

ECONSCIENCE

Monthly Newsletter, Volume 2, Issue 2, February 2023

Economic Forum, Department of Economics.



WHAT IS E 20 FUEL AND HOW WILL IT HELP INDIA?

Ethanol or ethyl is a biofuel that is produced from biomass such as sugarcane, corn, etc which have high starch content.

The major source for production of ethanol in India is from molasses, a by-product of sugarcane, broken rice, and other agricultural products.

E20 fuel is a blend of 20% ethanol and 80% petrol. It will result in an estimated reduction of carbon monoxide emissions by about 50% in two-wheelers and about 30% in four-wheelers compared to E0 (neat petrol).

India Energy Week (IEW)

India Energy Week was organised from 6-8 February 2023 in Bengaluru and inaugurated by PM Shri Narendra Modi. As part of the event, PM Modi launched E20 fuel and flagged off a green mobility rally to spread awareness for green fuels.

The ethanol blending program has been one of the important areas of the government to become 'Atmanirbhar' in the energy sector.

From just 1.5% in 2014 to 10% as of now, we are progressing towards 20% Ethanol blending in the petrol.



This target which was aimed at achieving in 2030 was revised to 2025 but is now achieved in 2023 itself.

Benefits of Ethanol

Biofuels are eco-friendly in nature so they can help India's target to reach net zero emissions and will lead the way for cleaner transportation.

India is third largest importer of crude oil, and using E20 fuel will reduce imports. Moreover, India is an agricultural economy, a large number of agricultural residues are available, and producing E20 from that will result in sustainable waste management and an increase in farmer's income.

Contributed by: - Abhinab Deb

(B.COM 2nd Semester)

HOW ADANI LOST \$100 BILLION?

On Jan 23, 2023 an investment research firm published a report on Adani Group for manipulation of share price, family affairs and other business corruptions.

Decoding of Adani Group Share price according to Hindenburg:
The seven listed companies of Adani Group are 85% overvalued from the normal valuation even if we ignore the investigation of Hindenburg and take the company's financial at face value.

After the report effect on Adani Group:
It's been more than four weeks since the Hindenburg report came out and triggered sell-off in the Adani Group stock. Adani group has so far lost 10 lakh crore market cap and tanked to 8.64 lakh crore on Feb 16 2023 from 19.20 lakh crore as on Jan 24,2023. Notably some Adani Group stock have managed to recover upto 85% from the recent low. However, some stocks have crashed upto 74% after the report that



came out on Jan 24,2023. The journey of Adani from world's 2nd richest to 24th The day before report was published by Hindenburg, Adani's networth was \$120 billion. The following day Adani's networth dropped marginally dropped to \$119 billion and still the networth of Adani is decreasing.



Name	Price/ Earnings	Industry Avg.	Implied Downside	Price/ Sales	Industry Avg.	Implied Downside	EV/ EBITDA	Industry Avg.	Implied Downside
Adani Green Energy	815x	24x	-97.10%	60.6x	1.1x	-98.13%	101x	12x	-88.33%
Adani Power	29x	24x	-18.17%	3.9x	1.1x	-70.66%	13x	12x	-10.42%
Adani Total Gas	831x	20x	-97.64%	139.3x	1.0x	-99.31%	303x	9x	-97.16%
Adani Transmission	312x	24x	-92.43%	27.3x	1.1x	-95.84%	69x	12x	-83.01%
Adani Enterprises	508x	12x	-97.68%	5.7x	0.5x	-91.33%	66x	8x	-88.16%
Adani Wilmar	90x	30x	-67.12%	1.3x	1.1x	-20.90%	37x	15x	-58.26%
Adani Ports	35x	2x	-93.26%	10.5x	0.9x	-91.65%	20x	2x	-88.07%

(Source: Hindenburg)

Contributed by: - Chiradeep Chakraborty

(B.COM. 2nd Semester)

WILL AI TAKE YOUR JOB?



There are many studies that show humans are productive for only about 3-4 hours in a day. But AI on the other side can work endlessly without break. They think much faster than humans and perform multiple tasks at a time with accurate results.

Will AI replace you?

Customer service executives, receptionists, market research analysts, data analysts, book keepers etc. can be the jobs which AI may replace. People with graduate degrees are the ones worried of losing their jobs due to Artificial Intelligence development. Capabilities like history based predictions, pattern recognition, object identification are the ones which a normal human being takes time to understand. Whereas, in the case of AI the processing is much faster and easier.

Is AI making you dumb?

AI is more powerful than you think. The null hypothesis is that AI has no effect on an individual's performance in the workforce, while the alternative hypothesis is that AI is lessening the quality of one's performance in the workforce. AI, these days is making us lazy by performing majority of the work which are generally repetitive and tiresome. Less of problem solving and more of social media [AI] usage is making users lazy and dumb.

Cautions to be taken:

Qualities like leadership skill, man power management, creativity, decision making (based on emotions and practicability), diverse thinking ability, problem solving skills generally suits to the jobs of HR Managers, lawyers, scientists, psychiatrists, PR Managers and all the jobs which have the power to hold emotional intelligence as well as leadership are forever out of danger.

Within the next 10-15 years AI may break-through and lead in destroying many jobs in India. And to avoid that we always have to be a step forward so that we can dominate AI. People, being agile and dynamic, with new knowledge and skills will pass through this period.

Contributed by: - Sidhartha Das

(B.COM 2nd Semester)

INDIA FINDS 5.9 MILLION TONNES OF LITHIUM DEPOSITS IN J&K

The Geological Survey of India (GSI) estimates that it has discovered 5.9 million tonnes of lithium resources in the mountainous Salal-Haimana area of Reasi district in the union territory of Jammu & Kashmir.

What is the use of Li?

- Well, lithium is one of the key components in batteries that are used in laptops, phones, and many more. It is also hugely used in glass and ceramics industry.
- Lithium also called white gold and will play an important role to help countries to reach carbon neutrality in their targeted time.

What are its challenges?

According to the reports from IEA (International Energy Agency), the world will face a shortage of Lithium by 2025 which is not a piece of good news. But the problem is, China still dominates the exports of lithium-ion cells. China is responsible for 75% of world's Lithium processing and refining, although it doesn't have any Lithium reserves. While India, has



mostly relied on imports for the mineral from China and other countries, now has hope with the finding of a new reserve. Until now, one of the key long-term challenges to India's aspirations appeared to the raw Lithium sourcing; the country now has domestic resources capable of meeting current and future demand. Prime Minister Shri Narendra Modi has established an ambitious target of energy self sufficiency for India by 2047, a goal no doubt informed by the depth of India's energy-import dependence.

This will be a game changer for India where it can meet the domestic demand and exports for the countries.

Contributed by: -Ankit Das

(B.COM 2nd Semester)