SURESH & CO.,

EMERGING THOUGHTS

July 11, 2023

VOLUME 6 | ISSUE 3

SURESH & CO.

Chartered Accountants

Contents

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.

"Desire! That's the one secret of every man's career. Not education. Not being born with hidden talents. Desire."

Update for the day #1681 | Russia starts foreign trade settlements in rupee

The Reserve Bank of India (RBI) in July this year introduced guidelines to promote the settlement of international trade in rupee Russia has become the first country to begin settlement of foreign trade in rupee, giving up dollar and euro all together. Recently, a few transactions in the Indian currency involving Russian firms have taken place. The Reserve Bank of India (RBI) in July this year introduced guidelines to promote the settlement of international trade in rupee.
Financial Express in a report quoted trade sources saying more transactions in rupee are likely to take place in coming months as a sanction-hit Russia has opened a dozen-and-a-half vostro accounts to facilitate trade.

Countries interested in rupee trade mechanism:
There are about 30-35 countries, including those from Asia, Scandinavia and Africa who have expressed interest in better understanding the rupee trade mechanism for possible adoption.
India's neighbours – Sri Lanka, Bangladesh, Myanmar, Nepal – which have been facing shortage of dollar reserves have also shown interest in trade settlements in rupee.
India is also in talks with Southeast Asian, African and Latin American countries to start trade settlement in rupee.

Which Russian banks have opened vostro accounts?
In the recent months, trade with Russia has increased as it has enhanced the supply of discounted crude to India. After Russia began invasion in Ukraine, several Western countries slapped sanctions on Moscow, putting off the SWIFT system (the system which is used by banks for payments in foreign currency). Russian banks including Sberbank, VTB, Gazprom, BCS, MTS, Tinkoff, Soyuz, Credit Europe Bank (Russia), PSCB, Ros and JSCB have opened Vostro accounts. Of these, six accounts have been opened with IndusInd Bank and one each with UCO Bank, HDFC Bank, Union Bank of India and Canara Bank.
As per the *FE* report Sberbank and VTB have opened one such account with their local branches. Meanwhile, SBI Mauritius and People's Bank of Sri Lanka have opened vostro accounts with State Bank of India (SBI). Sri Lankan banks — Seylan Bank, NDB Bank and Commercial Bank of Ceylon — have opened vostro accounts with Indian Bank. Bank of Ceylon has opened one such account with its branch in India.

By Sai Manjush Y

Update for the day #1682|Finance Minister Nirmala Sitharaman announces big booster for tax payers

Union Finance Minister Nirmala Sitharaman on Wednesday presented the Union Budget 2023, the fifth budget of Modi 2.0. In the last full-fledged Budget before the general elections next year, Nirmala Sitharaman said that the Indian economy is on the right path and heading towards a bright future. In a big boost for taxpayers and economy, Sitharaman announced major changes in tax slabs under the new tax regime and big hike in allocation for railways and capital expenditure.

Here follows detailed reading of the various measures Finance Minister Sitharaman announced in Budget 2023 applicable to income tax payers:

- No changes in the old tax regime
- New tax regime to become the default tax regime. However, citizens can opt for the old tax regime.
- No tax on income up to Rs 7.5 lakh a year in new tax regime (with inclusion of standard deduction)
- Govt proposes to reduce highest surcharge rate from 37% to 25% in new tax regime.

New Income Tax Slabs Under New Tax Regimes

Rs 0-3 lakh: Nil
Rs 3-6 lakhs: 5%
Rs 6-9 lakhs: 10%
Rs 9-12 lakhs: 15%
Rs 12-15 lakhs: 20%
Rs Over 15 lakhs: 30%

- An individual with annual income of Rs 9 lakh will have to pay only Rs 45,000 in taxes: FM Sitharaman
- Income of Rs 15 lakh will fetch Rs 1.5 lakh tax, down from Rs 1.87 lakh.
- A Rs 50,000 standard deduction to taxpayers has been introduced under the new regime.
- Payment received from Agniveer Corpus Fund by Agniveers to be exempted.
- Tax exemption removed in insurance policies with premium over Rs 5 lakh.
- For online games, govt proposes to provide for TD and taxability on net winnings at the time of withdrawal or at the end of fiscal.
- Tax exemption on leave encashment on retirement of non-government salaried employees hiked to Rs 25 lakh from Rs 3 lakh.
- A higher limit of Rs 3 crore for TDS on cash withdrawal to be provided to co-operative societies.
- Next-generation Common IT Return Form to be rolled out for taxpayer convenience.
- Grievance redressal mechanism to be strengthened.
- TDS rate to be reduced from 30 per cent to 20 per cent on taxable portion of EPF withdrawal in non-PAN cases.

What gets cheaper and what's get costlier:

Cheaper:

- Mobile phones
- TV
- Lab-grown diamonds
- Shrimp feed
- Machinery for lithium ion batteries
- Raw materials for EV industry

Costlier:

- Cigarettes
- Silver
- Compounded rubber
- Imitation Jewellery
- Articles made from gold bars
- Imported bicycles and toys
- Imported kitchen electric chimney
- Imported luxury cars and EVs

By Bhuvana S Bharadwaj

Update for the day #1683 | Who's getting the better deal in Microsoft's $10 billion tie-up with OpenAI?

There's so much to unpack about ChatGPT — and about Microsoft's expanded "multi-year, multi-billion dollar" partnership with OpenAI, which was formally announced by both companies.

There's an old saying in business that if you don't know who the fool is in a transaction, it's you. In the Microsoft-OpenAI deal, who is the fool?

The answer depends a lot on exactly how valuable you think ChatGPT and the other generative A.I. technologies that OpenAI currently has in its portfolio, such as text-to-image generator DALL-E 2, are, and how close you think OpenAI is to achieving its stated mission of artificial general intelligence (AGI)—which the company defines as autonomous systems capable of outperforming humans at most economically-valuable work.

First, a few details about the deal: According to sources familiar with the deal, Microsoft is investing $10 billion in OpenAI and the transaction values the company at close to $29 billion. In exchange, Microsoft is getting the right to 75% of OpenAI's profits until it earns back this $10 billion plus an additional $3 billion it has already invested in the company. After that, Microsoft will be entitled to a further 49% of OpenAI's profits until it earns a profit of $92 billion. At that point, Microsoft's shares in OpenAI will revert to OpenAI's non-profit foundation.

This structure alone is highly unusual. Microsoft said that as part of the partnership it is investing more in building A.I. supercomputing clusters in its Azure datacentres. It is possible that much of what OpenAI is actually getting out of the deal is the right to use these supercomputing clusters at little to no cost and that the $10 billion is largely a "payment-in-kind" for computing resources. In addition, it's unclear if Microsoft has to pay anything to OpenAI in terms of licensing or royalties to use its technology across its suite of products. If Microsoft integrates ChatGPT into Bing, as it is reportedly planning, will OpenAI make a tiny cut on every search?

With all that said, who is getting the better bargain here? The terms certainly seem extremely favourable to Microsoft. Even if it were paying the entire $10 billion all in cash and all in one year (which Microsoft seems to be indicating is not the case), this would represent just 15% of its $63 billion in free cash flow over the past 12 months. That's not a lot of money to pay for a technology that is likely to deliver an array of advantages to Microsoft, not least the first real shot its ever had at undermining Google's dominance in search.

A quick back of the envelope calculation: Search generated $150 billion in revenue for Google in 2021 and the company has about 90% of the global search market, compared to just 3% for Microsoft's Bing. If incorporating ChatGPT into Bing allows Microsoft to increase its market share to even just 10%, the additional revenue will likely already compensate for the $10 billion Microsoft is investing.

Google looks poised to roll out its own advanced chatbot, Lambda, and text-to-image generative A.I. systems. It is likely to experiment with an enhanced chat interface for its search engine too. Google's sister company DeepMind also has a chatbot, called Sparrow, that it now says it plans to release in a beta test this year.
What's more, Microsoft will essentially own OpenAI for what will likely be a long time. While OpenAI is projecting its revenues will ramp up dramatically, from less than $30 million last year to more than $1 billion by 2024, there's no clear indication of exactly when OpenAI will turn a profit, or how big that profit is likely to be.

Let's say OpenAI can manage to turn profitable in 2024 and has a net margin of 35%—which is not unreasonable for a software business–then it would make $350 million in net income, of which Microsoft would be entitled to 75%, or $262 million. My back of the envelope calculation is that even assuming OpenAI can then double its net profit every year going forward (all of these seem to me like hugely optimistic assumptions), it will still be a decade until Microsoft is paid off and OpenAI becomes largely independent again.

The only way this ends up being a bad deal for Microsoft is if OpenAI is able to use Microsoft's supercomputing infrastructure to actually achieve its goal of AGI, and do so ahead of any competitor. In that case, without any ownership in what would be one of the most powerful technological advances in human history, Microsoft will have settled far too cheaply. Interestingly, this could also end up being a bad deal for Microsoft if one of OpenAI's competitors, maybe one less focused on rolling out commercial products, gets to AGI first.

But, if I had to guess, I would think that in a decade's time, Microsoft CEO Satya Nadella will wind up looking very smart for having cut this deal—and that we will still be waiting for AGI.

By Sharan Manjunath

Update for the day #1684 | Adani Vs Hindenburg. Who is correct?

- Today we reveal the findings of our 2-year investigation, presenting evidence that the INR 17.8 trillion (U.S. $218 billion) Indian conglomerate Adani Group has engaged in a brazen stock manipulation and accounting fraud scheme over the course of decades.
- Gautam Adani, Founder and Chairman of the Adani Group, has amassed a net worth of roughly $120 billion, adding over $100 billion in the past 3 years largely through stock price appreciation in the group's 7 key listed companies, which have spiked an average of 819% in that period.
- Our research involved speaking with dozens of individuals, including former senior executives of the Adani Group, reviewing thousands of documents, and conducting diligence site visits in almost half a dozen countries.
- Even if you ignore the findings of our investigation and take the financials of Adani Group at face value, its 7 key listed companies have 85% downside purely on a fundamental basis owing to sky-high valuations.
- Key listed Adani companies have also taken on substantial debt, including pledging shares of their inflated stock for loans, putting the entire group on precarious financial footing. 5 of 7 key listed companies have reported 'current ratios' below 1, indicating near-term liquidity pressure.
- The group's very top ranks and 8 of 22 key leaders are Adani family members, a dynamic that places control of the group's financials and key decisions in the hands of a few. A former executive described the Adani Group as "a family business."
- The Adani Group has previously been the focus of 4 major government fraud investigations which have alleged money laundering, theft of taxpayer funds and corruption, totaling an estimated U.S. $17 billion. Adani family members allegedly cooperated to create offshore shell entities in tax-haven jurisdictions like Mauritius, the UAE, and Caribbean Islands, generating forged import/export documentation in an apparent effort to generate fake or illegitimate turnover and to siphon money from the listed companies.
- Gautam Adani's younger brother, Rajesh Adani, was accused by the Directorate of Revenue Intelligence (DRI) of playing a central role in a diamond trading import/export scheme around 2004-2005. The alleged scheme involved the use of offshore shell entities to generate artificial turnover. Rajesh was arrested at least twice over separate allegations of forgery and tax fraud. He was subsequently promoted to serve as Managing Director of Adani Group.
- Gautam Adani's brother-in-law, Samir Vora, was accused by the DRI of being a ringleader of the same diamond trading scam and of repeatedly making false statements to regulators. He was subsequently promoted to Executive Director of the critical Adani Australia division.
- Gautam Adani's elder brother, Vinod Adani, has been described by media as "an elusive figure". He has regularly been found at the center of the government's investigations into Adani for his alleged role in managing a network of offshore entities used to facilitate fraud.
- Our research, which included downloading and cataloguing the entire Mauritius corporate registry, has uncovered that Vinod Adani, through several close associates, manages a vast labyrinth of offshore shell entities.
- The independent auditor for Adani Enterprises and Adani Total Gas is a tiny firm called Shah Dhandharia. Shah Dhandharia seems to have no current website. Historical archives of its website show that it had only 4 partners and 11 employees. Records show it pays INR 32,000 (U.S. $435 in 2021) in monthly office rent. The only other listed entity we found that it audits has a market capitalization of about INR 640 million (U.S. $7.8 million).

- Shah Dhandharia hardly seems capable of complex audit work. Adani Enterprises alone has 156 subsidiaries and many more joint ventures and affiliates, for example. Further, Adani's 7 key listed entities collectively have 578 subsidiaries and have engaged in a total of 6,025 separate related-party transactions in fiscal year 2022 alone, per BSE disclosures.
- The audit partners at Shah Dhandharia who respectively signed off on Adani Enterprises and Adani Total Gas' annual audits were as young as 24 and 23 years old when they began approving the audits. They were essentially fresh out of school, hardly in a position to scrutinize and hold to account the financials of some of the largest companies in the country, run by one of its most powerful individuals.
- Gautam Adani has claimed in an interview to "have a very open mind towards criticism…Every criticism gives me an opportunity to improve myself." Despite these claims, Adani has repeatedly sought to have critical journalists or commentators jailed or silenced through litigation, using his immense power to pressure the government and regulators to pursue those who question him.
- We believe the Adani Group has been able to operate a large, flagrant fraud in broad daylight in large part because investors, journalists, citizens and even politicians have been afraid to speak out for fear of reprisal.
- We have included 88 questions in the conclusion of our report. If Gautam Adani truly embraces transparency, as he claims, they should be easy questions to answer. We look forward to Adani's response.

Initial Disclosure: After extensive research, we have taken a short position in Adani Group Companies through U.S.-traded bonds and non-Indian-traded derivative instruments. This report relates solely to the valuation of securities traded outside of India. This report does not constitute a recommendation on securities. This report represents our opinion and investigative commentary, and we encourage every reader to do their own due diligence. Please see our full disclaimer at the bottom of the report

Introduction

India is home to many of the world's most brilliant entrepreneurs, engineers, and technologists and is emerging as a global superpower. However, the country's economy has been held back by the broken state of its capital markets.

Criticism of India's elite businessmen and politicians has increasingly resulted in journalists being imprisoned or outright murdered. Stock market analysts have been arrested for writing negatively about companies. Amidst this climate of stifled expression, corporate fraud has largely gone unchecked.

In this report, we highlight what we believe to be one of, if not the most egregious example of corporate fraud in history.

We have uncovered evidence of brazen accounting fraud, stock manipulation and money laundering at Adani, taking place over the course of decades. Adani has pulled off this gargantuan feat with the help of enablers in government and a cottage industry of international companies that facilitate these activities.
These issues of corruption permeate multiple layers of government. According to numerous sources we spoke with, Indian securities regulator SEBI seems more inclined to protect the perpetrators than punish them.

We view sunlight as the best remedy, and hope this report helps illuminate these issues. Further to that goal, we hope Adani addresses the 88 questions we have included in the conclusion to this report.

Background On Adani Group, One Of India's Largest Conglomerates With a Collective Market Capitalization Of INR 17.8 Trillion (U.S. $218 Billion)

Adani Group is the 2nd largest conglomerate in India, run by its Chairman and Founder Gautam Adani, who is currently the 3rd richest man on earth, previously having reached the #2 spot.
The group has 7 key publicly listed equities (9 in total) with a collective market value of about INR 17.8 trillion (U.S. $218 billion).[1] It also includes a maze of Adani private companies and family trusts. Through their holdings in the group, Gautam Adani and his family have amassed a paper fortune of over U.S. $120 billion, with over $100 billion of that coming in the past 3 years, largely through the meteoric appreciation of its stock prices.
The conglomerate is involved in a wide array of businesses, largely focused on key infrastructure projects such as development of ports, mines, airports, data centers, power generation and power transmission.

In Respond to the Report, Adani submitted 413 pages report.

In a 413-page rebuttal filed late Sunday night, the Adani group labelled the US short seller as the "Madoffs of Manhattan." The Adani group has called the report baseless and termed the allegations "unsubstantiated speculations". "All transactions entered into by us with entities who qualify as 'related parties' under Indian laws and accounting standards have been duly disclosed by us," Adani said in the 413-page response issued late on Sunday.

By Hardik S Patel

Update for the day #1685 | Amazon is a Logistics company

If you start seeing big blue jet planes in the sky, don't be surprised. You're looking at Amazon!

The e-commerce giant has launched Amazon Air in India to ferry your big brown packages. And it's all part of its global plan to dominate the skies. Globally, it owns 11 of its own planes, leases at least 100 other jets, and flies 200 flights daily. And it doesn't do everything itself. It works with 7 different airplane companies to do the dirty work of dealing with pilots, following the regulations and flying the planes.

Now if you're wondering when this obsession with airplanes began, we have to rewind a bit to one fine morning in 2014. It was just before Christmas and Amazon had a deal of the day in place. It was for the Amazon Kindle. Amazon had made a promise to deliver the e-reader just in time for the holiday. But there was a glitch. Amazon found that there weren't enough Kindles in the Seattle area. There weren't enough Kindles even within driving distance that they could get to Seattle in their trucks.
So, it checked with its cargo partner UPS if they could spare some planes. UPS said no. It had enough on its plate and couldn't appease Amazon during the busy holiday season.

Amazon executives freaked out. They couldn't break their promise to customers. Especially on Christmas day. Calls were made, everyone scrambled, and somehow, Amazon managed to charter enough planes. The Kindles made it on time to Seattle. It was a Christmas miracle. But that incident was enough to light the fire. Amazon realized that it couldn't leave fate in the hands of delivery companies such as FedEx and UPS. There was only one way to control these variables—get its own planes! And in the past 2.5 years, the percentage of the US population that lives within 100 miles of an Amazon Air airport has jumped from 55% to nearly 75%.

But then, Amazon thought—why stop at planes? Because if you're trying to have complete control over your logistics, there's another crucial piece in the puzzle—shipping. After all, 80% of international trade happens over the waves. That means that most of the products that Amazon stocks in its warehouses make their way over via ships. So, Amazon decided to dip its toes in this segment too. And over the past few years, it has been chartering its own cargo ships. It's even making its own shipping containers.

Remember when there was a massive global shipping problem in 2021? Containers weren't enough and freight costs were soaring. What cost $2,000 to ship in 2019 suddenly cost a staggering $20,000. Naturally, companies that were paying through their nose for importing goods had to raise prices which hurt consumers too.

But Amazon had prepared itself well. It used its own shipping network and cut delays and costs. For instance, when cargo vessels were waiting for 45 days to dock at the Los Angeles harbour, Amazon simply rerouted its own ships to less popular ports like Washington. And then hauled it using its own trucks to wherever it needed to go. And as per SJ Consulting Group, the e-commerce giant now controls freight for over 72% of its own packages. This number was just 45% in 2019.

All this is based on the simple idea that it makes sense to bet on the one thing that won't change even after 50 years—that people will always want their products delivered faster.

Now the thing is, dabbling in ships and planes is an insanely expensive proposition. It costs billions of dollars. Sure, superfast delivery is great, but is it worth sinking all that money into?

Well, the answer might lie in Amazon's cloud services AWS. You see, AWS began life as an internal project. To help Amazon scale its own e-commerce business. Servers were built, the cloud set-up was created, and the infrastructure was put in place. It was a high fixed cost. But it worked so well that Amazon saw an opportunity. Amazon's logistics business could be similar. It bought and leased trucks, planes, and ships to meet its own need for speed. It has sunk the dollars and has proven how efficiently it can deliver the goods in the span of 1 or 2 days. The next logical step is to sell this infrastructure as a service to everyone else. Get D2C companies to ditch the Blue Darts, DHLs, and Delhiverys of the world and piggyback on Amazon's fleet.

In 2022, Amazon decided that Prime membership in the US was so cool that every seller deserved it. If you're someone who sells protein bars and folks come to your website to place an order, Amazon would allow you to place the Prime stamp at checkout. The Prime logo has a certain amount of trust built in. People know and recognize it. They know that deliveries will be quick. They want an Amazon-like delivery experience. So, the merchant could simply use Amazon's delivery services to sell products on their websites too. They called it 'Buy with Prime.'

And the rumors are that Amazon is beginning to adopt this playbook in India too. In the past few months, it has been building out its Shipping service. It's offering any seller the chance to use the Amazon network to ship their goods quickly. And it's impinging on the turf of pure play logistics players such as Delhivery and Blue Dart. So yes, the way it's shaping up, Amazon's ships, planes, and trucks won't be just for themselves. It could soon be for everyone! Amazon is building a logistics moat.

By Smitha R

Update for the day #1686 | Adani's $108 Billion crisis

Gautam Adani and his sprawling energy-to-ports empire looked invincible. Now, a damning short-seller attack has left the billionaire battling the worst crisis of his corporate life — and is raising bigger, darker questions about India’s credibility as a global growth engine and a destination for international investors.

The Adani Group has shed $108 billion in market value since Hindenburg Research accused it of stock manipulation and accounting fraud in a report. But it was only when the tycoon scrapped a $2.4 billion share sale this week that the potential for lasting impact became clear. Adani’s rebuttal had failed to reassure investors. Once ranked No. 2 among the world’s wealthiest, he has tumbled to No. 21 on the Bloomberg Billionaires Index.

The small, but famed, US short seller has revived old doubts about corporate governance at the Adani conglomerate. The fallout from its almost 100-page report threatens to undermine investor confidence in India more broadly, and in the nation’s regulatory framework — whether its claims ultimately prove to be true or not. “Things are moving very fast in the market, with a potentially major reassessment of the risks of investing in Indian equities by international investors,” said Singapore-based Gary Dugan, chief executive officer of Global CIO Office, an asset manager and financial advisory firm. “That reassessment includes governance, corporate transparency, nepotism and indebtedness.”

Adani, has been close to Prime Minister Narendra Modi for decades. And his business — with investments in capital-intensive projects such as airports, power plants and data centers — is at the heart of Modi’s growth agenda. As a national champion, the tycoon has aligned his business interests with Modi’s development goals, often stepping in where the state lacks resources or competence, helping create thousands of jobs.

If the slide in asset prices continues and further shakes investor confidence in Adani’s empire, that would be a setback for India’s growth story at a pivotal time. Banks like HSBC Holdings Plc and companies like Apple Inc. are expanding in India to hedge their exposure to China, where a government crackdown on businesses and an erratic pandemic policy have turned investors wary. “The truth is that Adani’s scandal is not coming at the best of all times for India as China is reopening,” said Alicia Garcia Herrero, chief economist for Asia Pacific at Natixis SA. “Foreign investors are clearly watching.”

Hindenburg, in its report, alleged that Adani used offshore shells for money laundering and siphoned from listed companies. The short seller, which took a position in offshore Adani securities, characterized the group's meteoric rise as "the largest con in corporate history." While many of the claims have circulated among the Indian investing class and media for years, their emergence in the global conversation seemed to trigger a crisis of confidence. Hindenburg has repeatedly declined to comment on its short positions on Adani.

In a 413-page response, Adani said Hindenburg's conduct was "nothing short of a calculated securities fraud under applicable law." Eight of the 10 worst-performing stocks in the MSCI Asia Pacific Index this year are now Adani firms, while bonds issued by the Indian billionaire's flagship company have fallen to distressed levels in US trading.

The turmoil has not only hammered Adani Group shares but is also hitting banks that have given loans to the companies. Government-controlled State Bank of India has tumbled 11% since the Hindenburg report came out. Foreign institutional investors pulled a net $2 billion out of India's stock market from the country Jan. 27 through Jan. 31, the biggest three-day selloff since March, according to reports.

By Dhruv Bajoria

Update for the day #1687 | Indian Markets To Be A Tale Of Two Halves In 2023

Inflows into India might take a hit in the first half, but will make up for it in the second half as the Union Budget 2023 was "very good" in terms of capex expenditure and tax reductions, according to Andrew Holland. Emerging markets are looked upon as beneficiaries of recovery, Holland, the chief executive officer of Avendus Capital Public Markets Alternate Strategies LLP, told BQ Prime's Niraj Shah during an interview.

Global Factors

Even though the U.S. jobs data stands strong, "inflation is coming", according to Holland. The strong number is simply an extension of employee retention being longer than foreseen because there is no significant wage growth, he said. Moreover, the terminal rate in the U.S. hovers around 5% and the dollar rate has been consistently falling. "This indicates that the Fed will have to pivot in the in the first of the year," he said. He is, however, surprised at the consumer confidence not only in the U.S., but also globally, such as the European markets. "We are of the view that the Fed has got it wrong and will have to pivot," he said. Geopolitical tensions could also impact the market on a short-term basis, as inflation awaits "outside the door". There is going to be a downfall certainly, perhaps in the way of "soft-landing", but there can be some kind of stark pessimism in the market, he said.

Sectors To Focus On

Spending on defence and renewable energy are two of the biggest global themes, which are here to stay, he said. Therefore, these two sectors are worth keeping an eye on, Holland said. The services sector, especially tourism and hotels, is also attractive, according to him. Plus, the government's emphasis on boosting tourism also adds on to the picture, he said. Railway spending, too, is going up and banking can also be on the investor's radar, Holland said. The results have surprisingly "been bang on" and analysts have observed upgrades, Holland said. The key in the short-term depends on what the RBI does, he said. If the Reserve Bank of India changes its view from being hawkish to accommodative or neutral, the market will get excited and the financial sector will experience an upside pull, according to him. The non-banking financial companies look good too, he said. In terms of information technology stocks, Holland suggests sticking to mainstream large caps over midcaps, considering the volatility in the current market scenario and how valuations are peaking.

By Sree Harshitha S R

Update for the day #1688 | Top 5 Jain Temples You Must Visit

There are numerous Jain temples in India and the world, here are 5 of the most famous ones in India:

1. Dilwara Temples: Aravali Ranges, Rajasthan

The magnificently carved Dilwara Temples are believed to have been built around the 12th century. They have intricated and striking carvings in marble that are still very well preserved. Located in the Aravali Ranges in Rajasthan, each of the five temples were built in honour of a different Tirthankara, and include images of Jain saints, beautifully detailed pillars and even a hall with 360 miniature idols of Jain Tirthankaras. This temple complex is considered by many as one of the most beautiful Jain temples in the world.

2. Khajuraho Temples: Khajuraho, Madhya Pradesh

While this World Heritage Site has gained prominence for its provocative statues that adorn many of its temples, it also has a number of Jain temples that were built over a thousand years ago. The Jain temples are located in the eastern section of the town and are a good example of medieval Indian Architecture. While Khajuraho is a small town, it has many different temple sites to see and all are very well maintained, so it is worthwhile taking a few days to explore them properly.

3. Palitana Temples: Shatrunjaya Hills, Gujarat

One of the most sacred Jain temple complexes, Palitana, has over 3,000 brilliantly carved temples located in the Shatrunjaya Hills in the Gujarat District of Bhavnagar. Built over generations from the 11th century, this is a revered pilgrimage site. With over 3,800 stone steps, the climb is not easy, but that does not deter thousands of devotees from going there every year.

4. Gomateshwara Temple: Karnataka

Located in the town of Shravanabelagola in Karnataka, this Jain Temple has a massive black granite statue of Gomateshwara, the first Tirthankara, which stands 18 metres tall. Every 12 years, pilgrims flock to this mountain for Mahamastakabhisheka, an important Jain Festival, where the statue is bathed and anointed with milk, saffron paste and dusted with powders of turmeric, sandalwood, and vermillion.

5. Ranakpur Temple: Aravali Ranges, Rajasthan

The elaborate Ranakpur Temple was built in the 14th and 15th centuries in the Aravali Ranges. It arises from the hill in three levels, which are supported by no less than 1,444 carved marble pillars. All the detailed carvings in this beautiful temple are unique, including one single marble rock that has the heads of 108 snakes and a tangle of tails. Considered to be a brilliant example of devotion and workmanship, this temple is certainly worth making the visit to from nearby Udaipur.

By Akshit Jain

Update for the day #1689 | Richest Temples in India

1. Sri Padmanabhaswamy Temple, Thiruvananthapuram

Sri Padmanabhaswamy Temple is located in the heart of the city of Thiruvananthapuram. This temple is dedicated to Lord Vishnu and is being managed by the former royal family of Travancore. It is designed marvellously in the Dravidian style. The highlight of this temple is the idol of Padmanabhaswamy. You can find a Lord Vishnu in a reclining position on Ananthan, the celestial serpent. The city gets its name from this shrine. The temple has a total asset of around 90,000 crores worth include gold, gold idols, antique silver, emeralds, diamonds and brass. This collection also includes two golden coconut shells that are studded with precious stones.

2. Somnath Temple, Gujarat

The immense wealth and glory of this temple were so much that it has been looted and destroyed by Turkic ruler Mahmud of Ghazni 17 times for its brimming gold and silver collections. The temple still has enough prized possessions that make it called as one of the richest temples in India. It features exclusive architectural planning and has immense religious importance.

3. Kailasa Temple, Maharashtra

The Kailasa Temple was built within a week according to a medieval legend told by Maharashtra's Marathi people. They believe that a queen whose husband was very ill prayed to Lord Shiva asking the god to cure her husband and in return, the queen would build a temple and devote it to him and fast until it was done. The Queen's fulfilled her vows as soon as prayers were answered and her husband recovered. An architect named Kokasa was summoned to construct the temple by the queen.

By Priyanshi Jain

Update for the day #1690 | India finds big lithium reserve in J&K

In a major boost to India's self-sufficiency in electric vehicle batteries, the Geological Survey of India (GSI) has discovered lithium for the first time in Reasi district of Jammu & Kashmir (UT). This is the first significant mineral discovery in India, as previously only a small reserve had been discovered in Karnataka. It attributes the discovery to the mines ministry's new focus on rare earths. "We have re-oriented our exploration measures towards critical and strategic minerals and this discovery is a vindication of our efforts," Vivek Bhardwaj, secretary, Ministry of Mines, said to a query by Mint.

Since lithium is a key component of batteries used in electric vehicles, the government is searching for rare metal reserves both within and outside the country.

Apart from GSI, a consortium of three Public-sector Undertaking companies – National Aluminium Company, Hindustan Copper, and Mineral Exploration Corp – is working to provide a vehicle for research & development for recycling, acquisition, and also joint manufacturing of Lithium-ion batteries. Lithium reserves are concentrated in the lithium triangle in South America – Argentina, Bolivia & Chile, with 50% of the deposits concentrated in these regions.

A lithium battery is the only alternative for electric vehicles since it has a high power-to-weight ratio, enabling it to provide a large charge while keeping the vehicle's curb weight low. Additionally, it is more energy efficient and performs better at a wide range of temperatures. This makes it a safer, more reliable method than other materials.

By Sharan Manjunath

Update for the day #1691 | Much like ChatGPT, Bard can provide responses in a conversational language to questions posed by users via text

What is Google's conversational AI service, Bard?

The use of Artificial Intelligence (AI) is expected to radically change the search engine experience, especially after Microsoft backed Open AI's ChatGPT took the world by storm. Much like ChatGPT, Bard is a conversational AI chatbot that can provide responses in a conversational language to questions posed by users via text. One can get humanlike responses to any kind of prompt. It can write an essay, give suggestions for your travel plan, or tell you a joke.

ChatGPT versus Bard AI

Although ChatGPT and Bard AI have similar functions, there are differences between both chatbots. While Bard AI draws its information from the internet to provide responses, ChatGPT draws information from the data it has been trained on. This is being said to give an upper hand to Bard as ChatGPT' s training is limited to data generated until 2021. But Bard would get updated information from the internet in Realtime. In terms of the language model, ChatGPT is powered by Generative Pretrained Transformer 3 (GPT3), an autoregressive language model released in 2020 that uses deep learning to produce humanlike text. But Bard AI is powered by Google's LaMDA. Some users have complained that ChatGPT is said to have a bias problem. Users have seen the AI chatbot give racist and sexist responses, to prompts. However, it can be averted by users rephrasing their questions. Analysts point out that Google's Bard AI could also have a bias problem as it draws information from the internet, which isn't censored, and hosts misinformation too, making it a point of commonality.

Google shares lose more than $100 billion after AI chatbot Bard flubs answer in ad

Shares of Google's parent company lost more than $100 billion in market value on Wednesday after its Bard chatbot ad showed inaccurate information and analysts said its AI search event lacked details on how it will answer Microsoft's ChatGPT challenge. The tech giant posted a short GIF video of Bard in action via Twitter, describing the chatbot as a "launchpad for curiosity" that would help simplify complex topics, but it delivered an inaccurate answer that was spotted just hours before the launch event for Bard in Paris.

In the ad, Bard is given the prompt: "What new discoveries from the James Webb Space Telescope (JWST) can I tell my 9-year-old about?"

Bard responds with a number of answers, including one suggesting the JWST was used to take the very first pictures of a planet outside the Earth's solar system, or exoplanets. This is inaccurate, as the first pictures of exoplanets were taken by the European Southern Observatory's Very Large Telescope (VLT) in 2004, as confirmed by NASA.

Google spokesperson told Reuters: "This highlights the importance of a rigorous testing process, something that we're kicking off this week with our Trusted Tester program." The error was spotted hours before the Paris launch, where senior executive Prabhakar Raghavan promised that users would use the technology to interact with information in "entirely new ways". Raghavan presented Bard on Wednesday as the future of the company, telling audience members that by using generative AI, "the only limit to search will be your imagination".

How to use and access Bard?

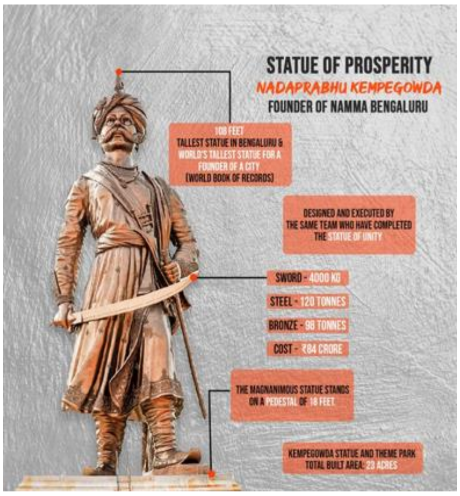
In its initial phase, Bard is not widely available for public use yet. In its testing phase, only a select number of users can use Bard on the Google app, by clicking on the chatbot icon displayed. Going forward, the tech giant is likely to integrate the conversational AI service into widely used Google Search, however, the date of public rollout is not known yet.

By Karthik A S

Update for the day #1692| Statue of prosperity

Next Station is Kempegowda International Airport

The 108-foot tall Kempegowda statue at the Bengaluru International Airport is a tribute to the founder of Bengaluru, Hiriya Kempe Gowda. This impressive statue is located at the entrance of the airport and is one of the tallest statues in India. Kempegowda was a ruler of the Vijayanagara Empire in the 16th century and is credited with establishing the city of Bengaluru. He is remembered for his contributions to the city's growth and development, and the statue serves as a symbol of his legacy.



The statue is made of bronze and stands at a height of 108 feet, making it one of the tallest statues in India. The statue depicts Kempegowda in traditional attire, holding a bow and arrow. The statue was unveiled in 2010 and has since become a popular landmark for visitors to the airport and a symbol of the city's rich heritage.
The statue is surrounded by a beautifully landscaped garden, making it a peaceful and tranquil spot for visitors to admire. The statue is also lit up at night, making it a stunning sight for those passing by the airport.

In recent years, there has been an increased effort to preserve and showcase the city's cultural heritage. The 108-foot tall Kempegowda statue is just one of the many initiatives aimed at preserving the city's rich history and paying tribute to its founder.

In conclusion, the 108-foot tall Kempegowda statue at the Bengaluru International Airport is a significant landmark that serves as a reminder of the city's rich heritage and its founder, who played a crucial role in shaping the city into what it is today. The statue is a symbol of Bengaluru's proud history and a testament to its future as a thriving and vibrant city.

By Dhanush D D

Update for the day #1693 | The problem with the Microsoft-Activision Blizzard

In January 2022, Microsoft announced one of the biggest acquisitions in tech history. It wanted to buy out Activision Blizzard, a popular video game company in an all-cash deal for close to $69 billion.

When the announcement came in, we wrote about it here and told you how Microsoft was firmly betting its gaming future on building a huge content library. And how Activision could help it get there. But there's been an issue.

This blockbuster deal has hit a roadblock. Competition commission authorities from over the world are looking at this deal and seeing if it affects the gaming industry in their country. Last November the European Commission opened an investigation to see if it significantly affects competition. In December the US Federal Trade Commission opened an investigation too.
And now, after over 6 months of digging into over 3 million internal business documents from Microsoft and Activision, 2,100 public e-mails on the transaction and more, the UK Competition and Markets Authority (UK CMA) has rolled out a 277-page report.

What does it say? It simply isn't happy about the merger.

Why? Well, here's the thing. Think about the competitive space for games and imagine what names come to your mind.

You'll probably say names like Sony's PlayStation, Nintendo and Microsoft's Xbox. So when a deal like this happens it has the potential to reduce competition in the gaming market.
See, Activision makes a lot of popular games like Call of Duty, World of Warcraft and Candy Crush. Call of Duty is so popular that when CoD Modern Warfare II was released last October, it garnered $800 million worldwide in the first three days.

CoD runs on two gaming consoles — Xbox and PlayStation. And the game is very important to the latter. The UK CMA found out from a survey that if CoD were no longer available on PlayStation, nearly a quarter of them would simply switch to another console that offered the game. And a step like this will obviously hurt Sony's ability to continue investing in games and hardware. In fact, Microsoft has acquired a lot of gaming studios like Mojang and ZeniMax over the years. And in all its past acquisitions, it played one card quite consistently. Exclusively releasing new versions of games. And Microsoft could do the same with CoD too.

It could make new versions of CoD and only make it available on Xbox. Microsoft could also sell more Game Pass Subscriptions (a subscription where gamers can have unlimited access to Microsoft's gaming library).

And in the CMA's view, Microsoft could come to control how people choose gaming consoles. Activision is by far Microsoft's biggest gaming studio acquisition. So any future popular titles that it releases could influence gamers' buying decisions. And Microsoft could dominate the supply of gaming consoles in the market as well as the cloud gaming industry.
Now some might look at this and go— "Isn't Sony doing the same thing? Why is the competition commission in the UK only looking at Microsoft?"

Well, they do have a point. Sony also publishes exclusive titles. For instance, the popular game "The Last of Us" has remained a "Sony PlayStation" exclusive for over a decade now. You can't play it on a Microsoft console. And Sony has greatly benefited from their association with Naughty Dog—the studio responsible for developing the game. In fact, Sony acquired Naughty Dog, the same way Microsoft intends to acquire Activision.

So why treat both companies differently?

Well for one, Sony acquired Naughty Dog in 2001 when they were still a fledgeling studio. And they definitely did not have a portfolio of games as extensive as Activision. There's also the matter of scale. Games like Last of Us are popular titles no doubt. But the series (both Last of us 1 & 2) have sold only 37 million copies so far. The Call of Duty series meanwhile (published by Activision) has sold 400 million copies worldwide. So if Microsoft were to make Call of Duty an exclusive title, it could significantly sway a customer's decision. It could leave PlayStation in the dust thereby affecting its ability to invest in new games. This could have a detrimental impact on consumers—who may be confined to just one console option i.e. Microsoft Xbox.

So the only question left now is—what happens now?
Well, for starters, this isn't the final order. These are only provisional observations. But despite the nature of the report, it is likely that the competition commission in the UK would block the deal if Microsoft doesn't make some compromise.

It's possible that Microsoft could agree to make Call of Duty available on all consoles, but the Competition Authority wouldn't concede to this. They've said that their preferred options include a partial sale or Microsoft spinning Activision off as a separate entity.

Will Microsoft agree to this? Well, we will just have to wait and see.

By Ganesh S Bhat

Update for the day #1694 | Air India seals world's largest aircraft deal at $70 bn, orders 470 planes

A year after coming into the Tata group, Air India on Tuesday said it had placed an order for 470 planes: 250 with European plane maker Airbus and 220 with American giant Boeing — the world's largest ever single-tranche aircraft purchase.

By doing this it has eclipsed American Airlines' 2011 order for 460 planes. At list price the aircraft deal is valued at over $70 billion. From Airbus, Air India has ordered 40 wide-body A350 planes and 210 narrow-body A320neo family planes, and it has the option to increase the size of this order. From Boeing, the airline has ordered 10 wide-body B777X planes, 20 wide-body B787 planes, and 190 narrow-body B737MAX planes, with an option for an additional 20 B787s and 50 B737MAXs. A wide-body plane has a bigger fuel tank, allowing it to traverse directly on longer distances such as India-US routes.

Along with the aircraft order, Air India has signed deals with engine manufacturers: CFM International (for narrow-body A320/B737s), GE (for Boeing 777x/787), and Rolls-Royce for A350 type planes. The first aircraft to arrive will be 25 Boeing 737s and six Airbus A350-900s in the second half of 2023. Air India had last ordered planes in 2006, when it had booked 111 aircraft: 68 from Boeing and 43 from Airbus.

Prime Minister Narendra Modi on Tuesday attended a video call with French President Emmanuel Macron on the Airbus-Air India deal. He called it a "landmark deal", demonstrating not just deep relations between India and France but also India's success and expectations in the civil aviation sector. In a statement, US President Joe Biden called the Boeing-Air India deal a "historic" one. Biden said: "This announcement also reflects the strength of the US-India economic partnership. Together with Prime Minister Modi, I look forward to deepening our partnership even further as we continue to confront shared global challenges — creating a more secure and prosperous future for all of our citizens."

Air India's order comes after months of intense negotiations between the airline, aircraft makers, and engine original equipment manufacturers. This order has been billed as a sign of growing confidence and collaboration among India, France, and the US.
Tata Sons Chairman N Chandrasekaran, who was present during the aforementioned video call, said Air India was undergoing a "massive transformation", for which it needed a modern, efficient fleet. "Today, I am happy to say that we have signed a letter of intent to acquire 250 aircraft from Airbus. 40 of them would be wide body A350 aircraft that we will use to fly all ultra-long distances across the globe. 210 will be narrow body aircraft. We also have significant options to increase the fleet order once we grow," Chandrasekaran noted.

He said Air India was working on bigger partnerships with Airbus and "one of our ambitions for the country is to bring in commercial aircraft manufacturing sometime in the future".
Chandrasekaran called this the "most significant moment" for Air India, Indian aviation, and the manufacturing sector in India.

The time is right to turn India into an international aviation hub, said Airbus Chief Executive Officer (CEO) Guillaume Faury, adding that the A350 aircraft would become a new flagship for transcontinental travel even as the A320neo plane would remain the flagship for domestic and regional service.

“Make in India” is at the heart of Airbus’ strategy in India, he said. While the Air India planes will finally be assembled in France and Germany, many of their components will come from Indian companies, he said.

“The critical technologies will come and we are going in that direction from the Airbus India Engineering Centre in Bengaluru,” Faury noted.

Air India CEO Campbell Wilson wrote in a staff email: “Besides this deal being of unprecedented size it was also incredibly complex with two airfamers and six engine suppliers jostling for position.”

“Air India's selection of Boeing's family of passenger jets shows their confidence in our products and services in the world's fastest growing aviation market," said Stan Deal, president and CEO of Boeing commercial airplanes.

By Bhuvana S Bharadwaj

Update for the day #1695| The ups and downs of being VIP

Two things are happening in a big way in India.

1. Revenge travel is in full swing. On 24th December, we witnessed the highest-ever domestic air passenger traffic of 4.35 lakh people flying on a single day. The previous high was in December 2019 when 4.20 lakh passengers took to the air. More frequent short holidays, group tours, it's all happening.

2. Wedding bells are ringing. During November and December last year, 32 lakh weddings were scheduled to take place in the country. That alone would have generated ₹3.75 lakh crore worth of businesses for the industry—50% higher than in 2019.

And when these two industries see a growth spurt, there's another industry that grins ear to ear too. We're talking about the luggage industry. See, when people travel, they need their suitcases, trolley bags, and backpacks, right? And if you're a keen observer and traveller, you would've noticed that the number of pieces coming off the conveyor belt in the past decade has risen tremendously. Gone are the days when a family of 4 travelled with 2 suitcases. Now everyone, including the kids, travels with individual bags.

And if you attended one of those 32 lakh weddings in December last year, you might have noticed at least 5–6 trolleys or suitcases being hauled about. They're stuffed full with the bride's and groom's wedding attires. And not to forget that there's the luggage that the bride and groom usually take when they move into a new home.

The end result? The luggage industry in India is having one of its best years ever.
And there's one company in particular that's poised to benefit from these tailwinds. We're talking about VIP Industries, a name that's synonymous with luggage in India. And a brand that dominates the organised luggage market with a 45% market share. In just the first 9 months of FY23, it has clocked the highest net profits in at least the past decade.

But things changed. The unorganized market mushroomed in a big way and started creating soft luggage with fabric. VIP specialised in hard luggage back then and didn't foresee customer preferences changing. And while it launched a sub-brand called Sky bags for soft luggage in the 1980s, it didn't pump in enough money to build a brand and ward off competition. Its market share began to drop. Then came the liberalisation wave of the 1990s and it swept the rug from under VIP's feet. Samsonite, a global brand, stepped into the Indian market. A new India with higher disposable income preferred a foreign brand over an ageing domestic one. Its market share dropped further. In between all this, VIP missed the memo that luggage wasn't utilitarian anymore. It was a lifestyle product and a style statement. People didn't want to be seen wheeling a boring brand. Luggage had become an extension of one's personality and people didn't mind shelling out the dough for what became oddly a status symbol.

VIP's market share tumbled from the 80% it once used to command to below 50%.
So, in 2008, when Radhika Piramal, the daughter of VIP's chairman finally took the reins, she had her work cut out. She revamped the VIP image and positioned each brand distinctly. A brand called Carlton which VIP acquired in 2004 became the premium offering. Aristocrat was slotted into the mass market. She even brought back Sky bags in 2011 but concentrated on design and vibrancy for the youth. They also pumped up advertising. It jumped from around 4.7% of sales in FY09 to over 6.4% in FY18. Bollywood actors (Saif Ali Khan, Kareena Kapoor, Varun Dhawan) and Cricket stars (Rohit Sharma and Ravichandran Ashwin) were roped in for TV ads. It also shifted its focus from selling only through its dealer channel to hypermarkets where people made impulse purchases. And soon enough, an entity like Big Bazaar (while it was still around) actually contributed to 15% of VIP's revenues. All this meant their product mix also changed. Currently, the VIP brand contributes to 24% of the revenues, Aristocrat has a 32% share, and Skybags grabs the lion's share with 33%

The other thing is that the unorganised sector is known for churning out soft luggage variants. And there seems to be an increasing preference for hard luggage these days. Its market share is expected to rise from just 30% today to over 55% in the next few years. So even if GST isn't the death knell, customer preferences can alter the landscape in favour of VIP quite quickly. VIP seems to have got everything going for it.

But…there's risk lurking in the shadows too. And that's primarily in the form of competition.
We're not just talking about Samsonite which has a 90% share in the premium segment. Or its sub-brand American Tourister which has captured people's imagination in the mid-segment. The mass market features Safari Industries which has been around since the 1980s. While it doesn't probably have as much brand recall as VIP, it doesn't seem to matter in the mass market category. Safari seems to hit the sweet spot for India's brand affinity and value pricing. And in the past couple of years, its market share in the mass market segment has risen from 19% to 26%. Investors seem excited about Safari too. So in the past year, while VIP's stock has risen only by 30%, Safari has returned a whopping 100%.

VIP's international plans have also fallen flat. Back in 2017, it said that it planned to increase its exports to make up 25% of revenues, it is still stuck at a measly 5%. And while VIP is making noise about its intention to produce white-label luggage for retailers in the US and UK (which they can stamp with their own brand name), it's too early to say how this will play out. So yeah, while there are tailwinds in VIP's favour, it may not be smooth sailing for the 50-year-old luggage brand.

By Sahana Shree Herle

Update for the day #1696 | The Story Behind Taj Mumbai

The Taj Mahal Palace Hotel, also known as the Taj Mumbai, is a luxurious heritage hotel located in the heart of Mumbai, India. The Taj Mumbai is an iconic landmark of the city and is famous for its splendid architecture, luxurious accommodations, and world-class hospitality. The history of this iconic hotel dates back to the early 1900s, and its story is one of resilience and hope.

The Taj Mumbai was built by Jamsetji Tata, a visionary industrialist and philanthropist, who saw the need for a world-class hotel in Mumbai that could rival the best hotels in Europe. In 1898, Jamsetji Tata visited the Watson's Hotel in Mumbai, which was known for its luxurious accommodations and impeccable service. However, he was denied entry into the hotel because he was an Indian

In 1903, Jamsetji Tata began the construction of the Taj Mumbai, and it took nearly a decade to complete. The hotel was designed by W.A. Chambers, an English architect who combined various architectural styles such as Moorish, Oriental, and Florentine to create a unique and magnificent building. The Taj Mumbai was opened to the public on December 16, 1903, and it was an instant success.

The Taj Mumbai quickly became a hub of social and cultural activities in the city. Over the years, the hotel has hosted numerous dignitaries, celebrities, and politicians from around the world. The hotel was also the site of some of the most significant events in India's history.

The Taj Mumbai faced its biggest challenge on November 26, 2008, when it was attacked by a group of terrorists. The attack on the Taj Mumbai was a dark moment in the history of the hotel, but it also demonstrated the resilience and spirit of the people of Mumbai.

Today, the Taj Mumbai stands tall as a symbol of hope and resilience. The hotel has been restored to its former glory, and it continues to be one of the most iconic landmarks of Mumbai. The Taj Mumbai is not just a hotel; it is a testament to the human spirit and the power of hope.

By Vivek Kamath

Update for the day #1697 |Can India become a Lithium Superpower?

If the world wants to achieve net-zero carbon emissions, what's the most important thing we need?
Lithium!

See, most of these harmful emissions like Carbon Dioxide and Methane are generated when we burn fossil fuels. So if we need to cut back on emissions, we must dump fossil fuels. We have to switch to alternatives—electric cars and renewable energy.

And that's where Lithium comes in. Or more specifically, lithium-ion batteries. These things power electric cars. And come in handy when we need to store solar and wind energy for later use.

But why lithium, you ask?

For starters, it's actually the lightest metal in the world. So it makes the batteries relatively lighter too. It won't weigh down a car. It can also pack lots of energy in less space. While a typical lead-acid battery stores only 25 watt-hours (Wh) of energy per kg, lithium-ion batteries pack 150Wh per kg. They also last much longer than other batteries and can live through multiple charge cycles. There's nothing else quite like it.

So, if everyone's targeting net-zero emissions, you can imagine that lithium will be in red-hot demand. And countries that have abundant lithium reserves will be rubbing their hands in anticipation too. Including India. Because on 9th February, the government announced the discovery of 5.9 million tonnes of lithium deposits in Jammu and Kashmir.

Suddenly, everyone's excited. Media and YouTube headlines scream how India is definitely going gets upgraded to 'indicated'. It basically means that the authorities are more confident about the extent to which deposits are present. At this stage, they can slowly begin planning mines and put some hard numbers on the economics of extracting lithium.

And finally, we have the 'measured' status. This is the highest level of confidence that authorities can place in the deposits. At this stage, we can be pretty sure about the extent of deposits that can be mined, extracted, and commercialized. And we can typically begin calling it a reserve. Not just a deposit.

So yeah, since we're at the 'inferred' level, we're still some time away from exploiting any lithium. And our past experience should teach us patience too. See, a couple of years ago, the media had gone ballistic over the discovery of 1,600 tonnes of lithium in Karnataka too. And the Atomic Minerals Directorate for Exploration and Research (AMD) had to actually publish a notice asking people to relax. It said and we quote:

"Unless a proper technology/method is available to profitably extract lithium from its ore, the real benefit of exploration may not be there. With the data presently available with AMD, the actual economic benefits of the exploration cannot be estimated at this stage."

And it has been a while since we heard anything about these deposits too. So we can't be sure of how far we've come. Whether it's viable or not. The discovery in J&K is pretty much in the same boat. We don't know yet if it's economically viable. And even if it is, the mining and extraction won't happen overnight. It'll take time. Maybe 10 years or more. So we need to temper our enthusiasm just a little.

And secondly, even if our research shows that it's economically viable, we need to be sure that it's environmentally viable too. Because if we're not careful, this metal that's supposed to lead our transition into a clean energy future could first end up destroying our ecosystem.

Just look at Chile, Argentina, and Bolivia which hold more than 50% of the world's proven lithium reserves. It's the Lithium Triangle of the world. And most of the lithium in this region is found underneath the famous salt flats of these countries.

But there's a cost to mining it.

You see, in order to get the metal, minors first pump the lithium-rich saltwater or brine from underground onto the surface. They let it evaporate and harvest the lithium from that. Pumping and washing these deposits needs a lot of water too. It takes 2,000 tons of water to produce 1 ton of lithium.

This also affects the groundwater levels. And when the groundwater recedes, it pulls in water from freshwater reservoirs that people and their cattle use. This hurts the local communities who depend on these lands for their livelihood. Their crops suffer and their cattle don't get enough water too. The rivers and lakes are disappearing as a result of this egregious use of local water resources.

Then there's the impact on wildlife. For instance, the saltwater lakes in this area are prime habitats for certain species of flamingos. But as the water levels decline due to mining, their food sources are affected. And the flamingo population has dropped by 11% in the past decade. It hurts the ecosystem which relies on these birds to regulate it. It could even spell the loss of a major ecotourism attraction that brings in money.

So yeah, we need lithium to transition to a greener world. But it can come at the cost of massive environmental damage in the mining process. And assuming that we can extract the 5.9 million tonnes of the mineral, trying to reconcile this paradox will be the biggest challenge in India's quest for Lithium superpower status.

By Soundarya Sridhar Kadambi

Update for the day #1698 | Offline Digital Payments

HDFC Bank kickstarted a pilot programme for offline payments. You can use your phone and make payments up to ₹200 without the internet!

According to the NPCI, the folks who manage UPI, 50% of the total UPI transactions are below ₹200. So yeah, these offline modes of payment can be a real lifesaver on most occasions when you're caught in areas with a patchy network.

So how will OfflinePay work? Well, you load money into a special wallet that can hold up to ₹2,000. And when you want to make a payment, just fire up the app which will work offline. Scan a QR code and watch the money get debited from the wallet. Even if the merchant doesn't have a network, that's fine. Because after the payment is done, it generates a QR code. The merchant can use their OfflinePay app and scan this code for proof of payment. Even if they're offline. And once either you or the merchant comes into internet range, the transaction is settled.

But wait…that sounds pretty much like UPI Lite, no? Well, UPI Lite works by topping up a separate wallet too. And it can work offline. But we scoured through all the FAQs available—on the NPCI website and even Paytm which has just integrated UPI Lite into its app—and couldn't find anything to show how the receiver can be sure that they've received the payment. So maybe that's a difference?

Because HDFC's statement says, "Digital payment typically requires one either the customer or the merchant to be online to get executed. The pilot is attempting to ensure that a transaction goes even when both customer and merchant are fully offline."

While OfflinePay sounds perfect, it definitely has its fair share of hiccups. For instance, everyone involved with the transaction needs the OfflinePay app. Also, you can't top up the wallet when you're offline. So, if you're in a region without prolonged internet access and make payments, you might quickly run out of money in your wallet.

This isn't a full-fledged rollout. It's a trial run for select users in 16 Indian cities (and towns) over the next 4 months. In fact, HDFC Bank came up with this idea under the RBI's Regulatory Sandbox (RS).
Think of it as a special, fenced-off area that companies can use to trial their ideas. They can experiment with new tech. And launch innovative products. All under the watchful eyes of a regulator too—like the RBI for banks, the IRDAI for insurance, or SEBI for capital markets.

From a regulatory standpoint, you want to work in tandem with innovative companies. You don't want them to find some loophole and launch a product. Then, people will blame you saying that you were napping and that regulations are always slow to catch up. By telling companies, "Hey, let's work together and see how we can innovate," regulators can be front and centre of developments. And it's all real-time. You don't need to push consultation papers and seek feedback from everyone. You can conduct a live experiment, see how the pilot pans out and decide if regulations need a tweak—to make things simpler or to reduce some big risk.

For companies, it's a big deal too. Because typically, regulators have a whole host of criteria that a company needs to meet before it can launch a financial product. It could be net worth, track record, or management experience. But all this could be relaxed in a sandbox. Startups with a solid idea can get an exemption and create fantastic products.

And since the product isn't rolled out to everyone but only to a select group who's aware of the risks, it won't hurt the company's reputation if things go wrong too. It's a lot like how we patch-test new skincare products to understand if they're safe.

It also saves costs. If a fintech chooses to trial its product to a select group under the RBI sandbox they don't have to spend boatloads of money on heavy rollouts too.

The end results? Well, in quick time, everyone will know if there's 'product market fit' or not. Maybe no one will care about sending ₹200 offline?

So yeah, it's thanks to the RBI regulatory sandbox that we could soon have 'offline digital payments. It has allowed a legacy bank like HDFC to innovate along with fintechs. And with RBI launching multiple cohorts under the sandbox for retail payments, cross-border payments, and financial fraud prevention, you can be sure that we'll see more such innovation coming our way. With over 6,000 fintechs in the country, it could brew remarkable benefits for India's financial services sector. And for us as users.

By Angali Baghel

Update for the day #1699 |What is Hindenburg Research, the company that has accused Adani Group of stock manipulation, fraud?

Days ahead of a $2.5 billion share offering by Adani Enterprises, stocks of Adani Group companies fell sharply on Wednesday after investment research firm Hindenburg Research published a report that it said presented evidence that the conglomerate had "engaged in a brazen stock manipulation and accounting fraud scheme over the course of decades".
Jugeshinder Singh, Chief Financial Officer of the Adani Group, said the company was shocked by the report, Reuters said, and called it a "malicious combination of selective misinformation and stale, baseless and discredited allegations".

What does Hindenburg Research do?

Hindenburg Research says on its website that the company 35pecializes in forensic financial research. It says it has decades of experience in the investment management industry, "with a historical focus on equity, credit, and derivatives analysis".The company says it believes that "the most impactful research results from uncovering hard-to-find information from atypical sources", and that it especially looks for "accounting irregularities; bad actors in management or key service provider roles; undisclosed related-party transactions; illegal/ unethical business or financial reporting practices; and undisclosed regulatory, product, or financial issues" in companies.

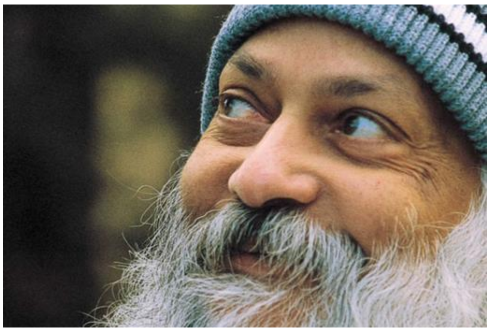
What other work has Hindenburg done?

The company's website describes its "track record", lists a number of cases, beginning with its September 2020 report, 'Nikola: How to Parlay An Ocean of Lies Into a Partnership With the Largest Auto OEM in America' that, "with the help of whistleblowers and former employees, called out a vast array of alleged lies and deceptions by Nikola in the years leading up to its proposed partnership with General Motors".Other mentions in the track record include WINS Finance, which Hindenburg revealed had failed to disclose to US investors an RMB 350 million asset freeze imposed on one of its subsidiaries in China; the "zombie company" China Metal Resources Utilization, which had a "100% downside" and was "under severe financial distress" with "numerous accounting irregularities"

By Namratha D V

Update for the day #1700 | OSHO

Experience life in all possible ways -- good-bad, bitter-sweet, dark-light, summer-winter. Experience all the dualities. Don't be afraid of experience, because the more experience you have, the more mature you become.
His thousands of hours of extemporaneous talks, spoken to people from around the world over a twenty-year period, are all recorded, often on video. The transcriptions of these talks are published in hundreds of titles in dozens of languages. In these talks, the human mind is put under the microscope as never before, analyzed to the smallest wrinkle. Mind as psychology, mind as emotion, mind as mind/body; mind as moralist, mind as belief; mind as religion, mind as history, mind as politics and social evolution – all examined, studied, and integrated and then graciously left behind in the essential quest for transcendence.



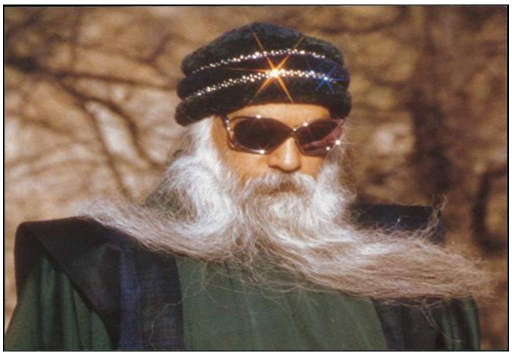
In the process Osho exposes hypocrisy and humbug wherever he sees it. As the author, Tom Robbins so eloquently said:

“I recognize the emerald breeze when it rattles my shutters. And Osho is like a hard, sweet wind, circling the planet, blowing the beanies off of rabbis and popes, scattering the lies on the desks of the bureaucrats, stampeding the jackasses in the stables of the powerful, lifting the skirts of the pathologically prudish and tickling the spiritually dead back to life.

“Jesus had his parables, Buddha his sutras, Mohammed his fantasies of the Arabian night. Osho has something more appropriate for a species crippled by greed, fear, ignorance and superstition: he has cosmic comedy.

“What Osho is out to do, it seems to me, is pierce our disguises, shatter our illusions, cure our addictions and demonstrate the self-limiting and often tragic folly of taking ourselves too seriously.”

So what to say of Osho? The ultimate deconstructionist? A visionary who becomes the vision? Certainly a proposal to existence – that it is everyone’s birthright to enjoy the ultimate experience of being a buddha. For that, Osho says, “There is only one path, which goes inwards, where you will not find a single human being, where you will find only silence, peace. Then you will find yourself, and after that even you will not be there.”



Sadness gives depth. Happiness gives height. Sadness gives roots. Happiness gives branches. Happiness is like a tree going into the sky, and sadness is like the roots going down into the womb of the earth. Both are needed, and the higher a tree goes, the deeper it goes, simultaneously. The bigger the tree, the bigger will be its roots. In fact, it is always in proportion. That's its balance.

The capacity to be alone is the capacity to love. It may look paradoxical to you, but it's not. It is an existential truth: only those people who are capable of being alone are capable of love, of sharing, of going into the deepest core of another person--without possessing the other, without becoming dependent on the other, without reducing the other to a thing, and without becoming addicted to the other. They allow the other absolute freedom, because they know that if the other leaves, they will be as happy as they are now. Their happiness cannot be taken by the other, because it is not given by the other.

By Vaibhav Bhansali

Update for the day #1701 | Want a FAB! O? Oops, we meant OREO?

Oreos with milk at home. Oreo cheesecakes, shakes, and pancakes at the cafe. Oreo dessert recipes across the internet. Let's face it—Oreos are everywhere and everyone loves these black-and-white biscuits.
Since the biscuit is so darn popular, you can bet that other brands will try and copy an Oreo, right?

Well apparently, that's just what Parle, the folks behind the famous Parle-G biscuits, did in India. They looked at all the trademarks that Oreo had registered to protect its brand—including the name, the blue packaging, the embossing or design on the biscuit—and they probably thought, "How can we do something similar?" And voila, FAB!O was born in 2020. Yes, it has an exclamation point in the middle of the name. But we'll get to that. It even came in nice blue packaging. Oreo was livid. It felt this was a blatant copy. So in 2021, it took Parle to court. Their lawyers butted heads. And finally, a single Judge of the Delhi High Court passed his judgement on Friday.

What did he say, you ask? Okay, before we get into the nitty-gritty of the Judge's observations, you have to know one thing. It's crucial. If you read the 50-page order, you'll see that the judge keeps referring to—"a customer of average intelligence and imperfect recollection."

Now the reason for that is simple. The judge cares about the masses. Regular consumers who may or may not be literate. Someone who's not regularly consuming these biscuits. Because these are the people that brands can conveniently trick. And that's the segment the judge pays attention to.

Anyway, let's break down Oreo's complaint into 3 parts.
Brand name
Packaging
Design of the biscuit

Let's start with the brand name. See, Oreo has a problem with the name Fab!o. And on the face of it, you can't really see anything similar, right? The Parle brand is basically an amalgam of two words (if you can call it that)—There's Fab with an exclamation mark. And there's the letter O.

So it's really FabO. Parle says the exclamation was just to "incorporate a fun element in the mark and make it unique vis-à-vis other mark." After all, it did register the name FABO in 2010. And it also sells biscuits with an exclamation mark—like the Fab! Bourbon. So it wasn't a premeditated and targeted attack on Oreo which only launched in India in 2011.

Okay, let's accept that. The name is dissimilar. But there's phonetics. Or how the word is really pronounced. And how do you pronounce FAB!O?
Well, this is where Parle dug its own grave. Because as per Parle's own social media posts, it clearly says, 'fab-ee-yo'. That sounds quite similar to how we'd say O-ree-yo, no?

The end result? Even the Judge scoffed at Parle's argument that the exclamation point was added just for fun. He said it was a clear sign of trying to copy Oreo. Especially since none of its other biscuits had an O after the exclamation mark. Now Parle still tried to wriggle their way out of it.

They said, "Look, if the first syllable of two marks is different, we cannot say they're phonetically similar." And they pointed out what happened to Tanishq. Around 20 years ago, the jewellery arm of the Tata Group found that a jeweller who ran Khazana Jewellery had decided to launch a new brand in Chennai—called Kanishk. So Tanishq filed a case. It felt like it sounded too similar and people would get confused. The court looked at its merits and actually ruled against Tanishq. Kanishk was left alone to continue running its store.

But this time, the Judge was having none of that. Instead, he referred to another case between Amritdhara Pharmacy and Satyadeo Gupta from 1962. One of them had a product called Amritdhara and the other sold Lakshmandhara. Both of them were medicinal products. And the Supreme Court said and we quote, "the question has to be approached from the point of view of a man of average intelligence and imperfect recollection. To such a man the overall structural and phonetic similarity of the two names "Amritdhara" and "Lakshmandhara" is, in our opinion, likely to deceive or cause confusion". So yeah, the first syllables don't really matter.

But the Judge didn't stop there. He had a final nail in the coffin for Parle. It seems that there aren't really other biscuits in the market that ends with an 'eo' sound. It's just Oreo. And that makes it a distinguishing feature of the brand.

So when Parle decided to call its biscuits 'fab-ee-yo', it would definitely confuse someone who's of 'average intelligence and imperfect recollection'.
Then there's the packaging

Parle listed all the ways in which packaging is different. Such as placing the Parle brand logo prominently on the package—7 times in fact. Compared to just one mention of Cadbury on an Oreo packet. It said that its packaging was a lighter shade of blue when compared to an Oreo. That it showed 2 biscuits on the pack. While Oreo showed one biscuit being dunked into a glass of milk.

And it also said Oreo has to prove that its colour and packaging have become its own brand. That people associate this type of packaging only with Oreo.

It even brought attention to a case in the US which featured Oreo's original maker Nabisco. The court had observed that when it comes to biscuits, it's near impossible to find a new colour for packaging. Everything was already taken—the red, blue, and yellow. So people are used to that. They're not going to be confused about the biscuit just by looking at the colours. And on the face of it, that sounds like a solid argument, right?

But…there's a legal principle called the 'initial interest confusion'. Put simply, if a brand packages itself in a deceptively similar manner to a rival, it can cause confusion to the customer. And in Parle's case, despite all the differences it pointed out, it used this blue colour packaging only for biscuits with a vanilla cream filling. Just like an Oreo.
Also, if you look at similarities as opposed to all the things that are dissimilar, you'll see that all the differences that Parle pointed out were minor. Sure, the Parle logo was prominent. But that's not enough. Because a person of average intelligence need not be aware that Parle and Cadbury are two distinct companies. Now Parle tried one more angle. It argued that other vanilla cream biscuits come in blue packaging too. So it can't be penalised.

But again, the Judge didn't think much of that argument. Just because others have copied a similar packaging, doesn't mean that Parle can go scot-free. The others could've seen Oreo's success and copied it too. And you can't expect Oreo to sue everyone, right? It takes time. It takes money. And it's really dependent on Oreo to decide which is worth going after. So Parle lost out on this front too. And finally, what about the design of the biscuit itself? Well, that's the only place that Parle scored a point.

Because sure, both biscuits have a bunch of intricate patterns on the surface. And Oreo has a trademark over its design. But apart from a ridge running along the circumference of the biscuit and a few dashes, the design is quite different. And if we want to establish design infringement, you really need the marks to be the same. Feature for feature. But wait…what about the concept of 'passing off'—Where you coyly use a similar design to confuse a customer?

Well, if the biscuits were individually out in the open, side by side, you could've said that Parle was trying to pass off its Fab!O as an Oreo. The designs could look similar. But, the biscuits are in a pack. It's not sold loose in the stores. So you really don't expect someone to get confused by the design, right? So yeah, it's 2–1 to Oreo in this round.

And the end result? Well, you're not likely to see the FAB!O biscuits in their blue packaging for a while. Parle can't use the brand name or the packaging for a new batch of these biscuits.

Anyway, you can be sure this is not the last we hear about this battle. And we'll see what happens in round 2.

By Ganesh S Bhat

Update for the day #1702 | Once a law, some of 3,695 protected structures may lose monument tag

Once a law, some of 3,695 protected structures may lose monument tag

With an aim to redefine monuments and rationalise the use of area around the protected monuments, the government is set to reintroduce the Ancient Monuments and Archaeological Sites and Remains (AMASR) (Amendment) Bill in the second half of the Budget session.

Union Culture Minister G Kishan Reddy said the discussions on the draft AMASR (Amendment) Bill are in the final stage and the legislation will be tabled in Parliament as early as next month.

The upcoming amendment will seek to give a new definition of 'monument'.

Currently, a monument has to be at least 100 years old. But sources say there is a view to change that benchmark and go back since India has a wealth of ancient monuments, while most '100-year-old monuments pertain to the time of the Britishers'.

This would be in line with the government wanting to shed 'its colonial past', as announced by the Prime Minister at various fora to mark Amrit Kaal or 75 years of Independence.

There is also a likelihood of redefining 'national importance' as per the ethos of the country, since several centrally protected monuments were included on the list during the British regime, when the Archaeological Survey of India (ASI) was established. Eventually, put together, two will pave the way for the denotification of many centrally protected monuments, which currently stand at 3,695.

The AMASR Act only provides for denotification of a monument if it ceases to be of national importance. Recently, the ASI had admitted to a Parliamentary Committee about 24 missing monuments, and loss of another 26 to factors like urbanisation and submerging in dams.

The AMASR Act also prohibits construction up to 100 metres around protected monuments, except under certain conditions. An area up to 200-metre radius beyond the prohibited area is demarcated as a regulated area.

No construction work or related activity is generally permitted in these prohibited and regulated areas in case of all 3,695 protected monuments across the country, unless a specific approval is taken from the National Monuments Authority (NMA).

There is a feeling that this restricts a lot of areas which could be put to good use, specifically in case of developmental and infrastructure related work. It is expected that the amendments will pertain to making some relaxation in these zones, specifically in case of smaller and less significant monuments such as statues, cemeteries and cannons, etc., which don't need such a big area around them to be restricted for their protection.
However, in case of UNESCO World Heritage Sites (India has 40 of them, including Taj Mahal in Agra, Dholavira in Gujarat, Ramappa Temple in Telangana, and Red Fort and Qutub Minar complexes in Delhi), these restrictions may stay, since construction in regulated and prohibited zones may impact these heritage structures. UNESCO has generally been encouraging such a concept to be complied with in the case of all world heritage sites.

Official sources, privy to the deliberations, say that uniformity in these restrictions for all monuments will be lifted.

By Gunda Naga Abhigna

Update for the day #1703 | The quick death of quick commerce?

In 2021, the hottest trend was quick commerce. Want a banana? Get it delivered in 10 minutes. Want a pack of biscuits? Just 10 minutes. Find out that you've run out of toothpaste in the morning? Simply wait for 10 minutes.

10-minute delivery was the new holy grail for grocery delivery companies. And it began all thanks to Zepto. A couple of 19-year-olds convinced investors that they could perfect ultra-quick delivery. They raised massive amounts of money for a blitzkrieg. And once Zepto announced its grand plans, the rivals had to jump in too.

Grofers, which had spent years building its brand even decided that the millions of dollars it had splurged on branding didn't matter. So it changed its name to Blinkit. To convey speed.

Swiggy raised money. And instead of spending on its core food delivery business, it set aside the entire $700 million (a staggering ₹5,500 crores) just for quick commerce. For Instamart.

Ola launched its own 10-minute delivery promise with Ola Dash. Even Reliance jumped into the fray with JioMart Express which delivered in 90 minutes. Yeah, not quite 10 minutes, but still.

The reason why we're pointing all this out is because this happened in just 12–18 months. And it's easy to see why companies were excited about quick grocery delivery.

1. User base. This is massive because everyone buys groceries. Whether they're young or old. Rich or not-so-rich. It's something that everyone needs.
2. Frequency. Is there anything that's ordered more frequently than grocery products? Doubt it. It's almost an everyday affair.

The opportunity was so massive that Swiggy even felt that quick grocery delivery could beat its core food delivery business. After all, in 2021, India ordered $5.5 billion worth of groceries online. And about 13% could be attributed to these hyper-quick delivery programmes. Everyone felt that the pie would grow bigger and bigger. RedSeer, the consulting firm, estimated that this quick commerce market would boom from $300 million to $5.5 billion by 2025.

All of this excited Venture Capitals. They poured boatloads of money into these ultra-quick grocery delivery companies.

The economic environment is a little lukewarm. And VCs are taking a breather. All this while, the mantra was simple—profits don't matter. That if you're patient enough, you can outspend your rivals and you'll become a virtual monopoly. And once that happens, you can dictate the terms. Customers are addicted to the convenience of sitting on the couch and placing an order. They won't care anymore if it's 10 minutes or 45 minutes.

But at the end of the day, when times are tough, the question is inevitable—when are the profits going to come?

So the only way out for these companies is to improve their unit economics. Think about it this way. Assume that Swiggy Instamart can deliver an order by spending ₹10 rupees. And it manages to earn ₹12 through delivery fees and the margins on products it sells, that's positive unit economics.

Now one way to improve this is to keep the cost the same. But sell more products to earn a high margin. Because the cost doesn't vary whether you carry a ₹100 order or a ₹1000 order.

At the moment, the average order value (AOV) for Blinkit is Rs.553 and according to the Economic times, it's ₹400 for Swiggy Instamart and ₹460 for BigBasket. The companies desperately need this to inch higher. Especially since the AOV from e-grocers who don't indulge in ultra-quick deliveries is almost double this value.

These companies always knew that 10-minute deliveries wouldn't work in the long run. Maybe it was just a marketing gimmick to scare the rivals and get you hooked on the convenience of quick delivery. Because once you're addicted, it won't matter much if it's 10 minutes or 30 or 60. You're a customer for life.

If that's the case, quick commerce isn't dead. It's only the 10-minute drama that's disappearing. And you and I were simply test subjects for their marketing experiment.

By Pratham Sakaria V

Update for the day #1704 |Money Laundering and Financial Action Task Force

FATF:
The Financial Action Task Force (FATF) is an initiative formed in 1989 to develop policies and procedures to combat money laundering and maintain public welfare. The headquarters of FATF is in Paris, France. Currently, it comprises 37 member jurisdictions and 2 regional organizations. It focuses on studying the trends of money laundering in different countries. The policies developed by FATF help to minimize money laundering and terrorist financing.
Later its scope was increased in 2001 by including terrorist financing too. Unlike money laundering Terrorist financing often starts from a clean source i.e. may be as a charitable donation and then further transferred to terrorist accounts.

Risks and Trends:
FATF's research into existing or emerging money laundering and terrorist financing trends and methods helps countries better understand the risks they are exposed to. As countries implement the FATF Standards, they become more effective in detecting, investigating, and preventing financial crime. Once these risks are properly understood, countries will be able to implement anti-money laundering and counter-terrorist financing measures that mitigate these risks.The FATF continuously strengthens its Recommendations to respond to the evolving money threats to the financial system. This work ensures that these international standards remain powerful and effective tools to combat crime and disrupt the financial flows that drive terrorism and affect the country's financial systems as a whole.

India's Position:
The Prevention of Money Laundering Act, 2002 (PMLA) came into force in 2005 in India and was amended in 2009. India continues to be a significant target for terrorist groups and has been the victim of numerous attacks.
India has progressively expanded and strengthened its preventive measures for the financial sector, which now apply to all but one of the financial activities required to be covered under the FATF standards. However, several preventive provisions need to be brought more closely into line with the FATF standards, and overall, more time is needed before all requirements are substantially implemented. Since 2009, India has increased its focus on money laundering and the use of the ML provisions. However, there are still some important legal issues that remain to be resolved.

By Raki Saha

Update for the day #1705 | Going Off Social Media Gives Young People a Boost in Morale

Editing, filters, and retouched influencers are detrimental to self-confidence, especially for younger users. While it's something that many observers have suspected for a while, this harmful effect has now been confirmed by a new study, with researchers concluding that in order to have a more positive body image, young users should quit social media or at least reduce their time spent on it.

It's a phenomenon that's impossible to miss, whether on Instagram, Facebook, or TikTok — the numerous posts praising fit and toned bodies and faces, free from imperfections, and that's even before taking into account the countless influencers who use filters to look their best. It's a trend that has contributed to a boom in certain medical and cosmetic surgery procedures, which demonstrates how the time spent on social media has a considerable impact on self-image, and more generally on confidence and well-being. A study conducted by researchers at the Children's Hospital of Eastern Ontario Research Institute in Canada, in collaboration with the American Psychological Association, reveals that reducing social media use can significantly improve teenagers and young adults' perceptions of their own bodies.

No more than 60 minutes a day

The researchers conducted an initial pilot study with 38 students, some of whom were asked to reduce their social networking to no more than one hour per day. While the small-scale research showed an improvement in the way participants perceived their overall appearance, a more in-depth study with a larger sample was needed to verify the results. Scientists at the Children's Hospital of Eastern Ontario research institute therefore repeated the experiment with 220 undergraduate students aged 17 to 25, the majority of whom were women, who were considered to be regular users of social networks — at least two hours a day — and had symptoms of depression or anxiety.

For the purposes of this work, the researchers first asked all the participants to use social networks without restriction, then limited this use to a maximum of 60 minutes per day for half of the participants. During the following three weeks, the latter saw their use limited to 50% of their usual consumption, which was an average of 78 minutes per day, compared to an average of 188 minutes for the control group. Questionnaires on the perception of their weight, their appearance and their self-esteem were then administered.

The results were clear: the participants who reduced their social network consumption felt better about themselves, and had a better perception of their body weight and overall appearance. All in less than a month's time. "Reducing social media use is a feasible method of producing a short-term positive effect on body image among a vulnerable population of users and should be evaluated as a potential component in the treatment of body-image-related disturbances," concludes Dr. Gary Goldfield.

The researchers decided to pursue their research in order to determine if an even longer period of time away from social media, or with limited use of it, could be even more beneficial on the esteem and confidence of younger users.

By Rakshith R Ammati

Update for the day #1706 | Bengaluru Startup Uses AI To Identify & Fix Potholes

It was almost midnight, and Dipen Babariya and his friend were on their way to their common destination. But unsure of the location, the duo used google maps for navigation. What visibly looked like the "fastest route" on the map turned out to be the slowest. The road was laden with potholes without any street lights, making it difficult and unsafe to travel.

The maps only identify the shortest route in terms of distance and fastest in terms of traffic, but it does not identify the problems on roads such as bad road conditions. This happened when they were still in college, which gave birth to the idea of making an AI-based solution to this problem.

What started as a hunch in college is now a full-blown start up in Bengaluru called RoadMetrics, which provides AI-based data for road management plans. It has collected data on more than 50,000 km of road across the country in cities like Delhi, Bengaluru, Mumbai, Jamshedpur, Patna etc.

Making Indian roads safer and pothole-free

Their initial plan in 2018 was to develop an application for mobile phones that will tell the road's condition to the user, but it eventually evolved.

Road safety is an essential area which does not have any software that tells the road's health. This is true for India and even countries outside India.

The trio started to develop their initial idea of making mobile-based software. While the sensor-based technology that would work as a mobile application sounded good, it was not feasible as they would have to drive on every part of the road to capture the vibrations. The vibrations would then be assessed to find the potholes.

So, upon further research, they found an even smarter solution. They developed an image-based or computer vision-based software. It uses the camera of the mobile mounted on the windshield of a car. Once the mobile is mounted, they start their data collection application. It records video data, along with GPS data, coordinates and time stamps. This is uploaded to the servers where there are millions of such data stored. The trained AI software then identifies the road defect.

The AI algorithm can identify 10 types of road defects ranging from minor cracks and surface deterioration to major problems such as potholes. Other than the AI algorithm, the startup also has developed RoadMetrics Maps which help consumers to find the fastest, most comfortable and traffic-less roads. But identifying that the solution to the problem was not just navigating a pothole-free route, but also fixing them, the company switched from the B2C to the B2B model.

The software is a B2B model where we help municipalities and private players to identify the problems in the road and fix them. Why avoid potholes when we can fix them?

The company has already mapped the entire city of Bengaluru and Mumbai while they are working in Assam and Bihar.

On the basis of damage reports assessed by the software, the municipalities and private companies can decide how much allocation of funds is needed. They are working with the TATA

Group in Jamshedpur, where they are helping them identify the issues on the road.

A manual survey takes nearly four to five months and another couple of months to finish the planning. What happens is by the time the survey is completed, the entire condition of the road changes. The plans made might not be suitable for the new damages. The technology is capable of surveying 1,000 km within a week's time. Therefore, it is less time-consuming and also more detailed. As an example of that, in Jamshedpur, there was a road called M P Road that would always be in a bad condition even after maintenance. Turns out there was a small stream nearby and the water was sweeping below, damaging the road. They identified this problem through AI, and then the contractor was able to plan the road's repair accordingly.

Similarly in Bengaluru city, the company has collaborated with the Electronic City Township Authority (ELCITA) to fix the potholes.

A smooth road to the future

The startup is currently working with private players like the TATA Group, Mahindra Group etc. The company is also in discussion to collaborate with government municipalities.

More or less, they aim to make the Indian roads as safe to travel as possible. As a company, they want to instill compliance to properly survey roads every year and submit reports to the government regardless of the method — manual or AI.

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 Aditi Jain

Update for the day #1707| Lotus shaped terminal – The Shivamogga airport

Lotus-shaped terminal, high-tech check-in system and more – a look at the Shivamogga airport

Prime Minister Narendra Modi on Monday inaugurated the Shivamogga airport with a lotus-shaped terminal. The event coincided with the 80th birthday of Karnataka BJP strongman and former Chief Minister B S Yediyurappa. Shivamogga is the home district of Yediyurappa, a four-time Chief Minister. . The new airport has been developed at a cost of around Rs 450 crore by the Central government under the Ude Desh Ka Aam Nagarik (UDAN) scheme. The passenger terminal building of the airport can handle 300 passengers per hour.

The airport is located 8.8 km from the city centre of Shivamogga district and is the ninth commercial airport to become operational in the state. The other eight airports are located in Kalaburagi, Belagavi, Bengaluru, Mysuru, Ballari, Bidar, Hubballi and Mangaluru.

The Shivamogga Airport will have the second longest runway of any airport in Karnataka after the Kempegowda Airport in Bengaluru.

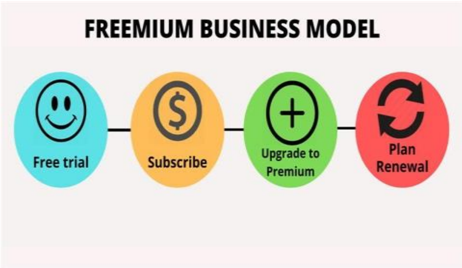
The new airport is equipped with a fire station, a taxiway, an apron, an approach road, a peripheral road, and a compound wall. The airport's passenger terminal building has been built with a high-tech check-in system to ensure a smooth flow of passenger traffic.

Prior to the inauguration, Modi inspected the model of the new lotus-shaped airport. He praised the grandiosity and beauty of the airport and said it was a combination of Karnataka's tradition and technology. Addressing a huge gathering, PM Modi said, "Before 2014, only big cities had airports. The BJP government has built 74 new airports in nine years. When airports are built, foreigners with dollars and pounds visit and there would be employment opportunities."

By Smitha R

Update for the day #1708 | Freemium Business Model

What is Freemium?
A combination of the words "free" and "premium," freemium is a type of business model that offers basic product or service features to users at no cost and charges a premium for supplemental or advanced features. A freemium model company provides basic services on a complimentary basis, often in a "free trial" or limited version for the user.



Understanding Freemium Model:
Under a freemium model, a business gives away services at no cost to the consumer as a way to establish the foundation for future transactions. By offering basic-level services for free, companies build relationships with customers, eventually offering them advanced services, add-ons, enhanced storage or usage limits, or an ad-free user experience for an extra cost. Since the 1980s, freemium has been common practice with many computer software companies. They offer free basic programs for consumers to try but have limited capabilities; to get the full package, you have to upgrade and pay a charge.

Is a Free Trial a Freemium?
Free trials and freemiums are slightly different; free trials are typically time-bound and only allow a user to "test out" a few parts of a product or service. Meanwhile, freemium models allow their free users to access the full application indefinitely. Ultimately, for the freemium model to work, companies must ensure their premium users can access more upgraded features, such as increased storage or customizations, and additional customer service.

By Suhan Bammigatti

Update for the day #1709 | PM Modi Inaugurated 'Barisu Kannada Dim Dimava'

Prime Minister Narendra Modi inaugurated the 'Barisu Kannada Dim Dimava cultural festival at Talkatora Stadium in Delhi on 25th February 2023. Prime Minister Modi addressed the gathering on the occasion.
'Barisu Kannada Dim Dimava' cultural festival is being organized to celebrate Karnataka's culture, traditions, and history.

It is in line with the Prime Minister's vision of 'Ek Bharat Shreshtha Bharat'. The festival, being held under the aegis of Azadi Ka Amrit Mahotsav,

will provide an opportunity for hundreds of artists to showcase Karnataka's cultural heritage through dance, music, drama, and poetry.

What is Ek Bharat Shreshtha Bharat Scheme?

The "Ek Bharat, Shreshtha Bharat" scheme was launched by Prime Minister Narendra Modi on Ekta Diwas, 31st October 2015, on the occasion of the birth anniversary of Sardar Vallabh Bhai Patel draws inspiration from the life of India's freedom fighter.

The scheme was launched to celebrate the cultural vibrancy of India while establishing a strong mechanism to inculcate nationalism and cultural awareness among the citizens of our nation.
The key aim of Ek Bharat Shreshtha Bharat is to promote the Indian ideology of "Unity in Diversity" India. It aims to build the interest of people in their neighboring states and UTs,

And also encourages them to promote their culture. It also aims to foster a sense of common identity among the people of the country, the rich heritage, culture, customs, and traditions of the states must be encouraged....

By Megha Jain

Update for the day #1710 | India`s Miracle man: G D Naidu

An Indian inventor, engineer and businessman G. D. Naidu transformed the stage of Indian innovation. Fondly referred to as the ‘Edison of India’ and the ‘wealth creator of Coimbatore’, he has contributed across a variety of fields from mechanical and electrical to agricultural. G. D. Naidu was born on 23rd March 1893 to a small farming family in the Kalangal village near Coimbatore, Tamil Nadu. He was a mischievous child who disliked attending his classes. After dropping out of school, he moved to Coimbatore, where he took up various odd jobs, with the hopes of exploring the field of mechanics.

After a failed cotton business venture, G. D. Naidu established his own transportation business. With his vast knowledge and keen observation, he was able to identify mechanical problems in his buses merely from the sound of the running engine. Starting from a single bus in the year 1921, his company United Motor Services (UMS) expanded to a fleet of 280 buses over a short span of time.

G.D. Naidu was a philanthropist at heart and pushed for various reforms to improve public welfare. He even demonstrated rapid methods of construction by building a house, from laying the foundation to completion, in mere eleven hours. Over the years, he did not forget his agricultural roots. He is said to have grown ten feet high Cotton plants, millet plants with high yields and several injections for plants that made possible what one would call ‘Botanical Marvels’.

Throughout his life, the multifaceted innovator worked towards advancing not just the scientific community but also the prosperity of the society. Though his many innovations touch our lives daily, his name is forgotten with the sands of time. Let us remember him and be inspired by his inventions.

By Divya N Y

CONTACT US - SURESH & CO.

#43/61, Surveyors Street, Basavanagudi, Bengaluru – 560004

P – (080) 26609560

Compiled by: Raki Saha and Sree Harshitha

Guided by: Udupi Vikram

D S Vivek	**Udupi Vikram**
Managing Partner	**Partner**
vivek@sureshandco.com	vikram.u@sureshandco.com
+91 98453 78991	+91 97387 79117