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Foreword

We, the team at SURESH & CO., are delighted to present the latest edition of "EMERGING THOUGHTS." This publication serves as a compilation of global events and innovative ideas crafted by our dedicated articled assistants—individuals on their journey to becoming Chartered Accountants, as well as our esteemed employees.

Staying abreast of global history, news, and ongoing events is crucial in today's dynamic world. Awareness of the latest developments, whether local or international, is essential as they can have a direct or indirect impact on our lives. The positive response from our readers has been truly heartening, marking a continuous journey of milestones where every learning opportunity has illuminated our path with the essence of knowledge.

At SURESH & CO., we foster an environment where every individual is encouraged to embrace boldness in the pursuit of innovation and wisdom. Our team members are empowered to think beyond their perceived limits, leading to the purification of their thoughts, an enrichment of their vision, and the exploration of realms beyond their academic focus.

In this edition, we share the initial gems of thought conceived by these young minds. It's important to note that these updates may not have undergone a review by senior or technical experts. Therefore, readers are urged to view them as sparks that ignite positive reflections. We advise further research and analysis on topics of interest to ensure a comprehensive understanding.

Thank you for being part of this journey with us. Let the "EMERGING THOUGHTS" inspire and stimulate your intellect as we collectively explore the boundless horizons of knowledge and innovation.

"Life's essence lies in its challenges. When everything is handed to us, we risk becoming idle, self-centered, and oblivious to life's true treasures. Embracing effort and perseverance, despite their difficulty, is the cornerstone of our character and growth."

Update for the day 1981| Reshaping agriculture with AI, Drones and Biologicals.

The global sustainable agriculture market is set to surpass 31.35 billion by 2031, experiencing a robust compound annual growth rate (CAGR) of 10.17% from 2023 to 2031. India plays a crucial role in this transformation, where sustainable farming is not only a necessity but also an economically viable, socially supportive, and ecologically sound approach to crop cultivation. This shift has been facilitated by a combination of government support, technological advancements, and corporate initiatives. The AgroSpectrum cover story focuses on Sustainable Agriculture, aligning with the theme of the 14th Agrovision – Sustainable Farming through Skilling and Technology. In this issue, AgroSpectrum explores the milestones in the growth of the sustainable agriculture market in India through analytical and informative articles on advancements in sustainable agriculture.

On November 6, the Department of Agriculture and Farmers Welfare (DA&FW) collaborated with Wadhwani Institute for Artificial Intelligence (Wadhwani AI) to launch Krishi 24/7, the first-ever AI-powered solution for automated agricultural news monitoring and analysis, supported by Google.org. Krishi 24/7 assists DA&FW in identifying relevant news, generating timely alerts, and promoting sustainable agricultural growth through improved decision-making. The tool scans news articles in multiple languages, translates them into English, and extracts essential information for timely updates on relevant events. The Indian government has taken measures to provide technology and information access across the country through digital initiatives. An Inter-Ministerial Committee, formed in 2019, acknowledged the role of Digital Technology, including Artificial Intelligence, Big Data Analytics, Blockchain Technology, and Internet of Things (IoT), in modernizing and organizing agricultural activities. These technologies aim to provide accurate and timely information to farmers, improving crop productivity, reducing risks, and enhancing farmers' income.

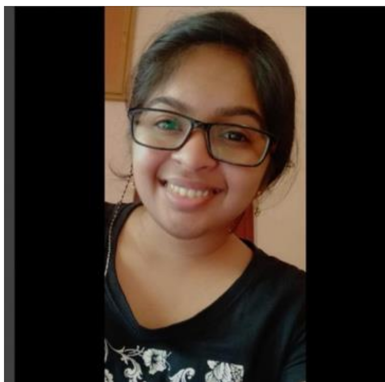
The adoption of modern technologies is evident in the transition to sustainable farming across India. Remote sensors, crop nutrient management, farm management software, drones, predictive data analytics, bioengineering, and more contribute to this shift. Technologies such as Agri-drones, blockchain, Agri-biologicals, farm robotics, AI, and IoT in farm management are enhancing sustainable farming. Notable examples include Sikkim achieving 100% organic farming and Andhra Pradesh's goal of 100% zero-budget natural farming by 2027. The corporate sector in India is increasingly committed to sustainable agriculture, focusing on innovations in crop protection, post-harvest solutions, soil health improvement, and planning simulations. These endeavors aim to provide comprehensive solutions to farmers, increasing their resilience against climate risks and ensuring maximum farm yields at affordable costs.

The government's approval for the use of drones in pesticide and nutrient application, combined with increasing industry participation, is expected to positively impact the Indian agriculture drone market. Reports suggest a four-fold increase by 2028, with a projected CAGR of over 25% from 2022 to 2028. The potential of India's drone industry is estimated to reach $23 billion by 2030, making India the world's drone hub. Initiatives like Drone Shakti and Kisan drones, along with digital airspace mapping, aim to promote homegrown drone manufacturing and reduce dependence on imports. Agricultural biologicals, derived from natural sources, are gaining

prominence in India. They enhance crop growth, protect plants from pests and diseases, and align with organic farming practices. The BioAg solutions industry in India is poised for transformative growth, contributing to food security, improved soil health, and reduced environmental impact. The Agri-biological market in India reached approximately Rs 5627 crore in 2023 and is expected to grow at a CAGR of 4.2% to reach about Rs 7202.9 crore by 2032.

In conclusion, India's sustainable agriculture journey involves a blend of government support, technological advancements, and corporate initiatives. The adoption of AI, drones, and Agri-biologicals is driving positive change, promoting eco-friendly practices, and contributing to the overall growth and resilience of the agricultural sector.

By Shreelakshmi Nair



Update for the day #1982 | India stands up to the WTO on agricultural subsidies.

After independence in 1947, India was looking at a dire future. We didn't have enough food to feed our population. We had to rely on imports, and this required a lot of dollars. Or we had to wait for aid from bigger countries. It wasn't a pretty sight. So, in the 1960s, the government finally decided that we needed to become self-sufficient. We embarked on a massive agricultural revamp —we brought in higher-yielding varieties of seeds, began extensive use of fertilizers, and improved our machinery.

We also did something else to incentivize farmers to sow paddy and wheat—we offered them a minimum support price (MSP). Basically, it was a government guarantee to buy the crops just in case they couldn't find a better price elsewhere in the market. After all, growing these crops was labor-intensive and wasn't lucrative either. So, it made sense to offer a safety net to incentivize production.

Slowly, we became self-sufficient.

Of course, it didn't end there. The Green Revolution was so successful in a couple of decades that we could even begin to export our produce. And one fine day India became the largest rice exporter in the world.

But all this progress wasn't making other countries happy. They felt that India was resorting to unfair trade practices. That the Indian government was buying crops at an artificially low price, and then exporting the same crops at low prices into the world markets. So, the demand for Indian rice and stuff kept going higher. As a consequence of this, they said that it hurt the prospects of farmers from other regions who couldn't afford to sell their crops this cheaply.

So, they went to the WTO and complained that India was flouting trade rules.

But what are these rules, you ask?

Well, the thing is that the WTO allows governments to dole out subsidies to farmers. It's just that there's a limit. For instance, for a developed country, the subsidy should be below 5% of the value of the crop's production. And there's a little more leeway for developing countries like India—we can offer 10%.

But how can we calculate this?
Okay, here's a simplistic way to think about this. Imagine that the Indian government offers ₹2,000 for one quintal (100 kilos) of wheat. Think of this as the 'intervention price' or the MSP. The WTO will first compare how much this price exceeds the average price of wheat in international markets during 1986–88. Don't ask why that's chosen as a reference point but the WTO says it's because prices were stable back then. Anyway, let's say that the average price for one quintal of wheat was ₹1,000 back then. Next, the WTO will look at the total production of wheat in the country. Say it was 20 quintals of wheat. That means the total value of wheat is now calculated at ₹40,000 (20 x ₹2,000).

Technically, the subsidy can be worth only 10% of this value i.e. ₹4,000. It's called the 'de minimis' level. And in effect, the government can buy just 2 quintals of wheat if they want to stick to the WTO rules.

Now remember, there's a lot more to these subsidy calculations but let's leave it at this for now.

However, the complaint from developed countries is that India has overstepped this mark multiple times in the past. They claim we've even offered subsidies worth 60–70% of the total value. And we've vehemently denied this showing our own set of calculations. In other cases, we've invoked something called the 'peace clause' which is a legal way out and offers temporary immunity against complaints by other WTO members. We can say that we are left with no option but to provide higher subsidies to protect our food security. That we have to stockpile these grains to meet the needs of our people. And that we don't export these subsidized grains. In fact, we've shown data to prove that it's the government and not private companies that buy these crops at subsidized prices.

But here's the thing. India has been answering these questions at the WTO for decades now. We're tired of this charade. And we've decided to put our foot down till this problem is resolved. To achieve our goals, we're trying to drum up support from other countries who're in a similar position too. Together, India wants to change the rules.

And one of the simplest requests is to change the reference point from 1986 to something more recent. Maybe the WTO should change the price and make it an average of the past 5 years. Or otherwise, we should simply consider the excess inflation over the years and adjust the price accordingly. It's simple really.

So yeah, we don't know how it'll all turn out. It does seem like India has the support of a few other countries to make its case. And now we'll just have to see if the big WTO members finally agree to this reasonable demand.

By Chandana K A

Update for the day #1983 | Decoding India's 7.6% GDP

At first glance, the headline 7.6% GDP growth is spectacular. We've surpassed all expectations. And there's ample reason to celebrate. Especially since the rest of the world is struggling a tad bit.

But there's a lot hiding behind the data. So, let's look at the GDP growth figure in a little more detail.

Now the first thing you'll notice is that the Manufacturing sector has grown by a whopping 13.9%! This segment primarily consists of factory activity. It involves folks that make apparel and textiles, petroleum products, office machinery and a whole host of other similar stuff. So, when you see manufacturing picking up, it's a happy moment. You believe that the factories are running at full tilt because the demand for goods is soaring and they're producing what's needed.

This growth has surpassed all expectations and has been a primary driver in pushing the country's GDP. However, it's important to look at the 13.9% figure with some added context. If you look closely, you'll see that the manufacturing sector actually sputtered during the same period last year. It fell by -3.8% and lost value. As T N Ninan from Business Standard pointed out, that means today's manufacturing growth looks good because it's come on the back of a low base. Or put another way, say during July to September of 2021, the value of manufacturing activity was 100. During the same period next year, it fell by 3.8% to 96.2. Now while the sector has grown by 13.8% during the next year, the overall value is still only 109.5. Basically, manufacturing has indeed grown in the last couple of years, but perhaps the headline number doesn't capture all the details.

We can also look at another metric known as the Index of Industrial Production or IIP to get a better understanding. It calculates the value of manufacturing activity too. This is what we call a high-frequency indicator since it's released monthly. And it kind of reveals the same thing. There's increased activity when compared to last year, however, manufacturing companies haven't been producing as much stuff in the last few months.

Should we be concerned?

Well, it's hard to say for sure. Because factories will only feel emboldened to produce more goods if there's demand from people like you and me. We need to open our purse strings and spend at the end of the day. So, the question is—what's happening on the expenditure side? Are people spending or are they cautious?

Well, let's look at another number. The government calculates something called the 'Private Final Consumption Expenditure' during the GDP exercise. Think of this as the money that people like you and me actually spend in the economy. And this has grown by 3.5% over the past year. That's still growth. However, this comes with a caveat. If you've been reading Finshots, you'll remember that we've written a couple of stories about the rise of unsecured personal loans in the country. People have been borrowing money to spend. So, some experts believe that the growth in private expenditure could be attributed to the loans. And now that the RBI is trying to turn the tap off on these loans, could consumption actually take a tumble? We hope not.

The other thing here is that the agriculture sector hasn't contributed to the GDP growth a lot. If you look at the GDP data, you'll see that it has grown only by 1.2% in the past year. That could be a dampener for rural income. In fact, if you listen to what FMCG companies such as Britannia and Marico have to say, they're all concerned about a slowdown in the rural segment.
And here's the crux of the problem - Consumption drives 60% of the value of our GDP. And if this engine isn't firing as expected, it will eventually be a drag on growth. The only way out then is for the government to spend money instead. Try and keep building stuff like roads and bridges in the hope that it will create jobs and people will spend money. But you and I know that it's not a long-term solution. The government might need to resort to borrowing money to fulfil this obligation. At some point, that will have to end. So, we need both household and private sector spending to do some of the heavy lifting too.

So yeah, in a nutshell—India is growing. But there are some hurdles along the way. And if we can iron that out, we could keep this momentum going. And hopefully, we'll get to the mark of being a $5 trillion economy sooner rather than later.

By Sharan Manjunath

Update for the day #1984 | Flair pens a successful IPO story.

Flair Writing just had a phenomenal IPO pop—it jumped 65% when its shares were listed on Friday morning. And this was expected. I mean, while Flair wanted to raise around ₹600 crores during its IPO last week, it was oversubscribed by a whopping 47 Times. There was overwhelming demand.

Now you might be wondering why on earth would anyone invest in a company that makes pens and pencils. I mean, everything's digital these days, right? Schools have turned to tablets for learning. You'll mostly whip out an app on your phone to take notes at a conference. Even official documents only need an e-sign. The pen-and-paper world seems to be dying a slow death.

So why were investors so excited about Flair?

Well, truth be told it doesn't seem to be a Flair phenomenon alone. See, there are other listed pen or pencil companies in India. There's Linc and Kokuyo Camlin that have been around for a while. And investors have been lapping them up too. Linc's share price is 70% higher this year. And Camlin has delivered returns of 85%.

In fact, researchers have been trying to revive the lost form of 'good handwriting'. They are trying to prove why putting ink and lead to paper is important for students. And these days, there are enough studies that say if you write, you form better reasoning and memory skills. World over, schools are sitting up and taking notice of this too. They want to go back to these old ways of learning. As an article in The Economist recently pointed out, even though the US doesn't mandate 'handwriting' instruction after the first grade, more states have decided to do it past that age anyway. Even in Sweden, schools are pushing for more handwriting and fewer devices.

So yeah, pens and pencils might just be seeing a renaissance. And in India, this industry is already worth nearly ₹7,000 crores.

Now you'd think that in such an industry, the unorganized players would be ruling the roost. But that's actually not the case. Nearly 80% of the industry is with the organized folks. And Flair, which has been around for nearly 5 decades, is one of the top 3 pen makers in the country. This means that multiple generations of Indians have been accustomed to the brand. Flair's probably got brand recall. And maybe even some loyalty.

Perhaps that's why Flair has actually grown at 14%, while the overall writing industry has grown its revenues by just 5.5% in the past six years. Not to forget that the massive distribution base would have helped its cause too. It has the largest network of sellers in the country—over 320,000 of them. Flair is present in every nook and cranny of the country.

But wait…what about the bottom line? After all, this is an uber competitive space and companies can't really jack up the prices for pens and pencils as they please, right?

That's true, but if you look at Flair's profit margins, it's head and shoulders above its peers. For

instance, while Linc has a PAT margin of 7.7%, Flair reports a PAT margin of 12.5%.

How does the profitability stack up against peers?

one way of ensuring that is by going across the value chain of pens. There's a pen to cater to every need. Want a budget or mass market pen? Pick up a Flair. Trying to be a little more premium? Then Germany-based Houser is the brand for you. And if you don't mind splashing a few hundred bucks on a pen that'll make you look good, you have the French brand, Pierre Cardin. Basically, Flair struck licensing deals with international brands over the past decade. And since this is where the margins are higher, it is now doubling down on increasing the number of products in these segments.

Oh, it's also a contract manufacturer for other pen brands. That means it simply manufactures the pen, stamps another company's logo on it and hands it over to them.

By Dhanush M

Update for the day #1985 | Is Apollo Hospitals running a 'cash for kidneys' scam?

There could be a massive kidney transplant scam unfolding in India's capital city. And this might be taking place at one of India's largest hospital groups—Apollo Hospitals!

At least that's what the British media house The Telegraph revealed on Sunday.

Well, it begins with our neighbor Myanmar. See, organ transplants in Myanmar can only happen between relatives. So, when someone's kidneys fail, that person can't really take out an advertisement asking for donors and promise they'll pay for a kidney. They have to find a relative. Or they could find some random individual willing to do it out of the goodness of their heart. It's the same rule in India. Now apparently, wealthy Myanma are flying across the border to India for organ transplants. And they're finding poor villagers from their country to donate kidneys. The middlemen or the agents who connect the donor with the recipient will take care of all the dirty work—they'll create a family tree, fake household documents showing family ties, drum up a marriage certificate if needed, stage a photo op to show the two people visiting a temple or taking a holiday, and then cook up a false story.

In many cases, there could be an interview with a transplant authorization committee. The ones who make up this committee are officials from the hospital and even a member appointed by the government. These folks need to believe the documents. They need to buy into the story. And only then will they sign off on the transplant. And if the documents and story seem genuine enough, it could be quite easy to fool this committee too.

Well, the hospital has vehemently denied any knowledge of course. And maybe the rot is just limited to its Myanmar office. Because when the Telegraph's reporter posed as a relative of someone who needed a kidney transplant, they were told by a Dr Htet Htet Myint Wai from the Apollo office, "It's easy to find a donor."

Apollo's been embroiled in a kidney scam before. Back in 2016, similar accusations were leveled against the hospital. And at that time, the donors and recipients in the picture were all Indians. People from poor parts of Uttar Pradesh would be paid ₹3–4 lakhs for a kidney. And again, documents would be forged.

But Apollo said that it was "a victim of a well-orchestrated operation to cheat patients and the hospital". Apparently, the traffickers managed to fool the committee into believing these fake relationship statuses. So, it could be a similar story playing out again.

You see, India is one of the epicenters of commercial organ trafficking. Sure, we have a law in place. The Transplantation of Human Organs and Tissues Act came into effect in 1994. But if you go by media reports, it's still quite easy for unscrupulous people to get around it.

Firstly, there's massive income disparity in the country. So, when the poor get desperate for money, they resort to whatever means necessary to hold on to their life. For instance, in 2001, 305 people in Chennai who had sold their kidney were asked why they did it. And 96% of them said it was to

pay off debts. They had no other way out. Now sure, that survey is over two decades old but the inequality in the country has only been expanding since then. So, it's not hard to imagine that the situation could be even worse than before.

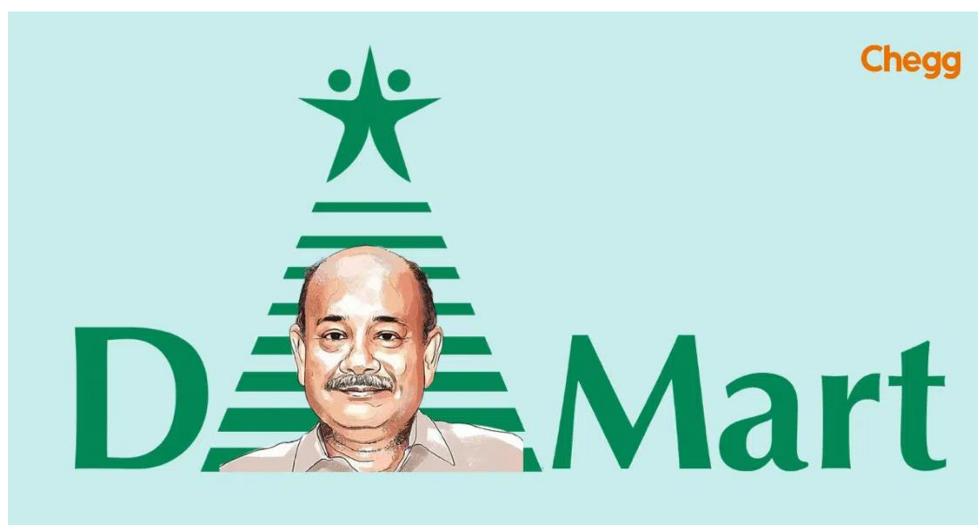
The other problem is a demand-supply gap. In India, there's a need for 200,000 kidney transplants each year. But just 10,000 transplants are conducted. And whenever there is a mismatch of this magnitude, it opens the doors for the black market. The illegal business thrives.

Currently, the organ donation rate among the dead is just 1 per million people. Experts say we need to get the ratio higher to around 65 per million. And one method to improve this is to train ICU hospital staff on recognizing when the organs of a deceased can be used and counsel families for donation.

We do need to do something to put a full stop to illegal trafficking of organs. We need to stop the exploitation of vulnerable people. And we need hospitals like Apollo to be more accountable for what goes on behind closed doors.

By S H L Vasavi

Update for the day #1986 | Radhakishan Damani: Success Story of D-Mart Owner



Radhakishan Damani is the visionary entrepreneur behind one of India's largest retail chains, D-Mart. As the founder and D-Mart owner, Radhakishan Damani has revolutionized the retail industry with his astute business strategies and commitment to customer satisfaction with a strong focus on offering quality products at affordable prices.

D-Mart is one of the largest chains of Hypermarkets in India. D-Mart offers a wide variety of food, clothing, and home utility products at the most competitive prices you might have ever come across. Through its 306 stores, D-Mart has established a strong presence in India. You can find D-Mart stores in 11 states of India, including Gujarat, Maharashtra, Telangana, Andhra Pradesh, Madhya Pradesh, Rajasthan, Chhattisgarh, National Capital Region, Punjab, Karnataka, Tamil Nadu, Daman, and Uttar Pradesh.

Radhakishan Damani was 45 years old when he founded D-Mart in 2002. By then, he had already made millions by trading in stocks. Damani's decision to adopt unique strategies has made D-Mart what it is today. For instance, where most other retail chains rent their businesses, D-Mart owns each store. They have never closed any of their stores ever since they launched. Thanks to the extensive research the D-Mart team does before opening each store.

Though it seemed tempting to foray into categories like fashion and electronics, D-Mart has focused only on its core business, food and grocery. The retail chain hasn't even launched its private brand to increase sales. Even today, it is only third-party grocery products that D-Mart stocks.

Who is Radhakishan Damani?

A Billionaire Investor from India, Radhakishan Shivkishan Damani, popularly known as RK Damani, is a business magnate and D-Mart Founder (founder of Avenue Supermarts Limited). He also owns Bright Star Investments Limited, an investment firm through which he manages the

Damani Portfolio. Bloomberg Billionaire Index ranked the D-Mart Owner as the 98th Richest Person in the World (in 2021).

Born in a Maheshwari Marwari Family in Bikaner, Rajasthan (D-Mart Owner Native Place), RK Damani wasn't raised in a wealthy environment. The family lived in a humble single-bedroom apartment in Mumbai since his father worked on Dalal Street.

Not much is known about Radhakishan Damani's Education. He studied commerce at the University of Mumbai; he gave up his studies after his first year at college and joined his father's metal rollers business. He took an interest in stock market trading after his father's death.

RK Damani started his career as a stockbroker. However, he soon realized that he had to invest his own money if he wanted to make money in the stock market. In 1980, he started investing in stocks named Mr. White and White. He was practicing short selling of stocks by being a part of the bear cartel. In fact, during the 1990s, when Harshad Mehta's Scam was in the limelight, Damani made extensive profits through short selling.

In 1999, Damani decided to take up a franchise of a cooperative department store called Apna Bazaar (In Nerul). However, he was not convinced by its business model. So, he started D-Mart, a Powai store, in 2002. By 2010, D-Mart became a chain of hypermarkets with 25 stores. In 2017, Damani went public and became the 4th Richest Person in India in 2020, with a net worth of $16.5 billion. Today, Radhakishan Damani's Net Worth is $21.3 billion.

How was D-Mart Founded?

After his successful stint in stock market trading, where he made millions by short-selling stocks, RK Damani started investing in consumer retailing organizations. When owning a franchise of Apna Bazaar did not appeal to him, he decided to open his chain of hypermarkets called D-Mart. It all started in 2002 as a small store in Powai.

About two decades ago, when Damani founded D-Mart, the retail industry had seen many new prominent entrants, such as Subhiksha and Big Bazaar. Most such retail chains had adopted a rental model, spending large amounts on furniture and fixtures. The focus was largely and only on retailing.

Although the entry into the market faced tough competition, D-Mart managed to stand out by owning the land it operated on. Buying products in bulk at low prices and then selling them all together made it easier for the D-Mart owner to stick to his 'High Volume-Low Margin' principle. Also, he made sure D-Mart stuck to its core food and grocery business without diversifying into the other markets.

Growth of D-Mart

Unlike other retail brands that operated on a rental model, D-Mart owned every store it operated. So, for the initial 15 years (until 2014), D-Mart operated its stores only in four states of India. It was only after the company went public in 2017 that it expanded its presence across 11 states of the country.

behaviors changing steadily, there is an increasing demand for a wide range of products. D-Mart offers a wide range of high-quality products at affordable prices by focusing on the core business of providing essentials such as food, clothing, and household products.

D-Mart's store-ownership model helps in reducing overhead costs. The store operates on its 'High-Volume Low-Margin' business model by sourcing products directly from the manufacturers. By offering products for basic day-to-day needs, D-Mart has achieved consistency in business, thereby avoiding the risk of high demand fluctuations.

D-Mart was one of the significant Indian firms to make a record opening on the NSE (National Stock Exchange) when it posted its IPO as Avenue Supermarts Ltd. The company achieved a $39,988 crore valuation when the stock market closed on March 22, 2017. D-Mart was ranked 33 on BSE's list of recorded organizations with a market capitalization of $114,000 crore on 21st November 2019.

Towards Success and Beyond

Being customer-centric is the best way for any company to achieve success and enjoy it for a long period. This is exactly the secret behind the success of D-Mart and its owner, Radhakishan Damani. By catering to the needs of consumers affordably, D-Mart owner RK Damani has managed to achieve his vision of building India's biggest retail chain. While this marketing strategy will always be the component of D-Mart's ongoing success, D-Mart will always manage to delight its customers in the best way possible.

By Aditi Jain

Update for the day #1987 | "My Body Has Given Me Signals"- Rafael Nadal Addresses Retirement

Five-time Mutua Madrid Open winner Rafael Nadal finally bid adieu to his home court today. This Spanish tennis legend previously announced that this ATP Masters 1000 tour was going to be his last attempt at Madrid. While Nadal started his tour with a bang following three consecutive victories, he finally had to exit the championship, followed by a defeat in the quarterfinals.

Rafael Nadal had a turbulent start to this season following his withdrawal from many prestigious tours like the Australian Open or Indian Wells due to physical discomfort. Now that this ATP star's days of performing on Madrid's clay court are gone, Nadal delves deeper into his feelings about it.

Nadal continued speaking about how special he felt playing on his home tour's clay court. He further mentioned, "*It is very special for me, I have had the opportunity to play again on this court that has given me so much. When I left for Barcelona, I did not know if I would be able to compete again. It has been an unforgettable week. Honestly the only thing I can do is give thanks.*"

Rafael Nadal's Madrid tour comes to an end with a heavy heart. While fans are disappointed to see Nadal lose this tour on his final attempt, they are sadder thinking this season is Nadal's final career season. Junior ATP star from Nadal's home country Carlos Alcaraz shared his thoughts on how the tennis scene will be for him without Rafael Nadal.

More than being depressed about RAFA's last season, Carlos wished to cherish every moment he would get to see Nadal play on the court before his final match. "Personally speaking, I want to enjoy RAFA as much as possible, every time he enters the court, every time he can compete. Every time he can do it, I'm going to be there to enjoy it. That's what we have to think about, not about the afterlife. but to live in the moment."

Rafael Nadal's emotional message on ending his Mutua Madrid Open tour made all of his fans very emotional. Following this Spanish legend's last Madrid attempt, decade-long fanboying and excitement for the crowd have finally come to an end.

By Dhanush M

Update for the day #1988 | Book Summary: Ikigai — The Japanese Secret to a Long and Happy Life

This book demonstrates various topics related to the Art of Living. It's the art of living and not the art of existence or survival :). The book defines what is ikigai and the rules of ikigai. In Japanese, ikigai (生き甲斐) is a combination of letters that mean "life" and "to be worthwhile". The authors of the book try to unravel the secrets of a long and happy life.

How do they do it? They conducted a total of one hundred interviews in Ogimi, Okinawa — Japan to try to understand the longevity secrets of centenarians and super-centenarians i.e. people who have lived for 100 and 110+ years!

The village of Ogimi in Japan has the most number of centenarians and super-centenarians in the world. The authors talk about various experiences while interviewing centenarians and super-centenarians.

So, what did they find?

Ikigai can be illustrated with this diagram very easily. It's an intersection of "What you are good at", "What you love", "What the world needs" and "What you can be paid for"!

- Ikigai roughly translates into "the happiness of always being busy."
- We all have a certain passion inside us, a thing that we love to do and the thing that keeps us going. A unique talent that gives meaning to our days and drives us to share the best of ourselves until the very end.
- If we don't know what this thing is yet, then our mission is to discover it.
- Everyone's ikigai is different, but one thing we have in common is that we are all searching for meaning.

- When we spend our days feeling connected to what is meaningful to us, we live more fully; when we lose the connection, we feel despair.
- Our ikigai is hidden deep inside each of us and finding it requires a patient search.
- Once we discover our ikigai, pursuing it and nurturing it every day will bring meaning to our lives.
- One thing that everyone with a clearly defined ikigai has in common is that they pursue their passion no matter what.

What are the rules for Ikigai?

- Stay active; don't retire. Keep doing things that you love to do.
- Take it slow. Don't be in a hurry all the time. This is one of the most important things to remember. Live life fully from today, right now, in this moment, do not wait for some obscure time in the future to do it.
- Eat less. Only about 80% of your hunger. Obviously, it's not easy to figure out what is 80% of hunger, but the idea is to not fill up your stomach to 100% of its capacity :)
- Surround yourself with good friends. If you are to live longer, you will need good company when you are old.
- Get in shape, exercise and regularly move your body. At least try and do mild exercise 3–5 days a week.
- Smile and do it often. This is something that we all can do more of.
- Reconnect with nature. Appreciate its beauty. Grow a garden in your home, go for a trek!
- Give thanks and mean it.
- Live in the moment. A lot of times we are either worried about the future or sad about the past. Don't do it, Live in the moment.

Avoiding Stress & Existential Crisis

Many people seem older than they are. Why do you think that happens?

- Research into the causes of premature ageing has shown that stress has a lot to do with it.
- Existential crisis, on the other hand, is typical of modern societies in which people do what they are told to do, or what others do, rather than what they want to do. Peer pressure makes us do things that we don't care about.
- People often try to fill the gap between what is expected of them and what they want for themselves with economic power or physical pleasure, or by numbing their senses.
- Those who give up the things they love doing, lose their purpose in life.

Be in Flow

- Flow is the mental state in which a person performing an activity is fully immersed in a feeling of energized focus, full involvement, and enjoyment in the process of the activity!
- We have to focus on increasing the time we spend on activities that bring us to state of flow, rather than allowing ourselves to get caught up in activities that offer immediate pleasure.
- Concentrating on one thing at a time may be the single most important factor in achieving flow. Too many times we try to do things in parallel and divide our attention. This is a sure

shot recipe for not achieving the state of flow.
- Our ability to turn routine tasks into moments of micro-flow, into something we enjoy, is key to our being happy.
- The happiest people are not the ones who achieve the most. They are the ones who spend more time than others in a state of flow.

Slow Living

- Being in a hurry is inversely proportional to quality of life. As the old saying goes, 'Walk slowly and you'll go far.'
- When we leave urgency behind, life and time take on new meaning.
- There is a huge difference between being in a rush all the time vs keeping yourself busy with things that you love to do.
- Never stop doing the things that you love to do!
- Slow living doesn't mean that we stop being busy, it means we stop being in a hurry!

And finally, here are a few secrets of centenarians in their own words:

What should we do to live a long and happy life?

- Don't worry.
- Cultivate good habits.
- Nurture your friendships every day.
- Live an unhurried life.
- Be optimistic.
- Eat and sleep, and you'll live a long time.
- Learn to relax.
- Your mind and your body. You keep both busy, you'll be here a long time.

Overall, I have learned a lot from this book and pretty sure that everyone can learn many things from it. Do read it and let me know how you liked it.

By Umesh Pareek

Update for the day #1989 | Adani Enterprises received two show cause notices from Sebi on Hindenburg report in March quarter.

Adani Enterprises on Thursday disclosed that it received two show-cause notices (SCNs) from the Securities and Exchange Board of India (Sebi) in the March quarter of FY2024, where the regulator alleged non-compliance of its provisions of the listing agreements and disclosure requirements (LODR regulations).

In a stock exchange filing, which was part of its Q4 FY24 results, the company said the alleged non-compliance mentioned by Sebi is related to party transactions with respect to certain transactions with third parties and validity of peer review certificates of statutory auditors in previous years.

The company clarified that there is no material consequential effect of above SCNs to FY24's financial statements and there is no material non-compliance of applicable laws and regulations.The company said following the Hindenburg report published on Adani Group companies in January 2023, Adani Enterprises undertook a review of transactions referred to in short-seller's report (SSR) in April 2023 through an independent assessment by a law firm.

The law firm's assessment revealed that none of the alleged related parties mentioned in the SSR were related parties to the parent company or its subsidiaries, the company clarified.

"During the quarter ended 31st March 2023, a short seller's report ("SSR") was published making certain allegations against some of the Adani Group Companies (including the Parent Company). In this regard, certain writ petitions were filed with the Hon'ble Supreme Court ("SC") seeking independent investigation of the allegations in SSR. During the proceedings, SC observed that the Securities and Exchange Board of India ("SEBI") was investigating the matter.

The SC also constituted an Expert Committee to investigate as well as suggest measures to strengthen existing laws and regulations and also directed the SEBI to consider certain additional aspects in its scope. The Expert Committee submitted its report dated 6th May 2023, finding no regulatory failure in respect of applicable laws and regulations. The SEBI also concluded its investigations in 22 of the 24 matters as per the status report dated 25th August 2023 to the SC," the company said.

On 3rd January 2024, the SC disposed off all matters in various petitions including those relating to separate independent investigations relating to the allegations in the SSR. Further, the SC directed SEBI to complete the pending two investigations, preferably within three months, and take its investigations (including 22 already completed) to their logical conclusion in accordance with law.

During the quarter ended 31st March 2024, the Parent Company has received two show cause notices (SCNs) from the SEBI alleging non-compliance of provisions of the Listing Agreement and LODR Regulations pertaining to related party transactions in respect of certain transactions with third parties and validity of peer review certificates of statutory auditors with respect to earlier years.

The management believes that there is no material consequential effect of above SCNs to relevant financial statements and no material non-compliance of applicable laws and regulations," it added.

By Dhanush M

Update for the day #1990 | Why are people worried about the new Broadcasting Bill?

Last month, the government introduced a new Draft Bill called the Broadcasting Services (Regulation) Bill, 2023. It's a new version of a nearly 30-year-old law called the Cable Television Networks (Regulation) Act, 1995. Back then, the internet was just beginning to blossom. And OTT platforms definitely did not exist. So, the rules formulated at the time only talked about what kind of content could be aired on TV. The overarching theme was that the content should reflect 'Indian values'. And if there were 3 complaints against a channel's content, the government's committee could simply revoke the license.

Naturally, private channels were worried. Especially since the 'Indian' values' was a very abstract idea. So they said, "Look, we'll first self-regulate. We'll ensure we don't cross the line. Viewers can voice their grievances to us first. And if they're not satisfied, they can take it up with the government committee."

It was a tiered system which worked for the most part.

But in the past decade or so, the landscape changed dramatically. OTT platforms and video streaming options like YouTube and Vimeo emerged. Anyone could create a movie or documentary and air it on these platforms. You didn't need a certificate from the censor board. Limited-episode shows got a free pass too. No one oversaw the content. For many, this was a boon. It led to more creative freedom and people could take up touchy subjects.

For instance, in 2010, filmmaker Asvin Kumar made a documentary about a young Kashmiri footballer who wanted to play in Brazil. It showed life under army rule in Kashmir as well. The censor board first cleared the documentary. But then, at the last moment, they halted its screening. So when Asvin made another documentary a couple of years later, he directly released it online. He didn't need the censor board's clearance this way.

But you can imagine that such situations might've got the government thinking, right?

Ergo the Broadcasting Bill to bring OTT platforms and bunch of other channels under one regulatory umbrella.

How will this work?

Well, platforms might have to set up Content Evaluation Committees. These committees will have to include people from multiple social groups so there's diversity of opinion. And they have to evaluate every show before it can be released. On top of this, there will be government-run councils keeping an eye on all the content too. Basically, it's going to be more oversight.

But as with every draft bill, this one too seems to have ruffled a few feathers.

For starters, some folks have pointed out that you can't paint OTT and TV content with the same regulatory brush. And that's because people get to choose what they consume online. It's on-demand or pulled by the viewer. But when it comes to TV broadcasts, it's the operators who decide what show should air when. They push the data. So regulating both in the same way does not recognize this key difference of choice.

Another set of people are worried that there will be homogenisation of content across TV and OTT.

You see, OTT platforms often feature creative projects that might only appeal to a certain niche. It could be the storytelling style or even the topic of the story itself covering political, religious, or caste divides. It may not be mass market appeal. But this is only possible because OTT platforms can take creative liberties that TV broadcasters can't take considering they reach such a broad set of audience. However if OTT platforms were also asked to pander to a wide range of audience before publishing their content, then we'd see similar content going out everywhere. In fact, Netflix and Prime Video have already dropped completed projects that deal with niche sensitive matters.

And in the meanwhile Netflix and Jio are trying to lobby the government in delaying the Bill or tweaking it. They think the need for content committees will raise their costs. After all, these platforms have thousands of shows and movies. Many of them are from across the world. So setting up a committee to scrutinize every one of these videos could be onerous.

Alright. But how will all this affect news companies you ask?

Well, here's something else from the Draft Bill.

Any person who broadcasts news and current affairs programs through an online paper, news portal, website, social media intermediary, or other similar medium but excluding publishers of newspapers and replica epapers of such newspapers, as part of a systematic business, professional, or commercial activity shall adhere to the Programme Code and Advertisement code referred to in Section 19.

And 'programmes' include writing. Now that could involve pretty much everyone creating content around current affairs, including Finshots. We run a website where we simplify the news. And we have an email newsletter. So legal experts think that Finshots could end up being subsumed under this regulation too.

It could even affect content creators on YouTube. The platform has become quite the go-to destination for people who want their news fix. Just look at the number of former TV journalists who have set up their own YouTube shows now—people like Faye D'Souza and Ravish Kumar. Their shows are newsy and watched by millions. And it looks like their channels will be clubbed into this and face more oversight now.

But here's the thing—digital publishers were already answerable under the Information Technology Rules of 2021 (which have been challenged in the court). So maybe they'll offer a grievance at being clubbed under a broadcasting bill too.

Anyway, the Draft Bill isn't the final law yet. The government is soliciting feedback till the 15th of January (earlier deadline was 9th of December). And with the buzz around it and the biggies of the OTT space pushing back, you can be sure some tweaks are on the cards.

By Nisarga S Kundapur

Update for the day #1991 | Key investment strategies for maximizing returns.

Maximizing investment returns requires a strategic approach that aligns with your risk tolerance, financial goals, and investment horizon. Many people invest money to meet their financial goals and fulfil requirements that fall at different stages of life. It could be as small as buying an expensive electric gadget or as big as purchasing their own house. These aspirations need funds and not everyone has the money sufficient enough to cater to their needs at one go

This requires investment strategies that can help generate funds over a period of time. Some goals can be fulfilled with fixed returns while others need higher returns to overcome the rising costs and arrange money for bigger goals like foreign education or marriage of their children.

Maximising investment returns requires a strategic approach that aligns with your risk tolerance, financial goals, and investment horizon. Here are some tips that can help you consider the review of your existing investment plans.

Diversification

This is the key. Diversifying your investment portfolio across different asset classes can help mitigate risks and maximise returns. Investment options like equities, bonds, mutual funds, real estate, and commodities offer many opportunities. Balancing high-risk, high-return assets with more stable options can protect against market fluctuations

Market Dynamics

Your investment is influenced by diverse factors, including economic policies, geopolitical events, and global market trends. Staying informed about these dynamics and their potential impact on different sectors is crucial. Additionally, understanding the nuances of regulatory changes can help navigate investment decisions effectively.

Long-Term Perspective

Adopting a long-term investment horizon often leads to better returns. Investors who stay committed to quality assets tend to benefit from the economic development over time. Volatility may be present in the short term, but a steadfast approach can yield substantial gains.

Due Diligence

Before investing, conducting thorough research is recommended. Analysing growth prospects can help you take a wise decision. Consulting financial experts for market analysis can aid in making sound investment decisions

Use Technology

Technology provides access to a wealth of investment tools and platforms. Online trading platforms, investment apps, and fintech solutions offer convenience and real-time data, empowering investors to make informed choices swiftly. Embracing technology can streamline investment processes and enhance decision-making.

Systematic Investment Plans (SIPs)

SIPs, commonly used in mutual funds, allow investors to contribute regularly over time. This disciplined approach to investing helps in rupee-cost averaging and reduces the impact of market volatility. For long-term wealth creation, SIPs can be an effective tool, especially for those looking to invest in equities.

Adhil Shetty, CEO, Bankbazaa.com, says, "If you want to invest systematically, mutual funds offer a professionally managed basket of stocks or bonds, providing exposure to a diversified range of assets. Choose funds that align with your risk appetite and investment objectives. Invest a fixed amount at regular intervals regardless of market conditions. It will help you earn returns you would need at later stage of your life. Let's take an example. If you invest Rs 12,000 every month for 20 years at 12 per cent rate of return, you may accumulate Rs 1.1 crore."

Keep Reviewing

It is advisable to regularly review your investment portfolio. Market conditions evolve, and periodic assessment allows for adjustments aligned with changing trends or goals. Being adaptable and open to reallocating assets based on performance and market movements is key to optimizing returns.

Risk Management

Managing risks associated with investments is important. Check risk tolerance and diversify your investment across sectors by employing risk management strategies like stop-loss orders or hedging, in case of equity investment, which can safeguard portfolios during turbulent market times. By leveraging these strategies, investors can position themselves for long-term growth and capitalize on the opportunities available in the economy. You must, however, remember that these strategies are aimed at potentially boosting returns, but you must customize these tips based on your requirements.

By Shreedhara A V

Update for the day #1992 | What small businesses need to know about new regulations going into 2024.

"For a small business, you have a higher cost per employee when it comes to complying with regulations than your larger business competitors," said Tom Sullivan, vice president of small business policy for the U.S. Chamber of Commerce.

Regulations are a double-edged sword. They're created to improve business dealings, discourage unfair or illegal business activity, and protect workers. But, for small business owners, they often mean more red tape, higher costs and possible penalties for failing to comply.

"For a small business, you have a higher cost per employee when it comes to complying with regulations than your larger business competitors," said Tom Sullivan, vice president of small business policy for the U.S. Chamber of Commerce. Heading into 2024, there are several regulations that should be on small business owners' radar.

Registering with FinCEN

Small businesses will need to register with an agency called the Financial Crimes Enforcement Network in 2024, as part of an act passed in 2021 called the Corporate Transparency Act.

Small businesses will need to register with an agency called the Financial Crimes Enforcement Network in 2024, as part of an act passed in 2021 called the Corporate Transparency Act. The act was intended to get a look inside shell companies and crack down on attempts by "criminals, organized crime rings, and other illicit actors to hide their identities and launder their money through the financial system," Treasury Secretary Janet Yellen said in 2022.

Businesses with more than 20 employees and more than $5 million in sales can qualify for exemptions. But that leaves an estimated 32 million small businesses that aren't exempt. The owners and part-owners of those businesses must register personal information with FinCEN, such as a photo ID and home address.

Despite legal challenges, the regulation is set to take effect in 2024. Deadlines have been extended, however. The deadline for existing businesses has been changed to Jan. 1, 2025, from Jan. 1, 2024.

Businesses that are created after Jan. 1 will have only 90 days to comply, extended from 30. The cost of not complying could be steep: Penalties can run as high as $10,000.

A reprieve from reporting digital transactions over $600 to IRS

In November, the Internal Revenue Service again delayed a requirement that payments of over $600 via third-party providers like payment apps such as Venmo and Zelle and online marketplaces have to be reported.

The requirement, part of the American Rescue Act, was delayed last year but set to take effect for

the 2023 tax year. Now, the IRS says businesses won't have to report that revenue for 2023, either. They're planning a threshold of $5,000 for the tax year 2024 as part of a phase-in to eventually implement the $600 reporting threshold.

The move was made after feedback from the tax community and other third parties and "prevents unnecessary confusion," said IRS Commissioner Danny Werfel.

New reporting requirement for small business loans

It's notoriously difficult for small businesses to secure loans because they often don't have the profit or track record needed to assure banks of their ability to pay back the money. Women and minority-owned businesses especially find it difficult to get loans.

In an effort to have less discrimination and more transparency around the loan process, the Consumer Financial Protection Bureau this year said it would require banks to start reporting demographics and income of small business loan applicants.

The aim is to create a database similar to what the mortgage industry has. Bank regulators have for decades collected data on residential mortgage applicants — including race, geography, whether the loan was approved and the interest rate — under a 1970s era law known as the Home Mortgage Disclosure Act. The data collected under HMDA has long been used by regulators and the public to look for potential signs of banks discriminating against borrowers, also known as redlining.

But small business advocacy organizations say these requirements will slow down the loan process and could make it even more difficult for small businesses to get loans, not easier.

The regulations will "bury small businesses and financial institutions with costly and time-consuming paperwork, expose small-business borrowers and lenders to increased litigation and privacy risks, drive more small banks out of business, and limit competition in the financial lending space," said Small Business & Entrepreneurship Council president and CEO Karen Kerrigan.

Due to ongoing litigation, the CFPB has stayed deadlines for compliance with the small business lending rule for the moment. Still, it's something to keep an eye on in 2024.

National Labor Relations Board joint-employer rule

In October, the National Labor Relations Board issued a revised joint employer rule, expanding the definition of a "joint employer." This means that two companies that are both responsible for some decisions about employees – such as a franchiser and franchisee, although the rule goes beyond franchises – can both be held liable for unfair labor practices. The rule only applies to labor relations. It applies to every business that falls under the National Labor Relations Act, which is most private-sector businesses.

Unions and workers' groups say the new rule will benefit and help protect workers. But small business advocacy groups say it's unfairly burdensome to small businesses.

The rule was scheduled to go into effect on Dec. 26, but pending Congressional and legal challenges, the National Labor Relations Board extended the effective date of the new joint-employer rule to Feb. 26, 2024.

Wages and overtime

More than 20 states will have minimum wage increases in 2024. For example, Nebraska's minimum wage will rise by $1.50 to $12 on Jan. 1, and Florida's will go up by $1 to $13 on Sept. 30.

Also worth keeping on the radar: The Department of Labor in August announced a proposed rule that would let 3.6 million more workers qualify for overtime. The proposed regulation would require employers to pay overtime to salaried workers who are in executive, administrative and professional roles but make less than $1,059 a week, or $55,068 a year for full-time employees. That salary threshold is up from $35,568.

Kerrigan of the SBE Council said she expects when the final rule is out it will face legal challenges, because raising the threshold would have a big impact on so many businesses. The comment period closed on Nov. 7 so the Labor Department could issue the final rule any time in 2024.

"That's going to have a lot of disruption for small businesses in terms of cost, but also the models they may use in their workplace in terms of career growth models, compensation models, etc.," she said.

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By Chandana D

Update for the day #1993 | Decoding India's 7.6% GDP

At first glance, the headline 7.6% GDP growth is spectacular. We've surpassed all expectations. And there's ample reason to celebrate, especially since the rest of the world is struggling a tad bit.

But a lot is hiding behind the data. So, let's look at the GDP growth figure in a little more detail.

Now the first thing you'll notice is that the Manufacturing sector has grown by a whopping 13.9%! This segment primarily consists of factory activity. It involves folks that make apparel and textiles, petroleum products, office machinery, and a whole host of other similar stuff. So, when you see manufacturing picking up, it's a happy moment. You believe that the factories are running at full tilt because the demand for goods is soaring and they're producing what's needed.

This growth has surpassed all expectations and has been a primary driver in pushing the country's GDP. However, it's important to look at the 13.9% figure with some added context. If you look closely, you'll see that the manufacturing sector sputtered during the same period last year. It fell by -3.8% and lost value. As T N Ninan from Business Standard pointed out, that means today's manufacturing growth looks good because it's come on the back of a low base. Or put another way, say during July to September of 2021, the value of manufacturing activity was 100. During the same period next year, it fell by 3.8% to 96.2. Now while the sector has grown by 13.8% during the next year, the overall value is still only 109.5. Manufacturing has indeed grown in the last couple of years, but perhaps the headline number doesn't capture all the details.

We can also look at another metric known as the Index of Industrial Production or IIP to get a better understanding. It calculates the value of manufacturing activity too. This is what we call a high-frequency indicator since it's released monthly. And it kind of reveals the same thing. There's increased activity when compared to last year, however, manufacturing companies haven't been producing as much stuff in the last few months.

Should we be concerned?

Well, it's hard to say for sure. Because factories will only feel emboldened to produce more goods if there's demand from people like you and me. We need to open our purse strings and spend at the end of the day. So, the question is—what's happening on the expenditure side? Are people spending or are they cautious?

Well, let's look at another number. The government calculates something called the 'Private Final Consumption Expenditure' during the GDP exercise. Think of this as the money that people like you and me spend in the economy. And this has grown by 3.5% over the past year. That's still growth. However, this comes with a caveat. If you've been reading Finshots, you'll remember that we've written a couple of stories about the rise of unsecured personal loans in the country (here and here). People have been borrowing money to spend. So, some experts believe that the growth in private expenditure could be attributed to the loans. And now that the RBI is trying to turn the tap off on these loans, could consumption take a tumble? We hope not.

The other thing here is that the agriculture sector hasn't contributed to the GDP growth a lot. If you look at the GDP data, you'll see that it has grown only by 1.2% in the past year. That could be a dampener for rural income. If you listen to what FMCG companies such as Britannia and Marico have to say, they're all concerned about a slowdown in the rural segment.

And here's the crux of the problem - Consumption drives 60% of the value of our GDP. And if this engine isn't firing as expected, it will eventually be a drag on growth. The only way out then is for the government to spend money instead. Try and keep building stuff like roads and bridges in the hope that it will create jobs and people will spend money. But you and I know that it's not a long-term solution. The government might need to resort to borrowing money to fulfill this obligation. At some point, that will have to end. So, we need both household and private sector spending to do some of the heavy lifting too.

So yes, in a nutshell—India is growing. But there are some hurdles along the way. And if we can iron that out, we could keep this momentum going. And hopefully, we'll get to the mark of being a $5 trillion economy sooner rather than later.

By Divya G Shanbhag

Update for the day #1994 | RBI exposes a NBFC secret.

Imagine you're a non-banking financial company (NBFC)*. You don't have a banking license so you can't give customers a savings account and stuff. But you can accept fixed deposits. And then you can use your own money and a part of these FDs to indulge in the lending business. You hand the money over to a borrower at a certain interest and ask them to pay it back on a predetermined date. This is how you make money.

But sometimes, things can go wrong. Let's say the borrower is a real estate developer who borrowed ₹10 crores. And they run into some financial difficulties. Maybe they ask for a grace period of an additional 6 months. You've been monitoring the finances and their real estate projects for a while now. And you feel that in all likelihood they'll pay it back if you give them the leeway.

But you can't grant their wish. Because you're regulated by the Reserve Bank of India. And the RBI tells you that if there's a delay of more than 90 days, you must classify it as a bad loan. Or in industry jargon, it's a Non-Performing Asset (NPA).

And that's not a good thing for you because investors are constantly looking at your NPA figures. If they see that the NPA is rising, they'll panic. They might sell your stock (if you're listed on the stock markets). Also, credit rating agencies might downgrade your credit rating. They might worry that you're struggling to stem the rate of defaults and it'll hurt your operations. All of this potentially means that you'll find it hard to raise money for your own needs. Everyone will ask you to pay a higher interest rate when you want to borrow.

Then, you're hit by a brainwave. You go to the real estate developer and say, "Look, how about we bring in an AIF to solve this dilemma?"

For the uninitiated, these are Alternative Investment Funds. They're not under the RBI's scrutiny, but rather, under the Securities and Exchange Board of India (SEBI). These funds accept only a minimum of ₹1 crore as investment from rich individuals or other firms. They pool these crores together and then invest in a whole myriad of things—in the stock markets, in bonds, and even real estate projects. They just have to specify what's their preferred investment strategy before they raise money from investors.

Anyway, you tell the developer to issue some bonds. And then the AIF will use its corpus to buy these bonds and save the real estate business.

But why on earth will the AIF even do that, you ask? What's in it for them to buy bonds of a real estate developer who is struggling a bit financially?

Well, it's thanks to the unholy practice of evergreening!

So, here's what happens…

You—the NBFC—first promise to invest money into the AIF. The AIF uses this money to buy

those fresh bonds issued by the real estate developer. Then, the developer pays you back the original sum of borrowed money—₹10 crores.

Problem solved!

Now you can then tell the RBI, "Look. the developer paid me back that money. Within those 90 days. So, I don't have to declare it as an NPA."

But in reality, you simply used the AIF's backdoor and extended the term of the loan to the developer.

Ingenious, no?

But hold on…what if the developer defaults on the loan given by the AIF? That means you—the NBFC—won't get back the money anyway, no?

Well, for starters, the AIF is an 'investment' you made. So even if the builder defaults immediately on the loan, it won't matter to you. It doesn't come under any NPA norms.

The other thing is that when AIFs raise money, they typically have a fixed time period before the fund matures. Or before they return money to investors. And this period is usually 7 years. So as an investor in the AIF, you have around 7 years before you have to deal with this problem again. And hopefully, the developer salvages their business during those years, and they manage to pay up.

This way, in theory, no one gets hurt. But it's still quite a dubious affair.

And it's no wonder the RBI isn't happy now. The regulator believes these things could mask problems in NBFCs. So, on Tuesday, it banged its gavel and issued a diktat to NBFC's (and other financial entities that it regulates). It said:

1. Sure, an NBFC can invest in an AIF. But, first, it should verify if the AIF has bought bonds of any company that has 'banked' with the NBFC in the previous 12 months. If that's the case, then the NBFC can't deal with the AIF.
2. Now if such a nexus already exists, then the NBFC will have to speak to the AIF and get an exit within 30 days.
3. If the NBFC can't do this, then it has no choice but to make a new provision in its books. This means that an NBFC has invested ₹10 crores in such an AIF, then it has to set aside ₹10 crores from its own books. Basically, it's an added expense for the NBFC.

But how will this impact the NBFC industry, you ask?

Well, if there are NBFC's who've become experts at evergreening, they'll be caught with their pants down now. They might be forced to declare a few defaults. And that in turn could affect their stock prices or even credit rating like we mentioned earlier. We'll have to see how it pans out.

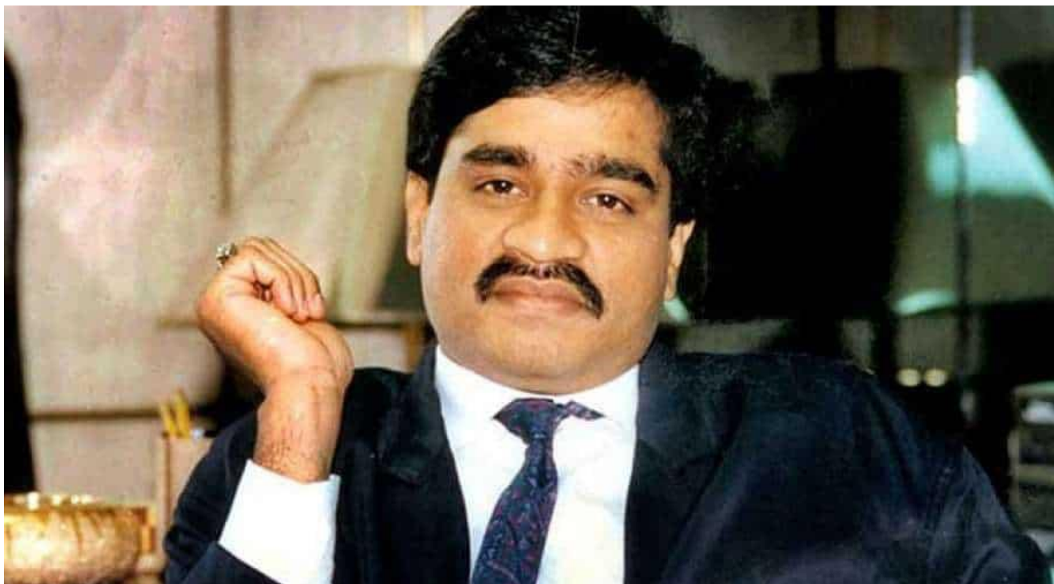
Oh, and it'll probably hurts AIFs too. You see these funds do raise money from financial entities

such as Small Industries Development Bank of India (SIDBI). And SIDBI might have lending relationships with many companies that the AIF wants to invest in too. But with this rule in place, SIDBI might be cautious. It could end up taking a step back from this segment and that'll hurt the AIF's fund-raising prospects.

By Mohana priya E

Update for the day #1995 | Dawood Ibrahim may be still alive.

Dawood Ibrahim remains India's most wanted man and by all account's lives/hides/fades away in the protection of the authorities ruling its most intimate enemy, Pakistan -- unless rumors of his being poisoned are true with the most fatal outcome.



Coming in the backdrop of reports of more than a dozen anti-India terrorists being killed recently in Pakistan, the rumors have an ominous ring to them. "Unknown gunmen" behind those killed is now a code word for folks said to be kind to the Indian establishment, or those to whom it is kind or said to be. All we need now is a Hindu-sounding equivalent of James Bond (Jaswinder Bandhu, perhaps) and we would be feeding half-a-dozen nationalist scripts in Bollywood or its of-late cousins, the OTT platforms.

As of now, Dawood's poisoning as well as his rumored death have been denied, both by Indian intelligence sources talking to an eager news media and his aide Chhota Shakeel. A Pakistani YouTuber is said to be behind the poisoning story. It is a comment on the state of affairs in the subcontinent that a random video can trigger the most buzzing of headlines. We can safely say that in the foreseeable future, we can see no demand recession for Akshay Kumar, Bollywood's frequent hero-in-waiting for gallant roles to scripts set in strange locales and challenging circumstances.

Beyond all this, lie philosophical questions: Is a defunct Dawood any better than a dead one? Who is he, now, really?

Dawood crossed the rich-and-famous threshold nearly four decades ago, and what has been at stake since 1993 is his image of being a powerful social figure. In 1986, he was a patronizing patriot for India, trying to shake off his underworld image by courting India's giant fame machines: Cricket

and Bollywood. He is said to have offered Toyota cars to India's cricketers at Sharjah in the dressing room ahead of a final game in an international tournament, no less. The holy space made controversial headlines recently during the cricket World Cup when Prime Minister Narendra Modi visited India's defeated cricket team at the Ahmedabad dressing room in the stadium named after the PM himself. Just imagine: Media should have made a much bigger fuss when Dawood entered the holy space in 1986. Though legends have it that Indian cricket star Kapil Dev asked him to buzz off from the dressing room, the fact that he continued to be popular enough to be proudly photographed with movie stars and influential politicos says so much of who he used to be.

All that vanished after 1993, after serial blasts in the city then called Bombay of which he was considered the mastermind. The blasts that killed over 250 people (dozens more than those killed in the 26/11 attacks in Mumbai in 2008) changed his stature from generous patron to most wanted terrorist. The blasts were said to be in retaliation for Hindu activists demolishing the disputed Babri Masjid structure in December 1992, but I have my theory that he was probably more upset by then-finance minister Manmohan Singh's decision to allow full conversion of the Indian rupee on the current account two weeks before the deadly blasts. That probably hit Dawood in the solar plexus of the illegal foreign exchange business called 'hawala' with Dubai as its center.

Dawood, besides inspiring writers and filmmakers in Bollywood (including a biopic on his sister Hasina Parkar in 2017), has had such a fall from being an urban Robin Hood to a despised global terrorist that even if he is free, he has no place to hide. There he is, said to be living in Karachi's plush Clifton area, watched by Pakistan's Inter-Services Intelligence (ISI) agents and fearing some arsenic might drop in his sip of liquor, of which he is known to be a loving seeker despite his avowed image as a champion of Muslims.

By Smitha

Update for the day #1996 | Bengaluru techie shares new fraud criminals are using to steal your money; check 'bank screenshot's.

The country is witnessing a surge in online fraud cases, as demonstrated by the recent experience of Aditi, an entrepreneur based in Bengaluru. She narrowly avoided becoming a victim of a sophisticated financial scam that employs carefully crafted SMS messages to sow confusion and ultimately steal money.

Aditi recounted that she was engaged in an office call when an individual phoned her, claiming to need to transfer money to her father. Allegedly encountering issues with his own bank account, he requested Aditi's assistance in receiving the funds. Shortly after the call, she received an SMS alert resembling typical bank notifications. The message indicated that the funds had been credited to her account.

The caller then informed Aditi that he had intended to send Rs 3,000 but mistakenly transferred Rs 30,000 instead. He proceeded to request Aditi to return the excess amount. However, upon examining the SMS alerts she had received, Aditi noticed discrepancies and realized that she was on the verge of falling victim to a financial scam.

Aditi shared her story on X (formerly Twitter) to create awareness about the scam.

Read the complete post here:

“Another day, another financial fraud scheme

TLDR: Please read and make sure you don’t trust any SMSes regarding financial transactions.

Incident: Was busy on an office call when this elderly sounding guy calls me and says, ‘Aditi beta, papa ko paise bhejne the par unko ja nahi rahe toh unhone bola aapko bhejdu. Beta check karo aapka number yahi hai na’. Said out my number aloud and immediately I see this SMS pop up in the exact same format as any bank credit SMS would look like.

I first received an SMS mentioning an INR 10k credit, then an INR 30k credit, all while he's on the call. Then, he suddenly gets all worked up and is like, 'beta, mujhe toh INR 3k hi bhejne the par galti se 30k bhej diye, pls aap baaki paise wapas bhejde mai doctor sahaab ke yaha khada hu, unko dena hai paise'.

The kind of urgency he was creating by crying out loud that he sent extra money, is at the doctor's doorstep, sending UPI Ids to send the remaining amt back to etc. this is where I believe their real game lies. One could faulter and give in but Ik my dad, he over explains everything and triple checks in matters of money, whatever be the amount lol. He would have called beforehand and given me more context than needed 😝

And then the obvious, one look into the SMSes and you could see that they are from a 10 digit phone number, not a branded company ID.

Ofcourse when I called back in a minute's time after checking my accounts, I was blocked.

TLDR; Always check your actual bank account on a separate device and never go by any SMSes. That system is very easily gameable.

Number I got the call from (also the UPI number he wanted money back on so there's a bank account connected to it): 90246 13907."

By Sailesh L Gandhi

Update for the day #1997 | The Lehman Brothers Collapse

In the annals of financial history, few events have left as indelible a mark as the collapse of Lehman Brothers in 2008. What began as a crisis in the housing market snowballed into a full-blown global financial meltdown, reshaping the economic landscape, and prompting a reevaluation of financial systems worldwide. This article delves into the intricate tale of the Lehman Brothers collapse, exploring the events that led to its downfall and the far-reaching consequences that reverberated across the globe.

Founded in 1850, Lehman Brothers had long been a stalwart of Wall Street, weathering economic storms and thriving as an investment bank. However, as the 21st century dawned, Lehman, like many financial institutions, became ensnared in the complexities of the subprime mortgage market. The firm's heavy exposure to mortgage-backed securities and its aggressive leveraging strategies left it vulnerable when the housing bubble burst.

In September 2008, Lehman Brothers filed for bankruptcy, marking the largest bankruptcy in U.S. history. The collapse sent shockwaves through global financial markets, eroding confidence in institutions deemed "too big to fail" and setting the stage for a systemic crisis that would grip the world for years to come.

The collapse triggered a severe global economic downturn. Stock markets plummeted, unemployment rates soared, and governments around the world faced the daunting task of stabilizing their economies. The crisis exposed weaknesses in financial institutions, prompting a reevaluation of lending practices and risk management across the board.

Lehman Brothers' bankruptcy was not an isolated event; it was the catalyst for a cascade of financial repercussions. The interconnectedness of global financial markets meant that Lehman's collapse had a domino effect, causing panic and uncertainty. Credit markets seized up, leading to a freezing of liquidity and a widespread loss of trust among financial institutions. The repercussions were felt far beyond Wall Street, triggering a global economic downturn that resulted in massive job losses, home foreclosures, and government interventions.

In the aftermath of Lehman Brothers' collapse, governments and regulatory bodies around the world were compelled to reassess and reform financial systems to prevent a recurrence. The Dodd-Frank Wall Street Reform and Consumer Protection Act in the United States and similar measures globally aimed to enhance financial oversight, regulate derivatives, and mitigate systemic risk. The collapse of Lehman Brothers became a poignant lesson in the importance of effective regulatory mechanisms and risk management.

A decade after the Lehman Brothers collapses, the financial industry continues to grapple with the enduring impact of the crisis. Lessons learned include the need for greater transparency, risk diversification, and robust regulatory frameworks. The episode highlighted the dangers of excessive risk-taking, inadequate risk assessment, and the perils of short-term thinking in financial decision-making.

The collapse of Lehman Brothers serves as a stark reminder of the fragility of financial systems and the profound repercussions that can arise from unchecked risk. A single institution's downfall reverberated globally, prompting introspection and reform. As we reflect on this pivotal moment in financial history, the lessons learned from the Lehman Brothers collapse remain crucial in shaping a more resilient and sustainable financial future. The story of Lehman Brothers stands as a cautionary tale, urging vigilance and prudence in the ever-evolving landscape of global finance. The scars of 2008 continue to influence economic policies and financial decision-making, serving as a stark reminder that even the most powerful institutions are not immune to the consequences of financial excess.

By Anvy Susan Sabu

Update for the day #1998 | The Japanese Economic miracle

In the aftermath of World War II, economist Milton Friedman's seemingly paradoxical statement, "The best way to grow rapidly is to have the country bombarded," found an unexpected illustration in Japan. Surrendering unconditionally on August 14th, 1945, Japan was left devastated, with the war claiming an estimated 2.6 to 3.1 million lives and inflicting financial losses amounting to 56 billion USD. While the notion of prosperity emerging from such ruin seems implausible, Japan's post-war trajectory defied expectations. Enter the Japanese Economic Miracle, an extraordinary chapter in economic history where Japan not only recovered from the brink but soared to unprecedented heights between 1945 and 1991.

Here are some statistics for reference:

Japan's GDP in 1945: $23.9 billion USD
Estimated war-related losses in GDP by 1945: $56 billion USD.
Period of the Japanese Economic Miracle: 1945 to 1991
Average annual GDP growth during the miracle period: Approximately 10%
Japan's GDP in 1991: $3.025 trillion USD
Trade surplus in 1991: $114.3 billion USD

The Japanese Economic Miracle was characterized by an astonishingly rapid and sustained economic growth that defied conventional wisdom. In the wake of World War II, Japan faced a colossal task of rebuilding, and yet, the nation exhibited resilience, determination, and an unwavering commitment to reconstruction. The devastation of war became a catalyst for change, prompting Japan to adopt radical economic policies and visionary leadership. Land reforms, investment in key industries, and a focus on technological innovation fuelled the nation's meteoric rise. Japan's recovery wasn't a mere rebound; it was a testament to adaptability, innovation, and the remarkable spirit of a nation determined to rebuild against all odds.

Central to Japan's post-war recovery was the strategic role played by the government, particularly through the Ministry of International Trade and Industry (MITI). MITI's industrial policy became the guiding force behind Japan's economic resurgence, fostering collaboration between the public and private sectors, and strategically allocating resources to key industries like electronics, automobiles, and steel. The emphasis on education and workforce development further solidified Japan's position as a technological and industrial powerhouse. As the nation embraced an export-oriented growth strategy, Japanese companies such as Sony, Toyota, and Honda became synonymous with innovation, quality, and reliability, propelling Japan onto the global economic stage.

The Japanese Economic Miracle's legacy extends beyond economic metrics. It speaks to the indomitable spirit of a nation that turned adversity into an opportunity for unprecedented growth. Japan's ability to leverage its war-ravaged landscape into a thriving economic force remains a source of inspiration for nations facing seemingly insurmountable challenges. The Japanese Economic Miracle, a beacon of hope emerging from the darkest of times, serves as a reminder

that, with the right vision and commitment, recovery and prosperity can follow even the most devastating conflicts.

While the Japanese Economic Miracle is celebrated, it's important to acknowledge the challenges it faced. The bubble economy of the 1980s and the subsequent burst in the early 1990s led to a period of economic stagnation known as the "Lost Decade." However, Japan's ability to navigate through this challenging period and continue evolving economically highlights its adaptive nature. The lessons learned from both the successes and setbacks of the Japanese Economic Miracle continue to shape the nation's economic policies and serve as a valuable guide for other countries. Japan's commitment to continuous improvement, innovation, and resilience demonstrates that sustainable economic growth is not just about achieving success but also about navigating and overcoming challenges over the long term.

The Japanese Economic Miracle remains a fascinating case study in the transformative power of resilience, innovation, and strategic planning. From the ruins of war, Japan emerged as a beacon of hope and inspiration for nations facing adversity. As the global economic landscape continues to evolve, the lessons gleaned from Japan's post-war recovery serve as a timeless guide for those seeking to overcome challenges, foster innovation, and build a prosperous future against all odds.

By Vishnu Sankar

Update for the day #1999 | Is EbixCash's IPO dead and buried?

Ebix just filed for bankruptcy in the US. Meanwhile, the same company has SEBI's approval for an IPO in India!

Well, let's start from the top.

In 1997, a young Robin Raina left India to join a NASDAQ-listed US company called Delphi. It was a firm that made software for other companies. Primarily for insurance companies. But Delphi was floundering and hadn't made profits for 23 long years. By 1999, Robin Raina was made CEO at the age of 32. The company turned things around. It reported a profit. The stock doubled within 6 months and all the credit went to Raina. He renamed Delphi to Ebix. And decided to cut costs aggressively. He outsourced the company's operations to India to pad up the business even more.

Everyone believed Robin Raina had the magic touch and for the 10 years or so, it was all smooth sailing for the company.

But then the decade flipped and Ebix's problems began.

It was a single article on seeking Alpha that stirred the pot. It called Ebix a 'House of Cards'. It claimed that Ebix was acquiring companies randomly without any real playbook. That its revenues were propped up just by the revenues of companies it acquired. The EBIX story also comes with multiple auditor resignations, governance abuses, misrepresented organic growth, questionable cash flow and a contentious CEO.

Ebix was just about to sign on the dotted line to be acquired by an affiliate of Goldman Sachs in 2013 but the US government launched an inquiry into financial misconduct and the deal fell through.

Robin Raina continued to acquire companies to diversify its business, the share price zoomed, and when 2017 rolled around, Ebix was riding high on its second revival.

It got even more aggressive. It decided that running an offshore business in India wasn't enough. It wanted a bigger piece of the growing market. So, it made its first big acquisition—it bought a prepaid card company (for gift cards and stuff) called ItzCash. It had 75 million customers and for Ebix, it meant that it could hit the ground running. It wouldn't have to build a brand and customer base from scratch. So, it quickly took over ItzCash and renamed it to EbixCash.

Ebix followed this playbook over the next few years in India. It bought financial service companies that handled forex remittances, made forays into edtech, and even bought travel companies and it acquired nearly 30 companies in India in this manner.

But the ghosts of 2011 were lurking in the shadows too. One after another, people continued to question the company.

For one, Ebix's auditor resigned in 2021. They didn't see eye-to-eye with the Ebix management on how to account for this gift card business revenue.

Then, hedge fund Safkhet Capital—which laid bare problems at Wirecard in Germany—said that Ebix's accounting around its prepaid card business was misleading. Safkhet's problem was that Ebix reported the money booked on its cards as revenue. Even though the actual amount that came into its coffers was just 1% of that.

Investors rushed for the exit. The share price of NASDAQ-listed Ebix collapsed by a whopping 75% between 2018 and 2022!!!

Meanwhile, the acquisition-binge turned out to be quite problematic too and that's because it was funded by debt. The loans kept racking up—to over $600 million. On the other hand, its cash balance was a measly $60 million.

Seems like the 2011 article in Seeking Alpha article was quite prescient in its observations.

So, the question was—how would Ebix climb out of this mess?

Well at one point, it wanted to tap into the Indian subsidiary EbixCash. It wanted to launch a massive IPO and felt that it would be able to get $350 million and repay the dues. Ebix talked about it since 2019; it finally got SEBI's go-ahead in April this year; and there's still no sign of it.

Why's that the case, you ask?

For starters, when a company launches an IPO, it needs the support of big institutions. The folks like mutual funds who'll come in and play an anchor role. But apparently, fund managers in India don't want to get anywhere close to an Ebix IPO. They don't want to meet the company's CEO.

The other problem could be that SEBI doesn't seem to be too happy about giving the green signal. It's not directly annoyed with EbixCash but with the bankers involved in preparing the documents for the IPO. It looks like they failed to mention some of the stuff the company got up to.

So yeah, without the IPO's proceeds from the Indian subsidiary, and no other cash coming in, Ebix had no choice but to declare bankruptcy.

But does that mean EbixCash is dead and buried too?

Well, it's just the US arm that's going to opt for bankruptcy proceedings. The subsidiaries have been kept out of it. So, on the face of it, it's business as usual here.

But The Morning Context points out something quite pertinent. It looks like Ebix Singapore Pte Ltd controls the India operations. And it is a guarantor to Ebix USA's lending arrangements. So, we'll have to see if this has any impact.

And even if it doesn't, it's hard to see the IPO sail through smoothly. We've already pointed out the lack of interest from fund managers and the SEBI warning. And investors will be wary too after all the scrutiny around Ebix's complex web of subsidiaries and the apparent lack of proper disclosures in its IPO document.

By Hiral Songara

Update for the day #2000 | Finfluencers

We are thrilled to announce a momentous occasion in our journey together—the upload of our 2000th update! This milestone marks a significant chapter in our commitment to keeping you informed and engaged.

From day one, our mission has been to deliver timely, relevant, and quality news to you, our valued readers and Consistency has been the cornerstone of our success. Achieving the 2000 update is a testament to the dedication of our team and the unwavering support from each of you.

We express our deepest gratitude to each reader and client who has been a part of this incredible journey. As we celebrate Update for the day #2000, we look forward to the future with enthusiasm and a renewed commitment to serving you better.

In our 2000th update, we delve into a critical topic that demands attention – the world of finfluencers and the unfortunate rise of scams within this sphere.

Today, the investment advisory space is filled with 'finfluencers,' commonly known as 'furus,' and 'finance influencers,' also known as 'financial gurus.'

75% of the Indian Adult population is financially illiterate. The loss of normal jobs due to the pandemic caused many to look out for ways to earn money from home and the best option was the stock market. This created a business opportunity for finfluencers. These new-age investment finfluencers dominated conversations on social media around the best stocks, the best assets, and maximizing wealth. It all started with offering some nuggets of wisdom and a couple of interesting insights to followers in their regional languages and as these numbers grew, the tactics grew more vicious. And the majority of these finfluencers are not registered investment advisors with SEBI.

And in recent months, finfluencers have been accused of peddling misinformation to push stocks where they have vested interests, besides allegations of kickbacks from companies for promoting their stocks, manipulating investors with fake proof of growth and even charging ordinary individuals for these advisory services.

Finfluencers used various means to fake their P&L records ranging from sophisticated clone apps to editing screenshots and screen recordings. Clone apps appear similar to the legitimate apps of broking platforms like Zerodha, but the finfluencers can control the numbers, allowing them to create fake trading flows that show a profit.

They leverage this credibility by influencing followers to use a particular trading platform and earning referral fees from the broker, charging followers for membership to Telegram channels where they give stock advice, getting followers to enroll in paid courses, and benefitting from selling a stock promoted by them that has risen in value because of their followers buying the same stock.

How YouTube Is Used To Manipulate Share Prices In Pump And Dump Schemes

SEBI passed two interim orders against 55 entities that used YouTube to manipulate share prices.

The orders were issued by the SEBI after it examined complaints alleging that "misleading YouTube videos with false content, backed by paid marketing campaign worth crores of rupees for additional reach, were being uploaded to lure investors. Once these unsuspecting investors entered the scrip, the said entities allegedly offloaded their holding at an inflated price." Such practices are referred to as pump-and-dump schemes.

Pump-and-dump schemes benefit the price manipulators, while severely hurting unsuspecting retail investors, many of whom invest their hard-earned money into these stocks. SEBI's crackdown on such practices is necessary to prevent the undermining of confidence in the share markets and to protect investors from scams.

How do these Finfluencers play the system?

Display fake screenshots, stock tips, and sell courses.

"The current price of the share is INR 30, and it will become INR 240 within the next 3 months and INR 750 within the next year."

"Big Mutual funds have already bought this stock."

Posts of rich lifestyle/ expensive cars

"How we escaped the middle-class trap"

"We followed these 3 strategies to become rich in India."

Stock tips in the name of mentorship/ education.

"10 signs that you will become rich."

"Become a millionaire in 10 days."

Promotion of funding scams, and many more.

SEBI's proposed rules:

SEBI proposal to ban regulated entities from working with unregistered finfluencers:

Amid this controversy, the SEBI came out with a consultation paper that proposes banning its regulated entities (trading platforms, brokers, merchant bankers, etc.) from engaging with unregistered finfluencers to promote their products and services. This would effectively prevent finfluencers that don't have SEBI registration from getting a referral bonus from trading platforms, cutting a major source of their revenue. SEBI's stance is crystal clear: no commissions, referral fees, or any form of exchange unless the financial influencer is registered.

The NSE has rolled out a list of finfluencers and the name of their entity/ handle to caution the investors. Since most of these finfluencers operate WhatsApp and Telegram channels and ask investors to pay via UPI, NSE India has also published their mobile numbers.

By Gaurav K Patiyat

Update for the day #2001 | Boxing Day

Quite unlike what the name suggests, Boxing Day has nothing to do with gloves and a ring.

So, what exactly is boxing day?

Boxing Day is a holiday celebrated the day after Christmas Day. Though it originated as a holiday to give gifts to the poor, today Boxing Day is primarily known as a shopping holiday.

When is Boxing Day?

When Christmas day passes, the celebration continues in some countries. In the United Kingdom, as well as a number of other countries like Scotland, Ireland, Australia, New Zealand, and Canada—Boxing Day is a bank holiday or public holiday that became official in 1871. Boxing Day is traditionally recognized on December 26, but if that day falls on a Saturday, the celebration moves to the following Monday. If December 26 is a Sunday, Boxing Day is observed on the following Tuesday.

Why is it called Boxing Day?

The term "Boxing Day" was first recorded in 1833, but the official origin of the name has never been determined. There are plenty of theories, which include:

The name is a reference to holiday gifts. Boxing Day was traditionally a day off for servants and the day when they received a gift from their employer. The servants would also go home on Boxing Day to give gifts to their families.

The name is a reference to charity drives. A box to collect money for the poor traditionally and placed in Churches on Christmas day and opened the next day, or Boxing Day.

The name refers to a nautical tradition. When setting sail, ships would carry a sealed box containing money for good luck. If the voyage was a success, the box was given to a priest, opened at Christmas, and the contents then given to the poor.

Popular Boxing Day activities

For some people, Boxing Day is a time to spend with family or friends. Many people will gather for meals, spend time outside, or simply relax at home and enjoy the day off. Traditional Boxing Day food includes baked ham, pudding, and mince pies with brandy butter, along with a slice of Christmas cake or another dessert.

To some extent, Boxing Day is considered a shopping holiday, with stores offering reduced prices for Boxing Day sales, similar to Black Friday, the day after Thanksgiving in the United States.

Additionally, Boxing Day has recently become synonymous with watching sports. A number of leagues in England, Scotland, and Northern Ireland hold football and rugby matches, while Australia, New Zealand, and South Africa are known for cricket matches on Boxing Day. Other

sports that typically occur on Boxing Day include horse racing and ice hockey. Fox hunts are traditionally a part of Boxing Day activities; however, fox hunting with dogs was banned in the UK in 2004. Hunters still gather, dressed resplendently in red hunting coats to the sound of the hunting horn but now follow artificially laid trails. Boxing Day is a holiday celebrated the day after Christmas Day

What is Boxing Day Test?

Boxing day Test is a red ball cricket match played on December 26 (a day after Christmas). Traditionally, it is held at the Australia's iconic stadium Melbourne Cricket Ground (MCG) which is located Victoria state.

The first Boxing Day Test was played at MCG during the 1974-75 Ashes series between Australia and England. In 1980, Melbourne Cricket Club and Cricket Australia secured the rights to begin a Test match every year on Boxing Day (Dec 26) at the MCG. Since then, Australia hosts a cricketing nation for a Test match on December 26.

By Yashank R Bhansali

Update for the day #2002 | Driving out in style: Tata Motors becomes first Nifty stock to double in 2023.

Tata Motors, currently the largest EV player by market share, will launch several new cars in the next 12-18 months.

Homegrown carmaker Tata Motors, which occupies nearly 70% of India's electric passenger vehicle sales at present, expects sales of EVs in India to grow 30-40% in 2024 (calendar year), after nearly doubling in size in 2023, a top company official said. Tata Motors is lining up three new models for launch in 2024, which will be offered at "new" price points, expanding its current range of passenger EVs, and will fall in the broad range of ₹8-30 lakh. "There are a lot of new model actions lined up for next year.

I believe that now that the base of the EV market will be large at nearly 90,000 to 1 lakh cars, on this base a 30-40% growth should be good," Shailesh Chandra, managing director of Tata Motors' passenger vehicle and passenger electric mobility divisions said. This year, the passenger vehicle market is expected to clock a total of 4.1 million units in sales, a growth of 7-8% over 2022, while for EVs the growth will be roughly double, about 90-100,000 units compared to close to 50,000 units in sales last year. Further in 2024, Chandra expects a sub-5% growth for the passenger vehicle market as sales touch all-time high levels this year.

Shares of Tata Motors surged 4 percent to Rs 783 in afternoon trade, becoming the first Nifty company to see its share price double in 2023, closing out the last trading session on a high. The bullish momentum comes on the back of a robust JLR outlook, a gradual shift to electric vehicles, and demand for SUVs as disposable incomes increase. At 3:05 pm, the scrip was trading at Rs 782, up 3.7 percent from the previous close on the NSE. Since the start of the year, India's leading EV player has gained 102 percent.

Tata Motors witnessed an 8-year breakout on the monthly charts around 550-560 levels and has run up strongly since then. It has shown strong outperformance against its 4-wheeler peers. While the stock has the potential to go higher, short-term traders are advised to book profits. The long-term targets are seen around 900 levels where a cluster count target on point and figure charts is placed", Gaurav Bissa, Vice President, of InCred Equities said.

Recently, Money Control reported that the Nexon-maker is gearing up for a series of electric SUVs (sport-utility vehicles) across many price segments in the coming quarters, to tap the common SUV theme as they prepare to take on competition from foreign competitors, like Tesla, which is expected to hit Indian roads soon. Money control, citing sources, also stated that Tata's Harrier EV will be launched by June 2024 and will be priced at Rs 22 lakh, and its Curvy Coupe EV will be available by December 2024 and will be sold for Rs 22 lakh.

India is planning to replace 8 lakh diesel buses with electric vehicles in the next seven years in a bid to reduce emissions, according to a report by the Economic Times. The move is also likely to ramp up investment in electric vehicles. Tata Motors is one of the major electric vehicle manufacturers in the country. The share price has risen 105.44% year-to-date, making it the only

Nifty 50 stock to deliver two-times returns in this period. The total traded volume so far in the day stood at 5.6 times its 30-day average. The relative strength index was at 78, implying that the stock may be overbought.
The stock is currently trading at a PE of 18.2 and a market capitalization of ₹ 2,90,778 Cr.

Source: Money control.com

Disclaimer: Invest at your own risk, not a stock tip !!

By Nagarjuna A M

Update for the day #2003 | ISRO successfully flight - tests hydrogen fuel cells

ISRO said that it has successfully flight-tested a fuel cell to assess its operation in space and to collect data to facilitate the design of systems for future missions. Powering missions with efficiency and emitting only water, these fuel cells are the future for power production in space habitats, the national space agency.

Vikram Sarabhai Space Centre/ISRO successfully tested a 100 W class Polymer Electrolyte Membrane Fuel Cell based Power System (FCPS) in its orbital platform POEM3, launched onboard PSLV-C58 on January 1, 2024. "The objective of the experiment was to assess Polymer Electrolyte Membrane Fuel cell operation in space and to collect data to facilitate the design of systems for future missions," ISRO said in a statement.

During the short duration test onboard POEM, 180 W power was generated from Hydrogen and Oxygen gases stored onboard in high pressure vessels."It provided a wealth of data on the performance of various static and dynamic systems that formed part of the power system and the physics at play," the space agency said. Hydrogen fuel cells produce electricity directly from Hydrogen and Oxygen gases, along with pure water and heat. It is an electric generator which works on electrochemical principles, as in batteries, as against the combustion reactions employed in conventional generators, it was noted.

The ability to produce electricity directly from fuels without any intermediate step renders it very efficient. With water as the only byproduct, they are totally emission-free. These features make them ideal candidates for space missions involving humans where electric power, water and heat are essential, since a single system can meet multiple requirements in the mission, according to ISRO.

Fuel cells also possess significant societal application potential. They are also considered to be the most appropriate solution to replace the engines of various types of vehicles in use today and to power standby power systems. They can provide a range and fuel recharge time equaling that of today's conventional engine, which gives them a distinct advantage over batteries, and are expected to facilitate emission-free transportation. Fuel cell is an ideal power source for the space station as it provides both power and pure water, ISRO added.

By Deepali S Jain

Update for the day #2004 | Ram Ram Bhai Sareya Ne!

The consecration ceremony of the grand Ram temple in Ayodhya is scheduled to take place on January 22. Over lakh devotees are expected to descend on the riverside town for the 'pran Pratishtha', or the consecration ceremony, which is likely to see over 7,000 guests from India and abroad in attendance. Prime Minister Narendra Modi will attend the consecration ceremony.

The Ram temple is being built after the resolution of a decades-long dispute over the site.

The controversy surrounding the temple dates back to the 16th century when the Babri Masjid was constructed on the site believed by Hindus to be the birthplace of Lord Ram. Tensions escalated in the 20th century, culminating in the demolition of the mosque in 1992 by kar sevaks, leading to widespread communal violence.

The legal battle over the site endured for decades. In 2019, the Supreme Court of India delivered a historic verdict, granting the disputed land to Hindus for the construction of the Ram temple. Simultaneously, an alternative parcel of land was allocated to Muslims for the construction of a mosque.

The consecration or Pran-Pratistha ceremony of Shri Ram Lalla at Shri Ram Janmabhoomi Temple in Ayodhya will be held on January 22, 2024, which will be attended by Prime Minister Narendra Modi. A large number of people are expected to descend in Ayodhya close to the consecration ceremony, and the city is getting decked up for the big day.

The Pran-Pratistha ceremony will take place at 12:20pm on January 22.

The Ram temple inauguration ceremony is likely to see over 7,000 guests from India and overseas. Over a lakh devotees are expected to reach Ayodhya for the ceremony.

Trustee of Shri Ram Janmabhoomi Teerth Kshetra Trust and chief of the Udupi Pejawar mutt Sri Vishwa Prasanna Teertha said devotees would be able to visit the Sri Ram temple in Ayodhya a day after the consecration of Lord Sri Ram's idol. He said the idol will be installed in the temple at the 'Abhijith Muhurta' in the presence of PM Modi. Only invited guests will be allowed into the temple on the inaugural day due to security reasons. The inauguration of the temple can be watched by devotees at all Ram temples in the country. The rituals of consecrating the temple would start five days before the inauguration. The Ram idol, which is 5-6 feet in height, is being sculpted and on January 17, it will be taken to the Sarayu River in a procession. After the 'abhisheka', it will be brought to the temple. On January 18, it will be placed in the sanctum sanctorum of the temple. From the same day, various rituals will be conducted for the next three days. On January 21, preparations will be done for the 'pran pratishtha'. Various rituals would continue for the next 48 days, during which devotees would be able to visit the temple in Ayodhya.

By Dhanush Gowda

Update for the day #2005 | Does Tata 'own' Jamshedpur?

The Story

In 1908, the Tatas had an ambitious dream. They wanted to set up India's biggest steel companies and they were out and about looking for a spot to set it all up. They hired a geologist to find the most conducive spot and he came across a village called Sakchi in the eastern part of the country. It had coal to the north. There was iron ore to its south and a railway line and the port city of Calcutta (now Kolkata) were in close proximity as well. It was the perfect choice.

So, Tata decided this was where its dream would take shape.

The only problem?

It was a village. It didn't have big city amenities. No proper roads. No waste disposal mechanisms. No reputed hospitals. Nothing. Why would workers and management even ponder moving here? Even if Tata threw money at them, it wouldn't be an exciting proposition.

So, Tata decided to do something outrageous. It decided to take matters into its own hands and build a full-fledged town in Sakchi!

Yup, it leased land from the government and got to work. It set up the Tata Town Services to handle the infrastructure needs—treating sewage waste and garbage disposal, making roads using plastic, getting electricity in place, and even ensuring security. It began setting up schools and established the Tata Main Hospital (which still exists). It built parks and sports infrastructure.

Basically, Tata did everything that you'd expect a local government to do for a city. And Sakchi became the first 'planned' city in India. This simply meant that it was something that didn't just emerge organically as people migrated and companies were set up, but it was something built brick by brick with an objective in mind.

But wait…how does Jamshedpur fit into all of this; you ask?

Well, Sakchi is Jamshedpur. It just took a global war to change the name.

You see, during World War I, Tata supplied a lot of steel at cheap rates to the British Empire. And this steel went into building railways in other parts of the world to help with transporting troops and supplies. In fact, this was so crucial that after the war, a British parliamentary report stated, "It would have been impossible to carry on the campaign without the iron and steel of India."

So as a 'thank you', the British—who lorded over India then—decided to rename the town after the founder of the Tata Group—Jamsetji. That is how Sakchi became Jamshedpur. For 100 years, Tata ran the show in Jamshedpur. It was the only city with a population greater than 1 million people that functioned without a municipal corporation—without the interference of the local government. Jamshedpur was a 'company town'.

But in 2018, it hit its first major hurdle.

A group of folks filed a Public Interest Litigation (PIL) against Tata. The petitioners didn't want a 'private' city. The basic problem was simple—Tata concentrated its efforts on providing amenities only in the core areas where their employees resided. They didn't pay as much attention to the other parts of Jamshedpur. So, the development was lopsided. Tata didn't seem to care about the 'outsiders' of Jamshedpur. And there wasn't any local government body who'd step up and do the work either. So, Jamshedpur was caught in a limbo.

What was the way out then?

Well, the simplest thing to do would be to hand over the governing rights to a local body. Set up a municipal corporation and make the state government responsible for development. Make it like any other town or city in the country. And that's what the Jharkhand government initially decided.

But you can imagine the Tata's weren't too happy about it. They'd built the city from scratch nearly 100 years ago. And they didn't want to cede control. They said that people trusted the city because of the Tata name—I mean it was the only city in the state where people could, at one point, drink water straight from their taps too. So, there had to be an alternative arrangement. And that might be to declare Jamshedpur as an 'industrial town'.

What's that? you ask.

See, there is a special provision under the Indian Constitution to enable a private entity to run a city. There will be a municipal council, but it will include folks from the Tata Group, some government nominees, and locals of the area. This way, Jamshedpur could get the best of both worlds. The residents know that Tata is unlikely to mess up the functioning of a city named after its founder. But the power to run the city will not be concentrated in the hands of a few. It's more democratic since the locals will have a voice. And maybe the outer areas of Jamshedpur won't be ignored anymore.

We'll have to wait and see how it plays out now in what is probably India's first and last 'company town'.

By Guruprakash S

Update for the day #2006 | Rani Abbakka: India's Forgotten Warrior Queen

Let's step into the valiant world of Rani Abbaka where courage meets history, and the legacy of a fearless warrior queen unfolds through time's embrace. Rani Abbakka Chowta was the first female freedom fighter that India has seen. She was the first Tuluva Queen of Ullal (present-day Mangalore) and was crowned queen of Ullal by her uncle Tirumala Raya in 1525, as the Chowta's followed a matrilineal system. Her uncle also arranged for her to marry – this unity however ultimately led to her losing Ullal, and it also resulted in her death. She is celebrated for her bravery, strategic acumen, and resistance against Portuguese colonialism.

Early life

From a young age, Rani Abbakka Chowta was trained to be a good ruler. She was taught how to wield a sword and how to fight with one, military strategies, archery, diplomacy and other subjects on what was needed to make a kingdom run.

She ruled over a kingdom that consisted of mainly Hindus and Muslims. Though she was a Jain, her administration comprised Muslims and Hindus. The diversity of her army knew no bounds. The men from the Mogaveera Muslim fishermen section of society were an extremely powerful asset for her to have since it helped immensely in her naval battles with the Portuguese.

Conflict with the Portuguese and colonialism

After the Portuguese discovered a new trade route to India with Vasco Da Gama's help and with European colonialism at its peak, they ended up having a monopoly of the Indian Ocean within twenty years of Vasco Da Gama's discovery. This was after setting up a number of forts in regions that outlined the Indian ocean, namely India, Indonesia, Sri Lanka and even Macau in China. This went undisputed by other European traders, who only arrived on the scene during the 17th century and further strengthened their hold on all the spice routes to India.

The Indian Ocean, which was once a free trade zone, required that traders pay a permit to the Portuguese. Adding to this, the Portuguese had superior naval skills and a large army which helped them in controlling local rebellions against their tax policies – rendering them somewhat indestructible. Rani Abbakka's small kingdom was situated in the western coastal region of India, which caught the attention of the Portuguese after they captured Goa and set up various ports along the Mangalore coastal line. Ullal was a fertile region and an important port for the export of spices and textiles, which was flourishing under the leadership of Rani Abbakka Chowta.

The Portuguese could not extort money from Ullal, even after repeated attempts at threatening Rani Abbakka. She refused to accede to their ridiculous demands and continued to defy them by letting her ships continue trade with the Arabs, despite being attacked ferociously by the Portuguese. Ullal being a strategically placed port was the Portuguese's next target to conquer after conquering other ports on that coastal region. The non-compliance of Rani Abbakka Chowta only fueled their want for capturing her territory.

Their first attempt at capturing Ullal was a failure, as the Portuguese didn't think much of a thirty-something-year-old queen being able to drive out their highly skilled soldiers. However, she skillfully deflected the attack and won the first of many battles against the Portuguese.

The next round of battles

The next major attack against her took place in 1556 when the Portuguese sent a large fleet commanded by Admiral Don Alvaro de Silveira to capture Ullal, she once again fought valiantly and ended up beating them. The Portuguese came back defeated and embarrassed. Battles between the two only kept on intensifying after that period. The Portuguese, however, could never win a battle against her.

Her army consisted of people from various castes, religions and sections of society. With this diversity, she ended up mobilizing her people to persistently oppose the Portuguese. For this, she was given the name 'The Fearless Queen '

The battles that occurred next were fought by forging alliances with Zamorin of Calicut and other Muslim rulers south of Tulunadu – which helped her retaliate further. As the attacks grew drawn out and longer, her resilience to the cause only strengthened. In 1568 when João Peixoto, the Portuguese general managed to take over Ullal with his fleet, entering her royal grounds. She was resilient as ever, and escaped, taking refuge at a mosque.

She was enraged by their actions, and with that set forth to get Ullal back from the foreigners. Gathering two hundred of her best warriors, she attacked them that same night, killing the General Peixoto and seventy of his soldiers.

Her strategic military attacks enabled her to take back her city. After collaborating with five hundred of her Muslim supporters, she ended up killing Admiral Mascarenhas. With the help of Muslim soldiers, she took back the Mangalore fort, which the Portuguese were forced to vacate. However, that was not the end of the attacks against her. The Portuguese soon tried to attack her again. Rani Abbakka Chowta was skilled in diplomacy and formed an alliance with the Bajipur Sultan of Ahmed Nagar and the Zamorin of Calicut immediately.

She was however betrayed by her husband (legend has it that they were estranged) who conspired with the Portuguese to topple her from power. When the Portuguese finally defeated her, she was immediately imprisoned, yet she still managed to head a single-handed revolt within bars and was eventually killed in the revolt itself.

Rani Abbakka Chowta's legacy

Her legacy now lives on through memory in Dakshin Karnataka in the form of folk songs, stories and performances of *Yakshagana* – a form of local theatre. In a local ritual dance, a person recounts the brave and heroic actions of Rani Abbakka Chowta.

Kannada's Bantwal Taluk has a museum in her name, known as the *Tulu Baduku Museum*, created by historian and professor Thukaram Poojary. The Indian navy, in order to honour her, named an Inshore Patrol Vessel after her.

Bronze statues of Rani Abbakka Chowta have been erected in both Ullal and Bangalore. Her memory is cherished in her hometown of Ullal and the *Veera Rani Abbakka Utsava* is an annual celebration held in her name. The *Veera Rani Abbakka Prashasti* is an award given to distinguished women on that day.

By Shreelakshmi Nair

Update for the day #2007 | The gut-brain connection

Pay attention to your gut-brain connection – it may contribute to your anxiety and digestion problems. The gut-brain connection is no joke; it can link anxiety to stomach problems and vice versa. Have you ever had a "gut-wrenching" experience? Do certain situations make you "feel nauseous"? Have you ever felt "butterflies" in your stomach? We use these expressions for a reason. The gastrointestinal tract is sensitive to emotion. Anger, anxiety, sadness, elation — all of these feelings (and others) can trigger symptoms in the gut.

The brain has a direct effect on the stomach and intestines. For example, the very thought of eating can release the stomach's juices before food gets there. This connection goes both ways. A troubled intestine can send signals to the brain, just as a troubled brain can send signals to the gut. Therefore, a person's stomach or intestinal distress can be the cause or the product of anxiety, stress, or depression. That's because the brain and the gastrointestinal (GI) system are intimately connected. This is especially true in cases where a person experiences gastrointestinal upset with no obvious physical cause. For such functional GI disorders, it is difficult to try to heal a distressed gut without considering the role of stress and emotion.

Gut health and anxiety.

Given how closely the gut and brain interact, it becomes easier to understand why you might feel nauseated before giving a presentation or feel intestinal pain during times of stress. That doesn't mean, however, that functional gastrointestinal conditions are imagined or "all in your head." Psychology combines with physical factors to cause pain and other bowel symptoms. Psychosocial factors influence the actual physiology of the gut, as well as symptoms. In other words, stress (or depression or other psychological factors) can affect movement and contractions of the GI tract. In addition, many people with functional GI disorders perceive pain more acutely than other people do because their brains are more responsive to pain signals from the GI tract. Stress can make the existing pain seem even worse.

Based on these observations, you might expect that at least some patients with functional GI conditions might improve with therapy to reduce stress or treat anxiety or depression. Multiple studies have found that psychologically based approaches lead to greater improvement in digestive symptoms compared with only conventional medical treatment.

By Rachana N

Update for the day #2008 | Will paints be Birla's Magnum Opus? |

The Story

In the 1940s, the British imposed a temporary ban on paint imports into India. And with hardly any local paint to go around, four friends — Champaklal Choksey, Chimanlal Choksi, Suryakant Dani and Arvind Vakil — decided to do the unthinkable. They set up a homegrown paint business from a garage with just five basic colors.

Cut to today, it dominates the Indian market — it has over a 50% market share, a catalogue of 2,200 paint colors, and over 160 warehouses to distribute its products. Heck, its market capitalization of nearly ₹2.75 lakh crores is nearly thrice that of its next 3 competitors combined.

If you haven't guessed by now, we're talking about Asian Paints, India's favorite paint brand.

But after over 5 decades of absolute dominance, Asian Paints might have met its match!

On 22nd February, Grasim Industries, of the Aditya Birla Group, launched its new decorative paints brand "Birla Opus". And that has sent some shivers down the spine of Asian Paints' shareholders — the stock has slid over 7% since then.

Now before we try to answer the big question of whether Birla can really disrupt the paints industry, let's tell you why paints seem to be an attractive proposition for the company.

The thing you must know about decorative paints is that it's inextricably linked to construction or real estate.

If you have developers building more housing, all of that is going to need buckets of paint. And right now, the real estate market has been seeing a boom of late. In 2023, the sector saw all-time high sales and this year is not expected to be any different — housing sales are projected to be 30% higher again.

But you don't even need new projects to drive the growth. Because you always have repainting!

Yup, the repainting cycle in India seems to have compressed — people used to give their homes a fresh coat every 7-odd year earlier but that has fallen to 3-5 years these days. And that implies the need for more paint.

It's no wonder that the revenues of the decorative paints segment grew by 18% by value in FY23 and it's still expected to grow in the double digits.

But despite these tailwinds, India lags in paint consumption. We fall in the bottom 10% in the world. For context, we only consume about 3.5 kg of paint per capita as compared to 10 kg globally.

So yeah, that leaves a lot of room for growth too.
Now back to the big question — can Birla disrupt the paint industry?

Well, analysts certainly seem to think so. They've called it the paint industry's 'Jio' moment. You know, like how Reliance stormed into telecom and wiped out the incumbents barring Airtel.
See, over the years, the paint industry has seen the entry of a lot of new players — JSW Group, JK Cement, and we even have Pidilite (that makes Fevicol) that launched its Haisha Paints brand. But no one has stirred the kind of excitement that has come with Birla's entry. And that's simply because no one else came in with a massive investment of this size — ₹10,000 crores to begin with!

And that big money infusion can change the game. Because almost immediately, you'll find 1.3 million kilolitres of Birla Opus paint flooding the market each year. And that puts it in line with Berger Paints and only slightly behind Asian Paints, which can currently make 1.7 million kilolitres of paint annually.

The things money can do, eh?

It's no wonder then that Asian Paints and Berger Paints have already begun expanding their capacities to stay ahead of this new rival.

But it's not just about capacity. You need distribution for the paints business and Birla has that in spades.

Because it sells wall care putty under the brand Birla White. And we know that putty and paint go hand in hand — kind of like biscuits and chai. Birla could leverage the reach of its putty distributors and get them to sell its own paint. 70% of its network of over 54,000 dealers have an overlap with paints and this can give it the second-largest distributor network in the paint industry.

And then there's the tinting disruption it's attempting.

What's that, you ask?
So, one of the biggest challenges in the paint industry is to offer the exact color that a customer wants. The dealer has to be able to place an order for that shade at their nearest warehouse and get it delivered at the earliest possible. And that could still take a couple of weeks.

But Asian Paints solved this problem with tinting machines. Think of them as huge machines that can mix colors to the T of the customer's request. All that dealers had to do was instruct the machine which colors it had to put together and in what proportions. And that meant that Asian Paints didn't have to send its thousands of colors over to warehouses for storage. It also reduced the delivery time from a couple of weeks to just a few hours.

So, Birla's doubling down on this Asian Paints innovation. It says that it's reduced the size of these massive machines by 40% and that will give more room to the dealers. Heck, it's even giving these away for free.
And that means, while Asian Paints had (in FY20) a 'tinting machine to dealer' ratio of roughly 66%, Birla's already eyeing a 95% ratio for itself by FY25. By virtue of handing, it out for free, we guess.

Oh, and Birla can also tap into its NBFC operations to dole out working capital loans or help with credit to their dealers. That could attract more people to the Birla stable, don't you think?

Now is this all enough to knock Asian Paints' off of its perch and disrupt the paint industry?

Well, all we can say is that Asian Paints will definitely feel the pressure. Sure, it has a lot of things going for it — a brand built for over 8 decades, massive commercial marketing through TV advertising which it started in 1984. And a loyal customer base. But it won't be immune to a price war should Birla go down that route.

If you look back at the Jio moment in telecom, you'll remember that even Airtel wobbled a bit.

So maybe you'll see Asian Paints go through a similar wobble too as Birla guns for the top spot.

By Vijay Sathyanarayan

Update for the day #2009 | Is Aladdin Jio's secret weapon to disrupt mutual funds?

Mukesh Ambani's foray into mutual funds business is now official. A few months ago, Reliance Jio announced a partnership with global asset management company BlackRock. And last week, the duo finally asked SEBI for permission to disrupt the industry.

We say disrupt because that's what everyone believes is going to happen. Ever since Reliance set the cat amongst the pigeons in the telecom industry, the base expectation is that every industry Reliance wades into will see a mammoth change. And right now, Jio has the might of the Reliance distribution network—450 million telecom users and the physical presence of over 18,000 stores in the Reliance Retail umbrella.

So, will it happen this time?

Well, we don't know. But it's not going to be easy.

For starters, there are around 45 rivals already. The ones who've been around for a while have their 'star' fund managers who do their in-depth research before deciding which stocks to buy and sell. They're the ones who already have a long track record to boast of. People will look at the past performance and make their choices. So, if Jio wants to avoid that trap, it'll have to pull a rabbit out of the hat and snag someone who's already a stalwart in the industry—back in September, there were rumors that Nilesh Shah, the MD of Kotak Mutual Fund, was jumping ship to Jio. And that got people excited. Eventually, he had to quash the rumor, but that's the kind of person Jio might need at the top. Otherwise, it'll take some work to convince people about Jio's potential.

Secondly, playing a price game is hard. If Jio could offer ultra-cheap bundles to lure telecom subscribers, that wouldn't work out the same way in the mutual fund world. There are plenty of low-cost funds already swarming the market and Jio will be just another one in the pack. Also, they can't offer freebies or run big promotions either to entice investors because the market regulator SEBI frowns upon all that. So yeah, disruption seems to be a far dream at the moment.

But wait... maybe, just maybe, Reliance could have something up its sleeve—the partnership with BlackRock could give it access to the world's most sophisticated portfolio management tool. We're talking about Aladdin, a neat acronym for 'Asset, Liability, Debt and Derivative Investment Network'.

See, back in the late 1980s, Larry Fink was a young 30-something Wall Street banker who was tasting sweet success. He was the toast of the industry and made millions of dollars for the investment bank he worked at. But soon, some of his trades went sour. With his magic dimming, the bank shunted him to less glamorous positions. But Fink blamed the fiasco on the lack of a proper risk and portfolio tool.

So, he decided to set up his own venture along with a few other partners. In 1988, BlackRock

was born in a tiny one room apartment in New York. And the focus was simple—use tech to be the best portfolio manager ever. And initially, they dabbled in the bond market. They vacuumed millions of data points so that the tech could study every minute movement in prices; analyze how random events affected bonds too. But then, in 2006, it added stocks and the European markets to its kitty—BlackRock bought Merrill Lynch. And 3 years later, it ventured into getting a data foothold in the Exchange Traded Fund (ETF) market by buying a unit of Barclays. The world had become Aladdin's oyster. No one else had such a powerful tool.

Rick Rieder, CIO of BlackRock's $1.7 trillion fixed-income business, uses it to track and analyse the risks embedded in his thousands of complex holdings. He loads his $31 billion Strategic Income Opportunities Fund to show how the portfolio will react to different market environments. A scenario called "Eurozone Breakup" will cost Strategic Income 79 basis points of performance relative to Rieder's targets, Aladdin calculates, displaying asset-by-asset and risk-by-risk where the impact is acute. "China Credit Crunch" would be twice as painful. Strategic Income's biggest potential risk? "Spring 2013", a repeat of the taper tantrum, when the Federal Reserve signalled it would unwind its stimulus efforts, causing bond yields to surge.

Now that's just analyzing the risks embedded in the portfolio. But it can even tap into its billions of data points to tell a fund manager what action to take when an adverse event shocks stock markets. For instance, say there's any Chinese incursion into India's borders and India retaliates. Aladdin could point out to the fund manager and say—"Look, these stocks in your portfolio are now under threat. If you don't want to underperform, load up on these safe stocks, or buy these specific government bonds."

Of course, it's up to the fund manager to decide whether they should execute this call. But you'd imagine it's tough for a human to ignore a computer that seemingly has a treasure trove of historic data points to justify a recommendation, no? I mean, the US Federal Reserve, the European Central Bank, and others have all turned to Aladdin's prowess when financial markets have been hit. They wanted answers from what's touted to be the world's best portfolio tool. So yeah, now you see why everyone thinks Aladdin could be a game changer. But there's one thing you must know about this tech.

BlackRock actually rents out this software to other financial companies in the world. So, it's not like other fund houses can't get their hands on it. Also, this isn't BlackRock's first rodeo in India. It partnered with the DSP Group for over a decade. You'd think Aladdin would've catapulted DSP to the top then. But that didn't happen. So, would it be different for Reliance?

By Vishnu Bhushan B D

Update for the day #2010 | Is there a problem with India's Metro Rail?

You can't deny the allure of a metro railway. Sleek carriages quietly whiz along a structure in the sky. It gives cities an aura of development. And not to forget the promise of getting to your destination avoiding the traffic snarls. It's too good an opportunity to pass.

And India is on overdrive with metro construction. We've earmarked around ₹90,000 crores for it in the past decade. We're commissioning 6 km of new track every month. And we will soon have the second-largest network in the world. We'll be just behind China.

But behind the glitz of these metro projects, there seems to be a problem too…

The riders are missing!

Yup, a whitepaper by a couple of professors at IIT Delhi looked into the ridership numbers and said that all the metros in India operate far below projections—it's at 47% in Delhi, it's 30% in Mumbai and Kolkata, and Bengaluru sees a measly 6%.

And when The Economist picked this news up, it created a massive furore. The government issued a statement and claimed that the daily metro ridership figure now stands at 10 million. And as for Delhi, it has beaten the ridership projection for 2023.

For starters, the whitepaper didn't say that the absolute numbers were appalling. Rather, it simply said that metro projects were predicated on a certain number of riders using the service daily. That's how the massive costs to set up the networks were justified.

That's the reason they got the green light in the first place. But when those projections fail, it could put the metro projects at risk. It means the metro may not be earning enough to sustain itself financially. And if this continues, the financial viability of metros could be under threat.

Secondly, it's not just this whitepaper that has brought this ridership issue to the fore. The government's auditor, the Comptroller and Auditor General of India (CAG), had questioned the Delhi Metro a couple of years ago. It pointed out that by March 2020, the metro ridership was way behind what it had projected in its initial report. A parliamentary committee looked into Lucknow's metro rail and said that the project needs 200,000 daily riders to repay loans. But it only had around 85,000.

So yeah, the problem does seem to be genuine, no? And it's no wonder then that experts have pointed out that most metro projects in India aren't profitable.

This begs the question—don't people like metros?

Well, they probably do. But there could be an issue of last-mile connectivity.

See, for many Indians, it might not be easy getting from one's home to the metro. Or from the metro station to the office. Everything is dispersed. So, you might have to walk.
But India's not a walking city. And by that, we mean that we lack wide footpaths and amenities to make walking a habit. So, getting to a metro station might involve taking an autorickshaw. There's extra money involved in that.

The only way out is feeder buses—the ones that operate with the sole intention of connecting public transit locations with other major stops. And unfortunately, most metros in India have failed to pay attention to this. Here's something from the CAG report about Delhi again: "…Bus services were available only on 44% of the total approved routes due to the shortage of buses."

This tiny inconvenience would dissuade even more people from using the metro.

Another reason, as the recent whitepaper pointed out, is that metro rails make sense for longer commutes—of more than 10km. So, if you live in Bengaluru, the metro could be a game-changer if you commute from say your home in Mysore Road to your office in Whitefield.

That's a distance of roughly 30km. But the problem is that nearly 70% of the metro rides in India are less than 10km. So, the allure of saving time isn't as great anymore for short distances. Especially if you tack on the time it takes to pass through security at the station, wait for a train, and then deal with last-mile connectivity issues.

But despite these issues, we're pumping money into these fancy projects and probably ignoring its humble cousin—the bus. A couple of years ago, Rohit Chandra, another professor at IIT Delhi, wrote this for The Morning Context:

As transportation expert Geetam Tiwari points out, if the number of tax exemptions and interest-free subordinate loans made available to the DMRC [Delhi Metro] was given to the Delhi Transport Corporation (which runs Delhi's buses), it would impact a lot more people—almost twice as many—in terms of daily ridership. In fact, if you were to compare costs, the aggregated total cost of Delhi's buses would be about 5% of the investment required for the Delhi Metro while carrying 40% more passengers. Tiwari also points out that the aggregated greenhouse gas emissions by Delhi's buses—powered by CNG—over their lifetime are lower than that of the Delhi Metro because of the massive emissions from initial construction.

So, should we abandon these metro projects and opt for buses, you ask?
Well, not so fast. Because as the government pointed out, if we had to meet the high peak-hour ridership of 50,000 people on the Delhi Metro along some routes, we'd need 715 buses all travelling in one direction. And the time gap between these buses should be just 5 seconds.

That's quite an impossible endeavor, no? That's why the Metro is an enticing prospect. It does have the ability to pack in more people in one journey and you just can't beat that.

Also, the whitepaper doesn't say we should end all metro projects. Instead, it simply says that metros are very attractive for longer trips. And that for large cities with more than 8 million people, metros along with a feeder-bus system for connectivity can do wonders. In other cities, improving the bus system might be the way to go.

So yeah, it's not really a debate of 'this or that'. It's more of a 'this and that' scenario. And we'll do well to remember this as we ferociously expand our metro connectivity.

By S H L Vasavi

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