



January 2025

EMPOWERING TIMES



THINKING ALOUD

The Regulator Can't Do It All
Jay

PODIUM

Antony Jose
Chief Rating Officer,
Acuite Ratings & Research



WE RECOMMEND

Dream with your Eyes Open
Ronnie Screwvala

Dear Reader,

In a world defined by financial markets, evolving consumer preferences, and global trade, the ratings industry stands as a cornerstone for informed decision-making. Whether it's assessing the creditworthiness of governments and corporations or shaping consumer trust through product ratings, the industry fosters transparency, accountability, and reliability.

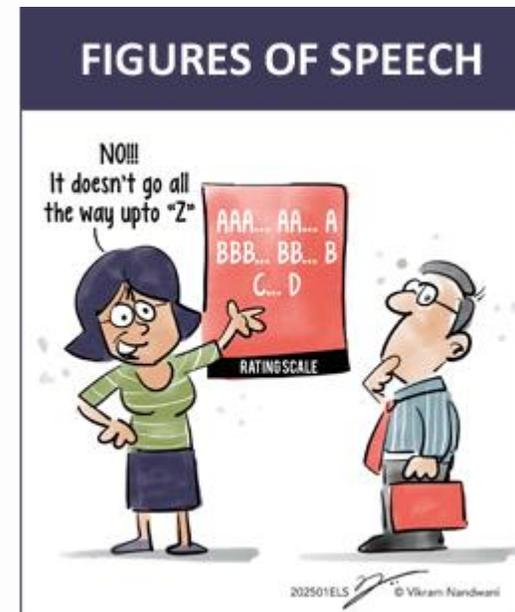
During economic uncertainties, credit ratings guide investors through volatility, while in ESG domains, they drive sustainable practices by holding companies accountable. Yet, with great influence comes immense responsibility-credibility, unbiased assessments, and adaptability remain essential to maintaining trust and relevance.

As markets grow more interconnected and complex, the ratings industry will continue to serve as a critical bridge between information and action, enabling transparency and trust in a rapidly shifting world.

This month, **Empowering Times (ET)** explores *'The Ratings Industry: What Makes It Significant?'* and examines its evolving role in shaping our collective future.

As we embark on a New Year filled with possibilities, we hope 2025 brings you success, fulfillment, and new opportunities to thrive!

In the **Thinking Aloud** section, **Jay** highlights that regulators can't do it all; greed, loopholes, and uninformed decisions outpace oversight, underscoring the need for cautious, responsible investing. On the **Podium**, **Antony Jose - Chief Rating Officer, Acuite Ratings & Research** discusses how ratings enhance market transparency, bridge information gaps, and build trust across stakeholders. In the **We Recommend** section, we review **Ronnie Screwvala's book - Dream with your Eyes Open** - which is a master class in entrepreneurship, blending personal



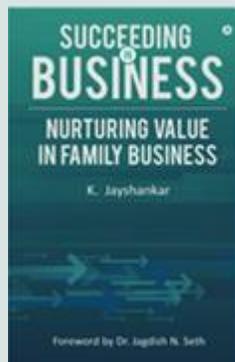
anecdotes, actionable insights, and universal lessons on resilience, adaptability, and people-centric leadership, offering aspiring and seasoned entrepreneurs a roadmap to build impactful ventures and create lasting value.

In **Figures of Speech**, **Vikram's** toon decodes the world of ratings!

Please also [Click Here](#) to check out our Special issue of ET, which is a collation of selected themes that were featured over the years highlighting the changing landscape of the business world. This special edition has been well received and can be [Downloaded Here](#) for easy reading and is a collector's item.

As always, we value your opinion, so do let us know how you liked this issue. To read our previous issues, do visit the Resources section on the website or simply [Click Here](#). You can also follow us on [Facebook](#), [LinkedIn](#), [X](#), [Threads](#) & [Instagram](#) - where you can join our community to continue the dialogue with us!

Succeeding in Business: Nurturing Value in Family Business



Click below to order your copy now



Special offer for Empowering Times readers. Get 30% discount by using coupon [ETSPECIAL](#) on the [Notion Press online store](#).

[Click here](#) to connect with Jay.

THINKING ALOUD

The Regulator Can't Do It All

Jay

A favorite whipping boy for all ailments in India is the Government. Whether it is garbage piled up in the street or a traffic gridlock, be it a train accident or an airport delay, failure of athletes at the Olympics or shortage of agricultural produce, the blame always lies with the Prime Minister's Office (PMO), no less! Yes, we live in a society where externalizing blame is second nature. Rarely, if ever, is there a thought that perhaps other factors - and decisions by individual citizens - could have played a part in creating a disastrous outcome. Owning up and being accountable are alien to a culture that has always believed that things are not their fault and they are helpless in influencing outcomes in their environment.

Take the capital markets as an instance. The post-liberalization era has seen an unprecedented rise in the number of individuals who now participate in the financial market. This is also reflected by the number of firms who have tapped the stock market, and the dream of every start-up is to 'go public soon'. While exact numbers for the earlier era are not available, it is well known that Dalal Street was anathema to most people and the Bombay Stock Exchange (BSE) was viewed as a gambling den of a small coterie of businessmen, drawn largely from Gujarat and Rajasthan. There was no National Stock Exchange (NSE) either (it began operations only in 1994). Therefore, today's numbers are truly staggering: NSE reports indicate over 120 million investors registered between 2019 and 2023 (with over 5.4 million joining in January 2024 alone), and the older Bombay Stock Exchange (BSE) listed over 160 million investors in February 2024. The 'Mutual Funds Sahi Hai' campaign - launched in 2017 by the Association of Funds in India (AMFI) - has undoubtedly been a super hit: reports indicate that up to December 2017 there were 66.5 million mutual fund folios and the commensurate number of folios in November 2024 is reportedly 220.8 million, a rise of over three-fold! Active Systematic Investment Plan users (SIPs) alone accounted for 79.2 million up to January 2024. Coupled with the above is the fact that 2024 saw an unprecedented number of firms raising

capital through Initial Public Offerings (IPOs) - 326 of them (both through the Small and Medium Enterprises (SME) Exchange and the main, larger Exchanges. With over ₹1.59 trillion raised through IPOs at the main Exchanges, Indian capital markets emerged as the primary global player in terms of IPOs.

Let's take stock of what we are seeing so far. The burgeoning middle class of India is in a hurry to get rich. After decades of being stifled under socialist thought, there is a rising clamour to become wealthy. Mammon is no longer unwelcome - on the contrary he is celebrated in most households. It is not just rising income that is a factor, there is an understanding that the path to real wealth (and not just higher income) has to be through a few routes, chiefly entrepreneurship, and risk taking at the capital market. The advent of 'finfluencers' through social media is both useful and a bane. This is a new tribe of missionaries who believe they have all the answers to the mysteries of the capital market.

While they urge and strongly induce you to participate in the financial markets by appealing to your logical side, the emotional pitch is hard to miss and the charlatans amongst them appeal to your greed with get-rich-quick advice. Be it stocks, mutual funds, crypto (the new-kid-in-town who no one really understands), or deals for easy loans, the finfluencer walks the thin line between the Securities and Exchange Board of India's (SEBI) guidelines for misadventure and the Advertising Standards Council of India's highly tolerant gaze.

However, there is no cure for the cardinal sin of avarice, isn't it? The inducements offered by 'experts' have adversely impacted the mighty who have flirted on Wall Street (remember Bernie Madoff?), so the small townner who falls for the high-pitched 'guarantee' on social media channels is easy picking for the fraudster. In December 2024, SEBI has updated its Investor Charter, but it comes as no surprise that few investors pay heed to the Investors' Responsibilities, and Dos and Don'ts that they have listed. Cautioning investors to be wary of platforms that offer unlisted debt securities, virtual trading services or fantasy games based on stock price of listed firms, etc., SEBI reminds the public about the principle of caveat emptor but the gullible pay scant attention to such worthy advice in a world that is charmed by the 'greed is good' postulate. While Caesar's wife is expected to be above suspicion, what makes matter worse is when the Regulatory body itself faces adverse scrutiny, as we have seen in recent times.

Truly the Regulator cannot do it all. Innovative minds are always pushing the boundaries of social acceptance and the criminally minded are the first to poke and discover the loopholes in any rule or law. Combine this venality with lack of morality, and the academic brilliance of a top management consultant, and the consequence is

abominable. Global accounting and audit giants too are guilty of participating and covering their tracks which have transnational links, and have had grave consequences for small investors and at times created immense social damage. Like in the movies, the Police (aka the Regulator) arrives at the scene of crime after the thief has bolted, as rule making bureaucrats are constantly playing catch-up with the events that have already done the damage.

Is there a solution? Tough to say yes. Human behavior seeks quick and constant rewards, and hard lessons are learned through paying a high price in monetary terms, and sometimes through lives. The universal cycle of aggrandizement, deceit and fraud has been repeated so many times all over the globe that it is difficult to believe that it will ever end. So long as the cardinal sins score over the heavenly virtues, we will despair at the inadequacies that plague Regulators. Conservative and cautious thought and action in matters of finance then could be the best option for self-preservation in tumultuous times.

[back to top ^](#)

Podium

Antony Jose

Chief Rating Officer, Acuite Ratings & Research



As Chief Rating Officer at Acuité, Antony spearheads the organization's governance frameworks, ensuring strict adherence to regulatory guidelines and fostering transparency in the rating process. He oversees rating committees, maintains the integrity of rating execution, and leads initiatives for investor engagement.

With over two decades of diverse experience across Business Development, Rating Operations, and Regulatory Compliance, Antony brings a unique blend of strategic vision and operational expertise to his role. His career includes notable tenures at CRISIL and innovative ed-tech ventures like iDiscoveri Education. A Post Graduate in Business Management from SPJIMR, Mumbai, Antony combines academic rigor

with hands-on industry insights.

Beyond the professional sphere, Antony is an avid reader, movie enthusiast, and enjoys swimming as a way to unwind and stay active.

ET: What is Credit Rating? What role do rating agencies play in enhancing market transparency and reducing information asymmetry?

AJ: A credit rating is an independent and objective opinion on an issuer's ability and willingness to service its debt fully and on time, conveyed through standardized symbols. Credit rating agencies (CRAs) play a critical role in enhancing market transparency by publishing rating actions in a non-discriminatory and simultaneous manner. These actions are communicated to investors, the public, stock exchanges, and debenture trustees, especially for

listed debt securities. By ensuring equal access to information for all user segments, CRAs effectively address information asymmetry and promote a level playing field for market participants.

ET: How has the role of credit ratings evolved in emerging markets, particularly in India, over the past decade?

AJ: The credit rating industry in India is estimated to have reached a size of ₹1,345 crore in FY24, with an annualized CAGR of 5.7% over the past decade (2014–24). The regulatory landscape has undergone significant transformation, particularly since 2017, with enhanced disclosures, stricter adherence to timelines, standardized reporting, and a stronger emphasis on surveillance and monitoring. These changes have pushed CRAs to adopt a more proactive approach.

While the bond market has grown, challenges persist in the bank loan ratings segment. Notably, 60% of ratings are classified as "Issuer Not Cooperating" (INC), where rated borrowers cease engagement with CRAs. This not only impacts the coverage but also reduces the availability of granular, sector-specific insights that were previously valuable to lenders and investors. CRAs are still required to maintain surveillance on INC ratings, even when such issuers no longer share information or pay for services. Addressing these challenges is vital for ensuring the continued relevance and utility of credit ratings.

ET: Credit Ratings - both Corporate and Country - have been under tremendous scrutiny and faced severe criticism in recent times. Has the Ratings industry lost credibility? How is this aspect being addressed?

AJ: While the rating industry has indeed faced challenges due to shortcomings in processes, governance, or conflicts of interest among some players, it would be unfair to generalize these issues across the entire sector. The key to addressing such conflicts lies in disclosure and recusal, ensuring transparency and integrity in decision-making processes.

Building trust requires a long-term vision and institutionalizing robust governance. While shortcuts may offer short-term gains, prioritizing self-regulation and restraint can yield sustainable growth. For instance, Acuite's guidelines on rating a portion of lenders' bank facilities exemplify a deliberate approach to self-imposed governance measures. If all market participants adopt governance not just in letter but in spirit, the industry can not only restore credibility but also safeguard itself from future criticism.

ET: Looking ahead, how do you see the ratings industry evolving with the growing importance of digital technologies, AI, and big data analytics?

AJ: Technology is already a key enabler in the ratings industry, streamlining workflows, enhancing processes, and improving service delivery. For example, Acuite introduced QR codes in its rating communications as early as 2017—well before QR codes became ubiquitous during the COVID-19 era. This innovation empowered lenders to verify document authenticity and mitigate fraud risks.

Looking forward, technologies like AI and big data analytics will play an increasingly vital role. However, caution is warranted, especially when dealing with client confidentiality. For instance, third-party applications for analysing bank statements can risk sensitive data being stored or accessed on external servers. The adoption of new-age technologies must therefore balance efficiency with data security. Leveraging technology for repetitive, standardized tasks is essential, but CRAs must remain vigilant against potential risks.

ET: What advice would you offer to young professionals seeking to pursue a career in regulated financial services and corporate finance, given your extensive journey in the field?

AJ: For aspiring professionals in regulated financial services, three key attributes are essential:

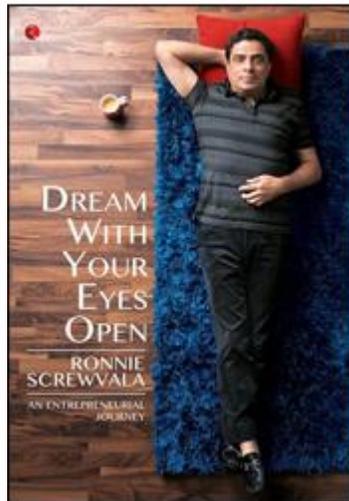
- I. Discipline: Adhering to timelines, processes, and standards.
- II. Continuous Learning: Staying updated with evolving regulations, market practices, and technological advancements.
- III. Fiduciary Responsibility: Viewing oneself as a custodian of trust, with integrity and probity being non-negotiable.

A credible financial professional painstakingly builds a reputation for integrity and must remain beyond reproach in all dealings. By upholding these values, young professionals can establish themselves as trusted opinion leaders in the industry.

[back to top ^](#)

We Recommend

Dream with your Eyes Open Ronnie Screwvala



Ronnie Screwvala's book is a comprehensive guide to the entrepreneurial mind-set, brimming with insights, anecdotes, and actionable lessons. As a seasoned entrepreneur who transformed UTV into a media powerhouse, Screwvala distills decades of experience into compelling narratives that resonate with aspiring and seasoned entrepreneurs alike.

The book begins with a reflection on pivotal moments in Screwvala's career. One particularly striking anecdote involves the filming of *Swades*, where Shah Rukh Khan's professionalism and Ashutosh Gowariker's insistence on authenticity underscore the importance of conviction and staying true to one's vision. This story sets the tone for a recurring theme: leadership requires both perseverance and authenticity, even in the face of immense challenges.

In contrast, failures such as *Chance Pe Dance* and *Joker* illustrate the perils of ignoring red flags and delaying tough decisions. Screwvala's candid admission of missteps offers a refreshing perspective. He emphasizes the importance of recognizing "trucks" barreling toward a project and making the hard calls, even at the cost of straining relationships. This balancing act between conviction and pragmatism emerges as a critical entrepreneurial skill.

A significant portion of the book is dedicated to the importance of team dynamics. Screwvala stresses that honest communication and team alignment are essential, especially during crises or while navigating trends. He believes

in fostering a culture where team members feel valued and informed, ensuring collective success. The core message here is simple yet profound: people, not data or money, are the greatest assets in any endeavour.

Screwvala's entrepreneurial philosophy is rooted in a proactive approach to spotting trends and converting ideas into reality. He shares how UTV expanded into Southeast Asia by leveraging connections, securing partnerships, and embracing innovation—a testament to the importance of agility and forward-thinking. This anecdote, like many others, serves as both inspiration and a blueprint for aspiring entrepreneurs.

The book distils key entrepreneurial lessons: Spotting trends early and pushing boundaries with confidence, balancing long-term vision with hands-on micro-management, building strong teams, fostering a creative culture, and maintaining open communication, rejecting reliance on "luck" by focusing on preparation, networking, and adaptability and standing by people during tough times to nurture long-term opportunities.

Screwvala's perspective on success challenges conventional narratives. While many attribute achievements to luck, he argues that success is a combination of preparation, resilience, and seizing opportunities. Examples like UTV's ventures and the making of Rang De Basanti demonstrate how calculated risks and persistence can overcome external challenges like market crashes or censor board delays. His experiences reinforce the belief that success stems from being prepared and adaptable, rather than relying on chance.

A particularly thought-provoking section addresses inequality. Screwvala, a first-generation entrepreneur, recounts how he embraced challenges without viewing inequality as a barrier. Instead of lamenting the lack of funding or resources, he advocates starting small, being resourceful, and building incrementally. His emphasis on frugality and persistence offers a counter-narrative to the glamour often associated with entrepreneurship. Challenges, he asserts, should fuel innovation rather than deter dreams.

On the topic of business exits, Screwvala provides a nuanced perspective. He argues that exits should not be pre-planned but occur as natural progressions of well-built ventures. Highlighting examples like UTV's Hungama channel, he demonstrates how strategic exits can amplify success when aligned with long-term goals. His reflections reveal a deep understanding of the entrepreneurial lifecycle, emphasizing that exits are about value creation and timing—not mere abandonment.

The book also delves into Screwvala's scepticism of investment bankers. While acknowledging their utility for first-time entrepreneurs, he critiques their dual allegiances and encourages direct engagement in negotiations. His approach underscores the importance of understanding one's business deeply and relying on its inherent value and network for long-term success.

Perhaps the most inspiring aspect of the book is Screwvala's vision for India. He calls for a collective transformation fuelled by creativity, ambition, and accountability. Drawing parallels with nations like Germany and Japan, he outlines a roadmap for India to overcome challenges like rural-urban divides and underrepresentation in global innovation. His vision is ambitious yet grounded, urging individuals to act decisively and collaboratively to realize the country's potential.

The book concludes with a frequently asked questions (FAQ) section, addressing practical concerns of entrepreneurs. Topics range from building a company culture and crafting a vision statement to scaling challenges and retaining teams during downturns. Each response is concise yet insightful, reflecting Screwvala's hands-on experience and deep understanding of entrepreneurial dynamics. For instance, he advises building culture early through values, openness, and energy. On scaling challenges, he emphasizes the importance of planning for growth and hiring with foresight. His take on mentorship is particularly enlightening—he advocates for choosing mentors who offer relevant, forward-looking insights rather than familial ties or mere validation.

Screwvala also touches on work-life balance, branding, and untapped markets. His responses are practical and grounded, making them invaluable for entrepreneurs navigating the complexities of building and scaling businesses. His advice on brand-building—starting from day one and focusing on credibility, consistent excellence, and customer loyalty—stands out as particularly actionable.

In essence, Ronnie Screwvala's book is a master class in entrepreneurship. It combines personal anecdotes with universal lessons, offering readers a roadmap to navigate the highs and lows of entrepreneurial life. His emphasis on resilience, adaptability, and people-centric leadership resonates deeply, making this book a must-read for anyone aspiring to build impactful ventures. Beyond entrepreneurship, it's a testament to the power of vision, persistence, and the human spirit. Screwvala's journey, marked by bold decisions and transformative ventures,

inspires readers to dream big and act decisively. Ultimately, the book is not just about building businesses but about creating lasting value and leaving a legacy of innovation and impact.

[back to top ^](#)

THROUGH THE LENS



Nature photographer **Rupesh Balsara** sights the Delicate Prinia, a small, streaked brown-grey bird native to northwest India, thriving in scrublands, grasslands, and near human habitation. Renowned for its energetic movements and insectivorous diet, this agile bird often flits through vegetation, filling the air with its soft, repetitive "tzeet-tzeet" calls, especially during the monsoon which is the breeding season. Although classified as Least Concern by the IUCN, the Delicate Prinia's habitat is increasingly threatened by urbanization and agricultural expansion, making such sightings a reminder of the need to preserve its delicate ecosystems.

Empowered Learning Systems

www.empoweredindia.com

101, Lords Manor, 49, Sahaney Sujan Park, Lullanagar, Pune – 411040, Maharashtra, India

[FEEDBACK](#)

[ARCHIVES](#)

[UNSUBSCRIBE](#)

®The ELS Lotus logo is trademark of Empowered Learning Systems

©2025 Copyright Empowered Learning Systems (ELS). For private circulation to clients and well-wishers of ELS. While ELS endeavors to ensure accuracy of information, we do not accept any responsibility for any loss or damage to any person resulting from it.