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CH-CHE

MID-YEAR REVIEW

What India Inc can expect in the second half of the year

SHIV SHIVAKUMAR

Indian GDP growth concern is consumption

At the start of the year, I had made five predictions for 2024.

Now that we are in the middle of the year, let's see how they are panning out:

Prediction No 1: India's GDP to grow 6 per cent and global GDP to grow around 3 per cent

As we hit mid year, the forecast is even better for the Indian economy. According to the RBI, it is predicted to close at 7.2 per cent growth. A poll of global economists puts it at 6.5 per cent. Indian GDP growth concern is consumption. We are not seeing consumption grow as fast. This is a result of retail inflation at 4.7 per cent, of which half is constituted by food. The bright spot continues to be GST collection. Last year, total GST collection was ₹20.18 lakh crore. Gross tax revenue grew by 13.5 per cent, which is very good. This means that the economy is getting more formal now and the penalty of bad governance is high. This will favour brands over price in the long run, and we will see opportunity to build many B2B brands.

Prediction 2: Sensex to hit 80,000 by December 31, 2024

I under called this. The Sensex was 72,240 on January 1, 2024. On July 1, it was 79,476. This is a peculiar trend where the top 30 companies are lifting the market, their profits are good but we are not seeing significant investment and significant job creation.

Banks are doing well as NPAs are coming under control. Bank Gross NPAs are at an all-time low of 2.8 per cent.

All the CEOs say they need thousands of people but we don't see thousands being hired. Unemployment is at 7.6 per cent in March 2024. The stock markets seem insulated from other data points now but sanity must replace exuberance sooner than later.

Prediction 3: Freebies will dominate politics and marketing. Abuse will be high

This is true on every account. The Election Commission of India has accounted for $550 million in cash this year vs $400 in 2019 election. The most common freebies involve bus travel, rice and electricity.

Marketers are doing the same. I look at ABC — attitude, behaviour and commitment. Freebies in marketing aim to change behaviour in the hope of affecting attitude and gaining commitment. This is clearly not delivering for brands and every brand is in overdrive on promotions.

Ideology for a political party and what the brand stands for are important. You cannot stand for promotion/discounts only. The cheapest is never the most popular over time.

Abuse in politics has been bad these elections. The worst abuse, however, was for Hardik Pandya, and it was just wrong. Now, there is a tendency to abuse anyone who has a different point of view. And ex-cricketers are leading the charge. Anything an Englishman says or a Pakistan ex-cricketer says is fodder for abuse. At the root of this is tribalism. If we don't watch out, we will have English football type hooliganism.

Prediction No 4: Smart housewife

The housewife is spoilt for choice and is the most wanted consumer for brands and service providers. She is playing extra smart as she divides her attention between brands, never giving her brand loyalty to anyone for a long period of time.

However, marketers continue the old stereotype advertising around housewives. They need to think of a new paradigm as the 30-year-old housewife is dramatically different today. The first step marketers have taken is to show the housewife in an attire other than a saree. Can they now do a mindset change, please?

One data point for consideration by marketers – Double Income no kids (DINKS) families are growing by 30 per cent per annum. This is not an urban phenomenon; this lifestyle is adopted by 42 per cent of rural nuclear families compared to 22 per cent of urban families

Prediction No 5: The employee-employer relationship

While the job market is tough and 40 is the new 50, employees have more control than ever before. Employees seek flexibility around working hours, location and days at work. When employers do not offer flexibility they have attrition, especially amongst women. Engagement is low across sectors. It is a fact that more than 50 per cent of employees need reskilling immediately. Either they will do it on their own or a company can invest in them. A company investing in them has a better chance to retain them.

Shiv Shivakumar is Operating Partner at Advent International

GROWTH PILL

Cipla navigates change, building on its 'crusader-in-crisis' legacy

PRODUCT PIPELINE. The plan now is to increase 'innovative revenue' through partnerships and innovation

PT Jyothi Datta

CROSSING MULTIPLE MILESTONES. Cipla clocked a turnover of ₹25,000 crore in March 2024 while its One-India (business) revenue crossed ₹10,000 crore

On a typical rainy day in monsoony Mumbai, the fifth floor in Cipla's office reflects a quiet calm — unlike the buzz elsewhere in the city, preparing to welcome a World Cup winning cricket team later in the day. The stillness is soon dispelled as Umang Vohra, Cipla's Managing Director and Global Chief Executive Officer, walks into the room for an exhaustive interaction on the drugmaker's journey, especially in the eight-odd years he has been at the helm. A brief sporty chat on cricket, chess and basketball, and the conversation plunges right into the heart of news developments swirling around Cipla, including Vohra's perspective of where the company is headed.

His task doesn't get any easier. Earlier this year, the third generation of the Cipla promoter family, Samina Hamied, announced she was stepping down as executive vice-chairperson from March 31, 2024. Samina is the daughter of MK Hamied, brother of Dr YK Hamied. And this set the news-mills churning again.

But Cipla is no stranger to speculation about a possible stake-sale by the promoter family. Last year saw several reports, drawing deep concerns from political and health advocacy circles on how a stake-sale might impact Cipla's legacy as an affordable drugs supplier to patients in India and overseas. The pharma company's pathbreaking supply of HIV drugs in Africa, at less than a dollar a day in 2001, is still talked about. Cipla doyen Dr YK Hamied, however, told shareholders that the stake-sale reports were "speculative".

INVESTING IN SCIENCE

"Cipla works with the heart of a foundation" and perhaps it could have done better on translating its capabilities into value, says Vohra, on the journey as he saw it. Nevertheless, the drugmaker set about its transformation to own its strengths (becoming a "lung leader" in the respiratory segment) and building on its role as a "crusader in crisis," he adds. Cipla looked at oncology (cancer therapies) and AMR (antimicrobial resistance) products addressing the growing global concern on overuse of antibiotics, for example, besides charting a course to include emerging therapies and more innovation.

Investing in companies close to science was one such strategy, says Vohra and "that's still a work in progress". Cipla invested in stem cell research (Stempeutics in 2009) but more recently, in Germany's Ethris GmbH that uses proprietary mRNA technology for drug delivery options.

In fact, the last several months have seen multiple corporate actions from Cipla, including acquiring the distribution and marketing undertakings of Ivia Beaute Pvt Ltd's (India) cosmetics and personal care business; investing in digi-tech company GoApptiv; shifting trade generics to Cipla Pharma and Life Sciences and closing down subsidiaries, including Uganda's Cipla Quality Chemical Industries.

Cipla hit multiple milestones including clocking a turnover of ₹25,000 crore (March 2024), its One-India (business) revenue crossing ₹10,000 crore, North America revenue surpassing $900 million and South Africa doing well in the prescription market.

Umang Vohra, MD and Global Chief Executive Officer, Cipla

ON THE INNOVATION TRAIN

Looking back to when he joined (2015) as Global Chief Financial Officer, Vohra says, the journey has progressed from "saving the company" to sustaining what was done to pushing ahead on innovation.

"Cipla will continue to be a very strong partner-of-choice to its patients and customers across our key markets of South Africa, India, the US and other emerging markets," he says. The company will also continue with complex generic drugs and respiratory products.

The plan now is to up the "innovative revenue" or revenues from innovative products. There are difficult-to-make products like inhalers (at 28 per cent of revenues) and wellness products (at 10 per cent); together, 40 per cent of the company's revenues come from "fairly protected" sources, he says. The aim is to add a layer of innovative medicines to account for another 15 per cent of revenues — "so at least 70 per cent of the company's revenue sources are predictable and not uncertain," explains Vohra.

On Cipla's radar is neurology (Parkinson's, Epilepsy and Autism) and obesity — not just weight-loss but also its impact on heart disease, he explains. Autoimmune disorders, inflammation, cell-and gene therapy are also areas of interest.

PARTNERS AND PROMOTERS

Cipla has a slew of partnerships with domestic companies like Orchid Pharma and multinationals including Roche, Sanofi, Novartis and Eli Lilly.

Vohra narrates a chat with Dr Hamied to explain how Cipla — once a challenger of these companies' monopolies — now partners with them. It's about improving access to the patient, says Vohra, indicating that times have changed and companies, too, are open to alliances to get products to more people.

On the journey this far, Vohra says, "Cipla is now completely professionalised" — a decision taken about 10 years ago when Subhanu Saxena, (former Novartis executive) was brought in at the helm.

"The reality of Cipla as it is today is that the two people who fundamentally groomed the business are today 88 and 84 (years old). They have no intention to sell the business," he says.

Whatever the future holds, "the face of Cipla has always been the Hamied family... their values will always be central to what we do," Vohra reiterates, underscoring the legacy of Cipla founder Khwaja Abdul Hamied and subsequent stewardship by sons Dr YK Hamied and MK Hamied.

SCENT OF CHANGE

ITC Mangaldeep's fragrant new forays

Sindhu Hariharan

Gaurav Tayal, CEO, Matches and Agarbathi Division, ITC Ltd BIJOY GHOSH

For years, agarbathis (incense sticks) have been obscure, lying in a corner of one's pooja room, looking the same across brands. They have also long been a staple purchase, which the consumer picked off the shelves hardly giving a second thought about the brand. So then, what can an FMCG giant like ITC do to make it a product of discerning taste?

A lot, as it turns out.

ITC Mangaldeep, the matches and agarbathi division of the FMCG giant, has been in the market for 21 years. It is number two in agarbathis after the Cycle brand and number one in the *dhoop* segment currently but it is not resting on its vapours, in a manner of speaking.

In recent years, it is changing the rules of the game, focusing on premium fragrances created by global perfumers, leveraging digital analytics to gauge consumer preferences and accelerating R&D in areas such as low smoke incense variants.

Like all things in the FMCG world, the incense sector too is going through a premiumisation wave. To tap into this, ITC Mangaldeep is bringing marquee fragrances, exploring the gifting potential, and does not rule out forays into aromatherapy, mindfulness and the like.

FROM RITUAL TO RELAXATION

"Today, consumers are looking for a bit more from their incense sticks than just a devotional offering," says Gaurav Tayal, Chief Executive, Matches and Agarbathi Business Division, ITC Ltd. "They are thinking about how these products can create an overall calming and positive at homes and if they can offer people at home a sensorial experience," he adds.

Take, for instance, its sub-brand 'Scent' that takes the best of fine fragrances devised by global perfumers to create a scented experience for users. Rose, lavender, sandal and jasmine are some fragrance profiles of Mangaldeep agarbathis — creations that emerged from consumer preference for milder and soothing fragrances with natural touches. Quality is another key priority for the company as it promises a toxin-free atmosphere for the hypoallergic customer with its proprietary low-smoke incense sticks.

The overall incense sticks industry is roughly around ₹11,000 crore in size and is hyper competitive in nature, with the proliferation of national, regional and unorganised players. The industry, as a whole, has grown at a CAGR of around 8 per cent in the last three years.

Mangaldeep's growth is estimated at roughly 2x the category growth, with its premium portfolio growing at a much faster rate. While the product has largely been the same in form and design for many years now, there are a few niche trends post-Covid, many of which have been used by ITC Mangaldeep to its advantage.

"We are seeing increased rootedness among consumers making worship and mindfulness more common, even among the youth," says Tayal. Bamboo-less dry *dhoop* sticks have also emerged as the pick among people, making it one of Mangaldeep's fast growing products.

With a segment of nuclear households and younger audience moving away from ritualistic forms of devotion, Tayal admits to a "very slight dip" in penetration levels of the product category but adds that it has been made up by newer use cases.

FOR GOD AND MANKIND

"We leveraged the Group's consumer research strength and have been able to catch and cater to emerging trends quickly," says Tayal. "For instance, we noticed a lot of chatter in the digital world about the need for agarbathis to have perfume-like fragrances and hence launched 'Scent', which has high repeat customers," he adds.

However, the path to reinvention is not without its challenges. Already a sector with thin margins and highly competitive prices, raw material price fluctuations have been causing turbulence in recent years.

But Tayal seems unfazed. "Yes, it's an industry where bill values are low and that is why we are trying to build the category. The growth in the premium/semi-premium segment is faster and there is large headroom there to cover," he says. Mangaldeep's focus on the e-commerce and quick commerce channels lends itself to launch fast, learn from customers and then refine its new offerings. "These channels are emerging as the category of the future, and we have an edge in it," says Tayal.

With premium fragrances, regional customisation of incense sticks and *dhoops* and with its pulse on consumers' growing focus on mindfulness, ITC Mangaldeep seems to have something in store for everyone — be it God or mankind. Tayal sums it up, "Consumers are saying 'Agarbathi is for the God but the fragrance is for me!'"

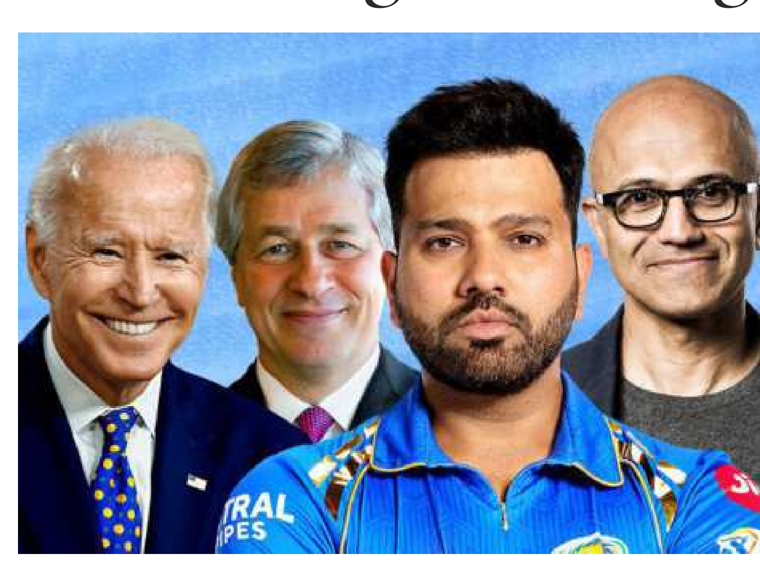
WAFTING ITS WAY

- According to industry reports, Mangaldeep is No 2 in agarbathis and No 1 in the dhoop segment; one out of four households in India buys a Mangaldeep product in a year
- Mangaldeep has an app with over 17 lakh downloads. It offers a one-stop solution for users for all devotional needs around bhajans, mantras, chants and rituals
- The brand's consumer panel, called 'Mangaldeep Sixth Sense', employs visually challenged people in Kolkata and Chennai to tap into their olfactory abilities to improve product offerings

CEOs tenure: How long is too long?

PEOPLE@WORK

KAMAL KARANTH



HIGH STAKES GAMBLE. Not all enterprises can afford to bet on extended tenures for their leaders like BCCI successfully did this World Cup

When experienced leaders are backed against the odds and they win, it makes for a fairy tale. But now, the US Democrats must be thinking, "Shall we tell the President"?

Statistically, Rohit Sharma has a 75 per cent win ratio as a captain across all formats. But persisting with him, Rahul Dravid and Virat Kohli after the 50-over World Cup final loss at home was a brave call. Most, including me, felt we should have sent a younger team to the T20 World Cup just like we did with Dhoni and Co in 2007.

Not all enterprises can afford to bet on extended tenures for their leaders like the BCCI successfully did this time!

How long is too long for any leader to carry on?

THE TENURE PARADOX

A 2021 study by researchers from Boston, Cologne, St Gallen and the Karlsruhe Universities examined S&P 1,500 companies over 25 years and found that, on average, a company's value peaks and plateaus around the CEO's 10th year. Try telling that to the Microsoft Board, where Satya Nadella has just crossed 10 years. We all know he is onto another jackpot with OpenAI after LinkedIn. Jamie Dimon is 18 years into his job as CEO, and JP Morgan Chase's market cap is almost double its next peer, Bank of America, where the CEO is almost 14 years into his job. Who will tell the board of the two largest American banks that 10 years is the average CEO tenure for 80 per cent of the S&P 1,500 companies?

But if you have just begun to think long tenures are impactful, hold on. A 20-year study of US CEOs shows that a long-tenured CEO's successor usually performs poorly. Researchers from the Universities of Sussex, Lund from Sweden and the Hanken School of Economics in Finland find that under the successor of a long-tenured CEO, a company's "performance and stock returns are significantly lower, restructuring costs are higher, 'big baths' are larger and firm recovery is slower." As the years go by, the company's best potential CEO successors may get tired of waiting and go elsewhere. Sounds familiar?

Yes, remember when Nikesh Arora quit SoftBank once he knew founder Masayoshi Son wasn't relinquishing the CEO post? Palo Alto, the company that hired him as CEO, has grown its market cap six times since he took the reins. In this case, not just the hiring employer, the employee gained too. Last year, Arora's compensation was reported to be the second highest paid to any CEO in the US.

CAREER COMPOUNDING

If you think only frequent job changes get you to better places, think again. Brian Moynihan joined Bank of America in 2004 and became the CEO much later in 2010. He definitely benefited from staying, and the bank is in an enviable No 2 position. It's understandable to raise an eyebrow when CEOs hang around longer than they should. But some of us frown at employees who have been there for decades and think of them as furniture who don't move, even to the extent of ridiculing them that they may not have been capable of getting offers from competitors. One of the misconceptions is that we stagnate working in a single company for long.

However, working in a growing company for a longer time will expose you to various contexts of the organisation — from starting up, fundraising, turnaround, overseas expansion, going public or doing an M&A. Some of us believe that longer tenures in growing companies and donning multiple roles are equivalent to working for different employers. This makes for a good argument for staying but misses the crucial point of the change management required to adapt to different cultures.

ENCASHING TENURES

Do long tenures in a single company hurt the chances of being promoted as a senior leader in your organisation or getting hired outside? Look at the new CEOs of Tech Mahindra and Cognizant. Both spent two decades at Infosys before they became CEOs of two marquee-listed IT services brands.

The long internal wait, though it frustrates many, also brings rewards. Wipro's Srini Pallia became the CEO after 32 years at the firm. The career compounding and encashment of long tenures is the most underrated aspect of a leadership career. However, not everyone is cut out for this wait as it is usually uncertain and contextual. In the last 12 months, almost 4,000 CXOs changed jobs in India, which either points to the opportunities available or the impatience to wait it out.

So, think again the next time you want to criticise a senior colleague who stayed longer. Their next big role may just be around the corner or with your competitor!

Kamal Karanth is co-founder of Xpheno, a specialist staffing firm.

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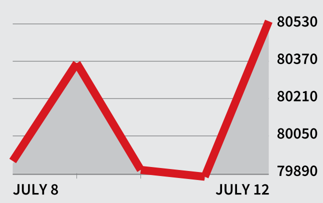

SENSEX 80519.34 (+522.74)

IN FOCUS

	Week's close	Week's change
Nifty 50	24502.15	+178.30
P/E Ratio (Sensex)	24.48	+0.14
US Dollar (in ₹)	83.53	+0.05
Gold Std 10 gm (in ₹)	72373.00	+24
Silver 1 kg (in ₹)	91827.00	+1118

PROTECTING LIVELIHOODS. **India has made a strong** pitch at the WTO for effective carveouts for small-scale and artisanal fishers to protect livelihood subsidies **p2**

CROSSING BOUNDARIES. **Kashmiri willow bats** have been attracting attention due to their appearance in global games **p8**

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MONDAY SPECIALS.

SPARK

Entrepreneurs chase climate change goals

India is fast becoming a hotbed for climate action, and there exists a massive untapped opportunity for climate entrepreneurship. The country's clean technology start-ups are working on developing solutions for a sustainable future. This, in turn, creates a buzz across the entire ecosystem, with investors and entrepreneurs looking to invest in this field. **p6**

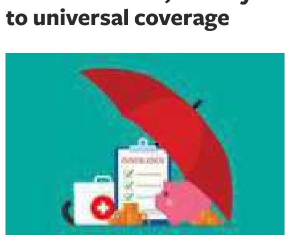
BL ON CAMPUS

Why more women are flocking to B-schools

Manali Mathur, with a BSc degree, needed a diversified and professional skillset to pursue a career in the corporate sector. She has recently joined IIM-Kashipur. Ridhima Jain from IIM-Sambalpur's 2024-26 batch dreams of stepping into strategic roles where she can influence decisions with her degree. Management education is witnessing a silent revolution with hundreds like Mathur and Jain joining B-schools across the country. **p3**

CURRENT ACCOUNT

Bancassurance, the key to universal coverage



Bancassurance is usually considered "win-win" for a bank and an insurance company as they enter into a tie-up for distribution of insurance products. But if a vast section of the previously uninsured population can get insurance cover through this channel, the situation becomes "win-win-win". **p7**

Only 6% of ₹3.68 lakh crore loans under ECLGS turn bad

LIQUIDITY BOOST. The emergency credit line guarantee scheme did not become a liability for the government as loan defaults have remained low

Shishir Sinha
New Delhi

Non-performing assets (NPA) have been around 6 per cent under the Emergency Credit Line Guarantee Scheme (ECLGS), government officials have said. This means that the cost of providing a full guarantee under the scheme will be much less than anticipated.

"Out of the total liquidity support of over ₹3.68 lakh crore, NPAs reported are around ₹22,000 crore or 6 per cent on loans guaranteed," an official said. The definition of NPA under ECLGS is the same as defined by RBI. According to the RBI, with effect from March 31, 2004, a non-performing asset shall be a loan or an advance where interest and/or instalment of principal remains overdue for more than 90 days in respect of a term loan.

Trends in bad debts under ECLGS appear to be in line with overall system data. According to the latest Financial Stability Report by the RBI, scheduled commercial banks' gross non-performing assets (GNPA) ratio fell to a multi-year low of 2.8 per cent and the net non-performing assets (NNPA) ratio to 0.6 per cent at end-March 2024. Similarly, for non-banking financial companies (NBFCs), GNPA ratio was at 4 per cent at end-March 2024.

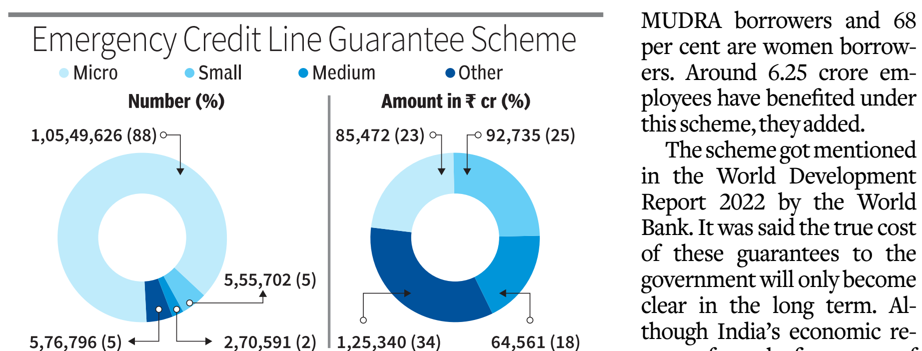
ECLGS was launched in May 2020 as a special initiative to enable liquidity support to businesses adversely impacted by the lockdown due to the Covid-19 pandemic. The scheme covered all loans sanctioned under 'Guaranteed Emergency Credit Line' up to March 31, 2023 or till guarantees for an amount of ₹5 lakh crore were issued, whichever was earlier. It provided for 100 per cent guarantee coverage to banks and NBFCs on credit extended to business enterprises/MSMEs on their loan outstanding as on February 29, 2020, to meet their additional term loan/additional working capital requirements. Initially, it was mainly for MSMEs but was expanded to borrowers from 26 stressed sectors identified by the Kamath Committee, besides the healthcare and hospitality sectors.

SHARE OF MSMEs

Officials highlighted that out of liquidity support of ₹3.68 lakh crore to 1.19 crore businesses, the share of MSMEs is 95 per cent in terms of number of guarantees and about 65 per cent in terms of amount of guarantees issued. In terms of number of borrowers supported, 88 per cent are micro borrowers, 78 per cent are MUDRA borrowers and 68 per cent are women borrowers. Around 6.25 crore employees have benefited under this scheme, they added.

The scheme got mentioned in the World Development Report 2022 by the World Bank. It was said the true cost of these guarantees to the government will only become clear in the long term. Although India's economic recovery from the first waves of the pandemic has been remarkably robust and the immediate fiscal impact of credit guarantee schemes is low, credit guarantees always carry the risk of turning into a liability for the government if an economic downturn causes loan defaults to rise.

A report by SBI released last year showed that at least 14.6 lakh MSME accounts were saved due to ECLGS. In absolute terms, MSME loan accounts worth ₹2.2 lakh crore improved since the inception of ECLGS for the entire banking industry. This means that around 12 per cent of the outstanding MSME credit has been saved from slipping into NPAs because of the ECLG scheme and thus saving livelihoods of 6.6 crore.



Source: National Credit Guarantee Trustee Company Limited

A SHOW OF DEFIANCE

CHAOS AT RALLY. Republican presidential candidate and former US President Donald Trump gestures with a bloodied face even as he is covered by US Secret Service personnel after he was shot in the right ear during a campaign rally at Butler in Pennsylvania. The FBI identified 20-year-old Thomas Matthew Crooks of Bethel Park, Pennsylvania, as the "subject involved" in what it termed an attempted assassination. **(Report on p8)** REUTERS

India-dedicated funds see record $1.25-b inflows in July second week

Janaki Krishnan
Mumbai

IN FULL FLOW

- There have been net inflows of $20 billion into India-dedicated funds since early 2023
- India-dedicated funds have not seen a single week of redemption since March 2023
- Post elections, weekly inflows into India-dedicated funds have averaged $1 billion
- Weekly inflows from long-only investors have averaged $400 million in the past two months

India dedicated funds are seeing humongous amounts of money pouring in. Last week saw record-high flows of $1.25 billion, with the most flows coming into exchange traded funds at $848 million, data from EPFR and Elara Securities showed.

A good portion of the funds that came in was from Ireland while consistent inflows were seen from the US, Japan and Luxembourg. South Korea has also been a steady contributor over the past 10 weeks, averaging $40 million every week.

Post the Lok Sabha election results this year, weekly inflows into India-dedicated funds have been averaging $1 billion.

Long-only funds have been investing $400 million weekly into ETFs, though inflows into mid-caps and small-caps have been subdued because, in many of the stocks in these segments, valuations have run up. In fact, inflows in such funds have been weak since October last year.

'FLOW STORY'

India-dedicated foreign-domiciled funds have been seeing considerable action over the last couple of years and activity has intensified. "We see India as a flow story with one of the less talked-about pillars of this flow story being rise of the India-dedicated foreign domiciled equity funds," said Nomura Securities, adding that there has been a surge in such funds. Since the start of 2023, such funds have seen over $20 billion of net inflows, out of a universe of funds with total assets under management of $58 billion.

The inflows into India dedicated funds have gathered pace from April 2023 onwards when there was a distinct shift by global investors to India from China. The inflows into such funds as a percentage of the free float market capitalisation is rising meteorically towards the June 2015 mark, when it topped 2.5 per cent. Interestingly, since March last year, there has been a continuous unbroken record of net inflows every week.

FLOWS FROM US

The week ending July 5, however, was an aberration with inflows slowing to a 12-week low of $153 million, chiefly due to outflows of $285 billion from ETFs. While inflows from Japanese investors were sustained, there had been a slowdown in flows from the US while there was redemption from Ireland.

Inflows into India have to be seen in the broader context of investments in emerging markets that have seen net inflows of $5.8 billion in July so far. There is considerable momentum from long-only investors who are seeing substantial value in these markets. A good portion of the money is flowing into technology funds.

Karnataka unhappy with Cauvery water release order

Aishwarya Kumar
Bengaluru

An all-party meeting convened by Karnataka Chief Minister Siddaramaiah on Sunday decided to appeal against the order of the Cauvery Water Control Committee (CWRC) to release water to Tamil Nadu. At the third meeting of the Karnataka Cauvery Water Control Committee, which was held on Sunday to discuss the directive from the CWRC instructing the State to release 1 thousand million cubic feet (tmc ft) of water daily to Tamil Nadu until the end of the month, it was concluded that it would not be possible to release the full 20 tmc of water directed by the regulatory body. Karnataka said it will release 8,000 cusecs of water per day instead of one tmc per day, which is 11,500 cusecs.

Full report p2

With Broadway stores, a new Biyani rises dramatically

Retail raja Kishore Biyani's nephew Vivek is all set to launch new age experiential stores

Janaki Krishnan
Mumbai

Vivek Biyani

The father of modern retail Kishore Biyani's empire has crumbled but the family is going strong with new ventures. His nephew Vivek Biyani is launching 'Broadway', a theatre-style store format, with the formal launch announcement set to take place on Thursday.

Touted to be new-age department stores for new-age brands, outlets are slated to be opened in Delhi, Mumbai and Hyderabad. The store in Delhi is expected to be housed in Vasant Kunj's Ambience Mall. 'Broadway is a stage, where everyone is a performer', says the Broadway Live website.

DIGITAL DRIVE

Vivek Biyani was part of his uncle's Future Group for 15 years, according to his LinkedIn profile. He joined the group in 2007 and was involved in Home Town and Ezone's furniture, electronics and home improvement businesses. Subsequently, he took charge of digital initiatives in the group and was responsible for building up Big Bazaar Direct and developing the multichannel business across food, fashion and home. He founded Broadway in 2023. The stress is on experiential shopping and consumers can interact with direct-to-consumer brands. Customers can experience and see live shows, including fashion shows.

The stores have been designed by Malherbe Paris, who have designed for global fashion brands such as Dior, Sephora, and Givenchy.

While everyone involved in the project is tightlipped, sources said the stores will be around 10,000-50,000 sq ft and would have the look and feel of a mall but with easier access. Top Indian and global brands will be available.

Even though Kishore Biyani has not been able to save his painstakingly built retail group from disintegrating, weighed down by mounting debt, the next generation of Biyanis are carving out their own paths and ventures in the retail sector.

Earlier this year, his two daughters Avni and Ashni launched Foodstories, a gourmet supermarket store. This is a premium version of their previous venture Foodhall, which closed operations last year. The first store has been launched in Ambience Hall and occupies an area of around 10,000 sq ft.

E-COMM OPERATIONS

It has an all-dining café, a kitchen studio where people can experiment, a bakery and a cheese room. E-commerce operations will also be launched to expand the reach and availability of the products.

The sisters also run Honestly Italian Pvt. Ltd., with a brand called Sorrentina which has a range of products including potato chips, pasta, dips, sauces and so on. These will also be available at Foodstories.

While Kishore Biyani's focus was on mass urban consumption, the next generation is focusing on the premium segment.

CHENNAI
businessline.
MONDAY - JULY 15 - 2024

QUICKLY.

Goyal to meet G7 trade ministers in Italy

New Delhi: Commerce & Industry Minister Piyush Goyal is set to hold bilateral meetings with his counterparts from the G7 countries at the outreach session of the G7 Trade Ministers' Meeting in Italy to explore new avenues for trade and investment, according to an official statement. The outreach session of G7 Trade Ministers will be in Reggio Calabria, Italy, on July 16-17. OUR BUREAU

Govt will pay MTNL's bond dues before July 20: DoT

New Delhi: The government will pay the bond dues of ailing Mahanagar Telephone Nigam Ltd (MTNL), a DoT source said, assuring that there will be no default, and that the amount will be paid before the due date of July 20. The move assumes significance as it would avert a looming crisis for the telecom corporation, which is being seen teetering on the brink with regard to its debt obligations that are becoming due. PTI

India rejects WTO draft over weak protection to small fishers

FOR FAIRNESS. Demands balanced curbs on overcapacity, overfishing subsidies

Amiti Sen
New Delhi

REGULATORY RIFT. The subsidies identified for prohibition include those pertaining to construction, acquisition and modernisation of vessels, purchase of fishing gear, insurance and income support during seasonal closures JOTHI RAMALINGAM B

India has made a strong pitch at the WTO for more effective carveouts for small-scale and artisanal fishers to protect their livelihood subsidies and has rejected the draft text circulated by the chair of the WTO negotiations on curbing overcapacity and overfishing (OCOF) subsidies arguing that the special and differential treatment (SDT) provisions for its fishing communities needed to be stronger.

Responding to intense activities at the WTO to have an agreement on additional provisions on fisheries subsidies as soon as possible without waiting for the WTO Ministerial Conference held once in two years, New Delhi has also made submissions against allowing large-scale industrial fishing nations the flexibility to perpetuate their unsustainable subsidies and "unfair burdening" of developing nations.

"India is not ready to be hurried into an agreement that does not give adequate protection to subsidies extended to nine million fishing families, mostly comprising small-scale fishers. It has made submissions on improving SDT provision granting greater flexibility to protect its fishers as well as tightening disciplines to check the perpetuation of unsustainable subsidies given by industrial-fishing nations," a source tracking the matter said.

It also wants complete exemption from OCOF subsidy cuts, which should be extended to all fishers from developing countries for fishing in the EEZ area (up to 200 nautical miles from the shore) considering that they have already committed to strict regulations and limited SDT under the more harmful overfished subsidy pillar.

SMALL FISHER CONCERNS

In 2022, WTO members already signed an agreement to prohibit subsidies for illegal, unreported and unregulated (IUU) fishing, as well as subsidies for fishing overfished stocks and fishing in the unregulated high seas, but the scope of the current negotiations on OCOF subsidies is much larger and could hit small fishers much more.

Earlier this week, the chair of the fisheries subsidies negotiations circulated a draft text on curbing subsidies to fishing or fishing related activities that contribute to overcapacity or overfishing (OCOF).

"It is important for India, with over 9 million fishing families to gain workable exemptions for its small-scale fishers as these curbs would apply on several subsidy programmes given by the government," the source said.

SUBSIDIES IN QUESTION

Subsidies prohibited include those for vessel construction, gear purchase, fuel, and income support during closures. India criticised WTO rules for small-scale fishers, citing strict conditions, stringent notification requirements and undefined definitions. Global fishing subsidies total $35.4 billion, with India's annual subsidies at less than $15 per fisher.

Govt may amend Legal Metrology Rules for packaged commodities

Meenakshi Verma Ambwani
New Delhi

The Department of Consumer Affairs (DoCA) has proposed an amendment in the Legal Metrology Rules, which will make display of information, including name, country of origin, and best before date, among others, mandatory on all packaged commodities sold to retail users, irrespective of the quantity. Currently the Legal Metrology (Packaged Commodities) Rules, 2011, are not applicable on packaged commodities containing quantity of more than 25 kg or 25 litres, barring some exceptions. Now, DoCA is proposing to make the rules mandatory for all pre-packaged commodities meant for retail sale even if the quantity is more than 25 kg or 25 litres.

The Legal Metrology (Packaged Commodities) Rules, 2011 makes it mandatory for declaration of certain information on pre-packaged commodities packed for retail sale in the interest of consumers. This includes name and address of the manufacturer, packer or importer, country of origin, common or generic name of the commodity, net quantity, month and year of manufacture, MRP, Unit Sale Price, best before or use by date and consumer care details among others.

DoCA is proposing to make the rules mandatory for all pre-packaged commodities meant for retail sale even if the quantity is more than 25 kg or 25 litres

REVISED PROVISION

These rules are currently not applicable on packages of commodities containing quantity of more than 25 kg or 25 litre except in the case of cement, fertiliser and agricultural farm produce, which are sold in bags of up to 50 kgs to retail channel. These rules are also not applicable on products packed for industrial and institutional consumers and on cement, fertiliser and agricultural farm produce sold in bags above 50 kg.

"The revised provision will provide that these rules shall apply to all packaged commodities sold in bags in retail, except to the packaged commodities meant for the industrial consumers," it said in a statement.

EVOLVING MARKET

The Ministry said that so far,the rules were not applicable on larger packs with quantities above 25 kgs or litres because it was assumed that such packs are not meant for retail sale. "However, it is observed that the packaged commodities above 25 kg are also available in the market for retail sale, which is not as per the intention to make all declarations on pre-packaged commodities meant for retail sale," it further noted.

DoCA said this amendment is being proposed in the wake of the evolving market across both offline and online channels.

"This revised provision will help in establishing uniform standards and requirements for packaged commodities, promoting consistency and fairness across different brands and products and will help consumers in making informed choices based on complete information," it added. DoCA has invited comments from stakeholders within the next 15 days till July 29.

TODAY'S PICK.

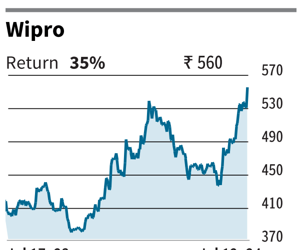
Wipro (₹560.05): BUY

Gurumurthy K
bl. research bureau

The upmove in Wipro has gained momentum. The stock surged 4.8 per cent on Friday and closed on a strong note. This rise ended the two-week long sideways consolidation. It also indicates that the broader uptrend has resumed.

Moving average cross overs on the daily as well as the weekly chart strengthens the bullish case. It indicates that the downside could be limited.

Support for the stock will now be in the ₹545-₹540 region. Wipro share price can rise to ₹600-₹610 in the coming weeks. Traders can go long now at ₹560. Accumulate



on dips at ₹550. Keep the stop-loss at ₹535 initially. Trail the stop-loss up to ₹570 as soon as the stock moves up to ₹578. Move the stop-loss further up to ₹580 when the price touches ₹590. Exit the long positions at ₹600.

Note: The recommendations are based on technical analysis. There is risk of loss in trading.

Karnataka and Tamil Nadu at loggerheads yet again over Cauvery

Aishwarya Kumar
Bengaluru

At an all party meeting convened by the Karnataka Chief Minister Siddaramaiah on Sunday, it was decided to appeal the order of CWRC to release water to Tamil Nadu.

At the third meeting of the Karnataka Cauvery Water Control Committee, which was held on Sunday to discuss the directive from the Cauvery Water Regulation Committee (CWRC) instructing the State to release 1 thousand million cubic feet (tmc ft) of water daily to Tamil Nadu until the end of the month, it was concluded that it would not be possible to release the full 20 tmc of water directed by the regulatory body.

Karnataka has said it will only release 8,000 cusecs of water per day instead of one tmc per day, which is 11,500 cusecs.

"In a typical year, the mandate requires the release of 9.4 tmc ft in June and 31.24 tmc ft in July, totalling 40.43 tmc ft.

Currently, over 5 tmc ft of water has already been released," said Chief Minister Siddaramaiah.

At the all-party meeting held with ministers, MLAs and officials from the Cauvery riverbanks, it was decided to file an appeal before the Cauvery Water Management Authority (CWMA) in the advice of lawyers representing the State.

The meeting was held at Vidhana Souda and was attended by Deputy Chief Minister and Water Resources Minister

IN AGREEMENT. Chief Minister Siddaramaiah, Deputy Chief Minister DK Shivakumar, Opposition party leader R Ashok and former Chief Minister DV Sadananda Gowda during all-party meeting in Bengaluru on Sunday SUDHAKARA JAIN

DK Shivakumar, Leader of Opposition in the Assembly R Ashok, Former Chief Minister Sadanand Gowda, Cabinet members, Cauvery Basin MPs, MLAs, Chief Secretary Rajneesh Goel, among others.

During the meeting representatives from BJP, JD(S), farmers' associations and Mohan Kataraki, head of the legal team, expressed their views.

"Currently, the Cauvery reservoirs are 63 per cent filled, with the Kabini reservoir at full capacity. Over the past two days, water discharge rates were 20,000 and 19,000 cusecs respectively, with an additional 13,000 cusecs released today. Only surplus water that couldn't be stored was released," CM said. Siddaramaiah added, "Based on legal advice, it is advisable to file an appeal with the Cauvery Water Management Committee (CWMC) unless heavy rainfall occurs. In case of significant rainfall, the CWMC's complete water release order should be followed based on the amount of rainfall received. Alternatively, it is suggested to release only 8,000 cusecs of water to avoid unnecessary conflict with CWMC."

TUSSLE FOR WATER

The Cauvery River has been a centre of long-standing conflict between Tamil Nadu and Karnataka that dates to over 150 years.

The two States have disputes especially in years with weak southwest monsoon.

"The crux of the issue lies not in water distribution but in politics. For both States, withdrawing from the dispute is difficult due to its emotional resonance. Resolving water disputes requires a negotiated settlement where both parties have something to gain. It is also crucial to define what constitutes a rainfall deficit. Thus, whenever there is a conflict between Tamil Nadu and Karnataka over water release, emotions and political considerations inevitably complicate matters," said Sandeep Shastri, Director - Academic, Nitte Education Trust.

The dispute may even lead to friction in the UPA alliance as both Congress and DMK which rule over Karnataka and TN respectively are a part of it.

Additional inputs from PTI

Ease of living high on agenda at upcoming NITI Aayog meet

Dalip Singh
New Delhi

Prime Minister Narendra Modi will review recommendations on 'ease of living' during the ninth meeting of Governing Council of NITI Aayog on July 27, which are supposed to be an outline of the common development agenda and a blueprint for cohesive action in partnership with the States.

Modi wants, *businessline* has learnt, to give shape in his third regime to ease of living issues for the benefit of the common man, issues he has been talking about in the last one decade in power. That essentially would mean easy access to welfare schemes and quality in service delivery, said government sources.

It is learnt that the participants, including Chief Ministers of States and Lt Governors, have been apprised that the theme of ease of living will figure prominently in the NITI Aayog's Governing Council meeting. But government sources stated that a detailed agenda was being worked out and would be shortly shared with the participants ahead of the meeting in Delhi.

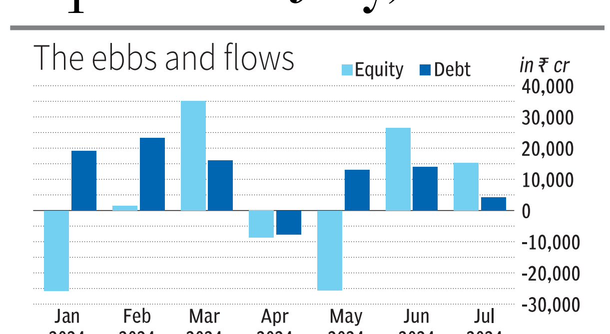
BUREAUCRATISATION

The Chief Secretaries had converged on five subthemes they thought were necessary to weed out bureaucratisation of governance and delivery mechanism. They are land and property, electricity, drinking water, health, and schooling.

The NITI Aayog Governing Council will also take a stock of the vikasit bharat@2047 matter, which is a road-map and outcome-oriented action plan to make India a developed nation when India turns 100.

FPIs turn to equities in July, flows 3.6 times debt

Ashley Coutinho
Mumbai



Source: NSDL

Foreign portfolio investors (FPIs) stayed net buyers in July, with flows in equities exceeding that in debt for the second time this year.

Investors net bought shares worth ₹15,352 crore till July 12, taking the net inflows to nearly ₹42,000 crore, NSDL data showed.

In the year to date, net purchases stood at ₹18,553 crore, with selling in the months of January, April and May. In debt, the net purchases totalled ₹4,196 crore this month, adding to the ₹13,982 crore net purchases last month.

In the year to date, net purchases stood at ₹82,082 crore, 4.4 times the inflows in equities. India has a 1 per cent weight in the JPMorgan EM Bond index, which will rise to 10 per cent over a 10-month period.

INFLOWS TURN GREEN

Manoj Purohit, Partner and Leader - FS Tax, Tax and Regulatory Services, BDO India, said: "The net FPI inflows have turned green this month, both in the equity and debt segment. Lot of traction is being seen primarily in the debt segment by European countries, especially Luxembourg which surpassed Mauritius to become one of the desired jurisdictions for injecting funds via the FPI route. Ireland too follows suit in light of its conducive local fund regime and tax-efficient structures for the debt segment."

The reason for a quick rebound in the capital markets can be attributed to the positive sentiments, stable government's assurance on continuity of reforms, tepid US Fed rates and a strong domestic demand, said Purohit.

The recent announcements in IFSC Gift City for wide participation by foreign and Indian investors have also diverted international players to allocate a substantial portion of their global portfolio to Indian markets, he said.

ERRATIC FLOWS

"FPI flows will continue to be erratic influenced by global factors. Better-than-expected results from IT majors who have come out with results so far indicate potential for FII buying in these stocks where valuations are not excessive," said VK Vijayakumar, Chief Investment Strategist, Geojit Financial Services.

The Union Budget to be tabled on July 23 which will provide cues for the market going forward.

"As India enters *Amritkaal*, the FPI community will play a major role for the nation to position itself as the third largest economy in the world," said Purohit.

IBBI chief urges insolvency professionals to go global

Our Bureau
New Delhi

Building on their success in Indian IBC landscape, insolvency professionals (IPs) should expand overseas, Ravi Mital, Chairman, IBBI has said.

"We in India have done a far better job than most countries. Just as ICAI aspires to become International Institute of Chartered Accountants, our resolution professionals must take up projects in other countries. Because you (IPs) have done better than what others have done," Mital said at 2nd edition of 'RESOLVE 2024' in the capital.

'BE INNOVATIVE'

Mital cited the recent real estate crisis (meltdown) in China and how they were finding it difficult to recover, while Indian IPs have smoothly resolved real estate related distress assets worth ₹20,000 crore in India without any hiccups.

Mital urged IPs to be as innovative as possible, noting that no one would take action for "genuine innovations". He exhorted IPs to increase the use of "part resolutions". IBBI chief underscored the need to improve quality of "Information Memorandums" and asked IPs to be as transparent as possible. "The more transparent we are, better recovery results will be obtained," Mital added.

Currently, India has 4,600 IPs, with the majority being chartered accountants. The Insolvency Bankruptcy Code (IBC) has returned ₹3.4-lakh crore to creditors in the eight years since its inception, representing about 32 per cent of the total assets claimed. Mital believes that with improved efforts, the recovery rate could be increased to 40 per cent.

India shifts from being net exporter to importer of steel in Q1

Abhishek Law
New Delhi

India was a net importer of steel for Q1FY25 (April to June) with shipments coming in exceeding exports by 0.6 million tonnes (mt). Export of finished steel continued to fall consistently – poor global demand and competition from China – all through the first three months of the fiscal, while there was a steady increase in imports.

In the year-ago period, India was a net exporter of steel by 0.7 mt.

A Steel Ministry report, accessed by *businessline*, said in Q1FY25, finished steel imports stood at 1.9 mt, up 30 per cent y-o-y; against 1.4 mt a year-ago. In comparison, exports stood at 1.3 mt, down 38

per cent y-o-y, against 2.1 mt in the year-ago-period.

On a sequential basis, steel imports in June stood at 0.55 mt, down 24 per cent over May when it stood at 0.72 mt. However, imports increased 14 per cent over the year-ago-period when it stood at 0.5 mt.

Exports last month stood at 0.34 mt, down 20 per cent sequentially over the 0.43 mt reported in May; and was down 32 per cent over June last year when it was 0.5 mt.

MARKET OFFERS

Incidentally, as per consultancy firm BigMint, Indian cold rolled coil (CRC) offers to Europe were hovering in the $680 – 690 per tonne range (from India's East Coast); while hot rolled coil (HRC) offers there are expected to resume soon.

Asian and West Asian markets offers continue to be muted, with Chinese price quotations being in the $560/tonne range – lower than those quoted by Indian players.

"Imports in June was lower than May and it seems to be a good sign at the moment. But the bigger concern continues to be depressed exports. Global economic headwinds and cheaper Chinese products flooding key markets continue to impact orders."

"We have been in touch with some concerned ministries on rising steel imports, specially from China; and those shipments of China being routed through Vietnam," a Steel Ministry official said.

DOMESTIC PRICES

Rising imports have impacted domestic steel prices. As per BigMint, Indian flat steel producers reduced prices of HRCs by around ₹1,000-1,750 per tonne ($12-21/t) starting July. The price reduction for CRCs is around ₹1,000-1,500 per tonne ($12-18/t).

"A few mills have also extended rebates around ₹500-750/tonne ($6-9/t) for the June sales," the report said. Market sources say, HRC prices are in the ₹53,000–54,000 per tonne range, while CRC prices stood in the ₹60,000–61,000 per tonne bracket.

OUTPUT VS DEMAND

For the period of April-June, steel production (finished) registered a 7 per cent y-o-y increase. Production reached 35.77 mt compared with 33.427 mt in the same period of the previous year. On a sequential basis, finished steel production increased by 1.2 per cent in June to 12.1 mt in June against 11.923 mt in May. The y-o-y growth was over 9 per cent, surpassing 11.1 mt in June 2023.

Finished steel consumption for Q1FY25 stood at around 35.4 mt, up 15 per cent y-o-y. It stood at 30.833 mt in the year-ago-period. In June, finished steel consumption remained at May levels of 12 mt. Consumption grew y-o-y by 19 per cent over last year's June month when it was around 10 mt.

Why more women are flocking to B-schools for an MBA

THE BIG SHIFT. Thanks to initiatives by the institutions, the gender balance has improved significantly

AJ Vinayak

Manali Mathur, with a BSc degree, needed a diversified and professional skillset to pursue a career in the corporate sector. Mathur, who recently joined IIM-Kashipur's 2024-26 MBA batch says, "Joining MBA is a path-breaking decision. I aim to have a successful career in the corporate sector and secure a leading managerial position."

Ridhima Jain from IIM-Sambalpur's 2024-26 batch dreams of stepping into strategic roles where she can influence decisions with her degree. The MBA will equip her to navigate an ever-evolving competitive market, and engage with real-world business challenges and develop innovative solutions, she feels.

GIRL POWER. From 11 per cent in 2017, the percentage of women enrolling for an MBA is near-equal to men in some B-schools this year

A SILENT REVOLUTION

Deepa Pudukode Krishnan was aware of the ground realities of running a business. As a designer in a jewellery start-up, she was interested in the intricacies of an organisation. "I want to explore and hone my business acumen and critical thinking," said Krishnan of the 2024-26 MBA batch at TA Pai Management Institute (TAPMI), Manipal.

Management education is witnessing a silent revolution with hundreds like Mathur, Jain and Krishnan joining B-schools across the country. From 11 per cent in 2017, the percentage of women enrolling for an MBA, especially in the IIMs, is near-equal in some B-schools this year.

While the 2024-26 MBA cohort of IIM-Sambalpur enrolled 76 per cent women students, IIM-Kozhikode (IIM-K) enrolled 59 per cent in the PGP batch. Women constituted 48 per cent of TAPMI's MBA batch and 47 per cent of MICA-Ahmedabad's three main courses. IIM-Kashipur recorded 42 per cent female representation in its flagship courses. IIM-B and Birla Institute of Management Technology (BIMTECH) enrolled around 40 per cent of women, and IIM-A around 25 per cent.

This shift can be attributed to initiatives taken by the B-schools.

Mahadeo Jaiswal, IIM-Sambalpur's Director, says the institute's 2017 policy to grant an additional 5 per cent cut-off for women candidates in the interview round and the formation of a unified merit list took their enrolment ratio to 50 per cent that year. Other IIMs also embraced this practice subsequently, improving the gender balance to 30 per cent.

Increasing representation to level the playing field is given more weightage, says Debashis Chatterjee, Director, IIM-Kozhikode. Diversity scores at IIM-K are given at the shortlisting stage for interviews but not carried forward to the final selection criteria.

Abhradeep Maiti, Chairperson, Admissions, IIM-Kashipur, explains, "We encourage the entry of female students through special consideration during the admission process, keeping gender diversity paramount after the academic record."

Prof Aniruddha, Outgoing Chairperson (Admissions), TAPMI, says 10 scholarships are earmarked for the top 10 women students based upon merit.

Bharat Bhasker, Director of IIM-A, says: "We see diversity as an important factor that contributes to a richer learning environment for students at IIM-A but merit is the foremost criterion for selection of students." Kunal Dasgupta, Chairperson, Admissions, IIM-B, says, "It is not that more women are joining MBA. But more women are being selected, at least in IIM-B."

However, many academics attributed reasons, such as an increase in awareness about career benefits, efforts by companies to promote diversity in their organisations, urge to take up entrepreneurship, aspirations to take up leadership roles and break the glass ceiling, for more women opting for management education.

Jaiswal (IIM-S) elaborates that this shift could be due to inspiring management role models, initiatives taken by B-schools to enhance gender diversity and inclusion, a flexible programme format, supportive industry-academia environments and global trends towards women in business.

TAPMI's Aniruddha explains that the increase in the number of women pursuing graduation in commerce, engineering and arts is likely to have a cascading effect on the number of women pursuing MBA.

IIM-Kozhikode's Chatterjee says more and more corporates are welcoming women at every level of their organisation. Gender diversity in the classroom brings a wider range of perspectives and experiences, enriching the learning environment for everyone. IIM-Kashipur's Maiti says women leaders hold significant positions globally, and their numbers are increasing. Management education supports them in breaking the glass ceiling in India as well.

FUTURE READY

Asked if the enrolment of more women students is aimed at meeting future requirements as the thrust is on giving more representation to them, both at the general and director levels in companies, Maiti says female leaders from IIM-Kashipur's MBA (Analytics) will occupy key leadership roles in the developing analytics industry. The MBA (Analytics) cohort has 75 per cent female students this session.

Jaiswal explains that as academia, businesses and industries recognise the value of diverse leadership, concerted efforts are being made to cultivate a qualified women leaders pool that will enhance decision-making through diverse perspectives. Chatterjee, who has been at the forefront of inducting women candidates, says, "Diversity is the basis of innovation in any ecosystem and recruiters are on the lookout for such traits."

With inputs from Avinash Nair in Ahmedabad

STUDY ABROAD

'Ivy Leagues seek students who excel in many domains'

Anjana PV

Jamie Beaton, Global CEO and Co-founder, Crimson Education

In recent years, the number of Indian youth migrating abroad for higher education has witnessed a significant surge, with over 7.65 lakh students moving abroad for studies in 2022 alone. Even before the Covid-19 pandemic, the numbers were high, with student migration surpassing 5 lakh in 2018 and reaching 5.86 lakh in 2019, as per data from the Bureau of Immigration.

In this interview with *bl on campus*, Jamie Beaton, CEO, Crimson Education, explains some emerging trends among Indian students migrating for higher studies. Beaton studied at several prestigious institutions, including University of Oxford, Yale Law School, Harvard, Stanford and Princeton Universities. Edited excerpts:

What are the current trends among young Indians applying to Ivy League universities?

Top universities in the US such as Harvard have significantly increased their financial aid offerings. This has encouraged students to consider studying in Ivy league institutions. Concurrently, Indian students are increasingly pursuing a broader array of advanced placement subjects.

Top universities are also adjusting their admissions strategies, with institutions such as Harvard, Yale and Princeton admitting fewer students early on and waiting to assess the complete applicant pool. This contrasts with other top 50 universities that are increasingly utilising early decision rounds to admit more students.

Following the disruption caused by Covid-19, the SAT has regained prominence in the application process, particularly for Ivy League admissions, where average scores for applicants are high.

What type of courses do Indian students prefer when applying to US universities?

In the US, universities like Duke, Vanderbilt and Stanford are now as competitive as Ivy League institutions, reflecting a trend towards broader university choices. Similarly, schools such as Johns Hopkins and the University of Chicago are rivalling Ivy League acceptance rates, enhancing their appeal among Indian applicants. Also, there has been a surge in applications for artificial intelligence majors. Programmes on computer science, finance and engineering have a huge demand.

What is the trend in the UK and Australia?

In the UK, the Russell Group universities, such as Oxford, Cambridge, LSE, Imperial, UCL and King's College London, remain popular among Indian students. Preferred programmes include medicine, law and PPE (Philosophy, Politics, and Economics), with UK universities offering specialised degrees to students.

In Australia, Indian students are primarily applying to medical schools like Monash University, UNSW and the University of Sydney.

So what should students focus on to get admissions into the Ivy leagues?

Academics hold substantial weight, constituting 40 per cent of the evaluation process. This encompasses performance in rigorous exams such as school board exams, IB, A-levels, AP and SAT scores. High achievement in these standardised tests are crucial for admissions.

Extracurricular activities and leadership are equally vital, accounting for 30 per cent of the admissions criteria. Ivy League institutions seek well-rounded individuals who have demonstrated commitment and excellence across various extracurricular domains. Additionally, entrepreneurial leadership, such as initiating personal projects that showcases innovative thinking and initiative beyond academic excellence are important. The remaining 30 per cent of the evaluation process hinges on essays and interviews, where applicants have the opportunity to distinguish themselves on a personal level.

COMBATING PIRACY

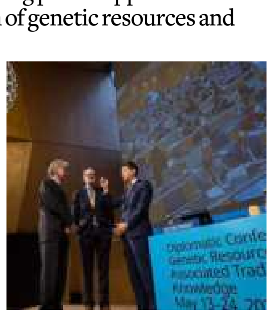
A treaty to protect traditional knowledge

Team Gavel

In May 2024, member states of the World Intellectual Property Organisation (WIPO) approved a new Treaty on IP, genetic resources and associated traditional knowledge (TK) – the culmination of negotiations that began in 2001. This ground-breaking treaty includes provisions for indigenous peoples and local communities. Its objectives are to enhance the transparency and quality of the patent system regarding genetic resources and TK and to prevent erroneous patents on non-novel or non-inventive inventions.

TK, as defined by WIPO, embraces the know-how, skills and practices developed and passed down by indigenous communities. These are core to the cultural and spiritual identity of the community. Essentially, while conventional intellectual property (IP) rights do not protect TK itself, inventions derived from TK can qualify for IP protection.

The treaty aims to combat the misappropriation of TK and biopiracy. After ratification by the contracting parties, the treaty will establish an international legal framework, requiring patent applicants to disclose the origin of genetic resources and associated TK used in their inventions. Key provisions include disclosure requirements in Article 3.1 and 3.2, where applicants must reveal the origin of genetic resources or the source of associated TK. If it is unknown, applicants must make a declaration arming the accuracy of their knowledge.



Contracting parties may establish databases of genetic resources and TK, accessible for patent search and examination, with safeguards developed in consultation with indigenous people and local communities.

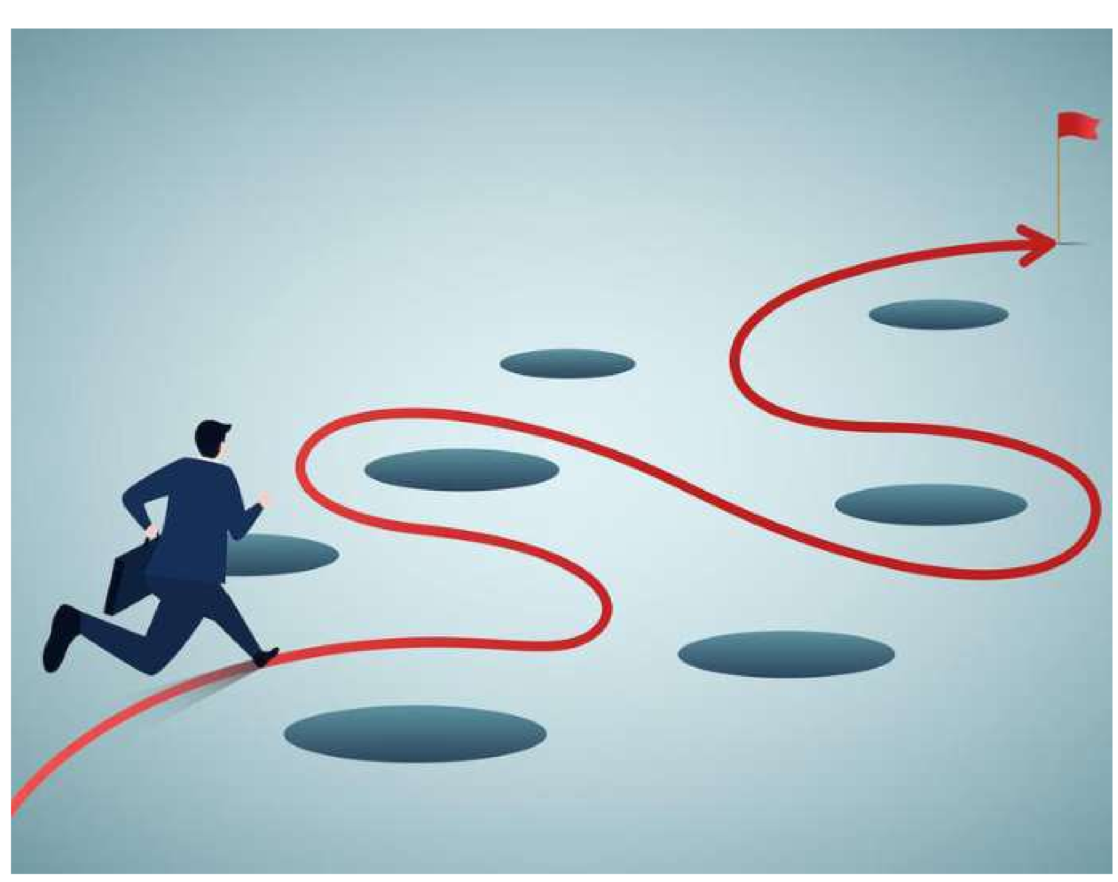
India has proactively protected TK through initiatives like the Traditional Knowledge Digital Library and legal safeguards in the Indian Patents Act and the Biological Diversity Act. The new WIPO Treaty will strengthen the existing protections, potentially leading to changes in domestic legislation to incorporate mandatory disclosure requirements regarding genetic resources and TK.

CONUNDRUM CONTINUES

IBBI's proposed 'guarantees' under fire

PROGRESS OR PITFALLS? The amendments to guarantee enforcement norms under IBC raises more questions than solutions

Veena Sivaramakrishnan
Varun Marwah



CONFUSION AHEAD. New rules leave stakeholders to navigate the complexities of third-party guarantees ISTOCK.COM

The issue of release/enforcement of third party guarantees as part of a resolution plan of the borrower has been the subject of litigation across various judicial forums in India.

To clarify this issue, the Insolvency and Bankruptcy Board of India (IBBI) has proposed amendments to IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016 as part of its recent discussion paper.

UNANSWERED QUESTIONS

The issue stems from a 2019 central government notification which made certain provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) — relating to insolvency of individuals and partnerships — applicable to personal guarantors.

Not surprisingly, the notification was challenged on constitutional grounds. However, the Supreme Court upheld the validity of the notification and struck down the challenge in 2021 (*Lalit Kumar Jain vs Union of India & Ors*). Soon after, the number of applications filed against personal guarantors for initiation of insolvency increased significantly.

The Lalit Kumar judgment also clarified a position in law which until then was getting debated — can the liability of a guarantor survive despite the corporate debtor being resolved under the IBC?

Since the Indian Contract Act, 1872, finds the liability of a guarantor co-extensive with that of the principal debtor, severing the guarantee from the principal debt was not a well-settled position until the Lalit Kumar judgment. The Supreme Court held that the guarantee is an independent contract giving rise to such liability and the beneficiary of this guarantee continues to hold the right to recover such liability.

In another case before the Supreme Court filed by multiple petitioners, the constitutional validity of Sections 95-100 of the IBC — which deal with insolvency of individuals and partnership firms (made applicable to personal guarantors of corporate debtors) — was also challenged. In November 2023, the Supreme Court struck down this challenge as well and ruled in favour of the constitutionality of such provisions.

Both the Supreme Court judgments have collectively removed any legal hindrance for action against personal guarantors to corporate debtors. They, however, remained silent on how such a guarantor can be treated during the insolvency resolution process, and rightfully so. This leaves flexibility for the resolution applicant and the Committee of Creditors (CoC) to deal with guarantees in a manner that is commercially agreeable.

Being mindful of the established principle, the Mumbai Bench of the National Company Law Tribunal, in *Vijendra Kumar Jain*, (*Resolution Professional of the Television Network Ltd vs Sab Events & Governance Now Media Ltd* (December 2023), held that where the CoC has passed a resolution plan with the requisite majority after deliberating on the plan and such plan provides for extinguishment of personal guarantee, the adjudicating authority cannot interfere with the commercial wisdom of the CoC.

While the judgments referred to specifically relate to the extinguishment of personal guarantees, the principles will also apply to corporate guarantees.

IBBI'S REVISIONS

IBBI's discussion paper proposes that "CIRP Regulations be amended to clarify that the resolution plan submitted by the resolution applicant shall not extinguish the rights of the creditors to proceed against guarantors and enforce realisation of guarantees governed through various guarantee agreements".

Under present jurisprudence, a resolution plan submitted under the IBC can typically treat a guarantee in the following ways: (i) extinguish it, (ii) assign to the resolution applicant (or an entity nominated by it), or (iii) retain it with the creditors for independent action.

The first option primarily involves extinguishing the guarantee since there may be cases where the resolution applicant specifically provides a certain sum towards the extinguishment of guarantees under the resolution plan. The latter two options involve survival of the guarantee, wherein either the creditor or the assignee retains the right to enforce the guarantee.

LEAVING NO CHOICE

The proposal made in the IBBI discussion paper seems to take away the flexibility to commercially negotiate the survival, assignment or extinguishment of the guarantee.

While the option of enforcing/retaining guarantee on a standalone basis is now available to creditors in view of the Lalit Kumar judgment, this option is now intended to move from an 'enabling power' to a 'mandatory requirement'. The CoC, especially banks and NBFCs in India, will also face a plethora of practical challenges such as what the guarantee is pegged against, whether it is an exposure for the creditor for prudential purposes, whether it needs to provide capital charge in relation to it and, more importantly, does it need consent of the guarantor to be extinguished.

At its very core, the insolvency resolution process is meant to be a commercially driven process and so long as the basic requirements provided under the IBC are met, the resolution plan ought to be considered compliant. Against this backdrop, mandatorily retaining the guarantee and enforcing the same and not having the right to assign or extinguish it raises more concerns than what the IBBI discussion paper seeks to answer.

Sivaramakrishnan is a partner and Marwah is a senior associate at Shardul Amarchand Mangaldas & Co

CHENNAI
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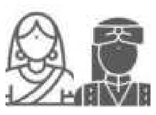
Made for each other

Lavish weddings can have a socio-economic impact

The Ambani wedding extravaganza (Mukesh Ambani's son Anant's marriage with Radhika Merchant on July 12) has set off a 'rich' debate. While one side questions whether such a lavish celebration is kosher in a country where half the individuals spend less than ₹3,000 per month in real terms (2011-12 prices), there is the other which says that an individual has the right to spend his or her money that is rightfully earned in whichever why he or she pleases. There is perhaps much to be said for both sides.



It is a fact that large weddings create a chain of livelihoods, more so in India where the wedding industry is supposed to be the second largest globally after the US. And weddings are private affairs after all with the commentariat having no stake in them. But socio-economic spillovers ought to concern us more than discussion around the event itself. Billionaire events trigger a 'demonstration effect' -- particularly among the burgeoning aspirational class. This could exacerbate indebtedness. A research paper on the impact of such weddings in rural India (by Francis Bloch, Vijayendra Rao and Sonalde Desai) published 20 years ago rings true today. A study by them of rural households in Karnataka finds that lavish celebrations are influenced less by norms in the village than patterns in cities. This is a variant of what sociologist MN Srinivas called 'sanskritisation' – mobility achieved by imitating the behaviours of families of higher social orders, with the difference that this goes beyond rural India or caste.

According to a report by Motilal Oswal Financial Services, household debt is estimated to have touched 40 per cent of GDP in the December 2023 quarter, led by unsecured personal loans. These loans cannot be linked to weddings, but some of it may be debt-driven consumption by those who believe in 'keeping up with the Joneses'. Leading private banks and NBFCs offer personal loans for weddings, while five-star hotel chains tie up with fintechs to offer 'marry now, pay later' schemes. According to a recent Jefferies report, the Indian wedding industry is estimated to have grown to a staggering ₹10.7-lakh crore. Luxury weddings, ranging between ₹20 lakh and ₹30 lakh, constitute a major segment of the market. These generate livelihoods on a major scale, but compromise the savings even of the fixed-income upper middle class. The Jefferies report concludes that many Indians spend nearly double on weddings as compared to a tangible investment like education.

A 2020 World Bank study documented 40,000 marriages in rural India between 1960 and 2008 and found that dowry was rampant. It is incumbent on influential leaders, whether in politics or business, to be mindful of the consequences of endorsing shock and awe consumption. They should also be aware of the timeless struggle for social reform, led by Jyotiba Phule, Gandhiji, Dayanand Saraswati and others. Gandhiji's dictum of moral restraint and minimalism (*aparigrah*) remains relevant today.

Knotty issues in Finance panel transfers

SHARING RESOURCES. Centre-State transfers should be based both on equity and entitlement considerations. Better consultation with States is called for

R GOPALAN   MC SINGHI

The Finance Commission (FC) constituted with an interval of five years plays a critical role in transfer of resources from the Union to the States to alleviate the asymmetry in powers of raising resources by the constitutional units in federal structure.

The Commission, while transferring resources between the Union and the States (the vertical sharing) also determines the share that would accrue to each State (horizontal sharing) and in doing so looks at the revenue realised (realizable) and the expenditure that would be need to be incurred through a normal assessment.

Besides the FC, the Union also transfers resources through Ministries and Departments for specific programmes and schemes. The broad institutional architecture of fiscal transfer could be well understood through the diagram given.

The overall flow of resources is quite significant both from the perspective of the Union and States. While for the Union, transfers constitute nearly half of its gross Revenue Receipts (GRR), for the States, these transfers account for nearly 47 per cent of their revenue receipts. The transfers witnessed an upsurge with the Fourteenth FC, which raised the divisible pool to 42 per cent of taxes (net of cess and surcharge and collection costs).

Notwithstanding the importance of transfers for the Union and the States, three issues are often raised on the constitutionally mandated transfers through FC. These issues indicate that the FC transfers are status quoist and not dynamic; these transfers hardly are able to influence policy paradigm at the level of the States; these transfers are non-transparent; they are just handed down.

These criticisms are not often out of place. Transfers have been status quoist because the criteria governing the transfers have hardly undergone significant changes. Almost equal weight has been allocated to the need and fiscal capacity, with poorer and smaller States getting a significantly larger share. This should change.

On per capita transfers, against an average transfer of little over ₹8,000 during 2014-22, the range has been varying; from under ₹6,000 to Haryana, Maharashtra and Gujarat to over ₹50,000 for Sikkim, Mizoram and Arunachal Pradesh. Even Goa, a better off State, gets over ₹20,000.

Similarly, transfers from the Union, as per cent to overall revenue receipt of the States, during 2014-2022, have varied from 23.4 per cent for Haryana to 72.9 per cent for Bihar and more than 80 per cent for most smaller North-Eastern States.

LITTLE POLICY IMPACT

The awards of the FC have hardly been able to influence policy patterns. The Commissions, since the Twelfth FC, have been emphasising fiscal responsibility and setting debt ceiling relative to GSDP.

Twelfth Finance Commission recommended a ceiling of 25 per cent as Debt/GSDP. Fifteenth FC reiterated this in its Fiscal Responsibility recommendations, but the actual debt to GSDP ratio of the States has remained elevated. In 2023-24 (BE), it was 13.9 per cent for Odisha (the lowest) to 47.6 per cent for Punjab. It exceeded 50 per cent for Arunachal Pradesh.

Due to debt waivers, interest subvention and other special programmes by the States, FCs were hardly able to enforce the required fiscal discipline. While the Union Government is equally responsible, as every proposal for borrowing must be agreed to by it, the fiscal situation in some States is nearly crumbling.

Discretionary transfers through Departments are preferable as they are pointed, specific and better targeted and monitored, as compared to such transfers through FCs. However, to relieve the serious debt distress of some States, a one-time grant under strict conditionalities is needed. Criteria must be evolved after due consultation with experts and the States. Again, cesses must be merged with the divisible pool.

> **Transfers have been status quoist because the criteria** governing the transfers have hardly undergone significant changes

Non transparency is a complaint made by most States. According to them, while FCs discuss their Memorandum, there is hardly any forum where they can collectively raise their issues and get answers as why their demands are unacceptable.

Similarly, each State usually suggests different criteria for inter-State distribution of divisible pool, but FCs, without getting into the merit of these cases, decide the criteria. Their approach is often seen to be guided by the Union, not from the perspective of the States.

It is not that these apprehensions are unfounded. It is, therefore, important that steps should be taken to remove any apprehensions in the interest of cooperative federalism. For transparency, it may be desirable for the FC to hold inter-State meetings at regional level or with comparable States to convince them of the approach the FC proposes to follow.

It has been observed that as a result of equity considerations dominating weightings, the ratio of resource transfers to better off and poor States has remained largely unchanged.

The Twelfth FC did talk of equalisation of revenue expenditure for some merit goods like education and health, but that was not pursued by the later commissions. Given that discretionary transfers are better targeted and monitored, FC transfers could themselves be in two parts, fully equity based, and entitlement based.

It is important that inequality as is being observed in terms of per capita income or expenditure or asset holding are reduced, but mechanism for an appropriate intervention needs to be conceived by the FC. The current approach creates more heartburn than address the needs.

There has often been talk of constituting a mechanism like inter-State GST Council where these issues are discussed, but such a forum where decisions are taken on unanimous basis is not feasible in FCs.

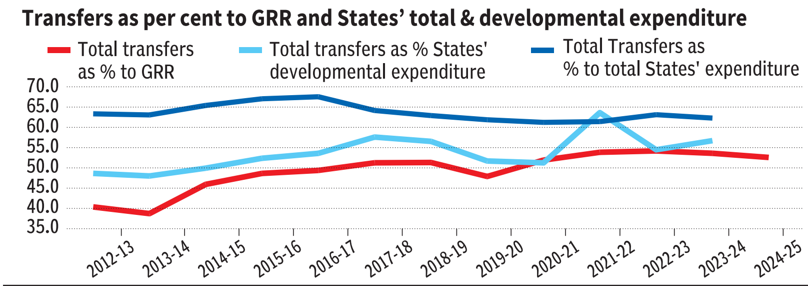
Similarly, an arrangement like that of the Inter State Council is also not very useful. Better inter-State communication, a genuine mix of entitlement with discretion for better monitoring are the key issues and the FC must arrive at a consensus on these.

Gopalan is former Secretary, Economic Affairs, and Singhi is former Senior Economic Adviser, Ministry of Finance. Views are personal

Funding formula

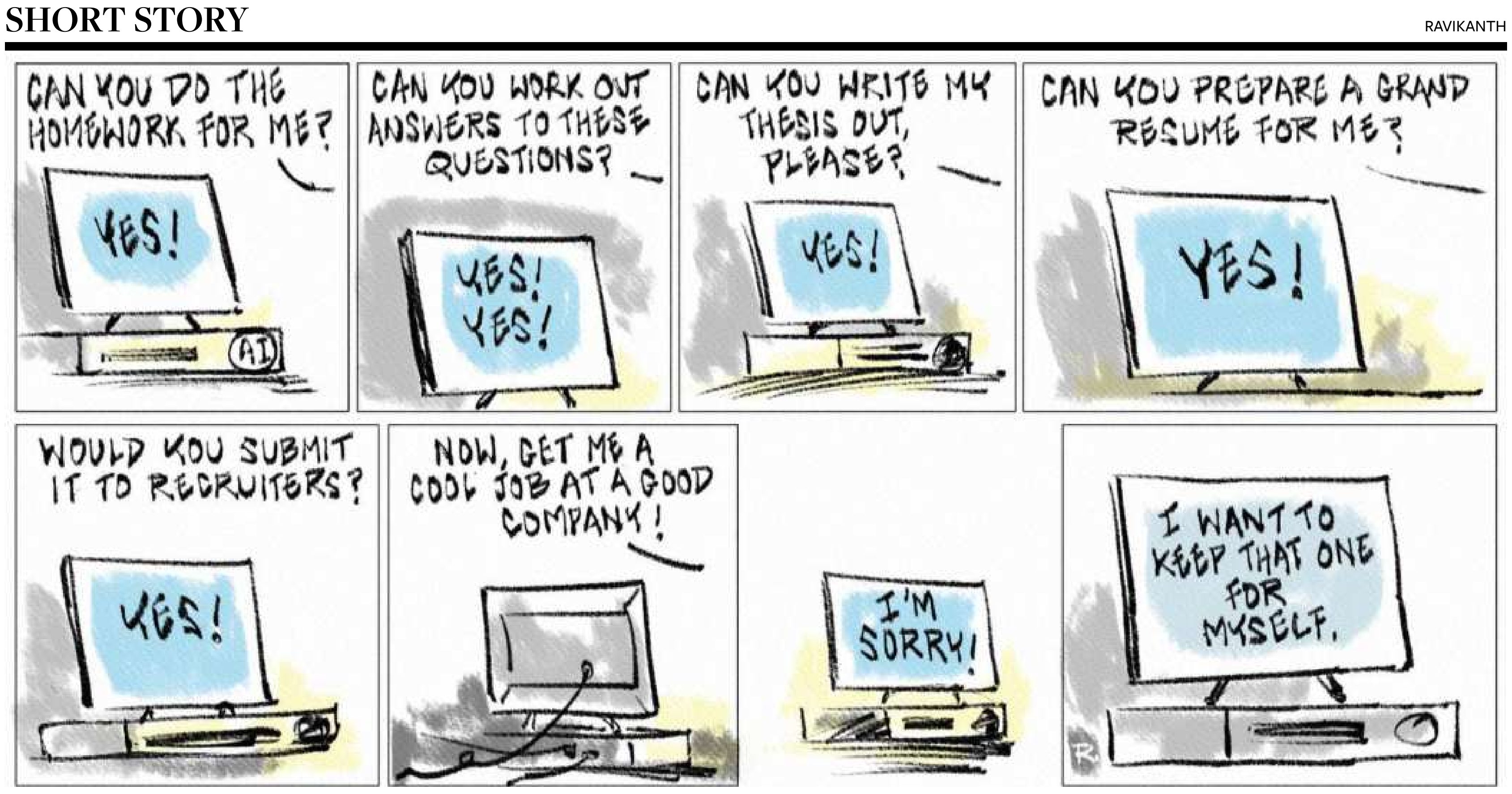
Institution and type of transfers	Method	Rationale
Finance Commission		
Share in Central taxes	Formula based	Vertical equity
Inter State sharing from divisible pool of Central taxes	Formula based	Vertical & horizontal equity
General purpose grants	Based on revenue deficit	Horizontal equity
Special purpose grants	Discretionary sector specific	Merit goods
Central Ministries/ Other agencies		
Special purpose grants	Discretionary Sector specific	Merit goods

Transfers as per cent to GRR and States' total & developmental expenditure



SHORT STORY

RAVIKANTH



FROM THE VIEWSROOM.

Farewell Jimmy, and thanks for the memories

B Baskar

Amidst the heroics of 16-year old Lamine Yamal in the ongoing Euros and Jasmine Palolini's run in the Wimbledon, the retirement of a cricketing legend got pushed to the corner of the sports pages.

England's Jimmy Anderson stepped on the cricket field for the 188th and last time, when he played against West Indies in the Lord's Test last week.

For some players their records tell their story whereas for others the numbers don't quite capture their achievements. Anderson belongs to the first category – a staggering 704 Test wickets at an average of 26.45. For a fast bowler to have lasted till the age of 41 is proof of Anderson's stamina, fitness and determination. Having made his debut in 2003 under Nasser Hussain's captaincy, Anderson has been a constant presence in the English team over the last two decades.

This Lancastrian was not a flamboyant, flashy fast bowler — he was of the shy, reticent type who let his seam and swing do the talking. The pace may have dropped in the recent times, as is to be expected, but the line and length were still probing enough to fetch him wickets. Like a lot of bowlers his home record was better than his away record. But he also played a good 66 fewer innings away from home. Also at neutral venues, he had a spectacular average of 20.54.

Anderson's battles against Virat Kohli tell a fascinating tale. In the disastrous 2014 series in England where Kohli flopped, Anderson had got his scalp four times. But in the 2018 series, Kohli got the better of Anderson as he couldn't get Kohli's wicket even once, though India went on to lose the series 1-4.

Anderson recently said that the best batter he bowled against was Sachin Tendulkar, though he did get his wicket nine times in the 14 Tests they played against each other.

Great cricketers don't always get the send off they deserve. But Anderson was an exception. Thanks for the memories, Jimmy.

BELOW THE LINE

Anant Ambani ties the knot with Radhika Merchant at the Jio World Convention Centre in Mumbai ANI

Economic boost

The estimated ₹5,000 crore spent at the Ambani wedding has injected a significant amount of money into the economy, circulating funds that were otherwise sitting idle in bank accounts. This grand expenditure isn't just about extravagance. It's a textbook example of how high spending can have a ripple effect on the economy, boosting various sectors from hospitality to retail.

Critics may frown at this display of wealth, but the truth is, such spending sprees fuel our consumption-driven economy. It's a reminder of capitalism's core: businesses thrive because of consumer demand. While we must balance consumption with sustainability, there's no denying that events like these give a substantial boost to GDP.

Gaming cos' Budget bet

The online gaming sector is hoping for a major relief in the upcoming Budget. Industry insiders are abuzz with speculation that the Budget will abolish retrospective taxation on online gaming companies, a move that could bring significant relief.

A key panel under the GST Council has already recommended amending the CGST Act to quash past tax demands that arose due to interpretative issues or lack of clarity. This proposal, if incorporated into the Budget, would mean an end to the financial uncertainty that has plagued the industry.

With the Budget barely a few days away, online gaming companies are betting big on a favourable decision that could provide them with much-needed stability.

Runaway brides

Recently media reports highlighted how 11 women reportedly "eloped" with their lovers after they received the first tranche of Pradhan Mantri Awas Yojana (PMAY) money.

Post a complaint in one such case, an investigation was launched at the local level. And preliminary findings show there are at least 10 more such instances where women have gone missing after receiving the first tranche of money under PMAY.

The scheme is aimed at providing support to poor and lower middle-class households to build a permanent home. And the first tranche disbursed was to the tune of ₹40,000.

Caught off guard

Social media is a double-edged sword. It can make or destroy a person's image in no time. Recently, the Excise Department of Telangana held a person who made a video on Facebook, explaining to his followers how to safely pack a liquor bottle while travelling.

On a tip-off, the Excise cops scrutinised the video and found more than one bottle in the video. On inquiry, they found that the person brought the bottles from Goa and had not paid the relevant taxes. A case was booked. The moral of the story is – think twice before posting videos on social media. **Our Bureaus**

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‘Misbehaving’ economics

When Richard Thaler turned rationality on its head

KITAB KHANA.

TCA Srinivasa Raghavan

Those who studied advanced economics between 1960 and 2000 were bullied into believing that people were rational and that therefore economics was the study of rational behaviour.

Deep down everyone had our doubts, some more than others.

In the 1980s Amos Tversky and Daniel Kahnemann stood economics on its head: far from being rational optimisers seeking equilibrium, they said, people were irrational and didn't really know what was the best choice.

After 2000 this has become the received wisdom of economics.

One day I found a book with an intriguing name: *'Misbehaving'*. It was by Richard Thaler, the economist who wrote *'Nudge'*. The paperback only costs about ₹500.

That was 10 years ago. For some reason, I never got around to reading it.

LIMITS OF 'IRRATIONALITY'

Last month there was a heated discussion on the limits of treating irrational behaviour as the bedrock of economics. So I finally read Thaler's book.

He defines misbehaviour as when people don't behave as economics expects them to: rationally.

The book describes a large number of fascinating experiments and situations where people don't seem to know what they are doing but are happy. Thaler's overall message is clear: the economics of 1960-2000 was a big con in that it was all make-believe.

In one place he says how John Maynard Keynes, the Bible writer of macroeconomics, thought people were actually quite irrational.

He referred to this as animal spirits. His great insight was that widespread ownership of shares makes market less efficient because in a closely held company the owners have a better sense of the company's intrinsic value.

PSYCHOLOGY PLAY

Given below are some examples from the book.

Psychology plays a huge part in them. In his very experiment, Thaler found that his students were happier getting 95/137 than 72/100 because they felt better. That's all. They felt better.

> **Keynes' great insight was that widespread ownership of shares** makes markets less efficient because in a closely held company the owners have a better sense of the company's intrinsic value.

Then there's the Groucho Marx theorem's version in economics. Groucho had said he would never want to belong in a club that would admit him.

Likewise in economics a rational person would never buy a stock that another rational person was willing to sell.

This drove a stake through the heart of the efficient market's hypothesis that in such a market the price is always right.

But if the price is right, why trade at all? There's nothing to be gained.

Another crucial finding was that loser stocks yield better returns than winner stocks. I don't have the space here to fully explain what they did.

Suffice it to say that they showed this to be true. So much for the efficient market hypothesis, then, of beating the market.

POLICY FACTOR

Another finding of huge relevance to India which used tax subsidies to increase savings. Apparently, this is simply not the case. It's far better, instead, to have new but automatic savings plans offered to employees by their employers.

Once again, you need to read the book.

Thaler has another insight that's of direct relevance to India: when there are so many choices to be made, an individual needs to be guided. He calls it "libertarian paternalism".

Basically, you don't reduce choice by making things compulsory.

You leave the right to choose intact and instead make things easier for people to choose.

The book is a virtual treasure trove of highly valuable policy insights that the Finance Ministry would do well to force its officers to read.

It's called *"dimag ki batti kholna"*.

Indian state and the marginalised

The author documents the many inequities of the Indian state and how some sections have gained by harnessing state power

BOOK REVIEW.

Uday Balakrishnan

The freedom to move around the country without being watched or questioned has over the years resulted in books that have brought out the gross inequities of the Indian state. The latest one, reviewed here, is Bela Bhatia's 2024 collection of her writings *Forgotten Country - A View from the Margins*.

Bhatia's writings reflect not just her thinking as an involved activist, a concerned citizen, and a scholar, but also those of other perceptive observers of India, among them Ronald Segal in his 1965 tour de force *The Crisis of India*, the Nobel Laureate, VS Naipaul's *An Area of Darkness* and M Rajashekar's 2021 work *Despite the State: Why India Lets its People Down and How they Cope*.

Most of the 25 essays appearing in Bhatia's volume were published between 2000 and 2011, a bulk of which — 10 in all — first came out between 2000 and 2006. Very few are from the late 1990s and just five were published between 2013 and 2020.

FUTURE RELEVANCE

Dated as most of Bhatia's writings in this volume are, they have current and future relevance. Almost all her essays have well-documented accounts of individuals and communities who have been at the receiving end of state directed violence and arbitrariness.

Her essay *Forced Evictions in Narmada* brings out the coercive nature of resettlement programmes associated with large dam projects that rarely get sustained attention in the media. Bhatia's piece on bonded labour in Baran — Rajasthan — *Of Human Bondage in Baran* first published in 2012, is not out of date. It might surprise most Indians to know that bonded labour persists in the country to this day, with more than a crore of labourers yet to be released and rehabilitated from bondage. The plight of the poor in Bihar and especially its agricultural labourers, is brought out movingly in her essay *The Mazdoors of Bihar*. It is based on her doctoral thesis.

Anyone who has worked in Bihar — and this reviewer has — cannot deny the power of the zamindars who have successfully subverted land reforms or the near-slave like conditions of the Dalits and landless agricultural labourers of that State.

NAIVETE AND BIAS

However, several of Bhatia's essays such as the one on violence in Kashmir, the insurgencies in different parts of India, including the Naxalite movements, reflect a certain naivete as well as far-Left bias.

Her piece *A Stone in My Hand* on violence in Kashmir is a case in point, where she underestimates the significant role of neighbouring Pakistan and even China in the conflict in the Valley going back to early days of Independence. Likewise with the Naxalites in her essays *On Revolutionary Violence and Salwa Judum and After*.

While it is true that the Naxals and other extremist elements have some support of the communities in which they operate, there is enough evidence to show that such solidarity is neither spontaneous nor just a reaction to state interventions. It is well-documented that external forces have played their part in fomenting unrest and rebellion. But, of course, Bhatia ignores these aspects altogether.

Bhatia's book is well worth reading if only to get a better understanding of how influential social, economic, and political forces in India have harnessed the powers of the state to their greatest benefit. There are simply too many instances of state directed violence against the poor and the marginalised to ignore.

However, Bhatia seems to live in denial of a universal phenomenon, the power and right of the state to preserve itself with all means at its command. One wonders what would have happened to India if the state had not repeatedly intervened to preserve its unity and territorial integrity.

SACRIFICES NOT IN VAIN

India's police and armed forces have battled revolts and insurgencies ever since Independence to hold together a diverse country like ours.

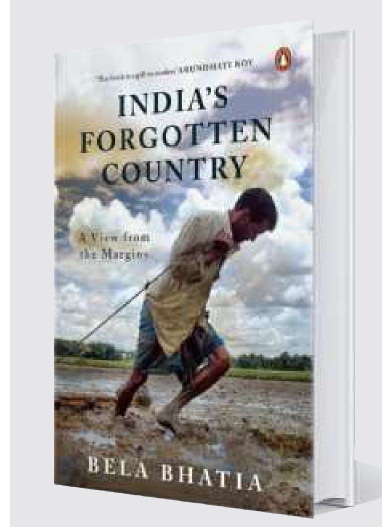
This has come at the great cost of thousands of lives of young policemen and soldiers from all parts of the country over 76 years. Such sacrifice remains unacknowledged by Bhatia.

However, the outcomes of such sacrifices have not been in vain for India survived well enough for people to take advantage of a large relatively stable democratic state with a growing economy. Reading Bhatia is instructive. One wonders what the different parts of a fragmented India — the end result of caving in to every separatist demand — would have achieved.

To visualise what an independent Nagaland or Manipur would have been we only need to look at the plight of hopelessly impoverished break-away countries such as Timor Leste and the Republic of South Sudan.

Bhatia's book is well worth reading for its brilliant documentation of the many inequities of the Indian state, but not for her standing up for some questionable entities.

The reviewer taught public policy and contemporary history at IISc, Bengaluru

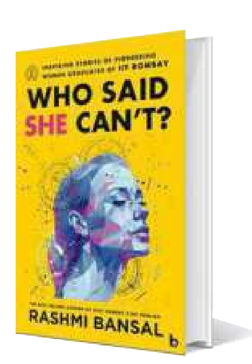


Title: India's Forgotten Country -- A View From the Margins
Author: Bela Bhatia
Publisher: Viking Penguin
Price: ₹1,299

ABOUT THE AUTHOR

Bela Bhatia lives in Bastar in south Chhattisgarh, and works there as an independent human rights lawyer, researcher and writer.

NEW READS.

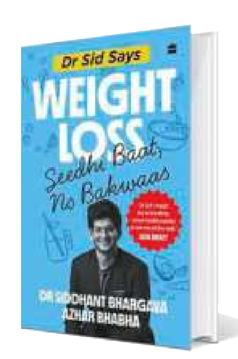


Title: Who Said She Can't? -- Inspiring Stories of Pioneering Women Graduates of IIT Bombay

Author: Rashmi Bansal

Publisher: Bushfire Publishers

These are the stories of IITB Gen Zero who ventured into the male dominated world of science and technology.

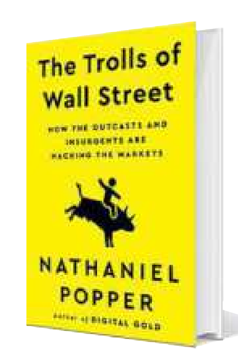


Title: Dr Sid Says: Weight Loss. Seedhi Baat, No Bakwaas

Author: Siddhant Bhargava

Publisher: HarperCollins India

Practical and intelligent solutions to a problem that is as universal as it is personal. The secret is a calorie-restrictive diet.



Title: The Trolls of Wall Street : How the Outcasts and Insurgents are Hacking the Markets

Author: Nathaniel Popper

Publisher: Dey Street Books

A book about people who made and lost millions, battling each other and Wall Street

thehindu businessline.

TWENTY YEARS AGO TODAY.

July 15, 2004

UTI MF seeks exemption on long-term capital gains

UTI Mutual Fund, the country's largest mutual fund, has written to the Finance Ministry seeking to extend the proposal on long-term capital gains tax exemption for securities transactions to mutual funds. It has also suggested that the proposed reduction in rate of short-term capital gains from 20 per cent to 10 per cent be applicable to units of mutual funds.

Govt to review NDA's urea distribution policy: Paswan

The new United Progressive Alliance (UPA) Government headed by the Prime Minister, Dr Manmohan Singh, would review the urea distribution policy of the previous National Democratic Alliance Government. This was stated by the Minister for Fertiliser, Chemicals and Steel, Mr Ram Vilas Paswan, here on Wednesday.

SBI divests 37 pc in MF arm

State bank of India has decided to divest 37 per cent of its holding in mutual fund arm, SBI Funds Management Pvt Ltd, for an amount in exces of $35 million. Both parties have signed a memorandum of understanding to this effect, whereby they agreed to enter into all defenitive agreements and other ancilliary documents subject to regulatory approvals.

Short take

EV battery recycling can reduce reliance on China

Rajesh Gupta

India's domestic EV battery recycling industry not only promotes sustainability but also reduces the country's reliance on China.

Domestic recycling of these batteries ensures that valuable materials (lithium, cobalt, nickel) are recovered and reused, reducing the need for new mining operations.

India's democratic framework provides avenues for worker representation, making the domestic battery recycling ecosystem more respectful of ethical and sustainable management practices. The government formulated the Battery Waste Management Rules, 2022, which mandates Extended Producer Responsibility (EPR), making battery producers responsible for the collection and recycling of used batteries. This policy ensures that manufacturers take an active role in managing the lifecycle of their products, promoting a circular economy. Additionally, the government has introduced financial incentives and formed partnerships to boost the domestic recycling industry.

The domestic recycling industry has the potential to create numerous jobs and stimulate technological advancements.

The first lot of batteries deployed in the initial EVs manufactured in India about 5-7 years ago have started reaching recycling factories. Consequently, the demand for skilled labour in this sector is increasing rapidly, presenting promising career options for youth and students.

Currently, important technologies deployed in recycling include hydrometallurgy, which involves recovering metals using aqueous solutions, and pyrometallurgy, which uses high-temperature processing to separate materials.

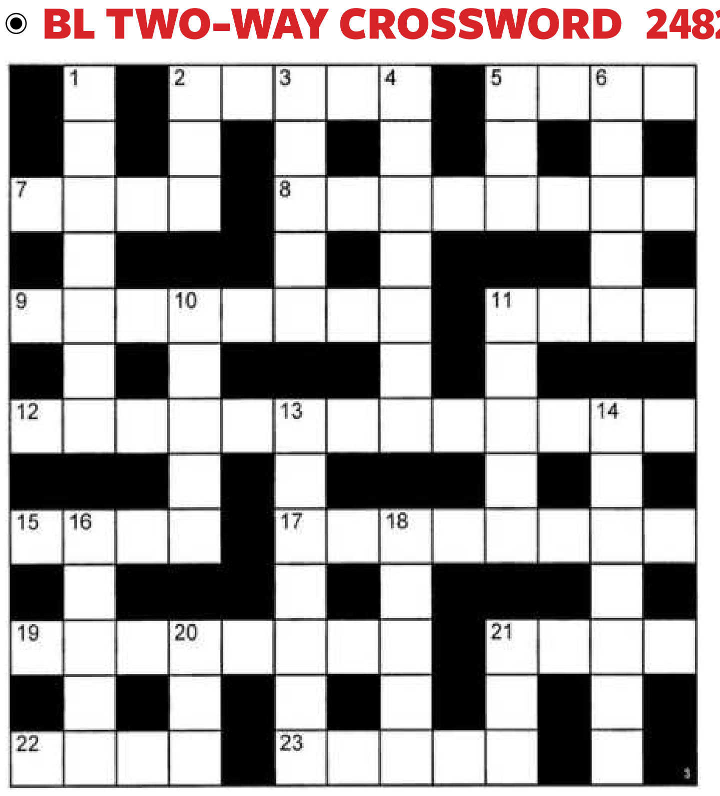
Another promising method is direct recycling, which reuses battery components directly in new batteries. These technologies are constantly evolving, increasing efficiency and reducing the effort required in the recycling process. Recent innovations include the use of microorganisms to break down components of materials to be recycled.

By building a robust domestic battery recycling industry, India can reduce its reliance on China for critical battery materials. China currently dominates the global battery supply chain, but by investing in domestic recycling infrastructure, India can create a self-sustaining loop where valuable materials are continuously reused within the country.

As the EV market continues to grow, the importance of closing the loop through domestic recycling becomes increasingly evident, paving the way for a more sustainable and self-reliant future.

The writer is Founder & Director, Recyclekaro

BL TWO-WAY CROSSWORD 2482



EASY

ACROSS
02. Concise (5)
05. Detest (4)
07. Shivering fever (4)
08. Unbeliever (8)
09. Mule-like (8)
11. African river (4)
12. Mayonnaise, vinaigrette etc (5,8)
15. Light cloud speeding before wind (4)
17. Was in arms against authority (8)
19. Towards lower slopes (8)
21. Volition (4)
22. Pile (4)
23. Serious; tomb (5)

DOWN
01. Early evening meal (4,3)
02. Comb-maker (3)
03. The perfect insect stage (5)
04. Money backing (7)
05. Owns (3)
06. Fabric showing diagonal lines (5)
10. Smooth, suave (5)
11. Of the nose (5)
13. Endearment (7)
14. Pine leaves (7)
16. Old woman (5)
18. Model-making wood (5)
20. Snooze (3)
21. Misfortune, calamity (3)

NOT SO EASY

ACROSS
02. Only half set of underpants prepared for barrister? (5)
05. Love the opposite combination of articles (4)
07. It makes one sick, being so sketchy when topless (4)
08. Not believing a song to be wrong, tick the end off (8)
09. Mulish way to put fag out when brought into the world (8)
11. River that counts for nothing with the East (4)
12. Does it make tomato redden, seeing it? (5,8)
15. Copper in heartlesssad setting to run before the wind (4)
17. Ringer, taken in by mouthpiece, was up in arms (8)
19. Who'll din shatter if not on the way up? (8)
21. In short, Shakespeare deals with disposal of effects (4)
22. A whole lot taken out of the apparatus (4)
23. Serious sort of accent the French use (5)

DOWN
01. Cha up? (4,3)
02. Thing with a sting in a bonnet one is obsessed by (3)
03. I am endlessly allowed to depart for Butterfly (5)
04. Can be upset in the penalty, \ but finds necessary money (7)
05. Being one of the 'haves', he's suffered a change of heart (3)
06. Material to work the land around the West (5)
10. Orchestra of about fifty can appear smooth (5)
11. Nail one out as being put in about the nose (5)
13. Grace, perhaps – such a dear! (7)
14. Pine trees may drop them, but they have their point (7)
16. The old girl has an ice-cream, which is about right (5)
18. Wood for modelling, a chunk of which turns up (5)
20. Break the top off cloth surface (3)
21. Misery waged over European leaders (3)

SOLUTION: BL TWO-WAY CROSSWORD 2481

ACROSS 1. Remuneration 8. Abdicate 9. Star 11. Dodge 12. Immense 13. Earn 15. Asia 19. Tipping 20. Knack 22. Cook 23. Helmsman 24. Safe and sound

DOWN 2. Ended 3. Uncles 4. Entail 5. Intends 6. Nerve-racking 7. Candlesticks 10. Imp 14. Reproof 16. Dip 17. Agreed 18. Akimbo 21. Ammon

FUND FACTS.

$200 million

Leap Green Energy Pvt Ltd received funding from Brookfield investors on July 11, taking the total funding to $328.36 million

$120 million

Manash Lifestyle Pvt Ltd (Purplle) received funding from Abu Dhabi Investment Authority on June 30, taking the total funding to $355.53 million

$49.92 million

Oravel Stays Ltd (OYO Rooms) received Series G funding from InCred Wealth and Investment on July 4, taking the total funding to $2,405.59 million

$35 million

Matter Motor Works Pvt Ltd received Series B funding from Capital 2B, Saad Bahwan Investment Management Company (SB Invest), Helena Special Investments Fund, Japan Airlines Ventures, Abhay P Shah on July 3, taking the total funding to $71.94 million

$32 million

Dezerv Investments Pvt Ltd received Series B funding from Premjiinvest, Elevation Capital (SAIF Partners), Matrix Partners India, Accel India on July 9, taking the total funding raised to $59.13 million

Source: PrivateCircle, a private market intelligence platform

RE POSTS.

Is it just me or are VCs investing in food like it's fintech? VCs are piling into early-stage F&B brands, chasing 20% YoY growth instead of 10x returns. A coffee chain is not a tech startup. Different metrics, different multiples. Not sure it's the right kind of heat.

Arjun Malhotra
@BadCapitalVC

Sometimes the hype obscures the true,mind-boggling scale of UPI in India. TIL that 70% of the monthly cash flow of a rural retailer in Gundlupet, Karnataka is via QR code. Seventy percent. Imagine what this does for credit penetration. For financial savings. For tax compliance.

Ritesh Banglani
@banglani

#Patriotism is a different thing to different people, mine today seems to be to dream of young Indian products and entrepreneurs killing it inside and outside India. Enough of the foreign franchise is better, clothes, jewellery, food, auto, content, shoes, and just about everything else. Will pick great products with terrible marketing every time, sales I hope can be solved for easier than product. The reason we made this investment is also this, every ancillary player in this space said #Ather, the product is the best, but they don't know how to sell, conservative, measured, etc...

Nikhil Kamath
@nikhilkamathcio

ECO-WARRIORS

Entrepreneurs chase climate change goals

GREEN DREAMS. From recycling batteries to neutralising plastic, India's cleantech start-ups are driving change through smart solutions

Jyoti Banthia

FUELLING CHANGE. Cleantech start-ups in India are turning environmental challenges into business opportunities, collecting funds worth $1.51 billion in 2023 GETTY IMAGES

India is fast becoming a hotbed for climate action, and there exists a massive untapped opportunity for climate entrepreneurship. The country's clean technology start-ups are working on developing solutions for a sustainable future. This, in turn, creates a buzz across the entire ecosystem, with investors and entrepreneurs looking to invest in this field.

Start-ups have varied approaches, from neutralising plastic waste to recycling end-of-life batteries for organic waste management and even purifying air and water. These cleantech start-ups represent a growing trend in India towards embracing clean technology for mitigating the environmental impact brought on by industrialisation and urbanisation.

The sector amassed funding worth $1.51 billion in 2023 and has so far raised $595.6 million in 2024, according to data by Tracxn, a market intelligence platform.

NICHE PROBLEM SOLVERS

Start-ups in the cleantech space are aiming to solve the problems of the future with various applications.

Take Log9 Materials for example. The battery technology start-up has developed a technology low-cost, long-lasting Lithium-ion batteries for both stationary and automotive applications such as electric vehicles (EVs). The technology used in the battery is similar to that of hydrogen fuel cells but more economical, efficient, safer and scalable.

The Bengaluru-based company's primary customers are EV makers (OEMs) manufacturing commercial and passenger vehicles, including 2-wheelers, 3-wheelers and 4-wheelers.

"We target these segments as they have the most significant potential to impact decarbonisation efforts," says Pankaj Sharma, Co-Founder and Director at Log9 Materials. In FY23-24 alone, the battery tech start-up raked in over ₹110 crore in revenue.

Entrepreneurs are also working towards neutralising plastic waste.

Gurugram-based The Disposable Company neutralises the impact of plastic waste generated by packaging companies. They do this by recovering an equal amount of plastics from landfills and recycling them.

Founded by Bhagyashree Bhansali in 2020, the company operates on a B2B model, generating revenue by charging businesses for plastic neutrality services. The core of their service involves recycling an equivalent amount of plastic waste, primarily from the Ghazipur landfill, to offset the plastic usage by various companies. By directly managing the entire process — from waste collection to recycling — the company ensures transparency and traceability.

"We offer tiered pricing plans based on the volume of plastic waste a brand needs to offset. Our primary revenue stream comes from these subscription-based plans, where brands pay us to manage plastic neutrality efforts," says Bhagyashree Jain, Founder, The Disposal Company. The plastic neutering firm anticipates a CAGR of around 150 per cent over the next two to three years. It also has expansion plans in its pipeline, with a target to enter the UK and Singapore markets.

Another start-up cleaning up battery waste generated is BatX Energies. Set up in 2020 by Utkarsh Singh and Vikrant Singh, the Gurugram-headquartered start-up recycles end-of-life lithium ion (Li-ion) batteries to make battery-grade materials.

BatX operates on a hub-and-spoke business model, sourcing batteries locally from various States in bulk. These batteries are initially processed into a powder called 'black mass' at regional facilities. The 'black mass' is then transported to a central hub, where they use proprietary methods to extract valuable materials with less than 1 per cent impurities. This process allows the start-up to extract high-quality lithium, nickel, cobalt and manganese from Li-ion batteries.

The start-up also extracts other materials such as aluminium, copper and stainless steel from recycled batteries, which it then sells to recyclers.

"BatX Energies targets electric vehicle manufacturers, electronics producers, energy storage companies and raw material suppliers, offering sustainable battery recycling and refurbishment solutions," says Utkarsh Singh, CEO and Co-founder at BatX Energies.

The company's primary revenue streams are extracting high-demand materials, such as lithium, nickel, cobalt and manganese, which are sold to cell manufacturers and additionally selling materials, such as aluminium and copper, to local markets.

In the coming years, BatX is looking to expand to the South African market, the US and Europe. The company closed FY24 with ₹250 million in revenue, achieving a 238 per cent growth in volumes compared to last year, and has increased its recovery efficiency to 97.5 per cent and achieved 99.93 per cent metal purity.

"BatX is on track to clock ₹900 million in FY25 and ₹1 billion by FY28," says Singh proudly.

INVESTOR ATTENTION

Growth in the sector is also backed by largescale investments and infrastructure developments.

"While early-stage VC support is fairly robust for climate tech start-ups, there is limited growth capital available, especially for capex-heavy climate technology start-ups. As a result, many start-ups rely on debt financing over equity capital for their scale-up," notes Supriya Sharma, Partner-Insights, IIMA Ventures

In just the last decade, more than 2,600 climate tech start-ups have been registered, with about 800 currently operational.

"With one out 4 start-ups raising funding in the last 10 years, the sector saw a cumulative funding of about $3.6 billion. However, during the same period, fintechs in India raised over $19 billion. It is a sign that Indian climate tech start-ups are just about finding their place within the wider start-up ecosystem," says Sharma.

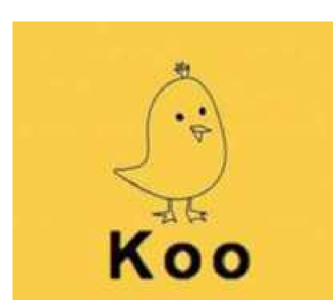
START-UPS: VAI-THEE-FUSS?

Gloating over failure? It's not Kool at all

K VAITHEESWARAN

Recently, Koo, the microblogging platform, announced it was shutting down, which honestly wasn't such a big deal because shutdowns and closures are part of an entrepreneur's journey. What surprised me was the plethora of comments that followed.

Koo shut down because it never got the product market fit right, which is non-negotiable for success. Any new product or service must critically compare itself against established competitors and see if it is better, faster or cheaper and make sure at least two of these parameters are ticked. As a user for few weeks, I can tell you that Koo did not measure up on any of these three parameters. Hence, it failed. Maybe the platform could have focused on specific categories, such as India-centric content or Indian movies or cricket, and got more traction. It did try the Indian language-focused approach but, clearly, it did not move the needle enough. The team erred badly in its strategy of merely beating Twitter and became obsessed with this goal, so much so that even its logo and mascot were similar. Consumers use a service only if they see strong comparative differentiators in the offering and not because they want to join a movement to bring down a established brand.



Frankly, it does not matter. Failure is fine. The founders had a vision, they tried executing it and it didn't work. All good. I am sure they will move on to their next adventure soon. I am also sure marquee investors would write off their significant investments, learn from the episode and move on. That's how it works and it should.

However, the Koo shutdown did not go down quiet. It attracted a lot of nastiness from trolls because of its political dispensation. Somewhere in its journey, Koo got caught up in the *Atmanirbhar* narrative and positioned itself as India's answer to Twitter, riding on a temporary show-of-strength between the Indian government and Twitter. It's important for India to be self-sufficient in most areas but there's no critical need for us to have our own national equivalents to Google, Facebook, Apple, Twitter, LinkedIn, etc. Just to clarify, Ola and Flipkart are strong home-grown alternatives to Uber and Amazon because of the high amount of local, on-ground physical components such as cars, drivers and last mile deliveries — which are key moving parts of the businesses.

Indian consumers are quite demanding, as they should be, and if they can access world class services from their phones, they will. But the sarcasm from folks from "the other side" and their happiness in Koo's closure is disappointing. This inability to understand and respect entrepreneurial failures as stepping stones in achieving success is a key reason why India will never come close to the Silicon Valley start-up ecosystem. To them I say: It's just not Kool.

The writer is a serial entrepreneur and best-selling author of the book "Failing to Succeed". He tweets @vaitheek

Conquering the skies with flying taxis

IIT-Madras start-up aims to disrupt traditional urban mobility with compact electric drones

TE Raja Simhan
Chennai

THE NEXT BIG THING. ePlane's eVTOL promises faster and greener commutes in congested cities SPECIAL ARRANGEMENT

It's a common sight to see small sized drones with a carrying capacity of 5 kg to 10 kg in the sky spraying pesticides or involved in surveillance of critical infrastructure or delivering drugs to remote areas. But the IIT-Madras-incubated ePlane is trying to disrupt the sector with its eVTOLs (electric Vertical Take-off and Landing) — an electric drone that can carry both cargo and passengers. The 3X3 m sized multicopter drone can carry 35 to 50 kg of cargo, travel at 400 ft and up to 50 km.

ePlane, which got funding of $5 million for the project, is building India's first and the world's most compact flying electric taxi with a vision to make flying ubiquitous, says Satyanarayanan R Chakravarthy, Professor, Department of Aerospace Engineering, IIT-Madras, and Founder-Director of ePlane.

If a car takes an hour to reach a destination or a helicopter 27 minutes, eVTOL will take just 14 minutes, claims the ePlane team.

eVTOL will serve short haul mobility and urban mobility where there is a traffic congestion problem, says Prof Satyanarayanan, adding that electric aviation will disrupt the aviation sector in the foreseeable future.

FROM INDIA, FOR WORLD

"What is good for India is good for the world. India should do it ahead of others. The country has UPI, the Aadhar stack and EVMs, then why not electric aviation," he asks.

The five-year-old deep-tech start-up has developed a subscale prototype that it demonstrated last year. It is now working on a commercial version. "We are on the verge of flying that in the next few weeks, and then we will commercialise it. The subscale version is not meant for passenger travel but for cargo. We will tap logistics players to adopt it. We have to go through a certification process for that as well," he says.

"We are working on the passenger version, getting into the detailed design phase now. We will get into prototyping later this year. By early next year, we should have the first passenger prototype," says Prof Satyanarayanan.

The company has built autonomous flight paths for collision avoidance. It will also set up an autonomous Air Traffic Control with manual override for safe landing at various locations, he says.

The subscale prototype will be governed by drone rules. Although it can go at high altitudes of around 5,000 ft, it can be flown under 400 ft as well. There may not be much hindrance in India as most buildings are 50 m to 100 m tall, he explained.

The 50 kg payload could be the mid-mile segment for clients like logistics players and parcel delivering companies. "We are not going to replace all of the cargo movement. We feel that precious cargo, time critical cargo, medical supplies and organs between hospitals are a few examples where we can come in," he says.

SPREADING WINGS

Drone is a competitive space with different players deploying different sizes and varieties. However, eVTOL flies with wings to cover longer distances. The key is to test the commercial prototype. "We are a few weeks away from its flight test of at least 100 hours. Then we will go through the certification process. We are a few months away from commercialisation," he adds.

Airborne adventures

Short video

https://tinyurl.com/5ew6pk75

ePlane's Founder **Prof Satyanarayanan R Chakravarthy**, on its plans to disrupt the drone sector with eVTOLs

Funding tomorrow's tech titans

bl.interview

Sanjana B

By focusing on being the foundational investor, we provide start-ups with their first institutional cheque to fuel their journeys

PRIYANKA AGARWAL CHOPRA
Managing Partner, IIMA Ventures

IIMA Ventures (formerly IIMA-CIIE) has evangelised early-stage venture capital in India for more than 15 years, funding over 350 start-ups and accelerating more. By supporting start-ups with investments from inception, they position themselves as the preferred partner for these institutions from day one.

In the upcoming year, IIMA Ventures plans to invest in start-ups across emerging sectors. Priyanka Agarwal Chopra, Managing Partner at IIMA Ventures, tells *businessline* about the firm's investment thesis and backing entrepreneurs developing disruptive solutions. Edited excerpts:

What is the strength of your current portfolio?

Our active portfolio spans over 100 companies across the pre-seed, seed and early-growth continuum. We have invested in over 300 start-ups at the pre-seed and seed stages, deploying approximately $16-18 million from our balance sheet. Additionally, we have invested in around 40 companies at the early growth stage, with a total AUM of $100 million.

What is your investment thesis?

We focus on being the foundational investor for entrepreneurs in deep tech, digital inclusion and climate tech spaces. We start at the early stage, providing ventures with their first institutional cheque to fuel their journeys. We invest through our balance sheet at the pre-seed and seed stages, and through our venture capital funds at the early-growth stage.

How do you support early-stage start-ups?

As one of the earliest entrants in the start-up support ecosystem, we step in at various intervals — from the incubation and acceleration of early-stage start-ups to providing them with seed and venture capital. Our first experiment with a platform-centric intervention was the Bharat Inclusion Initiative (BII) in 2018 in the inclusive tech space. For over five years, BII has incubated five innovations, provided acceleration support to 55 start-ups and seed-invested in over eight start-ups. Some start-ups include Jai Kisan, Riskcovry, Kaleidofin, Finarkein, and Kosh. Over the next 3-4 years, BII aims to support 35-40 start-ups with catalytic capital, customised advisory, training programmes and market access solutions.

Which sectors are you bullish on?

Emerging opportunities in space tech, defence, healthcare, biotech, AI, semiconductors, robotics and advanced computing, digital therapeutics, financial services and industrial decarbonisation excite us. This year we plan to invest in 30-35 such start-ups.

What is the timeframe of your investment and the average cheque size?

We take a long-term view, typically investing for 5-6 years. Companies in frontier sectors often require this timeframe to achieve product-market fit and scale effectively. In the pre-seed and seed stages, our cheque sizes ranges from $25,000 to $2,00,000. For early-growth stage companies, we provide larger investments between $1-3 million through our Bharat Fund platform.

Have you had any exits to date?

We have had over 40 profitable exits including companies like Ideaforge, Riskcovry, Fourth Partner, Guvi, Biosense, Salesken and Barrix.

WHAT'S NEW.

Banks urged to serve marginalised better

The Finance Ministry has asked private sector banks to give more thrust on serving the marginalised sections of society and fulfilling their banking needs. This was conveyed at a recent review meeting chaired by the Department of Financial Services Secretary Vivek Joshi in the Capital. The meeting with senior executives also reviewed the progress of financial inclusion schemes.

RBI sounds housekeeping call

CFOs of commercial banks and All India Financial Institutions should rationalise "internal accounts", bring them down to the essential minimum and exercise greater control through periodical reconciliation and a proper reporting to Audit Committee of the Board, according to Swaminathan J, Deputy Governor, Reserve Bank of India. "One area that has come into sharper focus in the last couple of years is the management of internal accounts. We found certain banks having lakhs of such accounts with no valid reason. Some of these accounts were also used as a conduit for certain fraudulent transactions and ever-greening of loan accounts. Internal accounts are high risk in nature on account of its potential for misuse," Swaminathan said.

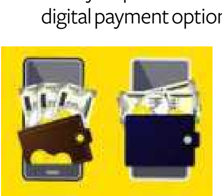
Infra, affordable housing gets bond boost

State Bank of India has raised ₹10,000 crore via a 15-year infrastructure bond issue at a coupon rate of 7.36 per cent. This is the bank's second infrastructure bond issuance in a fortnight. The proceeds of bonds will be utilised for enhancing long-term resources for funding infrastructure and the affordable housing segment. With the latest issuance (sixth so far), the total outstanding long-term bonds issued by the bank stood at ₹59,718 crore.

UPI goes international with Qatar launch

NPCI International Payments Limited (NIPL) has signed an agreement with the Qatar-headquartered QNB to launch a QR code-based Unified Payments Interface (UPI) across the country. This initiative will enable UPI payment acceptance in Qatar through the QNB (the largest financial institution in the Middle East and Africa) merchant network, greatly benefiting Indian travellers visiting and transiting through the country.

How urban India pays



Nearly 90 per cent of Indian consumers with internet access prefer digital payment options for online purchases, according to a report by Amazon Pay India and Kearney India. And this is true of small-town India as well. About 65 per cent of transactions by consumers in small-town India are now digital while in larger cities this ratio, was around 75 per cent, the report titled 'How Urban India Pays' noted.

Bancassurance, the key to universal coverage

CATALYSING CHANGE. IRDAI is looking to perk up this channel to meet its objective of 'Insurance for all' by 2047

ISTOCK.COM

K Ram Kumar

Bancassurance is usually considered "win-win" for a bank and an insurance company as they enter into a tie-up for distribution of insurance products. But if a vast section of the previously uninsured population can get insurance cover through this channel, the situation becomes "win-win-win".

"Win" for the bank as it gets commission for selling insurance products (as a Corporate Agent) to its own customers, "win" for the insurer as it can reach more customers through the bank and "win" for customers (a large section of the Indian population is currently uninsured).

Now, a substantial portion of India's population presently does not have the security of insurance coverage. According to a National Insurance Academy report nearly 60 to 70 per cent Indians remain uninsured. And the 30 per cent insured are found to be working in private and or government sectors. "This indicates that insurance penetration is low among self-employed people working in the unorganised sector, which accounts for over 40 per cent of the working population," the report noted.

The Insurance Regulatory and Development Authority of India's (IRDAI) move to set up a taskforce on the bancassurance distribution channel (on October 31, 2023) comes in the backdrop of a lack of insurance coverage for a significant section of the population. The insurance regulator wants to perk up this channel so that its objective of "Insurance for All" by 2047 can be achieved.

EXPANDING HORIZONS

CR Vijayan, ex-Deputy Secretary General of the General Insurance Council, emphasised that bancassurance can be a very useful channel for achieving higher insurance coverage. For insurers, the advantage of a bancassurance partnership is that a ready-made market (a bank's customers) is available. "Banks can launch customised products for their customers. For example, most of the banks offer health insurance for their account holders. This way insurance companies can reach out to a section of people whom they would otherwise not have reached out to," he said.

Pankaj Gupta, Managing Director and CEO, Pramerica Life Insurance, observed that banks — with their reach, trust with customers and ability to craft financial solutions — are uniquely positioned to assess customer needs and extend protection through appropriate insurance products. They play a pivotal role in expanding access to insurance. "Given that these customers have established relationships with their banks, the sales process is also simpler and underwriting and KYC is smoother. This reduces the cost as well as risk associated with distribution."

"Banks are also in a position to place insurance solutions in the context of the overall financial needs of customers, thereby ensuring a holistic approach and a better customer experience," he said. Gupta underscored that for insurance companies, long-term partnerships with banks leads not only to greater business stability and predictability but also co-creating joint solutions and products to innovatively meet the needs of a diverse customer base.

INCREASING ACCESS

Industry experts emphasise that an insurance cover (life, medical and accident insurance) is a fundamental pillar of financial security for everyone. And Bancassurance is one of the fastest ways to achieve the "Insurance for All objective".

Dheeraj Sehgal, Chief Distribution Officer - Institutional Business, Bajaj Allianz Life Insurance, opined that initiatives under the "Insurance for All by 2047" umbrella aim to make insurance products more customisable and accessible to people across the country. "One of the most significant enablers of this accessibility is bancassurance partnerships. Banks, with their extensive reach through the network of branches, can significantly bolster insurance awareness and penetration. The move to an open architecture, allowing banks to partner with up to nine insurance companies, has introduced more choices for customers," he said.

Under IRDAI guidelines, a Corporate Agent (Composite) can have tie-ups with three insurers each in life, general and health segments.

Biju Menon, Chief Business Officer (CBO), Star Health and Allied Insurance, observed that bancassurance is transforming the insurance landscape since it brings significant benefits such as increased market reach, cost efficiency, cross-sell opportunities, enhanced customer trust and a diversified distribution channel for insurance companies. "Partnerships and a diversified distribution strategy will characterise the future of innovation for insurance companies which, in turn, will lead to deeper insurance penetration," he said.

An analysis of IRDAI data indicates untapped potential for expanding the reach of insurance coverage while augmenting the fee-based income for banks. The contribution of banks as corporate agents was 5.93 per cent of non-life premium and 17.44 percent of the new business premium for life insurers in 2022-23, per latest IRDAI data. One of the ways, according to a senior IRDAI official, to reach the last mile in insurance coverage and make insurance products available in all parts of the country is to leverage the vast bank branch network.

Nitin Mehta, Chief Distribution Officer, Bharti AXA Life Insurance, said that there is immense potential to transform the insurance sector and achieve the 'Insurance for All' goal by harnessing the combined strength of banks and life insurers. "First, bancassurance capitalises on the immense trust and vast branch network of banks, enabling life insurers to bypass the limitations of traditional distribution channels and reach previously unbanked and under-insured segments, particularly in rural areas. Second, the partnership allows for co-created micro-insurance products that are both affordable and cater to the specific needs of diverse customer groups," he said.

Mehta cited the example of a low-wage earner purchasing a micro-term plan seamlessly integrated with his/her existing bank account. These bite-sized plans, catering to diverse needs and risk profiles, address affordability concerns — a significant barrier for many, he added.

While bancassurance is a useful distribution channel for increasing insurance coverage in the country, insurance sector veteran Vijayan suggested that insurers should also explore tie-ups with telecom service providers. Given that there are about 117 crore mobile phone subscribers, partnerships between insurers and telecom service providers by incorporating an element of insurance in mobile subscription plans could cover most of the Indian population.

With inputs from G Naga Sridhar

DATA BANK.

Graphic **Partha PS**

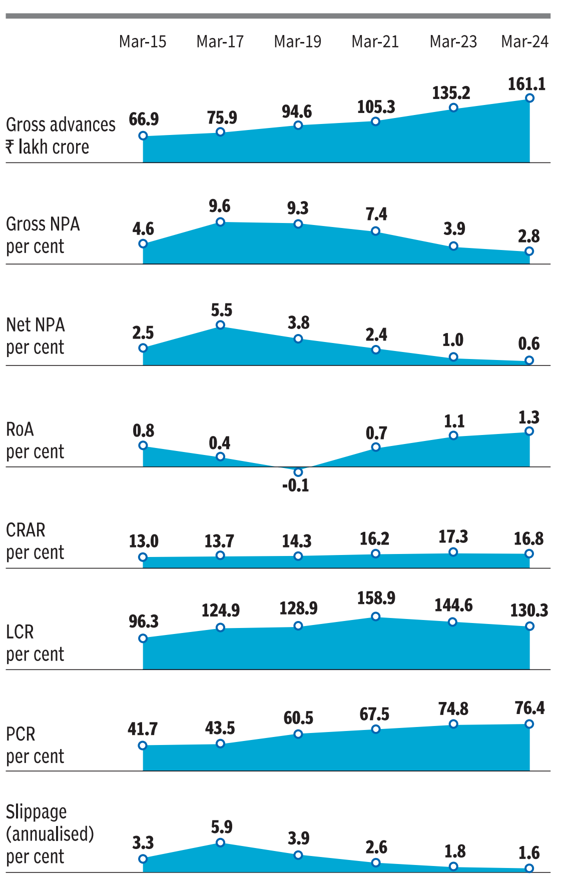
Banks' stability boosted by declining NPAs

Banks' balance sheets are consistently improving, with multi-year low non-performing asset (NPA) ratios, higher provisioning, stronger capital positions and robust earnings. In turn, these developments are catalysing a broad-based and sustained credit expansion, according to the latest Financial Stability Report.

The banking stability indicator (BSI), which provides a comprehensive assessment of the health of the domestic banking system, shows that overall stability of the banking system improved on the back of stronger capital levels, higher earnings, and decline in the stock of NPAs, including restructured assets, per the report.

Profitability indicators (that is RoA, RoE and NIM) remained strong in March 2024 despite a marginal decline relative to the September 2023 position. Efficiency indicators weakened because of increase in staff costs and the cost-to-income ratio.

Liquidity coverage ratio (LCR) fell marginally, although the banking system has substantial liquidity buffers relative to the regulatory minimum.



Note: As on June 14, 2024.

Source: RBI supervisory returns and staff calculations.

A matter of life and death

IN LIMBO. Post SC's verdict, life insurance holders worry if nominees will be owners of the proceeds or merely trustees

VIJAY T GOKHALE

The recent Supreme court judgement in *Shakti Yezdani & Anr vs Jayanand Jayant Salgaonkar & Ors* has left life insurance policy holders worried.

They are worried whether a policyholder's parents or spouse or children, whom he/she has appointed as nominee for his life insurance policy, in accordance with Section 39(7) of Insurance Act, 1938, will become owner of the claim amount payable by insurance companies or will receive this amount merely as trustees of all legal heirs as per the conventional legal understanding of the concept of nominee.

Let us understand this by way of an illustration. Ramesh has three children. In 2016, he nominated his wife in an insurance policy with the intention of making her sole owner of the proceeds, with their children having no claim over it. This was very well in accordance with Section 39(7).

However, the judgment under reference has cast a shadow of doubt over it. As per Section 39(7), introduced in 2015, if the nominee(s) is/are parents or spouse or children, then they become owner of the policy proceeds and do not receive the amount merely as trustee on behalf of all other legal heirs.

But the Supreme Court has not taken into account Section 39(7) while pronouncing the verdict. While deciding the legal position of nominee in a depository account, the SC declared that the nominee in a depository account is not the owner of the shares held in the account but was merely receiving it on behalf of legal heirs as their trustee.

The court derived support from the position of nominee under the life insurance policy as being merely a trustee of legal heirs. It has invoked its landmark judgement in *Sarbati Devi vs Usha Devi of 1993*, which held that nomination under Section 39 of the Life Insurance Act, 1938 does not create line of succession and any amount paid to a nominee on the policy holder's death forms a part of the estate of the deceased policy holder.

NO COVER. Policyholders fear that the Supreme Court's opinion about nominees may become a binding precedent ISTOCKPHOTO

All his/her heirs are entitled to a share of it.

AIR OF CONFUSION

According to Section 39(7) of Ins the urance Act,1938, if nominee(s) are parents, spouse or children, then they become owners of the policy proceeds. However, the Supreme Court judgment says all nominees including parents, spouse or children are only trustees and not owners of the proceeds. This is so because the opinion about nominee in insurance policies expressed by the court in the Shakti Yezdani case is part of *ratio decidendi* (reason for deciding) of the judgment and is not a mere opinion or *obiter dictum* (opinion not essential to the decision and therefore, not legally binding as a precedent).

The fear is that this decision is not just a passing remark but is part of the court's reasoning in arriving at the conclusion, and hence may become a binding precedent — a *stare decisis*.

The judgment has thus created confusion in the minds of existing life insurance policyholders — whether this decision, which is subsequent to the 2015 amendment, tantamounts to writing down of the amendment [insertion of 39 (7)] and will defeat their intention of making nominees the owner of the policy money.

Life insurance companies and the IRDAI ought to take up the matter with the Supreme Court to seek clarification in the interest of the large body of policyholders.

The author is a lawyer and former investment banker

◉ **MONEY MATTERS**

Why does China's central bank have a new cash management tool?

Reuters

China's central bank introduced a cash management tool this week in the form of temporary bond repurchase (repo) agreements and reverse repos, adding to its various open market operations and creating what could become an important interest rate indicator.

The following explains the mechanics and intent of this new tool, which market participants say is a big step in the People's Bank of China's (PBOC) new monetary policy framework.

What are the temporary repos and reverse repos?

Both repos and reverse repos are forms of short-term cash management instruments that allow primary dealers to swap government bonds for cash with the central bank, in order to either borrow or park cash. Under these temporary overnight repos, the PBOC can sell securities to primary dealers and agree to buy them back the following day, effectively draining cash from the financial system. Reverse repos help the PBOC inject funds.

What are the PBOC's temporary repo operations?

The PBOC has said temporary overnight repo and reverse repo operations will take place in the afternoon, between 4 p.m. (0800 GMT) and 4.20 p.m. on a working day, if it decides it is necessary based on market conditions.

This is in contrast to its other routine daily operations conducted in the morning. The interest rate on the temporary repos and reverse repos will be 20 basis points (bps) below and 50 bps above the seven-day reverse repo rate, or 1.6 per cent and 2.3 per cent, respectively.

Why has the PBOC started these repos?

Analysts believe the mechanism enables the seven-day reverse repo rate to become a new policy benchmark, after PBOC Governor Pan Gongsheng said last month the rate "basically fulfills the function" of the main policy rate but a narrower interest rate corridor may be needed.

REUTERS

The interest rates on the temporary repos and reverse repos will form the new interest rate corridor with a width of 70 bps, analyst say. The market now trades a wide 245 bps range between the seven-day standing lending facility (SLF) rate and the central bank's interest rate on excess reserves (IOER).

Why now?

The central bank has sounded warnings and introduced a flurry of measures, including plans to sell treasury bonds, to cool a long-running bond rally.

PBOC's Pan said the central bank should take prompt actions to blunt risk accumulation in financial markets and that it is important to "maintain a normal upward-sloping yield curve."

Ju Wang, head of Greater China FX and rates strategy at BNP Paribas, said a steeper yield curve could also put a floor under the weak yuan as overseas investors seek yuan bonds.

The yuan has lost 2.4 per cent to a resurgent US dollar so far this year, weighed down by its relative low yields versus other economies.

What will happen to interest rates on other monetary policy instruments?

Pan said the PBOC may consider a single short-term interest rate as the key policy rate and, if the seven-day reverse repo rate fulfilled that function, it will serve to smooth policy transmission to other benchmarks and tenors.

CHENNAI
businessline.
MONDAY - JULY 15 - 2024

Security lapse at rally leads to Trump being shot at

GREAT ESCAPE. Moments later, flanked by guards, the Republican emerged, face streaked with blood, pumped his fist in the air and said, "Fight! Fight! Fight!"

Reuters
BUTLER, Pennsylvania

Donald Trump was shot in the ear during a campaign rally on Saturday after a major security lapse, an attack that will likely reshape this year's presidential race and fuel long-standing fears that the campaign could descend into political violence.

In the moments after the shooting, Trump was swarmed and covered by his security agents. He quickly emerged, his face streaked with blood, and pumped his fist in the air, mouthing the words "Fight! Fight! Fight!" The Trump campaign later said he was "doing well."

Earlier, the Secret Service said in a statement that the shooter was dead, one attendee at the rally was killed and two other spectators were injured. Law enforcement officials told reporters they have not yet identified a motive for the attack.

Trump, 78, had just started his speech when the shots rang out. He grabbed his right ear with his right hand, then brought his hand down to look at it before dropping to his knees behind the podium. Secret Service agents then covered him.

He emerged about a minute later, his red 'Make America Great Again' hat knocked off, and could be heard saying "Wait, wait," before pumping his fist in the air. Agents then rushed him to a black SUV.

"I was shot with a bullet that pierced the upper part of my right ear," Trump said later on his 'Truth Social' platform following the shooting in Butler, Pennsylvania, about 30 miles (50 km) north of Pittsburgh. "Much bleeding took place."

He left the Butler area under the protection of the US Secret Service with the assistance of the Pennsylvania state police and later arrived at his golf resort and residence in Bedminster, New Jersey.

DECISIVE MOMENT. Donald Trump is assisted by US Secret Service agents after he was shot in the right ear during a campaign rally at Butler, Pennsylvania

REPUBLICAN SHOOTER

The FBI identified 20-year-old Thomas Matthew Crooks of Bethel Park, Pennsylvania, as the "subject involved" in what it termed an attempted assassination on Sunday. He was a registered Republican, according to state voter records.

The shooting occurred less than four months before the November 5 election, when Trump, the Republican candidate, faces an election rematch with Democratic President Joe Biden. Most opinion polls including those by Reuters/Ipsos show the two locked in a close contest.

Trump is due to receive his party's formal nomination at the Republican National Convention, which kicks off in Milwaukee on Monday.

QUESTIONS ABOUND

The shooting raised immediate questions about security failures by the Secret Service, which provides former Presidents including Trump with lifetime protection.

It was the first shooting of a US president or major party candidate since the 1981 attempted assassination of Republican President Ronald Reagan.

Leading Republicans and Democrats quickly condemned the violence. "There's no place for this kind of violence in America. We must unite as one nation to condemn it," Biden said in a statement.

Ron Moose, a Trump supporter at the rally, said he heard about four shots. "I saw the crowd go down and then Trump ducked also real quick," he said. "Then the Secret Service all jumped and protected him as soon as they could. We are talking within a second they were all protecting him."

The BBC interviewed a man who described himself as an eyewitness, saying he saw a man armed with a rifle crawling up a roof near the event. The person, who the BBC did not identify, said he and the people he was with started pointing at the man, trying to alert security.

The shots appeared to come from outside the area secured by the Secret Service, the agency said. The FBI said it had taken the lead in investigating the attack.

At a briefing late on Saturday, FBI officials told reporters it was surprising that the suspect was able to fire multiple shots.

The Secret Service did not have a representative at that briefing, which included FBI and state law enforcement officials.

Hours after the attack, the Oversight Committee in the Republican-led US House of Representatives summoned US Secret Service Director Kimberly Cheatle to testify at a hearing scheduled for July 22.

"Americans demand answers about the assassination attempt of President Trump," the panel said.

Trump, meanwhile, said on Sunday he is looking forward to speaking from Wisconsin where the Republican National Convention will be held this week. "In this moment, it is more important than ever that we stand united, and show our true character as Americans, remaining strong and determined," his post said.

PM CONDEMNS ACT

Prime Minister Narendra Modi said on social platform X: "Deeply concerned by the attack on my friend, former President Donald Trump. Strongly condemn the incident. Violence has no place in politics and democracies. Wish him speedy recovery. Our thoughts and prayers are with the family of the deceased, those injured and the American people."

QUICKLY.

Alcaraz beats Djokovic to win Wimbledon title

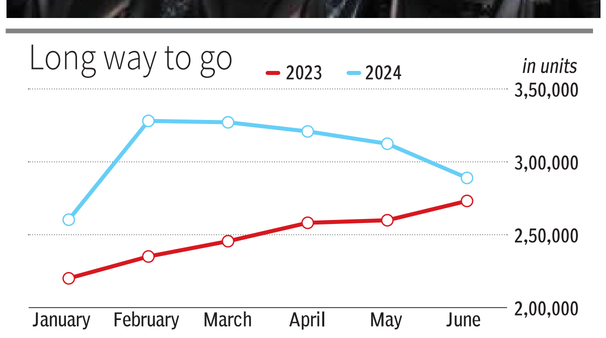
London: Spain's Carlos Alcaraz beat Serbia's Novak Djokovic 6-2 6-2 7-6(4) in the Wimbledon final on Sunday to successfully defend his title. Alcaraz now has four Grand Slam trophies with a perfect record in major finals. He has won back-to-back Wimbledon titles, the 2022 US Open and the French Open last month. REUTERS

Xiaomi India profit plunges 77% to ₹239 cr

New Delhi: Chinese firm Xiaomi Technology's profit in India nosedived 77 per cent y-o-y to ₹238.63 crore in FY23, a regulatory filing showed. It posted a profit of ₹1,057.7 crore last fiscal. Revenue from operations declined 32 per cent to ₹26,697 crore in FY23. Xiaomi earned ₹26,395 crore from products sale and ₹264 crore from services during the year under review. PTI

2-wheeler exports rise 23% in H1 of 2024 but recovery fragile

Aroosa Ahmed
Mumbai



Two-wheeler exports witnessed growth of 23 per cent in the first half of 2024 with 18,37,769 two-wheelers exported between January and June, data from the Society of Indian Automobile Manufacturers (SIAM) showed. This recovery in exports is, however, seen to be fragile.

According to the data, two-wheeler exports picked up in February with 3,28,082 vehicle units. However, a 8 per cent month-on-month dip was seen in June with 2,88,967 two-wheelers being sold overseas.

The exports of two-wheelers between January and June in 2023 were 14,92,080 units.

Exports of two-wheelers from India are majorly focused on Columbia, Nigeria, Philippines, Mexico, Sri Lanka, Bangladesh, Egypt and Nepal.

Industry experts have alluded the growth to the easing of geopolitical tensions but indicated that the uptick in exports is required to be sustainable.

"Export recovery appears fragile and sustainability of the same is yet to be established. Earlier, exports were impacted by consumer price inflation, high interest rates and foreign currency-related issues in fiscals 2022 and 2023. During this period, consumers switched to used vehicles or deferred purchases," Anuj Sethi, Senior Director, CRISIL Ratings Ltd, told *businessline*.

Original equipment manufacturers (OEMs) have been evaluating new markets to tap to grow their exports and international presence. Two-wheeler manufacturer Bajaj Auto recently announced the opening of a manufacturing plant in Brazil. The domestic sales of two-wheelers also saw a 22.5 per cent uptick in H1. Between January and June, 94,89,154 two-wheelers were sold in the Indian market as compared with 77,45,554 two-wheeler units sold during the same period in 2023.

"The slow moderation in export growth during 2024 can be attributed to a slowdown in demand from African and Asian countries," said an automobile analyst.

'South India to emerge as data hub'

Sanjana B
Bengaluru

Industry leaders have predicted that South Indian cities Chennai, Bengaluru, and Hyderabad will experience substantial growth in data center establishment due to favourable conditions.

According to a Colliers India report, South India will evolve as a global data centre landscape, with a projected growth of 65 per cent in capacity by 2030.

"Bengaluru, Chennai, and Hyderabad are prominent technology hubs with a high concentration of IT and software companies. This creates a strong demand for data centre services to support IT infrastructure needs," said Siddarth Reddy, VP, Corporate Strategy and Global Expansion, at CtrlS Datacenters.

RE RESOURCES

"We operate data centres in all these markets because of the availability of good renewable energy (RE) resources, which are increasingly used to power data centres, making them more sustainable and cost-effective. Good connectivity to major international submarine cable systems and talent pool availability also helps," he added.

In Chennai, CtrlS has a data centre campus in the Ambattur industrial area, with a cumulative IT load capacity of 72 MW, built on an investment of ₹4,000 crore. The company operates one AI-ready data center in Bengaluru and is exploring expanding to other locations in the city such as Electronics City, Whitefield, and KIADB Aerospace Park.

'South India's data centers to grow 65 per cent in capacity by 2030'. REUTERS

"We foresee that the Bengaluru market will see data centre capacity doubling in the next 2-3 years," Reddy said, adding that Hyderabad may become one of India's largest data centre markets within the next 6-7 years.

"The State government's policy framework, industry incentives, presence of industrial parks, availability of talent pool, and a conducive data centre ecosystem makes Hyderabad an ideal location for expansion," he said, adding that the company operates three data centres in the city and will create a new hyperscale campus in the Chandanvelly area, spanning 40 acres.

The Colliers India report stated that while the combined installed data centre capacity in Chennai, Bangalore and Hyderabad stands at approximately 200 MW, 190 MW is still under construction, with an additional 170 MW planned. These developments will increase the capacity by 80 per cent over the next few years.

CHENNAI CAPACITY

Chennai currently has an installed capacity of 87 MW, with 156 MW under construction and 104 MW planned. Bengaluru has an installed capacity of 79 MW, with 10 MW under construction and 26 MW in the planning stages. Hyderabad, on the other hand, has an installed capacity of 47 MW, with 20 MW under construction and 38 MW planned.

The monthly recurring charges for data centres in South India range between ₹6,650 and ₹8,500 per kW per month according to the usage, offering value for money given the advanced infrastructure and extensive range of services provided. "This competitive landscape ensures continuous upgrades and enhancements by service providers, meeting the evolving needs of occupiers," the report said.

TCS 'at pre-pandemic levels of office occupancy'

Ayushi Kar
Mumbai

Tata Consultancy Services has finally reached pre-pandemic attendance levels, according to Chief Human Resources Officer Milind Lakkad.

Speaking to *businessline* after announcing results for Q1FY25, Lakkad noted that with 70 per cent of the workforce are back in office full time, the IT services firm is satisfied with the current engagement levels.

The final push to get its workforce back to office included tying variable pay or bonuses to attendance. Lakkad did not disclose the number of employees that took a pay cut in order to work from home.

"It is something internal; we would not want to disclose that. We have had to implement this as a temporary measure.

Whatever money was taken out for an employee not fulfilling the attendance requirements was given back to the employees coming every day to work. We, as an organisation, have not pocketed this money."

Lakkad added that since the occupancy levels at TCS offices have returned back to pre-pandemic numbers, the company will stop disclosing occupancy levels on a quarterly basis.

"We have come to a point where we will actually stop giving numbers. We will continue to monitor the situation very closely but any incremental numbers will not be material enough to report," he said.

5,000 ASSOCIATES

TCS saw net positive addition for the first time in four quarters in Q1FY25, adding more than 5,000 associates. Lakkad, however, deferred on commenting whether this trend will persist for the subsequent quarters.

He said, "We should look at hiring as a longer term phenomena and not quarterly."

"We hired a lot of people in the previous years for projects that took place in the last six quarters. It means we have to plan things for the next year, and that leads to the numbers."

Lakkad added that TCS was aiming to hire 40,000 associates in FY25.

While the firm is in the process of interviewing candidates selected through its National Qualifier Test and online test to recruit engineers, campus hiring will continue to be a cornerstone in the TCS hiring strategy," he maintained.

Kashmir willow hitting global boundaries

Gulzar Bhat
Srinagar

TAKING GUARD. In the 2021 T20 world cup, four batters from the Oman cricket team played with Kashmiri willow bats for the first time

On February 17, cricketing great Sachin Tendulkar made a pit stop at Charsoo village along the Jammu-Srinagar National Highway and visited a bat manufacturing unit. Tendulkar's visit garnered significant media attention and put the spotlight on the Kashmiri bat industry.

Professional cricketers usually choose English willow bats. However, over the last few years, Kashmiri willow has been attracting global attention after its appearance in international games.

Fawzul Kabiir, owner of GR8 sports and spokesperson of the Cricket Bat Manufacturers Association of Kashmir, said that at least 37 international cricketers, both men and women, had played with brand 'GR8' bats so far.

Following the breakthrough, the demand for Kashmiri willow bats has shot up significantly. In 2021-2022, at least 35,000 bats were exported from the Valley.

The ₹700 crore Kashmiri bat industry provides livelihood to more than 10,000 people. However, it is facing challenges on several fronts.

CHALLENGES

According to bat makers, the smuggling of willow cleft outside the Valley is hurting the industry. Dozens of trucks ferry the smuggled clefts into cities like Amritsar and Meerut each month.

Although the government, in 2000, enacted the Jammu and Kashmir Willow (Prohibition on Export and Movement) Act 2000, which prohibits the transfer of willow wood outside the Valley, thousands of clefts are being smuggled unchecked daily.

"The smuggling goes unabated under the nose of the authorities. It has become a serious concern for indigenous manufacturers," Kabiir told *businessline*.

The manufacturers have demanded a blanket ban on the smuggling of willow clefts from the Valley. The dwindling number of willow trees is another significant concern for the over 400 bat makers of the region, who make around two million bats annually. Over the last few decades, no major plantation drives have been carried out by the government. The depletion of raw materials is likely to deal a severe blow to the industry.

Another reason is that farmers are more inclined towards growing poplar trees than willows.

Mheraj-u-din Dar, a local craftsman, said that a few decades ago around 60 to 70 per cent of farmers in Sangam area, which houses a majority of bat manufacturing units, would grow willow trees "but it is on a sharp decline now".

"Farmers shifted towards cultivating poplars due to their faster growth cycle. They mature in barely five to seven years, compared to willow trees, which takes 20 to 25 years to mature," Dar said.

The bat manufacturers suggested that the government launch a massive and sustainable willow plantation drive on the wetlands.

"Kashmir has around 9,152 hectares of wetlands. It can be used to grow the willows," Kabiir said.

NO SEASONING PLANT

To take the moisture out of the willow clefts, Kashmiri bat makers rely on time-consuming sun-drying in the absence of a seasoning plant.

More than a decade ago, the government had established a seasoning plant in the area but it was damaged during the 2014 floods and has remained non-operational since.

"It takes six to seven months to dry the moisture from willow clefts," said Javed Ahmad, owner of the MJS bat manufacturing unit, which was visited by Tendulakar. Ahmad said the government must introduce state-of-the-art machinery for an efficient seasoning process.

Samsung expects to regain market share with new launches in coming months

S Ronendra Singh
New Delhi

Smartphone maker Samsung India, which came down to number three in volumes after Vivo and Xiaomi in the January-March quarter this year, is expecting to do better with new product launches in the coming months, especially with the festive season kicking off soon, a top official said.

"We see a strong trajectory. We've re-energised the flagship with the entry of S23 FE Series. We see consumers upgrading into the S and the foldables from the FE Series because they are seeing the Galaxy artificial intelligence (AI) ecosystem available to a certain level in the S23; so the UI experience is also moving up. We are seeing a strong upgradation there," Raju Pullan, Vice-President and Head of MX Business, Samsung India, told *businessline*.

According to Counterpoint Research, Samsung's market share fell to 17.5 per cent in the January-March quarter this year volume wise after Xiaomi, which had a market share of 18.8 per cent.

Vivo was the number one player with a market share 19.2 per cent during the quarter.

However, value wise, Samsung led the market with 25 per cent share, driven by its leading position in the ₹20,000 plus segment. It was attributed to a stronger mix of the newly launched Galaxy S24 series due to its features such as GenAI, Counterpoint said. Apple and Vivo followed with 19 per cent and 18 per cent in terms of value.

Samsung, which launched foldable products last week, said it is working on a lot of experience for consumers through its Galaxy AI, and expects to get a better market share from the second half of this year.

The company has a market share of around 80 per cent in the foldable devices right now and as it launches new products, it expects to continue with the leadership position, Pullan said. It launched the new Flip Z6 that starts at ₹1.1 lakh and Z Fold 6 that starts at ₹1.65 lakh. It also launched the new Ultra watch starting at ₹59,999.

"There's a lot of work to be done. For example, how do we take AI to the consumer, the usability (of foldables) to the consumer... it's one of the fastest growing categories for us in the premium segment. In the foldable segment, in spite of competition, our shares are around 80 per cent, and with these (new launches) path-breaking foldables, we expect to consolidate our leadership position in India," he said.