



Winter's Edition

# ACE

Commerce Department Publication



"Learning uses creativity  
Creativity leads to thinking  
Thinking provides knowledge  
Knowledge makes you great"

*-Dr. A. P. J. Abdul Kalam*

VOLUME 2 | EDITION 1

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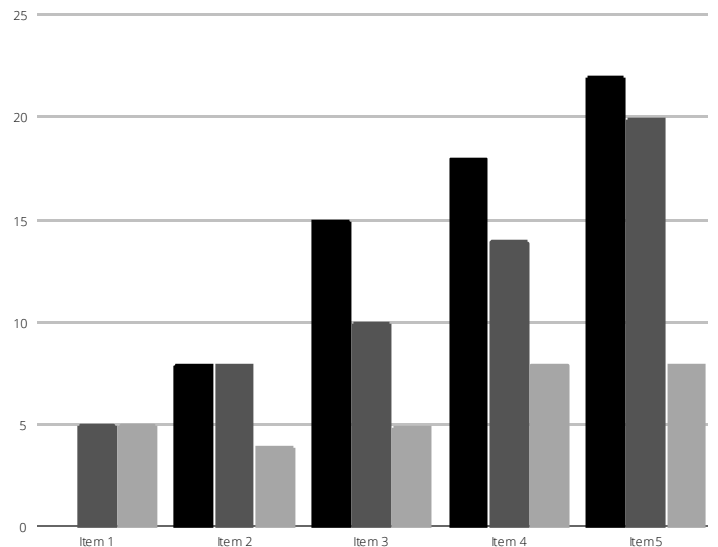
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# Editor's Note



We are pleased to publish the second edition and first issue of the Accounts Commerce Economics Publication! Depicted in the magazine's cover is a page that is about to be turned, slightly revealing a picture. That is we are slowly uncovering the recent year's achievements and economic growth in various sectors of the economy. As you flip through the next pages of the publication, you will be able to read a variety of articles such as our hero of education, petroleum industry, the richest cricket board and growth of Nykaa as a beauty and fashion industry. You may notice that the words Research, Economics and Economy are almost always present in every page. Why is that so? It is because that these three words are inseparable and they have always come together as you read through the publication, you will soon figure it out why. I hope you take the time out to read what the contents of the publication have to offer. There is so much to read, so much to ponder and so much more to know because like we always say, we are truly, after all, still learning.

Happy and Fruitful reading!

Barsha Goel

Utkarsh Jajodia

# JOURNEY TO THE UNICORN CLUB

- Chesta Nowal (11CA)

The year 2021 will be remembered in India as the year of initial public offerings. Following the success of Zomato and CarTrade, it was time for another business to go public on the Indian stock exchange, allowing for public engagement. Nykaa isn't your typical startup.

They have not only changed the art of e-retailing beauty and personal care in India since their start, but they have also helped to encourage the growth of a formerly quite fledgling ecosystem. It has proven to be one of the few profitable start-ups in the country, as well as the country's first woman-led unicorn. Falguni Nayar's Nykaa declared a profit of Rs. 61 crores in FY21, thanks to a mix of domestic and international brands, professional advice, and videos, as well as an awareness of customers' requirements and preferences.

Nykaa was launched in April 2012 by Falguni Nayar, a former managing director at Kotak Mahindra Capital Company. Nykaa began as an ecommerce website. The company transitioned from an online-only to an omnichannel model in 2015, and began selling fashion items. Nykaa Man, India's first multi-brand internet store for men's grooming, was launched in 2018 as a new segment of the firm. Nykaa Design Studio, which was later renamed Nykaa Fashion, was the company's first foray into the fashion industry.

Nykaa began its successful journey in the year 2020. For most enterprises around the world, April 2020 was a tumultuous month. Companies in the e-commerce industry were among the first to experience the effects of the uncertain time. Falguni Nayar decided to offer basic items online once operations and logistics came to a halt. "Overnight we pivoted to an essentials-only online store and to handle that we utilised our 70 offline stores across the country to do hyperlocal delivery," Says the 57-year-old Nayar.

Although all the circumstances were standing in the way of Nykaa, it held itself strong. It shifted all the stocks from stores to warehouses since air conditioning had been shut down in several shopping malls.



This made Nykaa go completely online. Nykaa has 12 warehouses across the country for its beauty and fashion products, and these have been operating without a break.

Thinking on their feet helped Nykaa revive its sales by mid-June. In fact, it touched 93% of business as usual (benchmarking against the month of February 2020) that month. The company was in the black in FY20, having generated a revenue of ₹1,983 crore; it posted a profit of ₹78 lakh as against a loss of ₹21 crore in FY19.



In parallel, between March and April last year, Nykaa managed to raise ₹166 crore as primary investment from Steadview Capital, an Asia-focused hedge fund, at a valuation of ₹9,100 crore (\$1.2 billion) that catapulted the eight-year-old venture to unicorn status—a startup worth \$1 billion. “We had been following Nykaa’s journey for many years and decided to make a secondary investment of about \$17 million in September 2019 followed by a primary investment of \$23 million in March 2020.

Even though Nykaa has been operating in a highly competitive and capital intensive space, the company has refrained from raising big bucks. Nayar’s decades of experience in investment banking (prior to Nykaa, she had been managing director of investment banking at Kotak Mahindra Bank) had taught her that sustaining a business was most important. Over time, Nykaa has raised a total of over \$70 million in primary funding.

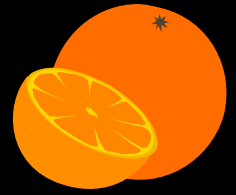
The company’s valuation has grown more than 60x over the last eight years, and that reflects in the string of marquee investors over the past few years, including Steadview Capital, TPG Growth, and Lighthouse.

The company has drawn over 8 million customers, and 16 million unique visitors a month focus because of their authenticity and commitment to customer experience.

It has also strengthened the business, which has an IPO on the cards. That development, when it happens, can only add to the glow of this beauty unicorn.

# THE ORANGE SELLER

JAHNVI RATHI 11(CB)



**"Opportunities don't happen, you create them"**

*-Chris Grosser*



A line perfectly illustrated by Harekala Hajabba by accomplishing to establish a school just by selling oranges and striving for diligence. Every crease on his sun-wrinkled face tells a great story. Harekala Hajabba, the orange vendor, was illiterate in the literal sense. A visit to his village in Mangaluru will make anyone awe in admiration for his commitment towards the children's' education there which has manifested itself in the form of a school. For several years, Harekala Hajabba's village of Newpadapu lacked a school. When he was selling oranges at the bus station in 1990, a foreign visitor questioned him the price of an orange in English;

he didn't comprehend what was said and felt embarrassed. It saddened him that he was unable to study due to abject poverty and a lack of access to education. He had not had the benefit of any academic education. "That day, I vowed to build a school," he stated. For two years following the 1990 incident, Hajabba pursued local politicians with pleas to establish a school, while also setting aside some of his salary for the cause.





Hajabba used his resources and a lot of aid from contributors to buy a plot of land. The plot was given to the government so that it could be used to build a school for the children of Newpadpu and nearby villages. At that time, the nearest school for children from Newpadpu and Harekala was 7 kilometers away. A building was constructed in 2001, and classes 1 to 5 began to be taught there. Hajabba worked for the next four years to gain approval for higher classes, and education for Class 6 soon followed in 2005. Hajabba's school had its first batch of Class 10 students sitting for board exams in 2010. There were unexpectedly more students and less space.

Hajabba contacted donors yet again, arranged for funds, and purchased an adjacent piece of land, bringing the total size of the property to 1.33 acres. According to Mr Laxman Puduval, headmaster of the Newpadpu school, the high-school building, which was inaugurated on June 14, 2012, was erected with the assistance from a range of donors, including NABARD and Hindustani Petroleum. As Hajabba walked around the school, he pointed out plaques on the walls that listed the names of donors, as well as the amounts they donated. Everyone's contribution was recognised, from individuals who donated Rs 2,000 to large corporations who contributed lakhs in funds or equipment.

“It is all of them. Not me,” he said, when asked why his name wasn't on the list.

The fact that so many people came together despite their differences, particularly in a communally charged Dakshina Kannada, is a true testament to Hajabba's service.

It was announced in January 2020 that Harekala Hajabba would receive the Padma Shri award. However, the ceremony could not be held earlier due to the pandemic.

Since the day a barefooted Hajabba got the Padma Shri, the country's fourth highest civilian award from President Ram Nath Kovind, his phone and that of his relatives have been overwhelmed with congratulations and invitations to events.

The succeeding journey has been long, but immensely rewarding.



# OPEC

- Ojas Krish Venkatesh Ayapilla (11 HB)

OPEC, or Organization of Petroleum Exporting Countries, is an intergovernmental organization (although many give it the title of the cartel) that presently consists of 13 countries - Algeria, Angola, Equatorial Guinea, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, the Republic of the Congo, Saudi Arabia, the United Arab Emirates, and Venezuela. They have had a huge impact on the petroleum industry, and the world's economy as a whole.

OPEC's main mission statement reads: "to coordinate and unify the petroleum policies of its member countries and ensure the stabilization of oil markets, to secure an efficient, economic and regular supply of petroleum to consumers, a steady income to producers, and a fair return on capital for those investing in the petroleum industry." Put simply, they aim to reduce market competition in the petroleum market so that the organization can maximize their profits with minimum hassle. Economists often cite them as a textbook definition of a cartel. Normally, cartels are banned to increase free-market competition, but OPEC is protected by several international statutes and continues to near-monopolize the oil market till date. They are one of the world's biggest economic powerhouses, plain and simple.

However, a very pertinent question that must be asked is how did such an organization come to be formed? Well, such a question's answer must shorten an extremely long story. In essence, Multinational Oil Companies - MOCs - of the two powerhouses of the world - the USA and the Soviet Union, had been playing around far too much with oil prices for certain states' liking.



For instance, in February 1959, as new supplies were becoming available, the MOCs unilaterally reduced their posted prices for Venezuelan and Middle Eastern crude oil by 10 percent- enraging several countries. They raised complaints about the MOCs 'absentee landlordism.' In economics, an absentee landlord is a person who owns and rents out a profit-earning property but does not live within the property's local economic region. It is often used as a negative connotation, and now certain countries were done playing by USA's rules. Thus, in September 1960, Government representatives from Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela met in Baghdad to discuss ways to increase the price of crude oil produced by their countries, and ways to respond to unilateral actions by the MOCs. Despite strong US opposition: "Together with Arab and non-Arab producers, Saudi Arabia formed the Organization of Petroleum Export Countries (OPEC) to secure the best price available from the major oil corporations."



OPEC has impacted the world of energy ever since its inception and has come to nearly dictate the price of petroleum in the past few years. However, a side effect of having nearly 80% of the world's oil reserves is the power that comes with it. Price fluctuations have been used as tools by OPEC member states, most notably against the USA in retaliation for their support for Israel in the Yom Kippur war. The oil embargo nearly crippled the United States. The United States was especially hard-hit as oil prices hit record highs due to pandemic (and a computer hack attack on their main pipeline certainly made things worse). This shows the enormous power that comes with oil.



# Earning Beyond Ordinary

- Lavanya Jindal (TCA)

The Board of Control for Cricket in India (BCCI) is the richest cricket board in the world. The yearly earnings of the BCCI make it a matter of envy for every other cricket board in the world. Over the years, the BCCI has created an ecosystem that prints money that one can hardly match. Now the most intriguing question that arises is that how does BCCI make such big bucks right after each match? The biggest share of BCCI's revenue comes from the billion-dollar media rights of the Indian national cricket team and IPL. In 2018, Star Sports paid Rs. 6,138 crores for media broadcasting rights of the national team. Another whopping Rs. 16,347 crores was paid by Star for IPL. Under this deal, BCCI earns Rs. 60.1 crores from every match played by the national team and Rs. 54.5 crores from the IPL matches. The next big prize comes from the title sponsors and official partners of the Indian national cricket team. Indian FinTech unicorn Paytm has a deal with BCCI where the company remunerates Rs. 3.8 crores for each match as title sponsor. Hyundai, Dream11, and Ambuja cement together pay Rs. 2.59 crores for each match as the official partners. Indian edutech giant Byju's has replaced Oppo as the official sponsor of Indian national cricket team. Under this deal, Byju's pays BCCI at least Rs. 4.5 crores for each match. The kit sponsor MPL, the mobile gaming unicorn pays BCCI Rs. 65 lakhs for each match.



Not only this, BCCI has even massively funded Afghanistan, Zimbabwe, and West Indies Cricket Board on many occasions. Apart from these fees, BCCI earns at least a few hundred crores from ICC as a share of the revenue. IPL, the money-making machine of BCCI and the tickets sold for each match add a little more than Rs. 1000 crores each year to BCCI's purse. That being the case, BCCI earns at least Rs.71.64 crores from media rights and sponsorship fees, from each match the team Indian plays. Adding the other sources like IPL, ICC, bilateral series and tickets, BCCI brings more than Rs. 3000 crores each year as revenue. With two new IPL teams this year, the fresh auctions for IPL, and the National team broadcasting rights in the next year, BCCI is expected to push the bar of revenue even higher in 2022. The net worth of BCCI is also expected to touch at least \$4 billion in the coming years. Now, the big question that arises is that

**“Can BCCI become the richest sports body in the coming years?”**



# MILESTONE

## Economics Debate 'ECONOMICA'

For the first time a debate competition was organized by Economics Department on 2nd of February on a virtual platform. The topic for the debate was 'The house believes that Crypto Currency is the Future of India'. Total 8 students participated in this competition. The students were well prepared and each one of them spoke well. Total 40 people including teachers and students witnessed the competition on zoom platform. The Chief Guest for the competition was Mr. Pranab Jyoti Das, Head of the Department Economics, Darrang College. The Judges for the debate were Mrs. Dayita Bira Dutta, Mr. Sabir Ansari and Mr. Thajeb Ali Hazarika. The Chief Guest shared his views after the competition was over. The Judges, teachers and students also shared their views on Crypto currency. Over all it was a successful event.

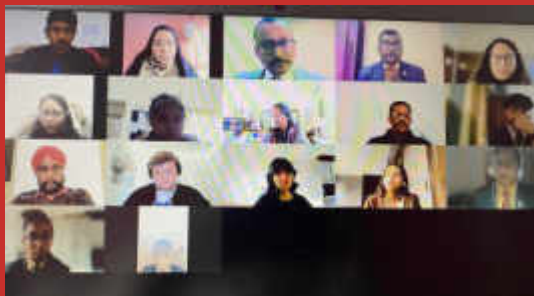
**1st position : Hiyaneijemmy Das**

**2nd position : Utkarsh Jajodia**

**3rd position : Lavanya Jindal**

**Best Speaker : Hiyaneijemmy Das**

**Most Promising Speaker : Utkarsh Jajodia**





# FACTS

*Pizza Hut was one of the first major brands to experiment with online commerce, starting in 1994*

*At 20.2%, Turkey is projected to have the highest compound annual growth in retail eCommerce between 2020 – 2024*

*It's estimated that 90% of businesses use social media as a customer service platform*

*According to a study by Harvard professor David Wise and two colleagues, 46.1% of Americans die with less than \$10,000 in assets*

*The population of Americans aged 30 to 44 is about to start increasing for the first time since 2000*

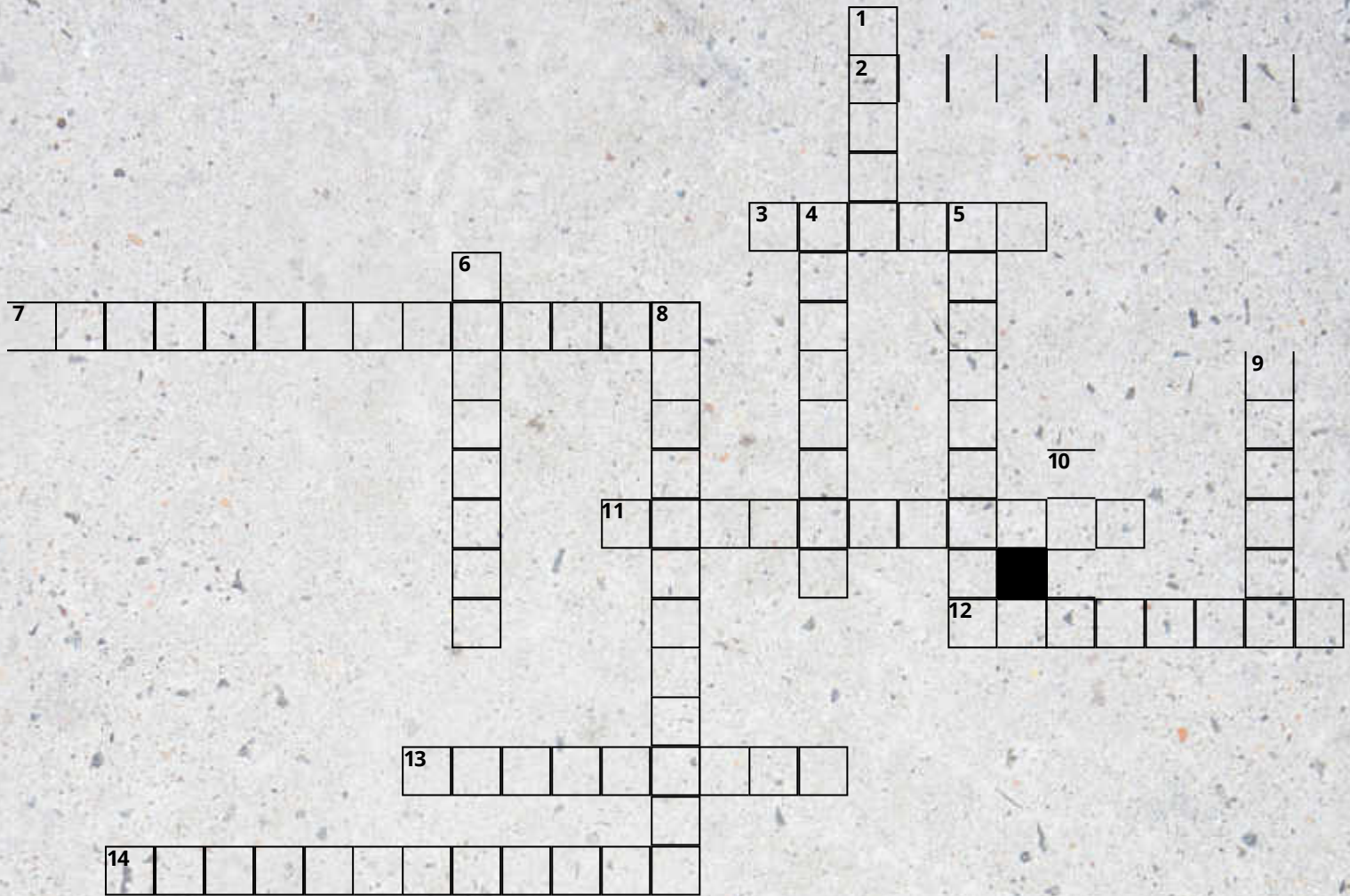


# ILLUSTRATION





# CROSSWORD



## ACROSS

2. He was the father of modern economics
3. Any place that allows buyers and sellers to trade goods and services
7. An expansion of the economy's production possibilities, or ability to produce
11. Benefits offered to make people act a certain way
12. A situation that exists when there are not enough resources to meet human wants
13. A persistent increase in prices across an economy
14. Current CEO of Twitter

## DOWN

1. All the human time effort and talent used to produce goods and services
4. Google's parent company
5. Study of how people seek to satisfy their needs by making choices
6. The promotion of a particular product or company by means of advertising and distinctive design
8. The sum of the skill abilities, healthy, and motivation of people
9. A financial gain
10. Facebook's new name

# BUDGET AT A GLANCE!

## BUDGET 2022

What does this Budget have for the middle-class? How many dreams would become realities? What are the boons and banes of this Budget?

According to the Finance Ministry, this year's Budget focuses on creating a blueprint for India's next 25 years.

•\*MGNREGA or the Mahatma Gandhi National Rural Employment Guarantee Scheme is the biggest scheme for rural jobs by the government and the government has cut its budget by 25% as compared to last year.

•A good thing is that the spending on Education has been increased. This year, ₹1,040 trillion would be spent as compared to last year's ₹930 trillion. In my opinion, this is a small increase, it is welcome but it isn't very significant, because if we recall, the government had introduced the New Education Policy in 2020. I had praised it too, in it, the government had said that they aim to take the education budget to 6% of the GDP.

•In the Health Sector, the government has proposed a minor increase in the budget of the Health Ministry. From ₹860 trillion it is increased to ₹862 trillion. But the money that was being spent on medical and public health, saw a huge budget cut of 45%.

•But an outstanding thing in this budget is that, the government has a new focus on mental health.

•Moving on, the defence budget has been increased by 10%. From ₹4,780 trillion, to ₹5,250 trillion. The sports budget saw a significant increase too. An increase of ₹3 trillion, this year, the budget allocated to it is ₹30 trillion. It is good news, the reason behind it is said to be the outstanding performance by our sportspersons in the Tokyo Olympics.

•Additionally, there has been a lot of focus on Cryptocurrency in this Budget. It was decided that the RBI would issue a digital Rupee. With its help, it is being said, the digital economy would get a boost. It has become a controversial decision. Apart from this, the government has decided to tax cryptocurrency. The cryptocurrency transactions would be charged 30% as tax. In fact, not only on cryptocurrency, on any virtual, digital asset. NFTs are also being included in it. This 30% tax is only on profits

The promises sound great in the Budget every year. But the thing that matters the most is to what extent will they be actually implemented? What is your opinion on this Budget?





# Teacher's Note

"The best way to predict your future is to create it"

-Abraham Lincoln

I am glad to bring yet another edition of ACE. The Commerce Department Journal. I appreciate each one of my team members who constantly working on ACE and came up with new and exciting articles and information which will greatly help our student community to think out of the box and expand their knowledge. This journal also creates curiosity to our students to know more about what is happening in the commerce and economic world. ACE plays an important role in this regard. The articles of ACE are not only informative but also encouraging as we introduce success stories of various entrepreneurs who inspire others to think big and follow your dreams. I am sure the story of an orange seller and Nykaa will surely inspire our young minds and help them to believe that nothing is impossible if you try with sincere effort and dedication to achieve your goals. There is no short cut to success. Hope everyone will enjoy reading this edition of ACE. I would like to thank our Head of School, Dr. Vidukesh Vimal for his continuous support and encouragement. I would also like to thank Mr. Tushar Bharadwaj for his continuous help and support. Once again, I would like to thank my team members of ACE and my department colleagues without whom ACE would have not been possible.

Thank you everyone.

*Rupali Borah*

Faculty Economics and Teacher in Charge ACE.  
The Assam Valley School



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