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INDIAN ECONOMY & MARKET

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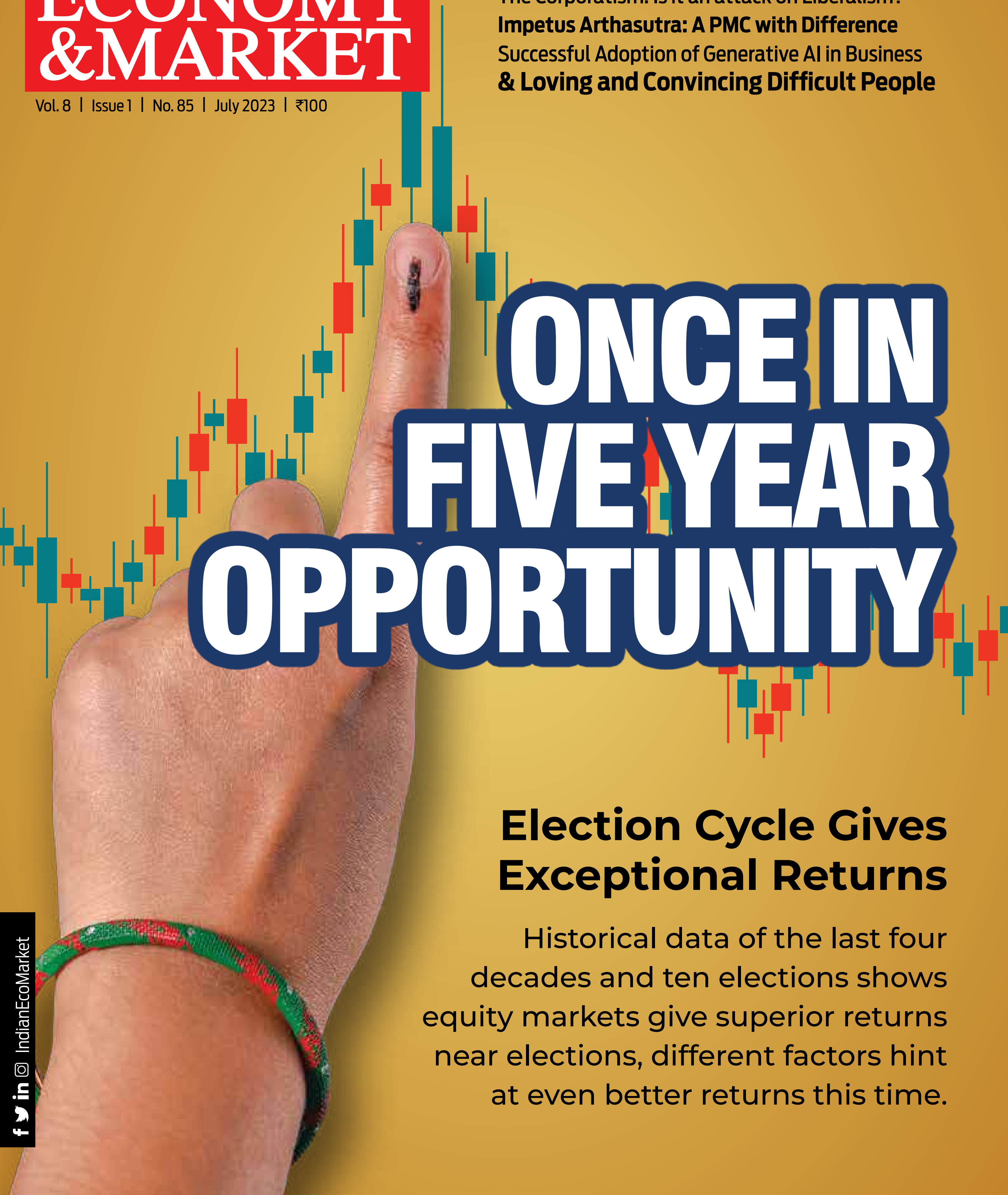

ONCE IN FIVE YEAR OPPORTUNITY

Election Cycle Gives Exceptional Returns

Historical data of the last four decades and ten elections shows equity markets give superior returns near elections, different factors hint at even better returns this time.

IndianEcoMarket

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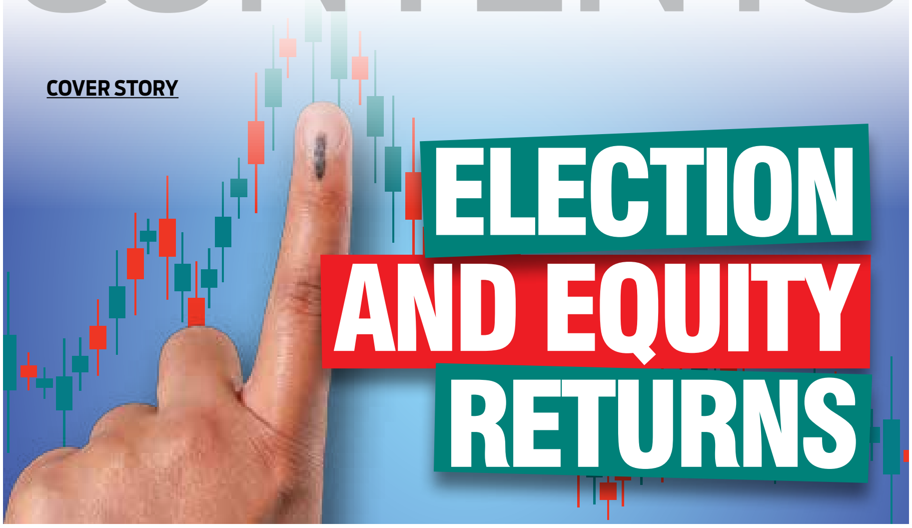

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Mission Statement:
We believe that ideas can, and must, change our world to give everyone on this planet their due right to live with dignity. Ideas that set the agenda for public policy debate, encourage inclusive economic growth and foster a sense of the environmental community.

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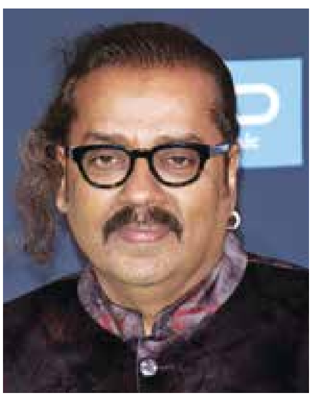
Remembering Rakesh Jhunjhunwala
(July 5, 1960 – August 14, 2022)

"Ninety-eight per cent of the money made in the stock market is by being a bull. Not necessarily a big bull but being a bull. Also Trading and Investing are like having a wife and a mistress and you can manage both well. See, you keep them apart. One should not know anything about the other."

"Technology is waiting to devour our opportunities…that day is not far when machines, which can do most of our work, will sing, too."

Hariharan, singer



"India is likely to see an outflow of at least 6,500 high-net worth individuals (HNWIs) in 2023, slightly lower than last year's figure of 7,500."

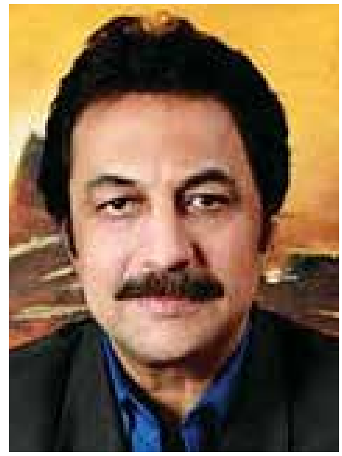
Henley Private Wealth Migration Report, 2023
(HNWIs refer to those with investable wealth of $1 million or more)

"I have no plans to perform again in the United States due to the country's growing swell of anger and homophobia."

Pop singer Elton John

"I think you can't expand and grow unless you're in awkward situations, unless you're in situations that scare you. Also, surrounding yourself with amazing collaborators—that's the smartest thing I ever do, is hire smarter people than me."

Eva Longoria,
American actress and director



"Investing in smallcap space is like identifying winners in a marathon race, and bet on those that have the highest probability to win. You start out with 100 or 50 runners, and then the field will spread out. You will find a bunch of guys leading the pack – five or seven runners – then clustering in the middle will be about 10 guys, and then there'll be 25 bringing up the rear. The idea is to eliminate those guys at the rear that are not performing and reinvest that money into the leaders and those clustering in the middle. Also, keep bringing in newer companies to join the race."

Shankar Sharma

State Bank of India's Research Report, Ecowrap

Beginning of a New World Order of Collaborative Knowledge Economies

The State Bank of India's research report, Ecowrap, states that Prime Minister Narendra Modi's recent visits to the US and Egypt mark an important development both in the economic and strategic plane. The deepening of the ties between India and these countries are of vital importance for India's economic development and position in the Indo-Pacific. The report states that this is the beginning of a new world order of collaborative knowledge economies.

This study dwells upon the four economic aspects of the recent visit touching upon developments in semiconductors, defence trade, climate finance, WTO trade disputes and India's economic interest along the Suez Canal.

Firstly, the US visit marks shift in onshoring of chip manufacturing in India. The US chip manufactures announced an FDI of $825 million with a combined investment of $2.75 billion to setup a semiconductor assembly and test facility in India. Besides this, semiconductor collaboration will extend to systems development under the 6G network. With multiple disruptive developments taking place in chips manufacturing and supply-chain globally where the dominance of China is being curtailed through collaborative arrangements among biggies like US, Japan, Taiwan, South Korea, Netherlands (and, now India), the strategic alliances between these two nations assumes paramount importance to guide the uncertain future amidst escalating geopolitical tensions.

Secondly, the India-US defence relationship after this visit is expected to move under two tracks. The conventional arrangements going forward will include greater collaborations and strengthening of existing foundation agreements. This will include leveraging India as hub of repair and maintenance of naval assets. Further the repair and maintenance will progressively extend to aircrafts as well. The development in the conventional domain will also include the transfer of technology for manufacturing jet engines in India to manufacture LCAs and assembling of UAVs in India. A reciprocal defence procurement agreement will also be explored in due course which can increase the share of India in defence trade with US which has fallen to 19%. The future collaborations in new defence domains will include the collaboration in defence application of space and AI technology. This will cover prototyping of projects, testing, collaborative research, and co-production of defence systems.

Thirdly, in respect of climate transition and climate finance, to achieve the goals of net-zero, many important collaborations have been announced covering green hydrogen, biofuel, sustainable aviation fuel and critical minerals needed to achieve climate and strategic cooperation goals. MOU signed under which the U.S. Agency for International Development will support Indian Railways' ambitious target to become a "net-zero" carbon emitter by 2030. A payment mechanism that will facilitate deployment of 10,000 made-in-India electric buses in India. A platform will be created that will attract private capital into India for deployment in green technology projects such as battery, renewables, storage etc. This will lower the cost of capital for green transition by providing catalytic capital and derisking such projects.

Fourthly, in a significant development, bilateral meeting has resolved the 6 major pending disputes at WTO mainly related to steel, aluminium, renewable energy, solar cells, 3 of which were raised by the US against India and 3 raised by India against the US. The US will grant market access to steel and aluminium products under the exclusion process of Section 232 of the Trade Expansion Act 1962. India has agreed to remove the additional duty, i.e., retaliatory tariffs on certain products. However, the prevailing basic import duty on these products applicable to all imports will continue. This market access will restore opportunities for Indian steel and aluminium exporters, which were restricted since June 2018. Going forward, the US Department of Commerce will clear 70% of steel and 80% of aluminium applications for products originating in India. It would provide significant impetus to raise India's steel and aluminium exports by about 35%.

Fifthly, PM's US visit was followed by visit to Egypt. An agreement to elevate the bilateral relationship to a "Strategic Partnership" was signed. Three MoUs in the fields of Agriculture, Archaeology & Antiquities and Competition Law were signed. Prior to this visit, Egypt had already shown interest for rupee payment for imports from India. Further in a significant development, Egypt is studying the possibility of allocating a special area of land for the Indian industries in the Suez Canal Economic Zone. The Suez Canal holds significant importance for Indian trade. Out of the total 4.8 million barrels per day of crude oil shipped and transported through the canal, 500,000 barrels per day of crude is shipped to India and is important for shipments to Europe.

CENTRAL BANK DIGITAL CURRENCIES & PERSONAL LIBERTIES

Central bank digital currencies pose real danger to personal liberties… that allows governments to monitor every transaction you make, which basically means a surveillance state. This facilitates the creation of a social credit system that allows governments to punish those who engage in unapproved activity. The government will even know your physical whereabouts at the point of purchase. People could be denied employment opportunities, educational opportunities, and access to banking systems, even the ability to travel. China is well along the way to establishing a social credit system. Millions of Chinese have been denied the ability to travel by plane or train because their social credit scores are too low. **James Rickards** says that it could happen anywhere.

I've warned repeatedly about the dangers that central bank digital currencies (CBDCs) pose to personal liberties. I've warned how they would allow governments to monitor every transaction you make, which basically means a surveillance state. This facilitates the creation of a social credit system that allows governments to punish those who engage in unapproved activity such as buying guns, donating money to the wrong political party, buying unapproved literature, etc. The government will even know your physical whereabouts at the point of purchase.

People could be denied employment opportunities, educational opportunities, and access to banking systems, even the ability to travel. I've also said that China is well along the way to establishing a social credit system. Well, if you have any doubt that China's social credit score is real,

Volodymyr Zelenskyy

The FBI also took orders from Ukraine. It turns out the Ukrainian secret security service sent lists of reporters and other U.S. citizens who were not supporting the Zelenskyy regime running the Ukrainian war effort. The FBI was told to forward the list to Twitter, deactivate the anti-Ukraine accounts and hand over user data to the Ukrainian secret police. Many accounts were censored on this basis. No one is surprised to learn Ukraine is a police state.

consider this: Millions of Chinese have been denied the ability to travel by plane or train because their social credit scores are too low.

It CAN Happen Anywhere

If you think nothing like that could ever happen here, you might want to reconsider.

Think of all the draconian policies that were imposed on Americans during COVID. Think of the lockdowns, the censorship, vaccine mandates, etc. Before the pandemic, you probably wouldn't have thought that any of this was possible. But it all happened. When you think of it in that light, you begin to understand that some type of social credit system in the U.S. really isn't that far-fetched. It might not be as extreme as China's system. It'll all be made to sound very benign, even necessary, to support "our democracy" against MAGA types, white supremacists, climate deniers and domestic terrorists.

As Ronald Reagan said, "If fascism ever comes to America, it will come in the name of liberalism." But this system would operate on the same principles as the Chinese system. Consider this hypothetical case…

Greenies want to mandate "15-minute cities"

Greenies want to mandate "15-minute cities" where you can walk everywhere in town within 15 minutes, which means you won't need your car to visit a doctor, dry cleaner, grocery store, pharmacy or any of the other locations we routinely visit for errands and necessities. That may sound attractive if you chose it voluntarily. But that's not what the greenies have in mind. They want 15-minute cities as a Trojan horse to eliminate automobiles entirely and force you to ride bicycles or use public transportation. In the end, you'll need a permit to fly to another city.

The permits will be rationed and you'll have to put yourself on a waiting list until your turn. You can pay for your ticket with the new central bank digital currency, assuming your social credit score is high enough and you didn't vote for the wrong candidate in the last election. In this vision, citizens will be confined to small towns or cities for extended periods. Travel will be tightly restricted. Appliances will be

Elon Musk

We know that the government has engaged in censorship designed to shut down unapproved viewpoints. Thanks to Elon Musk opening up the Twitter Files to the public, we now know just how rotten and corrupt the White House, FBI and Twitter under Jack Dorsey were in terms of influencing the 2020 election. Twitter created a separate portal for FBI goons to target individual Americans and to deplatform them from using Twitter. FBI and White House used Twitter as a kind of private-sector hatchet man to cut off anyone who dissented from the government agenda?

downsized with no consumer choice allowed. Taxes will be imposed on targeted activities to discourage use.

Education will be turned to indoctrination to raise a generation who believe in the climate lies needed to gain support for these measures (that kind of indoctrination has been underway for some years). It's coercive, restrictive and arrogant. It's a world where the elites control everything and you do

CBDC in India

Reserve Bank of India, also in November 2022, became one of the first major central banks to start their own Central Bank Digital Currency (CBDC) – Digital Rupee. As part of the first phase of the "Digital Rupee Pilot" project, the new virtual currency will primarily be used to settle transactions related to government securities. Digital Rupee is a legal tender issued by RBI, in a digital form. While it is not very different from banknotes in terms of value, it is much faster, cheaper, and easier to handle. In addition, it has all the transactional benefits of other types of digital money. However, this does not mean you can use it for the same purposes as banknotes as of now. This digital currency should not be confused with cryptocurrency, as unlike cryptocurrency, the digital rupee is launched by the government itself, they have complete control over these funds, irrespective of the individual account it is in.

The RBI has planned to launch this digital currency in two phases – CBDC Wholesale and CBDC Retail.

On 1st November 2022, RBI launched the Central Bank Digital Currency Pilot project, which focuses on enabling better, large transactions related to government securities. RBI also announced that CBDC Retail will be launched within a month. However, this will only be done in a few places and for only a handful of selected merchants and customers.

Features of the Digital Rupee

In a concept note shared by RBI in October 2022, "CBDC is akin to sovereign paper currency but takes a different form, exchangeable at par with the existing currency, and shall be accepted as a medium of payment, legal tender, and a safe store of value." CBDCs grants access to safe money for payments to everyone while it is directly central bank's liability and not anyone involved in the transaction. Two models have been examined and selected for issuing and managing CBDCs –Under Direct/Single-tier model RBI will solely be responsible for handling everything related to CBDCS including issuance, account management and transaction-verification. And under Indirect/Two-tier model, RBI and its intermediaries will carry out different roles.

Digital Rupee Pilot Project

It is the first phase of the two-phase CBDC deployment program. It allows people to use this digital currency for various transactions related to government securities. While it is a completely central bank-issued and managed form of virtual currency, as of now, a few selected banks are to act as intermediaries to support the implementation of CBDCs. RBI plans to carry out the second phase of this deployment project and launch the retail segment of CBDCs. Like cryptocurrency, the digital rupee is based on blockchain technology. The nine banks that have been selected by RBI to participate in the pilot project are: SBI, Union Bank of India, Kotak Mahindra Bank, ICICI Bank, HDFC Bank, HSBC, YES Bank,

as you're told. It's a world based on lies and fear. Again, if you think that's just being paranoid, I refer you once more to what happened during the pandemic.

The Censorship-Industrial Complex

We know that the government has engaged in censorship designed to shut down unapproved viewpoints.

Thanks to Elon Musk opening up the Twitter Files to the public, we now know just how rotten and corrupt the White House, FBI and Twitter under Jack Dorsey were in terms of influencing the 2020 election, crushing voices that said the vaccines weren't really safe and effective (they aren't) and saying that Russia is winning in Ukraine (they are).

Twitter created a separate portal for FBI goons to target individual Americans and to deplatform them from using Twitter. (Facebook and Google were even worse but they are still under the same control. So we don't have the internal files we do for Twitter.) It's an unconstitutional violation of the First Amendment for the U.S. government to engage in any censorship of this kind.

Instead, the FBI and White House used Twitter as a kind of private-sector hatchet man to cut off anyone who dissented from the government agenda. Even that may be unconstitutional because Twitter is acting as a proxy for the government in this instance. The courts will ultimately decide that issue, but for now, we know that both the government and Twitter were engaged in rank censorship of everyday American voices. It can't get any worse, right? Guess again. We're now learning that the Twitter-FBI censorship activities went far beyond silencing critics of

IDFC First Bank, and Bank of Baroda. The digital rupee is similar to sovereign currency and can be exchanged with fiat currency at par, i.e., one-to-one.

CBDC Vs. Cryptocurrency	
Cryptocurrency	**Central Bank Digital Currency (Digital Rupee)**
It is a decentralized form of currency and does not involve any governing bodies like banks or financial institutions in its transactions.	It is a legal tender launched by the RBI and is a currency controlled, i.e., issued and managed directly by them.
The owner is liable for the money they own in the form of cryptocurrency.	The RBI is entirely liable for CBDCs.
Does not hold a specific value like physical currencies.	It is digital form of physical currency that is interchangeable with fiat currency and holds the same value as coins and banknotes.
Bitcoin, Ethereum, Binance Coin, and USD Coin (USDC) are some commonly known examples of cryptocurrencies.	Sand Dollar, eNaira, and Digital Rupee are a few CBDCs used in different countries around the globe.

Potential Risks

All transactions are recorded by the central bank and acts as a proof of the currency being exchanged, which can be a very crucial aspect when it comes to conflicting testimonies, short exchanges, and potential cash-theft. Issuance of CBDCs by a less than benign government can potentially be an infringement of consumer privacy and protections. It should be noted that nothing is stopping the weaponization of CBDCs against the public or the possibility of transaction-blockage by an entity that has gone rogue. The process of how money is saved, spent and secured should be as free as possible, while strong penalties should be implemented on defaulters.

government policy.

Social Credit System with a Police State

The FBI also took orders from Ukraine. It turns out the Ukrainian secret security service sent lists of reporters and other U.S. citizens who were not supporting the Zelenskyy regime running the Ukrainian war effort. The FBI was told to forward the list to Twitter, deactivate the anti-Ukraine accounts and hand over user data to the Ukrainian secret police. I'm active on Twitter and I'm opposed to the war, so for all I know my name was on the list. I don't care. I've always written what I want, and I'm not intimidated by the FBI or the Ukrainian secret police. Still, many accounts were censored on this basis. No one is surprised to learn Ukraine is a police state. Americans are still learning just how much of a police state the U.S. has become.

Now throw a social credit system into the mix. Just think of the ways the government can punish dissenters. This is the Brave New World that we're facing. And it's all facilitated by central bank digital currencies, which enable the type of surveillance state that's always been the dream of tyrants. They'll just say it's being done in the name of democracy. Don't fall for it.

Is this future inevitable? No, it isn't. But it's coming sooner than you expect unless citizens join hands, reassert the truth and push the elites back into a corner where they belong. You might not be able to fight back easily in the world of CBDCs, but as I always say, there is one nondigital, nonhackable, nontraceable form of money you can still get your hands on.

It's called gold. Get some while you still can.

(In arrangement with Daily Reckoning)

Successful Adoption of Generative AI in Business

'Digital transformation' has been a catchphrase for a while now. Large, medium, and even small enterprises are transitioning to more tech-oriented operations and interfaces. And it's true that using technology, such as AI for business, can deliver a strong competitive advantage. However, a study by BCG suggests that what's more important than investing in cutting-edge technology and algorithms is the rewiring of decision-making and operations to extract value. It also underscores the heightened significance of investing in human capabilities in today's landscape.

Sudip Bandyopadhyay

Group Chairman of Inditrade (JRG) Group of Companies, sits on the Boards of a number of companies. He was MD of Reliance Securities (Reliance Money) and on the Board of several Reliance ADA Group companies. Also, former MD and CEO of Destimoney, promoted by New Silk Route.

The BCG report reveals that pioneers of AI @ scale—the companies that have scaled AI across the business and achieved meaningful value from their investments—typically dedicate 10% of their AI investment to algorithms, 20% to technologies, and 70% to embedding AI into business processes and agile ways of working. This essentially means that successful organizations have invested twice as much in people and processes as they have in technologies.

In the quest for achieving substantial financial benefits from technology, it's important to recognize that automation alone is not enough. To truly harness the potential of technology and drive growth, enterprise focus must shift towards learning and organizational transformation. Only through this symbiotic relationship between humans and technology can new opportunities be unlocked and adopted in a rapidly changing landscape.

Generative AI's capabilities can broadly be summarized into three categories - Generating Content and Ideas, Improving Efficiency, and Personalizing Experiences. While achieving significant customization often demands a high level of expertise, the good news is that adopting a generative model for a specific task doesn't necessarily require massive amounts of data. In fact, with the advent of Application Programming Interfaces (APIs) and prompt engineering techniques, it has become increasingly feasible to leverage generative models with relatively low quantities of data or examples.

These powerful tools enable businesses to tap into the capabilities of generative models and tailor them to their unique needs. By utilizing APIs, companies can seamlessly integrate generative models into their existing systems, allowing for efficient customization and adaptation.

Alternatively, through prompt engineering, businesses can shape the input or instructions provided to the generative model, guiding its output to align with the desired outcome.

This approach opens up new possibilities for organizations seeking customization without the burden of collecting vast amounts of training data. By leveraging generative models, companies can enhance their flexibility, responsiveness, and efficiency in delivering personalized solutions.

While automation has undoubtedly streamlined processes and increased efficiency, it has limitations when it comes to tackling complex challenges or navigating uncertain scenarios. Machines excel at repetitive tasks and data processing, but until now, they often lack the contextual understanding, creativity, and intuition humans possess. Therefore, it is imperative for us to embrace the notion that our success lies not in teaching machines what humans already know but in leveraging the unique strengths of both humans and machines to foster collaboration and innovation.

By integrating human-machine interaction into our operations, we create an environment where AI augments human capabilities rather than replaces them. This collaborative approach allows us to adapt to changing contexts, circumstances, and scenarios with agility and foresight. It empowers people to focus on higher-level decision-making, problem-solving, and strategic thinking, while AI and other technology, like ML, can handle repetitive or data-intensive tasks. This unlocks the dual benefits of enhancing productivity while fostering new levels of creativity and value generation.

Businesses must prioritize organizational learning and development to achieve this transformation. This involves equipping workforces with the necessary skills to collaborate effectively with machines and embrace new technologies, like generative AI. Training programs, up-skilling initiatives, and a culture of continuous learning will be vital in ensuring that people feel empowered and confident in their roles alongside machines.

Furthermore, organizational transformation requires a shift in mindset and leadership. Enterprises must foster a culture that embraces experimentation, risk-taking, and innovation.

Comment at sudip@inditrade.com

India's GDP has reached $3.75 trillion in 2023, from around $2 trillion in 2014; moving from 10th largest to 5th largest economy in the world. India is now being called a Bright Spot in the global economy.

Industrial production growth rose to 4.2 per cent in April from 1.7 per cent in March 2023, mainly due to good performance by the manufacturing and mining sectors. The factory output growth measured in terms of the Index of Industrial Production (IIP) stood at 6.7 per cent in April 2022.

The Centre has earned **₹4,000 crore as interest from states** in FY23, thanks to tighter norms for funds lying idle with them under centrally sponsored schemes (CSS). The Centre has managed to retrieve over ₹40,000 crore lying idle for years after it issued a diktat last year to the states, stating that either they spend the unspent balances accumulated over the years in CSS or return it.

World's Richest People

Elon Musk: $234b
Bernard Arnault: $200b
Jeff Bezos: $154b
Bill Gates: $134b
Larry Ellison: $133b
Steve Ballmer: $118b
Warren Buffet: $115b
Larry Page: $110b
Sergey Brin: $104b
Mark Zuckerberg: $104b

Number of Public Holidays Annually

Nepal: 35
Myanmar: 32
Iran: 26
Sri Lanka: 25
Bangladesh: 22
Egypt: 22
Cambodia: 21
India: 21
Argentina: 19
Lebanon: 19
Colombia: 18
Philippines: 18
Iceland: 16
Indonesia: 16
Japan: 16

Inflation Rate

Venezuela: 429%
Lebanon: 260%
Syria: 139%
Argentina: 114%
Türkiye: 39.59%
Pakistan: 38%
Egypt: 32.7%
Nigeria: 22.4%
Kazakhstan: 15.9%
Ukraine: 15.3%
Poland: 11.5%
Sweden: 9.7%
UK: 8.7%
Austria: 8%

Age When Their Business Started

Bill Gates (Microsoft) - 19
Mark Zuckerberg (Facebook) - 19
Walt Disney (Disney) - 21
Steve Jobs (Apple) - 21
Ritesh Agarwal (OYO) - 22
Jack Dorsey (Twitter) - 23
Larry Page (Google) - 25
Dhirajlal Ambani (Reliance) - 25
Jack Ma (Alibaba) - 29
Elon Musk (SpaceX) - 30
Jeff Bezos (Amazon) - 30
Oprah Winfrey (Harpo) - 32
Estée Lauder (Estée Lauder) - 38
Henry Ford (Ford) - 39

According to RBI, banks have received 76% of the Rs 2000 notes till June 30. The central bank said that the total value of the notes returned so far is Rs 2.72 lakh crore. Out of the total banknotes in Rs 2,000 denomination, about 87% is in the form of deposits and the remaining around 13% has been exchanged into other denomination banknotes.

Population

India 1,428,598,765
China 1,425,672,868
USA 339,992,663
Indonesia 277,529,799
Pakistan 240,475,940
Nigeria 223,793,955
Brazil 216,419,321
Bangladesh 172,950,908
Russia 144,445,025
Mexico 128,453,827

BYJU FIASCO
A BLOW TO START-UP ECOSYSTEM

Byju's, which arose as perhaps one of the most dominant start-ups after Flipkart, is on a slippery slope. Issues like defaulting on loan settlement, handing over pink slips to thousands of employees, delayed release of FY22 financial statements, the resignation of the auditor, and, the exit of three external board members without giving specific reasons raise serious questions vis-à-vis corporate governance. And it does not augur well for the start-up ecosystem, which has thrived on easy money flowing in from foreign investors. Pathetic governance and scam will put off financiers making it all the more difficult for the honest ones to raise money.

By Shivanand Pandit

IF the pandemic years had spawned hopefulness for domestic start-ups to make a mark in India, the year 2023 is turning out to be nightmarish for them. Byju's, the most well-liked, homegrown EdTech titan, recognized as the flag possessor of India's start-up ecosystem, has run into rough weather. Its action of handing over pink slips to thousands of employees and the exit of external board members did not augur well for the start-up environment. The resignation of the auditor was the final nail in the coffin.

There is a picture being painted by a few industry experts that the whole entity may be sold off to an old-fashioned firm that is considering moving into the education or Edutech business. That raises the vital question: how did Byju's get into this kind of trouble?

It would be comfortable to give an easy answer – the problems originate from Byju Raveendran's misadministration of the company, his plentiful unhealthy acquisitions, floppy financial controls, a noxious work philosophy, and other such matter. The hostile tactic for quick development through inorganic direction by acquiring over and above 17 companies across geographies and its failure to stick to accounting and ethical standards in pursuit of expansion should have led to the present sordid state of affairs. Byju's would have gotten into a dilemma sooner or later because of these matters and, the funding winter in start-ups only triggered the crisis. Byju Raveendran's management is no doubt the main cause behind the company's troubles. But the very fact that he could get into this big a mess before things blew up despite warning signals being available for quite some time is a good example of the way Venture Capitalists (VCs) have slanted the start-up playing field.

Why Do Many Start-Ups Fail?

The start-up domain is frequently appreciated as the spring of innovation and entrepreneurship. However, one of the biggest challenges facing start-ups now is the exorbitant rate of failure. According to research, only one in ten start-ups survive for ten years. In recent years, there have been numerous high-profile instances of start-ups disappearing, leaving investors and employees high and dry. According to news reports, more than 2,000 start-ups shut down in India in 2022, an upsurge of 20% from 2021. So why do many start-ups fail?

There are four main reasons for the collapse of start-ups. Firstly, a start-up's product or service may flop to harmonize the requirements of its target market. It could be because of a lack of market study, a misapprehension of the target market, or a market change. Secondly, Indian start-up founders have not handled investors' money with the same level of carefulness as their Western counterparts. In a few start-up cultures, it is seen as acceptable to involve in unethical or illegal practices which can be labelled as the culture of silence.

Thirdly, some start-ups collapse because they flourish too quickly. It can lead to cash flow issues, employee fatigue, and a loss of focus. It is also because of the impractical aspirations of the founders. Start-ups rely largely on brilliant people to produce innovation, implement business strategies, and circumnavigate the competitive terrain. However, Indian entrepreneurs have significant problems in attracting and retaining brilliant workforces. Due to restricted resources and hard-hitting competition from established entities, start-ups often struggle to acquire outstanding people.

Fourthly, navigating the complicated governing landscape in India is frequently a scary task for start-ups. Cumbersome bureaucratic procedures and unclear policies can curb innovation, obstruct growth, and enhance compliance costs for start-ups. The start-up network in India is ferociously competitive. Lack of product distinction, failure to build a distinct value proposition, and entry into crowded markets with established incumbents can all lead to start-up failure.

Government Must Act Now

The crumbling of homegrown Edutech giant Byju's is a hindrance to India's start-up network. Byju's, which arose as perhaps one of the most dominant start-ups after Flipkart, is on a slippery slope. Issues like defaulting on loan settlement, handing over pink slips to thousands of employees, delayed release of FY22 financial statements, the resignation of the auditor Deloitte Haskins & Sells, and, the exit of three external board members without giving specific reasons raise serious questions vis-à-vis corporate governance. And it does not augur well for the start-up ecosystem, which has thrived on moderately simpler norms, fewer compliances, and hordes of easy money flowing in from foreign investors.

Nonetheless, Byju's case is not an exceptional one. Reports of non-compliance, financial unseemliness, and misconduct in start-ups have become a daily affair. Healthtech start-up Mojocare is facing inspection from its investors after

Byju Raveendran's management is no doubt the main cause behind the company's troubles. The problems originate from his misadministration of the company, plentiful unhealthy acquisitions, and floppy financial controls. The hostile tactic for quick development through inorganic direction by acquiring over 17 companies across geographies and its failure to stick to accounting and ethical standards in pursuit of expansion should have led to the present sordid state of affairs. Byju's would have gotten into a dilemma sooner or later because of these matters and, the funding winter in start-ups only triggered the crisis.

Byju Raveendran, and his wife Divya Gokulnath

they discovered financial wrongdoings. The investors have initiated an evaluation of the company's financial statements. Online car service and repair start-up GoMechanic, too, faced analogous concerns, and it admitted to financial reporting blunders. There are many more cases: Ankiti Bose, former Zilingo CEO, and Ashneer Grover, former MD and founder of BharatPe, were forced to quit after charges of financial irregularities. What makes matters worse is the full-blown public fight between these founders and the investors.

Well-times public disclosure of audited financial results is essential to confirming good corporate governance and guarding various stakeholders, comprising creditors, lenders, and investors. While regulators are generally efficient in guaranteeing compliance with the Companies Act in listed companies, they appear to be sleeping at the wheel when it comes to unlisted ones, particularly start-ups.

Despite several governance slipups, Byju's succeeded to nurture around $6 billion from marquee investors such as Sequoia Capital, Tiger Global, and Chan Zuckerberg Initiative and was valued at $22 billion in March 2022. Byju's example exhibits that regulators must be thoughtful about imposing compliance with the Companies Act in unlisted companies, too.

While how Byju's has been breaking rulebooks came into the spotlight recently, regulators have been aware of these gaps for some time. Manifold grievances had been received by authorities including the Ministry of Corporate Affairs (MCA), Serious Frauds Investigation Office (SFIO), and The Institute of Chartered Accountants of India (ICAI) in 2022, over supposed uneven accounting practices in the company. The MCA had written to the company in August 2022 necessitating to know why it had delayed filing its accounts for FY21 beyond the legal time limit of six months from the end of the financial year.

The Financial Reporting Review Board of the ICAI started the review of the company's financial statements for 2019-2020 and 2020-2021 in December 2022. The question is, why did the authorities not take rigorous action? The auditors too should have raised the red flag earlier, rather than wait for eight months after the due date for disclosing results for FY22. While there could have been apprehensions among regulators over the influence of any action on their part on the start-up funding network, more damage appears to have been done by their inaction or indecision.

Even if banks or financial institutions are not directly advancing to these start-ups, there is definitely public interest involved here as these start-ups employ people in the thousands and they symbolize the face of the industry in India. Pathetic governance and scam will put off financiers making it all the more difficult for the honest ones to raise money. It is time that the government applies its mind to a process for ensuring corporate governance in the start-up sector.

(The Goa based author is a tax specialist, financial adviser, guest faculty and public speaker)

CORPORATE FEATURE

Sylph Technologies Ltd.

Delivering Higher Value Returns through Cutting Edge Expertise

Sylph Technologies Ltd. provides offshore outsourcing, software development outsourcing, custom application development, outsourced product development, e-commerce and wireless/mobile solutions. It provides bespoke software development services using web technologies and work in areas such as e-commerce development, web enablement, product development, product migrations, web applications etc.

The Company

The company delivers higher value returns through cutting edge expertise and offshore outsourcing and software outsourcing solutions for the complete range of the business and technology requirements. The company serves in vibrant verticals like retail, mobile, manufacturing, education, travel and transportation amongst others. Sylph is the development partner, e-commerce enabler and solution provider for a multitude of successful businesses. The company delivers high quality, cost effective, reliable result-oriented web and e-commerce solutions on time for a global clientele.

Verticals

The company has six verticals – Retail, Manufacturing, Communication, Digital Media, Brand Marketing and Education & training.

Retail

Retailers are adopting changes to create new opportunities for collaborating with customers, understand their needs and preferences, and tailor the customer experience to the specific shopping intentions of every visit. To successfully serve today's consumers, retailers need to craft innovative, cross-channel offerings and create meaningful experiences with everything from store displays, in-store aids, and website architecture to pricing.

Sylph Technologies Ltd.

BASIC DATA	
BSE Code	511447
CMP ₹	3.42

Digital Media

Media and entertainment companies are now able to explore new strategies for generating new streams of revenues from media assets by distributing and marketing them through a wide spectrum of devices and channels. To leverage content across multiple channels and personalize it for targeted delivery, these companies require sophisticated tools that will allow efficient management of content and audience relationships.

Manufacturing

Process mapping, information architecture design, internet centric software development are some of the key service areas that Sylph offers to the manufacturing industry. The need is for a software driven enterprise; however software that is easy to use and implement. Sylph's solutions are molded around existing working styles of the organization and hence are easy and quicker to implement across the enterprise.

Education and Training

The way education is viewed and delivered is completely changed from the last decade. Corporations view learning and training as a competitive weapon. Business success depends more and more on high-quality employee performance, which in turn requires high-quality training. Sylph solutions solves complex challenges to workers, requiring higher levels of education, computer literacy, critical thinking, information analysis, and synthesizing skills.

E-Commerce Solutions

Sylph develops B2B and B2C e-commerce solutions that are fully integrated with a company's existing business systems. It helps businesses realize results from their e-commerce initiatives by building the framework, systems, tools, content, and compelling interface design required to empower customers to complete purchase transactions with ease and confidence. Sylph is capable of handling all aspects of e-commerce strategy and development, including end-to-end security, distributed transaction processing, XML-based interoperability, and integration with online payment, order processing, content management, and customer relationship management systems.

Client-Server applications

Sylph specializes in development of high-end client-server applications and robust enterprise applications with user-friendly interfaces. Depending on your business requirements, our consultants and developers can also help in developing web-enabled applications and systems. Your employees, customers, and suppliers need data access that is secure, fast and reliable.

Impetus Arthasutra

IMPETUS ARTHASUTRA

A Portfolio Management Firm with Old-Age Sensibilities & New-Age Technological Capabilities

Impetus Arthasutra is a well-run, SEBI Registered Portfolio Management company based in Mumbai. Led by its founder, **P R Dilip**, the uniqueness about Impetus Arthasutra is their holistic approach to wealth management.

P R Dilip has many firsts to his credit. He is one amongst the few highly spiritual people active in money management in India. Contrary to this the astonishing aspect is that Dilip was the first tech-savvy individual who really was instrumental in introducing the modern technology at many broking firms in India. A Bachelor of Science (Mathematics) and MBA (Financial Management & Asset Management), when his colleagues were opting to join the newly emerging IT companies, Dilip founded Impetus Arthasutra in 1994.

As a wealth-enabler, **P R Dilip** take tremendous efforts to enhance the Investment-knowledge level of his investors besides managing their wealth. He is of the opinion that a well-informed investor makes his job easy, because such investors seldom make wrong investment decisions. At Impetus, customised asset allocation and security selection is done effectively by using his own tech-mathematical model.

His **Investors Meet** has always been attracting people from various fields in big numbers. His comprehensive wealth management approach comes handy to affluent investors from different geographies and professions. A large segment of the firm's wealth management clientele includes Ultra High Net worth Individuals, Resident HNIs as well as Non Resident Indians, Corporate, Trust, Chartered Accountants, Doctors, Sea Farers, Pilots, Technocrats, Entrepreneurs and Retired individuals. Each one gets most appropriate investment road map based on the extensive financial profiling at Impetus.

Several client testimonials posted at the firm's website speak about the knowledge of a very competent team and their easy accessibility. A combination which is a rare commodity. **P R Dilip** believes in educating an investor before accepting his or her account under Portfolio / Wealth Management and always follows an extensive

Process-driven Investment approach. At Impetus, he leads a dynamic team of experienced professionals with diversified expertise in the field of portfolio management, financial planning, equity, mutual funds, debt products, commodity, life insurance, health insurance & estate planning.

The *"360-Degree Wealth Management process"* developed by **P R Dilip** is a most-sought-after curriculum for Management Graduates from various leading Management Schools across the country. He spends quality time with the young management graduates during their Summer Internship with the motto of giving back to the society by way of training young candidates.

A voracious reader and extensively travelled throughout the world, Dilip regularly writes for various business journals and his point-of-views are carried in business TV channels and other mediums.

Well-versed with different segments of the economy and a die-hard optimist with a twinkle in his eyes **Mr P R Dilip, Managing Director, Impetus Arthasutra** spoke with *Indian Economy & Market* about the company and his tech platform **Impetusutra** in detail.

P R Dilip
Managing Director
Impetus Arthasutra

Being a veteran, almost three decades in business, what you feel, could be the main reason behind the increasing popularity of PMSs?

The investment landscape has gone through a series of metamorphoses. And it has been dramatic in the last two decades, to be precise. Now people have realized that investment management is a crucial aspect of achieving financial success whether you are an individual investor or a business looking to grow your wealth. Effectively managing your investments is key to maximizing returns and minimizing risks. However, the world of investments can be complex and overwhelming, with numerous investment options and strategies to consider. This is where a Portfolio Management Company, Registered under SEBI Portfolio Managers Regulations, can play a vital role in helping you navigate through the intricacies of the investment landscape.

A scientific approach to investment management is essential because it allows you to make informed decisions about where and how to allocate your capital. By carefully analyzing your financial goals, risk tolerance, and time horizon, a Portfolio Management company can develop a personalized investment strategy tailored to your specific needs. This strategy takes into account various factors, such as asset allocation, diversification, and risk management, to optimize your portfolio's performance.

Young seafarers keenly listening to P R Dilip

How a Portfolio Management Company helps an investor?

As I mentioned earlier, Portfolio Management Company is a professional firm, which specializes in managing investment portfolios on behalf of individuals, business or institutions. These companies employ experienced and qualified investment professionals who have in-depth knowledge of financial Markets and investment strategies. They work closely with their clients to understand their objectives and create a customized investment plan that aligns with their goals. They also have access to a wide range of investment opportunities, including stocks, bonds and a gamut of other listed securities including Mutual Fund Schemes, allowing them to build diversified portfolios that can weather market fluctuations.

impetusutra

Why Impetus Arthasutra is a unique Portfolio Management Firm?

Impetus Arthasutra has developed *Impetsutra*, an Investing App helping Democratise Wealth Management. It is *"360-Degree Wealth Management process"* – a result of Arthasutra's continued pursuit for standardization and elimination of manual errors in investment management practice.

Please summarize the benefits of hiring a Portfolio Management Company.

There are several benefits of hiring a Portfolio Management company to handle your investments. Firstly, these professionally run organisations have the expertise and experience to make well-informed investment decision and they constantly monitor market trends, conduct thorough research, and analyses financial data to identify opportunities and mitigate risks. This level of diligence and expertise is often beyond the capabilities of individual investors who may not have the time or resources to stay abreast of the ever-changing investment landscape.

Secondly, a Portfolio Management company provides a disciplined approach to investment management. They follow a path of proven investment strategies and adhere to strict risk management principles to ensure that your Portfolio is optimized for long-term growth. By employing these strategies, a Portfolio Management company helps you achieve a balanced Portfolio that generates consistent returns while minimizing unnecessary risks.

How your much publicized "360-Degree Wealth Management process" works, which you have developed into a tech platform *Impetusutra.*

This system was a result of Impetus Arthasutra's continued pursuit for standardization and elimination of manual errors in our investment management practice. Eventually, this time-tested method was converted into a tech product **"Impetusutra"** built on the back of the firm's 29 years of experience in the financial markets and the principles of Six Sigma Management.

We have developed Impetusutra by combining our experiences with the advanced technology at our disposal. It helps us effectively manage portfolios by following very strict risk management principles. This system was not developed suddenly one day. In fact, it is the culmination of our time-tested method which we converted into a tech product.

Even for a financial market savvy investor, it makes sense to engage a Portfolio Managment company such as Impetus Arthasutra, as it can save lot of time and efforts. Managing Investments can be a time-consuming task that requires constant monitoring and decision-making. By delegating this responsibility to professionals, you can focus on other important aspects of your life or business, knowing that your investment are in capable hands.

Do you think evaluating the Financial Profile of an Investor is important?

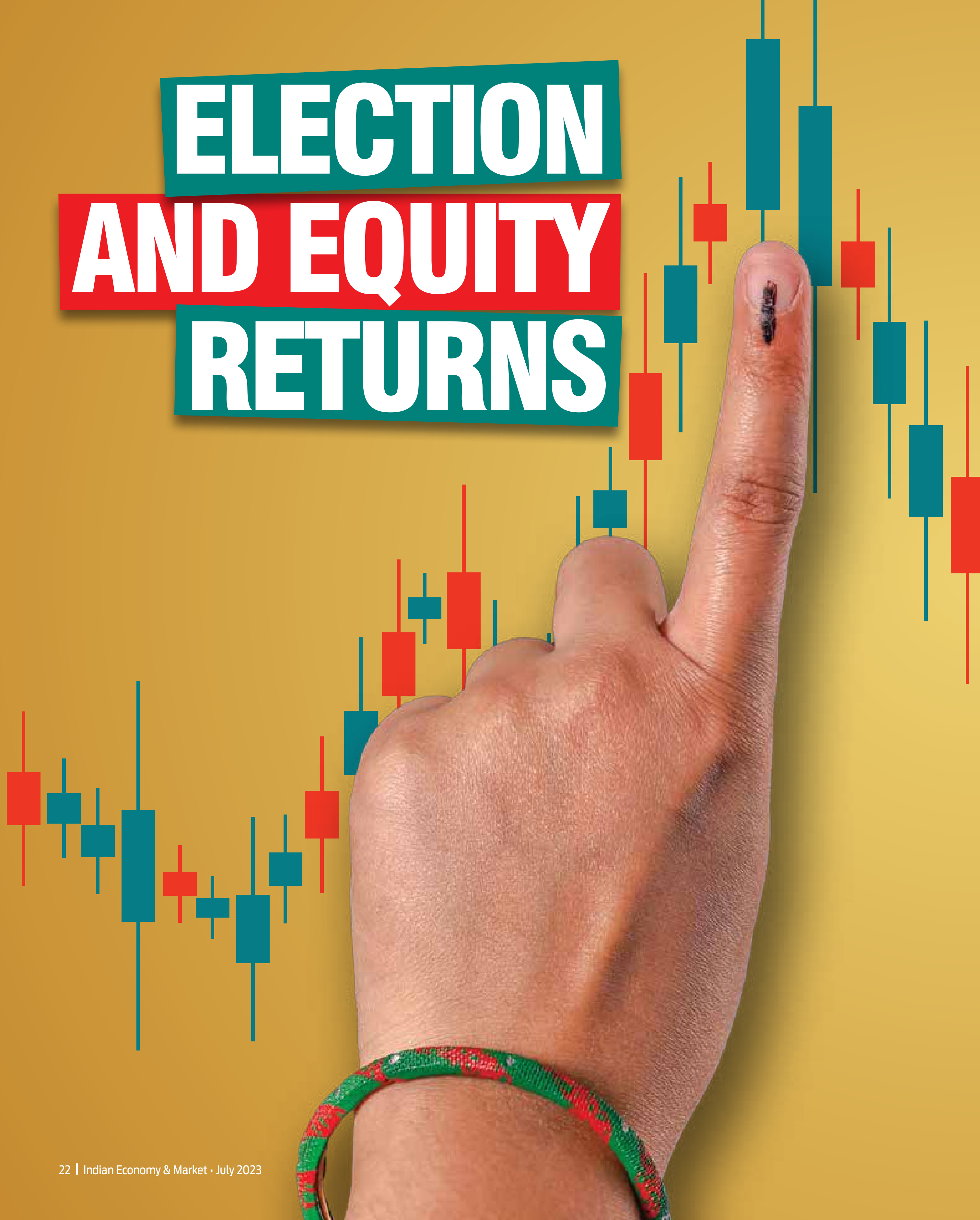
Yes, that's the first step. Our system enables us to understand the investment needs and risk profile of the investor with very high accuracy, besides, it functions as an eye-opener even for the investor himself about his own profile and financial realities. We don't provide any investment management solution or advice without thoroughly evaluating the profile of the investor. Finding what asset allocation and investment strategy is suitable for each investor and then enabling the investor to take a well-informed investment decision is our focus. Only after this we accept the Investment Management mandate from the client.

A detailed Investor profiling system of Impetus Arthasutra enables to remove "Greed and Fear" factors from investor's mind. Thereafter, taking a well-informed investment decision becomes very easy for the investor. The investor follows a pre-defined Investment-road-map prepared based on that individual's profile which need to be reviewed once in a year and make corrective and balancing measures appropriately. Our security selections are also based on time-tested processes keeping the ultimate objective of providing positive risk-adjusted returns for the investors.

> **"Financial well-being alone cannot make an individual happy unless it is matching and coinciding with other aspirations of that individual. So emotional, personal and spiritual factors also need to be taken into consideration along with financial resources. Secondly, we must bear in mind that wealth management is an ongoing process until the investor achieves his/her financial goals. It requires periodical review and fine-tuning of asset allocation."**

> "At Impetus, we recognise the fact that, wealth management is a responsibility, which necessitates wisdom and discipline in managing and growing it. It is the art of creating lasting prosperity, for generations to come."

ELECTION AND EQUITY RETURNS



Once in Five Year Opportunity

Election Cycle Gives Exceptional Returns

Elections have far-reaching consequences. It affects not only the political landscape but also the stock market and economy in a very big way. As CY23 is a pre-election year, it will impact market sentiments.

Political transitions often trigger changes in government policies, economic priorities, and regulations, subsequently affecting various sectors. An analysis reveals that while elections introduce volatility in the short term, the long-term trajectory is determined by the government's policy actions, the economic reforms and its ability to foster a conducive business environment. Stability of the government, whether in the form of a majority or a coalition also plays a crucial role.

Historical data of the 10 elections shows equity markets give superior returns near elections, different factors hint at even better returns this time.

THE ELECTION

Election Year	Number of election	Party won	Date of result
1999	13th	BJP/NDA	5th OCTOBER
2004	14th	UPA	13th MAY
2009	15th	UPA	16th MAY
2014	16th	BJP/NDA	16th MAY
2019	17th	BJP/NDA	23rd MAY

By IE&M Research

With less than a year until India's next general election, the focus is shifting to the year leading up to the polls, as it is during this period that the markets tend to experience significant movement. Based on the historical data of the last four decades and ten elections, it is evident that equity markets have displayed impressive returns as election time approaches. This trend is expected to continue in the current scenario. Several factors indicate that the upcoming returns might surpass those observed in previous elections.

Return at Different Stages

Election Month	Election Month Returns	10 Months Prior Cumulative Returns	24 Months After Cumulative Returns	12 Months After Cumulative Returns	11 Months Prior Cumulative Returns
Dec-84	5%	8%	93%	94%	9%
Dec-89	13%	19%	145%	35%	15%
Jun-91	−3%	2%	75%	143%	15%
May-96	−3%	10%	-1%	1%	15%
Mar-98	8%	4%	28%	−4%	1%
Oct-99	−7%	45%	−33%	−17%	58%
May-04	−16%	25%	118%	41%	32%
May-09	28%	2%	27%	16%	9%
May-14	8%	25%	10%	15%	25%
May-19	2%	6%	31%	−18%	12%
Average Returns	4%	15%	49%	30%	19%

Historical Returns

Looking back at the performance of the equity markets in the eleven months preceding the past ten general elections, there has not been any considerable variation. The Sensex, for instance, has recorded gains every year in ten months prior to approaching general election year. On an average it has gained 19 per cent. One of the lowest returns witnessed was in year 1991 and 2009, and both were very exceptional year in terms of global macro-economic event. During 1991, world saw The Gulf War, which was a major military conflict that lasted from January 17 to February 28, 1991. The war was fought between a United States-led coalition of forces and Iraq, which had invaded Kuwait in August 1990.

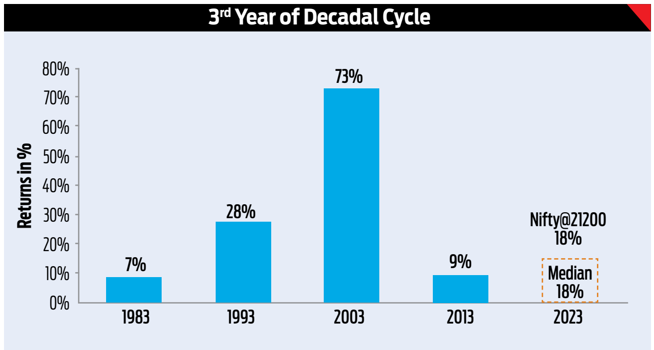
The Gulf War had a significant impact on the global economy. The war led to a sharp rise in oil prices, which had a negative impact on economic growth in many countries specially countries like India, which is a major importer of crude oil. The war also led to a decline in global trade, as businesses became hesitant to operate in countries that were considered to be at risk of war. **The Gulf War** also had a significant impact on the stock market. The war led to a sharp decline in stock prices, as investors became concerned about the impact of the war on the global economy. The stock market even in the United States fell by over 20 per cent in the months leading up to the war, and it did not fully recover until 1993.

Year 2009 was the year after the **Global Financial Crisis of 2008**, which was a major economic crisis that began in the United States and spread to other countries around the world. The crisis was caused by **Subprime Mortgage Crisis**, the collapse of the investment bank **Lehman Brothers**, and the freezing of credit markets. The crisis led to a sharp decline in economic growth, and a decline in stock prices. The economic and stock market impacts of the crisis were felt around the world, and they took several years to fully recover. The Indian equity market declined sharply in the years following the global financial crisis. The frontline index, for example, fell by over 50 per cent from its peak in January 2008 to its low in March 2009. Despite such major global events impacting equity market adversely, in India equity market gave positive returns.

Even during the 1998, which was marked by two global crises—the **Asian Financial Crisis** and the **Russian Crisis**, Sensex managed to generate positive returns as we approached the general election. These events had a significant impact on the Indian market. The Nifty 50 started the year 1998 at 3694.62, reaching a high of 4280.96 in April but ultimately falling to its lowest point of 3008.63 in October. The index experienced a 35% decline during the year but rebounded strongly the following year, delivering a 45.24 % increase.

Similarly, in 2003, the Sensex initially dipped but then saw a rise in the latter half of April, maintaining the gains throughout the year. Starting at a low of 2924.03 in April, the benchmark closed the year at its highest point of 5,838.96 in December, resulting in a significant 99.65% return for the year. However, the following year was election in the month of May, which saw a significant decline in the month of May following the expected change in guard at the centre. In the month of May Sensex declined by 16 per cent, despite this

S&P Global Ratings has forecast that India will grow at 6.7% for the next three years, making it the Fastest-Growing Major Economy in the World. The rating agency has kept its growth forecast for the current fiscal year unchanged at 6%, and has projected a sharp bounce back to 6.9% in the following two years.



Sensex generated 25 % return in ten months prior to general election of May 2004.

Examining the recent past, the year 2013 witnessed global headwinds and domestic challenges such as concerns over the Fed tapering, a weaker rupee, high inflation, and slowing growth. Despite these obstacles, the Sensex recovered from a decline in August and September and closed the year with a nine per cent gain. The following year, it rebounded significantly, delivering a 29.9 % increase.

The year 2018 was marked by the recovery of the Indian economy after the demonetization shock, only to face a setback with the IL&FS credit default crisis. The liquidity crunch in the NBFC sector affected major corporations, resulting in non-banking stocks experiencing losses in the last quarter of 2018. The Sensex reached a high of 38896.63 in August but closed the year just below 36068, yielding a 5.9% return for the year. In next four months to election, Sensex gave return of 8.19 % and as a total return 10 months prior to election was 6%.

Election Year and Beyond

Its not before election year, even beyond the election year we saw a good performance of the equity market. The performance of the Sensex, leading stock market index, in the aftermath of general elections has been outperforming. Examining the data from the table, we can observe various trends between election months and the Sensex performance after a period of 24 months. On an average they have generated 49 per cent.

For instance, during the December 1984 election, the Sensex experienced a remarkable cumulative return of 93% in the subsequent 24 months. The index started at 259.98 and ended at 499.81, indicating significant growth during this period. Similarly, the December 1989 election resulted in a substantial cumulative return of 145% over the next 24 months. The Sensex started at 712 and soared to 1903.31, between December 89 and November 91. In June 1991, the Sensex witnessed a cumulative return of 75% in the same period. Starting at 1287.95, it closed at 2192.74, indicating a positive growth trajectory.

However, not all election periods translated into positive returns for the Sensex. The May 1996 election resulted in a minor dip of -1% in the subsequent 24 months. This was primarily due to Asian Financial crisis and default by Russia. Despite this slight decrease, the index remained relatively stable, starting at 4006.81 and ending at 3845.48.

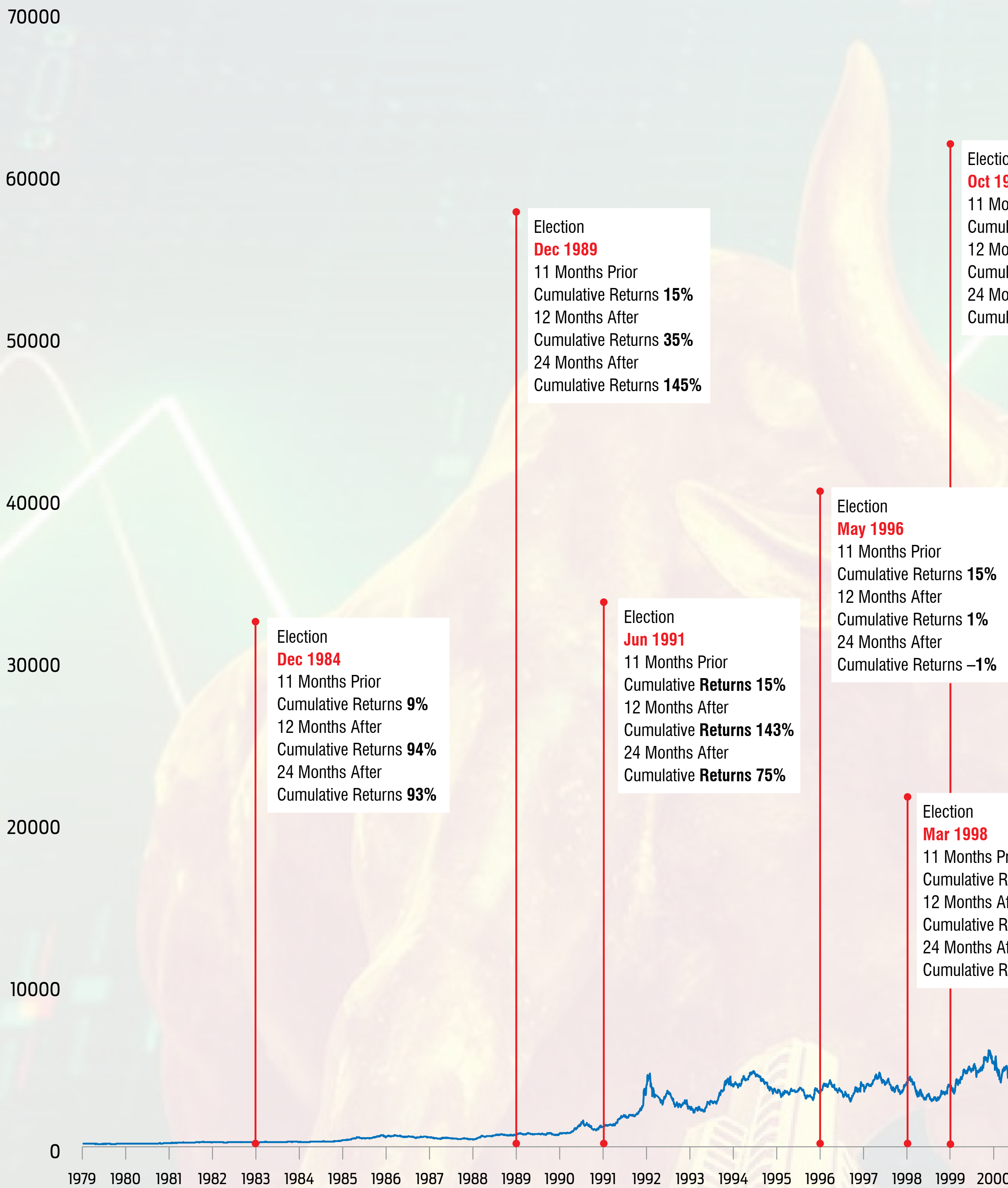
In March 1998, following the election, the Sensex experienced a cumulative return of 28% over the next 24 months. The index started at 3772.61 and rose to 5446.98, demonstrating a significant increase in value.

Moving ahead to the May 2004 election, the Sensex witnessed a substantial cumulative return of 118% over the next 24 months. Starting at 5584.99, it surged to 12042.56, indicating significant growth.

More recently, the May 2019 election saw a cumulative return of 31% over the next 24 months. Starting at 38981.43, the Sensex surged to 48782.36, reflecting strong growth during this period.

These examples showcase the strong outcomes of general elections on the Sensex performance after 24 months. While some elections have led to significant gains, others have resulted in moderate growth or even slight declines except for one in October 1999. It highlights that most of the time market has given a generous returns following election.

Looking ahead, we hold a positive outlook for the Indian market in 2023 and next year too. This optimism is supported by factors such as historical seasonality, technical chart analysis, long-term breadth thrust, and post-election year performances. What also supports our optimism is best of the domestic and international brokerage houses also are gung-ho on Indian equity market going ahead.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1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999
Election
Dec 1984
11 Months Prior
Cumulative Returns 9%
12 Months After
Cumulative Returns 94%
24 Months After
Cumulative Returns 93%
Election
Dec 1989
11 Months Prior
Cumulative Returns 15%
12 Months After
Cumulative Returns 35%
24 Months After
Cumulative Returns 145%
Election
Jun 1991
11 Months Prior
Cumulative Returns 15%
12 Months After
Cumulative Returns 143%
24 Months After
Cumulative Returns 75%
Election
May 1996
11 Months Prior
Cumulative Returns 15%
12 Months After
Cumulative Returns 1%
24 Months After
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Election
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May 2009
11 Months Prior
Cumulative Returns 9%
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2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

Some of the Technical Factors That Support Better Returns

The third year of a decade has consistently demonstrated positive performance for benchmark indices, with a median return of 18.5 percent. In 2003, the Sensex witnessed an impressive return of 72.9 percent, while in 1993 it recorded a substantial return of 27.9 percent. Moreover, the Nifty's recent breakout above the consolidation range of 18,800-15,200 indicates a shift to higher levels, projecting a target of approximately 21,400 by the end of 2023, implying a potential 14 percent increase in the next six months alone.

According to research conducted by a brokerage firm, when Nifty's breadth indicator, which measures the percentage of stocks trading above the 200-day moving average, surpasses the 60 percent threshold, the Nifty's returns for the following 12 months have consistently been in double digits, with an average return of 25 percent. This pattern has occurred in eight out of the last 10 instances over the past two decades, further supporting the potential for significant market gains.

These factors highlight the historical trends and indicators that suggest a positive outlook for the Indian equity market.

Strong Fundamental Factors

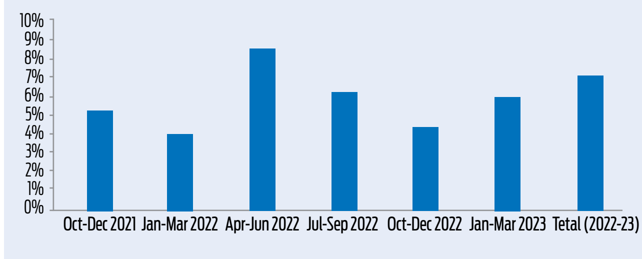
Higher Economic Growth

The Indian economy grew at a faster-than-expected pace in the last quarter of the fiscal year 2022-23. According to the National Statistical Office, the GDP growth rate for the quarter was 6.1%, up from the 6% estimated earlier. This growth was driven by strong performances in several sectors, including manufacturing, services, and agriculture.

Economists believe that this momentum is likely to continue in the coming years. S&P Global Ratings has forecast that India will grow at 6.7% for the next three years, making it the fastest-growing major economy in the world. The rating agency has kept its growth forecast for the current fiscal year unchanged at 6%, and has projected a sharp bounce back to 6.9% in the following two years.

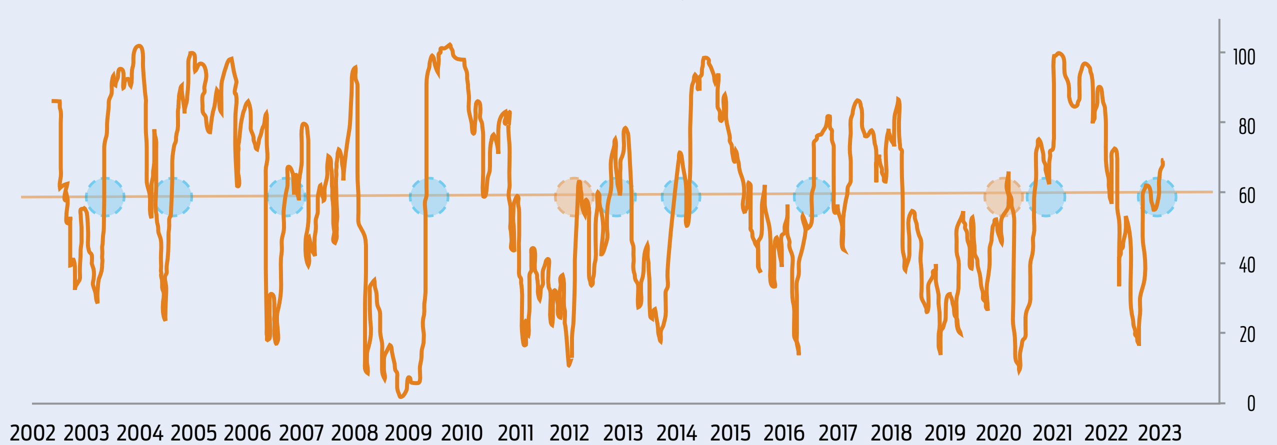
This growth is being driven by a number of factors, including strong domestic demand, rising exports, and government reforms. The government has also taken steps to boost investment and infrastructure, which is expected to further support growth in the

GDP Growth Rate (YoY)



Nifty 500% of Stocks above 200 DMA

In Nifty 500 percentage of stocks above 200 DMA is sustaining above 60. Historically, it has led to acceleration of up move with success rate of 80% (eight out of 10 instances) in last two decades



2009 – 2014 vs 2014 – 2023

Infra Spending	
2009-14	2019-24
₹1.57 Lakh Crore	₹33.3 Lakh Crore

Wealth Created	
2009-2014	2019-2023
₹13 Lakh Crore	₹187 Lakh Crore

Forex Addition	
2009-14	2019-23
\$50 Billion	\$200 Billion

GDP Rank	
2014	2023
10th	5th

Bank NPA	
2014	2023
11%	1%

coming years.

Major European brokerage firm, UBS too is confident on Indian economy. Citing a better-than-estimated global growth outlook, lower global crude oil prices and robust services exports, has revised upwards its India growth forecast by 70 bps to 6.2 per cent for the current fiscal that is FY24. Swiss brokerage UBS have already revised global growth projections upwards by nearly 50 bps to 2.6 per cent in 2023, led by China's early reopening, resilience in European data and revision in the US growth numbers. The domestic economy has clipped at 7.2 per cent in FY23, 20 bps higher than what was forecast earlier.

The consensus expectation of economist in India is 6 per cent GDP growth in FY24 while the Reserve Bank pegs it at 6.5 per cent. There are upside risks to the country's growth forecast on the better-than-estimated global growth outlook, lower global oil prices and robust services exports. On the crude front, the firm expects it to average at USD 75 a barrel in FY24 if the country imports 25 per cent of its oil need from Russia — much lower than the earlier estimate of USD 90 a barrel. A 10 per cent decline in average crude oil prices would push real GDP growth higher by 20 bps if the fuel costs are passed on to consumers. Another key enabler for India's GDP growth is the robust trend in services surplus, which could support net exports (of goods and services) contribution to overall growth even as global growth headwinds remain.

Another big brokerage house that is optimist on Indian economy and stock market is Morgan Stanley. According to a report by Morgan Stanley Research, India has undergone significant transformations over the past decade, positioning itself favourably in the global order and yielding positive implications for its macro and market outlook. The report highlights ten major changes driven by India's policy choices that have contributed to its economic and market landscape.

The report emphasizes that the current India is distinct from what it was in 2013, with notable advancements in various sectors. The research identifies ten key changes, including supply-side policy reforms, formalization of the economy, the implementation of the Real Estate (Regulation and Development) Act, digitalization of social transfers, the introduction of the Insolvency and Bankruptcy Code, flexible inflation targeting, a focus on foreign direct investment (FDI), government support for corporate profits, and a multiyear high in multinational corporation sentiment.

Morgan Stanley predicts that India is poised to achieve a growth rate of 6.2% in the current financial year, 2023-24, while maintaining macro stability, indicating that monetary policy will not need to be restrictive. The report notes that India benefits from both cyclical and structural tailwinds, with a positive outlook for domestic demand driven by healthy balance sheets.

Furthermore, Morgan Stanley foresees India

Citing a better-than-estimated global growth outlook, lower global crude oil prices and robust services exports, UBS too has Revised Upwards its India Growth Forecast by 70 bps to 6.2 per cent for the current fiscal that is FY24. The Swiss brokerage has already revised global growth projections upwards by nearly 50 bps to 2.6 per cent in 2023, led by China's early reopening, resilience in European data and revision in the US growth numbers.

surpassing Japan and Germany to become the world's third-largest economy by 2027, with the third-largest stock market by the end of the decade. The data suggests that India's GDP could more than double to over USD 7.5 trillion by 2031, accompanied by an increase in global export market share and the Bombay Stock Exchange potentially reaching a market capitalization of USD 10 trillion.

Robust Government's External Position

India's current account deficit showed a significant narrowing in Q4 FY23, reducing to USD 1.4 billion, equivalent to 0.2% of GDP, compared to USD 16.8 billion (2.0% of GDP) in Q3 FY23 and USD 13.4 billion (1.6% of GDP) in Q4 FY22.

This improvement in the current account deficit partially offset the moderation in capital account flows, resulting in a surplus in the balance of payments position, which stood at USD 5.6 billion in Q4 FY23. The compression of the current account deficit in Q4 FY23 was supported by strong invisible (services) trade and a gradual moderation in the merchandise trade deficit.

Besides, India is expected to witness a remarkable growth in its exports of goods and services, with projections indicating a potential surge to USD 900 billion in the current financial year, compared to USD 770 billion in the previous year. Despite facing global challenges, India's resilient export sector is anticipated to drive this growth. According to Federation of Indian Export Organisations (FIEO), merchandise exports could expand to a range between $495 billion and $500 billion, while services exports are expected to reach $400 billion by March 2024. Overseas demand remains robust in several markets, contributing to the positive outlook for India's export performance.

Although adverse global factors may impact invisible trade in FY24, there is still potential for the current account deficit to moderate further to 1.4% of GDP.

Furthermore, the recent robust performance of portfolio flows, driven by reduced concerns about stability in the US banking sector and expectations of key central banks reaching their peak policy rates in the near future, has led many research rating to revise its FY24 balance of payments surplus projection to USD 24 billion, up from USD 14 billion previously anticipated.

Overall, the outlook for the Indian economy is positive. The economy is expected to grow at a faster pace than most other major economies in the world, and it is likely to retain its tag as the fastest-growing major economy in the next three years.

This is further supported by the increasing collection from GST. In May 2023, the gross GST revenue

A Report Impact of Election Result on the Stock Market *by Ved Prakash & Dr. K. Padmasree, Central University of Karnataka states:*

The stock market remains consistent before election results are announced for medium- and long-term period and causes volatility after results are announced. This abnormality comes only for a short-term period (7 days) before and after the election result announcement as understood by daily average returns. People ride on the policy, ideology and political will of a contesting party and bet on the bull and bring the bears down. The correlation for the short term is showing negative relation for the years 1999, 2004 and 2009, i.e. after the announcement, the market return declined. In the year 2014 and 2019, there was a positive correlation during the short term, hence signs there was a positive impact of the announcement on market returns. The results were not significant in the paired test, showing that there is a substantial increase in the market returns from the pre-election announcement and post-election announcement only for a short-term period.

Election or any political event brings anomaly and causes abnormality in the natural settings of the market. In a liquid market at any given time, the security price fully reflects all available information.

The stock prices react to the information of election results and cause short term volatility. The study found that the highest average return occurred once the result was announced and subsequently settled down in a month. So, the investors should remain cautious and alert while investing in this time frame. One can benefit with the application of short-term market strategy during this period. The events like Budget, Elections, Festivals, War, share splits, bonus announcement, mergers and acquisition, etc., causes a slight market anomaly.

Current India is Distinct from what it was in 2013

According to a report by Morgan Stanley Research, India has undergone significant transformations over the past decade, positioning itself favourably in the global order and yielding positive implications for its macro and market outlook. The report emphasizes that the current India is distinct from what it was in 2013, with notable advancements in various sectors. The research identifies ten key changes, including supply-side policy reforms, formalization of the economy, the implementation of the Real Estate (Regulation and Development) Act, digitalization of social transfers, the introduction of the Insolvency and Bankruptcy Code, flexible inflation targeting, a focus on foreign direct investment (FDI), government support for corporate profits, and a multiyear high in multinational corporation sentiment. It predicts that India is poised to achieve a growth rate of 6.2% in the current financial year, 2023-24, while maintaining macro stability, indicating that monetary policy will not need to be restrictive. Morgan Stanley foresees India surpassing Japan and Germany to become the world's third-largest economy by 2027, with the third-largest stock market by the end of the decade.

collection amounted to Rs 1,57,090 crore, marking a 12% increase compared to the same month last year. The revenue includes Central GST of Rs 28,411 crore, State GST of Rs 35,828 crore, Integrated GST of Rs 81,363 crore (including Rs 41,772 crore from import of goods), and cess of Rs 11,489 crore (including Rs 1,057 crore from import of goods).

According to the Ministry's statement, the revenue for May 2023 is 12% higher than the GST revenue collected in the corresponding month of the previous year. Import of goods contributed to a 12% increase in revenue, while domestic transactions (including import of services) saw an 11% rise compared to the same month last year.

In May 2022, GST collection amounted to approximately Rs 1.41 lakh crore. Last month (May 2023), the GST collection reached a record high of Rs 1.87 lakh crore.

Conclusion

The equity market is definitely influenced by the election cycle, consisting of election year, post-election year, midterm years, and pre-election year. Indian markets have shown specific characteristics during the current election cycle.

As CY23 is a pre-election year, it will impact market sentiments. Pre-election years have generally seen positive performance in benchmark indices. Among the 10 instances, the index had positive returns in most of the times. There were some subdued returns years such as 1998 and in 2008 during the Global Financial Crisis.

Overall, we believe current election cycle presents an excellent opportunity for investors and companies to benefit from the country's growth trajectory and evolving global position.

In the following pages we are presenting list of companies from thirteen different sectors and industries where we see best opportunities.

You can pick stocks based on your risk profile and existing portfolio. Our advice is to make a diversified portfolio out of these stocks. Our suggestion is, once you have identified stocks that can be part of your portfolio, you can buy those at staggered manner. So, if you have Rs 100 to invest, we suggest you to invest Rs 10 every month on the selected stocks of your portfolio. This will help you to take benefit of volatility. We are confident that if you make right choice of stocks and remain invested, you will definitely reap the benefit in next few quarters and beyond that. Chances are high that your portfolio value will double in next 36 months.

LIST OF COMPANIES FROM DIFFERENT SECTORS WHERE WE SEE OPPORTUNITIES

METAL/ POWER	AUTO	CEMENT	IT	PHARMA	BANKING	CONSUMER DUREBLE	FMCG	REALTY	CAPITAL GOODS/ INFRA	OIL & GAS	NBFC	AUTO ANCILARY
NMDC	TATA MOTOR	ULTRATECH CEMENT	HCL TECH	SUN PHARMA	SBIN	VOLTAS	ITC	DLF	L&T	IOC	L&T FIN	MOTHERSON SUMI
SAIL	M&M	DALMIA BHARAT	TECH MAHINDRA	LUPIN	BANK BARODA	HAVELS	HIND UNILEVER	OBEROI REALTY	SIEMENS	HIND PETRO	M&M FIN	APOLLO TYRE
JSW STEEL	ASHOK LEYLEND	AMBUJA CEMENT	TCS	GLENMARK PHARMA	CANARA BANK	TITAN	MARICO	KOLTE PATIL	ABB	RELIANCE IND	BAJAJ FIN	JK TYRE
TATA STEEL	MARUTI	JK LAXMI CEMENT	LTIM	LAURUS LABS	BANK OF MAHA	VIP IND		PRESTIGE ESTATE	PNC INFRA	GAIL	CHOLA FIN	EXIDE INDUSTRIES
HINDALCO	EICHER MOTOR	STAR CEMENT	LTTS	DIVIS LAB	RBL BANK			ANANT RAJ LTD	KNR CONS	IGL	SHRIRAM FIN	NELCAST
NTPC	TVS MOTORS	ORIENT CEMENT	COFORGE	IOL CHEMICALS	HDFC BANK			AJMERA REALTY	ITC CEMENTATIONS	MGL	POONAWALA FIN	FM GOETZE
BHEL	BAJAJ AUTO	RAMCO CEMENT	PERSISTENT	BIOCON	ICICI BANK				NCC	GUJ GAS	AB CAPITAL	LUMAX AUTO
TATA POWER	HERO MOTO		MAP MY INDIA	ZYDUS LIFE	AXIS BANK				HCC		REC LTD	MENON BEARINGS
NHPC				DR REDDY					KALPATARU POWER		PFC LTD	
				GRANULES INDIA					KEC INTER			

CORPORATE FEATURE

HMA Agro Industries Ltd.

First Publically Listed Frozen Buffalo Meat Exporting Company

HMA Agro Industries Ltd.'s shares was listed on July 4, 2023. It has the credit to be the first publically listed frozen buffalo meat exporting company on the Indian exchanges. Its IPO opened on June 20, 2023 for subscription and closed on June 23, 2023. The anchor bids started on June 19. Initiation of refunds was done on 30 June and credit of equity shares to demat account of the allottees was done in the prescribed time limit. The initial public offer was subscribed fully; 1.58 times overall, with NIIs and QIBs take charge with subscribing 2.94 times and 1.74 times respectively. The company had set the price band for its public issue at Rs 555-585 a share, allowing investors to subscribe to 25 shares in one lot.

It was mixed - the OFS comprised up to Rs 120 crore by Wajid Ahmed, up to Rs 49 crore each by Gulzar Ahmad, Mohammad Mchmood Qureshi, Mohammad Ashraf Qureshi and Zulfiqar Ahmad Qurashi. Parvez Alam sold up to Rs 14 crore through OFS. The proceeds from the fresh issue of up to Rs 135 crore will be used on working capital requirements of the company. The Sole Book Running Lead Managers to the Offer is Aryaman Financial Services Ltd. Bigshare Services Pvt. Ltd. is the registrar of the issue.

The Company

HMA Agro Industries Ltd. (HAIL) is a flagship company of HMA Group. The group has been in the meat industry since over four decades. The company enjoys three-star export house reorganization by Government of India. It is a prominent player in the Indian market for packaged frozen buffalo meat products. The firm accounts for more than 10 percent of India's total export of frozen buffalo meat.

Company's products are mainly packaged under the brand name "Black Gold", "Kamil" & "HMA" and exported to over 40 countries globally. It deals in buffalo meat and allied products. Unlike beef or pork, buffalo meat is free from religious constraints and has the added advantage of low fat and cholesterol. The meat produced for export is in the form of deboned and deglanded frozen halal buffalo meat. The company follows stringent norms prescribed by the regulatory authorities that includes APEDA, FSSAI, etc.

The raw material procurement is done by the company and it is processed at various facilities, most of which are owned by its subsidiaries and some are run by third parties. These processing units work on a contractual basis against fixed charges, which are borne by the company. The firm exports to the UAE, Iraq, Saudi Arabia, Oman, Bahrain, Jordan, Algeria, Egypt, Angola, Vietnam, Indonesia, Georgia, Malaysia, Cambodia and various Middle Eastern, CIS and African countries. Approximately 90 percent of its sales are in the form of exports. For the fiscal year 2021, its revenue stood at Rs 3,083.19 crore as against Rs 1707.50 crore a year ago. Net profit for the period stood at Rs 117.62 crore versus Rs 71.60 crore last year.

Diversification Journey

Recently it has embarked on a product diversification journey by adding Frozen Fish Products, Basmati Rice, Poultry and other agri products as business verticals. In fact, alongside its existing stronghold in the export of buffalo meat, the company is now venturing into food processing and expanding its exports to include frozen fish and basmati rice. With a strong presence in multiple global markets, HMA Agro Industries has nurtured long-standing relationships with customers worldwide. The company has good proportion in the export business, which contributed approximately 90.2% of its revenue in the fiscal year 2022.

Management Speaks

Gulzar Ahmad, Chairman and Whole Time Director – HMA Agro Industries Ltd. said: "We are thrilled to list HMA Agro Industries Ltd. - The company is one of the three leading buffalo meat exporting companies from India and is making strides with rising demands. It has also added other agro products to its basket for exports."

Enhanced Surveillance Measures (ESM)

A Gloomy Framework & Unfair To Micro, Small-Cap Companies

The enhanced surveillance measure for micro and small-cap companies, put in place by the market regulator and exchanges from June 5, is in fact unfairly targeting one segment of the stocks. The new measure will cover companies on the main board with market cap less than Rs 500 crore and will be effected in two stages. For both stages, the companies will be shortlisted based on variations in high and low prices, or in close-to-close prices. For stage one or ESM-I, price variations over three to six months will be considered. In stage two or ESM-II, companies already in stage one and significant price variations over five consecutive trading days or over one month will be included. The surveillance mechanism should allow for trading of stocks and what if somebody wants to sell due to various reasons. The best practice would have been that the regulators penalise only the errant players whereas this action even penalises investors.

By Shivanand Pandit

TO improve market reliability and protect the welfare of investors, the regulator of the capital market in India, the Securities and Exchange Board of India (SEBI), and stock exchanges Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) have been hosting numerous superior preventive surveillance actions namely a reduction in price band, transfer of securities to Trade for Trade segment and periodic call auction from time to time.

In addition to several surveillance actions by now put into action, the SEBI and stock exchanges, according to debates in joint surveillance summits, have decided that together with the aforementioned actions there shall be Enhanced Surveillance Measures (ESM) on Micro-Small Companies (on main board with market capitalization below ₹500 crores) based on objective parameters such as Price variation, Standard Deviation, etc. The framework to prevent volatility in small-cap counters is applicable from June 5, 2023.

Know your ESM

According to the announcement, public sector organizations and public sector banks will be exempted from the procedure of shortlisting securities under ESM. The securities will be chosen under the ESM framework based on high-low price variation and close-to-close price variation. The recognition of securities based on entry norms will be 100% margin from the settlement cycle of the trade date plus two days (T+2). As per the notification, the trading for these securities will be settled through a trade-for-trade mechanism with a price band of 5% (if the scrip is already in the 2% band) or 2%. For securities already in stage I, trading will be allowed once a week with periodic call auctions. The trading for these securities will be settled through a trade-for-trade mechanism with a price band of 2%. The notification stated that stage-wise scrutiny of securities will be weekly.

Under the system, security shall be part of the framework for a minimum period of 90 calendar days. However, in case a security is under stage II of the Framework, it shall be retained under stage 2 for a minimum period of 30 calendar days. After completion of 30 calendar days, in weekly stage review, if such security's close-to-close price variation is less than 8% in a month, it can move to stage 1 of the framework. After the end of 90 calendar days, in a weekly stage examination, if such a security's close-to-close price variation is less than 8% in a month, it can move to Stage I of the ESM framework. The securities that complete three months in the framework shall be qualified for stage-wise exit if they no longer meet the entry standards.

"The framework will lead to a huge shrinking of liquidity in authentically worthy microcap stocks. It will make retail investors reluctant from partaking in the equity market, especially in the small and microcap area. The share price will go out of sync with business fundamentals and it will make fundraising very tough for the minor entities as HNI's interest will also descend."

Recently the SEBI issued a consultation paper that recommended price band formulation for scrips in futures and options (F&O) trading to toughen volatility management and reduce information irregularity. As per the consultation paper, the capital markets regulator has given suggestions to prevent longer trading hours as well as price movements. According to the recommendation, the SEBI mentioned that if the price of any stock falls and rises by 10% in one session, the trading is to be barred for an hour, instead of the existing cooling-off period of 15 minutes. The development comes in the wake of the free-fall of Adani Group stocks after the U.S. short-seller alleged the port-to-energy conglomerate of stock market manipulation.

The consultation paper also suggested the creation of sufficient surveillance and internal control systems (collectively referred to as Institutional Mechanism) by Asset Management Companies (AMCs) to discourage probable market misuse and deceitful transactions in such transactions. The decision was taken months after the capital markets regulator barred 21 entities including Viresh Joshi, Axis Mutual Fund's former manager, concerning a front-running case in March 2023. In May 2023, SEBI barred three individuals and two entities concerning the front-running case in Life Insurance Corporation (LIC).

Brainless Belief

The benchmarks to place a company's shares in the ESM framework are only price action dependent and do not take into thought the principal business fundamentals. It would frequently mean that the businesses showing excellent business functioning would be punished for doing their business well. The framework will influence different sectors of the market adversely.

The framework will lead to a huge shrinking of liquidity in authentically worthy microcap stocks. It will make retail investors reluctant from partaking in the equity market, especially in the small and microcap area.

The share price will go out of sync with business fundamentals and it

ESM: Main Points

1. Public sector organizations and public sector banks will be exempted from the procedure of shortlisting securities under ESM.
2. The securities will be chosen under the ESM framework based on high-low price variation and close-to-close price variation.
3. The recognition of securities based on entry norms will be 100% margin from the settlement cycle of the trade date plus two days (T+2). The trading for these securities will be settled through a trade-for-trade mechanism with a price band of 5% or 2%.
4. For securities already in stage I, trading will be allowed once a week with periodic call auctions. The trading for these securities will be settled through a trade-for-trade mechanism with a price band of 2%.
5. The stage-wise scrutiny of securities will be weekly.
6. Security shall be part of the framework for a minimum period of 90 calendar days.
7. In case a security is under stage II of the Framework, it shall be retained under stage 2 for a minimum period of 30 calendar days. After completion of 30 calendar days, in weekly stage review, if such security's close-to-close price variation is less than 8% in a month, it can move to stage 1 of the framework.
8. After the end of 90 calendar days, in a weekly stage examination, if such a security's close-to-close price variation is less than 8% in a month, it can move to Stage I of the ESM framework.
9. The securities that complete three months in the framework shall be qualified for stage-wise exit if they no longer meet the entry standards.

will make fundraising very tough for the minor entities as High Net Worth Individual (HNI) interest will also descend, as there is an extra danger they will have to pilot through, in addition to the business risk that they would have otherwise been comfortable taking. As companies now have fewer funds at their disposal, their forthcoming strategies for capital expenditure for capacity development or other modes to flourish their business would be quite harmfully affected. Less capital expenditure would also result in lower employment generation. As goods supplied or services delivered would confront supply restraints due to capital constraints, this would also have negative consequences on the economic progression of the nation.

Investors who have their money invested in the microcap space will find it difficult to dispose of their holdings and get their money back because of a lack of liquidity. It will brutally influence investors in case they need money in case of any difficulties.

Need a Fundamental Mechanism

1. The gloomy framework has to be redesigned. The remedy is a fine equilibrium of regulations and investment ecology. Once the quantitative tactics are executed, it has to be verified that each of such companies which match the standards for the ESM framework is overvalued.
2. One method to estimate if a company is overvalued is by looking at its Trailing 12-month Price to Earnings (TTM PE) ratio. A cut-off (say of 100 or any other number) should be decided and only those companies where the TTM PE is more than that number should be shifted to the ESM framework. It will assist the related authority to have a word with the company's management regarding why the price has shot up lately and if there are elementary reasons for the same. It will immensely diminish the number of mistakes where good and genuine stocks are moved to ESM.
3. There are numerous business circumstances namely takeovers, capital raising, etc. which may initiate appreciation in the price of a stock. Those stocks where publicly available information and filings validate the price increase should be left out of the framework.
4. Once the elementary motivated and corporate action-driven mechanism is employed, there would be few stocks that are moving up without any motive and the reason is not available in the public domain. Such stocks can be subjected to the ESM as there is a high chance that either the stocks are moving up due to material non-public price-sensitive information or these stocks are being subjected to price manipulation by select market members.
5. Significant non-public price delicate data and manipulation both should be constrained. It will guarantee a level playing field for retail investors and ensure investor safety due to manipulation. For that reason, the best foot forward is to make modifications to the ESM framework where fundamentals and corporate actions also play an equally imperative role. It will lead to multi-purpose action of stopping stock price manipulation as well as reinstating trust of retail investors in the system, empowering businesses to thrive, as well as macro implications of employment generation and economic evolution.

CORPORATE FEATURE

Vikas Ecotech Ltd.'s QIP Issue Closed; Company Allots Equity Shares to FPIs

VIKAS ECOTECH LTD.

Vikas Ecotech Ltd. has approved closure of QIP Issue on 12 June 2023, post receipt of applications from eligible qualified institutional buyers. The company further determined the issue price at ₹2.80 per equity share. The company allotted 17,85,00,000 equity shares at the issue price. The company allotted equity shares in the present tranche to FPIs – AG Dynamic Funds Limited, Vikasa Global Fund PCC – Eubilia Capital Partners Fund – I, and Calypso Global Investment Fund. Earlier, the company board of directors had approved to raise funds via the QIP route. In the extraordinary general meeting held in February 2023, the members had approved to raise ₹100 crore via QIP.

It is the first tranche of QIP not exceeding ₹50 crore and the remaining amount of ₹50 crore will be raised by the company through subsequent tranches, if any, Vikas Ecotech said in an exchange filing. The company board had approved to raise ₹100 crore via QIP in the extraordinary general meeting held in February 2023.

Financials

Vikas Ecotech reported a 46 per cent increase on a year-on-year (YoY) basis in its net profit at ₹1.79 crore in the March 2023 quarter, against a net profit of ₹1.23 crore in the year-ago period. The company clocked a net profit of ₹2.78 crore in the December 2022 quarter. The company recently announced its venture into green and eco-friendly infrastructure development projects in collaboration with Nice Apartment Constructions, a company engaged in the real estate development of commercial and residential projects in Delhi-NCR.

Vikas Ecotech Ltd.	
BASIC DATA	
BSE Code	530961
NSE	VIKASECO
Marketcap	₹283 crore

Infra Development Projects

Vikas Ecotech has entered into a collaboration arrangement wherein it will be inducting 70 per cent of the total project cost as the collaborator. The estimated project cost of targeted projects is about ₹115 crore, including the cost of lands as well as the costs to be incurred for the construction and development of commercial buildings at the locations in Gurugram.

Soon to be Debt-free company

Earlier, Vikas Ecotech informed the bourses that it has paid back about ₹3 crore of bank debt, which has been now reduced to ₹84.30 crore. The company has reduced its debt obligation by ₹85.70 crore, the exchange filing said. The company also added that it intends to become a 100 per cent debt-free company by the year 2023-2024. The company also said that it is looking to pay an additional ₹29.5 crore, before the close of this quarter, bringing down the debt to ₹54.8 crore.

The Company

New Delhi-headquartered Vikas Ecotech is engaged in the business of specialty polymers, specialty additives and chemicals for plastics & rubbers industries, catering to a wide horizon of applications in agriculture, infrastructure, packaging, electrical, footwear, pharmaceuticals, automotive, medical devices and components and other consumer goods. Earlier, its R&D division partners with King Khalid University, Abha 62529, Saudi Arabia, Vikas Ecotech said that this joint collaboration will aid to strengthen its R&D activities, Technology Transfers, for improving and augmenting its product offerings. In its drive of offering better and more reasonably priced, technologically advanced products, Vikas Ecotech discovers another active and prominent partner through such a collaboration, among many other major business values.

R&D Division

Vikas Ecotech's R&D division is a DSIR-recognized facility under the Ministry of Science and Technology Government of India, and is engaged in several cutting-edge scientific research projects in many different disciplines that aim to enhance the environment, human welfare, and promote sustainability in general. In co-operation with King Khalid University, Abha 62529, Saudi Arabia, the company' Research and Development Wing has submitted a patent on "A Process for the designing of Conducting Polymer Nanocomposites on Activated Carbon Membrane for the Removal of Bacterial Contamination from Polluted Waste Water." This technology is to develop conducting polymer nanocomposite–based membrane which will be helpful for the removal of E. coli and total coliform from wastewater.

CORPORATISM, AN ATTACK ON LIBERALISM?

Corporatism is anything but radical. The word is a perfect descriptive of the most successful form of statism of the 20th century. In the 21s century, it has been given new life and an ambition that is global in scope. **Jeffrey A. Tucker** feels that it is also the single most vexing problem we face today, far more of a going concern than old archetypes of socialism and capitalism. Corporatism began as a fundamental attack on what was then known as liberalism. Liberalism began centuries earlier with the end of the religious wars in Europe and the realization that permitting religious freedom was overall good for everyone. It lessens violence in society and still retains the opportunity for the vigorous practice of faith.

It's not capitalism. It's not socialism. The new word we are hearing these days is the right word: corporatism. It refers to the merger of industry and state into a unit with the purpose of achieving some grand visionary end, the liberty of individuals be damned. The word itself predates its successor, which is fascism. But the eff word has become totally incomprehensible and useless through misuse so there is clarity to be gained by discussing the older term.

Consider, as an obvious example, Big Pharma. It funds the regulators. It maintains a revolving door between corporate management and regulatory control. Government often funds drug development and rubber stamps the results. Government further grants and enforces the patents. Vaccines are indemnified from liability for harms. When consumers balk at shots, government imposes mandates, as we have seen. Further, pharma pays up to 75 percent of the advertising on evening television, which obviously buys both favorable coverage and silence on the downsides. This is the very essence of corporatism. But it is not only this industry. It ever more affects tech, media, defense, labor, food, environment, public health, and everything else. The big players have merged into a monolith, squeezing out the life of market dynamism.

The topic of corporatism is rarely discussed in any detail. People would rather keep the discussion on abstract ideals that are not really operational in reality. It's these ideal types that split right and left; meanwhile the really existing threats sail under the radar. And that is strange because corporatism is much more of a living reality. It variously swept through most societies in the world in the 20th century, and vexes us today as never before.

Corporatism has a long ideological history stretching back two centuries. It began as a fundamental attack on what was then known as liberalism. Liberalism began centuries earlier with the end of the religious wars in Europe and the realization that permitting religious freedom was overall good for everyone. It lessens violence in society and still retains the opportunity for the vigorous practice of faith. This insight gradually unfolded in ways that pertained to speech, travel, and commerce generally.

By the early 19th century, the idea of liberalism swept Europe. The idea was that the state could do no better for societies under its rule than to let them develop organically and without a teleocratic end state. A teleocracy is characterized by a centralized authority that seeks to achieve a specific goal or purpose, often seen as a greater good or common end that justifies the restriction of individual liberties. In the liberal view, in contrast, liberty for all became the sole end state.

Standing against traditional liberalism was Georg Wilhelm Friedrich Hegel, the German philosopher who explained the loss of territory at the end of Napoleonic wars as merely a temporary setback in the German nation's historical destiny. In his vision of politics, the nation as a whole needs a destiny that is consistent with his postulated laws of history. This holistic view was inclusive of church, industry, family, and individuals: everyone must march in the same direction. His followers split into left- and right-wing versions of his statism, culminating in Marx and arguably Hitler, who agree that the state is the center of life while only arguing about what it should do. Corporatism was a manifestation of the "right-wing" version of Hegelianism, which is to say that it did not go so far as to say that religion, property, and family should be abolished, as Marxism later suggested. Rather each of these institutions should serve the state which represents the whole.

In America, the work of Charles Darwin came to be abused in the form of eugenics in the 1880s and following, wherein one of the tasks of the state became the curation of the quality of the population. This movement also took hold in Europe. It was seen as utter chaos to allow human procreation to be left to whims of human volition. In Europe following the Great War, a new form of Hegelianism was taking hold that combined eugenics, autarky, nationalism, and raw statism into a single package. German philosopher Houston Stewart Chamberlain advocated blood-thirsty anti-Semitism.

Other star players in the corporatist lineup included:

- Frederick Hoffman, born in Germany, wrote "The Race Traits and Tendencies of the American Negro" characterizing African-Americans as inferior to other races, but casting aspersions on Jews and non-Caucasians.
- Henry H. Goddard popularized IQ studies and turned them into a weapon used by the state to create a planned society, creating hierarchies determined and enforced by public bureaucrats.
- Edward A. Ross became a founder of sociology in the United States. He warned of the dysgenic effects of permitting women freedom of choice to engage in commercial work and pushed laws to prohibit women's work.
- Robert DeCourcy Ward co-founded the Immigration Restriction League, fearing the dysgenic effects of Slavic, Jewish, and Italian intermarriage. His influence was key to the closing of borders in 1924, trapping millions in Europe to be slaughtered.
- Lewis Terman pushed strict segregation, coerced sterilization, immigration controls, birthing licenses, and a planned society generally.
- Oswald Spengler sought to explain Germany's defeat in the Great War. He urged a new Teutonic tribal authoritarianism to combat liberal individualism.
- Ezra Pound, a modernist poet

from America, converted to national socialism and blamed WWI on usury and international capitalism and supported Mussolini and Hitler during WWII.

- Charles Edward Coughlin hosted a radio show in the 1930s. He despised capitalism, backed the New Deal, and plunged into hard anti-Semitism and Nazi doctrine, publishing speeches by Goebbels under his own name. His show inspired thousands to protest in the streets against Jewish refugees.
- Julius Caesar Evola, an Italian philosopher, focused on history and religion and worshiped violence. He was admired by Mussolini and wrote adoring letters to Hitler. He spent a lifetime advocating for the subjugation of women and holocaust for Jews.

Such is a brief look at the intellectual roots and development of corporatist thinking, complete with its most noxious ideological elements. The focus on a teleocratic nationalism in each case comes through dividing and conquering the nation, usually by a "great man," and allowing the "experts" to run roughshod over the desires of the common people for peace and prosperity.

The corporatist model was deployed in most countries during the Great War, which was the largest experiment in central planning in cooperation with munitions manufacturers and other large corporations. It was deployed in combination with conscription, censorship, monetary inflation, and a large-scale killing machine. It inspired an entire generation of intellectuals and public managers. This brief genealogy only takes us only to the middle of the 20th century.

Today corporatism takes a different form. Rather than national, it is global in scope. In addition to government and large corporations, today's corporatism includes powerful non-government organizations, nonprofits, and huge foundations built by huge fortunes. It is as much private as it is public. But it is no less divisive, ruthless, and hegemonic than it was in the past.

It has also shaved off most of its egregious (and embarrassing) teachings, leaving in place only the ideals of world governments working directly with the largest corporations in media and tech to forge a single vision for humanity on the march, such as spelled out daily by the World Economic Forum. With that comes censorship and restrictions on commercial and individual liberty.

That is only the beginning of the problems. Corporatism abolishes the competitive dynamic of competitive capitalism and replaces it with cartels run by oligarchs. It reduces growth and prosperity. It is invariably corrupt. It promises efficiency but yields only graft. It expands the gaps between rich and poor and creates and entrenches deep fissures between the rulers and ruled. It dispenses with localism, religious particularism, rights of families, and aesthetic traditionalism. It also ends in violence.

Corporatism is anything but radical. The word is a perfect descriptive of the most successful form of statism of the 20th century. In the 21s century, it has been given new life and an ambition that is global in scope. It is also the single most vexing problem we face today, far more of a going concern than old archetypes of socialism and capitalism.

(Courtesy The Epoch Times)

IEM MARKET BUZZ is the latest offering from Scintilla Communications' growing portfolio. Released every Sunday morning it provides the buzz in the market regarding at least 15 potential profitable stocks. **IT IS FREE FOR ALL**.

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PNC Infratech Ltd. has huge order book of Rs 20,530 crore as on 31st March 2023; however management says that still contract under execution of over Rs 4854 crore is not included in the total order book. Out of the total order book 63 per cent is for EPC Projects. So far the company has completed 84 projects spread in 13 states. Secondly, media reports suggest that KKR's roads platform Highways Infrastructure Trust is in talks to acquire a portfolio of 12 road projects from PNC for an Enterprise value of Rs 9000 crore. Considering its huge order book, execution capability and the KKR development, the stock looks attractive.

RITES Ltd., a Miniratna Central Public Sector Enterprise under the Ministry of Railways, is a multidisciplinary engineering and consultancy organization. It is a leading player in the transport consultancy and engineering sector in various sectors such as railways, highways, urban engineering (metros) & sustainability, airports, ports, ropeways, institutional buildings, inland waterways, and renewable energy. With an order book of Rs 5870 crore (48% Turnkey & 45% Consultancy) as on March 31, it is active in more than 55 countries across Asia, Africa, Latin America, South America, and Middle East regions. The company has received order from National Railway of Zimbabwe to supply HP Diesel Elect Locomotive Wagons worth US$ 8,11,75,500. Its dividend yield is 4.25% and since sector is also in fancy the counter can see a rally.

Motilal Oswal Financial Services Ltd. has been underperforming since last many quarters. One reason could be the notional loss on investments in Q1FY23 as the market was not favourable. However now as the market has been in quite a good shape an encouraging result should come out. Another good information is that promoters have increased stake. Parag Parikh Flexicap Fund has 5.31 per cent stake in this company out of its Rs 36,000 crore AUM which is a good sign of its strength. It seems the stock has bottomed out and after Q1 result it can show good up move.

Granules India is one of the largest manufacturers of Paracetamol which found a huge demand during the pandemic and its operating profit margin soared. The company with seven plants (six in India and one in USA) operates in all the three major verticals - API, Formulation Intermediate and Finished Doses. It exports to 80 countries and services 300 customers. On June 13 and June 14 the company received two FDA approvals. In FY23 the company posted highest ever sales of Rs 4512 crore and highest ever operating profit of Rs 914 crore. The counter had made its high at Rs 438 in December 2020 but since last two and half years trading in a range, now trading at Rs 290. On valuation front downside here seems very limited.

BEML, formerly Bharat Earth Movers Limited, is a public sector undertaking which manufactures a variety of heavy equipment, such as that used for earth moving, railways, transport, defence and mining. As part of the disinvestment exercise, the demerged non-core businesses entity – BEM Land Assets Ltd – was listed separately. It is a huge company credited to have supplied 18000 Railway coaches, 900 EMUs, 1750 Metro cars, 8500 High Mobility Vehicles, 27500 engines ranging from 70 to 700 HP besides a lot of equipments, trailors and vehicles to defence establishments. As Railways and defence sector are attracting huge investments the stock can show a good up move since last two years it has been trading in a range.

Jain Irrigation Systems Ltd. has faced a big crisis due to its debt. However after its debt restructuring the company has started performing well. In Q4 its income and operating profit increased 27 and 73 per cent respectively. As the performance cycle has turned for good and most of its troubles are over we can hope the stock may perform well. It has been hovering since long in a range. However we feel that only high risk takers should venture out and investors looking for a safe haven should still keep themselves away from the counter.

MSTC Ltd. is a leading PSU entity engaged in providing e-commerce related services across diversified industry segment offering e-auction/ e-sale, e-procurement services and development of customized software/solutions. It caters to the Government sector, its spectrum of operation and to support the steel industry the Company through MMRPL forayed into the recycling/ scrapping sector. It could be the biggest beneficiary from the government's new scrap policy. In FY23 the company posted its highest profit of Rs 242 crore in its history. With 4 per cent dividend yield the counter is trading at 9.7PE and can give good returns since most of the PSUs are flavour of the season.

IRB Infra, which turned a MNC, after the entry of Cintra Global and GIC who together hold 41 per cent stake in the company, has recorded the highest ever operating profit in its history in FY23. Its Toll collection in April and May has increased 19 and 20 per cent respectively. It owns Rs 70,000 crore worth asset spread over 11 states and has constructed 17,200 lane kilometer road over which it has tolling and maintenance rights. Since the stock was split it has not moved much. However, its consistent better toll collection, better performance and huge orders are some major factors that might make sure the stock resumes momentum. Government's focus on infra makes the counter even more attractive at this price.

Sigachi Industries Limited has posted good FY23 numbers as its income, ebitda and net profit increased 21, 11 and 9 per cent respectively. Margin was certainly under pressure but the management assures that the increased material cost as well as freight charges have been successfully passed on to the customers. Its products have applications in the pharmaceutical, nutraceutical and supplement industries, the food ingredients industry and the drug formulation sector. With two units each in Telangana and Gujarat the company came out with its IPO last year at Rs 163 which was subscribed 102 times, got listed at Rs 575, and later went up to Rs 648. Now trading at 18PE the stock is available at just Rs 250, clearly showing the downside is limited. Taking into account its financial performance an up move seems imminent.

Texmaco Rail & Engineering Limited has posted good Q4 numbers as its income, operating profit and net profit increased 87, 96 and 200 per cent respectively. Railway Ministry is on expansion spree and huge spending is going on. In FY23, from Indian Railway, the company secured to supply 20,067 wagons in 39 months with a value of Rs 6450 crore. Now again Railways have planned for this quarter to release another order for 50,000 new design model wagons and again Texmaco is slated to garner a big chunk from this also. Last week the stock registered a new high in four years. Gradually when the above mentioned orders will start getting fulfilled the stock may show unprecedented move.

Electrosteel Casting Limited is one of the largest manufacturers of ductile iron pipes having a production capacity of 280,000 MT per annum. As the sector has been rerated, these days a lot of orders are being generated due to various reasons. Electrosteel had been performing well all along except the period when a company it promoted, couldn't do well. However shortly, another of its subsidiary got merged and boosted its financials. On technical charts now we find its highest level after 2009 indicating a good up move. We can hope to see a very healthy momentum. The company came out with its IPO in 2008 and the stock made a high of Rs 101.50. In the last three months the stock has moved from Rs 32 to Rs 54. On a bit of correction it could be a good pick.

Dhampur Sugar Mills Limited has posted good Q4 numbers as its income, operating profit and net profit increased 44, 53 and 103 per cent respectively. It has one of the largest sugarcane processing capacity – 23,500 mt crushing per day. It also has a power generating capacity of 121 MW and one of the highest ethanol manufacturing capacities relative to its cane crushing capacity in the country – 250 kl fuel Ethanol and 140 tonnes of Ethyl Acetate per day. It is said that sugar prices in international markets are sure to increase due to unexpected less production. That will keep the sugar sector in limelight. Trading at only 12 PE this stock can show a good up move.

Delta Corp has posted good FY23 numbers as its topline, operating profit and net profit increased 66, 152 and 285 per cent respectively. In January 2018 the stock made all time high at Rs 402 when its net profit was Rs 155 crore. Now at Rs 262 crore profit the stock is trading at Rs 245. Earlier it was trading at very high PEs but now it is trading at only 25PE. It is also coming out with its Online Gaming Platform's IPO shortly. Secondly, it is opening a Theme Park in Goa besides having some other ambitious plans. All these developments are likely to give a boost to the stock.

REC Limited and PFC, which is its promoter company, move in a similar way. We had been discussing here PFC right from when it was trading at Rs 120, which now is trading at its all-time high. REC's all time high is Rs 168 but now available at Rs 149. The stock is trading at 3.5PE with a Book Value of Rs 221 and having 7.7 per cent dividend yield. For the FY23 the company posted Rs 11,167 crore profit. Against this its marketcap is Rs 39,000 crore. Although the stock has been steadily moving up in last three months still it seems good with so many plus points.

Minda Corporation is one of the leading manufacturers of automotive components for the OEMs, catering to the leading Passenger Vehicle, Commercial Vehicle, and Motorcycle & Scooter, Off-road Vehicle & Tier 1 manufacturers in India with presence in Indonesia, Vietnam, Uzbekistan, U.S.A. and Japan. In India it has a strong presence with 450+ dealers. In FY23 its sales, operating profit and net profit increased 45, 56 and 48 per cent respectively and this is its highest ever yearly performance. It has acquired 15.70 per cent stake in Pricol and since it is in the process of raising funds, this stake could increase further.

IDFC First Bank to merge with IDFC Ltd.

The Boards of IDFC First Bank Ltd. and IDFC Limited have approved their merger with each other. The share exchange ratio for the amalgamation of IDFC Limited with IDFC First Bank shall be 155 equity shares of face value of Rs 10 of IDFC First Bank for every 100 equity shares of face value of Rs 10 of IDFC Limited. As a result of the proposed merger, the standalone book value per share of the bank would increase by 4.9%, as calculated on audited financials as of March 31, 2023.

"The merger will lead to simplification of the corporate structure of IDFC FHCL, IDFC Limited and IDFC First Bank by consolidating them into a single entity and will help streamline the regulatory compliances of the aforesaid entities. The merger will help create an institution with diversified public and institutional shareholders, like other large private sector banks, with no promoter holding," said IDFC First Bank.

IDFC Limited, an infrastructure financing institution, was allowed by RBI in April 2014 to set up IDFC Bank Limited. The bank started its operation in October 2015. The loan assets and liabilities of IDFC Limited were transferred to IDFC Bank. Capital First Limited was a MSME financing institution. On December 18, 2018, the IDFC Bank and Capital First merged, and subsequently renamed IDFC First Bank. As of June 30, 2023, IDFC Limited through its non-financial holding company has 39.93% shareholding of IDFC First Bank.

ITC hotel business demerger on Cards

ITC is looking at finalising the long-standing proposal for demerging its hotels business. According to media reports ITC Chairman and Managing Director Sanjiv Puri has indicated that the demerger of the conglomerate's hotel business is very much on the table. Puri said that the company is thinking of an "alternative business structure" for its hotel business after a strong recovery in the hotel industry. "In the 2019-20 annual report, we had said that we would be creating an alternative structure for our hotels business. But we had to put the decision on hold due to the pandemic as the industry was not doing well. We will be taking the plan forward in line with the industry recovery dynamic," Puri said.

In the past few years, ITC had built many own hotels, which "impacted capital productivity"; as such the company decided that it had the "market standing" to have hotels on management contracts. The company's hotel business recorded a 101 per cent increase in its revenues in the fourth quarter of 2022-23. In the fourth quarter, the hotel business of the conglomerate recorded bumper revenue growth of 99 per cent to Rs 809 crore and posted a profit (before tax) of Rs 205 crore against a loss of 29 crore in the previous-year quarter.

Fake GST Registrations Cancelled

GST authorities have identified about 17,000 non-existent GSTINs and cancelled over 4,900 registrations in the ongoing pan-India drive against fake registration. Currently, there are 1.40 crore businesses registered under Goods and Services Tax, nearly double the number of businesses registered in indirect tax regime pre-GST rollout. Central Board of Indirect Taxes and Customs started a drive against fake registration, and over 69,600 GST Identification Numbers (GSTINs) have been selected for physical verification by field tax officers. Of this, over 59,000 GSTINs have been verified and 16,989 have been found to be non-existent. Out of the 69,600 GSTINs, over 11,000 GSTINs have been suspended and 4,972 registrations have been cancelled.

"India's rich would make up nearly a third of the population in 2047"

According to People Research on India's Consumer Economy (PRICE), the middle-class will make up 1.02 billion of India's projected population of 1.66 billion by 2047. That's the year that marks 100 years of India's independence and its target to emerge as a developed nation. "By the end of this decade, the structure of the country's demographics will change from an inverted pyramid, signifying a small rich class and a very large low-income class, to a rudimentary diamond, where a significant part of the low-income class moves up to become part of Middle Class," it added in a report. The report is based on analysis of primary data collected by PRICE through its ICE 360° pan-India survey.

Loving & Convincing Difficult People

Are we supposed to simply overlook other people's faults and idiosyncrasies? Right relationships with difficult people can seem like an impossible standard to reach. In this regard, the Apostle Paul offers a very practical advice "If possible, so far as it depends upon you, be at peace with all men." But I would like to paraphrase that verse: Do the best you can to get along with everyone. Yet realize that once in a while you are going to have a relationship with a difficult person that may fall short of the ideal.

We all come across people with whom we do not have an ideal relationship or feel after a casual or formal chat that having this person in the list would be quite difficult and troublesome. But sometimes either the person is too important to ignore or he is already in your circle. Handling such difficult person needs extra strategy and different solution.

Dr Ajai Kumar Agarwal

Former national president of the Public Relations Council of India, he has more than four decades experience in the field of PR. Decorated with Dr. KR Singh Memorial Life Time Achievement Award in the field of PR, presently he is an advisor to the SME Chamber of India for AP Telangana States, besides serving on the Board of Directors of 5 Private Sector Companies.

However, handling a difficult person is not a very difficult task if we proceed scientifically. The principle of three Ps should be our stepping stones. These are –

Perspective – First we have to analyse our own viewpoint regarding others as well as ourselves. How do I see myself? How do I see others? How do others see me? It would be entirely our perspective that would determines how far our relationships will develop. As they say – I act as I see myself. It is impossible to behave in a manner that is inconsistent with the way we see ourselves. We transfer our negative emotions to others and we see other one as we are. Bible says, "Love your neighbor as yourself" because if we truly love ourselves, we would also love our neighbor. It is perspective that helps build relationships.

Criticizing someone is very easy but that way we cannot build relationship. A survey reveals that highly successful people see only the good in others. Not surprisingly it is the common denominator that binds successful together. And it is easy because you cannot choose how others will treat you, but you can certainly choose how you will respond to others.

Process – We have to understand the stages of a relationship? It is never linear. So ask yourself - Do you realize there are some stages in a relationship that are more crucial than others? And do you know the stages? Remember stages differ from person to person.

Problems – Are you aware of the real issue? When facing difficulties in a relationship, how do you handle them?

There are several types of difficult people. To deal with them effectively it is required to identify their common traits. Let us consider one of the common traits we notice every other day - a person who runs over everything because he or she has a tendency to intimidate others. The reason? The attitude: "I'm right and you are wrong." Such person's behavior is aggressive and even hostile and they intimidate through sheer force and power. Suppose you come across such person whom you can't take the risk to ignore as he is quite important for your success what all the options you have? It is very difficult to sit down and reason or rationalize with such character. We can call them, The Adamants.

Now the strategy to deal with The Adamants - First identify his importance, his influence on others and the issue that he can derail. If the issue is important and he can influence a sizable number of people in the organization and the negativity could be crucial, then the person has to be dealt with. You have to stand up firmly to this person, be direct, look face to face and confront. Remember, there is no easy way around these people because you cannot win their loyalty by tactfulness.

These are heartless people and they get a sadistic pleasure knowing fully well they are wrong. So they can afford to be unreasonable. You can correct someone who is ignorant but if someone knows he is incorrect yet says he is right, you have no option but to raise your hands up. Here is a caution - if you feel the issue is insignificant and it is just a matter of pride then it is not worth the battle. Ignore the person and influence others too to ignore him. The best way is to outcast his existence. Once they can be made to feel outcast and inadequate there is a chance of introspection. After all they alone can take corrective action for their attitude.

Of An Unputdownable Book

Books, like their authors, are living beings. In spite of book burnings round the globe down the history of time, we know for certain that books cannot be killed by fire. They are, true to the words of Plato, immortal sons deifying their sires.

It is a misnomer that readers choose their books. But in fact, it is the books that choose their readers. Sitting in my snug study walled with books I could see several books, most of them classics of the world, either in the original English or in English translation, that once belonged to different people who lived in different parts of the Earth.

P. Raja

Lives in Pondicherry. Widely published with 38 books in English and 14 in Tamil, contributed to Encyclopedia of Post-Colonial Literature in English (London), and wrote scripts for TV. A former Council Member of Sahitya Akademi, New Delhi. He edits Transfire, a literary quarterly.

To give you an example, *'The Love Letters of Victor Hugo'*, one among my treasured books, was purchased by one Mrs. Katherine Plowman of Ontario, Canada in the year of its publication, 1901. Since several of its sheets remained uncut, I was sure it was unread either by its owner, or by her family members. And the book has to wait for a century to be read. I can't say how the book found its way to Pondicherry Sunday Market where I purchased it for a song. The most remarkable creation of Victor Hugo, the book delighted me very much. Like birds that migrate, books fly over all obstacles to reach the place and the reader of their choice.

Books choose their destination. True. But it doesn't mean that they'll be read there. They have to choose their reader. In my library I still see several books that remain unread. That is to say they have not chosen me. Perhaps the time is not yet ripe. Contrary to this, the works of an Austrian writer named Stefan Zweig sitting in the cosy study of a writer friend chose me for their audience. I have travelled much in the realms of gold. Thanks to the English language translators, without whose endeavour readers like me would have missed the best in world Literature. And I am yet to come across a genius like Stefan Zweig.

All writers receive fan mail. Some respond and some don't. As a writer, I belong to the first category. A lady lecturer from Andhra Pradesh fell in love with my works. She began to post letters to me. It is not that all her letters carried bouquets. But since I found her brickbats too very useful, I began to write back, without knowing in the least that the literary friendship would have a turning point. When I found that her admiration for my writing was turning into a sort of physical love for me, I began to soft-pedal. In spite of my yogic silence, a spate of letters from her pen began to torment me. Poor me! I was married with two kids.

My wife who happened to read one of those love letters became cross with me, packed herself off to her parental home. And I had a real tough time in bringing her back to her conjugal home. Since everything is grist to a writer's mill, I wove a short story based on the incident that almost wrecked my life and published it in a famous daily. Enamoured of my story, a local woman writer gave me a tinkle and invited me to have high tea with her. While sipping tea, she casually remarked: "Your short story immediately brought to mind a novelette by Stefan Zweig."

I looked at her. My looks perhaps suggested that I needed more information. "Stefan Zweig," she began, "is an Austrian writer, born in Vienna and educated at the University there. He wrote psychoanalytical biographies upon which his reputation principally rests." She pulled out a book from one of her bookcases and gave it to me. It was *'Letter From an Unknown Woman'*.

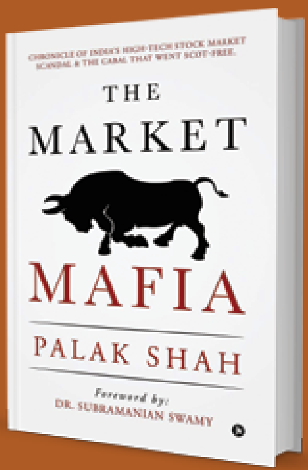
I took the book home. To my great surprise, I read it in a single sitting. I was so impressed by that book that after a couple of days I read it again. I was unable to sleep. What my writer friend told me was true to the core. Stefan Zweig was really great.

Letter from An Unknown Woman tells the story of a girl who falls in love with the writings of an eminent author and at a later date loses herself to him. A writer, though he creates, is no god. He is no superman. He is not indifferent to the vagaries of flesh. He is one who believes in the adage: "Should a man keep a cow at home because he needs a litre of milk every day?"

The sufferings the fan undergoes in bringing up the writer's child whom she had mothered form the crux of the story. The unknown woman suffers and suffers, but so exquisitely in this romantic evocation of late-19th century Vienna that one doesn't know whether to clobber the poor, wronged creature or to give in and weep. In short, it is the toniest 'woman's portrait' even produced in words.

Really an unputdownable book that inspired me to read more by Stefan Zweig.

Author can be reached at www.professorraja.com



The Market Mafia

Chronicle of India's high-tech stock market scandal & the cabal that went scot-free

Author: Palak Shah

Publisher: Notion Press
Pages 238; ₹449

Ashok Jainani

Market Strategist, Author of well acclaimed book "Market Myths"

India's famous Member of Parliament and strong votary of accountability in public life, Dr Subramanian Swamy has written foreword to Palak Shah's first book *The Market Mafia* and titled it *"an exposé of the inner rot in India's stock exchange ecosystem."* Dr Swamy makes no mincing of words in naming P. Chidambaram, Sonia Gandhi. "Stock markets had become their 'cash cow' and the book aptly reveals the plot without beating around the bush." Also exposes bogus PhD scholars that infiltrate the country's policy think tank.

Palak Shah, the author and himself a journalist believes "for a journalist, to publish and be damned and publish again is routine." "The book is a work of non-fiction. No names were changed, no characters were invented or events fabricated here." Author meticulously narrates a scandal of much larger magnitude involving data theft at NSE and the organised white collar crime involving named and famed individuals anointed at high institutional positions that has largely remained a mystery. It's a true account of all hand-in-glove and the market watchdog Securities & Exchange Board of India that casually barks at the minnows but never bites the big sharks that hold positions of influence including anointment of SEBI chief.

In democratic and free markets, as a sacred rule, no trader can have preferential access to a stock exchange platform. The ethics demand that no tool, order type or service can be obtained exclusively by a few from the exchange by whatever means, even as the rest remain forbidden from it. But few - *the market mafia* - connived to turn the stock markets into an 'Animal Farm'. Those few with their tech tools became 'more equal' than the rest.

Ably edited by Rommel Rodrigues, the book brings out certain bitter truth in a satire: *"Nalini was, of course, one, but controversy seemed Chidambaram's another wife."*

From the Book

"With the facade of CMIE, IGIDR and the backing of Dave, Lakdawala gave Ajay and Susan an advantage to mask the fact that Susan, who has also been a guide to a SEBI official in doctorate studies, did not herself hold a PhD degree."

"Those handful people, occupying the upper echelons of NSE, were letting down the very institution where they were employed for a long time. This cabal with no regard for rules or fear of law were embodied in abuse of power with impunity."

"There has been a massive under-reporting by SEBI of the illegitimate gains made by OPG Securities. OPG churned 'prop trade' volumes worth a whopping ₹26.64 lakh crore (approximately USD 484 billion)."

"If Susan (wife of Ajay Shah) is a designated partner and key managerial person in a company since 2010, which later contributed ₹200 crore to a PE fund, does the regulator not need to know who actually this money belonged to?"

"His (Dr Mohan Gopal, head, National Judicial Academy) letter told a tale of raw abuse of power by the *'bureaucratic brotherhood'* that ran deep in the vein of India's administrative system."

"Like the millions at the Happy Valley Racecourse, all stock market traders would like to think that they could win, not knowing their wager is against Algos similar to Benter and Coladonato, which wouldn't lose."

It is here (RAND Corporation) that both Ajay and Susan cut their teeth into ways of influencing public policy and thinking, which would go a long way in devising strategies to seep into India's policymaking *Juggernaut.*

"Rich proprietary brokers, who trade not for clients but for themselves and few FIIs first filled up all the COLO server space at NSE. *'Fair market access'* was now just a cliché."

Silence is Substance

Silence is not to be confused with being speechless. One may not speak. It does not mean one is silent. The rattling continues inside. Silence is of the mind. When all the restless agitations and disturbances of thoughts (*vrittis*) are eliminated, there arises silence. It is cosmic and its immensity cannot be measured. It is a substance in itself because of this deeper silence, all manifestation takes place. This silence is deep, all sounds, noise, and confusion created by thoughts merge with it. It does not vary from individual to individual, or from region to region. Its nature is the same. It is non-transmittable. It can only be experienced. A thought, a substance by itself, is formless (*nirguna*) and fixed.

K.V. Raghupathi

A poet, short story writer, novelist, and a former academic turned self-taught yogi with four decades of sadhana, holds unconventional views on philosophy, religion, and spirituality. He is the author of more than 30 books including the bestseller 'Think with Heart and Feel with Mind: A Yoga Diary' besides many other books. He is based in Tirupati.

When all physical actions are brought to a standstill, silence in the body happens. Can we sit firmly on the hard, motionless ground, feeling its firmness? Can we establish a connection with this? When the body becomes motionless and silent, we can feel and experience the changes within the body. The blood circulation becomes even, breathing becomes steady and rhythmic, muscles, tissues, and bones gain suppleness. Some contact with silence and space is established. But this is physical. Words recede into space. The body is given some rest. And in the wordless space, silence is experienced as a substance. Thoughts and emotions alone are not substances. Silence too is a substance. The mind goes to rest.

All these inner changes have a direct bearing on the mind. Thoughts too will become steady, but do not make any rattle. They become passive as you remain a passive spectator. They march like soldiers in a parade. Thoughts, even more destructive, will become harmless because there is no interference. The rise and fall of these thoughts subside like a quiet sea. After some time when this quietness is deepened, we can experience its bottom rock, its immensity, its depth, its profundity. A few seconds of experience of it can be widened to a minute and a few minutes. It is not an achievement, it is attainable. Your viewpoint on life will shift as a result of daily practice. It will significantly affect your job, your relationships, and the environment.

It has to happen on its own. It cannot be obtained, but has to be attained. Communion without words is subtler than communion with words. When we are in front of a flower and do not use any language but simply see it effortlessly and intently, its colour, its form, and so on, certain transmission between us and the flower takes place. Seeing instantly and intently without words is meditation. Silence is meditation; meditation is silencing thoughts. When thoughts disappear, words too. Then, language becomes insignificant before the beauty of a flower. Such is the power of a flower. If a tiny flower has such immensity of withholding the seer, imagine how much the whole creation should have. Silence is infinite.

There once was a well-known ordinary man. He was referred to as a mystic. He did not, however, assert that he was a mystic. He consistently insisted that he was an ordinary man. Nevertheless, he was highly revered by those who sought his life advice. He was once approached by a young man who was eager and restless, a life novice who wanted advice on starting over in life. He boldly addressed himself to the common man and waited for his response.

The ordinary person led the young man through a flower garden. Showing a particular flower, he asked the young man.

"What do you see?"

"I see a flower amidst flowers"

"What do you see?" the ordinary man asked again. "It is a flower with pink petals," the young man replied. Not satisfied, the ordinary man once again insisted. "What do you see?"

"It is a flower with pink petals shooting from a plant."

The ordinary man pursued with intensity. "What do you see?" "It is a flower with pink petals emitting a beautiful fragrance that is distinct."

Composed, the ordinary man continued with the same question. "What do you see?" This time, not losing his temper, the young man replied: "It is a flower named as rose, regarded as the queen of flowers."

Again, the ordinary man demanded a firm reply to his question. "What do you see?" Exhausted and upset, the young man did not reply. He kept silent, fearing that the ordinary man would once again bounce with the same question. He stood, instead, in front of the flower looking at it intently. Now the language of description has gone dry.

The ordinary man did not persist with his question, "What do you see?"

(The author can be contacted at drkvraghupathi9@gmail.com)

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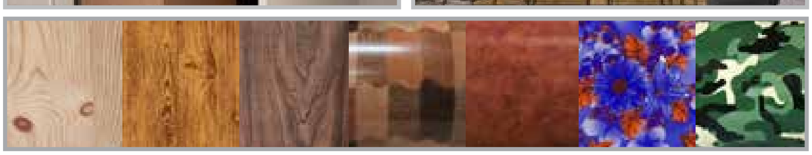

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