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**DEPARTMENT
OF COMMERCE**



THE
MAGAZINE
DOCUMENT
DOCC

JULY 2022

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JULY HIGHLIGHTS

BY SRIKRUTH REDDY
BBA 3RD YEAR



NO STOPPING

India's move to levy goods and services tax (GST) on some daily eatables is set to strain household budgets, already battling high inflation.

The country's GST council, chaired by Nirmala Sitharaman, finance minister, made its exemption list to tax various goods and services. This includes a 5% tax on pre-packaged and unbranded items such as wheat, rice, maize, makhana (fox nuts), specified flour, meat, and curd.

The revision kicked in on July 18; besides increasing the costs for the customer, the move will fuel inflation expectations. The finance ministry explained the changes were only technical and aimed at streamlining the tax structure; experts were surprised.

Food inflation accounts for around 15% of India's consumer price inflation. The GST revision could boost headline inflation by up to 30 basis points from August.

"This decision will empower big brands to capture the market at the cost of small manufacturers and traders. Special food items, cereals, etc, which were not branded till now, were exempted from GST...[the decision] will cause huge damage to the business of foodgrain traders in more than 6,500 grain markets across the country," Praveen Khandelwal, secretary of the Confederation of All India Traders, told The Economic Times newspaper.

LIKE AN AMERICAN

Byju's is ready to spend \$1 billion on US-based ed-tech firm 2U, but it may need to improve its bookkeeping.

For starters, the Indian ed-tech major's financial reports have been delayed for more than two years. There are also reports of the company pushing back payments by two months for its \$1 billion acquisition of coaching firm Aakash Educational Services.

To recalibrate their business priorities and accelerate the long-term growth, Byju's has been optimizing its teams, admitting that it laid off less than 500 employees across group companies, including WhiteHat Jr. and Toppr. However, reports claim the layoff spree affected 1,500 staff between April and now.

Despite the turmoil in India, prioritizing the US makes some sense given the massive business opportunity there. It is a very lucrative market, with higher average revenue per user.

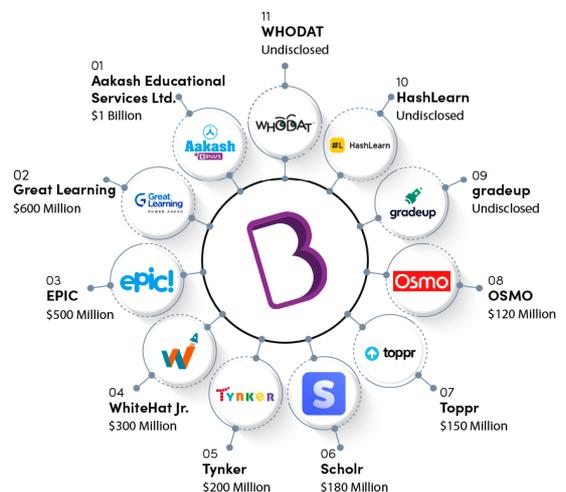
Startups in the US, meanwhile, need not be spooked yet. It's too early to comment on media reports on the delay in payments to Aakash and assume cash shortage as a reason, especially since both Byju's and Aakash deny the delay.

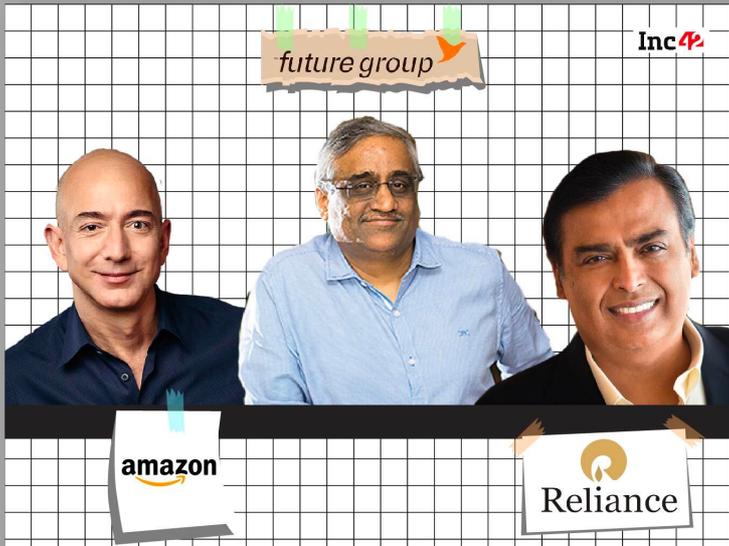


BYJU'S ACQUISITIONS

Presented By
Trade Brains

(Which is the best Acquisition by Byjus?)





CASH CONUNDRUMS

Trouble doesn't seem to end soon for the Future Group. The court ordered insolvency proceedings against Future Retail, its retail arm. The order by the National Company Law Tribunal came on the petition filed by the Bank of India and will allow its creditors to find a new owner for the firm.

Future Retail is in soup over its business deals with Reliance Industries and Amazon India. In 2020, October, it tried to sell most of its business to Mukesh Ambani's RIL for \$3.4 billion. However, didn't go down well with Amazon India, which went to court saying the deal violated its pact with Future.

Amazon India had invested around \$200 million in Future Coupons in 2019, which holds a 9.82% stake in Future Retail.

The NCLT's latest order has also upset the Indian unit of US-based Amazon. The company filed an intervention request to halt the insolvency proceedings, which the court rejected. Amazon India had alleged that Bank of India's plea was of "fraudulent and malicious intention."



POINTING HANDS

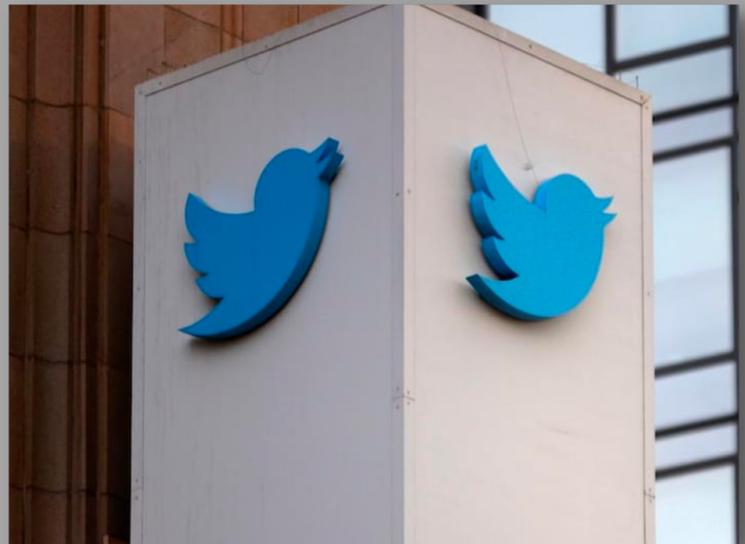
Twitter announced the second fiscal quarter of 2022. The social media company did not hold its usual call in which executives speak and take answers from financial analysts.

While Twitter's user base rose 16.6% year over year to 237.8 million, the social media company's revenue fell 1% to \$1.18 billion during that period. Results were worse than expected: according to FactSet, analysts predicted revenue would hit \$1.32 billion on average.

The company made a net loss of \$270 million, down from a profit of \$65 million last year. Twitter cited "advertiser industry headwinds associated with the macroenvironment as well as uncertainty related to the pending acquisition of Twitter by an affiliate of Elon Musk."

Twitter argued in court this week that Musk was hurting its business. Now its earnings report says that too.

Twitter is suing Musk for trying to back out of the \$44 billion deal to acquire the company, which the two parties committed to on April 25.



ACING THE SAAS INDUSTRY- HOW GIRISH MATHRUBOOTHAM LED FRESHWORKS TO GLORY



**BY VIPUL KUMAR,
BBA 3RD YEAR**

It was a happy moment for Girish Mathrubootham and his 11-year-old company when he rang the opening bell at Freshworks' Nasdaq debut in September last year. The company, which serves over 50,000 enterprises in 13 countries, made history by becoming the first Indian SaaS (software-as-a-service) start-up to be listed on the New York Stock Exchange, which is one of the reasons the ET Awards jury named him Entrepreneur of the Year 2021.

A Billion Dollar IPO

The company raised \$1 billion in its blockbuster IPO on the New York Stock Exchange, and 500 of its employees became millionaires overnight. Girish Mathrubootham, the founder and CEO of Freshworks, is the brains behind the company's success, and his path began with humble beginnings.

Freshworks' success, according to Mathrubootham, is due to the company's personnel. "For all of the hard work that has gotten us to where we are today, I owe it all to my fantastic Freshworks family. The adventure continues as we work to establish India as a global product powerhouse." He described it as an honor and a milestone in his aim of seeing India become a product nation on the global stage.

Two-thirds of Freshworks' roughly 4,300 employees with equity ownership plans benefited from the company's IPO. Mathrubootham founded Freshworks on the premise that happy employees lead to satisfied consumers. According to Mathrubootham, when he launched Freshworks in 2015, the goal was to ensure that staff might end up owning BMWs.

Indian Alternative to American MNCs

Following the Nasdaq launch, he stated that over 500 of his employees in India would be crorepatis, with 69 of them being under the age of 30. Mathrubootham founded Freshdesk as a cheaper alternative to the pricey helpdesk software offered by American multinational corporations. In December 2011, Freshworks received its first \$1 million from Accel.

When it raised \$100 million from Accel and Sequoia seven years later, it became India's first VC-backed SaaS unicorn. In 2016, the Economic Times Startup Awards named Freshworks as Startup of the Year. When it secured \$150 million from Sequoia, CapitalG, and Accel in November 2019, the company's valuation jumped to \$3.5 billion. Its market value peaked at \$12.2 billion when it went public in September last year.

Girish worked for several organizations, including HCL Cisco, eForce, and AdventNetInc, before joining the software behemoth Zoho as Director and Vice President of Product Management.

The Launch of Freshdesk

While at Zoho, a comment on HackerNews led him to launch Freshdesk, an IT helpdesk platform based out of a 700-square-foot warehouse in Chennai, with his colleague Shan Krishnasamy in 2010.

Freshdesk used social media to change the way customers connect with businesses. Freshdesk allows enterprises to handle client complaints across several channels while providing rapid access to information such as account details, subscriptions, and payment information.

The company's revenue reached \$100 million after eight years. Freshworks restructured in 2017 and established its headquarters in California, with global locations in India, Australia, the United Kingdom, and Germany.

With over 50,000 customers worldwide, including big companies such as Hugo Boss, Honda, Toshiba, and Cisco, the company is now valued at Rs 95,000 crore (\$13 billion).

Hero of SaaS

Freshworks founder Girish Mathrubootham, often known as 'G' within the company, has accomplished what Infosys' Narayana Murthy did in 1999 by successfully listing the company on Nasdaq. While Murthy was acclaimed as a software industry hero after being the first Indian SaaS firm to be listed, Mathrubootham is being lauded as a hero. Though Zoho's Sridhar Vembu is renowned as the "Father of the SaaS Industry," it was former Zoho employee Mathrubootham who took the Indian SaaS "saga" to the next level by raising \$1.02 billion in an IPO at \$36 per share, valuing the company at roughly \$10 billion.

Freshworks' success has been extraordinary, even though many start-ups have failed. Freshworks' LTM revenue is \$300 million, with over 52,000 customers in 120 countries, 4,300+ workers, and a total addressable market of \$120 billion. Mathrubootham stated that his ambition is to be a disruptive player in the CRM market by breaking down the silos of marketing, sales, and customer support with a unified customer cloud.



A GLANCE AT METaverse

BY RIDDHI BAIRAGI
BBA 3RD YEAR

The Metaverse will vastly increase market access for customers from emerging and frontier economies. There are chances to scale from a corporate perspective significantly. Rather than opening stores in every city, a retailer can create a worldwide hub in the Metaverse that can serve millions of customers.

The Metaverse presents many exciting opportunities for consumers and brands alike.

The possibilities of the dynamic, digital worlds are unlimited - whether giant tech firms like Microsoft seeking to create realistic workspaces or Travis Scott performing a concert in Fortnite. In the coming years, the Metaverse will most likely permeate every industry in some way, with an estimated market opportunity of over \$1 trillion in annual revenue. As a result, businesses of all kinds enter the Metaverse in various ways. Business leaders worldwide are faced with the question, "What is our metaverse strategy? What are we supposed to do in the metaverse?". Forward-thinking businesses have already established themselves in the Metaverse, with many multinational entertainment and apparel enterprises aiming to have their own metaverse space.



Several new technologies have come together to make this metaverse vision possible. The user experience is improving as virtual reality (VR) and augmented reality (AR) headsets become more powerful and affordable. Blockchain technology has birthed digital currencies and NFTs. These tokens are helping creators to monetize their work through new methods of transacting and owning digital goods.

Meanwhile, COVID-19 has advanced digitization and normalized more persistent and multi-purpose online interaction & communication. This combination of social, technological, and economic causes has led to an explosion of interest in the Metaverse.

Brands need to add interactivity and co-creation to their virtual experiences to break away from the old strategies and engage Gen Z. Virtual experiences to cater to Gen Z's demand for spaces to experiment with and express their identity, allowing free self-expression.

Metaverse presents the Opportunity to:

- Socialize

- ~60Bn messages are sent daily on Roblox

- Own Non-fungible tokens (NFTs) currently have a Market Cap of \$41Bn

- Experience >200 Strategic Partnerships to date with The Sandbox, including Warner Music Group, to launch a music-themed virtual world

The Basics: Understanding the Metaverse

What is The Metaverse?

The Metaverse is a collection of cyberspaces - virtual worlds where people can interact and build experiences. It's a seamless convergence of our physical and digital lives.

A vital feature of the Metaverse is the mutual generation of the virtual and the natural environment. The Metaverse will enrich social interactions digitally by adding an immersive 3D layer to the web. NFTs, Crypto, Virtual Reality, and Augmented Reality technology have initiated the first step in the ocean of possibilities that the Metaverse brings.

Mutual Generation is embodied in 6 Core Elements:

- 1.Immersion

- 2.Virtual Identity

- 3.Digital Assets

- 4.Real Experience

- 5.Virtual-Real Interconnection

- 6.Complete Social System

RICH YET POOR YOUNGER GENERATION

BY KELVIN THOMAS KURIAN
BCOM PROF 3RD YEAR, SEC A

"A SOCIETY GROWS GREAT WHEN OLD MEN PLANT TREES WHOSE SHADE THEY KNOW THEY'LL NEVER SIT IN."
A GREEK PROVERB

It's hard to imagine a world living by the same principles or ideas as mentioned in the proverb, both morally and economically.

While the industrial revolution played its part in modernizing the world economy and making it easier for labourers, it subsequently meant that the successive generations, including the present one, would not be wealthier than their parents. This means that today's youth generally will not earn as much in absolute value as their parents even though their lifestyle might have improved. The general trend suggests that younger generations find it hard to get reliable jobs. India's total employment fell from 13 million to 390 million in June 2022 to 403 million in May, the lowest level since July last year. However, India and the world are much more prosperous today than ever in history.

Population rates grew meant more competition for housing, employment, and other factors, including natural resources. This indicates that a smaller population would mean better living conditions theoretically. However, the subsequent larger population has always been affluent on aggregate. Some claim that in a democracy, a larger population is always beneficial as it is not easily influenced or manipulated, as more power in the marketplace and the will to fight against old and outdated policies post and pre-independence.

People vote for policies and people based on their socio-economic needs at the time. Suppose students today were asked to vote based on the policies which would benefit them, like low-cost or free higher education, employment policies and vital social welfare. Contrast this to the parents, who might vote for a policymaker in favour of reducing taxes, fewer business regulations, increasing pensions and introducing other welfare schemes for the elderly and poor. The divide never ends as every generation has to go through different phases of life.

India's retail inflation as of May 2022 stood at 7.04, a reduction from a nearly eight-year high of 7.79 per cent recorded in April of this year. Inflation drives the economy and means more rupees translates to more spending, equating to more aggregated demand. More demand, in turn, triggers more production to meet that demand. A necessary evil in the grand scheme of things, but this time around, it's hard to see who is benefiting. Generally, as inflation rises, it's bound to affect specific sectors and few individuals more drastically than others. However, record inflation and global debt have made it harder for anyone to profit in the long run.

The younger generation is tasked with the arduous task of paying back what their parents owe. The only problem is that the cycle never ends, as studies recently have shown that even top corporations and developed countries are borrowing money to do operations. This means higher interest rates would be charged to the global economy with more debt than income.

According to a report from McKinsey & Company, global assets have grown from \$440 trillion in 2000 to \$1,540 trillion in 2020. While this study points out the amount of money in circulation, it does not calculate the net amount. In 2021, global debt reached a record \$303 trillion, according to the Institute of International Finance, a global financial industry association. As reported by the IMF in its Global Debt Database, a further jump from the record global debt in 2020 of \$226 trillion.

Does any of this matter in the long term? Why does it matter if the future generations will not make as much as their parents as long as they are happy and prosperous? People eventually die, and their wealth is transferred to their children or other beneficiaries. Therefore, making the concentration of wealth a transient issue. However, the negative side is that most of the money comes from private businesses requiring an owner to do the operation. People who generally inherit these businesses are primarily unqualified to run the business. The economy can't be run waiting for older adults to do something with their lives; economists call this problem the intergenerational problem.

The data, numbers and the facts might confuse you and cause you to blame the elders. Our parents and the generations might have earned comparatively more and lived in a world with less population explosion, yet even they didn't enjoy the wealth and plenty of our age. The policies they voted for took time, and the world has changed from what it was a couple of decades back.

So who should we blame? Corporations like Adani, Ambani, governments and policymakers, our parents or ourselves? Truth be told, there is no easy fix or answer to questions like these. Only time will tell for those wondering if they can ever make more than their parents in real terms.



SNAPSHOTS



Share  pura
Mooda Bettu, Karnataka, India
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CITATIONS

NO STOPPING

PTI. (8 JULY. 2022). ["GST ON PRE-PACKED LABELLED FOOD ITEMS TO INCREASE TRADERS COMPLIANCE BURDEN"](#)

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LASKAR. ANIRUDH (4 JULY. 2022). ["BYJU'S PLANS TO RAISE \\$2.4 BILLION TO BUY AMERICAN EDTECH FIRM 2U"](#)

'CASH CONUNDRUMS

JSARKAR. JOHN (21 JULY. 2022). ["NLCT ALLOWS INSOLVENCY PROCESS AGAINST FUTURE"](#)

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