

Corporation Collects Highest Fines in 4 years as Sales of Illegal Plastics Rise PAGE 2

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Vendors Outside City to Get Discarded Carts from GCC PAGE 4

IPO Market Raises 60% Less Funds in Q1 2022, Compared to 1.19 Lakh Crore a Year Ago

Slowdown in IPO activity due to inflation, volatility in equity markets and interest rate hikes

Sreeja Biswas

The Indian initial public offering (IPO) market reported a 60 percent decline in raised capital in Q1 compared to a record high of ₹1.19 lakh crore in 2021.

The market saw only 16 IPOs in Q1, compared to 23 IPOs in the same quarter, a year ago. The IPO market raised \$995 million in Q1, 2022, as opposed to \$2.57 billion in the same period last year, revealing a 60 percent fall in capital raised, according to Ernst & Young (EY) Global IPO Trends Q1 report.

The slowdown in IPO activity is due to many reasons, including volatility in equity markets, weak market sentiment, inflation, interest rate hikes by the Reserve Bank of India (RBI) and the Covid-19 pandemic, said the Managing Director (MD) of PRIME Database Group, Pranav Haldea. "Primary market followed the secondary market, albeit with a slight lag. Secondary market, of course, is dependent on a huge range of domestic and global factors," he added. Despite the monthly consumer

price inflation rate easing to 7.01 percent in June 2022, the persisting inflation contributed to the decline of the IPO market.

The Head of Research at Institutional Equities at Motilal Oswal, Gautam Duggad, said that IPO is a function of market sentiment and liquidity. He further said that an economic crisis, whether in global or local markets, severely impacts the money flow and market sentiment. "An IPO is all about money being available and sentiments being positive," he added. Therefore, when there is an issue on the global front, such as the Russia-Ukraine war, supply chain disruptions, or the rising price of crude, it hurts market sentiments, negatively impacting the IPO.

LIC's reduced valuation, not a dampening factor

Life Insurance Corporation of India (LIC) emerged as the biggest IPO in the country with an issue size of ₹21,000 crore. It launched on May 4, 2022 with an opening price of ₹949, which declined 7.75 percent, closing at ₹875. The company's corporate performance management (CPM) dropped by 27.4 percent, the biggest fall among post-listing performances since this year's Budget.



"There was a complete IPO drought in June and July after May, which saw eight issues raising ₹29,510 crore, including the mega LIC IPO of ₹20,557 crore. The LIC IPO is not to be blamed for this. The market was extremely volatile, and in such conditions, primary issuances always dry up," said Pranav Haldea.

The Economic Times reported that companies which had planned IPOs for the current quarter have delayed such plans by a few months, claiming a lack of investor interest due to market instability. "Markets have been choppy since October

of last year. However, given the extensive background work and planning which had gone into LIC's IPO, the Government rightly took a call to launch it, even though it had to do so at a lower valuation than what had been originally planned," said the PRIME Database MD.

The LIC IPO originally called for a 10 percent ownership, later reduced to 5 percent, and finalised at 3.5 percent, lowering its market value from ₹20 lakh crore to ₹6 lakh crore. This reduced its issue size, from ₹60,000 to ₹22,000 crore. "No company will launch its IPO amidst such market condi-

tions", said Motilal Oswal's Duggad. He said that Vedant Fashions Ltd. is one of the few companies that did really well with its IPO.

The parent company of Manyavar & Mohey launched its IPO on February 4, with a value of ₹3,149 crore and gained 7.95 percent at an opening price of ₹936.

The EY Global IPO Trends Q1 2022 report reveals that the Small and Medium Enterprises segment raised \$17.46 million via 13 IPOs in Q1 2022.

The Retail Head of HDFC Securities, Deepak Jasani, said that smaller SME IPOs typically

have relatively low valuations. There also exists the issue of low floating stock, that the promoter and the traders may exploit. "SME IPOs have completely different volumes since they can capture the shares and then drive up the price," he noted.

On a broader note, the EY report highlighted an upcoming pipeline of IPOs in Q2 2022, with more than 20 companies filing their Draft Red Herring Prospectus in Q1 of 2022, planning to raise funds. On the future of the Indian IPO market, Jasani said that it will keep expanding because of growth requirements of companies and exit requirements for early investors.

A Draft Red-Herring Prospectus is a document prepared by a company before it files for an initial public offering, or an IPO. The document contains all information about the concerned company, ranging from legal issues the company is involved in to land purchase agreements. The document is reviewed by Securities and Exchange Board of India (SEBI) and provides recommendations before the company goes for an IPO.

NEWS BRIEF

Centre Hikes Windfall Tax on Diesel, Cuts Cell on Crude Oil

India raised fuel export taxes to ₹2 per litre and diesel to ₹7 per litre and cut windfall tax on locally produced crude oil to ₹13,000 per tonne. The latest changes will be effective from 19 August. REUTERS

India Bars 12 States, J&K From Power Exchanges as Unpaid Bills Rise

India has barred 12 states from buying or selling electricity at power exchanges after they failed to pay bills worth ₹5,100 crore. The New rules are aimed at forcing states to make timely payments to generators and transmission companies. BLOOMBERG

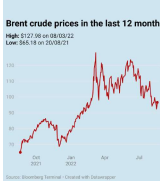
India's Worst Period of Micro Instability Possibly Over, Says Morgan Stanley

"Global commodity prices were largely steady last month, with the exception of oil prices which continued to decline," Upanasa Chachra, chief India economist at Morgan Stanley, said in the note on Wednesday. REUTERS

Dollar hits 1-month high as Fed officials talk up rate hikes

The dollar index rose 0.14% to 107.63, after earlier touching 107.72, its highest since July 18. The gauge is on track for a 1.86% rally this week, which would be its best weekly performance since June 12. REUTERS

DATA WATCH



Oil prices rose to **\$96.59** a barrel today, up by 3.09% after hitting a **6 month low** of \$92.34 on Wednesday. Brent reached its one-year high of \$127.98 on March 3, 2022 and its one-year low of \$65.18 on August 20, 2021. BLOOMBERG

Co-working Gives Up Individual Clients for Big Multinationals

Big companies like Hitachi, Ford and Bentley are shifting to co-working spaces to reduce expenditure

Sashind

Large businesses are shifting their offices to co-working spaces in the post-pandemic era as it is 90 percent cheaper than owning their own offices.

A study conducted by Jones Lang LaSalle (JLL) in 2022 found that 2.2 million square feet were leased by co-working space providers in Q1 2022. That's an increase of 50% from the total uptake reported throughout 2020 and 2021.

"Since the OMR centre's opening in April this year, all of our 3,200 seats are completely booked with 33 clients. Multinational companies like Hitachi, Ford and Bentley have taken seats at our co-working centres," said Akilan G, manager at Workeez OMR centre, one of the largest co-working operators in Chennai.

Changing business model
Akilan spoke about a popular concept called 'Hotseats', which allowed freelancers to occupy seats on a monthly, daily or even hourly basis before the pandemic. This offering was discontinued since co-working operators changed their business model to cater to enterprise clients.

Till 2019, before the pandemic, co-working operators provided seats based on walls. This meant that there was no flexibility and clients had to settle with whatever layout the operator had to offer. Fast forward to now, co-working operators are providing much more flexibility to large companies by allowing them to choose their layout design



TANGEDCO has the highest losses, debt among all state-owned companies

Neethi Lisa Rojan

TANGEDCO (Tamil Nadu Generation and Distribution Corporation) has the highest losses and debt among all state-owned discoms (power distribution companies) in India, due to high subsidy costs and unrecovered bills from government-sector defaulters, according to the June 2022 State Indebtedness Report by RBI "State Finances: A Risk Analysis".

TANGEDCO has recorded losses of ₹13,407.01 crore and long-term debt of ₹89,632.94 crore, according to its FY 2020-21 financial reports. "Globally, discoms charge households an average of ₹10 kWh. In India it stands around \$6. India being a developing country and electricity being one of the essential commodities for many sections of the society, it is difficult for the discoms to charge similar electricity price as their global counterparts", said Rudranil Roysharma, Director for Frost & Sullivan's Energy & Environment Practice - MEASA.

The irony of subsidies
If power consumption is considered as a reflection of the economic power of consumers, the subsidy expenditure reveals contrasting details: tariff slabs within which consumption is highest remain the biggest beneficiaries of subsidies. The highest subsidy allocation by the State Government goes to tariff slab III (200-500 units bi-monthly) with ₹127.84 crore in FY 2019-20, according to Tamil Nadu Electricity Regulatory Commission. Total subsidy expenditure on tariff slabs II (100-200 units) and III is more than twice the expenditure on slab I (below 100 units).

Tamil Nadu Discom's Losses Swell As Subsidy Costs and Defaults Go Up

After 28 written communications from the Centre insisting on an increase in power tariff and one warning in the State Indebtedness Report, TANGEDCO finally raised its tariff after eight years in July 2022. The tariff shows a minimal increase in the price — less than ₹300 for slabs below 500 units. Almost one crore people continue paying subsidized rates. Farmers and hut owners get fully subsidized power. Tariffs for the first 100 units continue to be subsidized for all domestic consumers. The tariff increase may reduce the financial burden for TANGEDCO but may not be enough to cover the entire expenses, Roysharma added.



Government defaulters pile up
Various government departments such as the State water supply and drainage board, panchayats, corporations and municipalities owe ₹3,310 crore to TANGEDCO as of December 2021. TANGEDCO has not replied to our queries on the status of recovery of these debts.

The Aggregate Technical and Commercial (AT&C) losses stand at 18 percent for Tamil Nadu in 2021-22, according to the Ministry of Power. This includes loss during transmission, theft, inefficiency in billing and collection, and default in payment. Cutting these losses is key to improving its financials, said Roysharma.

The Way Ahead

"The primary activity of a discom is selling electricity. Reducing Aggregate Technical & Commercial losses can make more power available for supply—ultimately increasing the income," said Roysharma, discussing ways to reduce the discom's losses. Demand control can be adopted in residential and commercial sectors by reducing consumption at peak timings or by improving efficiency of heating, ventilation, air-conditioning and lighting systems.

Energy Efficiency Services Ltd, a joint venture of public sector undertakings for implementing the National Smart Metering Programme, claims it has helped discoms achieve 95 percent billing efficiency and an increase in its average monthly revenue per consumer by 15-20 percent. "Such prepaid meters can accurately charge consumers, reducing the human and mechanical errors in the collection procedure," said Roysharma.

In early August 2022, Power Finance Corporation and Rural Electrification Corporation—under the Ministry of Power of the Central government, were reported to extend ₹1.2 lakh crore to State discoms to clear their debt to power generation companies. The beneficiaries of the package are yet to be finalized.

With new schemes like the Electricity Amendment Bill in pipeline, private players might enter the discom market soon. The Bill has been sent to the Parliamentary Standing Committee on Energy for further discussions.

The absorption of TANGEDCO's losses could have a strong financial impact on the State finances, said the RBI report. The report also suggested that discoms should "undertake appropriate tariff revisions that reflect the underlying cost of power supply, keeping in view the rising cost of imported coal."

Corporation Collects Highest Fines in 4 Years as Sales of Illegal Plastics Rise

Royapuram and Kodambakkam account for ₹34 lakh in fines, Chennai Corporation data reveals.

Jas Bardia

Greater Chennai Corporation (GCC) seized record fines in the last four years, worth ₹1.07 crore, in the first seven months of 2022 from sellers of banned single-use plastics. The municipal body confiscated 66,725 kg of plastics worth ₹1 crore, from 1.2 lakh raids in the first seven months of 2022.

The Central government imposed a ban on manufacturing, hoarding and sale of 14 types of single-use plastics. There has been an increasing demand for such plastics due to the high cost of biodegradable alternatives such as paper and sugarcane bagasse, according to wholesalers in Chennai's Georgetown and Koyambedu areas.

The ban resulted in single-use plastic infiltrating the State from Andhra Pradesh, Pondicherry and Daman and Diu, to meet the rising demand, said S Rakkappan, President of the Tamil Nadu Plastics Manufacturers Association. The plastics sold in Chennai's Anderson Street are from those areas, he added.

About 2070 kg of banned plastic was seized from Koyambedu after the Centre's ban, and handed to GCC, said Shanthi S, Administrative Officer, Koyambedu Market Management Committee. "Plastic ban is imposed in their [trader/s/vendor's] licence. When the licence is given to them [it is mentioned] that plastic cannot be used," she said. "We conduct surprise raids on shop owners and vendors, and this has resulted in banned plastics usage coming down by 95 percent. Repeat offenders—those who violate the government order

Raids On Plastics Units & Fines Imposed

Data as of July 4, 2022

Year	Trades Inspected	Seized Plastic (in kg)	Fine Imposed (approx in lakh rupees)
2019	388,315	312,002	105
2020	81,599	8,630	34
2021	19,160	5,634	14
2022	121,913	66,725	107
TOTAL	610,987	392,991	260

Source: Jas Bardia, Chennai Corporation, Chennai Corporation, Chennai Corporation

more than three — have to pay ₹11 lakh as penalty."

"Some 50 percent of plastics are used for packaging and the authorities cancelled licences of more than 1,500 shops dealing in plastic covers and packaging. These include vendors who legally got their licences," Rakkappan added.

Wholesalers and retailers lose revenue

Wholesalers and retailers in Chennai's Parrys area and Anderson Street face losses due to the ban. "We would earn anywhere around Rs. 3 lakh from plastic sales before the ban but now we earn no more than ₹80,000 per year," said Rafi, owner of Banuu Stores in Anderson Street.

"Earlier, we would sell 100 cartons of plastic tea cups (1 carton = 10,000 cups) but now we can only manage to sell 5-6 cartons of the biodegradable paper cups. Only a limited number can be sold at the higher prices."

"I used to earn more than ₹1 lakh per year selling banned plastics but now I earn no more than ₹200 per day because of the ban," said Jeeva (name changed), a plastic wholesaler

in Parrys. "I cannot generate much profit because of the rent I need to pay for this shop and the people I hire. If the ban stays, I will have to let go of my staff and sit here alone."

Affected vendors, businesses miss out on profits as they sell tea in paper cups that cost ₹1.5, five times more than plastic cups that used to cost 28 paise.

This prompts them to revert to the use of banned plastic cups and covers.

The diaper covering industry has also been hit, says Rakkappan, as manufacturers of diaper covers — most notably Ratna Packaging and Multiplex Packaging Industry — have had their licences cancelled.

"The manufacturers missed out on sales worth ₹10 crore as regulatory bodies did not renew their licences due to Government Order (GO) 37 passed by the TN government, he added. GO 37 bans manufacturing, hoarding and sale of 'use and throwaway' plastics irrespective of thickness.

Ecosystem for alternatives

The government should provide alternatives to banned plastic,

said Vamsi Shankar Kapilavala, Senior Researcher of Citizen Consumer and Civic Action Group, as those available are costly.

He stressed the need for the State government to formulate alternative plans with small and medium enterprises, companies, small vendors, retailers and wholesalers (trader bodies).

"Alternatives can't compete with plastic cups," he said. "The government has to facilitate. Scale has to be the same as that of plastics. Till then, the ban will be ineffective."

The Koyambedu MMC has installed vending machines across Koyambedu Market to discourage the use of plastic.

As part of the 'Meendum Manjappai' campaign launched by Tamil Nadu Chief Minister MK Stalin, the machine gives out yellow cloth bags for Rs.10. The National Green Tribunal in an order dated Aug. 2, directed the TN government and the Tamil Nadu Pollution Control Board to conduct awareness programmes in educational institutions on the ill-effects of plastics and their segregation, while also asking them to provide alternatives to banned single-use plastic as sales continue to rise.

RAKESH JHUNJHUNWALA (1960-2022)



Made a profit of Rs 20-25 Lakh with investment in Tata Tea.

1986
1999
2003
Founded asset management firm Rare Enterprises with his wife Rekha

He invested in Lupin when its average purchasing price was Rs 150.

2011
Produced his first Bollywood film English Vinglish.

2021
Co-founded Akasa Air with former Jet Airways CEO Vinay Dubey.

2022
Passed away with the title of India's Warren Buffett at 62.

1985
Graduated from Institute Of Chartered Accountants Of India. Invested in stock market with Rs 5000 capital.

1986

1999
Launched Hungama Digital Media Entertainment Pvt Ltd.

2006
He suffered a portfolio loss of Rs 7000 Crore due to bear market trend.

2012

2021
Co-founded Akasa Air with former Jet Airways CEO Vinay Dubey.

2022

Net Absorption in Chennai's Commercial Real Estate Rise by Nine Fold in Q2, Driven by IT

Absorption increased as employees return to offices.

Srushti Vaidya

Net absorption in Chennai's commercial real estate (CRR) increased from 0.02 msf (million sq. feet) in Q2 2021 to 0.18 msf in Q2 2022, with IT industry contributing to 71% absorption in the city, reported Cushman and Wakefield India research report.

"About 80% of demand for CRR in Chennai comes from the IT and ITES (Information Technology Enabled Services) sector," said VS Sridhar, managing director India, Cushman and Wakefield. Absorption rate means number of properties sold in a given period of time which measures demand in a sector. Apart from IT, 21% absorption share across segments comes from SEZ (special economic zones) and 8% from non-IT industry according to CBRE office figures Q2 2022. Gross leasing in the IT sector remained the same as Q2 2021 at 42% as per Cushman and Wakefield market beat Chennai report.

The absorption in Chennai has increased because covid-19 restrictions have eased and companies are calling people back to the offices. The IT companies aggressively hiring employees is another reason for it. According to Economic Times, the IT and ITES industry will hire 8-10 lakh employees by the end of 2023.

The 200 ft radial road or Pallavaram Torapakkam is an upcoming micro market in Chennai. Micro markets are divisions that have a concentration of industries and particular defining characteristics. The radial road perpendicular to the IT corridor will predominantly



One of the largest IT parks in Asia — TIDEL Park, Chennai

have industries from the IT sector. The Embassy Tech Zone spread across 4 million sq. feet and the Chennai 1 SEZ with 3.2 million sq. feet are major IT parks in Pallavaram-Thorapakkam.

Overall demand and supply

"Chennai's CRR has an average demand of 4 million sq. ft but it is expected to close with a demand of 6.5 million sq. ft this year," said Jerry Kingsley, senior director capital markets, Jones Lang LaSalle (JLL), Chennai's CRR can absorb the growing demand as 16.25% of Grade A vacancy rate was recorded for Q2 2022, according to Cushman and Wakefield

market beat Chennai report. Grade A office space is a type of commercial real estate with high end amenities and high rental rates. The supply in the city stands at 2.03msf (two thousand sq. feet) while the net absorption is 0.18msf.

Supply in Manapakkam Porur micro market to the south west and peripheral south west of Chennai is expected to grow in the next few quarters—said Kingsley. "Guindy, Perungudi prices have gone back to the 2019 scenario, rentals will further go up only, it will not come down. Because demand is increasing, the cost of production has gone up," said the Cushman and Wakefield managing director.

High material costs

Cost of construction in India has increased due to the Russia-Ukraine high fuel and shortage of labour. This has caused supply chain disruptions, which is responsible for the rising material cost. Cost of construction for a high rise — a building above 12 floors in Chennai in 2022 stood at ₹ 3550-3950 per square feet, according to a JLL construction guide. For a medium rise — a building up to 12 floors — the cost is ₹ 2850-3550 per square feet. In addition, the demand for CRR in Chennai is due to the manufacturing and retail sector—said Sridhar.

The manufacturing sector is driven by automobiles and the retail sector by high street retail. Construction cost for a 3.4 floor mall in Chennai is ₹ 3350-3950 per sq. feet) according to JLL cost construction guide. Warehouse rent is ₹ 28 per sq. feet) as per CBRE research for July 2022.

Residential real estate

Residential real estate in Chennai is an end user market. Unlike Bangalore, Gurugram it is not an investor's land. Most of the residential demand comes from individual buyers for the ticket size of 35-75 lakh and 80-1.5 crore—said Sridhar. Demand and supply stood equally at 53% for a 2 BHK home in Chennai as per 99 acres real estate Q2 2022 report.

The IT corridor is in constant demand and attracts many developers and residential projects. Casa Grande, Prestige, Radiance and Appa Swami are some of the ongoing real estate constructions in the city.

Chennai Emerges as the New Destination For Smuggled Gold

Opening up of air travel cited as the reasons behind the jump

Ashokamithran.T

In the last two years, Chennai has emerged as the city with the highest seizures of illegal gold in India, according to data published in Rajya Sabha on Dec 21 2021.

Chennai tops the seizure of smuggled gold in 2021, following the opening of air travel post the pandemic lockdown, according to a data on gold smuggling numbers published as a reply to a question in Rajya Sabha, on Dec 21 2021.

With 130.1 Kg of gold, Chennai is the city, where the largest quantity of gold is seized. In 2020-21 too Chennai had a seizure of 150.9 Kg of gold and was the largest in India.

Over the last 5 years, Mumbai or Delhi have been the top destinations for bringing illegal gold in the country. Chennai was only third on the list. Tamil Nadu, however, is only second in the number of cases registered, according to a Lok Sabha reply on Jul 25 2022, with 435 cases. Kerala tops the list with 470 registered cases. "No specific reason can be given for the highest quantity of illegal gold caught in Chennai," said an official at Chennai Air Customs.

PR Somasundaram, the Regional chief executive officer (CEO) of World Gold Council (WGC), said that this number could mean that there is an increase in seizures at Chennai. That does not necessarily mean that there is a hike in the flow of illegal gold. Gold is smuggled majorly through air, said an official at the Chennai Air Customs. "During covid lockdowns, the smuggling activities were subdued due to absence of air travel. Post the pandemic, flights have resumed. The increase is a response to



PhotoSource: Stock Photo

countries, who have lost jobs during the pandemic. The usual method of smuggling gold through air is in the form of gold paste or powder packed in a capsule.

The report also says that, the pandemic has opened up new avenues of the syndicates that indulge in smuggling.

Effect of duty hike might increase prevalence

his," he said. According to a Directorate of Revenue Intelligence (DRI) report 2021, 89% of the seized gold comes from Myanmar, United Arab Emirates (UAE) and Bangladesh. More than a tenth of the total seizures originate from (UAE).

The people who bring illegal gold in India, are called carriers. Many of these carriers are blue collar workers from these countries. "A total price of 118.45% is a significant attraction for the grey market to grow and strengthen," said Somasundaram.

In a normal year, the quantity of gold smuggled ranges from 90 to 120 tonnes, but the pandemic numbers were very low. Post the pandemic, the WGC expects smuggling rates to come back to the usual range of 90-120 tonnes. The actual figures, he said, will know only at the end of the year.

A blanket duty on all kinds of gold encourages smuggling in India, said Somasundaram. He also said that at a time when gold prices are increasing, sales of smuggled gold puts pressure on the consumer and the producer.

Citing a 2018 NITI Aayog report on transforming gold markets in India, he said that duty must be cut to a reasonable level over a period of time. This would lead to more gold being accounted for in the mainstream. The duty cut would however be difficult on all the gold in the current stage. He said that a more nuanced approach towards gold taxation rather than a blanket tax is required. "You may have to give incentive for vaulted gold rather than all the gold that you take home and do not use for the economy," he said.

He said that the Electronic Gold Receipt (EGR) is a measure in this direction. The customs official said that the increase in smuggling is not necessarily a response to import duty changes and that they might not be directly related.

OUR VIEW

Is the Perception of Conflict Enough?

In her tweet, veteran business journalist and author, Sucheta Dalal said, "I was asked if I had introduced Mr. Pandey to Mr. Narain. I told them I have no such recollection." This clarification was released, the day after she was questioned by the Enforcement Directorate on her alleged involvement with key suspects of the National Stock Exchange (NSE) colocation scam. Sanjay Pandey, former Police Commissioner and Ravi Narain, former chief executive officer of NSE and the subsequent illegal phone-tapping of the National Stock Exchange employees by Pandey's company iSee Services Pvt Ltd. Dalal, the Managing Director of MoneyLife broke the story of the colocation scam in June, 2015 following a series of four letters from the whistle-blower recognised as Ken Fong. The colocation scam refers to the illegal early access given to a few traders in NSE's colocation facility between 2012 and 2014. The early access allowed the traders to make significant transactions before the other traders availing the colocation facility. The story was first published on the company's website, she co-founded with her husband Debashish-Basu. Credibility of her investigation has only come into

question now when former NSE Chief Executive Officer, Ravi Narain recorded in his statement that he was introduced to former Police Commissioner, Sanjay Pandey by the journalist who wrote their expose. Dalal writes extensively on corporate scams and unearthing financial irregularities, with immense acclaim to her name. Despite her years of experience in the field, her investigation of the colocation scam comes into question based on her alleged involvement in the hiring of Pandey's security services company by Narain during his term as the CEO of NSE between 1994 and 2013. Pandey's company was allegedly involved in tracking the phone of over 91 NSE employees without their knowledge since 1997. This information demands the reader to question the possibility of collusion as she introduced the two suspects who exploited the colocation facility for personal gains. As one of the most influential journalists of her time, Dalal wields the power to move markets with her words. In this case, even the perception of conflict is enough to instigate suspicion of misconduct as the stakes are constantly high. Ken Fong trusted Dalal to understand the sensitivity and magnitude of the news and deliver it

in all its sanctity. She was aware of the possibility of conflict of interest, but decided to write and publish it regardless, cannot be ruled out. As a reader and aspiring journalist, we are wary of her report and subsequent investigation. We can't help but question her stance on this case as well as in all her other investigations. As a journalist we're taught to question everyone and everything until we've verified and unearthed every facet of the truth. The potential of conflict in a newsroom can impact credibility and reduce the accuracy and honesty of reporting and editorial decision-making that solely depends on it. As journalists we write for our readers and it's our responsibility to give them every fragment of the truth in all its authenticity. Even though Dalal has continually refuted all claims of her previous associations with Sanjay Pandey and Ravi Narain beyond her professional obligations, their involvement in the phone-tapping and the subsequent money laundering seems more than mere coincidence. As a member of the journalist community, we can only hope this episode does not negatively impact the trust that readers have over journalists and the credibility of their work.

IITM startup unfolds customisable, sustainable structures

Modulus Housing is redefining the modular prefab construction scene with cost-efficient buildings

Pritha Pahari & Satviki Sanjay

In 2015, when torrential rains caused floods in the Coromandel region, 1.8 million people in the coastal States lost their homes and needed immediate housing. Born out of this crisis, a year later, Modulus Housing sought to reinvent modular prefabricated housing and infrastructure. Founded in 2018 by IIT Madras alumni Shree Ram Ravichandran and P. Gobinath, the construction tech startup works with industry and government partners. Incubated at the IIT Madras Incubation Cell, Modulus Housing is now an independent 80-member team.

Its builds structures that are quickly set up, with sustainable and reusable "modules" made of polymer thin-foam panels that it sources from other companies. Its technology speeds up construction and erection of shelters in remote and disaster-prone areas. Modulus builds the standardised modules in its factories in Tamil Nadu. The end process, from start of manufacture to delivery, takes 45 days.

"About 95 percent of our construction happens offsite. Only the remaining 5 percent or so takes place onsite," said Jana Lakshman, Chief Strategy Officer of Modulus Housing, in an interaction with students of the ACJ-Bloomberg Business Jour-

nalism programme at IIT Madras Research Park. Currently, the company largely works in the remote areas of Meghalaya, Mizoram, Jammu and Kashmir, Nagaland and Rajasthan, which often lack rural hospitals and basic infrastructure. "Due to the unavailability of labour and raw material, construction work in these areas take a lot of time," Jana said. "In Meghalaya, where hilly terrain makes construction highly difficult, it takes almost a year to build a 600 sq ft cabin using brick-and-concrete techniques. Modulus, meanwhile, leveraging its collapsible technology, has built over 170 cabins in six months."

Logistics and viability

Modulus Housing provides two primary models made out of polyurethane. The foldable module (costing Rs 2,199 per sq ft), installed at site. It needs a crane to load and unload it, and thus road accessibility is a setback.

The flatback module (costing Rs 1,400 per sq ft), designed as wall panels that can be joined together. Its ideal for smaller land parcels, though much work for these structures needs to be done onsite.

"All our homes are reusable, we give customers a warranty for five years, and the homes can be ported from one place to another five times without being damaged," says Lakshman.

Having built 700 portable



Source: Modulus

medical units (called MediCabs), 250 micro factories (agriCABs) for farmers and 20 schools (eduCABs) in 21 different States. Modulus offers its architects the creative freedom to design and build anything with its modules. Its modular designs can be customized for a client's needs, and the company is venturing into off-grid, eco-friendly resorts and hotels as well.

Beneficial ecosystem

Apart from the company's significant technical achievements, Modulus is sensitive to humanitarian considerations as well. It takes care to provide its labour force with a safe and sustainable working environment. The workers function in regulated conditions that conserve resources, thus creating an ecosystem that is symbiotic.

Dr Dhanya, head of administration of Association for Health Welfare in the Nilgiris (ASHWINI), says "It was truly a blessing in disguise to receive a fast solution like mediCAB, which helped us to provide moral support and create a sense of belonging and removed the loneliness and fear which was attached to hospitalisation for Covid-19 positive patients.

Modulus Housing has helped us fight two of our major challenges - lack of beds, lack of healthcare infrastructure and help reduce the spread of infection."

With 80 employees and a revenue positive model, Modulus aims to reduce assembly time to thirty days for low-rise buildings and collaborate with investors on similar interests.

SHE LEADS : WOMEN ENTREPRENEURS IN INDIAN STARTUPS

SELINA TOBACOWALA

Company: GIXO (2016)

Funding Received: \$3.7M

A digital startup offering online fitness classes.



ANU MEENA MALHOTRA

Company: Agrowave (2017)

Funding Received: \$2M

An online marketplace for farm produce.



KARISHMA KEWALRAMANI

Company: FAE Beauty (2018)

Funding Received: \$46.8K

An e-commerce startup offering organic beauty products.

Sanitation Work Made Easy by Solinas Robot Cleaners

IITM deep tech startup Solinas aims to save water, eradicate manual scavenging

Neethi Rojan & Ritika Mahajan

Solinas, a deep-tech startup, debuted in 2018, when a group of IIT Madras and KTH Stockholm alumni developed an industrial water pipeline inspection robot, said Prabhakaran, Marketing and Sales Consultant at Solinas. He was addressing Business and Financial Journalism students from ACJ Bloomberg, at the IIT Madras Research Park.

In 2021, when Puri became the first Indian city to provide clean drinking water 24/7, Solinas, headed by Chief Executive Officer, Divanshu Kumar, stepped in to identify and fix leaks in the water system. Solinas uses the power of AI and robotics to efficiently tackle the sanitation industry based on the needs of the customer.

Dignity of labour

"Technology developed by Solinas deploys a robot that travels inside a pipeline, inspects it, and identifies defects, such as leaks, contamination, corrosion and sludge formation inside the pipeline," said Prabhakaran. A camera attached to the probe sends a live visual feed to the operator on the surface, provid-



ing detailed information on the problem.

"Solinas can transform sanitation and pipeline work for municipal corporations and businesses alike with its robotic solutions - Endobot and HomoSEP. Endobot helps reduce the cost of digging to locate a pipeline problem, saving almost Rs 10 lakh rupees per km and about 600,000 litres of water per km inspected," said Prabhakaran. Endobot specialises in identifying and repairing a leak by using live imaging and laser profiling.

"Even after the government has declared manual scavenging illegal, 46 thousand manual scavengers are still working around the country. In Tamil Nadu, in

2022 alone, 20 manual scavengers lost their lives while doing this job," said Prabhakaran.

HomoSEP, enables workers to clean sewers, septic tanks, and drainage pipelines with the least manual labour without venturing into hazardous and unhealthy working environments to earn their living. Operated from the surface with four buttons, the robot digs into the sludge buildup at the push of a button, separates it and pumps it out using a suction mechanism.

Business model

Under the B2B model, the HomoSEP devices are sold to businesses, and in the B2G model,

the company sells the equipment to municipal corporations. When the company receives CSR funds, it makes and distributes the HomoSEP, free of cost, directly to sanitation workers, usually through NGOs, Prabhakaran said. When the company gave its first robot to Nagamma, a lady whose husband died after inhaling poisonous gases while cleaning a septic tank, she was elated about its abilities.

Solinas has been sponsored by the Tamil Nadu Startup Seed Grant Fund, and by the CSR initiatives of Capgemini, GAIL, L&T Technology Services and the NSE.



GUVI's performance tracking mechanism has also enabled companies to reduce the time taken to screen and shortlist the potential candidates.

"The company was initially funded by investments from the founders. The IIT Madras Incubation Cell and Indian Institute of Management Ahmedabad later supported the company. "Our company is cash-

Cracking Code, the GUVI Way

Sreeja Biswas Ashokamithran T

With over 16 lakh users, IIT Madras-incubated start-up drives upskilling through regional languages.

When SP Balamurugan, a computer applications engineer, and his colleagues at PayPat were on a recruitment drive in a small town in south India some years ago, they were surprised to find that engineering graduates could not apply the coding skills they had been trained in.

"We observed that students in tier 2 colleges could not cross even two out of seven rounds of placement interviews. This was not the case in tier 1 colleges," said Balamurugan, while addressing students of the ACJ Bloomberg Programme at the IIT Madras Incubation Cell, housed in the IITM Research Park in south Chennai.

They realised that unless coding was taught in the vernacular language, the students' understanding would be limited. This is what prompted Balamurugan and his co-founders, Arun

Prakash and Sriveedi, to launch GUVI (Grab Your Vernacular Imprint), a platform to educate and mentor young technologists to maximise employability.

The inspiration

SP Balamurugan and his colleagues identified the "availability of right content" and "grasp over industry-specific knowledge", as two major impediments to learning. To resolve this issue, in 2011 they started GUVI as a YouTube channel with video tutorial courses on programming, in

Tamil, Telugu and Marathi. When the channel soon gained a million visits and over 5,000 followers they realised that it was not just students in Tamil Nadu who faced learning challenges, but many other learners worldwide.

The trio quit their jobs in 2014 and launched GUVI as a company. At present, with more than 16 lakh users spread across the world, GUVI's platform offers both free and paid certified computer programming courses in Tamil, Telugu, Hindi, Bengali, and

Kannada. The teaching is user-centric, using artificial intelligence to customise the content for a personalised learning experience.

Alongside, the team realised there was an opportunity to change the traditional way of applying for jobs using a resume.

GUVI uses a Github-based mechanism to track the activity of the learners and use this information to create a digital skill-based resume. "The learners have been recruited by more than 250 companies," he said.

positive and with substantial growth, we aim to capture a larger market", said Balamurugan elaborating on GUVI's future plans.

However, profits are a subjective concept, he said, and their focus now is on creating a wider market for useful and quality products.

Vendors Outside City To Get Discarded Carts From GCC

920 carts lacking space will be directed to small vendors in tourist places including Nagapattinam beach

Ritika Mahajan

Carts obtained for Marina beach vendors will be given to small vendors at other tourist locations because they lack the space to hold both the goods and the seller.

The second-longest beach in the world, Marina, is being developed under the Singara Chennai 2.0 scheme, which aims to remodel the city. The initiative is modifying Chennai's coastline under Project Blue, developing a jogging track along the beach, illuminating the artificial waterfalls, providing access to the disabled, replacing existing carts with smart kiosks and building M. Karunanidhi's 42-



Stranded carts at Mylapore burial ground

metre-high statue.

Under the scheme, vendors at Marina Beach are being provided with smart pushcarts to create uniformity among the sellers. The carts, worth 16.8 crores, had to be distributed among 600 registered beach

vendors and 340 new vendors.

These carts are not even big enough to store items worth a thousand rupees.

"The carts cannot even hold a standing person," said Dr. Ezhilan Naganathan, Member of Tamil Nadu Legislative Assem-

bly.

Over 920 discarded carts have been lying at the Mylapore Burial Ground since the past three months, said Sudheer, 29, a worker at the Mylapore burial ground.

The vendors unanimously decided to discard the small carts and seek those with sufficient space to hold goods.

Revathy, councillor of ward 125, said that the smart carts would now be given to the small vendors who sell items such as flowers and popcorn. "The new carts will not line up at the beach.

We will demarcate a separate shopping area which will have proper disposal and drainage system," Dr. E. Naganathan said.

"The carts will be given to

small vendors in tourist areas like Nagapattinam beach and it will take a month's time to carry this out," Mylai Dha. Velu, Member of Tamil Nadu Legislative Assembly, Mylapore Division, said.

The corporation is asking unregistered vendors to register themselves in order to obtain the carts, he added.

District Collector of Nagapattinam, Dr. A. Arun Thambiraj I.A.S., was unaware of the plan on movement of carts to his district.

It is unclear if Nagapattinam beach would be able to house over 900 carts and if the vendors would be able to use the carts efficiently for their operations as they are too small to be used.


COMMONWEALTH GAMES 2022




 67 57 54 178

 57 66 53 176

 26 32 34 92

 22 16 23 61

 20 12 17 49

EXPLAINED : What is trade deficit?

Parvathi Shivam

The trade deficit of India widened six folds in July 2022, compared to a year ago.

The trade balance data of July, published by the Union Ministry of Commerce and Industry, indicates an increase in negative balance of trade. The trade deficit of India has widened by 666.49% from \$2.67 billion in July 2021 to \$21.04 billion in July 2022.

What is the trade balance?

It can be defined as the difference in the total value of exports and imports. The trade balance is called the balance of trade, commercial balance, or net exports/imports. It is a partial indicator to measure a nation's foreign exchange capacity and an economic indicator of trade. The trade balance is the subset of the nation's balance of payment which refers to the net monetary flow through international transactions which include goods, services, and unilateral transfers

What are imports and exports?

The total exports mean the monetary value of the goods and services sold by a country to another country and the total imports are the monetary value of the goods and services purchased by one country from another. The goods may be agricultural products, machinery, electronics, textiles, or other merchandise. The services may comprise technology, banking, and insurance.

How is trade balance related to trade deficit?

Once in a quarter, the economists and experts talk about the trade deficit. Thus, the term trade deficit has a wider familiarity compared to the term trade balance. These terms are interrelated. The net effect of the trade balance will be either a trade deficit or a trade surplus. If the value of imports exceeds exports, then there will be a trade deficit and the inverse result will be trade surplus.

What does the trade balance



indicate?

As mentioned above the net effect of the trade may be a trade deficit or trade surplus. A nation with a high trade surplus does not imply a strong economy or a nation with a trade deficit does not mean a crisis. The appropriate example to explain this is to point out the trade balance of two nations that are having contrasting economic conditions. Nigeria, a tumbling economy, has a trade surplus of 2.3 billion USD in March 2022, and the USA during the same period recorded a trade deficit of 1.06

billion USD.

If a non-American invests in an American bank, the bank owes the money to the investor and forms a debt. But the reason behind the investor's decision to deposit in the American bank may be due to the financial worth and stability of the bank. Here the debt adds to the liability which is a factor of deficit. But the same investor may refuse to invest in Nigeria, where the security for his/her investment is less. Sometimes the trade deficit and trade surplus

become the indicator of the economic viability of the state. In Sri Lanka and Turkey, the first impression of the economic crisis was visible in the increase in the trade deficit.

What is the trade balance of India?

India's trade balance hit a huge fall as the deficit widened to \$ 31 billion. A shrinkage in seven high-earning export items which consist of engineering goods, petroleum products, gems, jewels, pharmaceuticals, readymade garments, cotton yarn, and plas-

Loss-making Chennai messes struggle to survive as inflation rises

Rumi Chakraborty

Inflation hurts Chennai messes business as they fail to recover from Covid-19 pandemic losses.

"Demonetisation and GST (Goods and Services Tax) hurt our business but the subsequent pandemic lockdowns were a severe blow and we are yet to recover from it," said Prabhu Das, the owner of Mylai Karpagam-bal Mess. Das is the third generation owner of the 72-year-old mess in Mylapore in central Chennai. The margin in mess business is thin so infla-

tion hurts business badly, he said. "We can't hike the prices as our customers are auto drivers, daily workers and they will not come," said Arun T, the manager of Kasi Vinayaga Mess at Triplicane in north Chennai. These messes work on large volumes to earn profits. Price of cooking oil has more than doubled, dal, rice, pulses and vegetables in the last one year. Consumer price index based inflation was at 7.79% in April, 2022 highest since May 2014, according to Bloomberg news.

Presently, a limited meal at Kasi Vinayaga Mess costs about



Source : My yatra diary

Rs 90 depending upon the additional side dishes a customer orders. About 200 customers used to have lunch at Rs 75 in 2019 before the pandemic

but it has declined to 150 customers now.

"If the price of food increases at this rate, I may have to look at other options," said

Price of EV in India to Soar as Cost of Lithium-Ion Batteries rise

Veer Sharma

(Rs. In Lakh)

Cars	Petrol	EV
TATA NEXON	8.82	15.8
TATA TIGOR	7	12.3
TATA ALTOROZ	6.29	12
TATA TIAGO	5.4	5
VOLVO XC40	44.5	55.5

source : Pranav Kashyap

Replacement and repair of electric batteries are high, India needs to innovate and find alternative technologies to produce lithium-ion batteries to encourage investment in electric vehicles, said experts. India is behind other countries who export lithium and far from maturity in battery manufacturing said Puneet Mehta, principal engineer—electronics, Mahindra & Mahindra, during the Automotive Innovation Summit held on 19 July in Chennai. When electric vehicles were introduced in the market, the plan was not only to be environmentally sustainable but also economically viable but also compete with the total cost of ownership of internal combustion engine vehicles. However, prices of lithium batteries have gone up by 30% higher than 2021, according to a April 3, 2022, report by rating agency, Fitch Ratings Data and

Research.

China has gradually invested in lithium sites in Chile, Australia, and Africa. "It is not only the biggest consumer of lithium but also a huge exporter of the metal", said Kanakasabapathi Subramanian, senior vice president, Ashok Leyland.

In the next five years, we will continue to depend on import of lithium batteries from China, he said. The total cost of ownership of an electric car is higher due to its batteries as compared to internal combustion engine (ICE) vehicles.

Another report by Fitch Ratings in December 2021, said higher metal prices used in lithium-ion batteries will negatively impact the profit margins for electric vehicles makers and battery manufacturers.