## COMÉCIO

The Bi-Annual E-magazine

Department of Commerce Kirori Mal College





### **MESSAGE FROM** PRINCIPAL'S DESK

the

scholars

The scientific and technological advances within the education challenged the sector have and students educators especially in the post covid era. The challenges are so dynamic and forceful that the students need to be vigilant to upgrade their skills and ensure stress free learning. However, the brilliant minds of youngsters today are versatile, creative and they possess a fecund imagination to keep track of innovative fields and concepts. All they require is the right opportunity to explore the ideas and doing it in an exceptional manner that distinguishes one from the remainder. It's matter of pride for me to present one such platform - Comércio. Comércio. the official E-Magazine of the Department of Commerce, Kirori Mal College

provides wonderful platform to use their latent talents, give them an exposure within the corporate world and spark and ignite an interest in learning together. The magazine equipages the creative energies of the tutorial distils the community and of inspired their essence imagination in exemplary ways. Hence, it gives me great pleasure to announce the publication of the 4th issue of Comércio. I and applaud the appreciate editorial team for their tireless efforts. It is a source of great satisfaction for me that the students have excelled in their fields and honoured their professions and therefore the world.

Prof. Vibha Singh Chauhan **Principal** Kirori Mal College



## MESSAGE FROM TEACHER-IN-CHARGE

"Knowledge is Power. Information is liberating. Education is the premise of progress, in every Society, in every Family."

The essence of knowledge lies in spirit of creative thinking, expression, and experimentation. this regard, the commerce department E-magazine 'Comércio' has played a vital role as a platform exhibit the literary skills, expressions, creative and innovative and imaginative ideas of students. It is a significant step in encouraging forward students to have inquisitive minds and penning their thoughts paper, going beyond the academic curricula. It is with immense gratification and pride that we bring to you this 4th edition of Comércio 2021, the bi-annual eof the magazine commerce department of Kirori Mal college. The articles are written by teachers students while and working together on various contemporary

and relevant issues created a symphony and, consequently, a peaceful surrounding. This emagazine provides an opportunity for the students to put down their thoughts and even coach them to go into finer details of publishing like redrafting and designing, giving an express form to their concealed potential.

I congratulate the entire editorial team & contributors for the upcoming issue of 'Comércio' and enthusiastically look forward to reading our students' perspective on various issues undertaken.

Best Wishes Leena Devi Assistant Professor Department of Commerce Kirori Mal College



## MESSAGE FROM CONVENER

#### "Man becomes great to the extent he grapples with his mind"

To say that I am excited to bring to you the 4th edition of Comércio would be an understatement of monumental proportions.

Though it's difficult to translate emotions into words, I feel it was a rewarding experience to bring all the hopes and desires for the new edition to fruition. While the magazine always strives to bring something new to the readers, the team tries to uphold the traditions and never lose sight of the objective with which it was started. Improving reading and writing habits has, and always be the vision that leads our efforts.

It is indeed inspiring to collaborate with the young, energetic, and vibrant students, who are passionate to foster teamwork and embody the spirit of lifelong learning. Despite the challenges posed by the global pandemic, the student editorial team has persevered to achieve new heights of excellence. My heartfelt gratitude and appreciation to the entire team of Comércio for bringing the current issue within the stipulated time frame.

I am certain that the readers would enjoy reading the 4th issue of Comércio published by the Department of Commerce, Kirori Mal College, as much as we have bringing it together.

Best Wishes
Dr. Nidhi Sharma
Assistant Professor
Department of Commerce
Kirori Mal College



## MESSAGE FROM CO-CONVENER

"Education is the most Powerful Weapon which you can use to change the world." said APJ. Abdul Kalam.

In unison with the harmonious blending of ideas I feel honoured to be associated with the team of "Comércio"

The challenges of COVID-19 may seem unnerving yet, and it can be opportunity for growth positive changes. Everyday digital media becomes more important as a means of receiving, sharing and broadcasting information. There is no doubt that digital publications have always been a great option that provides a whole world for magazine design and publication. Bringing out a magazine on digital platform is not an easy task, but it is a venture of the combined efforts of students and teachers.

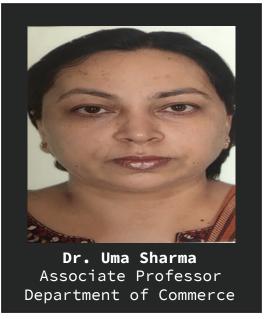
It is indeed a great moment for the Department of Commerce, Kirori Mal family to embark on yet another jewel added to the treasure by releasing the 4th edition of the Bi-Annual E-magazine 'Comércio' for the year 2021-2022 and I believe this edition will be very useful for everyone and enhance their knowledge horizon.

The release of this 4th edition of the Bi-Annual E-magazine 'Comércio' is the outcome of dedication and hard work done by the entire editorial Hence, team. Ι convey my and gratitude, appreciation congratulate to all the contributors and editorial team for the sincere efforts bringing the in out magazine.

Best Wishes
Vipin Kumar
Assistant Professor
Department of Commerce
Kirori Mal College

# MESSAGE FROM DEPARTMENT TEACHERS

'Soaring high is my nature.' Team Comércio you have proved it right beyond doubt. I must applaud you for your constantly untiring efforts and dedication in bringing out this Emagazine. The young minds of today in their quest of knowledge continuously themselves exhort unravel to important contemporary issues coming up in the field of business, industry. This commerce and



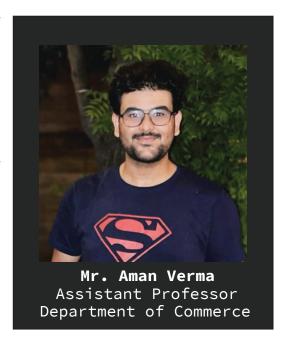
magazine is right at the place. It provides that much needed platform for expression of thoughts and opinions in understanding of issues to both writers as also the readers. For holistic development of our students, it is extremely important that all such avenues are made available to them which would provide them with interesting, informative articles and write-ups that would satiate their hunger for learning. I take this opportunity to express my heartfelt appreciation for the entire team of Comércio. Congratulations to all! I'm sure it's a brilliant beginning and the legacy would be carried forward.



I am delighted to know that Comércio is dedicated to the core development of students by providing them the platform to express their views on economy and other burning topics. The portrayal of the work of budding writers and artists is so engaging that it compels the readers to appreciate the hard work and passion. I congratulate the convener and the entire team of Comércio for this outstanding and exceptional work.

I would like to praise the students of Team Comércio for putting in the best efforts in times of the pandemic situation and successfully launching the latest edition of Comércio, the bi-annual e-magazine of the Department of Commerce.

I would also like to extend my heartfelt gratitude to Dr. Sameer Lama sir and Dr. Nidhi Sharma ma'am for taking such an initiative of launching the e-magazine Comércio.





Reading and writing are essential for the academics and Comércio is providing a great platform for that purpose.

After reading the e-magazine (Comércio), I found that the students have great thrust of the knowledge about contemporary issues and Comércio is dedicated to fill the gap between the knowledgeable people and knowledge seekers.

One only way to feed curiosity is knowledge sharing and Comércio is exactly serving that purpose.

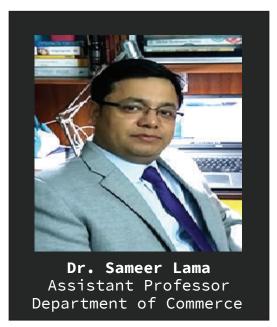
I urge everyone to read and write for Comércio. My best wishes to the entire team.

"When penned down, thoughts get meaning and become unforgettable."

I am pleased to know that the 4th issue of 'Comércio' is being released. It is the reflection of the creative skills of the students, that ranges from writing to editing as well as in designing the magazine also.

I extend my heartiest congratulations to the hardworking and dedicated team of Comércio for bringing the current issue.





It is gratifying to learn that our students are coming up with the 4th issue of during Comércio the month November 2021. Despite all the odds brought forward by the ill effects of pandemic, Team Comércio has proved their mettle by releasing forthcoming issue not just by adhering to the scheduled timeframe but also by incorporating many innovative columns the current issue. My special

accolades to all teachers involved in mentoring the students and encouraging them to think and write and complete this novel venture. Congratulations and best wishes Team Comércio! Happy Reading!!

### STUDENT EDITORIAL BOARD

#### "Commerce is the equaliser of the wealth of nations."

- William E. Gladstone

Within the post-covid world, with minimal physical interactions, it's astonishing to work out how the practitioners of commerce and business have discovered ways through technological advancements, new strategies and methods to address the issues and at the same time, turned matters to their advantage. With an aim to learn, unlearn and re-learn, The Department of Commerce, Kirori Mal College, presents to you, the 4th edition of Comércio, a journey within the style of a magazine that specialises in integrated ideas and data on various aspects of life, especially businesses keeping in mind the uncertainty of the business environment. In addition to this, it talks about trade and commerce through a penned portrait put together by various academics, industrialists and students.

Team Comércio would like to thank Prof. Vibha Singh Chauhan, our esteemed Principal for giving us the marvellous opportunity to put forth experts' views in matters that concern us. Also, we'd like to thank all the teachers because without their support and help, the herculean task of generating the magazine couldn't be accomplished. We hope that each and everyone amongst you will enjoy and treasure reading this year's edition of Comércio.

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### **ACADEMIC ERUDITE**

The Department of Commerce is one of the foremost sparkling departments of Kirori Mal College, University of Delhi that operates to supply a constructive platform of opportunities to those seeking knowledge. The department offers two courses namely, B.Com (H) and B.Com (P) which are demanded by many students from around the world. The rate of acceptance is approximately 97%.

The Department of Commerce cultivates the pursuit of data and learning. It promotes job creation by providing the information necessary to support commerce and foster innovation by setting standards, conducting foundational research and development. The passion for learning isn't only reflected within the tutorial environment, but also visible within the sector of extracurricular activities. It emphasis on transforming the theoretical knowledge into a real existence by organising various society events, seminars, workshops and the like, thereby cultivating students' practical and analytical skills. To promote a realistic environment, the department proudly runs two active societies- The Commerce Society and The Finance and Investment cell (FIC) at Kirori Mal College.

Comércio, the official E-magazine is an initiative by the students of the Department of Commerce under the direction of the Convener Dr. Nidhi Sharma, Co-convener Mr. Vipin Kumar, Chief Advisor Dr. Sameer Lama and Member Mr. Aman Verma. The magazine is an endeavor to combine personal thoughts and concepts within the sector of business so that everyone can comprehend it better.



# ACADEMICS' COLUMN

A penned portrait

of one's ideas, knowledge and research

# THE DIGITAL TRANSFORMATION OF INDIAN ECONOMY



Covid has accelerated digital the transformation of Indian economy in last one year. The impact is going grow to exponentially. It bodes well for all sectors from agriculture to services. India has got patchy record of data collection and sharing. Digitalization will fill

that gap too.

The digitalization has grown on the basis of spread of internet. In 2004, only 4% people were using internet. Today roughly 50% percent people are internet using in which maximum number is through mobile internet and smart phones. This base is going to grow. According to KPMG survey and estimate by 2025, a billion people will be using internet again mostly through mobile internet. This spread has huge underlying advantages and some dangers too. Mckinsey writes in

its report "The public sector has been a strong catalyst for India's rapid digitization. government's efforts to ramp up Aadhaar, the biometric national digital identity program, has played a major role. Aadhaar has enrolled 1.3 billion since it was introduced in 2009, making it the single largest digital ID program in the world, hastening the spread of other digital services.



Rahul K. Mishra

Professor of Strategy and International Business, IILM Institute for Higher Education, Lodhi Road, NewDelhi.



For example, almost 870 million bank accounts were linked to Aadhaar by February 2018, with 399 compared million in April 2017 and 56 million January 2014. Likewise, the Goods and Services Network. Tax established in 2013. brings all transactions of million about 10.3 tax-paying indirect onto one businesses digital platform, creating powerful a incentive for businesses to digitize their

operations". On the same report on Digital India. Mckinsey points out "At the same time, private sector innovation has helped bring internet-enabled services to millions of consumers and made online usage more accessible. For example, Reliance Jio's strategy of bundling virtually smartphones free with mobile-service subscriptions has spurred innovation and competitive Data costs pricing. have plummeted by more than 95 percent since 2013 and fixedline download speeds quadrupled between 2014 and 2017. As a result, mobile data consumption per user grew by 152 percent annuallymore than twice the rates in the United States and China.

If we try to see the actions and initiatives of different companies in different sectors, the process of digitalization is going to create new business models and companies while upending the existing business model and companies.

The e-commerce sector in India is predicted to grow at a 27% CAGR 2019-24 and is over expected to reach \$99 billion by 2024. according to a report by EY-IVCA released Book 2021. Trend Grocery and fashion/apparel are said to be the key drivers of this growth. Taking the grand cuet,the business conglomerate selling salt to software, Tata Group is changing. It has created a new initiative called Tata Digital. This new



company has taken over Big basket. The acquisition of a 64.3% stake in Big basket will make Tata Digital the leading player in grocery, heating competition for Amazon, Flipkart, Jio-Mart, and Grofers. Tata group has set up Tata Digital to build digital businesses to address the needs of Indian consumers as businesses. well as According to the Tata defines the Group, it digital goal for its business "India has seen

growth rapid in smartphone penetration, leading accelerated an to adoption of digital services bv consumers and small businesses alike. The group has a Tata deep understanding of their needs by virtue of its presence across various products and services. Our goal at Tata Digital is to bring together this acumen and deep technology expertise to simplify lives and enriched deliver consumer experiences". This objective makes

This objective makes sense when lot of businesses are closed down during covid and lockdown, digital aspect of business is growing. So sale of Cars at Tata Motors dealership may not

happen but Big basket business is booming. The acquisition of Big basket, estimated to be worth 2.2 billion dollars bolsters the Tata conglomerate 's digital play as corona virus induced lockdowns and curfew people India 's online shopping market. Mr. Chandrasekhran, Group of CEO Tata has reportedly said "when you look at trends for the future, there are The clear signs. pandemic has accelerated the adoption of technology the changing way people, live, work and consume as well as how companies operate." Education has been deeply affected by Covid, Schools and colleges have been forced to adopt online ZOOM, classes. MS Teams, Google Meet and other platforms are used to deliver classes.



Institutions have been forced to invest in digital infrastructure. Teachers and students have had to master the technology to reap the benefits. Let us be also be aware about that that half of India's population can't access smart phones and digital internet. The divide will life really difficult for students of underprivileged background who can't access internet. Swayam

is a great initiative by

the government of India

where online courses

available to are students at minimal cost. Faculty members from IITs, other IIMs and reputed institutions developed have and study courses material which are for available everyone. Face to Face education will digital remain but will make classroom delivery better. quality Access to education material will help students improve knowledge and skill sets. Edtech is redefining the way education is delivered to students. Byju's is the biggest Byju has success. biggest become with unicorn of valuation 16 billion dollars. The rise f BJYU is also the rise of the access of internet through

mobile and PCs and demand for quality education which is missing in many parts of India. BYJU's was started BYJU Ravindran as an offline coaching class for Common Admission Test (CAT). BYJU'S is India's largest ed-tech company and the creator of India's school loved most learning app. Launched in 2015, BYJU'S offers highly personalised and effective learning programs for classes 1 -12 (K-12), and aspirants of competitive exams like JEE, IAS etc. With 50 registered million students and 3.5 million subscriptions, paid BYJU'S has become one of the most preferred education platforms globe. across the Udemy, Upgrad and other Edtech many platforms are redefining education. Education Institutions and Universities have



launched their online degree programmes recognised by the government.

Banking and financial industry he are backbone ofthe business and economy. Digitalisation is leading to massive disruption and adaptation. The rise and Paytm other payment getaways have opened up the market. Paytm market valuation is also around 16 billion dollars. Taking the cue from change, SBI has launched its app YONO

in 2017, a mobile app that offers services banking, for investments. and trading, as well as a platform for online shopping. And, with 24 million accounts, it's also the world's largest digital bank. State Bank of India has seen maximum growth of it business not from the brick and mortar branches but from YONO, the mobile app.

The Government of India has set up an organization called NPCI – National Payments

Corporation of India which has launched Unified Payments Interface (UPI). This is a system that powers multiple bank accounts into a single mobile application (of any participating bank),

merging several banking features, seamless fund routing & merchant payments into one hood. Its BHIM app is quite popular with people for making payments and money transfer.

ACI Worldwide released a new report that indicated more than 70.3 billion realtime payments transactions were processed globally in 2020, a surge of 41 per cent compared to the previous year. According to the report, India retained the top spot with 25.5 billion payments real-time transactions. followed by China with 15.7 bn transactions. The report speculates that by 2024 the share of real-time payments volume overall electronic transactions will exceed 50 per cent. The current figure in roughly 30 percent.



Digitalization of business and economy has been continuing. Companies which adapt and navigate the new environment will survive. There are new challengers which are emerging in every industry. The companies like Tata and SBI will have look to the experiments of BYIU's, Paytm, Basket and Grofers.

In the end customers and economy will be benefitted with increased efficiency because of digitalisation.

Small businesses will get more opportunities because of platforms

like Amazon and Flipkart and also banks going online using AI and Machine learning for approving loans.

Companies which do

not adapt and do don't make digitalization as central to their business will increasingly become redundant in the new emerging digital economy.

### FINANCIAL LITERACY-THE KEY TO A SAFE ABODE



**Akshat Nain** 

Senior Research Fellow at Faculty of Management Studies, University of Delhi. **Worked with Samsung Electronics India** 

"Do not save what is left after spending, but spend what is left after saving!" This golden advice by Warren Buffet is of utmost importance today more than ever. We live in an acquisitive society where carrying a Louis Vuitton bag or

owning the latest iPhone are equated to social prestige.

Newfound

terminologies like Wanderlust, YOLO are worn as badge of and honors the young demographic has incessant an exposure to various of media sources which romanticizes unaccounted spending. Getting a credit card has never been easier and the mirage of points to spend more via them has led to an increased spending. There is a tendency idolize famous personalities and influencers for their extravagant lifestyle

and opulent purchases, but there have been numerous instances this mindless where spending has made them go bankrupt. Be it American actor Nicholas Cage, former World No.1Tennis superstar Boris Becker or Bollywood maestro Amitabh Bachchan, all have suffered an ill fate in their lives due to lavish spending, lack of financial understanding and poor investment



Bhawini Bhardwaj

Business Research enthusiast pursuing MBA from Delhi School of Management, DTU. President of her college.



planning.

Indians had always been saving for known religiously and spending wisely. Emphasis was on procuring the necessities and the rest was secured for the rainy day. But the unabating with western influence on our preferences, lifestyle and state of being, our and investing saving preferences have suffered. Stock market had been synonymous to gambling for most middle-class families. They had conventional

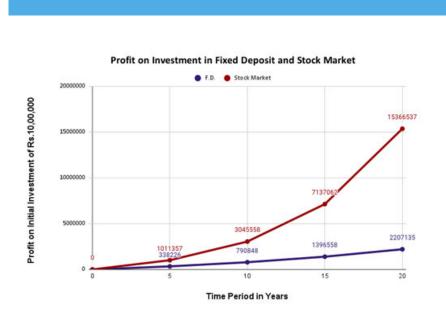
investing mindsets i.e., FDs, gold and real estate and youth, particular had in limited financial independence allowed to them. But all isn't doom and gloom and the trend has been changing rapidly. Indians are diversifying their investment portfolios. Based on the data provided by National Securities Depository Limited and Central

the Depository Services, the number of active DEMAT accounts owned by domestic citizens in India is expanding rapidly. From an increment of 3.8 million FY19, they increased by 14.1 million in FY21.[1]. This by 7.1 increased million in the first guarter of FY22,

would imply an estimated annual growth of at least 28.4 million if the current trend continues. A huge potential in the market is earmarked by the fact that still only 3.7% of the Indian population as Bloomberg has per invested stock in market compared to 12.7% in China and 55% the US.[2] The in pandemic was one of the major catalysts in the Indian retail trading οf the boom. One reasons for this rise was the advent of multiple trading applications companies like Zerodha, Upstox, 5paisa and Paytm Money, etc that allow one to trade in a variety of financial markets for a meagre charge while maintaining a hasslefree trading experience for young traders. The Indian stock market

has been rising at a rate

of 15% for the last five



years now, where the average interest rates on the popular most investment option, long term fixed deposits (F.D) hovering been had around 7-7.5% annually a further post pandemic cut to about 6 % or lower. Keeping these figures in mind, the difference in the expected returns on an initial investment of ₹10,00,000 for the next 10 years in a long-term FD @ 6% and that in the stock market @ would be more than

₹22,00,000 as depicted in the graph below. While these figures might lure you to step into the field overnight, but in order to win the war you must gain adequate understanding about the battleground. Contrasting arguments regarding the volatility of the stock market can't be totally ignored. The path we are treading needs to be carefully managed. An

example of improper financial management seen in be the can meteoric rise of in investments cryptocurrencies an unregulated asset class known for notorious volatility and the potential to deliver high returns. The COVID-19global economic crisis instilled higher volatility and depreciation in traditional assets such currencies. bonds. equities and which prompted at least 1.5 crore Indians to invest cryptocurrencies.[3] Although many people enjoyed great returns from the dramatic surge crypto prices, in majority of the populace lost money, which might have been averted had they first tested the waters before diving deep. On the other hand, the stock market and other financial investment



opportunities available to the general public not only offered compounding returns but are comparatively low on the risk quotient as well. FDs or Provident funds with lower interest rates provide assured returns. A key insight is that diversification is the name of the game and we should refrain from putting all the eggs in one basket.

Starting small but starting now is one such motto that we must

follow. From reading and investment trading iournals authentic from sources, keeping an the latest eye on business trends. imbibing minimalistic approach, etc. can pave the way for a long-term benefit in the trading industry. Simple principles like 50-30-20 (Needs-Wants-Savings) can be taught at an early age which will be beneficial in the long run. Having real life idols who have achieved significant with financial prudence at a very young age can be a good source of motivation. Nikhil Kamath. the COfounder of Zerodha and India's youngest billionaire at the age of 34, is an excellent

example of a youth He started icon. 14 business at and started trading full-time at 17. While this doesn't mean that studies need to be compromised, it does highlight the benefits of starting To further young. motivate youth to invest financial instruments. the government can also do their part incorporating financial literacy as a part of the curriculum starting from secondary school. supportive Another he measure can to introduce more youth centric investment options like ones in place curated for young senior or parents citizens to invest and secure themselves and their family's future or have better retirement benefits. According to a

study conducted by the Aditya Birla Group, a

2019



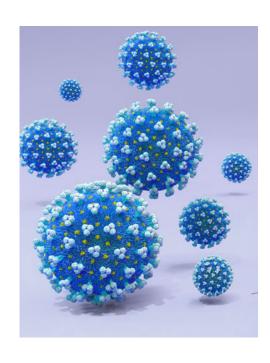
middle-class family spends between 80 lakhs and 2 crores on their child's education and development.[4] This is just one aspect of a far bigger picture. Rising healthcare costs, increased standards of living and skyrocketing real estate prices aren't helping either.

Add to this the survival in cataclysmic events like another subprime crisis or a pandemic and a single source of income will not suffice these to meet expectations. Thus, with these everincreasing costs of living, it's only relevant relevant for people to

diversify their sources of income and wealth generation. The power compounding of good financial instruments have been illustrated the in article. So, be wise, and start start soon saving for the rainy day!

Views expressed in the article are personal.

# LESSONS FROM COVID-19



Covid-19 has unleashed venom! Whether its genetically engineered or naturally evolved it undoubtedly has shattered almost every sector, every economy, everyone. almost Inevitably, this unprecedented contagion has brought tremendous discomfort and upheavals for the

civilization. The world is appalled hapless being a of the target magnitude of devastation of such gigantic size. Even the countries with the best of the medical infrastructure and called the SO "developed nations" succumbed to the contagion during the first few waves. It is indeed difficult to believe for a layman that even with such advancement in the areas of science and technology, medical and bio-technology, trade, commerce and

human

entire

international logistics, the pace of vaccine manufacturing and its distribution took such a long time. Moreover, the covid19 crises has a lot to teach. As the adage goes 'your best teacher is your last mistake' the pandemic succinctly brings forward some important issues and challenges, mistakes which could have been avoidable and some eternal lessons for the



**Dr. Sameer Lama** 

Assistant Professor, Department of Commerce, Kirori Mal College University of Delhi



human race. The crises also broach an important question for all of us – How can we equip ourselves to never face such a dire situation ever again?

pandemic has The however offered huge opportunity for human race to realize the gravity of the matter ruthlessly created them and the takeaway from this lessons dreaded harbinger for the future generations is voluminous. Covid-19 has given human race

the priceless opportunity introspect, realize, rethink and replace coherently their flawed inhumane logic manifested from the level of their selfish genes. . Indeed, the selfish genes of human race have been a major cause of concern for the proliferation of all such unwarranted acts that the world has encountered during the recent times, Covid-19 being one such example of a selfish and cryptic act. The uncanny and unabated miniscule virus has also taught the human race to grounded remain and egalitarian for our own existence. Furthermore. ongoing pandemic has offered

wonderful and

experience unique the human civilization understand and to respect the priorities set by 'Mother Nature'. The plausible and sacrosanct belief that no scientific discovery can supersede the power of 'mother nature' is wellestablished once again. of medical Failure science to develop an instant vaccine, tremors shock-waves and in major economic variables all across economies and despondency of citizens and governments across the world has signaled how hapless the human creature has become today. Isn't it? Covid-19 has also taught so-called that the for human's craze industrialization. reckless hedonism and fantasy their for economic growth & GDP are nothing but myths at the best and a recipe for disaster. The



paradigm economic built the output on maximization logic propelled nothing but lust the for greed, gluttony, excessive unlimited comfort. hedonism. nuclear weapons escalation and complete

dehumanization. The scarcity of ventilators also points to the fact that breathing was never so difficult and expensive.

The pandemic has shown that investment in research and policy relating to building ethics. understanding and preserving the wisdom of nature, living frugal and in coexistence with other species in with harmony nature pays more vis-a-vis the expenditure on research on destructive wisdom of piling nuclear and military arsenal, dreaming Star Wars, framing selfish diplomatic tenets, imposing political religious and dogmas. It has also taught that the basic need of health and hygiene and maxim 'prevention is better than cure' which the modern era robbed awav from us cannot be undermined. Covid-19 is a message that the human

civilization no matter how powerful they assume they are, a virus so miniscule can easily topple them upside down in no time. It has indicated that thousands of years of philosophy, human logic, ethics, ideology, morality, religion, epistemology, takes no time to crumble in front infinitesimal of an virus. Amidst this avalanche of myriad difficulties and uncertainties, the world has also encountered phenomenal certain change, which certainly is a reason to rejoice. For instance, the planet is in a self-healing mode today. The nature is at its best. The birds and the wild-animals, the fishes and the dolphins seem to be relishing. The rivers seem to enjoy the freedom from the industry waste after decades of slavery. The unresolved and



unsuccessful attempt by government the the pollution reduce level has abruptly been well-addressed by the nature itself. Suddenly, snow-clad the being mountains are visible from different parts of the country remaining after aloof invisible and for decades. The message seems to be loud and clear. The nature has its own way of healing. When the human race is complacent and keeps away from competition,

the nature finds its way for celebration. The outbreak of the Covid-19 pandemic taught has also that humans of the availability basic essentials for living embedded by ingredients like peace, love, harmony and compassion is the ultimate requirement of human race across the world. Peace. contentment. detachment, magnanimous and selfless service to the society has been the integral teachings of religions and all spiritual gurus of India. The value system that Indian society pioneered and espoused that the world is one family (Vasudhaiva Kutumbukam) cannot he more

suitably elucidated

as it has been addressed The humble now. of India gesture healing the wound of the world even during these odd times certainly reverberates India that practices what it preaches. The vision of the father of the nation, M. K. Gandhi and his advocacy on self-reliant being Indian economy once again echoes amid the much-hyped concept of globalization-aliasslowbalization. As India begins to heal, all should stakeholders vigilant remain and sensible and ensure the pandemic to transform to endemic in the near future. As the saying 'a goes, mistake repeated than more once is a decision', all possible attempts have to be made so that India equips itself to never meet any such dreaded situation ever again.

# BOOSTING INDIAN MANUFACTURING: NECESSARY FOR HIGHER GROWTH TRAJECTORY



#### India's Development Challenge

**GDP** With at US\$2.3 India trillion, is the ninth largest economy in the world. But with per capita income at US\$ 2020,India's 1900 in global standing is low when compared to other developing countries. For example, China's per

capita income US\$10500, Malayasia US\$10400, Thailand is US\$7189. Indonesia US\$3869, Sri Lanka is US\$3682, Philippines is US\$3298, Vietnam US\$2785 is and Bangladesh is US\$1968. Even smaller countries Vietnam. like Srilanka and Bangladesh have per capita income higher than India. One of the reasons for India lagging behind these countries is the low share of manufacturing in the GDP. Although there have been structural changes in GDP over

the last 50 years where the share of Agriculture has decreased from over 50% to 15%, the share of manufacturing, which currently is at 16%, has not seen a significant increase over these years.

The development path, as shown by the experience of many developed countries, broadly draws out these structural characteristics in production. In the Less

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countries. developed Agriculture and Primary sector accounts for the largest share of the GDP, while the share Manufacturing sector increases with higher level of development. In Mature economies the share of the services sector dominates GDP. The basis for this development paradigm is that the production shift to manufacturing is the "engine of growth" and maximises welfare in the long run. Higher manufacturing

production is underlined by the rising manufacturing productivity which also has positive spill over effects on nonmanufacturing sectors as brought out by Kaldor's Growth Laws. Further, as the income elasticity of manufactured goods is greater than one implying that as income rises. the these demand for goods increases more than proportionately. Manufacturing also has dynamic benefits like trained labour force, higher innovations, higher and stable prices for exports and thereby higher income for This would people. higher mean manufacturing should production translate into higher manufacturing exports

In line with this, as a conscious policy approach, India adopted **Import** Substitution Policy in 1956 (Mahalanobis model in Second Five year plan) promote domestic industry and domestic production. continued till mid 80s where the focus has been self-reliance on imports and to he substituted by domestic production. The adverse fall out of this policy was the development of high industrial cost and structure uncompetitive manufactures internationally in terms of quality and cost. As this was unsustainable. we had to discard this policy in mid 80s and with more pronounced measures in 1991. Since then, we had looked up to promote competitiveness through exports and open



borders thereby exposing the domestic industry global to competition. A case in point is the drastic reduction in tariffs and policies conscious with global integrate economy.

#### **Facing The Reality**

Niti Ayog's 'Strategy For New India @75' (2018) has envisaged increasing the share of manufacturing to 25% of GDP and exports to increase from US\$478

billion in 2017-18 to US\$800 billion by These 2022-23. targets were a follow up of the National **Manufacturing Policy** 2011 which visualized to push manufacturing share in GDP to 25% by introducing policies for creating National Investment and Manufacturing Zones (NIMZs). development of SMEs, Skill Upgradation, Promotion of Green Manufacturing and Rationalizing and Simplifying business regulations. The policy also emphasized development of core infrastructure, creation of financial & institutional mechanisms for technology development. However.

the implementation issues of these policies did not lead to the desired outcomes. Subsequent policies of 'Make in India', 'Skill India' with the broader objective of attracting FDI into manufacturing also did not achieve the targets.

major The factors constraining the growth of Indian manufacturing have been extensively documented, of which, the most important are: poor core infrastructure, high cost of capital, logistics labour and All issues. these constraints have resulted in Indian manufacturing loosing global competitiveness. India's per capita MVA (Manufacturing Value added) is US\$ 302 as US\$1660 for against US\$857 for Thailand. Indonesia, US\$620 for Philippines and US\$ 2520 for Malayasia ( Table 1).

Table 1:Distribution of World MVA Among Selected Country Groups 2005-17

	Industrialized Economies			Developing and Emerging Industrial Economies				
Year	EU	East Asi a	North America	Asia and Pacific	Emerging industrial Economies	China		
2005	24.7	16	22.5	18.6	16	11.6		
2010	21.1	15.8	19.2	26.6	16.6	18.5		
2011	21.2	15.1	18.6	27.8	16.7	19.6		
2012	20.3	15	18.3	29.2	16.6	20.8		
2013	19.7	14.7	18.1	30.4	16.6	21.8		
2014	19.6	14.6	17.8	31.2	16.5	22.6		
2015	19.8	14.3	17.4	32.2	16.5	23,3		
2016	19.7	14.1	17	33.4	16.4	24.1		
2017	19.5	14	16.8	34.3	16.3	24.8		

Source: UNIDO, Industrial Statistics ,2018.

India's share in world manufacturing exports is less than 2% while China emerged as the major global exporter overshadowing USA and EU.



India's share in world manufacturing exports is less than 2% while China emerged as the major global exporter overshadowing USA and UNIDO's EU. Competitiveness Industrial Production (CIP) index assesses and benchmarks industrial production across by countries taking various dimensions like capacity to produce and technological export, upgrading and deepening and world

impact. India's overall global rank in CIP is 39 in 2018 while for China it is 3. Between 2010 and 2016, India's position decreased by points.With low relative competitiveness, it is not surprising that India's manufacture imports increased while exports remained subdued thereby resulting in trade deficit (Table 2). Further, even as the share of manufacturing exports has increased, they were mainly in low technology oriented intermediate products.

#### **Battles To Be Won**

The above trends clearly indicate that there is an urgent need

developing for a conducive manufacturing for ecosystem a sustainable growth. particularly This is important as potential for productive employment is high for manufacturing the sector. In this regard, the priority areas are detailed below.

**Promoting R&D:** Under changing the technology frontiers and fast catching up of Advanced **Digital** Production (ADP) in manufacturing, developing manufacturing competence the of domestic industry necessitates technology resilience by upgrading production processes, skill upgradation and institutional support thereby making them competitive in the global markets. The necessary conditions, in this case, would be



strong R&D orientation firms, import of the technology access to products and services providing and an ecosystem that encourages innovation at the firm level. The challenge for India is to integrate the SME sector into this development path especially as they account for 99% of the units, 86% of workers and 18% of output (Rajiv Kumar, 2008). This has been successfully done by the ASEAN countries enabled by the

technology driven fragmentation of production. The low productivity and output and high employment syndrome that underlines the SME sector has been successfully integrated into efficient manufacturing system by supplying, sourcing and with partnering multinationals. Firm level data suggests significant that a share of inputs are sourced from local firms particularly in Indonesia and Philippines, knowledge to local firms is widespread Thailand. in Indonesia, Vietnam Malayasia. and **International** certifications, costly for SMEs but are

necessary for supplying to MNCs have been facilitated by targeted policies (OECD, 2019). The ASEAN experience can provide a necessary guide for India in attaining an inclusive and sustainable development strategy.

Skill Upgradation: The low productivity characterizing Indian manufacturing is largely on account of mis-match labour between skill and job requirement. As such, broad basing vocational schools and equipping them to provide appropriate training is necessary. For this. vocational schools need to be well equipped especially considering the current digitization. of trend Similarly, the nexus between technical and industry schools needs to be strengthened.

Table 2: Trends in India's Manufacture Imports and Exports: World (US\$ Million)

S.N o	Indicators	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1.	Manufacturing imports from the World	2,80,139	2,43,303	2,61,725	2,54,513	2,50,668	3,01,032	3,19,596	2,95,939
2.	Share of Manufacturing imports in Total imports (%)	57	54	58	67	65	65	62	62
3.	Manufacturing exports to World	1,97,000	2,06,221	2,12,395	1,97,561	2,07,455	2,24,319	2,41,490	2,31,605
4.	Share of Manufacturing exports to total exports (%)	66	66	68	75	75	74	73	74
5.	Trade deficit in Manufacturing goods	-83,139	-37,082	-49,330	-56,952	-43,213	-76,713	-78,106	-64,334

Note: Manufacture exports/imports have been broadly taken as those corresponding to HS chapters 28 to 98

Source: Ministry of Commerce & Industry, Export Import data bank

### Developing Efficient Supply Chains:

Infrastructure bottlenecks and upgrading supplier competence needs to eb prioritized. In the automobile industry, supplier the local competence has been strengthened through technology transfer by OEMs. the As such local suppliers have graduated to tier1 and tier2 suppliers to the MNCs. The same need done for he to electronics which has

industry wide applications. MNCs. The same need to be done for electronics which wide has industry applications. equally This is important for traditional industries like textiles and leather.

In conclusion, India's manufacturing practices need a complete reorientation for attaining global competitiveness. The large domestic market

needs to be leveraged to develop and reap scale economies and product and process innovations. The focus current on labour cost arbitrageneeds to shift technology towards induced cost efficiencies. It is through these that the measures untapped potential can be realized and the 'population dividend' effectively be can capitalized.



# CORPORATES' COLUMN

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# TAX HAVENS AND THEIR ROLE IN GLOBAL ECONOMY



Tax haven is a country/place where taxes are levied at NIL rate or extremely lowrates. One country's tax laws and rules can have an effect on other countries and their economies. Most multinationals operating in developing countries use tax havens. These tax havens often prove to

be a way for multinational companies avoid taxes. to According the to OECD, there are 4 criterions to be qualified as a tax haven: the jurisdiction imposes no or only nominal taxes; there is a lack of transparency; a lack of effective exchange information with other governments and no requirement that a taxpayer's activity in the jurisdiction is "substantial". Tax havens came into existence for two reasons – benefit of the companies and the benefit of the tax haven itself. The companies that transactions do

across borders can save massive amount of tax by routing payments and profits through these offshore tax havens. In turn, job opportunities are created in the respective tax haven.

#### **Cayman Islands**

Being one of the tax havens' is a group of three islands (Grand Cayman, Cayman Brac and Little Cayman) in the north-west Caribbean Sea. Cayman is one of the world's largest



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financial centers. But, unlike the very famous or call it infamous Mauritius route the one used as a channel by foreign investors to invest in India being misused by the investor. The Caymans have historically been destinatax-exempt tion, and the government has always relied on indirect and not direct taxes. The territory has never levied income tax, capital gains tax, or any wealth making tax, them a popular

haven.

corporations, For fantastic is а windfall to take adof. The vantage Islands Cayman could very well help shield many corpofrom rations increased and substantial taxes.

That being said. India also does not have a double taxation avoidance (DTAA) agreement with Cayman Islands. It only has Tax Information Exchange Agreement. According to tax experts, India's domestic laws tax indirect capital gains only specific when a threshold is met and when the company derives more than 50 per cent of its value from Indian assets. Hence, global funds substantial with non-India portfolio

can route their investments through Cayman Islands with zero tax impact.

Further, CaymanIslands' economic substance law also prescribes only carrying out certain activities to substantiate economic presence without any monetary thresholds.

However, experts say Cayman Island's that emergence is not purely because of tax arbitrage. Easier rules for setting up of fund structure, lower cost of operations and lower compliances also make Cayman Island investment funds hub. The lower cost of operations and lower compliance requirements makes Cayman Islands more attractive.

#### **Switzerland**

Apart from Swiss cheese, fondue and villages if in anything else Switzerland is famous for isthe robustness and success of its financial



institutions.

Switzerland remains on top of the list of preferred tax havens due to its low taxation of foreign corporations individuals. and Although Switzerland is no longer a place to "hide" money due to pressure from the United States and the European Union (EU), still offers it the wealthy some benefits for living and keeping their money there.

Contrary to popular opinion, Switzerland does not allow foreign

foreign individuals to live and bank in its borders tax-free. However, wealthy individuals can pay a lump-sum option on the money they bank inside the country, and the government considers their taxes paid. To simplify matters, the government bases the amount of tax foreigners owe on seven times their monthly rent. The country also taxes households. rather individuals, than and this simplifies, sometimes and lowers, taxation for wealthy couples. For the wealthy, this level of low taxation is viewed as an unparalleled benefit of living Switzerland. It is important to note that benefits these tax are not available to

individuals who relocate to Switzerland for employment purposes.

Foreign corporations have plenty of reasons to set up offices in Switzerland. The national government offers significant tax breaks to companies that hold 10% shares of other corporations.

Specifically, the government reduces the amount of taxes a corporation owes on profit based on the number of shares it owns. As such, shell corporations often set up operations in Switzerland to take advantage of low or no taxation.

#### **Panama**

The Republic of Panama is one of the oldest and best-known tax havens in the Caribbean, as well as one of the most established in the region. Panama has had a reputation for tax avoidance since the early 20th century, and Panama has



been cited repeatedly in recent years as a jurisdiction which does not cooperate with international tax transparency initiatives.

Panama has a territorial tax system - wherein the income earned within the country is taxed, but exempts income earned elsewhere.

Panama imposes no income, corporate, capital gains, or estate taxes on offshore entities that only engage in business outside of the jurisdiction. Offshore

companies can engage in business locally but will pay local taxes as result. That being said. Panama has strict banking secrecy laws designed to protect the privacy of account holders. Also, it has no tax with treaties any other country and no control exchange laws.

Let's say for a firm based in Panama can have assets anywhere in the world. The legislation also safeguards Panama enterprises' privacy, may you be SO that your assured business interactions and financial statements will be kept secret and discreet in Panama. These rules protect financial your investments in Panamanian corporations.

#### Luxembourg

Luxembourg, a small European nation, is one of the wealthiest countries in the world, largely thanks to its financial sector, which makes up more than 35% of its GDP.

Luxembourg has been a tax haven of choice for corporations and the wealthy since the 1960s, when the small European country rose as a financial center for the off-shore trade of European bonds. Luxembourg was popular with companies looking issue debt because it withholding lacked a tax, did not require a stamp duty, and did not require bond issuers to publish a prospectus.

As on Mar21 more than 340 companies around the world have set up subsidiaries in the country and sought beneficial arrangements for the purpose of seeking tax relief.

Luxembourg's tax haven



status stems from its business-friendly policies, which allow international corporations to exploit tax loopholes. A wealthy corporation or individual can take heart with investing in the tax haven of Luxembourg, as it is one of the leading financial institutions in Europe.

Privacy is the central tenet of Luxembourg's policy as a tax haven. Only the owner of the funds or offshore account can sign off on sharing personal

details about their finances.

Luxembourg keeps everything under lock and key, ensuring their clients are feeling secure. It doesn't tax interest in offshore bank accounts. Not only that, but they even offer favorable tax rates to their domescorporations, tic giving them tax breaks and sometimes exemptions.

#### Bermuda

Well. we aren't talking about triangle here. This time about another it's beautiful island spot turned out to be one of the most expensive countries to call home. Situated between the United States and Europe. It imposes no taxes on corporate income, interest, dividends

or royalties.

Corporations such as Nabors Industries and Signet Jewelers have chosen to base their operations in the British Overseas Territory.

This makes it another perfect prospect for the world's wealth. Bermuda has also found itself in the middle of prominent tax avoidance schemes.

In fact, you will be surprised to know that one such company, Nike, in particular, made millions from not paying America's tax rate. Nearly a quarter of Fortune 500 companies are involved in some way or another with Bermuda as a tax haven.

Bermuda's emphasis on privacy for prospective bankers is some of the best in the world. Although Bermuda benefits everyone utilizing them as a tax haven and corporations probably achieve the most benefit from using them.

#### **Others**

The above are a few form the lucrative list of Tax havens in the world but, there are more including

- Bahamas: Being a center of banking activities, no surprise Goldman Sachs and JPMorgan Chase operate subsidiaries there.
- Channel Islands: According to the Paradise Papers, Apple moved its tax residency to Jersey in 2014 and stored as much as \$252 billion in offshore cash in Jersey
- Malta: Known as a "Pirate base" for tax avoidance. Slightly less than 5% of Fortune 500 companies operate a subsidiary on the island, according to the ITEP. Morgan Stanley, Marriott International and Abbott Laboratories are among the corporations.

And the list goes on.

#### Conclusion

As they say there are always two sides to everything, including tax havens.

On one hand, tax provide havens friendly tax regulaoffshore tions for companies in which they can expect to pay very little zero even taxes while, on the other hand basic problem with tax havens is that it adversely affects the budgetary revenue of countries with higher taxation and thereby giving rise to increased tax avoidance, particularly that law, lawful and unlawful migration to the capital, causing financial instability, and by circumvention of financial control. financial crises. Overall, no matter how interesting the

concept of Tax haven might seem as per article published in Aug 20 stated that out of the \$200 billion globally lost to tax havens, \$170 billion comes from the poor and developing countries.

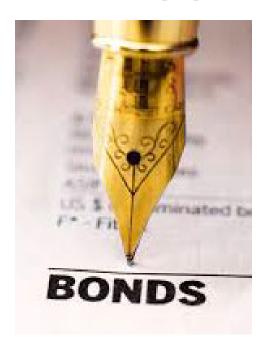
Such countries need this revenue more than others for education, health, and public services in general. Such developing countries then resort to loans or increased tax rates to provide basic necessities for their citizens.

However, this again negatively impacts the citizens itself. The poor have to pay taxes, while the wealthy evade taxes by moving their assets to tax havens.

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## **BANKING ON THE BONDS?**



The health of any depends economy largely on the health of its banking industry. Over the recent months, the banking system of the country has suffered various health issues. evidenced from the symptoms of growing bad loans, wilful dewidening faulters, losses. governance issues and so on.

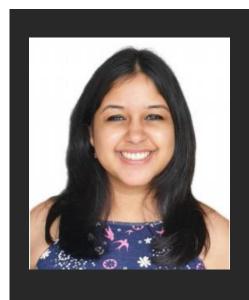
In fact, the 10th edition of the Fortune India 500 List has some

unsettling numbers on these banks. Of the 500 companies, 65 reported a cumulative loss of ₹1. 67,851.6 Cr; and 14 Public Sector Banks (PSBs) accounted for 44.2% (₹74,253.2 Cr) of the total loss. Moreover, 13 of the 14 PSBs were among the loss-makers in 2018 as well.

In such situations, big corporations are seldom left with no option but to depend Government on injections (bail out, as we popularly call it). If sources are to be believed, the government is looking at a ₹2.11 Lakh Cr recapitalization package to rescue the stressed PSBs. (This should not be conwith short fused term measures

inclined towards reviving the economic activity in the wake of COVID-19. Long term focus must be on improving the Capital Adequacy Ratio and liquidity of the banks.)

However, we need to understand that in a typical recapitalization, there is no flow of funds, but only a capital restructur-



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involved. The ing banks subscribe to the bonds issued by the and government in return the government uses that money to inject equity into the banks. Interest revenue on these bonds is the only positive cash flow. Such an exercise improves the bank's capital adequacy ratio which should be at least 8% as per the BASEL III norms. This enhances the bank's ability to write off the existing Non-Performing Assets (NPAs) and, increase their lending capacity.

But the question is, is recapitalization really the right solution? Shouldn't the focus be on improving the actual liquidity and cash flows of banks rather than only increasing the tier 1 capital in the books?

1. Recapitalization as a concept dates back to the 1990s in India. While it serves to temporarily improve the quantum of lending, the banks do not get any fresh capital. They still have to public resort to money or other fund raising channels. In fact, critics have also pointed out that it's unclear how redemption is usually done. Can the banks sell these bonds market or

them in any other manner? Plus, the losses continue to mount, and the public continues to mount, and the public continues to worry about a bail in.

2. The focus should be improving the on long-term liquidity banks through a methodology win-win for the public, government and the banks. One such solution, in my opinion, is issue of banking bonds to the public. These bonds can carry a coupon rate of ~5-7% which is at least at par with other government securities.

In the past when recapihappened, talization funds were raised from the public directly via Such equity. investments are exposed to lot of fluctuations and the taxpayer is in constant jeopardy in such situations. Instead, governbacked bonds ment would ensure the public



better stability and security for their money.

3. To encourage investments in these bonds. several routes can be adopted. We can include them in the tax exemptions offered u/s 54EC of the Income Tax Act, 1961 on the lines of NHAI and RECL bonds. Banking bonds can be added to the list, at competitive interest rates with a lock in period of 3-5 years, based on an estimated time for the banks to recover.

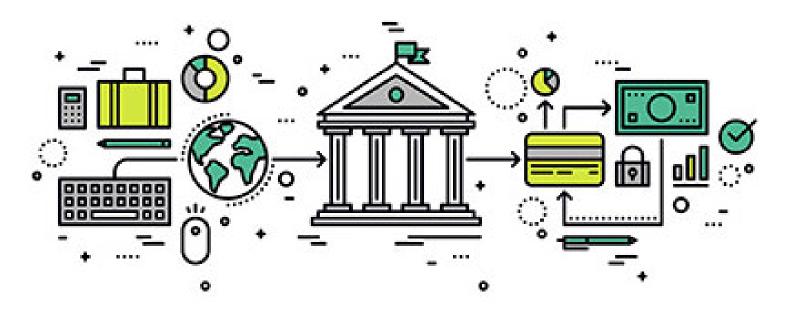
For instance, ~₹ 1.06 lakh Cr was raised by NHAI and RECL via 54EC and other long other long term bonds in 2019-20. So. if a similar strategy is adopted, let's say, at the least 30% gets invested into these bonds, which ~ ₹ 35,000 Cr. is That's a lot coming from the public! Besides, big corporate houses and mutual funds can also be encouraged to park their money in these bonds.

The funds 4. SO raised from the public can be invested directly in the equity of PSBs or via creating a state run holding company and investing in various PSBs a.k.a the subsidiaries. This type of consolidation structure can help

strengthen the balance sheets of banks initially, capitalize on synergy benefits and eventually give way to their independent functioning.

Since the banking **5.** sector is a sensitive one, performance report should be generated very frequently (maybe, monthly) to monitor the usage of funds ensure greater accountability. In fact, there are talks of a performance linked bail out doing the rounds. It will be interesting to see how that works out. This will. hopefully, avoid making banks complacent after receiving funds.

Such a liquidity measure should also keep the danger of bail in by the banks at bay. In fact, with the use of these banking bonds, the onus will shift to the government to pay them back. This should compel the bank's management to



focus on the bank's effective functioning and push up its market value. Once, the banks are healthy again, then, FPOs and other divestment options can be considered by the government.

While all the above points suggest a secure mechanism of strengthening the banks' balance sheets. the long-term objective should be to target the root cause of NPAs. Who are the major defaulters? Does

fault hint lapse in aparticular sector? Is it skewed towards a particular sector? Is it skewed towards a particular income class? Are excessive legislations reason behind long gestation periods, thereby blocking money in large scale projects? Is there lapse (wilful) in the borrower's diligence reports? Is there a casual attitude the part of the public? Lessons can also drawn: be

from some of the world's best banking systems, for instance Canada has remarkable one. thanks to its solid fundand conservative lending practices. A lot more similar questions needed to be answered and acted upon by the government to ensure banks can self-sustain themselves and, the government can focus on real development issues.

# GST IN INDIA: FOUR REMARKABLE YEARS



The goods and services tax marked its fourth anniversary on 1 July this year. It is time to take astep back, evaluimpact ate its and required efforts make it one of the mostsuccessful tax reforms in indirect taxation.

India made a breakthrough move by introducing a new Indirect tax regime- goods and services tax (GST) also termed as 'One Nation One tax' in 2017. The rationale was to create a more effective and efficient tax regime that could curb multiple taxes existing at the Centre and state and promote ease of business doing in India.

In the erstwhile tax regime, the Indian taxpayers had make strenuous efforts to comply with indirect tax laws because of multiple procedures, multiple registradealing tions and with multiple tax authorities. GST has subsumed various indirect taxes viz. duty, excise value tax, central added

sales tax, service tax etc., which has certainly led to integration of multiple taxes and overall ease of compliance.

While the government is working pro-actively to resolve issues faced by taxpayers across industries, the industry is continuously learning adapt to the changes. Standardization legislation and compliances across India has been a boon for traders and manufacturers earlier grappling with separate compliances under multiple laws. On the other hand, as opposed





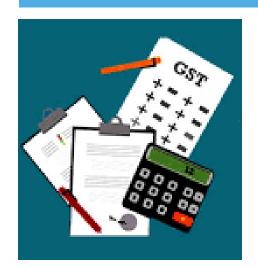
to a centralized registration and compliances earlier, the shift to state-wise registrations and monthly compliances has increased the compliance burden for the services industry. address the concerns of businesses, the government has proposed to consolidate all periodical returns into a single return. The GST Council is already working on the new format and necessary IT-related changes to this effective. make With the simplified return filing model, it can be expected that GST will become a far smoother process than

what it is right now. Since the inception of GST, there has been an overall increase in revenue for the government. By increase in taxpayer base, automation and digitization of the Indirect taxes and ease of doing compliances.

One of the main objectives of GST was to create an automated indirect tax ecosystem i.e., replace Inspector with IT. Digitization of processes in filing of and returns refund claims helped in reducing personal interface in the processes and brought more transparency in operations for taxpayers. Later, introduction of e-invoicing and e-way bill proved to be a gateway to digitization of business processes.

E-way bill, an accompaniment to the nationwide GST, was launched in 2018 to track the goods of movement across the country and curb tax evasion. Introduction of E-way bill system led to removal of inter-state check points leading to no unnecessary delays in transit. The system evolved in the last three years with additional functionalities such as auto calculation of distancebased on pin codes, verification of vehicle blocking number, e-way bill for non-filers andintegration of e-way bill system with e-invoice system.

E-invoicing was another technological reform introduced on 1 October 2020 when organizations with turnover higher than INR 500 crore were mandated to raise invoices digitally. This was a system of interoperable electronic invoices generated by



taxpayers but authenticated by the government through the e-invoice portal. This digital push in compliances was much needed and appreciated by the Indian Inc. There were certain initial technological challenges with regard to issuance of E-invoices through the portal and confusions around requirement of QR code but the same have been ironed out over a period of time. Another aspect where the government tried to digitize and ease the compliance burden on taxpayers was to bring matching concept for a seamless flow of input

tax credit (ITC). ITC can be taken if the recipient accepts the information furnished by supplier and vice-versa. However, in case of any discrepancy tween the information furnished by the supplier and the recipient, the same shall be communicated to both the parties in the form of a mismatch report. To the extent, suitable rectification is not made, the recipient required is reverse ITC on the same.

Numerous taxpayers registered under receiving **GST** are notices from the department asking them to explain the mismatch of ITC claimed in returns vis-à-vis tax reported by their vendors. The taxpayers have

been asked to reverse ITC along with interest and penalty. The matching concept was introduced to prevent fraudulent availment of ITC, and to this extent, the department is undeniably right in acting for disciplining the same. However, the rightfulness of the action gets impugned when it trespasses into the rink of fide bona taxpayers. This was also taken up by the High Court recently, wherein it held that the recipient cannot be denied credit due to a default by the supplier. The industry is hopeful that the government will bring some mechanism to provide respite honest taxpayers.

Additionally, GST was introduced with a motto to make India a unified market which has also been well established as the GST rates across the country remain uniform. That is why today, unlike in the pre-GST



times, the tax rate is not a key criteria for a business while determining where it wants to set up operations. A business can base its decision purely commercial considerations and fiscal packages that states offer to promote invest-However, ment. the core theme of unified market may get diluted if states continue to levy cesses, such as Kerala flood cess, COVID-19 The cess. industry is also hopeful of further rate rationalization measures, and the expectation is that the government may reduce the number of rate slabs.

recently, Also, to ease in doing busithe ness, government replaced the requirement of an reconciliaannual tion statement between annual returns and financial statement by a chartered accountant with self-attestation. However, commust take panies note that this would put a higher onus on them since approprireconciliations would have to be reported and certified by them.

With good intent but marred by tech glitches, **GST** has completed four vears and it is safe to say that many improvements have since. been seen through various policy updates. The Government has. taken necessary measures to fill the loopholes indirect taxation system which came in way of smooth implementation of GST. It's worthwhile to acknowledge their efforts to support taxpayers by announcing measures like extending compliance timelines, waiving late fees and penalty whenever required.

GST is still in its nascent stage, as Government and experts are still digging into the new tax regime and coming up with policies and clarifications. There is still a room for improvement with regards to frequent technical glitches and teething troubles, hurdles on the seamless flow of credit, streaming AAR rulings and bringing goods like petrol, diesel, ATF, etc. under GST. In the times to come, we should expect further evolution of GST achieve going on to greater success.

# INVESTING IN CRYTO-CURRENCY



Cryptocurrency based on blockchain technology. It is a chain of information registration and distribution that is not controlled by any single institution independent of central banks and their regulations. It eliminates any middleman (such as a bank) and allows buyers and sellers to transact directly, leading to lower or even

elimination of any transaction charges. Cryptocurrencies have shown their share of volatility, which has made some investors millions while wiping out some others' initial investment.

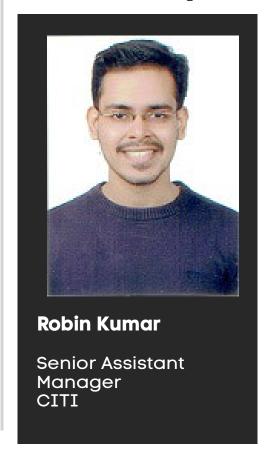
## Gearing Up to Make Transactions

Some pre-requisites required to start making transactions in cryptocurrency are:

1. Wallets: Crypto wallets that hold purchased your cryptocurrencies are similar digital to services payment like Apple Pay and PayPal but differ in terms of formats and security. levels of

Without crypto wallet, you cannot make a transaction in crypto-currency market. It is recommended that you get the most secure type of wallet.

2. Exchanges: These are web services where you can buy, exchange, or store cryptocurrencies. Storing cryptocurrencies on an exchange is considered high risk because many such exchanges have been exposed to hacking attacks and scams in the past.





#### Crypto dividends

You can generate regular, passive income in the crypto market in several ways. Here are the two most popular ones:

- 1. HODLing: Some cryptocurrencies pay out the HODLers "Hold On for Dear Life", who simply purchase and carry the digital coins in their wallets, which resembles somewhat to dividends.
- 2. Proof-of-stake (PoS): When you "stake" a coin, it means you put it aside so it can't be used

in the blockchain network. Higher stakes means higher chance of getting paid at a random selection by the network.

## Digging into Different Kinds of Risk

Knowing your risk tolerance, you can create a strategy that protects you and your wealth.

- 1. Crypto hype risk: Cryptos have a lot of hype, especially because most people end up listening to crowd the while investing. The crypto hype back in 2017 was one of the many drivers of the fastand-furious market surge which ultimately lead to the price crash.
- **2. Security risk: a.** The cryptocurrency: Hundreds of cryptocurrencies are

already availaible, with thousands of new ICOs (initial coin offerings) on the way. While investing, educate yourself on the blockchain's protocol. Nature of the cryptocurrency's protocol can be found from its white paper. The white Paper is an official document that the crypto founders put together before their ICO, laying out everything investor should know about the cryptocurrency.

- **b.** The exchange: Your trading host should be trustworthy and credible. Many security incidents and data breaches have occurred in the crypto community because of the exchanges.
- **c.** Your wallet: You can take your wallet's security to a higher level by using a backup.
- 3. Volatility risk: Volatility matters if you have a short-term investment goal. You can offset volatility risk by using automated trading algo-



rithms on various exchanges. For example, you can set up an order like "sell 65 percent of coin 1," "100 percent of coin 2,". So, if the price drops by 3 percent, this strategy can minimize the risk of volatility.

4. Liquidity risk: Liquidity risk is the risk of not being able to sell (or liquidate) an investment quickly at a reasonable price. When the liquidity is low, the risk of price manipulation also comes into play. One big player

can easily move the market to his favor by placing a massive-order. When choosing a cryptocurrency to trade, you must consider its liquidity by analyzing its acceptance, popularity, and the number of exchanges it's been traded on.

5. Regulation risk:
To date, most digital currencies aren't backed by any central government, meaning each country has different standards.

# Identifying Top Performing Cryptocurrencies

1. Using Fundamental Analysis - Going back to the earlier dating metaphor, finding the right crypto category is like picking your type in a significant other. You should

most certainly think with your brain and a little bit with your gut feeling.

- 2. Go with what you know: If you've already been exposed to certain types of cryptocurrencies or used them in real life and liked their performance, consider adding them to your portfolio.
- 3. Choose the right categories: Certain categories perform better at certain times in overallmarket, not just the crypto market. For example, the fintech sector is heading higher in equities and everyone is talking about artificial intelligence (AI). You may want to consider searching through the AI category and find cryptocurrencies that involved with it. However, the cryptocurrency categories may always follow the rest of the market as it is a very new industry.
- 4. Check out cryptos'



#### websites:

- **a.** Flip through their white papers: It includes everything potential investors need to know about the crypto, such as technology, purpose, financial details, and so on.
- b. Browse their partnerships: Risk averse investors can check the partnerships made by cryptocurrency. More established cryptocurrencies have been able to team up with traditional giants like IBM and Microsoft and

banks like Goldman Sachs. These companies have expert analytic teams who perform due diligence.

c. Familiarize yourself with their technology: Well-developed websites walk you through their technology and their products in not-so-intimidating way. The more you get to know the products and the technology behind cryptocurrency, the easier you can make your decision.

# 5. Choosing Cryptos with Sentimental Analysis

a. Coin market capitalization: Ranking based market on capitalization ennavigation ables through cryptocurbigger rencies. Α market cap shows a higher value of all units of a specific cryptocurrency that are for sale.

- Circulating supply: b. Circulating supply (CS) number of coins currently in circulation for general public. A lower CS number may indicate a lack of popularity as well. Insome cases, the CS may not even matter. example, Ripple's For XRP has a circulation supply of almost 40 billion, while Dash has a CS of only 8 million. Meanwhile, they both gained around 3,000 percent in 2017.
- c. Total supply: Total supply is the total number of coins currently in existence, not just those circulating. For several reasons, some coins are reserved or locked and aren't sold in the public market.
- 6. Trying Technical Analysis to Select Cryptos: Technical analysis assesses pattern and indicators which assist in predicting future



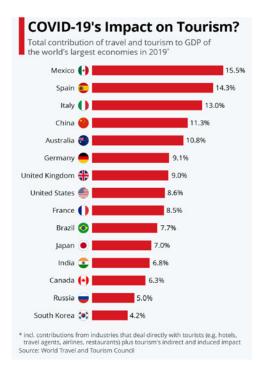
price actions. Although the current price of one coin isn't a very good indicator of a cryptocurrency's overall value, analyzing the price action becomes very important when making a transaction. Analyzing recent price action is important for short-term traders. Many cryptocurrencies are too young to have a well-developed price

history.

Overall, we can conclude by saying that the deeper understanding of the cryptocurrency, the better decision making and diversification opportunities can be capitalized.

Disclaimer: The article is based on author's personal opinion with no affiliation to any organization. Investors are advised to make judgement by themselves before investing. All investments involve risk, and the past performance of a security or financial product does not guarantee future results or returns. -

# IMPACT OF COVID ON THE TOURISM INDUSTRY



April 2020: Imagine somebody telling you that you are going to be locked in your house for the next 2 years. Wouldn't that have given you jitters?

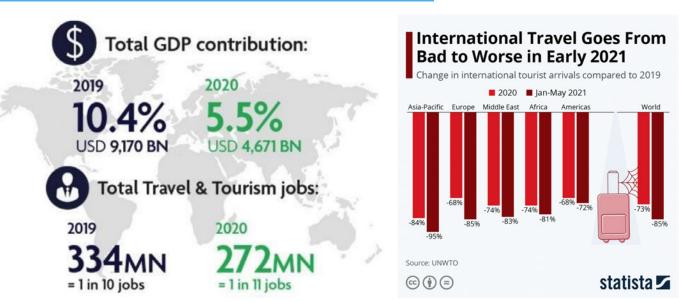
Cut to August 2021: We've already spent over a year and a half at home. Many of us have felt off-track and down during this phase, but hey – it's

going to get better soon!

Speaking of feeling off-track, I always dreamt of leading 'post-college'/ the 'early stages career life' simply travelling and ploring the world and had been quite on track to achieve that. But all that is obviously halted, and it makes me sad to see how badly the tourism industry has been hit during these times. The COVID crisis has triggered an unprecedented crisis in the sector. Did you know that the Indian tourism industry lost over 20 million jobs Financial in Year 2021? As of 2019, the

industry accounted for ~7% of India's GDP and was one of the largest job contributors, making up for ~13% jobs in the country. Our country ranks as one of the top 14 countries which are most likely to lose from the downturn in tourism. Historically, the tourism sector has been a significant contributor





Source: World Travel & Tourism Council's annual Economic Impact Report (EIR), 2021

in foreign exchange earnings  $(FEE)^1$ . FEE during January and December 2020 shrunk by 76% as compared to the same period in 2019. The impact is so vicious that the complete recovunlikely ery is to happen before 3-4 years.

The situation globally is no less devastating – the global travel & tourism sector suffered a massive loss of almost US\$4.5 trillion in 2020 alone. The sector's contribution to GDP<sup>2-</sup> dropped a whopping 49.1%, compared to the

overall global economy which decreased by just 3.7% last year.

It is a little sad to think that we might able be not travel, just like the good old days, anytime soon in the future. But there is always a silver lining in the darkest clouds. The world is already discussing sustainable ways of reviving the tourism industry. The World Economic Forum held a Sustainable **Development Impact** 

Summit, where they explored the inter consciousness, technology acceleration<sup>3</sup> and destination management<sup>4</sup> and found solutions that have the potential to reshape the way travel is marketed, managed and planned. Additionally, initiatives or startups that promote more sustainable ways tourism are expected to start thriving.

Specifically, in the Indian market context, the following snapshot paints a great picture of good times to come:

#### **ADVANTAGE INDIA**

#### Robust Demand

- By 2029, India's tourism sector is expected to grow 6.7% to reach Rs. 35 trillion (US\$ 488 billion), and accounting for 9.2% of the total economy.
- International tourist arrival in India is expected to reach 30.5 million by 2028.
- However, domestic tourism is expected to drive the growth, post the pandemic.

#### Attractive Opportunities

- Government is providing free loans to MSMEs to help them deal with the crisis and revive the economy, including the tourism sector.
- Post the pandemic crisis, the government plans to tap into regional tourism by opening doors for South Asian country tourists
- While an air bubble agreement is made with Sri Lanka, talks with Thailand are also in progress.

#### Policy Support

- Campaigns such as Swadesh Darshan, a theme-based tourist circuit was launched to harness the tourism industry's potential.
- The government introduced a scheme to boost the tourism sector by providing one-month free tourist visa to 5 lakh tourists until March 31, 2022.

#### Diverse Attractions

- India offers geographical diversity, attractive beaches, 37 World Heritage sites, 10 bio-geographic zones, 80 national parks and 441 sanctuaries
- The country's big coastline is dotted with several attractive beaches.





Source: India Brand Equity Foundation, 2021

The world will heal soon and we'll get a chance to make up for all the travel we are currently missing — the need of the hour is to stay safe and positive and be hopeful of the future.

<sup>1</sup>Foreign exchange earnings are monetary gain made by selling goods and services or by exchanging currencies in global markets.

<sup>2</sup>GDP stands for Domestic 'Gross rep-Product' and the total resents monetary value of all final goods and services produced (and sold on the market) within a during country period of time (typically 1 year).

<sup>3</sup>Technology acceleration is the pace of technological progress—especially

information technology— speeding up exponentially over time.

<sup>4</sup>Destination management defines a process that involves coordinated actions aimed to control the economic, socio-cultural and environmental dimensions of a specific tourism territory.

# INSURGENT BRANDS IN CONSUMER PRODUCTS



#### **Summary**

The article published by Bain & Co, titled "Memo to Big Brands: It's Too Soon to Write Off Insurgents" discusses how the impact of COVID is inevitably changing the landscape for insurgent brands, that are no longer outpacing the market growth.

Their growth model, that is based on custo-

demands. mer asset-light comanufacturing, alternative distribution channels, seems to be With inadequate. stockpilconsumers ing goods, retailers are looking to larger and trusted brands, call which we incumbents, that can provide large pack sizes to keep the shelf stock velocity moving.

However, this cannot be considered as the end of the insurgents. Their agile and resilient ways of working have fueled the adaptation to the new normal. These headwinds will only lead to emergence of new business models and brands that will keep the insurgent

brands expanding in the future.

#### **Insurgent Brands**

Brands such as BIRA, MamaEarth and Nykaa didn't exist 10 years ago, however, in the last decade, these smaller brands have taken over a market share relative to the larger players in their categories, while disrupting profits.

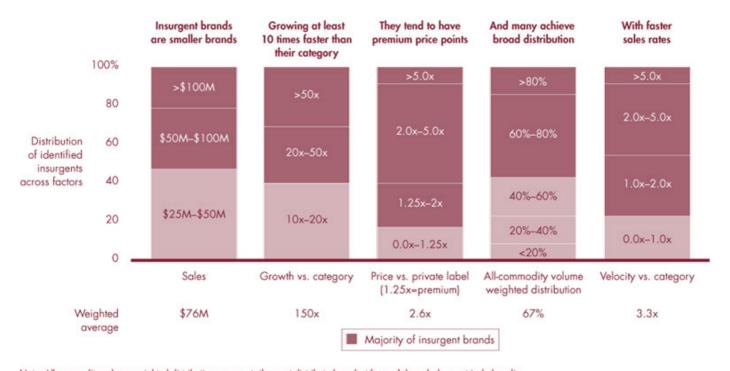
These types of brands are called insurgents. They are dynamic, with



**Gunjan Gupta** 

Currently working as a Knowledge Associate at Bain & Company.

Insurgent brands are small but rapidly outpacing their category



Note: All-commodity volume weighted distribution represents the most distributed product for each brand; does not include online Sources: IRI Market Advantage US MULO 2012–2016; Bain analysis

a vision in place and a mission that is committed to consumer driven proposition. These Brands based have model their business on the unmet consumer demands, that could have been identified from their personal journey. Be it, chemical free skin and hair care products (WoW), low-calorie snacks (Too Yum!), or international

flavors in a wide variety of dips, sauces, dressings (Veeba). Before COVID-19 hit, the insurgents were achieving more than \$25 million in annual sales and had outpaced their category growth rates by more than 10 times over the past five years (Figure 1).

**Growth Model** 

The insurgent

brands' purpose is cater to a real need, often backed by an authentic founder story. Their compelling product offering is created with the elements value at the core. They differentiated apply a approach to building an exclusive customer experience comprising of:

## Purpose-Driven Consumer Focus

· Insurgents and estab-



lished brands (incumbents) are targeting the same set of consumers. What makes insurgents stand out in this competition is their focus on Elements of Value™.

• Their offer to address a real, unmet consumer need, with an authentic brand story, creates a sense of identity inspiring customer advocacy.

 Their mission stimulates category growth, either by bringing in new consumers or increasing price points, which becomes the backdrop for a positive growth story for retailers.

# Target Audience and Tailored Messaging

· Insurgent brands do try not to reach masses, but instead, remain focused on a select set of consum-Their ers. unique branding strategies makes them stand out from competition, and personalized marketing builds customer advocacy.

The beauty-care products brand, MamaEarth, follows direct-to-customer business strategy. changing the With trends where the consumer choices are highly influenced by the online reviews of a product, the brand has developed a reliable social media influencers base the right reaching

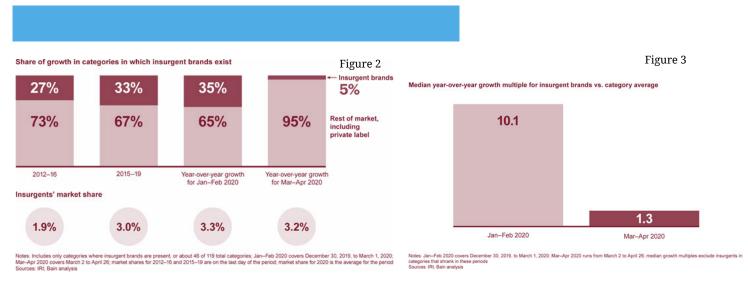
consumers as well as benefitting from higher velocities at shelf.

#### **Agile Ways of Working**

- The insurgent brands, being small, follow a flat organizational structure, hence agile in recognizing changing consumer needs
- Unlike incumbents, they were quicker in adapting to the changing technology like digital marketing tools, alterative distribution channels, e-commerce platforms that helps reduce their cost/unit as well.

#### **Covid Impact**

With the pandemic leading to strict lockdowns and a sudden rapid change in consumer demands, the insurgents' growth strategy seemed inadequate. As per research conducted by Bain & Co, the insurgents that were capturing 35% of growth across categories during the first two months of 2020, were now struggling to stay in the market with



40% of insurgents were under-performing their category average

growth plunging to a mere 5% by March 2020 (Figure 2) while their Y-o-Y growth rate dropped from 10 times over the past six years to 1.3 times their category average (Figure 3).

## Road ahead for the incumbents

#### **Pre-Pandemic**

- Before the pandemic had hit, the insurgents were growing at a rapid pace, and without a doubt, are here to stay.
- The incumbents have been increasingly look

ing at M&A strategies to enter that market segment:

## Instilling the insurgent mindset

- Putting the elements of insurgent playbook at part of their own strategies.
- Example: Fulfilling a real need, owner's mindset, premium quality.

# Looking at brand portfolio strategies

- Increased M&A activities to tap into the Insurgent Brand growth.
- •Being the parent of

choice for insurgents.

# Adapting to their operating model

- Facilitate growth for insurgents while maintaining business-as-usual for core brands.
- Embed the agile ways of working into core business.

#### **Post-Pandemic**

- The incumbents took over large market shares during the COVID crisis peak, however, as the panic buying subsides, the other brands have gained share.
- As the incumbents see favorable market dy-



namics, they can capitalize on this recent momentum:

- Retaining the agility showcased at the peak of the crisis.
- Cementing closer relationships with winning retail partners, including offering high service reliability
- Leveraging their
   value chain scales to
   deliver better value
   propositions to con-

sumers

Looking at potential organic M&A opportunities

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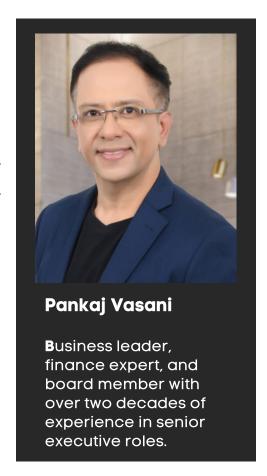
# LET'S TALK BUSINESS

On 1st February 2021, as the Finance Minister tabled the Union Budget before the Parliament, the team at KMC caught up with Mr. Vasani for an exclusive, detailed and free-wheeling chat about the Budget announcements and the Indian economy.

#### Q. What are your views on this year's Union Budget?

**ANS:** Quite a long budget speech - wasn't it! It was woven around 3 prominent themes - aspirational India, economic development and caring society. Undoubtedly, it is packed with excellent intentions insofar as it endeavours to maintain economic growth, fortify

and trim down social infrastructure. disparity through comprehensive development. But intent needs converted into action, in a time bound There significant were manner. announcements regarding the removal of DDT, introduction of classical system of taxing dividend in the hands of shareholders, de-criminalization of business laws, massive investment in infrastructure, Vivad Vishwas, tax charter, etc. This budget laid emphasis on evolving the economy digitally skilling India and increasing job opportunities in the budding as well as crosscutting fields of data analytics, AI, Robotics



and ML. Some positive announcements to boost the start-up ecosystem by allowing 100 per cent profit deduction for 3 years out of 10 years for start-ups with turnover up to INR 100 crores are welcome. Also, measures to improve access to finance for MSMEs were introduced. Relaxing the fiscal deficit to 3.8 per cent in the current year and targeting 3.5 per cent in the next year was expected.

# Q. What are your thoughts on the proposed new personal income tax regime?

ANS: A new and simplified (OPTIONAL) personal income tax regime has been introduced. The new regime provides reduced tax rates without exemptions and deductions – and a taxpayer has an option to choose between the two regimes. Around 70 (of more than 100) exemptions and deductions would be removed under the new simplified regime. On satisfaction of certain conditions, an individual will have an option to pay taxes at the reduced slab rates. In essence, a salaried taxpayer would have to forego deductions and exemptions such as HRA, LTC, standard deduction, professional tax, home loan interest in respect of self-occupied property, and other deductions available under Chapter VI-A of the I-T Act. Individuals who earn taxable income up to INR 500,000 will continue to be exempt from tax liability under the existing and new tax regimes. FM said that the government will forego INR 40,000 crore per annum revenue from the new I-T rates for individuals.

#### Q. Which regime should an individual taxpayer choose?

ANS: As with most things, a generalisation is neither feasible, nor fair.

The tax benefit calculation/simulation would be based on the facts of each case. It may be quite beneficial for a person who avails minimum exemption/deductions and/or have exhausted his/her house property losses etc. However, for a person claiming substantial deductions and exemptions, the old regime will be more beneficial. It is interesting to note that the option to choose can be exercised every year, if there is no business income. If there is business income, the option once exercised would be applicable for all subsequent AYs (with a one-time option to change). In case s/he ceases to have business income, the flexibility of choice of an option will be available every year. Given that we lack a robust social security system in India, a taxpayer will have to make an informed decision before opting between the schemes. On a separate note, an Employer may encounter a practical challenge if the option is not determined at the beginning of the FY.

# Q. Do you think more should have been done in this year's budget to boost the slowing demand in the country?

ANS: I tend to agree. Whereas the general economic conditions fettered the FM's hands, there could have been a more aggressive pursuit of the \$5 trillion goal. As someone told me, this budget was like a surgeon opening up your belly, and saying – well, next time! On a serious note, these are desperate times for our country. And therefore, the need of the hour is revive growth despite the fiscal and other constraints to hand. It warrants equipoising proposals to action the transformation agenda by undertaking bold measures and introducing tactical and metamorphic changes to tackle the financial

conundrum. It is true that between the last budget and this one, the Govt. has brought in a series of reforms viz. reduction in corporate tax rates, relaxing FDI, setting up funds for stressed real estate project, making amendment in IBC, capital infusion for PSUs, GST reforms, etc. However, India Inc. expected the budget to set the tone for long-term systematic growth plan to take forward the flailing economy with dwindling new investments, sluggish consumption demand, mounting unemployment, and a tough global economic volatility (emanating out of ongoing trade war, Brexit, etc.) which is negatively impacting the exports. The underlying view is that while it did a lot, there's a lot it didn't do. Encouraging public private partnerships, recapitalization of stressed PSU banks, addressing liquidity constraints, etc. are some of the aspects which needed to be addressed. Many other key sector specific expectations didn't receive the attention it deserved and hence disappointed many market participants. Hopefully, steps will be taken sooner than later in these directions.

#### Q. The broad consensus is that the current slowdown is due to a mixture of cyclical and structural elements. What can the Indian policy makers do to help accelerate this process?

ANS: That's right – it's a prominent mix of cyclical and structural slowdown – and hence requires fiscal and monetary measures, recapitalisation of credit markets, regulatory changes, modification in consumer behaviour etc. The government has embarked on a series of stimulus measures aimed at bolstering growth. Better liquidity, lower corporate rates, IBC, real estate package, attention to ease of

doing business etc. will help the recovery of the cyclical component, but the structural recovery will be moderate as the propensity to consume has to revive. To expect a quick turnaround is wishful. One has to remember that the government's headroom to spend money has also considerably shrunk. We are already seeing some policy responses, but will those suffice remains to be seen. For instantaneous and stimulating effect, the policy makers need to take concerted actions and shift focus from mega projects to smaller core sector activities, step up government's non-defence capital expenditure, increase rural outlays, lower lending rates, liberalise labour market, provide certainty to sectors and businesses, re-look at management of public sector banks, simplify and renovate the GST, and introduce a new Direct Tax Code. It calls for going against the conventional fiscal conservatism.

# Q. We had a great leap in terms of our ranking in the ease of doing business, but there is still a huge scope of improvement looking at our attractiveness as a market and investing hub. What are your thoughts on this?

ANS: It is commendable that we have vaulted places and now at 63rd ranks in the World Bank's EoDB ranking. It certainly is a great value proposition to attract investment. But, there is still a long way to go (n.b.: the World Bank itself describes EoDB as a cholesterol check and not a full body scan). On pace and consistency frontage, a lot needs to be done on the ground for ease of starting a business, securing permits, getting credit, registering property, protecting minority investors, cross border transactions, paying taxes, resolving

insolvency etc. There are still too many archaic laws which either needs to be updated or repealed. Road, cement, construction, steel, telecom and many other sectors have been grappling with the Gordian knot in many regulations. Of course, the government is becoming technology savvy - however, this needs to be accompanied with appropriate sensitization of the government machinery with respect to the speed of delivery and resolution. For Tax departments, the tax charter has to be followed in letter as well as spirit. Its primary objective should not be limited to revenue generation, but also being business enablers. The GST compliance burden is a much reviled issue, and needs to be resolved immediately. Change in regulations and allowing for recovery of dues etc. is neither directional nor helpful to the economy. 'Certainty' is the key foundation for an economy – and a cynosure for many domestic and foreign investors. We have to learn from other financial powerhouse economies. The benefits will follow.

# Q. With the current GDP growth, does the target for 2024-2025 seem plausible?

**ANS:** To become a \$5 trillion economy by 2024-25, India has to consistently achieve ~9%+ GDP growth Y-O-Y. Given the current muted GDP growth scenario, as of date, propelling India to such target seems far-fetched. But, rhetoric aside, the silver lining is that the fundamental of Indian economy remains strong. I am hopeful that with resolute efforts and multiple corrective actions, this slowdown (a peculiarity) will wane soon.

# **VALUATION EXCERCISE**

"Valuation exercise is the science of art & vice-versa" -Pankaj Vasani

Determining the enterprise value of a company is never elementary. For listed or mature companies with a history of financial information, one can arrive at the enterprise value basis multiple of EBITDA or based on other industry-specific multiples. However, for unlisted companies, including start-ups with limited or no facts and figures, perfectly calibrating the valuation can be a knotty undertaking.

Valuation involves the exercise of reasonable discretion and judgment considering various qualitative factors relevant to each enterprise. It is derived basis the business's ambulation and potential to grow regarding information base, management representations and perceptions, underlying assumptions, and limitations.

There are various considerations, viz., present, and prospective competition, the yield on comparable securities, market sentiments, etc., which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share.

"It has time and again been recognized in judicial decisions that valuation is an art, not an exact science.... mathematical certainty is not demanded, nor indeed is it possible. There is much truth to it. It is indeed the science of art and vice-versa.."

But there shouldn't be room for 'vagueness or creativity' in the method adopted and ultimate value derived. It should hold water—no two ways about it.

#### Q. How does the valuation exercise work?

**ANS:** The basis for the valuer's recommendation is the estimates of future financial performance as projected by the management of the organization, which represents their view of reasonable expectation at the point of time.

The valuer is, as a matter of course, armed to the teeth with past audited financial statements (including all disclosures necessary for a fair presentation of the financial position and results of operations, prepared following generally accepted accounting principles, and consistently applied); projected financial statement (detailed, and typically, for the next five years); relevant details regarding the Company such as their history, present activities, plans, strategy, and prospects; and other pertinent information and data about the Company and industry, including but not limited to the relative position of the Company in the context of current competitive factors in the external operating environment.

"To put it succinctly, after being welled up in his knowledge and having considered what's what, it requires independent and objective thinking on the valuer's part. It is particularly important since most companies would like to hitch their wagon to a star.."

#### Q. What is the most often used methodology for valuation?

ANS: There are various methods adopted for valuation. For example, specific techniques are based on asset value, while others on earnings potential. Each method proceeds on different fundamental assumptions with greater or lesser relevance and sometimes even no relevance to a given situation. Thus, the approach to be adopted for a particular valuation exercise must be chosen, keeping in view the facts and circumstances of each case.

The most popular method is the income approach. Under this, the Company can be valued using Comparable Companies' Multiple (CCM) Method or Discounted Free Cash Flow (DFCF) method.

• Comparable Companies Multiple method arrives at the value of the enterprise by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Therefore, appropriate multiples need to be chosen carefully and adjusted for differences between the circumstances. Various multiple methods viz. Enterprise Value to Earnings before Depreciation Tax. and Amortization Interest. (EV/EBITDA) Method, Price to Book Value (P/B) Multiple Method, Price Earnings Capitalization Value (PECV) Method, etc. can be used depending upon the nature of the business of the Company being valued.

• Discounted Free Cash Flow (DFCF) method values the business by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are discounted by the Weighted Average Cost of Capital (WACC). The WACC represents the returns required by the debt and equity investors, weighted for their relative funding in the entity. The present value of the free cash flows during the explicit period and the perpetuity value indicate the value of the business of the Company.

While there are other metrics like cost-to-duplicate, stage valuation, etc. (especially for start-ups), valuers generally determine the value of equity shares based on the DFCF method. Theoretically, it is considered the soundest, scientific, and acceptable method for determining the Company's value.

However, to note, no single valuation method is accurate all the time. And, of course, the theory of price paid, and value received needs to be adhered to.

#### Q. What is the management's responsibility?

**ANS:** The management's responsibility, mainly the CFO's, is to ensure that the projections are prepared after considering commercial aspects and financial evaluation/modeling of the Company – based on sound judgment - the blueprints and building blocks, which lead to a coherent plan.

Equally important is the need to conceptualize ideas (and defend challenges to those) appropriately, anticipate future trends, define the future state, develop strategic options including re-scoping efforts (warts and all), underline the basis of strategy (environment-led fit or resource-led stretch), and set the seal on a fit between the Company and its environment in which it operates. Thus, it will guide the peripheral and over-arching direction, avoid inertia or drift, and ultimately reflect in the numbers.

There needs to be a full and complete disclosure of: a) all the material information, which they are aware of concerning the financial position of the Company and any other matter, including any plans or intentions that may materially affect the carrying amount or classification of assets/liabilities; b) any violations or possible violations of laws or regulations - for recording a loss contingency; c) knowledge of any lawsuits, tax claims, or substantial commitments; d) communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices; e) any irregularities involving management of the Company or employees who have significant roles in the system of internal accounting control, or involving other employees that could have a material effect on the financial statements; etc.

"Drawing a veil over the above or lack of complete disclosure may impact the valuer's opinion. Typically, the valuer covers these aspects in the Management Representation Letter issued by the Company to the valuer.."



#### Q. Can the valuation be taken at its face value??

ANS: Valuation is not a precise science, and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no single indisputable value ('the divine truth'). While a particular valuer will assess the value based on the information available, applying certain formulae, and within the scope and constraints of the engagement, others may place a different value.

Any person intending to provide funding or invest in the company's business should do so after carrying out the requisite due diligence procedures (for start-ups, it's generally the Berkus, risk factor, scorecard valuation method, etc.). Also, as appropriate, one may seek independent professional advice to ensure that they are making an informed decision.



# RESEARCH PAPER

COMÉRCIO 4TH EDITION

# MARKOV CHAINS IN OPERATIONS RESEARCH AND FINANCE



## Uncertainty and Markov Behaviour

Uncertainty is an ever-present phenomenon in most humanity decisions has made. Starting from the migration of species to investing in the open markets, we have always encountered problems with uncertainty.

**Mathematicians** and **Statisticians** have focused very heavily modeling on uncertainty using robust theories. With its roots in gambling, Probability Theory made its way into the interpretation of data from experiments, into physics, and to today where we see it being used in the financial markets, deep learning algorithms, and so on. In this spirit, let me take you on a journey explore a very to specific and very powerful in tool probability theory which is ubiquitous

- Markov Chains.

before Andrey Long worked Markov on Chains. Markov the fraternity mathematics had already established a peculiar result using the Poisson Distribution - "If a process happens such that the arrival or occurrence of an event is Poisson Distributed. then process is memoryless" [1]. This basic property, of being memoryless, can be explained using a very simple example



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– a random walk. Imagine yourself on the number line, standing on the origin. The line is comprised only integers. You pop out a coin from your pocket and toss it. If it shows heads, you move to the right, and if it shows tails, you move to the left. Say you tossed it and the coin flipped heads – you move to the right. Then you flipped it again and moved. You repeat this as many times as you would like. But the take here is this -

the position you will end up on after the will always toss depend on your current position and positions not the before. In essence, the process of your movement on the number line does not need to remember where you had after landed each coin toss. All you need to know is your current position. This means the phenomenon governing your position is memoryless. This is a defining property of a Markov Chain. This property when seen with processes that change with time lends us the Continuous Time Markov Processes which depict memorylessness when observing their

behavior. Imagine this now - on the random walk you just did, what would happen if the coin was biased? That what would happen if the probability of heads was more than that of tails? Well, you would end up more often on the right of the origin than you would on the left. This is called a Biased Random Walk. The phenomenon of a bias conveys how your position is influenced by the biased (uncertainty due to the) coin toss. Moreover, if the number line on which you were moving were generalized to continuous real line, you would have characteristic behavior. The bias in the coin toss would force your movement more towards the right than to the left. Almost as if you were being forced to move in a direction. This force of uncertainty is often referred to as drift



This is the very drift that forces electrons in a wire to move from the negative to the positive terminal, or for stock prices to move based on "market forces".

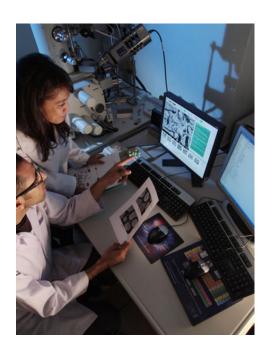
# Markov Chains and Finance

As we discussed, the simple property of memorylessness lends us very powerful ways of explaining uncertainty in complex phenomena. Let us look at a very specific

perspective of this movement the particles in a suspended medium. In 1827. Robert Brown, a renowned botanist discovered a peculiar movement pollen grains of suspended in water. The grains depicted vibrations iittery which were not caused due to life Brown forces. wondered what caused such movement. In the subsequent decades, more work was done this random on movement which led to the term Brownian Motion [3]. Brownian Motion is a stochastic ("random") phenomenon that originates from simple random walk. Recall that a simple random walk without any bias

leads you in completely random directions. But the randomness is such that the probability of you heading out towards infinity is almost surely zero. This is because the probability that you would go on the right is much as the as probability that you would go to the left. For almost infinite such movements, using the renowned central limit theorem, one can deduce that the Motion is Brownian like distributed the Standard Normal Distribution (of the type  $\sim N(0.1)$ ).

When a drift of some added to a kind is Brownian Motion, there is finite a non-zero possibility that a particle moves in a general direction (based on the drift). So, if {B} is a Brownian Motion and is the drift U+00B5 then the parameter, average value would be



$$E[\mu + B_t] = E[\mu] = \mu \text{ (since } B_t \sim N(0, 1))$$

More generally, one can use the formulation

$$\mu + \sigma B_t$$

as a Brownian Motion with drift. The term sigma is often defined as the volatility term. It acts as a weightage to the uncertainty due to the Brownian Motion.

But why are we even bothered with this? Let us take a small segue into the world of asset prices. Everyone familiar with asset price

movements would know that, largely, the stock market has many variables SO acting that one can that the assume movement of an price is asset random. Such process is often called a Stochastic Process.

Note that a Brownian Motion can negatively valued. However. an asset price cannot be This. negative. coupled with other reasons, is why we use a newer variant of а Brownian called the Motion Geometric Brownian Motion. This is a rather powerful tool which can be written as follows:

$$S_t = S_0 e^{\sigma B_t + \mu}$$

Where  $S_t$  is the price of an asset at time. This that is process, the movement of a stock price based on above-mentioned law, is also a Markov Chain. The price at time is solely the function of the This is a price at . remarkable result for readers interested in the mathematics of the Stock Market and how the various forecasting models can be made to exploit this fact. From an academic standpoint, Markov behavior allows for easy simulations, a clear understanding of the process, and so on. Many other important properties related to the movement of a price of a stock like the Ito Process and risk-neutral pricing of a financial derivative make use of the Markov Property.



# Markov Chains in Operations Research

While the Markov Property can be viewed from the memoryless property, we now bring a new perspective. Let f(x,v) be a real-valued function of two variables and let be an independent and identically distributed of random seguence variables. Then we can define a recursion as:

$$X_{n+1} = f(X_n, V_n) \ \forall \ n \ge 0$$

The process  $X_n$  is a Markov Chain (or Markov Process). This formulation is very important when simulating Markov Chains on a computer [4]. Let's see how.

Imagine you run an amusement park which has one very famous ride. The ride has, like all rides do, ticket counter. Customers line up in a queue to buy a ticket. The time taken to process one customer is given by S 1.2.... for i= Behaviorally, the (i+1)<sub>th</sub> customer has to wait S for units of time. The probability that a new client will join the queue from coming Poisson Distribution arrival (Poisson When process). processing the i

customer, with some rate lambda a customer arrives. We wish know how long would the new client have to wait before they can be serviced? This problem is called the Queueing Model. This forms the backbone of many problems in Operations Research which include the Inventory Model, Insurance Risk Model. and so on [5], [6].

If D is the amount of waiting (n+1)th time the customer has to face, then it can be shown that:

$$D_{n+1} = \left\{ D_n + s_n - \left( t_{n+1} - t_n \right) \right\}, \; n {\geq} 0$$

Where t<sub>i</sub> is the arrival time of the i <sup>th</sup> customer. The above law is a function that can be written as the recursive rule explained at the beginning of this section. This is, hence, a Markov Process. This implies that the time a new arriving customer has to face is only a function of the service

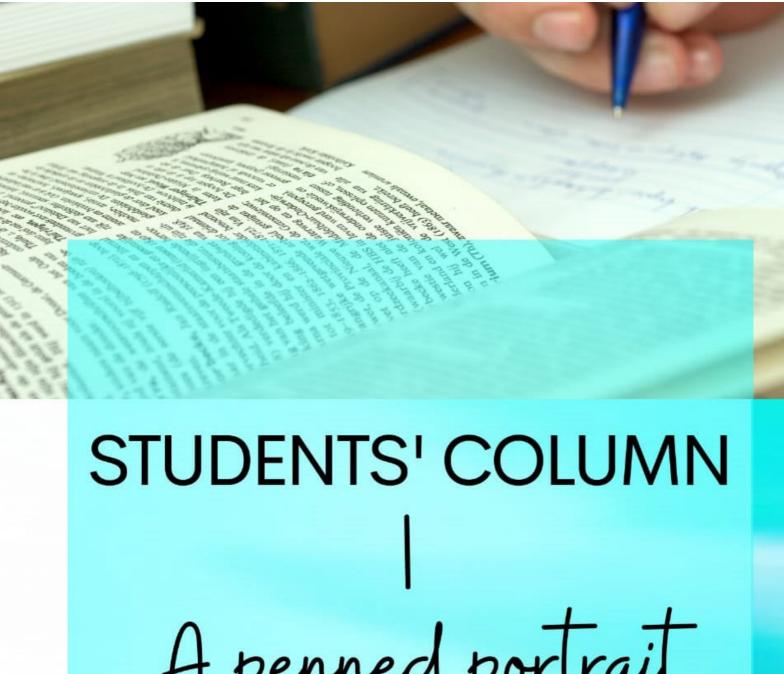


time and delay experienced by the customer who is being served currently. This is a new manifestation of the memoryless property!

This same property arises when looking at insurance risk an model. classic Α insurance risk model shares a very elegant duality with the above queueing problem and can be used to explain Markovian behavior

when trying to evaluate optimal premium rates or estimating the time to ruin. However. the mathematics of explaining these models can get very daunting very quickly. Conclusion: All in all. Markov the of use Chains shall always remain ubiquitous in understanding uncertainty. We saw how a simple random walk can transform

into the movement of asset prices and how a simple recursive formulation be can used to optimize the operations of many systems. The world is filled with uncertainty. It is a humongous task for humans to not just cope with it, but to build a science around it so that it can be better understood and used to our advantage.



A penned portrait

of one's ideas, knowledge and research

# BURGERNOMICS



Did the title grab your attention? No this is not some random recipe or food review it's an interesting approach of linking major economic measure i.e. the PPP with everything we all love and enjoy a Big Mac.

Not everyone finds macroeconomics as riveting a subject as some do, but thanks to the Economist Magazine's Big Mac Index, concepts like Purchasing Power Parity (PPP) and the Law of One Price are more interesting and accessible than ever before.

#### History of the Big Mac Index

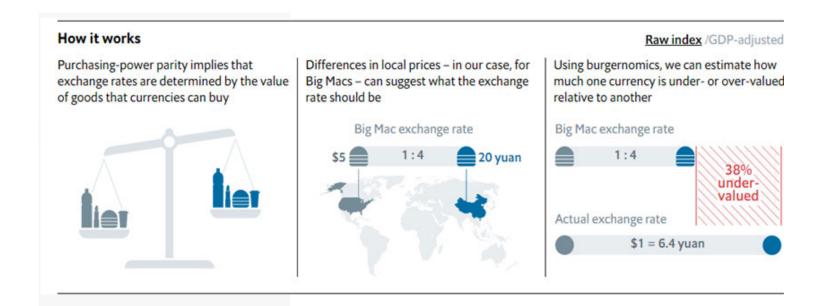
The Big Mac Index was introduced by Pam Woodall in The Economist in tember 1956 as an illustration of Purchasing Power. which is now published by the paper annually. The traditional method measuring PPP or exchange rates between two countries is that the exchange rate should adjust in such a manner that a sample basket of goods and services

should cost the same in both countries. In the Big Mac Index, the basket of goods only contains a Big Mac Burger as sold by McDonald's all over the world (with some minor alterations and under different names).

But "Why a Big Mac?" you may ask. I know I did at first. For starters, McDonald's has a wide reach across globe, where it serves close to 70 million people a day in over 120 countries. Another factor that makes the Big Mac a



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great candidate for this comparison is that it is mostly produced to the same specifications throughout the world, which means — in theory at least — that the costs of producing the burger should be relatively standard across the world.

The Big Mac Index is calculated by dividing the price of a Big Mac in one country by the price of a Big Mac in another country in their respective local currencies to arrive at an exchange rate. This exchange rate

is then compared to the official exchange rate between the two currencies to determine if either currency is undervalued or overvalued according to the PPP theory.

To illustrate this phenomenon, let's assume the U.S. dollar/Indian rupee exchange rate is 1/65 rupee. If the price of a Big Mac in the U.S. is \$3, the price of a Big Mac in India would be around 200 rupees—assuming

the countries have purchasing power parity.

If, however, theprice of a Big Mac in India were closer to 250 rupees, fast-food Indian shop owners could buy Big Macs in the U.S. for \$3, at a cost of 200 rupees, and sell each in India for 250 rupees, making a 50 risk-free gain. rupees (Although this is unlikely with hamburgers specifically, the concept applies to other goods as well.)

To exploit this arbitrage, the demand for U.S. Big Macs would drive the



U.S. Big Mac price up to \$4, at which point the Indian fast-food shop owners would have no risk-free gain. In the case of big mac being sold at 250 rupees the Big Mac Index valuation for INR/USD would be approximately 80, which compared with INR/USD exchange rate would indicate that Indian currency is overvalued.

#### **Variations**

1. iPod index: Just like the Big Mac Index, in

2007, an Australian bank introduced the iPod Index. But the theory ignores shipping and distribucosts. tion which may vary from one country to another, depending upon other, depending uponthe distance of the from the country place of manufacture.

2. Gold Mac Index:
In this index, purchasing power parity is calculated on the basis of how many burgers can be purchased with one gram of gold in a particular country.

Global personal finance comparison website, Finder.com, released a Starbucks Index in 2019, which analyzed coffee prices for a tall latte in 76 countries and autonomous regions

around the world.

### Criticisms of the Big Mac Index:

Despite being a reasonable real-world measure, some thinkers criticize this index on following short comings.

- In many countries, dining at McDonald's is relatively expensive when compared to dining at a local restaurant. Hence, the demand for a burger is relatively less. Therefore, it doesn't stand as globally acceptable.
- The total cost of a Big Mac will be dependent upon a variety of internal and external factors such as local production, delivery cost, advertising costs, transportation costs, and the status of the local market, which will be different among countries and not be a reflection of overall relative currency values.
- The high volume and low margin approach generally taken by fast



food chains determines the profit range in many markets. In some places, a high margin approach maximizes the profit. Hence, the value determined will not reflect the fair currency status.

• The prices of a Big Mac also vary with the areas in which it is sold. Therefore, a Big Mac sold in a major city might be more expensive than one sold in a somewhat rural area.

**The adjusted version** In 2011, the Economist

decided to address one shortfall in their Big Mac Index by offering an alternative index that has been adjusted to account for GDP per capita when assessing the value of a currency. Keeping in line with their culinary theme, they refer to this adjusted version of their raw index as the "gourmet version." Using a statistical tool called the line of best fit between GDP per capita and the price of a Big Mac, the Economist provides a more realistic view of a currency's current fair value.

So there you have it: burgernomics. Burgernomics was never intended as a precise measure of currency misalignment, merely a tool to make exchange rate theory more interesting and

easy to understand. Yet the Big Mac index has become a global standard, included in several economic textbooks and the subject of dozens of academic studies.

And let's not forget there are worse ways to discuss currency exchange rates, and apart from this, for a boring economics concept, at least the Big Mac Index never fails to leave you hungry .So next time when you'll go out for a quick bite at Mc Donald's hope you'll remember the 3P concept .

# **WILL THE STOCK**

### MARKET END IN TEARS?



"Double, treble, quadruple bubble, watch the stock market get into trouble..."

This famous adage by Garth Nix appropriately warns about the anatomy of a stock market bubble staring India and the prospects of this excessive valuation to end in tears.

The domestic stock markets have touched record high levels and generated high double-

digit returns during 2020-21 even as the country's economy continued to face disruptions on the back of unparalleled levels monetary of and fiscal stimulus. Between 6th February to 30th September 2020. the Reserve Bank of India (RBI) had announced total liquidity support of ₹11.1 trillion. Expansionary monepolicies had tary been adopted worldwide with an aim to bring down interest rates to near-zero levels, drive economic activities through provision of cheap debts and massively scale up the purchase of assets resulting in a rise in direct partic-

cipation of retail investors and witnessing an opening of over 1.43 crore Demat accounts during 2020-21.The availability of cheap money encouraged speculation increased from novice retail investors and high Foreign portfolio investment(F-PI) inflow ,thus, contributing to the rising stock prices. With the temptation to make hay while the sun shines, Initial Public Offers (IPOs), Fol-Public low-On Offers (FPOs) and rights issues increased mani-



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fold by 43.1% during 2020-21. According to RBI, the high amount of liquidity that has been injected into the economy to aid economic recovery has had "unintended consequences" in the form of inflationary asset prices. India's equity prices continued surge, the with to benchmark Sensex crossing 50,000 in January,2021 and on Febru-15,2021 ary Sensex peak touched a 52,154 a 100.7% increase from the slump just before the beginning of the nationwide

lockdown on March 23, 2020. The BSE Sensex surged by 68% close to at 49,509 while the Nifty 50 increased by 70.9% to close 14,691 on March 31. 2021.[1] This continuous rise in asset prices has been in stark contrast to the estimated 8% contraction in GDP in 2020-21, thus, posing the risk of a bubble formation.

stock market bubble refers to an economic bubble wherein market participants inflate share prices to levels exceeding the company's fundamental including value earnings and assets significant by a margin. It is created on the basis of speculative optimism or increased demand. rather than the real

value of the financial assets. The central bank of India noted that the deviation of the actual Price/Equity (P/E) ratio from its long-run trend reflects that the ratio has been overvalued, while measures of dividend yield also signal that are markets getting "overpriced". According to the annual report prepared by RBI, Sensex is currently trading at a P/E ratio of 32 against a 5-year average P/E of The turn 24.53. market sentiments "following positive news on the development of and access to vaccines and the end of uncertainty surrounding US election results" have also led to increased valuation of equities.[2]

This newfound liquidity fuelling the stock prices in an environment where the real economy is collapsing has left little scope of doubt to examine whether the current stock market



rally is rational or not. In India, with the unemployment rates sky-rocketing, Debt to GDP ratio spiking budget deficits and broadening while the stock markets are still presenting a buoyant image, the country's economy is threatened with the possibility of a bubble burst. Sooner or later. these bloated asset prices shall exert inflationary pressures on the economy causing central banks to hike interest rates. lower the circulation of and money thus. dampen expectations

of future bubble price appreciation. sell Massive offs causing decline in prices shall lead to greater negative effects equity on The stock return. market shall be in a state of mayhem, derailing any hope of recovery. The financial stability of the shall economy be sabotaged brutally with no significant improvements in economic growth. To avoid wealth erosion and better navigate the bubble, an understanding of the five stages of a financial bubble i.e., displacement, boom. euphoria, profit taking and panic is Displaceessential. the first ment is that stage occurs when investors are captivated by a new paradigm, such

historically low interest rates. In 2020, RBI announced a repo rate cut points of 40 basis which 4% is the to lowest benchmark interest rate India has had since 2000 to mitigate the impact of Covid-19. Following a displacement, prices rise slowly eventually gain but momentum as more and more participants enter the market leading to a speculation in spur During this activities. boom phase, escalating market prices grab the eveballs of many individuals. Cheap credit and quantitative easing program fuel the boom to levels such that in March 2021, the overall debt held by Indian households were valued at ₹43.5 trillion approximately. With valuations going through a roof and too many people itching to jump onto the bandwagon, the investors are lulled into false sense of security that should they



wish to sell, they will easily find someone who would be willing to pay more. The euphoria stage is characterized by this conviction which leads to investments that are disproportionately higher than an individual's risk appetites.As prices reach Utopian levels, some investors arereceptive who the warning signs of a possible bubble burst in near future start selling positions to lock in gains at the profit-taking stage. With passage of time, the bubble perforates which acts as the catalyst for economic recession. In the panic stage, asset prices descend rapidly as supply overwhelms demand. Investors and speculators faced with plunging values of their holdings become willing to liquidate it at any price.

As RBI flags risk of a bubble Indian in equity markets, the question that requires addressal is how should retail investors manoeuvre their way in market that a seems to disregard the turmoil on the economic front? While it impossible for investors to insulate themselves completely from volatility, it is advisable to not let exget uberance the better of investment fundamentals i.e.. diversification. asset allocation and rebalancing of portfolios.

Another important strategy to safeguard investment from fluctuations is through staggered investments over time and Systematic Investment Plans (SIP) in a mutual fund spread with low correlation, in accordance to the speculator's risk taking abilities. In the long run, SIP investments in mutual funds due to the benefit of rupee-cost averaging can wipe out the creases left by the bubbles. At the moment, the Indian stock market seems to be rising rapidly after a period of hesitation during the second wave. Minor corrections are expected throughout the year, depending on the evolving Covid19 situation, the pace of recovery of global and domestic economies and developments in global financial and liquidity conditions.

Thus, the efforts undertaken by the central bank to keep interest



rates lower and engage unconventional in policy monetary curb the economic downturn has emerged global policy as concern. Given the evident disconnect bethe glooming tween economy and booming markets, it is certain that the bloated asset prices may be coming to an end, leaving a trickier future impending on the horizon. With frothy markets sparking worries of bubbles Indian in

assets, the only question that remains unanswered is, when?

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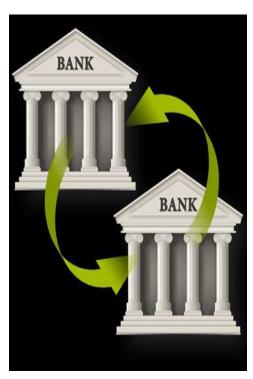
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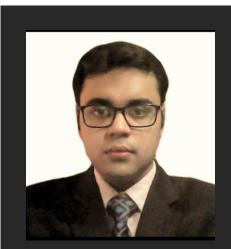
# ENHANCEMENT OF INTER-BANKING COMMUNICATIONS WITHIN THE TRADITIONAL STRUCTURE



'Banking' is the pious service industry whose support is needed by the whole mankind in this 21st Century. The most modern and valuable aspect of banking for which a country flourishes is its services towards the Domestic and International Trade Finances with the means of Documen-

tary Credits, Bank Guarantees, Foreign Exchange Operations mainly, Export-Import Transactions and the list continues.

In this regard, the inter-bank communications are extremely crucial to serve world-wide customers. We know that in India, the inter intra-bank communiplatform cations among inland banks within the domestic territory is the Structured Financial Messaging System [SFMS]; whereas the foreign-banking comunications platform, in which bank located in India communicates with a foreign bank which is located abroad is the Society For World-wide Interbank Financial Telecommunications [SWIFT]. Both of the platforms being rigorously utilized, banks' financial messages (MT-Message Types) gets delayed through these platforms very frequently now-a-days, and also sometimes gets stuck due to technical issues on those platforms. The main sufferer of this serious issue is the cusfor at large, tomers which their trade and



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Society for Worldwide Interbank Financial Telecommunication

financial activities gets hampered to a large extent. Due to this, a large portion of valued customers, being helpless closes their respective bank accounts which in due course detrimental invites effects for these banks' businesses and they are bound to open new accounts in some other banks expecting to get better services. Unfortunately, there also the same issue persists...

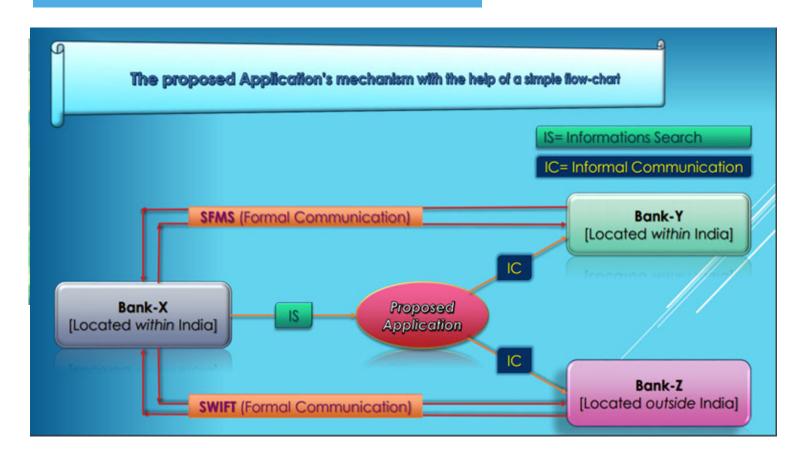
The remedy is nothing but developing an exclusive application of

informal nature for an easy inter-banking communications, both inland and with foreign banks. Through this online application of a particular commercial bank, data regarding bonafide employees maximum upto 10 (or can be extended if regd.) of each commercial bank (both domestic and foreign) can be stored and be regularly updated. The database employees the must contain the following:-

- Full name of the employee
- Office email address
- Designation with Department
- Job location
- Photo or corporate card (if available)
- And most importantly, The name of the bank

The collection of the above employee-details can be initially started by physically visiting some of the inland banks, and in consecutive courses through official communications mentioning the said purpose. In case of foreign banks, official communications regarding same must be done, otherwise physical-visit to their offices for the same will be a costly affair. Their office addresses can easily be found from their concerned official websites.

It is often noticed that the published contact numbers on most of the banks' websites are rarely been picked up in sufficient number calling attempts. That's why a banking organization may implement this sort of a business-concept for an easy banking-communication which is totally a very low cost and safe Business-to-Business (B2B)



Communication medium.

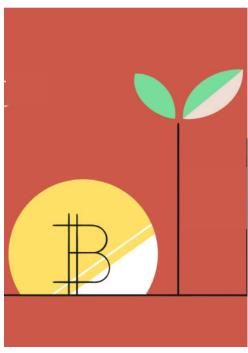
Any issue regarding non-availability of a particular MT can be traced, diagnosed and conveyed through official mail and telecommunications among the concerned banks and the issue can be resolved in a very smooth and hassle-free manner. Also the messages can be resent if regd. via SWIFT or

SFMS after the necessary verifications to bridge up the further financial transactions at the earliest.

Since this unique application is only meant for easing & pacing the banking operations of a particular commercial bank, The Reserve Bank of India may not object in any form for its imple-

mentation. At the end of the day, the customer services will definitely be enhanced and the concerned bank will get an extra-edge over its fellow competitors in the long-run.

# DOES BTC WASTE TOO MUCH ENERGY?



'Bitcoin is great, it is the perfect alternative to the current financial system that has too many loopholes.' You must have come across statements like these many times. However, a question still looms somewhere out there and that is 'Bitcoin is not environment friendly. It uses too much energy.'

It comes from the idea

that this energy could have been used somewhere else. Before we get to why energy usage is important, let us talk about the places this energy would have utilised. It would have been used in over-built hydroelectric dams in the Sichuan region (second in hash power ranking in the country before Bitcoin was banned) in China or in oil and gas wells in the USA. If not here, then it might have been used in smelting aluminium or the worst, wasted.

If we talk about externalities in the form of carbon dioxide, we might as well take an utilitarian approach. Which

industries are ranked to consume more energy? Is it the gold mining industry that undergoes a long process- exploring deposits of gold, developing a mine, processing the gold, purifying and finally transporting. Each of these steps requires energy. According to Galaxy digital1, gold mining consumes 240.61 tWh/yr. On top of that, we have to spend on transportation as well. To sum up this question, there is no rational list that elucidates which industries



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much how energy. indeed Bitcoin uses energy. This is undeniable. But is it justified? Or to put it more simply, let us undey why Bitcoin energy usage is important? Imagine a decentralised monetary system that is not controlled by any sovereign entity and it gives people the freedom to store or transmit value. This is what Bitcoin is. We read about Venezuela quite a lot. It is a

good example of the role the monetary system plays. Though Venezuela is an oil rich country, the currency has hyperinflated.

As a result, basic economic functions like buying groceries are no longer the baseline. It can neither import technology to extract oil nor can it facilitate the production of goods and services. This is because it does not have a stable currencv. Hence, the local economy is suffering as the country does not have the ability to produce electricity as well.

Sitting in India or USA or Japan, we think that we are safe because such could things not here. happen But what we forget is that the market

structure of a Venezuelan Bolivar is nothing different than a rupee or a dollar. Just because our central bank is stably managing the currency, it does not mean that the underpinning of all fiat currency is not the same. Rupee has lost 44% of its value against USD in 20 years.<sup>2</sup>

This is enough evidence to make one realise that a financial system is very important for the functioning of a country and if it starts to lose its value, then the citizens are doomed. Hence comes the necessity of a decentralised monetary system functioning peer to peer.

Proof of work is important as in a Bitcoin network, mining gives one the ability to transfer value without a centralised authority. Those in the emerging or undeveloped markets like Venezuela know how rapid inflation deteriorates basic necessities



like health, sanitation and even food. So they tend to get the idea of a decentralised network better. Moreover, the energy used by Bitcoin have might been wasted. On top of that, let us not forget the role played by the monetary system in our daily lives from the Venezuelan example. If there is no sound monetary system in place, all the other activities will be rendered meaningless.

So, is there a way to

minimise the energy consumption of Bitcoin? It is now proved in this essay so far that a decentralised system for the whole necessary world is and that gold mining more expensive. Bitcoin uses 113.89 tWh as reported by Galaxy Digital<sup>3</sup>. On top of that, gold has to be transported. So it is very centralised. The answer to the question above is yes. If Bitcoin miners could locate to places that provide the cheapest source of electricity. then it can be minimised to a certain extent. Following China's crackdown on Bitcoin. miners have already moved to its neighbor, Kazakhstan. Here they can get electricity for as low as 3 cents per kWh.

In the end, it is just a

matter of opinion as to whether a financial system that is decentralised is a good idea. If we go by economics, anything for which a price is paid cannot be labelled as a waste. If the one who paid the price is benefitting from it then it is not a waste. Now this is not dependent upon how anyone else will react to the same transaction. As long as there are people who believe that Bitcoin brings economic stability, it will consume electricity in one or the other part of the world.

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<sup>3</sup>https://docsend.com/vie w/adwmdeeyfvqwecj2

# **FINANCE: AN EPIDEMIC**

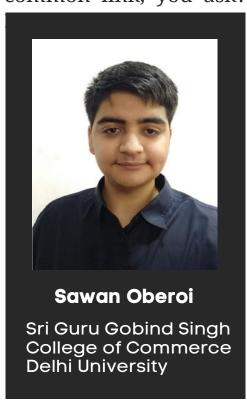


Finance is a field that has been in existence for over five thousand years with evidences of banking in the Babylonian era. It is a field that is centered around management the money and is vital to the operation of economies around the world. In today's day and age, finance is an especially trending topic. People of all ages and levels of society are now engaged in the field and is witnessing spiking growth with students aiming to pursue a career in finance. There now exist even games for schoolers. primary courses for middle schoolers to college students, and qualifying examinations for people pursuing their tertiary education to explore the field. With regular articles, news, and happening, events finance has gained much traction and is now one of the top five most sought-after careers in the world (Source: Business Insider).

But what led to the demand for the domain to shoot up? And is it feasible for so many people to

enter the domain? Is this a possible excess supply of skilled human capital in the making?

Finance is considered to be a field that would guarantee 'success.' The being success talked about is in monetary terms. With movies like, 'The Wolf of Wall Street' and 'The Big Short,' the corporate world started arousing an inquisitiveness in people. People noticed a link between living the 'high' life and success in the corporate world. What was the common link, you ask?





Finance.

People started viewing finance as a short-cut to making big bucks. The image of Wall Street, dazzling corporate infrastructure, a reputed tag were a few reasons as to why the field fascinated millions.

However, these are not the only reasons that people ventured into it. Students who have mathematical inclinations found Finance to be the perfect fit. Analysing data, juggling numbers, and exercising their minds was

what excited them. All that math, ecoand even nomics. science majors were required to do was understand basic financial statements and accounting processes to enter such money-minting industry. Why would they not go for it? We have now observed that finance is an industry that is in high demand, by employers, as well as, by candidates. Hundreds of thousands of students acguire an enchantment of the stock market and start trading at an early age, they then proto ceed pursue finance as a career. especially This is common in the 21st century as there are even board now games for children

on finance. This implies that established brands have identified the rising interest.

The field is now seeing increases of up to nineteen percent (Source: Degreequery). With such a high rate growth, there might just be too many people entering the field. What this means is that it is highly likely that we will see an excess supply of workforce who are looking for jobs in the domain. We have already witnessed excess supply of skilled labour in mechanical engineering, electrical engineering, business management, and other fields. Finance may soon be among the mentioned There might names. occur a job crisis wherein incredibly talented, analytical, and competent individuals might not be able to secure a job. Further, the entry of so many skilled workers finance poses the

focused

(Funskool)



issue of a brain drain fields. other from Adding on to the idea, it might actually prove to be detrimental if prodigious individuals (who hold a reputed degree in science and technology) enter finance only for the affluence, which is prevalent in most developed coun-"Since (Source: tries You're So Rich, You Must Be Really Smart": Talent and the Finance Wage Premium).

With the amplifying attention, there are

already a multitude of courses, trainings, certifications and wherein available individuals can learn about Micro-Excel, Equity soft and Venture Capital, Investment Banking, and other such areas with these courses being universally accessible. The number of graduates appearing for the CFA (Chartered Analyst) Financial increases by mind-boggling seven percent, annually CFA Insti-(Source: tute).

It is also a commonly known fact that those who are keen on pursuing finance as an undergraduate degree already know a lot about it, added the fact that it has become increasingly transparent and accessible, it might not

be a good call to pursue it as a degree. Most technical degrees facilitate entry into the field quite easily.

Moreover, finance deoriented are grees around finance alone. whereas, economics and business degrees teach finance as a part of their curriculum, so it might not be the right decision to choose to graduate with a finance degree. Additionally, humans are volatile creatures and our interests change swiftly, pursuing such a degree would tend to limit an individual to solely financial roles, making it a questionable decision in the long-run as people from varied backgrounds enter the domain, but it is excruciatingly difficult to go the other way round.

So, if one is considering a career in finance, whether it be for the money or for a genuine interest, it is debatable if they should pursue it as



an undergraduate degree. People tend to attach themselves to what is happening around them, this can be seen in the current scenario. Finance is booming and promises a secure career, why not major in it or why not enter it?

The reasons have been elaborated above. Money is needed in life but the job market is dynamic and many jobs that would be in demand in the next ten years probably don't even exist yet. Finance has managed to arouse

attention, snowballing the number of people who are drooling over the monetary promises, but is it worth it?

# HR ANALYTICS AND ITS FUTURE IN THE BUSINESS WORLD



"Information is the oil of the 21st century and analytics its combustion engine"

This is a very famous quote by Peter Sondergaard, the senior vice president of Gartner. This 21st century has become high paced and

tech-based. The last few years observed the emergence of big-data and heavy usage of analytics and Artificial Intelligence (AI) in every field. There is big data everywhere on internet. from the streaming sites to shopping online sites. The data collected drives the decision-making processes everywhere. Data analysts are in demand in every big company. A study by shows that **IBM** almost 2.5 quintillion bytes of data is created every day. It because of the sudden spike in the number of internet users. Earlier only the tech and IT de partment used the computer languages like Python, C++ and Java mainly for website and app development. But now programming languages like Python and SQL are required for analyzing the needs of the consumers by the companies.

PROCESS OF HR ANA-LYTICS: -





(Credit – Facebook)

### ROLE OF ANALYTICS IN HR: -

The Human Resources department also has realized the importance of big data in its working. Bid Data is renamed as "People's Analytics" and now it is being used extensively in HR processes like recruitment other decisions and employees. related to particular in HR involves a lot of data

like screening of CVs for new employees, data of existing employees, third party partners and general data.

While many would totally deny the role of technology in HR stating that human input is required in the recruitment and judgement of a particular candidate, it is not completely true. There are so many processes in the recruitment process that predictive analysis (analytics) can simplify. It can also help in managing the current workforce. Through the use of right technologies, satisfaction levels can be determined effectively and effects of policy changes (if taken in an organization) can be assessed well.

### Workforce Analytics

Predictive Analytics for Human Resources



**HR Managers** 

(Credit – It'sYourSkills.com)

According to a LinkedIn report in India alone, 92% talent professionals sav that people analytics will play an important role in shaping the future of HR and recruiting. In that report, the world average came out to be 85%, while 72% people were currently analytical tools for improved HR outputs.

#### THE MAJOR PROB-LEMS/CHALLENG-ES RELATED TO HR ANALYTICS IN OR-GANIZATIONS

The major challenges in HR Analytics that businesses face are as follows: -

• Different data sources tell different stories: -

When one has various data sources around, it becomes difficult to extract information that is relevant. An HR gets confused about the source he/she has to use to arrive at a conclusion. Sometimes a wrong source leads to inaccurate reporting.

For Example – at Dow Chemicals, a prior struggle with "spot solution"



analytics led to inaccuracy in the reporting of data. The global director of HR, Don Gaertner outlined how the organization tackled the problem. It created a global warehouse for safekeeping all its valuable data which would circulate to to the highest levels in the company.

• Just "Data" doesn't equate to "Reporting": -

Sometimes data is so vague and disoriented that it does not lead decision making. This situation typically arises when companies spreadsheets have insights and that does not provide any relevant information. In order to make sure that these insights are valuable to the HR readers, the data collected needs to be segregated into "role-based, user friendly templates".

For Example – HRs at **Express** American dashboards used with real-time metrics and trends to recruiting measure effectiveness, strategize talent acquisition techniques and individual manage perforrecruiter mance.

Sometimes it lacks

#### the "enterprise" view: -

An enterprise consists of all the departments like finance, operations etc. The lack of integration between these departments may render the data insights unfruitful. An ideal analytics platform should render each and every department equally and should have a wide view ofdata and reporting.

In addition to all these factors, the enterprise should also focus on building analytic capabilities in their HR managers so that the transition from a traditional company to digital company can be smooth and effective.

#### BENEFITS OF HR ANA-LYTICS: -

HR Analytics has immense benefits which can be availed by the businesses. Some of them are as follows: -

• Hiring Decisions:-



(Credit – businesswire)

HR analytics can help the recruiters be "data-driven" and "scientific" while hiring people for specific jobs rather than making decisions based on their gut feeling. All the historical data can be first and assessed based on that a well-informed decision can be taken. Historical data includes online dataapplications, bases, social media profiles, job portals, records etc.

### • Scarcity of talent can be reduced:-

Better hiring strategies ultimately lead more accurate to recruitment. When talent is scarce for a particular role or industry, people wrongly assume that there is no talent. The talent is present everywhere, the only hurdle is to find it. Analytics appears to resolve that probby lem atracting

searching for new talent.

#### • Improved training;-

HR Analytics enable enterprises to select effective training programs for its employees. As training is a necessity for organizations to function effectively, analytics can play a major role. If these developmental programs are not handled properly, they can deplete a major chunk of the company's budget.

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That is the reason why it is suggested that enterprises invest in training by first collecting big data and learnings from the pattern.

## • Tracking employee performance:-

It helps in tracking day to day performance of the employee. This data can be used by the hiring manager to identify the best talent in the firm. Applied data science techniques can help in recognizing top performe-

rs in the company and then the company can make sure that they are future ready. It would be just like supercharging the organization through the application of data science.

#### Assessment of attrition rate and making a productive workforce:-

analytics HR can help identify the patattrition terns of employees. among The reasons could be many like low remuneration, poor management, lack skills etc. Then by assessing all these factors HRs can find effective solutions to tackle workforce problems. When a grip is maintained over these problems, the performance of the employees automatically increases. Hence, using analytics effect of policies on the employees can be determined.

#### THE FUTURE OF HR ANALYTICS: -

HRs all over the world have started realizing the importance of analytics. It has become really important attracting top talent for the firm. Data Analysis is necessity to move beyond "gut feeling" in talent acquisition. With Machine Learning, businesses can be pushed "automation" towards reducing human error. Personalization related to jobs and learning opportunities is also facilitated by analytics.

Many firms like Cognizant, HCL, Deloitte etc. have started using HR **Analytics** in their recruitment processes. Many other companies are moving towards it for better results. While Analytics has always been a gamechanger, the use of it in the HR



domain is quite new but beneficial. It has brought a revolution in the HR field. HR analytics has a lot of potential which needs to be unraveled in the future. The future firms would be dependent on analytics for moving ahead.

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# ANOTHER REVOLUTION IN MARKETING?



Imagine the environment takes a 180-degree flip; where does it leave marketing? Let's name this 180-degree flip Covid-19. A quintessential aspect of marketing is its ability to redesign all its elements, even when a pandemic hits. The dynamic 4Ps foster innovations and ideas that were unprecedented. Stepping out of the house, we often feel

perturbed because all we have on our avoiding minds is getting in contact with the virus. What if something could offer guaranteed protection, no matter what you touch or where you go? Clensta, a body lotion developed by a start-up of IIT Delhi, promises protection 99.9% from viruses for up to 24 hours, a soluthat proffers tion of mind peace against the virus at a very reasonable price. Patanjali developed 'Coronil kits' that boost immunity. The name is quite strategically designated using words like Corona and Nil. insinuating a thought into the mind that you would not be affected post consuming Coronil, and with the backing of Yoga guru Baba Ram Dev, the product resonated with the consumers and sold over 25 lakh kits within four months. One might wonder why people went crazy to buy Coronil even though any certified reports did not during back it launch? The market presented an enticing opportunity; the consumer mind was already conditioned with multitudi-WhatsApp fornous



Drishti Sharma

Indian Institute of
Management, LucknowPGP37(2021-2023)



wards, Facebook videos. and media news channels serving as brand ambassadors for home-based immunity-boosting remedies, including plant-based ingredients like cloves, tulsi, etc. Patanjali just needed to launch the product with a mix of similar constituents. and boom, a successful outcome that would not require the company to fork out millions on advertising.

Before bringing any new items into the house, we would adequately sanitize or wash

them, but we would often see our moms in a state of disconcertment over fruits and vegetables. One can't sanitize them: washing them with detergents seemed like a perilous alternative, and cleaning them one by one with mild soaps was tedious job. solve all your problems, HUL developed Nature Protect Disinfectant Fruit and Vegetable Cleaner, made up of naturally derived ingredients with anti-viral capabilities that require you to just soak up all the items for 15 minutes, then rinse off with water. Voila! Your task is done. This solution not only removes the fear of the virus from the mind but also makes your job relatively less challenging.

What's the common denominator these in products? The impetus for building them was the new consumer problems, fear, and anxieties emerging from Covid-19. Discussing revolution in marketing and leaving the retail sector out isn't fair. Stores launched apps that aided consumers in either placing orders from their homes or making the offline shopping experience easier through contactless billing options by scanning items and accepting payments UPI platforms, but the winner in this race is Amazon.Amazon was probably way ahead of when its time they launched Amazon GO in 2017. They used 'Just Walk Out Technology' (Yes, it's actually called that) to ensure that all consumers have to do just is pick up a product and walk out without any hassle. Use the app



to enter the store, pick up any item and just walk out: the technology adjusts the payment on your virtual account automatically. They eliminated all fragments of the shopping experience that consumers regard as cumbersome, standing in queues, waiting for the payment to process, replacing items from the shopping cart, and most importantly, unnecessary human contact in the context of the pandemic. These stores were limited to the USA, however, with the onset of Covid-19.

Amazon decided to take this technology worldwide. It's time for retail market players to gear up to face the Goliath.

Lockdown was imposed in a country where people count on Kirana stores for everything. nearly People were asked not to step out of their homes: Amazon, BigBasket & Grofers were overwhelmed to process all orders timely, So how exactly does a family sustain itself? Don't worry because Swiggy and Zomato came to the rescue. They assured Indians that they would deliver groceries at doorstep. their made them comprehend that they were sitting on a golden egg the whole time and could venture into this business

segment without costing them a fortune since they already possess one of the finest distribution channels in India. But who knows, it could have been a survival strategy since people were scared to touch anything outside their homes; ordering food seemed like a significant risk.

Talking about survival strategies, let's peek into how the depressed sectors were innovating to meet the bills. Airlines started converting their airplanes into restaurants in a bid to provide an altogether different ambiance to consumers. Offline concerts could be a breeding ground for rising covid cases, BookmyShow presented them with an opportunity to hold them online, and why not? When students can get graduated through zoom sessions, concerts can find their easily. However, way when you can't emuate



a similar experience to which the consumers habitual. are price takes a hit. Lastly, the and tourism travel sector offered bulk discounts, completely covering the cost of the trip if infected, bio bubbles, UV sanitation solutions. and some even offering free vaccinations to motivate travelers.

The Entertainment Industry had to shut down most of its shooting projects. As a result, people shifted their business to OTTs, and gradually created an environment where OTTs are preferred

over DTH because why would you want to spend extra time on advertisements when you can easily find similar content without any interruptions. However, one of the problems the Entertainment industry faced was organizing IPL.

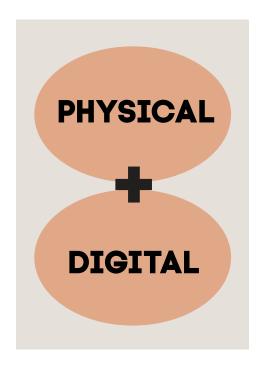
They decided to conduct it in UAE with strict bio bubble regulations, but one of the major issues was how to recreate the same experience for viewers when all they can see is just 15 people on the screen,

empty stands, and no one hooting for their team when there is a boundary! They decided to take a helping hand from technology and used sounds from previous matches whenever there was a boundary or wicket to make viewers feel the

same way. It was a considerable risk to conduct IPL, with all companies trying to cut down on cost, landing sponsors was not a piece of cake. But they analyzed one critical aspect- everyone wanted an escape from the stressful environment, even if it was for 4-5 hours, and IPL was certainly providing it to them. The result? IPL 2020 turned out to be the successful IPL. most with a 23% increase in total consumption over IPL 2019.

In a constantly changing environment, marketing is the field that has always kept up. With or without a life-threatening pandemic, it continuously evolves to make greater itself than before- more creative and highly inventive. The pandemic has made marketers push their boundaries, allowing us to see some extraordinary innovations and ideas.

# THE "PHYGITAL DOMAIN": A CASE STUDY WITH THE HINDU



Traditionally, the field of journalism has had a pretty straight forward model for revenue generation. It was driven by consumers who purchased the newspaper according to their personal preferences. The advent of the Internet has changed this sector on its head. Earlier to reach the maximum number of people for a new advertising cam-

paign, company had to approach the largest daily in circulation in the location of its target audience. now, social But media platforms and Google emerge much better alternatives both in terms of pricing and targeted reach. This has had a phenomenal change due to which the indusnewspaper tries have had to change their business strategy and actively adopt the digital terrain.

#### The Hindu

One of the most notable cases of taking the digital plunge is with the Hindu group. It is India's oldest daily and has a large following especially in the South.

Here in this brief analysis, we will look into how it has marketed in the "physical", "digital" and the "phygital" domain individually.

#### Physical domain:

• The Hindu in School: Launched in 2012, it was a collaborative attempt by the company with various local schools in Chennai to reach out to the younger audience and increase its circulation. It was an 8-10-page supplement that was tailormade to cater audiences in younger the age of 12-16. This



Gurgaon

Management



aimed at capitalising on the great reputation for quality journalism and high standards of English that were the hallmarks of the paper. This was a good success with many schools going in for this as it enables students to improve their language skills and also understand the important events of the world.

• The Hindu in Tamil: This was launched in 2013 as the paper for the first time began a local language paper.

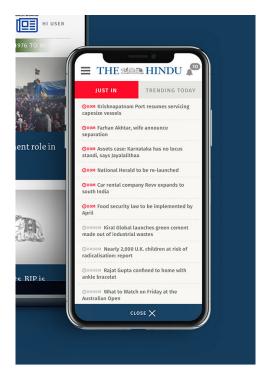
This seeked to capitalise on the good reputation of the Hindu publishing and to group increase its readership base. This was targeted at regional news stories and major developments in the region. This was also a moderate success as the company was able to make some inroads in the market but was unable to shake market leaders like the Daily Thanthi.

#### Digital domain:

• The Hindu App: This was launched to capitalise on the need for fast on the go news that had become the defacto market standard for the everyday consumer who didn't have time for a newspaper. Initially it was launched as a fully free app that

gave access to the major breaking stories that were reported in the paper. Later on, it was launched as a subscription service that charged a nominal monthly fee. For free users it still allows access to 20 free articles in a month. This is the hook that they use to bring in new consumers by priding themselves their on high-quality journalism and objectivity in news reporting.

• The Hindu website: Similar to their app, this provides the readers with access to the news stories on its website. It is supported by a combination of reader subscriptions and various types of banner advertisements that are hosted on the website. This also has high footfall and is a supplementary source of income. They also give free access to their old editorials and news stories that were published ear-



lier which enables them to earn revenue by advertising even from older stories that are accessed by people. **Phygital domain:** 

The combination of the physical and digital or the "phygital" domain is a relatively new advent that has seen a great uptick in recent times. They are curated to cater to audiences in the physical and digital domain through a combination of new technologies and innovative use of older ones

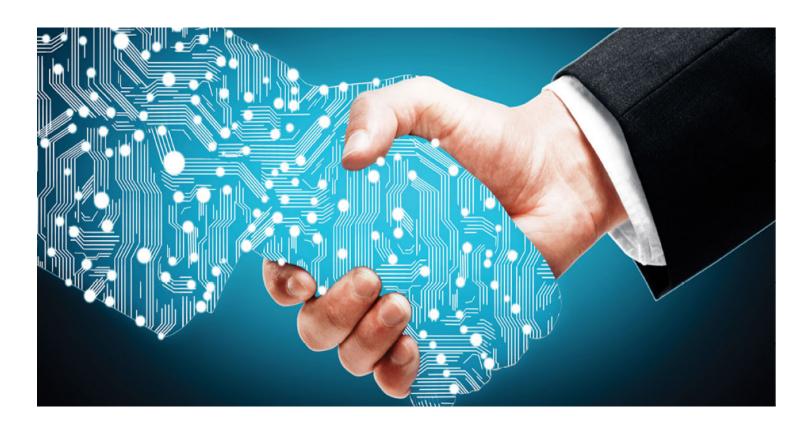
like telephone and newspapers. The Hindu group recognised this the potential and launched their flagship "STEP" program.

The STEP is a multifaceted program that seeks to provide platform for people to improve their English communication and writing skills. It was targeted at various audiences like St11dents who want to improve their English skills, working professionals who need training, interview organisacorporate tions that need bulk training programs for their employees and various aspirants who are seeking to clear various government exams.

They offer online assistance like recorded videos that are customised for each group individually. This is a supplement to their live video classes that are offered online for the individuals or groups.

provide They also on-site training programs for various corporates and colleges that are seeking to enhance the skill sets of their employees students or respectively. They also provide skill building activities like games and puzzles that test their English proficiency and help them to benchmark their progress.

Another major need that they uncovered seeked to fulfil is the large number of competaspirants itive exam who follow the paper rigorously for their vari-OUS entrance exams. They seeked to capitalise on this by marketing their STEP program to cater to these audiences to improve their fluency in the language and interview preparedness



training. This is especially true for the Union public service examinations for which the Hindu is widely considered to be the best resource. Seeking to capitalise on this they are actively looking to collaborate with various centres in the city that that provide UPSC training. This is a very innovaand promising tive strategy as they are catering to an enormous audience that is ready to spend any amount of money to guarantee success in this hyper competitive environment.

We can see that in the modern marketing era, the various avenues of marketing are rapidly colliding and integrating with one another. This is a trend that is there to stay as going forward

especially in a post COVID world, the impact digital channels would be profound. If a publishing company like the Hindu which relied on a physical product has had to change itself for the digital era then we can be rest assured that every other company would have to follow suit.



## **EXTRAVAGANZA**

COMÉRCIO 4TH EDITION

## **APPULSE 2021**

The Commerce Society of College, Kirori Mal University of Delhi. organised its flagship event, APPULSE on 18th and 19th of February, 2021. Unlike every **Appulse** year, was conducted in an online mode due to the pandemic. As a result, the fest witnessed the highest ever participation with students registering from all over the country.

The first day was kick-started with the speaker session called ASPIRATIONS. ASPIRATIONS'21 was held on the 17th of February which is our foot forward to bring the audience closer to their ideals and hear the unheard stories.

ASPIRATIONS'21 had been brought to life this year virtually with our esteemed guests speaking on inspiring, insightful and relevant topics. The audience showed their enthusiasm and joy in the same from the comfort of their homes.

Congregation of Perspectives which witnessed speakers from all walks of life, who set a new wave of motivation among the audience. The session aimed at bringing under one roof, people with diverse life experiences, so that share their stories and enlighten us with their experiences.

The event commenced with the first speaker MR. PRAVEEN GUPTA, MD STATE BANK OF INDIA. He is a tremendously energetic with person abundance of experience. He length about spoke at economic problems prevailing society in our recapitulating his meritorious journey.

The session was followed by the arrival of Dr. Ashwani Lohani who gave insights while taking through his wonderful us journey of life and about how the future belongs to leaders. Dr. Lohani is the CEO of GMR Group and an Ex-CMD of Air India Ltd. During his time at Air India, he helped pilot the organisation to a position of stability. He entwined audience with his mesmerizing unique stories and and experiences.

The final speaker for ASPIRATIONS'21, was Mr. Kiku Sharda. He has been awarded with 2019's Best Actor in a Comic Role by Indian Television Academy Awards. A celebrated actor and proficient entertainer, Mr. Sharda's performances have never failed to leave all in hysteria and laughter. The session completely engaged the audience and also gave everyone an insight on how the Entertainment industry works.

The next two days of APPULSE'21 witnessed an array of four events which tested the intelligence and creativity of participants by putting them in difficult and dynamic situations.

#### **MUTINY EN INCOGNITO**

Mutiny en Incognito was a trading based event where rebel groups were trying to overthrow an autocratic through government mysterious dark web. The game involved negotiation and quick thinking to collect resources in a given time to the oust totalitarian regime.

## **AVALON - THE TREASURE HUNT COMPETITION**

The Avalon was a digital escape room event with its setting being a Starship voyaging across the vastness of the space. The game had fascinating puzzles and compelling clues that all build up to the last one.

#### **BEYOND THE BOUNDARY**

The event involve trading and

bidding of cricket players based on a famous format of Premier League in India. The event involved participants to engage in player auctions, invest in their skills and merchandising to make their team a brand. This event was amalgamation of decision making, budgeting, and teamwork quick response towards real life situations.

#### **LYONS RANGE 8.0**

Lyons Range was a Mock Stock Competition having the Stock simulation the of Market wherein the participants negotiated trades among themselves by buying and selling shares of different listed companies. The competition provided the participants an opportunity to measure their acumen in the world of financial markets.

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News items were flashed in between every round and the participants were required to analyse their impact on the securities and accordingly trade in order to maximize their profits. Despite the challenges faced due to the pandemic, APPULSE'21 witnessed an overwhelming

response from the students. The fest bore testimony to how importantit is to adapt to the ever-changing environment and capitalize on it. APPULSE'21 concluded with the participants talking about their experiences at the fest and providing feedback for the same.





The Commerce Society Kirori Mal College

#### APPULSE 2021





ГеатН	Well organized Very well set and thought was also ver brilliant full of twist and turns maza aa gaya	
ГеатD	Nice event A bit lengthy But great efforts put in by you guys	
FeamE	Unimaginable very very twisted event But conducted brilliantly	

Cookie
Crunchers

It was an amazing experience, I didn't expect a compelition of this level on an online platform. I thoroughly enjoyed it, I really hope events like this are held more often.

Very cool

Team E

Cookie
Crunchers

It was an awesome experience to attend this event, hats off to the team behind this, you guys are legends and did a remarkable job indeed.





The Commerce Society Kirori Mal College

### APPULSE 2021



This is the first time i have participated in any mock stock competition, and before participating i was a bit nervous but the way you guys handled the event was actually awesome. I really enjoyed the event and i bet i Il join it the next time as The Meme team well. Also i would like to make a suggestion, instead of saying price while buying or selling, there should be an option to sell at market price as well, so your team can buy or sell our order at any price without saying no Again thank you very much for the event. A&G Co. Great event, had a lot of fun!

The meme team	Being a science student wasn't ever interested in trading but this was the first and best one for mereally enjoyed the time
Team 4	It was a good and well organized event. I really enjoyed it.

Oas Madan	It was really amazing and brainteasing, where every clue is solvable but not that easily, had fun in this event but couldn't crack the last clue .
Ishrat	It's great, I learned lot
Hanisha Bakhtani, Aaditya Nair	GreatttttIII It was fun, and special thanks to RIYA BANSAL for making me do this ₩ ♥
Deepanshi Gupta	It was really very interesting and just mind boggling



## **MULYA 2021**

Mulya, the annual fest of the Finance & Investment Cell, Kirori Mal College was orchestrated on 3rd and 4th of April 2021 with profuse and extravagant events and competitions.

The event commenced with an inauguration ceremony on 3rd April 2021 where our respected professors set the event in motion, declared **MULYA'21** open and motivated the team with their rousing words.

The first day began with the prelims of **THE CORPORATE SHOWDOWN** - an entrepreneurial and ideation competition that rendered an exuberant corporate exposure where more than 150 contestant's logical aptitude and reasoning skills were at stake.

Selected teams played the second round- THE COVI KSHETRA where teams were to come up with a product or service which can sustain in and after the Covid-19 period.

Another event for the day was IPL AUCTION - ace it the hammer, under exciting auction simulation event with a backdrop of IPL to trigger the bidder and stimulate the love for cricket within every contestant. Participant's wit, money management skills, and cricketing knowledge were tested here to the fullest.

A total of 400 registrations were received during the prelims which was a QUIZ ROUND and participants who aced the first round qualified for the TREASURE HUNT. With the first two rounds of both the events being a huge success, the first day ended with delectation.

The second day embarked with RAID THE TRADE - CAN YOU ROCK THE STOCKS? an eagerly awaited stock market simulation competition under Participants were the fest. tested upon their speculative foresightedness and comprehension of market trends in a live-trading setup. This was also coupled with Clubhouse, a series of 4 short activities testing different soft skills of the participants and helping them increase their financial position in the event.

In addition, the second day witnessed the third and the final round of Corporate Showdown as well as an IPL auction consisting of a B-Plan Strategy round and an Auction round respectively.

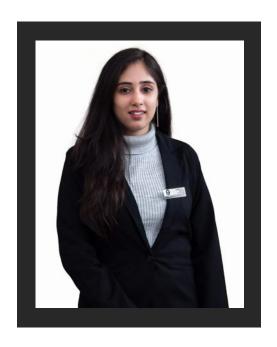
In a nutshell, MULYA'21 has exemplified the ultimate array of fascinating activities on a solitary platform. The two-day event moving from one to another showcased the diversity and persistently coordinated proceedings. The events left their everlasting and immaculate impact on everybody.

# COVER PAGE DESIGNING COMPETITION

"Winning reflects that you are willing to go longer, work harder and give more than anyone else"

Comércio, the E-Magazine committee of the Department of Commerce, Kirori Mal College, University of Delhi extends its heartiest congratulations to all the winners of an online conducted 'Cover Page Designing Competition' and wish them all the best for their future endeavors.

The **winning design** that has been chosen as the cover page of the 4th edition of Comércio is by-



Anandita Doda Kirori Mal College University of Delhi Participants securing **second** and **third** positions are:



**Harshita Bhatronji**Jaipuria institute of management
Noida



**Happy Bansal**Kirori Mal College
University of Delhi

### RISING STAR OF KMC

## Journey to Paralympics

## Q. How was your overall experience of the event?

Ans: I cannot express the feeling in words, for me it was the first time that I had achieved such a huge honour, it was a very proud moment not just for me but also for the whole nation.

## Q. Who inspired you as a young athlete?

Ans: I came into this field properly only because of one of my college seniors, Sachin Bhaiya, he was the one who introduced me to sports and told me everything about it. He took me to a stadium in 2017 for the first time which actually inspired me to pursue a career in sports.

# Q. Which strengths do you believe you have that made youa great athlete?

Ans: I think my biggest strength was a strong will which kept me motivated to put in all the effort I could each day.



## Q. What role did Kirori Mal College play in your career/success?

Ans: All the credits for whatever I have achieved goes to the college only, if the college won't have been there, then I would never have had a chance to study, find such amazing friends who kept on motivating me throughout the journey. Not just this but also I remember Rajni Gupta ma'am used to encourage me every day to do my best. The sports wing of the college provided me with the best facilities and was very supportive.

Q. How did you prepare for the final day and as we all know Tokyo Olympics was deferred for a year so how did you deal with all the problems and stress?

**Ans:** Initially it was stressful because sitting at home for straight 3-4 months for an

athlete is very difficult, but the plus point was that I got an extra year for preparations and I think because of which I was able to win a silver.

# Q. How do you keep yourself calm and composed at such a big international stage?

Ans: Competing in so many competitions together sometimes took me to a very pressured and stressful position, so to deal with that I make sure that I watch a motivational video or listen to a motivational song before every event I participate in.

## Q. How are your preparations for the 2024 Olympics going?

Ans: Right now I am packed with interviews and meetings but it's very well decided that from next month, the focus would shift back to practice and training.

#### Q. What role did Kirori Mal College play in your career/ success?

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#### Q. How are your preparations for the 2024 Olympics going?

Ans: Right now I am packed with interviews and meetings but it's very well decided that from next month, the focus would shift back to practice and training.



#### Q. Any word of advice you would like to give to our aspiring athletes to motivate them for their future endeavours?

Ans: What I believe is that consistency is the key to achieve anything. You won't get results by just training for a few months or a year, you need to work hard every day consistently, without losing hope, then the fruit will surely come to you. For now, all you have to do is not to lose hope.



# FROM DREAMERS TO ACHIEVERS

**COMÉRCIO 4TH EDITION** 

#### 1ST SEMESTER TOPPERS



I always wondered, will I be able to survive college life due to tough competition and completely unknown teachers? But my fear turned into excitement and happiness when I found my First Semester teachers. They have motivated me to study even in the online mode because of which I topped the first semester. They always tried to make us comfortable even in the online mode. I made my efforts but those were raw, my teachers provided me with brilliant lessons of the subjects, which yielded

the real fruits. I haven't visited the college yet but I already feel a sense of belongingness with KMC.

My special Gratitude to all my loving Teachers to guide me on the right path.



Never did I imagine that I'd be appearing for exams in an online setting, nonetheless the pandemic caused it.

For the OBE I believe, an expansive mindset, right strategy and effective time management helped me a lot. The professors of my batch ensured that we got a good understanding of all subjects and guided us with their best. If I have to jot down some factors of my success then it would be Focus, Planning and Hard work. A

perfect combination of these helped me ace the exam.



Unreal...yeah, that's how it feels! I always came across multiple success stories about the so-called bright students but never imagined that one day I'd be qualified enough to narrate a journey of my own, that too via Comércio.

It all started with chills down my spine when I realized that I was finally admitted into my dream college KMC to study a module of my choice B.com.

From day 1 in the orientation program till today, every day has been a new reason for

being excited, whether it is the exceptional engagement with professors or the highly dynamic cells and societies, everything taught me something new. The online mode of education was definitely new for all of us but hats off to our professors who were not only able to deal with it so well but also guide us in the most ideal manner. One tip that I'd like to give to every junior out there is "Come out of your comfort zone and explore as much as you can. You never know what challenges life might throw at you".

Coming to the most important part, extracurriculars are definitely necessary but sufficient importance and attention to studies is highly essential as well. Nothing matches the power of knowledge, it gives you the courage and confidence to stand upright for yourself as well as your loved ones in the community. Trust me, I'd be in no place to share this with you nor you'd have known me if I wasn't dedicated enough during my study hours.

Alright! that's it, won't be taking much of your time but I'd like to conclude by saying "It's the journey that matters, not the destination".

#### **3RD SEMESTER TOPPERS**



For all the recipes of success, an ingredient that remains constant is hard work. Persistent efforts in the right direction go a long way. While the pandemic affected the mental health of everybody and survival was all that one was concerned about, focusing equally on academics became a challenge for all. I had to understand how to channelise my energy to keep both the mindset and the academics in balance. Diving into the preparation strategy, I primarily focused on getting my concepts clear for the topics

commonly asked in the examinations. While Open Book Examinations (OBEs) seem more about copying, one needs to be mindful as the questions sometimes can be tricky. Everyone submits similar answers; however, you can get brownie points by making your work presentable: writing neatly, underlining the facts, creating tables and charts for vivid representation, etc., are some ways that can help your answer scripts stand out. Strategise well in advance to use your time judiciously to be able to complete your paper on time.



After my first OBE exam, I realised that time constraint is affecting my performance. So from the very next exam, I made sure that proper timing for each question is done accordingly. Being the submission completely digital, presentation is another point to be taken care of. Past year question papers help a lot in gaining confidence during end times of preparation. Above all, Consistency and effort is the key. Every effort of ours adds to colorful results.



College graduation is one of the most exciting experiences of life. Kirori Mal College is grooming me well and also giving me an opportunity to explore and grow as an individual. In my opinion, success cannot be achieved just by the effort of a single person. It is the support and guidance from teachers, friends and family which play an important role in your success. I would like to thank all my professors who helped me at every single step even in the challenging times of Covid-19. Although

education was shifted to an online platform, it never felt that they were a distance apart and were always there to guide me. I believe the key for achieving good marks is consistency and time utilization. Studying past year's papers to determine the paper pattern and practicing numerical questions well in advance makes a huge difference in overall score. Scoring first position in the third semester has given me a sense of confidence and to perform even better next time.



The major problem faced by everyone in this semester was getting accustomed to the online mode of learning. Fortunately, our professors were friendly and co-operative, which made the entire process so smooth. Online classes were a bit of a hassle, whereas online exams proved to be a relief, as extra time was provided.

I think consistency from day one is needed to fetch a good score. Furthermore, solving past year papers and paying proper attention to

internals can make things much easier.



Everyone needs a little push sometimes. Whether you're starting out on a new career path or need a burst of motivation and that's how it led me to become the topper of the Third semester in the college.

Although it wouldn't be possible if there were no good friends and teachers who always helped me to overcome the troubles faced and pushed me to do great every time. Indeed, both academics and extracurricular are significant

for a bright future ahead. Good presentation, writing skills and understanding both theory and practical portion works a lot.

Things like Ten years examination papers do help but to a certain extent, so one must know how to maintain a fine balance between book readings and past year papers. One must take advantage of the cream of students we've in the college and must do group studies. Completing exams on time would be a very big issue if you want to score high, so prepare well in advance to remove errors and then strategize accordingly. It will not work if you're not consistent with your studies and time table, you need to put focus on it from the first semester itself and that's how you crack it. Literally, as long as we've the hunger for success, we'll always have the power within us to achieve it.:)

"Always do your best. What you plant now, you will harvest later." —Og Mandino

#### **6TH SEMESTER TOPPERS**



College graduation is one of the most exciting experiences of life. Kirori Mal College gave me an opportunity to explore different paths and grow as a person. Both academics and extracurricular are important to prepare for a better future ahead. I was part of multiple instincts in my 3rd year, I was handling the operations of the newly incorporated organization i.e., 180 DC KMC at college as the Founding President along with

preparing for CAT and 3rd-year final exam. The key to performing well at all the avenues along with achieving good marks is being consistent and determined. Studying past year's papers to determine the paper pattern and discussing important questions with friends helps a lot. Focus on understanding and not memorizing theory subjects. Practice practical questions in advance to reduce errors in exams. Internal exams are as important as the finals and make a huge impact on your overall score. Strategize well in advance and use time judiciously while writing answer sheets to complete the paper on time.



Work hard, believe in yourself, and keep moving towards your goal. The only 'mantra' I usually follow.

From the very beginning of my college life, I have decided to give my best in everything I do. Though corona took away some cherishing moments of college life, it didn't let go of the determination and led me to work and achieve this score. I feel being prepared for a month before the

exams and the preparation provides me edge over others. Balancing competitive exams and college was difficult for me, but my friends, parents, and teachers stood by my side, and thus, I was able to achieve this!

Each of us is special, and I think every one of us has a different way of doing our best.

Put your heart, mind, and soul into even your small acts. That is the secret of success.



## INTERVIEW REPORT

## Olcademy (OPC) Pvt. Ltd.

~ Interviewee: Shresth Suman

(Business Strategy and Marketing Consultant)



## Q. What is the name of your startup? What does the name signify?

**Ans:** We are a New Delhi based ed-tech startup. The startup name is Olcademy (OPC) Pvt Ltd.

Olcademy is a platform that facilitates Online Live Learning.

## Q. Who are the founders, key members and the stakeholders?

**Ans:** Olcademy was founded by Mr. Mukul Verma. Being powered by 8 teams with a total strength of 100+ people all across the globe, Olcademy is run by 5 core team members holding specialization and rich corporate experience in various domains.

## Q. What was the idea behind the startup and the problem it tries to solve?

Ans: Online Learning has become a new trend. An important fact is, a lot of online education is through one-way videos. Studies have shown that a number of students buy courses online and end up never completing it. The only reason is that these courses are recorded and provide a reason to each student to procrastinate. With Live interactive classes the student not only is able to complete his course but is also able to get a better understanding of the subject. Learners need to interact with peers and instructors about what they are learning for a better understanding and application of the concepts. Here, Interaction is the key. Learning should be made a part of their lives. By doing so, learners can perceive, retain and make the best use of what they have learned. Now the question is how can this be solved in this new era of online learning? How can one achieve such a dynamic and stimulating learning environment in the current scenario? This is where we come in. We have decided to remold the current student learning cycle by creating Olcademy - by providing a revolutionized way of education and interactive learning. Olcademy facilitates a mechanism whereby learners can join real-time active classrooms, interact with their instructor, discuss and debate the topic with fellow learners. The role of the instructor does not end by just teaching but would be elevated to mentoring and guiding his students.

We are building an online interactive learning platform that would unite zealous learners and passionate instructors to come together and have an enriching knowledge-sharing experience. People with valuable skills from distant places do not have an appropriate platform that could increase their visibility throughout the globe and pass it to others. Our idea is to build an interactive medium where capable individuals can share their skills anywhere around the world and earn a living from it.

#### Q. What steps have you taken to finance the startup?

Ans: We are a very new startup. The founder has invested the money from himself to make Live Interactive Learning a reality. We will likely start looking for investment opportunities from the investors in the coming days. We have a viable revenue model and look forward to using our income to start building additional features to power our customers. We want to make their learning process even more interactive and hassle-free.

#### Q. Briefly explain the marketing strategy being followed by your startup.

Ans: Our marketing strategy is to provide adequate marketing space to skilled instructors and to help them grow. We encourage these instructors to globalize their image. We make sure that the student community gets the best out of these skilled instructors. Social Media Marketing is the core of our marketing strategy.

#### Q. How has COVID-19 affected your startup or how it is likely to affect your startup in the future?

Ans: This pandemic initially slowed down the process and responsiveness in the organization but we knew nothing would last long. We bounced back and overcame all barriers. We set up the entire online working environment and started offering work from home facilities to get ourselves back on track. Covid-19 also boosted the trend of online Live Learning, and as a result, a huge chunk of the student-teacher community has shifted to Olcademy due to Lockdown. Instructors are happy with the new experience as we have eliminated the need to have a lot of technical knowledge to teach online. Everything is available to the instructor and he is just a click away. The Student community has also had a very smooth learning experience. They have been able to add real value to their resume and have realistically upskilled themselves.

#### Q. Where would you like to see your startup in five or ten years or framing it this way how will you define the success of your startup?

Ans: We have already been successful in making a sizable presence in the ed-tech market. Considering this, we see Olcademy as the next big player in the ed-tech industry. We aim to become a one-stop solution to all the learning needs of a learner.



#### Q. What advice would you give to someone trying to launch his/her own startup?

Ans: For advice, the first thing you should do is make sure you have the appropriate corporate exposure. The next thing is to build a business plan, look for the challenges that you might face. Once you are completely satisfied, build your team and work on the product. Have a good work ethic and maintain healthy relations with your customers. Remember, starting your business is all about the solution that you are proposing to your customers. Building the right trust with them requires one to answer customer queries. Never run away from them. A startup faces a lot of challenges but the path from 0 to 1 is always tough. Do not quit at any moment, rather improvise. The right management skills can help you achieve the best.



# THE EXTERNAL VALUABLES

## Siddharth Yadav

Q. What are you currently doing?

Ans: Job

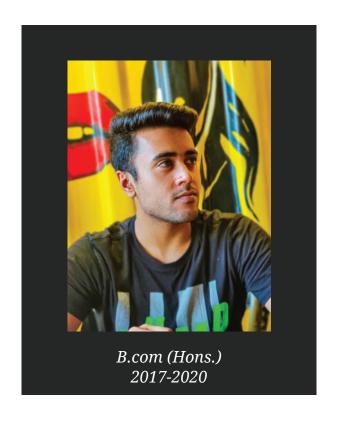
Q. Where are you currently working/studying?

Ans: Ernst & Young

Q. Have you ever experienced a phase in your life when you felt nothing was going as per your expectations? When and how you got out of that phase?

Ans: It did happen to me when I was planning for my master's degree in December 2020, and I couldn't get through. I had no plan B, so it was even more devastating for me, but I realized that whether things work in your direction or not all you can do is to try by giving your 100%, and that's what I

did in the following months and secured a job in my dream company.



Q. What according to you is a successful "mantra" for students to cope with this dynamic environment and improve their future prospects?

Ans: According to me, the most important thing is not to take the syllabus lightly since the exams are now online. The syllabus and how you prepare for it will help you a lot in the later part of your life. Just don't do it for the sake of marks. Do it to gain knowledge because it's not the accounting equations but the mindset of learning new things which will help you in the future.

Q. One incident at college the remembrance of which brings a smile upon your face even today.

Ans: To be honest, there are multiple instances, starting right from when one enters the college. Meeting your friends at

the library lawn after the class, playing games, and gossiping on the Ashoka lawn and how can I forget the smile after the last semester exam. The remembrance of all these instances makes me smile.

# Nayan Nahata

Q. What are you currently doing?

Ans: Job

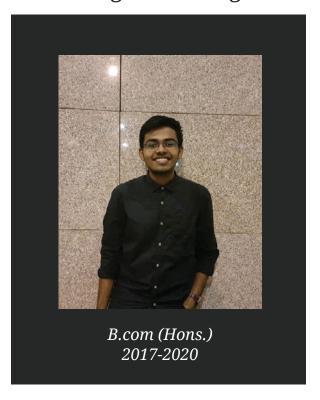
Q. Where are you currently working/studying?

**Ans:** Bain Capability Network

Q. Have you ever experienced a phase in your life when you felt nothing was going as per your expectations? When and how you got out of that phase?

Ans: Yes, I would say that there have been phases where I experienced this. Sometimes, simply because things weren't going according to my plan, or sometimes they were somewhat self-imposed. Though it may sound cliched, but what has really worked for me has been to not dwell on what has happened but rather try to understand what led to those situations.

Yes, it might not be possible to figure out what led me into it, exploring but other paths/actions provides a little more clarity. Additionally, I occasionally try learning or doing something new, learning a new musical instrument, or running a new social media page. They really help space and provide more additionally, freshness, and you're doing something fun!



Q. What according to you is a successful "mantra" for students to cope with this dynamic environment and improve their future prospects?

**Ans:** For me, it is 'stay dynamic, keep adjusting.' Moving to Delhi and coming to DU made me realize that there is a whole wide world out there that I am unaware of. During my three years at college, I learned about various new things, which have also helped me make several important decisions (one that I probably wouldn't have made before college), but I am happy that I made them. So remember, rigid stay never on plan/decision that you made years ago. Always follow your plan and try to reach your goal. But don't follow it to the extent that, despite things changing around you despite learning about some exciting opportunity, you're just following the same plan other without evaluating options. As a student, it is way

too early to finalize one plan, so keep exploring and adjusting. Steve Jobs once said, "you can't connect the dots looking forward; you can only connect them looking backward. So you have to trust that somehow the dots will connect in your future."

Q. One incident at college the remembrance of which brings a smile upon your face even today.

Ans: Honestly, it is tough for me pinpoint one particular incident from college cause there are plenty. One has to be the crazy preparations that we used to do for the fests of The Society, Commerce round-the-clock meetings, fun activities, chats, the hustle, and the impromptu lunches at FMS that we used to have. One other moment, which is very KMC specific is, sitting in the lush green Ashoka lawn under the sunlight on a cold winter morning with my friends.

### Isha Arora

Q. What are you currently doing?

**Ans:** Pursuing Further Studies

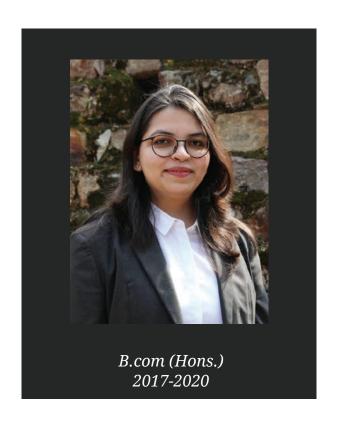
Q. Where are you currently working/studying?

Ans: IIM Shillong

Q. Have you ever experienced a phase in your life when you felt nothing was going as per your expectations? When and how you got out of that phase?

Ans: Well, that's typically a phase I experienced during my graduation. Probably the reason is it's the first arena of uncertainties post a stable life we've left behind, everyone on the go to pursue their own direction. Since I was involved a lot in extracurricular activities, or one could say

over-involved, a point came when things started hazing around, and what to expect and how to sail through was the biggest challenge. People around me played a pivotal role. My peers and seniors helped me sail through the phase and maintain my sanity.



Q. What according to you is a successful "mantra" for students to cope with this dynamic environment and improve their future prospects?

Ans: There is no perfect mantra for all, and that's something I realized over time. To make a place for oneself, invest in things you want to expertise in and pursue it by the heart. At the same time, be open rather than receptive because college is one such place that can shape your altogether personality eventually help you cope with the ever-changing dynamics of this world. KMC did evolve me as a person, and I'll be grateful to this institute forever.

Q. One incident at college the remembrance of which brings a smile upon your face even today.

Ans: The idle time spent at the library lawn and the innumerable memories that came along. However chaotic that place was,

everyone had a corner with their set of friends, and the background seemed to fade away. The carefree feeling still brings that joy because life seems to have paced too fast after graduation.

## Manan Gupta

Q. What are you currently doing?

Ans: Job

Q. Where are you currently working/studying?

**Ans:** Working at Bain Capability Network as an Analyst.

Q. Have you ever experienced a phase in your life when you felt nothing was going as per your expectations? When and how you got out of that phase?

Ans: When Covid hit, there was a lot of uncertainty in terms of how secure our job offers were. The joining dates were getting delayed and news about other companies revoking offers were going around. This was mentally very exhausting. It was important to take control in my hands rather than leaving it on a company.

I reached out to my linkedin connections, started freelancing projects etc., preparing for the case scenario. worst Eventually, everything fell in place and fortunately, no offers were revoked. But yes, the experience taught me to always keep my head up and take control of the situation.



Q. What according to you is a successful "mantra" for students to cope up with this dynamic environment and to improve their future prospects?

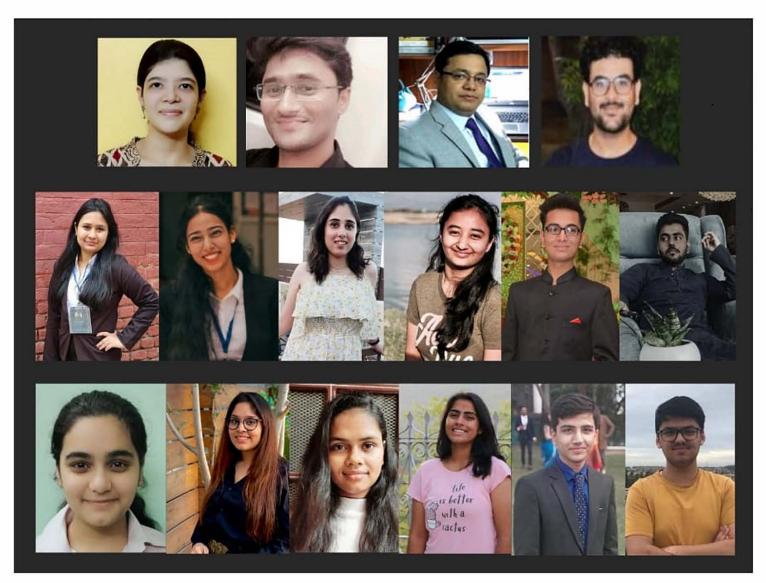
Ans: Make a strong profile which not only includes good academic scores but also displays leadership skills. creative thinking and initiative taking attitude. This can be by participating done in societies, doing internships or starting your even own Develop the venture. confidence to talk to strangers for help without and ask hesitating.

Q. One incident at college the remembrance of which brings a smile upon your face even today.

**Ans:** I had the honor of becoming the President of Comsoc. Just thinking about the kind of culture that we were

able to cultivate, the daily challenges that we faced, the fests and so on, surely lightens up my mood.

## MAGAZINE COMMITTEE



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