An extensive study of

INDIAN BILLIONAIRES AND THEIR MONOPOLIES IN THE INDIAN MARKET

A Finance and Banking Project

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Executive Summary:

The last two decades have seen a rapid rise in the number of billionaires in India due to what we call as "modern financial revolution". With India being a fast-growing economy, there has been a huge influx of money flowing in and out of the system. While this has surely paved the way for economic growth, it has also allowed some scams and corruption to also take place.

Today the cultural communication between different countries and regions is intensified. Indian has won the attention of many people as a rising star in the market. In this report, an issue of intense debate, India's billionaires, is the main theme. The knowledge source of this article involves the contents of authoritative books and the data on the Internet. According to the analysis, the conclusion can be drawn that India's rich hold much fortune, which may be caused by its economic reform and crony capitalism.

This report studies the big billionaire families, their origins, sources of wealth and the way through which they create monopolies to sustain their growth and overthrow the competition. Various techniques used by these conglomerates is analysed and a question is asked, whether it is moral or not.

We'll discuss what all does it take to be a billionaire in India? What support is required and from whom? We'll also see how these people utilised policies to their advantage to rise to the top.

This report analyses how despite India being one of the fastest growing economies in the world, it is also one of the most unequal countries. Inequality has been rising sharply for the last three decades. The richest have cornered a huge part of the wealth created through crony capitalism and inheritance.

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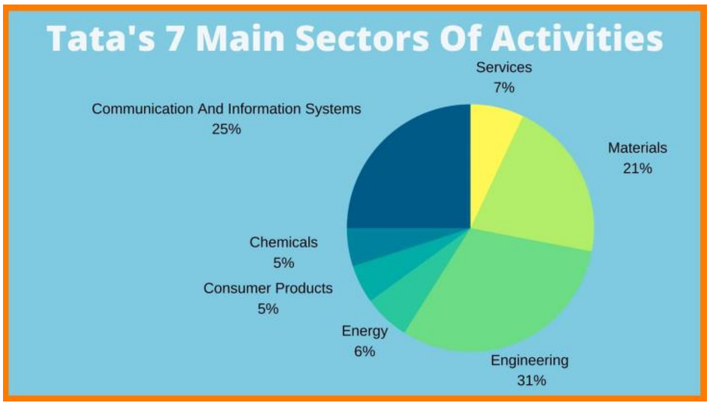
Rise of Various Billionaire Families in India

Tata

By the year India gained independence from British rule, the Tata party was already 79 years old and in its first phase of integration. Founded as a trading company in 1868 by Jamsetji Tata, the group had transformed into an insurance business, making products from cooking oil, soap and detergents to metals and producing energy in 1932. Jehangir Ratanji Dadabhoy Tata, better known as JRD, became the new chairman at the age of 34.

In 1929, he became the first Indian to receive a pilot's license, and three years later, he founded the Tata Aviation Service or Tata Airlines, later renamed Air India and made the country. JRD added three other important industries to the team's portfolio in his early years in charge. He founded Tata Chemicals Ltd, now the largest producer of soda ash in the country, in 1939.And in 1945, he founded Tata Industries Ltd to develop and develop hi-tech industries. Tata Industries has started business groups in fields that include information technology, financial services, automotive parts, advanced equipment, telecom hardware and services.

After independence, the story of the group took many turns; it included diversity, growth, competitiveness, productivity, efficient profitability, global trade and innovation. And in 1945, he founded Tata Industries Ltd to develop and develop hi-tech industries. Tata Industries has started business groups in fields that include information technology, financial services, automotive parts, advanced equipment, telecom hardware and services.



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In 2000, the Tata group bought the British Tetley tea for $ 450 million, which was the largest overseas acquisition by an Indian company. Only shopping increased his appetite. Seven years later, the group bought Anglo-Dutch metal maker Corus Group Plc for $ 11.9 billion: the following year, paid $ 2.3 billion to acquire the famous British Jaguar and Land Rover models from Ford Motor Co.

When Ratan Tata retired on his 75th birthday on December 28, 2012, he had been leading Tata for 21 years. During Tata's reign, the party's revenue grew to R4.76 trillion in 2011-12 from ₹ 14,000 crore in 1991.

By the time his successor Cyrus Mistry, the sole second-in-command of his father-in-law, took over, it was time for another round of integration following the collapse of the Indian economy and the unrest in the US and Europe.

In less than two years of his career, Mistry is already looking to expand, with plans to invest $ 35 billion over the next three years as the team looks at possible divisions and restructuring. The team is exploring potential acquisitions for expansion. It focuses on strengthening synergies in areas such as defence and aerospace, marketing, infrastructure and finance.

Today, the Tata team comprises more than 100 active companies in seven business sectors: communications and information technology, engineering, building materials, services, energy, consumer products and chemicals. Tata companies operate in more than 100 countries on six continents, and export products and services to more than 150 countries.

Tata Sons Ltd was originally a 'Private Company' but after the inclusion of Section 43A (1A) in the Companies Act, 1956 on the basis of mid-year profits, it adopted the 'Public Enterprise' character from February 1, 1975, the order said.

Birla

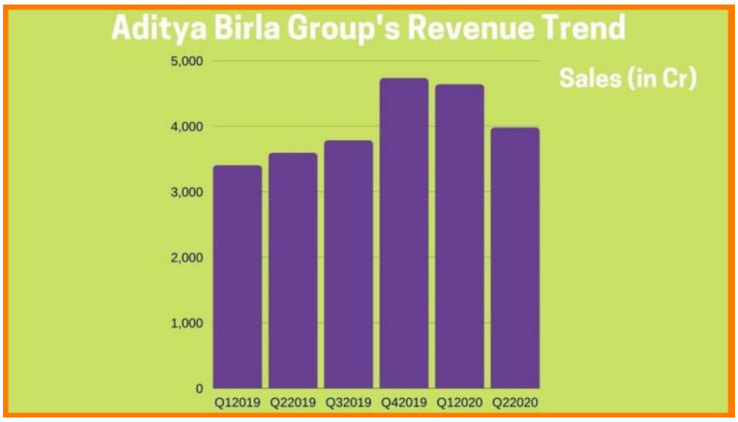
Aditya Birla Group, an Indian conglomerate that began its journey in 1857 from the beautiful city of Pilani in the Shekhawati region of Rajasthan. Pilani is now similar to its BITS (Birla Institute of Technology and Science). It was Shiv Narayan Birla who laid the foundation for a $ 44.3 billion organization, a future Fortune 500 company with 120,000 employees from 42 nations. Aditya Birla Group is the third largest private organization in India that touches on all aspects of the masses.

During the difficult Indian times of the 1850s, the Birla business grew rapidly. At the beginning of the 20th century, the founder of the Party, Mr. Ghanshyam Das Birla, established industries in critical sectors such as textiles and fibres, aluminium, cement, and chemicals. As a close confidant of Mahatma Gandhi, he played a significant role in India's liberation struggle. She represented India at the first and second table conferences in London, along with Gandhiji.

In 1919 Ghanashyam Das Birla, one of Baldeo Das Birla's four sons, built jute mills in West Bengal and thus laid the foundation for the Birla industrial empire. In 1947 the Birlas founded the Grasim weaving industry and from 1958 added rayon to the list. Aditya Birla, granddaughter of Ghanashyam Das Birla, has successfully passed on her legacy. In 1969 he began to take major steps outside India.

In Thailand Birla developed Indo-Thai synthetics. It was followed in 1978 by the production of Carbon Black and in Thailand. In 1988 the Indo-Gulf was established under the Hindalco name for fertilizer production. Unfortunately, in 1995 Aditya Birla passed away. Aditya Birla's son, Kumar Mangalam Birla, took the Birla flag. As part of the first step towards planning and reorganizing AT&T was established. In 1998 the production of copper in the Indo-Gulf began. directed international expansion.

The company is now led by Kumar Mangalam Birla who emphasizes. This company is a company that owns 72 production companies and services throughout India, Indonesia, Egypt, Australia, Philippines etc. The various companies that touch on various aspects of our lives under Aditya Birla Group are Hindalco, the world's largest and leading Aluminium rolling company. Copper producer in the world.



Indo Gulf, one of the largest fertilizer companies in India, is the world's leading fertilizer. Idea Cellular, the world's second largest mobile service provider, connects millions worldwide. The group is also the 8th largest cement producer in the world and the largest in India with its brand Ultratech. It has been an important part of the country's infrastructure and has been used in countless houses to build their dream home. Birla Sun is the second largest health insurance company in the country. The company also sells 2 garments per second through Aditya Birla Fashion and Retail Limited (ABFRL), with its stores where you should be shopping, including Pantaloons, Ralph Lauren, Peter England, Van Heusen and Allen Solly and many more.

Adani group

Adani Group is an Indian multinational conglomerate, headquartered in Ahmedabad. It was founded by Gautam Adani in 1988 as a real estate business, with the leading company Adani Enterprises Limited (formerly Adani Exports Limited). In 2008, he became a billionaire, joining Forbes for the first time, worth an estimated $ 9.3 billion.

Adani Group started as a trading firm in 1988, growing rapidly and diversifying in the import and export of bulk goods. In the 1990s, it upgraded its port at Mundra to provide a base for its trading activities. In 1995, Adani began construction on Mundra. In 1998, it became the largest foreign exchange earner in India. Soon after 1999, the company began trading in coal, which was followed by participation in the refining of edible oil in 2000 by the establishment of Adani Willmar.

The second phase of the group began with the construction of a large infrastructure asset. The company has established a portfolio of ports, power vessels, mines, ships and railways in and outside India. At the same time, the company also gained a reputation for scale, efficiency and quality. In 2002, Adani managed 4 million MT of goods in Mundra, becoming the largest private port in India. Later in 2006, the company became the largest coal supplier in India with 11 million MT for coal management.

The company expanded its business in 2008 with the purchase of the Bunyu Mine in Indonesia which has 180 million MT coal storage facilities. The following year, the company began generating 330 MW of thermal power, followed by 2.2 million edible crude oil per year in India.

Since it was listed in early February, the company's shares have grown by more than 130%. Even today, they are locked in a 5% higher cycle. The meeting in stock is worthwhile as there is a lot of palm oil, soybeans, and sunflower oil due to the Russian-Ukrainian war.

Reliance

Reliance Industries Limited, a privately owned conglomerate that specializes in the production and refining of petrochemical, textiles, retail, marketing, communications, and other industries. It was India's first private company to enter the Fortune 500. Reliance Commercial Corporation was founded by Dhirubhai Ambani in 1966 as a polyester factory. It was renamed Reliance Industries on 8 May 1973. Reliance later entered financial services, petroleum refining, the electricity sector.

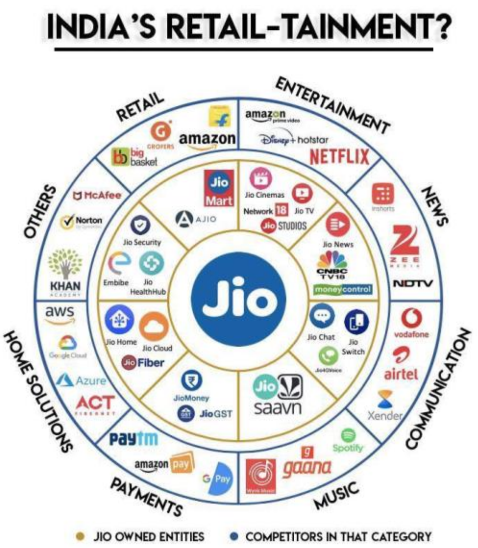
Reliance Commercial Corporation was founded in 1958 by Dhirubhai Ambani as a commercial property for a small factory, mainly spices and polyester yarn. Pursuing a strategy of regression and diversity, opened the first textile mill in Naroda, Gujarat province, and was incorporated in 1966 as Reliance Textiles and Engineers, Ltd. For the next ten years her business focused on the textile industry, although it continued to make. increase. Seeking to raise money in more accessible ways than the state-sanctioned Indian banks, Reliance took advantage of the recent "Indianization" of the stock market and floated to the first public offering (IPO) in 1977. The IPO, which issued 2.8 million shares, went into debt. and small investors involved in the stock market and share capital. Thousands attended the regular annual Reliance meetings, sometimes at the stadium, with many watching on television. Company stocks continued to attract investors despite the uncertainty of stable economy, crippling government regulations, and political corruption, in part because of the good stock benefits and interest in the founder's vision.

Satisfied with the mere sale of fabrics, Reliance is now focused on finding its own supply chain and looking to cover the set - first by making its own polyester fibre. This was not allowed in India at that time. But it was in the early 1980s and Ambani won the Indira Gandhi back to power.

RIL has set up a petrochemical facility to produce HDPE and PVC in Hazira Gujarat in technical cooperation with DuPont and BF Goodich respectively. The petrochemical industry Hazira operated in 1991-92. In 1995-96 the company entered the telecom industry in partnership with NYNEX USA and developed Reliance Telecom Private

Limited of India. Reliance became the first company in Asia to roll out U.S. bonds in 1996-97.

In 2000 Reliance approved a world-class refinery in Jamnagar with a 36-month record. Jamnagar refinery explores many types of crude oil and produces a range of petroleum products to be exported and supplied to the Indian market. Reliance Petroleum Limited (RPL) merged with Reliance Industries Ltd in 2002-03. In 2006 the company established a new export-oriented refinery through its subsidiary Reliance Petroleum Limited (RPL). In 2006 RIL entered the Reliance Retail sales phase with its first Reliance Fresh store in Hyderabad.



Reliance Group is a conglomerate holding company in India with a broad business portfolio and is the highest taxpayer in the Indian Private Sector. It accounts for more than 5% of Indian Government revenue and about 8% of all exports come from India. RIL became the first Indian company to break the 100 billion market capitalization in 2007 and in 2019 became the first Indian company to exceed the Rs 9 lakh crore marks market. The company is ranked 106th in the Fortune Global 500 list of the world's largest companies since 2019.

Techniques used by top industrialists to establish their monopoly in the Indian market

WHAT IS A MONOPOLY?

A monopoly is a company that exists in a market with little to no competition and can therefore set its own terms and prices when facing consumers, making them highly profitable.

- While monopolies are both frowned upon as well as legally suspect, there are several routes that a company can take to monopolize its industry or sector.

How And Why Do Companies Become Monopolies?

There are many ways to create a monopoly, and many of them rely on some form of government assistance.
Perhaps the easiest way to be a monopoly is for the government to give the company a special right to provide goods or services.

• The British East India Company, when the British government granted him exclusive rights to import goods into Britain from India in 1600, may be one of the most well-known private companies built in this way. At the height of its power, the company served as India's visible ruler with the power to tax and direct the armed forces.

• In the same way, subjugation (the process by which government itself takes control of a business or industry) is another way of creating independence.

• Copyrights and patents are another way government aid can be used to build independence or close governance. Because the government has laws in place to protect intellectual property, the creators of the area are given the power to rule over things like ideas, ideas, designs, headlines, songs, or even short music.

• Access to a rare resource is one way to create independence. This approach was adopted by Maharatna ONGC, which contributes about 71% of India's crude production and natural gas production.

Why Monopolies Are Created?

One obvious follow-up question that comes to mind is why are monopolies allowed to exist in the market considering their adverse effects on the market environment among other smaller companies.

Let’s first look at the data of the shares some of the Indian stocks in India that have Conquered their respective Industries.

1. **IRCTC – 100%**
   IRCTC is a state-owned entity and the only player in the Indian markets that operate in the industry. This makes it a monopoly as consumers have no other alternative. The company was founded in the year 1845. It is one of the largest railways in the world and is one of the world’s largest employers. Rail networks are generally considered as ‘Natural Monopolies’. This is because only one train can use the rack at a given time.
2. **HAL-100%**
   The Hindustan Aeronautics India Limited represents the Indian aviation industry and plays a very important role in the Indian defence sector. The company a set up in 1940 by Walchand Hirachand and the Government of Mysore, with the aim of manufacturing aircraft in India. Today the company is state-owned and is associated with designing, fabricating, and assembling aircraft, jet engines, helicopters, and their spare parts.
3. **Nestle-Cerelac – 96.5%**
   Cerelac is the brand of instant cereal made by Nestle for infants 6 months and older as a supplement for breast milk. Nestle is one of the world’s leading nutrition, health, and wellness company which was set up in 1866 in Switzerland. It has spent more than a century in the Indian markets over the years has become an undisputed market leader in the baby food segment. It has an undisputed market share of 96.5% despite functioning in an open to all industry.
4. **Coal India Limited – 82%**
   Having a market share of 82%, Coal India Limited is a public sector undertaking involved in the business of coal mining and refining. It is the world's largest coal-producing company. It produces coal through 7 of its subsidiaries. Currently, the government's shareholding stands at 66.13%.

5. **ITC Limited – 77%**
   The now Indian Tobacco Company Limited was established in 1910 as Imperial Tobacco Company of India Limited. Having sustained in the industry for decades, the company diversified its operations from tobacco to various other industries. Nonetheless, its main business still remains to be tobacco. With major competitors like Godfrey Phillips India Ltd., VST Industries Ltd., Golden Tobacco Company Ltd., ITC continues to hold 77% of the market share.

Although governments often try to block the domination of the world, in some cases they promote or even influence their own actions. In many cases, government-sponsored transactions are intended to result in a scale that benefits consumers by keeping costs low.

The subsidiary companies that supply water, natural gas, or electricity are all examples of companies designed to benefit the economy.

Consider, for example, the cost to consumers if 10 competing water companies each have to dig local roads to use the relevant water lines in every house in the city. It has the same meaning for gas pipes and electrical grids.

In some cases, though not always, such as government policies governing patents and patents, governments seek to promote new inventions. If the creators did not have the protection of their inventions, all the time, effort, and money spent writing books, recording songs, and doing research and development to develop new antimicrobials would be wasted if one company that stole the idea could. building a competitive product at low cost.

The Downside of Monopolies

Bernie Frank once said-

> Capitalism works better from every perspective when economic decision makers are forced to share power with those who will be affected by those decisions.

If firms grow in an unregulated area, and risky economic decisions are made for short-term purposes, these companies could collapse and cause system failure. Making economic decisions by a few big players can affect the lives of millions of people who have nothing to do with those decisions.

The presence of a monopoly in any industry or market will result in less energy expenditure, where workers are exploited by lower wages and unfair working conditions. The monopolist will usually produce a small product, which he will sell at a higher price than a fully competitive market, in order to maximize his profits. Practices such as price discrimination are emerging in these imperfect markets, which appear to be a threat to the economy over time.

This is the age of mega-corporation. FAANG market value - Facebook, Apple, Amazon, Netflix, and Google (Alphabet) - is estimated at $ 5 trillion. With humorous wealth and a high market position, mega-corporations may be monopoly and eliminate competitive advantages. The purpose of anti-violence legislation is to prevent the emergence of monopoly.

Let's take the example of one of the main subjects of our projects, Mr. Gautam Adani

In 2018, the Indian government decided to free the capital stuck in a few airports of the country by allowing private players to manage them to bring in some efficiency. This, however, resulted in a not so welcome outcome, where Gautam Adani managed to bag six airports through an auction, including the Mumbai airport which is already privatized.

Adani group monopoly is composed of 6 publicly listed bodies with joint revenues of USD $15 billion and market capitalization of more than USD $30 billion; with businesses spanning across Energy, Ports & Logistics, Mining & Resources, Gas, Defense & Aerospace, and Airports. In each of its business areas, the Group has established a leadership position in India.

It is the government's job to make sure that the players have enough on the field. They should also ensure the well-being of small stakeholders and consumers. It has been observed in the past that government officials have tried their best to promote competition and take action against anyone who abuses his or her power and position.

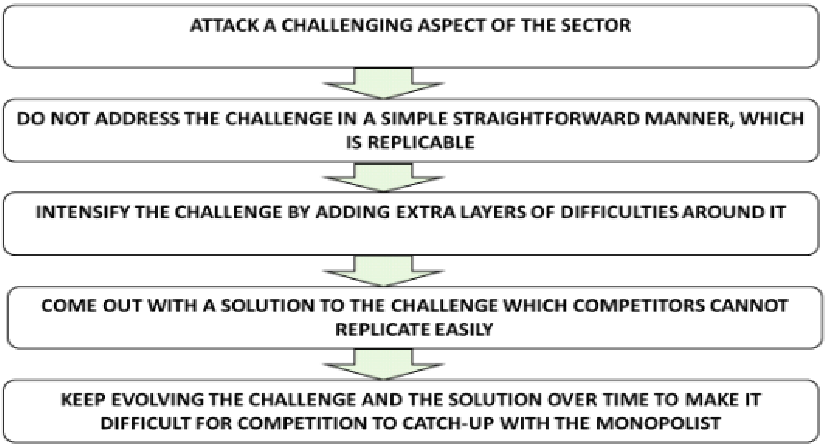
But it is surprising that little is being done to prevent one rival from gaining power over a series of airports across the country. After successfully requesting six airports, the Adani team has now taken over Mumbai airport, due to GVK Group's lack of storage capacity. It is unfortunate that the GVK Group did not receive support to overcome the pressure due to the tight closure imposed by the government.

Every country has the right to determine its own laws. And India can't afford monopolies. - YUSUF HAMIED

How And Where Do India’s Billionaires/Monopolies Gain Dominance From?

Out of the India’s 166 billionaires, around 120-130 of them had drawn their primary source of wealth (at least originally) from sectors that can be classified as “rent thick” (real estate, construction, infrastructure or ports sectors, media, cement, and mining). The remaining billionaires had drawn their primary source of wealth from “other” sectors (IT/software, pharmaceuticals and biotech, finance, liquor and automotives etc.).

Overall, 43% of the total number of billionaires, accounting for 60% of billionaire wealth in India, had their primary sources of wealth from rent-thick sectors. Indian capitalism seems to have two faces.



Here are a few examples of how dominant franchises in India have implemented this framework in India’s B2C segments:

The challenge of B2C distribution: In a large country like India, establishing a distribution network is a challenge due to poor transport infrastructure, as well as diverse / unequal demand in all areas, socio-economic sectors. In addition, India has a very high sales volume because even today 90-95 percent of the points sold in many categories include mon-and-pop stores in all many industries.

An easy way to deal with this challenge is to provide compensation to third-party distributors, retailers, stockbrokers, etc. for the operation of the hub and distribution. Instead, firms like Asian Paints and Pidilite have taken a very difficult path to resolve this challenge. Asian Paints removed all layers of channel partners and reached out directly to paint vendors on the highway, while pressing the edges of their channels. The incentive for these sellers was the efficiency of the supply chain (3-4 deliveries per day), which helped these traders get a healthy return on their rent. This capability is built using technological investments to predict demand with greater accuracy compared to their competitors.

Similarly, Pidilite creates a need based on the attraction of its products by identifying carpenters (influencers), educating them about the benefits of these products and their application process. Pidilite helped carpenters to improve themselves by associating with Pidilite. It followed a similar approach when launching its water prevention solution, Dr Fixit, by establishing the Dr Fixit Institute of Waterproofing and close training of 1 lakh applicants per year.

The challenge of retail lending: As a product, money deposited in the bank sells more. Therefore, building a credit card-based debt balance is a difficult way to get a mortgage loan. Similarly, creating a high-quality loan book by selecting borrowers based on their credit score in a debt rating company (such as CIBIL) is for sale and can be done by all lenders in the industry. However, the yields / genes found in such a loan book are relatively small, therefore, it does not help to build a high ROE franchise. One of the easiest solutions to these challenges is to raise funds in the financial markets (at high prices) and to lend to high-risk companies at high interest rates. Instead, HDFC Bank opted for a more sophisticated approach - building the credit side of the Casa balance sheet (current accounts, savings accounts) and lending heavily to high-end consumer lenders at lower prices. Similarly, Bajaj Finance solved the problem of the seller's real estate side by using new technologies to improve credit algorithms to capture unclaimed datapoints by credit schools produced by a credit rating agency and build a large data-based lending engine to determine creditworthiness. lent them for sale.

The challenge of executing brick and mortar retail: Establishing a comprehensive sales network is challenging due to other natural factors such as expensive retail environments where the development of the store economy is a challenge provided: a) a long and difficult learning curve around the appropriate store size, location, sales structure, etc..; b) intense competition from informal shops; and c) high stagnation among store-level employees which results in poor customer performance. In an industry like diagnostic labs, the easiest way to build a pan-India business while overcoming these challenges is to set up a B2B type of sales network where samples are purchased from hospitals or labs / collection centers, and reports are written in white. and delivered. Dr. Lal Pathlabs, instead, overcame this challenge in a difficult and slow way, by investing in significant technology and the gradual expansion of collection facilities and labs. The company manages a few aspects of shareholder collection centers such as building, providing sample collection equipment and sometimes controlling lab technicians. This has helped the company to develop its store economy and create a business model that generates a lot of money (unlike many retail businesses that are usually money laundering).

SHOULD YOU INVEST IN MONOPOLIES?

It is easy to understand why monopolies are great for their shareholders – high free cash generation (i.e., ROCEs well above cost of capital) and consistent growth in earnings over the longer term tend to result in consistent wealth compounding for shareholders. The high cash generation of monopolies enables them to innovate, strengthen and evolve their competitive advantages. However, spotting the existence of such monopolies is not easy.

> Return on capital employed (ROCE) is a financial ratio that can be used to assess a company's profitability and capital efficiency. In other words, this ratio can help to understand how well a company is generating profits from its capital as it is put to use.

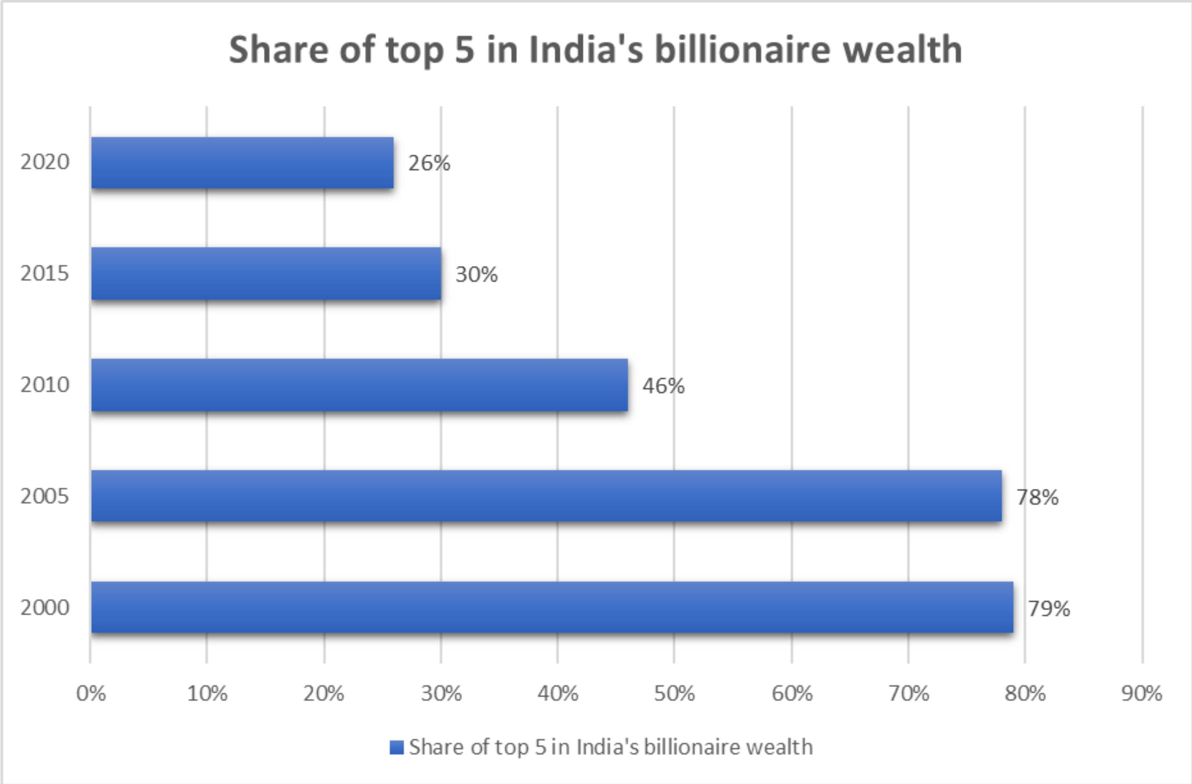
We have used data from the annual billionaires list compiled by Forbes, publicly available on forbes.com, and based on research by Forbes staff. It aims to include all sources of individual or family wealth. There are many caveats: it only includes disclosed wealth, and wealthy individuals may well underreport. However, it seeks to apply a consistent methodology across countries and over time, and we believe it is of value in making comparisons. The database includes information on whether billionaires are self-made or inherited, their nationality and country of residence and main sectoral source of wealth. We have classified billionaires by their country of residence, excluding Indian billionaires not resident in India, such as Lakshmi Mittal.

Sources of Wealth

We turn now to the sources of wealth of India's billionaires from two perspectives inheritance and sector of origin.

1. **Inherited and Self-made Wealth***:* We note an interesting pattern in all countries: they find a positive link between growth and the billion-dollar wealth you have made for yourself, but the negative ones with inherited wealth. While there is no underlying cause, this is in line with the view that self-sufficient wealth is likely to be associated with integrated economic power. In addition to self-employment and legacy, Forbes also has a "gain and growth" category, for billionaires who inherit their wealth but later experience significant wealth growth. One of the great examples of wealth inherited is Mukesh and Anil Ambani.
   The origins of Caste are also of interest in India. This is reflected in the list of billionaires: 28 billion out of 46 billion in 2012 came out of the traditional retailer

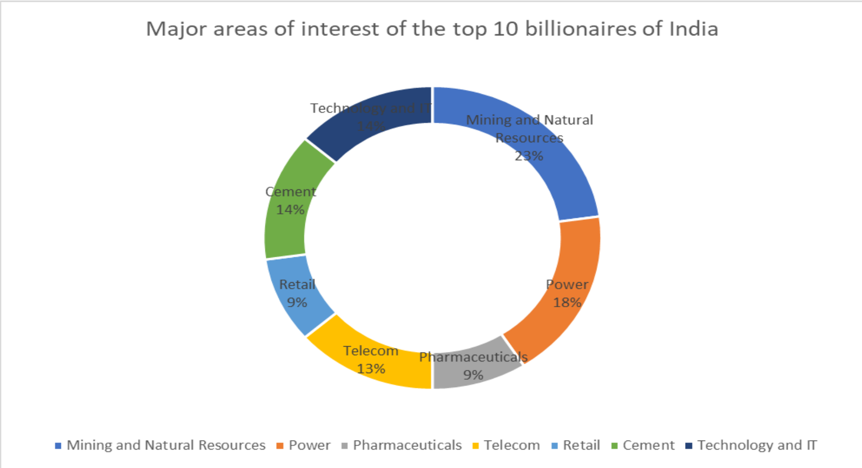
classes - Banias (including Marwaris), Parsis and Sindhis. The population is part of the elite communities, including the brahmins (Mallya, Murthy) and the Khatris (Thapar, Munjal, Mahindra). A small group comes from some back and bottom like Nadar, Jat and Reddy. There is one Muslim and no dalit.
The following plot shows the number of self-made vs inherited billionaires.



The 2000s marked a major turning point in the country's distribution of wealth. The Covid period also served as a blessing to the Indian billionaires as they saw their combined wealth more than double during the Covid-19 epidemic, and their numbers increased by 39 percent to 142. Exciting research also shows that the wealth of the ten richest people is enough to support the school and higher education of children in the country for 25 years.

2. *Sectoral sources and targets of interest:* All the billionaires in India are connected to business activities. There are a range of sector resources, including mining, energy, petroleum chemicals, medicine, information technology, construction, housing, and finance.
   This allows us to examine whether wealth had its origins in the "economically employed" domains and links to government. By economic rent, we mean the return on a production component that is more than what can be obtained from other uses in a fully competitive job. Economic rental finances often flow from private economic power or the need to obtain government licenses. Natural resources, land, and scope have internal economic resources, and often higher levels of government control, as does the range of activities involving government contracts.

India's knowledge industry is well-known for its large number of "black" jobs, and the relationship between politicians and real estate agents has been documented in recent sources (e.g., the Adarsh housing scam). According to a KPMG study, the real estate sector is considered to be the most corrupt in India's Infrastructure projects, the allocation of mining licenses and spectrum is usually provided by bid bidding by the government. Decisions were often contested on grounds of violation of the law, such as the awarding of tenders for the construction of airports in Mumbai and Delhi * or the popular telecom spectrum distribution of 2G, now the subject of a bribery lawsuit. Cement manufacturers are believed to have been involved in the company for almost two decades. In 2007 the Monopolies and Restrictive Trade Practices Commission launched an investigation and fines were finally levied in 2012 Indian print media in 2012 plunged into paid media scandals, and the Indian Newspaper Commission launched an investigation after the 2009 elections. It is alleged that the report did not use the names of the companies involved.



3. *Others:* In some areas where government interaction is severely limited, the regulator has a good reputation and little anecdotal evidence of fraud. Sectors include software, engineering, pharmaceutical, finance and banking firms. Many companies in this category have some kind of contract with the government. For example, technology firms (Wipro, HCL and Infosys) have been involved in various government and central government programs under the National Electronic Governance Program. The Serum Institute has an agreement to provide the vaccine with the government (and to deal with alcohol). However, the core business of these companies is not operated by government contracts. Also included in the "others" are pharmaceuticals, chemicals, simple engineering, and finance and banking firms. With the exception of financial or trading impairments, the financial sector is generally considered to be tightly regulated by the Securities and Exchange Board of India (SEBI) or the Reserve Bank of India. Some manufacturing industries also now need fewer permits from the government; in this category cars include, the leading Asian Paints paint manufacturer and the Spice conglomerate team working in various fields including cell phones, retail, etc.

1. Gautam Adani and family (Adani)
- Power, petrochemicals, oil and gas
- Infrastructure and Real Estate
- Mining and Trading of Natural Resources

2. Mukesh Ambani (Reliance)
- Power, petrochemicals, oil and gas
- Mining and Natural Resources
- Retail
- Telecom

3. Shiv Nadar (HCL)
- Technology and IT
- Microprocessors and Semiconductors

4. Cyrus Poonawalla (Serum Institute of India)
- Pharmaceuticals

5. Radhakishan Damani (DMart)
- Retail
- Cement

6. Savitri Jindal and family (Jindal Group)
- Power
- Cement
- Infrastructure
- Steel

7. Lakshmi Mittal (ArcelorMittal)
- Steel
- Mining

8. Kumar Birla (Birla)
- Aluminium
- Cement
- Telecom

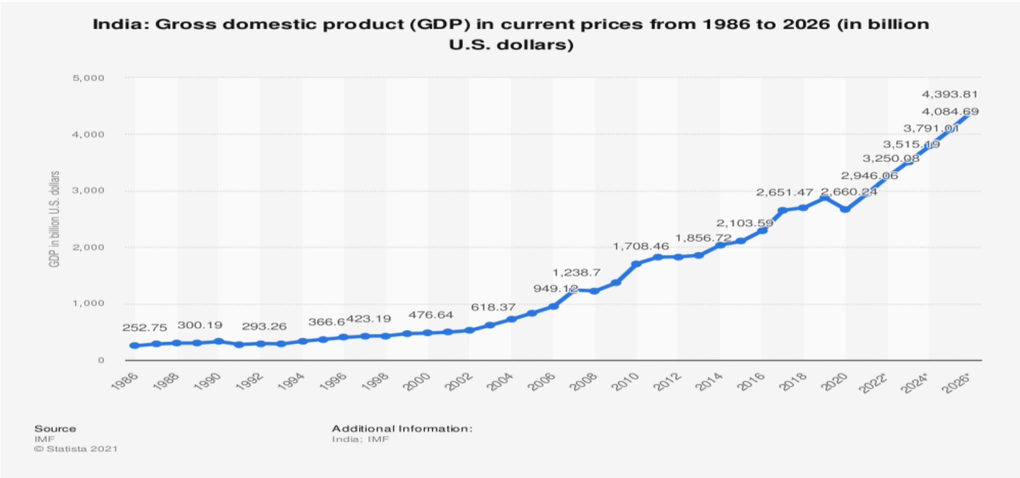
9. Dilip Shanghvi (Sun Pharma)
- Pharmaceuticals
- Power

10. Sunil Mittal and family (Bharti Airtel)
- Telecom
- Technology and IT

<u>Influence of Government in the rise of billionaires and inequality</u>

<u>History Of Indian Government And Its Policies</u>

Thirty years ago, the Indian economy underwent profound changes. In the late 70's, India was recognized as a socially controlled economy. From the 1980s onwards, a large set of reforms and abolition laws were introduced. In this context, it is unfortunate that the Indian authorities stopped in 2000 publishing income tax tables, representing the main source of data to continuously track the emergence of higher incomes. Under Prime Minister Jawaharlal Nehru (in power from 1947 to 1964), India was a statistician, a controlled and controlled economy. The transport, agricultural and construction sectors were controlled and controlled by the Central Government, commodity prices were controlled and the country had significant trade barriers. Nehru supporters, including Indira Gandhi (1966-77 and 1980-1984) expanded these policies and introduced a highly evolving tax system. In the early 1970's, high income tax rates reached higher levels (up to 97.5%). From the mid-1980s onwards, freedom and openness of trade became a common theme among Indian policy makers. The Seventh Edition (1985-1990), led by Rajiv Gandhi (1984-1989), promoted a relaxation of market regulation, an increase in foreign borrowing and an increase in imports. The tax system was also gradually changed, with higher income rates dropping to 50% in the mid-1980's. In the late 1980's, when India was facing 5 payment problems, it sought the help of the International Monetary Fund. Financial support was placed under the conditions of structural reforms that furthered the abolitionist agenda and freedom. The so-called first set of economic reforms (1991-2000) put the promotion of the private sector to the core of economic policies, with the issuance of denationalizations, public sector investment, revocation of law (non-booking and licensing of state-owned enterprises). and industries). These changes were made by both the N government. Rao (1991-1996) and his successors, including the Janata Party government following the laws of A. Vajpayee (1998-2004). These changes were extended after 2000, under 10-year and subsequent five-year plans. These schemes eliminated government tariffs on fuel, sugar or fertilizer and led to independent development, especially in the agricultural sector. The effects of these changes on growth have been praised by government officials. The real growth in adult national income, which makes more sense in terms of per capita income than GDP3, has been significantly increased after the changes. It was 0.7% in the 1970s, 2.5% in the 1980s, 2.0% in the 1990s and 4.7% since 2000. However, little is known about the distribution characteristics of post-2000 growth.



The combined wealth of the 100 richest Indians on the Forbes list is more than half a billion USD. Meanwhile the abolition of ‘property taxes’ in 2016, the sharp decline in corporate taxes, and the indirect increase in taxes have removed the rich from being the main source of tax revenue. The 2021 G-20 OECD report highlighted the natural need to go beyond individual tax reforms and to look at restructuring ‘tax systems’ in order to promote inclusive, sustainable, and equitable growth.

Unfortunately, not only did the Indian government tax policy become rich, it also deprived the Indian provinces of significant financial resources — both particularly harmful in the context of the COVID-19 crisis. The epidemic has highlighted the extent to which Indian countries rely on the Union government for its technical expertise and funding, despite the state structure underpinned by the Indian Constitution. Although health is a priority for the government, during the epidemic year, the Institute has continued to retain more resources in inseparable lakes rather than transfer them to the control of the epidemic. A recent Pandora Papers investigation also highlighted the opportunities that wealthy Indians use to hide their goods and avoid taxes. In 2021, the Central Government re-allocated small amounts to more important health and education sectors than ever before. Insufficient government spending on health, education and social security is accompanied by an increase in private practice in health and education, thus making the full and safe recovery of COVID-19 out of the reach of all citizens. It is imperative that the government reconsider its original sources of revenue, use continuous taxation methods and examine its own structural issues that allow for the accumulation of wealth for the rich. In addition, the government should also redirect revenue to health, education and social security, taking it as a universal right and as a means of reducing inequality, thus avoiding the modelling of private companies in these sectors.

THE NUMBER OF INDIAN BILLIONAIRES GREW FROM 102 IN 2020 TO 142 IN 2021, THE WORST YEAR YET FOR INDIA DURING THE PANDEMIC. THIS WAS ALSO THE YEAR WHEN THE SHARE OF THE BOTTOM 50 PERCENT OF THE POPULATION IN NATIONAL WEALTH WAS A MERE 6 PERCENT.

Since 2015, India's wealth growth has been at an all-time high. The 98 richest billionaires in India had the same wealth (USD 657 billion) as the 555 million poorest people in India, also the 40 percent poorest. Of the 100 billion Indians on the Forbes list, only 3 are women; only one, Savitri Jindal, has reached the top 10. India ranks third in the world with billionaires, second only to China and the United States. Now with more than a billion France, Sweden and Switzerland combined, there has indeed been a 39 percent increase in the number of billions in India by 2021. This growth came at a time when the unemployment rate in India was 15 percent higher in urban areas. and the health care system was on the verge of collapse. According to a Forbes billion report, in October 2021, the combined wealth of India's richest people reached a record high of USD 775 billion and more than 80 percent of these families saw an increase in wealth compared to 2020, about a third of five (61 percent). these billionaires have added USD 1 billion or more to their collective wealth. At that time, 84 percent of Indian households lost their income at the start of the epidemic. That the growing inequality of wealth seems to be true. About one-fifth of the increase in the 100 richest families includes an increase in the wealth of one person and a business house - Adanis. Gautam Adani, ranked 24th in the world and second in India, has seen his net triple in the space of one year; from USD 8.9 billion by 2020 to USD 50.5 billion by 2021. According to Forbes real-time data, as of November 24, 2021, Adani's total value stands at USD 82.2 billion8. wave, including revenues from the newly purchased Adani Carmichael mines in Australia, and 74 percent of the acquisition of part of Mumbai airport. At the same time, the value of Mukesh Ambani doubled by 10 in 2021 to USD 85.5 billion from USD 36.8 billion by 2020.11 India State Bank forecast of India's GDP growth forecast in - - - 8.7% to - - - 7.0% in 2020-21.12 To make matters worse, more than 120 million jobs were lost, including 92 million from the illegal sector in the same year. The fact that the government's employment system, MGNREGA, witnessed a very high enrolment rate in 2021 is proof of the great need for employment and income security for the poorest of India. Studies show that there is a significant increase in food insecurity in the country

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Taxation

Continuous taxation ensures that the tax burden is higher on the rich than on low-income earners. The idea of the program is to allow the rich to, in some way, subsidize taxes, basic living standards for low-income families, and pay for basic necessities such as housing, food, health care, education and transportation among other things. The ongoing tax system allows low-income families to spend most of their meagre income on living expenses, and is therefore one of the few non-disruptive policy tools available to help control rising inequality by redistributing benefits to growth. At one point, it was found that by charging these very wealthy families only one percent of their wealth, India could fund its entire INR 500 billion (USD 6.8 billion) vaccination program. These questions are also supported by citizens of India. Instead, the tax burden on India is currently on the shoulders of the middle class of India and the poor and does not respond to the one-time tax proposal for the rich, in order to recover COVID-19, leading to the government using only one. the available option is, to raise money for the indirect tax profit that punishes the poor. Even before the epidemic hit, in FY 2019-20, tax collection was lower than in previous years. The decline in tax collection was due to a decline in business tax rate, announced in September 2019. A reduction in corporate taxes from 30 percent to 22 percent in 2019-20 (attracting foreign direct investment) has resulted in a loss of INR 1.5 lakh crore, which has contributed to the growing shortage of Indian funds. For the 2020-21 financial year, excise duty decreased by half in June compared to the same period last year, tax revenue decreased by 36 percent and corporate taxes decreased by 23.44 percent Prior to non-tax receipts, revenue from -2020-2021 fell sharply from the target of INR 2.1 lakh crore, which was more than three times the investment revenue for 2019-2020. Taken together, these statistics show that the epidemic has undermined the government's ability to raise revenue from both tax and non-tax sources. How did the government increase revenue during the violence? The data shows that the Income Tax (GTR) during the first eight months of 2020-21 was INR 10.26 lakh crore, 42 per cent annual average, 12.6 per cent lower compared to the same period last year. This reduction was the result of the reduction of all direct taxes and major indirect taxes, excluding property taxes. In particular, shortfalls in direct tax revenue contributed to the 92 percent deficit in GTR.45 The direct tax deficit was offset by an increase in the indirect tax allocation. In FY21, the share of income tax (23.2 per cent) on the GTR exceeded the corporate tax contribution (22.6 per cent). The Central Goods and Services Tax (C-GST) also provided the same share (22.5 percent). Contributions from union expenditure increased sharply from 12 percent to 19.2% to compensate for loss of revenue from corporate taxes which dropped sharply from 27.7 percent to 22.6.46 percent. in the last three financial years,

A 4 PERCENT WEALTH TAX ON 98 RICHEST FAMILIES IN INDIA CAN TAKE CARE OF THE MINISTRY OF HEALTH AND FAMILY WELFARE FOR MORE THAN 2 YEARS, THE MID-DAY-MEAL PROGRAMME OF THE COUNTRY FOR 17 YEARS OR THE SAMAGRA SIKSHA ABHIYAN FOR 6 YEARS[33]. SIMILARLY, ESTIMATES SUGGEST THAT A 1 PERCENT WEALTH TAX ON 98 RICHEST BILLIONAIRE FAMILIES CAN FINANCE THE AYUSHMAN BHARAT SCHEME FOR MORE THAN SEVEN YEARS OR THE DEPARTMENT OF SCHOOL EDUCATION AND LITERACY OF THE GOVERNMENT OF INDIA FOR ONE YEAR.

when more than INR 3.71 lakh crore was collected in FY21 alone.47 This reimbursement for union unions in petrol and diesel taxes (all called excise) has led to an increase in commodity prices. such as food grains and vegetables that affected the poorest more than the rich.

Table 1: Changes in Receipts – A Comparison of Prior Years

YEARS	INCOME TAX	CORPORATE TAX	GST	EXCISE DUTY
2019-20	4.10	-16.08	2.96	3.64
2020-21	-6.95	-19.91	-13.97	50.76
2021-22	22.71	22.65	22.31	-7.20

Source: *Authors' calculations using Union Budget data*

According to economic research, the top 1% of the population in the country in national income was almost 10% in the 1950s, but declined to below 4% in the late 1970s before gradually rising. 7% by the end of the 1990s. According to the latest estimates, this increase increased to 13% in 2012, the highest number since independence, but also, more importantly, almost doubled in the last 15 years. The same is true of the 0.1% high population share, 5.1% in 2012, up from 2.5% in the last half of the 1990s.

Clearly, the increase in inequality has been one of the highest since independence and is higher than in any other country with an individual income or in the middle of a developed economy. Most of these conclusions were expected; data only confirmed what was already known from other sources.

For example, while the National Sample Use Survey showed a persistent increase in spending inequality, the India Human Development Surveys' income surveys also showed an increase in income inequality.

The real problem, however, is not only that the rich of the world have been allowed to accumulate great wealth, but also the government's inability to impose extra taxes on the rich. The government not only allowed the very wealthy to accumulate great wealth but also contributed to a worsening financial situation by increasing exemptions, subsidies for the rich, and various tax contributions. India is not only a country with a low tax-to-GDP rate among countries with the same per capita income on the basis of equity in terms of purchasing power, but also a country with a very low rate of GDP expenditure.

Table 3 - Income inequality in India, 2015

Income group (distribution of per-adult pre-tax national income)	Number of adults	Income share (%)	Income threshold	Average income	Comparison to average (ratio)
Average	794 305 664	100 %	0	138 426 INR	1
Bottom 50%	397 152 832	14.7 %	0	40 671 INR	.3
Middle 40%	317 722 266	29.2 %	63 728 INR	101 084 INR	.7
Top 10%	79 430 566	56.1 %	195 445 INR	776 567 INR	6
incl. Top 1%	7 943 057	21.3 %	1 303 946 INR	2 954 386 INR	21
incl. Top 0.1%	794 306	8.2 %	4 459 114 INR	11 346 371 INR	82
incl. Top 0.01%	79 431	3.4 %	18 260 916 INR	47 154 896 INR	341
incl. Top 0.001%	7 943	1.4 %	77 801 552 INR	188 558 192 INR	1362

Source: Authors' estimates combining survey, fiscal and national accounts data.

Notes: Distribution of pre-tax per adult national income, benchmark scenario (A0B1C1D1). Population estimates for 2014.

Clearly, subsidies to the rich not only undermine the equality system, but also undermine the government's ability to spend more money on important sectors such as health and nutrition and education. It is not just that our costs on an individual basis in these areas have been among the lowest, and have remained stagnant for the past two decades.

At a time when the economy was growing at a rate of more than 8% per year, our tax rate on GDP remained stagnant. The current tax-to-GDP ratio of 16.8% is almost the same as at the beginning of the 1991 economic revolution. The main reason for the low tax collection was the low tax base, as approved by the Department of Finance. economic survey. Indians pay a tax account to only 2% of the population. This is not only low compared to the voter turnout in the economy but also low compared to the number of high-value jobs.

But the biggest problem the government has thought over the past 25 years is that lowering taxes will lead to better compliance and better tax collection. None of these findings are true, although it has led to a situation where effective corporate and wealthy taxes are among the lowest, while the highest paid taxpayers are effectively, contrary to policy. ongoing tax.

Interestingly, those who have repeatedly argued that high tax rates are not the only thing that works, but it is not the right policy, would do well to look at the history of low tax rates in developed countries. Most post-war Europe and other developed countries had an effective tax rate of more than 60% when their economies were built after the war. On the other hand, we have continued to reduce our tax rates not only in personal income but also in corporate institutions, where the Minister of Finance announced a reduction in business tax rate to 25% from the current 30% in 2019.

It is not just the tax rates and liberties that have benefited the rich; The economic survey also reveals that the total amount of wealth enjoyed by the rich was over ₹ 1 trillion in 2015-16. There are other examples of the type of support that the government provides to the wealthy, which include subsidized debt relief and borrowing that has led to a real collapse of the banking sector and an increase in non-performing assets.

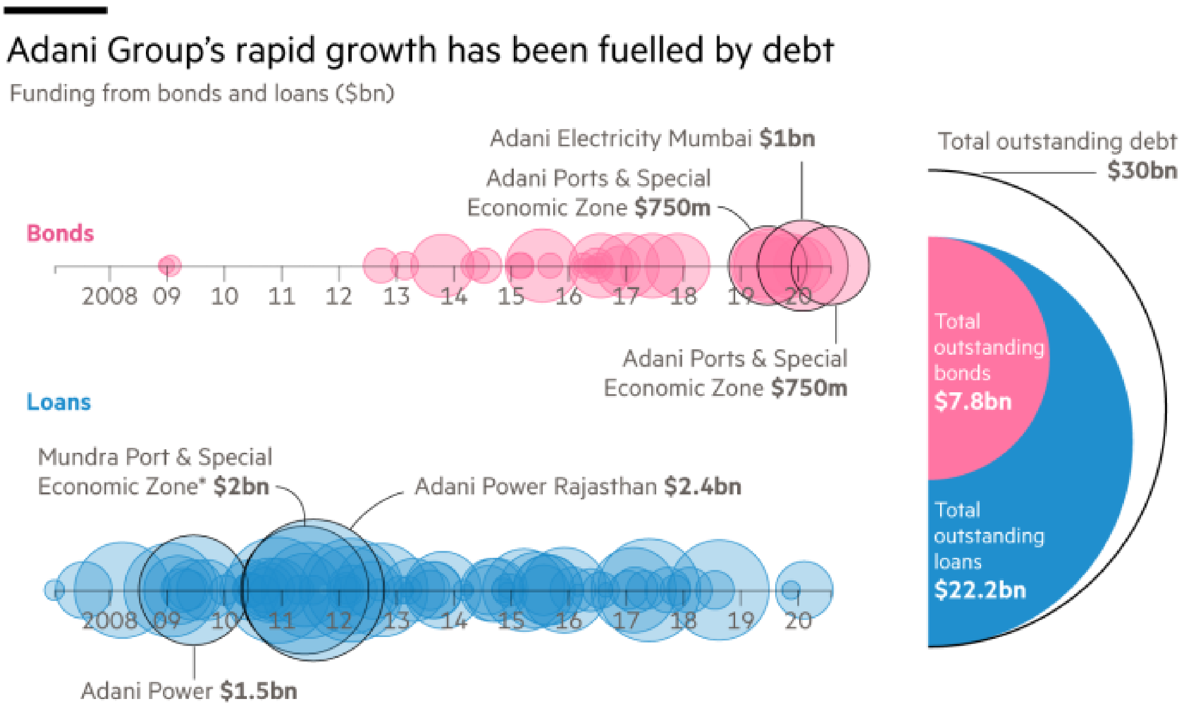
Figure 1c - National income growth in India: full population vs. top 1% and top 10% income groups, 1951-2015

At the same time, the cost of essential social services such as agriculture, nutrition (Integrated Child Development Services, lunch), education and health have been significantly reduced.

The proximity of the government over the past two years, when many parts of the country are facing drought, not only showed that the poor and rural people are vulnerable to climate change, but also the government's indifference, which was more concerned with protecting the rich than providing basic services to the country's citizens.

Dubious Ties Of Adani Family With Government

When the Indian government approved the privatization of six airports in 2018, it relaxed the rules to increase competition, allowing companies with no experience in the industry to bid. One person has succeeded in changing the law: Gautam Adani, a millionaire industrialist with no history of airports, has collected all six. His sweep was met with anger. Kerala's finance minister said Mr Adani's victory over the 50-year-old agreement to operate Trivandrum International was an act of "irrational friendship" that showed the central government favoured political tyrants. India's minister of aviation has responded that the open bidding process was "transparent". Suddenly Mr. Adani became one of the country's largest private pilots. He is also its main operator of independent ports and a producer of thermal coal power. He is leading a growing segment of India's energy transfer and distribution markets, and this year announced that his renewable arm Adani Green Energy will invest $ 6bn to build 8GW solar power plants, one of the world's largest renewable projects. Together with the chairman of Reliance Industries Mukesh Ambani, Mr Adani today is one of the most influential figures in the country, the brightest of which has grown rapidly in the years since Narendra Modi was elected prime minister in 2014. Like both Mr Modi and Mr Ambani, Mr Adani is coming. from the western province of Gujarat, where he was a staunch supporter of Mr Modi and his ruling party Bharatiya Janata as it rose to national political domination. As Mr Modi took over, he flew from Gujarat to the capital New Delhi on Mr Adani's private jet - an open display of friendship that reflected their rise in power at the same time. Since Mr Modi took office, Adani's revenue has risen by about 230 percent to more than $ 26bn as he has won government tenders and built infrastructure projects across the country. “Nation building” is Mr Adani’s motto and he likes to talk about helping India achieve security of power.

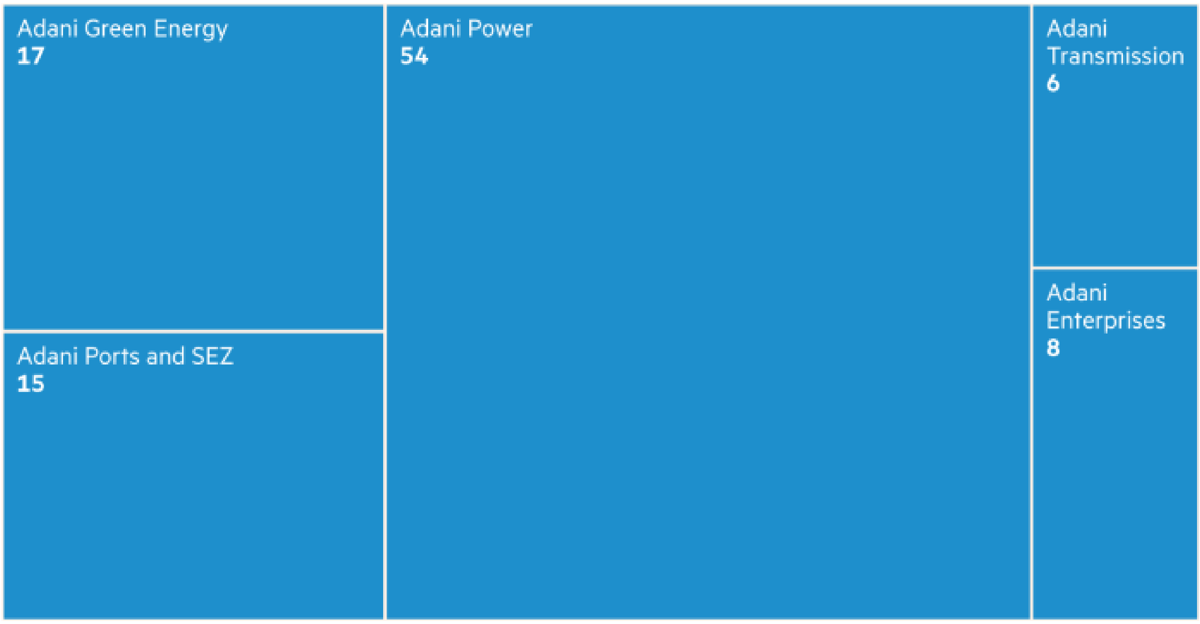


Mr Adani's climate change began when he supported Mr Modi in 2003. At the time, the politician - the former prime minister of Gujarat - was widely criticized for failing to control the violent riots that rocked the state last year. More than a thousand people were killed, most of them Muslims, and Mr Modi was barred by business leaders from India and the rest of the world - banned from entering the US for nearly a decade until he became prime minister. But when some of the country's most powerful officials told him on stage of the massacre at an event organized by the Confederation of Indian Industry (CII), Mr. Adani broke away from the old business leaders, jeopardizing his future with the political leader.

The businessman was then instrumental in establishing a new industry structure to set aside the CII and was behind Vibrant Gujarat, a prestigious annual conference that would present Mr Modi at the international level and strengthen his reputation as a supportive business leader. Gambling has paid Mr. Adani, a consistent speaker who separates himself from the company in Mumbai by dividing his time between the company's headquarters in Ahmedabad, Gujarat's largest city, and New Delhi, the capital of India.

Adani Group

Share of debt, 2020 (%)



In the late 1990's, he acquired the rights to operate the port of Mundra, off the coast of Gujarat with its mangroves in the Arabian Sea. He expanded the terminals and gained a scale, using funds from operations and the gift of navigation in the Indian government to acquire and develop other airports. Since then, he has taken on huge debt to build an integrated power grid network and a portfolio of businesses that include self-defence in data centres and even apple farms in the mountainous region of Himachal Pradesh. Adani Group's outstanding debt has reached more than $ 30bn as of November 11, according to data from Dealogic, which includes bonds worth $ 7.8bn and loans of $ 22.3bn. Big debt is nothing new among Indian conglomerates but the rapid rise of Adani Group has raised concerns. Credit Suisse warned in a 2015 report "House of Debt" that Adani Group is one of 10 conglomerates under "high pressure" making up 12 percent of the banking sector loan. Adani Group, however, has been able to continue raising funds, in part by lending to overseas lenders and utilizing green energy. "Parties that are considered politically connected can still lend money to banks," said Hemindra Hazari, a banking analyst based in Mumbai. "If you're one of the most depressed team, it's hard for you."

Wealth Inequality in india

India stands out as one of the world's poorest and most impoverished nations. India's middle class claims to be poor compared to wealth of between Rs 7,23,930, or 29.5% of national income, compared to 10% high and 1% owning 65% (Rs 63 , 54,070) and 33% (Rs 3,24,49,360), respectively.

The average annual national income of Indian adults is Rs 2,04,200 by 2021. The 50 percent lower earns Rs 53,610, while the top 10 percent earn 20 times more (Rs 11,66,520), the report said. The average wealth of the household is Rs 9,83,010, of which 50 percent lower holds Rs 66,280, only 6%.

The share of the top 10% and the lowest 50% of the country's pre-tax revenue remains unchanged since 2014. The level of inequality data released by the government has dropped dramatically, making it increasingly difficult to assess the latest changes in inequality, the report said. .

According to the latest Multi-dimensional Poverty Index edited by Niti Aayog, 1 in 4 people in India was extremely poor. Bihar has the highest share (51.91%), followed by Jharkhand (42.16%) and Uttar Pradesh (37.79%).

India's gross domestic product (GDP) has increased fivefold between 2000 and 2019; to $ 2014 in 2019 from $ 443 in 2000.This does not mean that the income of the whole community has increased. One percent of India has earned 21 percent of the country's gross domestic product by 2019. This was 11 percent in 1990.The top 10 percent earned 56 percent of the country's revenue by 2019; the lower ten percent gained only 3.5 percent. The distribution of wealth tells us the same story. 10 per cent rich Indians had 80.7 per cent wealth in 2019.

Gini (income inequality) points to rising inequality in India. The coefficient in 2014 was 34.4 percent (100 percent indicates total inequality and 0 percent of total equity).The coefficient increased to 35.7 percent in 2011 and reached 47.9 percent in 2018. India is second only to Russia in the world in terms of inequality.

Scams And Corruption Among Top Billionaires of India

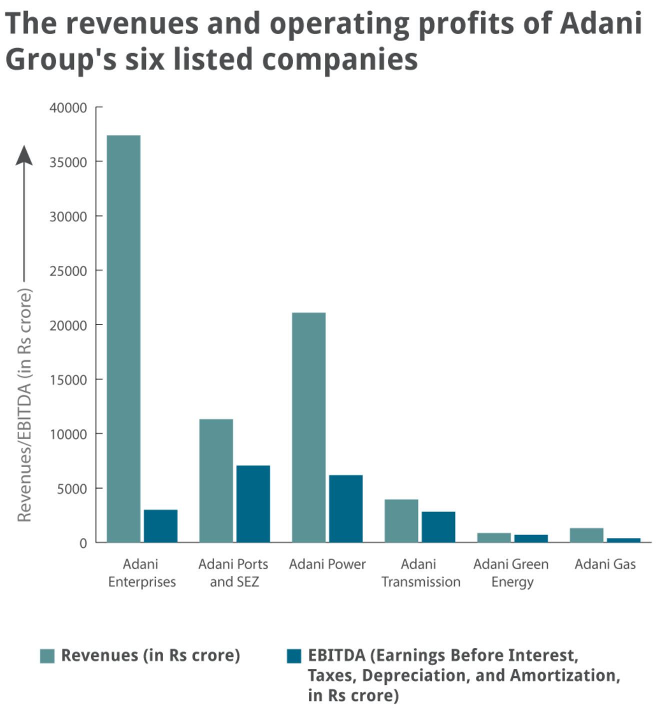
There were only two billionaires with a combined wealth of $3.2bn (£2.01bn) in India in the mid-1990s.

By 2012, there were 46 of them living in India with a net worth of $176.3bn (£111bn), according to the annual world's billionaires list compiled by Forbes magazine.

The ratio of total wealth of the billionaires to gross domestic product (GDP) - an indicator of how extreme wealth compares with India's growth - rose from around 1% in the mid-1990s to 22% at the peak of the stock market boom in 2008. As discussed earlier, huge wealth inequality is present in India.

This inequality has given rise to an oligarchic business structure and a corruptible state. In the upcoming sections, a detailed analysis will be done on what all scams did or are taking place among these top billionaires and we'll answer the questions- "Are these top people corrupt?" and "To what extent are they supported by the State?"

Let's take the case of Gautam Adani, an Indian billionaire industrialist and philanthropist. He is the chairman and founder of the Adani Group, an Ahmedabad-based multinational conglomerate involved in port development and operations in India.



The scores of schemes announced by the BJP government seem to have brought little actual benefit to Indian people, as actual beneficiaries are just a handful of billionaires.

When talking of Modi's beneficiaries, one must certainly not forget Gautam Adani. The rise of Adani in the business world seemed to have gone hand in hand with Modi's ascent to power in Gujarat in 2001. As a 'true friend', Modi has been relentless in improving the lot of his 'good' friends. During his tenure in Gujarat, Adani Enterprises' assets grew by 5,000%. We are not sure if an ordinary Gujarati has seen such growth in his income under Modi.

By the time Modi ended his tenure in Gujarat, Adani was a billionaire with a net worth of $2.6 billion. And, the fruits of this friendship continued to bear after Modi's shift to Delhi.

Adani's net worth more than quadrupled to $11.9 billion – in just the first four years of Modi rule.

The below given chart sourced from Forbes India Richest List 2019 and 2014 further strengthens this pitch.

As we can clearly see that since 2014, the two people who have had the highest change in their net worth are Mukesh Ambani and Gautam Adani. So definitely, state policies, their ideologies, and inclinations have a very strong impact on wealth accumulation among top-notch industrialists of a country.

The freedom of calling this corruption/ favoritism/ support/Adani Kalyan Yojna is left on the readers.

An instance from 2018 proves to be very relevant in this discussion.

When the Indian government approved the privatization of six airports in 2018, it relaxed the rules to widen the pool of competition, allowing companies without any experience in the sector to bid. There was one clear winner from the rule change: Gautam Adani, the billionaire industrialist with no history of running airports, scooped up all six.

Top 10 Corporate Heads and Change since 2014

			Net Worth (In $ Billion)		
	Name	Group	2019	2014	% Change
1	Mukesh Ambani	Reliance Industries	51.4	23.6	118
2	Gautam Adani	Adani Ports & SEZ	15.7	7.1	121
3	Hinduja brothers	Ashok Leyland	15.6	13.3	17
4	Pallonji Mistry	Shapoorji Pallonji Group	15	15.9	-6
5	Uday Kotak	Kotak Mahindra Bank	14.8	6.1	143
6	Shiv Nadar	HCL Technologies	14.4	12.5	15
7	Radhakishan Damani	Avenue Supermarts	14.3	1	1330
8	Godrej family	Godrej Group	12	11.6	3
9	Lakshmi Mittal	ArcelorMittal	10.5	15.8	-34
10	Kumar Mangalam Birla	Aditya Birla Group	9.6	9.2	4

Source: Forbes India Richest List, 2019 and 2014

His clean sweep was met with outrage. The Kerala state finance minister said Mr. Adani winning the 50-year lease to operate the Trivandrum International Airport was an "act of brazen cronyism" that showed how the central government favored politically connected tycoons. India's aviation minister replied that the open bidding process was carried out in a "transparent manner".

We all can imagine how transparent it actually would have been!

KINGFISHER CASE STUDY

Did the “Good Times” turn into “Bad Times”? Let’s keep the satire aside and directly understand the various reports associated with Kingfisher’s business operations and eventually its downfall.

A PROBE by the government’s Serious Fraud Investigation Office (SFIO) has alleged that Kingfisher Airlines understated losses to the extent of Rs 7,151.18 crore for financial years 2008-09 to 2011-12 by changing accounting practices, some of which were in violation of Accounting Standards.

By presenting better than actual financials, Kingfisher was able to obtain higher bank loans, some of which were used to meet continuing cash losses, the report alleged.

Table 1: Exposures of Banks on Loans Disbursed to Kingfisher Airlines

Name of Bank	Exposure as on 31 Jan 2014	Share in Exposure	Recovery as Estimated by SBI	Total Exposure (adjusted) (See note)	Losses (adjusted) as per SBI Memorandum	Recovery in Worst-case Scenario	Loss (adjusted) in Worst-case Scenario
State Bank of India	1,874.66	27.0%	288.81	1,201.19	912.38	41.45	1,159.74
IDBI Bank	885.64	12.7%	136.42	567.39	430.97	19.58	547.81
Punjab National Bank	815.08	11.7%	125.49	521.93	396.44	18.01	503.92
Bank of India	666.13	9.6%	102.56	426.55	323.99	14.72	411.83
Bank of Baroda	639.89	9.2%	98.59	410.05	311.46	14.15	395.91
Central Bank of India	448.53	6.4%	69.01	287.04	218.02	9.90	277.13
United Bank of India	415.02	6.0%	63.87	265.64	201.77	9.17	256.48
UCO Bank	351.2	5.1%	54.12	225.08	170.97	7.77	217.32
Corporation Bank	312.98	4.5%	48.22	200.57	152.35	6.92	193.65
State Bank of Mysore	169.06	2.4%	26.04	108.31	82.27	3.74	104.57
Indian Overseas Bank	157.02	2.3%	24.22	100.73	76.51	3.48	97.25
Federal Bank	102.3	1.5%	16.07	66.86	50.78	2.31	64.55
Punjab and Sind Bank	62.14	0.9%	9.54	39.67	30.13	1.37	38.30
Axis Bank	56.32	0.8%	8.68	36.10	27.42	1.25	34.86
Consortium Total	6,955.97	100.0%	1,071.64	4,457.11	3,385.47	153.79	4,303.32

All figures in rupees crore.
“Adjusted” indicates reduced exposure based on SBI memorandum.
Worst case scenario refers to SBI losing both the claim over ₹651 crore and being unsuccessful at selling KFA trademarks.

TOP DEFAULTERS

BORROWER	OUTSTANDING (₹ crore)
KINGFISHER AIRLINES	2,673
WINSOME DIAMOND & JEWELLERY CO LTD	2,660
ELECTROTHERM INDIA LIMITED	2,211
ZOOM DEVELOPERS PRIVATE LIMITED	1,810
STERLING BIO TECH LIMITED	1,732
S KUMARS NATIONWIDE LIMITED	1,692
SURYA VINAYAK INDUSTRIES LIMITED	1,446
CORPORATE ISPAT ALLOYS LIMITED	1,360
FOREVER PRECIOUS JEWELLERY & DIAMONDS	1,254
STERLING OIL RESOURCES LIMITED	1,197
VARUN INDUSTRIES LIMITED	1,129

Rs. Crore	Jul'11- Sep'11 (Q2 FY12)	Jul'10 - Sep'10 (Q2 FY11)	Better / (Worse) %
INCOME			
Operating Revenue	1,528	1,434	7%
Non Operating Revenues	102	82	25%
Total Revenues	**1,630**	**1,516**	**8%**
EXPENDITURE			
Employee Remuneration & Benefits	183	173	(6%)
Aircraft Fuel Expenses	817	480	(70%)
Other Operating Expenses	653	556	(17%)
EBITDAR	**(23)**	**307**	
Aircraft Lease Rentals	249	252	1%
Total Operating expenditure	**1,902**	**1,461**	(30%)
EBITDA	**(271)**	**55**	
Depreciation	79	53	(48%)
Interest and finance charges	333	363	8%
Total Expenditure	**2,313**	**1,876**	**(23%)**
Loss before exceptional items and Tax	**(683)**	**(361)**	
Exceptional Items	11	2	
Provision for taxation	**(225)**	**(131)**	
PROFIT / (LOSS) AFTER TAXATION	**(469)**	**(231)**	