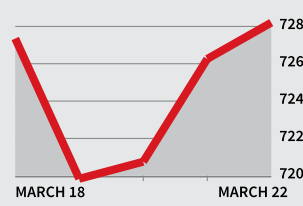


the hindu businessline

SENSEX 72831.94 (+188.51)



IN FOCUS

	Week's close	Week's change
Nifty 50	22096.75	+73.40
P/E Ratio (Sensex)	24.83	-0.01
US Dollar (in ₹)	83.42	+0.54
Gold Std 10 gm (in ₹)	66003.00	+706
Silver 1 kg (in ₹)	74052.00	-158



SPARK.

Indian firms appear willing to explore artificial intelligence deployment, but most projects are stuck in pilot stage **p8**

POLLSCAPE.

With alliances with the TDP and the Jana Sena in place, the BJP is in a sweet spot in AP **p3**

MONDAY SPECIALS.

CORPORATE FILE

Jindal expands canvas with EVs and paint



For JSW Group's Chairman Sajjan Jindal, making cars has been a childhood passion. However, 63-year-old industrialist's passion took a back seat as he decided to join the family business of making steel. But 52 years later, after building the world's seventh largest steel company, excluding China, Jindal is now making his automotive dream a reality. **p7**

BL ON CAMPUS

Leveraging science to boost sports performance

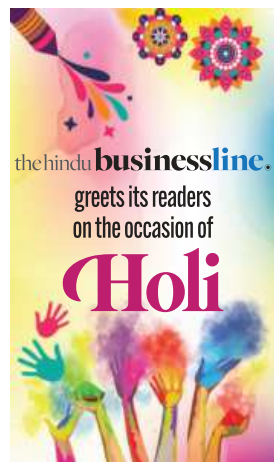
IIT-M's sports science centre is using data, AI and wearables to optimise sportspersons' fitness levels and skills with an eye on the Olympics **p6**

CURRENT ACCOUNT

Is CASA all that bankable anymore?



A senior executive who recently moved on from a private sector bank had to meet with an RBI official as part of his exit interview with the regulator. One of the points on which the executive was repeatedly drilled by the RBI official was why the bank's CASA deposit as a proportion of total deposits was abysmally low. When asked if this was an industry-wide issue, the responses from various banks were an eye-opener. **p9**



Asian Paints: Pallavi Shroff says no to second term as ID

Our Bureau

Mumbai

Pallavi Shroff, Managing Partner of Shardul Amarchand Mangaldas & Co, has refused to continue as an independent director (ID) on the board of Asian Paints for the second term.

"This is to inform that Pallavi Shroff has informed the board of directors that she will not be able to continue for a second term of appointment as an Independent Director of the company, on account of several new projects that her firm has undertaken leading to enhanced professional and time commitments," said Asian Paints in a statement.

She has also confirmed that there are no other material reasons for her non-continuation, it added.

Details **p10**

Polls, higher expenditure may boost GST mop-up in Q1 FY25

BONANZA. Apart from higher spend by candidates/parties, govt may also splurge more

Shishir Sinha

New Delhi

General elections are set to boost collections from the Goods & Services Tax (GST) during the first three months – April to June – of the next fiscal year 2024-25 starting April 1. The impact of election was observed in 2019 when the first general election was held after the introduction of the GST.

The collection numbers for April, May and June will be made public on May 1, June 1 and July 1, respectively.

GROWTH FACTORS

A number of factors can be attributed to the possible rise in GST collection. The first is the increase in candidates' expenses limit. In the coming elections, the per candidate limit would be ₹95 lakh for all states except Arunachal Pradesh, Goa and Sikkim. For these three States, the limit would be ₹75 lakh. In 2019 general elections, the limits were ₹70 lakh and ₹54 lakh. Similarly, for all Union Territories except Delhi, the limit has been enhanced to ₹75 lakh from ₹54 lakh. For the NCT of Delhi, the limit is ₹95 lakh (₹70 lakh).



GST collection



Along with general elections, there are polls for legislative assemblies in four States – Andhra Pradesh, Odisha, Arunachal Pradesh and Sikkim. Also, there are by-elections to 26 Assembly constituencies of Bihar, Haryana, Gujarat, Jharkhand, Maharashtra, Telangana, Tripura, Uttar Pradesh and West Bengal. The per candidate expenditure limit for Assembly seats has also been en-

hanced to ₹40 lakh from ₹28 lakh in bigger States and the NCT of Delhi and ₹28 lakh from ₹20 lakh in Goa, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.

The second factor would be government expenditure for conducting elections. The overall expenditure for the conduct of the elections to the Lok Sabha is borne by the Centre,

and for legislative assemblies, states bear the cost. If elections to the Lok Sabha and state legislative assemblies are held together, the expenditure is shared by the Central and respective state governments.

According to information available on the EC's website, the 2014 election saw the Centre spending over ₹3,870 crore. While data for 2019 is not there, it is estimated between ₹4,200 crore and ₹4,500 crore. For 2024 election, over ₹5,300 crore has already been allocated. These expenditures include the cost of procuring new EVM and maintenance of existing ones, travel, accommodation and food for poll officials and setting up of polling booths.

LONG DURATION

The third factor that could drive GST collections would be the longer duration of the poll process – 44 days. This would also necessitate higher expenditure and thus more tax during April, May and June. The fourth factor would be higher expenditure by political parties. Reports suggest that their expenditure could go up ₹1-lakh crore from ₹60,000 crore in 2019.

Tata Motors sees 40% sales surge in rural markets, driven by CNG and EVs

Aroosa Ahmed

Mumbai

Tata Motors has seen an uptick in sales of its vehicles in the rural market. The company's sales contribution from the hinterland is now at 40 per cent compared with 32 per cent pre-Covid with an uptick in sales of CNG and electric vehicles. The CNG vehicle penetration is up to 17 per cent, and electric vehicle penetration is up to 30 per cent in the rural market.

"In the last four to five years, we have expanded our network in the rural market. From 500 touchpoints, we are now at 830 touchpoints which are very near to villages where the consumers can visit and check our cars. If you look from a manpower perspective, we now have 270 workshops that cater especially to the consumers in the rural market. Our vehicle portfolio, including electric vehicles, is doing well in the market," Amit Kamat, Chief Commer-



cial Officer, Tata Motors Passenger Vehicles Ltd, told *businessline*.

The carmaker has also witnessed an uptick in demand for alternative fuel vehicles and electric vehicles in the rural market. "We have seen the penetration of CNG and EV improve in the market. The CNG penetration is between 16 to 17 per cent, while the electric vehicle penetration is 25 to 30 per cent in the upcountry for us. The shift in terms of the latest technology is also what we are seeing; products that have automatics have seen 13 to 14 per cent penetration. Higher variants are also being preferred in the hinterland," he said.

Further, the company has witnessed up to 70 per cent first-time car buyers for its entry-level cars.

"In the rural market, first-time buying is higher...around 10 per cent more first-time buyers than in the urban market. We see the market growing this year with a forecast of better rain," he said.

ANUBHAV VANS

To penetrate deeper into the hinterland, the company has introduced vans that travel across villages and towns informing and showcasing the vehicles digitally.

"The company started with the initiative Anubhav Vans two years back and created mobile vans. We have 135 mobile vans that are designed to address the needs of the consumers. The vans travel to villages and explain our product capabilities and features. This and our digital footprints have helped us to expand our presence," added Amit Kamat.

AI ON CARBON NEUTRALITY



GETTING CANDID. Tim Cook, Chief Executive Officer of Apple Inc, interacting with the media at the China Development Forum 2024 on carbon neutrality and climate change, in Beijing, on Sunday. Responding to a question on the company's environmental goal, Cook said: "We are making great progress, [but] we are not there yet, and the road ahead requires more innovation." AI could be an essential tool for businesses committed to reducing carbon footprints, he added. **BLOOMBERG**

A 'symphony' of young Chinese aspirations behind gold's record rise

Behind the bamboo curtain, glittering demand for 24-carat gold beads

Subramani Ra Mancombu

Chennai

A hidden Chinese hand is behind gold's current run to a record high apart from hopes of US Fed's interest rates cut, weak dollar and geopolitical tensions. Gold soared to a record \$2,222.49 an ounce earlier this week, before settling at \$2,170 during the weekend.

Sample this. A small jewellery shop in Shuibei Jewellery Park in Shenzhen, China, has sold over 100,000 pieces of 24-carat "gold beads" in the past six months. Each bead, made from pure gold, weighed 0.03863 troy ounces (1.2 grams). If the total weight of the sale of these beads is taken into account, then, 3,863 troy ounces or 120 kg of gold have been sold from the shop.

Eric Yeung, known by @KingKong9888 on X

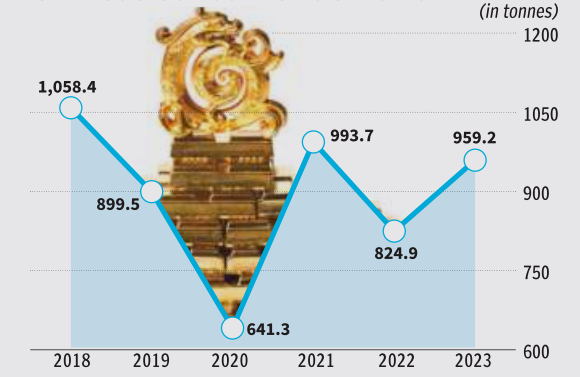
(formerly Twitter), posted: "Gen Z in China is buying small 24-carat gold beads. They are collecting them with a portion of their paychecks every month. This isn't just a transaction but a symphony of aspirations," he said.

FLOW OF CONSUMERS

Chinese wire agency Xinhua reported massive line-ups to buy physical gold ahead of the Spring Festival holiday. "Gold shops in the country have seen a large flow of consumers, many of whom are young people," it said.

According to Jan Nieuwenhuijs, a numismatic expert and journalist, there has been exceptionally strong demand for gold from the Chinese central bank and the private sector. "The People's Bank of China (PBOC) bought a record 735 tonnes of gold in 2023, of

Chinese consumer demand



Source: World Gold Council

which about two-thirds were purchased covertly. In addition, the private sector net imported 1,411 tonnes in 2023, and a whopping 228 tonnes just in January of 2024," he wrote on Gainesville Coins' website.

ING Think, the economic

and financial analysis wing of Dutch financial services firm ING, said latest data from China Customs show that gold imports in China jumped 53 per cent year-on-year to 372.2 tonnes in the first two months of 2024. This was due to increased demand during the

Lunar New Year peak consumption period. It was the highest purchase recorded for the two-month holiday season since 2017, ING Think said.

DEMAND TREBLES

"China is accumulating gold because it is not confident of the dollar's performance as it holds US treasury securities," said a trade analyst.

China's holding of US treasury securities was \$816 billion in December 2023. Its gold imports were at a five-year high in 2023 and demand was higher than the five-year average of 863.72 tonnes.

Bai Xiaojun, CEO of Investment, posted on X last week that gold merchants in major Chinese cities are complaining that their stocks have not been replenished after sales. "Physical gold bars have sold for \$2,580 an ounce, and physical

silver bars have risen sharply to \$31.1 an ounce," he said.

According to Xiaojun, China has come up with a blockchain technology that circumvents monitoring by the international financial system to create a new payment procedure supported by hard assets. The London Bullion Market Association says China accounted for 26 per cent of global gold demand in 2023 against 7 per cent in 2003. "Jewellery demand more than trebled and, once the prohibition of private ownership of gold bullion was lifted in 2004, investment demand soared," it said.

The World Gold Council said China's gold reserves increased for the 16th consecutive month in February. Data show the PBOC has purchased gold continuously since November 2022, bringing total reserves to 2,257 tonnes.

With RBI mopping up dollars, forex reserves at a new high of \$642.49 b

Our Bureau

Mumbai

The Reserve Bank of India's move to absorb most of the dollar flows in a bid to prevent a sharp appreciation of the rupee has led to a record build up in forex reserves, which stood at \$642.49 billion as of March 15.

India holds the fourth largest foreign exchange reserves in the world. China, Japan and Switzerland are the top three holders of forex reserves. India's forex reserves have surpassed the previous record of \$642.45 billion in September 2021.

"We believe India's growth resilience, along with the forthcoming bond index inclusion will keep the capital account in a surplus."

Details **p10**

QUICKLY.

Karnataka moves SC for funds to manage drought



New Delhi: The Karnataka government has moved the Supreme Court seeking a direction to the Centre to release financial assistance from the National Disaster Response Fund to the State for drought management. The petition has also sought to declare that the Centre's in action to release financial assistance for drought arrangement is "ex-facie violative" of the fundamental rights. **»**

Jaishankar affirms strong India-Russia relationship

Singapore: Russia is a country with which India has always had a positive relationship and both countries have taken extra care to look after each other's interests, External Affairs Minister S Jaishankar said on Sunday, as he dismissed the notion that Moscow is drifting towards China. **»**

RBI invites tenders for special audit of IIFL Fin, JM Financial

FORENSIC PROBE. Move follows curbs imposed on NBFCs for breach of regulatory norms

Press Trust of India
New Delhi

IIFL Finance Ltd and JM Financial Products Ltd (JMFPL) will undergo a special audit to delve deeper into their regulatory breaches, as the Reserve Bank has initiated the process for appointing auditors.

The Reserve Bank has floated two separate tenders for the appointment of auditors for special audits of these two non-banking finance companies.

Audit firms empanelled by the Securities and Exchange Board of India (SEBI) for forensic audit can participate in the tendering process and the last date for submission of bids is April 8, as per the tender document published by the RBI.

The selected firms will be awarded work on April 12, 2024, as per the bid documents. Earlier this month, the RBI put a curb on these



TENDERING PROCESS. Audit firms empanelled by SEBI for forensic audit can participate in the process and the last date for submission of bids is April 8

two entities for non-compliance with regulatory guidelines.

SUPERVISORY CONCERNS The central bank barred IIFL Finance from sanctioning or disbursing gold loans after certain material supervisory concerns were observed in its gold loan portfolio. The RBI had said an inspection of the company was carried out by it concerning IIFL's financial

position as of March 31, 2023. "Certain material supervisory concerns were observed in the gold loan portfolio of the company, including serious deviations in assaying and certifying purity and net weight of the gold at the time of sanction of loans and at the time of auction upon default," the RBI had said in a statement. These practices, apart from being regulatory viola-

tions, also significantly and adversely impact the interest of the customers, the central bank added.

A day after, the RBI imposed restrictions on JM Financial Products Ltd following the finding that the company indulged in various manipulations, including repeatedly helping a group of its own customers to bid for various IPOs by using loaned funds.

The central bank barred the systemically important non-deposit-taking NBFC from providing any kind of financing against shares and debentures, including sanctioning and disbursement of loans against initial public offering (IPO) of shares and subscription to debentures.

In a statement, the RBI said the actions were "necessitated due to certain serious deficiencies observed in respect of loans sanctioned by the company for IPO financing as well as NCD (non-convertible debentures) subscriptions".

'Indian EV push could spark Chinese firm's large-scale entry'

Press Trust of India
New Delhi

The Indian government's push to boost domestic manufacturing of electric vehicles (EVs) may lead to large-scale entry of Chinese auto firms in the local market, a report by think tank GTRI said on Sunday.

China's automotive industry, buoyed by substantial state support, has grown rapidly in EV technology, making it a leading exporter of EVs and related components, the Global Trade Research Initiative said. The renewed policy push to make India a hub for e-vehicle manufacturing and efforts of the private sector will lead to a sharp increase in dependence on auto component imports from China, the report said. India's auto component imports were \$20.3 billion in 2022-23 of which 30 per cent came from China.

As the EVs are getting greater focus, the auto component imports from China may increase further.

Norms for export of networking gear, security software may be eased

Amiti Sen
New Delhi



In line with the policy to promote exports of high-tech items, the government is set to liberalise exports of two controlled items with dual-use capabilities - networking equipment and information security software - for certified exporters shipping the items for civilian use following specified standards, sources have said.

The identified items are part of the SCOMET (Special Chemicals, Organisms, Materials, Equipment and Technologies) list of controlled products, which includes dual-use goods with the potential for both civilian applications as well as weapons of mass destruction, whose exports are either prohibited or permitted under authorised licensing.

"In line with the Foreign Trade Policy direction of increasing exports of high-tech products with dual use being sold for civilian purposes, the Centre has decided to liberalise export policy for networking equipment and information security software. The Directorate General of Foreign Trade is giving the final touches to the terms and conditions under which the liberalised exports of the products can take place," an official tracking the matter told **businessline**.

'BIG BOOST' Export of both information security software, such as encrypted software and telecom networking equipment, such as telecom routers, switches and gateways is likely to get a big boost once the licensing norms are eased, the official said.

"Last year, the SCOMET policy of drones for civilian use was amended to simplify and liberalise the policy for exports. Now the focus is on networking equipment and information security software. The idea is to liberalise

exports of as many dual-use items for civilian use as possible to give a push to high-tech exports," the official stated. The DGFT is working with the industry, the Ministry of External Affairs and Customs to ensure that many sectors are liberalised for those companies which have proven track records of responsible use and responsible exports, DGFT Santosh Sarangi had earlier said.

NEW PROPOSAL According to the latest proposal, exporters holding AEO tier 2 certificates (who have the facility of self-sealing export goods without the requirement to seek case-by-case permission from the authority) will be allowed to export the two identified products with just the condition that they would submit details of the exports on a post-export basis every quarter.

"The earlier rule was that every time exporters wanted to export the items, they had to come and get the SCOMET licence and do it. Now they don't have to come to the government every time. They can submit details of their exports every quarter to the SCOMET team which will make a quick assessment of the data and then they will be free to export for another quarter," the official explained.

The plan of liberalising exports of networking equipment also complements the Production linked incentive scheme for telecom and networking products, launched with a corpus of ₹12,195 crore in February 2021, to boost domestic manufacturing, investments and exports.

FPIs net debt investments soar to 7-year high, touches ₹1.2-lakh cr

KR Srivats
New Delhi

Foreign Portfolio Investors (FPIs) net investments in the debt market have hit a seven-year high so far this fiscal (till March 22) to touch ₹1.20 lakh crore. This was higher than the earlier record net inflows of ₹1.19 lakh crore seen in fiscal 2017-18, the latest data with depositories showed.

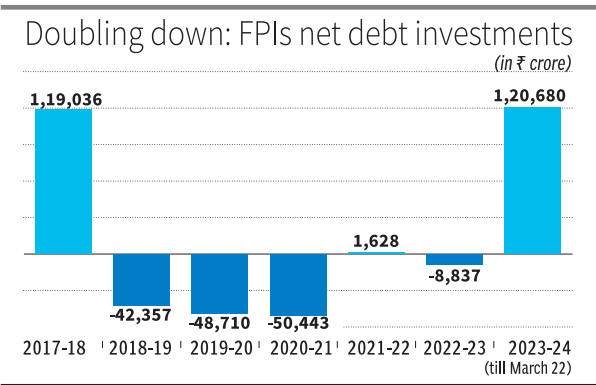
In the ongoing March month, FPIs have pumped in a net investment of ₹13,223 crore in the debt market. They had invested ₹22,419 crore in February and ₹19,836 crore in January in the debt market. So far this calendar year, FPIs have invested ₹55,479 crore in the debt market.

Nitin Raheja, Executive Director, Julius Baer India, said that FPI debt investments have

been extremely robust this fiscal due to attractive yields on Indian sovereign debt relative to the US treasury. This has been supported by strong macros in the form of the robust growth outlook for the Indian economy, stable inflation and a stable currency and the stated objective of the government to improve its fiscal deficit, he said.

"The upcoming inclusion of Indian bonds in JP Morgan's index has led to an inflow in advance into the Indian debt markets. Further, the expected global tapering in policy rates should make bond yields in emerging economies look even more attractive to investors making this trend of inflows into Indian debt more sustainable", Raheja said.

VK Vijayakumar, Chief Investment Strategist, Geojit Financial Services, said that



FPI inflows into debt are likely to continue, going forward. However, a sharp surge in debt flows is unlikely since the US bond yields have also risen in recent days. If the differential between developed market bond yields, particularly US bonds and Indian bond yields decline, the debt inflows will moderate.

An interesting feature of the foreign portfolio investment in India this fiscal is the steady growth in debt investment in sharp contrast to the volatile equity investment, he noted. This rising trend in debt investment is evident in March, too, with inflows of ₹13,223 crores in debt through March 22. The fundamental reason for

this sustained FPI flows into debt is the inclusion of Indian bonds in the JP Morgan EM Bond Fund and Bloomberg Bond Index which is expected to bring investment of around \$25 billion, according to Vijayakumar. This investment will begin only by June 2024 and, therefore, FPIs are doing some front running given this potential investment, he added.

A recent note by Swiss headquartered UBS, a Global financial services major, said that the inclusion of India's government bonds in the JP Morgan Global Bond Index in June 2024 and in the Bloomberg Index in January 2025 has fueled optimism among foreign investors. This is seen in the surge in FPI flows (\$ 4.8 billion Year to date) into Indian debt markets, according to UBS. The 10-year US bond

yields have surged by 33 basis points year to date on risks of a delay to the rate-cutting cycle and a still-hot labour market.

Indian bond yields, in contrast, have seen a diverging trend, with the 10-year government bond yield falling 11 basis points year to date to 7.06 per cent amid ongoing optimism about Indian government bond inclusion in the global bond index. This has also been further boosted by lower-than-expected net borrowing targets in the FY25 interim financial Budget.

EQUITIES REBOUND Building on their conviction in Indian equity markets' growth potential, FPIs have displayed significant buying interest in equities during March, injecting a net investment of ₹38,098 crore into this asset class in March 1-22, data with depositories showed.

HOLI VIGOUR



FESTIVE SPIRIT. Border Security Force personnel celebrate the Holi festival at the India-Pakistan border, near Jammu, on Sunday **»**

Venezuela, India's fifth largest crude oil supplier

Rishi Ranjan Kala
New Delhi

In February, Indian refiners took advantage of the US sanctions waiver on Venezuela to increase crude oil imports from the South American country to over 175,000 barrels per day (b/d), making it the fifth-largest supplier.

Trade sources and refiners said that imports are continuing at a "healthy pace" during March but at lower levels compared with last month. After the US lifted sanctions on Venezuela for six months—beginning October 18, 2023—India has been procuring cargoes from December 2023, after a hiatus of over three years, emerging as the largest buyer of crude oil in January 2024 from the country with the world's largest proven oil reserves.

As per energy intelligence firm Kpler, the world's third largest importer secured more

than 2,54,000 b/d in January and over 1,91,000 b/d in December 2023 from Venezuela. Until 2019, India was Venezuela's third largest purchaser, after the US and China, importing roughly 3,00,000 b/d on average.

SECURING CARGOES Viktor Katona, Kpler's Lead Crude Analyst, told **businessline** that Indian refiners exploited the US sanctions waiver in less than a month after the lifting of sanctions. India's refining system is one of the most sophisticated in the world, so the likes of Reliance Industries (RIL) or Indian Oil Corporation (IoC) would want to buy heavier grades, even with higher levels of sulphur, because they can convert residue into diesel and gasoline, the high-value products, he explained.

Even though RIL took the lead in February, importing two very large crude carriers (VL-



CCs), IoC and HPCL-Mittal Energy (HMEEL) also participated in sharing one VLCC tanker worth of cargo. RIL bought its first cargo that was already loaded in early December 2023 (aboard M/T Gustavia S).

When asked about the scenario in March, Katona said, "After Indian buyers received three cargoes in February, March should see the arrival of three new cargoes again (of this, two have already discharged to Jamnagar - Nissos Kea and Eurohope), whilst one Phoenix Vigor is en route and should start discharging March

31. So after a three-year high of 1,75,000 b/d in February, March should see a marginal decline to 1,55,000 b/d." Back in the day when Venezuelan grades were off-market and only Chinese buyers were in, a cargo of Meroy would be priced around \$20 a barrel to Brent, however, by now, with Venezuelan crude trading freely, a cargo of Meroy would be discounted only to \$8 to Brent. So the sanctions waiver also lifted Venezuelan prices massively, he added.

However, the threat of reimposition of sanctions by the US, after April 18, due to no visible progress between Venezuela's President Nicholas Maduro and Unitary Platform, particularly on allowing all presidential candidates to compete in the election, has threatened to impact the trade. But, an official with a domestic refiner said that so far imports are continuing and even if sanctions are imposed, the impact on imports would 'not be substantial'.

IL&FS seeks nod to sell insolvent firms without shareholders' okay

Press Trust of India
New Delhi

IL&FS group has approached the NCLAT to seek permission to sell its stake with a "haircut" and without shareholders' approval in its companies, which are insolvent with unsustainable debts and placed under the Category II list of resolution framework.

The government sought time to file a reply from the National Company Law Appellate Tribunal (NCLAT) in the last hearing earlier this week over IL&FS' interim application to sell a stake in group entities falling under Category II, whose highest bid amounts was lesser than their debts.

In this process, "lenders, as well as shareholders, would anyway have to take a haircut for their respective debt and equities," IL&FS said, adding that it would also ensure the revival of such entity, balancing the interests of stakeholders.

The resolution of such companies is in line with the process followed under the Insolvency and Bankruptcy Code, where the requirement of seeking consent from shareholders is dispensed with, IL&FS has submitted.

Mines Ministry to appoint consultant for due diligence on Oz lithium block buy

Abhishek Law
New Delhi

The Mines Ministry is planning to appoint a consultant as it looks to carry out due diligence for the acquisition of lithium blocks in Australia. Talks are on with one of the state agencies there for securing the blocks. Acquisitions are most likely going to be through KABIL yet again. Recently, the Ministry, through its CPSE, KABIL (Khanij Bidesh India Ltd) - a joint venture among NALCO, Hindustan Copper (HCL) and MECL - acquired five lithium blocks in Argentina.

"We are still engaging with Australia and trying to get some lithium blocks there. Australia is one of the largest lithium producers globally, and discussions are on through one

Acquisitions are most likely going to be through KABIL yet again

of its government offices," Critical Minerals official, VL Kantha Rao, Secretary, Ministry of Mines, told **businessline**.

Work has also begun towards engaging a consultant there. PWC was the previous consultant.

"Earlier, in Argentina, it was a G2G agreement, and that worked well. But, in Australia, that may not be the case. We are going with whatever the law of the land is," Rao added.

In Australia, rules state that if a mineral block (in this case) is shortlisted for acquisition or investment, then the foreign

company or government enterprise (in this case from India) will have to pick up an equity stake in the Australian company that owns that particular block. Offtake agreements are decided on the proportion of equity picked up in the Australian company, sources said.

Incidentally, some 52 per cent of the world's lithium comes from Australia. In 2023, Australia reported an output of 86,000 tonnes of lithium, higher than the 74,700 tonnes it reported in 2022.

A key use of lithium is in rechargeable batteries for electronic devices such as cell phones, cameras, laptops and electric vehicles (EVs). It is the last of these applications that has investors most excited, and lithium is critical to EV production, as its unique properties

help create the lightweight batteries they need to function.

TAPPING INTO AFRICA This apart, the Ministry has begun consultation with several countries in Africa - Namibia, Ghana, Congo, Zambia, Tanzania and South Africa - for acquisition of critical mineral blocks.

"In some countries like Tanzania, we can look at G2G arrangements," Rao said. African nations would be tapped primarily for copper, cobalt, chromite and other critical minerals.

"We have been present in African nations previously in sectors like coal and some of the private players have also invested there. Now, we are trying to push through government support for critical minerals," Rao said.

'UK, Oman trade pacts may figure in Commerce Ministry's 100-day agenda'

Press Trust of India
New Delhi

India's proposed free trade agreements (FTAs) with the UK and Oman are expected to figure in the commerce ministry's 100-day agenda roadmap for the new government, an official said. The ministry will also focus on issues about the exporting community to promote the country's outbound shipments.

Further talks between India and Australia to expand the scope of existing economic co-operation and trade agreement (ECTA) for a comprehensive economic cooperation agreement (CECA) are also progressing at a healthy rate. The exercise assumes significance as while chairing a Cabinet meeting on March 17, Prime Minister Narendra Modi asked the ministers to meet secretaries and

other officials of their respective ministries to discuss how the agenda for the first 100 days and the next five years can be better implemented. The seven-phase Lok Sabha polls, the world's biggest election exercise, will kick off on April 19 with the counting of votes set to take place on June 4.

'FAIR, EQUITABLE DEAL' The official said that these two FTAs are in their final stages as talks on most of the issues have been concluded. "The majority of difficult matters in India-UK FTA negotiations are moving towards resolution, and both sides are actively engaged for a fair and equitable deal," the official said.

India and the UK launched talks for an FTA in January 2022. There are 26 chapters in the agreement, which include goods, services, investments

and intellectual property rights.

The 14th round of negotiations was held in January. Chapter-wise textual negotiations are near close and the schedule on goods and services is at an advanced state of negotiations. Recently, a team from the UK visited India for negotiations on outstanding issues.

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STATE OF PLAY

Sewing up alliances with TDP and Jana Sena, BJP in sweet spot in AP

MIX AND MATCH. While the BJP is sitting pretty with its tie-ups, the ruling YSRCP holds promise of a post-poll understanding

KV Kurmanath
Hyderabad

Andhra Pradesh presents a picture of delicious irony wherein the BJP, which had not won a single seat ended up with just 0.9 per cent of the popular vote in the 2019 general elections, is in a sweet spot.

The saffron party has a pliant and possible post-poll ally in the ruling YSRCP and it has stitched up a lucrative alliance with the opposition TDP.

For the 74-year-old TDP President N Chandrababu Naidu, the polls are a do-or-die battle as he got wiped out in the 2019 elections in which YSRCP won 22 of the 25 Lok Sabha seats and 151 (out of 175) Assembly seats, securing 49.96 per cent votes. The TDP had to settle for just 23 Assembly seats, securing 39.2 per cent vote share and three Lok Sabha seats.

Jana Sena, whose President Pawan Kalyan was defeated in both the seats that he contested, won one Assembly seat by securing 6.78 per cent of votes.

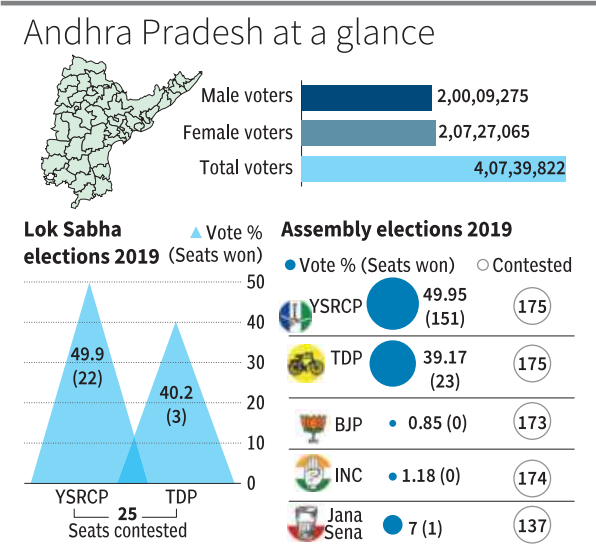
After this humiliation, Naidu knocked on the BJP's doors and made desperate attempts to convince them to join the alliance in the State. The BJP, however, kept Naidu waiting for a long time. The reason for this is that after the BJP-TDP alliance fought the 2014 elections together, their relationship had soured.

The alliance had won the 2014 elections with 106 seats by securing 46.86 per cent votes and the YSRCP had to settle for 67 seats with two per cent lesser vote share. But subsequently, the two turned on each other.

A BITTER SPAT

According to political analyst D Papa Rao, this was an "uneasy" phase for the alliance. "Both had criticised the other bitterly. While Narendra Modi had alleged that the TDP Government used the Polavaram project as "an ATM", Naidu criticised Modi for not doing anything for the State," he said. Naidu walked out of the NDA alliance in 2018.

However, after having been routed in the 2019 elections and facing political irrelevance, Naidu started wooing the BJP again. For the BJP, what tipped the scales in Naidu's favour was that Jagan Mohan Reddy had become unpopular in urban areas by then. As Naidu summed up in the Chiklaluripet public meeting last week, which Prime Minister Narendra Modi himself attended along with Pawan Kalyan, Jagan Mohan Reddy



has "mismanaged" the State. "There are no roads, no development and no jobs in Andhra Pradesh," Naidu asserted.

The Jagan Reddy government is widely believed to have antagonised urban voters, government employees and pensioners. The party neglected infrastructure and government employees and pensioners by inordinate delays in payment

of salaries and pensions.

Reddy, on his part, has prepped for the elections. On the same day that the Election Commission announced the poll schedule, Reddy released the list of candidates for all the Assembly and 25 Lok Sabha seats. He denied tickets to several sitting MLAs and MPs, who quickly got in touch with the TDP and switched sides.

The list contains the names of castes each of the candidates belonged to. It allocated 100 seats for candidates belonging to the SC, ST, BC and minority communities as against 89 in the 2019 elections. For the Lok Sabha seats, it set apart 16 seats for these categories. The TDP-Jana Sena-BJP alliance is yet to announce candidates for all the seats. It is believed that for the Assembly, TDP is contesting 144 seats, the Jana Sena 21 and BJP will be allocated 10 seats.

CAMPAIGN TRAIL

The State is set for a high-decibel campaign trail. YSRCP announced that Jagan Reddy would kick off the poll

campaign with a 21-day bus *yatra* beginning March 26. Following which Jagan would address public meetings in different parts of the State.

While it is only Jagan who is going to bear the burden of the campaign for the ruling party, the TDP-Janasena-BJP alliance has a battery of campaigners, which includes Naidu, Pawan Kalyan, Naidu's son Nara Lokesh, his wife Bhuvaneshwari, brother-in-law (film actor) Balakrishna and BJP's national leaders.

Meanwhile, YS Sharmila, the daughter of the late Rajasekhara Reddy, who fell out with her brother and CM Jagan Reddy, too has launched a blistering attack on the YSRCP, alleging that the party has ruined the State.

Sharmila, the newly-appointed Pradesh Congress Committee President, has been given the mandate of reviving the party that was routed out from the State. The State's voters punished the party holding it responsible for its bifurcation. All the vote share has now gone to Jagan.

BJP fields Arun Govil from Meerut, Kangana from Mandi; drops Varun

Shishir Sinha
New Delhi



Kangana Ranaut, Dharmendra Pradhan

The Bharatiya Janata Party on Sunday announced that noted film and TV serial actor Arun Govil will contest from Meerut (Uttar Pradesh) in forthcoming Lok Sabha polls. The party is also fielding actress Kangana Ranaut from Mandi constituency in Himachal Pradesh and industrialist Naveen Jindal from Kurukshetra in Haryana.

All three are part of 111 candidates declared in the fifth list of BJP. However, one of the prominent face of the 17th Lok Sabha, Varun Gandhi (Pilibhit, Uttar Pradesh) has been dropped and former Congress leader and former Union Minister Jitin Prasada has replaced him. Union Minister VK Singh has also been replaced by Atul Garg from Ghaziabad constituency in Uttar Pradesh. Another prominent name dropped from the list is SS Ahluwalia from Darjeeling where Raju Bista has been given ticket. However, Varun's mother, Maneka Gandhi has got the ticket again from Sultanpur (Uttar Pradesh).

Among other prominent names, Union Minister Dharmendra Pradhan will be contesting from Sambalpur in Odisha, while BJP spokesperson Sambit Patra will again try his luck from Puri. Pradhan's colleagues in the Cabinet RK Singh will contest from Arrah (Bihar) and Giriraj Singh from Begusarai (Bihar). Former Union Ministers Ravi Shankar Prasad, Ram Kripal Yadav and Rajiv Pratap Rudy have retained their candidature from Patna Sahib, Patliputra and Saran in Bihar respectively. However, Union Minister Ashwini Chaube has been replaced by Mithilesh Tiwari in Bihar's Buxar constituency.

Jagadish Shettar will contest from Belgaum while K Sudhakar has been given ticket from Chikkballapur in Karnataka. In Kerala, K Surendra will fight from Wayanad and KS Radhakrishnan has been fielded from Ernakulam.

Why grassroots women leaders struggle to reach Lok Sabha

Radheshyam Jadhav
Pune

In the quietude away from the Lok Sabha election fervour, Alka Kamble dedicates herself to daily chores. With 25 years of public service and a reputation as an efficient sarpanch in Yavatmal district, she stands as an unsung hero on the district's political landscape.

Known for her efficient leadership of the remote Waghapur-Lasina village panchayat and her evident acumen, she remains a hidden gem on the political landscape, resigned to the belief that she may never have the opportunity to contest Assembly or Lok Sabha elections. "I want to contest for the Lok Sabha," she asserts, "but which party would offer me candidacy? I lack the financial resources and I'm a woman outside the political dynasty."

Similarly, the tale of Kantatai Ichke from Upali village in Beed resonates with defiance against cor-



AGAINST ALL ODDS. From panchayat to parliament, women leaders face a steep climb fraught with financial and societal challenges to change the status quo

ruption. Despite rallying the villagers against corrupt politicians, all parties united to ensure her defeat in local elections.

Arachana Jatkar faced a similar fate in Pokhari, Yavatmal, where male politicians expected her to be a mere figurehead, running the village administration in her name. Her re-

fusal to be a mere puppet led to the sabotage of her political aspirations by village politicians.

LOST LEADERS

The journey of grassroots women leaders, empowered by the 73rd and 74th constitutional amendments providing one-third reservation in panchayats, is

cause electoral politics is not solely about leadership skills, hard work, and honesty. It often hinges on familial ties.

In 2019, 20-year-old Vaishali Yede, whose farmer husband Sudhakar ended his life after failing to repay the debt because of repeated crop failures, contested Lok Sabha elections from her hometown Yavatmal — Washim, which falls in the region in Maharashtra where there has been a spate of suicides by farmers for years. With very limited resources she campaigned on the issue of agrarian distress, but received only 20,000 votes against Bhavana Gawali who comes from a dominant political family in the region.

DYNASTIES DOMINATE

In the 2019 Maharashtra elections, the State elected eight women MPs, all from political dynasties. This includes Bhavana Gawali (Shiv Sena), daughter of late Shiv Sena MP Pundlik Gawli; Supriya Sule (NCP),

daughter of NCP President Sharad Pawar; Pritam Munde (BJP), daughter of late BJP leader Gopinath Munde; Raksha Khadse (BJP), daughter-in-law of former BJP leader and now NCP MLC Eknath Khadse; Bharati Pawar (BJP), daughter-in-law of NCP leader, the late AT Pawar; Poonam Mahajan (BJP), daughter of late BJP leader Pramod Mahajan; Navneet Rana (independent), wife of MLA Ravi Rana; and Heena Gavit (BJP), daughter of Vijaykumar Gavit, a former minister and BJP leader.

"In India's political realm, where familial legacies often overshadow the tenacity and resolve of grassroots women leaders, underscore the formidable hurdles they encounter in carving out their political niche. The complexities of gender, class, caste, economic status and political background significantly shape their electoral journey," says Vikas Kamble, an activist working with grassroots women leaders in Maharashtra.

BEYOND THE POWER STRUGGLE

For the first time, TN elections are about clash of ideologies

M Ramesh
Chennai

Ever since the Dravidian movement took root in Tamil Nadu, elections have been only about who will come to power. Now, for the first time, the elections in Tamil Nadu are as much about a clash of ideologies, as about who would occupy the throne for the next five years.

The State is set to see a four-cornered fight, representing three vastly differing ideologies.

First, there is the incumbent, Periyarist ideology, upheld by the Dravidian parties DMK and AIADMK. This lays emphasis on social justice and equality, leftist approach to the economy and Tamil identity. The difference between DMK and AIADMK is that the latter is less aesthetic than the former. Periyar

and Anna are the gurus of this ideology.

The second ideology is that of development-oriented, somewhat right-of-centre, Indian nationalism with a whiff of Hindutva, upheld and propagated by BJP. This philosophy was totally absent until very recently but has firmly taken root and is growing fast. Notably, during all these years, BJP was a junior member of some formation, but this time around, as the preceptor of the ideology, it leads the alliance.

The third creed is that of fierce Tamil nationalism, led by the Naam Tamilar Katchi (We Tamils Party), whose philosophical underpinnings spring from the late Sri Lankan Tamil separatist leader, Velupillai Prabhakaran. Naam Tamilar Katchi is still small, with about 7 per cent vote share, but is gaining ground, mainly because of the brilliant, fiery oratorical skills of its leader, Seeman. Some like this thinking, while others believe it to be inimical, as it dangerously borders on Tamil separatism.

Thus, we have two differing doctrines challenging the well-entrenched Periyarist Dravidian thinking and chipping it away at the edges. The 2024 elections will put wind behind the sails of one of them. Political analyst, Prashant Kishore, has repeatedly made the point that the combined vote share of the two Dravidian parties (DMK and AIADMK) has slipped below 70 per cent and is losing ground — meaning that a third of Tamil Nadu is now willing to experiment with an ideology that has not been around for six decades.

After successfully persuading PMK to join its fold, BJP has formed a solid alli-



NEW NARRATIVE. DMK's eloquent speakers now face a challenge from two different ideologies, each headed by an equally proficient orator — Seeman and Annamalai

ance. Its mission in the 2024 elections is to demonstrate a respectable vote share, regardless of seat wins — for, after all, BJP is not dependent upon Tamil Nadu for forming government at Delhi. Its success will be a barometer to gauge the inroads that its ideology has made in the State.

The one to watch — not without some trepidation — is the growth of Naam Tamilar Katchi. In the assembly elections of 2021, it did not win a single seat but displayed its growing heft by coming third in several constituencies. In his speeches, Seeman stops just short of preaching violence and repeatedly invokes Prabhakaran. He manages to gather good crowds by his screechy underscoring of the supremacy of the Tamils, which he embellishes by wild gesticulations and shakes of fisted, outstretched arms. He wins hearts by pointing out that despite receiving multiple, 'lucrative' offers for alliance he has stood alone, even if only to be a pauper. However, Seeman is not known for his knowledge of economics or science. His

stituencies. In his speeches, Seeman stops just short of preaching violence and repeatedly invokes Prabhakaran. He manages to gather good crowds by his screechy underscoring of the supremacy of the Tamils, which he embellishes by wild gesticulations and shakes of fisted, outstretched arms. He wins hearts by pointing out that despite receiving multiple, 'lucrative' offers for alliance he has stood alone, even if only to be a pauper. However, Seeman is not known for his knowledge of economics or science. His

faith is in a well-walled economy which finds resources for everybody within.

As for science, well, here is a story he recently told an audience. The US and USSR were in the race for space supremacy. Neil Armstrong and Yuri Gagarin were up there and it was a question of who would land on the moon first. Yuri Gagarin got a message from Earth saying, "jump", but he hesitated. Neil Armstrong seized that moment of hesitation and jumped on to the moon, thus winning the race for the US. Heartbroken and consumed by shame, Yuri Gagarin committed suicide. (Gagarin actually died in a plane crash in 1968.)

The lesson of the story, Seeman told his delighted audience, is that you should not hesitate. This is the now-or-never moment to save the Tamil race, he said.

DMK has always been known for its army of eloquent speakers whose magnetic oratory pulled people to itself. Now, it is challenged by two different ideologies, each headed by an equally proficient orator — Seeman and BJP's Annamalai.

Therefore, the 2024 elections is for Tamil Nadu an epochal one.

QUOTE.



Kejriwal has lost all morality. Under the garb of morality, he had agitated with Anna Hazare. Those who called themselves 'Kattar Imaandar' (very honest) have come out to be known as 'Kattar Beman' (outright dishonest)

GIRIRAJ SINGH
Union Minister



It is clear that the BJP has made its plan to destroy the democratic system. I appeal to the public to donate money to the Congress to save democracy and the Constitution.

NANA PATOLE
Maharashtra Congress President

businessline.

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Southern push

BJP is upping the ante in the South

The reality of its saturation in the North and western parts coupled with the BJP's inexhaustible capacity for expansion has fuelled the ruling party's aggressive push into the southern provinces in the ongoing elections. After four extended tours in the South, Prime Minister Narendra Modi is expected to attend at least 30-35 public outreach programmes during the campaign in these States. This publicity around these campaigns is matched with a carefully crafted strategy for each of the States.



For the most fascinating contest in Tamil Nadu, the BJP has adopted a unique strategy through its crusader-like party chief, the 39-year-old K Annamalai. Unlike other States where the BJP has used regional parties for its own expansion, in Tamil Nadu, it has chosen to chart its own territory by isolating the Dravidian major, AIADMK, and tying up with smaller parties. Into the BJP fold is the Vanniyar grouping of PMK which is strong in the northern districts, the TMC led by GK Vasan and the AMMK led by TTV Dhinakaran. The BJP also merged with itself actor Sarathkumar's party, the SMK. The idea is to edge out a truncated AIADMK with a fresh appeal and take its vote share in the State to double digit from 3.66 per cent in 2019.

In Karnataka and Andhra Pradesh, the BJP has adopted the more conventional tactic of aligning with established parties. While it has its strongest base in Karnataka, having won 25 of the 28 seats in the State with 51.75 per cent of the vote, it has not left anything to chance after the Assembly election defeat and tied up with the JD(S). In Andhra Pradesh, the BJP has the unique distinction of being friendly with the ruling YSRCP of YS Jagan Mohan Reddy but is in an alliance with the opposition TDP of N Chandrababu Naidu and Jana Sena of Pawan Kalyan. Although the BJP did not win a single seat with barely 0.9 per cent of the vote in the 2019 elections, it is in a sweet spot in this State, having aligned with the principal opposition party when popular disenchantment with Jagan Mohan Reddy is high. But the AP story is not replicated in neighbouring Telangana where the Congress has seen a revival under the leadership of Chief Minister Revanth Reddy. The BJP here is engineering defections from the beleaguered BRS of K Chandrashekar Rao.

In Kerala, the BJP's vote share has remained below 13 per cent but is hopeful of filling the vacuum being created by the perceived weakening of the Congress. It has simultaneously fielded some high profile candidates, including Union Minister Rajeev Chandrashekhara from Thiruvananthapuram, and merged with itself the Kerala Janapaksham (Secular) in the hope of invading the Christian heartlands in central and north Kerala. The BJP appears determined not to let the failures of its past — having won just 29 of the total 130 seats in the southern States in the 2019 general elections — dent its ambition and aggressive appeal to the voters of south India this time. The elections in the South are set to be fascinating.

FROM THE VIEWSROOM.

Teachers must inspire

PT Jyothi Datta

Sometimes random conversations with people tend to hold up the biggest mirrors to us as a community, and how we are in fact, failing our young people. Especially, those with limited means to educate themselves in expensive institutions.

Several young people take on odd jobs, looking to match their meagre incomes with their huge aspiration. And there-in, their regret. Their schools had not educated or equipped them with skills or confidence to be able to stand on their feet, they say, in brief snatches of conversation while on the job.

One young lad, speaking with pride on his job as a phlebotomist (who does your blood tests), revealed how only four of them in their large class managed to make a “success” of their life. The course taught them little and students attended classes only to get their attendance certificates, he said, adding that many also worked odd jobs to pay for their education.

Some young folks are able to train on the job, he said, and are able to move from strength to strength. But not everyone is lucky. And it's not their fault.

People want to learn a skill, speak confidently and carry themselves well, to be able to start their own venture or land a secure job. But the schools and teachers “don't care”, he says, despite taking the payment. While this observation is purely anecdotal, it finds common ground with a complaint from industry, that people being churned out of the myriad institutes are quite unemployable, in terms of skill or knowledge.

The core reason is that teachers are “neglected” and teaching receives little attention as a professional service, says an educationist. Merely having a “degree” does not make you a good teacher, he said, calling for a system revamp, to screen for inspiring and passionate individuals who are keen to share their knowledge. Keen to teach and inspire young minds to learn and grow, and not just “acquire a degree”.

Export of Vande Bharat trains on the right track

OPPORTUNITY AHEAD. The move to develop a standard gauge version of the train and identifying potential markets in South America augur well



SUDHANSHU MANI

Two recent developments concerning Indian Railways (IR) and Vande Bharat trains have garnered widespread attention. The first involves the Minister of Railways announcing that Integral Coach Factory (ICF) will lead the development of a standard gauge (SG) version of Vande Bharat trains. Stressing the project's timeline for exporting these trains, the minister emphasised the urgent need for ICF to commence design work to prepare for potential exports five years down the line. This urgency arises from the lengthy process involved in manufacturing, testing, and obtaining international validation for new rolling stock.

The second announcement, made by Rail India Technical and Economic Service (RITES), outlines plans to introduce Vande Bharat trains to South American nations. Countries like Chile, Brazil and Argentina have expressed strong interest and are actively engaged in discussions with India regarding the possibility of initiating international trade involving these advanced trains.

RITES has strategically identified nations with electrified broad gauge (BG) railway systems, where minimal customisation would be required for introducing these trains. While this development is considered an initial trend, optimism abounds for its promising trajectory in the forthcoming

months and years. These announcements signify a departure from past hype-filled proclamations, injecting a sense of pragmatism into the Railways' endeavours.

Reflecting on past instances of overblown claims, one is reminded of a top executive of the Railway Board prematurely announcing Peru's interest in Train 18 upon the arrival of the prototype train in Delhi in late 2018, overlooking the need for domestic success before considering exports or that Peru has SG tracks for which ICF had no solution at that stage.

Similar overreach was observed in an announcement of exporting Train 18 to neighbouring South Asian countries, despite their infrastructural limitations of tracks that do not have electrification or semi-high-speed capability.

Another ambitious announcement aimed to elevate Vande Bharat's speed to 240 km/hour in an SG version, but obvious scepticism prevailed given that India does not have any SG tracks for its validation. Although expectedly there was no movement in the project, the emphasis on SG and higher speeds did hold significance for India's global rail aspirations for two key reasons. Firstly, despite the development of the Vande Bharat, India cannot assert global

The ICF's engagement in designing a standard gauge version of trains for potential exportation with a realistic timeline of five years is a welcome development.

leadership in rail technology unless it possesses the capability to deliver trains in SG — a standard prevalent in developed nations and increasingly adopted in medium-income countries for new lines.

HIGH-SPEED LINE

Secondly, with the forthcoming SG 350 km/h high-speed line between Mumbai and Ahmedabad featuring Japanese trains, there is an opportunity for Indian trains to be run and validated on this track, albeit in slack time with lower speeds below 250 km/h. There is, therefore, a strong case for the Railways to challenge ICF and the associated rail industry to design and construct a 245 km/h train for this line; 245 kmph because the designs above 250 kmph impose such stringent norms which is something ICF may not be capable of today. Developing SG trains aligns with global standards and opens doors for exports to countries with electrified SG tracks and showcases its engineering prowess in the rolling stock domain.

The latest news outlining ICF's engagement in designing an SG version of trains for potential exportation with a realistic timeline of five years is, therefore, a welcome development. Such a commitment would be in line with the government's steadfast belief in the economic benefits of unprecedented capital expenditure on rail infrastructure. Despite recent setbacks with dropped tenders, the Railways has already demonstrated boldness in committing to large rolling stock tenders since 2022.

More significantly, RITES' recent announcement regarding the export potential of Vande Bharat trains

presents a promising opportunity. The question arises: where can we export Vande Bharat trains without undergoing extensive development and validation processes? The answer lies in countries with electrified BG routes. Apart from the Indian subcontinent, the only countries in the world with BG (or near BG, like the Iberian Gauge) routes are Spain, Portugal, Argentina, Brazil, and Chile. Spain, being far more advanced in rail technology, would not be interested in Vande Bharat trains. However, the South American countries present a promising opportunity. While they may consider themselves more aligned with European ethos, diligent marketing efforts can sway their preferences. Among these nations, Chile stands out with its robust economic strength and BG tracks well-suited for our trains with minimal customisation, thanks to their 25 KV electrification system.

India should take a bold step forward by offering a train free of cost for tests and trials in these markets, with a commitment to import trains upon successful technical and commercial validation. Given the substantial capital expenditure in the range of ₹2.6-lakh crore in railways by the government, allocating ₹100-150 crore for a trial train is a negligible investment.

In conclusion, these announcements mark a significant shift towards pragmatic action and value-driven initiatives by the Railways. The question remains: will we seize this opportunity with determination, or will we hesitate at the crucial moment?

The writer is Retd. General Manager of Indian Railways, Leader of Train 18/Vande Bharat project and Independent Rail Consultant

Need to brace for high cost of public debt

Low growth, high interest rates will make it hard for both advanced and emerging economies to achieve debt sustainability

Rajani Sinha

Global public debt has shot up sharply post the pandemic. Per IMF, for advanced economies, the public debt to GDP is estimated to have risen to 112 per cent and for emerging and developing economies (EMDEs) to 67 per cent by 2023. While debt levels persist at elevated levels, global growth has slowed down over the past few years, due to disruptions in the supply chain and escalating geopolitical conflicts. Rising interest rates have further dampened the global growth outlook. This backdrop of high public debt, high interest rates and low growth is making debt sustainability challenging for advanced and emerging economies. For advanced economies, public debt to GDP is projected to rise further to 116 per cent and for EMDEs to 75 per cent by 2028 (IMF).

The high public debt scenario has resulted in increased concerns around sovereign defaults. The total sovereign debt in default as a per cent of world GDP was 0.6 per cent in 2022, the highest since 2014 (Bank of Canada-Bank of England database on sovereign defaults). While it is critical to assess the threat of sovereign defaults by smaller developing economies, it is also important to be watchful of the vulnerabilities of the advanced economies. Many of

advanced economies like the US, Japan, Italy, France and the UK have very high general government debt levels at more than 100 per cent of GDP. Advanced economies have the benefit of lower interest rates compared to emerging economies.

This, coupled with better government revenue collection, enables advanced economies to enjoy healthy debt affordability (interest/revenue), even with high debt. For instance, for UK, while the general government debt is at a high of 104 per cent, interest to revenue is at a low of 11 per cent. For India, the general government debt to GDP ratio is at 81 per cent but the interest to revenue is much higher at 27 per cent.

EASY MONEY POLICY

In most advanced economies, the implementation of ultra loose monetary policy post the 2008 global financial crisis resulted in very low interest rates for a long period of time. However, in the post Covid period interest rates have risen sharply in a bid to tame inflation. Even though a policy easing cycle is anticipated in the second half of the year, interest rates are likely to remain above pre-pandemic levels, specifically in advanced economies. Higher interest costs coupled with very high debt levels, will have a bearing on the debt affordability of the advanced economies. For instance, for US



TOUGH TASK. Bringing down debt

Federal Government, the net interest payment is projected to cross 20 per cent of revenue by 2032 from 9.7 per cent in 2022, as per US Congressional Budget Office. Similarly, for UK, the government's interest expenses (per cent of revenue) has already doubled from 5.4 per cent in 2020 to 11 per cent in 2022.

Many of the advanced economies have the advantage of reserve currency status, hence external funding of debt is not a serious challenge for them. Moreover, they enjoy better sovereign risk ratings enabling them easier access to external funding. Nevertheless, we cannot ignore the fact that high government debt and resultant diversion of high portion of revenue into interest payment will result in less

of resource availability for more productive expenditure for these economies.

If we look specifically at India, the general government debt to GDP has risen sharply to 81 per cent in FY23 from 70 per cent in FY19 (pre-pandemic). However, this ratio is projected to reduce gradually in the coming years, touching a marginally lower 78 per cent in FY31, according to the IMF. While India has high government debt, it is mainly financed from domestic borrowing, this reduces vulnerability of the economy to external parameters. However, as discussed earlier, the country has high interest expenses (at 27 per cent of revenue), that eats into more productive expenditure. This makes it critical for the economy to move swiftly towards fiscal consolidation and reduce the government debt more meaningfully.

This post-pandemic period of low economic growth and high interest rates will make it difficult for both advanced and emerging economies to move towards debt sustainability. In fact, each debt cycle comes with its own challenges. In the current cycle, it is critical to remain vigilant of the vulnerabilities of not just emerging economies, but also of the advanced economies.

The writer is Chief Economist, CareEdge Ratings

● BELOW THE LINE



Beware! You will be ED-ed!

It is common knowledge that even before the election season started, the Enforcement Directorate and what it has come to symbolise have become a constant theme in political

discourse. But it looks like the popularity (or notoriety) of the agency is here to stay and the way things are shaping up, the verb 'ED-ed' (meaning "to be raided by a government agency or face other kinds of sanctions for an alleged breach of law") could be the next biggest contribution of India to the English lexicon after 'Bangalore'd'. Hard to believe? Sample this.

Recently, in an audio clip purportedly released by the police department and circulated widely on social media in Tamil Nadu, an official could be heard warning the public: "Do not share your sensitive info with anyone

over phone or online. The scammers may even threaten you that if you don't do what they ask you to do, you will be raided by the ED. But don't fall for it!" So what's next? A people's choice award for ED for beating other agencies like CBI and income-tax department hands down?

Sage advice

Amitabh Kant, G20 Sherpa and former NITI Aayog CEO, offered valuable advice to emerging domestic start-ups at the inaugural Startup Mahakumbh in the capital. He emphasised the importance of prioritising good corporate

governance over celebrity endorsements, urging start-ups to concentrate on sustainable growth and profitability. Start-ups would do well to focus on growth and path to profitability rather than jumping to sign up Lionel Messi of the world as their brand ambassador, he quipped. Kant's example rings a bell, doesn't it? **Work from 'Home'** In an unprecedented twist that's got all of Delhi buzzing, Chief Minister Arvind Kejriwal, now a guest of Tihar Jail due to the excise policy kerfuffle, is gearing up to convene cabinet meetings virtually from his new,

less-than-luxurious quarters. As whispers turn into loud chatter among Delhi's business circles, the move has been met with a mix of scepticism and bewildered amusement. Will the CM's new 'office' bring about a reformative approach to governance, or will it simply add more drama to the already sensational story of Delhi's political landscape? The buzz is real, and the stakes are high. Delhi awaits its next cabinet meeting, which might just set a new precedent for remote working — Tihar style. **Our Bureaus**

Straight talk on living well

The ‘Terminator’ shares life-lessons in a unique way

BOOK REVIEW.

KC Vijaya Kumar

Philosophies aiding the better life have always found space in a palatable form within the confines of a book. Be it Paulo Coelho’s *The Alchemist*, Mitch Albom’s *Tuesdays with Morrie* or Robert Fulghum’s *It Was On Fire When I Lay Down On It*, the self-help formula has always reigned.

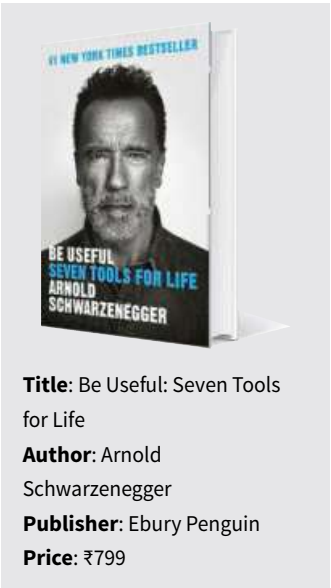
Into this world of words, proverbs and that gentle pat on the shoulder, imagine Arnold Schwarzenegger wading in! The guns and ripped muscles are kept aside and the star adds his own style to the life-lessons genre. His *Be Useful: Seven Tools for Life*, is a tome that does some straight-talking. The language is direct, at times the words can turn purple and Schwarzenegger often uses an episode in his life to drive home a point.

The basic template of self-help books that rests on vision, dreams, hard work and knowledge, is followed here too but the author lends it his unique touch. Born in Austria and prospering in the US, Schwarzenegger has done the whole arc of bodybuilding, acting and politics. After 76 summers, he is well qualified to share his inferences about life. It is just that all of us fed on his action movies may take some time to also imbibe his pearls of wisdom.

He starts with a note on his failures: “I had dramatic losses in my bodybuilding career, I had movies that went in the toilet, and this wasn’t the first time I had watched my approval ratings fall like the Dow Jones Industrial Average.” And then you can almost hear his steely drawl, when he writes: “I relish the challenge of having to climb back up.”

MOTIVATIONAL SPEAKING Having shifted into the zone of motivational speaking, he remembers a time when his father told him: “Be Useful, Arnold.” He then juxtaposes the tools he employed to succeed and elaborately writes about them across 263 pages. The chapter titles always cut to the chase like ‘Work your a** off’.

He talks about having a vision and then lapses into his own life in which he nursed an American dream while growing up in Austria. Soon it became a reality and he basks in the afterglow: “I was in America, I was Mr Universe, and the work was just



Title: Be Useful: Seven Tools for Life
Author: Arnold Schwarzenegger
Publisher: Ebury Penguin
Price: ₹799

beginning.” The star takes down vision into goals and how you can keep pushing at it. Schwarzenegger does have some deadpan humour and he pens these lines: “By the end of 1987, I had killed 283 people. More than anyone else in Hollywood during that time, by far. It took me eight films, but I did it. And that meant something. It meant that I was an action movies star.” And then he tells us to dream big. ‘Never think small,’ he warns.

The will to work, to get through tasks and to keep looking at the horizon, are all essential, and the star, who dropped the gun and picked the pen, says it in his own way. The style can be like those dialogues that get beeped out in movies and yet it cuts to the bone and makes you think.

Adaptability and being a sponge are all mentioned while the writer steps often into his life to hold a mirror both to himself and to the reader. He then does a deep dive into what a self-made person is supposed to be, and also reiterates the need to give back to society.

The author clearly says that no one operates in a vacuum as there are people often lending a hand but what you do with that assistance determines how far an individual can go.

The thank you note by Schwarzenegger is elaborate and includes the likes of Nelson Mandela. This is a book that besides its focus on living life well, equally reveals vulnerable layers of the actor and highlights his self-belief. He may have played *Terminator*, but the star does have a heart.

The reviewer is Sports Editor, *The Hindu*

Morality versus social welfare

The attraction of this book lies not in the answers it provides but in the questions it asks

BOOK REVIEW.

TCA Srinivasa Raghavan

Kaushik Basu is an economist who has been a teacher, chief economist to India’s finance ministry and to the World Bank.

When he takes off his ultra-liberal political hat he is a formidable theoretical economist. This book once again reveals that side of him.

It’s got a catchy title which is as wrong as it is right. After all, if the circumstances are conducive I can think very clearly and rationally that I should commit suicide. The liberals are quite confused about individual freedom in this case.

That said, it is an extremely engaging book if you are inclined to look at the world the way game theory does. Game theory, now sadly in disuse, used to be a huge endeavour indulged in by some of the top brains in mathematics and economics. It tried to see what rational behaviour means and what sort of actions follow or should follow if everyone behaves rationally.

Unfortunately, it remained a theoretical exercise in deductive puzzle solving because, as Amos Tversky and Daniel Kahnemann showed, people are generally quite stupid and actually behave irrationally.

Basu says that actions based on morality, either of the whole group or of its members need not always lead to an improvement in welfare, either now or in the future.

They won the economics ‘Nobel’ for saying that. Kaushik, like his mentor and PhD guide at the London School of Economics, Amartya Sen, has always liked puzzles. And game theory is a lot about puzzles.

Like Sen he is also a superb expositor and can explain complex ideas in a number of very accessible ways. This book demonstrates that in ample measure.

Its sheer width is enough to convince you that this is not pop economics. It bases itself on something more ephemeral than data — philosophy.

In India we tend to think of philosophy in metaphysical terms but the western philosophical tradition concerned itself with more earthly problems. Thus, they could ask: “Do frogs feel pain?”

This book follows that tradition.

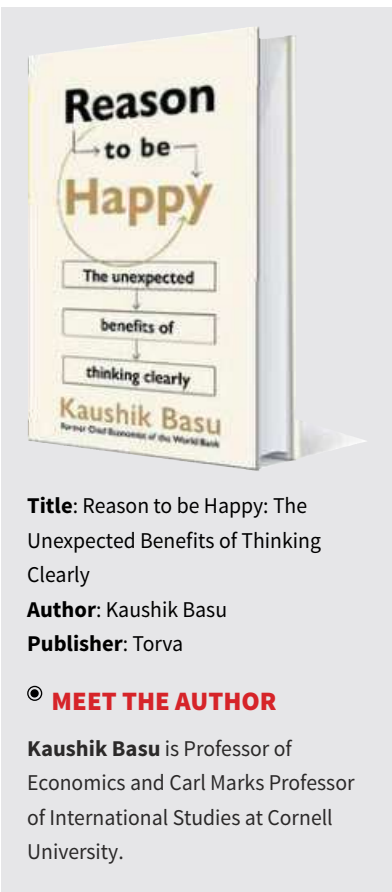
THE DESIGN

Basu explains at the very start that he has followed an inverted pyramid structure in this book. That is, he goes from individual behaviour to group behaviour and their implications for global behaviour.

Happiness, he then says, lies in using reason and avoiding emotion in whatever action you undertake. Well, that sounds reasonable but what if a person falls in love with a person who doesn’t reciprocate, at least not immediately? Should you, like that Scottish king Robert Bruce, keep on trying and press your case?

Basu says you can but should act ‘as if you were that person’. In my example that would mean the one who doesn’t care for your amorous attentions. That is, think like the other person.

The application of reason might tell the person to lay off but will that make him or her happy, especially if he or she believes that the object of his or her



Title: Reason to be Happy: The Unexpected Benefits of Thinking Clearly
Author: Kaushik Basu
Publisher: Torva

MEET THE AUTHOR

Kaushik Basu is Professor of Economics and Carl Marks Professor of International Studies at Cornell University.

affections might undergo a change of heart?

However, and fortunately, Basu doesn’t labour on with the happiness thing. Instead he gets into a fascinating discussion on the interfaces of logic and philosophy.

All sorts of philosophers and logicians flit across the pages which makes the book truly a connoisseur’s delight. Thus, the attraction of the book lies not in the answers it provides but in the questions it asks.

NEW READS.

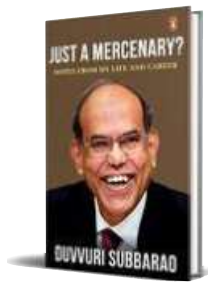


Title: Writing for Busy Readers: communicate more effectively in the real world

Authors: Todd Rogers and Jessica Lasky-Fink

Publisher: Scribe Publications

The authors begin by outlining cognitive facts about how busy people read, then detail six principles for effective writing.

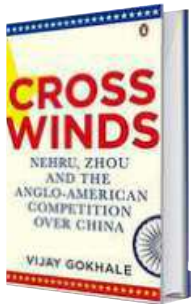


Title: Just a Mercenary? Notes from My Life and Career

Author: Duvvuri Subbarao

Publisher: Penguin

A warm and engaging account of an extraordinary career that is bound to inform and inspire young professionals trying to find their way up their career ladders.



Title: Crosswinds: Nehru, Zhou and the Anglo-American Competition over China:

Author: Vijay Gokhale

Publisher: Vintage Books

The book, based on archival material, outlines India’s efforts to craft a foreign policy in the context of the Anglo-American competition in the Far East.

thehindubusinessline.

TWENTY YEARS AGO TODAY.

March 25, 2004

US law firms ship project work to India

Indian legal eagles are now in big demand in the US. Undeterred by the backlash over outsourcing, law firms from US are said to be exporting legal projects to India. Experts seem unanimous in their view that the highly educated legal workforce in India proves cost-effective for the American firms.

GM plans to move white-collar jobs

Amid the backlash in the US over outsourcing, General Motors is planning to shift millions of dollars worth white-collar jobs to countries, including India. The move is part of a cost-cutting programme which aims to slash GM’s manufacturing costs by 25 per cent by the end of 2005, an internal report of the company said.

Rlys crash course for safer coaches

Indian Railways is burning and crashing brand new passenger coaches to collect information on how to make them safer and reduce human casualties in the event of an accident. The Kapurthala-based Rail Coach Factory (RCF) is preparing a crash track where brand new coaches will be crashed at over 70 km per hour to see how the passenger section gets affected.

Short take

The battle against TB needs to be stepped up

Rajeev Sibal

Tuberculosis, colloquially known as the ‘white death’, has plagued humanity for centuries, persistently claiming lives and leaving a trail of devastation. Despite remarkable progress in healthcare, TB remains a formidable threat, surpassing smallpox, plague, cholera and influenza combined in its toll on human life. With over a million deaths annually, TB stands as the leading infectious killer worldwide.

As we strive towards a ‘TB-free India’ urgent action is needed to intensify research, innovation and advocacy efforts to accelerate the battle against this debilitating disease.

The National Strategic Plan for Tuberculosis Elimination (2017-2025)

has set ambitious targets for reducing TB incidence, prevalence and mortality rates by 2025. The government’s initiatives, including deploying state-of-the-art Nucleic Acid Amplification Test (NAAT) machines and Pradhan Mantri TB Mukht Bharat Abhiyan, exemplify a concerted effort to combat this disease. Notably, more than 78,000 Ni-kshay Mitras (donors) have supported around a million patients as of 2023. Despite progress, India faces multifaceted challenges in its battle against TB, including poverty and population growth among others. Therefore, addressing two issues on an immediate basis is of utmost importance in the war against TB:

High-risk behaviours among TB patients in India pose significant challenges, leading to the emergence of

drug-resistant strains. The National TB Prevalence Survey (2019-2021) reveals that nearly 64 per cent of symptomatic individuals avoid seeking medical help due to ignorance, stigma and financial constraints. Premature treatment cessation exacerbates the issue, fostering the development of drug-resistant strains like multi-drug resistant TB (MDR-TB) and extensively drug resistant TB (XDR-TB).

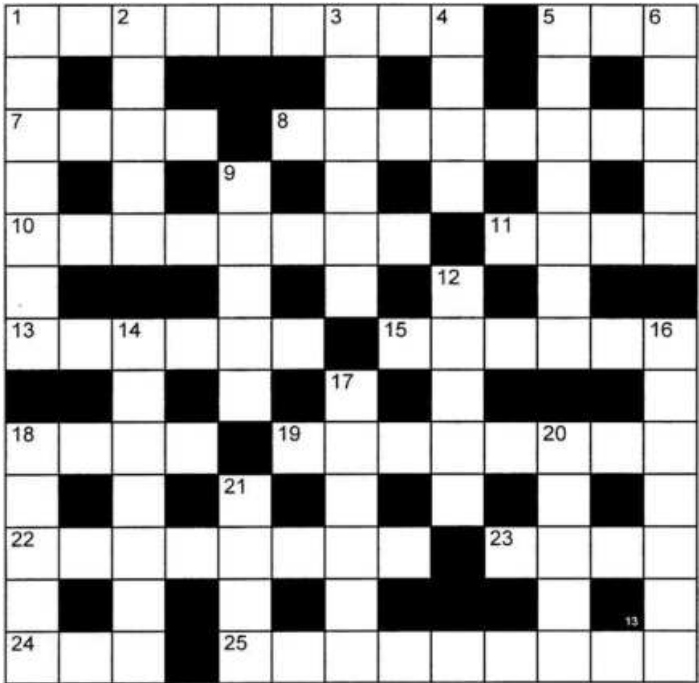
Addressing deep-seated cultural, economic and knowledge barriers is imperative. Targeted awareness campaigns and comprehensive door-to-door surveys play pivotal roles in identifying potential TB cases. Training healthcare professionals to enhance disease awareness and ensure treatment adherence is equally crucial in combating these resistant strains.

Enhancing accessibility and adherence: India’s prominent role in addressing healthcare challenges is exemplified by our persistent efforts to improve accessibility and adherence in TB treatment. Recent strides in making high-quality drugs more accessible mark a significant leap forward in ensuring equitable healthcare access for all.

Today, the pharmaceutical sector stands as a formidable force, ready to reshape the landscape of TB care by redefining access to affordable medications. It is imperative for us to forge ahead with increased investments in research and innovation, bolstered by a renewed commitment from government bodies, industry leaders, and non-profit organisations alike.

The writer is President-India Region Formulations, Lupin Ltd

BL TWO-WAY CROSSWORD 2402



EASY

ACROSS

- Issue a dare (9)
- Toy gun percussion (3)
- Singer (4)
- Scab (8)
- Negligent (8)
- Twirl (4)
- Stole from (6)
- Inundates (6)
- Association (4)
- Grumble (8)
- Ponder (8)
- Sack (4)
- Vehicle (3)
- Mayhap (9)

DOWN

- Early English writer (7)
- Change (5)
- Just as much (2,4)
- Every one separately (4)
- W Indian song (7)
- Non-Christian (5)
- Lose vital fluid (5)
- Chastises (5)
- Gaffe (7)
- Meaning what one says (7)
- Luggage-carrier (6)
- Funny man (5)
- Strange, foreign (5)
- Pace (4)

NOT SO EASY

ACROSS

- Dare one alter? It’s ‘ell getting back in! (9)
- Fit to be worn, they say, if one can tell a better story (3)
- One singing and getting involved in choral tonality (4)
- Part of evening dress trousers for the strikebreaker? (8)
- Being insouciant, one won’t let it matter so much (8)
- To make cotton, a topping activity (4)
- Took from another boy going to bed (6)
- Is overflowing with aliments, about a litre (6)
- It has its members, the mace (4)
- Almost arrive at flat country grouse (8)
- Ponder how to act as go-between involving first of two (8)
- One of the ancient elements to get rid of (4)
- Rolls, perhaps, round in the bracken (3)
- For each an opportunity, it could be (9)

DOWN

- Writer who would burn, holding the wrong cue (7)
- Make necessary adjustments to ‘old ‘orse by (5)
- On return, the French craft is every bit as much (2,4)
- Every one will ache to get the last ahead (4)
- Song with which one plays around in company (7)
- The heathen discovers silver in the prospector’s dish (5)
- In bed, the French apply leeches (5)
- Smacks of about fifty fools (5)
- First two of 9 beneath making a clumsy move (7)
- Frank or Ernie’s confused about Charles the First (7)
- Drink for the man who takes the case (6)
- Funny man young reader might take in hand (5)
- Strange position for a golf ball in an environment (5)
- Hamsters and guineapigs moving up a pace? (4)

SOLUTION: BL TWO-WAY CROSSWORD 2401

ACROSS 1. Blends 4. Ushers 9. Raiment 10. Ultra 11. Fees 12. Smut 13. Nod 15. Tall 16. Grip 19. Dab 21. Wood 22. Trio 24. Idaho 25. Twofold 26. Siding 27. Leaner
DOWN 1. Barefaced lies 2. Eminent 3. Dyes 5. Stutters 6. Eaten 7. Standing order 8. Items 14. Slow down 17. Purloin 18. Mouth 20. Beard 23. Bone

THE BLOC INTERVIEW

Leveraging science to pump up sports performance

GAMECHANGERS. IIT-M’s sports science centre is using data, AI and wearables to optimise sportspersons’ fitness levels and skills with an eye on the Olympics

Team BLoC

IIT Madras Centre of Excellence (CoE) in Sport Sciences and Analytics (CESSA) is developing indigenous sports technologies. The key objective is to enable Indian athletes win medals in international fora, especially the Olympics. This Centre was established in 2019 with funding from the ‘Institute of Eminence’ (IoE) initiative of the Government of India.

Ramesh Kumar, former ESPN Vice President and Head of ESPN (India and South Asia) and Global Head of ESPNcrinfo, took over recently as the CEO of the Centre. In this interview with *businessline*, he says that foreign countries are reluctant to share technology freely, which leaves Indian athletes at a disadvantage as they have to travel abroad to get training using advanced sports tech. This is a great drain on the exchequer and does not benefit a broad base of athletes.

This IIT Madras CoE targets creating a sustainable and scalable model for India by developing indigenous technology to train athletes. It also aims to kick-start a thriving start-up ecosystem in sports tech. The collaborators for this project include foreign universities like the North-Western University and Kansas State University in the US besides IIT Gandhinagar in India. Excerpts from an interview:

What is the agenda of CESSA? How will it benefit from being housed in IITM? Who will it target??
It will be a global platform for fostering innovation in sports tech-



HOME GROWN. IIT-Madras is looking to empower Indian athletes with cutting-edge indigenous sports technologies ISTOCK.COM

nology and deliver products and solutions to enhance athlete performance and also serve general fitness and health consumers. We will deliver high quality sports science and education courses and sports coaching products targeted at students and coaches through various strategic collaborations with IIT-M credibility, expertise, content and certification. The centre will set up an incubator ecosystem for sport tech start-ups which will be supported by inter-disciplinary faculty accomplished in the field of modelling, data science, IoT and AI and wearables and biomechanics. It will leverage the domain expertise and work and research being carried out in IIT-M.

Can you give an illustrative example of the work CESSA will be doing?
An example in application devel-

opment is development of ‘smart boxer’ analytics platform that intelligently fuses computer vision algorithms and wearables data to provide holistic performance analysis of boxers with respect to skill and strength conditioning to enable coaches and the boxer to plan strategy for games in future and get an edge in the game

What is the latest in sports technologies, equipment and analytics that you will be using at the Centre?
The work in the domains of AI, ML, data science, computer vision, IoT and sensors will be leveraged to come up with applications, tools and platforms .

Will you be working in certain sporting disciplines only or athletes of all sports can benefit from the work you will be doing?



Ramesh Kumar, CEO, CESSA

There will be higher emphasis on the following sports in the beginning — hockey, archery, badminton, boxing, wrestling and kabaddi in terms of tools and applications. Also for cricket, unique data analytics and insights tools have been developed by IIT-M for ESPNcrinfo. Also, IIT-M CESSA is working on enhancing fan experience in stadiums, which can be used across sports to enhance live experience

How can non-athletes but fitness conscious people benefit from the work that you will be doing?
For the fitness-conscious CESSA will be focussing on developing tools and applications for gait and force analysis using in-sole, sensor-based to help them make lifestyle-based corrections.

The centre will also focus on indigenisation of some sporting product and services besides enhancement of sports coverage on media with various tools and innovation. In addition, we will disseminate quality sports science and sports management courses to students and build an ecosystem for development of overall sports technology start-ups offering employment to the youth in the country.

Hottest jobs in the AI era



BHAVIK RATHOD

Even though it is a relatively new field for career seekers, artificial intelligence or AI has created several new job roles that perhaps did not exist even a few years ago. These are not only financially lucrative roles but are also very future-oriented.

India currently has nearly half-a-million AI professionals, and there is a demand for more than six lakh jobs in the market today. It is also estimated that this may surge to one million jobs in the next two to three years. Here’s a primer on the different job roles in the AI era.

PROMPT ENGINEER

A prompt engineer is an expert in creating text-based prompts or cues posed to Generative AI tools and large language models. Such engineers are intermediaries who create the right kind of input to train machine learning models to give the best answer to questions posed by end users of these models.

Level: 1 to 3 years
Average annual salary: ₹9-11 lakh per year (LPA)

AI PRODUCT MANAGERS

This role is a culmination of a long line of new jobs that AI has created, starting with data scientists. With a growing interest in creating AI-based products, an AI product manager leads a team of other AI-based roles like data engineer, data analyst, and machine learning (ML) engineer. This is a senior-level role, and the tribe is growing very fast.

Level: 2 to 5 years
Average annual salary: ₹18-20 LPA

AI ETHICISTS

An AI ethicist is someone who looks at the ethical aspects of AI development and implementation. While AI has

opened up a world of new opportunities and solutions for humanity in general, there are also undesirable aspects to it, just like any new cutting-edge technology comes with. An AI ethicist looks for embedded biases that create something harmful to nature or foster social discord. Typically, such roles are part of the AI team, though they can also be integrated within the CSR team.

Level: 2 to 5 years
Average annual salary: ₹18-20 LPA

LLM SPECIALISTS

Large language model (LLM) specialists build sophisticated AI models that can process and generate text that closely resembles human languages in terms of grammar, semantics, context. These models can also see patterns and correlations in large textual data sets, which are then used to generate content that resembles human-written ones.

Level: 1 to 7 years
Average annual salary: ₹30 LPA

GEN AI ENGINEERS

A Generative AI engineer specialises in designing, developing and maintaining generative AI models like OpenAI’s ChatGPT. The models thus built can generate a wide range of content, such as text, images, sound that resembles what humans create. This is also a multidisciplinary role that includes AI, data science, and software coding.

Level: 5 to 7 years
Average annual salary: ₹18-20 LPA

DATA SCIENTISTS

This is one of the most sought-after jobs in the digital age. A data scientist is someone who can look at huge volumes of data for insights and solutions or even to understand challenges at a very basic level. Data scientists create their own tools to grab solutions and insights to address specific questions or tasks. For example, data scientists can predict future trends with greater



accuracy based on very large volumes of past data. In most cases, such insights remain hidden, which is why a specialist is needed to unearth them.

Level: 3 to 6 years
Average annual salary: ₹22-24 LPA

ML ENGINEERS

This role is part of the data science team and an ML engineer is basically a programmer who writes software that can automate AI/ML models. ML engineers build large-scale systems that use large volumes of data to train algorithms to perform cognitive tasks and generate helpful insights.

Level: 2 to 5 years
Average annual salary: ₹15-18 LPA

Over the last five years, the demand for AI-based jobs in India has grown manifold, making them some of the most sought-after roles. Several online tech education platforms are helping young working professionals up-skill and take advantage of this surge in demand for technology experts who specialise in data science, machine learning and artificial intelligence.

While there is a general fear that AI will replace humans in many traditional roles, there is an emerging consensus that it will create more jobs than it displaces. Recent World Economic Forum data suggests that this could be as many as 12 million (more than it displaces).

The writer is SVP and Head of Scaler School of Technology.

bl • gavel

NEW ARSENAL

More lung power for whistleblowers

Team Gavel

The Competition Commission of India (CCI) has notified the Competition Commission of India (Lesser Penalty) Regulations, 2024, introducing the ‘lesser penalty plus’ regime. The regime incentivises whistleblowers to come forward and disclose full, true and vital information to the CCI about the existence of another cartel in the ecosystem, which is unknown to the CCI.

The ‘leniency policy’ is key to combat anti-competitive forces. The existing ‘lesser penalty’ provisions under Section 46 of the Competition Act, 2002, encourages the enterprises which are part of cartel to voluntarily come forward and disclose information to aid the CCI in identifying potential cartel conduct.

The first ‘lesser penalty’ applicant who provides CCI with evidence will have his penalties lowered by up to 100 per cent. The second and the third applicant will get up to 50 per cent and 30 per cent reduction in penalties. The current leniency policy has not been effective. Between 2009 and 2021, only seven distinct cartels were identified through leniency applications though there are numerous cartel cases. During the period, the CCI uncovered around 32 organisations which were involved in the cartel cases. Also, leniency applications did not result in penalties imposed by the CCI in six out of seven cases.

After the enactment of the 2024 regulation, the applicant irrespective of their earlier priority status will be entitled to an additional reduction in penalty of up to 30 per cent in relation to the first cartel.

Writing in *Mondaq*, lawyers Rupin Chopra and Apalka Bareja of the law firm SS Rana & Co. Advocates, observed that by incentivising whistleblowers to report illegal activities, the CCI will have access to valuable insider information. This addition to the regulatory framework not only serves as a deterrent to cartel formation but also strengthens enforcement measures. “As we move forward, it is essential to continuously improve the whistleblower frameworks to guarantee they remain effective in protecting the public interest and to maintain an environment of integrity within organisations and society at large,” they say.



DECODING VERDICT

Electoral bonds case: Transparency triumphs over donors’ right to privacy

TOWARDS FAIR ELECTIONS. The Supreme Court’s landmark ruling on electrol bonds scheme reinforces citizens’ right to information

Vasanth Rajasekaran
Harshvardhan Korada

In deciding the ‘Electoral Bonds Scheme’ case (EBS), the Supreme Court (SC) was faced with the task of balancing two constitutional rights. The first being the voters’ right to know about the political funding and the second being the donors’ right to privacy, under which fall confidentiality and anonymity.

The petitioners argued that the EBS introduced several harmful alterations to the legal regime for political funding. These included the (i) elimination of transparency and disclosure requirements, especially for companies, (ii) removing the cap on corporate political donations and (iii) delinking the tax exemptions granted for political funding. They felt the EBS impeded free and fair elections, which were held by the Supreme Court in *Kihoto Hollohan vs Zachillhu*, to be a basic feature of the Constitution.

Further, the non-disclosure of vital information pertaining to political funding, as per the petitioners, also left the door open to *quid pro quo* donations, which hampered the policy formation in favour of those who donated heavily to the ruling party.

The petitioners also argued that funding a political party could never further the objectives of a company. Further, a company doesn’t have rights under Article 19 of the Constitution as held by the SC in *State Trading Corporation of India vs Commercial Tax Officer*.

However, as per the petitioners, EBS had the effect of equating companies with the citizens of India, permitting them to interfere and influence the electoral process. This was diametrically opposite to the legal regime, which



SC SETS PRECEDENT. Applying the proportionality standards, the apex court observed that the right to privacy did not extend to donations made with the intent of influencing policies ISTOCK.COM

historically either barred companies from making political donations or had a tight threshold on corporate contributions.

Lastly, the petitioners contended that information about a political party’s source of funding is an invaluable aid for a voter to make an informed choice, and shielding such sensitive information violates Article 19(1)(a) of the Constitution.

DELICATE BALANCE

The Union of India, on the other hand, argued that EBS was introduced with the object of incentivising the use of clean money through official banking channel while maintaining the confidentiality of their names. Until the introduction of EBS, an entirely parallel economy based on black money had arisen, which was being used to make donations to political parties in a wholly opaque

manner. EBS was, therefore, a policy which sought to shift the political funding ecosystem from a cash-driven, unregulated system to a digital and regulated one. Thus, the Union argued that EBS was implemented in the legitimate interest of the state in terms of the landmark decision in *KS Puttaswamy vs Union of India*.

On confidentiality, the Union argued that the non-disclosure of donor details was to prevent the donors from being victimised for supporting a political party. Thus, the right of a citizen to know had to be balanced against the right of people to maintain privacy of their political affiliations. The conflict between the balance of transparency and confidentiality, as per the Union, was very delicate and discussed by the Supreme Court in *Supreme Court Advocates-on-Record Assn vs Union of India*.

The Union also suggested that

in terms of the EBS, even the incumbent government was not entitled to know whether a particular electoral bond purchaser bought bonds to donate to them or the opposition parties. This, in view of the Union, created a true level-playing field and did not prejudice anyone.

Lastly, as per the Union, it was not as if the confidentiality requirements were entirely impassable. The information regarding political funding could be disclosed if demanded by a law enforcement agency or a Court. Further, if any *quid pro quo* took place, the same would be treated as a criminal offence, in which case, the beneficiaries would not go unpunished.

A QUESTION OF INTEGRITY

The SC extensively examined the legal position of the right to information of a person. It held that

there were settled proportionality standards to determine if the violation of the right to information (being a fundamental right) was justified. The proportionality standards included cases where (i) there exists a legitimate object, (ii) the measures adopted are in furtherance of such legitimate object (iii) the measures adopted are the least restrictive yet effective way of achieving the legitimate object and (iv) the measures adopted do not have a disproportionate impact of the right to seek information.

The SC observed that the right to information under Article 19(1)(a) could only be curtailed based on the grounds stipulated in Article 19(2). As far as the purpose of curbing black money is concerned, the SC opined that the same did not fall under the grounds stipulated in Article 19(2).

On donor privacy, the Court observed that the *Puttaswamy judgment* covered the right to informational privacy of political affiliation. Applying the proportionality standards, the Court observed that the right to privacy did not extend to those donations which were made with the intent of influencing policies.

Moreover, the Court did not find any basis for having no-cap for corporations to make contributions regardless of their profitability.

Therefore, EBS was held to be unconstitutional for completely tilting the balance in favour of the donor’s privacy and failing to appeal to reason and rationality.

This is a watershed ruling recognised the importance of donor privacy, but observed that the opacity was deemed disproportionately restrictive and arbitrary towards the citizens’ right to information.

The authors are advocates at Trinity Chambers, Delhi

OFFICE BUZZ.

Carrots and sticks

At the start of the year, a big trend forecast for 2024 was “office peacocking” — wherein employers create attractive trappings to seduce their workers to return to office. Several firms did just that by investing in fancy makeovers for offices. But even as the carrots failed to tempt employees used to the comfort of working from home, here comes the stick. Apparently Dell has put out a memo telling its employees — no promotion if they opt to work remotely. Starting May, Dell employees will not be eligible for promotion if they don’t return to office, reports *Business Insider*.



Trans Employment Mela

At the second edition of the Trans Employment Mela 2024 over 227 candidates from the transgender community participated. Hosted by The TWEET Foundation and InHarmony, in collaboration with the Ministry of Social Justice and Empowerment (MoSJE) and the National Institute of Social Defence (NISD), the event was held on March 22nd at The Welcome Hotel by ITC in New Delhi. More than 20 companies, including Procter & Gamble, Varun Beverages, Vedanta, Caggemini, Deloitte, Shoppers Stop, Publicis Sapient, Ericsson, EY Foundation, Accenture, The Lalit and Roop Auto, actively engaged, reaffirmed their commitment to transgender inclusion and empowerment. Ankith Srivastava, Undersecretary, Ministry of Social Justice and Empowerment, Dr R Giriraj, Deputy Director (T&B) National Institute of Social Defence, and Dr Laxmi Narayan Tripathi, a transgender rights activist, officiated at the inauguration. During the event, the TWEET Foundation unveiled the TWEET website and the Trans Health Centre, marking significant milestones in their mission to empower marginalised communities.



Can we create a WATCH in organisations?

BREAK THE CYCLE. Like PoSH, is it time for a Workplace Abuse & Toxicity Check (WATCH) too?

PEOPLE@
WORK
KAMAL KARANATH

The sudden demise of a senior journalist recently and the reported connection to the repeated abuse he seemed to have suffered from his boss refreshed my memories about the abuses senior leaders suffer and inflict on others. A VP at a bank had once told me about how he often got shouted at by his CMO. When I asked him why he was still working there, he said his ESOPs were like gold cuffs, and he got a handsome bonus the year before. A year after the chat, he is still there.

EUSTRESS
I am sure you have heard, experienced, or unknowingly supported workplace bullying, abuse or toxicity. Some of us deliberately use phrases like “let’s apply pressure and see” on colleagues who aren’t performing. Unlike Prevention of Sexual Harassment (PoSH), which found its wings thanks to the legislation and the ‘Me Too’ movement, workplace abuse/bullying and induced stress are yet to become a mainstream HR discussion. Most are busy discussing AI in HR. The primary reason for ignoring this damaging culture is because we deflect it in the name of role, industry and context. Austrian-born endocrinologist and the author of the book *The Stress of Life*, Hans Selye coined the term “eustress” or good stress. He argued that there could be some benefits due to Eustress until it reaches a certain level when it becomes distress. For example, we tend to believe sales roles perform better under pressure. A few industries like Consulting, Media and BFSI are known for the duress the employees go through. Add contexts like month, quarter and year-ends and the triggers for negative stress on many roles in revenue and TRP-driven industries get compounded. It’s everywhere. A study of 1,071 Indian IT professionals published in the *Indian Journal of Occupational & Environmental Medicine* found that 35 per cent were classified as having poor quality of life in the psychological domain.

MOTORIZING AHEAD

Jindal expands canvas with EVs and paint

STEEL TO WHEELS. JSW group Chairman Sajjan Jindal wants to create a Maruti-like movement in EVs and scale up its fledgling paints business

Suresh P Iyengar

For JSW Group’s Chairman Sajjan Jindal, making cars has been a childhood passion. “I built my first car in a garage when I was 12 years old. It was a small car and I used to go around it in our factory in Hisar, Haryana,” says the 63-year-old industrialist. However, Jindal’s passion took a back seat as he decided to join the family business of making steel. But 52 years later, after building the world’s seventh largest steel company, excluding China, Jindal is now making his automotive dream a reality. Last week, the JSW group outlined its strategy to corner a 33 per cent market share in the electric vehicle segment through a joint venture with China’s SIAC Motor, the owner of MG Motors. “This idea of making cars in India by the JSW Group always remained in my head and during 2015-16, when the new technology for electric vehicles came in, I thought that this is an opportunity to enter this business,” he said. In 2017, the group set up a team of experts for making electric cars but the plan did not take off due to the Covid pandemic disruption. But Jindal did not give up his dream so he revived the plan two years back. After looking at multiple options, he decided to form a JV with MG Motors. A LARGE CANVAS To start with, JSW Group, along with other investors, including Indian financial investors, MG Motor India dealers and employees will invest ₹5,000 crore for a 51 per cent stake in JSW MG Motor India while the remaining 49 per cent will be held by Chinese State-owned SIAC Motor. The joint venture plans to roll out a new model every three to six months. “We are all set to recreate a Maruti movement. I recall in 1984, when Maruti first launched its vehicle there was so much excitement and everybody wanted to own one. Today, they have 50 per cent market share. The same urge will be kindled again with our new launches,” he said. Auto is not the only market where



ELECTRIFYING AMBITIONS. Sajjan Jindal, Chairman of JSW group

Jindal is looking to disrupt. Even as he scales up the steel business through acquisitions and greenfield expansion, Jindal is eyeing multiple new areas of growth including a significant play in the ₹70,000 crore paints industry and EV battery manufacturing to capitalise on the booming electric vehicle segment. In the paints segment, JSW is eyeing a capex of ₹750-1,000 crore over the next 2-3 years as it looks to up production capacities by 2 lakh kilo litres (kl) per annum and a plan to corner a market share of 8-10 per cent over the next three years. JSW Paints, the Group’s latest venture, is on course to cross revenue of ₹2,000 crore and will break even at EBITDA level by end of this fiscal.

Launched in 2019, the company has recorded a revenue of ₹1,616 crore in FY23. It has achieved a market scale and coverage of over 60 per cent in paint-selling towns and increased its retailer network by adding more than 2,000 retailers every year. In the recent past, JSW Paints has launched over 20 new products across markets, with new brand offerings currently contributing over 15 per cent to its gross revenues. CORE REMAINS STEEL But this does not mean that Jindal has taken the pedal off his traditional steel business. JSW Group and JSW Steel have announced an investment of ₹65,000 crore to set up an integrated steel plant, a port facility and a

cement factory at Jagatsinghpur in Odisha. The listed entity, JSW Steel, will set up a greenfield complex in the industrial city of Paradip that will include a steel plant with a production capacity of 13.2 million tonnes per annum (mtpa). The company currently has a production capacity of 28.5 mtpa. The JSW Steel facility in Vijayanagar, Karnataka, that has an annual production capacity for steel of 12 mtpa is being upgraded to make 18 mtpa. It has 10 mtpa capacity at Dolvi in Maharashtra besides steel plants at Salem in Tamil Nadu, the US and Italy. JSW Steel will also invest ₹5,500 crore in a grain-oriented electrical steel manufacturing facility through a joint venture with Japan’s JFE Steel Corp in Karnataka. JSW Steel will invest ₹1,300 crore (€143 million) in its Italian steel mill in Piombino. However, it is the entry of a commodity company like JSW Group into the consumer-focused automotive and paints segment that has puzzled many. Both these markets already have large players dominating the consumer mind space. In the auto space, for example, Tata Motors and Mahindra & Mahindra have taken considerable lead in the EV segment. Similarly, in the paints business, there are players like Asian Paints and Berger Paints that dominate the market. BANKING ON HEADROOM But this does not worry the JSW group. “As they always say, good things take time to start,” Jindal said. His confidence comes from the fact that these markets have a huge headroom for growth. For instance, over the next two to three years, the paint industry is expected to continue its growth momentum of 10-12 per cent per annum over the medium term, driven by a thrust on affordable housing, shorter re-painting cycles and up-trading by existing customers, among others. According to experts, the paint segment grows at 1.5 times the GDP growth. This provides enough scope for new market entrants to establish their presence without necessarily impacting the current pecking order.

In the electric vehicle space, the adoption in India has been slow due to high cost, lack of proper charging infrastructure and after sales services. Starting on a clean slate, JSW Group has the advantage of adopting the latest technology. Jindal ties his passion to build cars to the national cause of reducing the import bill. “I believe EVs are the only answer to cut our import bill on oil. We produce our own energy as we have enough sunlight and wind to produce renewable energy to charge the batteries in the cars,” he says. JSW is not only looking to manufacture vehicles but also ensure presence across the entire ecosystem of EVs including batteries and components to bring down cost and widen its adoption. The Group will invest ₹40,000 crore in a most advanced technology-based battery manufacturing project of 50 GWH capacity which will be the world’s largest single location project in the sector. The company will also set-up an OEM Plant for EVs and components in the same integrated complex. But how will JSW deal with issues like the lack of charging infrastructure? Jindal cites the example of how public call offices (PCOs) made telephones accessible to the masses before mobile phones came in. “Every shopkeeper used to hang a telephone outside his shop for people to make calls. Similar solutions will emerge for charging electric cars,” Jindal said adding that his group company JSW Energy will also be partnering with a few start-ups to put up charging stations at major locations. “We believe in scale and are going to churn the whole industry a lot and create some sort of a disruption in the industry,” he said. When Maruti drove into India 40 years ago it changed the auto industry and brought in very efficient lightweight cars. The Ambassadors and the Fiats went into oblivion, he said. “I believe, with MG, we can recreate the same movement in the new energy vehicle space. That is why JSW, which is a commodity player with presence in steel, cement and energy, has come into this B2C consumer product,” he explains.

FUTURE OF FOOD

Cargill ferments new innovations in food

Chitra Narayanan

At the recently concluded Aahar, the international food and hospitality fair at Delhi’s Bharat Mandapam, Cargill India had a buzzing presence, as it showcased its trans fat-free oil solutions and refreshed chocolate portfolio for the bakery industry. Some luscious looking pralines, cakes, tarts and artisanal breads were on display along with the Nature Fresh Professional portfolio of oils, chocolates and cocoa. *Businessline* caught up with a beaming Cargill India Chief Simon George as he interacted with customers. “All our projections say India will be a \$7 trillion economy by 2030. An economy doubling in seven years means a huge change will take place in society, systems, everything,” said a gung-ho George describing the opportunity here for the \$177 billion global agribusiness corporation. Excerpts:

Given your optimism, how is Cargill investing in the country?
In the next seven years’ time, we should have a great growth trajectory in India that should triple our size in the country [currently India revenues are reportedly just 2 per cent of the global food major’s turnover]. While we do that, the whole ecosystem needs to be built up, which will involve investments, plants, supply chain capabilities and working with Indian stakeholders a lot more. We had our chairman here recently and we laid the foundation stone for the animal nutrition plant in Bhatinda. We also launched a refreshed chocolate portfolio to enter India in that space. As we grow our edible oil, starches and sweeteners, cocoa and chocolate businesses in India, we are bringing our global knowledge here. Our idea is to connect the best of knowledge available across the world — whether from our US lab in Minneapolis, our Europe lab or Shanghai facility — and to bring those to our workplace in India and solve an Indian problem. For instance, you could have a molecule developed in the Brazil lab. But how do we bring that molecule here to India and apply it in a product to enhance taste, mouth feel, creating volume...

So what are the trends that are driving your R&D in food?
There are three kinds of innovation we are driving: 1) Health and wellness. 2) Sustainability driven and 3) Transformation innovation. Our focus, if you look at Transformation innovation is to solve for the population needs. If you look at the world at large, we have a population of around 8 billion, it will be 8.5 billion



Simon George, Cargill India Chief

by 2030 and 10 billion by 2050. This means you need 50 per cent more food. In a country like India, our average household per capita consumption is around \$2,500. The per capita consumption will become \$4,000 by 2030. But more than the figure, the pattern of consumption of people will change. One, they can afford better quality food. But more than that, the kind of food the future generations will eat may not be the same as today. Third, the nutritional requirements of different countries could have shifts. While we address all these, we also need 50 per cent more volume of food. But there will be shortage of soil, water and so many other resources — so how do we do it? **Is it going to be lab-based food then?**
There will be a couple of things. One is using the process of fermentation as a key driver in many of our inventions. Today, when we create a Stevia in the US, with the kind of technology we have developed, you can eliminate 70 per cent of the land used. You are saving resources and keeping that for the future. The technology of using fermentation is also bringing in a sweetener that is very close to sugar. This is an invention that is nearly complete. We are trying to get global regulatory approval. The second example is we are working with a Norwegian research institute to fix through a process of fermentation and electrolysis and create a protein-based food for animal feed. When we do this, we are not using the existing resources. These are transformative innovations that are taking place. In the same wave, in health and wellness, for example, we have created post-biotic products called Epicor. It has been launched in the US. This helps in digestion, gut health. Now we are getting regulatory approval for that in India. Once we get that, we will get into the market. For instance, if you can put this into a biscuit, it will be in an everyday product.



UNSEEN SCARS. As workplace harassment goes unreported, is it time for legislative action? ISTOCK.COM

SILENT SPECTATORS
We once called over a manager who was shouted at and asked to leave a team meeting by his boss, who had a reputation for losing his temper frequently. The manager completely denied that such a thing had even happened, whereas two colleagues had reported the same incident the previous day. When we went back to those colleagues about the manager’s denial, they explained the inaction of management in the past and the leader’s top performing track record context. That day I started to believe in Stockholm syndrome wherein victims sympathise with their abusers and even feel they “deserve” it. But, in the context of enterprises, it might be more of a case of lack of faith in the governance and track record of organisations to act on similar complaints.

LEGISLATION WORKS
In 2021, as a part of ILO-Lloyd’s Register Foundation World Risk Poll, Gallup conducted roughly 125,000 interviews in 121 countries to gather information regarding people’s experiences of harassment at work. It reported that nearly one in five people had experienced psychological violence and harassment at work, and 55 per cent had reported the incident to their employer or supervisor. In the same study, when asked about the barriers to disclosing these harassment experiences, 43 per cent said they were unclear about procedures and 55 per cent felt it was a waste of time. Sounds familiar?

Countries with workplace anti-bullying laws, like Sweden, Netherlands, Denmark, and France, have single-digit rates of employees reporting workplace bullying than countries that don’t have laws, like the United States, South Africa, Canada and Russia, which are in the range of 30-60 per cent. Would a Workplace Abuse and Toxicity Check (WATCH) legislation help India, which has started to realise a significant proportion of its GDP from the Services sectors? **TOXIC ATTRIBUTES**
Out of 118 Indian unicorns, 94 have a Glassdoor rating of less than 4. If you look at Fortune Great Places to Work Global Best 100, only 49 per cent have a rating of more than 4. If you are a little more curious or desperate, you might dive deep into the leadership or culture comments. MIT Sloan Management Review did exactly that. After studying 1.3 million Glassdoor reviews, it focused on the negative comments, used text analytics to measure 128 topics and grouped them into five toxic attributes. They stated that being disrespectful, non-inclusive, unethical, cut-throat and abusive has by far the largest negative impact on how employees rate their company’s culture in Glassdoor reviews. Do any of these five ring a bell? **THE MANIFESTATION**
Language, volume and meeting participation are three key indicators of a team or organisation’s leadership

culture. The WFH world has given us a good glimpse into many enterprises, town halls, and meetings. The higher volume, single voice participation and the cuss words were indicative of the disrespectful, non-inclusive and abusive world of some of the organisations our family and friends work for. Have you seen the 1994 Hollywood film *Disclosure*? One of the memorable moments for me was when Michael Douglas walked into the office to find out that his boss, Demi Moore, had completed an important meeting with his peers without him. Yes, exclusion is one of the most aggressive forms of harassment.

MATTER OF HEART
One of the oldest medical journals, *Lancet*, published a study by Mika Kivimaki that said a combination of high psychological demands combined with little control of decision-making leads to physiological strain. They followed up for a mean of 13.9 years and concluded that job strain increased the risk of mortality. Around 12 million young Indians join our already sizeable workforce every year. According to WHO, India already accounts for one-fifth of deaths due to cardiovascular disease globally. It’s good to top the knowledge workers count but we sure do not want to top the deaths due to a stressed workforce. It’s time organisations introduced WATCH if we want to curb this malaise.

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

bl.podcast
Workplace toxicity



Kamal Karanth, co-founder of Xpheno chats with leadership Coach Aparna Jain, author of ‘Own It’, to explore how organisations can check toxic behaviour at workplace.
https://tinyurl.com/peopleatworkpodcast
Also available on Spotify, Apple Podcasts and Google Podcasts

FUND FACTS.

\$103 million

Pocket Fm Pvt Ltd received Series D funding from Lightspeed India Partners and Stepstone Group on March 16, taking the total funding to \$149.67 million.

\$80 million

Perfios Software Solutions Pvt Ltd received funding from Teachers' Venture Growth on March 13, taking the total funding to \$420.76 million.

\$54 million

Lohum Cleantech Pvt Ltd received Series B funding from Singularity AMC, Baring Private Equity Partners India, Cactus Venture Partners, and VenturEast on March 16, taking the total funding to \$131.33 million.

\$35 million

Ultrahuman Healthcare Pvt Ltd received Series B funding from Blume Ventures, Nexus Venture Partners, Steadview Capital, Alpha Wave Global, and Deepinder Goyal on March 20, taking the total funding to \$64.28 million.

\$29.62 million

Sanghvi Beauty & Technologies Pvt Ltd received funding from Warburg Pincus, Prosus (Naspers), Bessemer Venture Partners, and Accel Partners on March 18, taking the total funding to \$329.38 million.

Source: PrivateCircle Research, a private market intelligence platform

RE POSTS.

- ✕

India has the largest percentage of vegetarians in the world, and one of the most important feedback we've gotten from them is that they are very particular about how their food is cooked, and how their food is handled.

Deepinder Goyal
@deepigoyal
- ✕

Entrepreneurship is all about sacrificing the present to build a better future.

Ritesh Agarwal
@riteshagar
- ✕

The significant change in India over the last decade has been the transformation of entrepreneurship and the startup ecosystem. It has evolved from a mere possibility to a reality. We now have events like Startup Mahakumbh, which serve as accelerators for this cause.

Nikhil Kamath
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bl.podcast

Edtechs with good grades



Ujjwal Singh, Founding CEO, Infinity Learn by Sri Chaitanya, and **Prakriti Jaiswal**, Partner, JSA Advocates & Solicitors, explore the reasons why some edtechs are sailing smooth even as majors are floundering

https://tinyurl.com/Sparkspodcast

Also available on Spotify, Apple Podcasts and Google Podcasts

REAL DEAL

Why India Inc is slow to adopt AI tech

MIND OVER MACHINE. Indian firms appear willing to explore AI deployment, but most projects are stuck in pilot stage

Ayushi Kar

At GyanDhan, a non-banking financial company that offers education loans, the content writers found that their output trebled when they used the artificial intelligence (AI) tool ChatGPT. Co-founder and CEO Ankit Mehra is a devout fan of such AI tools — known as large language models (LLM) — that generate text in response to a question or prompt.

However, what stops him from deploying it more widely, he says, are concerns ranging from prohibitive pricing to the tool's propensity for generating erroneous content, and grey areas such as potential ethical and privacy violations in the use of proprietary data.

LLM involves machine learning, a branch of AI that allows computers to learn from training data. Apart from ChatGPT, from the US-based AI research company OpenAI, some of the commercially available or enterprise LLMs include Gemini from Google and Copilot from Microsoft.

"Bias is a major concern; the datasets used to train these AI models are limited and can throw potential error," Mehra says. He cites the recent instance of Google's Gemini describing Indian Prime Minister Narendra Modi's policies as fascist, while refraining from such definitive responses for other leaders.

"At this point, we see using LLMs as basic workplace hygiene," Mehra says.

Around 15 per cent of GyanDhan's workforce — which includes developers, marketing personnel, and content writers — currently uses an enterprise LLM.

TREADING WITH CAUTION

Privacy is a major concern when using commercial AI tools. "As an NBFC, we cannot analyse proprietary data using enterprise LLMs. We are developing our own LLMs using open-source models," Mehra says.



FUTURE TENSE. Indian firms await clarity on the country's evolving data protection laws on AI deployment

On the face of it, fintechs — financial service companies powered by digital technology — may seem the ideal candidates to adopt generative AI the fastest.

However, in reality it's a lot more complicated. A host of companies surveyed for this report — including a payments bank and a telecommunications company — reported limited deployment of generative AI. "The hype for AI tools is exaggerated," an executive says, "there is no fire to the smoke."

In a recent study by IBM, 74 per cent of the Indian IT professionals surveyed said their companies were exploring some form of AI deployment, but most of the projects were stuck in the pilot stage.

More importantly, even as the biggest AI players begin work on enterprise tools using their generative AI technology, the tech firms surveyed invested mainly in R&D, training and development of proprietary LLMs. Bias, lack of expertise, ethical concerns, and lack of data provenance continue to be impediments to enterprise LLM adoption, according to the report.

IT VS NON-IT USE

The IBM report is largely in tune with industry expert opinion, which places India at the very beginning of the purported hockey stick growth curve promised by AI.

Deployment of AI for enterprises is still at a nascent stage, says Sachin Arora, Partner and Head, Lighthouse-Data, AI and Emerging Technologies, KPMG India.

"Indian enterprises are using AI to make existing workflows more efficient through automation or chatbots; the second-level paradigm shift for IT and CRM [customer relationship management] firms is still a long way ahead, when entire workflows will be changed to accommodate the deployment of AI-led enterprise applications across the globe. We will see some of these changes in the next

two to three years; but, for the moment, larger IT firms are dabbling with small 'proof of concepts' and learning, and training their workforce on AI, even as Silicon Valley works on building truly game-changing products for enterprises," he says.

Arora believes India's engagement with AI will mirror previous tech cycles, with the IT sector being its biggest user while non-tech enterprises will deploy it in a limited way.

Sanchit Vir Gogia, Chief Analyst at Greyhound Research, says that 2023 has been a year of pilot projects in India.

"But as with any technology, it will take 2-3 years for AI to become mainstream and find adoption across different teams in an organisation. This is largely because the companies offering AI tools are also maturing... moreover, firms are trying to understand the implications of the ever-evolving Indian data protection laws on AI deployments. AI needs a large amount of data deployment," he explains.

VALUE PROPOSITION

Companies such as Microsoft are trying to push AI into boardroom conversations. "I'm yet to come across a board or a CEO or a top leadership team that is not curious and excited about the potential of AI for their customers, their own business and employees. We did a study which found that for every dollar spent on AI, customers are getting 3.8x dollars back," Puneet Chandok, President, Microsoft India and South Asia, had told *businessline* in a recent interview.

Users will wait to see the value proposition that AI can bring before they are ready to adopt it, says Abhigyan Modi, Senior Vice President, Document Cloud, Adobe. While the technology is perceived as cool on one hand, on the other is the question of how productive it can be, he says. "If our end users can see value in the technology and it gives them real time savings or value generation, I don't see any barriers to adoption," he says.

START-UPS: VAI-THEE-FUSS?

The values that Silicon Valley brings to the table



VAITHEESWARAN K

The Indian start-up ecosystem has changed dramatically in the last two decades, but we still have a long way to go to match Silicon Valley, the gold standard in the world. Let me explain.

Educational institutions like Stanford and Berkeley encourage critical thinking among intelligent young people, many of whom go on to become entrepreneurs. While India does boast many reputed institutions, most of them focus on rote, and the academic prowess of a

student is determined through examination marks.

School kids in the US regularly participate in fairs, where they prepare and sell stuff like lemonade — a great learning experience at a young age on product development, pricing, sales and marketing. On the other hand, Indian parents would be horrified by any such attempt by their child, viewing it as beneath the 'family image'.

There is a need for high-impact entrepreneurs who have built successful businesses while operating with the highest standards of personal integrity and can inspire the next generation of entrepreneurs. Silicon Valley has spawned some of the most iconic founders ever, but we have very few such figures in India. No, famous founders of loss-making unicorns don't count. In-



SKY-HIGH ENTERPRISE. Silicon Valley, California

cubators and accelerators offering support systems to young founders are coming up steadily across Indian cities and towns. While there are a few committed and selfless ones like Headstart, most others

lack quality mentors who are willing to commit valuable time to start-ups.

Abundant capital is now available in India from angels, micro funds, large venture capitalists and even private equity firms; but, unfortunately, much of this capital is from entities outside India that fund ideas that are a copy of American start-ups and also have a limited time horizon to exit. What we need is patient Indian capital, and I hope large Indian corporates start venture funds and run it independent of their core business.

Government regulations are a serious issue. Most start-ups fail and the entrepreneurs must be able to shut down the failed ventures quickly and move on to the next idea, like it happens in Silicon Valley; in India, shutting down a ven-

ture takes enormous time thanks to impractical rules and documentation needs. Culture is another issue. Start-up veterans in Silicon Valley pay it forward and selflessly help strangers who are starting up, whereas in India this is quite rare. Silicon Valley also values failed founders immensely. New start-ups try to entice failed founders to join them as they bring invaluable experience to the table. On the other hand, India celebrates only successful entrepreneurs and treats failed founders like a contagious disease.

As I said earlier, we are doing well; but to be a Silicon Valley, there's so much more we must imbibe and learn.

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

IoT on tap: Defeating drought through data analysis

Bengaluru start-up digitises water infrastructure of industries, smart cities to halt wastage

Jyoti Banthia

Many cities in India are feeling the pinch of unplanned urbanisation in the form of acute water shortage. Industries world over typically drain water reserves. In India, too, industrial water use has largely been marked by wastage and lack of effluent treatment, leading to polluted waterbodies.

FluxGen, a Bengaluru-based start-up, addresses the need for water conservation by digitising the water infrastructure of industries and smart cities through its IoT-connected water management system.

"We help them track consumption, detect anomalies, identify leakages, and reduce overall water consumption per unit of production or per capita," says Ganesh Shankar, Founder and CEO, FluxGen.

Founded in 2021, the company has developed an integrated solution that brings together water meters, sensors



LIQUID ASSET. FluxGen's AquaGen is a smart real-time water usage monitoring system for industries

and its in-house software to monitor water flow, pressure, level and quality. With this data, the company's system uses artificial intelligence (AI) and predictive analytics to glean insights that, in turn, help devise interventions to optimise water usage across facilities.

SMART EYES

At the core of FluxGen's offering is AquaGen, a smart real-time monitoring system de-

signed to collect actionable data about water flow and distribution within industrial infrastructure. Through continuous monitoring, AquaGen provides valuable insights to identify inefficiencies and areas for improvement.

With AquaGen, industries can streamline the management of their water resources. The system analyses consumption patterns over time to determine areas where water usage can be optimised. By

alerting ground maintenance personnel through its mobile and web application, AquaGen enables immediate corrective action, Shankar says.

The company serves large enterprise clients such as the Tata group, Aditya Birla, ITC, Indian Oil, Adani, Godrej, and Bosch, among others, across 150-plus sites in India.

The company eyes 4x growth in FY25 and aims to explore international markets too.

Join the funding party... early

bl.interview

Haripriya Sureban



Early-stage funding decisions are low-investment, high-risk, and potentially high-return bets

VATSAL KANAKIYA
CEO, 100X.VC

Could you give us an overview of the fund?

We invest on a cohort basis, which we call 'class'; we invest as first institutional cheque writers. Our investments are made in instruments called iSafe — an Indianised version of safe notes. The firm is sector-agnostic and has invested ₹107.5 crore across 150 start-ups since inception in 2019. Typically, we invest in start-ups where dilution does not exceed 2-4 per cent.

Although we have multiple

parameters to assess a start-up, we predominantly assess the ability of the founder and the potential market size for the idea.

What is your view on the current early-stage start-up ecosystem in India?

In the early stage, fortunately, we are still seeing a lot of deal flow; it hasn't reduced but is, rather, increasing every year. That's also a function of the number of people from colleges and schools who are

interested in start-ups. In terms of sectors, we think there is potential in agri-tech and deep-tech. The ever popular sectors such as fintech, health tech, SaaS [software as a service] and D2C [direct to consumer] continue to thrive, and we are getting a lot of pitches in these areas.

Given that fund houses of all sizes are increasingly entering the early-stage investment space, what is the VC rationale behind the early bets?

These are low-investment, high-risk, and potentially high-return bets; everyone with this appetite is coming to early stage. Our message to them is: 'Join the party'. The big fund houses are entering this space because they realise the need to spot opportunities early on, before it's too late.

What are the plans and roadmap for the fund?

We are aiming to invest in 100 start-ups this year. It is a pretty tall target, not due to lack of deal flow but the process of mentoring them. However, we are confident. Our target is also to cover as many sectors as possible, so we can mitigate risk. We want to increase the share of under-represented sectors in our portfolio, such as agri-tech and deep-tech.

VAULT
MATTERS.


HAMSINI KARTHIK

Repair, don't junk payments banks

Payments banks have, unfortunately, received little support from the banking fraternity since their inception in 2014. Many experts rushed to brand the idea a failure even before it could take off. Most payments banks eventually took at least 5-6 years to generate net profit. The Paytm Payments Bank saga has deepened the mistrust. But what most fail to see is that the concept was probably ahead of time. It wasn't fleshed out enough to run the long race. What's more, when payments bank was conceived as an idea, digital payments were nowhere near as popular as they are today. Few could appreciate the float money opportunity involved and the possibility of payments feeding into the mainstream current account business. Revenue streams and opportunities were mapped very differently a decade ago as compared to today. Also, in the last 3-4 years, payments as a regulated business has evolved at a mindboggling pace. While licences have long been in existence in the payments space — whether as payment gateway, aggregator, or third-party application provider, among others — their strict enforcement is a lot more recent. Meanwhile, there are fintechs claiming to offer banking as a service (BaaS), replicating the role of payments banks but without a



licence. Ironically, among investors these businesses are garnering eye-popping valuations, even as the payments bank model is hastily being dumped as a failure. Perhaps a new thought process is needed to infuse fresh life into payments banks. Irrespective of the form factor, payments is the next big opportunity in the banking industry. If pursued well, it can lead to profitability on the lines of the lending business because, over time, the costs get absorbed and/or the cost burns are incremental. Moreover, it has zero impact on asset quality. Instead of having fragmented licensing models, bunching all payments-related licences under the umbrella of payments bank can help streamline the business. Each bank can choose the segments it wants to operate in. Given that existing payments banks are lobbying for small-ticket lending opportunities to deploy deposits, it begs the question whether every payments bank should be accepting deposits. After all, when some non-banking financial companies can accept deposits while others cannot, why not use the same yard stick in the payments space as well? No bank licensing category has been shuttered down so far in India; payments bank as a category may also continue to exist. Then why not attempt a refresh and upgrade one last time, before deeming it a failure.

bl.podcast



Regulations and fintechs aren't incompatible



Aishwarya Jaishankar, Co-founder and COO, Hyperface.co, explains why a regulatory regime is no barrier to fintech growth

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TODAY'S PICK.

Harassers in the cross hairs

Recently, a social media post by a person who has a habit of targeting certain private sector banks set the proverbial cat among pigeons. Apparently, a female bank employee reported her boss to the human resources division for inappropriate language used during a meeting; the issue is reportedly being investigated. This development is said to have spooked staff across several banks. A few mid-level women leaders say their male counterparts now watch their words, particularly during meetings, and even maintain a distance. So much so that some women feel this turn of events may lead to more decorum at the workplace, at least for a while. A senior woman banker says a few 'extra-friendly' male colleagues are now checking in with their female counterparts to see if they could undertake any 'course correction' without escalating matters to HR. Who said fear isn't a good thing?

● MATTER OF INTEREST

Is CASA all that bankable anymore?

RETURN TICKET. As customers look beyond deposits to park savings in lucrative alternatives, banks are forced to rethink strategies

Anshika Kayastha

A senior executive who recently moved on from a private sector bank had to meet with a Reserve Bank of India official as part of his exit interview with the regulator. One of the points on which the executive was repeatedly drilled by the RBI official was why the bank's CASA (current account and savings account) deposit as a proportion of total deposits was abysmally low. When asked if this was a bank-specific or industry-wide issue, the responses from various banks were an eye-opener. "It's a dog's fight to grow our deposit book, and on top of that we are expected to maintain 30-40 per cent CASA ratio. How is that doable in this environment?" the CEO of a bank vented. So, how relevant is CASA today and is it a good measure of a bank's ability to keep deposit costs under control?

BASICS OF CASA

CASA is reckoned as a low-cost source of deposits for a bank. A current account barely entails an interest payout, while savings account interest rates — at 300-400 basis points (bps) — are lower than term deposit (TD) rates. In 2020, as an unexpected consequence of the Covid-19 pandemic, retail balances in bank accounts swelled, leading to surplus liquidity. The CASA ratios of banks surged to record highs. Some private banks posted 50-55 per cent CASA ratio. However, matters have since changed drastically. The CASA ratios of private banks fell by 393 bps year-on-year in Q3 FY24, while public sector banks saw a 187 bps decline year-on-year to 38.5 per



● CASA VS TERM DEPOSIT

- CASA ratios of private banks fell 393 basis points (bps) year-on-year to 38.7 per cent in Q3 FY24. PSU banks saw 187 bps y-o-y decline to 38.5 per cent
- Weighted average rates on outstanding term deposits (TD) increased from 5 per cent to 6.1 per cent in FY23 and around 6.8 per cent, as of January 2024.
- Rates on fresh TDs surged from 4 per cent to 6.2 per cent in FY23 and 6.4-6.5 per cent as on date.
- TDs of private banks grew 18 per cent during March to September 2023 at ₹39.5 lakh crore; public sector banks posted 7 per cent growth to ₹68.3 lakh crore

cent, according to CARE Ratings. Meanwhile, with the repo rate increasing by 250 bps since May 2022, the weighted average rates on outstanding term deposits increased to 6.1 per in FY23 and around 6.8 per cent as of January 2024. Rates on fresh TDs surged from 4 per cent during the pandemic to 6.2 per cent in FY23. They remain elevated at 6.4-6.5 per cent. According to RBI data, the TDs maintained by private banks grew 18 per cent from March

to September 2023 at ₹39.5 lakh crore, while at PSU banks it rose 7 per cent to ₹68.3 lakh crore. Are depositors moving money from SA to TD? The answer isn't straightforward.

ALTERNATIVE PLANS

One of the important changes has been the financialisation of savings, perhaps as a consequence of the prolonged equity market exuberance. Households are looking bey-

● SPOTLIGHT

'Cash deals offer more flexibility in resolution'

Omkara ARC chief on the evolving nature of the asset reconstruction market

Hamsini Karthik

Pointing to the growing preference for cash deals over security receipts, and retail assets getting lapped up like hot cakes by asset reconstruction companies (ARCs), Manish Lalwani, MD and CEO, Omkara ARC, explains in an interview to *businessline* the changing market dynamics. Edited excerpts:

As the fourth largest ARC in India, what's your strategy for the next 3-5 years?

We prioritise swift action to resolve acquired NPA [non-performing asset] accounts by potentially sacrificing the net AUM [assets under management] growth. This has consistently yielded results that outshine industry standards. As of March 2023, our successful redemption of over 50 per cent of issued security receipts has significantly surpassed the industry benchmark of 44 per cent reported by CIRSLI. Looking ahead, we remain committed to continuously elevating these standards. Our acquisition strategy will continue to prioritise full-cash deals, backed by distressed fund investors. This not only fortifies our portfolio but also underscores our dedication to delivering maximum returns for our stakeholders.

There are many deals in hospitality and commercial real estate. Are they in demand for their turnaround potential or real estate value?

Our primary strategy for stressed accounts involves turnaround plans. After the Covid-19 pandemic, there has been an uptick in consumer spending, particularly evident in the hospitality and real estate sectors. This has resulted in a higher volume of deals in these industries. However, the valuation of hospitality and commercial real estate assets remains a crucial factor during the acquisition process.

With the pain in the corporate credit market largely dealt with, is the pricing in favour of ARCs?

The persistent challenge of price disparity between the selling banks and the acquiring ARCs is an industry-wide concern, with Omkara ARC being no exception. Nevertheless, there has been a noticeable maturation within the market. Both



Manish Lalwani, MD & CEO, Omkara ARC

buyers and sellers now possess a more refined understanding of market dynamics. A positive development is the active engagement of qualified buyers (QBs), which adds depth and sophistication to the transactions. This broadens the pool of potential buyers and brings specialised expertise and resources into play, facilitating smoother negotiations and potentially reducing price disparities. As the market continues to evolve and stakeholders adapt to these changes, we anticipate a more streamlined and efficient acquisition process, ultimately benefiting all parties involved.

What explains ARCs' rush for retail assets?

The higher recovery rate of retail NPAs, coupled with the favourable risk-reward ratio, serves as a significant motivation. Despite our recent entry into the retail asset acquisition arena in 2021, we have achieved a commendable 43 per cent success rate.

We are developing in-house infrastructure and expanding our skilled manpower in this domain. Additionally, we are investing in IT systems capable of handling large volumes of NPA loan portfolios. Collaboration with external partners is also under consideration to bolster our resolution capabilities in the retail NPA sector.

Given the high acquisition

cost, how does unit economics favour you?

While it's true that the industry is currently navigating challenges, particularly with the market favouring sellers, we don't view this as a significant threat. We remain optimistic that the market possesses ample supply. Moreover, we see an opportunity for improvement in the supply chain, particularly by expanding the eligibility for more financial institutions such as mutual funds, insurance companies, and alternative investment funds to sell accounts to ARCs. This broader mandate would yield mutual benefits for both parties.

Full-cash deals are preferred over the 15:85 model. What's your take?

A majority of potential sellers, particularly public sector banks, prefer selling NPA loans on a 100 per cent cash basis. This preference extends to ARC as well, for several reasons. Cash deals allow limiting the ARC's investment to as little as 2.5 per cent, as per the RBI circular issued in October 2022. Cash deals offer more flexibility in the resolution process. Because of their lower valuations, compared to deals involving SRs [security receipts], cash deals are favoured.

At Omkara ARC, we prioritise all-cash deals, as distressed asset investors are willing to participate alongside us. This offers superior rewards.

ond real estate and gold to park their savings in higher yielding avenues such as mutual funds, direct equities and alternatives such as real estate investment trusts (REITs) and infrastructure investment trusts (InvITs). While elevated interest rates continue to keep fixed deposits in favour, the newer alternatives are proving more popular than they were a decade ago, thanks to improved financial awareness and literacy. In short, idling money in CASA is becoming a thing of the past.

LENDING PATTERN

Demand for deposits is a function of credit and the avenues for deposit deployment. Retail or consumer loans, especially with a shorter duration of 1-3 years, have driven a significant portion of banks' credit over the past two years. Similar tenure TDs, compared to CASA, offer liquidity to support such retail products. Currently, about 65 per cent of total TDs are of 1-3 years' tenure. The popular 'Need for discipline' circular issued in August 2020 has also restricted the growth of current account deposits. The circular had mandated that the CAs held by banks should be commensurate with the lending exposure of the corporate borrower. Consequently, lenders are resorting to more commercial relationships with borrowers, including merchant and transaction banking, which are margin accretive and don't bulk up CA.

IS CASA LOW-COST?

To increase SA balances, some banks are offering one-time attractive rates of up to 7 per cent on high-value savings accounts and even 7.5 per cent for balances above ₹2 lakh.

Several mid-sized private banks and small finance banks are forced to offer such steep rates, at the cost of profitability, in order to grow their deposit books in a competitive environment. For customers, high-value SA with better liquidity is more attractive than TD. But for banks, such SA rates are akin to TDs, which brings us to the question of whether CASA is 'low-cost'. If deposit growth continues to lag credit growth, then banks will have to tread a fine balance between growing CASA deposits and TD to ensure sufficient liquidity. But if CASA also proves costly, then it may not be fair to expect lenders to prioritise a healthy CASA ratio over their profitability in the medium term.

NEW THOUGHT PROCESS

India has one of the highest shares of retail deposits globally due to the perceived safety and lack of reliable alternatives until recently. While PSU banks have historically outpaced private peers in deposits, this is changing. Share of private banks in TDs increased to 35 per cent in Q2 FY24 from 32 per cent in Q4 FY23, while the share of PSU banks fell 200 bps to 60 per cent. With the economy entering the next phase of growth, dependence on deposits may increase, unless banks prioritise institutional liability products such as bonds. While that option isn't being used as much as it was a decade ago, can banks innovate retail friendly products to compete with mutual funds and equity products? More importantly, will the regulator agree? Stakeholders, including investors of banks, must be willing to shed the obsession over 35-45 per cent CASA ratios. Will they?

Alt-finance promises to leave no one behind

From new-age ventures to micro enterprises, all have access to financing beyond traditional funding options

IN MY VIEW



BHAVIK VASA

Backed by the extraordinary growth of India Stack and platforms such as Unified Payment Interface (UPI), India is well-positioned to enable more small businesses to access formal financial services. Today, Indian start-ups are grappling with inflationary pressures and diminishing profit margins. That said, micro, small, and medium enterprises (MSMEs) struggle from lack of access to affordable financing. A recent Red-seer-GetVantage report showed that digital SMEs alone would require \$570 billion credit in the next few years.

The chief reason why start-ups and small businesses fail to find adequate and affordable financing is the thin-file nature of these businesses. In traditional lending there is considerable friction arising from the inability to evaluate or take on the risk of new-age businesses that are tech-first, young, lack collateral, and possess financial data of varying quantity and quality. Additionally, traditional financial institutions seem unable to qualify new-age businesses that are in search of modern forms of capital that are dynamic and more flexible. The good news is that early-stage businesses now have access to alternative financing, including non-banking financial companies (NBFCs) and fintechs.

FLEXIBLE FINANCING

Financing products and approval rates look very different today from a decade ago. Alternative financing, cash flow-based financing, revenue-based financing, invoice financing, recurring-revenue financing, and other modern solutions offer start-ups unprecedented access, flexibility, transparency, and speed. Leveraging technologies such as artificial intelligence (AI) and machine learning (ML), alternative financing mirrors the dynamic nature of its emerging user base — namely asset-light and digital-first. Moreover, alternative financing platforms exhibit a risk appetite akin to that of start-ups, in contrast to the largely conservative stance of traditional financial in-

stitutions. They champion intuitive and data-driven decision-making, paperless onboarding, and digital collections to enhance market penetration. Furthermore, data science and AI capabilities enhance debt recovery initiatives, fortify fraud detection mechanisms, and strengthen risk management protocols.

ONLINE CREDIT MARKET

Digital lending marketplaces streamline the application process, doing away with the lengthy paperwork, stringent eligibility criteria, and slow approval times associated with traditional funding avenues. Along with adherence to evolving regulatory requirements, transparency is a hallmark of marketplace lending, as all stakeholders have access to information about interest rates, fees, and terms, enabling informed decision-making. Initiatives like the Open Credit Enablement Network (OCEN) further aid in streamlining lending and borrowing processes. Fintech firms can facilitate integration with OCEN to provide customised credit options for start-ups. OCEN coupled with the Account Aggregator (AA) framework is poised to foster a seamless and interoperable network for alternative financing lenders.

By automating processes and operating with lower overhead costs, marketplace platforms can offer competitive interest rates and fees, making capital more affordable for early-stage start-ups. Fintech lenders in India have shifted towards a personalised approach to underwriting. They incorporate segment-specific policies that leverage alternative data sources to take advantage of the unique market opportunities across diverse sectors — from e-commerce to cleantech and electric vehicles. In the coming years, the demand for working capital is projected to rise steadily, at a CAGR of about 20 per cent, especially given the expected doubling of digitised SMEs within five years. The integration of data-driven digital lending into online marketplaces, along with need-based financing through digital credit mechanisms like OCEN, is expected to further democratise lending, steering India closer to achieving the ambitious target of a \$5-trillion economy by 2027.

The writer is co-founder and CEO of Getvantage

