S.P. MANDALI'S weschool Welingkar Education

YEAR 2021 | ISSUE 109

samvad

UNION BUDGET 2021

INTRODUCING TALK OF THE TOWN (NEWS SECTION)

WeChat

"Budget 2021 emphasizes long-term growth by boosting demand & supply through increased expenditure in various sectors."

- Shishir Vasant Jadhav
Manager, Small Business Banking Axis Bank Ltd.

MESSAGE FROM THE DIRECTOR

Prof. Dr. Uday Salunkhe
Group Director

Dear Readers,

It gives me great pride to introduce SAMVAD's edition every month. Our SAMVAD team's efforts seem to be paying off and our readers seem to be hooked onto our magazine. At WeSchool we try to acquire as much knowledge as we can and we try and share it with everyone.

As we begin a new journey with 2021, I sincerely hope that SAMVAD will reach new heights with the unmatched enthusiasm and talent of the entire team.

Here at WeSchool, we believe in the concept of AAA: Acquire Apply and Assimilate. The knowledge that you have acquired over the last couple of months will be applied somewhere down the line. When you carry out a process repeatedly it becomes ingrained in you and eventually tends to come out effortlessly. This is when you have really assimilated all the knowledge that you have gathered.

At WeSchool, we aspire to be the best and to be unique, and we expect nothing but the extraordinary from all those who join our college. From the point of view of our magazine, we look forward to having more readers and having more contributions from our new readers.

SAMVAD is a platform to share and acquire knowledge and develop ourselves into integrative managers. It is our earnest desire to disseminate our knowledge and experience with not only WeSchool students but also the society at large.

Prof. Dr. Uday Salunkhe,
Group Director

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ABOUT US

OUR VISION

"To nurture thought leaders and practitioners through inventive education"

CORE VALUES

Breakthrough Thinking and Breakthrough Execution
Result Oriented, Process Driven Work Ethic
We Link and Care
Passion

"The illiterate of this century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn." -Alvin Toffler

At WeSchool, we are deeply inspired by the words of this great American writer and futurist. Undoubtedly, being convinced of the need for a radical change in management education, we decided to tread the path that leads to corporate revolution.
Emerging unarticulated needs and realities require a new approach both in terms of thought as well as action. Cross-disciplinary learning, discovering, scrutinizing, prototyping, learning to create and destroy the mind's eye needs to be nurtured and differently so.
WeSchool has chosen the 'design thinking' approach towards management education. All our efforts and manifestations, as a result, stem from the integration of design thinking into management education. We dream to create an environment conducive to experiential learning.

FROM THE EDITOR'S DESK

Dear Readers,

Welcome to the Second Issue of SAMVAD for the year 2021!

SAMVAD is a platform for "Inspiring Futuristic Ideas" and we constantly strive to provide articles that are thought-provoking and that add value to your management education.

We have an audacious goal of becoming one of the most coveted business magazines for B-school students across the country. To help this dream become a reality we invite articles from all the domains of management giving a holistic view and bridge the gap between industry veterans and students through our WeChat section.

In this issue of SAMVAD, we bring to you half a dozen articles focusing on "Budget 2021" with a new section of "Talk of the town" highlighting the top performers of WeSchool in various top B-School Competitions.

2021, a landmark year in the history of the Indian Parliament where the first digital budget was presented by India's Finance Minister Smt. Nirmala Sitharaman. The primary aim of Budget 2021 was to get India back on track as the fastest growing economy in the world by focusing on infrastructure, job, and rural development and at the same time battling the virus. The budget not only reflected the government's plan to make India 'Aatmnirbhar' in various sectors but also gave a flavour of the 'Minimum Government and Maximum Governance model'. The current edition throws light on how this budget has impacted different sectors and how it will reshape the Indian economy amidst the pandemic.

Hope you have a great time reading SAMVAD!
Let's read, share and grow with us!

Best Wishes,
Team SAMVAD.

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S.P MANDALI'S weschool Welingkar Education

samvad

SHISHIR VASANT JADHAV

MANAGER- SMALL BUSINESS BANKING
AXIS BANK LTD

1. Could you please take us through your journey from being a Welingkarite to date?

I have over 6 years of experience in the banking domain post completion of MMS in 2013 with finance as a specialization. In the banking domain, a significant part of my career catered to the processing of Retail, MSME, and mid-corporate credit loan proposals across various industry sectors like automobile, casting industry, education, etc. Currently, I work with Axis Bank Ltd., the small business banking department of the Axis Bank and I am in charge of the business banking group involving working capital limits(Fund based and Non-fund based).Prior to Axis Bank, I was working with the Equitas bank and cosmos bank for the western Maharashtra region. In addition to the MMS finance from Welingkar in 2013, I hold JAIIB and Moody's certificate in commercial credit.

2. To what extent do you think Budget-2021 will help in the revival of the Indian-economy?

India has been heavily impacted due to the Covid-19 pandemic resulting in contraction of GDP growth in F.Y. 2020-21.

Budget 2021 emphasizes long-term growth by boosting demand and supply through increased expenditure in sectors like health, education, infrastructure, power, innovation, and digitization. Strong focus on infrastructure creation with many new road projects announced, big allocations for waste management, transportation, infrastructure, asset monetization could help to ease stressed finances in this sector.Infrastructure Creation inevitably means employment opportunities as well as consumption of commodities like steel and cement.
A new vehicle scrapping policy was announced which was a good long-term step for the auto ecosystem.

All-time high allocation for railways with allocation to schemes like Jal Jeevan mission, Urban Swachh Bharat mission, PLI schemes, mega investment Textile Park are major positive steps towards the revival of the economy.

Extension of tax holiday for the developers of affordable housing projects will spur the economy.
Duty cuts for gold and silver will help to reduce the prices which in turn will increasedomestic consumption.

At present, the government is taking utmost care to keep the money in the hands of people at the last level so that the demand from the grass-root level gets a major boost in terms of public spending.

3. Will the government be able to generate sufficient revenues via disinvestment to spend on proposed investments and expenses? What could be the repercussions if the disinvestment strategy doesn't go as planned?

Present government's one of the most memorable slogans was 'minimum government, maximum governance' a pledge to reduce the size and business footprint of government.

Though it has regularly set ambitious revenue targets, totaling Rs 6.57 lakh crore since 2014-15, it has fallen short year after year, achieving Rs 4.04 lakh crore as of 2020-21. The figures for this past fiscal year were particularly bad, with disinvestment revenues of Rs. 31,000 crore against a target of Rs. 2.1 lakh crore.

So, looking into the current scenario of disinvestment, government is extending deadlines for stake sales several times for those public sector enterprises which are lined up for disinvestment like Air India, Indian oil corporation, etc.If the current F.Y. target of disinvestment is not met, which in turn will impact the next phase of economic recovery, as taxable income of the government for current F.Y is subdued.

4. How will Budget 2021 help in the growth of the BFSI sector? What are your thoughts upon the increase in the FDI limit to 74% in the insurance industry?

The decision to privatize two public sector banks is to make these banks functionally strong and professionally managed to meet the needs of a growing India. Rate reductions through policy help banks to spend more and save less. In fact the banks may offer cheaper loans and innovative financial products to make customers spend more.

The Budget of 2021 provided easy steps that can help us in tax filing. Present government with the proposed modifications in NBFC governance has addressed the facts and issues faced by the NBFCs in India like funding to mid-sized NBFC's, liquidity issues, the applicability of maintaining balance sheet parameters like CRR, SLR, NPA classification, and provisioning norms.

In the coming years, all these issues which are addressed now will be resolved and NBFC's importance will grow further through increased surveillance and control.

The decision to create an independent body that will focus on non-performing assets is a welcome move. This will also help in strengthening the battle of banks against the non-performing assets. Also, the push towards digital payments will increase in the time to come.

Talking about the Insurance Sector, India has lagged behind the developed nations and its Asian counterparts, especially emerging economies like Thailand and the Philippines, in the context of our treatment of the insurance industry.

In India, Insurance penetration is way lower if we compare with Asian developing countries. With the proposed increase in FDI limit to 74% and the proposed IPO for the LIC/GIC, the sector will receive a much-needed shot in the arm.

The additional focus on health and well-being will also drive more capital inflows into this sector and the large banks, which have a portfolio of insurance products, will be forced to innovate.

5. What were the major hits and misses of Budget 2021? What are your thoughts on it being a healthcare-centric budget?

In my opinion, the major hits would be-

- The constitution of asset Reconstruction Company.
- The deposits of Rs.5 lakhs now stand insured under the Deposit Linked Insurance Scheme.
- Increase in FDI limit to 74% in the insurance industry.
- An outlay of Rs. 20,000 crore has been proposed to further capitalize the public sector banks.

And the major misses could be

- Reduction of GST on medical insurance premium.
- The liquidity window facility for NBFCs was not directly addressed.
- Land reforms issues to be addressed for boosting infrastructure growth.

This was a comprehensive budget with the good news of an increased outlay on healthcare. However, enough measures have not been announced and I hope this health outlay sustains and is not a one-time bump.

6.With the hype around the welfare of farmers, the government has assured the MSP to be 1.5 of the cost of production, the doubling of Micro Irrigation Fund created under NABARD and the integration of 1000 more Mandis under e-NAM, do you think this move will bring a new life to the agricultural sector in its true sense?

Yes, the MIF (Micro Irrigation fund) fund will increase the coverage of micro-irrigation in all states.It will help to reduce the water scarcity level. It'll support water management and help in improving the income of the farmers.
Integration of 1000 more Mandis under e-NAMM will further help to strengthen the wholesale markets. Farmer's income will increase without any additional cost and they can sell their products more efficiently at a more comparative rate.

7. What's your advice to the young professionals who will be starting their careers soon?

My advice to young professionals is to work towards building diverse work experience by developing skills in the initial few years of their careers by setting benchmarks for themselves. Good written and oral communication skills along with time management are critical for effective career development so invest good time in learning those skills so that later it will pay you the world's best interest.

TALK OF THE TOWN

10 LATEST COMPANIES TO JOIN UNICORN STARTUPS CLUB

In the venture capital industry, a unicorn is a startup that has a valuation of $1 billion or more. Aileen Lee, the founder of Cowboy Ventures, coined the term when she referred to the 39 startups with a valuation of over $1 billion as unicorns. The startups with a valuation of more than $10 billion are referred to as Decacorns.

In the first four months of 2021, the Indian startup ecosystem has already added eight new companies to the coveted $1 billion valuation club.

Company	Sector
Digi Insurance	Insurtech
InnovAcer	Healthtech
Five Star Business Finance	NBFC
Meesho	Social Commerce
InfraMarket	B2B
CRED	Fintech
PharmEasy	Healthtech
Groww	Fintech
Gupshup	Messaging
Sharechat	Social

TALK OF THE TOWN

BITCOIN TOPS $60,000

1 Prices of the world's biggest cryptocurrency, bitcoin, regained the $60,000 level on 10th April after trading sideways since the start of the month.

2 After six-straight months of double-digit returns in bitcoin (BTC), volatility fell in the crypto market over the past few weeks.

3 In the last week of March 2021, the government made it mandatory for companies to disclose investments made in cryptocurrencies.

4 Experts said this move would open the door for all Indian companies to have Crypto on their balance sheets.

5 "It will bring in a lot of transparency and will act as a comfort for Indian companies which are dealing in crypto-assets and were previously confused on how to put it in their books," said Sumit Gupta, CEO & Co-founder, CoinDCX.

Improvements in "Ease of Business" due to Budget 2021 -Target of Under 50

Mercy S Philip
PGDM RBA, WeSchool, Mumbai (2020-22)

GENERAL MANAGEMENT

"Indian-American Congressman Ro Khanna pushes for USD 10-trillion re-industrialisation plan"
- Mint

"Reliance Jio raises $253M from Intel's venture capital arm in 12th foreign investment"
-Indian Finance News

"Indian envoy, Alabama guv discuss expanding economic partnership"
-Outlook

Headlines like these have become run-of-mill for India. Investments from all over the globe are pouring in for Indian Businesses and start-ups. The whole world wants to be involved in trade with India. The aforementioned statements are not just claims but an incontrovertible truth. India's foreign direct investment (FDI) was at its crest for the first nine months of the financial year 2020-21.
But the question is who is at the backstage of the generous FDI inflows. Reforms in Ease of Doing Business have been wooing foreign investment in India.

As per the Doing Business Report, 2020, India has improved its ranking by 14 places to be ranked 63 out of 190 countries. A higher ranking in the ease of doing business testifies that India's regulatory environment is highly conducive to the setup and operation of local start-ups and MNCs in India. This report also captures the experience of small and mid-sized businesses across the nation with the state and the central government, by measuring the time, costs, and red tape they deal with.

The foreign investors believe in the Indian start-up; thus FDI in Indian start-ups is increasing exponentially.

Global investors readily provide the capital boost that the start-up companies require for business expansion.

Thus, even the government of India does not leave any stones unturned in making the business environment of India investor-friendly.

The Union budget 2021 was a precedent for future budgets not only because it was entirely a digital budget, but also because of its robust policies which will provide a fillip to the fledgling businesses which are consequences of the 'Black Swan' pandemic. These policies also incentivise foreign investments and provide a stimulus to the Make-in-India.

Escalating the Doing Business ladder amongst 190 countries is the only path for the fruition of the Indian dream of a 5 trillion economy and that of Atmanirbhar Bharat. From here on our target should be to enter the coveted top 50. To facilitate this leap, Union Budget 2021 has addressed the pressing need at the grass-root level which is represented by micro, small, and medium enterprises (MSMEs), which is considered as the backbone of the fifth largest economy of the world, India. The government has proposed several structural and administrative changes to benefit MSMEs. These changes had accelerated the ease of doing business in India which is at the focal point of these reforms.

To bring more liquidity into the system, Initiatives have been taken to set up an end-to-end investment clearance cell that will provide pre-investment advisory, information on land banks, and facilitate clearances at state levels. To boost domestic MSMEs, the government proposes to set aside Rs 15,700 crore for MSMEs in FY 2022, which is double the capital expenditure prosed in the budget of 2020-2021. If the budget 2021 is a boon for the mainland businesses it is a blessing for the NRIs living in the distant land looking forward to investing or start-up of One Person Companies (OPC) in India. As the name goes, an OPC is a corporate entity with a person and offers a universe of advantages, like easier compliances and minimum requirements even as it enjoys the legal status of a company and gets the same access to capital.

India ranks 163 in enforcing contracts and 154 in registering a property for business. Current reforms are a step forward to overcome these limitations. The budget has also provided relaxation in the previous rule of only a resident of India who stayed in the country for over 182 days in the previous calendar year could set up an OPC. But as per the revised regulations the residency limit for an Indian citizen to set up an OPC from 182 days to 120 days and allow NRIs to incorporate OPCs in India. If this was not enough motivation for our fellow NRIs, the budget has also proposed to waive off the limitation of the paid-up capital of amount 50 lakh and an annual turnover of 2 crores for NRIs which was applicable at present to the OPCs,

and allow their conversion to any type of company any time. This move will not only boost the ease of doing business but could also be a shot in the arm for start-ups. The projects of the IT sector and that of similar sectors should be run as a company and not individually. Entrepreneurs will find the OPC route less inconvenient.

To integrate India in the global supply chain and boost domestic manufacturing the government has introduced yet another trump card on the table by promising to spend 1.97 lakh crore on Production linked incentive scheme(PIL) over the next five years starting from this fiscal year.

The PLI scheme has shown its efficacy in the past in three major sectors – mobile manufacturing and electric components, pharmaceutical, and medical device manufacturing. This is a path forward in making India a hub for manufacturing and exports and improving India's ranking of 68 in trading across borders. According to this scheme, eligible players will obtain incentives ranging from 4 percent to 6 percent of production value for five years, after they achieve their investment and production value target for each year. The move will encourage the participation of global players in the manufacturing sector and make India competitive at the global level by attracting investments.

Moreover, this scheme will surely work as an incentive for the local companies to set up or expand existing manufacturing units in the country.

But even after all these improvements and reforms. Is this sufficient? Not really. Dr. Jaijit Bhattacharya, President of, Centre for Digital Economy Policy Research stated his views about the project being excellent but he also added that the Budget 2021-2022 was not a transformational one which is an absolute need of the hour. Even at 63 India being the fifth largest economy in the world is far behind small Asian and European countries. Starting a business in these countries takes 29 days, costs 13.50 percent of income per capita, and requires a paid-in minimum capital of meager 0 percent of income per capita whereas incorporating a business in New Zealand is a relatively simple and straightforward process, with entrepreneurs able to set up a business over the internet in a matter of few hours. Thus, India has a long way to go but it cannot be denied India is growing. And more interestingly it is growing at the cost of China. It will be interesting to see whether current and future reforms will attract more foreign businesses to set up in India as well as encourage the domestic businesses to grow and expand.

Will India emerge as the next Global factory? Whether India will reclaim its pre-colonial title of Sone ki Chidhiya? The onus is on the government and the budding entrepreneurs. The journey to under 50 is challenging but surely not an impossible one.

Utilisation Of India's Digital Infrastructure For Personalised Marketing

Fatma Mo Siddique Khan
MMS (2020-22) St. John College of Engineering & Management

MARKETING

A key point featured in the Union Budget of 2021 was the promotion and advocacy of building up India's digital infrastructure through necessary investments. The Digital India initiative has been at the forefront of the overall socio-economic development of the nation. According to McKinsey, the digital economy can contribute up to 20% of the $5 trillion economy vision that India has. The Budget had a clear message of supporting this by focusing on improving digital payments and helping the gig economy thrive. Marketeers and the advertising industry see this as an opportunity to further accelerate their efforts to shift to the digital medium and a new marketing strategy that's making waves is personalised marketing.

One day you went to a coffee shop and ordered a cappuccino and you asked to put cinnamon on top of it. The next day, you again went to the same coffee shop and ordered a cappuccino, but this time you did not ask for the cinnamon - the waitress herself had already put cinnamon on top of your cappucino because she now knows you by your name and your taste too. You liked this very much and understandably, started visiting this cafe daily. You also recommended the coffee shop to all your friends and family. This is called "Personalised Marketing." You go to any shop on a daily basis; the seller starts recognizing you by your name and also starts to know your taste.

Personalised Marketing helps the seller to engage with the customers by communicating with each as an individual. In India, personalised marketing is growing intensely.

It's a marketing trend observed not only for industry giants but also for your local paan shop. They also effectively use personalised marketing by making your paan precisely according to your taste.

Amazon follows personalised marketing and knows this technique all too well. When you buy anything from Amazon, the company will always show you several similar products on your homepage.

In addition to this, if you add anything to your wishlist, the company always reminds you by sending you an email that you have placed something on your wishlist.

Amazon also has a feature called “frequently bought together” and “people who bought this also bought”. None of this appears by accident on the homepage. It's a deliberate action in the form of **personalised marketing.**

The website suggests that if you are buying something, then the other product can also be bought together.

For example, if you are looking to buy a t-shirt, then the website or app will also show you matching jeans that would go along with the t-shirt. This means that the person buying the t-shirt will also get the matching jeans with it on the same online website.

Netflix is heavily vested in using Artificial Intelligence (AI) similar to Amazon.

It also follows personalised marketing, which we all know too well. When you watch any series on Netflix, the recommendations will always be right there related to your past watched series.

For example, if a user is much vested in watching horror movies then similar movies will be recommended to the user. Netflix also gives you a star rating option; it means the rating you give to the series then the recommendations will always come according to the rating on your homepage.

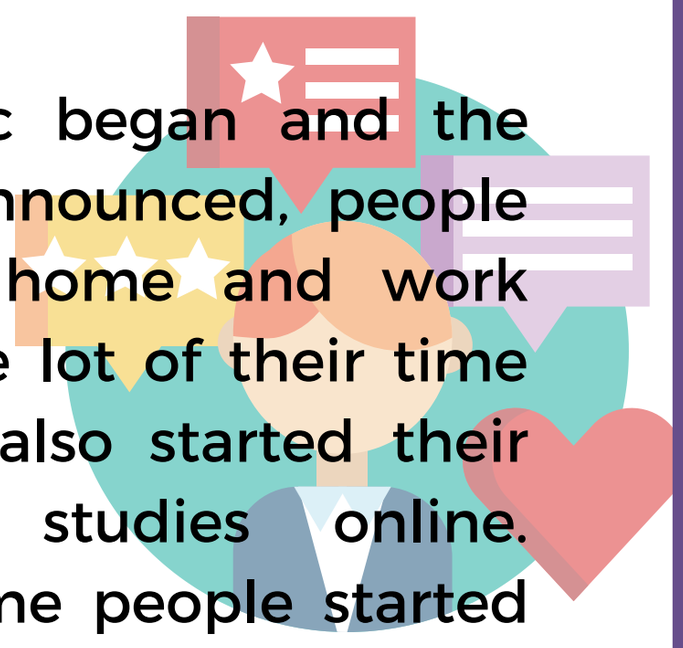
In February 2021, it was announced that the audio-streaming platform JioSaavn had teamed up with Mondelez India to deliver hyper-personalized narratives through dynamic audio.
Mondelez India wanted to connect with its audience and deliver a narrative that was personal to each listener. This was achieved by JioSaavn’s capability to use streaming data along with its ad technology, to create personalized ad experiences and promote the chocolate brand’s “Cadbury Fuse” product. An article in ETBrandEquity explains this concept as follows - “Dynamic Audio enables advertisers such as Mondelez India to deliver audio narratives that are highly contextual to a listener’s streaming experience and moment.

In this partnership between JioSaavn and Mondelez India, each listener will hear an ad that is catered to their city, their time of the day, the day of the week, and the genre being streamed."

With the country's population reaching 1.37 billion, India is the twenty-eighth most densely populated country in the world. This huge number indicates that the country holds a lot of potential and can provide several opportunities to foreign enterprises and local start-ups too to make the most out of the growing digital infrastructure.

We know that India has accepted digital marketing wholeheartedly. Half a billion people in India are relying on the internet nowadays. So, by perceiving the current situation in the market, businesses also started doing everything online. From advertising the products to delivering the products to the targeted consumers, everything went online.

For example, nobody had ever thought of buying a luxury car online, but there are a lot of companies that have inevitably started selling their cars online. This indicates that no matter that how much the product costs or how big the product is, people today do prefer to buy it all online.

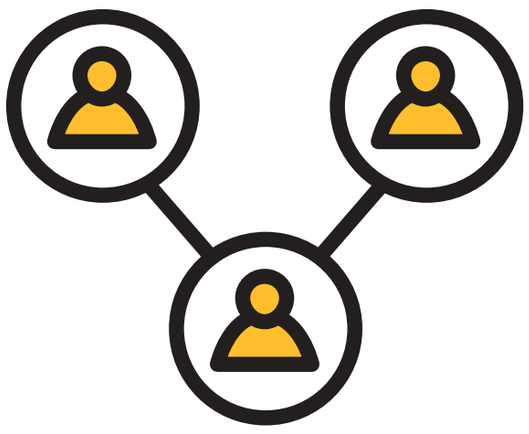


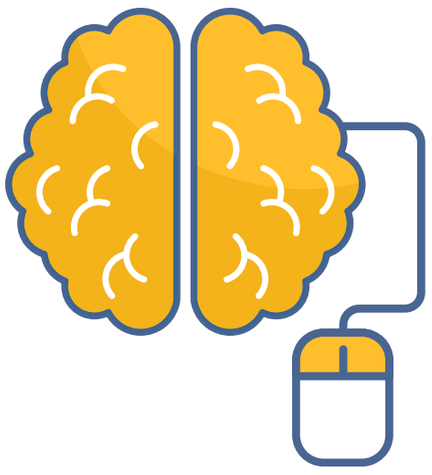
As the pandemic began and the lockdown was announced, people had to stay at home and work spending a whole lot of their time online. Students also started their education and studies online. Slowly, by the time people started liking working from home and students also felt comfortable attending online lectures. Keeping all this new way of living in mind, companies started focusing on creating personalised campaigns.

Taking the example of the cosmetics and beauty giant L'Oréal Paris, they launched several online services that implemented the concepts of personalised marketing using Artificial Intelligence.

They entered this market with personalised skin and health care services. It was specifically designed for the particular person who needed it – considering the individual specific skin and hair concerns. **This service is offered under its brand called "Kérastase", in which customers can get a digital hair check-up in a salon and this process will be checked online.**

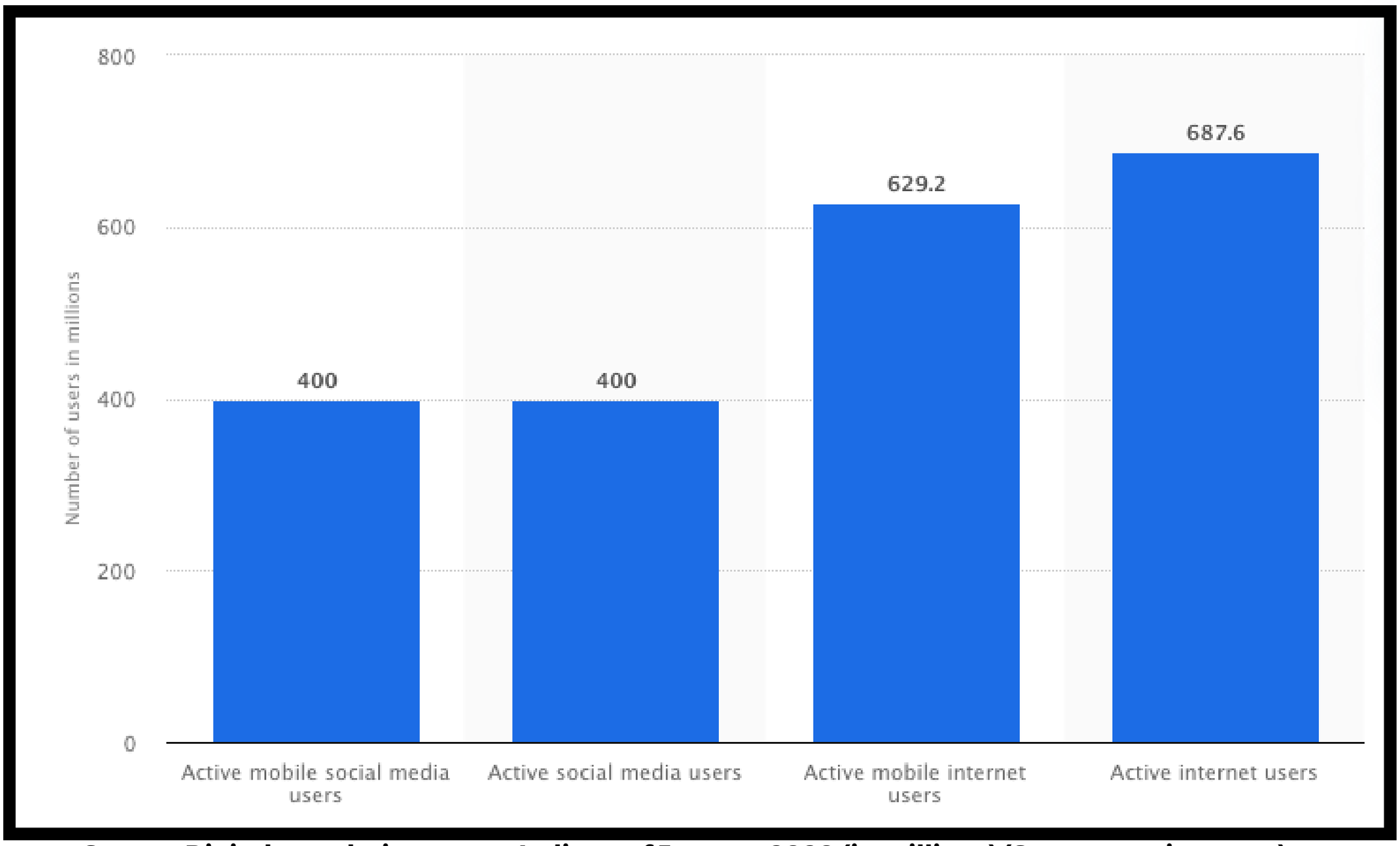
Not only this, but L'Oréal Paris India also launched a service called 'Skin Genius', a tool that helps the customer analyse to know their skin type and with the help of that the issue will be recognized and the cure will be followed.





India is establishing itself as a major presence in the digital world and a constantly growing digital infrastructure with over 687.6 million active internet users (as shown in the graph below).

This growth is primarily driven by India's own growing internet usage, increased cloud computing demands, digitalization initiatives by the government and localization by digital service providers. The government and private sector both are moving rapidly in shifting the Indian consumers and businesses online.



Source: Digital population across India as of January 2020 (in millions) (Source: statista.com)

Every business in every country is now seen to appropriately utilize personalised marketing. It's the next step in effectively making the most out of the digital medium and this data-driven world.

For any enterprise to market its product or services and see the expected results, understanding how to interact with consumers online and performing active consumer research is a basic level prerequisite in today's day and age.

With its long list of undeniable benefits for every field in every sector, it's no wonder Budget 2021 emphasised a message to catapult the country to its path of becoming a truly **"Digital India"**.

How Power Infrastructure As Mentioned In Budget 2021 Could Boost India's Growth In The Coming 5 Years?

Manisha Singh, Anant Maske
MBA 2020-22 KJSIM, Mumbai

FINANCE

Power Generation Sector – Overview

India is a large consumer of electricity, the major electricity consumers being households, agriculture, and industries. Over recent years, India has seen an increasing trend in its per capita consumption of electricity.

The successful implementation of various infrastructure development initiatives undertaken by the government to boost the economy depends on the availability of electricity.

In FY 2019, there was a deficit of 0.6% between total electricity requirement in India and total electricity availability. Of the total installed capacity in FY 2020, the private sector, the State, and the central (federal) sector had a contribution of 46.8%, 27.9%, and 25.3%, respectively. In India,

Electricity is recognized as an essential requirement, and the government initiatives aim to provide electricity across all states, cities, and villages in India.

A total of 100% Foreign Direct Investment under the automatic route is permitted for electric power generation (except atomic energy), transmission, and distribution projects. The nationwide lockdown due to the pandemic adversely affected the power sector as industrial and commercial activities came to a halt, which reduced the electricity demand, thereby reducing the profitability of the sector.

Electric Power Infrastructure

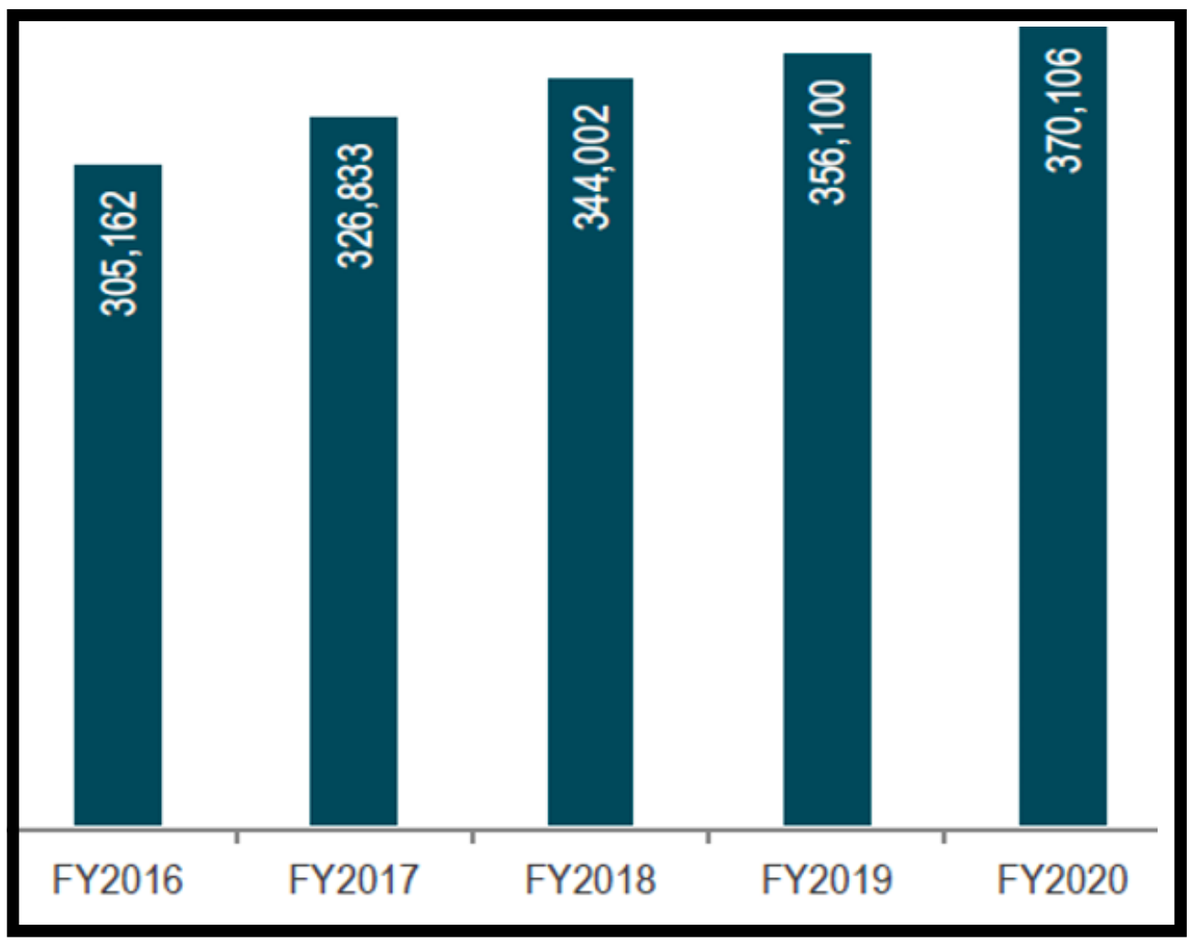
Electricity Transmission infrastructure plays an important role in supplying electrical power to the electricity-deprived regions. It carries power from generation stations and delivers it to the load centers. The transmission network length in India in FY 2020 stood at 425,071ckm, while the substation transformation capacity stood at 967,893 MVA. Considering the growing need for electricity for households and industries, the transmission lines are being constantly expanded to ensure better access to electricity in the country.

The Central Electricity Authority (CEA), the Central Electricity Regulatory Commission (CERC), and the State Electricity Regulatory Commissions (SERCs) are the main bodies, and they have set the standards and regulations for operations of transmission lines. Electricity transmission in India is facilitated by both the central and state transmission utilities. Additionally, private sector companies are also active in electricity transmission. One such company is Tata Power.

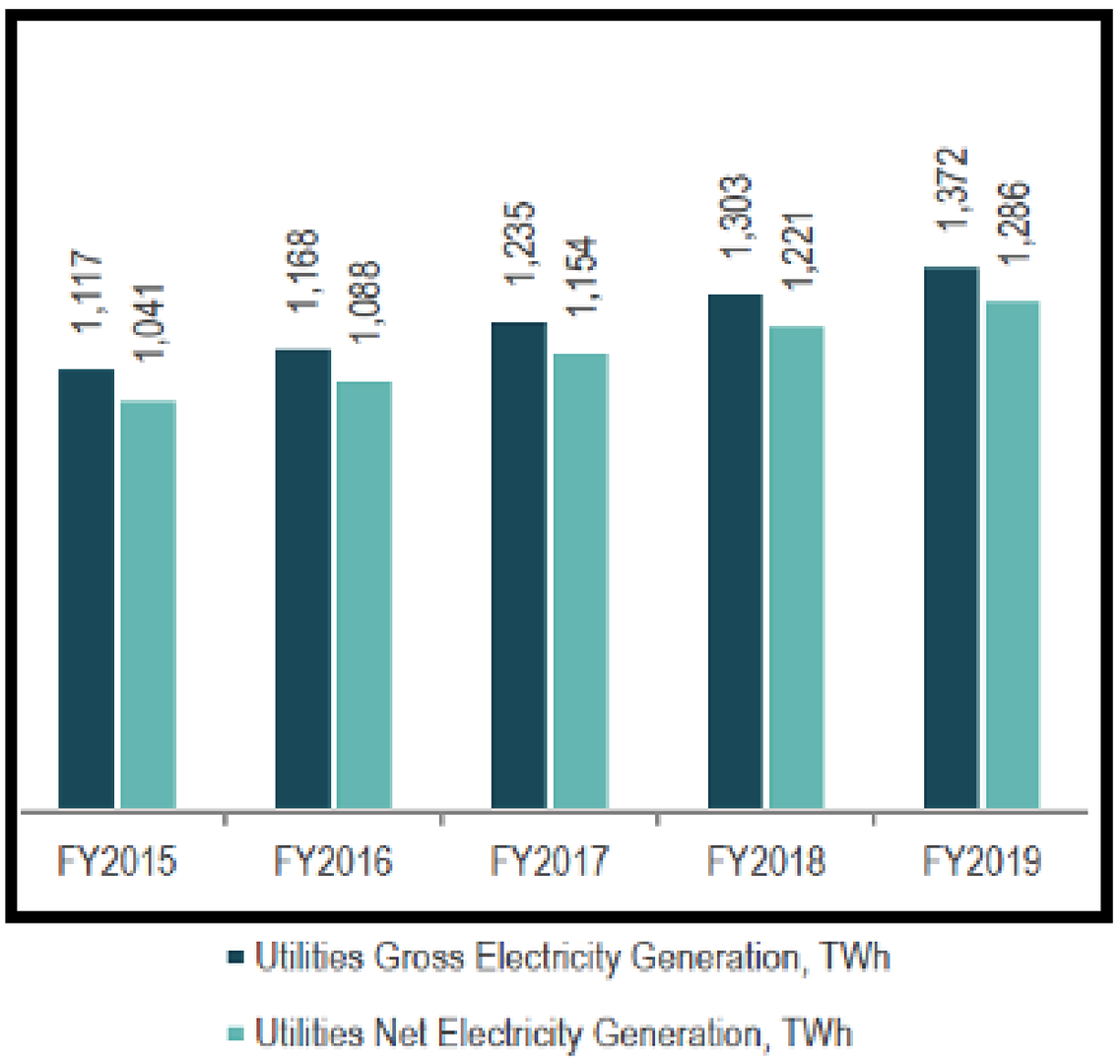
The Power Grid Corporation of India Limited transmits about 50% of the total power generated in India on its transmission network, making it the largest transmitter in the country.

Power Sector Statistics

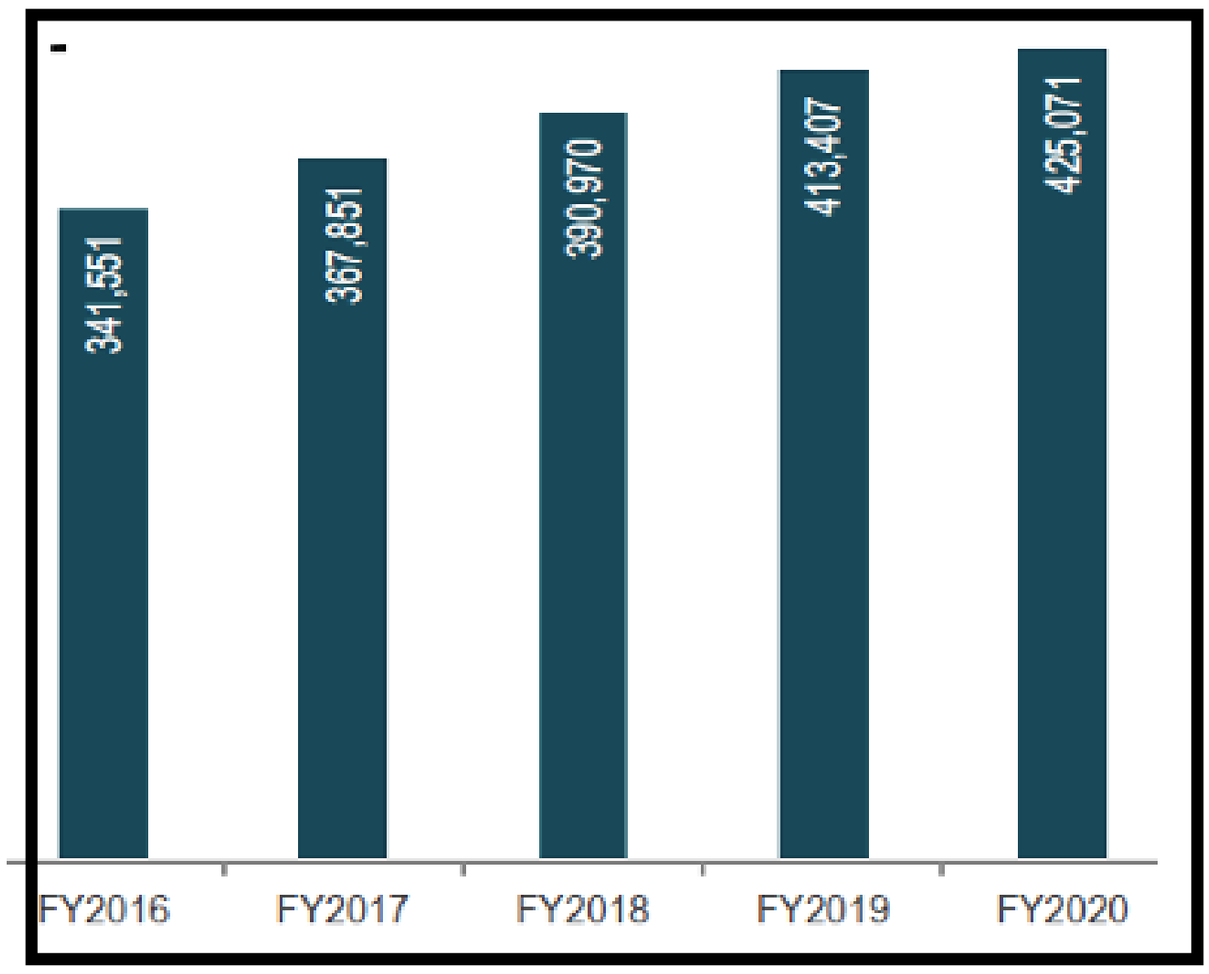
India's installed utility electricity capacity in FY 2020 from all electricity sources is 370,106.46 MW, an increase of 3.93% from FY 2019.



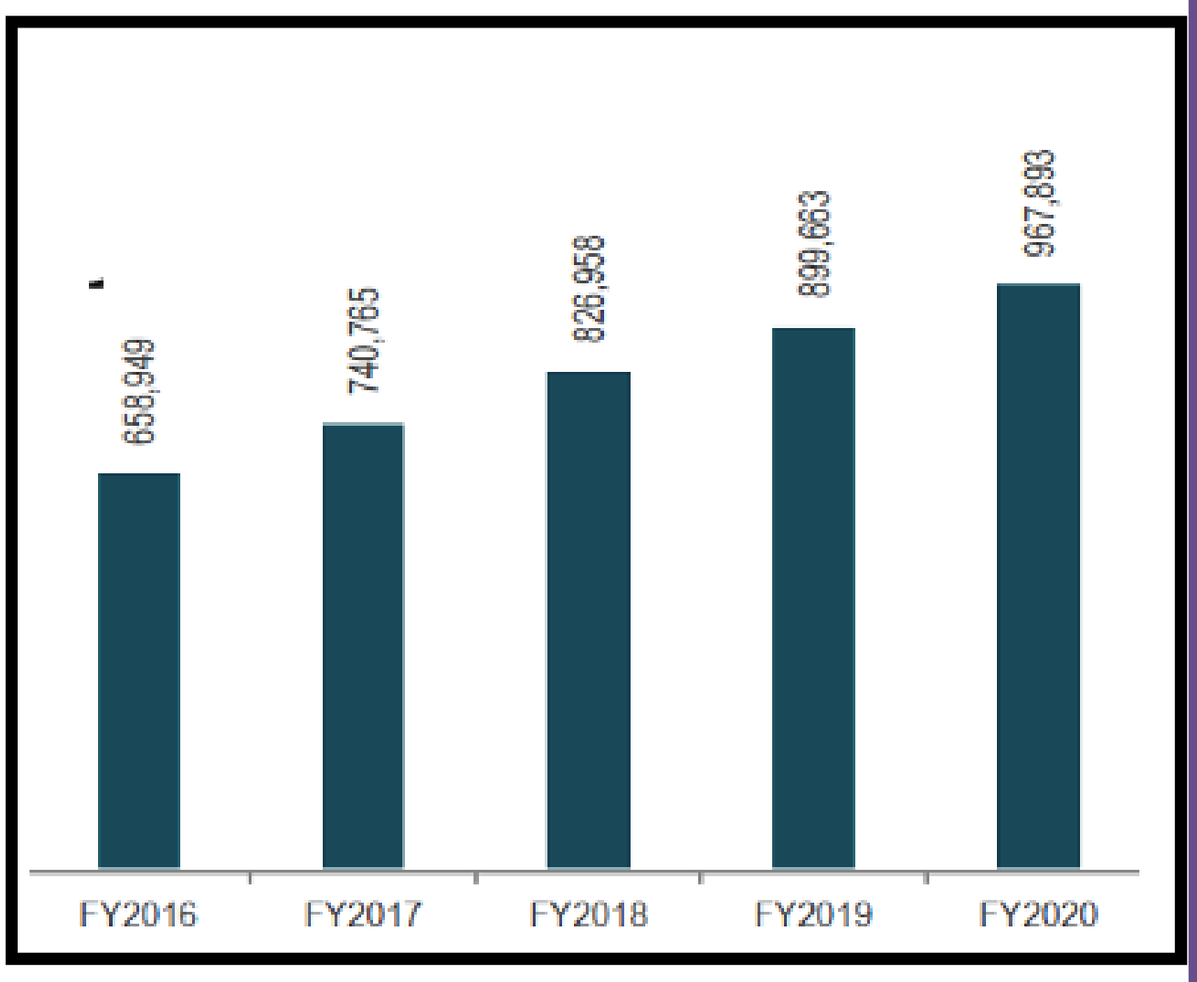
Installed Capacity, MW



Gross and Net Electricity Genration, TWh



Transmission Lines, Ckm



Transformation Capacity, MVA

Power Sector - Drivers and Constraints

Several Indian electricity distribution companies have faced financial losses. In 2015 the government launched a scheme – UDAY - to reduce losses for distribution companies by attempting to improve their operational efficiency and achieving cost reductions. However, till 2021, much of its targets remain to be unfulfilled. Owing to such poorly executed schemes, India lacks a proper classroom training infrastructure for training engineers, supervisors, and operators.

Power generation companies often find it difficult to gather funding for operations due to the capital-intensive nature of large power generation projects. Internal and external driving forces such as government policy, domestic and international developments, and technological advancements have, over the years, positively impacted the growth of this sector – boosting electricity capacity, generation, transmission, and distribution.

Additionally, the power sector suffered a significant setback owing to the strict lockdown, which led to the shutting down of key power consumers such as industries and railways. However, the sector has seen signs of revival post the unlock process.

Power Infrastructure Announcements in Budget 2021

- **The government of India is planning to provide INR 3,05,984 crores scheme to improve and reform the power infrastructure in India. In the year 2021-22.**
- **Comprehensive National Hydrogen Mission is announced to be launched to focus on the utilization of green power sources to generate Hydrogen.**
- **Owing to very few players in the market, the government will establish a framework for the electricity consumers which will enable them to choose a suitable service provider for them.**
- **The Solar Corporation of India and Indian Renewable Energy Development Agency Limited, have been allotted INR 1,000 and 1,500 crores, respectively, to promote the renewable energy.**
- **Focus on improving coal evacuation infrastructure.**

Implications of the Scheme

The scheme is expected to bring substantial changes in the operating efficiencies of the installed thermal as well as renewable capacities in India.

More than 80% of the non-renewable energy is from thermal power plants, wherein coal-based thermal power plants hold the lion's share. Improving the infrastructure for the coal evacuation will have a high impact on improving the supply chain for the power plant and thus improving their value chain.

The development of coal handling plants and ports will enhance and strengthen the transportation chain, and new rail infrastructure will add to the reduced costs of coal supply to the thermal power plants.

The energy consumption in India is expected to be twice by the year 2035 as compared to that of 2017. The focus of the government on promoting renewable energy sources coupled with incentives given in the renewable energy industry is likely to speed up the renewable energy capacity installation process across the country.

Additionally, the National Hydrogen Mission will create more opportunities for improving research and development capabilities and infrastructure for the storage, production, and transportation of Hydrogen.

This will not only increase India's capacity but also create opportunities to export to neighboring countries. The investments in the renewable energy sector and hydrogen production will aid in achieving renewable and emission target for India in the coming years.

Currently, the power sector is controlled by a few players in India. This gives more power in the hands of the power manufacturing and distribution companies. The government's initiative to develop a framework to enable consumers to choose a service provider of their choice will help the government to achieve 24 hours power supply to all.

Additionally, it will also create more opportunities for new entrants to enter the power sector. The operational efficiencies of the current service providers will also improve significantly owing to the framework.

Conclusion

The coming years look bright for the power sector. The schemes and projects undertaken by the Indian Government will increase the efficiency of operations as well as improve the transmission and distribution infrastructure of power to Indian households and industries.

In addition to the INR 3,05,894 crores in power infrastructure, other incentive schemes such as the Production Linked Incentive scheme will increase the supply of batteries and other raw materials for the power generating companies. Therefore, it looks like the power infrastructure growth in India will gain traction shortly.

Effect of Scrapping Policy on Supply Chain Management of Automobile Sector

Anushka Verma
PGDM, WeSchool, Mumbai (2020-22)

OPERATIONS

Since 2017, the 1st of February of every year is an important day for all Indians. For the last 4 years, the Annual Budget is being unraveled on this day making all of us glued to the TV. This time, Finance Minister Nirmala Sitharaman presented the budget using a "Made in India" tablet (first-ever digital-only budget) promoting 'paperless work.' This shows Digitization has been the mantra of the government and they did justice to the famous saying of 'practice what you preach.'

The Budget 2021, happens to be a Pandora's box with new promising policies announced primarily focusing on elevating the Indian economy to regain its balance on track. Out of many such forward looking policies, the voluntary scrapping policy primarily focusing on the agenda of curbing pollution, increasing GVA for various manufacturing sectors, and reviving the Indian automobile industry could be a major game changer for the country's automobile industry. The policy mentioned under Part A, section 7 'Physical and Financial Capital and Infrastructure,' promises huge potential in terms of economic recuperation of the industry, including attraction of investment from global investors.

What will be the impact of this policy?

Highlights of Vehicle Scrapping Policy

- Personal vehicles will undergo a fitness test in automated fitness centres after 20 years & commercial vehicles will undergo the same after 15 years
- These automated fitness centres will be setup with either private or state government partnerships. Also, no 3rd party will be allowed to intervene in the testing process.
- People found driving the vehicles which failed the test will result into penalties and impounding of the vehicle.

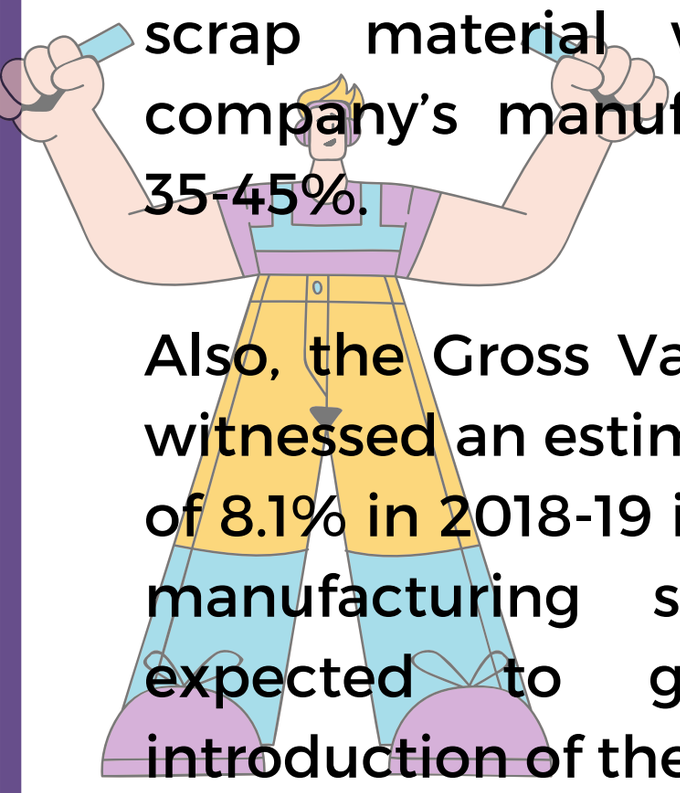
From the Government of India's perspective -

Out of the world's 30 most polluted cities, 21 cities are Indian. This shows that, India has a long way ahead to fight and reduce the ill effects of pollution.

According to a report by The Economic Times, "The economic loss due to premature deaths and morbidity from air pollution was Rs 2,60,000 crore or 1.36 percent of the GDP in India for 2019."

The recent scrapping policy will promote the usage of newer vehicles with efficient technologies and greater mileage that will help in reducing the country's pollution to a significant level. Also, citizens will get motivated to use electric vehicles that can help lower India's crude oil import expenses that stand at Rs. 10 lakh crores.

The policy will create opportunities for investments worth Rs. 10,000 crores and will help in creating approximately 50,000 jobs. Upon the implementation of the policy, the scrapped material such as rubber, plastic, aluminium, steel, etc. can be used in the automobile sector for the manufacturing process. In turn, the availability of scrap material will reduce the company's manufacturing cost by 35-45%.



Also, the Gross Value Added (GVA) witnessed an estimated growth rate of 8.1% in 2018-19 in the automobile manufacturing sector which is expected to grow with the introduction of the policy.

From the perspective of the Indian Automobile Industry:

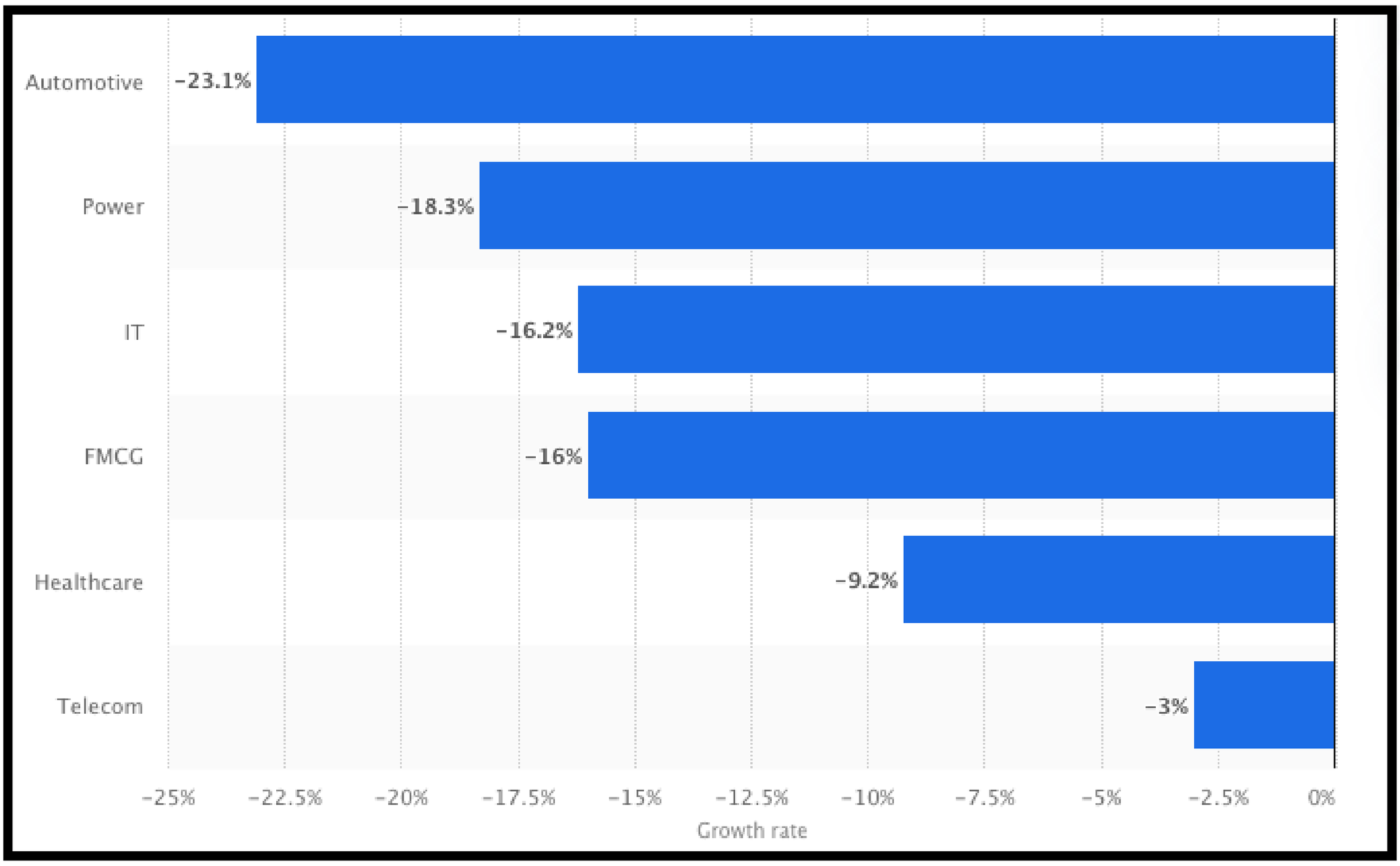
There are mixed reviews for the policy, but Venkatram Mamillapalle, Country CEO & MD of Renault India, applauded the policy as customers will now become keener on purchasing efficient vehicles that will help elevate India's automobile industry, wherein the Society of Automobile Manufacturers (SIAM) recommended that scrapping policy should be implemented in phases - where in the first phase, 8 major Indian cities should be covered. This will result in tax collection of approx. Rs. 31,332 crores from these cities.

Also, SIAM added that the policy does not seem to be benefiting the auto industry too much, apart from the pre-ponding of vehicle purchases. Emission reduction will be the most significant impact of this.

The scrapping policy is predicted to result in higher purchases of vehicles by customers as the manufacturers would be saving 30-40% on the new vehicles by using the parts of old vehicles. The automobile sector will see significant growth due to this policy as around 1 crore vehicles will be scrapped under this policy opening doors to new ones as mentioned by the Minister of MSMEs, Shri. Nitin Gadkari.

The following graph shows the estimated impact of the COVID-19 on India in in 2020 by market

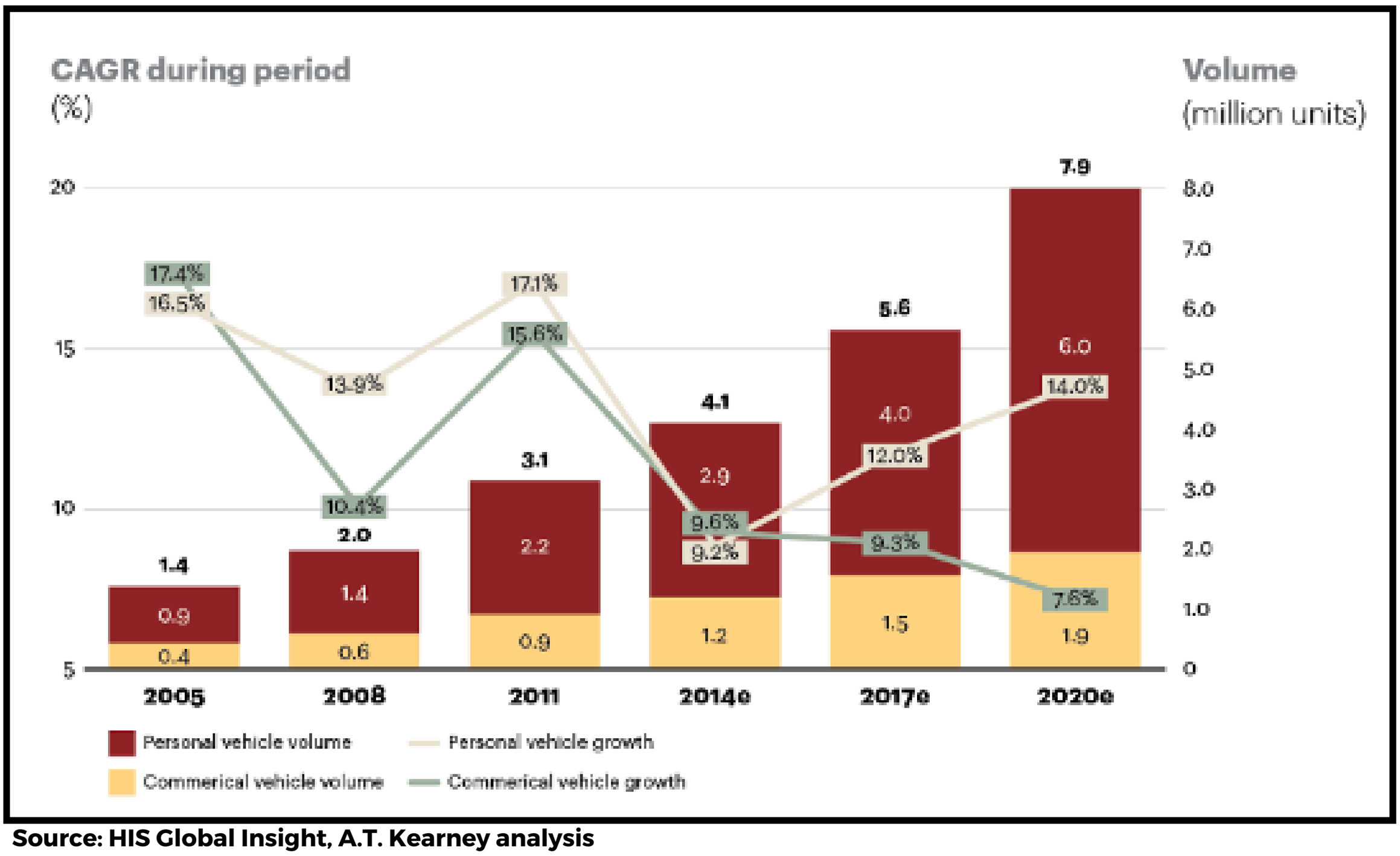
wherein the Automotive sector sees the lowest negative growth rate.



Source: Statista 2021

Effect on Supply Chain Management for the Automobile Sector

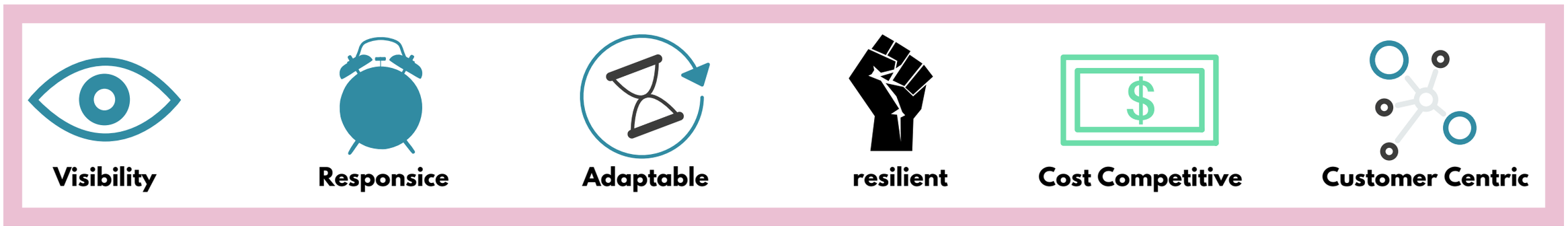
COVID-19 has already led to the abrupt closure of many production bases in China, which is a hub exporting the world's 30-60% of automobile manufacturing parts. The $17.5 billion worth Indian automobile industry never had the demand to localize and build resilient supply chains so high as it is now. The below graph shows the volatility of India's automotive demand as per a study conducted by Kearney Consultancy.



Source: HIS Global Insight, A.T. Kearney analysis

In the longer run, the new scrapping policy is predicted to boost the automobile industry by 30%. As the supply increases with increase in demand, this demand builds an optimized supply chain that includes shortening & localizing supply chains. As per the current scenario, diversifying suppliers to build such resilient value chains will require a fair number of investments and costs.

CHARACTERISTICS OF AN OPTIMIZED SUPPLY CHAIN



Source: auto.economictimes.indiatimes.com

Building optimized supply chains will also require significant changes in the cost aspect of operations. Logistics cost in India is a minimum of 30% higher than those in China and other major automobile markets due to high inflation in the cost drivers like wages, fuel, etc. Under Union Budget 20-21, the Indian government hiked customs duty on manufacturing parts by 2.5-5% for commercial vehicles. The automobile industry will need to work on the cost factor to achieve and protect margins, where digitization of the supply chain can prove to be an effective solution to fulfill the ever-changing demand of the customer.

An increase in demand for newer and efficient vehicles means an increase in the purchase of electric vehicles. According to a report by McKinsey & Company, the rate to adopt electric vehicles in India stands at just 1%. Also, the EV (Electric Vehicle) supply chain is pretty different from the regular motor vehicle's supply chain and includes three sub-parts, i.e., a Digital Value Chain (battery management system), building dashboards for cloud services, and a vehicle control unit.

For battery manufacturing, Indian researchers are trying to find alternatives like aluminum or sodium-ion cells but a standard, high-value result-oriented research needs high investment in EV R&D. Thus, inputs from the government for efficient operation management will be crucial.

Conclusion

The Government views policy of scrapping as the torchbearer to a common valued goal of reviving the Indian automobile industry by making it optimal with international standards and protecting the environment from the menace of pollution. The policy holds the potential of generating business opportunities worth Rs. 43,000 crores only when implemented subtly. Still, the question of the effectiveness of the policy will remain until and unless it's implemented in full swing and benefits are realized in the longer run. The recent announcements regarding the policy provide a fair reason to evaluate and analyze the merits but what the awaited full picture holds in for us will help to determine its impact.

Allocation For Funds For Skill Development In Budget 2021

Tanay V. Bhatkar
PGDM BD, WeSchool, Mumbai (2020-22)

HUMAN RESOURCES

In the wake of the Global Pandemic, somehow India had to embrace the new normal and this new normal made the Finance Minister to present the first-ever 'Digital' Annual Budget 2021 in the Lower House a while ago. A yearlong that too countrywide rather worldwide shutdown has pushed an economy and concerned things on the verge of ditch.

While the government was struggling to take out the invisible enemy, the Pitch (World Economy) was unfavourable, weather (Pandemic) was adverse but still the Finance Minister manifested herself like that optimistic Batsman who can pass it through in every circumstance.

She even referred to the victory of the Indian team over Australia and this was quite indicative as if the government is also trying to have the same victory over economic dejection.

Owing to the ongoing situation of Covid, more weightage to the health sector was noticeably obvious and an expected take.

Since many new provisions have been incorporated to strengthen the healthcare system, this sector can see tremendous enhancement if the given resources are channelised properly.

Due to the effects of the pandemic, it is quite evident that all the other sectors like Employment, trades are needed to be backed by the proper healthcare system but certain loopholes in the same have hampered the Employment opportunities and Job creation therefore everyone was eyeing toward the government to take certain measures for damage control.

While making the budget, the government tried to incorporate some provisions to boost the job creation as well as preventing the harms in business but those provisions are needed to be analysed whether such incorporations are really capable of meeting the expectations of people or not but overall, it can be seen that the major emphasis has been given on 'Aatma Nirbharta' i.e., Self-Reliance.

Global Pandemic has surely blown an existing healthcare system but it left long-lasting & harmful consequences on the Employment, job creation got severely impacted. To compensate for that loss, skill development can effectively play its role. As per the scenario, vacancies are almost blown up then self-skill development has the potential to take someone through.

The Government has been emphasising the importance of Self Reliance (Aatma Nirbharta) and skill development through its various campaigns and initiatives.

In this budget, the same willingness of government reflects. FM also affirmed the immense skills youngsters possess during her speech.

As per her other mentions, six pillars will be strengthened comprising Health, well-being, physical, financial capital and infrastructure, re-invigorating human capital, innovation and R&D and minimum government and maximum governance.

Notable things from Budgets are The National Apprenticeship Promotion Scheme (NAPS) to boost apprenticeships for students then re-aligning the existing scheme of the National Apprenticeship Training Scheme (NATS).

Moreover, the Directorate General of Training (DGT), which is known as an apex organisation of the Ministryof Skill Development and Entrepreneurship came up with 13 National Skills Qualification Framework (NSQF). (Report Economic Times).

These New-Age compliant courses are Cloud Computing, Data Analysts and Scientists, Technician Mechatronics, Smart Agriculture, Process Automation Experts, UX and Human-Machine Interaction Designers, Blockchain Expert, Software/Applications Developers, AI, and ML Specialists, Big Data Specialists, Information Security Analysts, Robotics Engineers, and E-commerce and Social Media in order to make the youth compliant for technology-oriented opportunities.

To achieve all these goals, the government promised to spend over Rs 3000 crores.

One other impactful and promising aspect from the point of view of Skill Development in a partnership with the UnitedArab Emirates (UAE) for benchmarking skill qualifications and to deploy a certified workforce.

Only proper implementation can decide the fate of these policies.

Another significant contribution to the job creation is being provided by the Atma Nirbhar Bharat Rozgar Yojna (ABRY). Now, this is something new that has come up from the side of the government where the incentives will be provided to the companies registered under Employees' Provident Fund Organisation (EPFO) to create vacancies.

Small companies which have less than 50 employees are needed to hire at least two new employees, and those 50 employees must hire at least five new employees. In order to make it happen, a certain skill set in the candidate will play a crucial role. Moreover, the government is determined to contribute 12% towards EPF. This method can surely lessen the Financial burden on the side of the employer and job creation will be hassle-free.

In addition to this, the government has brought a proposal to amend the Apprentices Act, 1961 with a mindset of further enhancements in apprenticeship opportunities for the youth. currently this bill is being discussed with various stakeholders followed by its introduction in the Lower House of Parliament (as per Economic Times).

Apart from the above things, there are certain facets of the budget which can affect the Human Resource Industry for instance, Rationalization of the tax exemptions for high-salaried employees' income, it is recommended that tax exemption for interest revenues received on the contribution of employees to different PFs be restricted to the Rs.2.5 lakh annual contribution. This limitation applies only on or after 01.04.2021 for contribution.

The HR industry has mixed benefits from the Union Budget but hopefully these included measures will help the industry to revive from the aftermath caused in 2020

WeAchievers

Team Agrigators

Ayush Jichkar

Abhijit Mundale

Shivdas Itankar

Gauri Dudhe

Yash Agrawal

Yachana Devda

Bhuwaneshwari Bedekar

Jyoti Jethani

Covid -19 does not have a quick solution, therefore, The Innovation Cell of the **Ministry of Human Resources Development** and **All India Council for Technical Education** in collaboration with Forge and InnovatioCuris launched a **mega online challenge - Samadhan** - to test the ability of students to innovate where students researched and developed measures that were made available to the government agencies, health services, hospitals and other services for quick solutions to the Coronavirus epidemic and other such calamities. Team 'Agrigators' were chosen among the **Top 20** nationalists.

Team Rough Necks

Kanchan Choudhury
PGDM
(2020-22)

Gaurav Chawla
PGDM-Retail
(2019-21)

Nitanshi Saxena
PGDM-Retail
(2019-21)

Achieved **1st position** in the National Brand Strategy competition '**Variegating Brands**' organized by KJ Somaiya Institute of Managemen. In the final round, alongside of WeSchool were other institutions like IIM-Sambalpur, IIM-Kozhikode, XIMB, and MICA.

WeAchievers

Team AI

Anmol Modi
PGDM
(2020-22)

Secured **1st position** in Succour of Manan competition organized by **Gokhale Institute of Economics** . Our group gave key policy recommendations in the field of employment, education, healthcare, food and manufacturing sector for a hypothetical developing country during the midst of corona crisis.

Ishita Trivedi
PGDM
(2020-22)

Team WeMates

Aayushi Sachdev
PGDM
(2020-22)

Shubham Bhatnagar
PGDM
(2020-22)

Paarth Parikh
PGDM
(2020-22)

We won **2nd prize** in **Arthshastra** by **DMS, IIT Delhi** an investor pitching competition wherein we preared a deck to raise funds for setting up Fixmyphone, a USA based company, in India's tier 1 and tier 2 cities. We also conducted the feasibility study and competitor analysis. Overall it was a great learning experience!

Team Reunion

Konishka Javery
MMS (2019-2021)

We secured **3rd position** in **Arthniti- The Union Budget Quiz** organized by Polynomics, the Economics and Public policy SIG of **IIM Ranchi** presents the first edition of The quiz tested understanding and knowledge about the union budget 2021.

Pranav Pandey
MMS (2019-2021)

Call forArticles

We invite articles for the Second Issue of 2021 of SAMVAD.

The Theme for the edition - "MSME"

The articles can be from Finance, Marketing, Human Resources, Operations or General Management domains.

You may also refer to sub-themes on Dare2Compete.

Submission Guidelines:

- Word limit: 800 - 1200 words
- Cover page should include your name, institute name, course details & contact no.
- The references for the images used in the article should be mentioned clearly and explicitly below the images.
- Send in your article in .doc or .docx format, Font size: 12, Font: Constantia, Line spacing: 1.05' to samvad.we@gmail.com.
- Please name your file as: <Your Name>_<title>_<section name e.g. Marketing/Finance>
- Subject line: <Your Name>_<Course>_<Year>_<Institute Name>
- Ensure that there is no plagiarism and all references are clearly mentioned.
- Clearly provide source credit for any images used in the article.

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THINK POSITIVELY
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WORK HARD
STAY STRONG
BUILD FAITH
WORRY LESS
READ MORE
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VOLUNTEER FREELY
RELAX OFTEN
LOVE ALWAYS
LIVE FOREVER