



BUSINESS WAVES

Quarterly Newsletter of Management and I.T.

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Happy
New year
2010

Vol. -I, Issue - I

Business Contours

Director's Desk



Prof. D.V.G. Krishna
Director

The Business Waves, inaugural issue of the quarterly newsletter of Management and IT is the pride of RG Kedia college and Taradevi Girdharilal School of Business Management and Bhagavathibai Jagdish Pershad PG College of Computer Applications, sponsored by Marwadi Shiksha Samithi, a premier educational society in Hyderabad, which has immensely contributed in the pre and post-independent era for the promotion of education in general, and professional courses, in particular. A society which started with a Hindi medium school has come a long way and established several degree and post-graduate colleges, specializing in the fields of Commerce, Economics, Business Management, Information Technology, etc. The management members are pioneers of business and promoters of knowledge with commitment.

In today's management, ethics and leadership have assumed paramount importance. The role of management is to produce visionary leaders who can show direction, and lead people on the right path, with conviction and courage. Lack of such ethics and courage to walk on the right path has resulted in the fallout of the global financial crisis. As goes the adage, "Managers do things right, while leaders do the right things." Today, we require real leaders who do the right things, and the onus is squarely on the management, especially B-schools, to produce leaders of such mettle. Management education should be proactive, flexible, value-based, and unconventional, yet self-directed, self-controlled, and futuristic. Let me recapitulate the great saying of Sri Sarvepalli Radhakrishnan that "commerce depends upon credit; credit depends upon confidence; and confidence depends upon character."

I have the privilege to realize the dream of bringing out a newsletter in the pursuit of providing meaningful management education. This college has been knocking the door of excellence with quality education. **This college is graded by NAAC and All India Management Association (AIMA) in the B+ Category.** We wish to play a humble role in the transformation of this institution towards the knowledge society, for better tomorrow and Greener India. The editorial of this inaugural issue focuses on the role of management education in India in shaping up the future of the youth, who are going to be the leaders of tomorrow. May India witness the rise of great, new, and young leaders in this century.



Release of Business Waves Template
Jubilation

Editorial

MANAGEMENT EDUCATION MUST BE FUTURISTIC

"Education is the manifestation of the perfection already in man."
— Swami Vivekananda.

The competitiveness of a Nation is directly linked to its competitiveness in education. Business education in India dates back to the 19th century. The Indian Institute of Social Science (IIS) introduced the first management programme in India in 1948. India trains the largest number of MBAs outside the US, with about 75,000 degrees per year. It was during the 1990s that MBA grew, both in terms of numbers and status.

Indian management education has great diversity. The premier B-schools such as Indian Institutes of Management (IIMs) have been role models for many other B-schools. However, many B-schools are vying to create their own niches in regional or sectoral innovation. Such B-schools are trying to imitate the US models in organizational, pedagogical, curriculum, industry-interface, and academic research, but are finding it increasingly difficult to adapt themselves because of the differences in the system of work culture.

Major structural changes in the Indian economy, triggered by economic reforms and globalization, have created 'parallel waves transformation' of both urban and rural sectors in diverse segments. The major consequences of this are: sudden spurt in potential for investment, entrepreneurship, need to upgrade skills, knowledge and technologies. Thus, managerial skills need to be developed to meet the new demands of domestic economic changes, and also that of global competitiveness. A booming economy thus offers many opportunities, which can be exploited only through rapid 'customization' of management education and practices.

There exists considerable gap between the desire for a comprehensive mission based on research and multi-functional, multi-sectoral disciplinary education, and the ground realities. The gap is due to the complex socio-political dimensions of India's business environment and the western models of managerial education. Therefore, interdisciplinary and development-based research needs to be incorporated in the curriculum and pedagogy of management education, besides the new thrust on globalization-related issues.

Management education experts in the West are debating on ways to integrate management education more deeply into the fundamental fields such as sociology, psychology, or mathematics, from which it emerged. Management education has been undergoing a sea change. Indian B-schools need to redefine their culture and adapt to a new world economy by viewing quality more in terms of achievements than reputation. Customized training programmes or courses can be offered to executives, with focus on improving the abilities of current executives and developing the potential of future executives. Management institutions should be prepared for 'waves' of alliances.



K. Ramachandra Murthy, Principal

Success stories

TECHIE QUILTS 'IT' TO 'MILK' MONEY

Amrish Patel, a 34-year old electronics engineer from Bangalore University, quit his job in an IT company last year, and started his own dairy farm.

The cow farm, established at Narpura village in Gujarat's Panchmahal, houses 600 Holstein-Friesian hybrid cows. Melodious music graces your ear as you enter the cow farm, while the cows listen to the *bhajans* of Lord Krishna, the world's greatest cowherd. The cows are bathed with *neem* water and cleaned with towels, before being milked using Irish technology.

To milk cows, Patel, Chairman of Bio-Tech Dairy Private Limited, which started VIGO Dairy in January 2008, set-up an 80 unit rotary milking parlour, which is not only Asia's largest but also the world's fourth largest. The machines automatically draw milk from udders of cows through vacuum technology. The collected milk is chilled at 2°C within a minute, thereby preventing bacterial growth, and shipped to select customers on demand.

Patel's turning point came when he visited a dairy exhibition in the UK, and was inspired by the automation of Western countries. He spotted the opportunity and executed the idea when he realized no one in India used such equipment. Patel, who has invested Rs.35 crores so far, now plans to expand his operations in metro markets like Delhi and Mumbai, with a herd of 5,000 cows.

Vision 2020 - Ten years to go

Best case scenario to meet future challenges

Mr. Sanjaya Baru, an eminent Economist and Journalist of Business Standard, has suggested to double the GDP and to transform the nation into a developed country. He has emphasized to focus on the following for a healthy growth of the economy:

- Key sectors like agriculture, food processing and food security for speedy economic growth.
- Infrastructure and Power Sectors, and to strength irrigation through inter-linking river waters.
- Education and Healthcare to provide social security, and eradication of illiteracy, and health for all.
- Information and Communication Technology to develop core competencies in IT sector, and to provide e-governance.
- Critical Technologies and Strategic Industries for nuclear power are the need of the hour.



HMA sponsored Lecture at College by **Smt. REVATHI TUNGA**, Management Consultant.



Prof. BHARGAVA CCMB
Formerly Vice Chairman, Knowledge Commission being felicitated at college



Prof. RAMA BRAHMAM
Hyderabad Central University addressing on Knowledge Commission Report



Our students at INFOSYS

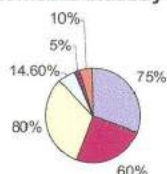
Market Forerunners

INDIAN AUTOMOBILE INDUSTRY – AN OUTLOOK

The Indian automobile industry has been growing fast, and small car segment has been forecast to account for the largest share in this growth. Despite impressive growth, automobile penetration rate is still low in India. As India is an economically growing country, there exists a huge untapped growth potential for the automobile manufacturers. India offers tremendous growth opportunities to passenger car manufacturers, it is expected that the country will emerge as a global manufacturing hub in the near future.

The Indian automobile industry contributes about 5% to the national GDP. In 2006-07, the Indian automobile industry exported auto component worth around US\$ 2.87 billion. The automobile production rose from 5.3 million units in 2001-02 to 10.8 million units in 2007-08. Overall production in February 2009 grew by 6.10% over the same month last year. The cumulative production data for April 2008–February 2009 shows a growth of 2.65% over April 2007–February 2008. The period from April 2008–February 2009 saw automobile exports registering a growth of 26.51% with all segments except commercial vehicles, registering positive growth. Passenger vehicles and two-wheelers segment grew by

Indian Automobile Industry - A Glimpse



- Share of small car market in Indian automobile industry
- Maruti Suzuki's domestic share of small car segment
- Share of passenger car market in automobile sales
- Increase in the CAGR production of 2-wheelers from 2001 to 2006
- Indian automobile industry's contribution to GDP
- Expected CAGR growth of passenger vehicle from 2009-10 to 2012-13

56.30 and 25.55% respectively. Three-wheeler exports grew by 7.43%. The Indian automobile market is currently dominated by two-wheeler segment. Next to China, the Indian two-wheeler industry is the second largest in Asia.

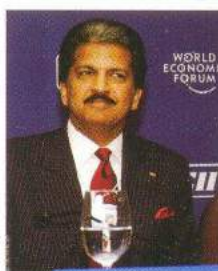
Currently, India is one of the largest producers of small cars in the world. The small car segment accounts for about 75% of the Indian car market. Currently, Maruti Suzuki dominates the domestic small car segment with 60% share, but due to the launch of Tata Nano, the trend may undergo a lot of change in the future. Anticipating prospective growth in small car segment and rising number of middle class population, many global auto companies such as Toyota, Hyundai, and Renault Nissan have announced plans for the launch of small cars at economical prices in India. This trend is also expected to spur growth in the flourishing small car market in the country.

Although 2009 has witnessed a marginal growth, India is expected to play a key role in maintaining the momentum and reviving the global automotive industry. Volkswagen has ambitious plans for the Indian market and is planning to capture 8-10% of market share within the next four to six years. Volkswagen has also made investments in its Skoda plant in Aurangabad and opened another plant in Chakan, Pune. The Chakan plant will be producing the soon-to-be-launched, the fifth generation Polo in India. With an investment of 580 million Euro (i.e., about Rs. 38 billion rupees, or Rs. 3,800 crores), it has a capacity of producing 1,10,000 cars per annum.

DESTINATION INDIA – WHY GLOBAL AUTOMOTIVE COMPANIES WANT TO ENTER INDIA

India assumes an important position for most global automotive companies for the following reasons:

- The automobile market in India is expected to rise from its current 1.1 million vehicles sold per year to 2 million vehicles in 2014.
- The passenger car production in India is projected to cross 3 million units in 2014-15.
- Sales of passenger cars during 2008-09 to 2015-16 are expected to grow at a CAGR of around 10%.
- Export of passenger cars is anticipated to increase more than the domestic sales during 2008-09 to 2015-16.
- Motorcycle sales will perform positively in future, exceeding 10 million units by 2012-13.



- Turnover of the Indian auto component industry is forecast to surpass US\$ 50 Billion in 2014-15.
- The 'per head disposal income' in India is expected to grow at CAGR of 12.11% from fiscal year (FY) 2007 to FY 2010. It is likely to boost purchasing powers of population, and consequently, the sale of motorcycles and compact cars will increase.

- Car stock per thousand population is expected to increase at a CAGR of 9.14% during the forecast period from FY 2007 to FY 2010.
- New passenger car registration is expected to grow at a CAGR of 11.41% during the forecast period.
- In commercial vehicles segment, Light Commercial Vehicles (LCV) is expected to register a higher growth rate than the heavy and medium commercial vehicles from FY 2007 to FY 2010.

RECORD SURGE OF CARS IN NOVEMBER 2009 DOMESTIC SALES OF LEADING CAR MANUFACTURERS

Company	Nov '08	Nov '09	% Growth
Maruti Suzuki	47,704	76,359	60.44
Hyundai	14,605	28,162	92.82
General Motors	4,307	7,118	65.00
M&M	7,523	15,193	101.95
Honda	5,025	5,125	2.00
Mahindra Renault	300	279	-7.00
Skoda	504	1,425	182.00
Total	79,968	1,33,661	67.00

Source: Business Standard, Dec 2, 2009.

AUTO METER

	Sales in Dec. 2009	Sales in Dec. 2008	Growth Percentage
Maruti Suzuki	84,804	56,293	50.6
Hyundai	47,217	38,502	22.64
TVS	1,19,000	89,285	72.00
Hero Honda	3,75,838	2,15,931	74.05

The two wheeler industry will be able to regain lost ground. the industry will perform well as the job market has improved and the economy is also doing well. - Venu Srinivasan, TVS Motor

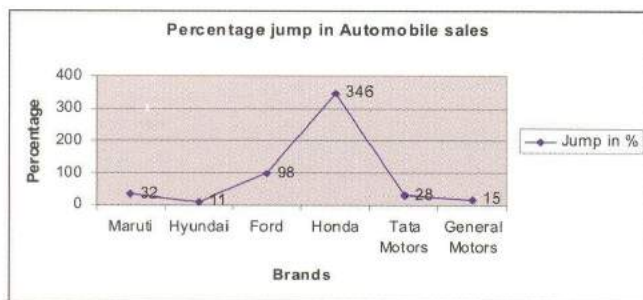
Source DC 2nd Jan, 2010

INDIA, CHINA SAVE PLUMMETING AUTOMOBILE SALES

Global automakers got a reprieve when consumers in emerging markets saved them from the recessionary effects of slowdown in developed markets. Auto giants such as Suzuki and Hyundai



registered encouraging growth backed by small car sales in emerging markets. Maruti Suzuki and Hyundai witnessed an average of over 20-30% growth in India as against a low of 8% growth in developed markets.



Hyundai recorded about 55% of sales from China and India, while Toyota recorded about 31% of its sales from emerging markets. Maruti Suzuki was able to retain more than 50% market share despite increasing competition because of small cars and emerging markets. Maruti Suzuki posted a 32% increase in domestic sales at 85,415 units in October 2009. Hyundai Motor India's total sales for October 2009 rose by 11% and stood at 51,736 units.

BREAKTHROUGH INNOVATION IN RICE BY INDIAN SCIENTISTS

After extensive research, Indian scientists have developed a variety of rice that has to be only soaked in water, but need not be cooked. The innovative variety of rice, developed at the government-run Central Rice Research Institute (CRRI) at Cuttack (Orissa), contains low amylase content and becomes soft on soaking in water.

The Indian production of rice is very high, considering last year's figure of 98.5 million tonnes. The new variety of rice can serve specific niche consumers and make rice cooking a simple process.

The new variety, christened as *Aghanibora*, is of 145 days duration, with a yield of 4-4.5 tonnes per hectare, and is at par with the existing rice varieties grown in India. It is similar to any other variety of rice grown and consumed in India. It can be grown more in the eastern states of India. Such innovation in agricultural sector would increase the volume of exports and thereby boost the Indian economy.

News Makers

NOBEL PRIZE 2009 IN ECONOMICS

The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel for 2009 was awarded to **Elinor Ostrom**, Indiana University, Bloomington, USA, "for her analysis of economic governance, especially the commons" and **Oliver E.**



Williamson, University of California, Berkeley, USA, "for his analysis of economic governance, especially the boundaries of the firm."

ADIEU TO PAUL A. SAMUELSON

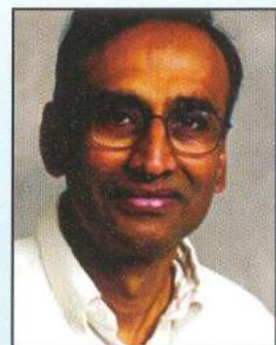


Paul Anthony Samuelson, a wizard in contemporary economic analysis, passed away on 13 December, 2009, at the ripe age of 94 years. His death was announced by Massachusetts Institute of Technology (MIT).

Samuelson was awarded with the Nobel Prize in 1970 for transforming Economics from one that ponders over economic issues to one that solves practical problems, answers questions about cause and effect with mathematical rigour and clarity. He was also awarded with the David A. Wells Prize in 1941 by Harvard University and the John Bates Clark Medal by the American Economic Association in 1947, as the living economist under forty "who has made the most distinguished contribution to the main body of economic thought and knowledge." His place in the economic analysis and thought will be remembered for years as it has practical relevance, especially in market economy.

PRIDE OF INDIA - VEKATARAMAN RAMAKRISHNAN NOBEL PRIZE IN CHEMISTRY 2009

Venkataraman Ramakrishnan has been awarded the 2009 Nobel Prize in Chemistry for "studies of the structure and function of the ribosome," along with Thomas A. Steitz and Ada Yonath.



Venkataraman Ramakrishnan was born in Chidambaram in Cuddalore district of Tamil Nadu, India, and is a Fellow of the Royal Society, a member of EMBO and the U.S. National Academy of Sciences, and a Fellow of Trinity College, Cambridge. He was awarded the 2007 Louis-Jeantet Prize for Medicine, the 2008 Heatley Medal of the British Biochemical Society and the 2009 Rolf-Sammet Professorship at the University of Frankfurt.

OBAMA & AMERICA FUTURE SUCCESSES & FAILURES

Barack Obama was born on August 4, 1961 in Honolulu, Hawaii, at 7:24 PM. However, his birth time is rectified and revised to 7:14 PM, using the past important events in his life.

Obama will not be able to control spending until July 2012, even if he tries his best. After July 2012, Obama will be able to control spending and balance the budget. The period between March 2009 and February 2010 will not be very good for Obama, as he will face obstruction, delay, and road blocks from his opponents. The chances of getting healthcare reform done before February 2010 are very slim. 2010 will be very good for Obama. The best period for Obama is from February 2010 to February 2011, when he can get most things done and achieve his goals and ambitions.

President Obama will go through a difficult period from February 2011 to Oct 2012. July, August and September 2011 is a very sensitive time for Obama and US. The months of July, August, and September 2011, and the period between September 2011 and October 2012 is a very sensitive time, both for Obama and the US. These are the periods when Obama will face big challenges. Obama's re-election to the second term depends upon how he handles the challenging periods. If he gets re-elected, he will be a very successful President. In his second term, he will be able to accomplish a lot, control spending, and balance the budget. His second term will be much better than the first term, if he is given the opportunity.

As forecast by Gurmeet Singh, Vedic and Stellar Astrologer, in Express Star Teller, Nov 2009.

BUSINESS FORETELLERS 'STOCKS' THAT YOU SHOULD STOCK

The following stocks will yield good returns to the investors during the period November 17, 2009 to June 8, 2011:

ABB Ltd.	IDBI	Mahindra Satyam
Bajaj Hindustan	IOC	Sterlite Industries
Bombay Dyeing	ITC	Tata Chemicals
BPCL	India Cement	Tata Steel
GAIL	Infosys	VSNL
GMR Infra	L&T	Videocon International
Godrej India	Lanco Info	
Grasim	M&M	
HPCL	NTPC	
HDFC Bank	Ranbaxy	
Hero Honda	Reliance Energy	

Source: Express Star Teller, Nov 2009

The Symphony

The greenery is blossoming,

The aura of development is looking for happiness,

The youth to transform the wit and wisdom

The mankind's giant leap to quench the thirst of poverty.

to realize the glorious prosperity & welfare.

May god dwell in the minds of predators to help the weak and desolated.

The dawn of a New India to blaze with glory
for peace and tranquility of all global players.

-S.D. Karthik

INDIA'S ECONOMIC SUMMIT 2009 - HIGHLIGHTS ROADMAP FOR INDIA'S NEXT GENERATION OF GROWTH

The India Economic Summit 2009 was held in New Delhi from Nov 8-10. The summit discussed the topic "Roadmap for India's Next Generation of Growth." The following are some of the key points/highlights of the Summit:

- Strong Security System
- Sustaining Growth
- Performance Accountability
- Ensuring Law & Order
- Improving Infrastructure
- Empowering Women
- Addressing Demographic Challenges
- Focusing on 'Bottom of the Pyramid'
- Creating Global Niche

COPENHAGEN CLIMATE CHANGE SUMMIT HIGHLIGHTS

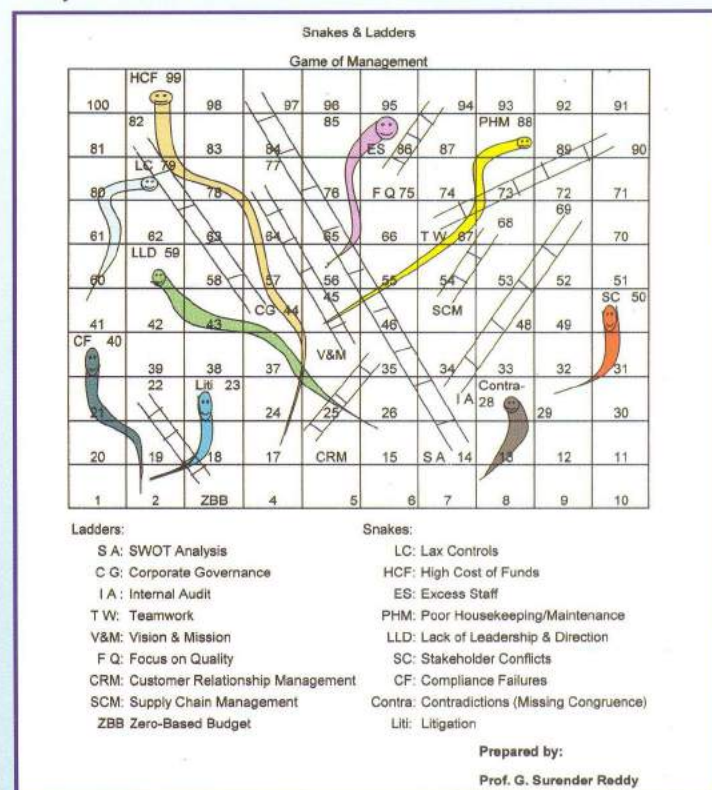
The Danish government and United Nations Framework Convention on Climate Change (UNFCCC) are striving hard to bring out a **Copenhagen Protocol** to prevent global warming and climate changes.

Novel Model for Climate Funding

Norway and Mexico together proposed a model for climate funding at the negotiations in Copenhagen. The model establishes a Green Fund for financing of climate actions in developing countries.

Contributions to the Green Fund should come both from public budgets and from auctioning of emission allowances. According to the proposal, the scale of the Green Fund could start around \$10 billion p.a. by 2013 and increase to \$30-40 billion by 2020.

Norway's proposal is a model where a certain percentage of the total UN-allowances should be set aside for international auctioning to finance climate actions in developing countries. Mexico has proposed to establish a Green Fund that draws funding based on each country's emissions, GDP and population. The joint model uses both sources of income.



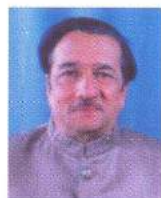
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Asst. Secretary

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