



# Learning from the pandemic

Byju Raveendran leveraged the lockdown and related restrictions to strengthen and expand his edtech company into the 'Deccacon' club

BIBHU RANJAN MISHRA  
Bengaluru, 6 January

When the Covid-19 pandemic forced India to ban international flights in March last year, Byju Raveendran, founder and CEO of one of India's most celebrated startups, Byju's, was in New York. He was there because his father was undergoing a critical surgery. The surgery went well but the travel ban meant that it was almost four months before Raveendran and his family could return to India.

For the 40-year-old, managing his business remotely from the US underlined the opportunities for his 10-year-old ed-tech firm, the world's largest, from the extended closure of educational institutions as a result of the pandemic. Still, the task ahead of Byju's was enormous given that it was used by hundreds and thousands of students every day. The lockdown and other pandemic-related restrictions meant that traffic to the site increased exponentially in a short time and the company had to ensure it had the infrastructure to support to unexpected expansion.

Raveendran made some critical decisions at this time. First, the edtech firm committed to offer its app free during the lockdown and for some time beyond. Second, it decided to get into live-tutoring with the launch of "Byju's Classes", the intentions being to offer the benefits of personalised after-school tuition classes by some of the country's best teachers.

It was also during this time that Byju's announced its most strategic inorganic bet by deciding to acquire WhiteHat Jr, a platform that provides online coding classes to schoolchildren. The unicorn firm committed around \$300 million for this purchase, a calculated bet given the pandemic-related chaos to businesses all around.

It speaks volumes for its reputation that the company also closed a funding round from Mary Meeker's Bond Capital for an undisclosed amount, which cata-

pulted Byju's into the "Deccacon" club — the term for start-ups that are valued at over \$10 billion.

"It was certainly a period of hectic activities, and whether from hospital or hotel room, I participated in all those through video conferencing and calls," Raveendran recalls.

The massive shift to digital operations, including remote working, he believes, is going to stay for quite some time, creating newer challenges and opportunities for everyone. "I am very comfortable doing everything remotely," says the promoter who started out offering face-to-face coaching classes before making Byju's digital. "In fact, for me, this is a more productive chain because people on the other side are also willing to negotiate online as well. We have closed acquisitions like this and we have closed investments like this. So, it is very, very efficient," he says.

The past eight months and more have certainly been extremely productive for the Bengaluru-based company. By Raveendran's own reckoning, the firm might have taken several years to achieve the kind of growth it achieved in the initial two months after the nationwide lockdown was imposed in late March. "We are fortunate to be in a sector that has positive relevance during this time. What would have taken us, say, another five years to achieve, the pandemic has enabled us to skip by a few years," he points out.

Byju's is today valued over \$12 billion

(after the \$200 million investment by private equity players BlackRock and T Rowe Price last November). Since March, it has added over 25 million new students on its platform. The app also claims to have over 70 million registered students and 4.5 million annual paid subscribers, according to the latest quoted figures. In terms of financials, the company is learnt to have hit an annual revenue run rate of ₹6,000 crore (\$802 million), a substantial rise from ₹2,800 crore it reported in FY20 (the run rate refers to a company's financial performance based on using current financial information as a predictor of future performance).

"Byju's is the role model for all young entrepreneurs on how to build the company and Raveendran has done so without wasting investors' capital," says T V Mohandas Pai, venture capitalist and chairman of Manipal Global Education and former senior Infosys executive. "An extraordinary person and one of the greatest entrepreneurs of new India with a deep understanding of the business, he has built a business that can scale up tremendously. He understands the nuances of raising capital, and he has been extremely successful positioning his venture as the world's largest edtech company," he adds.

As the world moves to a new normal, Raveendran clearly knows that the learning space is going to be a blended one with a mix of physical and online learning. The pandemic has converted parents who used to believe that the online platform can be better utilised for entertainment and games than learning, and that subjects such as math can be learnt best in a physical environment. Raveendran has already spotted some underpenetrated opportunities ahead of him to focus and capitalise on — learning hobbies using online platforms, for instance, and preparations for competitive examinations (also known as test prep).

"These are still early days in terms of using technology for making an intervention in the education space. So we are nowhere close to saturation and you will see a lot more companies coming up, which will help the sector grow," he says. As far as Byju's is concerned, says Raveendran, while "we were more or less focused on helping students to learn better at home, now we will expand that offering to help them learn better outside school."



## Byju's in numbers

Valuation: Over \$12 billion  
Fund raised so far: \$2.3 billion over 18 rounds  
Revenue in FY20: ₹2,800 crore  
Revenue run-rate for FY21: ₹6,000 crore  
Number of registered users: 70 million  
Number of annual paid users: 4.5 million  
Prime focus area: pre-K to Class 12; age 4-17  
Major products: Learning app, after school live tuitions, test-prep

# Fix the underlying first – it is broken

SACHCHIDANAND SHUKLA

British economist Friedrich August von Hayek once said: "I do not think it is an exaggeration to say history is largely a history of inflation." So, any study on inflation and that too by one of the deputy governors of the Reserve Bank of India (RBI) and a Monetary Policy Committee (MPC) member is bound to make people sit up and take notice. And especially at a time when there is an impending review of the monetary policy framework and the target band. The RBI paper avers that trend inflation has fallen and the monetary policy target inflation level is consistent with the trend. It suggests that the inflation target band of 4% +/- 2% must be maintained in the medium term, setting off debates in the policy and media circles.

It is often surmised that low and stable inflation with well-anchored expectations is important for attaining higher sustainable growth. However, the entire discourse on the appropriateness of the inflation targeting framework misses the most important point — the signalling power of the underlying benchmark inflation index, the quality and its composition. Importantly, this also implies that any discussion around the appropriateness of the inflation target has limited utility if the benchmark inflation index is not quite representative. After all, any policy framework and its working are only as good as the underlying data on which they are based.

There are three major issues with the Consumer Price Index (CPI) data. First, the representativeness of the underlying consumption basket is questionable. The weights for the CPI basket were set a decade ago, with the base year being 2011-12. Per capita incomes have more than doubled since then and household consumption patterns have changed significantly. This change is likely to have been away from food to non-food items implying that the

weightage of food, which is the most volatile sub-group in CPI, would have come down. This is exactly what had happened between 1999-00 and 2011-12; as per the Consumption Expenditure Surveys, the share of household spending on food items dropped by 10.8pp and 9.6pp in rural and urban India, respectively, during this period.

Second, the weights of items within the sub-groups also have likely changed. For instance, within the food sub-group the consumption pattern is likely to have moved away from cereals (which is about 25 per cent of food by weight) towards pulses, fruits and processed food, given the rising per capita incomes. Moreover, several items such as VCRs, DVD players, cameras, radios, tape recorders, 2-in-1s, CDs, DVDs, audio/video cassettes, etc have also become redundant and would need to be dropped and new items are likely to be added.

Finally, the data sources for price collection also need to be expanded to include digital channels given the shift towards digital forms of shopping and away from brick-and-mortar stores. Currently, prices are collected from 1,181 village markets across all districts and 1,114 markets across 310 towns in the country — to be fair, these numbers are quite large and seem representative. However, there should be some thoughts on the sampling side at the first level — especially due to the pandemic and how people's preference for shopping possibly is changing and these behavioural changes may be sticky. Capturing online price points would be important to augment the CPI data.

Also, the base year for other CPI indices, ie the CPI-IW etc, should be made congruent with the national headline CPI to enable more informed policy decision making from all institutions.

The moot point here is that the current CPI may not be accurately representing the actual inflation levels seen in the econo-

my. This is a particularly dangerous proposition for monetary policy guided by a flexible inflation targeting framework wherein even a 25bp or a 50bp misrepresentation of the inflation trajectory, even if temporary, could lead to a substantial difference in historical as well as future policy outcomes.

The computation of consumer prices must move away from the current system that is quite static, with weights and items in the consumption basket being relooked at once in a decade, to a more dynamic system. This can be done in multiple ways. For instance, in the UK, the basket of goods and services comprising the CPI and their associated expenditure weights are updated on an annual basis. This helps avoid many potential biases such as development of new goods and services, redundancy or even substitution towards cheaper goods. This would also ensure that the price indices reflect changes in consumer spending patterns. The alternative is a measure of Personal Consumption Expenditures, like in US, which uses expenditure data instead of choosing a fixed basket to allow for changing weights, substitution effect and would even take care of the problem of the inability of consuming some goods and services during a brief period as was seen during the pandemic. Interestingly, even in the US, where the Federal Open Market Committee (FOMC) uses the Personal Consumption Expenditures (PCE), the CPI is re-based and the weights are adjusted once every two years.

The RBI must push the government to put the periodical rebasing of the CPI into the inflation targeting agreement. This would be key to measure underlying inflation accurately, ensure policy credibility and avoiding unintentional policy mistakes. Thus, while the RBI paper quips that "if it ain't broke, don't fix it", we believe the underlying CPI index definitely needs fixing first and that too on an urgent basis.

The author is Chief Economist, M&M Group (With inputs from Rahul Agrawal, economist, M&M)

# INDIA ACCOUNTED FOR 70% OF GLOBAL INTERNET SHUTDOWN COST

The economic cost of internet shutdown for India could be higher than the \$2.8 billion estimated by UK-based digital privacy and security research group Top10VPN.

India topped the list of 21 countries that restricted internet access to citizens in 2020, according to Top10VPN's annual report, *The Global Cost of Internet Shutdowns*. There were over 75 billion incidences of internet shutdown in India last year.

In Kashmir, internet restrictions were lifted after seven months, but users were able to access only the low-speed 2G connections, the report found. The majority of short blackouts in India affecting groups of villages or individual cities and districts were not included in the report, which focused on larger, region-wide shutdowns. The true economic cost is, therefore, likely to be even higher than \$2.8 billion for India, according to the report.

While the economic cost of internet shutdowns globally was \$4.01 billion, down by 50 per cent from 2019, for India it almost doubled from \$1.3 million the year before.



## TOP 5 COUNTRIES THAT WITNESSED MAXIMUM IMPACT ON ECONOMY

Country	Total cost in \$ mn	Duration of internet users shutdown* (mn)	affected (mn)
India	2,800	8,927	10.3
Belarus	336	218	7.9
Yemen	237	912	7.9
Myanmar	190	8,808	0.2
Azerbaijan	123	1,128	8.0

\*Hours

## Restrictions in India

Internet blackouts: 1,655 hours | Bandwidth throttling: 7,272 hours

## KEY GLOBAL FINDINGS

Source: Top10VPN  
Compiled by Samreen Ahmad

93 major shutdowns took place in 21 countries in 2020  
27,165 hours: Total duration of major disruptions around the world, up 49% from previous year  
Internet blackouts: 10,693 hours

Internet throttling: 10,920 hours  
Social media shutdowns: 5,552 hours  
268 million people affected by major disruptions in 2020, up 3% year-on-year

29% of all disruptions associated with restrictions on freedom of assembly  
15% disruptions associated with election interference  
12% disruptions associated with infringements on freedom of the press

## NAGA Limited

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### NOTICE OF EXTRAORDINARY GENERAL MEETING AND REMOTE E-VOTING INFORMATION

NOTICE is hereby given that Extraordinary General Meeting (EGM) of the Company is scheduled to be held on Saturday, 30<sup>th</sup> January, 2021 at 11.00 A.M. at the Corporate Office of the Company at No.1, Trichy Road, Dindigul - 624 005, to transact the businesses as set out in the Notice of EGM dated 5<sup>th</sup> January, 2021.

Notice is further given to the Members that pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has made necessary arrangements with Central Depository Services Limited (CDSL) to facilitate the remote electronic voting in respect of the businesses set out in the Notice convening the Extraordinary General Meeting of the Company. The dispatch details of the Notice as well as details of the remote e-voting are as under:

Date of completion of dispatch of EGM Notice on or before	5 <sup>th</sup> January, 2021
Cut-off Date for ascertaining eligible shareholders for e-voting	22 <sup>nd</sup> January, 2021
Date and Time for remote voting through electronic means	Commencement: 27 <sup>th</sup> January, 2021 (10.00 A.M.) Ending: 29 <sup>th</sup> January, 2021 (05.00 P.M.)

Members may please note that remote electronic voting would not be allowed beyond aforesaid date and time limits. Any Member of the Company, who has become a Member of the Company after the dispatch of Notice but before the cut-off date may obtain their User ID and Password for Remote E-voting from the Registrar and Share Transfer Agent of the Company. A Member as on the cut-off date shall only be entitled to avail the Remote e-voting facility to vote, as the case may be, in the General Meeting.

The Members who cast their vote by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again. The facility for voting by polling paper will be made available at the venue of the meeting. Any Member attending the meeting (who has not already exercised his/her vote by remote e-voting) shall be eligible to vote at the meeting through polling paper. The full text of the Notice of the EGM and Explanatory Statements has been hosted in the website of the Company (www.nagamills.com) and on the website of CDSL (www.evotingindia.com). These documents are also available for inspection at the Registered Office of the Company during office hours on all working days.

Members who have any grievances pertaining to remote e-voting may contact Mrs. Kandhimathi, Assistant Manager, Cameo Corporate Services Limited, "Subramanian Building", No.1, C/O. House Road, Chennai - 600 002, Tel: 044 - 2846 1073, E-mail: investor1@cameoindia.com.

By Order of the Board  
For Naga Limited  
V. Marikannan  
Company Secretary  
M. No. A30767

Place: Dindigul  
Date: January 06, 2021

## NLC India Limited

"Navratna" - Government of India Enterprise  
Regd. Office : No.135, E.V.R. Periyar High Road, Kilpauk, Chennai - 600 010.  
CORPORATE OFFICE : BLOCK-1, NEYVELI-607 801, TAMIL NADU.  
CIN No.: L33090TN1999GOI003507, Website: www.nlcindia.com, email: investors@nlcindia.in

### NOTICE

#### TRANSFER OF EQUITY SHARES OF THE COMPANY TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) AUTHORITY

Notice is hereby given to the shareholders of NLC India Ltd. ("the Company") whose shares are required to be transferred to the Investor Education and Protection Fund ("IEPF") Authority in accordance with the section 124(6) of the Companies Act, 2013 ("the Provisions") and Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"). As per the provisions, all shares in respect of which dividend have remained unpaid or unclaimed for seven consecutive years or more shall be transferred to IEPF Authority.

The dividend amount for the year 2013-14 (Interim) unpaid/unclaimed for a period of seven consecutive years is due for transfer to the Investor Education and Protection Fund. Accordingly, the Company will be transferring the equity shares corresponding to the dividend which remained unpaid or unclaimed for a period of last seven years to IEPF Authority in accordance with the Rules from time to time. It may also please be noted that all subsequent corporate benefits such as Bonus Shares, Dividend etc. that may accrue in relation to the above shares will also be credited to the said demat account of IEPF Authority.

The Company has communicated individually to the concerned shareholders whose shares are liable to be transferred to IEPF Authority. The Company has also uploaded full details of such shareholders and shares due for transfer to the above Account on its website at [www.nlcindia.com](http://www.nlcindia.com). The shareholders may also note that both the unclaimed dividend and the shares transferred to IEPF Authority including all benefits accruing to such shares, if any, can be claimed back by them from IEPF after following the procedure as prescribed under the Rules.

The shareholders who have not claimed their dividend, can write to the Company Secretary at the Registered office/Corporate Office mentioned above or email at [investors@nlcindia.in](mailto:investors@nlcindia.in) or to our Registrar and Share Transfer Agent, M/s. Integrated Registry Management Services Private Limited, 2<sup>nd</sup> Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai- 600017; Email-id: [anusha@integratedindia.in](mailto:anusha@integratedindia.in) for making a valid claim for the unclaimed dividend lying with the Company on or before 31<sup>st</sup> March 2021, failing which the relevant shares will be transferred to IEPF Authority, without further notice in this regard, in accordance with the Rules from time to time.

For NLC India Limited  
K. VISWANATH  
COMPANY SECRETARY

Place : Neyveli  
Date : 06 .01.2021

## Business Standard CHENNAI EDITION

Printed and Published by S Jayaram on behalf of Business Standard Private Limited and printed at Sri Printers Private Ltd, 76/1, Noombal Village, Poonamallee High Road, Velappanchavadi, Chennai-600 077 and published at 2nd Floor, Ganesha Towers, New No.104, Old No.90, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004  
Editor : Shyamal Majumdar  
RNI No:70127/1998  
Readers should write to the editor at [feedback@bsmail.in](mailto:feedback@bsmail.in)  
Ph:044-24322608, Fax:-91-44-24322094  
For Subscription and Circulation enquiries please contact: Ms. Mansi Singh Head-Customer Relations Business Standard Private Limited, H/4 & 1/3, Building H, Paragon Centre, Opp. Biria Centurion, PB, Marg, Worli, Mumbai - 400013  
E-mail: subs. bs@bsmail.in or sms, SUB BS to 57007  
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## NOTICE-CUM-ADDENDUM

NOTICE is hereby given that, the Fund Manager and Benchmark details in the Scheme Information Document (SID) and Key Information Memorandum (KIM) for New Fund Offer of Kotak NASDAQ 100 Fund of Fund will be read as under:-

### I. Change in Fund Manager:

Name of the Scheme	Existing Fund Manager	New Fund Manager
Kotak NASDAQ 100 Fund of Fund	Mr. Devender Singhal, Mr. Satish Dondapati will be the dedicated fund manager for the Scheme and Mr. Abhishek Bisen will be fund manager for debt securities	Mr. Arjun Khanna will be the dedicated fund manager for the Scheme and Mr. Abhishek Bisen will be fund manager for debt securities

### II. Revision in the Name of the Benchmark:

Name of the Scheme	Existing Benchmark name	Revised Benchmark name
Kotak NASDAQ 100 Fund of Fund	NASDAQ 100 Index	NASDAQ 100 TRI Index

Kotak NASDAQ 100 Fund of Fund is an open ended fund of fund investing in units of overseas ETF's and/or Index Fund based on NASDAQ 100 Index. The New Fund Offer is from January 11, 2021 to January 25, 2021. The level of risk in the scheme is explained in the "Riskometer" below:

This product is suitable for investors who are seeking:

- Long-term capital growth
- Return that corresponds generally to the performance of the NASDAQ 100 TRI, subject to tracking error.

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them

Investors understand that their principal will be at Very High Risk

This addendum shall form an integral part of the SID/SAI/KIM of the above mentioned scheme of Kotak Mahindra Mutual Fund as amended from time to time, and all other features, terms and conditions, as mentioned therein remain unchanged.

For Kotak Mahindra Asset Management Company Limited  
Investment Manager - Kotak Mahindra Mutual Fund  
Sd/-  
Nilesh Shah  
Managing Director

Any queries / clarifications in this regard may be addressed to:  
Kotak Mahindra Asset Management Company Limited  
CIN: U65991MH1994PLC080009 (Investment Manager for Kotak Mahindra Mutual Fund)  
6th Floor, Kotak Towers, Building No. 21, Infinity Park, Off. Western Express Highway, Goregaon - Mulund Link Road, Malad (East), Mumbai 400097. Phone Number: 022 - 66056825 • Email: [mutual@kotak.com](mailto:mutual@kotak.com) • Website: [assetmanagement.kotak.com](http://assetmanagement.kotak.com)

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

