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BUSINESS NEWS

By *Srikruith Reddy*

Mammoth deal in Indian renewables

Adani Green Energy Ltd., majority-owned by billionaire Gautam Adani announced that it would acquire SB Energy India in a deal that values the company at ₹26,000 crores (\$3.5 billion). The acquisition will help Adani Green Energy get closer to its target of 25GW renewable energy capacity, giving it a boost of 4.9GW. Adani Green has signed definitive agreements for 100% acquisition of SB Energy Holdings Limited. SB Energy India is a joint venture between Japan-based SoftBank Group Corp (80%) and Bharti Group (20%) and houses 4,954 MW of renewable assets in India. As a result, shares of Adani Green Ltd rose by 5%. Its share price has gone up by over five times, which valued the company's market cap at nearly 2 lakh crores. Adani Green had outlined its plan to achieve 25GW of renewable energy capacity by 2025. With this acquisition, the company has almost achieved its target 4 years early – it has a total renewable energy capacity portfolio of 24.3GW right now, just 0.7GW short of its 2025 target. 1 GW(Gigawatt)=1000 megawatts = 1 billion watts

(Elon) Musk giveth and Musk taketh away!

Elon Musk has had a tumultuous week, to say the least. From his net worth plummeting by \$25 billion to falling from the second-richest spot to Tesla's stock tumbling 25% and having crashed the crypto markets with a few tweets, he has been through some rough time. A few days after he crashed Dogecoin because of his appearance on "Saturday Night Live" where he called the currency a "hustle," he drove the price of Bitcoin — a cryptocurrency with a \$1 trillion market cap –down as much as 31% with a tweet noting that he now believes Bitcoin is terrible for the environment and that Tesla will not be accepting Bitcoin payments for its cars after all. The impact was immediate; crypto investors flooded into his mentions pleading for mercy and complaining to each other that he should not have been so rash. Unrelated coins across the crypto sphere dipped as investors are worried. Last week, he touched off the wild moves by reversing when he said that the company had no plans to sell its corporate crypto holdings. He seemed to imply in a tweet that Tesla is not selling into the rout, which turned the 31% collapse into a 33% rally. The rise and fall of Bitcoin seem to be significantly correlated to Elon Musk's mood, making it highly exhaustive and dangerously volatile.



'Strange(r) things' are happening....

Netflix has never dithered from its core manifesto of offering on-demand movies and TV. But recently, it has been quietly toying with the idea of introducing media like video games for its users. The streaming firm is looking to hire an executive who can expand its gaming content, a sign that it is stepping up its efforts to grow beyond traditional filmed entertainment. Netflix's expansion into what it calls "interactive entertainment" is part of its continued push into varied forms of programming. In 2017, Netflix started releasing interactive TV series and films that allow viewers to click on their screens to affect character decisions and plot lines.

It also licensed its popular 'Stranger Things' series out to video game developers. But the company's recent attitude toward games suggests it sees a much bigger opportunity ahead. In 2019, Netflix said in a letter to shareholders, "We compete with (and lose to) Fortnite more than HBO." At the time, it was taken more as shade directed at HBO than it was a compliment for Fortnite. But two years later, maybe Netflix is getting tired of losing to Fortnite.

13th unicorn from India this year!

Moglix, a business-to-business industrial marketplace in India, raised \$120 million in a new financing round at a \$1 billion valuation, becoming the 13th firm from India to attain unicorn status this year. The start-up's Series E financing round was led by Falcon Edge Capital and Harvard Management Company (HMC); it raised \$220 million to date.

Six-year-old Moglix was founded by IIT Kanpur and ISB alumnus Rahul Garg, serves as a marketplace for procurement of industrial products like fasteners, electrical, hardware, pneumatics, and safety items, among others. Moglix currently serves over 500,000 small, medium-sized businesses, and enterprises. It has established 3,000 manufacturing plants across India, Singapore, the UK and the UAE. The B2B e-commerce market is currently in the growing phase. According to consultancy firm PwC, manufacturers still rely on offline (and largely unorganised) and indirect purchase for 80% of their supply needs. Moglix has an early mover advantage in this space.



To the stars.....

Skyroot Aerospace, which is into building private space launch vehicles in India, raised \$11 million Series A funding from investors led by Greenko Group founders Anil Chalamalasetty and Mahesh Kolli. The space start-up founded by two former ISRO scientists is already taking launch bookings for the next year and intends to raise \$40 million more to fund its aggressive growth plans over the next few years. Chennai-based Agnikul Cosmos also raised \$11 million in their Series A round of funding — the largest investment in the space start-up scene for both after the Indian government opened the sector to private participation less than a year ago. The start-up had also raised \$3.1 million in March 2020 in its pre-Series A round of funding. The series-A amount will be used for its first commercial rocket programme and getting their flagship vehicle, Vikram-1, off the ground in mid-2022.

Jeff Bezos meet, James Bond.

Amazon.com Inc. has struck a deal to acquire the historic movie studio MGM (Metro-Goldwyn-Mayer) for \$8.5 billion, bolstering its efforts to become a top player in Hollywood. Yet again legacy institutions are being swallowed up by Big Tech and media giants, MGM's historic film franchises like James Bond, Pink Panther, and Rocky will now live on virtual Amazon shelves—right next to groceries! The century-old film studio became Amazon's second-biggest acquisition ever, behind only Whole Foods, which it purchased for \$13.7 billion in 2017. By securing MGM, Amazon can now add the studio's 4,000 movies to its streaming service, Amazon Prime Video. "The real financial value behind this deal is the treasure trove of IP [intellectual property] in the deep catalogue that we plan to reimagine and develop together with MGM's talented team", said Amazon in a statement. The deal comes amid a new round of consolidation in media as Amazon seeks grander scale to compete in streaming against more prominent companies such as Netflix and Disney.

The deal is a financial win for MGM, which was reportedly valued at just \$5.5 billion, including debt, at the end of last year.



Brand Stories



RED BULL: MARKETING IT THE DRAGONFLY WAY

By **Vipul K**

It was IPL 2020; Kings XI Punjab was playing against Royal Challengers Bangalore. KL Rahul was seen padded up and ready to open the innings and was soon called on the ground.

Rahul went up to the refrigerator in the dugout, sipped up a royal blue and grey can of Red Bull in full glamour, and made his way to the pitch. He smacked a whooping 132 off just 69 deliveries.

"During a match, I have a Red Bull shortly before going out to bat or field.", says KL Rahul, an emerging batting sensation.

Red Bull sells Energy. That adrenaline rush, that pounding heartbeat, that feeling of being alive and kicking. And they sell huge. Well, how huge?

Red Bull sold 7.5 billion cans in 2019! They sold a can for almost every person on planet Earth.

However, it is surprising that Red Bull never produces the energy drink itself and outsources it. In its quest to try something new, this organization started outsourcing operations such as Production and Logistics.

So, for the sake of God, what does Red Bull do? Marketing.

The company only focuses on Marketing its brand and energy drink to its consumers. That's it! Moreover, knowing or unknowingly, Red Bull intricately follows the *Dragonfly Effect* model for its marketing activities. But what is the *Dragonfly Effect*? It's a phenomenon that can be used to create seismic impact through social media. Akin to a Dragonfly, this effect rides on four wings, flying smoothly when all four work in synchronization.

Red Bull realized that its most likely consumers would be 18–34-year-old males, and the company went all out to place a can of their energy drink in the hands of their target consumer base. The product's sophisticated appearance coupled with innovative advertisements gave them the edge over other beverage brands.

Furthermore, they knew that youngsters (their target consumer base) loved partying and decided to tap into the potential demographic. The company actively formed a chain of *Student Brand Managers*, famous college students across various universities, who threw parties and supplied cans of Red Bull to make the energy drink acquainted among the youth. Such creative tactics helped the drink gain immense popularity.

Red Bull perfectly executed "the Wings" 1 & 2 of the *Dragonfly Effect* by focusing on a single concrete goal of reaching out to their target consumers and grabbing their attention by their unique and effective campaigns.

Today, Red Bull (although an energy drink company) owns two F1 teams, five professional football clubs, one ice hockey team and keeps organizing adventure sports events worldwide. Wings 3 & 4 of the *Dragonfly Effect* focus on engaging and creating a personal bond and empowering the consumers to take some actions that affect their lives positively.

By owning teams, clubs and organizing adventure events globally, they form a personal connection with the fans. When people watch the teams play and compete in the Red Bull sporting events, they feel inspired to play the sport themselves with their friends and loved ones. And when they step out to play, run, jump, or race, they sip cans of Red Bull. What we see here is marketing at its best, flawlessly subtle and natural, yet tremendously effective.

Millions of fans consume this energy drink worldwide, yet when you buy a can of Red Bull in a small Indian town, you get the same formula, the same beverage that F1 racer Max Verstappen drinks before hopping into his 900-break-horsepower machine, *the RB13*. Barring the few temporary special edition cans, the company has just one product, which comes in one can, one size, and one taste.

That is Red Bull for you!



Famous Personalities



THE VACCINE PRINCE VS THE FARMER'S SON

By *Kelvin T. Kurian*

The stage is set for the CEOs of two of India's best vaccine manufacturing companies to develop a vaccine for Covid 19. Introducing the heroes of the story - Adar Poonawalla "The Vaccine Prince", CEO of the Serum Institute of India and The Farmer's son "Dr Krishna Ella", Chairman and Managing Director of Bharat Biotech. Will they prevail to save another day?

The Vaccine Prince and the Farmer's son come from different backgrounds, but it's this diversity and difference that laid the path to the rise of these two life-saving heroes. The inceptions are different, but the goal of both companies is to develop vaccines that save lives.

Adar Poonawalla was born on 14 January 1981, after graduation joined the Serum Institute in 2001. He eventually became the CEO of the company that his father, Cyrus Poonawalla, established in 1966.

Dr Krishna Ella born in 1969, hails from a Tamil agricultural family, something which he takes great pride and joy in. After earning his PhD. from the University of Wisconsin, he returned to India to set up a lab in Hyderabad known as Bharat Biotech.

The vision of Serum Institute under Adar Poonawalla was to manufacture life-saving immune drugs and vaccines that are in shortage in the country and imported at high prices. The company manufactures the Polio, Tetanus, and Measles vaccines, among various others. Today the Serum Institute of India is the most prominent vaccine manufacturing company globally by the number of doses produced. It also supplies to over 170 nations through World Health Organisation programmes.

On the other hand, Bharat Biotech under Dr Krishna Ella focused more on using innovative technology to produce veterinary vaccines, develop food processing formulas, and increase biotechnology infrastructure. They were one of the first to develop vaccines for viral diseases like Chikungunya and Zika and produced a \$1 Hepatitis B vaccine in 1998, the cheapest one ever manufactured. The company has also acquired patents for its one-of-a-kind vaccines.

Serum Institute announced its partnership with Oxford University to manufacture their Covid-19 vaccine. In November 2020, the AstraZeneca vaccine was found to have a 70 per cent efficacy rate. On 16 January 2021, the first dose was administered to the citizens starting the largest vaccination drive in the world. Adar Poonawalla strives to establish his company's domination and further cement its reputation.

Bharat Biotech received DCGI approval for starting Phase I & II Human Clinical Trials in July 2020. However, India approved its Covid-19 vaccine before it completed its human trials. Dr Krishna Ella is prepared and yearns to rise to the ranks of the other well-known players in the market.

Fast forward to today, India aims to vaccinate 250 million "priority people" by the end of July. Health workers, front line workers and people over the age of 45 are deemed as the priority category. But experts say that the pace of vaccination has been slow, and unless the drive is scaled up, the target could be missed. Covaxin has an efficacy rate of 81%, preliminary data from its phase 3 trial shows. International clinical trials of the Oxford-AstraZeneca (Covishield) vaccine showed that when people were given a half dose and then a full dose, effectiveness hit 90%.

Bharat Biotech received approval to proceed with the vaccination process even before having a clear clinical trial picture. The Indian government endorsed the vaccine and said it was safe. Both the manufacturer and drug regulator had defended Covaxin, saying it was "safe and provides a robust immune response". Not everyone was convinced, but this has not deterred the manufacturing process.

Serum Institute has faced many tough questions on its pricing and its alleged discriminatory price differences to the Central and State Governments. The Central government receives the vaccine for 150 rupees. Whereas the state governments procure it for rupees 300. Adar Poonawalla called it a "Philanthropic gesture on behalf of Serum Institute of India".



Dr Krishna Ella came forward and addressed that he was from an agricultural family and had no experience in business and that his family is not involved in politics. He claimed that he only knows science and aims to help people. The efficacy rate of Covaxin has helped put an end to any narrative that questions the quality of the vaccine. Bharat Biotech has ramped up vaccine production and has shared the Covaxin code with others.

On the other hand, Adar Poonawalla has fallen out of favour with the public and the media. He fled the country days after he was given Y security, saying that he and his family were under threat and felt overburdened. A lot of people felt betrayed when he stated that he was planning to begin production

outside India. When he was asked about the assembly elections and Kumbh Mela, he responded. "If I give you the right answer or any answer, my head would be chopped off," His press statements and untimely travels have caused an uproar among the public and the government, who initially celebrated his company. A lot was expected from Adar Poonawalla, but he has not lived up to the expectations.

At the time of writing this article, it has been reported that Johnson and Johnson and few other companies have been permitted to vaccinate in India. However, companies like Bharat Biotech and SII are both behind schedule. While the number of fresh cases has dropped, the number of daily deaths is yet to reduce.

Being optimistic while avoiding undue travels and boosting vaccinations is the only way to reduce the dangers of the forecasted third wave. Until the virus is eradicated, the Vaccine Prince and the Farmer's son will have to swallow their losses, work harder to - "Save another day".



CONTEMPLATING CAPITALISM

By *Chandrupal Shankar Hazarika*

Capitalism and Socialism are economic systems which form the basic ideology for developing the economic policies of a country. The main aim is to regulate their means of production.

In Capitalism, the economic resources are owned and controlled by private individuals or businesses with the motive of developing personal wealth. They do this by maintaining the production of goods and services on supply and demand in the general market. There are different variations of capitalism. These include laissez-faire or free-market capitalism, state capitalism, and welfare capitalism. On the contrary, Socialism focuses on the importance of taking economic decisions without the factor of the markets or decided by self-interested individuals. Instead, the government owns or controls much of the economy's resources—decides what, when, and how in regard to the production of all the goods and services. This approach is also called "centralized planning." Different types of socialist ideologies are Marxism, Leninism, Maoism, Communism, Etc.

The characteristic feature of capitalist countries is that businesses are almost independent on how they operate, and their trade is profit oriented. It faces minimal to no restriction by anyone or any authority.

The question I would like to ask today is if capitalism has always shown positive outcomes? Has it resulted in the greater good of the economy at large?

I would say No! Like all ideas under the Sun, capitalism is also riddled with many flaws.

"With great power, comes great responsibility".

Private ownership of resources enables firms to gain a monopoly in product and labour markets. Firms with monopolistic power can exploit their position to demand higher prices. Alternatively, firms functioning as a monopoly can pay lower wages to workers and thus lead to undue exploitation and taking advantage of the disparate nature of the labour market. In capitalist societies, there is often great inequality between the owners of capital and those who work for firms. A free market will ignore social benefits as no profit is gained out of it.

A profit-maximizing capitalist firm is likely to ignore negative externalities, such as pollution from production which can harm living standards. Similarly, a free-market economy will under-provide goods with positive externalities, such as health, public transport, and education. This leads to an inefficient allocation of resources. Even supporters of capitalism will admit that government regulation of certain public goods and public services is essential to maximize the potential of a capitalist society.

A capitalist society is based on the legal right to private property and the ability to pass on wealth to future generations. Capitalists argue that a capitalist society is fair because you gain the rewards of your hard work. But often people are rich, simply because they inherit wealth or are born into a privileged class. Therefore, capitalist society not only fails to create equality of outcome but also fails to provide equality of opportunity. It is not like this is a recent phenomenon. Evidence of a couple of these issues can be found even in 1854, when Charles Dickens writes in his novel, 'Hard Times'.

This Dickensian novel is set in the fictional town of Coketown, (a fictionalized version of Manchester). Dickens takes aim at the heartless capitalist like Mr. Gradgrind, who abuses his workers, exploits young children, and uses his relentless capitalist logic to blind them to the discretion of nature and human life. Here is an extract from his novel describing Coketown;

"It was a town of red bricks, or of brick that would have been red if the smoke and ashes allowed it; but as matters stood it was a town of unnatural red and black like the painted face of a savage."

This is the mention of just one such incident, which again is more than 150 years old, things are not very different now.



Cut to the 21st century. Apple officially became the world's largest corporation in 2015. It is an incredible success story for sure. But the very same challenges remain. It turns out they were indirectly responsible for the suffering and abuse of workers in the sweatshop supply chain in

China run by the Foxconn Corporation. With the launch of the Apple Watch, a gadget that did not have any particularly urgent purpose. Questions have been raised as to why we have been exhausting ourselves and the planet, for ends that are so out of proportion with the costs they have imposed on all of us.

Basically, what I would like to argue is that Capitalism proposes that "greed is good." The supporters of capitalism would say that it is a positive thing — greed drives profits and profits drive innovation and product development, which means there are more choices available for those who can afford them. Its opponents say that capitalism is, by nature, exploitative, and leads to a brutally divided society that tramples the working classes in favour of fattening the rich's wallets.

Now the question is: if capitalism has generated so much negativity, why is it still prevalent then?

When asked to consider capitalism's negative impact on the environment and our shrinking natural resources, many say that those resources will only become more valuable and would be able to generate more capital as they continue to diminish. But even then, we are exhausting the natural resources. They also believe that the competition between companies' benefits consumers by making products better and more affordable and that capitalism's dog-eat-dog atmosphere encourages people to work harder to achieve their dreams. The Reward Mechanism for people who have been working hard and improving their skills is quite rich. The fact remains that everyone gets the same starting point in life. It is up to each person to approach the idea of innovation. They are likely to dismiss anti-capitalists concerns about inequality and oppression by saying that rich people are rich because they are more productive than their poorer counterparts. Economic growth occurs with capitalism. The GDP increases when capitalism is present in the economy because innovation leads to higher demand, which then leads to more consumption. When a consumer's life is better because of the products or services they have purchased, then there is a way to improve their standard of living over time. Anyone can plot a course where they can achieve financial success. If we are willing to work hard and be persistent, then we have the same chance as anyone else to pass our wealth to the next generation.

Previously, economical activities were something to support the lives of the people involved in the cycle of money. Now, people must adapt to the economy and its demands. Unlike the Laws of Physics, the laws of economics are a choice. It is just social norms, constructive narrative, and based on pseudoscience. If we truly want a more equitable and sustainable economy, and a high-functioning democracy and civil society, we must have a new economy.

HERE IS THE GOOD NEWS, IF WE WANT NEW ECONOMICS, WE HAVE TO CHOOSE TO HAVE IT

CONVERGENCE '21

Management Fest

The Roller Coaster Ride

By **Stephen Raj**

Convergence for me was nothing like anyone of us contestants expected it to be like. Competing and winning the best manager event was an honour, the hosts as well as the fellow participants put up a great event together.

My experience went from "this is easy" to "this is nearly impossible" on the first day. We had to face scenarios that would change your outlook on how the industry works and what really goes on, in and around the different departments. The hosts and judges have done a marvellous job at putting together tasks that were really challenging at the same time taught us great lessons about managing a company as well as encouraging us to think different. It was also a good change for me as a fresher who has not been to the campus yet, getting to interact with other students from across our department and seniors.

There was a lot to take away and cherish from the two-day event and I look forward to more such events which encourage managerial skill development and out-of-the-box thinking.

Caught on the Hop!

By: **Sinchana H S**

Convergence 2021 was my first management fest and the first online fest of its kind in the department. It was a wonderful experience as I got to interact with many people from other courses and even my seniors. It all began with a surprise prelim and continued with the funny reels that we had to make. Every task demanded me to multitask and be on time (this helped me overcome my laziness that I had developed overtime). It also demanded me to be quick in decision making and problem solving.

Right from 9 am in the morning to 12 am in the midnight I had my head buried in the tasks assigned to me. It was the first time in the pandemic that I felt I was truly productive. As a fresher I was excited about participating in fests, I guess this excitement was my fuel for those 2 long days. The real feel was when I had to convince my stands to the judges. I had a great time thinking of all the counter attacks that I had to encounter. It was a relief when at the end they gave the real feedback and appreciated my efforts and pointed out the corrections.

Management fests are known for the pressure rounds and so was convergence. We were given tasks and kept engaged for the entire 2 days. I even felt I would quit but the seniors were always supportive and encouraged us to keep going. I had never imagined that I would stand in the 2nd place. It surely helped me learn a lot about management and provided the practical applications of the theories. The pandemic had surely affected all, but I feel that the event was a success despite the fact that it was conducted virtually. The team surely did a great job!



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By Riddhi Bairagi

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