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ADANI, VEDANTA CO SEND IN BIDS FOR KARAIKAL PORT

• UDAY JOSHI

According to news reports, Adani Ports and Special Economic Zone and a Vedanta group firm filed legally binding cash bids for Karaikal Port on September 30 at the closing of the bidding window. Five parties made expressions of interest in the 600-acre port in August, including the two firms.

Rs2,960 crore worth of debts were not repaid by Karaikal Port. On April 29, the National Company Law Tribunal (NCLT)'s Chennai bench accepted it for insolvency proceedings. JSW Infra, Jindal Power, and a group made up of RKG Fund and Sagacious Capital were the other three.

At a meeting of the committee of creditors on Monday, the two final offers will be revealed.

In the union territory of Puducherry is Karaikal Port.

A public-private collaboration between the government of Puducherry and MARG, an infrastructure developer with its headquarters in Chennai and supported by former merchant banker GRK Reddy, resulted in the development of the all-weather deep water port Karaikal Port. To develop the port, MARG Limited had established a special purpose vehicle. 2009 saw the port's opening.

It has handled a variety of cargo, including liquid cargo, containers, project cargo, agro commodities, coal, sugar, cement, and fertilizers. A loan of Rs1,362 crore was initially approved for Karaikal Port by a group of eleven lenders, all of whom are public sector banks or financial organizations. As interest and penalties continued to accumulate due to the irregular repayment schedule, the loan grew until it reached its current size.

In 2015, loans from nine of the eleven lenders were sold to Edelweiss Asset Reconstruction Company. Corporation Bank and State Bank of Hyderabad were the only two institutions that did not sell their debts.

Reliance Jio in talks with global firms for supply to 5G stack

• HEMANT GIDMARE

Reliance Jio is in talks with global operators to supply its locally developed end-to-end 5G stack. The company is currently holding technical discussions with some international carriers for the stack, which has been developed by Jio Platforms.

According to sources, Jio campus as well as other offices of Reliance Industries Limited are already running the 5G stack successfully. The 5G stack, which is a complete end-to-end solution, will also be utilised in rolling out Jio's 5G network.

Jio Platforms has developed an end-to-end 5G solution consisting of 5G radio, a complete 5G core networks, cloud infrastructure deployment, and cloud-native operation support system (OSS) platforms. The commercial rollout of 5G services across India will be done through a combination of network equipment from global firms such as Ericsson, Nokia, and Samsung, as well as its local solution.

Consumer goods back in fashion on festive push

• DIGVIJAY TIDKE

From packaged foods to home appliances and personal electronics, most consumer goods categories have registered 10-15 per cent growth over last year

Defying negative sentiment, the country's leading manufacturers of consumer goods have managed to regain growth momentum this festive season.

After nearly two years of pandemic-induced disruption and poor economic activities, sales in all key consumer categories have spiked since early October, primarily driven by the online channel.

From packaged foods to home appliances and personal electronics, most consumer goods categories have registered 10-15 per cent growth over last year, when sales remained flat.

While this time sales through physical outlets remained higher year-on-year, unlike in 2020, when sales had declined, it is e-commerce channels that recorded strong growth.

According to consultancy firm Redseer's estimates, online sales have grown almost 25 per cent — to Rs 32,000 crore from Rs 26,000 crore last year —between October 2 and 10.

Green option: Government tender for 3,500 electric powertrain vehicles soon

- SHIVANI GUPTA

Convergence Energy Services (CESL), the state-run firm that handles the acquisition of EVs for central and state authorities departments, stated the scale of this system might increase as increasingly electric vehicles are launched by automakers on the inexpensive finish of the market. Central and state governments have a mixed fleet of about 600,000 petrol and diesel automobiles.

CESL chief government Mahua Acharya informed ET that the corporate has acquired a 'certified' demand for 3,500 electric vehicles, a tender for which can be floated shortly.

“Additionally, there is an opportunity to increase penetration of electric vehicles in the fleet segment. Given the usage patterns and economics, fleet is one area where EV 4W sales can take off with more options being introduced in the mass market”, stated Acharya.

The contemporary tender from CESL comes at a time when the adoption for EV is gaining momentum within the passenger automobile area. The market for passenger automobile EVs is about to cross 50,000 items for the primary time.

While the certified demand is 3,500, in a short time the quantity might go as much as 10,000 vehicles inside two years, she added.

Last week, Tata Motors breached the sub-Rs 10 lakh barrier in EV pricing with the launch of Tiago at a disruptive worth of ₹8.49-11.79 lakh (ex-showroom) for the primary 10,000 patrons. The firm additionally gives electric variants of SUV Nexon and sedan Tigor, at current. Tata Motors is scheduled to come back out with Altroz EV and Punch EV within the subsequent one yr, increasing the alternatives for customers within the sub-₹15 lakh market.

According to Acharya, the candy spot of EVs for authorities workers is round ₹15-17 lakh. “We only have a few models on the road. When we offer options, only very few are accessible.”

For the federal government of India, the perfect affordability substitute stage is ₹15-17 lakhs – the present Nexon EV works very effectively, believed Acharya.

Overall, practically 20 EVs are set to hit Indian roads within the subsequent three years.

MALLS SEEK A SHARE OF RETAILERS, RESTAURANTS' ONLINE REVENUES

• GAURAV BAIRAGI

As the online channel adds sales muscle to offline retailers, they are now faced with a new challenge. Given the significant sales from the channel, mall owners are seeking a share of this pie. The mall developers claim that several of these orders are processed using shopping mall premises, and hence, the retailers should share the revenue generated through these sales with them.

The retailers, however, are opposed to the idea. According to retailers, given the omnichannel nature of sales these days, it is difficult to track the origin of sales, even as they also spend heavily on digital marketing and pay commissions to marketplaces.

“We spend large sums in brand building to attract customers on both online and offline channels. High-street stores do not charge for online orders separately. So, it is untenable for shopping malls to charge brands, over and above what they already pay, for delivering online orders. The rental value for the brand space is already being paid by the retailer,” said Vasant Nangia, CEO, Chumbak. Lifestyle retailer Chumbak operates over 60 stores in the country.

Shopping malls typically, have two operating models. In some cases, these malls charge a fixed rent to the retailer, while in others, they share revenue. The revenue-sharing model had picked up during the pandemic as retailers were in dire straits, while in an attempt to retain the retailers, shopping centres offered to share revenue instead of asking for a fixed rent. Monthly rentals for a metro city-based shopping mall fall in the range of Rs 200-600 per sq ft, depending on the location of the shop within a mall, according to industry estimates.

Industry experts also point out that the omnichannel model is encouraged by malls as it helps bring in the crowd and increases footfalls, and most premium malls negotiate the terms of such an arrangement before signing the contract.

“Post covid, most retailers have increased their omnichannel integration thereby leveraging their mall stores's fulfillment centres to either deliver orders booked online or encouraging their online customers to buy online but try and pick up the order from these mall stores. This has led the mall developers to include online sales, either booked through or delivered from the mall stores, in their lease agreements. Revenue sharing percentages for such sales can be typically lower by 10-30%, varying for different categories,” said Sharad Nagpal, Senior Director and Head (North India), Retail and Leisure Advisory Services, India, JLL.

HYBRID MODEL EMERGES WINNER IN INDIA INC SURVEY

• YOGESH KAMBLE

More than 90% of companies in India have returned to work from office fully or partially, even as the debate over the efficacy of work modes - from home, hybrid or from office - continues.

Only about 9% of corporate India was working fully remotely as of August 2022 compared with 38% in January, according to a survey by HR solutions company Aon.

This is despite a clear preference among employees to work from home. The survey showed that an imminent return to office triggered high attrition. Attrition for companies that announced a return to office in the next few months stood at 29% in August, compared with 19% each for those working virtually and those who are back to the office in a hybrid mode.

Close to 70% of the 700 companies covered in the survey worked in a hybrid mode in August 2022 compared with 47% in January. The data were shared exclusively with ET.

Companies including PepsiCo, RPG Group, Mercedes-Benz India, Tech Mahindra and Maruti Suzuki are keeping their work mode options flexible, their executives told ET. Some like PepsiCo India plan to tweak their work mode along the way.

"While employees have the flexibility to work from home, many are choosing to come to the office seeking a change in environment that helps keep spirits high," said Pavitra Singh, chief HR officer, PepsiCo India. The company is operating in a hybrid model, with more than half the employees in office on a usual workday.

RPG Enterprises too is working in a hybrid mode. The group has categorised jobs into four distinct buckets. At one end of the continuum are those who can work remotely at all times (such as pure tech roles or frontline sales) whereas at the other end there are those who have to be at work physically due to the classification of jobs that they perform (administration, security, factory workers). Functions that can work efficiently in a hybrid setting fall in between (such as finance, HR and legal).

INDIA LIKELY TO BECOME THIRD BIGGEST ECONOMY BEHIND US AND CHINA BY FY28

• YASH SAHARE

India is likely to become the third-biggest economy behind the US and China by FY28, two years earlier than initially expected, overtaking Germany and Japan, according to the International Monetary Fund (IMF) World Economic Outlook database. It also projects India going past the UK this year to become the 5th biggest economy. A look at the projections:



BIG ECONOMY, BUT PER CAPITA NUMBERS LOW

Per capita GDP, in US dollars

| | 2022 | 2027 |
|---------|--------|--------|
| China | 14,340 | 20,118 |
| Germany | 48,398 | 59,141 |
| India | 2,466 | 3,652 |
| Japan | 34,358 | 42,347 |
| UK | 47,318 | 64,769 |
| US | 75,180 | 89,546 |

HOTELS SOLD OUT AS BIG FAT WEDDINGS MAKE A COMEBACK

• SHRUTI GUPTA

After a lull of more than two years, hoteliers in India are rejoicing as demand for hotel-based weddings increases and occupancies soar.

With Indian wedding celebrations lasting anywhere between one and five days or longer, the return of the wedding business is a great sign for Indian hotels.

“The Indian wedding has been a significant contributor to the bounce back the sector has witnessed in 2022,” said Mandeep Lamba, president of South Asia at business consultancy HVS Anarock.

He added that the Indian wedding market closed out 2022 with significant spending increases, and that is only expected to continue.

Dhananjay Saliankar, head of sales and marketing for India at Fortune Hotels & Welcomheritage, said hotel companies across the various segments want to capture wedding demand business.

“All Indian hotel chains are vying for a piece of this growing market, with several brands launching new marketing initiatives specifically targeted at the wedding market,” he said. “We have seen over 100% growth in the revenues generated in this segment compared to last financial year.

“People are now spending more than ever before. Guests are taking advantage of the opportunity to spend lavishly on themed and grand weddings. They are using this time to make up for the two years they missed out on socializing.”

Manish Deolekar, general manager of Grand Victoria The Fern Resort & Spa in Western India, is equally confident things are back to normal, or close to normal.

“In the past year or so, the overall wedding business had dipped by almost 60%, but because the previous year’s weddings are rescheduled to happen now, 80% percent of the venues are booked in advance, and we are looking at robust growth figures,” Deolekar said. “We estimate a 20% to 25% rise in the wedding segment for the upcoming season.”

Lamba describes the wedding surge phenomenon as “The Big Fat Indian Wedding.” He said several hotels have sold out for the season, which usually takes place from October through February or March. Some dates are very auspicious and thus demand higher costs.

Deolekar said couples who delayed getting married for two years or had a very muted event due to the pandemic and the ensuing restrictions are now spending lavishly on their weddings.

“In the post-COVID-19 era, the trend has changed completely, with the key word being customization for dream ceremonies, and thus our resorts are seeing entire properties being booked exclusively for this reason,” he said.

More weddings are taking place outdoors. In past years this was necessary, but now guests want outdoor weddings.

“The emphasis is on outdoor weddings, smaller guest lists and booking entire properties so that interaction with people outside of the guest list is avoided,” Saliankar said. “The pandemic had pushed many guests to hold outdoor weddings due to safety reasons, but it seems like the trend will continue to grow this season as well. While celebrating their big day, guests prefer big open areas and scenic views. “There is a newfound focus on sustainability amongst couples planning their weddings today. They want to utilize local talents and, in general, seek out different ways to make their celebration greener,” he added.

Lifting Lavishness

While weddings might have become a little more intimate, that does not mean any degree of lavishness has disappeared.

“There has been an increase in the number of people opting for intimate weddings,” Deolekar said. “With less people present, hosts are able to provide better and qualitative experience to their guests and hence the scale has gone down. Saying that, however, budgets have certainly not gone down for a wedding.”

He said a smaller guest list has enabled wedding hosts to spend more on destination weddings, luxury properties, varied cuisines and elaborate décor.

“Spending has not reduced as hosts focus on creating experiences, but the guest list has reduced from an average of 400 to 500. It has come down to 250 to 300,” Saliankar said. “Even with intimate weddings being the preferred choice for a lot of our patrons, spending has gone up. Couples continue to choose a close-knit wedding as it opens a whole new realm of possibilities to experiment with and plan a lux, fairy-tale one.

“They limit the guest count, resulting in reduced expenditure on accommodation and food. This gives them the option of saving or even investing that money in making the wedding more luxurious,” he added.

Lamba emphasized the new destination-centric manner of Indian weddings. He said to obtain the necessary fairy-tale wedding, couples are choosing luxury and upscale hotels and resorts in spectacular destinations.

He added there are still challenges when obtaining visas to go to international markets.

Saliankar agreed, adding that domestic weddings still have the bigger share of the demand.

“People prefer destinations within the country rather than getting married in international destinations,” Saliankar said.

He said his hotels in Mussoorie, Uttarakhand State; Dharamshala, Himachal Pradesh; and Goa all have shown a marked rise in demand during the wedding season. Hotels in secondary and tertiary markets have seen demand increases as well.

For Deolekar’s hotels, Jaipur and Udaipur in Rajasthan and, also, Goa dominate, but destinations such as Panchgani, Mahableshwar and Lonavala in Maharashtra have also joined the mix.

“As per the data, people are looking for properties close to their hometowns. Also, the preference for venues that are within the driving distance for the host families is the biggest difference we have noticed,” Deolekar said.





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