC (South Asian Association for Regional Cooperation) countries – South Korea (2010); Malaysia (2011); Japan (2011); a goods FTA with ASEAN (2010); and a services FTA with ASEAN (2015); among others.

However, despite many pacts, India has had a bitter experience with the FTAs in the past. Except for SAFTA, few FTAs have genuinely helped India. Almost all FTAs, barring the one with SAARC, have followed a similar trajectory and brought disappointing results. Most of the FTAs have led to Indian market getting flooded with cheaper imports and Indian exports hitting a low, resulting in large trade deficits for the country.

"We chose the wrong countries and wrong terms in the past. Now, we have chosen the right ones, like the EU and the US. They are high-cost economies for mass manufacturing that are now looking for an alternative to China."

DHIRAJ NAYYAR
Director, Vedanta Group

Why FTAs hit India?

India's Trade With ASEAN

Figures in $ billion

	FY15	FY21	Change(%)
Exports	31.81	31.49	(-) 1.00
Imports	44.71	47.42	6.06
Trade Deficit	12.90	15.93	23.49

India's Trade With South Korea

	FY11	FY20	Change(%)
Exports	7.89	5.60	(-) 29.02
Imports	12.65	15.10	19.37
Trade Deficit	4.76	9.50	99.58

- Indian markets flooded with cheaper imports, exports from India low, resulting in large trade deficits
- Indian industry badly hit by inverted duty structure in many pacts with Asian nations, especially Thailand
- Indian exporters, badly battered by poor infrastructure, red tape and other domestic problems, unable to leverage FTAs
- A lack of awareness on FTAs among Indian exporters further dented Indian shipments
- Obstacles to Indian exports from non-tariff barriers in partner countries, like differences over packaging and labelling and a lack of mutual recognition of certificates
- Indian trade agreements obsessed with market access and negligent of non-tariff barriers of partner countries
- Potential markets, such as the US, EU and Africa, neglected by multiple FTAs with Asian countries
- Negotiations of FTAs conducted by bureaucrats without involving views of industry and other stakeholders

A range of domestic factors, of course, continues to hobble Indian exporters. Pathetic infrastructure, especially in and around ports, red-tapism, high cost of transactions and the like have deeply impacted competitiveness of Indian exports and prevented Indian exporters from leveraging preferential market access provided by FTAs.

FTAs themselves, in many cases, have proved to be millstone around Indian exporters' necks. Some of these past pacts, especially the one with Thailand, have had an inverted duty structure (tariffs on final products are lower than taxes on inputs), leading to a deluge of cheaper imported goods and hurting Indian industry badly.

A Deloitte report perhaps reveals a shocking piece of information that would sum up how bad India has been with regard to FTAs. The report shows that India's rate of FTA utilisation is less than 3 per cent. This compares with around 80 per cent of the FTA utilisation rate in developed countries. The report goes on to add that India's low utilisation rate could be attributed to a lack of awareness about FTAs, high cost of FTA compliance, various non-tariff barriers in importing countries and absence of industry in trade negotiations.

Moreover, India's trade agreements suffer from an over-emphasis on "market access" when they should be paying more attention to non-tariff barriers. These barriers, such as differences over packaging and labelling requirements, absence of mutual recognition of certificates and so on, have made it difficult for Indian exporters to gain market access in partner countries.

Many experts point out that India has signed the highest number of trade agreements with Asian countries. For example, India has separate FTAs with Singapore and Malaysia, which are also a part of the larger India-ASEAN trade agreement. This may have led to neglect of other markets with high-trade potential, like the US, the UK, the EU and others.

Dhiraj Nayyar, the director (economics and policy) of the Vedanta Group, explains that India had signed its earlier FTAs with more competitive countries, especially in manufacturing. India's exports did not grow not because Indian companies were not performing. The reason for India's poor performance was because of a lack of adequate support from infrastructure and policy environment to the exporters, adds Mr Nayyar.

"We chose the wrong countries and wrong terms in the past. Now, we have chosen the right ones, like the EU and the US. They are high-cost economies for mass manufacturing that are now looking for an alternative to China. India might have an opportunity, but so do Vietnam and Bangladesh," opines Mr Nayyar.

Course correction

India is aware of its past failings with FTAs and has, fortunately, started taking some corrective steps. The Modi government is in the process of reviewing many of India's existing FTAs. It has asked its Asian partners to scrap non-tariff barriers, provide better market access to Indian exporters and strengthen the provisions of Rules of Origin norms.

India is now rightly focusing on FTAs with its traditional partners, such as the US, the EU, the UK and the others. According to some government data, market share of Indian exports in Asia dropped in the past decade despite a rash of trade agreements. At the same time, market share in traditional markets, like the US and the EU, went up in the same period even though India does not have an FTA with either of the partners. India's decision to move ahead with FTAs with its traditional trading partners is a part of making a mid-course correction. Similarly, India is also pursuing trade pacts with high-potential African countries

A major highlight of new FTAs under negotiation is the stress on services sector.

The China-Plus-One strategy appears to have jolted the government to look towards FTAs favourably.

"The BTIA will really benefit the EU with better access to the huge and rapidly-growing Indian market and India with access to technology and innovation."

CHANDRAJIT BANERJEE
Director-General, CII

"One of the reasons for the success of Vietnam in attracting investment and relocating units (from China and other parts of the world) is its effective FTAs with the rest of the world."

A SAKTHIVEL
President, FIEO

Mr Goyal recently assured the industry that the government would protect its interests in FTAs and these pacts would be finalised after holding detailed discussions with all the stakeholders. Going ahead, the commerce minister also exhorted the domestic industry to become competitive and not seek protection for certain sectors in these agreements.

"If industry thinks that it would get greater market access in the US, the UK and Canada without opening the Indian market for businesses of those countries as well, then there is no future of industry. Then forget about FTAs and markets," Mr Goyal added bluntly. A give-and-take policy is a part of any trade deal. The deals should not turn out to be one-sided, as a few past trade pact sadly happened to be.

The global trading order has been disrupted by US-China tension and the viral pandemic. New supply chains are being explored, and new trade ties are being forged. India cannot afford to miss out on the new realities playing out in global trade.

The government's rethink on the FTAs could not have come a day later. Its decisions to review old FTAs and formalise new agreements with India's traditional partners also go on to correct the past mistakes. It only needs to get cracking on facilitating Indian exporters by cutting costs and improving infrastructure. The right FTAs, after all, can make India's journey to the $2-trillion export target a lot easier.

"India Will Be A Global Hub For Speciality Chemicals"

Anil Gupta appears undeterred by COVID-19. The group managing director of Krishna Antioxidants (KAPL) reveals that his speciality chemicals company was able to overcome the disruptions sparked off by the viral pandemic. He further adds that the Mumbai-headquartered speciality chemicals manufacturer continued to grow in double digits even during the time that the deadly epidemic raged.

KAPL, one of the country's leading speciality chemical manufacturers, has been catering to diversified markets – including oil, lubricant, polymer, water treatment, paint, pharmaceutical, personal care and agrochemical – since its inception in 1991. The company's three production facilities – located in Chiplun and Vasai in Maharashtra and in Dahej in Gujarat – have been churning out a wide range of speciality chemicals under the Cristol brand.

The speciality chemicals manufacturer has invested heavily in research and development (R&D) and has been successful in producing new products and solutions that are in great demand across diverse industries. Besides, KAPL is also a government-accredited R&D centre.

The top management team of KAPL has veterans of the specialty chemicals industry with over 25 years of manufacturing experience in the sector. Moreover, the company's over 400 employees, who have been trained in international best practices, have been ensuring that Cristol products continue to adhere to the high global standards of quality and performance.

Armed with some of the best global certifications the company's Cristol-branded products and services have earned a respectable reputation across the world. Not surprisingly, KAPL's speciality chemicals are exported to 32 countries across 6 continents, and more than 70 per cent of its sales are derived from exports.

In an engaging interview with *IBJ*, covering a wide range of issues, Mr Gupta quite emphatically stresses that India is set to become a global manufacturing hub for speciality chemicals.

■ **How has the going been for the industry, in general, and for Cristol, in particular, during the COVID pandemic?**

Speciality chemicals are one of the fastest-growing sectors in India with an impressive annual growth rate of 15 per cent. The potential of the Indian speciality chemicals industry is increasingly being recognised at the global level, owing to quality compliance, availability of skilled manpower and reasonable price margins.

In fact, KAPL has posted impressive, double-digit growth figures despite economic and industrial disruption caused by COVID-19. Consistency in quality, occupational safety and ensuring customers' satisfaction have enabled us to thrive and flourish even during trying times. It is because we believe in being partners to our clients and associates.

■ **Will you take us through trends and developments happening in the global and domestic speciality chemicals industry?**

Technological advancement has given rise to tools that enhance employees' efficiency and overall productivity. The tools also scale up production and analyse consumer behaviour to target the right audience or segments, streamline processes across the supply chain and develop distinguished strategies to maximise customers' value. US trade conflict with China, coupled with tightening of environmental norms and government policies emerging from the pandemic, has established new economic opportunities for the Indian speciality chemical industry as a result of proficient labour, manufacturing expertise, cost-effective margins and compliances. Besides, incorporation of green chemistry in manufacturing processes to improve existing products and formulate new products is also an important growth opportunity as the world is gradually transitioning towards a sustainable future and demands sustainable products. There is a stress on establishment of stringent regulatory policies around personnel health and safety and environmental protection to minimise hazards of toxic chemical exposure.

"KAPL has posted impressive, double-digit growth figures despite economic and industrial disruption caused by COVID-19. Consistency in quality, occupational safety and ensuring customers' satisfaction have enabled us to thrive and flourish even during trying times."

■ **What, in your opinion, are the major hurdles before the industry?**

Coping with volatile crude oil prices, while attempting to use energy and raw materials judiciously in manufacturing processes, is quite a daunting task. Si-

“Speciality chemicals are one of the fastest-growing sectors in India with an impressive annual growth rate of 15 per cent. The potential of the Indian speciality chemicals industry is increasingly being recognised at the global level, owing to quality compliance, availability of skilled manpower and reasonable price margins.”

ANIL GUPTA, Group Managing Director, KAPL

multaneously, ensuring zero impact on the environment is one of the key concerns facing the chemical industry today.

■ **What measures has the industry taken to change the perception of chemical industry being a major polluter?**

Irresponsible use and disposal of toxic chemical-laden waste are a major hazard to health. They also lay immense stress on the environment’s delicate balance, making it perilous. The government has laid down stringent policies and norms to minimise the impact of chemicals on the environment. As an industry, we must proactively adhere to these standards to ensure that the environment, which is endowed to us by nature, is protected from ever-increasing chemical pollution. We must also adopt green chemistry which is a benign alternative that leaves behind cleaner air, consumable water and ensures better occupational health and safety.

KAPL is a zero-discharge company, certified by the British Standard Institute (BSI) for ISO 14001: 2015 (Environment) and ISO 45001: 2018 (OHSAS). We carry out manufacturing with respect and care for the environment in which we operate by taking meticulous measures to conserve resources, prevent pollution and reduce waste.

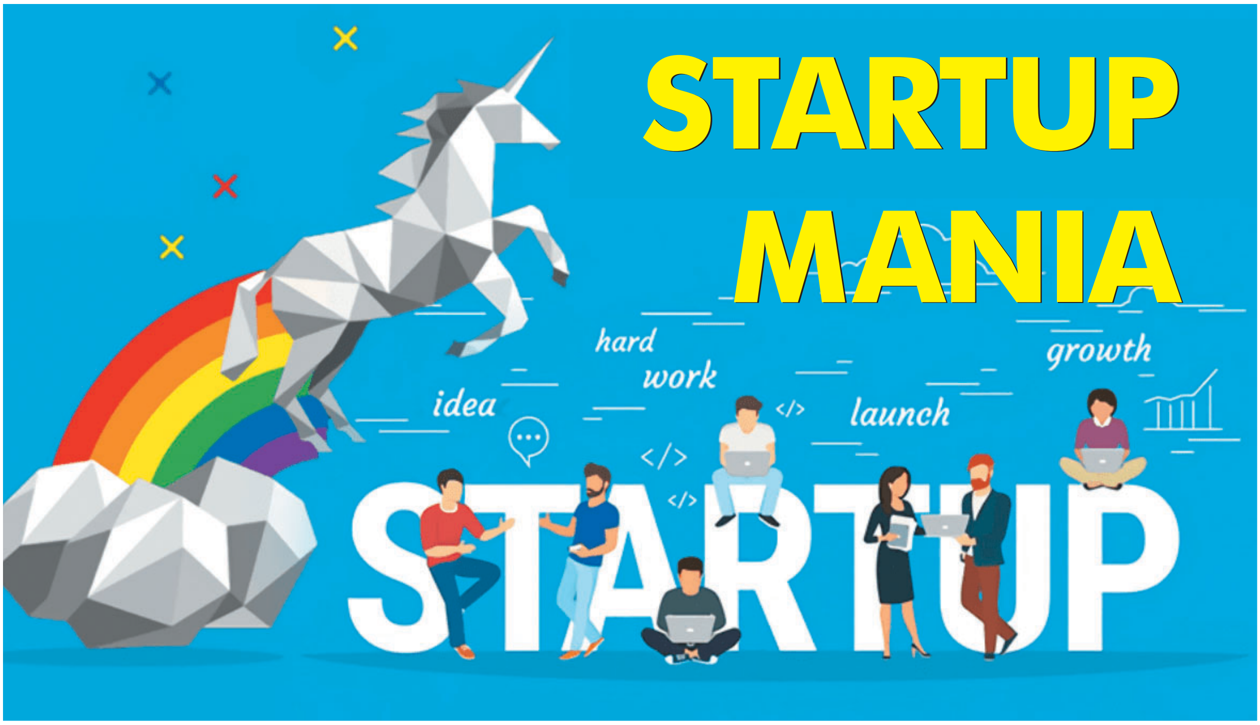
■ **How do you see the outlook for the specialty chemicals industry in the near future?**

India is poised to emerge as a global speciality chemicals manufacturing hub over the next decade. Escalating geopolitical issues emerging from COVID-19 have turned the spotlight on India. With its large domestic consumption market, experienced workforce, cost-effective labour and reasonable margins, India is a notable beneficiary of the search for a competitive market. The government has launched flagship programmes, such as Make In India and the Aatmanirbhar Bharat Abhiyan, to lend further impetus to economic growth.

■ **As an industry veteran, how are you preparing for new opportunities in the segment and beyond?**

We are constantly conducting research not only to improve the performance of existing products but also make our production more efficient. During the downtime in the lockdown, the company utilised the time to plan better, optimise production as well as streamline processes to ensure more efficient management of resources. This will allow for better efficiencies which in turn result in lower costs and higher profits.

We will also address new challenges by focusing on certain key imperatives, like empowering our remote workforce; engaging clientele virtually; adhering to health and safety regulations at all facilities; accelerating production efficiency through time management and meticulous quality control; reducing operational costs and enhancing supply chains through prioritisation and distinguished strategies; employing sophisticated technology; and providing digital tools to ensure seamless operations across all environments. These measures will reshape the future of work. ■



After a decade of PE- and VC-backed growth, Indian startups ride the booming IPO wave, triggering insane valuations amid massive losses.

IBJ RESEARCH BUREAU

Technology startups are storming the stock market as if there is no tomorrow. These new-age companies are merrily riding an ongoing wave of initial public offers (IPOs) like seasoned veterans. Some of the household names – such as online food delivery platform Zomato and digital payments company Paytm – have tapped the market with mind-boggling public offers.

Investors too are lapping up these initial share sales vigorously and asking for more. The Rs 5,352-crore issue of FSN E-Commerce – the online beauty and fashion products company that retails under the Nykaa brand – was subscribed by 81.78 times last month. Similarly, investors with voracious appetites had snapped up Rs 9,375 crore of Zomato's shares in July, subscribing the IPO by 38.25 times. Both Zomato and Nykaa whetted investors' appetites with dazzling market debuts. They ended their first day of trade with a whopping premium (Zomato 102.43 per cent and Nykaa 98.76 per cent) to their issue prices.

The blockbuster performance of Zomato and Nykaa had raised expectations sky high for the market listing of One97 Communications, better known by its trademark Paytm. The digital payments company had moreover announced a jaw-dropping Rs 18,300-crore IPO, the country's largest-ever public issue, surpassing that of Coal India's Rs 15,199-crore offer. The biggest issue size had further pressured Paytm to deliver a cracker of stock market listing.

"Indian startups are not overpriced. India is an opportunity which will dwarf many other countries' startup or technology ecosystems."

VIJAY SHEKHAR SHARMA
CEO, Paytm

However, Paytm closed its subscription on a rather dull note by selling its shares by only 1.89 times its issue size. This was a clear signal that its listing would not be as spectacular as expected. And the worst fears came true last month when the company listed at a discount, hit the lower circuit and finally closed the day at an 18.47 per cent discount to issue its issue price. The company's huge issue size and its exorbitant pricing seemed to have dampened its IPO. But the stock has since been doing better with its price rising in subsequent trading sessions.

The Paytm aberration apart, startups are having a field day on the

Promising listing of Zomato and Nykaa have encouraged many more startups to tap the stock market.

bourses this year. Zomato's breathtaking opening on the equity markets in July is considered to have set the stage for startups to shine on the markets. Zomato's success also fuelled the idea that similarly profit-challenged startups could find strong reception from investors.

It would not be an exaggeration to say that 2021 has been a year of IPOs. A total of 53 IPOs (including one REIT and one InvIT) has among them collected Rs 1,14,653 crore in the 11 months of this calendar year. This year has set a new record of funds mopped up by public issues, breaking the previous high of Rs 67,147 crore raised through 36 issues in 2017. The amount of public offers would easily soar further in 2021, with one whole month of December set to see more action on the IPO front.

Going a step ahead, this year can undoubtedly be declared the year of startup IPOs. Eight startups have raised money through public offers so far this year. The number of startups (eight out of 53) taking the IPO route may not be a breakout achievement *per se*. But the significance gets clearer when the money they have mopped up is considered. Among them, the eight startups have collected Rs 43,942 crore, accounting for 38 per cent of the total IPO amount raised so far this year. Moreover, there is a whole month left and many more startups – PharmEasy, MobiKwik, Ixigo, Delhivery, Snapdeal, Byju's, Pepperfry, InMobi and RateGain – are likely to hit the market.

Besides, a big jump in startups tapping the IPO market this year becomes evident when their current involvement in the stock market is compared with that in their previous years. For instance, two startups (Affle India – Rs 459 crore – and IndiaMart Intermesh – Rs 474 crore) had floated public issues in 2019, while Route Mobile (Rs 600 crore) was the only startup to hit the market in 2020.

"Certainly, Indian tech start-ups have come of age. It is not going to be a flash in the pan. What we are seeing here in the listing of these tech companies is the recognition of the growing digital penetration," stresses Anup Jain, the managing partner of Orios Venture Partners, an early-stage venture fund.

Huge funding

For a long time now, many Indian startups have been successfully attracting huge funding from private equity (PE) and venture capital (VC) funds. And years of piling-up losses incurred by startups have not discouraged these funds from bankrolling them. A novel factor in the startup funding this year is the entry of stock market investors, including retail investors, who seem to have bought into the Indian startup story.

The technology startups, as we know them today, evolved in the country over a decade ago, beginning around 2010. This startup revolution was in fact nurtured and supported by the growth of information technology (IT) in the 1970s and 1980s. Economic liberalisaiton of the 1990s helped sow the seeds of a startup ecosystem in the country. Besides, new business models across sectors – like

A Startup Bubble?

Inexplicable rationale of insane valuations amid massive losses across the world

Slight change in e-commerce consumer behaviour not proportionate to huge funding and valuation and resultant, massive risk

Current hype of startup IPO being compared to dotcom bust that had hammered markets worldwide two decades ago

A Blockbuster Year

With another month to go, 2021 has broken all records when it comes to total and startup public issues.

IPOs

	Nos.	Mop-Up
2019	16	12,382
2020	15	26,613
2021	53	1,14,653

Start-Up IPOs

	Nos.	Mop-Up
2019	2	933
2020	1	600
2021	8	42942

Mop-Up in Rs crore

Dazzling Debuts

Baring three companies, the rest of them sizzled during their market forays.

Company	Issue Size (Rs cr)	Subscription (X)	Issue Price (Rs)	CMP (Rs)	Returns (%)
Easy Trip Planners	510.00	159.33	187.00	527.70	182.19
Nazara Tech	582.91	175.46	1,101.00	2,260.00	105.27
Zomato	9,375.00	38.25	76.00	153.85	102.43
CarTrade Tech	2,998.51	20.29	1,618.00	994.90	-38.51
FSN E-Commerce	5,351.92	81.78	1,125.00	2,236.00	98.76
Fino Payments	1,200.29	2.03	577.00	469.90	-18.56
PB Fintech	5,625.00	16.59	980.00	1,293.00	31.94
One97 Comm	18,300.00	1.89	2,150	1,753.00	-18.47

X - No. of time oversubscribed

banking and finance, telecom, entertainment and the like – spawned by economic liberalisation and driven by IT, aided in shaping these startups into formidable entities.

Over the past decade, Indian startups have bloomed across fintech, edtech, agritech, e-grocery and other sectors. Rising online operations and transactions have helped their growth, and the potential untapped Indian market has attracted PE and VC investors to back Indian startups and facilitate their rapid expansion. “Indian startups are not overpriced. India is an opportunity which will dwarf many other countries’ startup or technology ecosystems,” predicts Paytm CEO Vijay Shekhar Sharma.

With online operations becoming the new normal, global PE and VC funds have been pumping big money into Indian startups and transforming many of them into unicorns –businesses with valuation of $1 billion. Not surprisingly, there has been a spurt in funding of startups from global investors, like Sequoia Capital, Fidelity Investments, KKR & Co, Temasek Holdings and others in the past two years. And 2021 has broken all the past records, with Indian startups mopping up $20.55 billion (about Rs 1,54,125 crore) from 673 deals. With one more month of this year yet to go, the startup funding has exceeded that of the whole of 2020, which saw $9.94 billion (over Rs 74,550 crore) being raised from 1,088 deals.

“The Zomato IPO tells VCs and PEs that there is finally an exit route, and it is happening in India. Besides, successful listing increases the confidence of those investors who had so far shied away from investing in the Indian tech startup story.”

ANIL KUMAR
CEO, RedSeer

“Certainly, Indian tech start-ups have come of age. What we are seeing here in the listing of these tech companies is the recognition of the growing digital penetration,”

ANUP JAIN
Managing Partner, Orios Venture

That kind of financing has helped India build a robust startup ecosystem with over 55,000 startups and 76 unicorns as of November 2021. This breathtaking growth has also catapulted India as the third-largest startup ecosystem in the world next only to the US and China.

Like the rest of the world, almost all Indian startups – barring a few that can be perhaps be counted on fingertips – are deep in the red. But despite huge losses, they have succeeded in wooing massive global funding. Some analysts tracking the world of startups point out that a number of factors tilt in favour of these dipped-in-losses startups that are rolling in billion-dollar financing.

The smartphone revolution has singlehandedly changed the way people transact, interact, entertain, shop and live their lives. In India, this revolution was hastened by demonetisation and COVID-19. The viral pandemic, for all its terrible impact, did show a way in which life could still go on amid the most stringent of lockdowns, thanks to tech startups and the smartphone.

In a recent report, business consultancy firm Redseer reveals that there were 79.52 crore active internet users as of 2020-end. Of these, there were around 15 crore online shoppers last year. The consultancy further estimates the number of online shoppers to touch about 19 crore by the end of 2021. There were 83.37 crore active internet users as of June 2021, and their number is likely to cross 90 crore by the end of 2021. Redseer projects the country's digital shoppers' base to jump to about 30 crore by 2025, with 90 per cent of the consumers drawn from tier-II cities and beyond.

Analysts point out that smartphones – which have become quite affordable – and inexpensive data tariffs have been driving the surge in the numbers of active internet users and e-shoppers. They also note that the number of online shoppers, pegged to touch 30 crore by 2025, is still a long way off the full potential of the country's over 130 crore population. This full potential, especially of the vast, untapped rural India, is enticing global investors to loosen their purse strings in favour of the new breed of technology-driven entrepreneurs.

There is, of course, a crucial aspect that is glossed over in the rosy reports on the big numbers of e-shoppers. The fact is that currently 60 per cent of all e-commerce transactions are related to travel or rail, air and bus ticketing, while only the remaining 40 per cent of the transactions deal with other products and services across sectors. Most of the consultancy reports are silent on whether the share of transactions of segments other than travel would rise in the projected numbers of online consumers.

Another factor that is getting PE and VC investors to bet on Indian startups or those elsewhere in the world is the peculiar business strategy of the startup world. Startups focus on growing their revenues faster than those of mature companies. In the process, they often sacrifice profits in initial years for growth. Global investors hence do not hesitate to pour billions of dollars into loss-making startups, keeping in view their long-term growth target.

"In India, companies are in cash-burning stages, with a significant portion of the funds raised continuing to be allocated for loss funding, achieving scale, customer acquisition and driving out competition," reasons out Santosh N, the managing director of valuation service provider Duff and Phelps.

Surprisingly, China seems to be indirectly shoring up the Indian startup boom. The Chinese government has been cracking down on technology, real estate and other big companies to cut them to size and re-distribute wealth. The Chinese clampdown has led to many global investors looking for alternative investment destinations, and Indian stratups seem to fit the bill.

"If global investors have to pick an emerging market, the balance is tilting in India's favour after the regulatory action in the Chinese internet ecosystem," opines Pankaj Naik, the executive director of Avendus Capital.

Finally, a buoyant stock market, coupled with an equally robust primary market, has led many existing investors to cash out their stake by getting their startups to float IPOs. Incidentally, dazzling debuts of many startups on the markets despite their

Why Startup Funding Goes On...

- Startups' peculiar business strategy of prioritising long-term growth over profits
- Demonetisation and COVID-19 pushing more Indians to go online
- Rising number and online shoppers, driven by affordable smartphones and cheaper internet tariffs, boosting growth
- Vast, untapped e-commerce market, especially in rural India, offering start-ups huge potential for growth
- India emerging alternative investment destination amid crackdown on technology companies in China
- Buoyant bourses and vibrant IPO market whetting appetites of PE and VC investors who see IPO as a profitable exit route

Paytm, the country's largest IPO, ended the first day of trade on a disappointing note.

"Everybody's valuation, including ours, is overinflated. To a large extent, this has been brought about by access to very cheap capital across the world. I think this is a bubble, if ever there was any."

NIKHIL KAMATH
Co-Founder, Zerodha

Greater The Loss, Higher The Funding

Except for profitable Nykaa, all other startups were rewarded generously for posting huge losses.

Company	Revenue	Profit/Loss	Total Funding
Flipkart*	34,610 crore	-3,150 crore	93,240 crore
One97 Comm (Paytm)	2,802 crore	-1,701 crore	34,336 crore
Zomato	1,994 crore	-816 crore	14,800 crore
API Holdings (PharmEasy)	737 crore	-641 crore	10,360 crore
PB Fintech (PolicyBazaar)	957 crore	-150 crore	5,673 crore
FSN E-Comm (Nykaa)	2,452 crore	62 crore	1,099 crore

*For FY20

All figures in rupees for FY21

sky-high valuations have prompted many more PE and VC funds to buy stakes in tech companies and exit profitably via the IPO route.

"The Zomato IPO is a trendsetter in the Indian startup ecosystem. The listing tells venture capitalists, private equity investors and others that there is finally an exit route, and it is happening in India. Besides, successful listing increases the confidence of those investors who had so far shied away from investing in the Indian tech startup story," sums up RedSeer CEO Anil Kumar.

Tapping stock market

PE and VC investors are not the only ones to be excited by the spectacular listing of startups. Stock market investors, including retail investors, are also fervently queuing up to have a stake in the Indian startup success story. This eagerness among equity investors is clearly evident in huge subscriptions of public issues of several startups.

"Most of the new investors are young, and they have increased risk appetite. These investors are also tech-friendly and have been using the products or services of the companies which are coming up with IPOs. Hence, they are finding potential in these start-ups," opines Gaurav Garg, the head of research of CapitalVia Global Research.

"One of the reasons why the metrics of mature Indian startups are looking good today is due to the fact that customer acquisition cost has come down during the year,"

PANKAJ NAIK
ED, Avendus Capital

Meanwhile, a slew of reforms introduced by the Securities and Exchange Board of India (SEBI) in the past few months has made it possible for loss-making startups to tap the market in the first place. Earlier, market regulations barred loss-making companies from listing, making it mandatory for companies to have posted profits for at least three years before listing.

2021 has broken all past records, with Indian startups mopping up $20.55 billion from 673 deals.

Under the new rules, the market regulator has allowed loss-making companies to offer only 10 per cent of its shares to retail investors instead of the 35 per cent allotment in case of profitable companies. This has been done to protect retail investors.

The SEBI's relaxed norms are aimed at encouraging successful Indian startups to list on the domestic markets instead of tapping foreign bourses. Several Indian startups and other companies were earlier planning to list overseas through the SPAC (Special Purpose Acquisition Company) or the blank-cheque company route as the norms barred loss-making companies from listing on Indian markets. This would have led to huge opportunity loss for Indian capital markets and Indian investors.

Valuation worries

Meanwhile, not too long ago, before startups emerged on the scene, business was all about making profits. Businesses worldwide were a lot simpler than they are today. They produced something, sold it, made money from the sales and used that money to grow their businesses further.

But with the dawn of startups, a whole new set of standards is employed to measure success. All of a sudden, growth is not dependent upon profits or losses. Success has come to be how much money a startup can raise from its investors, irrespective of its losses. The more the number of rounds of funding and the higher the amount of funds raised, the greater the success of a startup would be.

Of course, a few rules to measure success of a startup did emerge over time. The principles of unit economics began to be employed to measure success. Unit economics can be understood as the direct costs and revenues associated with a business model on a per-unit basis.

The unit economics of startups is comprised of customer lifetime value (LTV) and customer acquisition costs (CAC). The generally-accepted norm here is a 3:1 ratio. Accordingly, the value obtained from a customer must be at least three times the costs incurred to acquire the customer.

Another important aspect of unit economics is the payback period of the CAC. This refers to the time that a company takes to start getting returns from the cost of acquiring a customer. The shorter the payback period, the better as funds required for working capital are relatively lesser. "One of the reasons why the metrics of mature Indian startups are looking good today is due to the fact that customer acquisition cost has come down during the year," notes Mr Naik.

The theories or the standards of evaluating the success of startups are indeed lofty and impressive. However, when it comes to practice, it is the same inexplicable rationale of insane valuations amid massive losses across the world.

Almost all the Indian tech startups that listed on the bourses this year exhibit the same worrisome features of inflated valuations despite posting enormous losses. “Everybody’s valuation is overinflated, including ours. To a large extent, this has been brought about by access to very cheap capital across the world. I think this is a bubble, if ever there was any,” laments Nikhil Kamath, a co-founder of Zerodha, the country’s largest retail brokerage and one of the few profitable Indian unicorns, just like Nykaa.

Huge financing has helped India build a robust startup ecosystem with over 55,000 startups and 76 unicorns.

"In India, companies are in cash-burning stages, with a significant portion of the funds raised continuing to be allocated for loss funding, achieving scale, customer acquisition and driving out competition."

SANTOSH N
MD, Duff and Phelps

Many founders and top executives of domestic startups admit in private and in anonymity that the ongoing funding and listing circus is nothing short of frenzy. They further add that there is a slight change in consumer behaviour related to online shopping. But that change is definitely not proportionate to the huge funding and valuation and the resultant, massive risk that is looming on the market. Some analysts and startup founders have even begun drawing a parallel between the current hype and the dotcom bust that had hammered the markets worldwide two decades ago.

Indian startups have no doubt recharged the economy and provided huge direct and indirect employment opportunities. However, the tall claims that some of the startups, their investors and a few of the analysts are making are certainly not justified. Over a decade ago, many of these startups emerged, and they were able to woo the big global PE and VC investors to fund their first phase of growth. The Indian startups have now embarked on their second phase of growth and are riding the current IPO boom.

The two phases of growth are quite on expected lines, except for a disturbing development. The second phase seems to be rushed through, with the startups’ valuations woefully out of sync with their finances. The current spate of listing does provide a more-than-decent and highly-lucrative exit to the startups’ early- and late-stage investors. But with bleeding balance sheets, these startups may transfer their pain onto their new equity investors. If the startups continue to bleed and not deliver the promised profits, their new investors may be trapped with the greater fool nowhere in sight. ■

"Be Honest To Yourself"

"It is imperative that businesses keep reinventing themselves to sustain through challenging times swiftly. The world is changing very fast, and if you are not innovative, you will find yourself in the back seat."

Shashank Agarwal firmly believes that there is no substitute for hard work. The managing director of Salasar Techno Engineering has, in fact, been working hard to make his company one of the leading players in the engineering, procurement and construction (EPC) industry. Salasar, which has its registered office in New Delhi, has been catering to a diverse range of industries. ***Sharmila Chand*** chats up with Mr Agarwal – who is an engineer with over 30 years of experience – to get to know his management ideas and practices that have been boosting growth, year after year.

Your five management *mantras*

- **Innovation:** The real challenge to achieving success in business is sustaining it. While it is easy to create a company and even prosper, success is simply much more than that. Innovation is essential to maintain and grow your business.
- **Adaptability:** It is imperative that businesses keep reinventing themselves to sustain through challenging times swiftly. The world is changing very fast, and if you are not innovative, you will find yourself in the back seat. Successful exploitation of new ideas is crucial to a business being able to improve its processes, bring new and improved products and services to market, increase its efficiency and, most importantly, improve its profitability.
- **Know your market and your customers:** Know your market, its segmentation and your position in it. Constantly ensure that you know your customers' wants and needs. Use market research to understand your customers' buying habits. Promote the benefits of your offer and not just the features.
- **Create a culture of lifelong learning and education:** Invest in the development of your staff, encourage skills development and a lifelong learning culture. Skilled and motivated people make fewer mistakes, produce better quality and are more productive. Promote enterprise and participation.
- **Lead from the front**: Show your leadership – be visible, active and supportive, express a clear vision and show confidence and determination – develop your plans for the business.

A game that helps your career

I am not an avid player but what keeps me fit is a regular morning walk of 45 to 50 minutes and then Yoga of 30 minutes. I personally think out of the many physical activities suggested for a healthy lifestyle, a morning walk always shines at the top of the list. Many people find heavy exercise and jogging difficult, and some even lack the motivation for it. A simple and effective alternative to these is a morning walk.

Turning point in your career life

I have been an entrepreneur all my life. I have been through a lot of failures and ups and downs in life. But that has never deterred me from taking the next step or trying something new. I thanked God for everything and accepted whatever He decided for me. Founding of Salasar Techno has truly been a turning point in my life, and it has given a lot of opportunities to grow at all levels. God has been kind.

Secret of your success

Hard work, honesty and integrity, trusting people, a lot of delegation of responsibilities, appreciating and giving due credit to the team around, and, most importantly, not committing more than you are able to deliver.

Your philosophy of work

Take life as it comes. Man proposes, and God disposes. You cannot plan your life on an Excel Sheet! But yes, you must have the ability to visualise yourself wherever you want to be in future, and then start working around it, have a lot of optimism and positivity, don't be judgmental of others, and learn to accept any circumstances.

A person you admire

I don't have an idol, and if you have one, you are limiting yourself. What one has to understand is that he or she has unlimited potential, and only sky is the limit. Every individual is unique and should try and exploit his or her potential to the maximum, rather than trying to imitate someone. People can be inspiring, and that's it. Your aspirations should not stop there.Try and grasp something good from everyone, no matter how small or big he or she is.

The best advice you got

People and time will teach you more than the books. And your entire life can change in an instant. So, instead of passively taking what you have for granted, be grateful for it, and do whatever good you can with it.

Your sounding board

My inner voice, my sixth sense and my gut feeling

Your favourite books

Since the evolution of the digital age, reading of books has somehow disappeared. It's not that I was an avid reader earlier, but I had been reading, and, now for quite a few years, I have been listening to Osho's discourses. His sayings are very simple, but then to understand those, you got to listen and absorb them through repeated listening and, trust me, whatever he has said is the last word, the ultimate word. There is nothing left to say after whatever he has said on any topic. Even if you are able to grasp a few teachings, your understanding of life and people around will be much different. All modern-age, so-called Gurus are trying to imitate or copy from his discourses.

Your five business *mantras*

- **Hard work:** This age-old, golden *mantra* still holds true for everyone. If you want to be ahead of others, you must give more than 100 per cent in everything you do. There is no substitute for hard work. Luck, of course, plays a part in your life, but that too comes only with hard work.
- **Honesty and integrity:** You should be honest to yourself rather than proving your integrity and honesty to anyone else. You sure must check and ask yourself at times if you are being honest in whatever you are doing.
- **Decide to succeed:** Success comes to those who dare to dream and to those who truly want to succeed. It does not come knocking on the doors of people who only wait for things to happen. So, if you want it, go get it.

SHASHANK AGARWAL

MD, Salasar Techno Engineering

- **Be bold:** Success does not come easily. If life throws you a challenge, fight back hard. You might fail numerous times to achieve your ambition but never let failure be an end as there is always light at the end of every tunnel.
- **Have faith:** Believe in yourself, and have faith in the supreme power. You will be rewarded whatever you deserve. *Karma* never fails.

Your message on management to youngsters

Life does not happen the way you plan. Someone up there has a different plan for you, and, trust me, His plans are the best. Acceptance is most important, learn to accept any situation. You may not like it sometimes but probably that is what you deserve and that is the best for you. So, learn to accept and be happy in any situation. Give your best shot with all your integrity and accept whatever the results are. Don't plan your life, but visualise, and start working towards it. ■

Write to us at chand.sharmila@gmail.com

> **"Believe in yourself, and have faith in the supreme power. You will be rewarded whatever you deserve. *Karma* never fails."**

Coke buys out Bodyarmor for $5.6 bn

Coca-Cola has bought full control of sports drink-maker Bodyarmor for $5.6 billion. The beverage company had bought a 15 per cent stake in Bodyarmor in 2018, becoming its second-largest shareholder. The deal for the remaining 85 per cent of Bodyarmor is not entirely unexpected. Coke had first said in February that it intended to buy a controlling interest in Bodyarmor later in a pre-acquisition filing with the Federal Trade Commission. Owning Bodyarmor helps Coke gain market share in the sports drink category, although PepsiCo's Gatorade is far and away the market leader with roughly 70 per cent market share.

Toshiba plans to split into 3 companies

Toshiba Corp has outlined plans to split into three companies in an attempt to appease activist shareholders calling for a radical overhaul of the Japanese conglomerate after years of scandals. Founded in 1875, Toshiba plans to house its energy and infrastructure divisions in one company, while its hard disk drives and power semiconductor businesses will form the backbone of another. A third will manage Toshiba's stake in flash-memory chip company Kioxia Holdings and other assets. Toshiba's breakup comes close on the heels of demerger plans of US conglomerates General Electric and Johnson & Johnson.

Shell to shift head office to London

Royal Dutch Shell said last month that it would scrap its dual-share structure and move its head office to Britain from the Netherlands. Shell's decision to shift is brought about by high Dutch taxes and pressure in law courts over the climatic impact of its oil and gas business. The company had recently been hit by a Dutch court order over its climate targets and its aims to drop 'Royal Dutch' from its name – a part of its identity since 1907 - to become Shell. The company has had a tussle with the Dutch authorities over the country's 15 per cent dividend withholding tax on some of its shares.

Google loses appeal against EU

Alphabet unit Google has lost an appeal against a $2.8-billion antitrust decision. This is seen as a major win for Europe's competition chief in the first of three court rulings central to the EU's push to regulate big tech. Competition Commissioner Margrethe Vestager had fined the world's most popular internet search engine in 2017 over the use of its own price comparison shopping service to gain an unfair advantage over smaller European rivals. The shopping case was the first of three decisions that saw Google rack up 8.25 billion euros in EU antitrust fines in the last decade.

Johnson & Johnson to split into two

Healthcare conglomerate Johnson & Johnson will split its consumer products business from its pharmaceutical and medical device operations, creating two publicly-traded companies. The separation will sheer off its household products unit – maker of Band-Aid bandages, Aveeno and Neutrogena skincare products, and Listerine –from its riskier, but faster-growing division that makes and sells prescription drugs and medical devices, including its COVID-19 vaccine. The company hopes to complete the transaction in 18 to 24 months. The decision to break up the company will bring "tremendous opportunity" to stakeholders, the company has added.

Vitol agrees to buy rest of Vivo

A fund backed by trading company Vitol Group has agreed to buy Vivo Energy in a deal, valuing the Africa-focused fuel retailer at about $2.3 billion. The transaction will bring Vivo assets back in house for the oil trader, which sold shares in the retailer in 2018 in what was one of the biggest initial public offers on the London Stock Exchange that year. The offer shows that Vitol is willing to spend to pursue growth and find outlets for its traditional fuels amid the energy transition. The offer is being made by an entity indirectly owned by Vitol Investment Partnership II Limited.

Parag Agrawal new Twitter CEO

Twitter CEO Jack Dorsey is stepping down as chief of the social media company, effective immediately. Parag Agrawal, Twitter's chief technology officer, will take over the helm, the company has said. Salesforce President and COO Bret Taylor will become the chairman of the board, succeeding Patrick Pichette. Mr Agrawal, 37, has served as CTO since 2017 and has been with Twitter for more than a decade. He had been in charge of strategy involving artificial intelligence and machine learning, and he has led projects to make tweets in users' timelines more relevant to them.

Saudi remodels as investment hub

The landlocked, once ultra-conservative capital of Riyadh is pitching itself as a city where concerts, movie theatres, world-class sporting events and deal-making are in abundance. The pitch is a part of Saudi Arabia's plan to grab the limelight and title as the region's top place to do business. Currently, the more glamorous emirate of Dubai is seen as the region's hub for finance and tourism. It is the latest move by Crown Prince Mohammed bin Salman, the kingdom's day-to-day leader, who's been empowered by his father, King Salman, to overhaul the economy and reduce its dependence on oil for revenue.

Kaisa turning into Evergrande

After China's property giant Evergrande Group faced a debt repayment deadline, another real estate developer Kaisa Group is at risk of default, escalating fears of further problems in the country's embattled property sector. Shares of Kaisa Group, a Shenzhen-based developer, were suspended from trading in Hong Kong last month. While Kaisa did not disclose more details for the reason behind the suspension, it had said recently that it was facing "unprecedented pressure" on its finances. Kaisa had said that it was experiencing multiple headwinds, including a challenging real estate market environment.

GE to spin off into three companies

General Electric (GE), the storied American company, will divide itself into three public companies, focused on aviation, healthcare and energy. "By creating three industry-leading, global public companies, each can benefit from greater focus, tailored capital allocation and strategic flexibility to drive long-term growth and value for customers, investors and employees," GE Chairman and CEO Lawrence Culp Jr has said.

US junks Intel's China chip plan

The Biden administration has spurned a plan by Intel Corp to increase production in China over security concerns. This has dealt a setback to an idea pitched as a fix for US chip shortages. Intel, the world's largest chipmaker, had proposed using a factory in Chengdu, China, to manufacture silicon wafers. That production could have been online by the end of 2022, helping ease a global supply crunch. Intel has been seeking federal assistance to ramp up research and production in the US. When presented with the plan in recent weeks, Biden administration officials strongly discouraged the move.

2021 global IPO mop-up hits record

Global IPOs have smashed their previous record this year, propelled by a blank-check boom and companies cashing in on high valuations. With six weeks to go, about 2,850 businesses and Special Purpose Acquisition Companies (SPACs) have raised more than $600 billion in IPOs, leaving the records for both deal count and proceeds reached in 2007 in the dust. A retail-buying frenzy has sent stock markets on a rollercoaster ride this year. Stocks are near their most expensive level since the dot-com bubble of 2000, raising fears of another bubble.

Global investors tilting towards China

Global investors overseeing billions of dollars are slowly starting to favour China versus India. This reverses a year-long trend that has pushed stocks in opposite directions. BlackRock has upgraded Chinese stocks as policy hurdles ease. Goldman Sachs Group and Nomura Holdings have both downgraded Indian stocks in recent days, with the former upgrading offshore Chinese equities at the same time. Valuations are the key rationale for this shift.

Unilever to sell tea brands to CVC

Unilever, the world's largest tea-maker has agreed to sell the bulk of its tea business, including brands like Lipton, Brooke Bond and PG Tips, to CVC Capital Partners for $5.1 billion. The transaction will be done on a cash-free, debt-free basis, Unilever has said in a statement. The company hopes to complete the sale by the second half of 2022. As a part of the deal with CVC, Unilever will hand over control of 34 tea brands, tea estates in three countries and 11 factories. However, it will retain its business in India, Nepal and Indonesia, where tea brand Lipton is very popular.

El Salvador plans Bitcoin City

El Salvador plans to build the world's first Bitcoin City, funded initially by Bitcoin-backed bonds, President Nayib Bukele has said, doubling down on his bet to harness the cryptocurrency to fuel investment in the Central American country. Speaking at an event closing a week-long promotion of Bitcoin in El Salvador, Mr Bukele has added that the city, planned in the eastern region of La Union, would get geothermal power from a volcano and not levy any taxes except for Value-Added Tax (VAT). "Invest here, and make all the money you want," Mr Bukele said last month.

Ericsson to buy Vonage for $6.2 bn

Mobile telecom equipment-maker Ericsson has agreed to buy cloud communications firm Vonage for $6.2 billion. "The merger agreement was approved unanimously by the board of Vonage," Ericsson has said in a statement. "The transaction builds upon Ericsson's stated intent to expand globally in wireless enterprise, offering existing customers an increased share of a market, valued at $700 billion by 2030," the company has added. The cloud-based Vonage Communications Platform serves over 120,000 customers and more than one million registered developers globally. The Swedish company has said it expects the deal to boost earnings per share and free cash flow from 2024 onwards.

A Candid Memoir

Former SBI Chairman Rajnish Kumar recounts his momentous term at the country's largest lender.

It began from a modest house in one of the narrow lanes of the old city of Meerut. From being a probationary officer in State Bank of India (SBI) in 1980 to its chairman in 2017, Rajnish Kumar has had an amazingly-interesting journey. In this period, he has seen many changes in India's banking sector that has greatly impacted the country and its economy.

As chairman of SBI, Mr Kumar recounts that his term was rather momentous as the period from 2017 to 2020, during which he shouldered this responsibility, was rather unique under any circumstances. The Indian banking sector was going through one of its most tumultuous phases. The problem of non-performing assets (NPAs) had severely impacted the balance sheet and profitability of banks, especially those in the public sector. NPAs apart, there were other crises, including economic disruption after demonetisation, Yes Bank fiasco and crisis in Jet Airways, among others.

Mr Kumar particularly recalls the Jet Airways issue as one of the most difficult assignments that he had faced during his eventful term as the head of the country's largest lender. He writes that SBI's board members were keen on a letter of support from the government before giving nod to the resolution plan of crisis-ridden Jet Airways.

Most of the banks were extremely reluctant to support a resolution plan for Jet Airways. The airline unfortunately could not get through as promoters were not able to fulfil the required conditions in the stipulated time, rues Mr Kumar.

Mr Kumar is quite hard hitting in his book and calls a spade a spade. He does not spare the RBI, though he is diplomatic when he says that the regulator must have had reasons to give several private parties a banking licence, given that some of them went down. He clearly does not

The Lockdown Story

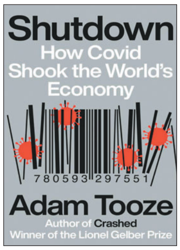
When the news first began to trickle out of China about a new virus in December 2019, risk-averse financial markets were alert to its potential for disruption. Yet they could never have predicted the total economic collapse that would follow in COVID-19's wake as stock markets fell faster and harder than at any time since 1929, currencies across the world plunged, investors panicked and even gold was sold.

In a matter of weeks, the world's economy was brought to an abrupt halt by governments trying to contain a spiralling public health catastrophe. Flights were grounded; supply chains broken; industries from tourism to oil to hospitality collapsed overnight, leaving hundreds of millions of people unemployed. Central banks responded with unprecedented interventions, just to keep their economies on life support. For the first time since the World War-II, the entire global economic system contracted.

This book tells the story of that shutdown. It is author Adam Tooze's engaging account of the twin health and economic crises that enveloped the world in 2020. We do not yet know how this story ends, or what new world we will find on the other side.

Mr Tooze leaves the reader with a clear sense of foreboding about our preparedness for the next crisis and about its imminence. It is a warning that we should take seriously. In this fast-paced, compelling and at times shocking analysis, author Adam Tooze surveys the wreckage and looks at where we might be headed next.

SHUTDOWN



Author
ADAM TOOZE

Publisher
ALLEN LANE

Pages: 368

Price: Rs 2,121

About the author
Adam Tooze is the author of the highly-praised Crashed, The Deluge *and* The Wages of Destruction, *all published by Allen Lane. He has been the recipient of the Wolfson Prize for History, the Longman-History Today Book of the Year Prize and the Lionel Gelber Prize. Mr Tooze has taught at Cambridge and Yale and is now Kathryn and Shelby Cullom Davis Professor of History at Columbia University.*

see any logic in giving more licences to private parties that do not have long-term commitment. He also does not mince words when he names private banks that stand out compared to the other average ones.

Similarly, he also questions whether the central bank has the bandwidth and experience to monitor the entire financial system, covering commercial banks, NBFCs, co-operative banks and so on. This is why once the RBI moves out of the commercial banking ambit, it becomes progressively harder for it to monitor these institutions.

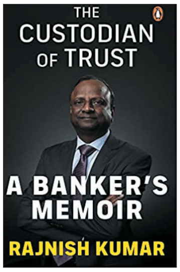
Mr Kumar makes the book really engaging by taking on various issues and dissecting them threadbare. He depicts aptly what bankers went through during the demonetisation time, with several circulars being issued by the RBI. He also highlights how no one thought of the size of the notes in the ATMs, which caused quite an amount of discomfort.

With recollections of some lighter incidents in his career, including dressing up to meet the President of India in London or dealing with the so-called mafia in the interiors of the country, one would find the narrative interesting.

What stands out is a chapter on people development in SBI. This is something that people rarely talk of. It is quite significant that the former chairperson of the biggest bank, which is also in the public sector, talks a lot on the tradition of people management.

Anecdotal, engaging and evocative, this book is an unputdownable memoir the former chairman of India's largest commercial bank.

THE CUSTODIAN OF TRUST



Author
RAJNISH KUMAR

Publisher
PENGUIN RANDOM HOUSE INDIA

Pages: 288

Price: Rs 699

About the author
With four decades of service in SBI, the country's largest commercial bank, ***Rajnish Kumar*** *retired as its chairman in October 2020. Credited with steering SBI through a very difficult period for the bank and the banking industry in India, he played a stellar role in saving Yes Bank and led from the front to resolve the problems faced by many high-profile stressed assets. An MSc in physics, Mr Kumar is a Certified Associate of Indian Institute of Bankers (CAIIB), an avid traveller and passionate about badminton.*

What Drives Tesla...

Elon Musk is among the most controversial titans of Silicon Valley. To some, he is a genius and visionary; to others, he is a mercurial huckster. Billions of dollars have been gained and lost on his tweets; his personal exploits are the stuff of tabloids. But for all his outrageous talk of mind-uploading and space travel, his most audacious vision is the one closest to the ground: the electric car.

But as the saying goes, to make a small fortune in cars, start with a big fortune. Mr Musk's Tesla would undergo a hellish 15 years, beset by rivals, pressured by investors, hobbled by whistleblowers and buoyed by its loyal supporters. Mr Musk himself would often prove Tesla's worst enemy – his antics more than once took the company he had initially funded largely with his own money to the brink of collapse. Was he an underdog, an anti-hero, a conman or some combination of the three?

The Wall Street Journal tech and auto reporter Tim Higgins has had a front-row seat for the drama: the pileups, wrestling for control, meltdowns and the unlikeliest outcome of all – success. A story of power, recklessness, struggle and triumph, this book is an exhilarating look at how a team of eccentrics and innovators beat the odds and changed the future.

POWER PLAY

Author
TIM HIGGINS

Publisher
DOUBLEDAY

Pages: 400

Price: Rs 2,250

About the author
Tim Higgins *is an automotive and technology reporter for* The Wall Street Journal. *He appears regularly as a contributor on the* CNBC. *After almost a decade of reporting on the car business from Detroit, he now lives in San Francisco.*

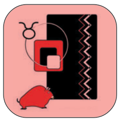
ARIES

Mar 21-Apr 20

Overall, this month may give you the expected gain in terms of finance. However, try to be cautious when spending money on property and family. Do not get into legal matters related to property as this may cause unplanned expenditure. Also, don't get into an argument with family members related to land or property as it may also lead to a loss. Major financial gain may come from friends and previous investments.

TAURUS

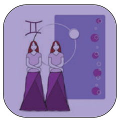
Apr 21-May 21



You may earn from your business trips and, an important deal may also get finalised. You may get an increment at work or some financial help from senior authority. Try to make a small investment because your luck is going to favour you to get returns from the investment. Expect some unplanned expenditure on gifts and small get-together with family. There can be financial expenditure on travelling related to work. Overall, this month is going to be favourable for money and finance.

GEMINI

May 22-Jun 21



This month, some of you may see a lot of financial ups and downs. Delay in financial matters is indicated, thus posing problems on budgetary grounds. This may not be a time to expect generous benefits coming in your direction. This isn't the most opportune time for speculations as there are high chances of financial misfortunes. Individuals planning to buy new residential property may need to drop their plans as of now. You can expect some progression in your finances during the second half of the month. You may spend your money lavishly. Fortune may favour you in all possible manners.

CANCER

Jun 22-Jul 22

This month may steadily lead you to financial growth. Though you may have a good income flow, it may also prompt you to take some ambitious decisions for a quick gain. There are chances of wrong judgments and resultant problems. Hence, be careful, and do not make any major hasty commitment in your profession that can cause a direct or indirect impact on your financial situation. Some good financial gains may also enliven your spirits during the latter half of this month. You are going to earn good money, and the planetary impact may help you march forward.

LEO

Jul 23-Aug 23

Planets may set the stage for an increased inflow of money during this month. You are likely to get many opportunities to strengthen your financial status. If you manage your finances wisely, it is likely to increase your wealth as well. It may be a good time to invest money for a longer period as the investment done during this month may bring handsome rewards in the future. Despite a strong monetary position, expect a slack in momentum during the middle of this month. Avoid signing any financial deals in this phase, and double-check all financial matters as mistakes are likely.

VIRGO

Aug 24-Sep 23

This month would lead you to financial growth. As the month begins, you may get some good opportunities for growth. But you must refrain from making any new investments in haste. It may also provide you the opportunities to resolve some pending matters. As the month advances, profits and rewards would be high. So, you can expect to strengthen your financial status. The period around the middle of this month may bring some complex conditions, and hence, you need to be a bit more cautious. You may get some good opportunities for financial growth during the latter part of this month.

LIBRA

Sep 24-Oct 23

You are likely to balance out your expenses and earnings very well this month and leave a good impression on your family members. This may give them the confidence to give you the financial responsibilities. You may be seeing a good flow of income throughout the month. If you are getting married, get ready to have some unexpected expenses too. Those who have lent their money could get it back and can use it to pay back their dues. There are chances of getting into a lucrative business deal; that can turn up this whole month to be financially stable.

SCORPIO

Oct 24-Nov 22

This month could be a great chance to take some steps and use your financial prospects for the most benefits. You may be able to make a good balance between your work life and your personal life. Financial position may remain stable and may not be hampered this month. However, do not make any financial decisions in a hurry. Take your proper time before finalising any deal, and try to avoid it even if there is even one per cent of doubt on any sort of financial investment.

What May Have Gone Wrong For Paytm's IPO?

Last month, Paytm, one of the prominent digital payment services providers, launched the country's biggest initial public offer (IPO). With a $2.44-billion IPO, the company's fund-raising programme was hailed as the country's largest IPO, even surpassing that of Coal India.

However, the stock market debut of the digital payments company turned out to be a fiasco. On the Bombay Stock Exchange, Paytm tanked miserably and closed on the first day of trading on November 18, 2021, at Rs 1,564.15, more than a 27 per cent plunge over the issue price of Rs 2,150. This downfall gave the company a market capitalisation of $13.3 billion on the listing day, which is lower than the $16 billion that it was valued at in the private market in 2019.

Adverse planetary positions seem to have marred Paytm's stock market listing.

The disappointing debut has raised some serious questions. There are doubts about whether the company hurried its IPO. There are also worrying views over whether its desire to execute the country's largest IPO at a $20-billion valuation cost Paytm significantly. With an astrological analysis, Ganesha tries to make sense of what went wrong for Paytm's market debut.

Astrological analysis

On November 18, at the IPO's listing time, Paytm's solar chart had giant planet Jupiter, along with the Lord of the Rings, Saturn, in the first house, which is also the house of wealth. While in the 12th house, the Sun and Ketu together were also causing a scene! These combinations did not make things easier for Paytm.

On the other hand, the CEO's horoscope has the natal Sun under the transit of Rahu, which does not help add up things for the better part as well. This may also lead to troubles for Paytm in the future.

SAGITTARIUS

Nov 23-Dec 21

Finances may be balanced well between your expenses and earnings, and you will be glad to see such a flow of money in your life. Income through speculative sources may also be encouraging. There may be a good bank balance due to this. But do not take loans or credit from anyone and then invest the same speculating. Do a detailed research before investing, and do not let it stress you out more than necessary. There is nothing you can do about it. The month is also good for business income. Your earnings may improve dramatically.

CAPRICORN

Dec 22-Jan 20

This month, you may need to be extremely cautious concerning investments and finances. Otherwise, you may face financial crunches in the latter part of the month. This month says that you may begin thinking about better approaches for earning money; but do not make any rash decisions else, it can affect the gains that you are likely to make in the near future. The month may be good for those who work as professional counsellors and advisers as there are high possibilities that they may make incredible profits. For most, this month could be encouraging to curb all pointless expenses.

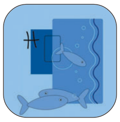
AQUARIUS

Jan 21-Feb 18

Try to undertake all business and work-related travelling as it may give you a good chance of earning. However, try to make sure that you plan your trips in advance to avoid any hassles during the journey. Besides, the planetary movements suggest a transit – the transit of Mars that may also help you in earning more and developing good gains during this month. This month may open multiple sources for you, from where you could get to earn more money. You may also incur expenditure on the interior and decorative things for your home or office, points out Ganesha.

PISCES

Feb 19-Mar 20



Transit of planets predicts that you may get good financial gains this month. Savings may also increase. You may also learn various options to save money with the help of your friends. A practical approach and expert suggestion can give financial gain from investment and share market. Communication-related business can give good financial gain. Long-distance travelling could incur expenditure this month. You might incur expenditure on friends and parties. Religious activity at home can also cause expenses. Try to be cautious of your health and also of your mother's. There are good chances of increment in job and incentive.

Falguni Nayar stands out starkly in the action-packed world of startups and unicorns – companies with $1-billion valuation. The founder and CEO of FSN E-Commerce Ventures – the company that owns online beauty products retailer Nykaa – is the only woman in the country to head a unicorn in an otherwise male-dominated bastion.

Ms Nayar's success is further amplified by the blockbuster debut of her e-commerce company on the stock markets last month. The over Rs 2,400-crore FSN E-Commerce Ventures – popularly known by its brand name Nykaa – had debuted on the bourses at a 79.4 per cent premium to its IPO price of Rs 1,125 per share. The stock had ended the first day of trade quite spectacularly at Rs 2,205, up by a whopping 96 per cent to its issue price.

In fact, FSN's market capitalisation (m-cap) had hit an overall valuation of Rs 1,00,000 crore in the first five minutes of trade. And within an hour and a half, Nykaa's m-cap had already matched those of industry giants,

AT THE HELM

FALGUNI NAYAR

such as Britannia, Godrej, and IndiGo. Nykaa's dizzying surge had turned Ms Nayar into a billionaire – India's seventh woman billionaire.

The Nykaa chief's business family background undoubtedly aided her in her huge success. However, it would be grossly unjust to ignore the 58-year-old former investment banker's sharp business acumen and her strong grasp of the finances, which played a vital role in putting Nykaa on top.

Ms Nayar was born into a Gujarati business family (her father had a ball bearings business) in Mumbai. After graduating in commerce from Mumbai's Sydenham College, she did her MBA from IIM Ahmedabad. It was here that she met her future husband, Sanjay Nayar, also an investment banker and CEO of KKR India.

The Nykaa CEO started her career at AF Ferguson & Co. She then joined Kotak Mahindra Bank and spent 19 years at Kotak, setting up its securities operations in the US and the UK. She also served as MD of Kotak Mahindra Investment Bank until March 2012.

After nearly two decades of helping entrepreneurs as an investment banker, Ms Nayar herself donned the role of entrepreneur. In 2012, Ms Nayar quit her job at Kotak and launched

FACTS FOR YOU

ANNUAL INFORMATION STATEMENT

If you thought that you could get away by concealing a few financial transactions in your Income Tax return, think again. The Income Tax Department (I-T Department) has recently launched the Annual Information Statement (AIS), with which the taxman can keep a close watch on all your transactions and earnings.

The AIS is a tool that tells taxpayers what the I-T Department knows about them. The AIS is a comprehensive statement containing details of all the financial transactions undertaken by you in a financial year. The AIS is updated with information related to income earned from various sources, such as salary, dividend, interest from savings account, recurring deposits, sale and purchase of equity shares, bonds, mutual funds and so on.

Information about various financial transactions executed by a taxpayer is obtained by the tax department from

The AIS aims at bringing transparency and offering detailed information to taxpayers.

various financial entities, such as banks, stock broking firms and so on, that are delegated with the task of furnishing such information. The statement also contains information related to assessees' tax deduction at source (TDS), tax collection at source (TCS) and any tax demand or refund.

Until the AIS was introduced, Form 26AS was a detailed document with the tax department. Form 26AS was a consolidation of information on TDS, TCS, advance tax and self-assessment that was available on the I-T website against a taxpayer's Permanent Account Number (PAN). The AIS is the revised Form 26AS, which was announced in the Union Budget 2020-21. The AIS gives a more comprehensive profile of the taxpayer, going beyond just the details of tax collected and deducted at source.

The AIS can be accessed by logonline beauty retailer Nykaa. Putting her experience as a former banker to good use, Ms Nayar changed the dynamics of the Indian beauty industry by evolving an efficient online system. This allowed her to minimise overheads and cut costs and launch many reputed global brands – Estee Lauder, Clinique and Bobbi Brown, among many others.

But she soon realised that customers wanted to touch and try products before buying them. So, she opened several offline stores in tier-II and tier-III cities. Nykaa, which means an actress in Sanskrit, offers over 4,000 brands on its site.

The Indian beauty products market, in the meanwhile, is growing by leaps and bounds as women seek newer ranges of cosmetics to groom themselves. Consulting firm Technopak predicts that the country's beauty and personal-care market is all set to double to $23 billion by 2023. Ms Nayar may be busy crunching numbers to get Nykaa to make the most of this robust market. ■

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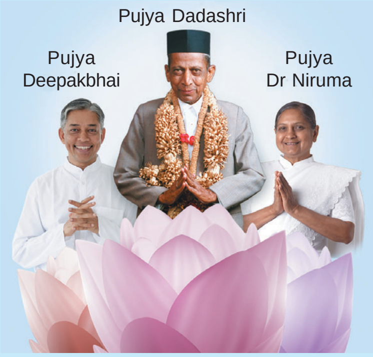
ging into the I-T Department's e-return-filing portal. If a taxpayer feels that the information in the AIS is incorrect, or relates to another person or year, a facility has been provided to submit feedback online.

A simplified Taxpayer Information Summary (TIS) has also been generated for each taxpayer, which shows aggregated value for the taxpayer for ease of filing returns. If a taxpayer submits feedback on the AIS, the derived information in the TIS will be updated in real time, and that information will be used for pre-filing of returns, making it easier to file I-T returns.

The AIS aims at bringing transparency and offering detailed information to taxpayers. Besides, the new tool would act as an effective weapon with the I-T Department to combat the menace of tax evasion. ■

SPIRITUAL CORNER

Worries: The Best Foolishness



Excerpts from the Book
Worries

Dadashri: *Worries cause damage to work. Worries reduce the quality of work from 100 per cent to 70 per cent. Worries obstruct work. If there are no worries, the result will then be wonderful.*

Everyone knows that they are going to die one day. What do people do when they remember (their inevitable) death? What do they do when they remember it? They push it away. When they have the thought: 'What if something happens to me?' They then push it away. Similarly, when worries arise within you, then push them away, saying: "Not here."

It is always due to worries that everything gets ruined. If you drive a car when consumed with worries, there will then be an accident. If you worry while conducting your business, you will then do the wrong thing. Worry has been the cause of ruin for everything in this world.

There is nothing worth worrying about in this world. To worry is the 'best foolishness' in this world. This world is not meant for worrying. This (world) itself is a creation. God has not carried out this creation, therefore, this creation is not meant for engaging in worrying.

These human beings alone worry. No other creature worries. There are 84 million other living beings, but not a single one of them worries. These living beings called humans are overly wise, they are the only ones consumed by worries all day long!

Labourers do not worry, whereas businessmen worry. Labourers do not have a single worry. This is because labourers will be going to a higher life form (in the next life), whereas businessmen will be going to a lower life form. Worries result in a lower life form. Therefore, there should not be any worries.

> **"When a thought goes beyond a certain level (threshold), it is worry. A thought arises with regard to any matter, and it reaches a certain level. That thought starts up a whirlpool, and you get sucked into the whirlpool. Then know that this has gone the wrong way, so, it has spoiled. Worry starts up from that point."**

Worrying is itself egoism. Why does this child not have any worry? It is because he knows: 'I am not running this.' He has no concern whatsoever about who runs this world. It is because one keeps saying: "I am doing this, I am doing this," that worries arise.

If one resides in worldly life and is consumed by worry, and if that worry does not cease, so many lifetimes then remain for him! This is because it is indeed through worries that future lives get bound.

To read the book, visit dadabhagwan.org/books-media/books/
For more information on Dadashri's spiritual science, visit dadabhagwan.org

Slicing & Dicing Data

KAVITA SHENOY
Founder & CEO, Voiro

Kavita Shenoy straddles the world of media and entertainment with equal ease. The young and dynamic founder and CEO of Voiro worked with many reputed companies, such as Lintas and Google, before starting her own company in 2012. Voiro – the Bengaluru-based revenue management solutions provider for media houses and digital publishers – helps media businesses achieve sharper monetisation through technological intervention. In an engaging chat with **Sharmila Chand**, *Ms Shenoy talks about her life, likes and dislikes.*

How do you define yourself?
Constantly learning, relentlessly selling and poised to win

What is your philosophy of life?
Never give up.

What is your passion in life?
My company Voiro, my family and my fitness regime

What is your management *mantra*?
Always work towards a goal. Have the bigger picture in mind, and the rest will fall into place. Never stop pushing beyond your comfort zone because that is where complacency sets in.

A business leader you admire the most...
A few of them are Marissa Meyer, Adam Grant, Nir Eyal and Kara Swisher

Your source of inspiration...
The explosion of data, the convergence of content and the backbone of technology

What do you enjoy the most in life, generally?
Chasing a goal, early-morning runs, ideating with my team and unwinding on my farm

How do you de-stress?
Exercise and fantasy novels

What is your fitness regime?
I balance my regime between Pilates, Yoga, running and taking the stairs every chance I get!

Your *mantra* for success...
Find the right mentors at different stages of your life. Listen. Be willing to fail, and learn from your mistakes. Be open to learning from every experience. Trust your teams to succeed with you.

You are a tough, serious boss or...
I believe in tough love as a boss, so a little bit of both.

Your dream...
Making Voiro the #1 media tech and analytics platform

Ten years from now, where do we see you?
I'd love to know the answer to this one. Is there a time machine to take us all there?

Give three lessons you have learnt in life as an entrepreneur.

- Things can get really difficult, but having faith that you will thrive is the key.
- Always surround yourself with people smarter than you.
- When all else fails, go for a run!

Write to us at chand.sharmila@gmail.com

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