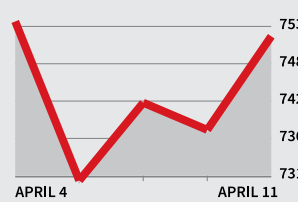


the hindu businessline

SENSEX 75157.26 (-207.43)



IN FOCUS

	Week's close	Week's change
Nifty 50	22828.55	-75.90
P/E Ratio (Sensex)	20.95	-0.05
US Dollar (in ₹)	86.04	+0.81
Gold Std 10 gm (in ₹)	92979.00	+2329
Silver 1 kg (in ₹)	92929.00	+19



SPARK.

Indian tea start-ups innovate with unique blends, attracting investments and disrupting traditional market giants **p8**

CURRENT ACCOUNT.

MFI-related suicides in Karnataka reveal over-borrowing, aggressive tactics and regulatory issues **p9**

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QUICKLY.

SUMMER STOCKING

Thermal coal imports hit a 10-month high in March



New Delhi: India's thermal coal imports rose to a 10-month high in March 2025 with the power sector stocking up supplies for the blistering summer season ahead, and peak electricity demand (day) already hitting more than 230 gigawatts (GW). According to global real-time data and analytics provider Kpler, India's purchases of foreign thermal coal rose by 10 per cent month-over-month (m-o-m) to 14.16 million tonnes (mt) provisionally. **p10**



India-US talks to shortlist areas for first tranche of trade pact

DEAL TRAIL. Reciprocal tariff, trade pact being dealt with parallelly but may converge later

Amiti Sen
New Delhi

India is thrashing out an interim deal with the US on its reciprocal tariffs in the 90-day pause period announced by US President Donald Trump, while simultaneously commencing negotiations virtually this week to shortlist sectors and areas for a full-fledged India-US bilateral trade agreement (BTA).

The parleys that begin this week to cover sectors and issues are expected to result in the first tranche of the BTA by September this year.

NEGOTIATION CLARITY

"The US wants the BTA to include areas such as government procurement, IPR, digital trade, data localisation and quality control. India, too, has its priorities, such as liberal work visas and a social security agreement. Officials will now identify what is realistic and can be achieved by Fall 2025, the deadline set by Trump and PM Narendra Modi for the first tranche of the pact," a source tracking the matter told *businessline*.

STRATEGIC MOVES

- India-US officials ready to take forward BTA talks virtually this week
- US wants BTA to also consider issues like government procurement, IPR and digital trade
- India is keen on including liberalisation of work visas and a social security agreement
- Clarity likely on issues for first tranche by May 31



The two sides hope to have clarity on the coverage within six weeks, possibly by May 31, the source added.

India has not taken on serious commitments so far in its free trade pacts in many areas that interest the US, particularly government procurement, IPR and data localisation, as it has been reluctant to give up its sovereign right to take decisions in these crucial sectors.

On April 2, Trump announced reciprocal tariffs on US trade partners to punish them for their high tariffs. Analysts say that the reciprocal tariffs, fixed at 26 per cent for India and at higher levels for many other Asian

countries such as Vietnam, Malaysia, Thailand and Cambodia, are also linked to the trade deficits that the US has with each.

On April 9, Trump announced a 90-day pause in tariffs as he said that about 75 countries were interested in doing tariff deals with the US. Tariffs on China, fixed at 125 per cent, however, continued. Also, all countries, including India, continued to face an additional 10 per cent baseline tariff.

PARALLEL TALKS

"India and the US are already engaged in BTA talks. It is not the same as negotiations on reciprocal tariffs. These

two issues are parallel. At some point in time, they might get linked," the source explained.

As part of a deal on reciprocal tariffs, the Trump regime is looking at steep tariff cuts in India for items such as automobiles, motorbikes, alcohol and certain agricultural items, including fruits and nuts.

A deal on reciprocal tariffs is also important for India as its competitors, such as Vietnam and Indonesia, too, are also urgently trying to reach a pact with the US.

The US is India's largest export destination with exports in FY24 at \$77.51 billion and imports at \$42.19 billion.

On the negotiations for the BTA, which is expected to more than double bilateral trade to \$500 billion by 2030, the source said the sectors and areas would be finalised at an appropriate time.

"I think by May 31, we will have clarity on that. We will know what can be realistically achieved with the timeline of Fall 2025. What can't be achieved in the first tranche, we will take up later," the source said.

Amid Trump's tariff tantrums, India eyes bargains with China

Abhishek Law
New Delhi

India is looking to negotiate better deals with Chinese suppliers as it navigates the trade war between the US and China. In a high-level meeting last week, several line ministries were told to rally industry negotiations and work out how best to extract better deals with their Chinese suppliers, amid the volatile Trump tariff tantrums.

The strategy focuses on leveraging India's manufacturing capabilities to gain cost advantages from China in raw material sourcing — its reported surplus stocks — and boost exports to the US as India is a relative beneficiary of "discounted tariffs".

TRADE IMBALANCE

In FY24, India-China bilateral trade reached \$118.4 billion, with India importing \$101.7 billion in goods — primarily electronics, machinery and chemicals — while exporting only \$16.7 billion. This trade imbalance drives India's push for discounts or price cuts, particularly in sectors impacted by US tariffs.

Ministries have been advised to adopt a cautious approach, monitoring develop-



The trade imbalance with China drives India's push for price reductions

ments, gathering stakeholder feedback, including tracking import-export data, before proposing measures such as duties or safeguards.

"There are internal discussions on to secure better trade deals from Chinese suppliers. However, there is no formal commitment as of now. The government is now in a wait-and-watch mode, and there is some keenness from the industry to exploit the excess raw material stocks available in China," an official said.

NEGOTIATIONS ON

For instance, toy manufacturers in Guangdong reported order cancellations for US-bound shipments. In the first phase, around 8-10 per cent discounts were offered. But post the Liberation Day tariff announcements, there have been more cancellations, particularly for those

scheduled in June.

The pitch, at present, centres on securing low-cost raw materials in sectors where US tariffs pressure Chinese suppliers. Businesses are eager to proceed with talks to capitalise on opportunities by proposing price reductions, profit-sharing, or technology transfers to bolster domestic manufacturing.

A paint industry representative noted ongoing discussions to secure deals on titanium dioxide, a key raw material from China, despite limited US exposure. In steel, the Directorate General of Trade Remedies recommended a provisional 12 per cent safeguard duty on steel imports for 200 days, but its implementation may be delayed as the Finance Ministry reviews stakeholder appeals.

A government official noted that domestic steel mills, which recently increased prices, risk incurring losses from cheaper imports undercutting prices by 5-12 per cent if safeguards are not enforced. Meanwhile, China's export restrictions on rare-earth elements, announced on April 4 in response to US tariffs, could open new avenues for India to negotiate access to minerals critical for energy, defence and electronics.

BEATING THE HEAT



WHITE VACATION. Tourists enjoy snow-covered hills near the Atal Tunnel in Himachal's Lahaul & Spiti district on Sunday **p11**

Toy story: Indian industry sees opportunity in US-China tiff

Meenakshi Verma Ambwani
Sindhu Hariharan
New Delhi/Chennai

As the US tariffs on China reach a new high, there is now an opportunity for more 'Made in India' toys to be shipped to American customers as the US sector is heavily dependent on Chinese imports.

Indian toy makers told *businessline* that they are re-working export and product strategies to cater to the US market and are also looking at capacity expansion in anticipation of increased demand from the US.

TRADE WISHLIST

The industry is optimistic that toys will find a place in India's negotiations on the Bilateral Trade Agreement (BTA) with the US.

KA Shabir, CEO of toy maker Funschool, said while the proposed Trump tariffs



TRADE FOCUS. Indian toy makers are revamping export and product strategies to tap into rising US demand and are also exploring capacity expansion **BLOOMBERG**

could result in significant price hikes in the US, potentially impacting toy demand, India remains competitively positioned with lower tariffs than other countries in Southeast Asia.

Funschool said that it had achieved 20 per cent revenue growth in FY25, and this was driven by a 30 per cent increase in exports.

Around 40 per cent of its exports went to the US market in the first six months of FY25. Funschool holds a share of 15-16 per cent of India's

total toy exports, Shabir added. Government data show that India's toy exports to the US (HS Code 95) have been averaging \$190 million per annum across fiscal years 2022, 2023, 2024 and 2025 (till Jan).

According to US Commerce Department data, China holds 75 per cent share of its toy imports; the US imported around \$14 billion worth of toys from China in 2024. "We expect toys to be one of the categories that will be part of the BTA negoti-

ations. If that happens, then Indian toy manufacturers will get a competitive price advantage, and this could also attract higher investments. In the past two years, we have seen US toy companies increasing their sourcing from India, and we could see more US companies looking to India for the same," Manu Gupta, Chairman, Toy Association of India, told *businessline*.

Shobhit Singh, MD and CEO, Stone Sapphire India Pvt Ltd (the company behind toys brand Skoodle), said that the US hiking tariffs on China had reshaped global sourcing dynamics.

"Comparatively, India is better positioned in the tariff structure and is increasingly being viewed as a strong alternative by global buyers. That said, the US market remains highly mature, competitive and rigorously compliance-driven...," he said.

"To truly seize the oppor-

tunity, Indian manufacturers must undergo a mindset shift. Upgrading their processes to align with global certifications is not optional but imperative," Singh added.

QUALITY COMPLIANCE

Industry sources note the challenges to revamp designs and ramp up capacity for the US market in a short 90-day period but emphasise that when it comes to quality, Indian toys largely adhere to ISO8124 standards, which is similar to the applicable US standards ASTM F963.

Meanwhile, industry players are also concerned about Chinese toys being dumped into the Indian market by circumventing the law.

While localisation has increased in the sector (Funschool says it has achieved over 90 per cent localisation), toy sector executives say that they have to wait and see how some of their suppliers in China respond.

US tariff break a 'small step' to fixing mistake, says China

Bloomberg

China's government said the US decision to exempt certain consumer electronics from its so-called reciprocal tariffs is a small step toward rectifying its wrongdoings and urged Washington to do more to revoke the levies.

President Donald Trump's administration excluded smartphones, computers and other electronics from the increased import duties on Friday, narrowing the scope of his tariffs of 125 per cent on goods from China and a baseline 10 per cent on imports from most other countries.

FAIR TRADE

"This is a small step by the US toward correcting its wrongful action of unilateral reciprocal tariffs," the Ministry of Commerce said in a statement posted on its official WeChat account on Sunday.

The Ministry went on to urge the US to "take a big

stride in completely abolishing the wrongful action, and return to the correct path of resolving differences through equal dialogue based on mutual respect."

Trump's latest exemptions cover almost \$390 billion in US imports based on official US 2024 trade statistics, including more than \$101 billion from China, according to data compiled by Gerard DiPippo, Associate Director of the Rand China Research Center.

Trump on Saturday declined to elaborate on the exemptions beyond the published memoranda but hinted at further developments on Monday. "I'll give you that answer on Monday. We'll be very specific on Monday," he told the media.

The White House released a corresponding memo indicating that the exemptions also extend to changes in small-parcel shipping duties. Trump had moved to end the so-called "de minimis" exemption, beginning with



WELCOME RELIEF. The exclusion is a sign that the products may soon be subject to a different tariff, albeit almost surely a lower one for China

China, that generally means parcels worth \$800 or below don't face duties.

The tariff reprieve may prove fleeting. The exclusions stem from the initial order, which prevented extra tariffs on certain sectors from stacking cumulatively on top of the country-wide rates. The exclusion is a sign that the products may soon be subject to a different tariff, albeit almost surely a lower one for China.

The products that won't be subject to Trump's new tariffs include machines used to make semiconductors. That

would be important for Taiwan Semiconductor Manufacturing Co., which announced a major new investment in the US, as well as other chipmakers. "All products that are properly

classified in these listed provisions will be excluded from the reciprocal tariffs," the notice said.

The move appeared to exclude the products from the 10 per cent global baseline tariff on other countries, including Samsung Electronics Co.'s home of South Korea.

The tariff reprieve does not extend to a separate Trump levy on China — a 20 per cent duty applied to pressure Beijing to crack down on fentanyl, including the shipment of precursor materials. Other previously existing levies, including those that predate Trump's current term, also appear unaffected.

Exempted electronic products to come under separate tariffs: Lutnick

US Commerce Secretary Howard Lutnick said on Sunday in an interview with ABC's 'This Week' that smartphones, computers and some other electronics will come under separate tariffs, along with semiconductors, that may be imposed in a month or so.

Pharmaceutical tariffs are also coming in next month or two, Lutnick added. **REUTERS**

QUICKLY.

NTPC sources 3 mt coal from miners in 6 months

New Delhi: NTPC has sourced 3 million tonnes (mt.) of coal directly from commercial miners in the past six months as part of a new coal procurement strategy for its doorstep delivery model. The move is aimed at increasing the availability of coal for electricity generation during the upcoming summer season, a senior company official said. Under the doorstep delivery concept, commercial coal miners chosen through auction are responsible for transporting coal to the company. **PTI**

Bioenergy summit to be held in Delhi on May 8-9

New Delhi: Over 300 industry leaders, policymakers, academics and think tank representatives will participate in the Bioenergy, Biofuel and Biomaterial Summit to be held here on May 8-9, 2025. Minister of Road Transport and Highways Nitin Gadkari will inaugurate the summit, said a statement by the Indian Biogas Association (IBA). The summit aims to develop an actionable plan for the Indian bioenergy sector. **PTI**

Nirma’s cement-arm Nuvoco Vistas grows 15-fold, continues to expand

ON A ROLL. Vadraj Cement buy gives it entry into Gujarat, access to limestone reserves and production capacity

Avinash Nair
Ahmedabad

In 2014, Karsanbhai Patel-led Nirma Ltd chose Nimbol in Rajasthan to enter the highly competitive cement business with a a 2.3 million tonnes per annum greenfield cement plant.

From being a late entrant into India’s cement business landscape, Nuvoco Vistas Corporation Ltd, the cement arm, has grown 15-fold and is now looking to operationalise its recent acquisition of Vadraj Cements by the third quarter of financial year 2027.

Vadraj Cement Ltd gives Nuvoco Vistas a crucial entry into Gujarat in the form of limestone reserves, a captive jetty, and clinker and grinding units.

MANY ACQUISITIONS
The cement sector has seen a string of consolidations through acquisitions in the



BIG LEAGUE. The company has over 31 mtpa of cement capacity dispersed across regions consolidating its position as the fifth largest cement manufacturer in the country

last three years with companies like Ultra Tech Cement, Ambuja Cement and Dalmia Bharat engaging in crucial deals.

Armed with brands like ‘Concerto’, ‘Duraguard’ and ‘Double Bull’, Nirma’s cement arm Nuvoco Vistas, headed by Hiren Patel — Karsanbhai’s son — has now crossed 31 mtpa in manufacturing capacity, with 13 plants spread across eight

States. “This acquisition of Vadraj Cement marks a 15-fold growth in just over a decade — making us one of the fastest-growing cement companies in India,” a company spokesperson told *businessline*.

Vadraj Cement brings in a 3.5 mtpa clinker plant in Kutch and a 6 mtpa grinding unit in Surat, which will become operational by the third quarter of FY27, the

spokesperson added.

In 2016, the company made a big splash in India’s cement-business landscape when it acquired the assets of French cement-maker Lafarge for a valuation of ₹9,000 crore.

ANOTHER MILESTONE

Four years later, the company marked another milestone with the acquisition of the cement business of Enami for ₹5,500 crore.

With the National Company Law Tribunal (NCLT) giving its go-ahead for the acquisition of Vadraj Cement, the cement capacities of Nuvoco will be strategically distributed.

It will have 19 mtpa in the East, 6 mtpa in the North and 6 mtpa in the West, thus consolidating its position as the fifth-largest cement group in India, the company said in an emailed response.

While an upfront payment of ₹1,800 crore will be paid for the acquisition of Vadraj,

Nuvoco will invest approximately ₹1,000-1,200 crore to revive and operationalise Vadraj’s cement plant, which has remained non-operational for nearly seven years.

“This strategic move not only strengthens the group’s manufacturing footprint but also provides direct access to a key market in western India, complementing Nuvoco’s existing strong presence in the East,” the company spokesperson said.

RAW MATERIAL

The company has 10 limestone mines, which are pit head mines, and most of the operating mines are located in close proximity to the company’s integrated units.

As of December 2020, Nuvoco’s limestone mines had aggregate residual reserves of an estimated 1,700 million tonnes of limestone.

The takeover of Vadraj Cement also brings in limestone reserves for the company in Gujarat.



S Ronendra Singh
New Delhi

US President Donald Trump exempting reciprocal tariffs on smartphones, laptop computers, hard drives, computer processors and memory chips has given a respite to electronics manufacturers in India, especially Apple and Samsung.

According to the electronics industry, it is a big respite for the smartphone makers, and they expect that there would be no extraordinary disruption.

“Time has come to set up capacities. However, long-term trend against China will remain robust. Having said that the incredible shock of the last few weeks is in itself a tectonic event and realignments are bound to happen without too much blood being spilt in our category,” Pankaj Mohindroo, Chairman, India Cellular and Electronics Association (ICEA), said.

Analysts tracking the developments said that President Trump had to exempt these items from the list of reciprocal tariffs because these electronics products are generally not made in the US and setting up manufacturing would take years for them.

MUCH-NEEDED RELIEF

“The US tariff exclusions provide much-needed relief for the global technology sector, easing pressure across consumer electronics, semiconductors and hardware. The move offers meaningful reprieve to tech majors — especially Apple, which was caught in the crossfire — as well as the broader chip and hardware industries,” Prabhu Ram, Head-Industry Intelligence Group at CyberMedia Research (CMR), said.

According to the India Electronics and Semiconductor Association, India must seize this strategic pause as an opportunity to entrench its role as a reliable and competitive global electronics manufacturing hub.

UNDERLYING TENSIONS

“Continued underlying tensions and uncertainties may prompt global players to diversify their manufacturing base — creating a timely opportunity for India to emerge as a preferred alternative. Despite the dampening of near-term export euphoria, the long-term opportunity for India remains robust,” Ashok Chandak, President, IESA, said.

Ashwini Vaishnav, Minister of Electronics and Information Technology, had recently announced that mobile phone exports from India have crossed an all-time high of ₹2 lakh crore in financial year 2024-25 (FY25), marking a 55 per cent growth over the ₹1.29 lakh crore recorded in FY24.

And iPhone shipments alone contributed about ₹1.5 lakh crore, out of the total value of exports in FY25.

The phenomenal surge in exports is driven primarily by the strategic implementation of the Production Linked Incentive scheme, which has transformed India into one of the world’s fastest-growing mobile manufacturing hubs.

‘Tariffs on Chinese e-comm exports could benefit Indian online sellers’

Our Bureau
New Delhi

The US decision to impose 120 per cent import duty on Chinese e-commerce shipments valued under \$800, ending their duty-free entry, could open up opportunities for Indian online sellers if bottlenecks in banking and customs are quickly fixed and suitable export incentives extended by the government, according to research agency Global Trade and Research Initiative.

With over 1,00,000 e-commerce sellers and \$5 billion in current exports, India is well-positioned to fill the gap left by China, particularly in customised, small-batch products like handicrafts, fashion and home goods, the report shared on Sunday pointed out.

“Starting May 2, Chinese e-commerce shipments under \$800 to the US will face a steep 120 per cent import duty, ending their duty-free entry. This move is expected to disrupt Chinese supply chains and open the door for

other countries,” the report said.

On April 2, US President Donald Trump signed an executive order removing the *de minimis* exemption for imports from China and Hong Kong.

SMALL PACKAGES

“This rule had previously allowed small packages valued up to \$800 to enter the US without any duty, benefiting Amazon and Chinese firms like Shein and Temu,” the report noted.

For India, seizing this op-

But bottlenecks in banking and customs have to be quickly fixed and suitable export incentives extended by the government, says GTRI

portunity requires urgent reforms as India’s current trade system is still geared toward large, traditional exporters — not small online

sellers, according to Ajay Srivastava from GTRI.

RBI rules allow only a 25 per cent gap between the declared shipping value and final payment, which is too tight for online exports, where discounts, returns and platform fees often lead to larger differences. “Raising this limit to 100 per cent and giving banks flexibility to approve legitimate cases would help,” the report suggested, adding that bank fees should also be brought down.

India’s customs system must move online, with 24/7

automated inspections and easy-to-follow digital checklists for small exporters, it added. E-commerce sellers should also get access to affordable loans.

The report further pointed out that shipments sent by courier, which is common in e-commerce, do not qualify for key export incentives like RoDTEP, Duty Drawback or the Advance Authorisation Scheme. “This puts online exporters at a disadvantage. Extending these benefits to e-commerce shipments is critical,” it said.

+ Waqf protest: 3 dead, Central forces deployed in West Bengal’s Murshidabad district

Our Bureau
Kolkata

As many as 17 companies of Central forces have been deployed in trouble-torn Murshidabad district in West Bengal and around 150 people have been held so far in connection with the violent protests over the Waqf (Amendment) Act.

The widespread violence, in which three people were killed and several injured, ignited a political firestorm in Bengal. The opposition BJP alleged that over 400 people had fled the violence-hit district for safety, while the ruling Trinamool Congress accused the saffron party of politicising the issue to its benefit.

In an urgent hearing on Saturday, the Calcutta High



ON ALERT. BSF personnel on guard after violence erupted during a protest against the Waqf Amendment Act in Murshidabad on Sunday **ANI**

Court ordered the deployment of Central forces in Murshidabad district, where protests against the Waqf (Amendment) Act spiralled into major violence.

Appealing for peace, Chief Minister Mamata Banerjee announced that the Act would not be implemented in West Bengal. As many as

17 companies of Central forces have been deployed so far. More Central armed forces are likely to be deployed as minority dominated-Murshidabad remained tense on Sunday as well.

As Central armed forces and police patrolled sensitive areas in Dhulian, Shamsheganj and Suti, which wit-

nessed widespread violence in the district in the last two days, people remained indoors, shops were closed and roads were deserted.

INTERNET SUSPENDED

Prohibitory orders under section 163 of the Bharatiya Nagarik Suraksha Sanhita (BNSS) have been imposed in the violence-hit areas, and the internet has been suspended.

“More than 400 Hindus from Dhulian, Murshidabad, driven by fear of religiously driven bigots were forced to flee across the river and take shelter at Par Lalpur High School, Deonapur-Sovapur GP, Baisnabnagar, Malda. Religious persecution in Bengal is real,” Leader of the Opposition in the State Assembly Suvendu Adhikari wrote on social media platform X.

‘Transformative’ Insurance Bill likely to be moved in monsoon session of Parliament

Shishir Sinha
New Delhi

The government is likely to introduce a Bill to bring ‘transformative’ reforms to the insurance sector, including raising the Foreign Direct Investment (FDI) limit to 100 per cent.

“Post all the consultations and approval from the Cabinet, it may be introduced during the monsoon session,” a senior government official said. The Bill intends to fulfil the key FY26 Budget announcement of raising FDI limit from 74 to 100 per cent in the insurance sector for companies which invest the entire premium in India. The current guardrails and conditionalities associated with foreign investment will



be reviewed and simplified.

The framework of the Bill is based on a proposal mooted by the Financial Services Department in November last year, when it invited comments on the proposed amendments to the three laws — the Insurance Act, 1928, the Life Insurance Corporation Act, 1956, and the Insurance Regulatory and Development Authority Act, 1999. It was said that amendments are proposed

to ensure “accessibility and affordability of insurance to citizens, foster expansion and development of the insurance industry and streamline business processes.” The proposed amendments are expected to lay down the framework for composite licences, allowing insurers to offer multiple categories of insurance including life, health and general under a single licence. This is one key initiative for enhancing insurance penetration to achieve goal of ‘Insurance for All by 2047.

LOWER ENTRY CAPITAL

The Bill is also expected to empower IRDAI to specify lower entry capital (not less than ₹50 crore) for underserved segments on a special case basis. At the same time,

requirement of Net Owned Funds for foreign re-insurers is proposed to be lowered to ₹1,000 crore from ₹5,000 crore.

The Financial Services Department had told a Parliamentary Panel that India’s FDI norms, aligned with global best practices, will position the country as an attractive destination for foreign investors.

The government hopes that higher FDI limit means greater foreign participation which will lead to more players in the market, enhancing competition, better products, improved customer service and more affordable premiums, ultimately improving insurance penetration and density, thereby reducing the protection gap.

To check cyber frauds, banks seek power to freeze mule accounts

Press Trust of India
New Delhi

To check cyber fraud through mule accounts, banks are seeking authority to freeze accounts involved in channelling illicit transactions without wasting precious time in seeking permission from the authorities.

Banks freeze/block accounts based on internal triggers; however, as per the Prevention of Money Laundering Act (PMLA), they do not have the authority to freeze or block customer accounts without proper authorisation from a court or law enforcement agencies.

“In light of this, we may propose this as a suggestion for further consideration by the RBI,” a working group constituted by the Indian Banks’ Association said in a report.

Mule accounts are used by fraudsters to move illegal funds through the banking system.

Although banks freeze thousands of these accounts every year, fraudsters quickly create new accounts using loopholes in the system.

CHANNELLING MONEY

Besides, it said, banks may look to verify and restrict accounts most vulnerable to misuse as “mule” accounts for channelling illicit money.

Banks have proposed using the Election Commission database to verify individuals opening accounts with voter identification cards and Form 60 — in the absence of a permanent account number — and capping the number of transactions on such accounts.

The fight demands a dynamic, technology-driven approach, they said.

Chaos around trade tariffs could lead to rise in cyber threats: Cybersecurity experts

KV Kurmanath
Hyderabad

Even as US President Donald Trump levies trade tariffs on a host of countries, triggering uncertainty and anxiety among exporters, cybersecurity experts warn of possible attacks as hackers thrive on chaos.

They also express concern that a very high pressure on margins could lead to reduced budgets for cybersecurity, weakening the protection of the networks. “The evolving trade tariff environment is creating unintended ripple effects across industries. As businesses look to optimise costs, critical functions like cybersecurity may face budget pressures,” Dipesh Kaura, Country Director-India & SAARC, has said.

“At the same time, the digital threat landscape is growing more complex, with



increased risks from both State-sponsored actors and opportunistic individuals exploiting economic uncertainty through scams and cyberattacks,” he said. Asking enterprises to stay vigilant, he said scalable, flexible cybersecurity solutions integrate with existing systems to help mitigate risks without heavy upfront investments.

SENSITIVE SECTORS

“Rapid detection and response capabilities are especially critical for sectors like banking and healthcare, where protecting sensitive

data is paramount,” he said.

The manufacturing sector, navigating operational challenges due to tariffs, should also prioritise cybersecurity to safeguard against disruptions and intellectual property (IP) theft.

“Quick adoption of technologies to manage monitoring, detection and response in such scenarios can significantly reduce the impact of cyber incidents,” Kaura said.

Asked whether the company noticed any unusual activity in this context, he said it was too early for a scam to happen on this topic. “However, there is a definite activity on the State-sponsored attacks but that won’t come on social media and news,” he said.

Samir K Mody, Vice-President (Threat Research) at K7Computing, said the chaos around trade tariffs could be only used for cheap social engineering-type attacks. “We saw things like

that during Covid, which affected everyone,” he said.

VULNERABLE TIME

“The tariff-related meltdown won’t actually affect all and sundry but only investors,” he observed.

Steve Vintz, Co-CEO and CFO of Tenable, an exposure management solutions company, warned that wide-ranging tariffs could unintentionally raise the risk of cyberattacks as adversaries look to retaliate against growing economic pressure.

“There is a strong correlation between economic sanctions, trade barriers and a rise in cyber threats, particularly targeting critical infrastructure,” he pointed out.

“Fundamental shifts in market dynamics, such as evolving trade policies and the emergence of new technology paradigms like generative AI, can lead to an increasingly opportunistic threat landscape,” he felt.

Eight killed in explosion at firecracker unit in AP

Press Trust of India
Visakhapatnam

Eight people, including two women, were killed and at least seven injured in an explosion at a firecracker manufacturing unit in Anakapalli district of Andhra Pradesh on Sunday.

The explosion occurred around 12.45 pm at Kotavur-atla village, and the injured were shifted to hospitals.

PM CONDOLES

Prime Minister Narendra Modi expressed grief over the incident. In a post on ‘X’, he said: “Deeply saddened by the loss of lives in a factory mishap in Anakapalli district of Andhra Pradesh.”

“Condolences to those who have lost their loved ones. May the injured recover soon. The local administration is assisting those affected.”

He also said, “An ex-gratia of ₹2 lakh from PMNRF would be given to the next of

kin of each deceased. The injured would be given ₹50,000.” “Eight people, including two women, died and seven others were injured in the accident,” Andhra Pradesh Home Minister V Anitha told **PTI**.

The blast ripped through the licensed manufacturing unit functioning under an asbestos roof, where 15 people were reportedly present. Charred body parts were scattered around, making identification difficult, an eyewitness said.

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thehindu **businessline.**

Domestic LPG: A victim of price distortion

HOLE IN POCKET. Public sector oil marketing companies still use the formula given to them in 2002 for deriving the LPG price

Richa Mishra
Hyderabad

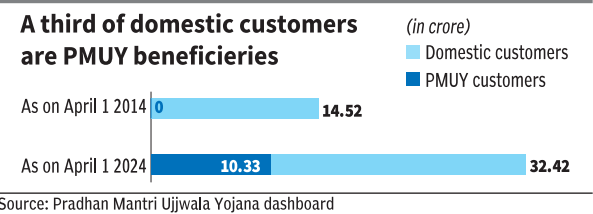
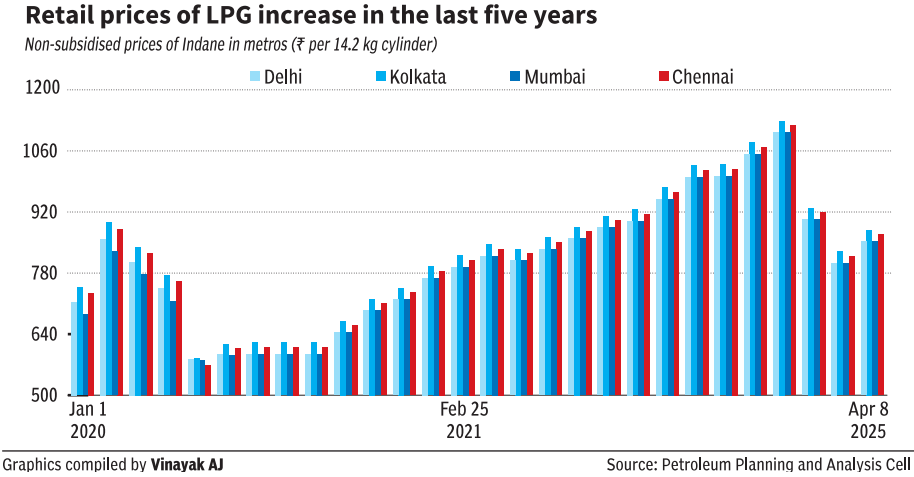
“Biomass for cooking is still very common in rural India. It contributes to household & ambient air pollution & impacts women & children’s health negatively. Universal access to LPG through targeted subsidies could solve both problems” – a tweet by Soumya Swaminathan read.

But is domestic Liquefied Petroleum Gas (LPG) affordable in India? The majority will say ‘No’.

DEEP DIVE.

With effect from April 8, the government announced an increase in the price of domestic LPG by ₹50 for every cylinder. With this increase, the price of a non-subsidised Indane gas cylinder of 14.2 kg has increased to ₹853 in Delhi, ₹852 in Mumbai and ₹868 in Chennai, according to the Petroleum Planning and Analysis Cell (PPAC). Indane is from the Indian Oil Corporation Ltd stable.

LPG prices hit a peak in mid-2022, with the cost of a 14.2 kg cylinder crossing ₹1,000. To make LPG more affordable to Pradhan Mantri Ujjwala Yojana (PMUY) consumers and ensure sustained usage of LPG by them, in May 2022, the government started a targeted subsidy of ₹200 for every 14.2 kg cylinder



der for up to 12 refills annually (and proportionately pro-rated for 5 kg connections) for the PMUY consumers.

LPG prices were further reduced by ₹200 in August 2023 and ₹100 in March 2024 for all domestic consumers.

In October 2023, the government increased the targeted subsidy to ₹300 for every 14.2 kg cylinder for up to 12 refills per annum (and proportionately pro-rated for 5 kg connections).

Despite this, the cost of non-subsidised LPG cylinders has increased about 20 per cent since the beginning of January 2020.

Expensive cooking fuel will have a direct impact on the success of PMUY as the number of refills after the initial connection will come

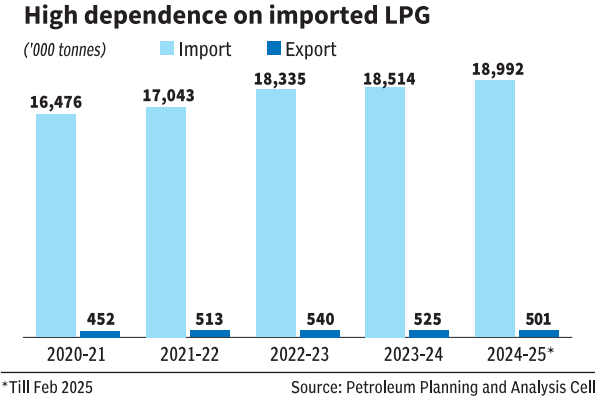
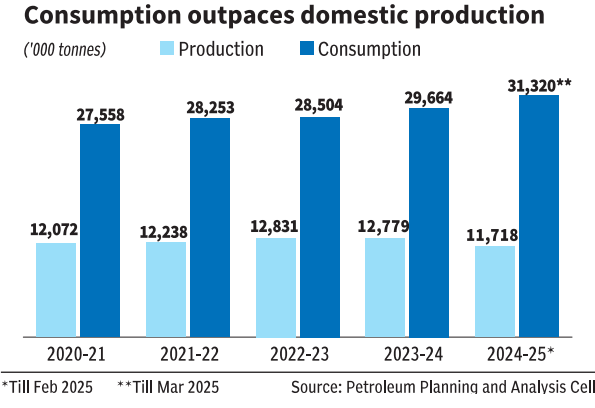
down. It would not only be a strain on the consumer’s pocket but also to the State governments, which must provide compensation for subsidised LPG to the oil marketing companies (OMCs).

WHY THE INCREASE?

The argument for the recent increase of ₹50 in LPG cylinders was that it would provide support to the profitability of the OMCs, which were suffering massive un-

der-recoveries on the sale of domestic LPG.

According to the available data, India imports about 60 per cent of the domestic LPG consumed. LPG pricing, as managed by the Ministry of Petroleum and Natural Gas, is largely based on international LPG prices, specifically the Saudi contract price (CP), with the government modulating the effective price to consumers to protect them from price fluctuations.



Justifying its latest decision, the Ministry said, “During the period 2020-21 to 2022-23, the average Saudi CP went up from \$415 per mt to \$712 per mt. However, the increase in the international prices was not fully passed on to the customers. This resulted in public sector OMCs incurring ₹28,000 crore loss due to under-recoveries. However, the gov-

ernment approved a one-time compensation of ₹22,000 crore for OMCs to enable them to operate freely.”

COMPLICATED PRICING

Before taking the discussion further, we need to keep in mind that the OMCs sell commercial LPG (19 kg) at market price and if those from the industry are to be

Tariff uncertainty short-lived, says TCS CEO; hopes to resume growth in US business

Press Trust of India
Mumbai

K Krithivasan, Chief Executive and Managing Director of TCS, believes that the tariff moves-induced uncertainty impacting the sector will be “short-lived” and expects it to get resolved within “months”.

The over \$39 billion order book of the company will ensure that TCS will continue revenue bookings, the head of the IT services company told *PTI*.

Stating that the deal pipeline is “strong”, Krithivasan said the current situation, where some clients have stopped discretionary spending, has not resulted in any pricing pressures. In fact, there has been a slight uptick in pricing both on-year and from a sequential perspective, he added.

Without disclosing the



K Krithivasan, Chief Executive and Managing Director of TCS

ivasan said there has not been any significant change, and added that it will take months of the uncertainty prolonging for it to change.

UPTICK IN PRICING

He said once the situation is resolved in the US, it will help the company resume growth in its North America business, whose share in the overall revenue pie has declined to 48 per cent now.

Progress in trade talks between India and the US will not have a direct impact on the company’s business, he said, adding that prolonged lack of growth in the North American country will impact client decisions across sectors.

Given the prevailing conditions, some clients are looking at cost optimisation measures, he said, adding that compressing the pricing from IT vendors is among the levers used by clients in

this regard. There may be some situations where the company may have given some tactical discounts as well, he said, reiterating that despite the uncertainties, there is an uptick in pricing.

To a question on the impact on resource allocation amid the ongoing challenges, Krithivasan said utilisation had improved in recent times.

INDIA GROWTH

He said the company would like to maintain India’s 8 per cent contribution to the revenues going forward, even though there may not be a BSNL-like deal that has pushed the share higher and also helped the company post revenue growth in an otherwise difficult FY25.

The company sees large deals in the country, Krithivasan said, pointing out that banks can be among the customers.

Piyush Shukla
Mumbai

THE OUTLOOK

- Commentary on growth visibility, asset quality movement and margins will be key monitorables
- NII and operating profit are expected to grow in double-digits
- Gold loan NBFCs likely to post highest AUM growth; NBFC-MFIs may register a decline in AUM
- NPAs likely to rise, especially for MFIs
- Margins expected to remain steady

Non-banking finance companies (NBFCs) are likely to see modest single-digit growth in their Q4FY25 net profit, driven by stable margins and growth in assets under management (AUM), analysts say.

“We estimate 13 per cent/15 per cent year-on-year (y-o-y) growth in net interest income and operating profit in Q4FY25 for our NBFC coverage universe, although PAT is expected to remain flat y-o-y. Excluding NBFC-MFIs (microfinance institutions), we expect 5 per cent y-o-y growth in PAT for our coverage universe,” said Motilal Oswal.

The brokerage expects 9 per cent y-o-y growth in AUM for housing finance companies (HFCs), including both affordable and large HFCs. Vehicle financiers are projected to see 20 per cent y-o-y AUM growth, while

gold loan NBFCs are likely to record 29 per cent growth. NBFC-MFIs, however, are estimated to post a 15 per cent y-o-y decline in AUM, while diversified NBFCs are expected to grow 21 per cent.

“For our NBFC coverage universe, we estimate loan growth of ~15 per cent y-o-y and ~4 per cent q-o-q as of March 2025. Notwithstanding seasonality, demand trends and loan growth remained flat during the quarter due to calibrated growth in unsecured retail, muted disbursements in microfinance and low mortgage

form better. During the quarter, slippages are expected to remain elevated, weighing on asset quality. Credit costs will also stay high, though they may moderate on a q-o-q basis,” it said.

NET MARGINS

Axis Securities said that net interest margins (NIMs) are expected to remain steady for housing financiers, while showing a slight negative bias for diversified and gold financiers. For vehicle financiers, it projects a steady to marginal improvement.

Motilal Oswal said that the cost of borrowings for most NBFCs had either remained stable or seen a minor decline due to the repricing of external benchmark-linked loans.

However, transmission through marginal cost of funds-based lending rate loans is yet to occur, and most NBFCs believe it will take place with a lag of 3-6 months.

Volatility control bands in the works to prevent ‘fat-finger’ errors

Akshata Gorde
Mumbai



₹990-₹1,210. The specific width of the band and reset frequency may also vary depending on a stock’s liquidity and trading volumes.

An email sent to SEBI seeking comments remained unanswered.

SYSTEM UPDATE

The system is also being designed to adapt to unusual market conditions. On days with major news events or when thresholds such as high order rejections or a surge in unique client codes are breached — the bands can be widened temporarily to accommodate larger trades and maintain orderly functioning.

Once a suitable model is finalised, exchange systems will be upgraded to generate these control bands, which will then be implemented for brokers to consume in a phased manner. The entire exercise is expected to take four to six months, with the final implementation likely only towards the end of the year, an exchange official said.

The implementation is expected to follow the usual SEBI route — first via a discussion paper and subsequently through a circular, similar to the process followed for dynamic price bands already in place.

working on it. Different models are being developed, back-tested on historical data and optimised based on the observed outcomes,” said the source.

CONTROL BANDS

Once implemented, the volatility control bands will allow only those orders that fall within a pre-set percentage of the last traded price (LTP). Orders that fall outside the specified range are likely to be rejected. These bands will reset every 15 to 30 seconds, adjusting to the latest LTP in real time, another source said.

For example, if a stock has an LTP of ₹1,000 and a 10 per cent volatility control band is in effect, orders would be accepted only within the ₹900-₹1,100 range. If the LTP moves to ₹1,100 after 30 seconds, the updated band would shift accordingly to

Stock exchanges are actively back-testing and optimising model-based volatility control bands to curb erroneous trades triggered by ‘fat-finger’ errors ahead of regulatory changes slated for later this year, sources said.

Fat-finger errors are mistakes caused by the wrong input of numbers while placing buy or sell orders.

The Securities and Exchange Board of India (SEBI) had floated the idea last year, proposing that exchanges adopt narrow price ranges within the broader intra-day of 2 to 20 per cent for stocks in the cash segment for enhancing orderly price bands. The aim is to limit sudden price swings caused by input errors, without affecting the extant trading range of a stock.

The proposal remains under active examination. NSE and BSE are internally experimenting with various model configurations designed to create “impact walls” — automated mechanisms that contain sharp, unintended volatility caused by human error, said a source aware of the discussions.

“The mechanism will take time; stock exchanges are

FPIs withdraw ₹31,575 cr from equities in April on US tariff jitters

Press Trust of India
New Delhi

Foreign investors have pulled out ₹31,575 crore from the country’s equity markets so far this month, in the wake of turbulence emanating from sweeping tariffs imposed by the US on most nations, including India.

This came following a net investment of ₹30,927 crore in the six trading sessions from March 21 to March 28. This infusion helped reduce the overall outflow for March to ₹3,973 crore, according to data from the depositories.

Compared to previous months, this marks an improvement. In February, foreign portfolio investors (FPIs) took out ₹34,574 crore while in January, the outflow was even higher at ₹78,027 crore. This shift in investor sentiment highlighted the volatility and evolving dynamics in global financial markets.

According to the data, FPIs pulled out ₹31,575 crore from Indian equities between April 1 and April 11. With this, the total outflow by FPIs has reached ₹1.48 lakh crore so far in 2025.

“The turbulence in global stock markets following US President Trump’s reciprocal tariffs has been impacting FPI investments in India too,” VK Vijayakumar, Chief Investment Strategist, Geojit Investments, said.

“In the medium term, FPIs are likely to turn buyers in India since both the US and China are heading for an inevitable slowdown as a result of the ongoing trade war. Even in an unfavourable global scenario, India can grow by 6 per cent in FY26. This, along with better earnings growth expected in FY26, can attract FPI investments into India once the dust in the market settles down,” he added.

Vinit Bolinjar, Head of Research, Ventura, said the ongoing sell-off in Indian equities is driven by macro and geopolitical risks. However, the country’s strong macro fundamentals remain intact.

Robust domestic demand and ongoing trade realignment continue to position India favourably for the long term, he added.

Apart from equities, FPIs took out ₹4,077 crore from debt general limit and withdrew ₹6,633 crore from debt voluntary retention route.

IFSCA eases framework to set up global treasury centres at GIFT City

Ashley Coutinho
Mumbai

The International Financial Services Centres Authority (IFSCA) has eased the framework for setting up global and regional corporate treasury centres to bolster GIFT City’s appeal as a global investment destination.

Activities such as capital raising, borrowing, derivative and foreign exchange transactions have been permitted.

UPDATED FRAMEWORK

“The updated framework brings much-needed clarity to permissible business activities. Additionally, the introduction of specific permissibility for holding companies marks a significant step forward, offering greater flexibility for corporate structures and further strengthening GIFT City’s appeal as a global investment platform,” said Jaiman Patel, Partner, EY India.

Capital can be raised through issue of equity shares. Borrowing includes inter-company deposits and credit arrangements.

Transacting or investing in financial instruments issued in IFSC or outside

IFSC, undertaking derivative transactions and foreign exchange transactions and factoring and forfaiting, as well as liquidity management, are now allowed.

TREASURY CENTRE

The framework aims to bring financial services and transactions currently carried out in offshore financial centres by Indian corporate entities as well as by overseas branches or subsidiaries of financial institutions to GIFT IFSC.

A treasury centre acts as an in-house bank in any multinational corporation. The two main objectives of treasury centres are centralised management of funds and use of global funds in the group.

CONDITIONS APPLY

Entities wanting to set up these treasury centres have to set up the necessary infrastructure in IFSC, including adequate office space, equipment and communication facilities to undertake the permissible activities.

The entity has to employ at least five qualified personnel based in IFSC, including a head of treasury and compliance officer, before commencement of operations.

The entity must have a

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Dragon effect

India should shield exporters from China-US impact

US President Donald Trump capped his extraordinary tariff antics last week with a move on April 9 to freeze his ‘reciprocal tariff’ order on 56 out of 57 trade partners, for 90 days. China was not spared; the US has ended up imposing a 145 per cent levy on some of China’s goods, while sparing, if only for now, key imports such as electronics, smartphones, hard drives and chip-making equipment — an intriguing move that seems conciliatory towards US’ big tech firms such as Microsoft, Apple, Google and Dell.

China did not lose a moment to retaliate, slapping a 125 per cent duty on US exports. The hit on China and its fallout deserves some attention, because it is India’s top trade partner along with the US. China’s US-bound exports could find its way into other markets, such as EU and India. After Trump’s April 9 decision, the tariff gap between China and the rest of the world could be as high as 135 per cent on some goods, as the baseline tariff of 10 per cent is what India and the others are faced with right now, on exports to the US. China’s exports of furniture, toys and garments to the US could head elsewhere, besides steel, on which India is contemplating a safeguard duty. India seems inclined to set up a ‘war room’ to ward off any influx. The EU, a bigger importer than the US of Chinese goods, is equally wary about Chinese dumping. Such vigilance could deepen China’s existing downturn, brought upon by real estate oversupply. It is hard to say whether China’s pre-emptive fiscal stimulus in 2024 can offset this export shock.

The world’s two largest economies are likely to drag down global growth, with China expected to grow at 4 per cent in 2025 and the US going into negative by the end of the year. If India seeks to turn China’s export decline into an opportunity (notwithstanding the global growth crisis), it must do the necessary groundwork. At present, India’s medium and small enterprises are not able to ramp up quickly to substitute a market gap. It is difficult, for instance, for India’s garments to benefit overnight from the duty hit on China, Vietnam and Bangladesh. As the latest Economic Survey has said, cleaning up the business environment for MSMEs must assume top priority.

The Centre could consider providing some short-term export subsidy to offset the tariff impact on margins. Banks should be persuaded to lend liberally to exporters. India’s electrical, garments and engineering exports need support so that they do not lose existing markets — not just in the US but also in other markets such as the EU, where competitors could compromise India’s market share. It cannot be said now whether the ‘tariff tantrums’ will lead to a diversion of investment from China and ASEAN into India. It takes a lot of time and money to shift base, and businesses will probably take that decision based on the final level of tariffs — of which nothing is known. In this situation of flux, India should protect its exporters to minimise the output shock. Nimble fiscal and monetary policy is called for.

OTHER VOICES.

THE WALL STREET JOURNAL.

On tariffs, it’s good to be Tim Cook
Tariffs are advertised in the name of helping American workers, but what do you know? They turn out to favour the powerful and politically connected. That’s the main message of President Trump’s decision to exempt smartphones and assorted electronic goods from his most onerous tariffs. Customs and Border Protection (CBP) issued a notice listing a number of products that will be exempt from Trump’s so-called reciprocal tariffs. The exclusions apply to smartphones, laptop computers, hard drives, computer processors, servers, memory chips, semiconductor manufacturing equipment, and other electronics. The CBP notice takes the tariff rate on these products down considerably. Barron’s calculates that the exceptions cover \$385 billion in 2024 imports. (NEW YORK, APRIL 12)

Consolidate regional community with a shared future
Against the backdrop of rising global uncertainties, including aggressive unilateralism and protectionism, China’s continuing advocacy for a shared future with neighbouring countries demonstrates its unwavering support for multilateralism and economic globalisation. President Xi Jinping’s state visits to three ASEAN nations highlights China’s commitment to constructive engagement with neighbouring countries and underscores the paramount importance China places on fostering strong ties with them. As Lin Jian, spokesperson for the Foreign Ministry, said, the visits to Vietnam, Malaysia and Cambodia, hold significance not just for the advancement of China’s relations with the three nations, but also with the broader ASEAN (BEIJING, APRIL 13)

The dollar will remain invincible

The idea that Trump doesn’t want the dollar to be the reserve currency by engineering a trade surplus for the US is ludicrous

LINE & LENGTH.

TCA SRINIVASA RAGHAVAN
Donald Trump’s trade policy has drawn two types of comments. One deserves to be rejected and the other requires closer scrutiny.

The comments to be rejected are politically inspired, that he is trying to manipulate the financial markets so that someone can make money. This is plain silly. His close friend Elon Musk has actually lost more than \$30 billion. The other set of comments is about economics, that Trump is trying to devalue the dollar so that American exports become competitive. The simple answer to this is that a global reserve currency is, by definition, one that requires trade deficits.

So the idea that Trump doesn’t want the dollar to be the reserve currency by engineering a trade surplus for America is completely ludicrous. It could and has depreciated. But that’s temporary. Public memory may be short but I had thought economists would have somewhat longer memories. But apparently not, because they have forgotten what happened in the four decades from 1950 to 1990. The simple truth is this: what’s happening now is a replay of those years, namely, huge American budget and trade deficits accompanied by massive accumulation of dollars outside American control.

A BRIEF RECAP
The only difference is that it was Europe and Japan which were the villains then and it’s China that’s the villain now. Europe exported more to the US between 1950 and 1970 than it imported — it still does — and found itself with a massive cache of dollars, called Eurodollars. Japan between 1970 and 1990 did the same and also accumulated huge reserves. To fix the European problem Richard Nixon, a Republican president, went off the gold standard in 1971. By the mid-1970s Europe had lost its advantage which it still has not recovered. In 1985, Ronald Reagan, another Republican president, forced two things



on Japan. He ‘persuaded’ the Japanese to accept voluntary export restraints to limit the numbers of Japanese food entering the US. The other thing was known as the Plaza Accord that ‘persuaded’ Japan to revalue its currency vis-a-vis the dollar. By 1992, just as the the Europeans had bitten the dust by 1980, the Japanese economy also went into a stagnant phase. Neither Europe nor Japan have recovered even now. In their place came China as the leading exporter to the US. Like Europe between 1950-70 and Japan between 1955-85 it, too, was facilitated by the US. It then bit the hand that fed it. So now it is its turn to be hit. But will history

What’s happening now is a replay of the four decades from 1950 to 1990, namely, huge American budget and trade deficits accompanied by massive accumulation of dollars outside American control

repeat itself a third time? We will have to wait and see. Even in the 1970s, after America had refused to honour its pledge to give a troy ounce of gold for \$35, there had been the same squeals of indignation and forecasts of apocalypse. All that happened was volatility in the financial markets and petrodollars replaced the Eurodollars. That’s when the Middle East became rich. International economics bloomed. Many papers and books were written. Some economists even won the ‘Nobel’ prize. But when all the commercial and academic dust had settled down, there the dollar was, as the safe haven currency of the world. A legitimate question today is if America has the same leverage with China as it did with Europe and Japan because it provided military security to both. And the obvious answer is no. China is a military adversary. When the US whipped them, Europeans responded by expanding their economic union both in trade and monetarily. The EU and the euro were the result eventually. The Japanese didn’t even try. They just rolled over. And the dollar remained invincible. That’s the point to grasp.

What can China do? It has tried RCEP, an Asian trading block. It has tried an Asian infrastructure investment bank. It has tried to promote the yuan as the global reserve currency, directly and via BRICS. It’s pretending it’s on a par with the US on technology — via memes. It will blackmail the US via its control of rare earths but that control has now reduced. But yes, this could hurt. Despite Trump, China also doesn’t enjoy the trust that the US enjoys — which Trump might be destroying. **US OR CHINA?** In the end, the point is this: if you had to choose between America and China, who would you choose? And that’s the trillion dollar question: the Communist Party of China or America? All things considered China doesn’t have the ‘comprehensive power’ depth that’s needed to take on the US. I think the deal Trump will offer is that the Pacific is yours but that’s all you get. Agree, and I will reduce tariffs to 10 per cent. We in India, meanwhile, should be wondering, like Kalia in *Sholay*, what’s going to be our fate. “*Ab tera kya hoga, Kaliye*”.

Bangladesh’s moves endangering India’s security

Allowing Pakistan’s ISI to visit border areas and cozying up to China indicate Yunus isn’t keen on fostering ties with India

Pratim Ranjan Bose

After eight months of sustained provocation — rising to the level of threatening India’s security and integrity — Delhi decided to give Bangladesh a mild shock. Four days after the April 4 meeting between Prime Minister Narendra Modi and Bangladeshi Chief Adviser Muhammad Yunus in Bangkok, India withdrew the facility for transshipment of Bangladeshi exports. Introduced in 2020, the mechanism helped Bangladesh’s garment exporters beat congestion and high airfares at home by re-routing West-bound cargo through Delhi and Kolkata airports. Transshipment has gained popularity over the last two years — the number of consignments grew by 64 per cent in 2024–25, and in value terms by an estimated 46 per cent, to touch \$400 million. Delhi cited congestion for domestic cargo as the reason for scrapping the facility. However, this explanation is not very convincing — on average, only 15 Bangladeshi trucks turned up with transshipment cargo per day.

NOT READING IT RIGHT
India’s move marks a departure from its previously consistent commitment to bilateral cooperation. Despite the ouster of the Sheikh Hasina government on August 5, India continued collaborating with Bangladesh in all areas — except on visa operations. In November, the Modi government approved Bangladesh’s bid to purchase electricity from Nepal,

transiting through India. Delhi recently withdrew from three rail projects, but those had seen inordinate delays under the Hasina regime. Dhaka failed to interpret India’s gestures correctly. In December, Bangladesh scrapped an internet bandwidth-sharing arrangement with India’s north-eastern region. Plans to grant the region access to Chittagong port have been put on hold. The real problem lies in the priority area of security. Inter-Services Intelligence (ISI) of Pakistan was always active here. Hasina’s ouster opened a new opportunity to them with reports of combat training and armed infiltration into Myanmar. In January, Dhaka permitted a delegation of the Pakistan Army and ISI to visit Rangpur, adjacent to the strategic Siliguri Corridor, which connects the North-East to rest of the country. Bangladesh dismisses reports on ISI as figments of imagination. But the warmth towards Pakistan and the frequent visits by the Pakistani High Commissioner to border areas are all too obvious. In a more distinct development, Bangladesh recently invited China to build an airbase in Lalmonirhat. This is on top of reopening the prospect of Chinese involvement in Teesta River restoration programme. Both the projects are close to Siliguri. Beijing used Teesta as a bargaining chip in the last decade, and India made a counter-offer. Hasina leveraged both sides before ultimately siding with India during her final press meet on July 14. Yunus not only revived the controversy but added new items to the



MUHAMMAD YUNUS. Reaching out to India’s adversaries PTI

friction list — all within just eight months in office. One may wonder if Yunus truly seeks India’s cooperation. His fondness for the near-defunct South Asian Association for Regional Cooperation (SAARC) — as opposed to the subregional BBIN grouping — can only be interpreted as a deliberate provocation. On April 6, just two days before assuming office, Yunus stated: “If you destabilise Bangladesh, it will spill over all around, including Myanmar and the seven sisters in West Bengal.” Who exactly was “you”? Another intriguing episode unfolded just weeks ago. In late March, while visiting Beijing, Yunus welcomed the expansion of the Chinese economy into North-East India via Bangladesh. His remarks stirred controversy. Ironically, this was also the period during which Yunus was actively seeking a meeting with Prime Minister Modi. By Dhaka’s own admission, Delhi did not respond to the calls for a bilateral

meeting in March. The meeting eventually took place on April 4. Modi reiterated India’s position on “inclusive” elections, minority rights, border security, and more. He also urged the Yunus administration to tone down its rhetoric. **NO TO ELECTION** From the beginning , Yunus has been non-committal about holding elections. He later changed course under pressure, but doubts remain about his sincerity. Left to him, Yunus might prefer a long spell of unaccountable power. His Home Minister voiced this plainly: “People want the interim government to stay for five more years,” he said on April 10. This would serve the dual purpose of keeping the Awami League out of politics and crushing the Bangladesh Nationalist Party’s (BNP’s) dream of returning to power. BNP’s acting chairperson, Tarique Rahman, remains in exile. The newly formed National Citizen Party (NCP) and Jamaat-e-Islami are strong backers of the no-election plan. The NCP survives on administrative oxygen. Jamaat lacks electoral support. But both crave unaccountable power. A group of ideologues, bloggers, and fringe organisations complete the anti-election ecosystem. They are small in number but capable of creating enough noise and chaos. The absence of the Awami League, a demoralised BNP, and a malnourished Jatiyo Party are making the pro-Yunus lobby’s job easier. The writer is an independent columnist

BELOW THE LINE



Green hydrogen blues
A leading conglomerate in India has slowed down its green hydrogen plans, and senior executives who were hired for the billions of dollars’ worth project are all but idling. The

reason is that globally the demand for green hydrogen-green ammonia remains uncertain primarily due to pricing. “The conglomerate is not likely to take it forward until it sees the prospect of healthy double-digit margin from it,” said an investment banker. Meanwhile, on the green energy front, it will be likely producing solar energy for its own captive consumption. Everything will depend on how the global situation evolves. **Revanth’s long-term plan** While everyone thinks in terms of a decade or so, Telangana Chief

Minister Revanth Reddy talks about creating a land record management system which will last for a century at least. The CM, who has been focused on cleaning the land records of the State, has instructed the officials to create a state-of-the-art portal called Bhu Bharati that is easy to understand for an ordinary farmer. He has instructed that the site should have sufficient security features along with firewalls. **Sanjay(a)’s vision** To a specific question on the possibility of a “double rate cut” as the real rate (repo rate minus retail inflation) at 200 basis points (bps) is

higher than the normal 150 bps, RBI Governor Sanjay Malhotra gave a witty repartee. He said with a smile: “I am Sanjay, but I am not Sanjaya (Kaurava King Dhritarashtra’s charioteer, who has divine vision to see and narrate what is happening in the battlefield of Kurukshetra to the blind king) of Mahabharat to be able to foresee that far. I do not have the divine vision that he had.” **Miffed Shah** Chennai’s media persons had a taste of Home Minister Amit Shah’s anger and humour at a press meet on Friday. It was a jam-packed hall with over 200 media persons. After his

Lessons from market gurus

They talk about resilience, and thinking long-term

BOOK REVIEW.

Ganesh A

Safir Anand’s *Confessions of Stock Market Wizards* is a remarkable book that takes a unique approach to understanding the stock market. And it’s a good attempt at understanding it from the horse’s mouth!

Instead of focusing solely on the success stories of legendary investors, it dives deep into their mistakes, failures, and lessons learned along the way. This refreshing perspective makes the book not just insightful but also highly relatable for investors at all levels.

It’s a blend of storytelling, psychology, and practical wisdom that sheds light on what it takes to succeed in the unpredictable world of investing.

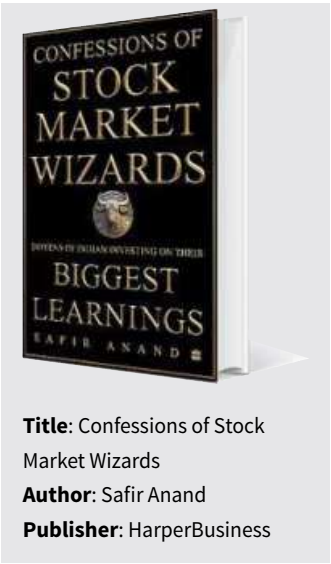
The book features interviews with 26 of India’s most renowned investors — investors who have made a name for themselves in the stock market through years of experience, grit, and resilience. These include stalwarts such as EA Sundaram, Ramesh Damani, Samir Arora, Madhusudan Kela, Vijay Kedia, and S Naren, among others. What makes this book stand out is its focus on their mistakes rather than their triumphs.

These “wizards” candidly share stories about their biggest blunders — whether it was buying the wrong stock, missing out on opportunities, or succumbing to emotions like fear and greed. Through these confessions, Safir brings out the human side of investing.

NO ONE IS PERFECT

The book emphasises that even the best investors aren’t immune to errors and that mistakes are an inevitable part of the journey. More importantly, it shows how these mistakes can serve as valuable learning experiences. It’s refreshing to see top investors openly admit where they went wrong and how those errors shaped their approach to investing. This honesty makes the book incredibly relatable because it reminds readers that no one is perfect — not even the experts

One of the standout aspects of this book is its focus on behavioural finance. The author delves into how emotions like fear, greed, overconfidence, and impatience can cloud judgment and lead to poor decisions. The book highlights how mastering your mindset is just as



Title: Confessions of Stock Market Wizards
Author: Safir Anand
Publisher: HarperBusiness

important as understanding market trends or analysing data. Each chapter is packed with actionable lessons derived from real-world experiences.

PRACTICAL TAKEAWAYS

These stories are not only engaging but also provide practical takeaways that readers can apply in their own investing journeys.

Mistakes Are Inevitable: No investor is immune to errors. The key is to learn from them and use them as stepping stones for growth. Diversification Is Crucial: While it’s important not to put all your eggs in one basket, over-diversification can also dilute returns.

Emotions Can Be Your Biggest Enemy: Fear during market crashes or greed during bull runs can lead to irrational decisions. Patience Pays Off: Many of the wizards emphasise holding onto quality stocks during tough times instead of panicking. Focus on process over outcome: Success in investing comes from following a disciplined process rather than chasing quick gains.

The lessons shared by these legendary investors go beyond making money — they’re about resilience, discipline, and learning how to think long-term in an uncertain world.

Whether you’re just starting your investment journey or have years of experience under your belt, this book will leave you with valuable insights that can transform how you approach the stock market.

If you’re looking for an honest, insightful, and highly engaging read about what it really takes to succeed in investing — this one should definitely be on your list!

The reviewer is Founder, beyondMF

A handy manual for biz coaches

With stimulating anecdotes and corporate cases, this hands-on guide is easy to comprehend and practice

BOOK REVIEW.

R Venkataraman

Ganesh Chella and Archana Edward Madhavan, reflecting upon their vast experience of nearly two decades, working with over 250 clients and managing over 1,500 coaching assignments, adopt a unique approach as authors of the book. They urge the readers to “unbox” the product, ‘coaching’, with the help of a well-designed ‘user manual’ containing detailed installation guidelines (oops!), modes and programme settings (really?), operating instructions (come on!), warranty clauses (what??), safety instructions (seriously?!), troubleshooting (tell me more!) and the FAQs (phew!).

“Most books are read once and put away. I believe that is a book that you will keep coming back to,” writes Rajiv Lochan, MD of Sundaram Finance, in his foreword. Rightly so, because this book is an exposition of coaching in its multiple dimensions.

Declaring that this is not a book on theory or science of coaching, the authors provide a glossary of terms, right in the beginning, elucidating coachee, coach, coaching, coaching partner, sponsor, client, immediate manager, chemistry, sustainability and so on, which helps the reader consume the contents of the book in complete clarity. The authors merit special appreciation for their extensive effort in interacting with numerous industry leaders and documenting their experiences as “user perspective” of the product, as a coach, coachee, sponsor, HR manager, which adds tremendous credibility to the narrative.

Ajanta Chatterjee, Head of Talent, JSW group, underscores the fundamental purpose of coaching thus: “For any organisational transformation,

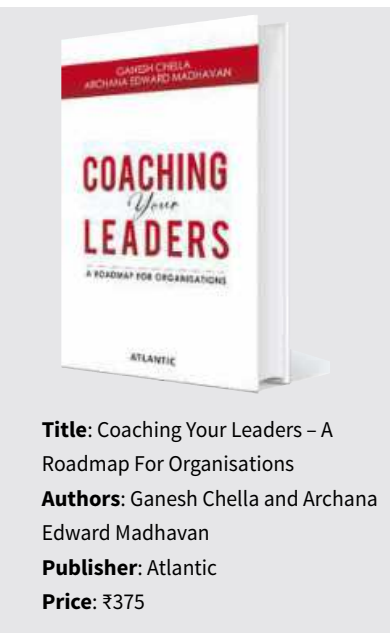
the foundation is to build a team of leaders who foster an environment of constant aspiration,...and establishing a culture of coaching is the way forward to successful transformation.”

SPECTRUM OF BENEFICIARIES

While a coachee may be the primary beneficiary of coaching, others within the organisation benefit indirectly from the process. Therefore, visualising the importance of coaching through a spectrum of beneficiaries — CEO, Board Member, CHRO, talent head, managers and promoters of MSMEs — helps in contextualising the concept of coaching as applicable to various stakeholders within, and outside the organisation. Manav Kohli, COO of Commosales P Ltd, who experienced coaching in various roles, as a coachee, a peer and a sponsor, sees coaching as an enlightening journey of introspection, self-awareness, feedback and exploration.

Accentuating the fact that coaching cannot happen in isolation and is influenced by the interplay between events, players, structures, needs and expectations, Ganesh and Archana present a systemic view of the operating environment for coaching, comprising the core, immediate environment, larger environment and the entire ecosystem that manages the strategic, regulatory and environmental changes. Authors argue that all these four elements need to be primed and aligned to support the success of any coaching engagement. Supplementing this view further, Krish Shankar, former Group Head of HR at Infosys, states that a confluence of three factors — coachee with a significant challenge or a dilemma, an insightful coach, and an environment that enables the coachee, — form the basis for thoughtful approach to coaching.

Differentiating from other avenues for development such as executive education, training, mentoring and assessments, authors maintain that



Title: Coaching Your Leaders – A Roadmap For Organisations
Authors: Ganesh Chella and Archana Edward Madhavan
Publisher: Atlantic
Price: ₹375

coaching is the most appropriate leadership intervention whenever there is a need for personalised developmental support entailing behavioural change because it helps translate learning into action. The book dwells on more crucial aspects as to what kind of business needs could be addressed through coaching, who qualifies for coaching, how to identify and select coaches, means of securing sponsorship for coaching, role of HR leaders and also the ethical dimension.

TWO MODES OF COACHING

The authors categorise coaching primarily into two modes — “One to One” and “One to Many” — with multiple programmes listed under each mode, clearly explaining the scope, purpose, process, benefits, limitations and complexities under each mode, which would help organisations identify the type of coaching necessary in a given context. Amplifying the subtle

difference between team coaching and group coaching, the authors clarify that the former focusses on strengthening the team as a system whereas the later focusses on strengthening the individual capabilities in a group setting. Many such nuances make the book very edifying and useful.

Affirming that coaching is an experience that enters a coachee’s life for a relatively brief period, and what a person does from gains out of coaching, will be influenced by what that person goes through after coaching. Recounting his experiences as a coachee during the formal coaching engagements which ended ten years ago, Lakshminarayan Duraiswamy, MD of Sundaram Home Finance, calls it a ‘point of inflection’ in his career, and confesses that his informal coaching continues till date.

Offering a set of warranties such as, likely outcomes, sustainability of outcomes, flexibility of the coach, ethical practices, and recovery from setbacks if any, the authors endeavour to package coaching as a wholesome product. An exceptional feature of the book is the “Call to Action” at the end of each chapter, exhorting the readers to put their learning into action.

User manuals are normally very technical and boring, but this manual is very distinctive, with stimulating anecdotes and corporate cases, underlining how coaching has helped shape behaviours and growth of many successful leaders, leading to transformation of their entire organisation. All of 130 pages, with a narration that is simple and yet thought provoking, this hands-on guide to coaching is a treatise, easy to comprehend and practice. A must read for everyone who is, or likely to be part of the coaching ecosystem — corporate leader, coaches, coachee, sponsor, manager and HR/talent leader.

The reviewer is General Manager, Madras Management Association

thehindubusinessline.

TWENTY YEARS AGO TODAY.

April 14, 2005

Dabhol’s domestic lenders to buy out offshore debt

Gas and Power Investment Company (GAPIC), a special purpose vehicle set up by the Indian lenders to the \$3-billion Dabhol Power Company (DPC), is close to buying out the project’s foreign debt component of around \$600 million. The recently formed company, in which IDBI and State Bank of India have a stake, would raise money by issuing bonds to pay off the project’s offshore lenders, Government officials said.

India records fastest growth in car production

India registered the fastest growth among the top 15 passenger car producing countries in the world in 2004. As per latest rankings by the International Organisation of Motor Vehicle Manufacturers, OICA, India’s car production grew 30 per cent in 2004. India is also just a tad away from being among the top 10 automobile producing countries in the world.

VAT panel to meet on April 16 to review progress

The Empowered Committee of State Finance Ministers on value-added tax would meet to discuss and review the “implementation issues” surrounding the introduction of State-level VAT from April 1.

Short take

Coughing up the truth on TB stigma in India

Blessina Kumar

Tuberculosis remains one of the leading causes of morbidity and mortality in India. And while the disease affects everyone, TB-related stigma disproportionately affects certain subsets of the populace. Most glaringly, TB is considered a disease of the poor — one that is both inescapable and maledictive. In several communities, a lack of scientific awareness about the disease’s prognosis and transmission fuels misconceptions, leading to the belief that TB is a ‘curse’ that can be passed on from one generation — or family — to the other.

Women also bear the brunt of the stigma, as they are often shunned by

their families and deemed unfit for marriage following a diagnosis. Fear of social rejection discourages many from seeking medical help, allowing the disease to spread unchecked. This reluctance is further exacerbated by the fact that women are more likely to present with atypical and sub-clinical symptoms, leading to delays in diagnosis and treatment. As such, TB is not just a biomedical issue, but also a systemic one. Effectively addressing it requires moving beyond a purely medicalised understanding and focusing on its social determinants.

The National TB Elimination Programme (NTEP) has brought India to the forefront of the global TB elimination response through increased community support and greater

investment in molecular diagnostics and AI-enabled portable screening tools. The programme has engaged over 30,000 TB ‘Champions’ — survivors who undergo training and provide informational and counselling support to TB patients and their families.

TB FORUMS STRENGTHENED

The programme has also strengthened TB forums at the national, State, district, and sub-district levels. These forums allow for an institutionalised space for individuals to voice their experience with TB and express their unique socio-economic needs. To further enhance community engagement, the NTEP has developed a Community Accountability Framework, ensuring high standards of TB care, and has

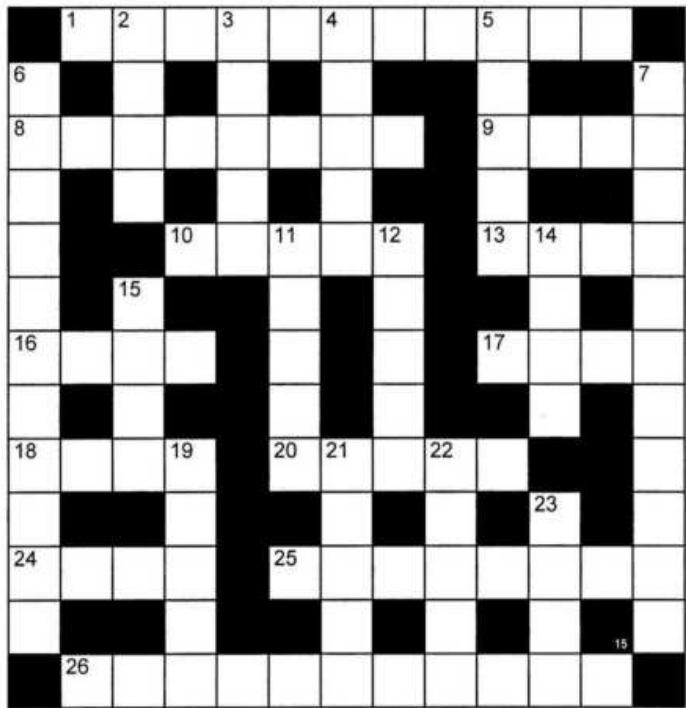
partnered with the Ministry of Panchayati Raj under the TB-Mukt Panchayat initiative to foster awareness and local support at the grassroots level.

It is important to leverage these institutionalised structures and forums to expand the reach of accurate messaging and utilise them to gather feedback from the ground to improve patient experience.

The fight against TB cannot be won in isolation, it requires a collective effort from policymakers, family members, community groups, and mental health professionals alike. By prioritising education, equity, and empowerment, we can move closer to our goal of a TB-Mukt Bharat.

The writer is CEO, Global Coalition of TB Advocates

BL TWO-WAY CROSSWORD 2673



EASY

ACROSS

- Appeases (11)
- Large store (8)
- Close at hand (4)
- Flower (5)
- Back of lower leg (4)
- Earth satellite (4)
- Masonry support; jetty (4)
- Cricket practice situation (4)
- Gather bits of information (5)
- Claim to be true (4)
- Answer to poison (8)
- Glass growing structures (11)

DOWN

- String of pearls (4)
- European capital (5)
- Peace agreement (5)
- Soldier’s coat (5)
- Romantically emotional (11)
- Things one would rather have (11)
- Sound of a plucked string (5)
- Lift up (5)
- Operatic song (4)
- Application of paint (4)
- Suit material (5)
- Midday meal, in short (5)
- Farewell (5)
- Sit; assumed attitude (4)

NOT SO EASY

ACROSS

- Sport I twice tape if it appeases (11)
- There’s poem about one being in the drink, a big store of it (8)
- It’s mean to get so close (4)
- In haste repents it flowering inside (5)
- Fine leather part of a leg (4)
- Look dreamy, like the satellite (4)
- Wall’s support may be put out to sea (4)
- Makes a clear profit where cricket is practised (4)
- Gather it may be got from an angle (5)
- Mature vats in which one may claim a part is returned (4)
- Poisonous answer is opposed to the way one will adore it (8)
- Ecology-conscious dwellings where things are grown (11)

DOWN

- Among the Sappers, work on a line (4)
- In afterthought, change of air may be capital (5)
- Loyal about conservative beginning when fighting stops (5)
- In cut it’s different when it’s worn (5)
- Listen: men at variance can prove soft-hearted (11)
- Such things as one would rather! (11)
- Sound of gnat fluttering around top of window (5)
- Heighten one in ears bent to shape (5)
- What is sung in opera, fair assessment shows up (4)
- An application of paint for Ulster, say (4)
- Russian boy will soundly well up (5)
- It takes an eon to conclude the meal (5)
- Final word due to first-class mix-up (5)
- Perplex one with question of assumed attitude (4)

SOLUTION: BL TWO-WAY CROSSWORD 2672

ACROSS 1. Palisade 4. Stop 8. Arc 9. Foals 10. Car 11. Comfort 12. Idiot 13. Loud speaker 17. Arena 18. Bristle 20. Tea 21. Essen 22. Ban 23. Rile 24. Sniggers
DOWN 1. Prance 2. Locum 3. Dealt 5. Tactile 6. Purity 7. Aspiration 9. Floodgates 14. Overall 15. Martyr 16. Tennis 18. Basin 19. Table

NEWS SNIPPETS.

US solar firm seeks Indian joint venture partners

San Jose, US-headquartered solar cell and module manufacturer Allesun intends to shift its manufacturing facilities in Vietnam and Cambodia to India, it is learnt. Allesun



has incorporated a company in India, Aurallesun Stellar Energy Pvt Ltd; the company is looking for Indian joint venture partners.

"Inviting JV partners for the new Indian company of Allesun, USA, for solar panel and cell manufacturing," says a WhatsApp post of Aurallesun Stellar Energy, which has been forwarded to *businessline*.

It is learnt that Allesun is open to giving a majority stake in the Indian firm.

Aurallesun intends to set up 800 MW cell and 500 MW module manufacturing capacity in India.

Regulator cannot amend connectivity rules, says Sembcorp

Sembcorp, one of the larger renewable energy companies in India, has objected to an amendment to the General Network Access rules of the Central Electricity



Regulatory Commission (CERC), saying the regulator has no right to bring in an amendment that takes away a right already given.

The Fourth Amendment of CERC has been proposed to better utilise transmission networks. Today, if connectivity is allotted to a renewable energy generation station, the right to use it vests with the company for a full day, regardless of whether the company transmits energy or not. Typically, the lines carry electricity only during solar hours. The proposed amendment wants to restrict the right to use the transmission lines to "solar hours" alone.

Sembcorp feels this is a "retrospective amendment" beyond the ambit of the regulator. "The Electricity Act does not expressly or impliedly permit the CERC to notify or amend regulations retrospectively," the company says in its reaction to the proposed amendments.

The proposed amendments seek to convert the in-principle, as well as final connectivity granted to solar energy companies, to "connectivity with restricted access", it notes.

As such, "the proposed amendments would have a retrospective operation and impair" the rights of the solar energy company by "taking away vested rights of the connectivity holder".

Sembcorp further points out that "connectivity is an asset granted to the connectivity grantee upon fulfilment of requirements mentioned in the GNA Regulations and deposit of Conn-BGs". However, the proposed amendment leads to splitting the connectivity of the solar energy company, which was granted for the entire day, to only solar hours.

"Thus, the proposed amendment seeks to take away the connectivity grantee's right to property and other vested rights in connectivity," Sembcorp says, while also cautioning that the amendment "seeks to create a mandatory sharing of resources, which could give rise to inter-se disputes".

● MOVE OVER, COOKSTOVES

Biogas is better bet for carbon credits

A GREEN HAND. Mexican company Sistema makes biogas digesters that corporates love to buy for farmers around the country

M Ramesh

A few years ago, a cookstove mania seized the world. Companies mushroomed everywhere to venture into what was seen as a lucrative business — namely manufacture "fuel-efficient" cookstoves, distribute them to rural folk free of cost and collect carbon credits for the fuel saved and, thereby, emission cuts. Soon, the business crumbled amid reports of alleged misde-meanours ranging from fraudulent count of undistributed cookstoves to overstating carbon dioxide emissions. Investigators found gifted cookstoves lying in disuse, as the families continued to cook on conventional stoves. Given the cooked-up nature of the carbon credits, the buyers of these credits — companies committed to emission reduction targets — lost confidence.

Now, cookstoves are making way for a new emission saver — cow dung-based biogas. In India, entities such as the National Dairy Development Board (NDDB), Amul, the Gujarat Cooperative Milk Marketing Federation, Nestle, Danone and Infosys are into this new business. They heavily subsidise the cost of biogas reactors in return for the underlying carbon credits. This helps the companies meet their emission reduction targets while also earning them a decent return from selling the credits. It also helps farmers get near zero-cost cooking gas.

Raja is a farmer who rears eight cows on a holding that is less than a



SPOT OF FUN. A biogas digester doubles as a trampoline for children at a small dairy farm, about 100 km south of Chennai M RAMESH

quarter acre, near Pooriyambakkam village, about 100 km south of Chennai. For generations his family has been growing crops, but Raja has now stood the business on another leg — milk production. The reason: the advent of Akshayakalpa Farms and Foods Pvt Ltd, the Tip-tur, Karnataka-based organic dairy products company that offers to buy milk from farmers who follow its conditions on cattle rearing. The farmers get a premium (and

prompt payment) for organic milk, which Akshayakalpa either retails, or turns into an assortment of dairy products for sale.

Raja's cows produce a lot of dung — 20 kg per animal per day. He was earlier using the dung as manure but a Mexican company, Sistema.bio, suggested that he first produce biogas and then use it as manure.

SAVINGS AND CREDITS Sistema.bio's reactor costs ₹40,000,

eats up 40 kg of dung daily, and spews 2 cubic metres of biogas — enough for three hours of cooking per day.

But Raja didn't have to pay the entire cost of the reactor. Instead, Shell Foundation stepped in and paid ₹33,000; Raja only had to pay the rest. He spent an additional ₹4,000 to ready the cattle shed. The dung slurry flows into the digester, which is the size of a double cot. After 22 days of initial wait, the digester begins to produce gas daily. The black polymer sheet covering the digester bulges all the time with the gas. Raja's children love it — they use it as a trampoline.

Raja no longer buys LPG for cooking. He reckons his family has saved ₹2,200 a month, from his investment of ₹11,000.

For its investment of ₹33,000, Shell Foundation gets about 6-7 carbon credits a year, verified and certified by Gold Standard, a not-for-profit body launched by the World Wide Fund for Nature (WWF). The price of these credits in the international 'voluntary market' varies — somewhat dampened by the cookstove misfire — but \$10 a credit is a reasonable hope.

Sistema.bio, which produces the biogas reactors in Pune, has so far supplied one lakh units to Indian farmers in the last seven years, mostly sponsored by Infosys, Shell and Nestle. Other companies like NDDB, Amul and GCMMF have come on board recently. Akshayakalpa, too, has bought one of Sistema.bio's larger (180 kg per day) reactors for its experimental farm at Pooriyambakkam, where it has about 25 cows. Hatsun Agro,

South India's largest milk company, is in talks with Sistema.bio.

GAS METER

The model for the distribution of biogas reactors is similar to that of cookstoves — gift the gadget in return for carbon credits. Except, the reactors cost way more, compared with the average price of ₹2,000 for a cooktop, which fetches 4 credits a year. This has necessitated a sustained push to gain acceptance for the concept, an official of Sistema.bio told *businessline*, adding that the effort is now paying off.

Sistema.bio sees great potential in this business. There are 70 million dairy farmers in India, the company noted in a recent press release. It targets "empowering" one million farmers by 2030. It is also exploring an adjunct business — biochar, which can sequester carbon for hundreds of years. Pertinent to note that Hyderabad-based biochar company Varaha recently signed up to sell one lakh biochar-based carbon credits to Google.

There are, of course, lingering concerns over the integrity of carbon credits based on these biogas plants. Sistema.bio has sought to address these by acquiring a gas meter company, Inclusive Energy, in October 2024. Today, Sistema.bio's digesters come with the meters. Besides, the biogas model is more amenable to monitoring than cookstoves.

The 'cookstoves for carbon credits' business is not dead but under a cloud, even as biogas and biochar are moving in swiftly. The carbon credits industry will get a boost when the Indian Carbon Market becomes a reality.

● RENEWABLE EXCHANGE

IEX petitions regulator for launch of green real-time market

M Ramesh



ISTOCK

India's premier energy exchange, IEX, has petitioned the Central Electricity Regulatory Commission for permission to introduce a new product — green real-time market (G-RTM). If CERC greenlights it, then renewable energy developers will be able to trade any surplus energy on the exchange in real time — which, in effect, means they can offer to sell green electricity the next hour.

"We have received interest from several stakeholders suggesting introduction of G-RTM," IEX says in its petition. At present, there is a real-time market, RTM, but it does not distinguish between electricity from conventional and renewable sources.

So, while a wind or solar

company can sell any surplus energy in RTM, it will not get a premium nor will the buyer get any benefit of choosing green power, such as tradeable renewable energy certificates or fulfilling the mandatory renewable purchase obligation.

FORECASTING RIGHT

RE companies have the option of selling in the 'Green Day-ahead Market' (G-DAM), which is basically 'contracting today for supplying tomorrow' but the forecasts for the following

day may not always be accurate, resulting in surplus energy from time to time. G-RTM will not only give RE developers an option to sell sudden surpluses for a premium but also flexibility in forecasting. "An RE generator may sell its 50-60 per cent capacity in G-DAM or G-TAM (green term-ahead market) and retain the remaining 30-40 per cent for trade in G-RTM to deal with any variations (in generation) in real time," IEX says in its petition. "It will also provide overall system stability," it says.

IEX further suggests a single G-RTM for all types of renewable energy — solar, wind, biomass and hydro. It also suggests that any unselected bids could be optionally transferred to the conventional real-time market.

CERC has put up the petition for public comments.

● ENERGY GUZZLERS

Powering up data centres, AI use

K Bharat Kumar



ISTOCK

The use of artificial intelligence (AI) is driving demand for data centres which, in turn, is whipping up demand for electricity. A recent report of the International Energy Agency has noted that AI adoption rates have risen slightly — from over 15 per cent of firms in 2020 to almost 40 per cent in 2024.

Data centres account for about 9 TWh, or 0.5 per cent of power consumption in India, the report says, adding that the sector "appears poised for rapid growth".

A conventional data centre may have power capacity of 10-25 MW, while a hyperscale, AI-focused one can have 100 MW or more capacity, with annual electricity consumption equivalent to that of 1,00,000 households.

India stands to benefit in its pursuit of AI prowess, with the value of IT exports

steadily growing to over \$200 billion in 2024. By comparison, the world's largest oil exporter earned \$220 billion revenues that year.

INTERNET USAGE

Demand for data and computing in India is driven by its nearly 950 million Internet users. Data localisation requirements in some sectors are nudging up data centre capacity.

In June 2024, the country had 2 GW installed data centre capacity, using electricity equivalent to that of 6.5 million households. In-

dia's capacity has doubled in four years. More than 2 GW capacity is likely within two years. By 2030, estimates show 5 GW capacity.

The government's \$1.2-billion IndiaAI Mission aims to develop an AI computing ecosystem with over 18,000 GPUs to support startups and research. In addition, State governments offer incentives for data centres. Uttar Pradesh has announced 100 per cent exemption on electricity duty and transmission charges for 10 years for new data centres.

Companies may purchase power directly from generators. Bharti Airtel, which said it would procure 140 GWh of renewable energy annually, is working with generation companies to buy green power for its data centres.

To ensure that the new wave of data centre construction remains on target, the IEA says India will need to address long-standing issues of grid reliability.

Biodiversity alert: Overfishing a Naga star

Human activity threatens irreversible damage to Dikhu river's aquatic ecosystem

J Mangaiyarkarasi

Flowing through the Mokochung and Longleng districts of Nagaland, the Dikhu river forms the scenic Tsüla (Dikhu) valley, a popular tourist spot. Today the river, a lifeline for local biodiversity, faces a double whammy of destructive fishing practices and climate change.

A tributary of the mighty Brahmaputra river, Dikhu supports a wide variety of aquatic life, many of which lie at the heart of the Ao and Sumi tribes' agrarian society. To help preserve indigenous fish species, researchers from Nagaland University have joined hands with native tribes living along the river.

The research team, led by Dr Pranay Punj Pankaj of the Department of Zoology, Nagaland University, in collaboration with the Indian Council of Agricultural Research's National Bureau of Fish Genetic Resources, studied the reasons behind the falling fish population. Collecting fish samples round the year, they investigated current fishing practices, traditional methods, the level of awareness about conservation and the role of climate change, among other factors.

The study, published in the *Journal of Threatened Taxa*, recorded 28 fish species across six orders and 13 families. It found that from eco-friendly fishing methods, involving



FINDING MAHSEER. Freshwater fish is growing scarcer ISTOCK

bamboo traps and gill nets, there is an increasing shift towards the use of dynamite, fine-mesh fish nets, electrocution and poisonous chemicals.

SMALL NET, BIG WORRY

"When we were small, the fish were big; now we are big, the fish has become small," a tribal woman lamented to Dr Pankaj during a field visit, referring to the shrinking size of the mahseer (*Tor putitora*), a freshwater fish that once weighed 10-12 kg. Now, "they are catching mahseers as small as 1-2 kg using small nets. They are only babies. They (tribals) don't know that the fish can grow up to 17 kg," Dr Pankaj told *businessline*, pointing out that such traditional knowledge is no longer passed from one generation to another.

Climate change, too, has played a role in altering breeding patterns

and reducing fish population, he added. Additionally, poachers are increasingly active at night, further endangering fish stocks, he said.

RIVER KEEPERS

To reverse the damage and help the river recoup, Dr Pankaj stressed the need for the establishment of a fish sanctuary, similar to a wildlife sanctuary. "Breeding zones need to be mapped. Some areas of the river are better suited for fish breeding. If you destroy that area, then automatically the fish population will reduce," he said, adding, "Most of the rivers in Nagaland run very fast. Only some areas have stagnant water zones. They can be mapped and included in the 'greenzones' to protect the fish ecosystem."

Moreover, the locals need to be made aware of these developments and guided towards alternative income sources to prevent overexploitation of the aquatic ecosystem, he suggested.

While much of the traditional knowledge may be fading, some conservation ethics remain strong. During a field visit, Dr Pankaj and his team observed a tribal man refraining from hunting a unique bird that crossed his path. Asked why, he replied that the bird was mature and may lay eggs anytime soon; if hunted now, it will hurt the next generation.

The same spirit of ethical hunting must now be directed towards the river's aquatic life.

● COMPLIANCE MATTERS

Sale of EPR credit for plastic picks pace

Preeti Mehra

April 1 was the deadline but several manufacturers who use food-grade plastic packaging are still scurrying to meet the government's extended producer responsibility (EPR) mandate of including 30 per cent recycled PET, or rPET, in product packaging. This will take time as there are few manufacturers of rPET.

Meanwhile, the industry and recyclers say that another EPR mandate — buying credit certificates for plastic — is gaining momentum. According to the fourth amendment to the Plastic Waste Management Rules, 2022, producers, importers and brand owners (PIBOs) must meet their EPR obligations by processing plastic packaging waste through reuse, recycling or proper end-of-life disposal. They can buy plastic EPR credit certificates from registered waste processors that have recycled or disposed of an equal amount of plastic waste. These would reflect on the centralised EPR portal of the Central Pollution Control Board (CPCB).

According to recyclers, purchase of EPR credit certificates for plastic has caught on



VITAL COG. Segregation is key to plastic waste management ISTOCK

with PIBOs as startups are making it easier for them to execute their obligation. EcoEx has set up a digital marketplace connecting PIBOs with aggregators and plastic recyclers.

On the platform, registered bulk waste generators can negotiate the amount and value with listed recyclers, enabling both parties to arrive at a viable price. With 1 kg of waste plastic constituting one credit, the price of credits varies from State to State, depending on the logistics and the nature of the plastic involved.

Typically, there are three categories of plastic waste — rigid, flexible and multi-layered plastic (MLP). While rigid fetches ₹2 per kg, flexible

fetches ₹2-3, and MLP ₹3-5.

Nimit Aggarwal, founder of EcoEx, says his platform has provided 10 lakh tonnes' worth of EPR credit certificates for plastic to around 500 customers. Around 3,000 recyclers are listed on the platform, which provides waste management agreements and other documents per consignment for auditing purposes.

As many as 44,659 PIBOs are registered on the CPCB plastic waste portal.

NON-TRADEABLE

The EcoEx platform also generates annual reports as well as action plans for PIBOs and uses blockchain technology for document verification.

EPR credit certificates are different from carbon credits,

which can be traded and have been found liable to be misused, including overstating emission reductions, issuance of bogus credits and misuse as a proxy for climate action.

"EPR credit certificates for plastic fulfil a compliance and cannot be traded," Aggarwal points out, adding that safeguards against fraud were being fine-tuned regularly. CPCB guidelines insist that plastic waste processors upload a valid GST e-invoice to generate an EPR certificate on the EPR portal for plastic packaging. This e-invoice must contain a host of details including the buyer's GST number, seller's GST number, date of transaction, invoice amount and QR code. Besides, only signed copies of a GST e-invoice can be uploaded. This has reduced instances of illegal duplicate paper trading.

Besides plastic, e-waste, and battery waste, too, are covered by stringent EPR guidelines. Textiles, steel and paper are next in line.

When it comes to EPR credit, the biggest challenge is in the collection of waste, which ends up as unsegregated heaps in landfills. These need to be segregated for co-processing in cement and other plants. This is a job that only the army of unorganised ragpickers undertake in India.

OFFICE BUZZ

CEO average pay is ₹10 crore: Deloitte



Top leadership salaries continue to rise, and more companies are now giving share-based long-term incentives as well, finds the latest Deloitte India Executive Performance and Rewards Survey. The average compensation for non-promoter or professional CEOs is ₹10 crore, up by 13 per cent compared with the previous year, finds the survey. Only 40 per cent of total CEO compensation is fixed and the remaining is at risk. Short-term incentives or annual bonuses comprise 25 per cent of total CEO compensation, and long-term incentives constitute 35 per cent. The pay for other CXOs, such as COOs, CFOs, CHROs, CMOs and CSOs, over the last year also saw an increase, ranging between 7 per cent and 11 per cent. While the quantum of pay linked to stock awards and the cost incurred by companies on these plans are rising, there is also now more scrutiny on share-based plan approvals. Given the high linkage of CXO compensation with equity prices, it may seem surprising that there appears to be no negative impact on their salaries yet. But according to Anandurup Ghose, Partner, Deloitte India, “That may come through in next year’s numbers. NRCs are already taking cognisance of the rising market volatility and may alter the approach for compensation reviews going forward.”

TCS is the top company for professional growth



When it comes to professional growth, Tata Consultancy Services is the best company for career seekers, finds LinkedIn. The professional network’s annual list of top 25 companies, where professionals have the ability to advance, grow their skills and get external opportunities, saw IT companies dominating. While TCS retained the top spot yet again, it was followed by Accenture, Infosys, Fidelity Investments and Cognizant. Nearly half — 12 out of 25 companies — are new to this year’s list, reflecting broad shifts in the opportunities available to Indian jobseekers.

FOUNDATION STONE

A ‘housewarming’ for Blackstone in India?

BLUEPRINT. Blackstone buys Kolte-Patil Developers, marking the PE firm’s entry into the country’s residential real estate segment

Janaki Krishnan

That there is buoyancy and strength in the Indian residential sector and the regulations under the Real Estate (Regulation and Development) Act are working to bring in accountability have been affirmed by US-based private equity firm Blackstone Inc’s acquisition of real estate company Kolte-Patil Developers. It was a transaction that took everyone by surprise. Consolidation in the real estate sector, especially an acquisition, is unheard of in the country. Specific projects may be acquired or joint development agreements signed — but a merger and acquisition? No. So when the over \$1-trillion asset manager announced that it would buy out the Pune-based real estate developer in a three-step process, it created a stir as well as history. It was all the more surprising because Blackstone has so far stayed away from the residential segment in India.

Until the advent of RERA and, barring some top builders, the sector was infamous for delays and sometimes even non-delivery of projects. The country is riddled with incomplete projects as developers frequently run out of funds, are unable to sell houses or struggle to get approvals, leading to cost escalations. “...what Blackstone can do, not everyone can. They would probably have realised the potential of the value creation happening on the residential side,” said an investment banker who declined to be named. “There are forward-thinking people, like those at Blackstone, who can execute it,” he added, while also seeing it as a one-off transaction, rather than a trend. Post-Covid, the residential sector has seen a boom and the upturn in the housing cycle seems to be set.

THE DEAL The acquisition will give Blackstone a dominant, up to 66 per cent, stake in Kolte-Patil. In the first step, Kolte-Patil will issue 1.27 crore equity shares in a preferential allotment to a fund managed by Blackstone, which would get a 14.3 per cent stake in the target company. The company would be raising a little over ₹417 crore in this exercise. In the second stage, Black-



HOME BASE. Projects by Kolte-Patil Developers in Pune

stone would acquire 25.7 per cent from the promoters of Kolte-Patil, taking its stake in the company to 40 per cent. Under the SEBI takeover code, the company has to make an open offer for at least 26 per cent; if the entire open offer is fully subscribed, it would take its stake to the intended level. Under the terms of the agreement, if the preferential issue does not go through, then Blackstone would acquire more stake from members of the promoter family, ensuring it gets the majority stake it needs to run the company. Last Thursday, Kolte-Patil obtained shareholders’ approval to issue the shares preferentially to Blackstone. With the controlling stake, Blackstone would be classified as a promoter, but it would run the company in joint control with existing promoters. The entire transaction would cost Blackstone around ₹1,800 crore (around \$209 million), small change for the firm with a global real estate portfolio valued over \$600 billion, as of September 2024. It has invested in residential real estate in North America, Europe and Asia, but remained stuck to commercial assets in India — offices, warehouses and logistics, hotels and data centres. Commercial properties are safe because they generate rent and steady cash flow. MARKET ACCESS What’s in it for the investor? Blackstone will gain access to the residential sector in India, starting with the major markets of Pune, Mumbai and Bengaluru. Kolte-Patil has been growing at a steady pace, while also investing in processes and people, says Aditi Watve, President-Investment Advisory and Capital Markets,

Anarock Group. “This is a phenomenal story of continuity in an organisation, irrespective of the founding family. It hasn’t happened in Indian real estate that often wherein the perpetuity of the company is going beyond the founding family,” she says, referring to the deal.

LEGACY BUSINESS Kolte-Patil was founded by Aniruddha Patil in 1970 in Jalgaon, Maharashtra. It began with plotted developments, row houses and bungalows. In 1989, Patil established a base in Pune, and it was here that the real estate business really took off, with both his sons joining the company. It has remained with the Patil family for over three decades now. “While Kolte-Patil may not be the largest in the listed space, they have genuinely paved the way for what can be done,” Watve says. With the transaction, they have ensured they can get to the next level of growth, because Blackstone, with its formidable record in the real estate space globally, will bring in its expertise. “Blackstone will be able to attract talent of the kind that a local developer cannot,” says an analyst with a brokerage. Will it also pave the way for similar transactions in the segment? “If Blackstone does it, five other PE funds will want to do it. Of course, they will first watch how this one progresses,” Watve says. It is also being seen as an experiment by Blackstone; if it succeeds, it may provide hope to developers looking to exit or monetise their real estate business. “They can experiment... It’s not going to break anybody’s back,” explains Watve. It will be a test of real intent.

GLASS ACT

‘Saint-Gobain’s growth is one of deep contentment for me’

Retiring after 45 years at the French construction major, B Santhanam reflects on his career, art and future plans in a candid interview

Vinay Kamath
Sindhu Hariharan

How about meeting for an ‘exit’ interview,” we message 68-year-old B Santhanam, with a smiley. “Yes, we can schedule it on April 1; that is an appropriate day,” he replies, with a wink emoji! Given that he is retiring after a 45-year career with the French float glass maker and construction products major Saint-Gobain, a conversation with Santhanam on the broad sweep of his long career — taking over as MD at 39 and setting up a float glass plant from scratch to seeing it emerge as the largest player in the country — is engrossing.

During an over two-hour conversation, Santhanam, an IIT-Madras engineer and IIM-Ahmedabad postgraduate, recalls how the business and brand was built — from it being called “Santh Gobind” up north in its early days, to iconic ad campaigns that have made Saint-Gobain near synonymous with float glass in India. Now that he’s retiring, “I’m filled with nervous excitement,” he says. Apart from playing a catalytic role on various boards, he’s now busy commissioning artworks for his lovely home on the picturesque East Coast Road, built with a lot of glass, of course, as well as other Saint-Gobain solutions: gypsum ceilings, acoustic panels, solar control films and waterproofing. Surrounded by a profusion of greenery, the house offers breathtaking views of the sea in the distance. “The art will have Tamil Nadu at its core, reflecting our traditions, building on mathematics and technology, expressed through traditional Indian crafts in copper, enamel, embroidery, metal works,” he explains. Post retirement, he is planning to mentor, coach, teach and share his experiences. Excerpts from a conversation.

How do you look back on your stint? Three anchor words kept my motivation, engagement and energy levels high over the past 45 years. They are trust, empowerment and collaboration. Whether it was Grindwell Norton in the first 16 years or the last 29 years in Saint-Gobain, I was empowered, trusted for my insights, capabilities, allowed to take measured risks and supported by a multicultural, multinational team of collaborators.

What would you say were the highs and the lows and the inflection points in your career?



There were many challenging periods, but never a low. There were, maybe, six periods of 1-2 years of low business cycles in these 45 years, that threw up challenges — some internal and mostly external. But I had this conviction that if it was difficult for us, then it was even more so for our competitors. You just needed the competitive spirit and resilience to come out stronger, by application of mind and collaborating with teams. The inflection point in my career was when I was nominated as MD for the large greenfield project in 1996.

It’s amazing that you didn’t get headhunted, along the way, to some other company, given your background. For some reason I was not. I can only speculate. Maybe because I was slightly ahead of the curve in my career, in terms of roles, responsibilities and recognition — I became a regional manager in five years, head of sales and marketing in 11 years, nominated as managing director in 16 years. When that happens, you get excluded because people think that maybe we don’t have a good enough role that is motivating for him. I knew that I thrive when given freedom and empowered to act without looking over my shoulders. Since I got that from the SG group, I never looked around.

Have you met the objectives you set for Saint-Gobain? Yes, more than what I expected. In India, we were around ₹7,500 crore in 2019. In 2025, we should be ₹17,000 crore. And that too with Covid impacting the economy for over 18 months. We were at ₹1,300 crore PBT [profit before tax], and this year it would be ₹3,400

crore PBT — that is, 2.25X in revenues and 2.6X in PBT. We followed the right steps, invested right through the period of economic turbulence, often ahead of competition, not just in physical assets but also in people, processes, productivity and performance. Today we are No 1 in glass, in gypsum, insulation, construction chemical, abrasives and ceramics. It is a solid foundation and, given the economic opportunities that India offers, just the beginning!

Is it also a fact that the business environment for the products you are in, like housing or automobiles, has seen growth. That helped? For over six years, from 2019, India’s GDP is expected to grow by 36 per cent in constant prices, while we will grow by 120 per cent in nominal terms. We grew faster than the market, gained market share in all our businesses, largely by investing ahead of the market, leveraged our Saint-Gobain Research Centre in Chennai to stay ahead on innovation, undertook digital transformation and made the right acquisitions. We are shaping that market — be it green buildings, light and sustainable construction, our value chain or the skill ecosystem that is needed. While in each of our businesses we have strong competitors, collectively there is no one who has the scale, scope, structure, skills, systems and solutions that we bring to the construction and building market. So, in relation to competition, in terms of aspiration and the investment to meet those aspirations, whether it’s in innovation or in shaping the market, we’ve been good at that.

Read the full interview at <https://bit.ly/4lned81>

Leadership change: A wrecking ball or a clean-up act?

PEOPLE@WORK
KAMAL KARANTH

Last week was pretty schizophrenic. I woke up with a new decision each day, due to a new emotion or information. From calling off an international expansion, postponing a significant tech spend and pausing an imminent increment cycle to freezing new hires and vetoing an acquisition proposal, I said a ‘yes’ and a ‘no’ on the same decision and confused everyone around me. Yes, we all are entitled to change our choices based on new information. But last week, not just the changing data points, but emotions and interpretations were utterly confusing too.

BLACK SWAN MOMENTS If you have been an employee for a long time, it wouldn’t be difficult to recall various phases when your company or other enterprises were in a crisis and it required someone to fix it. Most were caused by external events like 9/11, the global financial

crisis or Covid, though some were caused through accumulated strategic errors of leadership. Irrespective of the cause, you need a CEO or a leadership team to turn this around. Some leaders create these black swan moments and seize control of the organisation through the process. Should we say this is most likely seen during a new leadership takeover? We have become familiar with new leaders saying they must transform the organisation by making sweeping changes but rarely do we hear people saying, “I will continue on the strengths of the current talent with fresh perspectives.” DEMOLITION PARTY I remember being part of a phase where my organisation brought in a new leader from another continent to take charge of operations in the APAC region. By the time India had started work, we heard of two resignations in the Singapore regional HQ after his morning town-hall. He started his address saying, “I am here to eliminate any role that does not generate revenue.” Over the next six months, he brought down the regional HQ headcount to less than 15 from 50-plus.



NEW BROOMS. Billionaire Elon Musk and US President Donald Trump REUTERS

Functions like HR, marketing and tech were reduced to mere headers rather than any substantial representations. He would be nasty during meetings, but a jovial guy to have a drink or lunch

with. It didn’t appear that he was whimsical, rushed or stressed to have his way. Every time I met him, I got the sense that he knew what he was trying to do. He wanted the organisation’s bot-

tom-line to dramatically transform from the abysmal numbers it had been languishing at for many years. But the atmosphere within the office had a tinge of fear. “What would he say or whom

would he sack” was a whisper that went around. But on the business front, he was very decisive and market-driven. He backed new customer-driven initiatives and supported the business heads who were revenue-focused. He converted the region into a nimble and agile organisation in those two quarters. THE SUCCESSION But, as they say, ‘what makes you also breaks you’. His aggression cut across the hierarchy; his bosses also found him too hot to handle and eventually got rid of him. As fate would have it, his replacement enjoyed the fruits of his brave decisions. Over the next two years, the region had some of the best financial results in history, and the people who survived the previous regime, under the so-called tyrant, saw growth and significant economic gains under the new leader. We whispered that he had done all the dirty work and the successor was basking in the glory. Some of us lamented that the organisation lost its soul during the shake-up, and we all became mercenaries. But, going by financial metrics, the firm had grown its

bottom line consistently. FUNCTIONAL FIXEDNESS Think about the leaders you quickly judged based on their initial behaviours. Functional fixedness, a cognitive bias in psychology, is the tendency to perceive something only in terms of their typical or intended use, hindering the ability to see them as tools for alternative purposes. Do we also suffer from function fixedness when it comes to new leaders? Based on our past templates of people and initial impressions, do we tend to bucket new leaders in a few areas and discount their ability to cause long-term impact on teams and organisations? Most business turnarounds are marked by initial storms leading to not-so-favourable circumstances and, eventually, the desired outcomes. Begs the question whether we should hold our horses on new leaders and their unsettling first few decisions. Paulo Coelho said, “Not all storms come to disrupt your life, some come to clear your path.” I am hoping we are in the midst of a similar storm of tariffs.

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

FUND FACTS.

\$379.25 million

Flipkart Internet Private Limited received funding from Flipkart Marketplace Private Limited on April 2, taking the total funding to \$3.49 billion.

\$131 million

Valuedrive Technologies Private Limited received funding from Accel India, Tiger Global, Fundamentum Partnership and Think Investments on March 31, taking the total funding to \$584.97 million.

\$60 million

Juspay Technologies Private Limited received Series D funding from Kedaara Capital, Softbank and Accel India on April 7, taking the total funding to \$145.36 million.

Source: PrivateCircle Research, a private market intelligence platform

RE POSTS.

Don't fund the next food delivery startup. Fund the next big idea. India has the talent — we now need investors who think in first principles, not faster logistics. Real innovation isn't incremental. It's uncomfortable, non-obvious, and often arrives before the infrastructure is ready. Back the founders who are early — not just the ones who are easy to explain.

Sabeer Bhatia @sabeer
Many successful founders were misfits at college or their job but had insane competence to solve wide range problems with grit.

Kunal Shah @kunalb1

STATE OF THE ECONOMY

Are global capability centres and IT services allies or adversaries in India's tech growth story? Join host **Sanjana B** in this 'State of the Economy Podcast', as she discusses the issue with **Ajay Prabhu**, President, Technology Services, Quest Global; **Mamatha Madireddy**, Managing Director and Head of HSBG India Global Service Centres, and Chairperson, Nasscom GCC Council; **Jitender Mohan**, Business Unit Head, Travel & Hospitality, WNS; and **Srikanth Srinivasan**, Vice President and Head of Membership and Outreach, Nasscom

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TEACUPS OF ENTERPRISE

Brewing ‘ethical’ flavours of disruption

REFRESHING TAKE. How young entrepreneurs are packaging a centuries-old beverage into a newgen-friendly brand story

Sanjana B

In a country where chai is a daily ritual for millions, startups are attempting to brew newer, more exciting ways of relishing a cuppa. From smoky Darjeeling and turmeric-laced teas to biodegradable sachets, glass bottles and artisanal blends, it's a storm of ideas in a teacup.

Young entrepreneurs in the world's second-largest tea producing country are turning the centuries-old beverage into a newgen-friendly brand story — with sleek packaging, wellness hooks and Instagram-ready aesthetics.

Market intelligence platform Tracxn reports that India's tea startup sector secured over \$187 million funding during 2019-25. Funding peaked in 2022 at \$64.04 million across 12 rounds. It stands at \$6 million so far this year.

It certainly helps that India is among the world's top tea-consuming countries, with 80 per cent of domestic production sold within the country. It also boasts world famous varieties such as Assam, Darjeeling and Nilgiris.

"India is certainly a tea-drinking country," asserts Harish Bijoor, business and brand strategy expert. "For every cup of coffee consumed, the cups of tea drunk are possibly 100x. In such a tea-dominated country, there is an opportunity for the niche and different teas positioned to be distinct due to where they're grown, the allure they give and plucked by people who are well taken care of. The many politically correct stories will create category differentiation. Whether it be tea or coffee, you will see a fair bit of action in these spaces," he predicts.

Take The Infused Kettle, for instance, which promises a range of blended green tea that is infused not with flavours but "the real deal".

As its founder, Shalini Sinha, explains, "Our rose tea, for example, is a blend of green tea with rose petals, dried by hand. We also add



FANCY A CUPPA. Startups are pairing teas with sleek packaging, wellness hooks and Instagram-ready aesthetics

spices like cardamom and cinnamon to enhance the flavour, as plain green tea with rose petals can taste bland."

Most of the brand's teas — in blends such as purple cranberry and strawberry — can be enjoyed hot or cold. The teas are blended to retain the goodness, and not the bitterness, Sinha adds.

DIFFERENTIATION

Contrasting the nimble-footed startups with the legacy brands that have dominated the \$11.5 billion Indian tea market, Bijoor says, "They (legacy tea brands) are pretty pari passu in their imageries and have forever depended on advertising imageries to define them, so product development norms have been rather limited."

The new-age tea companies flaunt product differentiation that banks on the "correct narratives" — organic, and good for consumers and the earth.

Taking on heritage brands that command legions of loyal customers is certainly not for the faint-hearted. Ask Shubham Sharma, co-founder and Managing Director of Macha Tea. "My maternal grand-

father was from Assam, so there was always a tea influence in the family. When my brother and I wanted to build a company, tea seemed like a safe bet since it does not have a short shelf-life," he says. But that put them in direct competition with biggies like Tata Tea and Wagh Bakri.

"When we thought we had no chance of survival, my mother created this beautiful blend of tulsi, adrak and elaichi. We don't add essence or oils for the flavour but raw spices alone. This hero product of ours forms 70-75 per cent of our revenue," he says.

Sunil Saha, too, set out to break the clutter when he co-founded Blue Tea in 2018. "Though green tea has been marketed for 35-40 years, there has been no serious innovation. We saw an opportunity and launched Indian ayurvedic herbal teas in packaged form," he says. The idea was to revive the concept of flower-based teas, which were once brewed in homes using ingredients grown in the backyard, he says.

While regular tea dominates the market, trailed by green tea, the niche herbal tea segment too is steadily growing, he says.

"Green teas are bitter but our teas made with flowers are naturally sweet. Moreover, green tea has caffeine, while flower-based teas don't. This is a primary difference we played upon and it worked brilliantly for us," he says.

For Bala Sarda, who founded VAHDAM India as a direct-to-consumer (D2C) online tea brand in 2015, the focus was on disrupting the supply chain of tea. "With a family legacy of over 90 years in the tea business, I had a strong connection to the industry. I joined my family's enterprise for a few years, where I identified significant gaps and the absence of a home-grown brand to address them," he says.

"The vertical integration ensures highest quality teas and spices, while maintaining complete control over the supply chain."

EXPORT MUSCLE

Given that India is a leading exporter of tea, the startups are making a splash in this area too.

Sarda says his products are shipped to over 5 million consumers across 148 countries. In fact, 97 per cent of VAHDAM India's revenue comes from interna-

tional markets, including the US and the UK, he says. It also retails at Walmart and Costco.

The Infused Kettle, which clocks 90 per cent of its sales online, has been exporting to Canada and the US for the last two years, focusing on the gifting segment. Sinha says she plans to export to more countries soon.

Blue Tea exports to 13 countries, including the US, Germany, France, Spain and the UK. The company, which generates ₹5 crore monthly revenue, registers 99 per cent of its sales online. In the quick commerce segment, it is present across 300 dark stores and targets 1,000 by the year end.

Macha Tea, on the other hand, retails offline across one lakh retail stores, mainly in north India. It is authorised to supply to Army canteens, which account for one-third of its revenue at ₹25 crore. Within eight years, its production has risen to 2.5 lakh kg per month.

FUNDING GROWTH

Macha Tea, The Infused Kettle and Blue Tea have all been bootstrapped so far.

While The Infused Kettle is exploring funding opportunities through government-backed initiatives, rather than private equity, Blue Tea has secured interest from Aman Gupta on the business reality TV series *Shark Tank* and plans to raise around \$5 million to strengthen its offline footprint.

VAHDAM has raised around \$35 million from marquee investors, including Fireside Ventures, Sixth Sense Ventures and IIFL (360.One), family offices like Man-kind Pharma and SAR Group, and celebrities like Abhishek Bachchan and Sachin Tendulkar.

It recently secured \$3 million in strategic equity funding from SIDBI Venture Capital to bolster its balance sheet and cash reserves.

With production touching 1.18 billion kg in H1FY25, India's tea market is expected to reach \$15 billion by 2033. That's a cup that promises to cheer the startups in the fray too.

STARTUPS: VAI-THREE-FUSS

Why fund-raising is a strategic necessity for new businesses



VAITHEESWARAN K

Raising capital is important for startups aiming to scale up their operations. While bootstrapping (operations fully funded by founders) is effective in the early years, it can limit a startup's growth potential. Here are a few reasons why raising capital is not just an option but often a strategic necessity too for startups.

The most important reason for raising capital is to accelerate

growth. Startups typically operate in competitive and fast-moving environments. Securing funding allows them to scale up operations, expand their team and increase production capacity much faster than they could through organic growth alone. This speed can be the difference between capturing market share and getting ahead or falling behind competition.

Developing a new product or refining an existing one is another popular reason for fundraising. Fresh capital helps startups hire experienced technical people, procure necessary tools and invest in R&D, market research, consumer product testing, user feedback

loops and continuous improvement, leading to a more robust and market-ready product.

Once the product-market fit has been established and early consumer feedback is positive, it's time to grow fast and without restrictions. Even the most groundbreaking product won't succeed without customers. Startups need capital to invest in digital advertising and social media campaigns to drive engagement and conversion, and increase revenues.

A startup's success is largely driven by the people behind it. To attract and retain top-tier talent, a startup must be able to offer competitive compensation packages,

apart from a compelling vision. It is not uncommon for funded startups to acquire smaller startups for their in-house talent. Such acquisitions are called acquihires.

Startups operate in inherently risky environments. Market shifts, regulatory changes or unforeseen situations can create strain. Having capital in the bank offers a safety net, giving startups the resilience to pivot, adjust strategies or ride out tough periods without shutting down entirely. Many of these tough periods result from events outside the control of startups, such as the 2000 dot.com bust, 2008 financial crisis or the Covid pandemic. Money in the bank in such times

can be the difference between survival and closing down.

Securing capital, especially from reputable investors, brings more than just money. It's a form of validation that can open doors to mentorship, industry connections and strategic partnerships. Investors often offer valuable insights, operational experience and networks, which can be instrumental in navigating the challenges of startup life. So then, where should startups raise money from? We shall review this in the next column.

The writer is a serial entrepreneur and best-selling author of the book 'Failing to Succeed'; posts on X @vaitheek

Face your worst fears... with a VR headset strapped on

Hyderabad startup Avika is using immersive tech to make psychotherapy more accessible

KV Kurmanath

The emerging field of health-tech, with myriad interventions greatly improving treatment outcomes, is currently more focused on physical well-being.

To fill the gap in solutions geared towards psychological issues, a Hyderabad-based startup, Avika, is developing interventions based on immersive technology such as virtual reality.

As Sirisha Peyyeti, Co-Founder and CEO of Avika, explains, if someone struggles with, say, an obsessive compulsive disorder or a fear of heights, then they will be exposed to specific trigger factors or 'situations' through the use of a VR headset and a software developed by the company.

"We have a situation created for all possible mental health issues," she says. The therapist has complete control over the VR session, she adds. "They can pause, play, stop and adjust levels of situations."

This allows therapists to assess the condition of the patient, based on their reactions to various situations and prepare a treatment plan.

Peyyeti, a techie, co-founded



WELLNESS-TECH. (From left) Srinivas Atreya, Sirisha Peyyeti, Dr Srinivas Pingali and Dr Vishal Indla, co-founders of Avika

the company with her childhood friend Vishal Indla, who is a psychiatrist, and the firm's medical director Srinivas Atreya (CTO) and Srinivas Pingali (strategic advisor).

For Peyyeti, the idea for the startup was sparked during a visit to Shantivanam, a rehab centre run by Indla in Vijayawada. "Seeing people there from all social strata challenged my misconceptions about mental health and reinforced the

idea that technology can be used in this field as an enabler," she says.

"We developed a mobile app, available both on Android and iOS, which acts as a psycho-educational tool. It attempts to bridge the gap between patient appointments and provide continuity in caregiving. The content is easy to understand and available in several local languages, making health information accessible," she says.

"We have about 20 clients in different parts of the country, clocking 11,000 VR sessions for about 5,000 patients. We ensure data privacy by not collecting personally identifiable information beyond the mobile number," Peyyeti says.

Anonymised data from these VR sessions and other interactions help gain insights into the effectiveness of various therapies used for a range of conditions.

The startup has also developed a product called Aura, targeted at corporates and educational institutions, for stress and anxiety management.

MIND HUB

Avika recently launched a 'mind hubs' centre in Hyderabad for those seeking face-to-face consultations with therapists.

The company plans to open at least four more 'mind hubs' by the end of the year. It is also looking to expand to tier-II and tier-III cities, such as Hubballi and Visakhapatnam.

The bootstrapped startup has raised a small round of funding from friends and family to develop a workable model. "Now that we have developed a successful model, we would like to go for a fund raise for expansion," Peyyeti says.

Reserving funds for the moonshots

bl.interview

Aishwarya Kumar



We look at futuristic sectors, where the trajectory isn't entirely visible yet, but we believe the potential is transformative

V LAXMIKANTH
Managing Partner, Pavestone VC

in startups, and prefer being the lead investor.

How do you evaluate moonshot investments?

Moonshots are big, bold bets, where conviction precedes proof. We look at futuristic sectors — robotics, green-tech, space-tech — where the trajectory isn't entirely visible yet, but we believe the potential is transformative.

What sort of founder qualities do you look for

before investing?

We try to understand whether the founder is in it for the long haul or is just aiming for a quick 100-m sprint. Secondly, we evaluate their ability to handle pressure. The third crucial factor is the strength of the team. There's often an assumption that if you're doing 10 units of work today, adding 10 more people means you'll do 20 tomorrow but in the enterprise space, it doesn't work that way. A founder can't just clone himself. So, we look for a strong team that can execute independently and scale up sustainably.

Do you prefer taking a board seat?

Yes, we prefer taking a board seat, or at least a board observer seat. We believe that startups need not only financial support but also guidance in governance and scaling up — because scaling up isn't merely arithmetic. That's where our expertise comes in, and we like to be involved in defining the company's strategy.

Which are the industry trends you're watching currently, given the geopolitical tensions and tariffs?

The current geopolitical tensions and tariffs are pushing countries toward self-reliance, boosting sectors like defence, telecom, space and financial services. Health-tech and agri-tech also show promise, and fintech remains attractive.

DATA BANK.

Bank credit growth moderated to 12% in FY25, against 16% in FY24

Bank credit growth, year-on-year (yoy), moderated during 2024-25 across bank groups, except public sector banks (PSBs). PSBs continued to be the major driver of the incremental credit extended by all scheduled commercial banks (SCBs) in 2024-25, while the share for private sector banks (PVBs) declined, according to the Reserve Bank of India's latest monetary policy report.

Non-food credit growth of SCBs stood at 12 per cent, as on March 21, 2025, down from 16.3 per cent a year ago.

Sector-wise, growth of bank credit to industry remained healthy at 7.3 per cent (yoy). While agricultural credit growth remained in double-digit at 11.4 per cent in February 2025, it moderated from 20 per cent in February 2024.

Despite some deceleration in growth of credit to the services sector and personal loans segment at 13 per cent and 14 per cent, respectively, in February 2025, they remained the prime drivers of non-food credit growth during the second half (H2) of 2024-25.

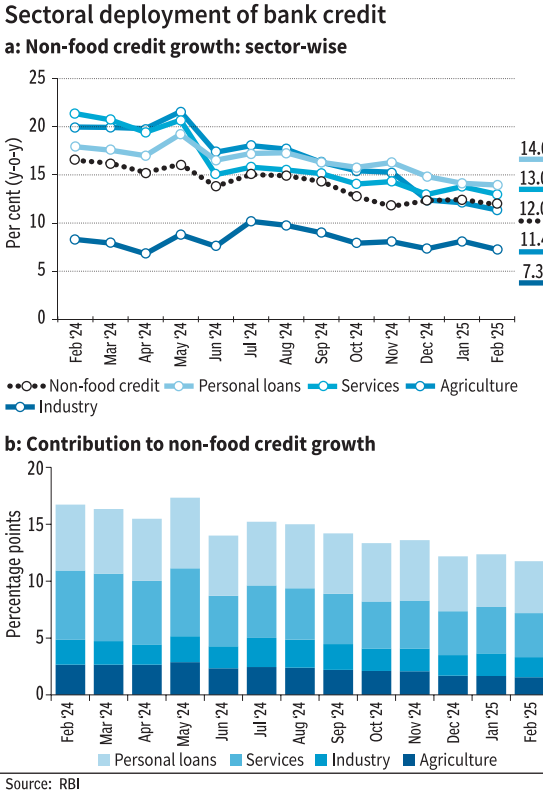
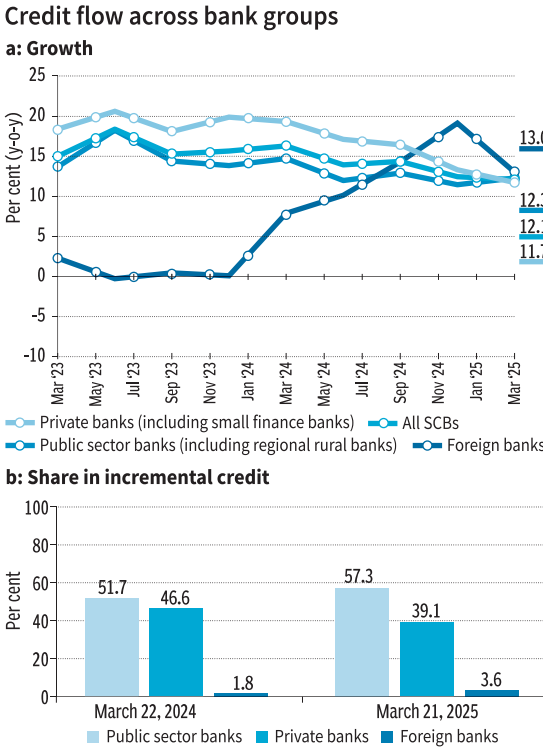
Credit to the micro, small and medium-sized enterprises (MSME) segment remained robust, registering a growth of 12.3 per cent in February 2025. However, credit to the large industry segment recorded a modest growth in H2. Within industry, credit to basic metals and all engineering witnessed a robust growth, while credit to infrastructure sector slowed notably in H2 2024-25.

Growth in credit to the services sector moderated in H2, mainly attributed to the decelerated growth in credit to non-banking financial companies (NBFCs). However, credit growth was broadly stable in other major sub-sectors such as trade, commercial real estate and professional services. Incremental credit (yoy) to the services sector, excluding NBFCs, remained nearly steady in H2.

Incremental credit in the personal loans segment, with unchanged risk weights, improved progressively, whereas it moderated for loan categories with increased risk weights. Housing loans — the largest segment in personal loans — grew at a robust pace despite some moderation, while vehicle loan growth slowed.

Irrespective of the moderation, non-food bank credit continued to grow at a healthy pace, above the 10-year average yoy growth rate (10.5 per cent). Sector-wise, while credit to industry continued to grow above its long-term average, personal loans recorded moderation. Credit growth in the services and agriculture sectors hovered near their respective long-term averages.

While credit growth remains broadly intact for segments with unchanged risk weight, the growth rate of targeted sectors — namely 'unsecured personal loans' and 'bank credit to NBFCs' — moderated gradually in response to the regulatory measures undertaken in November 2023.



● DEFAULT MODE

Karnataka's moment of MFI crisis

RECOVERY WOES. A State move to rein in alleged strong-arm tactics of micro-lenders is stoking fears of an NPA contagion

Aishwarya Kumar
Venkatesha Babu

In January this year, Sharana Basava of Kapagal village, in Manvi taluk of Raichur district in north Karnataka, left home saying he was meeting up with some acquaintances. A construction worker who also drove a rented auto to make ends meet, he, however, did not return home that day. His shocked family soon found out that he had died by suicide. The 35-year-old is survived by his aged parents, wife Parvati and three young children.

Parvati alleges that Basava was pushed to take the extreme step owing to continuous harassment from the 'collection agents' of the microfinance companies that had lent him about ₹4 lakh. She says the money was borrowed to meet the health needs of Basava's parents and other household expenses as his work and income had dried up. He was harassed and verbally abused since he had failed to repay a few instalments on time, she says.

Demanding justice, Parvati even mailed her 'mangalasutra' (necklace symbolising her marital status) to Karnataka Home Minister Dr G Parameshwara. Hers is not an isolated case in the State, however.

Jayashela, a 53-year-old woman from Ambale village, ended her life in January as she was struggling to repay the ₹5 lakh she had borrowed from two microfinance companies. She used the loan money, with repayments scheduled in monthly instalments of ₹20,000, to buy a cow and agricultural tools. When the cow fell sick and died, her income dried up.

Over the last six months, 22 to 38 deaths under similar circumstances have been reported from across the State.

Shying away from linking the deaths directly to microfinance activity, government sources say the causes vary from family problems to land disputes and health issues.

However, the tragic developments do serve as a grim reminder of how microfinance's lending ecosystem, meant to empower millions financially in underserved communities, can sometimes turn into a death trap.

The gross loan portfolio of microfinance institutions (MFIs) in India stood at a staggering ₹3.91



FUND OF HOPE. Microfinance is meant to empower millions financially in underserved communities BLOOMBERG

lakh crore in the third quarter of FY25, according to CRIF data. In Karnataka alone, MFIs support over one crore individuals, including around 63 lakh unique borrowers.

The State's MFI portfolio surged from ₹16,946 crore in March 2019 to ₹42,265 crore in March 2024, according to data from Microfinance Industry Network (MFIN), an industry body.

PUBLIC PRESSURE

Amid rising distress levels among borrowers, there is mounting backlash against the alleged aggressive collection tactics of MFIs; industry players, however, argue that personal or family issues, rather than financial troubles, were driving borrowers over the edge.

Public pressure pushed the Karnataka government to act. In March, the State Assembly passed the Micro Loan and Small Loan (Prevention of Coercive Actions) Bill, which proposes to fully discharge borrowers from repaying loans, including interest, taken from unlicensed and unregistered MFIs.

Other states, too, have had their share of trouble with microfinance activity. Back in 2011, Andhra Pradesh was roiled by more than 70 suicides reportedly linked to the aggressive recovery tactics of MFIs. This sparked national outrage and a regulatory overhaul.

SKS Microfinance, the then leading MFI player, saw its man-

agement purged and was eventually salvaged through a merger, under a new identity, with IndusInd Bank.

Similarly, in Assam, in the lead-up to the 2021 State elections, political parties promised loan waivers, prompting many borrowers to stop repayments. This triggered a financial crisis among MFIs. In response, the State introduced the Assam Micro Finance Institutions (Regulation of Money Lending) Act, 2020, to regulate lending and protect borrowers.

WORRY OVER NPA

In Karnataka, MFIs, banded together under the Association of Karnataka Microfinance Institutions (AKMi), blame the current crisis on "a few bad apples", which are unlicensed and unregulated. They bemoan that the surge in default rates has led to a spike in non-performing assets or NPAs.

In Haveri district, where 26 MFIs have cumulatively disbursed loans worth ₹1,692 crore, AKMi says repayment rates have plummeted to 30 per cent. "Earlier, repayment used to be 90-92 per cent," says a senior executive of Navachetan Microfinance Ltd, who requested anonymity. He suspects that vested interests and local political leaders are encouraging defaults. This not only impacts the credit scores of borrowers, but also leaves genuine borrowers high and dry as MFIs cut down on

lending, he adds.

AKMi worries that organised MFIs are being tarred with the same brush as fly-by-night operators, leading to rising loan delinquencies.

The cumulative loan book of MFIs in Karnataka contracted to ₹34,000 crore by December 2024 from ₹42,000 crore in March 2024 (excluding microfinance loans reflected in banks' portfolios), and it is projected to slide further after the fourth quarter numbers are tallied.

The recurring troubles raise uncomfortable questions: Are systemic failures embedded in the microfinance model? Is the industry's foundation structurally flawed?

RECURRING HICCUPS?

Suresh Krishna, former MD of CreditAccess Grameen, co-founder of AKMi and MFIN, and now a committee member of the self-regulatory organisation Sa-Dhan, points to regulatory loopholes: "When the RBI lifted the cap on the number of lenders, many institutions began lending without evaluating how much a person had already borrowed. While credit bureaus provide some insight, they are not foolproof. There's a lag of almost a month in updating borrower data."

An industry veteran, requesting anonymity, explains that while microfinance can be a disciplined, near foolproof system, its profitability attracts undis-

ciplined players. "Interest rates are high. From the outside, it looks like a very profitable business — and it is, if managed correctly. But if run poorly, periodic crises can wipe out all profits."

He adds that the very structure of microfinance — equated monthly or weekly instalments — is often incompatible with the needs of borrowers who invest in small enterprises. "Capital expenditure may be funded through longer-term loans like micro-mortgages but working capital still lacks adequate product support. The industry must develop alternatives to EMI-based lending for businesses."

CORRECTIVE MEASURES

To address the issues adversely impacting the microfinance sector, RBI-recognised industry bodies MFIN and Sa-Dhan have announced key reforms, effective April 1. A primary change is in limiting the number of lenders per borrower to four — a reversal of the post-Covid relaxation.

"People started borrowing from multiple sources, leading to over-borrowing and the strain of managing multiple repayments," says a senior AKMi official.

Short loan tenures exacerbate the worries, he adds. "Borrowers need a minimum of five-year repayment period, instead of three years."

Krishna says unregulated players distort the market by flouting the industry's code of conduct and resorting to aggressive recovery practices.

LOOKING AHEAD

The recurrent crises in the microfinance sector underscore the urgent need for stronger safeguards, better-designed loan products and tighter regulatory oversight.

To meet working capital needs, the sector must develop more flexible and enterprise-friendly products, an industry veteran advises.

Krishna adds that real-time credit monitoring could help prevent over-borrowing. "Credit bureau data should be uploaded and accessible in real-time, so lenders know exactly how much a borrower has taken from others," he says. And to ensure that customer rights are honoured without fail, "there should be greater awareness about the grievance redressal systems in place," he says.

Calibrating a nimble, assured liquidity strategy

Given the prevailing uncertainties globally and at home, the monetary policy favours an accommodative rate stance



SOUMYAJIT NIYOGI

The Monetary Policy Committee has unanimously decided to cut the policy rate by 0.25 per cent, bringing it down to 6 per cent, while also shifting its stance from neutral to accommodative. Importantly, Reserve Bank of India Governor Sanjay Malhotra has clearly emphasised that the accommodative stance is intended as a signal for interest rates and should not be directly interpreted as a reflection of prevailing liquidity conditions. By separating the direction of the policy rate from liquidity signals, the Central bank aims to maintain flexibility in navigating short-term rates to ensure financial market stability.

The signalling of the monetary policy stance reflects the Central bank's intent and its long-term outlook on macroeconomic fundamentals. In contrast, the strategy — particularly with regard to liquidity management — is inherently short-term and tactical, aimed at complementing the broader policy stance. Liquidity operations are conducted within a defined operational framework that is shaped by the prevailing economic environment.

However, in the short run, the tool used in liquidity strategy may diverge from the broader stance without undermining the overarching objectives. As the Governor clearly articulated, an "accommodative" stance implies that MPC is considering only two options: maintaining the status quo or cutting rates. The tool being used to pursue liquidity strategy can still vary, based on evolving conditions. For instance, sustained and sizeable



RBI ON THE MONEY. Infusing liquidity to support financial stability without flooding the system REUTERS

foreign portfolio investment inflows may necessitate sterilisation, often through tools such as open market operation (OMO) sales. And OMO sale, in general, is perceived as a liquidity tightening measure. Similarly, liquidity could be tightened to ensure that short-term rates serve as a guardrail against excessive volatility in the rupee.

While these actions may seem contradictory with the accommodative stance at first glance, they are, in fact, fully consistent with the Central bank's mandate: safeguarding financial market stability and preserving price stability in the broader economy.

DAILY ADJUSTMENT

A shift in the RBI's liquidity operations began in January, with the reintroduction of the daily liquidity adjustment facility auctions. The Central bank will continue to intervene through variable rate repo (VRR) or variable rate reverse repo (VRRR), as and when required. Under this framework, the RBI now con-

ducts variable rate auctions with amounts announced on a T-1 basis. This marks a departure from the earlier practice of fortnightly term repo auctions, which was built on two key assumptions: first, cash reserve ratio (CRR) requirements are maintained on a fortnightly basis, and second, banks would proactively manage their short-term liquidity needs on an ex-ante basis, contributing to the development of a more efficient term money market.

Banks now have the assurance of daily access to liquidity — albeit not at a fixed rate/repo rate.

This shift in market microstructure effectively addresses the inter-temporal dilemma banks previously faced: whether to borrow through term money auctions or turn to the interbank market or through the more expensive daily 'marginal standing facility'.

In essence, this tactical move eases the pressure on daily liquidity management and creates a more supportive environment

for softer interest rates.

LIQUIDITY STRATEGY

Now to understand the recent liquidity strategy and action by the RBI. According to the monetary policy report, there has been a significant liquidity drawdown of ₹8.2 lakh crore, driven by two autonomous factors: net forex sales amounting to ₹5.8 lakh crore and a rise in currency in circulation by ₹2.4 lakh crore. In response, the RBI injected liquidity through multiple channels — ₹2.84 lakh crore via OMO purchases and ₹2.2 lakh crore through long-term forex buy/sell swaps — totalling about ₹5 lakh crore. The shortfall was managed through a drawdown of government cash balances and term repo auctions. Additionally, the RBI announced ₹1.2 lakh crore in OMO purchases for April 2025.

In essence, this largescale liquidity infusion is aimed at offsetting the autonomous outflows, rather than creating a surplus like the ultra-loose liquidity conditions seen during

the pandemic. This signals a calibrated and nimble approach, maintaining adequate liquidity to support financial stability without flooding the system — particularly crucial in the current environment of heightened external volatility and the need for caution in the domestic unsecured lending space.

Now the question is how credit and deposit will shape up in FY26. An elevated loan-to-deposit ratio (LDR) and current liquidity coverage ratio (LCR) would continue to constrain banks' loan growth and converge them towards deposit growth. To ensure healthy transmission, banking system liquidity needs to be in surplus. This would ease the pressure on deposit rates and lower the marginal cost of funds-based lending rates.

Ind-Ra estimates system deposit growth of 12-13 per cent year-on-year for FY26, like in FY25, with competitive intensity for garnering low-cost 'current account, savings account' deposits. With system LDR being highest over the past five years at 80 per cent and term deposit rates near peak or peaking, the reliance on raising infrastructure bonds is likely to continue in the near term. Further, the reliance on bulk deposits is likely to increase if the growth in granular deposits remains constrained.

In terms of credit demand, broad-based capital expenditure has been lacking for some time; and, amid heightened uncertainties, it is unlikely to improve. However, sectors such as iron and steel, cement, data centres, logistics and renewables are showing healthy capex but given their modular nature, the reliance on debt is spread out.

The writer is Director, India Ratings & Research — a Fitch group company. Views are personal

QUICKLY.

Glenmark, Sun Pharma, Zydus recall products in US



New Delhi: Glenmark, Sun Pharma and Zydus are recalling products in the US because of manufacturing issues, the US Food and Drug Administration said in its latest Enforcement Report. Glenmark is recalling over 25 products like propafenone hydrochloride extended-release capsules and solifenacin succinate tablets. The firm is also recalling products like voriconazole tablets, lacosamide tablets, frovatriptan succinate tablets and rufinamide tablets. A US-based subsidiary of Sun Pharma is recalling 13,700 bottles of gabapentin capsules, a medication used to treat seizures in people with epilepsy. Zydus Pharmaceuticals (USA) Inc is recalling 3,144 bottles of chlorproMAZINE hydrochloride tablets, USP 10 mg, a medication used to treat conditions like schizophrenia and bipolar disorder. ■

Summer stocking pushes thermal coal imports to 10-month high in March

PLANNING AHEAD. India is well-prepared for hot months with coal stocks in power plants 14% higher y-o-y

Rishi Ranjan Kala
New Delhi

India's thermal coal imports rose to a 10-month high in March 2025 with the power sector stocking up supplies for the blistering summer season ahead, and peak electricity demand (day) already hitting more than 230 gigawatts (GW). According to the global real-time data and analytics provider Kpler, India's purchases of foreign thermal coal, usually procured by the power sector, rose by 10 per cent month-over-month (m-o-m) to 14.16 million tonnes (mt) provisionally. However, the imports declined by more than 2 per cent on an annual basis. The higher import requirement also reflects on the government's direction to the imported coal-based (ICB) power plants to run capacities at optimum levels through the end of this month. The mandate will be extended again to at least

cover the remaining two months of peak summer power demand season — May and June. This is likely to drive up coal imports going ahead. **SUMMER RUSH** Alexis Ellender, Senior Lead Dry Bulks Insight at Kpler, told *businessline*, "Indian coal imports (thermal and metallurgical) climbed to an eight-month high of 20.09 mt in March as preparation for the hot weather season and improved supply availability supported lifted trade. We expect further strong imports in the coming months." At 14.16 mt, thermal coal imports hit a 10-month high in March as volumes from Indonesia surged; however, they were still down by 0.31 mt y-o-y. This decline came despite an extension to a government import mandate to boost coal-fired generation, he added. India goes into the hot season well-prepared with coal stocks at power plants



14 per cent higher y-o-y and 60 per cent higher than in 2023, he pointed out. "High stockpiles are now acting as a brake on demand growth in imported and thermal coal. Nevertheless, we expect shipments to remain firm in April before climbing in May as hot weather spurs demand," Ellender explained. As on March 31, thermal power plants had 58 mt of coal stocks, compared with 51 mt last year. Inventory

improved to 20 days as on March 31, compared with 18 days in March 2024 and 19 days in February 2025, said Crisil Intelligence. India's coal production and despatch surpassed 1 billion tonnes (bt) in FY25. Production rose by 4.99 per cent y-o-y to 1,047.57 mt, provisionally. Coal dispatch rose by 5.34 per cent y-o-y to 1,024.99 mt. Consequently, imports fell by 8.4 per cent y-o-y to 183.42 mt in 9M FY25, sav-

ing \$5.43 billion, or roughly ₹42,315.7 crore, in foreign exchange. **ISING POWER DEMAND** With the weatherman projecting a 50 per cent chance of above-normal temperatures during April-June 2025, India's power demand is expected to grow at 6.5-7.5 per cent y-o-y in Q1FY26, anticipates Crisil Intelligence. Power demand surged in March 2025 as the mercury climbed and demand from industrial and commercial consumers soared. Higher cooling requirements pushed peak power demand to 235 GW, an addition of 14 GW from the previous fiscal, it said. As a result, power demand rose to 6.9 per cent on-year, around 50 per cent higher than the full-year (FY25) average of 4.3 per cent. In the western region, power demand grew around 10 per cent on-year as several regions in Gujarat witnessed six days of heatwave, it added.

Centre prepares 'inclusive roadmap' for aircraft component manufacturing

Rohit Vaid
New Delhi



The Centre is preparing a roadmap that will streamline norms and provide support for research and development (R&D) for promoting aircraft component manufacturing in India, sources told *businessline*. "India is in a position to seize a multi-billion dollar export opportunity to airframers as well as other original equipment manufacturers (OEMs). We have conducted consultation meetings with industry stakeholders to understand their difficulty in achieving scale as well as innovation breakthroughs," sources told *businessline*. Discussions are underway to ensure that the industry has a consistent supply of high-quality steel and aluminium, sources added.

TESTING FACILITIES Moreover, stakeholder consultations have revealed a need to create testing and licensing facilities in India, which are accredited to the US Federal Aviation Administration (FAA) and European Union Aviation Safety Agency (EASA). "Standardisation is a key issue. A bilateral agreement between the civil aviation regulators of India and the US and the European Union is required for certification of parts manufactured in India that can then be used on Boeing and Airbus aircraft," sources said, adding, "Once set up, these facilities will provide an easier and quicker certification process at affordable prices, also leading to the design and testing of locally innovated parts and components." At present, the country exports micro-assemblies of components used by airframers, estimated at over \$2 billion per annum. However, industry insiders see the po-

tential of at least \$20 billion in exports over a 10-year horizon, creating thousands of high-paying jobs in India. "The global constraints in sourcing of components have made India a key market to set up manufacturing and other facilities for design and testing. Global players like PW, Collins, Honeywell and GE are investing in local manufacturing through their sourcing partners," an industry insider said. Further, largescale manufacturing of parts will invigorate the MRO sector, which will be able to service aircraft with components sourced at affordable prices as lower tax rates will apply on them, sources pointed out.

"A well-defined regulatory framework and enhanced R&D support will further strengthen India's position as a global aerospace manufacturing hub," Boeing India and South Asia President Salil Gupta told *businessline*. As per Rossell Techsys, a company that provides mission-critical assemblies to leading OEMs like Boeing and Lockheed Martin, India's aerospace sector stands at a "strategic inflection point." "The government's push for regulatory reforms and R&D support is a clear signal that we are ready to scale up from contract manufacturing to component manufacturing and to global solution providers," said Prabhat Kumar Bhagavandas, Director and CEO of Rossell Techsys Inc. "But this ambition hinges on faster certification pathways, access to specialised materials and robust testing infrastructure."

Ministries discuss relevance of flue gas de-sulfurisation

Richa Mishra
Hyderabad

Is flue gas de-sulfurisation (FGD), meant to control sulfur dioxide emissions from coal-fired thermal power plants, still relevant? This is the debate taking place between the Ministries of Environment and Power. The Ministries are holding discussions with stakeholders and among themselves on whether the mandate should continue. A meeting to discuss the issue was held between the two Ministries on April 7, according to sources.

However, both the Ministries and stakeholders remained tight-lipped about the flow of the meeting. FGD is a process used to remove sulfur dioxide (SO₂) from the flue gas produced by burning fossil fuels such as coal or oil. This has been mandated by the Ministry of Environment, Forest and Climate Change (MoEF&CC). With constant upgradation of technology, setting up an FGD in the power plant is losing relevance; besides, it is an added cost for the producers, an industry official said. In India, FGD is mandatory for coal-fired thermal



GREEN BANDAGE. FGD is mandatory for coal-fired thermal plants to control SO₂ emissions and to meet emission norms. MoEF&CC has prescribed

timelines for FGD installation based on the plant's capacity and installation date. For plants installed before

December 31, 2016, the deadline is December 2025, while for plants installed after January 1, 2017, it is December 2026. **SCIENTIFIC EFFICACY** Although the industry has been supportive till now, it has argued that the same should be backed by scientific efficacy, particularly in the Indian context, especially regarding low sulfur (0.5 per cent) content domestic coal. The industry has been raising concerns and arguing that a "one size fits all" policy does not work as each plant could vary dependent

on the location, regional climate, surrounding population density and plant specific characteristics. Besides, there is an issue of cost benefit efficacy of FGD. In fact, studies conducted by various institutions like IIT-Delhi, CSIR-NEERI (who were asked by NITI Aayog) and the National Institute of Advanced Studies Bengaluru, have recommended against FGD installation in Indian thermal power plants citing low sulfur coal, the National Ambient Air Quality Standards compliance, and minimal impact on PM reduction.

India demonstrates 'Star Wars' capability to shoot down drones using high-power laser weapons

Asian News International
Kurnool



In a major success for the country, India has joined a select league of nations, including the US, China and Russia, with the capability of shooting down fixed-wing drones and swarm drones using a high-energy 30-kilowatt laser beam. The successful trial of the Mk-II(A) Laser- Directed Energy Weapon (DEW) system was showcased at the National Open Air Range (NOAR), Kurnool, mastering the technology of disabling missiles, drones and smaller projectiles, Defence Research and Development Organisation (DRDO) officials told ANI here. Success has put India in the exclusive and limited club of nations that possess the high-power Laser-DEW. DRDO Chairman Samir V Kamat said, "As far as I know,

it is the US, Russia and China that have demonstrated this capability. Israel is also working on similar capabilities. I would say we are the fourth or fifth country in the world to demonstrate this system." **BEGINNING OF JOURNEY** Kamat said this is just the "beginning of the journey", adding that DRDO is working on a number of technologies "that will give us Star Wars capability." "This is just the beginning of the journey. The synergy that this lab has achieved with other DRDO labs, in-

dustry and academia, I am sure we will reach our destination soon... We are working on a number of technologies that will give us Star Wars capability. What you saw today was one of the components of Star Wars technologies," Kamat said. The indigenously designed and developed Mk-II (A) DEW system was demonstrated in its entire spectrum of capability by engaging fixed-wing drones at long range, thwarting a multiple drone attack and destroying enemy surveillance sensors and antennae. The lightning speed of engagement, the precision and the lethality delivered to the target within a few seconds made it the most potent counter drone system. DRDO's Centre for High Energy Systems and Sciences, Hyderabad, developed the system along with LRDE, IRDE, DLRL and academic institutions and Indian industries.

Once detected by a radar or by its inbuilt Electro Optic (EO) system, laser-DEW can engage targets at the speed of light and use an intense beam of powerful light (laser beam) to cut through the target, leading to structural failure or more impactful results if the warhead is targeted. This type of cutting-edge weaponry has the potential to revolutionise the battlespace by reducing the reliance on expensive ammunition while also lowering the risk of collateral damage. The proliferation of unmanned aerial systems (UAS) and the emergence of drone swarms as asymmetric threats are driving the demand for directed energy weapons with counter-UAS and counter-swarm capabilities. DEW will soon replace traditional kinetic weapons and missile defence systems due to its ease of operation and cost-effectiveness.

Growing demand among brands for IPL shoulder content

Vallari Sanzgiri
Mumbai



Brands are increasingly shifting towards shoulder content of the Indian Premier League (IPL) 2025 to boost their association value at a more effective price, said a senior official at JioStar. "We are seeing an increasing share of wallet, orienting towards some of the shoulder content around live. The aggregated value of sports is in the live but what we are seeing increasingly, especially for advertisers who don't have large outlays, there is a proclivity to tend towards highlights, pre and post shows, etc.," said Sanjog Gupta, CEO Sports, JioStar. Explaining this shift, Gupta said the non-live content allows brands to access high levels of association with the IPL label at a lower

ticket pricing. Live ads inventory has a cap with a stipulated time for every game. Considering this, investing in additional assets like shoulder content becomes important to expand both the volume and value of advertising. A similar trend was also observed by YouTube last year, stating that fans spent 20 per cent more time on non-live content, indicating a shift towards on-demand viewing experience. The move also works into JioStar's larger plans to fo-

cus on small and medium businesses. Gupta said, "One thing that has been enabled by high levels of audience delivery on digital platforms is that small advertisers can also target cohorts, which are small enough for their ROI, or that same price value equation to actually tilt in favour of value. So, it's also about who you're trying to reach and what is the messaging that you're looking to deliver." **COST EFFECTIVE** Russhabh R Thakkar, Founder and CEO, Frodoh adtech agency, said, "Shoulder content doesn't deliver the same scale as live, it delivers moments. It allows brands to stay present around the conversation without paying to be in the spotlight. The attraction isn't superior audience connect; it's lower cost, flexible

formats and always-available inventory. It fits when live is either full or out of budget." Thakkar stressed that live ads still command the largest audiences. However, the premium live spots are limited and often locked in early by top-tier spenders. For many brands, highlights and post-match content are the only way in. Lloyd Mathias, marketer and business strategist, said while the trend towards shoulder content may be more apparent now, smaller brands have always relied on smaller packages during IPL. "IPL is a big platform, so to make even a slight impact one would need to buy significantly, whether with the television broadcaster, digital producer or when taking a direct position with one of the teams. So, a lot of brands do these slightly smaller formats."

A SPECIAL PUBLICATION FROM THE HINDU GROUP

Out of the Blue is about a club that shook up the Indian footballing scene and revitalised the game's ecosystem.

In a journey filled with trophies and heartbreaks, Bengaluru FC has become a fan favourite and one of the Garden City's many beating hearts.

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