

Gold not helping India shine

Gold is an integral part of our lives in India. On the global front, India is the largest consumer of gold. India accounts for more than 30 per cent of the global gold market. However, the domestic production of gold in India is minimal. India meets the high demand of gold from its domestic consumers by importing it.

This high consumption rate of gold among Indians is unproductive for the Indian economy. The first major problem the Indian economy faces with this high gold consumption rates is the increasing current account deficit (CAD).

India has to pay for its gold imports using its foreign exchange reserves. Foreign exchange reserves are very important for the developing countries, as they need foreign exchange to import various capital goods which supports industrial production. The commodities produced by using such capital goods can be exported and the revenues can be used to fund the current account deficit. But when gold is imported by using our foreign exchange reserve neither it is used for industrial production (in physical form) nor it is used to fund any production activity (in monetary terms). It is an investment that does not add much value to the productive capacity of the economy. Investments in the physical form of gold are either stored in bank lockers or get exchanged for making jeweler. It seldom gets traded for money. So high gold imports create an adverse impact on the current account deficit, which in turn accentuate the fall in rupee.

Countries like US, China, Australia, Russia and South Africa produce the largest amount of gold in the world. These countries play a major role in determining the price movements of gold. By importing gold for our consumption, we Indians are investing in the international markets and helping their economies.

Unless gold can be put to productive use and the government can come out with effective policy initiative to encourage this, it makes sense to restrict the consumption of gold in order to improve the CAD and foreign exchange reserve.



Prof .Purbasa parmanik

Learn from the Wipro way:

At a time when entrepreneurs are finding it tough to fund their business ideas, and even sustain their existing product innovations, Azim Premji, who transformed his family-owned oil business into a \$6-billion conglomerate, asked Indian entrepreneurs to remain passionate about their business, and learn from the Wipro way of evolving as an ethical enterprise.

Premji, who was speaking at a three-day seminar organized by the Indus Entrepreneurs (TiE), said he had to take over the charge of his father's business in 1966 despite some shareholders doubting his ability to perform the task. I do remember that one of the shareholders said I was not suited to become a chief executive and it would be a dis-service to shareholders, Premji said. However, it lifted my spirits to make a success out of the business, which had around \$4 million in revenues then.

In 1976, when IBM exited India, there was an opportunity to create an IT business right from the scratch. However, IT was not the first area Wipro explored while evaluating options to diversify. We evaluated a complete project for entering the scooter manufacturing business and even hired a consultant, he said. IT business was a backup plan, which involved setting up an R&D organization with almost 300 professionals. It was five times the size of our sales and marketing. Later, Wipro realized that 300 were too many for an R&D operation, and decided to scale it to around 50 engineers. Rather than laying off these folks, we decided to redirect them to another business, which is today the real differentiator for us, Premji said. With over 19,000 engineers, Wipro's R&D services business today accounts for around 30% of the company's revenues. Opportunities are here today and gone tomorrow.

With companies such as Mind Tree becoming successful, many industry observers have said that Wipro has become kind of a breeding ground for entrepreneurs. There are over 100 entrepreneurs from Wipro, and majority of them are doing well.

Within Wipro, there are over 100 ideas with dedicated profit and loss accounts for each of them. This training is important in an entrepreneur's career, he said.

He asked entrepreneurs to learn from the Wipro way. We focused on four things: commitment to values, organizational culture to give early responsibilities, willingness to try new things, and our ability as an organization to live with diversity, Premji said.

While Indian companies are attempting to globalize, the MNCs are far ahead. We are woefully behind them; it would be interesting to see what percentage of our middle and senior management is non-Indian, he said.

In his final remarks, Premji said that the current economic environment will throw newer opportunities. Successful companies will come out stronger; this is a huge opportunity for companies who have become complacent, he added.



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November 11th

cooking without fire competition:

Imperial has conducted cooking without fire competition where students of MBA and BBM participated and the winners of the competition are J Priyanka, C.N.M.Prasanth, Misoba Alex, P.siva Prakash, ravasree Vaishnav and the runners are D.sanjeev Kumar, K.Ashok, Amenla aier, sMechietonu agnel Kiso from MBA I Semester.

November 11th

Trading session by ICICI Directors:

Directors from ICICI conducted a trading session where they explained how to do business and also conducted competition between students. They also given guidelines how to play the game and the students were actively participated.

November 13th

Ms.Divya Shanbhag Birthday celebration:

As a ritual, Imperial celebrated the Birthday of Ms. Divya Shanbhag

NOVEMBER 2013- A SNAPSHOT



cooking without fire competition



cooking without fire competition



Trading session by ICICI Directors



Ms.Divya Shanbhag Birthday celebration

Great Personality: Azim Hashim Premji

Azim Hashim Premji, an Indian engineer, businessman and chairman of Wipro Limited, was born in 1945, July 24, in Mumbai, India, to a Gujarati Khoja Shia Ithna-Asheri Muslim family. He is the son of M. H. Premji who had established Western India Products that would manufacture hydrogenated vegetable fats and oil, hair care soaps, and ethnic ingredient based toiletries. He completed his schooling from St. Mary's School, Mumbai and at the age of 21, attended Stanford University, California, to complete his studies in electrical engineering. However, he could not further his studies and had to return to take over the family business after the sudden death of his father in 1966. After his joining in his father's company, Western India Products, he later renamed it to Wipro Technologies and Wipro Corporation.



Mr. Azim Hashim Premji
Chairman of Wipro Technologies

UpComing Events:

1. Pre-semester exams for MBA
2. Vacations for BBM
3. BMA conference
4. Excel, SAP and Microsoft Dynamics Workshop.

