SURESH & CO.,

EMERGING THOUGHTS

April 11, 2023

VOLUME 5 | ISSUE 12

SURESH & CO.

Chartered Accountants

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Foreword

We, at SURESH & CO. are extremely glad to release the series "EMERGING THOUGHTS". This publication is a consolidation of events occurring all around the world and ideas put together by articled assistants (Interns undergoing Chartered Accountancy course) who will be emerging as Chartered Accountants in near the future and employees.

Keeping yourself updated with the history, news and events, happened or happening, around the world is very important. Knowing the latest news and updates and events which are occurring throughout the global world, is necessary, as these occurrences may affect our lives, either directly or indirectly.

The response we receive from the readers is always overwhelming and this eternal ritual has been an amazing journey reaching milestones as the learning opportunities have always illuminated our path with the essence of knowledge.

At SURESH & CO., every individual is empowered to be bold in the name of innovation and wisdom and our encouraged to think beyond their capabilities. This not only helps them to purify their thoughts, enriches their vision but also gives them an opportunity to reconnaissance various things that are beyond their study domain.

We at SURESH & CO., wanted to share these gems of initial thoughts as conceived by these young minds. It is to be noted that these updates may or may not have been reviewed by any senior or a technical expert and thus these should be used only to kindle thoughts in certain positive direction. Readers are advised to do further research and analysis on the topics which they find interesting.

"Success is not measured by what you accomplish, but by the opposition you have encountered, and the courage with which you have maintained the struggle against overwhelming odds."

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

Update for the day #1591 | Ayushman Bharat Health Account

Do you know what's the most annoying thing about paper records? They go missing and it's hard to keep track. And they're extremely fragile unless you're meticulous. The issue becomes all the more pertinent when you consider medical records.

Imagine you're trying to switch doctors and the new medical practitioner wants to access your past medical history. If you can't find the file, you'll have to go over your medical history orally and perhaps even commit to a few diagnostic tests before you can start making headway with this new doctor.

If you're in an emergency, things could get a lot worse. If your medical records aren't immediately accessible, the whole issue could turn into a matter of life or death.

So, what do you do?

Well, you take a look at the Ayushman Bharat Digital Mission (ABDM).

The idea here is to have a system in place so that individuals can access their digitized health records anyplace anytime. How would it work?

Well, first you register and get yourself an Ayushman Bharat Health Account (ABHA) with a unique 14-digit identification number or an ABHA ID.

On the other end, hospitals and doctors will also be expected to enroll on the Health Facility Registry (HFR) and the Health Professionals Registry (HPR).

Finally, the ABHA ecosystem will then bring all of these components together. You will be able to upload your health records digitally at the click of a button. And doctors, pharmacists and diagnostic service providers will also be able to access your medical history with ease if you give them your health ID number and offer explicit consent.

Now, this may look eerily similar to what other platforms like Apollo, 1mg, Net Meds have already been doing. They digitize prescriptions, test results and other items for you to access them at your convenience.

However, there's one key difference. It's not a centralized system. Each platform has its own rules, systems, and standards. Also, you can't just upload all your records in one place.

With the government's central health data repository, you only have to do it once. And hospitals, clinics and insurers—both public and private will be able to access them without you having to remember an infinite number of health account usernames and passwords.

Also, policymakers can use it to understand the healthcare system better both geographically and demographically. And researchers could use the aggregate data to study how health and disease evolve in this country. Now obviously there is a long way to go before the system is fully robust.

Getting every laboratory, hospital, and clinic in this country to buy into the idea is a gargantuan

task. And it's not easy to achieve interoperability. There's also the fact that very few people know about ABHA in the first place. Sure, we've generated nearly 240 million health ID's and this may convince you that adoption has been seamless. But the truth is, a good chunk of the 240 million people probably don't even know that they have a health ID.

And the reason? Well, there are two big reasons. One is the Ayushman Bharat Pradhan Mantri-Jan Arogya Yojana (AB-PMJAY), a free health insurance meant for the poor and the marginalized. Reports indicate that every beneficiary with an Aadhar card is assigned a unique ID at the back end. Obviously, this is done with consent. But there's a decent chance that most people don't fully understand what they're consenting to.

Also, if you registered on the CoWin platform (for vaccinations) using Aadhar, chances are you probably also have a health ID. So yeah, while the numbers may lull you into thinking everybody has taken to this scheme, a good chunk of the 240 million people may not even fully understand the benefits of ABHA.

Finally, there is the privacy issue.

A Mint report quotes an official as saying "Data privacy has emerged as a concern particularly in the healthcare sector. The digitization of health records has led to an increased risk of data breaches and cyber-attacks.

We are working to use anonymization techniques to remove personal identifying information before using the health data for public health research, policy making, disease surveillance etc. Anonymization of data will ensure that the privacy of the individual is protected."

The flip side is that, for now, ABHA is a consent-based system. You can choose to deactivate your account or even opt out of the ecosystem completely by deleting your data and the digital health account.

But if the government buckled down on safety and privacy concerns, and educated Indians about the seeming benefits, this could be a game-changer.

By Anjali Baghel

Update for the day #1592|Reason behind Decathlon now has a new name

Guess what? Decathlon now has a new name, and there's a reason behind it:

The French sports apparel brand has taken the unconventional step of changing the name of its stores in Belgium. Decathlon Belgium has opted to change its name to "Nolhtaced", which is essentially Decathlon spelt backwards.

The name change, which will be in effect for a month, is a part of a marketing drive aimed to promote "reverse shopping" - the general public's awareness about the possibility of retailing in the 'opposite direction', with the chain buying from its customers products they no longer use. This move will help customers resell their old or unused sporting goods to the store where the items can be repaired and resold under warranty. This move, a press release by Decathlon said will "promote more environmentally-friendly practices".

The apparel store has changed the name on the facades of three shops in the Belgian cities of Evere, Namur, and Ghent. Additionally, it changed the logo on the website in the country too.

Decathlon's campaign aims to let people resell their items and be paid through Decathlon purchase vouchers, even if their items are not from the company's brand. The vouchers will be valid for two years and can be spent on new equipment or other second-hand items excluding underwear, swimwear, socks and helmets.

"The objective is to reuse as much equipment as possible in order to reduce the impact on our environment and avoid waste. Decathlon's second-hand offer also allows less fortunate consumers to buy quality sports equipment at lower prices," the brand said in its press release.

Decathlon, the largest sporting goods retailer in the world, has over 1,697 stores in 60 countries and regions. It was founded by Michel Leclercq in 1976 with the first store in Lille, France. A decade later, it expanded its footprints to other parts of Europe including Germany, Spain, Italy and Belgium.

Decathlon set up shop in India in 2009 and now has over 100 stores spread across the country.

By Smitha.R

Update for the day #1593 |Karnataka Ratna – The Pride of Karnataka

Today's update is on the prestigious award of our state - The Karnataka Ratna award.

The State Government on Tuesday posthumously honored late film icon Puneeth Rajkumar with the Karnataka Ratna Award, the state's highest civilian award. The ceremony, marking the Kannada Rajyotsava, was held on the flight of stairs of Vidhana Soudha amid a heavy downpour.

The Karnataka Ratna is the highest civilian honor of the State of Karnataka, India. It is awarded in recognition of a person's extraordinary contribution in any field. It was instituted in the year 1992 by Chief Minister S Bangarappa by the Government of Karnataka. A total of ten persons have received this award. The Award comes with a gold medal weighing 50 gm, a citation, a memento and a shawl.

List of recipients

Year	Name	Image	Field
1992	Kuvempu		Literature
1992	Dr. Rajkumar		Cinema

1999	S. Nijalingappa		Politics
2000	C. N. R. Rao		Science
2001	Devi Shetty		Medicine
2005	Bhimsen Joshi		Music
2007	Shivakumara Swami		Social service

2008	Javare Gowda		Education, literature
2009	Dr.Veerendra Heggade		Social service
2022	Puneeth Rajkumar		Cinema and Social Service

By Yashaswini R U

Update for the day #1594 | Why Google has been fined by India?

Competition Commission of India (CCI) has imposed a penalty of Rs 1,337.76 crore on Google for abusing its dominant position in the Android mobile device ecosystem. CCI said that Google leveraged its dominant position in markets such as online search and app store for Android, to protect the position of its apps like Chrome and YouTube in mobile Web browsers and online video hosting. Here's looking at why CCI has fined Google and the approach that the regulator wants the company to take.

How much Google has been fined?

CCI imposed a penalty of Rs 1,337.76 crore on Google for abusing its dominant position in multiple markets in the android mobile device ecosystem. The company was fined EUR 4.34 billion (approximately Rs 35,541 crore) by the EU in 2018 for the same reason. However, the fine was later cut to EUR 4.125 billion (approximately Rs 33,296 crore) by the second-highest European court.

Essentially, the EU has fined Google a total of EUR 8.25 billion (approximately Rs 66,600 crore) for antitrust violations after three investigations which spanned over a decade.

Why CCI has fined Google?

The Indian watchdog started investigating Google three and a half years ago after a complaint, which said that Google used its dominant position to make it mandatory that OEMs pre-install its entire Google Mobile Suite – which include Search, Chrome, YouTube, Google Play store, Maps, and Photos, among others – on their phones and place them prominently.

Android operating system powers 97% of 600 million smartphones in India, making it Google's largest market by users, as per Counterpoint Research.

The CCI found that this mandate "amounts to imposition of unfair conditions on the device manufacturers" and thus was in "contravention of the provisions of Section 4(2)(a)(i) of the [Competition] Act, [2002]."

As per the provisions of the act, "there shall be an abuse of dominant position under sub-section if an enterprise directly or indirectly, imposes unfair or discriminatory condition in purchase or sale of goods or services."

During inquiry, Google argued about the competitive constraints being faced from Apple. However, CCI said that Apple's business is "primarily based on a vertically integrated smart device ecosystem which focuses on sale of high-end smart devices with state-of-the-art software components." Whereas Google's business "is driven by the ultimate intent of increasing users on its platforms so that they interact with its revenue earning service."

How CCI wants Google to change?

Apart from imposing monetary penalty, the commission has issued cease and desist orders against Google from indulging in the found anti-competitive practices.

It also says that OEMs should not be mandated to choose Google's proprietary applications and services to be pre-installed and placed as Google says. It is also told to not restrict uninstalling of its pre-installed apps by the users.

The company is also told not to offer any monetary/ other incentives to OEMs for ensuring exclusivity for its search services. "The company shall not deny access to its Play Services APIs to disadvantage OEMs, app developers and its existing or potential competitors," the CCI order read. In the release, CCI has directed Google to modify its conduct within a defined timeline.

By Amogh V N

Update for the day #1595 | Tirupati's Lord Venkateshwara temple richer than Wipro, Nestle, ONGC

Tirupati's world-famous Lord Venkateswara temple's net worth of over Rs 2.5 lakh crore (about USD 30 billion) is more than the market capitalization of IT services firm Wipro, food and beverage company Nestle and state-owned oil giants ONGC and IOC.

Tirumala Tirupati Devasthanams, keeper of the temple dedicated to Tirupati's presiding deity, for the first time since its founding in 1933 declared its net worth. Its assets include 10.25 tons of gold deposits in banks, 2.5 tons of gold jewellery, about Rs 16,000 crore of deposits in banks, and 960 properties across India. All these totals to over Rs.2.5 lakh crore. At the current trading price, the net worth of Tirupati temple is more than several blue-chip Indian firms, according to stock exchange data.

Bengaluru-based Wipro had a market cap of Rs 2.14 lakh crore at the close of trading on Friday, while UltraTech Cement had a market value of Rs.1.99 lakh crore. Swiss multinational food and drink major Nestle's India unit, with a market cap of Rs 1.96 lakh crore, too was valued below it.

State-owned oil behemoths Oil and Natural Gas Corporation (ONGC) and Indian Oil Corporation (IOC) too were valued less than the temple trust and so was power giant NTPC Ltd, automakers Mahindra and Mahindra and Tata Motors, the world's largest coal producer Coal India Ltd, mining conglomerate Vedanta, real estate firm DLF and several others. Only about two dozen companies have market valuations larger than the temple trust's net worth.

These include billionaire Mukesh Ambani's Reliance Industries Ltd (Rs 17.53 lakh crore), Tata Consultancy Services (Rs 11.76 lakh crore), HDFC Bank (Rs 8.34 lakh crore), Infosys (Rs 6.37 lakh crore), ICICI Bank (Rs 6.31 lakh crore), Hindustan Unilever Ltd (Rs 5.92 lakh crore), State Bank of India (Rs 5.29 lakh crore), Bharti Airtel (Rs 4.54 lakh crore) and ITC (Rs.4.38 lakh crore).Tirumala Tirupati Devasthanams(TTD) is growing richer and richer as the cash and gold offerings made by devotees at the hill temple continue to rise and fixed deposits in banks are also generating more income in view of increase in interest rates, a temple official said.

The assets owned by TTD include land parcels, buildings, cash and gold deposits in the banks, given as offerings to the temple by devotees. Assigning a value to priceless antique jewellery and properties including cottages and guest houses on the seven hills to provide amenities to devotees could be misleading and hence does not form part of the estimated general asset value, temple officials said. The sprawling seven hills are held sacred by devotees and are revered as the abode of Lord Venkateswara.

In its about Rs 3,100 crore annual budget for 2022-23 presented in February, the TTD has projected over Rs 668 crore as income in the form of interests from cash deposits in banks. Also, Rs.1,000 crore income was predicted in the form of cash offerings alone -- by about 2.5 crore devotees -- in the hundi of the hill temple. TTD administers a large number of temples in Andhra Pradesh, Tamil Nadu, Telangana, Odisha, Haryana, Maharashtra and New Delhi.

By Khushi Jain

Update for the day #1596 | Twitter's blue tick and NPCI

Why is the NPCI excited about Musk's paid Twitter blue ticks?

Elon Musk always grabs headlines. But this week has been unusually Elon-ic (just our way of saying 'too much news about Elon') after he finally took control of the microblogging site.

And it hasn't taken long for him to make sweeping changes across the platform. One particular change relates to the blue tick. A blue tick, as you know is just Twitter's way of verifying your account. It tells people that you are who you claim to be and that you're important. Public figures, companies and even government institutions carry blue ticks these days and they don't pay a penny for this service.

But Elon wants to flip the script here. He believes the power must remain with the masses. Not just a few elite individuals. And he wants to charge users a nominal fee ($8 a month, adjusted for purchasing power across countries) for the "verified" badge.

However, this has not gone down well with people. There's been considerable criticism of the plan and people have still argued that the verified badge will continue to be a staple within the elites without carrying over any benefits from the past.

But Musk has found support from one unusual source—the MD and CEO of the NPCI (National Payments Corporation of India) Dilip Asbe. When Musk tweeted about the fee, Asbe replied "India has UPI AutoPay to auto-debit the charge whether it's monthly, quarterly or yearly."

Granted the NPCI head couldn't care much about the fee. But you could still ask—What's in it for NPCI?

Well, NPCI doesn't make money on UPI transactions simply because it's free. And so, onboarding more users onto UPI Autopay won't make them a lot of money. But it could do something else.

You see, currently, UPI processes over 235 million transactions a day. But NPCI wants to take that to 1 billion in the next 5 years. And if more people hop onto the UPI Autopay bandwagon, achieving this target could be a cakewalk.

By Sahana Shree Herle

Update for the day #1597 | Kashmir's apple trade is rotting

Kashmir produces roughly 75% of all apples in this country. That makes it the largest apple producer in India, followed by Himachal Pradesh and Uttarakhand.

And as a consequence, the people of Kashmir are extremely dependent on apples. The apple trade alone accounts for a major chunk of the valley's ₹10,000 crore horticulture sector, employing about 3.5 million people. But this wasn't always the case.

Back in the 12th-century, apple trees were largely seen as inconsequential. Yes, they offered shade and food to travelers. And on occasions, they were cultivated in fields and bartered for other products, but commercial apple farming officially began in Kashmir only during the 1950s.

Until then, Kashmir's peasants mostly grew paddy. They owned no land and they worked for people who imposed a heavy tax on the crop i.e., the Zamindars under the Dogra dynasty. But that all changed in 1953. Tillers became owners of the land after the state implemented drastic land reforms. And farmers finally had an avenue to make a decent living. Unfortunately, this was short-lived. In the mid-1990s, severe water shortage ruined their prospects. It was almost impossible to grow paddy under these conditions. And by the 2000s, even the streams began drying up.

And this was when about 70% of all farmers converted their paddy fields into apple orchards. For context, it takes roughly 2,500 liters of water to produce a kilo of rice, while a kilo of apples needs a little over 800 liters. It seemed a more reasonable proposition and today, apples are grown on over 1.6 lakh hectares of land.

But alas, there seems to be an issue right now. Kashmir's apples are rotting, literally. A couple of days ago the Press Trust of India reported that Kashmir's apple prices dipped by 30% when compared to last year. They also reported that growers were like to face huge losses this season. All this, despite an excellent crop this year.

For context, Kashmir harvests about 1.5 million metric tons of apples annually. But this year the production has touched a whopping 2.1 million metric tons!

Then why the woes? You ask.

For starters, larger produce means excess supply. This naturally tends to pull fruit prices down. But this isn't the only thing that's bothering farmers.

The bigger issue seems to lie in the Jammu-Srinagar national highway (NH 44), one of two roads that connect Kashmir to the rest of India.

Before last month, thousands of fruit-laden trucks were stranded on this highway, some for 6 days straight. They were all transporting harvested apples to the fruit mandis (market) and the

excess supply began wreaking havoc.

See, more apples mean more fruit trucks. More trucks mean more traffic jams. For context, the national highway can support 2,500 trucks a day. But throw in 5,000 trucks a day and you get pandemonium on the streets. Officials had only one option. They had to push these trucks in a phased manner—stopping a few thousand trucks at a time. The apples meanwhile began to rot.

The unfortunate bit is that prices for certain varieties were already trending downwards—from ₹1,300 to ₹700 a box (weighing about 16 kg). And rotting apples just made things worse.

If that wasn't enough, Kashmiri apples also had to compete with cheap apples sourced from Iran. Since India and Afghanistan have a zero-duty import agreement, Iranian apples are shipped to Afghanistan, rebranded as Afghani apples and then imported to India. However, considering importers don't have to pay the extra duty, these apples come cheap. Prices can sometimes hit as low as ₹600 for 10 kg.

The bottom line — Kashmir's lifeline is crumbling.

And apple growers want some help. They're asking the government to fix the logistical issues plaguing the valley. It's going to take another 4 months to transport the entire harvest to mandis. And if the apples continue to rot, farmers will go broke.

So, what should the state do?

Well, it's a tough question to answer. Back in 2018, the government decided to increase the load-bearing capacity of trucks by about 25%. Meaning, trucks were allowed to carry more fruit. But that did little to solve the problem because you still had the storage issue. Kashmir can store about 2 lakh metric tons of fruit under controlled atmospheric conditions. However, they need about 60% more capacity. If the government can incentivize storage facilities, then you could probably prevent the rotting scenario at least.

This could go a long way in reviving Kashmir's apple trade.

By Priyank Jain

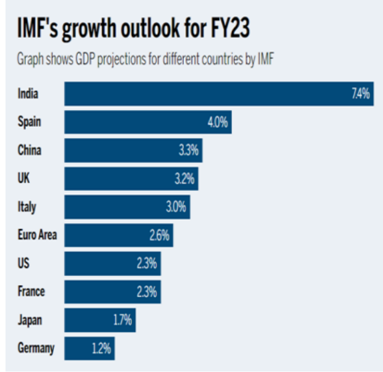
Update for the day #1598 | Recession is a certainty in 2023, but how much will it hurt India?

Major output loss in 2023

The global output would have risen 23 percent since 2016 had the pandemic not happened. Now, however, it is projected to grow only 17 percent. The global slowdown will leave real GDP still below its pre-pandemic trend and is expected to cost the world more than $17 trillion, which is nearly 20 percent of the world's income.

Russia, Indonesia, India, the UK, and Germany are among the countries that may contribute the most to this global output loss, a United Nations Conference on Trade and Development (UNCTAD) report observed.

While India may bear an output loss of 7.8 percent in 2023, the Euro area is expected to lose 5.1 percent, China 5.7 percent, the U.K. 6.8 percent, and Russia may bear a 12.6 per cent output loss. Rising interest rates, weakening of currencies, mounting public debt — and all these factors raising food and fuel prices — have introduced uncertainty in the global markets.



Rising interest rates to arrest inflation

A new World Bank study shows that central banks across the globe raising interest rates to curb inflation may not be a good idea. This can likely lead to various financial crises along with the recession.

"Global growth is slowing sharply, with further slowing likely as more countries fall into recession. My deep concern is that these trends will persist, with long-lasting consequences that are devastating for people in emerging markets and developing economies," said World Bank Group President David Malpass.

Mounting public debt

The International Monetary Fund (IMF) has pointed to the possibility of a recession next year as well. IMF's MD Kristalina Georgieva said earlier this week that the world economic growth may be lower by $4 trillion through 2026. Things are more likely to get worse before they get better, she added.

While all regions are expected to be affected, alarm bells are ringing the loudest for developing

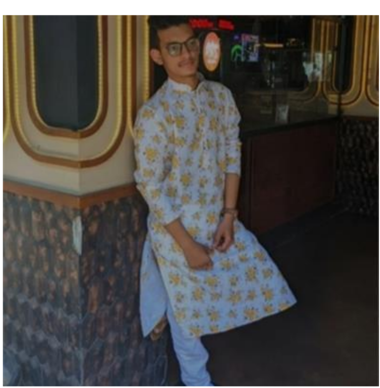
countries, many of which are edging closer to debt default. Lower-income and lower-middle-income countries are spending more money to service their public debt. Somalia, Sri Lanka, Angola, Gabon, and Laos are the countries with the highest proportion of revenue required to service their public debt.

Weakening currencies

In an effort to cushion weakening currencies, developing countries have spent nearly $379 billion of their reserves, which is nearly double the amount of new Special Drawing Rights (SDR) by the IMF. The value of an SDR is based on a basket of the world's five leading currencies: the US dollar, euro, yuan, yen and the UK pound.

It is estimated that the interest rate hikes by advanced economies are hitting the most vulnerable hardest. Almost 90 developing countries have seen their currencies weaken against the dollar this year -- over a third of them by more than 10 percent, the UNCTAD noted.

By Rithick Kumar



Update for the day #1599 | Vodaphone Idea – Can it go off the grid?

Vodafone Idea's problems have compounded with Indus Towers Ltd., the country's largest mobile tower company, asking the telecom giant to clear 80 percent of its outstanding dues immediately or face the risk of being taken off the grid. In addition, Indus has asked VIL to pay monthly dues on time from November for business continuity. VIL is said to owe mobile tower companies Rs 9,000 crore, of which almost 70 percent is due to Indus and the rest to American Tower Company. Independent directors of Indus had expressed displeasure over VIL's surging outstanding dues during a board meeting on September 29.

However, experts suggest the possibility of Indus taking VIL off the grid is very remote and not likely. If the company does go off the grid for even a week, it will lose subscribers, making it all the more difficult to survive. "It is best for both the parties to reach a consensus and even the government/regulator may likely step in formally or informally to settle this," said Vikas Gupta, CEO of Omniscience Capital.

VIL is a joint venture of the Aditya Birla Group and the Vodafone Group. The company got a lifeline last year after the government offered a relief package to the sector. VIL has more than 240 million subscribers and annual revenue of almost Rs 40,000 crore. VIL also constitutes about 35 percent of Indus's tower tenancy and it would not make good business sense for Indus either to pull the plug on VIL.

The time may be right for some hard negotiations across the table for both the entities. Some experts said Indus was forced to do this to bring VIL to the negotiating table. "There is a big possibility that both the companies might agree on some lump-sum payment for the time being, which will be lower than the total dues outstanding, and the balance outstanding to be cleared in a phased manner," said Gupta.

This will give VIL some breathing space and it can then start regular monthly payments from November. One analyst who declined to be identified said both Indus and VIL had already agreed that VIL would make staggered payments till December and then make payments in accelerated mode from January. According to this plan, VIL was supposed to clear all its old dues by the end of July 2023. The analyst said the recent letter could be some kind of tactic by Indus to ensure it gets at least some money from VIL in the near term. VIL's annual operating cashflow is about Rs 15,000 crore, which translates to Rs 3,000 crore to Rs 4,000 crore quarterly.

It is likely the company will survive and subscribers will not be inconvenienced.

VIL fundraising

VIL has been trying to raise funds for some time without success. Experts don't see any chance of raising funds by further diluting equity at the moment. The agreement with the Government of India does not entail any new money coming into the business as it only involves conversion of adjusted gross revenue dues into equity. Moreover, according to reports, the government will acquire the equity only when the stock price is at Rs 10. VIL shares have not breached the Rs 10 level since April 2022.

Government to acquire Vodafone Idea stake after share firms up at Rs 10

Any further delay in raising of funds on the part of VIL will hamper its plans for the rollout of 5G services. According to experts, 5G adoption will start with the high-usage and post-paid customers with an ARPU (average revenue per user) of more than Rs 400. However, they will be the first to switch to other service providers if there is any delay in VIL's 5G rollout, further denting its recovery prospects. Experts said VIL will remain the No. 3 Indian telecom operator, but its market share will shrink significantly. As a result, it might even become a non-existent player unless there is a huge strategic development for the company.

By Muskan Jamadar

Update for the day #1600 | Russia becomes India's top oil supplier in October

Russia has become India's top oil supplier in October, surpassing traditional sellers Saudi Arabia and Iraq, according to data from energy cargo tracker Vortexa.

Russia, which made up for just 0.2% of all oil imported by India in the year until March 31, 2022, supplied 935,556 barrels per day (bpd) of crude oil to India in October – the highest ever.

It now makes up for 22% of India's total crude imports, ahead of Iraq's 20.5% and Saudi Arabia's 16%.

India's appetite for Russian oil swelled ever since it started trading on discount as the West shunned it to punish Moscow for its invasion of Ukraine.

According to Vortexa, an energy intelligence firm, India imported just 36,255 bpd of crude oil from Russia in December 2021 as compared to 1.05 million bpd from Iraq and 952,625 bpd from Saudi Arabia.

There were no imports from Russia in the following two months but they resumed in March, soon after the Ukraine war broke out in late February.

India imported 68,600 bpd of Russian oil in March while it increased to 266,617 bpd in the following month and peaked at 942,694 bpd in June. But in June, Iraq was India's top supplier with 1.04 million bpd of oil. Russia in that month became India's second biggest supplier.

Imports dipped marginally in the following two months. They stood at 876,396 bpd in September before rising to 835,556 bpd in October, according to Vortexa.

Iraq slipped to the second slot with 888,079 bpd of supplies in October, followed by Saudi Arabia at 746,947 bpd.

The Indian government has been vehemently defending its trade with Russia, saying it has to source oil from where it is cheapest.

"In FY22 (April 2021 to March 2022), the purchases of Russian oil were 0.2% (of all oil imported by India). We still buy only a quarter of what Europe buys in one afternoon," oil minister Hardeep Singh Puri told CNN in Abu Dhabi last week. "We owe a moral duty to our consumers. We have a 1.34 billion population and we have to ensure that they are supplied with energy…whether it's petrol, diesel."

On being asked if India faces a moral conflict due to imports from Russia amid the latter's conflict with Ukraine, he had stated: "Absolutely none. There is no moral conflict. We don't buy from X or Y. We buy whatever is available. The government does not buy, it's the oil companies which do the buying."

India has also remained non-committal on a plan proposed by the G7 group of nations (UK, US, Canada, France, Germany, Italy and Japan) to cap the price of oil purchased from Russia as a means of limiting Moscow's revenue.

Puri said India will examine the proposal as and when it is finalised and communicated.

It will "respond according to its supreme national interest."

Emphasising that India would look to source crude oil from diverse sources, he had said that the country will buy from Guyana and Canada as well.

By Ganesh S Bhat

Update for the day #1601 | "Indian Army is prepared and ready for action": Lt General on reclaiming PoK in the near future

Chinar Corps Commander Lieutenant General ADS Aujla on Tuesday said that the Indian army was "fully prepared for action" after Defense minister Rajnath Singh hinted at retrieving Pakistan-occupied Kashmir (PoK).

"Indian army is fully prepared and we are ready for any action on orders from the government," lieutenant general ADS Aujla said.

Speaking at a 'Shaurya Divas' program in Srinagar, Mr. Singh had said, "We have just begun walking north, our journey will be complete when we implement the resolution passed unanimously by the Indian Parliament on February 22, 1994, by reaching the Gilgit-Baltistan."

The commanding officer was interacting with journalists in Srinagar on the defense minister's comments. "Whenever the central government takes such a decision, orders will come to us and in such a situation, we are fully prepared. Apart from our conventional strength, we are also strengthening ourselves modernly, so that we do not have to look back in such a situation."

He also said that in the last 75 years, the capacities and the capabilities of the Indian Army have been upgraded. Our preparedness is at a very good level and whenever it is needed to be displayed, you will see a very different impact, he added.

While talking about the current situation, General Aujla said, "Right now the situation is completely under control, but whenever there is an opportunity, there are attempts to infiltrate, but the Indian Army is ready with full force to protect our border."

By Chandana K A

Update for the day #1602| Why people are annoyed with the Draft Telecom Bill?

Remember the days of the Licence Raj?

Probably not if you're a millennial or a Gen-Z. But you may have heard stories from old-timers. Like the one where Bajaj—the automaker had to acquire special permissions to manufacture scooters. Or the time when they were hauled up for overshooting the production quota. Or perhaps accounts of people who had to procure a licence to own radios.

But why are we talking about the Licence Raj now?

Well, it seems the government may have gone overboard with a few things while drafting India's Draft Telecommunication Bill of 2022. And it might change how people do business in India.

The entire issue boils down to a simple change in definition. The government wants to redefine what telecom services actually mean. Right now, you have to be using physical infrastructure to qualify as a telecom provider. You know like Airtel, Jio and VI. And they pay a fee to use airwaves (spectrum).

But now, it looks like the government wants to include Over-The-Top (OTT) platforms such as WhatsApp in its purview too.

Their contention is simple. Take for instance WhatsApp. It has nearly 500 million Indians on the platform. You can text, make voice calls, dabble with video calls and substitute it for most traditional telecom services. However, while telecom companies have to jump through hoops and pay large amounts of money to facilitate their offerings, messaging apps like WhatsApp can do it by simply bypassing most telecom regulations altogether. No hurdles. No fees.

And the government can't take its cut.

So, they want to fix this loophole. They want companies providing broadcasting services, e-mail services, voice, video or data services, internet and broadband services and even OTT communication services to cough up a fee before they begin servicing Indian customers.

On the face of it, you could argue that this levels the playing field. But there are a few issues.

Telecom companies aren't like email service providers. They control access to the internet. WhatsApp is built on top of the internet. So, if you think of telecom companies as entities facilitating movement across highways, WhatsApp is a mere passenger. And it would be a bit difficult to club them in the same bucket.

There's one more thing.

The new definition will also probably include the likes of Netflix and Amazon Prime as well. In fact, it may also include any consumer internet company that offers some sort of chat or communication service within the product. And if the ambit expands indiscriminately, cab aggregators, food delivery apps, dating apps, and stock trading platforms with customer chat

support could also be forced to procure a licence before operating in India.

Sure, the draft Bill does make room for exemptions. But these exemptions could become arbitrary based on the whims and fancies of the government.

Crazy, no?

But it's not just that. Say you're a user of a messaging app or an OTT platform. The onus is on you to figure out whether the company has received the requisite licences from the Indian government. And if you haven't, you'll have to shell out a fine that could go as high as ₹1 lakh. You can't feign innocence or ignorance.

It could even lay the foundation for many other complications. See, OTT services are bound by rules laid down in the Information Technology (IT) Act. If you ask them to abide by the Telecommunications Act (if the Draft Bill becomes law) they would now have to comply with a different set of regulations imposed by a different ministry. You could see scuffles between ministries and regulators. We've seen this in the past—when the Telecom Regulatory Authority of India and the Competition Commission of India tried to reign supreme over telco disputes.

Then, there's the matter of encryption. Most OTT messaging services are encrypted end-to-end. That means, third-parties can't see the messages. Only the sender and receiver are privy to the information.

But the government may want to take a peek sometimes. Sure, they'll argue that these extraordinary powers will only be used in extraordinary situations, but sometimes governments do have a tendency to go overboard.

And you can look at what happened with the IT Rules of 2021. The government told messaging apps that it needed to 'trace' the source of forwarded messages. After all, these spammy forwards were the source of most misinformation and problems in the country—the 'fake news' variety. But even that would've affected end-to-end encryption and privacy. The government could ask for the source of any such message targeting the sender. So, WhatsApp sued the Indian government to block this rule. But that lawsuit is ongoing.

Anyway, these are just a few problems in the Draft that experts have highlighted. And it's not the final bill yet. The government has taken feedback from everyone. It'll probably pore through it all and come up with the final version by mid-2023. Maybe it'll decide to water it down a bit. Or maybe it won't.

By Ishika Jain

Update for the day #1603 | Shaking hands with the UAE

There's been an interesting development. India's jewellery exports to the UAE have witnessed a significant bump. And many are crediting this new development to the Comprehensive Economic Partnership Agreement (CEPA).

Don't worry. The name's complicated but the premise is fairly straightforward. The main objective is to improve trade engagements between India, the UAE and the wider Gulf Cooperation Council (GCC) region.

And while the agreement was only implemented in May 2022, the benefits have become obvious within just a few months. We've witnessed a 10% jump in gems and jewellery exports to the UAE in the first quarter of FY23 when compared to the same period last year. After CEPA implementation, exports witnessed a 17% leap (in May and June alone when compared to the same period last year).

Now you might look at this and ask—"What's so special about CEPA? And does it deserve the hype?"

Well, it's complicated. But before we get there, let's look at what CEPA actually means.

A CEPA, as we already noted is an economic partnership between two countries. In many ways, it's a lot like a Free Trade Agreement (FTA). Two countries sit down. They decide to cut down trade barriers and tariffs. They work on improving trade engagements. And they put in place rules to enable importers and exporters in both countries to work with each other. CEPA does these things too. The only difference is that an FTA traditionally focuses on trade in goods. But a CEPA also extends to engagements in the services sectors, foreign investments, disputes and even regulatory matters. And considering our close engagement with the UAE, we signed the agreement back in February to build on our relationship with the country.

Unfortunately, there hasn't been a lot of chatter since then.

But last week, we got a hint of the hidden potential here when Malabar Gold and Diamonds said they'd imported 25 kg of gold under CEPA. They said this was possible because of the tax concessions.

What tax concessions?

When importers in India ship gold coins and bars from the UAE, they'd have to pay the applicable duties. But under CEPA, they get a 1% rebate—a concession. Similarly, importers in the UAE were earlier expected to pay a 5% duty on gold jewellery. Now, they have to pay nothing.

And while this may look insignificant at first sight, there's a lot happening here. India is one of the largest importers of gold. Last (financial) year we spent a whopping $46 billion on importing 842 tons of gold. And the UAE is the second-largest gold trading partner. So, if we can import some gold at a slightly discounted price, it will reduce our import bill considerably. Meanwhile,

if we can export gold without having to pay the 5% duty, Indian jewelry products become more appealing to consumers in the UAE.

This could also help us redistribute our products to UAE's neighbors also. We could get better access to markets in North Africa, West and Central Asia and even Europe.

Perhaps now it's obvious why jewelry exports to the UAE have been climbing. At this pace, we could easily achieve the gems and jewelry export target of $45.7 billion for the year.

But gold and gems aren't the only things we're targeting here. The concessions will also apply to textiles, leather, footwear, sports goods, plastics, furniture, agricultural, wood products, engineering products, medical devices and automobiles.

And there's the services sector too. Take, for instance, digital trade. This agreement will allow electronic transactions to go through without a hitch unless there's something unlawful happening. All in all, trade in services could breach the $15 billion mark in five years.

But what if other countries jump on this bandwagon and take us for a ride? What if they ship cheap goods to the UAE and then find ways of pushing their goods to India? Won't this hurt manufacturers domestically?

Well, yes it would. But these concessions only apply to goods and services that originate in the UAE or at least in cases where the UAE has a meaningful contribution (value addition of 40-45%). So, there's some cushion to protect India against indiscriminate dumping.

The only question is, can we expect a significant boost in other sectors just like we're currently witnessing with gold and gems? Well, we will have to wait and see.

By Soundarya S Kadambi

Update for the day #1604 | Mukesh Ambani in race to buy Liverpool F C

With Mukesh Ambani showing interest in purchasing Liverpool FC, the club may be headed for an Indian takeover, according to The Mirror. Ambani will have to fend off interest from parties in the Middle East and the US in order to acquire the famed English football team Liverpool, the report says.

The potential buyers reportedly want to sell for £4 billion, and there is a bigger interest in buying the Merseyside club outright. However, Ambani, who has a net worth of almost £90 billion and is a keen sports enthusiast, won't be deterred by that sum. Fenway Sports Group (FSG), which acquired the Merseyside club in October 2010, has hired Goldman Sachs and Morgan Stanley to help them sell the team, as per the report.

The Reliance chairman, one of the richest people in the world, would be willing to invest millions of dollars in the team in order to strengthen Liverpool's aspirations to continue being one of the continent's most successful clubs - as per The Mirror.

In India, football has always been popular even though it has continuously had to fight with cricket, a much more celebrated game in the country. The English Premier League is very popular among Indian fans, with Liverpool being one of the teams that receives the most support and has sky-high shirt sales.

This is not the first time such a report has come up. In August 2010, media reports suggested that Mukesh Ambani and Subrata Roy submitted their offers for Liverpool. Ambani was dubbed "World's Richest Sports Team Owner" in 2008 after buying Mumbai Indians, one of the leading teams playing for the Indian Premier League (IPL).

A statement from FSG read: "There have been a number of recent changes of ownership and rumors of changes in ownership at EPL clubs and inevitably, we are asked regularly about Fenway Sports Group's ownership in Liverpool."

By Yashank R Bhansali

Update for the day #1605| The Rise of The Gig Economy

Theme:
In September 2020, the government of India brought a new labour code – 'The Code on Social Security 2020', which extended social security to the unorganised sector workers including gig workers. The government will bring social security schemes to provide retirement benefits, health insurance and other benefits to unorganised sector workers.

What is Gig economy:

- Gig workers take short-term contracts and will be paid for that. Examples – Food delivery boys, uber/ola cab drivers, musicians, photographers, construction workers, on-demand workers etc. There are many apps and websites (Ex-Fiverr, Upwork) for the skilled workforce, such as software developers, doctors etc to take gigs. This kind of freelance work market is called a gig economy.
- The gig economy is expanding at a rapid rate especially in the pandemic time.
- Many countries are working on bringing policies to prevent the exploitation of gig workers and to make their working conditions more humane.

Reasons for the rise of the gig economy:

- In traditional employment opportunities, employees have to work for a fixed number of hours. But some people like a flexible work schedule, which is contributing to the rise of the gig economy.
- Increasing unemployment rates is also forcing people to work in the gig economy.
- Many times, the gig economy is a win-win for both the company and the worker. Companies do not have to hire a full-time employee, and thereby can save costs. Workers on the other hand will not be tied down by any company. After finishing the gig, they can work with other people of their choice.

Benefits of the gig economy:

- Autonomy for workers.
- Flexible work hours.
- Rewards for hard work.
- Fewer costs for companies

Challenges of the gig economy:

- Gig workers do not receive benefits such as retirement benefits, health insurance etc. like full-time employees.
- Many gig workers are receiving pay lesser than the minimum wage guaranteed, which is unethical.
- There is no guarantee in some cases. Companies may delay or stop payments. There will always be this insecurity and it also causes stress.
- Some gig workers overwork in order to earn decent money. Several gig workers complain of burnout. The exploitation of gig workers is one of the biggest challenges of the gig economy.
- Some companies are encouraging people to work in the gig economy in their spare time. This can lead to a lack of time for personal life, which affects relationships and mental health.

- The rise of the gig economy is a threat to some full-time employment opportunities. Some companies are replacing full-time employees with gig workers.

Conclusion:
The gig economy will continue to rise at a rapid rate in the coming days for good. It can compensate for the high unemployment rates in India. It's a good thing that the gig workers are officially recognised and brought under the ambit of social security schemes. Working on the challenges of the gig economy to improve the working conditions is the need of the hour.

By Tejas Chandra

Update for the day #1606 | Conor McGregor in race to bid for Liverpool FC along with Ambani.

"It was only the other day I came across an old picture of myself wearing that infamous grey United jersey, which I bought with my [First Holy] Communion money at eight years of age. I see my son when I look at that photo. I'd love to know where it is now. A truly 'Notorious' football jersey!

"I was attracted to the success and winning mentality of the club and people surrounded by United. Irish legends like Denis Irwin and Roy Keane were dedicated to their craft and had that winning mentality. Roy Keane was one of the best midfielders' European footballs has ever seen. Opponents would be mentally beaten before they'd even stepped on to the pitch to face him."

Earlier this year, he voiced similar interest in buying Chelsea before they were purchased by a Todd Boehly-led consortium. "I wish to explore this, Chelsea " in response to a picture of a WhatsApp message from an unknown contact which read: "Chelsea for sale, £3bn. Let's buy it". McGregor, who is worth around £135million, has previously shown an interest in buying his beloved United, tweeting last year: "Hey guys, I'm thinking about buying Manchester United! What do you think?"

More realistic buyers for Liverpool are emerging, however, with reports in the Middle East that Dubai investors who attempted to purchase the club in 2007 are keen on relaunching a new bid. It is understood the Reds owners have been approached by at least one potential buyer.

By Dhanush DD

Update for the day #1607 |Buy Now Pay Later

Since the start of the pandemic, the option to "buy now, pay later" has skyrocketed in popularity, especially among young and low-income consumers who may not have ready access to traditional credit.

What is BNPL Payment?

Buy Now Pay Later is a payment option where you can make a purchase without having to pay from your own pocket. Generally, you sign up with a company providing this facility that makes the payment when you make the purchase.

However, once the lender pays on your behalf, you will have to repay the amount within a stipulated time period. When compared to a personal loan, no interest is levied under the BNPL scheme. You can either pay it as a lump sum amount, or you can pay it via no-cost Equated Monthly Installments (EMIs). If you fail to pay the amount within the given repayment tenure, then the lender will be liable to charge you interest on your amount. Further delay could impact your credit score severely.

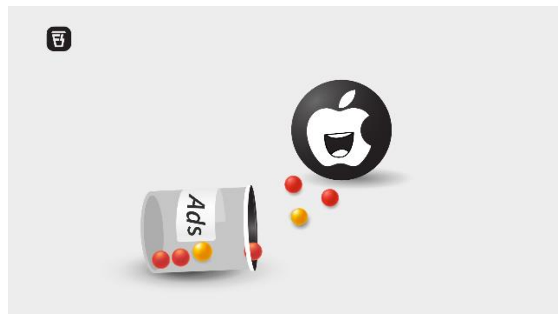
Branded as "interest-free loans," buy now, pay later services require you to download an app, link a bank account or debit or credit card, and sign up to pay in weekly or monthly installments. Most are approved in minutes. Scheduled payments are then automatically deducted from your account or charged to your card.

The services generally don't charge you more than you would have paid upfront, meaning there's technically no interest, so long as you make the payments on time. But if you pay late, you may be subject to a flat fee or a fee calculated as a percentage of the total you owe.

Unlike applying for a new credit card, BNPLs are easier to qualify for. This means that someone who is new to credit or doesn't have a strong credit profile might find it more appealing to make a purchase this way. However, before committing to a BNPL loan it's important to know the terms of the deal. For example, 0% interest may not last the length of the loan, leaving you with expensive finance charges down the line and there could be sky-high penalties if you skip or miss a payment.

By Gaurav K Patiyat

Update for the day #1508 | Apple is an advertising giant. Almost.



The Story

Apple is an ad company now. And its employees don't like what's happening!

See, like many other tech companies, Apple sells ads. Not as pervasively as the others, but it still does. For instance, in 2021, Facebook's ad revenue was a whopping $115 billion. And Apple's was a mere $4 billion.

But what if we told you that Apple multiplied this ad revenue by nearly 4 times over the previous year? And that in 2021, Apple's ad revenue topped TikTok's ad revenue!

It's crazy!!!

But the folks in Apple's ad team aren't pleased. According to a recent investigation by The Information, they think ads will soon destroy the 'premium' factor that everyone's come to associate with the iPhone ecosystem. After all, people don't pay $1000 for a device to be bombarded with ads.

And Apple's aware of this too. It knows that ad engines are antithetical to the privacy claims they keep making all the time. You can't run ads unless you target users based on certain criteria— sift through their preferences and then feed them exactly the kind of ads that would push them to commit to a purchase.

So, Apple has tried to sugar-coat things. At least internally. It doesn't use typical ad terms such as 'targeting'. Instead, it calls it 'audience refinement'. When a company pushes ads to target a competitor's brand name, it doesn't call it "conquesting". Instead, it uses the word "brand defense."

In some ways, you could argue that Apple's doing all this to make itself feel better about its burgeoning ad business.

But that's not really going to matter to users who see these ads, no? They won't care if they're a part of 'audience refinement'. They'll only know that Apple's not walking the talk. Imagine wanting to kill the intrusive ad businesses elsewhere, but…then replacing those ads with your own. It's a bit hypocritical.

And if you don't fully follow what's happening here, let us explain.

Okay, remember when Apple introduced something called App Tracking Transparency (ATT) last year? If you opened the Facebook app on your iPhone, you would have received a prompt that said something like this—"Allow Facebook to track your activity across other companies' apps and websites?"

Because that's what advertising companies like Facebook did. They tracked you everywhere. If you visited an online sneaker shop to check out the latest drop, they'd know you were there. They then used this information to help brands like Nike and Adidas target the same users repeatedly.

But after Apple's prompt, people kind of freaked out. 62% of iPhone users clicked, "No!". They didn't want to be tracked all the time.

And that pretty much was the death knell for Facebook and its ilk. Without effective tracking, a happily married individual could see a Tinder or Bumble ad. High-school teachers could be bombarded with ads about tech gadgets. And when companies realized it, they cut back on their advertising budgets. This year, Facebook could lose a massive $10 billion thanks to Apple's ATT.

And you know this by now—all the advertising dollars are going to Apple. That's why its revenues from ads have soared nearly 4 times!

Sure, people could argue that Apple's intention with ATT was still privacy oriented. But come on, do you really think a massive conglomerate such as Apple didn't really see the second-order effects here?

Maybe Apple really wanted to kill its competition.

Why?

Well, think about it. What does Apple really sell? Hardware. But it's getting harder to sell iPhones and iPads. Smartphone sales are plateauing. After all, you can't keep creating gadgets that are only slightly better each year and expect them to drive massive growth.

So, Apple needs a side hustle. It needs to drum up revenue. And the ad business is a money spinner.

But, how could Apple compete effectively against established players? Well, precisely by doing what it did last year—Hurt the competition.

And now that it has tasted success, it may want to show ads everywhere. On Apple Maps. On Apple Podcasts. On Apple TV. Every piece of Apple real estate actually. Because Apple wants to hit the $10 billion ad revenue mark. And it wants to do it ASAP.

What about privacy?

Well, that we don't know. All we can say is that some people believe that Apple's lying about privacy. That they've found evidence which shows Apple's tracking you even when it says that it's not.

But if you wanted more proof that Apple's deadly serious about growing its Ads business, well, look no further than its organizational structure. Because that's one of the easiest ways in which you can judge the ambitions of a company. If a company is serious about something, they'll put the right people to oversee it.

See, Apple clubs a lot of things under its Services Division—money it makes from Apple Music, the 30% cut it takes from apps selling stuff on its App store, the iCloud subscriptions etc. Basically, anything that is not hardware like the iPhone or the Air Pods.

Now Ads are a part of services too. But the person who headed the Ad business didn't actually have direct access to the person who led the Services Division. There was someone in between. There was a hierarchy. But according to Bloomberg's Mark Gurman, that's changed. Now, the Services Head will pay direct and close attention to the Ad business. Ads are a priority!

Also, Apple doubled the number of folks in its Ads team after it introduced ATT. The team now has 250 members.

So yeah, pretty soon, Apple the hardware giant could become the advertising behemoth. The only question that remains is—will Apple eschew its principles of privacy to make more money?

Hopefully it doesn't.

By Manoj Kumar Y N

Update for the day #1609 |Govt Raises Maximum Tenure of PSU Banks' CEO to 10 Years

Government has decided to provide longer tenure to Managing Director and other whole-time directors of the public sector banks. Now the appointment can be made initially for up to 5 years, which can be extended for the 5 more years.

About The Amendment:

The amendment would be called Nationalized Banks (Management and Miscellaneous Provisions) Amendment Scheme, 2022.

More Update:

Earlier, the MD or executive director of a public sector undertaking (PSU) bank was eligible for a maximum tenure of 5 years or 60 years whichever was earlier.

This is also applicable for whole-time directors of all Central Public Sector Enterprises (CPSEs). Now, The term for the appointment has been extended to 10 years, from the earlier 5 years, subject to superannuation age of 60 years, as per government notification of 17 November.

What Has Been Said:

A whole-time director, including the managing director, shall devote his whole time to the affairs of the nationalized bank and shall hold office for such initial term not exceeding five years and extendable up to a total period, including the initial term, not exceeding 10 years, as the central government may, after consultation with the Reserve Bank, specify and shall be eligible for re-appointment," the notification said.

The Right To Terminate:

The central government has the right to terminate the term of office of a whole-time director, including the managing director, any time before the expiry of the term specified, by giving him a notice of not less than three months, in writing or three months' salary and allowances in lieu of notice.

By Tushar U

Update for the day #1610 | FIFA world cup 2022 budget $200 Billion

The first match is scheduled to take place on Sunday (November 20) between Ecuador and FIFA world cup 2022 host Qatar at 9:30 PM IST. The Middle Eastern country Qatar has been eyeing the FIFA world cup 2022 without spending any money on any sporting event or event so far.

Middle Eastern country Qatar has set its sights on the FIFA world cup 2022 in a way that has never been spent on any sporting event or event. With this FIFA world cup, Qatar has poured money to create a benchmark for the countries of the world and attract foreign tourists.

The FIFA world cup has surprised the world by spending about 220 billion dollars on the tournament and its preparations. Do you know the total expenditure incurred by Qatar, the expected revenue, and how important this competition is to the economy of Qatar?

A total of 32 nations will participate in the FIFA world cup Qatar 2022, football's biggest tournament to be held from November 20th to December 18th. The first match starts on November 20 between Qatar and Ecuador at the Al Bad Stadium in Al Khor.

On December 18, the final will be played at the Lusail Stadium. Since Qatar was announced as the host of the 2022 FIFA world cup in 2010, Qatar has spent heavily on improving its infrastructure for the 32-nation FIFA world cup, including upgrading football stadiums. Qatar built 6 new football stadiums and renovated two existing stadiums, along with training grounds, for the tournament.

The initial bid for this was planned at $4 billion but the total cost has risen to $6.5 billion-$10 billion.

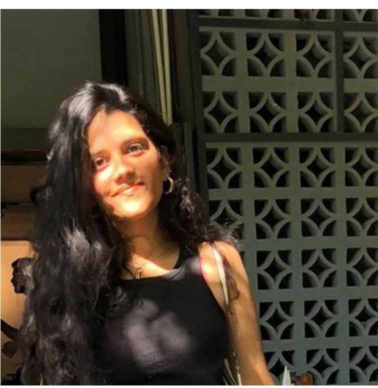
From of the remaining roughly $210 billion, it has been spent on airports, new roads, an innovation hub with hotels, and state-of-the-art underground transit. Every week since 2010, FIFA has reportedly spent around $500 million on world cup 2022. Qatar has spent more than $15 billion to build a residential complex in Doha known as 'The Pearl' and the Doha Metro system has spent about $36 billion on various services and improvements.

While Qatar spent $220 billion, Russia spent $11.6 billion to host the FIFA world cup in 2018, Brazil $15 billion in 2014, South Africa $3.6 billion in 2010, Germany $4.3 billion in 2006, Japan $7 billion in 2002, France spent $2.3 billion in 1998, and the united states $500 million in 1994. So far 30 lakh tickets have been sold for the world cup in Qatar. Similarly, tickets for Qatar matches are more expensive than tickets for world cup held in Russia in 2018.

The average ticket price for the final is 684 pounds which are 66,200 rupees. Compared to other matches, Qatar matches cost £286 per ticket, while FIFA world cup 2018 in Russia costs £214 per ticket. Qatar tickets are the most expensive in the last 20 years. Of the $220 billion spent by Qatar, only a small fraction will be recovered.

But Qatar's investment is only a part of the Qatar National Vision 2030 project, according to Sheikh Ahmed bin Nasser bin Jassim Al Thani, Qatar's ambassador to Russia.

By Khushi Jain



Update for the day #1611 | Government's FY23 food subsidy bill likely to cross Rs 3 lakh crore

The government's food subsidy bill is likely to cross Rs 3 lakh crore during the current financial year, nearly 50% more than the budget estimate of Rs 2lakh crore. This is primarily due to the extension of free foodgrain scheme, PM Garib Kalyan Ann Yojana (PMGKAY) till December.

According to estimates, this will be the second highest subsidy outgo for providing highly subsidized and free foodgrains to nearly 80 crore identified beneficiaries.

Earlier the maximum amount provided in the budget was in 2020-21 of Rs 5.2 lakh crore. But Rs 3.4 lakh crore of this fund was utilized towards settling loans availed by the Food Corporation of India from the National Small Savings Fund. This had reduced the interest burden of government-owned FCI, which has helped reduce the economic cost of foodgrains.

The government has extended the PMGKAY for the seventh time till December and officials said this is likely to push the subsidy up by another Rs 1.2 lakh crore.

Under the PMGKAY, the government provides 5 kg of monthly free foodgrain to each beneficiary. This is in addition to 5 kg of highly subsidized wheat and rice that Centre provides to each of these beneficiaries every month.

The government had launched the PMGKAY in April 2020 to provide a shield to the poor during the Covid-19 pandemic. Earlier, the food ministry had said that the total expenses in all the seven phases of PMGKAY would be around Rs 3.9 lakh crore.

By Chaithra P

Update for the day #1612 | Before Elon Musk, Twitter Had More Than 7,000 Workers. It Is Down To...

Elon Musk laid off more Twitter Inc. workers from the sales side of the social network's business beginning late on Sunday, further trimming a staff that had already been decimated by cuts and resignations.

Last week, Musk had asked workers to commit to his more "hardcore" version of the company or leave. Sales employees signed on to his vision in greater numbers than workers on the technical side, which saw mass resignations, according to people familiar with the matter. Musk is using the cuts to balance out the remaining staff, said the people, who asked not to be identified discussing internal decisions.

Some of those who were fired started to receive notice on Sunday, according to two people familiar with the matter, though it's unclear how many will be impacted in the current round. Platformer earlier reported the news.

Twitter's sales organization held an all-hands meeting on Sunday with Musk and the new head of sales, Chris Riedy, two people said. Many employees showed up expecting some announcement about cuts, after Bloomberg reported Saturday that more were coming. Instead, Musk used the time to talk about ongoing updates, including his decision to reinstate the account of former US President Donald Trump, one of the people said. He also explained that the company needed to make ads more targeted to particular users, according to another person familiar with the remarks. There was no mention of layoffs during the meeting. Employees who were cut received notice via emails entitled: "Your Role at Twitter."

"After further review of our workforce, we have identified roles within our organizational structure that are no longer necessary," the note reads, according to a copy seen by Bloomberg. An internal counter of employees currently reads 2,750, one person said, though some resignations and cuts may still be in the process of being counted. Twitter had more than 7,000 employees before Musk took over in late October.

By Shreemanth B

Update for the day #1613 | A star rating for Chips and Chocolates?

Let's be honest. We all like to munch on snacks every now and then. It could be a pack of instant noodles, popcorn or a bag of potato chips. It's a nice way to deal with your cravings.

And Indians are getting addicted to this stuff. According to one survey conducted by Mondelez International and The Harris Poll, 8 out of 10 Indians surveyed said they were replacing entire meals with snacks.

And not any kind of snacks. Mostly packaged food. And according to Euromonitor it seems the sale of ultra-processed food in India tripled from 2 kg per capita in 2005 to 6 kg in 2019. And it's expected to hit 8 kg by 2024.

But we all know it's not a healthy alternative.

Processed food begets obesity, diabetes, hypertension, and cardiovascular problems. It can make an entire population sick and unhealthy. So, what do you do about it?

Well, it seems, the FSSAI (Food Safety and Standards Authority of India) has a new formula— A star rating pasted on the front of food and snack packets telling you exactly how healthy or unhealthy the product is.

Now, we've already talked about star ratings in the past by describing Australia's health star rating system, a rather authoritative guide on ranking edible products. In their own words—

The Health Star Rating system is based on comparing products within similar food categories and allows us to quickly compare the general nutritional profile of foods within that category.

For example, we can compare one breakfast cereal with another, one muesli bar with another, or one margarine spread with another… Health Star Ratings can help you choose between similar products which are typically displayed together (e.g., whole grain bread and white bread)

The star ratings will vary between half a star and 5 stars. And it takes into account various nutritional information to determine what deserves a higher rating and what doesn't.

According to Australia's guide at least, a health star rating of 3.5 or less is generally deemed unhealthy and so you can make a reasonable assessment of the quality of food you're consuming.

And since the ratings will be labelled right in the front, it should serve as a useful guide, no?

Well, not everybody thinks so. Not least the folks at the Nutrition Advocacy for Public Interest (NAPi).

In March, they wrote to the Health Ministry and the public policy think-tank Niti Aayog about the matter. And they highlighted one key thing.

Their contention is that it's easy to manipulate star ratings. For instance, a chocolate bar that's high in sugar could throw in some nuts and boost its rating. They could also substitute sugar with

other alternative sweeteners and create a product that ranks better.

Well, they've tried it in Australia and let's just say that it hasn't quite worked out.

Mark Lawrence, professor of public health nutrition at Deakin University in Australia, told The Ken that 73% of ultra-processed food on supermarket shelves displayed ratings of 2.5 stars or higher.

Effectively, said Lawrence, who studied the star rating implementation, the ratings failed to convey anything of value—nutrition-wise—to the consumer [what does a 1.5 star really tell you about the actual sugar content?].

In Australia, products like Diet Coke (loaded with artificial sweeteners) and 'no sugar' gummy candies received four and five stars respectively, while a pack of olives received one star, and free-range eggs received four stars. So, you can see why some folks are unhappy with the new recommendation. But if a star-based system doesn't work, what would work you ask?

More specifically, color-coded symbols with interpretive text (e.g., vegetarian and non-vegetarian symbols).

In fact, the country's food regulator, FSSAI published a draft paper in 2018, in a bid to overhaul food labelling and display guidelines. And it had some pretty solid suggestions.

For instance, consider the recommendation on color-coding certain basic nutrient information— If a serving contained sugar, salt, or fat beyond a specified threshold (say 30% of the recommended daily intake), then a red block would indicate to consumers that they aren't necessarily making a healthy choice.

After all, if you consume a sizeable part of your daily recommended sugar intake with a single candy bar, then you should be entitled to know upfront you're making that choice.

In fact, the food regulator even noted that they "may introduce a color-coding system in addition to marking of foods as 'Red' within the specified thresholds from time to time." A year after the country introduced the warning system, "the per capita consumption of carbonated beverages [stuff such as Pepsi and Coke] reduced by 24.9% in the first evaluation".

So yeah, maybe that's what we really need if we're trying to junk our unhealthy snacking habits.

By Roshan Bhandari

Update for the day #1614 | How RBI's repo rate hike will impact the economy!

On September 30, the Monetary Policy Committee (MPC) increased interest rates by 50 basis points, as anticipated, to 5.90% while maintaining its FY23 inflation prediction of 6.7 per cent. In August 2022, CPI inflation rose to 7.0% YoY from 6.7% in July.

In addition to the US dollar's ongoing unpredictability, ongoing monetary tightening, increasing inflation, and concerns of a worldwide recession in the financial markets, these factors might have a detrimental effect on emerging market economies and seriously jeopardise economic prospects for development.

In order to control persistent inflation, RBI will keep working to maintain financial stability, and it is well known that a hike in key rates results in banks hiking their lending rates, let's find out how they impact one's monthly EMI and savings

Speaking on the impact on the economy, credit demand of banks, and housing demand, Atanuu Agarrwal, Co-founder, Upside AI said "Rising interest rates are designed to slow-down the economy, so a slowdown in general credit demand and housing should be expected. In any case, credit demand has outpaced growth in deposits, so this could help bring the two to parity. Upcoming festive demand may take the edge off slowing growth."

"Expect to pay higher EMIs on your floating rate loans, which is the case for most mortgages and in time, receive higher interest on your deposits. High inflation and rising deposit rates may lead to relatively lower discretionary spends," he further added as an impact on our finances.

The expense of education is on the higher side, and soon the interest rates for education loans will rise along with those for other loan types. Following the RBI's policy repo rate increase, as a result, consequently, the RBI repo rate increase would have a major effect on students. By enquiring about how higher repo rates would affect student loans Mr. Ankit Mehra, CEO and Co-founder of GyanDhan said

"Interest rate on loans will increase shortly. The increased rates could deter some prospective borrowers, but we don't expect a significant drop in numbers as the increased education and living costs will result in more borrowing needs.

Students with existing loans who might find the increased EMI burden difficult to manage in the light of an almost 2% increase this year should talk to lenders to adjust their loan tenures."

By enquiring about the consequences for the economy, bank credit demand, and housing demand, Hemang Kapasi, Head of Equity, Sanctum Wealth said "India has always been a ~7-8% interest rate economy and with inflation, at 7% we see limited hikes in future.

At this juncture, the scenario in India is such that corporates and households' finances are relatively in far better shape. Corporates are sitting at the lowest leverage in the last 15 years and the highest capacity utilization of 74%+ bodes well for the CAPEX cycle.

The household savings rate at 22% is among the highest in the last decade despite which we are seeing good demand for both housings as well as personal spending front.

These factors make us believe that these interest rate hikes would not have any significant impact on the overall demand in the economy."

By Manu M

Update for the day #1615 | An Explainer on Carbon Border Tax

Imagine you are a manufacturer of steel—a darn useful commodity that's used in industries across the world, right from cars to pharmaceutical appliances to building bridges.

But steel manufacturing is an energy-intensive process. It emits a lot of carbon dioxide (Co2) and is responsible for 8% of global greenhouse gas emissions. It is not a good thing for the environment.

And countries are aware of this. So, they might decide to impose a special tax on everyone who manufactures this 'dirty' steel. It is called the carbon tax.

And the goal is simple—if you penalize 'dirty' production practices, manufacturers will innovate and find greener ways to produce steel. This in turn should reduce emissions. It is all part of the quest to limit the rise in global temperature.

But not all countries in the world are on the same page. According to the World Bank, there are 47 national jurisdictions (think of it as countries?) that have imposed some form of carbon pricing. The others are still sitting on the fence.

Now, this creates a dilemma, it could result in something called carbon leakage.

You see, when a country imposes a carbon tax on domestic industries such as steel, it stunts its own industrial growth. Simply because the steel manufacturer's costs rise (due to the carbon tax) while the margins take a turn for the worse.

It cannot pass on the costs to its customer, say a car maker, simply because the car maker is not actively trying to source 'green steel.'

They are trying to survive in a very competitive environment and they know that customers will not shell out more for a car made of green steel. So, the carmaker simply sources 'cheaper' steel from a country where there is no additional cost (without a carbon tax for instance).

The steel manufacturer loses its competitive edge. It is outpriced by its peers in the global market. And before you know it, it might even have to wind up operations. And that is not good for the country especially since it's happened in the noble pursuit of combating climate change.

Or there is another more extreme version of this.

Let us imagine you are a steel manufacturer once again. If you believe that the carbon tax could hurt you, you might think that you are better off setting up a steel manufacturing unit in another country. One that does not impose such taxes.

And then you can export the goods back to your home base. It is a simple workaround. But it could save your business.

On the other hand, it does not really reduce carbon emissions in any way. It is merely transferred

to a different location. Not only has the country lost its steel manufacturer, but it has not helped climate change in any way too. It is pretty disappointing!

Anyway, with that long introduction (or explanation!) about carbon tax and leakage out of the way, let us turn to what is happening in the European Union (EU).

You see, the folks there have been paying close attention to this matter. And despite some evidence, including some evidence from the World Bank, showing that carbon leakage is not really prevalent, the EU is still worried that their carbon tax could hurt their domestic industry.

So, they now want to link trade policy with climate policy. And introduce what is probably the world's first 'transitional carbon tax'. Or what is formally known as the "carbon border adjustment mechanism" or CBAM.

The concept is simple. If a company in the EU is importing stuff that's part of 5 industries—cement, iron and steel, aluminum, fertilizer, and electricity—it will have to buy a carbon certificate first.

This in turn will cost them money. How much money? Well, pretty much the same thing that they would have had to pay as carbon tax if they were producing the steel within the EU itself. It is an equalization levy or an import duty to level the playing field.

And this could eliminate the price discount on steel between the EU and other countries. If the EU importer can prove that the original manufacturer has already paid some sort of carbon tax, then it can claim a refund.

This way, the EU's domestic industry is protected. And EU companies won't even think about setting up manufacturing units outside the country just to save on carbon taxes.

Anyway, all this is still in its early stages. They're planning a test run from 2023 to 2025. And they'll capture all the carbon-related data during this period. Once the calendar turns to 2026, the real tax will kick in.

But India is quite unhappy with this carbon tax matter. In fact, we even raised it at the recently concluded UN Climate Change Conference or COP27.

India exports over €5 billion worth of CBAM-related products to the EU. If EU importers have to pay taxes on these products now, it makes Indian goods more expensive. And they may choose not to deal with India anymore. Naturally, that would hurt India's exports.

The question India has is—all these years, developed countries have not taken enough responsibility for their role in climate change;

they've not contributed enough to climate change funds to help vulnerable countries; now, a carbon border tax is simply a protectionist move—saving one's domestic industry—by hurting developing economies even more.

Anyway, there are still a lot of discussions pending on how best to implement this idea. So, it isn't happening overnight.

But nonetheless, we would do well to protect the country against this exigency. After all, even

the UK and the US are mulling over the idea. And these are big trading partners.

So yes, hopefully, we figure out something quite soon.

By Arun Nagarajan

Update for the day #1616 | Building ships to defend India

India spent a whopping $77.6 billion on defense and military capabilities in 2021! We were the third-highest spender in the world. Many would say that it's money well spent to protect our borders.

But there is a problem here.

A good chunk of this money goes to foreign institutions. We're actually the largest importer of arms in the world, accounting for almost 11% of the total global sales. Simply put, we haven't done enough to create self-reliance or atmanirbharta on this front. And while in 1992 we set a goal to achieve 70% self-reliance, we were still at 38.5% in 2011.But it's been changing slowly over the years. Now, 64% of the Indian military budget is being set aside for domestically-produced arms. And it's benefiting a select set of companies building for India—most notably Mazagon Dock Shipbuilders Ltd—whose share price has soared by 200% in the past 3 months.

Now MDSL has been around for centuries now. It began life in 1774 as a dry dock (where you drain out water to conduct ship inspections and repairs) in the village of Mazagon in Mumbai. The objective then was to service ships belonging to the British East India Company. And it was only in the 1960s that the Indian government looked at the company and said, "Hey, we need to relook at our defense manufacturing capabilities and can't have the private sector waltzing about. We're going to nationalize these guys." Since then, MDSL has lived life as a defense public sector undertaking (DPSU). If the Indian Navy wants a submarine, they turn to MDSL. If they want a destroyer that can take out enemy warships, it's MDSL in the mix again. It has a virtual monopoly in these two domains. And in fact, it was MDSL that built the first 'Made in India' submarine named INS Shalki in 1992.

But why is there a sudden interest in the company now? Well, to be honest, it's not really sudden. When MDSL went public (IPO) in October 2020, people were clamoring to get a piece of the stock. On the day it was listed, its shares popped by 50%! And there have been a few things driving this frenzy.

The first is the intention to go local. There are over 1200 defense components listed for indigenization. Meaning India wants to produce these parts locally. And 144 parts go on warships made by MDSL. Granted MDSL won't be making all these parts themselves. But they're going to rely on private Indian players. The hope is that this will expedite sourcing and cut costs, boosting company margins. There's also the fact that the company has a massive order backlog of ₹43,300 crores—declared in August 2022. This isn't revenue. It's sort of a leading indicator that tells you all the projects in their pipeline that could translate to revenue over the next 24 months. And finally, there's the broad theme playing out that may aid MDSL. It has to do with the Indian Navy. See, typically, a bulk of the defense budget goes to the army and the air force. Simply because we share a land border with both Pakistan and China and they haven't been the friendliest of Neighbors. So, to reinforce the borders we've been spending the bulk of our monies on the army and the air force. Also, we haven't had too many naval skirmishes. So, there's that. But recently, India's been playing a more strategic role in the Indo-Pacific region. We're now part of the QUAD group that includes Australia, the US, and Japan. And it has 'maritime security' at

the top of its agenda. And India will want to up its naval game a bit, especially considering the Chinese threat. See, China has 36 large surface warships and we have just 10. China has 105 small surface battleships and India has just 32. Our Neighbor has 58 submarines against our 16. We need to beef up our figure. And that's probably one reason why our naval budget has seen a rise—from a 16% share of the overall defense budget to 19% in just the past couple of years. But here's the kicker…we aren't just pouring money into hiring more personnel and maintaining the current fleet. Instead, it's more about modernization. We need massive ships that can house fighter jets and choppers; we need destroyers that can take out torpedoes; and we need quick, smaller corvettes to patrol the coast and keep an eye on submarines. Oh, and we need a bunch of stealthy submarines for ourselves too. So, we're building our navy fleet in a big way as part of India's grand Maritime Capability Perspective Plan (MCPP). And you can imagine what this means for a defense PSU such as Mazagon Dock. Since the 1960s, MDSL has built 799 vessels, which include 26 warships—destroyers, missile boats, and submarines. They've been there and done that.

With major submarines & warships projects in the pipeline worth around ₹1.82 lakh crores over the next decade, investors are feeling quite gung-ho about MDSL's prospects. The question now is—have investors already priced in all this growth? Just 6 months ago, it was trading at a price multiple of only 10 times its earnings. Today, it has soared to 29 times. And that's not cheap. Especially for a government-owned company. So, does the stock still have steam or is it going to remain at the dock for a while? Well, you tell us.

By Yashaswini R U

Update for the day #1617| Five state-run lenders enter the league of India's 10 most-valued banks

A rally in public-sector bank stocks has led five of them to the top 10 most-valued Indian lenders this year, compared to three in 2021.

State Bank of India, Bank of Baroda, Canara Bank, Punjab National Bank and Union Bank of India are in the top 10.

SBI is India's third most-valued lender with a market capitalization of Rs 5.44 lakh crore, BOB ranks seventh with Rs 88,120 crore, Canara Bank (Rs 59,557 crore) ranks eighth, PNB (Rs 55,935 crore) ranks ninth and Union Bank of India (Rs 53,721 crore) ranks 10th.

At the end of 2021, SBI, BOB and PNB were in the top 10.

HDFC Bank remains India's most valued bank with a m-cap of Rs 9.06 lakh crore, followed by ICICI Bank (Rs 6.54 lakh crore).

The Nifty PSU Bank index has outperformed the Nifty Bank index by a wide margin so far this year. The Nifty PSU Bank jumped 60 percent while the Nifty Bank index advanced 21 percent.

All PSU banks are trading at 52-week highs, while SBI hit a record high on November 7. Bank of India was the top mover year to date, with gains of over 106 percent, followed by Indian Bank, which rose 98 percent. Union Bank of India and Canara Bank gained 75 percent and 65 percent, respectively. Bank of India, UCO Bank and Bank of Maharashtra each climbed about 50 percent.

Credit, deposit growth

Analysts attributed the rally in PSU bank stocks to robust earnings along with higher credit growth and improvement in asset quality in the September quarter. Analysts also expected the strong performances to continue.

"PSU banks have benefitted from rising credit demand, given their lower loan-to-deposit ratio, large low-cost CASA (current and savings account) deposits, stable/improving asset quality, stable cost-to-income ratios and improving NIMs (net interest margins)," said Deepak Jasani, head of retail research at HDFC Securities. "Most of these benefits were already being enjoyed by private banks in the past. Lower valuation of PSU banks helped a faster rerating of their stocks."

Collectively, the 12 PSU banks posted a 50 percent increase in profit to Rs 25,685 crore. On a quarter-on-quarter basis, earnings increased 68 percent.

Barring Bank of India and PNB, all public-sector banks reported a rise in profit year-on-year and quarter-on-quarter. Bank of India's net profit fell 8.7 percent from a year earlier, while PNB reported a 63 percent drop in profit.

The gross and net non-performing assets (NPAs) of all listed PSU banks declined YoY and QoQ. Aggregate gross NPAs fell 16 percent and 8.3 percent QoQ to Rs 4.87 lakh crore in the

September quarter, while net NPAs dropped 30 percent YoY and 13 percent QoQ to Rs 1.29 lakh crore.

Loan growth for most PSU banks was healthy and in double digits, except for Punjab & Sind Bank, which reported a 9 percent YoY increase in lending.

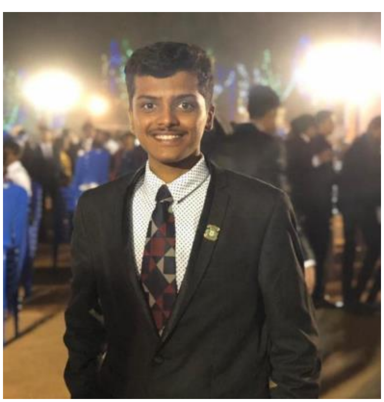
Bank of Baroda, Canara Bank, SBI and Union Bank of India reported deposit growth in double digits.

Bank of Maharashtra had credit growth of 30 percent YoY while its deposit growth was just 8 percent.

Union Bank of India's credit growth was 25 percent, followed by Bank of India at 22 percent. Canara Bank and SBI had a 21 percent increase in credit growth.

"Performance of PSU banks during the last 10 years has been very poor. This led to under-ownership in PSU banks. FIIs, DIIs and HNIs avoided them. This led to poor valuations of PSU banks, with most of them quoting below their book values. Now, the situation has changed. Improving asset quality, impressive credit growth and rising interest rates have improved the profitability and prospects of PSU banks. Consequently, the price differential between private and PSU banks has narrowed, leading to their outperformance," said VK Vijayakumar, chief investment strategist at Geojit Financial Services.

By Vishnu Bhushan D



Update for the day #1618 |A word of advice on OTT and the draft telecom Bill

The Ministry of Communications released a draft of the Indian Telecommunication Bill, 2022 last week for public comments. Since then, the draft has generated a significant amount of discussion on various changes that it proposes to make to the current telecom regulatory framework.

What is the draft Indian Telecommunication Bill, 2022?

The draft Indian Telecommunication Bill is an attempt by the government to update the extant regulatory framework in keeping with the advancements and challenges in the sector. Centre is planning to phase out the Telegraph Act,1885 with the new telecom bill catering to the era of 5G and IoT.

How does the draft telecommunication Bill affect over-the-top communication services?

Over-the-top (OTT) include messaging platforms like WhatsApp, Telegram, Signal, Messenger, Duo, Google Meet etc. These platforms use the network infrastructure of telecom service providers like Airtel, Vodafone and Jio and provide features that compete with telecommunication services such as voice calls and SMS services. Telecom Service Providers (TSPs) allege that these features result in a double whammy for them as they cut into their sources of revenue (voice calls, SMS) while not having to deal with infrastructure and licensing costs that they must undertake. Therefore, TSPs have been demanding a level playing field with OTT services.

The current draft of the Bill expands the definition of "telecommunication services" to include OTT communication services. Because of this, OTT telecommunication services may be subject to the same licensing conditions as TSPs.

What are some of the consumer protection measures in the draft Bill?

To curtail the ever-increasing incidence of spam calls and frauds, the draft Bill proposes that the identity of the person communicating using any form of telecommunication services shall be available to the user receiving such communication. This would mean that unlike now where only the phone number of the person making the communication is displayed, going forward the name of the person would also be displayed. As per the Communications Minister, this facility would not only be available for voice calls but also for users of OTT communication services.

The draft Bill obligates license holders to identify the users of its service through a verifiable mode of identification. To ensure that a user provides correct details, the draft Bill penalizes providing wrong identification details with a ₹50,000 fine and suspending the operation of the specific mobile number or barring the person from using the telecom service for a certain duration. Further, the draft Bill also provides that commercial communications which are advertising and promotional in nature should be made only with the prior consent of a subscriber.

What are the draft Bill's provisions on internet shutdowns?

For the first time in the Indian legal framework, a specific provision enabling the government to order suspension of internet power has been introduced through the draft Bill. Currently, suspension of internet services is ordered under the Temporary Suspension of Telecom Services (Public Emergency and Public Safety) Rules, 2017 that have been made under the Indian Telegraph Act, 1885. However, civil society has raised concerns that the proposed provision gives the government power to order internet shutdowns while failing to incorporate safeguards such as judicial oversight that have been recommended by the Standing Committee on Information Technology.

By Karthik A S

Update for the day #1619 | Why Musk denounced Bitcoin?

The value of Bitcoin crashed recently after Elon Musk made a very public announcement regarding the cryptocurrency. It came out of the blue and it left everyone surprised.

The Story

In February of this year, Tesla announced that it had purchased $1.5 billion worth of bitcoin while also suggesting that it intended to accept Bitcoins as a mode of payment from people looking to buy its vehicles. This was a show of confidence by all accounts. And the value of the cryptocurrency soared.

But then, just last week, Elon Musk broke his promise. After selling about 10% of the company's bitcoin holding, he announced that Tesla had suspended purchases using bitcoin amid concerns surrounding the use of fossil fuels in mining.

The price of bitcoin crashed and investors were up in arms. And while you might question the timing of the announcement, Musk was indeed pretty accurate with his assessment.

Mining bitcoin is expensive. Each participant in the network solves a mathematical problem to keep the network secure. And these computations are carried out using sophisticated computers that use inordinate amounts of energy. Reports allege that the bitcoin network consumes as much electricity as a medium-sized country (Like Egypt).

And since miners predominantly operate in countries that offer cheap electricity by burning dirty fuel, it's been a source of concern for many people in the ecosystem.

The only problem however is that Elon Musk knew all of this back in February. So why would he make such a public announcement only to retract a few months later? It doesn't make any sense. In fact, many people now believe that he's dabbling in market manipulation.

That this was a deliberate ploy to affect the value of Bitcoin. However, considering Tesla has promised not to dump their bitcoin holdings yet, maybe there's a different explanation.

One theory, in particular (from a Twitter user), is gaining interest. Unfortunately, it's a bit difficult to wrap your head around this one. So, we will have to take a minor detour before we get to the meaty bits.

Let's start with Tesla and America's environmental initiatives. Many states in the US mandate automakers to produce a certain number of clean energy vehicles or in other cases reduce CO2 emissions. If they don't, the state penalizes them.

So, if you're a traditional automaker who's still struggling to put together the infrastructure

needed to pump out energy efficient vehicles by the bulk, then you're in for a rough ride. Thankfully, however, you do have a "get out of jail" card. If you can't meet your quota, you can go to somebody who does.

For instance, consider Renewable Energy Certificates (RECs). These certificates or credits, as they are often called, prove that you've done your fair share in reducing the carbon footprint. And if you generate excess credits, beyond your mandated quota, you can sell them to others, who have trouble meeting their targets. You can make money off of this scheme if somebody is willing to pay up. Tesla, as you may have already guessed is in the business of renewables and since they're a market leader of sorts, they get access to boatloads of RECs. RECs, they can sell to traditional automakers like Fiat-Chrysler and General Motors.

And this works well for stakeholders involved. The old companies now have to pay the likes of Tesla to avoid harsh penalties and Tesla has an added incentive to keep producing more energy-efficient vehicles.

And if the old guard doesn't fall in line and make the transition to EV, then they'll have to keep paying their biggest competitor boatloads of money each year. It's a huge disincentive.

In fact, Tesla made $428 million from selling RECs between April and June 2020. And while that may pale in comparison to the $6 billion, they made in total revenues that quarter, you have to remember that the RECs come at no cost.

They are pretty much pure profits. So, it's kind of a big deal. Unfortunately, for Tesla, traditional automakers are catching up. They're trying to meet the clean energy quota themselves and they may no longer need Tesla to sell them the coveted RECs. So, analysts have been skeptical of Tesla's prospects on this front.

But then in April 2021, something changed.

The White House asked the Environmental Protection Agency to study whether electric vehicles can generate renewable fuel credits.

This is a bit different from the RECs that we just talked about. Since 2005, the US has also had a plan in place to reduce energy emissions. Under the U.S. Renewable Fuel Standard, oil refiners were expected to blend a certain number of biofuels into their fuel mix.

If they didn't meet the quota, then they were expected to buy tradeable credits from those that did. These credits were called Renewable identification numbers or RINs. It's like RECs, only in this case, it's supposed to aid progress in the renewable energy market.

And as of today, this market is dominated by ethanol producers who sell these lucrative credits to oil refiners across the US.

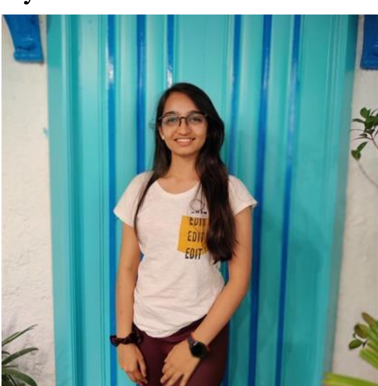
But with the White House now seeking a review, it might pave the way for the likes of Tesla to participate as well. The company already produces electricity from biogas.

And a recent report from Reuters alleges that Tesla has an application pending with the Environment Protection Agency. If it goes through, Tesla could potentially start generating and selling RINs while also mustering billions in revenues.

It's an opportunity you simply can't afford to pass up. So, the story goes that Musk disowned Bitcoin in an attempt to reinforce his commitment to the environment.

That this was all an elaborate ploy to sway the regulators at the EPA. It's an interesting theory.

By Sahana Shree Herle



Update for the day #1620|The Fashion Destruction

"Black Friday sale! 50% off on the latest fashion!"

"Flat 30% off on the new winter collection!"

"End of Season Sale—Buy 2 get 1 free!"

These ads are so compelling, no? Like a bargain, you seemingly can't miss. But you may have noticed something else too. The damned seasons! When it comes to apparel, there are so many seasons, you can almost lose count.

However, things weren't always this way. Before the 2000s you largely had four seasons within the domain of mainstream fashion.

You had Spring, Summer, Autumn and Winter. But international fashion brands—especially the likes of Zara and H&M rubbished this idea. They didn't think clothes remained in style for 3–4 months. They believed styles change every week.

And so, they drove home this idea, quite well actually. So, we now have 52 "micro seasons" a year. And fashion brands can pad their bottom line by selling more apparel each year.

That's fast fashion for you!

Although here's the thing…in a bid to keep up with the trend ever so often, we are doing irreversible damage to the planet.

Between 2000 and 2014, we doubled clothing production—we now churn out a staggering 100 billion items of clothing every year! Also, the average person today buys 60% more clothes compared to 15 years ago. And you know what's even worse? We dump them in half the time.

Okay…by 'dump' and 'thrown away', we don't mean we're donating to charity.

Not really. Sure, some of it finds its way to charitable causes. But most of it ends up going directly into landfills. If you want to visualize it—think of an entire garbage truck dumping clothes in a landfill every second! That's how insane all of this is.

And guess how long it takes for these clothes to decompose?

Over 200 years!

The dress you bought today will likely remain on the planet till at least the year 2222!!! And it takes that long because most apparel today is made using synthetic, petroleum-based fibers. It's not natural.

There's more. We've only just tabulated the damage clothes due to the planet after production. What about before? During manufacturing?

10% of global CO2 emissions come from the fashion industry. That's more than international flights and maritime shipping combined.

Then there's water consumption. The fashion industry consumes about 100 trillion liters of water annually. Mostly because of cotton farming. Cotton is the most widely used natural fabric for clothing and it needs a lot of water.

Higher demand for apparel also means we're using excess fertilizers to keep up with demand. So as is, cotton thirsts for water, which means we're depleting fresh and groundwater resources along with contaminating soil quality by bombarding them with fertilizers.

For context, that cotton t-shirt you're wearing needed 2,700 liters of water.

And jeans, about 3,800 liters of water. That's the amount of water you drink in three years!

Then, there's dyeing and treating fabric that ends up generating 20% of the world's wastewater. Wastewater that contains phenol and heavy metals like copper, mercury and chromium. This polluted water seeps into streams and groundwater.

Which we then use to irrigate crops. This contaminates the food and yeah, we fall sick sometimes.

In summary, the fashion industry is responsible for a triple planetary crisis. That's just a spine-chilling term used to describe what the world is currently facing—climate change, pollution and biodiversity loss.

So, the question is—how do we solve this?

Well, fast fashion brands are slowly taking steps to do their bit and control the damage. Zara for instance "recently committed to make 50% of all clothes with recycled materials and ecologically grown cotton, for the year 2022."

And H&M is encouraging its customers to bring back unwanted clothes so that they can recycle them.

And then there's us.

Maybe we can be the solution ourselves by just not following every microtrend? After all, simply

using apparel for an extra 9 months can reduce the carbon footprint by 30%!

Also, if you upcycle your old wardrobe, you could have a fresh collection that's as good as new. You could tear up old jeans and make yourself a bag or even a pair of cool shorts. An old saree can even transform into a new lehenga.

So yeah, the next time you see a Black Friday or End of Season Sale, maybe just reconsider for a minute before you make that purchase.

By Priyank N Jain

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