EMERGING THOUGHTS

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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.

"You can't cross the sea merely by standing and staring at the water"

"No one has ever achieved greatness without dreams."

Update for the day #1711| iPhone Maker Foxconn Plans $700 Million Plant Near Bengaluru

Apple Inc. partner Foxconn Technology Group plans to invest about $700 million on a new plant in India to ramp up local production, people familiar with the matter said, underscoring an accelerating shift of manufacturing away from China as Washington-Beijing tensions grow.

The Taiwanese company, also known for its flagship unit Hon Hai Precision Industry Co., plans to build the plant to make iPhone parts on a 300-acre site close to the airport in Bengaluru, according to the people who asked not to be named as the information is not public. The factory may also assemble Apple's handsets, some of the people said, and Foxconn may also use the site to produce some parts for its nascent electric vehicle business.

The investment is one of Foxconn's biggest single outlays to date in India and underscores how China's at risk of losing its status as the world's largest producer of consumer electronics. Apple and other US brands are leaning on their Chinese-based suppliers to explore alternative locations such as India and Vietnam. It's a rethink of the global supply chain that's accelerated during the pandemic and the war in Ukraine and could reshape the way global electronics are made.

The new production site in India is expected to create about 100,000 jobs, the people said. The company's sprawling iPhone assembly complex in the Chinese city of Zhengzhou employs some 200,000 at the moment, although that number surges during peak production season.

Output at the Zhengzhou plant plunged ahead of the year-end holidays due to Covid-related disruptions, spurring Apple to re-examine its China-reliant supply chain. Foxconn's decision is the latest move that suggests suppliers may move capacity out of China far faster than expected.

The plans could still change as Foxconn is in the process of finalizing investment and project details, the people said. It's also unclear if the plant represents new capacity, or production that Foxconn is shifting from other sites such as its Chinese facilities.

Apple declined to comment. Hon Hai, whose Chairman Young Liu met Prime Minister Narendra Modi this week, did not immediately respond to an email seeking comment. The Karnataka government also did not immediately respond. Liu, who is on tour in India, has committed to another manufacturing project in Telangana.

Foxconn's decision would be a coup for PM Modi's government, which sees an opportunity to close India's tech gap with China as Western investors and corporations sour on Beijing's crackdowns on the private sector.

India has offered financial incentives to Apple suppliers such as Foxconn, which began making the latest generation of iPhones at a site in Tamil Nadu last year. Smaller rivals Wistron Corp. and Pegatron Corp. have also ramped up in India, while suppliers such as Jabil Inc. have begun making components for AirPods locally.

By Pooja Sandeep Naik

Update for the day #1712 | Pump and Dump Scheme

Markets regulator Sebi has recently barred noted Bollywood actor Arshad Warsi, his wife Maria Goretti, and a few others from the securities market for alleged involvement in the pump-and-dump scheme through Youtube channels.

While market participants hailed the regulator for enforcing tough penalties, the actor on his part has denied any wrongdoing.

Now, let us understand what a pump-and-dump scheme is, its impact on share prices, what the Arshad Warsi case is about, and why retail investors should be cautious while taking unauthorized tips.

Pump-and-dump scheme

As the name suggests, the pump-and-dump scheme involves "pumping up" the share price, which is driving it higher by spreading misleading information through social media channels or various other media.

Once the elevated share-price levels are reached, vested interests "dump" the shares by booking profits, making retail investors gullible and vulnerable to losing the invested money. Sebi terms such schemes as fraudulent and unfair trade practices, which can hamper the sanctity of Indian capital markets.

What is the Arshad Warsi case?

According to Sebi, Arshad Warsi and a few others have "pumped up" the share prices of Sadhna Broadcast and Sharpline Broadcast by uploading misleading videos on YouTube channels.

These YouTube videos circulated false and misleading news to recommend that investors should buy shares of Sadhna and Sharpline for big profits.

After the release of the videos, Sebi found that there was an increase in the price and trading volume of the shares of the two firms during April-July last year.

Large volumes indicated that a large number of retail investors were likely influenced by the videos and bought the shares. During the same time, Arshad Warsi, promoter shareholders, and others sold their holdings at inflated prices and booked profits.

According to the regulator, Arshad Warsi has made a profit of Rs 29.43 lakh and his wife has earned a profit of Rs 37.56 lakh.

Word of caution for retail investors

With the rise and rise of financial influencers and the massive reach of social media, there is no dearth of personal finance advice. However, experts say some influencers, with no skin in the game, pose risks to an individual's financial stability. They advise retail investors to be cautious before taking unauthorized recommendations from various media, particularly, social media.

By Akshit K Jain

Update for the day #1713 | An export visa for Goan Feni?

Goa.

Just the thought of the coastal state conjures up images of beaches, holidays, and cheap alcohol. But there are other things that are deeply rooted in Goa's traditional fabric. Things like sorpotel and vindaloo (which are spicy meat gravies), kokum (a fruit spice), bebinca (a layered dessert) and Feni (locally made liquor). Yes, Feni. The potent alcoholic drink made from fermenting juice drawn out of cashew apples or coconuts.

Now while coconut Feni was always native to the coastal state, you have to thank the Portuguese for the cashew concoction. Cashew isn't indigenous to India. But around the 16th century, the Portuguese brought them over. And they intended to use cashew trees to prevent soil erosion caused by heavy monsoons.

But, the climate and soil suited cashews. The plantations expanded. And when cashew fruits ripened, fell to the ground and went unused, some astute Goa thought, "Why not try fermenting these fruits into a liquor?"

And that's how cashew Feni became a nearly 500-year-old Goan legacy. It was so intrinsic to Goa that in 2009 cashew Feni even got its geographical indication (GI) tag.

But…the tag was just a placeholder for Feni. It didn't do anything really to boost the fortunes of the liquor.

Why's that, you ask?

Because alcohol is unlike any other product. It comes with a whole host of regulations. And in India, these regulations even vary from state to state. One problem was that Feni was always categorised as 'country liquor'. It was primarily brewed locally in people's backyards. It wasn't really a large scale commercial industry.

And there's a problem with country liquor. Informal production means that it could be dangerous without adequate quality control. People typically associate country liquor with instances of alcohol poisoning or even death. It has a bad rap.

So, country liquor isn't even allowed to cross state borders.

Now the Goa government stepped in to rectify the problem. In 2016 the state government amended the state excise law and declared Feni as Goa's heritage drink. Feni finally shed its dubious tag.

But it was just a label. It wasn't a miraculous makeover.

Because as we said, every state has different policies. And Goa needed to do the hard yards and tell others, "Look, Feni isn't a country liquor anymore. It's got heritage status. So please amend your policies too so that we can export them to you."

And it looks like that never happened. Every media report in the past year says that Feni is still officially designated a country liquor. So forget exports to other countries, Goa hasn't even been able to export it to other states either!

To make things worse, unscrupulous people weren't helping Feni's cause. We're talking about bottlers.

According to an article in Scroll, these people just wanted to make a quick buck or two. So they bought Feni anywhere they could find it. They didn't care about quality. They packaged them in fancy bottles, claimed that it was vintage Feni and sold it. When tourists (from other states and countries) picked it up, it wouldn't have left a nice taste in their mouths right?

It was bad marketing for the alcohol.

Anyway, the Goan government is still trying to fix things. And in 2021, they announced the official Goa Feni Policy. It wanted to streamline everything Feni related—harvesting, fermenting, distilling, storing, bottling, marketing…everything. It wanted to clean up the process. And its vision was to take the liquor to the world.

By M Aman Jain

Update for the day #1714 | An Explainer on El Niño

The Story

In the 1600s, Peruvian fishermen noticed something odd. During certain periods, the sea water turned warmer. And their catch of fish dwindled too. This affected their livelihood. But they did not really know what was happening or why. And because it occurred typically around Christmas time, people in the region called this phenomenon El Niño. It meant 'the Christ child'.

But it took another 300 years before scientists explained to us what was really going on. Climatologist Sir Gilbert Walker and his team figured out it was linked to something called the Southern Oscillation over the tropical Pacific Ocean.

See, in a normal scenario, the winds around the equator move west from South America to Australasia (Australia, New Zealand and some neighbouring islands in the Pacific Ocean). This pushes the warm water in the eastern Pacific (that is near Peru) away towards Asia. And when the warm water is displaced, the cold nutrient-rich water from the depths would rise (or upwell) to replace it. It's the cool water that the fish are after.

But occasionally, the cycle changes. The atmospheric pressure builds up over Australasia and the winds reverse direction. It moves from west to east now. And El Niño rears its head. The seawater around the Peruvian coast warms up. The temperature rises anywhere from 1°C to 3°C compared to normal. And the fish disappear.

The scientists called this the El Niño Southern Oscillation (ENSO).

Now while we only spoke about Peru so far, El Niño affects everyone. It has a ripple effect across the globe. Or in climate science terms, it has a teleconnection—how geographically distinct areas are affected by a singular weather pattern.

This includes India.

You see, when El Niño arrives, the complex dance involving atmospheric pressure, winds, and sea temperatures affects the monsoons. How, you ask?

Well, while the ocean water around Peru warms up, the opposite happens on the Asian side of things. And warmer waters allow for more evaporation and condensation in the atmosphere. Cooler water translates into fewer rain clouds hovering over the region. And instead of a bountiful monsoon, we could suffer from a lack of it. Also, depending on its severity, we could even face drought. Some estimates suggest that 60% of droughts in India over the past 130 years have been linked to an El Niño event. And by drought, we mean instances when rainfall is just 10% below normal.

Now, that seems like a cause for worry, no?

Because as per FY21 estimates agriculture contributes to roughly 20% of India's GDP. And various reports say that 40–60% of India's cultivated land depends on the monsoons. So, when the monsoon is not what it's supposed to be, it can have huge ramifications.

Remember the kharif and rabi crop lessons from your school days?

Well, those are the two main crop seasons in India.

We sow kharif crops like rice, maize, and soybean during the first onset of the monsoon. And that makes them quite dependent on rainfall. Without adequate rain, the yields could be lower. And researchers who looked at data from 1966 to 2011 have indicated that El Niño greatly affects the final output.

During the retreating monsoons starting in November, we sow rabi crops, such as wheat and mustard. And while these crops do not depend on the rains, you still need good monsoons to maintain groundwater and reservoir levels. Otherwise, irrigation becomes tough. Yields could drop.

It's not a great omen for India which is one of the world's largest consumers of both rice and wheat.

Also, with falling agricultural output comes the problem of reduced rural incomes. With about 60% of rural households engaged in agriculture, they could tighten their purse strings and cut back on spending. It could hurt discretionary spending. Even vehicles for that matter—Maruti Suzuki has already stated that it is worried about the impact of El Niño on its sales. It can even hurt sales of the FMCG (fast-moving consumer goods) category if people cut back on personal care products and biscuits and stuff too. After all, rural India accounts for nearly 40% of FMCG sales.

On the other hand, it could put quite a bit of pressure on our electricity grid. Urban India could crank up their cooling devices to beat the heat. And the signs of things to come are already here. In January, for instance, the Weather Channel reported that the demand for electricity peaked at 211 gigawatts. It is already almost hit the all-time high we witnessed last summer. And it is not even summer yet. If El Niño emerges and heats up India even more, our electricity demand could shoot up by 20–30%. And we could be facing power shortages.

Put all these together, and you will have a great recipe for inflation. It could give another reason for the central bank to tighten monetary policy. They could raise interest rates further and it will be a blow to an already slowing economy.

Simply put, it affects our monsoon and everything and everyone that is dependent on it. So yeah, you can see why when there is a warning of an impending El Niño, everyone gets worried.

But before you panic, remember that some studies show that around 30% of the monsoon vagaries in India are explained by ENSO. There is still a whole host of other factors such as the IOD (Indian Ocean Dipole) too which has a bearing on the rains. And going by that, we do not need to panic about an El Niño declaration. We just need to be prepared.

On the other hand, there are regions which cheer El Niño too.

The International Monetary Fund observed that when the harshest El Niño phase swept over the globe in 1997–98, the US GDP had a net gain of about $15 billion or 0.2%. All thanks to wet weather around California that helped crops like lime, almonds, and avocado. And fewer hurricanes or tornadoes that typically hurt some states.

This positive effect even spills over to nations it traded with. The US accounted for 19% of China's total trade. And when the US gained, it passed on these benefits to China too. So even though China was not aided directly by El Niño, it still pushed up its economy by about 0.6%.

So yeah, as with everything else in life, even El Niño is not all black and white.

Anyway, we are not certain yet that 2023 will indeed be the year of El Niño. The Institute of Climate Change Studies (ICCD) says that it will be a drought-like year. But the India Meteorological Department (IMD) says that we will only have a clear picture by April.

How will it all pan out? Only time will tell.

By Arun Nagarajan

Update for the day #1715 | Cost of living crisis, digital inequality among risks for India: WEF

A cost of living crisis, digital inequality, geopolitical contest for resources, natural disasters and extreme weather events are the biggest risks for India over the short and medium term.

Globally, over the short-term (2 years), the biggest risks are the cost of living crisis, natural disasters and extreme weather events, geoeconomic confrontation, failure to mitigate climate change and large-scale environmental damage incidents, among others, the report stated. Over a long term (10 years), the biggest risks include failures to mitigate climate change and climate change adaptation, biodiversity loss, large scale involuntary migration, and natural resources crises, amongst others.

"As 2023 begins, the world is facing a set of risks that feel both wholly new and eerily familiar. We have seen a return of "older" risks – inflation, cost-of-living crises, trade wars, capital outflows from emerging markets, widespread social unrest, geopolitical confrontation and the spectre of nuclear warfare – which few of this generation's business leaders and public policy-makers have experienced," said the World Economic Forum's Global Risks Report 2023.

The report said that these risks were amplified by comparatively new developments in the global landscape, including unsustainable levels of debt, a new era of low growth, low global investment and de-globalization, a decline in human development after decades of progress, rapid and unconstrained development of dual-use (civilian and military) technologies, and the growing pressure of climate change impacts.

"Together, these are converging to shape a unique, uncertain and turbulent decade to come," it said.

Geopolitical rivalries and inward-looking stances will heighten economic constraints and further exacerbate both short- and long-term risks, the report said, adding that the pandemic and war in Europe have brought energy, inflation, food and security crises back to the fore.

These create follow-on risks that will dominate the next two years: the risk of recession; growing debt distress; a continued cost of living crisis; polarised societies enabled by disinformation and misinformation; a hiatus on rapid climate action; and zero-sum geo-economic warfare, it added.

"The economic aftereffects of COVID-19 and the war in Ukraine have ushered in skyrocketing inflation, a rapid normalization of monetary policies and started a low-growth, low-investment era."

"The inflation that we have seen due to the commodity price spike, and the support given in advance economies to keep businesses afloat, it wasn't perfect. Things look grim in the advanced economies, with fears of recession. But many small businesses and people stayed afloat," said Saadia Zahindi, Managing Director of WEF.

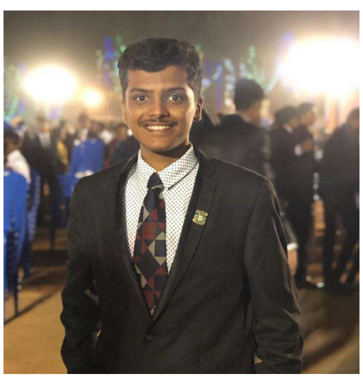
Beyond the short term, climate change is the biggest risk that the global economy faces, and it is the challenge for which humanity is least prepared, the report stated.

"Nature loss and climate change are intrinsically interlinked – a failure in one sphere will cascade into the other. Without significant policy change or investment, the interplay between climate change impacts, biodiversity loss, food security and natural resource consumption will accelerate ecosystem collapse, threaten food supplies and livelihoods in climate-vulnerable economies, amplify the impacts of natural disasters, and limit further progress on climate mitigation," it said.

Food, fuel and cost crises have exacerbated societal vulnerabilities. Compounding crises have widened their impact across societies, hitting the livelihoods of a far broader section of the population, and destabalizing more economies in the world, than traditionally vulnerable communities and fragile states.

Economic impacts have been cushioned by countries that can afford it, but many lower-income countries are facing multiple crises: debt, climate change and food security. Continued supply-side pressures risk turning the current cost-of living crisis into a wider humanitarian crisis within the next two years in many import-dependent markets, the report said, adding that social unrest and political instability will not be contained only to emerging markets, but may hit developed economies as well.

By Vishnu Bhushan B D



Update for the day #1716 | 3 things from the Blume Ventures report

1) What does internet penetration mean for e-commerce?

3 things changed the face of digital India.

When Reliance Jio launched in 2016, the dirt-cheap tariffs meant that many Indians went online for the first time in their lives. Then, the launch of UPI made digital payments easier. And of course, demonetisation gave it a boost. Finally, when Covid struck, people took to online shopping and activities like fish to water.

All this meant that mobile internet subscribers in India soared. From 400 million users in 2016, it doubled to 800 million in 2020. Startups piggybacked on this. And the ones who pitched saying, "My industry is underpenetrated. Digital will solve everything," raised lots of money.

But…there's a problem now.

Especially for e-commerce. Because everyone's an e-commerce user these days. Okay, not everyone. But the penetration levels are already quite high. 19% of India's households shop online. If you dissect the numbers, you'll see that in the high-income category (greater than ₹6 lakhs), the e-commerce penetration is already at 37%. Or as Blume put it, e-commerce has already captured the low-hanging fruit.

That means if they want to go after the rest of the market, especially the rural side where penetration is around 19%, it'll be hard work. Because if e-commerce companies want to acquire and retain a new shopping household, they might have to shell out anywhere between ₹5,000 to ₹12,000. That's what Credit Suisse pegs the costs to be. So if they want 30 million new households in their kitty, they're going to have to spend between $1.8 billion to $4.5 billion to acquire them.

Will companies want to spend that kind of money?

Maybe not. Especially if you think about the return on investment. While people in metros spend $500 annually per shopper, the folks in Tier 2 and smaller cities spend just less than half of that sum—$220.

The economics may just not work for companies.

But there's another roadblock too.

You see, there's been a slowdown in mobile internet subscribers of late. Since hitting the 800 million mark in 2020, growth has been lacklustre. We are at about 837 million internet users today.

Even smartphone sales are going through a tough time—it fell by 9% in 2022. And that's because entry-level smartphones aren't as cheap as they used to be. Prices have gone up. Combine that with the fact that 750 million people already use smartphones in India and it's hard to see where the growth will come from.

The pie isn't expanding. And you need smartphone users to drive sales. It seems like we might have just reached a plateau for e-commerce. Makes you think, doesn't it?

2) Is hyperlocal content the future of OTT?

Sometime last year, we wrote about how startup funding works. We said:

"Great entrepreneurs start as great storytellers. They can weave the most compelling narrative and get even the most reluctant Venture Capitalists on the cap table. But this assessment is only partially true. Sure, VCs love good storytellers. But they only like a very specific kind of story— the one where you tell them 'the world is your oyster'."

Essentially, VCs like to hear a fabulous story about how they can 1000x their money. And for that, they like hearing that the Total Addressable Market (TAM) in a country like India is massive. They want all 1.4 billion people on board.

But what if you're launching a media startup that's going to have a very niche audience? Maybe you're creating video content (OTT) for a regional audience—in a specific dialect.

Most VCs won't like this initially. You might find a select few who'll help you get things up and moving, but the biggies might stay away. They'll worry about how much revenue you can snag. They might say, "Sure, people pay for Netflix and it has 6 million subscribers in India. Sure, Disney Hotstar has 60 million subscribers too. But getting people to pay for content in local dialects…will that work?"

Well, maybe it will.

Blume points to an OTT platform called Stage which caters specifically to Haryana and Rajasthan for now. In July 2021, Stage had 10,000 paying subscribers. Less than 2 years later, it already has 235,000 viewers who pay.

These viewers might be people who already own other OTT subscriptions and decided to get a regional one too. Or it could be those who scoff at the content on Netflix and say that it doesn't reflect the true India or Bharat as everyone likes to call it. That hyper-localised content is the way to go. That they'll pay money for it.

Either way, Stage can show the VCs that they've achieved their Product Market Fit. That subscriptions work. That they can replicate this model across the length and breadth of India. That with nearly 20,000 dialects across India, the opportunity is immense. People will pay.

Then, the VC money will come in too.

And here's the other thing. So far, OTT platforms haven't really opened up for advertisements yet. They've stuck to subscriptions. That's why you see data which says that only 1% of the $7 billion digital ad market goes towards OTT. Companies haven't had the chance to advertise on OTT.

But platforms like Netflix are already experimenting with an ad-supported subscription model. Cheaper versions that'll attract more people. And if regional OTT platforms can help companies target extremely specific audiences, then advertising could also blow up, no?

That means more VC money?

3) Can the e-commerce duopoly of Amazon and Flipkart be broken?

If you're a startup selling products directly to customers (D2C), how do you attract them?

You could build your own website. And advertise heavily on social media to draw people's attention. But it could cost a truckload of money.

You could choose to list your products on Amazon and Flipkart. Let them distribute it for you. You pay a listing fee and share some commission. But their massive user base could supercharge sales.

What if we tell you there's a third option emerging stealthily?

We're talking about Cred.

Yup, the 'pay your credit card bills and earn coins' company has something called the Cred store within its app. It curates a selection of brands and lists them. People can burn their stash of Cred coins and get sweet deals on the products. And going by what Cred said when it launched the store, it doesn't charge any fees or commissions from the brands either.

Now there are a couple of interesting things about Cred's e-commerce venture.

First, Cred is a play on discovery commerce.

Have you ever, when bored, simply popped up the Cred app and started browsing through the store? I have. And that's thanks to its discovery commerce features—A personalized feed of products. Perfectly searchable categories. And even in-app games like addictive casino-like 'spin the wheel' deals and 'bidding' for products. It's entertaining.

So while you'll only fire up Amazon when you need to buy something specific, Cred's store is scroll-worthy when bored. It's an alternative social media feed. Just for shopping.

And this trend is catching on quickly. In fact, the most downloaded app recently in the US, across both Apple and Google, has been an obscure discovery commerce platform called Temu. Sales on the platform are through the roof.

Secondly, there's Cred's target market.

India has a creamy layer at the top. They're the ones who contribute the bulk of e-commerce sales. As per Blume, this is approximately 120 million people who have a per capita income greater than $12,000.

And if you think about it, a subset of this is probably the same folks that are on Cred too. That's because Cred gatekeeps its users by using the credit score as a filter.

The end result?

While Cred only has less than 5% of Amazon's user base, it's generating massive sales for some of the brands listed on its platform—anywhere between 30–50% of sales these days is thanks to Cred.

A discovery platform with gated access to the top earners seems to have done wonders so far for some D2C brands. And while this strategy may not break the Amazon-Flipkart duopoly, Cred's emerging as an e-commerce force in its own right.

By Priyank N Jain

Update for the day #1717 | Lithium ore - Is India's EV drive now set to take the fast lane?

India's Mines Ministry on Thursday announced that 5.9 million tonnes of lithium reserves have been found for the first time in the country in Jammu and Kashmir.

"Geological Survey of India for the first time established Lithium inferred resources (G3) of 5.9 million tonnes in the Salal-Haimana area of the Reasi district of Jammu and Kashmir," the Ministry of Mines said on Thursday.

It further said that 51 mineral blocks including Lithium and Gold were handed over to respective state governments. Lithium is a non-ferrous metal and is one of the key components in EV batteries.

"Out of these 51 mineral blocks, 5 blocks pertain to gold and other blocks pertain to commodities like potash, molybdenum, base metals, etc. spread across 11 states of Jammu and Kashmir (UT), Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Odisha, Rajasthan, Tamil Nadu, and Telangana," the ministry added.

The initiatives have piqued the interest of billionaires like Mukesh Ambani, whose Reliance Industries Ltd. is building an EV battery facility as part of a broader $76 billion push into clean energy. Ambani's is among three companies, including scooter-maker Ola Electric Mobility Pvt. and bullion refiner Rajesh Exports Ltd. set to receive incentives under a $2.3 billion program to support advanced battery cell development.

The world's second most populous country has only a fraction of the raw materials needed to satisfy domestic demand for lithium-ion batteries — forecast by Crisil to grow 100-fold by 2030 — let alone produce on a global scale.

As the world moves away from gasoline-fueled combustion engines, demand for lithium, nickel, cobalt and other metals that go into lithium-ion batteries is soaring.

The entry barriers are quite high said Jasmeet Singh Kalsi, director of Manikaran Power Ltd. to news agency Bloomberg. The company is setting up India's first lithium refinery and scouting for nickel, cobalt, and copper assets overseas. "China has captured most of it."

Currently, 75 percent of the world's lithium refining is under Chinese control. Lithium for India is sourced from the US, China, and Hong Kong. According to Mint, GSI, a partnership of three PSUs—National Aluminium Co., Hindustan Copper, and Mineral Exploration Corp.—is striving to build a platform for R&D for lithium-ion battery recycling, acquisition, and joint manufacture.

Commonly referred to as 'white gold', lithium is not only key to the restoration of the depleting environment but it holds the capacity to develop companies and countries with its value. The annual electric vehicles market size is predicted to reach more than $800 billion by 2030. Hence, the newfound reserves likely mean a big economic boost for India.

By Rithick Kumar

Update for the day #1718 | What Is International Women's Day and Why It Is Important

Though the United Nations did not formally recognize May 8 as International Women's Day until 1975, the antecedents for an international day to amplify the voices of women and demand gender equality go back more than a century.

According to the UN, the worldwide event blossomed out of the First ever national womens day.recognized in the US on March 8, 1909. That year, the Socialist Party of America designated May 8 as National Women's day to honour the women who went on strike to protest unsafe conditions and unfair employment practices in New York City's garment industry.

International Women's Day is a global day celebrating the social, economic, cultural, and political achievements of women. The day also marks a call to action for accelerating gender parity. Significant activity is witnessed worldwide as groups come together to celebrate women's achievements or rally for women's equality.

It is a day when women are recognized for their achievements without regard to divisions, whether national, ethnic, linguistic, cultural, economic, or political.

Since those early years, International Women's Day has assumed a new global dimension for women in developed and developing countries alike. The growing international women's movement, which has been strengthened by four global United Nations women's conferences, has helped make the commemoration a rallying point to build support for women's rights and participation in the political and economic arenas.

International Women's Day is a time to reflect on progress made, to call for change and to celebrate acts of courage and determination by ordinary women, who have played an extraordinary role in the history of their countries and communities.

The world has made unprecedented advances, but no country has achieved gender equality.

Globally, legal restrictions have kept 2.7 billion women from accessing the same choice of jobs as men and less than 25 percent of parliamentarians were women, as of 2019. One in three women experience gender-based violence, still.

How Is the One Drop Foundation Participating?

At One Drop, part of our commitment to providing sustainable access to safe water is about ensuring that women and girls are at the forefront of positive change through their participation in social art activities.

We believe in the importance of getting women and girls involved in water and sanitation management when it comes to challenging social norms. By making women's voices louder and more articulated and empowering them to make a difference, we are giving them a better chance at improving their reproductive health.

International Women's Day is, at its core, a day that recognizes rebellion and uplifts radical demands for equality.

By Punith B

Update for the Day #1719 | Understanding Pakistan's Economic Crisis

Pakistan is in a torrid mess.

The country barely has anything left in its forex reserves. Just $3 billion that'll cover less than 3 weeks' worth of imports. Its inflation is through the roof at over 24%. The Pakistani rupee is in a free fall and has plummeted by 32% against the US dollar during the last 12 months.

Things look quite dire for our neighbor.

And it's not a problem that has crept up out of the blue. It's a lot of little things adding up over the years. Some of it due to political greed and folly.

1. **Artificial value of Pakistan's rupee** - Look back to a couple of years before 2018. The party in power then artificially kept the Pakistani rupee's value strong against the US dollar. Leading up to the election, they wanted to thump their chests and claim that the economy was stable. But they actually spent $7 billion on this effort. And the strong currency turned out to be a bane. This situation meant that exports suffered and imports rose. From 2015 to 2018, the exports dropped from 10.60% to 8.50% of GDP. And on the flip side, imports rose from 17% to 19% of GDP.
2. **Policy decision regarding oil** - As oil prices climbed in 2022, the rest of the world increased petrol prices for their citizens. And even the Pakistani authorities made the recommendation that petrol prices should be increased. But Imran Khan decided that he would cut oil prices instead. But this came at a massive cost of a 250 billion Pakistani rupee subsidy. It was money that Pakistan didn't have.
3. **Natural disaster** - In mid-2022, the country was ravaged by floods. Crops were destroyed. Take for instance cotton. Pakistan is the fourth largest cotton supplier in the world and textiles contribute to nearly 60% of its exports. Without cotton, the textile industry which employed 10 million people came to an abrupt halt. Export earnings were hit badly. In some regions, it completely wiped-out wheat which was part of the staple diet of Pakistanis. The country had to import food items that it otherwise was pretty much self-sufficient in. And that affected the economy adversely too. The forex reserves were drained and the deficit soared.
4. **Actions of the people of Pakistan** - The rich are still importing luxury cars. In the 6 months leading up to January, Pakistan shelled out a massive $1.2 billion for these imports. When it had absolutely nothing in its forex coffers.
5. **Excessive reliance on hawala network** - People didn't care about the economy. Or rather they didn't think about the economy. Since formal channels like money transfer agencies and banks took a hefty cut, people turned to the underground market or the hawala network to initiate transfers. Pakistan lost out and couldn't build its forex reserves.

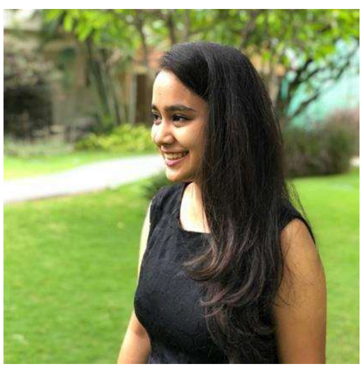
To summarize, the situation just keeps getting worse and worse. And unless Pakistan finds a miracle cure to increase its revenue and cut expenses, coming out of the mess is hard. And the only way out is to actually keep borrowing more and more money. From the big daddy of bailouts—the IMF.

Now the IMF's loans come with strings attached too. And in Pakistan's case, there are a lot of strings. Because since 1950, Pakistan has turned to this organization at least 23 times for funding. But it's never been that successful. Apparently, they'd even asked Pakistan to set up an anti-corruption body to dig into government corruption if they want the loan.

Now Pakistan is doing all it can to meet the IMF's conditions. Last week, they even created a mini-budget to convince the IMF that it was dead serious about getting its house in order. It proposed increasing GST. It'll make everything including ghee, tobacco products, and fuel expensive. It'll hurt the common people more. But Pakistan's hands are tied. It has no choice. And it could even create more turmoil. Turmoil that even India will be worried about. Because a failed state could mean bad news for all neighbors, including us.

Until then we will just have to wait and see how this all unfolds.

By Hiral Songara



Update for the day #1720 | The Death of Silicon Valley Bank.

On 7th March, Silicon Valley Bank tweeted, "Proud to be on @Forbes' annual ranking of America's Best Banks…"
By 10th March, SVB's stock price had tanked by 60% and the bank was taken over by an arm of the US government.
What on earth happened?
We are trying to break down what's turning out to be the biggest financial disaster since 2008. Remember, this is a simplified explainer, so we'll have to sidestep some of the nuances of the US banking system.

With that, let's dive in.

The Story

Banks are supposed to be boring.

They take deposits from people like us and pay us a low rate of interest. And lend most of these deposits out to others and earn a higher rate of interest. In the process, they make a decent chunk of money. They also invest some of the money in things like bonds. It may not earn much money but they can sell these quickly in case of an emergency. And of course, they keep a bit aside in cash. To be on the safe side.

Or at least that's how it should work.

In reality, it's not so simple. A lot of things could go wrong. Banks could make really poor lending decisions. And people don't return the money. Or the bank might even make some bad investment decisions. They'll invest money in complex things they don't understand.

The economy will get into a rut. And the problems at the bank will become public news. Depositors could panic. There might be a run on the bank. This means people rush to withdraw whatever money they deposited. They lose trust. And eventually, the bank could collapse.

Suddenly, the bank is not boring anymore.

Which brings us to the collapse of Silicon Valley Bank. The fabled banker to startups that has been around since 1983.

Now being around for so many years means that SVB's quite an experienced player. It has seen its share of bad markets—the dotcom crash, the great financial crisis, the coronavirus pandemic. Everything.

But…2023 was different. SVB was hit by a perfect storm.

Let us explain. See, immediately after the pandemic, the US central bank slashed interest rates to all-time lows. To nearly zero. They wanted to entice people to borrow money and spend. Propel the economy.

Startups benefited greatly from this too. All this easy money meant that Venture Capital money rushed into startups by the boatload. Investors often didn't even care about business models. They just wanted fancy stories. And while a lot of money was burnt at the altar of growth, these startups parked millions of dollars they'd raised with banks too. Naturally, since SVB was a startup darling, it got a lot of these deposits. Between 2020 and 2022, SVB's deposits soared 3 times—from $62 billion to $190 billion.

Now as we said, SVB could do two things with this money. Lend it out or invest it.

But startups weren't asking for loans. They didn't need it because VC money was abundant. So,

While the deposits tripled, loans only doubled. SVB was left with a lot of spare cash. They decided to invest it.

Now, if you're a sensible and prudent bank, you'd just take that money and invest it somewhere ultrasafe. Such as a short-term government bond. That's the safest bet there is. You might earn peanuts. Say 0.25% interest. But you're a bank. Safety first is the motto!

The thinking is that if companies suddenly wake up and demand their money back, you can quickly sell these government bonds. There will be plenty of buyers waiting to lap them up. Everyone's happy. Everything's safe.

But SVB messed up. They got a bit greedy. Or stupid?

Out of the roughly $115 billion they invested, nearly $80 billion was into things that would make them even more money—give them interest of 2% and make their profits look fabulous. But here's the thing about the world of finance—if you try to earn higher returns, it comes packaged with more risk. In SVB's case, this risk was that most of these investments were made in long-term bonds. Things such as real estate securities

Now here's the thing you need to understand. All those monies the startups deposited were SVB's liabilities. The startups could demand it whenever they wanted. At least most of it. And that made these liabilities short-term in nature.

On the other hand, SVB's investments are its assets. Now it doesn't take a genius to tell you that if liabilities are short-term in nature, its assets also better be short-term in nature. You should be able to sell the assets quickly without losing money on it. And long-term real estate securities don't quite meet that definition.

It's what the pros call a classic case of asset-liability mismatch. To be fair, most banks do some version of this. But SVB was, let's say, less balanced in its approach than others.

Now there's one more problem. See, bonds are wired a little differently.

For starters, the price of a bond and its yield—which is another word for returns—move in opposite directions. The reason is actually simple. Imagine you pay $100 and buy a bond. And you get 2% interest or a yield on it. Then, the central bank raises interest rates. Suddenly, your bond is not attractive anymore. So, you decide to sell it. Others who own the bond sell it too. Now you know that when people sell, the price takes a knock. And let's say that the price of the bond falls to $99. Suddenly, investors realize that the bond is available at a discount of 1%. So, if they buy it now, they'll benefit from the discount and also get the 2% interest. Basically, as the price falls, the overall yield rises. And vice versa.

But what's weirder is that a long-term bond is more sensitive to this inverse relationship. When the interest rate rises, its price falls. By a lot.

And this brings us to the perfect storm we told you about.

Just look back at what happened last year. The US Federal Reserve finally raised interest rates. And it raised rates quite quickly. If you've followed our explanation, you'll know by now that it's not a good scenario for long-term bonds. The prices of SVB's assets fell significantly. The bank was looking at losses on its books.

In a normal environment, SVB could've held on to these bonds. Waited for them to mature and got all their money back. Because this wasn't a case of default. It was just some market volatility.

But…the past 12 months haven't really been what you'd call normal. The startup world turned upside down. When interest rates shot up, VCs turned off the funding tap too. They started asking the hard questions—about profits. Startups couldn't raise more money. And in order to keep the business running, they needed to get their hands on money. So, they asked for their deposits from SVB. They began making withdrawals.

And at one point, SVB had no option but to sell its investments to make these payouts. But, because interest rates had gone up, these real estate bonds lost their value. SVB made significant losses.

Now, this wasn't the end of the world for SVB. The bank actually had enough money to tide over this loss.

But…it had to follow the rules of the banking world. And the rules dictated that SVB needed to beef up its capital a bit because of the loss. It needed to issue shares and raise money. So, it made that announcement. It told the world about its plan.

And that's when everything unravelled.

Because unfortunately for SVB, something else happened at the exact same time. The day it announced its plan to clean up the balance sheet, Silvergate—a banker to crypto firms—imploded too. It was the exact same playbook. It committed the same mistakes as SVB.
And when Silvergate collapsed, it spooked the startups which banked with SVB. Word spread quickly within tech circles that trouble was brewing. And VC firms tweeted, sent memos, had conference calls, and told their investee companies to pull out money from SVB too. The trickle of outflows turned into a flood.

And even though SVB's CEO begged people to stay calm, it didn't help. The damage was done. At the end of the day, the same startups that SVB helped for the past many years turned their back on it.
The US regulator had to step in. It took over the bank.

Now there are two questions on everyone's mind.

1. Will startups collapse?

This is a little tricky to answer. There are thousands of startups who've parked their monies in SVB. If they're not able to access it now, they can't pay their employees. They can't pay their vendors. They can't run their business as usual. It's quite problematic.

The other problem is that as per the rules in the US, only up to $250,000 of a person's bank deposit is insured. And startups have millions of dollars in SVB. Now, because of how concentrated its customer base is, a massive 85% of these deposits are actually uninsured.
So, startups with money stuck in the back have to hope and pray that the Federal Deposit Insurance Corporation (FDIC), which has taken over the bank, can quickly sell off whatever assets the bank owns and make good a big part of the deposits.

We don't know yet how bad things could be.

2. Will the rot spread to other banks?

Probably not. SVB did some weird things and got caught in an environment where its biggest customers were in turmoil too. It was a perfect storm for the bank. But other banks have a diversified customer base. They might have still indulged in some poor investment choices, but it may not come back to haunt them yet. The problems will be milder.

But just like how the collapse of silver gate played a part in bringing down SVB, SVB's collapse could scare everyone. If people lose trust in their banks and believe that all banks have poor practices, then bad stuff will happen. They could rush to pull their money out of the system. So, you can expect banks to keep saying things like, "We are safe. We are fine." over the next few days. They just need people to believe them.

Anyway, that's the SVB story. Remember, this is still a developing story and a lot can happen between today, tomorrow, and the day after that. We'll just have to keep our eyes and ears open. And hope that startups don't capitulate in this mess.

By Manoj Kumar Y N

Update for the day #1721 | Lath Mar Holi

Lathmar Holi (Holi of sticks) is a Hindu festival celebrated in the twin towns of Barsana and Nandgaon, also known as the towns of Radha and Krishna respectively.

The festivities take place at the sprawling campus of the Radha Rani temple in Barsana, which is said to be the only temple in the country that is dedicated to Radha.

Every year, while the festival of Holi is still some days away, the towns of Barsana and Nandgaon have already smeared themselves in the colors of Lathmar Holi, and thousands of devotees and tourists visit these towns to celebrate the festival.

The festivities usually last for more than a week and end on Rang Panchami, where the participants dance, sing and immerse themselves in color alongside the occasional consumption of thandai--a traditional drink synonymous to the festival of Holi.

Lord Krishna who was a resident of Nandgaon and considered the son-in-law of Vrishabhanu wanted to spray the colors on his beloved Radha and her friends. But, as Krishna and his friends entered Barsana, they were playfully greeted with the sticks by Radha and her friends who drove them out of Barsana.

Following the same trend, every year on the occasion of Holi, the men of Nandagaon who are treated as sons-in-law of Barsana visit Barsana and are greeted by women with colors and sticks (aka lathi). The celebration is enacted in perfect good humor by both sides, the men of Nandgaon and the women of Barsana.

On the next day, men arrive in Barsana again, and this time they try to smear color on the women in the village. Then, the women take out sticks and try to beat the men who save themselves with shields. While men try to save themselves and each other, the women shout and cheer for their friends and urge them to chase and hit harder. All this is done in jest, and everyone gathered participates in the fun.

By Harshith Mehta

Update for the day #1722 | Why are India's credit card bills soaring?

Credit cards have been a hot topic lately.
It seems the credit card outstanding amounts have risen nearly 30% in January to reach a whopping ₹1.87 lakh crore as compared to just a 10% jump in the same month last year.

So, why are people's credit card bills getting longer?
Well, two things.

1. Co-branded cards

   We're talking about the popular Amazon Pay ICICI Bank, Flipkart Axis Bank, Indigo 6E Rewards HDFC Bank and other similar credit cards. Apparently, people are loving these. For instance, BankBazaar has co-branding tie-ups with YES Bank and RBL Bank. And applications for reward cards on BankBazaar rose 48% year-on-year.

   With cards like these, consumers not only spend but feel like they're saving or getting rewarded through cash backs or reward points. This way banks get to widen their reach too. So, more brands are keen on launching co-branded cards this year to cater to digitally savvy consumers.

2. Financial awareness

   Finance Influencers are often looked at cautiously. But there's one thing they've helped young folks with is taking a keen interest in finance.

   Fresh graduates, who're just bagging jobs, are more financially aware it seems. They're actively trying to build their credit scores to be able to easily access bigger loans and beneficial interest rates in the future. FinTech building a presence online and sharing information is helping youngsters make informed credit card choices and purchases according to V Swaminathan, Executive Chairman of Andromeda Loans.

Besides, letting RuPay credit cards fly on UPI's back has also helped consumers become more comfortable with credit cards as a QR code is all it takes to pay.

Different credit cards are aimed at different forms of expenditure such as travel, online shopping or dining. The best way to maximize the benefits of a credit card is to choose one that aligns with your spending pattern. This will ensure that you get the most rewards and savings for your spending.

But to do this, you need to be aware of your spending behavior.

So next time you receive a call from a bank executive, offering you a credit card wrapped with a million offers, analyze your requirement and then proceed forward.

Let your financial future be better than the past.

By Anamika Kumari

Update for Day #1723 | Hydration and it's impact on our brain.

It is the summer season and let's talk about hydration.

Hydration is an essential aspect of our daily lives. Water is crucial for the proper functioning of our body, and it plays a crucial role in brain function. Studies have shown that hydration can significantly impact our cognitive abilities, including focus, memory, and attention span.

We will explore how hydration can help our brain focus better and why it is so important to stay hydrated.

Firstly, let's discuss how hydration affects our brains. Our brain is composed of over 75% water, and when we are dehydrated, our brain's cells can't function properly. As a result, our cognitive abilities can be affected, and we may experience symptoms like headaches, fatigue, and difficulty concentrating.

When we drink water, it helps to increase blood flow and oxygen to the brain, which can improve our cognitive abilities. Additionally, hydration can also help to reduce inflammation and oxidative stress in the brain, which can damage brain cells and impair cognitive function over time.

In terms of focus, research has shown that even mild dehydration can have a significant impact on our ability to concentrate. A study conducted by the University of East London found that dehydration levels as low as 1% can cause a decline in cognitive performance, particularly in tasks that require attention and quick reaction times.

Furthermore, hydration can also affect our mood and motivation levels. When we are dehydrated, we may experience feelings of fatigue and lethargy, which can make it challenging to focus on tasks. In contrast, staying hydrated can help us feel more alert and energized, which can improve our ability to concentrate and stay focused for longer periods.

So, how much water should we drink to stay hydrated and help our brain focus better? The answer may vary depending on factors like age, weight, and activity level. However, as a general rule, it is recommended that adults drink at least 8 glasses (64 ounces) of water per day. Additionally, it's important to listen to our body and drink water when we feel thirsty.

Here are some practical tips to help you stay hydrated and keep track of your water intake during the long hours of studying/work.

1. Set a water goal: Aim to drink at least 8-10 glasses of water per day and try to space it out evenly throughout the day. Consider carrying a water bottle with you to remind yourself to drink regularly.

2. Choose hydrating snacks: Opt for fruits and vegetables with high water content, such as watermelon, cucumber, and strawberries, to help boost your hydration levels while snacking.

3. Avoid sugary and caffeinated drinks: While it can be tempting to reach for energy drinks or soda to stay alert, these drinks can actually dehydrate you and negatively impact your cognitive function.

4. Take regular breaks: Use your breaks as an opportunity to hydrate yourself. Whether it's a quick water break or a snack break, taking short breaks can help you stay focused and keep your hydration levels up.

5. Monitor your urine color: One of the easiest ways to keep track of your hydration is to monitor your urine color. If it's clear or pale yellow, you're likely drinking enough water. However, if it's dark yellow or amber, it's a sign that you need to drink more water.

In conclusion, hydration is crucial for our overall health and well-being, including our brain function. Drinking enough water can help us stay focused, alert, and energized, making it easier to concentrate on tasks and achieve our goals. So, make sure to stay hydrated throughout the day, and you'll notice a significant improvement in your cognitive abilities and overall performance.

By Naren Mahesh Pai

Update for the Day #1724 | Why is WWE wrestling with regulators?

The Story

A few days ago, CNBC broke an interesting bit of news. It said that World Wrestling Entertainment Inc. or the WWE wants the US to legalise betting on its matches.
On the face of it, it seems like a reasonable request, right?

After all, sports betting is legal in at least 36 US states at the moment. So, if you want to place an outside bet on Stephen Curry winning the NBA's Most Valuable Player this year, you could. Quite legally.

But here's the thing. WWE isn't really a sport now, is it?

See, if you've grown up watching WWE, you probably thought that all of it was real. When you were still a naive innocent child, I mean. You would've cheered when Steve Austin slammed his opponent into the ropes. Or when the Rock walked away with a WrestleMania title. Little did you know back then that these matches weren't exactly spontaneous. That it was scripted and that the storylines and narratives were weaved in. WWE's 'creative' team had already decided the moves the wrestlers would perform. And the twists and turns were all whispered into the ears of the wrestlers before the match.

WWE is not a sport. It is just entertainment. Scripted, just like a movie.

Now imagine allowing people to bet on such games where the outcomes are known well in advance. It wouldn't be quite fair, no? Shrewd bettors could get insider access and make boatloads of money.

But the WWE has its own rationale. They're basically saying, "Look, you've allowed people in some states to bet on the Oscars. People could've placed their bets on Naatu Naatu winning the award. Even though the result was known beforehand to a select group of people. Think of the WWE as something similar."

And to ensure that everything remains a top secret, the word is that WWE even said it'll work with audit firm EY. Make sure everything is clean as a whistle. After all, folks like EY and PwC have a history of working with award ceremonies and keeping results hush-hush.

This brings us to the question—why does the WWE want to legalise betting so badly?

Well, it's the money. Duh!

Just look at how sports betting has shaped up in the past 5 years. Ever since it was made legal, billions of dollars have been bet across the top 4 sports leagues in the US—basketball, American football, baseball and ice hockey. $180 billion worth of legal bets in fact. And the bookies who facilitate these bets have raked in nearly $14 billion in revenues too.

It's no wonder that in 2018 the NBA actually told these bookies—apps, websites—that it wanted a 1% cut off every legal bet made on its games. After all, the NBA games were drumming up business for them. And it wanted a nice meaty share of it too. Even the players would get richer since half of this income would go to them.

And when betting is made legal, leagues could see more TV viewership too. It won't be just the loyal fans who're tuning in. But even those who're trying to make their fortunes by placing a bet will be glued to the games. And advertisers love those eyeballs. Whether it's sponsorship on the courts or streaming, the ad revenues for leagues shoot up. In fact, the NFL (American Football) actually made a record $1.8 billion in sponsorships in 2021 all thanks to sports betting companies joining the fray.

All that extra interest might also sell more tickets. People might buy more league and team merchandise. Everything. It's a real money spinner. And while we don't know how the eventual numbers turned out, Nielson Sports had run the numbers and estimated that leagues could make over $4 billion each year through all these extra sources of revenue. Just by legalising sports betting that is.

So you can be sure that the WWE was lured by all these fancy numbers and they want a piece of the pie too.

But why now?

Well, the rumour is that WWE is looking for a buyer. It wants a $9 billion valuation. And if you dangle this new lucrative revenue stream in front of a suitor, it could bump up its valuation a bit more. The deal will look more enticing. And don't forget that the WWE doesn't actually have an off-season. It goes on every week, through the year. It's quite unlike other sports leagues where the players take a rest. Oh, and the result of this is that WWE can consistently churn out content for social media—it's the only sports league that has crossed 20 million followers on TikTok. There are a lot of eyeballs watching this 'sport'. And more eyeballs translate into more potential bettors. Imagine how much additional betting revenue this can bring.

Anyway, we don't know if this will work out for the WWE. It does seem like a long shot at the moment. States seem to be iffy about allowing betting on scripted events. That's why betting on the Oscars legally is limited only to a handful of states even now.

The only thing that could sway it—the allure of money!

Between 2018 and 2021, states raked over $700 million of tax revenue thanks to legalised sports betting. And this fledgling industry has added over 200,000 jobs. The big picture is that all this activity is expected to bump up the GDP significantly too.

But will it be enough to convince regulators to open a scripted 'sport' to the betting industry? WWE will surely be hoping so.

By Adithiyya J S

Update for the Day #1725 | An explainer on the High Seas Treaty

Every country has complete control over their land. And also, the waters surrounding the land. But once they step across this boundary, things change. We enter what's known as the high seas. And this part of the ocean doesn't fall under the jurisdiction of any country.

Now if you want the technical definition—the first 12 nautical miles of the sea beyond the land boundaries of a country are considered its territorial waters. Then we have 200 nautical miles of exclusive economic zones. And the riches of the sea in this zone are also owned by the country in question.

Beyond that, you find no man's land. Or water. And nearly 65% of the earth's oceans fall into this bucket

Now, we're not saying that there aren't any rules on the high seas. It's not absolute anarchy. We have the United Nations Convention on the Law of the Sea (UNCLOS) that came into force in 1994. And a bunch of other stuff such as the International Seabed Authority (ISA). Together, they try to regulate how countries and companies can fish and explore for minerals on the high seas.

But let's just say that it hasn't stopped us from mucking up the ocean.

We've overfished. We've mined for oil and minerals with reckless abandon. We've made the oceans 30% more acidic over the past 200 years. And all this has destroyed our delicate marine life. For instance, mussels are struggling to make strong shells because of the acidity in the water. Beautiful coral reefs are dying thanks to increased acidity. And 10% of all marine species are at risk of extinction. We are destroying our pristine oceans.

Now we know about the damage we're causing. But the economic potential of the vast ocean was also alluring. Everyone wanted to exploit it. And then humans discovered something else—marine genetic resources (MGR).

If you're wondering what on earth that is, well, think about all the organisms in the deep blue sea. We're not just talking about plants, fish and mammals. But even microbes. The ocean is a vast untapped genetic pool of resources. And this pool is being used in a whole host of things. For instance, Remdesivir, which is used for treating COVID actually came from the genetic material of a Japanese sea sponge. The enzymes from a microbe in the Mid-Atlantic Ridge are being used to develop biofuels. And German firm BASF has even taken the genetic sequence from a marine microbe and used it in a rapeseed plant to create omega-3-enriched canola oil.

All of these breakthroughs are often worth millions of dollars. So there's always a question of who owns these resources really?

Theoretically, since they come from the high seas, they belong to the world. But it seems more like a case of 'finders keepers'. Because if you dissect who's been filing patents on these marine genes, you'll find something quite shocking. 98% of patents are from just 10 developed countries. And one single commercial corporation registered 47% of them. The MGRs are heavily concentrated in the hands of a few.

So yeah, if you tie in the overfishing, over-mining, and the potential of MGR, you'll see why countries have been clamouring to regulate the seas. They want to conserve it and protect marine life. They want to stop people and mega-corporations from exploiting it ruthlessly. They want to prevent already rich entities from cashing in even further.

And the regulation that'll enable all this and more could finally be here. Because nearly 20 years after countries first got together to hash out ways to protect these high seas, we finally have a consensus—the Biodiversity Beyond National Jurisdiction Treaty is ready. Or just call it the High Seas Treaty if the official name is a mouthful. So, how will this change things for the better?

For starters, 30% of the world's international waters will become marine protected areas (MPAs). Think of the MPA as a protected wildlife park in the ocean. The fish, mammals, and marine plants will be protected. It could prevent commercial ships from plying on certain routes. And it might put a hard stop to mining in these protected areas.

Also, the marine genetic resources of the high seas will hopefully be shared among countries now. The benefits won't accrue to just a few. And developed countries will also make annual contributions to a special fund. This fund can then be used by developing nations to improve their marine conservation efforts as well.

And finally, Dr Divya Karnad of Ashoka University points out something quite pertinent. Currently, most sea-based treaties are bilateral in nature. This means the deal is just between two countries. And bad actors might easily slip through the nets. For instance, there are the Chagos islands in the Indian Ocean which the British claim for themselves. Now while the UK has a treaty with Sri Lanka that prevents its fisherfolk from the waters in the area, India isn't part of the agreement. So Indian boats apparently have been hunting sharks in the region. And they haven't got into trouble. A multilateral High Seas Treaty will change all of this.

So yeah, hopefully, this is just the start of marine conservation. Because for over two centuries, the oceans have worked as sponges. They've absorbed 25% of the carbon dioxide we generate when we burn fossil fuels. And almost all of the heat from global warming. They've been protecting us from our own follies. And we've made our oceans sick. But now—It's time to heal them.

By Guruprakash S

Update for the day #1726 | Global Recycling Day

Every year, the Earth yields billions of tons of natural resources and at some point, in the not too distant future, it will run out. That's why we must think again about what we throw away – seeing not waste, but opportunity. The last decade has been the hottest on record, and we are now facing a climate emergency of unparalleled proportions. If we don't make significant and rapid changes, we will see continued rising global temperatures, the melting of icecaps, continents on fire and rapid deforestation.

This directly affects humanity with increased poverty, immigration from displaced communities, job losses, waste mountains and natural habitats disappearing. We have the power to make lasting changes to combat this, and with recycling being recognized in the UN's Sustainable Development Goals 2030, we are already seeing many individuals, governments and organisations taking direct action to support the global green agenda.

Recycling is a key part of the circular economy, helping to protect our natural resources. Each year the 'Seventh Resource' (recyclables) saves over 700 million tonnes in CO_2 emissions and this is projected to increase to 1 billion tons by 2030. There is no doubt recycling is on the front line in the war to save the future of our planet and humanity.

Global Recycling Day was created in 2018 to help recognise, and celebrate, the importance recycling plays in preserving our precious primary resources and securing the future of our planet. It is a day for the world to come together and put the planet first. The mission of Global Recycling Day, as set out by the Global Recycling Foundation, is twofold:

1) To tell world leaders that recycling is simply too important not to be a global issue, and that a common, joined up approach to recycling is urgently needed.

2) To ask people across the planet to think resource, not waste, when it comes to the goods around us – until this happens, we simply won't award recycled goods the true value and repurpose they deserve.

Now, every year Global Recycling Day is celebrated to not only remind individuals to reduce waste, but also to activate voices and speak up against governments and corporations who aren't doing their part. It's time to celebrate Global Recycling Day!

By Shraddha Vishwanath

Update for the day #1727 | How Zomato uses the Yu-Kai Octalysis to Gamify your Food Buying experience

It's well established that building gamification in your product, whether it's a food delivery app, payment app, messaging app, social media app or even a traditional service business, is essential to psychologically appeal to your customers so that they engage with you more and thus increase transactions, habitual use and stickiness.

If you want a checklist on gamification, the Yu-Kai Octalysis comes as a ready framework. Let's analyse each of the 8 ways.

1/ Epic Meaning through a Larger Objective: A customer should believe that he is doing something greater than himself or is "chosen" to do something.

This works best in communities when people feel a sense of purpose in contributing to the benefit of a larger group like Wikipedia or a Discord group.

Tell people if buying from Kaku Da Dhaba is worth it and review it for other customers!!

2/ Accomplishment Markers: Build PBLs - points, badges, leaderboards - to give users a feeling of having completed a challenge and won an accolade at every step. Celebratory confetti on your phone screen?
Your food is being prepared and on the way!! Woohoo!
OMG, you've unlocked the Hadippa Foodie Badge?

3/ Empowering Creativity: Give users the choice to pick between different options and see the results of their choices soon as a feedback loop to either continue or change course.

Would you want to add fries and coke and unlock a combo and save Rs 99?
Pick any out of the following promo codes to see how much you can save

4/ Ownership: owing virtual goods, or building one's own avatar gives the user a feeling of belongingness and ownership over the product.
Foodie Level 8 unlocked, Burp!!!

5/ Social Influence: invoke feelings such as mentorship, acceptance, social responses, companionship, as well as competition and envy.
Share your Annual Food Report with your friends on Instagram with one click.

6/ Scarcity: drive of wanting something because you can't have it - such as come back 2 hours later to get your reward - this makes users constantly think of going back or waiting eagerly Hurry, Haldiram's is shutting down for the day in 15 mins

7/ Unpredictability: run a lottery to give the user the chance to win something

Free Paneer Roll unlocked on purchase worth over Rs 2100

8/ Loss Avoidance: it could be to avoid losing previous work, or to avoid admitting that everything you did up to this point was useless because you are now quitting.

Zomato Credits of Rs 49 expiring midnight, order now ‼

By Yesh R Solanki

Update for the Day #1728 | Amazon and Meta to cut jobs in second round of layoffs

Amazon.com Inc announced on Monday that it has decided to lay off an additional 9,000 employees, CNBC reported citing a memo sent to staff.

According to media reports, CEO Andy Jassy said in the memo that lay off will happen in the next few weeks, mostly in Amazon Web Services (AWS), advertising, Twitch and PXT (People Experience Technology). In the memo, Jassy said the second phase of the company's annual planning process completed this month and led to the additional job cuts, he added. He said Amazon will still hire in some strategic areas.

"Some may ask why we didn't announce these role reductions with the ones we announced a couple months ago. The short answer is that not all of the teams were done with their analyses in the late fall; and rather than rush through these assessments without the appropriate diligence, we chose to share these decisions as we've made them so people had the information as soon as possible", Jassy said.

This layoff is on top of the 18,000 role cuts announced in December and January.

Last week, Facebook-parent Meta Platforms said it would cut 10,000 jobs this year, following the first mass layoff in the fall, which eliminated more than 11,000 jobs.

Also, Meta plans new layoffs, likely to match 13% job cut tally from last year

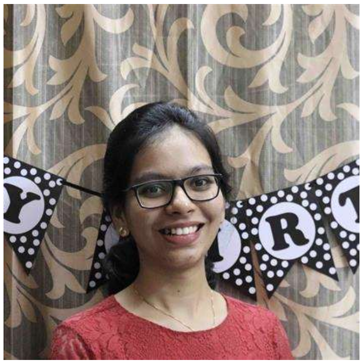
“Some may ask why we didn't announce these role reductions with the ones we announced a couple months ago. The short answer is that not all of the teams were done with their analyses in the late fall; and rather than rush through these assessments without the appropriate diligence, we chose to share these decisions as we've made them so people had the information as soon as possible," Jassy was quoted as saying by AP.

Earlier this month Facebook's parent company Meta had also announced second round of job cuts. According to reports, the company has already started carrying out the dismissals, starting with 1,500 employees in recruiting and human resources.

According to a Bloomberg report citing people familiar with the matter, Chief Executive Officer Mark Zuckerberg had told employees the economic climate of layoffs and restructuring could last “many years". While the initial cuts - meta laid off 11,000 people in November last year - had been tied to performance, the more recent cuts were due to financial need and product priorities.

On March 14, Zuckerberg said Meta planned to lay off about 10,000 employees and eliminate 5,000 open roles, but not all of the people who are affected have been notified yet. For instance, layoffs in engineering are scheduled for April.

By Chandana K A



Update for the Day #1729 | The craze behind Auto Tech stocks

In 1930, the first mass-market AM radio was introduced into a car. People had to fiddle around with the knob a bit to find a radio station they liked. But no one cared that it was cumbersome. Because back then it was quite revolutionary. Cut to today, you can simply say, "Hey, Google. Play the Finshots Daily Podcast on Spotify," and your car will oblige. Well, it better, because we'd throw a tantrum otherwise. We're just used to instant gratification without even having to lift a finger.

Cars these days are basically software on 4 wheels. And there's a massive megatrend that's playing out in the industry—it revolves around 3 big things, and it's called ACE*.

Firstly, it involves Connected vehicles that are linked to the internet. It's what keeps your infotainment system running smoothly. And helps you download software updates for it over the air. And as per McKinsey, 95% of new vehicles sold in 2030 will be connected to the internet.

Secondly, there are Autonomous cars—the kind that can automatically help you avoid a head-on collision or alert you when it senses you're drowsy. You can imagine that these things require complex lines of code and software to run without a hitch.

Thirdly, there's a paradigm shift towards Electric vehicles—either due to a personal preference or as in the case of the EU, because of a ban on fossil-fuel-dependent cars by 2035. Now legacy carmakers are embracing this new normal quickly and they need to develop robust battery management systems for EVs and improve charging technology. All through software.

Now here's the thing. Carmakers aren't exactly what you'd call tech experts. They just want to make mechanically and aesthetically pleasing cars that can take us safely from point A to point B. Sure, they could hire a large team, pay them the big bucks, and get them to work on the tech stuff. But heck, carmakers routinely buy even the basic components—horns, brake pads, gears from auto ancillary companies. So why should they break their head over all this complex tech, right? It's best to leave the tech to the pros. And just do the things they're good at—innovate and build the cars.

So when KPIT Technologies announced on 15th March that it was joining hands with Honda to help the Japanese carmaker's self-driving ambitions, our ears perked up. Not just ours, but even the ears of investors because the stock price jumped by 7%. Now if you haven't heard of KPIT Technologies before, we don't blame you. It's not like you'll find their logo stamped anywhere on your car. But the company actually first set up shop in 1990 when a couple of Chartered Accountants had teamed up to begin an IT outsourcing company.

Yup, we know what you're thinking—accountants in tech?!

These folks did some basic run-of-the-mill IT outsourcing work back then. But somewhere along the way, they also saw a massive opportunity in the auto tech space. They thought the outsourcing boom would trickle into the automotive industry too. And after a few mergers and demergers, in 2019, they decided to focus squarely on this auto tech business. Their regular IT business was growing at a measly rate. So they said, "Look, we're good at auto tech. And that's what we'll do. A 100% of our business focus will be on this." KPIT had cut its teeth in this business and built its tech chops. It was time to double down. It had to show its customers that it was dedicated to the craft of building technology only for the automotive industry. So it split the company into two—Birlasoft for the IT services. And KPIT Tech for auto engineering.

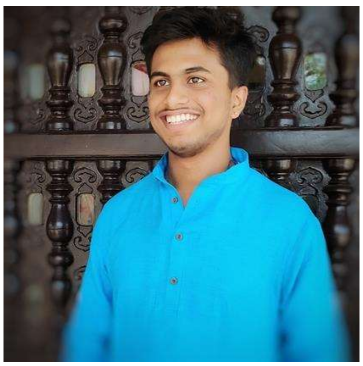
Now to capitalise on this and prove its mettle, it needed highly skilled workers with niche skillsets too. So it hired these folks. And as Goldman Sachs pointed out, you can see this clearly playing out in the average wages the company pays. It's 50% higher than its rival Tata Elxsi which does a lot of the same stuff. And over time, KPIT got its finger into every auto tech pie. It built tech that would help carmakers improve fuel efficiency and reduce emissions. It created infotainment solutions and digital cockpits that would get the passengers to think they were in some kind of futuristic world. It developed ADAS or Advanced Driver Assistance Systems such as parking assistance and anti-collision. And it even started developing the middleware for cars. Think of middleware as the Android operating system of cars. It's the foundation that runs everything. And apps and tech can be built on top of it. It was the whole shebang. And KPIT was in the right place at the right time. Because according to Deloitte, electronics were only 27% of a vehicle's cost in 2010. But it now accounts for a whopping 40% of the cost. And since carmakers realise that this tech component is only going to inch higher and higher, they've been splashing cash on it. For instance, between 2010 and 2018, the sales of the top 20 carmakers around the world only grew by 6% annually. But, KPIT's revenues soared by 22% (in US dollars).

So even if cars weren't selling like hotcakes, the manufacturers weren't hesitating to outsource development and keep up with the tech curve. Simply because they know that they need to innovate and launch products quicker. And to do that, they need the help of companies like KPIT to create a world of software-defined vehicles!

Now all this sounds great for KPIT. But what's the risk lurking in the shadows? Well, the big risk is that of concentration. While KPIT has 55 active clients, 84% of sales come from its top 21 clients. And don't forget that all of them are in the auto industry. So its fortunes are heavily linked to the demand for cars and how carmakers evolve.

Now, what if we have a scenario where auto manufacturers wake up one day and decide that they don't want to outsource their crucial tech anymore? They might want to focus on captive centres that they themselves operate. Maybe they think that in a world where drivers are increasingly leaving it to their car computers to make driving decisions, they don't want someone else's software controlling things. And if that happens, you'll see a lot of unhappy faces in the KPIT camp.

By T Ganesh Pai



Update for the Day #1730 | Baba Ramdev can't sell his Patanjali shares?

Okay, let's clear one thing up. Baba Ramdev actually doesn't own shares directly in Patanjali Foods. The bulk of the shares is owned by group companies such as Patanjali Ayurved. But it has been alleged that it's Baba Ramdev who runs the show.
Anyway, last week, the owners of Baba Ramdev-backed Patanjali Foods woke up and found that they couldn't sell their shares. It was frozen. NSE and BSE, India's stock exchanges, had noticed something contentious—Patanjali Foods was blatantly flouting a rule laid down by SEBI. A rule that said 25% of the shares of any company listed on the stock exchange must be owned by the public. Now Patanjali Foods was supposed to abide by this diktat by 18th December 2022, but, the public only owns 20% at the moment.
So you could say that the stock exchanges are a bit late to the party.

But why on earth did Patanjali Foods delay the inevitable? Why didn't it sell shares in time? Well, to understand that, you must know how Patanjali Foods became a listed company in the first place. Because it certainly didn't launch an IPO to get there. See, a decade ago there was an FMCG company called Ruchi Soya which sold things like refined edible oil and soya chunks. Initially, the company did well. But then, it was hit by a maelstrom of adverse factors—For starters, Indonesia cut prices of its refined edible oil and sold it cheaply to India. This hurt Ruchi Soya's sales. Then, poor monsoons in the mid-2010s affected a large part of the company's soybean crop. And the final nail in the coffin was that Ruchi Soya wasn't getting money from its customers on time. They took a long time to pay up. And Ruchi Soya had to resort to debt just to keep its business chugging.

Until one fateful day, it realized it was bankrupt. It didn't have enough money. Banks were livid and took the company to Bankruptcy Court. They wanted to recover whatever they could. That's when our protagonist, the Patanjali Group entered the picture. They liked Ruchi Soya's business and thought it fit well into their plans to become an FMCG behemoth. So they swooped in and bought the flailing company for ₹4,000 crores. Now almost all of this money was used to settle previous dues. And the existing shareholders were wiped out. They were left with literally nothing. Because that's just how these bankruptcy proceedings typically work. This also meant that companies in the Patanjali group ended up owning around 99% of the company. And since it was a company that was earlier listed on the stock exchange, once the takeover was complete, Patanjali just decided to relist it again and continue things. Business as usual.

That's how Baba Ramdev's group ended up owning Ruchi Soya. Anyway, SEBI allows for this kind of shareholding structure—where the promoter or the owners hold a bulk of the shares. But only temporarily. SEBI's rules say that the owners must reduce their shareholding to 75% within a 3-year period. They need to let the public in. And the rule is in place because SEBI knows how it could hurt the interest of minority shareholders. See, the owner would have too much influence and could even manipulate the share prices to their whims and fancies. They might sell fanciful stories and make false claims and create artificial demand. And if there aren't many sellers and just buyers, the price could head north easily.

For instance, after Patanjali took over Ruchi Soya, the company's share price jumped by a staggering 8,750% in just 5 months. We don't know if it was just because people believed in its prospects under the Patanjali management or because somebody was trying to create artificial demand.

But in any case, Patanjali capitalized on this euphoria. They decided to launch a Follow-on public offering (FPO). It's like an IPO but executed by a company that's already listed. Meaning Ruchi Soya would introduce new shares to the public and dilute their own shareholding. For instance, if Patanjali held 99 out of 100 shares earlier, after the FPO they owned only 99 out of 120 shares.

The FPO was a resounding success. And the public lapped up the shares. Patanjali diluted its shares and ended up owning 80% of Ruchi Soya. Investors made a lot of money too because the shares soared by 75% within a month. Everyone was happy. And last year, the group finally decided to rename the company to Patanjali Foods too.
Now you could ask—why didn't Patanjali sell more shares back then? It could've met the regulatory limit well in time if it had just done that, no?

Well, we don't know the answer to that. So it's a mystery.

But Patanjali does say that it had planned to sell more shares before the clock struck 12 in December. Their only grouse was that but by then the markets turned sour. The share price was languishing. So they chose to wait. Now that's quite a silly argument, isn't it? The rules are the rules. You better stick to them. Trying to squeeze out more value from the 5% stake by flouting the deadline should be punished. And maybe just freezing shares isn't enough. SEBI has the power to impose monetary penalties. If they want to set an example to other companies that such behaviour won't be tolerated, maybe now's the time to show some teeth.

Anyway, this lock-in is just a temporary thing. And the Patanjali management including Baba Ramdev has come out to assuage people's fears. Tell them that it'll be business as usual. That this doesn't affect the company financially. And that they'll sell additional shares in April and obey the rules. But here's the thing. Investors are still worried. Not about the freezing of shares but about another fundamental problem—Patanajali's business has been suffering. And in the past 6 months, the stock has tanked by 30%.

See, a few years ago, Patanjali promised everyone the moon. They said that they would leave their FMCG rivals in the dust and become India's largest player. And everyone believed them. The media started writing obituaries for all the foreign and even domestic FMCG firms operating in India. Today, it seems like it was more bark than bite. As The Morning Context points out, its revenues from operations fell by 6.5% between October and December 2022 over the previous quarter. Its rival HUL saw a rise of 4% though. And its operating margin was just 4.6%. Its peers were sitting pretty at 18–30% margins though. And amidst all this, Patanjali Foods' market share in consumer goods has also been dropping.

But that's not the most worrying thing. During April to September 2022, 33% of Patanjali's sales were listed as trade receivables. That means, they'd sold most of their goods on credit. They keep having to wait for payments from their customers. On the other hand, rivals such as ITC and HUL didn't have such problems. Less than 18% of their sales are tied up in receivables. And we all know what happened the last time the company saw its trade receivables soaring…Ruchi Soya went bankrupt. So Patanjali will have to be careful, lest they go down the same route as Ruchi Soya.

By Rithik Jain

Update for the day #1731|'Proud day for all Sanatanis'

Union home minister Amit Shah on Wednesday virtually inaugurated the Mata Sharda Devi temple near the Line of Control (LoC) in Jammu and Kashmir's Kupwara district, saying the abrogation of Article 370 by Prime Minister Narendra Modi is taking the Union Territory back to its old traditions, culture and the "Ganga-Jamuna Tehzeeb".

"The Valley and Jammu are once again returning to their old traditions, civilization and Ganga-Jamuni Tehzeeb due to the establishment of peace in Kashmir after the abrogation of Article 370 following the efforts of Prime Minister Narendra Modi," he said.
Shah said the inauguration of the temple is the beginning of a new era and that the architecture and construction of this temple has been done according to mythological scriptures under the aegis of Sharda Peeth.

"The Mata Sharda Mandir is being thrown open for devotees on the auspicious occasion of our new year. This is a good omen for the devotees across the country. Mata Sharda's blessing will now remain over the whole country for the centuries to come," he said.

History :

Sharada Peeth is a ruined Hindu temple and ancient centre of learning located in the Neelum Valley of Azad Kashmir, Pakistan. Between the 6th and 12th centuries CE, it was among the most prominent temple universities in the Indian subcontinent. Known in particular for its library, stories recount scholars travelling long distances to access its texts. It played a key role in the development and popularisation of the Sharada script in North India, causing the script to be named after it, and Kashmir to acquire the moniker "Sharada Desh", meaning "country of Sharada".

As one of the Maha Shakti Peethas, Hindus believe that it represents the spiritual location of the goddess Sati's fallen right hand. Sharada Peeth is one of the three holiest sites of pilgrimage for Kashmiri Pandits, alongside the Martand Sun Temple and the Amarnath Temple.

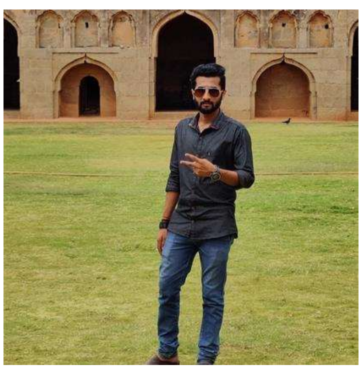
Architecturally similar Boniyar temple in Nowshera, Jammu and Kashmir in the 1870s

As a temple, Sharada Peeth is located approximately 150 kilometres (93 mi) from Muzaffarabad, the capital of Pakistani-administered Azad Kashmir, and 130 kilometres (81 mi) from Srinagar, the capital of Kashmir It is 10 kilometres (6.2 mi) away from the Line of Control, which divides the Pakistani- and Indian-controlled areas of the former princely state of Jammu and Kashmir. It is situated 1,981 metres (6,499 ft) above sea level, along the Neelum River in the village of Sharda, in the valley of Mount Harmukh, believed by Kashmiri Pandits to be the abode of Shiva.

By the 8th century, the temple was a site of pilgrimage, attracting devotees from as far as present-day Bengal. By the 11th century, it was among the most revered places of worship in the Indian subcontinent, described in Al-Biruni's chronicle of India. Significantly, it featured not in his description of Kashmir, but in his list of the most famous Hindu temples in the Indian subcontinent, alongside the Multan Sun Temple, the Sthaneshwar Mahadev Temple, and the Somnath temple.

Jonaraja describes a visit by the Kashmiri Muslim sultan Zain-ul-Abidin in 1422 CE. The sultan visited the temple seeking a vision of the goddess, but grew angry with her because she did not appear to him in person. In frustration, he slept in the court of the temple, where she appeared to him in a dream. In the 16th century, Abu'l-Fazl ibn Mubarak, Grand vizier to the Mughal emperor Akbar, described Sharada Peeth as a "stone temple ... regarded with great veneration". He also described the popular belief in miracles at the shrine: "it is believed that on every eighth tithe of the bright half of the month, it begins to shake and produces the most extraordinary effect".

By Shreedhara A V



Update for the day #1732 | India's post-harvest loss problem

Often, we're told to be thoughtful about how much food we serve ourselves. If you can't finish it, it's simply best that you don't take it. Being callous here translates into a significant food wastage problem. But there's also another side to food wastage. The kind that happens before this food travels to your plate — we're talking about post-harvest loss. According to a study backed by the government, in 2022 India lost about 5–13% of its fruits and vegetables and 3–7% of other crops including oil seeds and spices between harvesting and consumption. If we were to give it a number, it's a problem worth over ₹1,52,000 crores!

And it hasn't witnessed any significant drop over the years. To put things into perspective, India grew 23% more grains and crops in FY22 than it did in FY15. But the post-harvest losses have only reduced by less than 1% during the same period.

So why has the progress been so feeble, you ask?

Well, to begin with, India has a post-harvest infrastructure problem. See, tropical weather can affect the quality of perishable crops. You can't just sit them in a room until they're ready to go. You need proper packaging material, climate-controlled storage environments and even proper cold storage facilities while crops are transported. But we don't have enough of it. Take storage facilities for instance. India's storage facilities are only sufficient to accommodate 10% of its plantation products. And if you look at cold storage, India has a capacity of just 32 million metric tonnes of cold chains as against the 35 million metric tonnes that it actually needs. And although there isn't enough data to tell how much of this is shared amongst crops, meat, fish, eggs and dairy; it's a given that the latter would naturally occupy most of the storage space.

But here's the thing. The government actually has schemes that help farmers set up better post-harvest infrastructure. Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) for example is a scheme that specifically aims to finance a certain percentage of the cost that goes into building cold storage chains and other infrastructure that adds value to crops. This means that if farmers invest in such facilities, the government contributes anything between 35–75% of the cost up to ₹10 crores, depending on the state. That should be a great way to help alleviate the problem. Then why isn't it helping?

You see, schemes like these don't cover single or standalone storage facilities. And nearly 85% of our farmers are either small or marginal farmers who may not be able to invest heavily in such infrastructure. Even if they take advantage of credit schemes, they still have to bear a portion of the project cost and repay their debts. It just may not be viable. Sure, renting cold chains or storage houses is an option. But these rents don't come cheap. So, farmers would rather bear post-harvest losses than carry the burden of these fat costs. Enter irradiation, a small step to bring down that burden.

Irradiation is a process where food is passed through gamma radiation to destroy bacterial microbes. This delays spoilage and ripening, preventing sprouting and increases the food's shelf life. And it's not a new technique. See, India began mango irradiation in 2007 and 10 years later we successfully exported irradiated mangoes. Soon after, we began researching the effects of the technique on increasing the shelf lives of crops like potatoes and onions. And research by the National Horticulture Research & Development Foundation has proved that irradiating onions can help prevent 6% of summer losses. In 2018 the FSSAI (Food Safety and Standards Authority of India) even gave the process a go-ahead by busting safety myths and introducing guidelines on irradiation. It doesn't harm your food, only sterilises it. And till now we've only used it to improve the quality of exportable produce, mostly poultry, fish and eggs. But it can be a great way to store locally consumed crops for a longer period too.

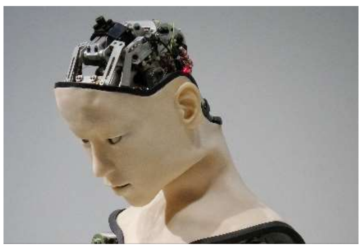
But here's the catch. Irradiation is only a prelude to proper storage, not a substitute. Besides, setting up an irradiation facility also needs a good investment of ₹6–10 crore. So again, the cost of using it won't come cheap. And this sounds a lot like coming back to square one. The bottom line — the government needs to focus on increasing access to affordable post-harvest infrastructure.

Without that, we'll have no solutions. Rather, only a string of ballooning problems and post-harvest losses.

By Yashaswini R U

Update for the day #1733 | 4 AI Tools To Use At Work

The world of AI (Artificial Intelligence) is growing rapidly and businesses are using AI tools to improve their productivity, ideation and execution of tasks. The benefit of AI at work is that it handles several minor and repetitive tasks across departments. This helps employees focus on creative solutions and solving other complex difficulties. A simple example of this is the use of chatbots.



AI technology has created solutions to minimize efforts and time for several tasks, helping companies regardless of their size become more efficient. One of the major benefits of AI is deep insights and analysis. Its benefits can be enjoyed by freelancers, employees, managers and basically anyone looking to increase their output easily.
We have compiled a list of AI tools one can incorporate into their work life to simplify tasks and save time.

1. **ChatGPT**

OpenAI's newly introduced chatbot called ChatGPT has taken the internet by storm. This AI tool is a Large Language Model that can basically give you answers to any question asked in a well-curated text. The tool has a good understanding of how humans ask questions and knows how to translate data into answers. It can write essays, compose poetry and even give you styling tips. The tool can be used to compose emails, simple copies and explain concepts. Thus, saving a lot of time. One can easily use the tool to send emails about follow-ups, scheduling meetings, status updates and other repetitive messages.

2. **Fireflies**

Fireflies is an AI tool that uses NLP (Natural Language Processing) for notetaking during meetings. The tool easily records and transcribes your meetings for you, so you can revisit the details of the meetings and focus on the conversation actively. The tool can record any meeting held on web-conference platforms. All you have to do is invite the tool, Fireflies, to your meeting and share conversations. The tool can transcribe live meetings and any audio file uploaded. This helps to work in a team seamlessly by revisiting what has been previously discussed and leaving remarks for future meets. One of the best aspects of the tool is the search functionality which enables you to review any meeting regardless of its duration in just five minutes.

3. **Legal Robot**

One of the top business tools is Legal Robot. This tool makes legal support more accessible for any company. It helps employees understand any document they sign by deciphering complex legal contracts and jargon. The tool uses NLP and deep learning to create a legal model from a large database of contracts and legal scenarios. The tool can also be used to improve the readability of contracts you create and helps your employees have a clear understanding of what they are signing up for. This saves you time on going over your contract with each employee you onboard and also keeps everyone on the same page.

4. **Splitwise**

One of the large parts of corporate life is the corporate meetings, dinners and other team plans. At any level in an enterprise, you would rely on some team bonding activities and outings to help keep the morale up. The only thing to avoid after working a long day and planning an outing with your colleagues is the extra math and tracking put into splitting bills and acquiring payments. Splitwise is a simple tool that is user-friendly and lets you track spending by category, store high-resolution receipts and convert bills by exchange rate. This helps you and everyone using the tool split any bill and stay on top of paying back their halves. So, avoid those complex divisions by keeping a note of who ordered what and conversations reminding people to pay back by simply using an app.

By Umesh Pareek

Update for the day #1734 | Rocks Pebbles Sand Method

The Rocks Pebbles Sand method can be used as an analogy for time management. In this system, rocks represent the important things in your life, pebbles are less important but still need to be done, and sand is everything else that can be put off or eliminated.

To summarize, you receive a jar each day to represent all of the time you have to get things done. The Rocks are the items that consume most of your time and are often non-negotiable activities.

Next, smaller pebbles are placed around the bigger ones. Still essential duties that must be completed, but not as crucial as boulders (rocks).

We finish the jar with sand to the top. You can accomplish these little tasks while spending time with your family or doing something else enjoyable.
So, the first step to using this method is to figure out what are your rocks.

Those super important things you prioritize over everything else and always get done. This may be time with your significant other, your day job, or a child's activities. Whatever these are, write them down.

Your ROCKS are the activities that probably take up most of your time when you put them all together, and they should be part of your value system and integral to any goal you set for yourself. Your rocks are your very core time.
management items because they are the core of you.

Figuring out what tasks are priorities will help you manage your time most effectively. This is harder than it sounds, and I've created a workbook to help you figure it out. Let's get your actual business and life priorities straightened out.

Pebbles

Pebbles are slightly smaller things you need to do each day, and these are still important activities but take up less of your time.

Pebbles tend to fit in around your rocks, and they aren't necessarily less important but take up less time. Make a list of all the things in your day you need to get done that are pebbles.

Do you spend enough time on your daily pebbles? What are some of the challenges you face getting these things done?

Think about those questions to ensure you haven't over-allocated your jar. The jar can only hold so much, and if you have 1,000 pebbles that never make it into the pot, you are only hurting yourself.

Sand.

At this point, your jar is looking pretty full. All that is left is a little space between the rocks and pebbles, and those spaces get filled in with sand. The daily tasks take us just a few moments but need to get done. Make a list of all your daily activities that are represented by sand.

Are you constantly running from Rock to Pebble to Rock that you don't have time for your sand activities? These aren't any less important than the Pebbles or Rocks, and they are just smaller in scope. They might be the nighttime kiss for your kids, making sandwiches before a car ride, or other things. Make time for those small moments.

They become the most important. Below is one of my favorite quotes because we often forget to bask in the moment and enjoy life. Take a step back and soak in the sand. Don't get so busy making a living, you forget to make a life.

Other Time Management Systems

There are other systems out there, such as time blocking. This is another way to phrase what we just talked about and only schedule it out based on blocks of time.
Using planners and project management tracking software are other ways to help you manage your time. I love my planner and use it along with this method to stay organized. What strategies are you using to manage your time?

Wrapping things up
Rocks, Pebbles, Sand is just one of many methods to stay organized. Find a system that works for YOU and use it. One of my favorite tools for organizational success is Trello. Trello can be used in many ways and for personal and business things.

By Vidyashree V

Update for the day #1735 | How V-Guard stabilized India

In today's update, we explain how a uniquely Indian problem of voltage fluctuations led to the rise of a fast-moving electronic company (FMEG).

India might be 100% electrified, but power fluctuations and outages are still rampant. Often, you'll see the lights flicker, the fan turns slower than usual, and the TV might switch off and on by itself. In fact, when Niti Aayog conducted a survey of consumers across India, they found that 28% of people were unhappy with the quality of the electricity supply to their homes. And this is in 2023! Now imagine India in the 1970s. The power fluctuations would've been significantly worse right?

Well, a young man named Kochouseph Chittilappilly smelled a business opportunity in 1977. The then 27-year-old borrowed a princely sum of ₹1 lakh from his father, took up a shed in the city of Kochi, hired a couple of high-school dropouts and began making voltage stabilizers. To protect the refrigerators and TV sets. It was a uniquely Indian business proposition to meet a uniquely Indian problem.

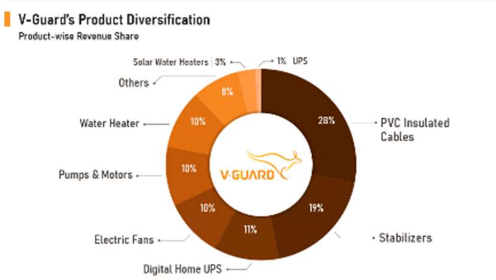
And the timing couldn't have been better. See, Kerala was just beginning to see the big Gulf Boom. Non-Resident Indians (NRIs) who were slogging away in the desert were bringing back electronics like TV sets. They wanted to up the standard of living of their families back home. But the state power department's issues with voltage were atrocious. And if you've shelled out good money on your electronic appliances, you'll be worried sick. What if a power fluctuation destroys your expensive devices in the blink of an eye? V-Guard promised to safeguard these devices and positioned itself front and centre to capture the market.

But labour union problems were rampant in Kerala. Chittilappilly realized that he couldn't shut down business operations when trade unions caused a ruckus. So, he reached out to women's societies in rural Kerala and taught them the manufacturing process. He outsourced most of it instead of spending crores of rupees on setting up his own factories. It was a smart decision. Because labour unions hadn't spread their tentacles to this segment yet. And V-Guard even got exemptions on excise duties by hiring these women's groups. But that was all before the turn of the millennium. You can't run a business solely selling stabilizers, no? The revenue was still a puny ₹100 crores in 2000 and everything came from stabilizers.

But that was all before the turn of the millennium. You can't run a business solely selling stabilizers, no? The revenue was still a puny ₹100 crores in 2000 and everything came from stabilizers. So, V-Guard decided to transform itself. While the power situation was still in favour of V-Guard, everyone knew that things would only get better. Even companies that manufacture air conditioners and refrigerators began to proudly claim that their appliances come with built-in stabilizers. That you may not need a separate unit.

So, from a single-product company, it began its diversification spree. It manufactured switches, water pumps, ceiling fans, and even kitchen appliances like grinders. These were higher-margin products too. That meant more money going straight to the bottom line. But it also realized that the south of India alone couldn't drive its future. The reliance on the south to drive 95% of its revenues had to change. V-Guard needed geographical diversification. They hired fresh sales teams for every product line. They ramped up advertising to around 5% of revenues. They wanted everyone to know about the company.

The end results?
Stabilizers only contribute to around 20% of its revenues today. And the share of the south has dropped to 60%.



Anyways, if you were someone who had reposed faith in the company during its IPO in 2008 and bet on how it would change its fortunes over the past couple of decades, you would be sitting on an eye-watering 5,000% return today. Or to break it down, nearly 30% annually. There were surely hiccups in the business, but one theory is that its fortunes are heavily linked to real estate. As per HDFC Securities, nearly three-fourths of its products, that make up 80% of its profits, depend on the growth of products like ACs and appliances. So, if discretionary spending drops and people aren't building and buying new homes as such, they won't need too many new appliances. So that's a constant threat.

Then there's their age-old strategy of outsourcing manufacturing. While that has worked in the past, to compete with players across India, V-Guard has slowly been ramping up its in-house manufacturing capacities—From just 43% in FY19, it is currently at 60% and is being ramped up to nearly 75%. Sure, it'll lead to improved efficiency and margins in the long run but in order to get there, V-Guard will have to pump in more money to set up manufacturing units. And finally—V-Guard is no Havells. See, Havells is entrenched in the minds of most customers, especially in the north of India. For V-Guard, its diversification strategy basically means taking on an incumbent on its own turf. It's tough. V-Guard might have to spend even more on advertising. Sweeten the pot for distributors. And all of that cost's money.

Despite all the changes in the past 4 decades, V-Guard's DNA hasn't changed. Sure, the contribution from stabilizers is just one-fifth of its revenues now. But the company that Chittilappilly set up in 1977 still commands a whopping 51% of the organized stabilizer market in the country. It's quite interesting what a business born out of the inefficiencies of India's power sector has become, no?

By Muskan Jamadar

Update for the day #1736 | Top Nine Ethical Issues in Artificial Intelligence

Our lives are being transformed every day for the better by intelligent machine systems. The more capable these systems become, the more efficient our world becomes.

Some of today's tech giants believe that artificial intelligence (AI) should be more widely utilized. However, there are many ethical and risk assessment issues to be considered before this can become reality. We discuss these below.

1. How Do We Deal with Unemployment?

The majority of people sell most of their waking time just to have enough income to keep themselves and their families alive. The success of AI, because of the amount of time it saves, will provide people the opportunity to spend more time caring for their families, become involved in their communities and experience new ways of contributing to human society.

Let's take, for example, the trucking industry, where millions of people are employed in the United States alone. If Tesla's Elon Musk delivers on his promise of offering true self-driving cars and they become widely available within the next decade, then what's going to happen to those millions of people? But self-driving trucks do seem like an ethical option when we consider their ability to lower our accident rates.

2. How Can We Equitably Distribute the Wealth Created by Machines?

AI, if it becomes widely used, can reduce a company's reliance on the human workforce, which means that revenues will go primarily to people who own AI-driven companies. Already, we are seeing startup founders take home the majority of the economic surplus they generate. So how do we equitably distribute the wealth created by machines?

3. Can Machines Influence Our Behaviour and Interactions?

AI bots are becoming more effective at imitating human relationships and conversations. This challenge requires human raters to use text input to chat with an unknown entity, and then guess whether the entity is human or machine.

While this can prove very useful in nudging society toward more beneficial behavior, it can also prove detrimental in the wrong hands.

4. How Do We Guard Against Possible Detrimental Mistakes?

Intelligence results from learning, whether you're human or machine. Systems normally have a training phase where they "learn" to detect the right patterns and act according to their input. After the training phase, the system then goes to the test phase where more scenarios are thrown at it to see how it performs.

Because it is highly unlikely that the training phase can cover all the possible scenarios that the system may encounter in the real world, the system can be fooled in ways that humans wouldn't be. Therefore, if we are to rely on AI to replace human labor, we need to ensure it performs as planned and cannot be overpowered by humans with selfish intentions.

5. Can We Eliminate AI Bias?

Let's not forget that AI systems are created by humans, who can sometimes be very judgmental and biased. Yes, AI, if used right, can become a catalyst for positive change, but it can also fuel discrimination. AI has the capability of speed and capacity processing that far exceeds the capabilities of humans; however, due to human influence, it cannot always be trusted to be neutral and fair.

6. How Do We Protect AI From Adversaries?

The more powerful the technology, the more it can be used for good as well as nefarious purposes. AI is no exception; therefore, cybersecurity becomes all the more important.

7. How Can Unintended Consequences Be Avoided?

There's also the possibility that AI could turn against us—not in an evil way, but rather unintentionally. Let's take, for example, an AI system that is asked to rid the world of cancer. After all of its computing, it spits out a formula that does just that, but it kills everyone on the planet. Yes, the goal was achieved but not in the way that humans had intended it.

8. Is There Any Way We Could Remain in Total Control Of AI?

Human dominance is not due to strong muscles and sharp teeth but rather intelligence and ingenuity. We can defeat stronger, bigger and faster animals because we're able to create and use physical and cognitive tools to control them.

This presents a real concern that AI will one day have the same advantage over us. Sufficiently trained machines may be able to anticipate our every move and defend themselves against us "pulling the plug."

9. Should Humane Treatment of AI Be Considered?

Machines imitate us so well that they're becoming more and more like humans by the day. Soon we're going to get to the point where we consider machines as entities that can feel, perceive and act. Once we get there, we might ponder their legal status. Can "feeling" machines really suffer?

So How Do We Address Those Ethical Issues?

Many believe that because AI is so powerful and ubiquitous, it is imperative that it be tightly regulated. However, there is little consensus about how this should be done. Who makes the rules? So far, companies that develop and use AI systems are mostly self-policed. They rely on existing laws and negative reactions from consumers and shareholders to keep them in line. Is it realistic to continue this way? Obviously not, but as it stands, regulatory bodies are not equipped with the AI expertise necessary to oversee those companies.

Jason Furman, a professor of the practice of economic policy at the Kennedy School and a former top economic adviser to President Barack Obama, suggests that,

"The problem is these big tech companies are neither self-regulating nor subject to adequate government regulation. I think there needs to be more of both. …We can't assume that market forces by themselves will sort it out. We have to enable all students to learn enough about tech and about the ethical implications of new technologies so that when they are running companies or when they are acting as democratic citizens, they will be able to ensure that technology serves human purposes rather than undermines a decent civic life."

By Namratha N

Update for the day #1737 | Covering the Sahara Desert in Solar Panels.

The desert has an abundant supply of sunlight, which makes it an ideal place to build a solar power plant. However, these plants can have a negative impact on the environment. The blaring signs of climate change have forced the world to look into green energy more intensely than ever. A source of energy that is not driven by fossil fuels and has negligible carbon emissions is essential for our long-term survival.

The sun doesn't always shine brightly in the sky, and there are regions where sunlight is lambent, or the sky is mostly cloudy. That said, there is the solution for that… Deserts! They are largely uninhabited lands with plentiful sunlight. So why aren't we covering deserts like the Sahara with solar panels?

Perks Of Solar Plants in The Sahara

In just six hours, deserts around the world receive more solar energy than humans consume in a year. If 1.2% of The Sahara Desert is covered with solar panels, it would be enough to satisfy the entire world's energy needs. The desert has extremely low rainfall, little to no cloud cover, limited wildlife and negligible human populations. These attributes make the desert practically useless for any human interest. This makes the Sahara Desert our best bet for a clean and sustainable source of solar energy.

Solar Panels Could Turn the Desert Green

Large-scale photovoltaic (PV) panels covering the Sahara Desert might be the solution for our electrical requirements, but it could also cause more trouble for the environment. An EC-Earth solar farm simulation study reveals the effect of the lower albedo of the desert on the local ecosystem. Albedo is the measure of the portion of solar energy reflected by the ground. It is measured on a scale of 0 (indicates a highly absorptive surface) to 1 (indicates a reflective surface).

The study suggests that if the solar panels take up more than 20% of the total area of Sahara, it could trigger a vicious cycle of temperature rise. Forming a blanket of solar panels on the desert changes the albedo, as the photovoltaic cells absorb the solar radiation to generate energy. Thus, the PV solar panel has lower albedo as compared to the desert sand, which reflects sunlight.

However, solar panels do not entirely convert the incident sunlight into electricity. Rather, a portion of the solar energy converts into heat, which can alter the local temperature. Hot solar panels trigger high surface air temperature and the flow of convection currents, thereby causing precipitation. An increase in rainfall thereby promotes vegetation growth, which further reduces the albedo, as plants absorb sunlight better than sand.

Droughts, Cyclones and Melting Sea Ice

As if turning the hot sandy ground of the Sahara into a rainy, green land wasn't enough, solar panels could wreak havoc in other parts of the world too. The simulation indicates an increase of ~1.5°C in the local surface air temperature in scenarios where 20% of terrestrial land is covered with solar panels. Likewise, there is an increase of ~2.5°C with 50% land coverage. Eventually, both scenarios can increase the global temperatures via the atmosphere and ocean currents. Greater signs of warming would be seen in the Arctic region in the second scenario. The warming of the polar region would cause a rise in sea levels due to the melting of sea ice.

The redistribution of rainfall in the Sahara and nearby regions would reduce precipitation in the Amazon region by 10-30%. This is roughly the same amount of extra rainfall the Sahara would receive due to the lower albedo caused by PV solar panels. The reduction in moisture and precipitation would lead to drought-like conditions in the Amazon. To put the final nail in the coffin, solar farms in the desert would promote the development of tropical cyclones over North America and the East Asian coasts.

Storage And Transportation Issues

Even if we overcame all the potentially catastrophic effects of desert solar farms, we would have to figure out the logistics to store and transport all this energy. We would require massive batteries to store the energy generated during the day to continue the power supply throughout the night. Each panel would need an individual battery for an uninterrupted power output throughout the day. This would nearly double the overall cost of the solar plant. What about transportation? How would we supply the whole world with energy from a solar plant in the middle of a desert?

Conclusion

However exemplary the idea of harvesting large amounts of energy from desert solar plants might be, it's still too complex to turn into reality, but we do have the technology to empower our towns and cities to generate their own solar energy. If this concept does manifest into reality, it would be a great achievement for the world, as it would allow us to reduce our reliance on fossil fuels and move towards a more sustainable future.

By Shreelakshmi Nair

Update for the day #1738 | Street ends flat year with 1,000-point jump.

Indian equities signed off with an over 1.5% surge in the final session of the week and financial year, thanks to strong year-end buying and gains in overseas indices.

Friday, which also marked the start of a new F&O (Futures and Options) series, saw the Sensex surging 1,031.43 points or 1.78% to 58,991.52 — the highest single-day jump since the 1,181.34-point rise on November 11, 2022.

Meanwhile, the broader Nifty50 jumped 279.05 points or 1.63% to 17,359.75. The Bank Nifty skyrocketed 698.50 points or 1.75% to 40,608.65. The India VIX, a measure of volatility, was down to 12.94.

Vinod Nair, head of research, Geojit Financial Services, said: "As the financial year drew to a close, the market witnessed an upward trend marked by bullish moves in the banking and IT sectors driven by robust global cues."

Accordingly to Nair, an increased interest from foreign institutional investors due to the moderation in Indian stock valuations also aided the market move. "While the US market awaits the release of personal consumption expenditures data, considered a crucial indicator for forecasting the Federal Reserve's future actions, domestic investors await the RBI MPC meeting scheduled next week," he added.

A note by YES Securities said the Nifty lost 2.5% in the current series, down for the straight fourth series. Yet, the Bank Nifty managed to outperform the benchmark indices. IT and auto indices were among the key draggers, down 8% and 7% in the current series.

Foreign institutional investors (FIIs) remained net sellers on index futures; the long-short ratio stood at 0.10 vs 0.24 on the February expiry.

Both domestic institutional investors (DIIs) and FIIs were net buyers to the tune of Rs 2,479.96 crore and Rs 357.86 crore, respectively.

"Indian indices witnessed a smart rally led by the large-caps and supported by small- and mid-caps. They played catch-up to global markets that had witnessed two consecutive days of strong move. Though we saw a decent rally this week, we believe markets may remain volatile in the near term as the banking crisis in US and Europe has not yet stabilised completely. This is against the backdrop of bond yields in the US having risen in the past week, which could further escalate banking issues," said Naveen Kulkarni, chief investment officer, Axis Securities.

Index heavyweight Reliance Industries (RIL) led the gains in the Sensex pack, up 4.3% after the company called for a shareholders' meeting on May 2 to take up demerger of its financial services operations.

Market breath was positive, with a total of 2,382 stocks advancing to 1,189 declining. Investor wealth rose by Rs 3.5 trillion.

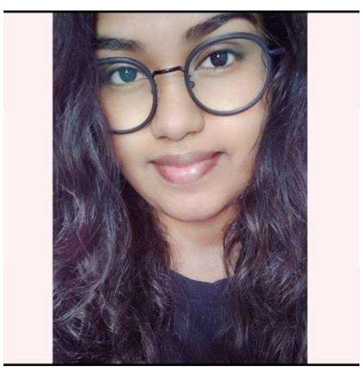
In the Nifty universe, RIL gained 4.31%, followed by Nestle, Infosys and ICICI Banks, all jumping over 3%. Apollo Hospitals and Sun Pharma were the biggest laggards, down 1.3% and 1%, respectively.

All sectoral indices closed in the green, with the tech along with banking and financials leading the way. Indian indices outperformed major Asian markets, even as major global indices gained on the back of waning fears regarding the banking sector overseas.

However, both indices traded mostly flat in FY23, with the Sensex edging up 0.7% and the Nifty edging down 0.6%. There was a total of Rs 6 trillion lost in investor wealth in the financial year ended Friday.

The tech sector was the biggest loser over the year, with the BSE Information Technology index slumping 21.8% and BSE Teck sliding 20.1%. On Friday, however, they were the biggest sectoral gainers, rising 2.52% and 2.21%, respectively.

By Chandana D



Update for the day #1739 | Is Air India's pilot shortage a sign of things to come?

Air India's pilots are livid. On 27th March, they shot off a letter to their CEO with a litany of complaints.

1. They complained about a blatant disregard for time offs and weekly rests. Apparently, pilots are being verbally abused to take up extra work that wasn't on their schedule to begin with.
2. The folks in charge of scheduling are operating on a one-way communication basis. If a pilot tries to get in contact with the team, they're ignored.
3. Pilots aren't getting the empathy they deserve especially when they need emergency leaves for family hospitalisations.

Sounds like a problem, right?

And they ended the letter by saying that if the airline wants to attract new recruits and expand, they better fix the problem. And just in case you've forgotten. Air India isn't a government airline anymore. It's well and truly run by the Tatas. So, it's really not a good look for the brand.

Now, the way things are shaping up, it looks like Air India's plan of offering an 8–10% salary hike to its pilots isn't going to be enough to retain them.
So, why is Air India in this mess?

One big reason could be a massive pilot shortage.

Yup, Air India apparently doesn't have enough pilots on its roster to fly its existing set of aircraft. Its ultra-long-haul flights are constantly getting cancelled or delayed. You know, the ones that fly 16 hours straight to places like Vancouver and San Francisco. And according to CNBC TV18's calculations, the airline has only 1,600 pilots for its 114 aircraft. It needs at least 1,850 pilots when you take into account the rotational shifts and rests and emergencies that inevitably crop up.
But despite all this, Air India is hell-bent on expanding its fleet. It's getting 40 more aircraft over the next few months. And it has even locked in a whopping $80–100 billion deal with Airbus and Boeing for 470 passenger planes over the long term.
So, you can see why the pilots are worried. They're being pushed to the brink. And their flying hours have shot up by more than 40% according to The Morning Context.
But here's the thing. The pilot crunch isn't going to be just an Air India problem. It could be a much larger one as Akasa, Indigo, and every other airline goes on a fleet expansion spree.

That's because India apparently needs 1,000 fresh commercial pilots every year to meet the needs of the growing aviation industry. But getting to that number is hard. In 2021, the Indian aviation regulator issued 862 commercial pilot licences and in 2022, it rose to 1081. While that's a good sign, the average number of licences issued each year is typically only about 600. Also, 200 pilots retire annually. So, we'll find it hard to keep up with demand.

And one problem is that getting trained to become a pilot is an expensive affair. A pilot's training, including training to fly, can cost anywhere up to ₹50 lakhs. And this is even before they apply for a Commercial Pilot License (CPL). These exorbitant costs can be quite a deterrent since only those with access to funds can fulfil their dreams.

Then, experts say there's a lack of training facilities in the country. As of now we have 35 approved flying schools that use 53 airbases to train pilots. Which is just not enough to churn out the number of pilots we'll soon need. And setting up new flying schools after approvals by the DGCA (Directorate General of Civil Aviation) isn't easy either. It's going to take time.

And if you assume that an aspirant decides to head overseas for training and comes back, they can't just take to the skies. They still have to log an additional 20 hours under different conditions to get an Indian CPL. And if they get lower pay than their foreign counterparts and have to jump through additional hoops, they might just choose to stay abroad.

But wait…the Ministry of Civil Aviation actually disagrees on the pilot shortage matter. In fact, the DGCA Chief Arun Kumar says that we have an oversupply of pilots. He says we have 13,000 pilots in the country and that 30% of them have no jobs.

Sounds like a plot twist, no?

Well, there might be an explanation for this paradox—experience!

You see, just because someone is a pilot and has a CPL doesn't mean they're ready to pilot an airline. Especially wide-body airlines to fly long-distance routes. A CPL holder needs to train for another 250 hours in simulators and training aircraft before they get the go-ahead to fly. And then, it will take years before they actually get to command an aircraft and not just be a co-pilot. In fact, a junior pilot needs at least 1,500 flying hours under their belt before they can progress to being a captain.

So yeah, what airlines need at the moment are experienced pros. Not the newbies. That's what the shortage probably is about. And that's precisely why Air India is offering its pilots more money. But we'll still have to wait and watch if Air India and the aviation industry can successfully fight the pilot crunch.

By Roshan Bhandari

Update for the day #1740 | Airtel-IPPB WhatsApp Banking Services

India Post Payments Bank (IPPB) and Bharti Airtel have partnered to launch banking services through WhatsApp for their customers in India. This joint statement was released on March 31st, 2023. In this article, we will explore what IPPB is, what services customers can avail through WhatsApp banking, and what the partnership with Bharti Airtel means for customers.

What is IPPB?
IPPB (India Post Payments Bank) is a division of India Post that comes under the aegis of the Department of Post, which comes under the Union Ministry of Communications. It was opened in 2018 and has more than 6 crore customers as of January 2022.

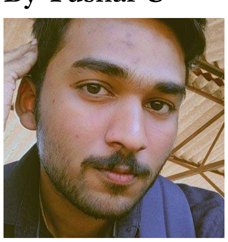
IPPB Partnership with Bharti Airtel
The partnership between IPPB and Bharti Airtel will enable IPPB customers to connect with the bank on WhatsApp and easily avail of a range of banking services. The partnership is aimed at driving digital and financial inclusion in India.

Services Available through WhatsApp Banking
Through WhatsApp Banking, IPPB customers can now access banking services on their preferred messaging app. Customers can easily make service requests, locate the nearest Post Office, and perform a range of other banking services through the WhatsApp channel. This includes checking account balance, viewing mini statements, and transferring funds.

Multi-Language Support
Airtel-IPPB WhatsApp Banking is also working on building multi-language support. This will improve customer experience, especially for those in rural regions of India. The goal of this multi-language support is to make banking services more accessible to customers, regardless of language barriers.

Interactive Customer Support Agent
IPPB and Airtel IQ are working towards integrating a live interactive customer support agent in WhatsApp. The support agent will provide round-the-clock assistance for the customers, enabling them to get quick resolutions for their queries. This will add a new level of convenience for customers who need help with their banking needs.

By Tushar U



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