



# DOCUMENT

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## BUSINESS NEWS

By Srikruth Reddy

### Facebook in the crosshairs yet again!

Data of over 450 million Facebook users, including over 6.1 million Indian users, was leaked online in a massive leak. The leaked data includes personal information such as the name, email address and phone number of users. India's cybersecurity agency, the Indian Computer Emergency Response Team (CERT-In), has issued an advisory to Facebook users in the country to help them strengthen their account after the recent Facebook data leak.

"It has been reported that globally there has been a large-scale leakage of Facebook profile information. The exposed information includes email addresses, profile ID, full name, job occupation, phone numbers and birth date," said CERT-In in its advisory. CERT-In advises users to periodically review their privacy settings as the introduction of new features may result in your data being shared without your knowledge.

### Elon Musk gets a taste of India's Regulatory challenges!

Elon Musk's Starlink internet service could be coming to India, but even before it establishes connectivity within the country, the Department of Telecommunications (DoT) has put it under scrutiny, a new report suggests. According to The Economic Times, the telecom department is scrutinising whether the Starlink satellite internet service violates the country's telecommunications and regulatory laws.

Apart from telecom regulations, the other aspects under the DoT's scrutiny include consumer interest and national security. Interestingly, the telecom department's reported intervention in Starlink's India plans comes close on the heels of opposition by Broadband India Forum's (BIF) opposition. BIF represents Google, Microsoft, Amazon, Facebook, and OneWeb. BIF alleged that the Starlink internet service does not comply with India's regulatory framework. The group petitioned the Telecom Regulatory Authority of India (TRAI) and the Indian Space Research Organisation (ISRO) to intervene and prevent Starlink from launching its services in India.

### A pivotal moment for Cryptocurrency!

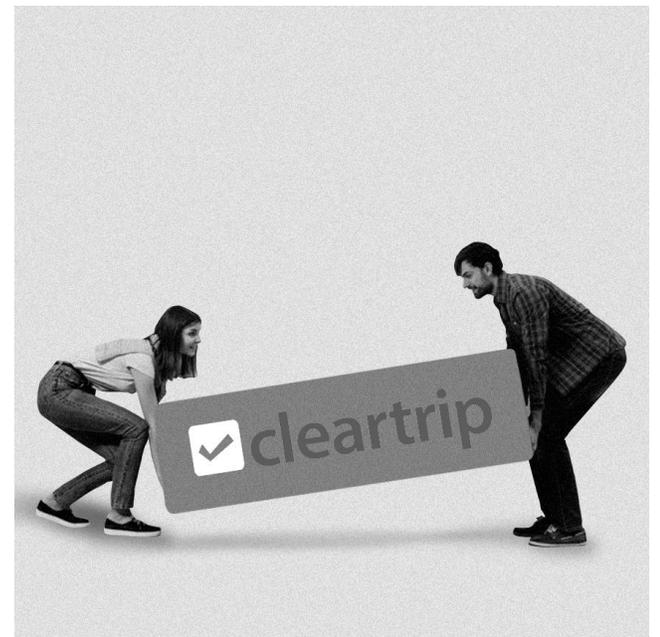
On 14 April, Coinbase will become the first US-based cryptocurrency platform to roll out its IPO on Nasdaq. The company posted total revenue of \$1.8 billion nearly a week before its IPO. Founded in 2012 by former Airbnb Inc engineer Brian Armstrong and former Goldman Sachs Group Inc trader Fred Ehrsam, Coinbase provides a platform for the buying and selling of Bitcoin along with 29 other cryptocurrencies. The company makes money by charging a transaction fee every time user buys, sells, or exchanges Cryptocurrency. With 261.3 million diluted shares outstanding, Coinbase now has a market capitalisation of about \$86 billion. There is often a cloud of suspicion around cryptocurrency exchange platforms. However, the Coinbase IPO is a step towards its legitimacy.

### Flipkart acquires Cleartrip!

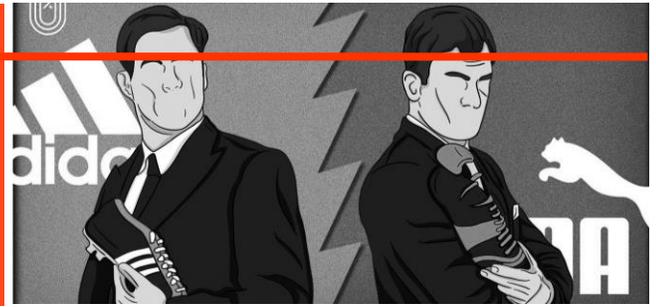
It's official. Walmart-owned e-commerce giant Flipkart is set to acquire Cleartrip, the online travel aggregator. The company stated that it would acquire 100% shareholding of Cleartrip and its operations. "The Flipkart Group is committed to transforming customer experiences through digital commerce. Cleartrip is synonymous with travel for many customers, and as we diversify and look at new areas of growth, this investment will help strengthen our wide range of offerings for customers," Kalyan Krishnamurthy, the CEO of Flipkart Group, said in a statement. Cleartrip was founded in 2006 by Hrush Bhatt, Matthew Spacie, and Stuart Crighton. The acquisition's financial terms weren't disclosed, but the deal size is reported to be around \$40 million (₹299.8 crores).

### Razorpay Triples Valuation to \$3 Billion

Razorpay, an Indian startup that facilitates digital payment, has raised \$160 million (₹1,192.6 crores) in funding from Sequoia Capital, GIC and others. The funding will result in its valuation tripling to \$3 billion. The Series E funding round was co-led by Sequoia Capital and GIC, along with participation from Ribbit Capital and Matrix Partners. This comes when fintech firms are witnessing a sharp jump in their business volumes as the pandemic forces individuals to go digital. The Bengaluru-headquartered company will use the funds to expand into banking and lending, make acquisitions and add services in Southeast Asia. The company said in an announcement on Monday. India is in the middle of an unprecedented startup boom, as the coronavirus pandemic drives more activity online, and investors see an untapped opportunity for profit in the fledgling digital ecosystem. Earlier this month, six startups turned unicorns within the span of days, almost as many as all of 2020.



# Brand Stories



## ADIDAS & PUMA - RIFT BETWEEN THE DASSLER BROTHERS

*By Vipul K*

Two of the most popular sporting equipment brands globally- Adidas and Puma have their origins in Herzogenaurach, Germany. Both the brands were founded by two brothers, Adolf and Rudolf Dassler, after a feud over some personal issues and stopped working together.

There is a reason why Herzogenaurach is called the cradle of the sporting goods industry. In 1919, the Dassler brothers started sewing shoes in the laundry room of their house. As business thrived, they produced shoes on a larger scale, working together under an organization named Sportfabrik Gebruder Dassler or Geda for short.

Things were going smoothly, and the brothers showed early signs of success during the 1936 Berlin Olympics when the athletes they equipped won 7 gold medals and five silver and bronze medals between themselves.

But then the war broke out, World War II. The Nazis were fighting on not one but two fronts, and they needed men and weapons. The government ordered Gebruda Sportfabrik to halt shoe production and cater to weaponry requirements. Moreover, Rudolf got drafted to serve in the army and went away only to return after a couple of years. Neither brother knew that when they next met, things would never be the same.

The good thing about every storm is that it ends; the war also ended. Rudolf returned home, and the brothers started shoe production again, not for long, however. In 1948, Geda ended abruptly. A rift had developed between the two brothers, which would continue till the end of their lives.

The fascinating point is that even after 70 years, no one knows what caused the brothers to separate. Rumors about Adolf's wife, Käthe, having played a role in the birth of this rivalry are not uncommon. However, not a single person in Herzogenaurach ever came to know what happened.

Adolf started his production with the brand name 'Adidas,' while Rudolf founded Puma. The two companies set up their factories and offices on the opposite sides of the river Aurach, which flowed through the town. As it turned out, the whole town of Herzogenaurach, with its population, got involved in the rivalry in no time.

"At that time, at least one person in every family was employed by either of the two companies," says Historian Welker.

This led to the creation of Adidas and Puma families. Families of each brand had their separate bakeries, butchers, and pubs. The rift between the brothers had turned into hatred, the hatred that engulfed every person living in the town. No one dared to utter the name of Puma in an Adidas family and vice-versa, forget about wearing shoes of their rival brand.

Today, when both Adidas and Puma are global giants and trendsetters, we can safely assume that the rivalry between them fostered competition and kept them improving. However, the friction has eased out a bit now, since the withdrawal of Dassler's heirs from Puma and Adidas in the 1990s. These brands operate on a global stage and face fierce competition from other giants like Nike, which overshadows both of them in sales and market value.

As it once had, Herzogenaurach is still home to the headquarters of both Adidas and Puma, where thousands of people from 100 different countries are employed by both brands. The townspeople have faint memories of the dispute that once divided their forefathers, but now they live in harmony. In 2009, the companies played a friendly football match to forget their differences in the past. Differences need to be forgotten to focus on increasing global competition. Employees of both companies now live in the same street, and harmonious interactions between them are not uncommon these days.



The word "adani" is written in a lowercase, bold, sans-serif font. It is positioned on the left side of the top banner, partially overlapping the "adani" image.

## **FAMOUS PERSONALITIES: ADANI- THE ANTI-VILLAIN OF POWER**

*By Kelvin T. Kurian*

We have all heard about Adani, either by the tweets on Twitter, memes on other social media platforms and even on the news. However, fewer details are known of him as he came into the spotlight lately despite being a tremendously successful businessman with a lot of influence. For instance, did you know that Gautam Adani was kidnapped and held for ransom at Mumbai's Taj Mahal Palace hotel on 26th November 2008, during the terrorist attack that took the lives of more than 160 people? Or that he's the owner of the Mangalore airport. Yes, yes, the airport closest to Manipal, the land of our dreams. So let's find out if Adani is hungry for clean power, or is he another anti-villain with a lot of money power?

Born in a large family with seven siblings, Gautam Adani was always interested in business because his father was a textile merchant. After his schooling, he enrolled for a Bcom degree at Gujarat University but dropped out after the second year to try his luck in the business world. Adani was keen on business but not his father's textile business. In 1978, Adani, who was still a teenager, moved to Mumbai to work as a diamond sorter for Mahendra Brothers. He worked there for 2-3 years before establishing his diamond brokerage firm at Zaveri Bazaar, Mumbai.

In 1981, he joined his elder brother Mansukhbhai Adani who bought a plastics unit in Ahmedabad. This venture turned out to be Adani's gateway to global trading through PVC imports. The economic liberalisation policies of 1991 turned out to be favourable for his company, and he started expanding the businesses into trading of metals, textiles, and agro products. In 1994, he won a bid for the Mundra port in Gujarat. Today, the company is the largest private multi-port operator. Mundra Port is the largest port in India. From 1996, Adani started to look into solar power and energy, namely Adani Power, which holds thermal power plants with 4620 MW, the largest private thermal power producer. After spending two decades building a business empire centred around coal, Indian billionaire Gautam Adani is now looking beyond fossil fuel to cement his group's future, and Adani Green Energy, which was founded in 2015, is now looking at expanding its reach.

His ambitious plans are getting a boost from Prime Minister Narendra Modi, with whom he cherishes a tall friendship. In recent years he's bought a majority of the ports and airports that the government set for sale. Adani has emerged as India's infrastructure king, diversifying mines, ports and power plants into airports, data centres and defence sectors.

Despite all the success that he's been having over the years, he's found himself in a position of much hate and criticism in recent years. The latest protests took place during an India Vs Australia match when the Australian supporters decided to raise their voices to pressurise the SBI to back out from giving Adani a loan for the proposed Adani Carmichael Project. Back in India, Adani promised clean air and power by solar plants. Yet, the amount of destruction caused in states like Jharkhand, rich in resources and raw materials, is astonishing and unimaginable. Recently even the farmer's protest has come into the spotlight, with the farmers and opposition parties alleging that capitalists like Adani and Ambani are the only benefactors. His company donates 2% of profits for CSR activities. He even donated 100 crores to the PM Cares fund, but in comparison with the other well-known businessmen, the 100 crores seem so meagre.

Love him or hate him, Adani is on a positive trajectory, and the Modi led government has just helped his fortunes. What the future holds is a question of time and means. Until then, for the Adani's, it's beneficial to remember, "The circus arrives without warning." It leaves us, readers, to wait and see if clean power will save the day or if money power will flee the country.



# INVESTING 102: HOW DOES THE STOCK MARKET WORK?

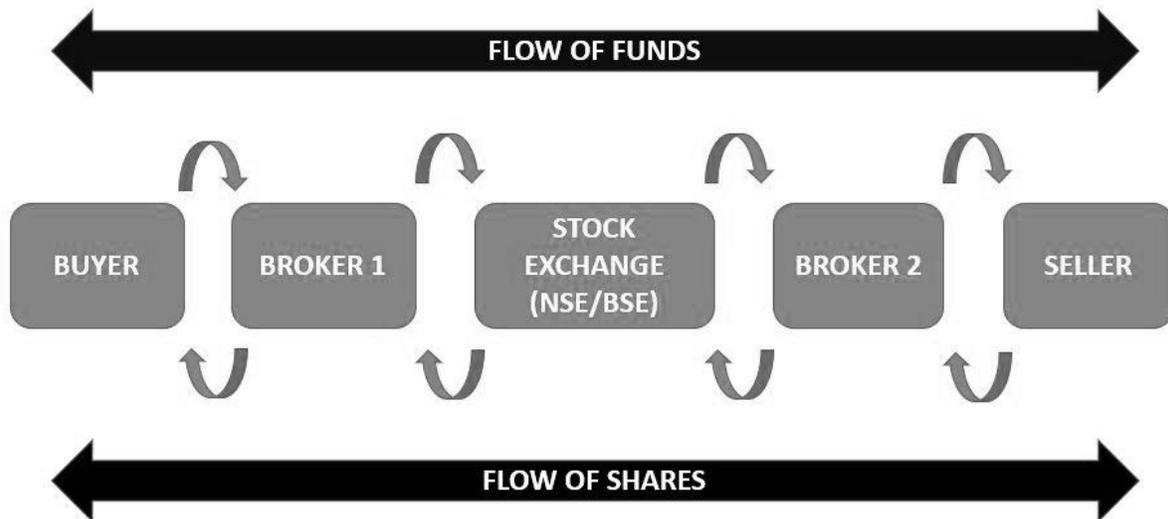
By Chandrupal Shankar Hazarika

I am sure you have come across the two words 'stock market'. And I also take it that you have a rough idea of what 'shares' are. If not, you can go and check out the January edition of our e-magazine (innovative plug-in, eh?). I've always wanted to know what exactly happens once a company gets listed on a stock exchange (BSE and NSE for us Indians). I researched and got my answers, and I would like to share the same with you.

So, once listed on stock exchanges, the shares of a company can be traded in the market to make profits or cut losses. This is wholly based on the concept of 'Supply and Demand, i.e., the more the demand, the higher the share price. The buying and selling of stocks listed on the exchanges are done by stockbrokers/brokerage firms that act as the middleman between investors and the stock exchange. Some famous brokerage firms in India are Zerodha, Groww, Upstox, and ICICI Direct.

So, when you hit 'BUY' on a share, your broker passes on your order to the stock exchange. The stock exchange searches for a sell order for the same stake. Once a seller and a buyer are found and fixed, a price is agreed to finalize the transaction. Post that the stock exchange communicates to your broker that your order has been confirmed.

This message is then passed on to you by the broker.



Meanwhile, the stock exchange also records the details of both the buyers and the sellers to prevent defaults. It then facilitates the actual transfer of ownership of the shares from sellers to buyers. This process is called the settlement cycle. Earlier, it used to take weeks to settle stock trades.

But now, this has been brought down to T+2 days. Stockbrokers identify their clients by a unique code assigned to each investor. After an investor completes the transaction, the stockbroker issues him/her a contract note which provides details of the transaction, such as the time and date of the stock trade.

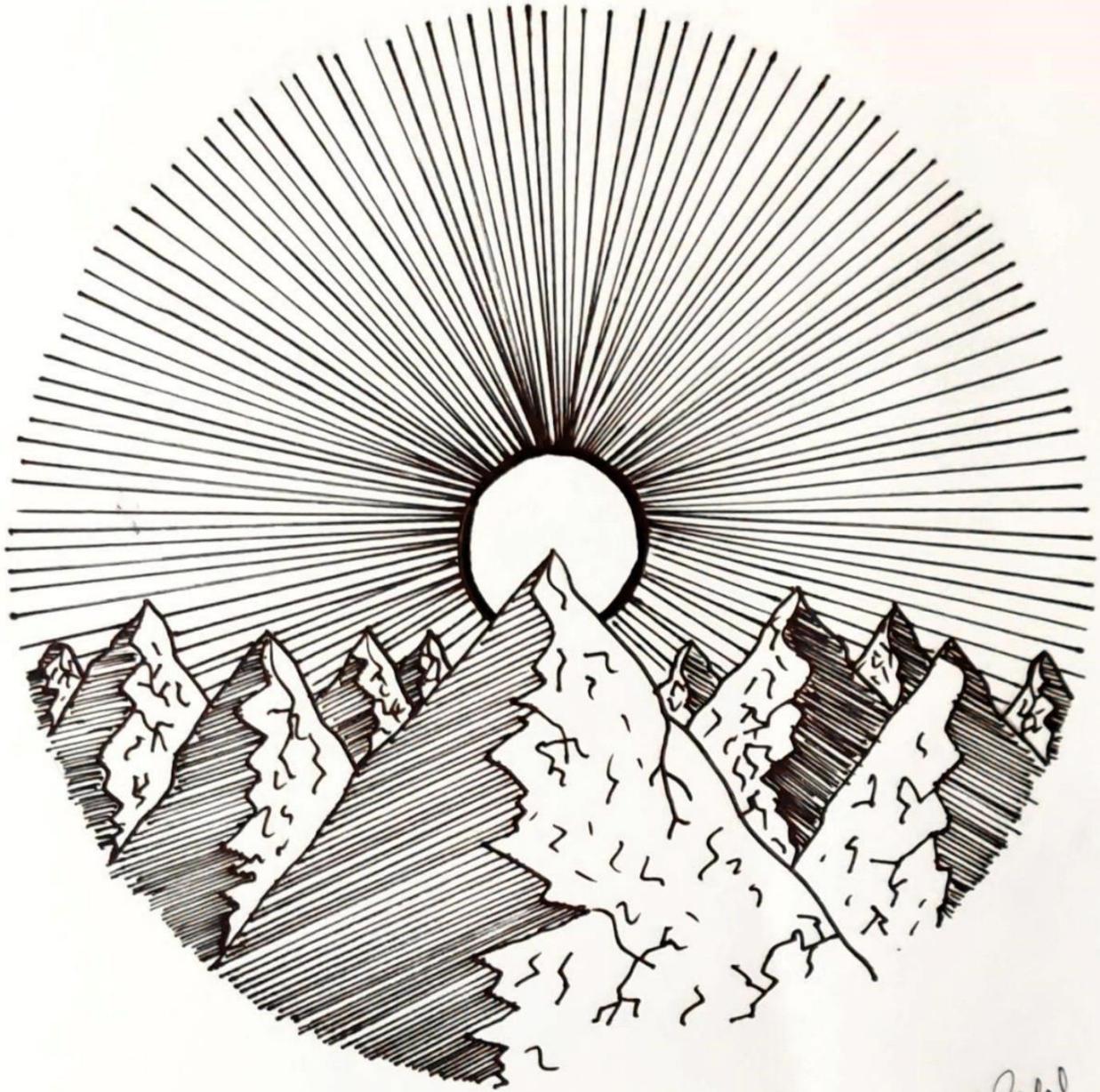
Apart from the purchase price of a share, an investor is also supposed to pay brokerage fees, stamp duty, and securities transaction tax. Platforms like Zerodha, Groww only charge the Brokerage fee and nothing else (generally, it is ₹20 or 0.05% of the amount, whichever is less, per trade). In case of a sale transaction, these costs are reduced from the sale proceeds, and then the remaining amount is paid to the investor.

But the stock trading process has become electronic today. Now that matching buyers and sellers are done online, and as a result, trading happens within minutes.

I find it interesting that despite how the world has been under lockdown for almost an entire year, the Global Economic has seen a \$5 trillion surge. People have finally understood the power of compounding and investing, and I am one of them. If you aren't one of us yet, don't be late, time and the stock market wait for none.



## FEATURED ARTWORK



*Rohit*

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## Content Credits

Srikruth Reddy - *BBA 'F', 1<sup>st</sup> year*

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Kelvin T. Kurian - *BCom 'A', 1<sup>st</sup> year*

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Vipul K - *BBA 'F', 1<sup>st</sup> year*

---

Chandrupal Shankar Hazarika - *BBA 'F', 1<sup>st</sup> Year*

---

Rohit Chanana - *BBA Marketing, 3<sup>rd</sup> Year*

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