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Editorial Write-up

We are feeling great to bring out our TQIJTM 1st issue of 2024. Maratha Mandir's Babasaheb Gawde Institute of Management Studies is well known for its academic excellence and devoted approach towards spreading of knowledge in the academic world. Our Institute respects and appreciates the role of research in education and is committed to developing scientific research in Management Studies. In accordance with the New Education policy our institute has taken some new initiatives and renewed the Editorial Committee. The important purpose of TQIJTM is to encourage research in academics.

Our bi-annual Journal's aim is to exclusively publish academic research papers and articles by the faculty and students on contemporary topics and issues around management, international business, economics, finance, human resource management, IT, operation governance, policies etc. To maintain high standards of publication, we give importance to ethics, integrity and transparency.

We take this opportunity to thank our devoted readers, highly innovative and talented authors, expert reviewers and distinguished editorial board for being a part of TQIJTM.

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A Brief Review on Factors Leading to Spiritual Intelligence or Spirituality

Ms. Channpreet Kaur Bhatia

Research Scholar, Asst. Professor at GNIMS

Dr. Shama Shah

Research Guide

ABSTRACT

In the recent times, there has been a lot of interest in the spirituality field. Many scholars have researched on different of spirituality especially post COVID-19, when it is evident that people sought solace in divine during the catastrophe. It goes without saying that workplace spirituality that is shaping spiritually based organizations is rapidly gaining traction to build fulfilling, meaningful work environments for people and benefit society at large. Therefore, the subject at hand is important for individuals as well as for organizations and society. This qualitative study examines existing literature on factors leading to spirituality or spiritual intelligence. On analysis of the antecedents to spirituality, interventions can be devised to help spiritual growth of an individual.

KEYWORDS

factors, spirituality and spiritual intelligence

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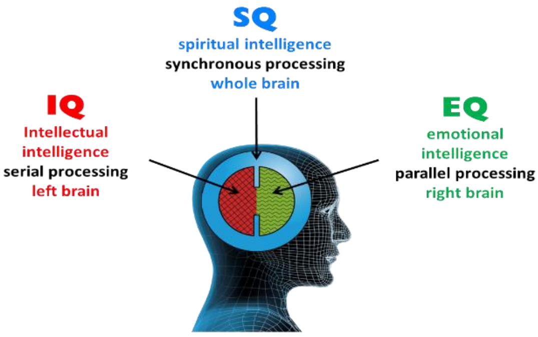
1. INTRODUCTION

Spirituality: Sadhguru defines spirituality as an attitude towards life, a way of being. An atheist or theist is not the same as a spiritual seeker. Now that he is aware of his ignorance, he is seeking. **Puchalski. C,** asserts “spirituality is the aspect of humanity that refers to the way individuals seek and express meaning and purpose and the way they experience their connectedness to the moment, to self, to others, to nature, and to the significant or sacred.”

Spiritual Intelligence: Griffiths R expresses that Spiritual intelligence is a higher form of intelligence that transcends the ego. Spiritually Intelligence individual have access to the wisdom, compassion, integrity, joy, love, creativity, peace, and other mature traits and advanced talents of the true self. Below is the diagram given by **Griffiths**



Research Question: What are the factors that lead to individual spirituality or spiritual intelligence?

2. OBJECTIVES OF THE STUDY

a) To understand the meaning of Spirituality and Spiritual Intelligence

b) To analyse factors that lead to spirituality or spiritual intelligence.

3. SCOPE OF THE STUDY

The researchers have examined the meaning of spirituality and factors leading to it. Robust primary research can be done in future to ascertain current and discover more factors.

4. LIMITATIONS OF THE STUDY

The research is based on secondary sources.

5. RESEARCH APPROACH & DATA SOURCES

The researchers reviewed and analysed the literature, from journals, articles, etc, to examine factors leading to spirituality.

6. LITERATURE REVIEW

Saroglou, V.,Buxant, C., & Tilquin J. (2008) ascertained that religion and spirituality can grow as a result of happy experiences and feelings. In two trials, subjects (N = 91 and N = 87) saw a neutral film or one of three that showed scenes that made them laugh, feel grateful for the natural world, or be in awe of giving birth. Study 1 found that the pleasant emotions induced influenced religiousness to some extent, while Study 2 found that spirituality was higher among those exposed to videos that evoked self-transcendent feelings (such as wonder at childbirth and love of nature) but not among those exposed to humour.

Emmanuel. G (2012), aimed to investigate the relationships between adolescent churchgoers' spiritual transformation experience, spiritual identity, and spiritual maturity and their personal devotional practices (prayer, worship, study of sacred texts) and religious social support (family, friends, church, mentorship). Questionnaire was given to 85 participants (12–19 years old) in the Albuquerque area. Teenagers with positive spiritual transformation, greater degrees of spiritual identification and maturity were found to be more attached to religious support networks and to participate in more solitary devotional practices. Levels of spiritual identification and maturity were also correlated with age, marital status, personality, personal identity, and religious coping.

Charoenchanaporn.P, Madathil, J (2015), investigated 3 demographic factors (gender, age, and socioeconomic status) along with 2 psychological constructs (cognitive flexibility and universal diverse orientation) and seven religious practices. 200 Theravada Buddhists in Bangkok were the respondents. The forward selection method was used in the regression analysis to predict SI. The findings showed that four factors—namely, age, socioeconomic position, religious practice of propagating the Dhamma of Buddha, and universal-diverse orientation—significantly influenced SI.

Polisetty. A, Sheela (2017), This study, conducted in the Andhra Pradesh district of Vijayawada, examined the relationship between spirituality and religion, age, and gender to ascertain factors leading to spirituality. A sample of 110 people were given structured questionnaire of 18 closed-ended questions. SPSS's chi square analysis was used for analysis. It was concluded that the only factors that have produced favourable associations with spirituality levels of spiritual identification and maturity are age and religion.

Withers A, Zuniga K and Sell. S.V, (2017). To understand how spirituality affects advance practice nurses (APNs), the authors conducted a concept analysis of spirituality utilizing Walker and Avant's technique. Following a dictionary search and analysis of the literature, the writers identified recurrent and distinctive characteristics, causes, and effects of spirituality. Antecedents of Spirituality were desire, self-reflection, spiritual awareness, and a belief or connection to higher being.

Yeşilçınar. I, Acavut. G, Taştan.S (2018) found that Antecedents of spirituality are determined as trust, hope, love, values, and need to find purpose for life. The study was conducted to explore all dimensions that can be a guide for giving holistic nursing care

Toruner, E.K, Altay. N, Ceylan,C, Arpaci. T, Sari. C, (2020), This study's objective was to investigate how teenagers in a predominantly Muslim area of Turkey perceived spirituality through semi structured, in-depth interviews. It was discovered that the "Factors That Increase Spirituality" category included themes related to religion, ethics, the mind, emotions, and environmental and personal behaviours. Most teenagers defined spirituality as love, respect, and the capacity for thought, analysis, and synthesis.

7. CONCLUSION

Thus, from the above study it can be concluded that following factors impact an individual's spirituality or spiritual intelligence

1) Positive emotions and self – transcendence feelings, values, trust, need to find purpose for life.
2) Affiliation to religious groups or social support
3) Personal practices like prayers, mediation, reading sacred texts.
4) Factors like age, socioeconomic position, marital status, personality
5) Universal-diverse orientation – embracing others for who they are.
6) Desire, self-reflection, spiritual awareness, and a belief or connection to higher being

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Comparative Analysis of India’s Tax Structure with Other Developing Economies

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ABSTRACT

This research article aims to provide a comprehensive comparative analysis of India’s tax structure with other developing economies. Taxation is a critical tool for economic policy and has significant implications for revenue generation, economic growth, and income distribution. This analysis will delve into the various components of tax systems, including direct and indirect taxes, tax rates, tax-to-GDP ratios, and tax administration efficiency in India compared to other developing nations.

KEYWORDS

Tax Structure, Developing Economies, Tax-to-GDP Ratio, Direct and Indirect Taxes, Tax Administration Efficiency

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1. INTRODUCTION

Taxation is a pivotal element of a nation’s economic framework, impacting fiscal policy, investment climate, and overall economic stability. For developing economies, an effective tax system is crucial to mobilize domestic resources, reduce dependency on external financing, and foster sustainable development. This article examines India’s tax structure, highlighting its strengths and weaknesses, and compares it with other developing economies such as Brazil, China, South Africa, and Mexico.

2. OVERVIEW OF INDIA'S TAX STRUCTURE

India's tax system comprises direct and indirect taxes:

A. **Direct Taxes**:

- **Income Tax**: Levied on individuals, Hindu Undivided Families (HUFs), and corporations.
- **Corporate Tax**: Imposed on domestic and foreign companies operating in India.

B. **Indirect Taxes**:

- **Goods and Services Tax (GST)**: A comprehensive indirect tax on the manufacture, sale, and consumption of goods and services.
- **Customs Duty**: Levied on goods imported into India.
- **Excise Duty**: Previously applied to goods manufactured in India, now largely subsumed under GST.

3. REVIEW OF LITERATURE

a) Broadening the tax base is a significant focus in tax policy literature**. *Bird and Zolt (2011)*** emphasize that reducing tax exemptions and deductions can enhance revenue without increasing tax rates. They argue that many exemptions fail to achieve their intended economic or social goals and instead create loopholes for tax avoidance.

b) Effective tax administration is critical for maximizing revenue collection and ensuring compliance. ***Tanzi and Zee (2000)*** discuss how investing in digital infrastructure and data analytics can enhance tax administration. They highlight examples from various countries where technology has improved tax collection efficiency, reduced compliance costs, and minimized errors.

c) Progressivity in tax rates is also widely discussed**. *Piketty and Saez (2013)*** advocate for a progressive tax system where higher earners contribute a larger share of their income. They argue that such a system can support social welfare programs and public infrastructure development while ensuring a fair distribution of the tax burden.

d) Benchmarking against successful tax systems in other countries is a valuable strategy for improving domestic tax policies. ***Tanzi (2011)*** highlights the benefits of learning from countries like China, which have achieved high efficiency in tax administration. He suggests that developing economies can adopt best practices in technology use, taxpayer education programs, and enforcement mechanisms.

4. RESEARCH DESIGN

The research follows a comparative case study design, focusing on India and selected developing economies, namely Brazil, China, South Africa, and Mexico. This design allows for an in-depth comparison of the tax structures and the identification of key differences and similarities.

5. SECONDARY DATA

Secondary data is gathered from various credible sources to ensure a robust and comprehensive analysis. These sources include:

- **Government Publications**: Budget documents, tax reports, and policy papers from the finance ministries of India, Brazil, China, South Africa, and Mexico.
- **International Organizations**: Reports and databases from the International Monetary Fund (IMF), World Bank, Organisation for Economic Co-operation and Development (OECD), and other relevant institutions.
- **Academic Journals and Books**: Scholarly articles and books that provide theoretical and empirical insights into tax systems and policies.
- **Online Databases**: Access to economic and tax data through platforms such as JSTOR, Google Scholar, and national statistical databases.

6. RESEARCH OBJECTIVES

- To Analyze and Compare the Structural Components of Tax Systems in India and Other Developing Economies
- To Assess the Efficiency and Effectiveness of Tax Administration and Compliance Mechanisms in India Compared to Other Developing Economies

7. COMPARATIVE TAX SYSTEMS OF DEVELOPING ECONOMIES: INDIA, BRAZIL, CHINA, SOUTH AFRICA, AND MEXICO

This analysis explores the tax structures of five developing economies: India, Brazil, China, South Africa, and Mexico. It will compare and contrast their approaches, highlighting strengths, weaknesses, and potential areas for improvement.

8. TAX STRUCTURE COMPOSITION

- **Direct Taxes (Income Tax, Corporate Tax):** These taxes are levied directly on income earned by individuals and businesses.
- **Indirect Taxes (GST, VAT, Excise Duties, Customs Duties):** These taxes are embedded in the price of goods and services, ultimately borne by consumers.

A. India:

- **Structure:** Three-tier system (Central, State, Local).
- **Dominant Type:** Indirect taxes (GST, excise duties, customs duties) form a larger share due to the informal sector's prevalence.
- **Strengths:** Implementation of GST streamlined indirect taxes.
- **Weaknesses:** Low tax-to-GDP ratio, narrow tax base due to informality and exemptions, complex system despite GST.

B. Brazil:

- **Structure:** Federal system with federal, state, and municipal taxes.
- **Dominant Type:** Relies more on social security contributions compared to direct taxes like income tax.
- **Strengths:** Higher tax-to-GDP ratio than India.
- **Weaknesses:** Complex system with multiple levies.

C. China:

- **Structure:** Centralized system with strong national tax administration.

- **Dominant Type:** Relatively balanced structure with a significant share from corporate income tax.
- **Strengths:** Efficient tax collection due to centralized administration.
- **Weaknesses:** Limited reliance on direct taxes like personal income tax.

D. South Africa:

- **Structure:** Similar to India with a three-tier system.
- **Dominant Type:** Relies heavily on indirect taxes (VAT) like India.
- **Strengths:** More progressive income tax system compared to India.
- **Weaknesses:** Large informal sector impacting direct tax collection.

E. Mexico:

- **Structure:** Federal system with centralized administration of major taxes.
- **Dominant Type:** Relies heavily on VAT and income tax.
- **Strengths:** Relatively balanced structure compared to some peers.
- **Weaknesses:** High level of informality impacting tax collection efficiency.

F. Common Challenges for Developing Economies:

- **Informal Sector:** Makes direct tax collection difficult, leading to a higher reliance on indirect taxes.
- **Administrative Inefficiency:** Complex procedures and lack of technology hinder tax collection.
- **Balancing Revenue and Growth:** Striking a balance between generating tax revenue and promoting investment requires careful policy design.

G. Areas for Improvement:

- **Broadening Tax Base:** Streamlining exemptions and encouraging formalization can increase direct tax collection in all these economies.

- **Improving Tax Administration:** Utilizing technology and simplifying procedures can reduce compliance burdens and enhance efficiency.
- **Optimizing Tax Rates:** Examining successful models in other developing countries can help in setting effective tax rates.

9. COMPARATIVE ANALYSIS: TAX-TO-GDP RATIOS, TAX RATES, AND TAX ADMINISTRATION IN DEVELOPING ECONOMIES (AS OF 2023):

This analysis compares India's tax system with other developing economies: Brazil, China, South Africa, and Mexico. It focuses on tax-to-GDP ratios, tax rates, and tax administration efficiency.

A. Tax-to-GDP Ratio:

- **India:** Around 17-18%, which is lower than the average for developing economies (around 25%) and the OECD average (around 34%) (https://www.oecd.org/tax/tax-policy/revenue-statistics-highlights-brochure.pdf). This indicates a smaller revenue pool for government spending.
- **Brazil:** Around 33%, significantly higher than India. This is partly due to a larger share of social security contributions.
- **China:** Around 16-17%, similar to India. However, China's much larger GDP translates to a higher absolute tax revenue collection.
- **South Africa:** Around 28%, higher than India due to a broader tax base and more reliance on personal income tax.
- **Mexico:** Around 18%, similar to India. However, Mexico's tax collection is considered less efficient.

B. Tax Rates:

- **Income Tax:**
  - India: Progressive system with rates ranging from 5% to 30%.
  - Brazil: Progressive system with higher top marginal rates (up to 27.5%) than India.
  - China: Relatively flat income tax (around 3%) for individuals, with a focus on corporate income tax (around 25%).

- South Africa: Progressive system with top marginal rates exceeding 40%.
- Mexico: Progressive system with lower top marginal rates (around 35%) compared to South Africa and Brazil.

- **Corporate Tax:**
  - India: 30% with potential incentives for certain sectors.
  - Brazil: Around 34%, higher than India.
  - China: Around 25%, comparable to India.
  - South Africa: 28%, slightly lower than India.
  - Mexico: 28%, similar to South Africa.

- **Tax Administration**
  - India: Challenges include a large informal sector, complex tax code, and reliance on manual processes. However, initiatives like the GST and digitalization efforts are improving efficiency.
  - Brazil: The system is considered complex, with bureaucratic hurdles and high compliance costs for businesses.
  - China: Relatively efficient administration with strong government control and focus on technology adoption.
  - South Africa: The administration is considered moderately efficient, but challenges include corruption and a large informal sector.
  - **Mexico:** Inefficiencies and corruption hinder tax collection efforts.

10. OBSERVATION

- India's tax-to-GDP ratio is on the lower end compared to its peers.
- Income tax structures vary, with South Africa having the most progressive system.
- China relies heavily on corporate income tax, while India attempts to balance both.

- Tax administration efficiency is a crucial factor. China stands out, while India is making strides with the GST and digitalization.

11. INFERENCE

Developing economies face a constant struggle to balance revenue collection with fostering economic growth. While India's tax reforms like the GST are positive steps, there's room for improvement. Learning from efficient administration practices in China and broadening the tax base can significantly enhance India's fiscal capacity to support its development goals.

12. POLICY RECOMMENDATIONS FOR INDIA'S TAX SYSTEM

Based on a comparative analysis of India's tax structure with those of other developing economies, here are several key policy recommendations:

a) Broadening the Tax Base:

- **Review and Rationalize Tax Exemptions**: Conduct thorough assessments of current tax breaks and deductions to determine their effectiveness in achieving economic or social objectives. Eliminate those that do not meet their intended goals to increase the taxpayer base and enhance revenue.

- **Encourage Formalization**: Implement measures that motivate businesses in the informal sector to register and comply with tax regulations. This could include simplifying registration processes, offering temporary tax incentives, and enhancing access to credit and financial services for formal businesses.

b) Improving Tax Administration:

- **Leverage Technology**: Invest in digital infrastructure and data analytics to enhance the efficiency of tax collection. This can involve better tracking of income sources, simplifying compliance procedures, and facilitating online tax filing and payments.

- **Simplify the Tax Code**: Reduce the complexity of the tax system by minimizing the number of tax brackets and simplifying regulations. This will make it easier for businesses and individuals to comply, increasing tax collection and reducing administrative costs.

- **Strengthen Enforcement**: Improve the capabilities of tax authorities to detect and penalize tax evasion. Use data sharing between government agencies to identify and address non-compliance effectively.

c) **Optimizing Tax Rates:**

- **Conduct a Tax Policy Review**: Regularly assess the effectiveness of current tax rates in achieving economic and social goals. Use these evaluations to inform adjustments that promote investment, job creation, and desired sectoral growth. Consider the impact of tax rates on different income groups to ensure a fair distribution of the tax burden.

- **Balance Progressivity and Investment**: While promoting investment through tax incentives, maintain a reasonable level of progressivity in the income tax system. Ensure that higher earners contribute a larger share of their income to support social welfare programs and public infrastructure development.

d) **Learning from Peers**:

- **Benchmark Successful Strategies**: Study how countries like China have achieved efficient tax administration and apply those insights to improve India's system. This might involve examining their use of technology, taxpayer education programs, and enforcement mechanisms.

- **Collaborate with International Bodies**: Engage with organizations like the OECD to share best practices and access technical expertise in tax policy development. International cooperation can provide valuable insights and support for implementing effective tax reforms.

13. CONCLUSION

- India's tax structure, while comprehensive, faces challenges in terms of efficiency, compliance, and revenue mobilization. By comparing India's tax system with those of other developing economies, this article highlights areas for potential reform and improvement. Enhancing India's tax system can lead to better resource mobilization, reduced dependency on external financing, and more sustainable economic growth.

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Core Competencies: Building Blocks towards success of Competitive Advantage

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ABSTRACT

Core competencies for an organization encompass its essential capabilities, knowledge, skills, and resources that define its unique strengths and market position. These competencies set the organization apart from others in its industry and are challenging for competitors, both existing and new, to replicate. They serve as the cornerstone of the organization's competitive advantage and are integral to its strategic differentiation and success in the marketplace.

Core competencies, also referred to as core capabilities or distinctive competencies, are what distinguish an organization from its competitors and explain why it excels in its industry. These competencies serve as the foundation from which the organization delivers value to customers and stakeholders, while seizing opportunities for growth. They create a sustained competitive advantage by setting the company apart and enabling it to lead in its sector.

Organizations can possess various core competencies, each of which contributes uniquely to their competitive edge. Here are examples illustrating how organizations use core competencies to stand out:

- **Product Quality**: Emphasizing superior quality over price or innovation, leading to products that are more durable, reliable, or high performing compared to competitors.
- **Buying Power**: Leveraging significant purchasing power to obtain goods at lower costs, allowing for competitive pricing advantages.
- **Customer Service**: Prioritizing exceptional customer support and service, fostering customer loyalty through professional, consistent, and accessible customer interactions.
- **Design or Innovation**: Leading with innovative product designs and cutting-edge technology, establishing market leadership through continuous innovation.
- **Sales and Marketing**: Excelling in marketing strategies that effectively communicate product benefits and differentiate offerings in the market.

- **Efficiency:** Demonstrating operational efficiency by updating products quickly, delivering services promptly, and maintaining reliable product availability.
- **Value Proposition**: Offering products that strike the optimal balance between cost and quality, providing customers with the best overall value.

Each core competency enhances the organization's unique positioning and market competitiveness. Clearly defining and effectively utilizing these competencies makes it challenging for competitors to replicate the organization's success. Therefore, identifying and leveraging core competencies is critical in strategic planning to sustain competitive advantage and drive long-term success in the marketplace

The merger of Air India and Vistara will create a combined fleet of 218 aircraft. This new entity will emerge as India's largest international carrier and the second-largest domestic carrier. For context, the world's largest airline group, the American Airlines Group, operates with a fleet of 1,521 aircraft. In comparison, IndiGo currently holds the title of India's largest domestic carrier with a fleet comprising 350 aircraft.

Core Competencies of Air India (More than 15 of years of global experience in airlines and aviation; core competencies include network planning, route planning, schedule planning, fleet planning, aircraft economic analysis, and code-share / Joint Venture implementations)

1. INDUSTRY ANALYSIS OF AIR INDIA -VISTARA THROUGH PORTERS FIVE FORCE MODEL

a) Bargaining Power of Suppliers:

Aircraft manufacturers and fuel suppliers exert significant bargaining power, impacting operational costs and profitability.

b) **Bargaining Power of Buyers**

Customers' price sensitivity and access to online booking platforms increase bargaining power, driving competition on price and service quality.

c) **Threat of Substitute Products or Services**

Alternatives such as high-speed rail and virtual meetings pose substitutes for air travel, influencing demand.

d) **Threat of New Entrants:**

High barriers to entry due to substantial capital requirements and economies of scale favour established airlines like Air India Vistara.

e) **Industry Rivalry:**

Intense competition from domestic and international airlines necessitates strategic differentiation and price management to maintain market share and profitability.

2. HOW DOES BUSINESSES' IDENTITY CORE COMPETENCIES

a) **Review Brand Messaging**: Analyse the company's mission, values, and brand statements to understand its intended identity and strengths.

b) **Compare Against Competitors:** Identify unique aspects that differentiate the company from competitors in terms of products, processes, market presence, pricing, or workforce.

c) **Interview Stakeholders:** Gather insights from internal staff and major customers to uncover perceived strengths and areas of excellence.

d) **Focus on Customer Benefits:** Evaluate what specific benefits the company provides to customers—such as cost-effectiveness, quality, or innovation—that could be leveraged into core competencies.

e) **Assess Operational Processes:** Examine the operational processes, resources, and expertise required to deliver products or services effectively.

f) **Highlight Unique Attributes:** Consider any distinctive features, historical advantages, or industry-specific capabilities that set the company apart.

Identifying core competencies helps companies define what they excel at and how they can strategically leverage these strengths to achieve competitive advantage and business success.

3. HOW CORE COMPETENCIES LEAD TO COMPETITIVE ADVANTAGE:

Core competencies are essential strengths or capabilities that distinguish a company and enable it to create superior value compared to its competitors. Here's how core competencies lead to competitive advantage:

a) Differentiation:

Unique Value Proposition: Core competencies allow a company to offer products or services that are perceived as superior in the marketplace. For example, superior product design or exceptional customer service can differentiate a company from its competitors.

Brand Reputation: Consistently leveraging core competencies builds a strong brand reputation based on quality, innovation, or reliability, which attracts loyal customers.

b) Cost Leadership:

Operational Efficiency: Core competencies often include streamlined processes, technological advantages, or effective supply chain management that reduce costs without sacrificing quality.

Economies of Scale: Companies with strong core competencies can achieve economies of scale, driving down costs and enabling competitive pricing strategies.

c) Barriers to Imitation:

Unique Capabilities: Core competencies are difficult for competitors to replicate due to their complexity, integration within the organization, or proprietary technologies.

Resource Control: Ownership of key resources or patents associated with core competencies can create barriers to imitation and sustain competitive advantage over the long term.

d) Market Expansion:

Diversification: Leveraging core competencies allows companies to enter new markets or develop new products more effectively. For example, a technology company with expertise in software development may expand into related hardware products.

Internationalization: Core competencies can facilitate international expansion by providing a strong foundation for entering new geographic markets with adapted strategies.

e) Innovation Leadership:

Continuous Improvement: Companies with strong core competencies are often leaders in innovation within their industries. They can innovate more rapidly and effectively, staying ahead of market trends and customer preferences.

Adaptability: Core competencies enable companies to adapt to changing market conditions or technological advancements more efficiently, maintaining their competitive edge over time.

4. CORE COMPETENCIES OF AIR INDIA-VISTARA LEADING TO COMPETITIVE ADVANTAGE

Core competencies of Air India - Vistara are the fundamental strengths and capabilities that differentiate it in the competitive airline industry. Here are some core competencies that contribute to its competitive advantage:

a) Brand Reputation and Customer Loyalty

Strong Brand Image: Air India - Vistara benefits from the combined reputation of Air India's legacy and Vistara's premium service offerings, which enhances brand loyalty among customers.

Customer Service Excellence: Known for superior customer service and personalized experiences, fostering customer retention and satisfaction.

b) Operational Efficiency:

Effective Network Management: Efficient route planning and optimization of flight schedules to maximize fleet utilization and minimize operational costs.

Advanced Technology Integration: Utilization of modern technology in aircraft and operations to enhance efficiency and customer experience.

c) Strategic Partnerships and Alliances:

Global Reach: Leveraging strategic partnerships and alliances with international airlines to expand route networks and offer seamless travel options globally.

Code-share Agreements: Collaborating with other airlines to provide connectivity and enhance service offerings without expanding fleet capacity.

d) Employee Expertise and Commitment:

Skilled Workforce: A dedicated team with expertise in aviation operations, customer service, and industry-specific knowledge, contributing to operational excellence and customer satisfaction.

Training and Development: Investment in employee training programs to maintain high service standards and adapt to industry changes.

e) Safety and Regulatory Compliance:

Commitment to Safety: Adherence to stringent safety protocols and regulatory compliance, ensuring passenger safety and maintaining trust in the brand.

Environmental Sustainability: Initiatives to reduce carbon footprint and promote sustainable aviation practices, aligning with global environmental standards.

f) Innovation and Technology Adoption:

Continuous Improvement: Embracing innovation in aircraft technology, digital solutions, and passenger amenities to enhance competitiveness and customer experience.

Digital Transformation: Investment in digital platforms for seamless booking, check-in processes, and personalized customer interactions.

These core competencies collectively enable Air India - Vistara to differentiate itself in the competitive airline industry, attract loyal customers, optimize operations, expand market reach, and sustain long-term growth amidst evolving market dynamics.

5. COMPETITIVE ADVANTAGE OF AIR INDIA VISTARA THROUGH PORTERS VALUR CHAIN

Porter's Value Chain is a framework used to analyse specific activities within a company that add value to its products or services. Let's apply Porter's Value Chain framework to Air India Vistara:

A. Primary Activities:

a) Inbound Logistics:

Fleet Acquisition and Management: Air India Vistara manages the acquisition, leasing, and maintenance of its fleet of aircraft to ensure operational efficiency and safety.

Supply Chain Management: Procurement of aviation fuel, spare parts, and other supplies necessary for daily operations to support flight schedules.

b) Operations:

Flight Operations: Efficient management of flight schedules, crew scheduling, and ground operations to ensure punctuality and customer satisfaction.

Service Delivery: Provision of in-flight services, cabin crew management, and passenger handling to enhance the travel experience.

c) Outbound Logistics:

Baggage Handling: Efficient handling and delivery of passenger baggage to ensure smooth transitions between flights and minimize customer inconvenience.

Customer Support: Post-flight services, including baggage claim assistance and customer feedback management, to address customer needs promptly.

d) Marketing and Sales:

Market Segmentation: Identifying target customer segments and designing marketing strategies to attract business and leisure travellers.

Promotion and Sales Channels: Advertising campaigns, partnerships with travel agencies, and online booking platforms to increase ticket sales and market share.

e) After Sales Service:

Customer Support: Dedicated customer service teams to address inquiries, manage bookings, and resolve issues before, during, and after flights.

Service Quality: Continuous improvement initiatives to enhance service quality, passenger comfort, and overall satisfaction.

B. Support Activities:

a) Firm Infrastructure:

Corporate Governance: Strategic decision-making, financial management, and regulatory compliance to ensure sustainable business operations.

IT Systems: Investment in technology infrastructure, including reservation systems, online booking platforms, and data analytics for operational efficiency and customer insights.

b) Human Resource Management:

Workforce Planning: Recruitment, training, and development programs for pilots, cabin crew, ground staff, and administrative personnel to maintain high service standards.

Employee Engagement: Programs to promote a positive work culture, employee satisfaction, and retention within the airline industry.

c) Technology Development:

Innovation in Aircraft: Research and development in aviation technology, including aircraft upgrades, fuel efficiency improvements, and in-flight entertainment systems.

Digital Transformation: Adoption of digital solutions for customer engagement, operational efficiency, and data-driven decision-making.

d) Procurement:

Supplier Relationships: Negotiation and management of supplier contracts for aircraft, fuel, maintenance services, and other operational needs to optimize costs and quality.

By analysing these primary and support activities through Porter's Value Chain, Air India Vistara can identify opportunities for cost reduction, process improvement, differentiation, and overall value creation across its operations. This framework helps the airline strategically allocate resources, enhance competitive advantage, and deliver superior value to its customers in the competitive aviation industry.

6. CONCLUSION

Core competencies are critical because they define what a company does best and how it delivers unique value to customers. By effectively leveraging these competencies, companies can achieve sustainable competitive advantage by differentiating themselves, reducing costs, creating barriers to imitation, expanding into new markets, and leading innovation within their industries.

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Corporates Are Getting Sensitive About Work-Life Balance

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ABSTRACT

In recent years, Indian corporates have increasingly acknowledged the importance of work-life balance. This shift is significantly driven by the adoption of flexible working hours, which aim to alleviate the strain on employees trying to juggle professional and personal responsibilities. Despite these efforts, challenges remain, especially for employees with demanding hobbies like trekking and for women who need to attend to familial obligations such as parent-teacher meetings. This article examines the current landscape of work-life balance in Indian corporations, the effectiveness of flexible timings, and the persistent hurdles employees face in balancing work with personal life.

KEYWORDS

Work-Life Balance, Flexible Timings, Corporate Sensitivity, Hobbies, Family Time, Gender Roles, India

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1. INTRODUCTION

The concept of work-life balance has evolved as a critical aspect of employee well-being and productivity. In India, where the corporate culture is traditionally characterized by long working hours and high job demands, the implementation of flexible working hours represents a significant shift. This change is essential for addressing the diverse needs of the workforce, including pursuing personal interests and managing family responsibilities. However, the reality of balancing work and life remains complex and challenging.

2. OBJECTIVE

The objective of this article is to:

a) Analyse the current trends in corporate India's approach to work-life balance.

b) Explore the role and impact of flexible working hours on employees' personal lives.

c) Identify the specific challenges faced by employees in prioritizing hobbies and family commitments.

d) Provide recommendations for better work-life balance strategies.

3. WORK-LIFE BALANCE AND FLEXIBLE TIMINGS IN INDIAN CORPORATES

a) Trends in Corporate Sensitivity

Indian corporates are increasingly recognizing the need for a balanced approach to work and life. Companies are adopting flexible working hours to accommodate the personal needs of their employees. This approach is seen as a way to enhance job satisfaction, reduce stress, and improve overall productivity. Flexible timings allow employees to adjust their work schedules around their personal lives, thereby reducing the conflict between professional and personal responsibilities.

b) Impact of Flexible Timings

Flexible timings have a profound impact on employee's ability to manage their personal lives. For instance, an employee who enjoys trekking can plan their excursions without conflicting with rigid office hours. Similarly, women can attend parent-teacher meetings and manage other family responsibilities more effectively. However, the success of flexible timings largely depends on the corporate culture and the nature of the job.

4. CHALLENGES IN PRIORITIZING HOBBIES AND FAMILY COMMITMENTS

a) Pursuing Hobbies

Despite the introduction of flexible timings, many employees find it challenging to dedicate time to hobbies such as trekking. The demands of high-pressure jobs often lead to employees working beyond their scheduled hours, leaving little time for personal pursuits. Additionally, the mental exhaustion from work can diminish the enthusiasm for engaging in hobbies.

b) Managing Family Responsibilities

For women, balancing work with family responsibilities remains particularly challenging. Attending parent-teacher meetings, managing household duties, and spending quality time with family often require a flexible schedule that is not always feasible in every corporate environment. The societal expectations placed on women to be primary caregivers further exacerbate these challenges.

c) Average Time Spent in Office

On average, Indian employees spend approximately 9 to 10 hours in the office daily. This extended time in the office, combined with commuting hours, significantly reduces the time available for personal activities and family interactions. The high demand for productivity and the pressure to meet targets often lead to extended work hours, making it difficult for employees to achieve a satisfactory work-life balance.

5. STRATEGIES TO STRIKE A BALANCE

a) Encouraging Flexibility

Corporates should continue to promote flexible working hours and remote work options. Allowing employees to choose their working hours can significantly reduce stress and improve their ability to manage personal responsibilities.

b) Promoting a Culture of Work-Life Balance

A shift in corporate culture towards valuing work-life balance is essential. This includes setting realistic work expectations, encouraging employees to take breaks, and respecting personal time.

c) Providing Support Systems

Organizations can offer support systems such as childcare facilities, parental leave, and wellness programs. These initiatives can help employees manage their family responsibilities and personal well-being more effectively.

d) Encouraging Hobbies and Personal Interests

Employers can encourage employees to pursue their hobbies by organizing recreational activities, offering subsidized memberships to clubs or gyms, and creating employee interest groups.

6. CONCLUSION

While Indian corporates are making strides in promoting work-life balance through flexible timings, significant challenges remain. The demands of the workplace, societal expectations, and the inherent conflict between professional and personal lives make it difficult for employees to achieve a satisfactory balance. Continued efforts to promote flexible working hours, a supportive corporate culture, and comprehensive support systems are essential for improving work-life balance in India. By addressing these challenges, corporates can enhance employee well-being, productivity, and job satisfaction.

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Collaboration is the Key in Business Growth

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ABSTRACT

In the rapidly evolving landscape of global business, collaboration has emerged as a pivotal strategy for fostering growth and achieving sustained success. This article explores the multifaceted benefits of collaboration, including enhanced innovation, improved problem-solving, and increased market reach. By examining case studies and theoretical frameworks, we elucidate how collaboration between various stakeholders—such as businesses, governments, and academia—can drive economic growth, bolster competitiveness, and address complex global challenges.

KEYWORDS

Business Growth , Collaboration, Strategic Alliances, Partnerships, Joint Ventures, Innovation, Problem-Solving, Market Reach, Risk Mitigation, Social Exchange Theory, Resource Dependency Theory, Network Theory

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1. INTRODUCTION

The contemporary business environment is characterized by its complexity, dynamism, and interconnectedness. In this context, collaboration has become essential for businesses aiming to thrive. Whether through strategic alliances, partnerships, or joint ventures, collaborative efforts enable organizations to leverage complementary strengths, share risks, and access new markets. This article delves into the mechanisms through which collaboration contributes to business growth and highlights key strategies for fostering effective partnerships.

2. RESEARCH OBJECTIVES

a) To Analyze the Impact of Collaboration on Innovation and Creativity in Businesses

b) To Examine the Role of Collaboration in Expanding Market Reach and Enhancing Competitiveness

c) To Investigate Strategies for Effective Collaboration and Their Contribution to Risk Mitigation and Organizational Resilience

3. REVIEW OF LITERATURE

Your research paper offers a valuable analysis of collaboration's role in business growth. The literature review provides a strong foundation by referencing relevant theoretical frameworks:

- **Social Exchange Theory (Blau, 1964):** You correctly explain how collaboration is driven by anticipated mutual benefits.

- **Resource Dependency Theory (Pfeffer & Salancik, 1978):** The emphasis on acquiring unattainable resources through collaboration strengthens your argument.

- **Network Theory (Granovetter, 1985):** Including network theory demonstrates how connections and relationships enhance business value.

- **Source Credibility**: The references cited are well-established works in the field of collaboration and business strategy, including Social Exchange Theory (Blau, 1964), Resource Dependence Theory (Pfeffer & Salancik, 1978), and Network Theory (Granovetter, 1985).

- **Case Study Relevance:** The chosen case studies (Apple-IBM, Starbucks-Conservation International, Tesla-Panasonic) effectively illustrate the benefits of collaboration across different industries (technology, sustainability, and automotive).

4. BENEFITS OF COLLABORATION

a) Innovation and Creativity

- Diverse Perspectives: Collaborative efforts bring together individuals and organizations with varied backgrounds and expertise. This diversity fosters creativity and innovation by integrating different viewpoints and approaches.

- Shared Knowledge: Collaboration facilitates the exchange of knowledge and best practices, leading to the development of novel solutions and technologies.

b) Enhanced Problem-Solving

- Collective Intelligence: Collaboration harnesses the collective intelligence of multiple stakeholders, enabling more effective problem-solving and decision-making.
- Resource Pooling: Partners can pool their resources, including financial, human, and technological assets, to tackle complex challenges that would be insurmountable individually.

c) Increased Market Reach

- Access to New Markets: Collaborative ventures can open up new markets and customer segments that were previously inaccessible.
- Brand Strengthening: Partnering with established brands can enhance credibility and visibility, strengthening market position.

d) Risk Mitigation

- Shared Risks: Collaboration allows partners to share the risks associated with new ventures, reducing the burden on individual entities.
    - Flexibility and Resilience: Collaborative networks can adapt more readily to market changes and disruptions, enhancing overall resilience.

5. CASE STUDIES

a) Apple-IBM (2014):

This collaboration focused on developing enterprise mobility solutions. Apple provided design and user experience expertise, while IBM contributed big data and analytics capabilities. This enabled both companies to reach new markets and offer integrated solutions.

b) Starbucks-Conservation International (Established in 1998):

This ongoing partnership promotes sustainable coffee farming practices. Starbucks secures a reliable supply of high-quality coffee beans while supporting environmental conservation and improving the livelihoods of farmers.

c) Tesla-Panasonic:

Tesla's collaboration with Panasonic to produce batteries for electric vehicles has been instrumental in reducing costs and improving battery technology. This partnership has not only benefitted both companies but also accelerated the adoption of electric vehicles globally.

6. STRATEGIES FOR EFFECTIVE COLLABORATION

a) Aligning Objectives

- Ensure that all parties have a clear understanding of the collaboration's goals and how they align with their individual objectives.

b) Building Trust

- Develop trust through transparent communication, reliability, and consistent performance. Trust is the foundation of any successful partnership.

c) Effective Communication

- Establish robust communication channels to facilitate the timely exchange of information and coordination of activities.

d) Defining Roles and Responsibilities

- Clearly delineate the roles and responsibilities of each partner to avoid conflicts and ensure accountability.

e) Monitoring and Evaluation

- Implement mechanisms for ongoing monitoring and evaluation to track progress, address issues, and adapt strategies as needed.

7. CONCLUSION

In an era where the pace of change is unprecedented, collaboration stands out as a crucial driver of business growth. By leveraging diverse strengths, sharing risks, and fostering innovation, businesses can navigate complexities and seize new opportunities. As the global economy continues to evolve, the ability to forge and maintain effective collaborations will be a defining factor in achieving sustained success.

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Emotional Intelligence in Human-AI Synergy

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ABSTRACT

The researcher explores beautiful integration of emotional intelligence (EI) into artificial intelligence (AI) to enhance human-AI synergy. By probing how EI improves communication, collaboration, and user experience, the study highlights the transformative latent of emotionally intelligent AI systems. The paper addresses key benefits such as increased user satisfaction and trust, alongside challenges like ethical considerations and technical restrictions. Future implications for various sectors, including healthcare, customer service, and education emphasizing the importance of developing emotionally aware AI for more effective and empathetic interactions.

KEYWORDS:

Emotional Intelligence, Artificial Intelligence, Human-AI Synergy, Emotionally Intelligent AI, User Experience, AI Ethics

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1. INTRODUCTION

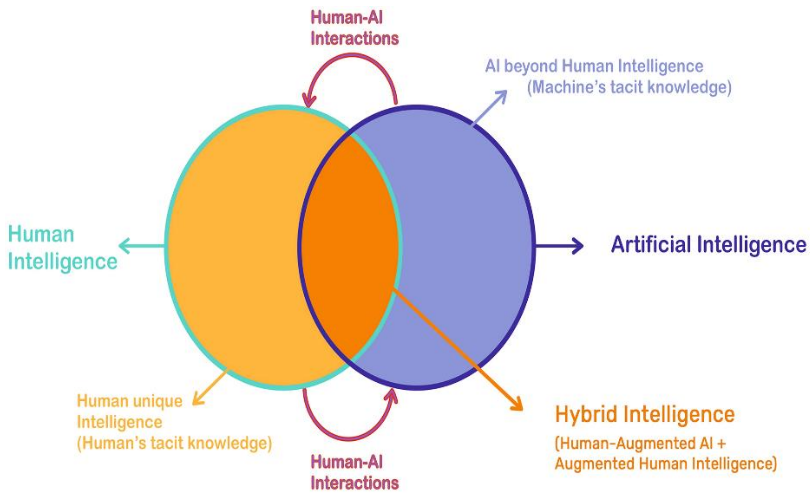
a) Artificial intelligence

The simulation of human intelligence in computers that are designed to understand, learn, and carry out tasks that normally require human cognition is known as artificial intelligence (AI). In order to handle enormous volumes of data, identify patterns, make decisions, and develop over time through machine learning approaches, artificial intelligence (AI) systems need computational models and algorithms. AI can be broadly divided into two categories: general AI, which seeks to accomplish any intellectual work that a person can, and narrow AI, which is intended for particular tasks like speech recognition or picture processing. AI is being used in a wide range of industries, such as healthcare, banking, transportation, and customer service, and it is revolutionizing these sectors by increasing productivity, accuracy, and creativity. AI does, however, also present ethical and societal issues, such as the loss of jobs, privacy issues, and the requirement for responsible use and regulation. AI systems learn from data through algorithms and statistical models to improve their performance over time—a process known as machine learning. AI encompasses a spectrum from narrow AI, focused on specific tasks, to general AI, which aims to emulate human cognitive abilities broadly (Russell & Norvig, 2021).

b) Emotional intelligence

The capacity to identify, comprehend, control, and affect one's own emotions as well as those of others is known as emotional intelligence (EI). Goleman's framework of EI includes several key components: self-awareness (recognizing one's emotions and their impact), self-regulation (managing one's emotions and impulses), motivation (harnessing emotions to achieve goals), empathy (understanding and responding to others' emotions), and social skills (managing relationships and navigating social situations adeptly) (Goleman, 1995).It includes self-awareness, which is the ability to identify, understand, and relate to one's own emotions as well as the effects of those emotions; self-regulation, which is the ability to control, redirect, and manage emotions; motivation, which is the ability to use emotions to pursue objectives with resiliency and persistence; empathy, which is the capacity to comprehend and relate to the emotions of others; and social skills, which are the abilities to manage relationships, communicate effectively, and navigate social complexities. Emotional intelligence (EI) is as vital to total effectiveness and well-being as intellectual intelligence (IQ).because it promotes stronger relationships, decision-making, and conflict resolution. It also plays a critical part in both personal and professional success.

c) Human AI synergy



Source: Artificial intelligence, human intelligence, and hybrid intelligence based on mutual augmentation", Jarrahi, Luts, Newlands

The synergy between humans and artificial intelligence (AI) is essential because it makes use of both human and AI strengths. AI benefits from human creativity, intuition, and moral judgment in addition to its efficiency and computational power. When combined, they improve creativity, problem-solving, and decision-making across a range of industries, including healthcare, finance, and education. By incorporating emotional intelligence into AI systems and facilitating compassionate interactions, synergy promotes better user experiences. Furthermore, it tackles difficult problems that are beyond the capabilities of AI or humans alone, opening the door for cooperative breakthroughs that strike a balance between technical advancement and ethical and moral issues.

Human-AI synergy refers to the collaborative interaction between humans and artificial intelligence (AI) systems, where each complements the strengths and weaknesses of the other to achieve more than what either could achieve alone. This synergy enhances decision-making, problem-solving, and innovation across various domains. For instance, AI's computational power and ability to process vast amounts of data can augment human capabilities in tasks requiring speed and accuracy (Davenport & Ronanki, 2018). Meanwhile, human creativity, intuition, and ethical judgment are crucial for guiding AI systems and ensuring responsible and ethical use in complex decision-making scenarios (Brynjolfsson & McAfee, 2014). Synergy between humans and AI is pivotal for advancing fields such as healthcare, finance, and education, where AI's capabilities can be leveraged alongside human expertise to address complex challenges and improve outcomes (Manyika et al., 2017). This collaborative approach not only enhances efficiency but also promotes innovation and supports societal progress.

2. PRINCIPAL ADVANTAGES OF AI'S EMOTIONAL INTELLIGENCE

a) Better user experience

Artificial intelligence (AI) systems with emotional intelligence can improve user experience by recognizing and catering to users' emotional requirements and states. For instance, emotional intelligence algorithms are used by AI-driven virtual assistants such as Siri and Alexa to identify human emotions based on voice tones and modify their responses appropriately (Ferretti, Adolphs, Damasio, & Tranel, 2001).

b) Enhanced interaction and cooperation

Emotionally intelligent AI can enhance teamwork and communication in a variety of contexts. By identifying and treating emotional signs, emotionally intelligent AI solutions in the workplace help team members connect more smoothly, which promotes more productive and successful teamwork (Homan, Buengeler, Eckhoff, van Ginkel, & Voelpel, 2015).

c) Enhanced user satisfaction and trust

Emotionally intelligent AI systems show empathy and understanding to users, which increases user pleasure and trust. According to Liu et al. (2020), chatbots that are equipped with emotional intelligence have the ability to respond to users in a more customized and compassionate manner, which can increase user happiness and loyalty.

d) Examples and case studies

1. Medical care

By evaluating patients' emotions and making tailored treatment recommendations, emotionally intelligent AI in healthcare enhances patient care. For example, AI systems are able to evaluate voice intonations or facial expressions of patients in order to determine their level of pain and modify treatment regimens accordingly (D'Mello & Graesser, 2012).

2. Client support

Emotionally intelligent AI improves client interactions in customer service by sensing and reacting to consumer emotions. To improve overall customer happiness, AI-powered chatbots, for instance, can identify consumer displeasure and provide relevant solutions or escalate concerns to human agents when needed (Reichstein, Salge, & Mai, 2020).

3. Academics

By modifying teaching strategies in response to students' emotions and learning preferences, emotionally intelligent AI in education promotes individualized learning experiences. In order to improve learning results, AI tutors can identify when a student is frustrated or confused during a task and offer more assistance or other explanations (Arroyo et al., 2013).

This is how improving user experience, communication, collaboration, trust, and satisfaction across several sectors may be achieved by incorporating emotional intelligence into AI systems. However it also has its limitation s stated below.

3. TECHNICAL DIFFICULTIES WITH AI EI IMPLEMENTATION

There are various technical obstacles to overcome when integrating emotional intelligence with AI, such as:

a) **Complexity of emotion recognition**:
Due to the nuances and unpredictability of emotional displays, it is difficult to develop algorithms that effectively recognize and interpret human emotions from a variety of indicators, such as facial expressions, tone of voice, and gestures (D'Mello & Kory, 2015).

b) **Combining ai systems with integration:**
A technical challenge is incorporating emotional intelligence capabilities into current AI systems without sacrificing functionality or raising computational complexity (Picard, 1997).

c) **Real-time adaptation:**
Complex real-time processing skills are needed to make sure AI systems can react effectively to changes in emotional states in real-time (Goecke et al., 2011).

d) **Privacy and ethical issues**:
Concerns about privacy and ethics around EI in AI include:
Data privacy is an issue when collecting and analyzing users' emotional data since it involves the gathering, storage, and usage of sensitive personal information (Larson, 2017).

e) **Bias and fairness:**
To reduce biases and guarantee fairness in emotional assessments across various demographic groups and cultural backgrounds, AI systems with emotional intelligence skills need to be trained on a variety of datasets (Crawford & Calo, 2016).

4. HOW TO MAKE DECISIONS THAT ARE BOTH RATIONAL AND EMOTIONA

Making decisions in AI that are both rational and emotional requires:

a) **Algorithmic transparency:** Accountability and trust depend on ensuring transparency in AI decision-making processes so that people can comprehend how emotions are incorporated into logical decision-making decisions.

5. DRAWBACKS OF THE AI’S CURRENT EI MODELS

Existing AI EI models have drawbacks like these:

a) **Limited Context Understanding**: According to Graesser et al. (2017), AI systems may find it difficult to comprehend the subtleties and emotional context of human interactions, which could result in incorrect emotional reactions or interpretations.
b) **Scalability:** It can be difficult to maintain accuracy and performance when scaling AI's emotional intelligence skills to handle vast amounts of data and a variety of human interactions (Kappas, 2017).
c) **Cross-Cultural modification**: Emotional intelligence models that are created in one cultural environment can not translate well to another, necessitating their modification and validation in a variety of cultural contexts (Matsumoto, 2007).

Finally, including emotional intelligence (EI) into the synergy between humans and AI has the potential to significantly change interactions in a variety of disciplines. By facilitating individualized and sympathetic encounters, Emotional Intelligence (EI) boosts user happiness and trust while also facilitating better teamwork and communication. However, there are difficulties in using EI in AI, including technical difficulties, ethical issues with bias and data privacy, and the necessity of successfully balancing emotional and logical decision-making. To fully realize the advantages of Emotional Intelligence (EI) in augmenting human-AI interactions, these obstacles must be addressed by ongoing research, ethical rules, and technological breakthroughs. In the future, fostering a symbiotic relationship where emotional intelligence enhances AI's capacities holds promise for a technologically enhanced and supported human well-being and societal advancement.

6. CONCLUSION

AI and EI are two essential 21st-century technologies that have the capacity to significantly change the world. AI entails building machines with minds similar to our own, automating anything from data entry to generating individualized virtual assistants like Alexa. Emotional intelligence (EI), on the other hand, focuses on comprehending and controlling emotions. This allows chatbots that are able to identify and react to emotional cues to engage with humans in a more natural way. When combined, AI and EI have the potential to completely transform how people engage with technology, improve customer service, and even provide virtual counseling. This will pave the way for a time when experiences are quick, easy, and compassionate.

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NARCL – India's Bad Bank to Resolve Non-Performing Assets

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ABSTRACT

The Indian Banking industry shows signs of resilience and revival in the current scenario. Ten years back, there were lot of questions raised on the performance of banking industry. The Twin Balance Sheet problem was identified as a major concern in the banking industry. In the year 2018, the public sector banks had their highest level of Non-performing assets. It was 9 lakh crore. Mr Arun Jaitley being the finance minister during 2014-2019 carried out various practices to handle the banking problem and formulated a process to streamline the banking industry. This baton was then passed to Ms Nirmala Sitharaman in 2019 to the present. India's owned Bad Bank is one of the greatest developments during her tenure as the finance minister.

Every country established bad banks when the had an economic crisis. India is one nation of its kind where the regulatory authority took pre-emptive action to keep the economy in a forward moving direction. It might be a surprise to the other countries in the world. India is a nation which is on its way to become a leader in the world markets in the future. Therefore Bad Bank is a justified approach to create a sustainable economy.

The Budget Speech 2021-22 saw the finance minister announcing the bad bank along with a sovereign guaranteed security reciepts of Rs 30600 crore. The Indian Banking Association proposed for a bad bank in 2021 and in 2021 India got its first Bad Bank in the form of NARCL. The main intention of the centralized establishment was required because of limitations of the existing asset reconstruction companies which were established in 2002 with the enactment of SARFESI act.

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1. SNAPSHOT OF LAST 10 YEARS

In 2015 asset quality review was conducted finding lacunas of twin balance sheet problem. In 2016 Indradhanush 7 point Programme was formulated which included the 4 R strategy viz Recognition, Recapitalization, Resolution and Reforms. IBC was formulated in 2016 with NCLT being the adjudicating authority. In the same year demonetization was done to curb the problem of black money. In 2017 GST reforms were conducted. Recapitalization happened in the Public sector banks from 2016 to 2020. The Mega merger happened in the year 2020 reducing PSU banks to 12. The Bad bank NARCL was established in year 2021. The contribution of the other relevant regulatory institutions is important while considering the success of NARCL.

NARCL provides a fastrack mechanism along with all other participants in the process. The Contribution that NARCL- IDRCL provides in reducing NPA of the Banking Industry is significant. The NARCL is a strategic initiative by the Finance ministry to tackle chronic issues of NPA's.

2. WHAT IS A BAD BANK.

A Bad Bank is an entity which purchases the bad loans that are non performing, ie the interest and principal is overdue from the lenders and then conducts the resolution on such assets.

3. WHY IS IT NEEDED?

A Bad Bank is needed because it helps to resolve the non performing assets lying on the bank balance sheets.

4. HOW BAD BANK RESOLVES BANKING PROBLEMS?

The Bad Bank purchases Non performing assets from lenders, It pays them a certain amount for the purchase. The lenders gets funds which can be later used for lending. It also helps to reduce provisioning.

5. NARCL

NARCL was established on 7th July 2021 with a share capital of 74.6 Crore was registered in Mumbai. The authorized share capital is 6000 Crores. The Indian Public sector contributes to 84% stake in NARCL with 16% being held by private sector banks. The NARCL is the majorly owned by public sector banks whereas IDRCL is majorly owned by private sector banks. The operation were delayed due to organizational, Structural and bureaucratic challenges causing a delay in the acquisition of assets. The Current Chairman of NARCL is Mr Diwakar Gupta who is a former managing director of State Bank of India.

The Stressed asset target to be acquired was two lakh Crore which was announced by the finance minister. However, the acquisition made have reached 93000 Crores.

NARCL pays 15% in cash and 85% in the form of security receipts which are backed by the government and tradeable till 5 years. The guarantee will be invoked only in case of resolution and liquidation.

The NARCL is established with a motive of acquiring the stressed assets, whereas bad bank has to acquire and resolve the stressed asset undertaken. IDRCL was established as a resolution arm of NARCL. IDRCL took up responsibility of the due diligence and resolution by the insolvency professionals.

The NARCL- IDRCL is a ARC AMC relationship with the former being the asset acquirer and latter being the resolution agent. The NARCL conducted acquisition of various NPA accounts and referred to them who were already under judicial process in NCLT Tribunal.

6. BENEFITS OF NARCL

a) **Competition to ARC:** The NARCL provides a competition to other asset reconstruction companies which do not have a large equity base and government backed guarantees. Therefore AIF will always prefer government backed Security receipts.
b) **Price Discovery:** There is efficient price discovery as the NARCL places bids and then the other ARC place competitive bids that enhance the offer price for the asset. The asset now fetches far better price and more money for the recovery which initially may have incurred loss due to being an NPA.
c) **Better for lenders:** Lenders prefer NARCL as they have a large capital base and they don't have to sell the stressed asset to multiple ARC's. NARCL is far better when it is acquiring the NPA which occurred under consortium lending. It can enter the committee of creditors and take decision swiftly. The Banks are now able to focus on lending which is the core business activity.
d) **Financial Stability:** Existence of NARCL provides financial stability to the entire banking system. The Banks can now lend more as the NPA Burden is off loaded from the banks books. The Recovery will be conducted by the IDRCL. The Monetary policy is prepared by the Reserve Bank of India. Therefore such covenants are needed to successfully keep the economy financially stable.
e) **Credit Growth:** NARCL has indirectly helped banks to increase credit growth as the provisioning reduces when the debt is sold off. Whereas 15% of the amount of the asset is received in cash that facilitates lending and interest becomes receivable on an asset that was once lying non performing.
f) **Market Confidence:** The establishment of NARCL signals strong commitment to addressing the issues in financial sector. This will boost the confidence of depositors and investors in banking system.
g) **Economic Growth:** With healthier balance sheets banks are able to stimulate investments. The increase in lending activities will create employment opportunities due to expansion of business. This will help in contributing to overall economic development.

7. ACQUISITIONS BY NARCL

The NARCL acquired Jaypee Infratech, SSA international, Helios Photo Voltaic, Simplex Infrastructure, Wind World India, Metenere, Pink City Expressway, West Haryana Highways Projects, Entertainment City, SEW LSY Highways, Rohtak Hisar Tollways, Hitodi Infrastructure, SREI Infrastructure Finance, SREI Equipment Finance, Dharani Sugars, SPML Infrastructure, Parenteral Drugs.

The NARCL is yet to acquire more One lakh crore of stressed assets. This will create more benefits to the banking industry.

Unlocking IPO Potential: Investor Insights on Various Public Offering Types

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ABSTRACT

This paper explores IPOs (Initial Public Offerings), pivotal for companies transitioning to public trading, offering capital infusion and growth prospects. It discusses IPO types: Profitability Route for stable performance, QIB Route for institutional buyers, Fixed Price and Book Building IPOs for pricing methods. Main Board IPOs offer stability and credibility, while SME IPOs cater to smaller firms with growth needs and higher risks. Despite benefits, IPOs pose challenges like market volatility and valuation uncertainty. Successful strategies involve research, diversification, and long-term perspectives. Retail investors benefit from understanding IPO risks and rewards for effective investment alignment towards financial success.

KEY WORDS

IPOs (Initial Public Offerings), Profitability Route, QIB Route (Qualified Institutional Buyers Route), Fixed Price IPOs, Book Building IPOs, Main Board IPOs, SME IPOs (Small and Medium Enterprises IPOs), Investment alignment

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1. INTRODUCTION

Initial Public Offerings (IPOs) are crucial milestones for companies, marking their transition from private entities to publicly traded firms. This process not only brings significant capital but also allows public investors to participate in the company's growth. The IPO landscape has evolved, now including traditional IPOs, direct listings, offering unique opportunities and challenges for investors.

This article explores IPOs from an investor's perspective, examining different types and their implications for investment strategies. It will provide an overview of IPOs, analyse various types, and discuss investor perspectives on risks and rewards. Finally, we will look at future trends in the IPO landscape, aiming to equip investors with the knowledge to navigate this dynamic field effectively.

2. OVERVIEW OF IPOS IN THE INDIAN STOCK MARKET

Initial Public Offerings (IPOs) in the Indian stock market have become a significant avenue for companies seeking to raise capital and for investors looking to tap into the growth potential of these companies. The process of going public in India involves a company issuing shares to the public for the first time, which are then listed on major stock exchanges like the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The IPO market in India has seen substantial growth over the past few decades. Historically, the market was dominated by state-owned enterprises, but the liberalization of the Indian economy in the 1990s opened the door for a broader range of companies, including private sector firms and startups, to go public. This period marked the beginning of a more vibrant and diversified IPO landscape.

Main board IPOs in the Indian stock market from 2019 to 2024 reveals significant growth and resilience. The number of IPOs increased substantially from 16 in 2019 to a peak of 63 in 2021, reflecting heightened market activity and investor interest. The amount of capital raised also saw a dramatic rise, from Rs 12,687 crore in 2019 to Rs 119,882 crore in 2021. This period demonstrated strong market confidence, with success rates consistently near or at 100%, except for minor setbacks in 2020 and 2023, each having one failed IPO. Despite challenges such as the COVID-19 pandemic, the market maintained robust performance, particularly in 2020 and 2021. The projected data for 2024 indicates a continued positive trend, with 34 IPOs expected to raise Rs 29,610 crore, all anticipated to be successful. Overall, the Indian IPO market has shown dynamic growth, significant capital inflows, and high success rates, suggesting a favourable environment for future public offerings.

3. KEY PLAYERS IN THE IPO PROCESS

In the process of an Initial Public Offering (IPO), several key players play crucial roles, each contributing to different aspects of the IPO journey. Here are the main players:

a) **Company/Issuer**: The company seeking to go public through an IPO is the central player. This entity prepares financial statements, complies with regulatory requirements, and engages with underwriters and legal advisors.

b) **Underwriters**: Investment banks or financial institutions act as underwriters in the IPO process. They facilitate the offering by assessing the company's value, determining the IPO price, underwriting the shares, and assisting in the marketing and distribution of securities to investors.

c) **Legal Advisors**: Legal firms specializing in securities law provide guidance on regulatory compliance, prepare the IPO prospectus, and ensure that all legal requirements are met throughout the IPO process.

d) **Auditors**: Independent auditing firms verify the company's financial statements to ensure accuracy and compliance with accounting standards. Their role is critical in providing assurance to investors about the company's financial health.

e) **Stock Exchanges**: Exchanges such as the New York Stock Exchange (NYSE) or NASDAQ facilitate the listing and trading of shares post-IPO. They set listing requirements and provide a platform for investors to buy and sell shares.

f) **Regulatory Authorities**: In the United States, the Securities and Exchange Commission (SEC) oversees the IPO process, ensuring that all disclosure requirements are met and protecting investor interests. Other countries have similar regulatory bodies responsible for overseeing IPOs.

g) **Investors**: Institutional investors, such as mutual funds and pension funds, as well as individual investors, play a crucial role in the IPO process by subscribing to shares during the offering. Their demand determines the success of the IPO and influences the pricing of shares.

h) **Financial Advisors**: Apart from underwriters, companies may engage financial advisors or consultants to provide strategic advice on the IPO process, including timing, market conditions, and investor relations.

4. BENEFITS OF IPOS TO INVESTORS

Investors can benefit from investing in Initial Public Offerings (IPOs) in several ways:

a) **Potential for Capital Appreciation**: IPOs often offer an opportunity to invest in companies during their early stages of public trading. If the company performs well post-IPO, there is potential for significant capital appreciation as the stock price may rise.

b) **Access to Growth Opportunities**: IPOs typically involve companies that are seeking funds for expansion, product development, or other growth initiatives. By investing in an IPO, investors can participate in the growth trajectory of these companies.

c) **Diversification**: Investing in IPOs allows investors to diversify their investment portfolios. IPOs often represent companies from diverse sectors and industries, providing exposure to different market segments and growth prospects.

d) **Early Investment Opportunity**: IPO investors have the advantage of being early stakeholders in a company's public journey. They may benefit from getting in at a lower valuation compared to later investors who buy shares after the stock has already appreciated.

e) **Liquidity and Marketability**: Shares purchased through an IPO are listed on a stock exchange, providing liquidity to investors who can buy and sell shares easily in the secondary market. This liquidity enhances flexibility in managing investment portfolios.

f) **Potential for Dividends and Returns**: As companies mature and generate profits, they may distribute dividends to shareholders. Investors in IPOs can potentially benefit from dividend payouts and other forms of returns, depending on the company's profitability and dividend policies.

g) **Enhanced Transparency and Reporting**: Companies going public are required to adhere to stringent regulatory standards for financial reporting and transparency. This provides investors with access to detailed information about the company's financial health and operations, aiding in informed investment decisions.

h) **Public Market Validation**: The IPO process involves rigorous scrutiny and due diligence by underwriters, regulators, and market participants. A successful IPO can be seen as a validation of the company's business model, management team, and growth prospects, which may install confidence in investors.

i) **Preferential Treatment and Incentives**: Some IPOs offer preferential treatment to early investors, such as discounted prices or priority allocation of shares. This can provide additional incentives for investors to participate in IPOs.

5. TYPES OF IPOS: INVESTOR POINT OF VIEW-

Introducing the various types of Initial Public Offerings (IPOs) from an investor's perspective entails understanding the different methods through which companies choose to go public. Each type of IPO presents unique opportunities and considerations for investors, influencing their investment strategies and risk management approaches. By exploring these types comprehensively, investors can gain insights into how to navigate the IPO landscape effectively, maximizing their potential for returns while mitigating risks. This article delves into the diverse forms of IPOs, analysing their implications, benefits, and challenges from the viewpoint of investors aiming to make informed decisions in the dynamic realm of public offerings.

a) Profitability Route – Entry Norm 1

The Profitability Route, guided by SEBI's IPO regulations, imposes specific conditions that companies must fulfil before going public. These criteria include financial parameters and performance benchmarks over a defined period:

- The issuer must maintain a net worth of at least INR 1 crore in the preceding 3 years.
- Net tangible assets of the issuer should not exceed INR 3 crore annually, with no more than 50% in the form of monetary assets over the last 3 years.
- The company must demonstrate an average operating profit (before tax) of over INR 15 crore in at least 3 of the last 5 years.
- The issue size may not exceed five times the pre-issue net worth.
- If the company has changed its name, at least 50% of the revenue in the prior year must originate from activities conducted under the new name.

For companies unable to meet the Profitability Route requirements, SEBI has provided alternative routes to access the primary market for their public offerings to facilitate easier IPO processes.

b) QIB Route – Entry Norm II

For companies needing a substantial capital base but not meeting the Profitability Route conditions, the QIB (Qualified Institutional Buyers) Route offers an alternative under SEBI's IPO guidelines. This route allows companies to access public interest through the book-building process, with a specific allocation to Qualified Institutional Buyers:

- At least 75% of the company’s net offer to the public must be compulsorily allocable to Qualified Institutional Buyers.
- In case the minimum subscription from QIBs is not met, the company has the option to refund the subscription amount.

The QIB Route provides flexibility for companies seeking IPOs to attract institutional investors while navigating regulatory requirements tailored to their financial capabilities and strategic objectives.

Here it is important to notice that if a company is allotting maximum share to public -retail investor through Profitability route means it is an already profitable company. Risk in investment may be lesser as compared to the other entity. In the context of the QIB (Qualified Institutional Buyers) Route under SEBI's IPO guidelines, retail investors typically have limited participation due to the predominant allocation of the offer to institutional buyers

c) Fixed Price IPOs

In a fixed price issue, the company sets a predetermined price at which all its shares will be offered to investors. To facilitate this process, the company engages a merchant banker who assesses the company's current valuation and future prospects. The merchant banker also evaluates investment risks and outlines potential returns for investors. Based on extensive research and analysis, the merchant banker determines the optimal share price that will attract sufficient capital for the company.

Investors participating in a fixed price issue know the exact price per share before subscribing to the IPO. They commit to purchasing shares at this fixed price during the subscription period, which occurs before the company goes public.

d) Book Building IPOs

In contrast, a book building issue does not set a fixed price initially. Instead, the company announces a price range known as the "floor price" (the lowest acceptable price) and the "cap price" (the highest acceptable price). During the IPO process, investors submit bids indicating the quantity of shares they wish to purchase and the price they are willing to pay within the specified price band.

The company assesses the demand from investors and determines the final issue price based on the bids received. This price is typically set at the highest price within the price band that allows for the full subscription of all shares offered. The book building process allows for price discovery based on market demand and investor sentiment, providing flexibility in pricing and potentially maximizing the capital raised by the company.

Now a days it is mandatory to all companies to accept Book building route for fixing the price

e) Main Board IPOs

A Main Board IPO refers to the initial public offering of large and well-established companies that meet specific financial criteria, including a paid-up capital of at least Rs 10 crores. These IPOs are considered significant events in the financial markets as they involve the listing and trading of shares on the prominent stock exchange platforms such as the NSE (National Stock Exchange) or BSE (Bombay Stock Exchange).

Main Board IPOs adhere to stringent listing standards and eligibility requirements outlined in the SEBI (Securities and Exchange Board of India) Issue of Capital and Disclosure Requirements (ICDR) Regulations of 2018. These regulations set forth comprehensive guidelines to ensure transparency, investor protection, and market integrity throughout the IPO process. They encompass various aspects such as minimum public shareholding requirements, disclosure norms, financial reporting standards, and corporate governance practices that companies must comply with to qualify for listing on the Main Board.

Companies opting for a Main Board IPO typically demonstrate robust financial health, substantial operational scale, and a proven track record of profitability. The listing on the Main Board provides these companies with enhanced visibility, credibility, and access to a broader investor base, including institutional investors and retail shareholders. It signifies a strategic move towards accessing public capital markets to fund growth initiatives, expand operations, repay debts, or provide liquidity to existing shareholders.

Retail investors perceive Main Board IPOs as opportunities to access quality investments, participate in the growth of established companies, and diversify their portfolios. By staying informed, exercising diligence, and leveraging available investment avenues, retail investors can capitalize on Main Board IPOs to achieve their financial objectives and build wealth over time.

f) SME IPOs

An SME IPO refers to an initial public offering specifically designed for small and medium-sized enterprises (SMEs) and startups, which face challenges in accessing capital through traditional means like financial institutions or regular IPOs due to their limited track record. Recognizing this need for funding, the NSE (National Stock Exchange) and BSE (Bombay Stock Exchange) have established dedicated platforms - NSE Emerge and BSE SME, respectively - aimed at facilitating the listing and trading of SMEs.

SEBI (Securities and Exchange Board of India) has relaxed IPO regulations for SMEs compared to mainboard IPOs. One significant criterion is that the post-issue paid-up capital of SMEs issuing an IPO should not exceed Rs 25 crores. Other eligibility requirements for SME IPOs, such as the suitability of company directors, promoters, and investors, remain aligned with those for regular IPOs. These individuals must not have a history of defaults, offenses, or disqualifications from accessing capital markets.

The BSE SME platform mandates specific eligibility criteria for SMEs seeking to issue an IPO. These include financial parameters such as a minimum net worth and net tangible assets, operational track record, profitability standards, leverage ratios, compliance with regulatory actions, and continuity in corporate governance. These requirements aim to ensure that SMEs listing on the BSE SME platform are financially robust, compliant with regulatory norms, and capable of meeting the expectations of investors participating in SME IPOs.

The NSE Emerge platform sets forth specific eligibility criteria for companies seeking to issue SME IPOs, ensuring robust standards for participation:

To qualify, a company must be incorporated under the Companies Act of India, either 1956 or 2013, establishing its legal foundation within the country. Additionally, the company needs to demonstrate a minimum track record of three years in its operational history, indicating stability and experience in its industry sector.

Promoter involvement is crucial, with promoters required to collectively hold a minimum of 20% of the share capital post-IPO, underscoring their commitment and alignment with the company's future growth. Furthermore, at least one promoter should possess a minimum of three years' experience in the industry relevant to the company, ensuring leadership continuity and industry knowledge.

Financially, the company must exhibit positive operating profits and maintain a positive net worth in at least two out of the last three fiscal years. This criterion highlights the company's financial health and ability to generate sustainable profits.

The minimum application and trading lot size is Rs 1,00,000 for retail investors, hence small investors can remain from highly manipulative stocks. Because of size of capital is small hence any one can influence its price.

6. CHALLENGES AND RISKS IN IPO INVESTMENTS

Investing in Initial Public Offerings (IPOs) presents several challenges and risks that investors should carefully consider:

a) **Market Volatility**: IPOs can experience significant price volatility in the initial days and weeks of trading. Limited historical data and investor sentiment can lead to sharp price fluctuations, potentially resulting in short-term losses for investors.

b) **Uncertain Valuation**: Determining the true value of IPO shares can be challenging. Companies may lack a long track record of financial performance, making it difficult for investors to assess whether the IPO price accurately reflects the company's growth prospects and intrinsic value.

c) **Lock-up Periods**: Insiders, including company founders, executives, and early investors, are often subject to lock-up periods after the IPO. During this period, they are restricted from selling their shares, which can create selling pressure once the lock-up expires and increase volatility in the stock price.

d) **Underperformance**: Some IPOs may underperform relative to investor expectations. Factors such as weak market conditions, unexpected changes in the industry landscape, or company-specific issues post-listing can lead to disappointing returns for investors.

e) **Liquidity Challenges**: IPO shares may initially lack sufficient liquidity, especially in the secondary market. Limited trading volumes can make it challenging for investors to buy or sell shares at desired prices, potentially resulting in execution delays or unfavourable trade terms.

f) **Regulatory and Compliance Risks**: Companies going public must comply with stringent regulatory requirements and disclosures. Regulatory scrutiny or compliance issues can negatively impact the company's stock price and investor confidence.

g) **Information Asymmetry**: Retail investors may have limited access to comprehensive information about IPO companies compared to institutional investors. Information asymmetry can hinder informed decision-making and expose retail investors to higher risks.

h) **Market Timing**: The timing of an IPO relative to broader market conditions can significantly influence its success. Economic downturns or volatile market conditions may deter investor interest and affect the IPO's pricing and performance.

7. CONCLUSION

Initial Public Offerings (IPOs) are pivotal moments for companies transitioning from private to publicly traded entities, offering substantial capital infusion and growth prospects for investors. The landscape of IPOs encompasses various types tailored to different investor preferences and risk appetites. The Profitability Route mandates companies to demonstrate stable financial performance, appealing to risk-averse investors.

In contrast, the QIB Route prioritizes institutional buyers, limiting retail investor participation but catering to companies with substantial capital needs. Fixed Price IPOs provide certainty on share pricing upfront, while Book Building IPOs determine prices based on market demand, allowing for potential maximization of capital raised. Main Board IPOs feature large, established firms meeting stringent regulatory standards, providing stability and credibility. Conversely, SME IPOs cater to smaller enterprises seeking growth capital, presenting higher risks due to limited operational histories. Despite potential benefits, IPO investments pose challenges such as market volatility, valuation uncertainty, and liquidity issues post-listing. Successful IPO strategies entail diligent research, diversification across IPO types, and long-term investment perspectives. Seeking professional advice can enhance decision-making amid the complexities of IPO investments, empowering retail investors to capitalize on growth opportunities while managing risks effectively.

Retail investors may find Main Board IPOs attractive for stable, established investments with liquidity and market validation. Alternatively, SME IPOs offer growth opportunities but require careful assessment of financial health and market viability. Understanding the specific risks and rewards of each IPO type can help retail investors align their investment strategies with their financial goals effectively.

In conclusion, while IPO investments can be rewarding, they require careful consideration of risks and thorough analysis. By staying informed and leveraging available resources, retail investors can capitalize on IPOs to build diversified portfolios and achieve long-term financial success.

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What is The Future of BRICS Currency?

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What is the Future of BRICS Currency?

ABSTRACT

The BRICS alliance, initially formed in 2006 by Brazil, Russia, India, China, and South Africa, has undergone transformative expansion in 2024. The expanded BRICS grouping now represents a significant portion of the world’s population, Gross Domestic Product (GDP), global trade, and energy production. This paper explores the potential development of a common BRICS currency, its motivations, challenges, and implications for global economic dynamics.

KEYWORDS

BRICS currency, US dollar, de-dollarization, economic alliance, international trade

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1. INTRODUCTION

The BRICS alliance was created to offer an alternative to the U.S.-led international order and has been envisioned as a platform for enhancing economic cooperation among emerging economies. In 2023, Brazil's President called for the creation of a common BRICS currency to reduce dependency on the volatile American dollar. This proposal has sparked significant debate among member countries and economists regarding its feasibility and potential impact.

2. BACKGROUND

BRICS, consisting of Brazil, Russia, India, China, and South Africa, collectively wields considerable economic power. The recent inclusion of Saudi Arabia, Iran, the United Arab Emirates, Ethiopia, and Egypt in 2024 has further bolstered its global influence. The grouping now represents 42% of the world's population and 36% of global GDP. This expansion aligns with the bloc's goal to provide a counterbalance to Western financial institutions.

3. MOTIVATIONS FOR A BRICS CURRENCY

The primary motivations for a common BRICS currency include:

- **Reducing Dependence on the US Dollar:** The volatility of the dollar and the impact of U.S. interest rate changes on global economies have prompted BRICS nations to seek alternatives.

- **Enhancing Economic Cooperation:** A common currency could facilitate smoother trade and investment flows among BRICS members.

- **Political Interests:** For Russia and China, challenging the dollar-dominated financial system aligns with their geopolitical strategies. Russia aims to circumvent U.S. sanctions, while China promotes the Renminbi as an alternative reserve currency.

4. CHALLENGES

Several significant challenges complicate the establishment of a BRICS currency:

- **Economic Discrepancies:** The BRICS nations exhibit substantial economic, political, and geographic differences, making economic integration complex.

- **Need for Institutional Frameworks:** Establishing a common currency requires a banking union, a fiscal union, macroeconomic coordination, and a common central bank, all of which are difficult to achieve.

- **Trade Imbalances:** BRICS countries primarily trade with China, with limited trade amongst themselves, posing another hurdle.

5. PERSPECTIVES OF BRICS LEADERS

Divergent views among BRICS leaders highlight the complexity of the currency initiative:

- **South Africa:** The South African central bank governor has expressed skepticism, citing the need for extensive economic integration and disciplined mechanisms.

- **India:** Indian Prime Minister Narendra Modi has balanced ties with Russia and the West, managing BRICS expansion while addressing bilateral issues, indicating cautious support for the currency.

- **Russia and China:** Both countries are strong proponents of de-dollarization, driven by their respective political and economic agendas.

6. POTENTIAL BENEFITS

The potential benefits of a BRICS currency include:

- **Reduced Dollar Dependence:** Lower reliance on the dollar could mitigate the impact of dollar volatility on BRICS economies.
- **Increased Trade and Investment:** A common currency could streamline transactions, reduce currency conversion costs, and boost intra-BRICS trade.

7. RECENT DEVELOPMENTS

From January 1, 2024, the addition of six new countries to BRICS has increased its economic and demographic clout. This expansion underscores the bloc’s appeal as an alternative to Western-dominated institutions and highlights the growing interest from other countries in joining BRICS.

8. CONCLUSION

The potential impact of a BRICS currency on the US dollar remains uncertain. While the initiative could weaken the dollar's dominance and reduce the power of US sanctions, significant economic and political hurdles must be overcome. The success of a BRICS currency will depend on the member countries' ability to establish the necessary institutional frameworks and achieve economic convergence.

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