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**IN FOCUS**

	Week's close	Week's change
Nifty 50	22147.00	-372.40
P/E Ratio (Sensex)	24.98	-0.39
US Dollar (in ₹)	83.47	+0.05
Gold Std 10 gm (in ₹)	73110.00	+229
Silver 1 kg (in ₹)	82853.00	-966

**BIG BETS.**

**Bull run in equities** makes Home Minister Amit Shah and his wife Sonal Shah richer **p10**

**CURRENT ACCOUNT.**

**Retail loans** are unstoppable with banks lending more than ever, even as the RBI moves to curb overreach **p8**

**MONDAY SPECIALS.**

**BRIEF TAKE.**  
Market disruption takes an intimate turn



**Bengalur:** India's online innerwear shopping garners a devoted following for its comfort, privacy, choice, and affordability. With over 60 Internet-first innerwear brands, India trails only the US in this trend. **p6**

**EXPANDING ENCLAVE.**  
Gujarat's Gift City is gathering pace

**Ahmedabad:** With a financial ecosystem that can compete globally, Gujarat's Gift City, with over 660 firms housed in 19 tall, gleaming edifices, poses a challenge to Mumbai as a key centre. **p7**

## Delink bank loans from on-lending to group firms: RBI tells Tata Sons

**TIME FOR REJIG.** Move could help avoid upper layer NBFC tag; Tata Sons has sought 12-18 months window

**Hamsini Karthik**  
Mumbai

After months of negotiations with the Reserve Bank of India, Tata Sons is said to have worked out a solution which will not only help it avoid the requirement for mandatory listing but also shun the non-banking finance company – upper layer (NBFC-UL) classification. According to sources, the RBI has asked Tata Sons to delink the 'on-lending' tag on its bank borrowings.

This would entail Tata Sons, the holding company of the Tata Group, fully repaying its bank borrowing. In a presentation made to the regulator on how it plans to reduce these loans, Tata Sons has sought 12-18 months' time to comply with

the regulator's ask. An email sent to Tata Sons remained unanswered till press time.

**ON-LENDING ISSUE**  
For banks, collaterals offered and the end use of loans are critical aspects, which they closely monitor.

In Tata Sons' case, the quality of collaterals is not a concern given the position of Tata Consultancy Services. However, by virtue of being a holding company, and more specifically, a systemically important non-deposit-taking core investment company (CIC) with no income generating operations of its own, loans availed by Tata Sons are largely to support its group companies which may have not been able to access bank borrowings easily and/or at attractive interest rates. End use of such loans is tagged as 'on-lending'. In

**SHEDDING THE TAG**

- Shedding the 'on-lending' tag on bank borrowings will entail that all bank borrowings are fully repaid
- In FY23, Tata Sons' debt stood at ₹21,000 crore
- In October 2022, the RBI classified Tata Sons as NBFC-Upper Layer despite the latter being a core investment company



FY23, Tata Sons' loan outstanding stood at approximately ₹21,000 crore. While on-lending is a prevalent corporate finance practice for holding companies, banks have turned cautious on these loans post the 2015 asset quality crisis.

"This (on-lending) ultimately leads to layers of debt and a huge asset-liability

mismatch, thus posing systemic risks," explained Ankita Singh, corporate lawyer and founder, Sarvaank Associates. If such loans are squared off with banks, the perceived risk in Tata Sons loan obligations may reduce.

"Reorganising debt and ceding control can be looked at for sidestepping the on-lending tag and steering clear of the situation.

In October 2022, when scale-based regulatory framework was introduced for NBFCs, Tata Sons was classified as NBFC-UL despite being a CIC because of its exposure to bank loans and inter-corporate advances.

## Proptechs thrive amidst booming realty surge

**Janaki Krishnan**  
Mumbai

The demand momentum in the real estate market, especially the residential segment, has spurred the growth of real estate start-ups, called proptechs. While some of these players have already attained unicorn status, several others are on the way.

Experts, however, believe that the challenge may be for group companies which are assessing bank loans through Tata Sons to get a good deal. "This is why Tata Sons has sought time to unwind the loans," said a person aware of the situation.

In

October 2022, when scale-based regulatory framework was introduced for NBFCs, Tata Sons was classified as NBFC-UL despite being a CIC because of its exposure to bank loans and inter-corporate advances.

ciation of India (Credai) launched a \$100-million proptech fund, Spyre Proptech Venture Fund, in association with Venture Catalysts and Neovon – a consortium of builders who have committed to putting up a fifth of the corpus.

**Details p3**

**STATE OF THE ECONOMY**

The upcoming Rabi harvest season can help spur jewellery demand in tier-2 and -3 cities and normal rainfall forecasts suggest steady gold purchases as this is a preferred investment avenue in these locations, says **Kunal Lagu**, Director of Lagu Bandhu Motiwale, in this State of the Economy podcast.

<https://tinyurl.com/BL-SoE-commodities>

Also available on Spotify, Apple Podcasts and Google Podcasts

## Direct tax mop-up rises 18% in FY24; tops RE by ₹13,000 crore

**Shishir Sinha**  
Patna

A big boost from personal income tax helped the government mop up over ₹19.58-lakh crore through direct taxes in fiscal 2023-24. With this, the collections have exceeded both budget estimates (BE) and revised estimates (RE).

The Central Board of Indirect Taxes and Customs (CBIC) has already announced that overall indirect tax collection, including customs and central excise duty, has exceeded RE by a handsome margin, though it is yet to make the figures public.

According to a Finance Ministry statement, net collection of direct taxes (gross collection minus refunds) rose to ₹19.58-lakh crore in FY24 – 17.7 per cent higher than ₹16.64-lakh crore of FY23. Although the statement did not mention any reasons for the rise, officials said the increase in overall income level along with better compliance and ease of tax-paying enabled the government to collect higher revenue.

**Shooting past target**

Personal Income Tax	Corporate Income Tax	Total (Including others)
<b>Gross (In ₹ lakh cr)</b>		
2022-23	9.67	10.00
2023-24	12.01	11.32
Change %	24.26	13.06
<b>Net (In ₹ lakh cr)</b>		
2022-23	8.33	8.26
2023-24	10.44	9.11
Change %	25.23	10.26
Source: CBDT		

"Refunds of ₹3.79-lakh crore have been issued in FY24, an increase of around 23 per cent over ₹3.09-lakh crore issued in FY23," the statement said.

**HIGHER INCOME TAX**

Personal income tax paid by non-business entities including individuals on their income, yielded a very impressive number. "The net personal income tax collection (including STT; provisional) in FY24 was ₹10.44-lakh crore and has shown a growth of 25.23 per cent over ₹8.33-lakh crore of the preceding year," the statement said. Further, net corpor-

ate tax collection rose to ₹9.11-lakh crore (₹8.26-lakh crore), a growth of over 10 per cent.

Commenting on the number, Sumit Singhaman, Partner with Deloitte India, said, "This is reassuring from the standpoint of continuity of fiscal discipline, which ought to allow the incoming administration to hit the ground running on policy reforms and keep the goal of improving taxpayers services at the core of tax reforms agenda," he said.

With the rise in all taxes, the expectation is that the final number on the fiscal deficit would be less than the RE of 5.8 per cent.

## Confusion over EV policy may cast a shadow over VinFast's TN investment

**S. Ronendra Singh**  
New Delhi

Confusion over benefits/subsidy under the new EV policy would start accruing has cast a shadow over Vietnamese EV-maker VinFast's \$2-billion investment in a plant coming up at Thoothukudi in Tamil Nadu.

Sources privy to a meeting of stakeholders held at the Ministry of Heavy Industries (MHI) on April 18 told *businessline*: "Pham Sanh Chau, Chief Executive Officer of VinFast India, who attended the meeting from Hanoi via video link, got confused after learning from the MHI Secretary that any benefit/subsidy that a company seeks to get will be applicable only when the policy is in place, and not from the date an OEM starts investment." The meeting at the MHI was chaired by Secretary Kamran Rizvi and Additional Secretary Hanif Qureshi.



the vehicles should roll out of the plant with 25 per cent domestic value addition (DVA)," an official said.

The policy clearly mentions that if you don't invest \$500 million in the first three years, then the bank guarantee will not be considered. Second, it was VinFast's understanding that the investment in Thoothukudi from January will be counted (from the day construction of the plant started), but the policy says it will be counted only after 240 days. The first 120 days (four months) is called application window; then there is another 120 days for MHI to evaluate the proposal and confirm. After the confirmation letter comes from the Ministry then the investment cycle will begin, that means their investment cycle will begin only after eight months, the official explained.

Queries sent to VinFast through e-mail did not elicit any response till the time of going to press.

## THE LARGEST PURE-PLAY GREEN FINANCING INSTITUTION IN THE COUNTRY

**EXTRACT OF AUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED 31.03.2024 (₹ in Crores)**

Sl. No.	Particulars	Quarter ended March 31, 2024	Quarter ended December 31, 2023	Quarter ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1.	Total Income from Operations	1,391.64	1,253.20	1,036.32	4,965.29	3,483.04
2.	Net Profit/(Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	479.67	386.14	288.38	1,685.24	1,139.25
3.	Net Profit/(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	479.67	386.14	288.38	1,685.24	1,139.25
4.	Net Profit/(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	337.38	335.54	253.62	1,252.23	864.63
5.	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	251.99	424.69	290.23	1,095.43	825.89
6.	Paid up Equity Share Capital (Face Value of ₹ 10/- each )	2,687.76	2,687.76	2,284.60	2,687.76	2,284.60
7.	Reserves (excluding Revaluation Reserve)	5,871.66	5,446.80	3,650.57	5,871.66	3,650.57
8.	Securities Premium Account (net)	863.63	863.63	-	863.63	-
9.	Net worth	8,559.43	8,134.56	5,935.17	8,559.43	5,935.17
10.	Paid up Debt Capital/Outstanding Debt	49,686.86	41,700.70	40,165.28	49,686.86	40,165.28
11.	Outstanding Redeemable Preference Shares	-	-	-	-	-
12.	Debt Equity Ratio	5.80	5.13	6.77	5.80	6.77
13.	Earnings Per Share (of ₹ 10/- each) (for continuing and discontinued operations) -					
A. Basic:	1.25	1.38	1.11	5.16	3.78	
B. Diluted:	1.25	1.38	1.11	5.16	3.78	
14.	Capital Redemption Reserve	-	-	-	-	-
15.	Debenture Redemption Reserve	397.75	432.69	397.97	397.75	397.97
16.	Debt Service Coverage Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
17.	Interest Service Coverage Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

**Notes:**

- The above results have been recommended by the Audit Committee of Directors and approved by Board of Director in their respective meetings held on 19.04.2024 and have been audited by the Statutory Auditors of the Company.
- The above is an extract of the detailed format of quarterly and annual financial results filed with Stock Exchanges

## QUICKLY.

'Govt needs to bring out White Paper' on freebies'



**Hyderabad:** Central Government under the leadership of Prime Minister should come out with a 'White Paper' to generate a consensus among political parties on the issue of giveaways or freebies, former Reserve Bank Governor D Subbarao has said adding that there has to be a thorough debate on how to impose restraints on political parties in this regard. He also said the public should be made more aware of the cost and benefits of these freebies and that is the responsibility of the government to educate the population on this. PTI

**'Apple may employ 5 lakh people in India in 3 years'**

**New Delhi:** iPhone maker Apple through its vendors is expected to employ over 5 lakh people in India over the next three years, according to government sources. At present Apple's vendors and suppliers employ 1.5 lakh people in India. Tata Electronics, which runs two plants for Apple, is the biggest job generator. "Apple is accelerating hiring in India. At a conservative estimate, it is going to employ five lakh people in the next three years through its vendors and components suppliers," a senior government officer told PTI. PTI

# Cloud over import of laptops, tablets may continue to hover

**STAND-BY MODE.** MeitY analysing data; policy decision likely only after polls are over

**Amiti Sen**  
New Delhi



**KEY PRODUCTS.** Import of the seven IT hardware items on which restrictions were imposed, including laptops, tablets, PCs, ultra small form factor computers and servers, amounted to about \$8 billion in 2022-23 AM FAROUKI

PLI scheme," an official tracking the matter told *businessline*.

India adopted a new 'import management system' for monitoring shipments of seven items including laptops, tablets, PCs, ultra small form factor computers and servers, large or mainframe computers and automatic data processing machines since October 1, 2023. Free imports are no longer allowed. Instead, importers have to apply to the Directorate General of Foreign Trade for import authorisations that are issued automatically once the application is submitted online.

Despite being under the restricted category, the new import regime for the identified IT hardware items has been quite liberal, the official pointed out.

**RESTRICTED CATEGORY**  
"Under the system, importers just provide information on the number of items they seek to import and from where. They are then issued authorisation to import as many they want since there is no cap on numbers," the official said.

However, there is no clarity on whether the same regime would continue after September 30 or more restrictions

would be brought in, the official added.

At the WTO, India has explained to members who were raising questions on the import policy, which includes the US, that it was aimed at ensuring supply chain resilience and addressing national security concerns. Of the total imports of the seven items worth \$8 billion in 2022-23, about \$5 billion was imported from China, per available data.

#### IMPORT MONITORING

Another important reason behind import monitoring was to keep a check on imports from China as a big chunk of imports is sourced from the country and security threat perceptions are much more prominent there than others, some officials informedly explained.

"The import management system is giving the government a variety of data such as the total number of traders engaged in imports as well the number of manufacturers in the country for all the identified products. What remains to be seen is the conclusion MeitY reaches from the data and the policy direction it gives," the official said.



any entity for testing any product/service under RS. At the same time, they wanted that entities seeking participation in the RS for testing products should be obliged to enter into an agreement with a telecom operator. Only after forming this agreement, they should be allowed to jointly apply for the RS, some of the operators had said.

But the stakeholders representing the consumers were of the opinion that RS should not remain limited to telecom operators.

"A range of other entities (not limited to TSPs) might be interested in working on innovations in these areas. The sandbox must provide opportunities to such entities as independent users of RS and must not be forced to tie up with TSPs," one of the stakeholders said.

#### ADDITIONAL OBLIGATIONS

Another stakeholder argued against putting additional obligations for applicants to justify direct application for RS testing and proving efforts to collaborate with an existing telecom operator might not be conducive for newer or unlicensed businesses to flourish.

boxes by directly approaching the approving authority.

In cases where DoT deems an innovation to have widespread impact on society, economy and technology, they can intervene and ask the TSPs to provide the RS testing facility to such deserving innovations," TRAI has said.

However, this might result into a situation where a large number of entities may opt to approach DoT directly.

To discourage this, applicants are obligated to furnish sufficient justifications for applying directly, along with documents indicating their efforts to establish ties with a telco.

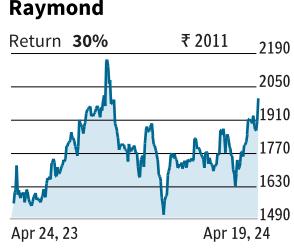
During the consultation process held earlier, some of the telecom operators had said there should not be any mandate on licensed service providers to establish Regulatory Sand-

## TODAY'S PICK.

## Profit-booking post elections coming anyway: Bernstein

### Raymond (₹2,011.25): BUY

**KR Srivats**  
New Delhi



The outlook is bullish for Raymond. The stock has made a bullish breakout above the key resistance level of ₹1,950 on Friday. The share price surged over 5 per cent on Friday and has closed strongly. The level of ₹1,950 can now act as a good support and limit the downside if an intermediate dip happens.

Moving average cross-overs on the daily chart also strengthens the bullish case. Raymond's share price can rise to ₹2,150 over the next few weeks. Traders can go long now at around ₹2,011. Accumulate on dips at ₹1,970. Keep the

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

### USFDA pulls up Natco Pharma

**Press Trust of India**  
New Delhi

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Nuvama Research in its quarterly review said that it expected RIL's O2C Ebitda to fall 8 per cent on year "on weak refining and petchem". Motilal Oswal expects RIL's consolidated Ebitda to rise 10 per cent on year to ₹38,800 crore, led by Reliance Jio and Reliance Retail. On a standalone basis, Ebitda is seen flat at around ₹18,200 crore.

#### SECTOR INSIGHTS

+

Reliance Jio is seen to report a 2.5 per cent revenue growth sequentially helped by 3.5 per cent rise in its subscriber base and average revenue per user holding stable at ₹182. The telecom vertical's Ebitda margin is seen improving 40 basis points to 52.7 per cent, while the capex is seen to remain the same as last quarter.

Elara Capital has pegged Reliance Retail's Ebitda to rise 42 per cent and digital services to rise 11 per cent.

The USFDA inspected the facility from October 9 to 18, 2023. "Your firm failed to clean, maintain and, as appropriate for the nature of the drug, sanitise and/or sterilise equipment and utensils at appropriate intervals to prevent malfunctions or contamination that would alter the safety, identity, strength, quality or purity of the drug product beyond the official or other established requirements," the US health regulator noted.

In April, FPIs turned net sellers in equity, with outflows of ₹5,254 crore as of April 19, influenced by heightened geo-

market expectations remarkably high as this would put the BJP's tally at 340-350.

Bernstein, however, believes that the gain of seats in low penetration States may not significantly exceed the loss in others. With NDA having got about 350 seats in the 2019 election, it has to get 50 additional seats this time to reach the '400 paar' mark, Bernstein has highlighted. The opinion polls, on average, give 30-40 extra seats to the BJP and NDA, Bernstein has said.

"The chances of a minor gain look high, with lower probabilities of deviating significantly above and below the 2019 tally of 350," wrote Garre.

So how will a 300-some-

Even if there were to be profit booking post elections, there would only be modest downsides as eventually the Indian macro story will take over, Bernstein has said.

#### CAPEX, MANUFACTURING

"We think manufacturing and capex stories will remain a key theme irrespective of the seats garnered," the research note added. Indian equity markets started 2024 at record valuations, particularly in the small- and mid-cap space.

After continuing the run in January, February and March seemed to return some normalcy to the valuations, but April has picked up again with small-caps up 4 per cent and mid-caps 2 per cent.



**POSITIVE BIAS.** Almost all pre-election polls pointed to a 380 plus scenario and show that the motto of '400 paar' is not merely a hogwash BUJO GHOSH

thing scenario for BJP (350ish for NDA) play out when markets have factored in a number close to 350, or almost 400 for NDA; Bernstein research note asked.

"A correction is inevitable and markets that are simply looking for a reason to fall may overreact to a sentiment that may not mean much rationality," it added.

### RIL Q4: PAT seen dipping 3.5%, revenue may rise 9.7%

**Janaki Krishnan**  
Mumbai

Weakness in its refining and petrochemicals business is likely to weigh on Reliance Industries' March quarter results, dragging down its consolidated net profit by 3.5 per cent, though revenue is seen rising 9.7 per cent on good retail sales, oil and gas business and telecom operations.

The conglomerate, which will report its fourth quarter and FY24 results on Monday, is expected to report a quarterly net profit of ₹18,628 crore on revenue of ₹24.4-lakh crore, according to analysts. Sequentially, the net profit and revenue are seen rising but in single digits.

During the quarter, the benchmark Singapore gross refining margin fell 10 per cent on year due to weak global product cracks. Elara Capital has pegged Reliance Retail's Ebitda to rise 42 per cent and digital services to rise 11 per cent.

In April, FPIs turned net sellers in equity, with outflows of ₹5,254 crore as of April 19, influenced by heightened geo-

### FPIs pause debt investments amid geopolitical jitters

**KR Srivats**  
New Delhi

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After six months of strong buying and consistent monthly inflows, Foreign Portfolio Investors (FPIs) shifted their strategy in April, becoming net sellers in the debt market for ₹6,124 crore as of April 19.

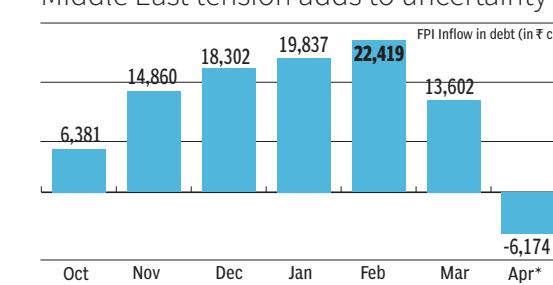
Even as they pulled out, FPIs invested a net ₹49,684 crore in the Indian debt market this calendar year, according to depository data.

FPIs have been front-loading investments into Indian sovereign debt ahead of its inclusion in JP Morgan's flagship index, the GBI-EM Global Diversified Index starting in June this year.

#### NET SOLD EQUITIES, TOO

In April, FPIs turned net sellers in equity, with outflows of ₹5,254 crore as of April 19, influenced by heightened geo-

#### Middle East tension adds to uncertainty



\*upto April 19

political tensions and rising US bond yields impacting their interest in Indian equities, depository data showed.

Escalating tensions post the Iran-Israel conflict and a surge in US bond yields prompted FPIs to dump equities worth ₹20,000 crore in just four trading sessions.

FPIs had net sold equities worth ₹25,744 crore in January 2024 but made a reversal with net investments of

From April through 20th, FPIs sold debt worth ₹12,885 crore. This is the consequence of the rising US bond yields and the concern regarding rupee depreciation, he added. The debt investment through the primary market stood at ₹6,711 crore, taking the net debt flows in April through 19th to (-) ₹6,174 crore (net outflow).

On equities, Vijayakumar noted that FPIs have, in April through 19th, sold equities worth ₹13,546 crore. The hotter-than-expected US inflation and the consequent spike in bond yield (the 10-year rising above 4.6 percent) led to big selling in the Indian cash market, year stood at ₹5,639 crore.

Now, the total FPI flow so far in April has dwindled to (-) ₹5,253 crore. "This kind of big selling happens whenever the US bond yields spike beyond expectations," Vijayakumar said.

On the portfolio changes by

### Hindustan Zinc forays into critical minerals, sets up subsidiary

**Abhishek Law**  
New Delhi

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will also participate in an auction of critical mineral blocks here.

The company has already set up a wholly-owned subsidiary, Hindmetals Exploration Services Pvt Ltd, to tap mineral resources "through systematic exploration" of deposits. As per a stock market notification, it will also "participate in auctioning of mining blocks containing critical minerals."

According to Arun Misra, MD and CEO of Hindustan Zinc, the subsidiary will be operational in the next six-seven months. Exploration activities will be primarily carried out in India. An area of work will be identified over the next few months.

The Mines Ministry is looking at various policies whereby it will look at promoting mine exploration, development and mapping activities for critical minerals; and also off-shore minerals. The exploration company helps give us an advantage. We would also be bidding for mineral blocks through this company," he told *businessline*.

In silver, Hindustan Zinc is eyeing a 10 per cent-or-more share of the country's 6,500-7,000 tonne annual requirement, which is met mostly through imports.

Current prices are hovering around \$2,850 per tonne and indications are that they will reach the \$2900 per tonne range in the coming days.

"We would be getting into

lead alloys at a future date. There is increased demand for zinc coming from the auto-sector including galvanised cars – which are popular in Europe," he explained.

Against a global average of 1.5-2 per cent growth, zinc demand in India is expected to grow around 4-5 per cent.

#### DEMAND IN INDIA

Demand across key offerings like zinc, lead and silver are expected to stay strong in India, Misra said.

Zinc demand will be driven by infra-push and improved steel requirements; lead demand will come for a push for EVs (electric vehicles), inverters, lead batteries, among others.

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"We would be getting into

Payments Interface used for real-time payments between peers or at merchants' end while making purchases.

#### RISK ASSESSMENT

According to sources, NPCI would spell out ways to implement the 30 per cent UPI market ceiling in a bid to minimise concentration risk.

One option would be to stop on-boarding of new customers for those who have higher than 30 per cent market shares in UPI transaction, sources said, adding it can be done in a phased manner so that there is no impact on the users.

NPCI is expected to give some clarity on this in the next few months much before the deadline so as to avoid any disruption, sources added.

According to a senior

#### TO ADVERTISE

QUICKLY.

'High US deficits fuelling growth, higher rates'



**Washington:** The US needs to raise revenues to bring down high Budget deficits even though they are helping to fuel global growth by stoking domestic US demand, International Monetary Fund First Deputy Managing Director Gita Gopinath said on Saturday. Gopinath said that US deficits are projected to rise for years with one of the world's steepest curves for debt. **REUTERS**

**Nandini to sponsor Scotland, Ireland cricket teams**

**Bengaluru:** The Karnataka Milk Federation with brand name 'Nandini', will sponsor Scotland and Ireland cricket teams in the 2024 T20 World Cup – a move which has come under criticism in some quarters. "We already have stores in the Middle East. Our presence is in Singapore as well. We are selling our sweets in America," Jagadish explained. **PTI**

**Retailers body to seek govt action on POCO's practices**



**Hyderabad:** The South Indian Organised Retailers Association is planning to seek the central government's intervention with regard to the business practices of POCO, a sub-brand of Xiaomi, alleging that the cell phone manufacturer is avoiding the supply of phones to mainline channels. **PTI**

# Bihar may rejoin PMFBY, but enrolment will have to wait

**BIDING TIME.** Gujarat, which too had quit the crop cover scheme, is yet to decide

**Prabhudatta Mishra**  
New Delhi



**THIN ON THE GROUND.** For kharif 2024, enrolment under PMFBY has started only in Himachal Pradesh even as 20 days have passed

The number of States that implement the Centre's flagship crop insurance scheme PMFBY may jump to 22 as Jharkhand and Telangana are likely to start enrolment for the upcoming kharif season. While discussions with Bihar are at an advanced stage for its return, Gujarat is yet to make up its mind.

"We are hopeful of Jharkhand and Telangana to start enrolment for this kharif; Bihar may not be able to do even if it decides to rejoin as very little time is left," said an official source. Jharkhand decided to rejoin the Pradhan Mantri Fasal Bima Yojana (PMFBY) last year while Telangana conveyed its decision this February after new government was formed.

For the kharif 2024 season, enrolment under PMFBY has started only in Himachal Pradesh even as 20 days have passed. The normal enrolment for kharif starts from April 1 and ends on July 31, but the period varies from State to State and at times even from crop to crop. The premium rates need to be fixed before April 1, as per guidelines, but it is not followed by States.

"PMFBY is a non-political scheme aimed at gradual shifting towards real insurance as previously it was compensation-based mod-

els. Crop insurance will take more years to mature in India as farmers' welfare remains core to the policy making in the government and benefits for small and marginal farmers are always accorded priority," said a top official of a private insurance firm.

**STAKEHOLDER TALKS**  
He also said that after West Bengal, Bihar and Andhra Pradesh introduced universal coverage, insuring all farmers by default, the

Centre is also consulting with stakeholders if there is a feasibility to make PMFBY universal for small and marginal farmers, owning up to 2 hectares of land.

Andhra Pradesh, Telangana and Jharkhand had quit PMFBY in 2020 while West Bengal and Bihar exited the scheme before. Punjab never implemented the scheme as it does not see PMFBY beneficial for the farmers amid 100 per cent irrigation, mainly from groundwater.

Experts said that Gujarat's exit from the scheme points to something wrong with PMFBY as it was launched in 2016 after Narendra Modi became the Prime Minister. Unless the Centre addresses the concerns of Gujarat and ensures its return, the scheme may not be attractive, said a former top official of the Agriculture Ministry and added: "at the best it could be compulsion for a State without any viable alternative."

# Proptechs are mushrooming riding on dizzy real estate wave

**Janaki Krishnan**  
Mumbai



**PROPPING THEM UP.** In February, Credai launched a \$100-million proptech fund

The demand momentum in the real estate market, especially the residential segment, has spurred the growth of real estate startups, called proptechs. While some of these players have already attained unicorn status, several others are on the way.

There are already 6-7 unicorns in the sector including prominent ones such as NoBroker, a platform for buying, selling, or renting a house without paying brokerage fees and interior designing firm Livspace.

There are plenty of other soonicons that are waiting to become unicorns. These include SquareYards, Stanza Living, CRE Matrix, Zapkey, MagicBricks, Furlenco, TheHouseMonk, NestAway, Brick&Bolt and PropTiger.

Many of them are household names already and have been around for a number of years. Others are of more recent origin.

Recognising the role played by proptechs, in February, the Confederation of Real Estate Developers' Association of India (CREDAI) launched a \$100 million pr-

optech fund, Spyre Proptech Venture Fund, in association with Venture Catalysts and Neovon – a consortium of builders who have committed to putting up a fifth of the corpus.

**PROPTECH FUND**  
The fund has already received commitments for about 35-40 per cent of the corpus, Murali Krishna, Principal at Spyre VC told **businessline**. The first closing is expected to be achieved by the end of this month.

The initial corpus of the fund is \$50 million with a greenshoe option of another \$50 million, Krishna said. Around half of the corpus will be for the seed stage and the remaining for the growth stage. Seed stage funding will go up to \$1 million and in the growth stage up to \$5 million. Under the overall proptech sector there are about 60-70 subsectors and of this around 40-50 will be the key sectors.

interest was being generated from Indian investors especially the developer community.

So far it has a pipeline of about 125 start-ups in the real estate space and of this around 20-25 could be potential candidates for funding. The fund is planning to eventually end up with a portfolio of around 35 startups.

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He added that while it has been around two months since the fund was launched, they had just started actively reaching out to limited partners (LPs) because they first needed to understand the depth of the market and gauge the opportunities in proptech. He said that a lot of

# I-bankers to get hefty bonuses as deal activity zooms

**Ashley Coutinho**  
Mumbai

Investment bankers from top domestic firms could take home, on an average, 100-150 per cent of annual salary as bonuses — much higher than last year when payouts ranged from 30-40 per cent.

FY24 saw robust equity capital market activity that resulted in a fee collection of over ₹2,000 crore. Total equity fundraising stood at ₹1.86-lakh crore, underpinned by a roaring secondary market. This is 142 per

Fundraising in FY24	
IPOs	₹61,915 cr
Fees from IPOs	₹1,685 cr
QIPs	₹78,089 cr
Bulk and block deals	₹5.25-lakh cr
Total equity mop-up	₹1.86-lakh cr

Source: primedatabase.com

deal pipeline remains robust and every organisation knows that they will have to give a decent payout to retain as well as attract talent."

Another senior banker, on condition of anonymity, said: "The bonuses could range from 100 per cent to 150 per cent of annual salaries depending on performance. The healthy pipeline of IPOs and QIPs will also have a bearing on the payouts." Banks pocket 2-3 per cent as fees for managing IPOs, and 1.5-2 per cent for handling QIPs, depending on the issue size and the number of bankers.

# Sterling Holidays warns members of phishing scam, reassures data security

**Forum Gandhi**  
New Delhi

Thomas Cook India's Sterling Holidays and Resorts, a vacation ownership company, has urged its members to be cautious in the light of a recent phone scam.

Members of Sterling Holidays have been reportedly receiving calls from individuals

claiming to represent the company and offering to buy back memberships at inflated prices.

"There have unfortunately been reports of payment scams targeting our valued members," said Badrikant G, Senior VP, Customer Lifecycle Management, in a statement.

In response to **businessline**'s query, Sterling Holidays denied a data breach. "There

has been no breach of our member database," a company spokesperson told **businessline**. "Our data is stored with a well-respected international service provider that serves many reputable clients."

One member, who wished to remain anonymous, recounted receiving a call pressuring him to sell his membership.

# + To take on competition, Tesla cuts prices by nearly \$2,000 in China

**Reuters**  
Beijing



Tesla has cut prices by nearly \$2,000 across its models in China, after price cuts in the US, as it grapples with falling sales and an intensifying price war for electric vehicles (EVs), especially against cheaper Chinese EVs.

Elon Musk's EV maker cut the starting price of the revamped Model 3 in China by \$1,930 to \$32,000, its official website showed on Sunday.

Tesla made similar cuts to the Model Y starting price, now 2,49,900 yuan, the regular version of the Model S to 6,84,900 yuan and the Model S Plaid to 8,14,900 yuan. The regular Model X now costs 7,24,900 yuan and its plaid variant 8,24,900 yuan.

## LAYOFFS

The carmaker on Friday cut US prices of its Model Y,

'Five waves of UBS layoffs likely to start in June'

**Reuters**  
Vienna

China, the world's largest auto market, are rolling out cheaper models. Musk postponed a planned trip this weekend to India, where he was to have met Prime Minister Narendra Modi, citing obligations at Tesla. The trip was to have included the announcement of plans for Tesla to enter the South Asian market, **Reuters** reported on Sunday.

Musk said last Monday that Tesla will lay off more than 10 per cent of its global workforce as the automaker is bracing for its first annual drop in deliveries. The announcement came after **Reuters** reported on April 5 that Tesla had scrapped its plan to develop its long-awaited affordable EV in favour of robotaxis. Musk posited that "Reuters is lying" after the report, without citing any inaccuracies. He has not spoken further about the model, leaving investors clamouring for clarity.

Elon Musk, Tesla CEO

Model X and Model S vehicles by \$2,000. On Saturday, it slashed the price of its Full Self-Driving driver assistant software to \$8,000 from \$12,000 in the US. Tesla reported this month that its global vehicle deliveries in the first quarter fell for the first time in nearly four years, as price cuts failed to stir demand.

The EV maker has been slow to refresh its ageing models as high interest rates have sapped consumer appetite for big-ticket items, while rivals in

# Despite bulls ruling the roost, inflows into equity mutual funds slow down

**Suresh P. Iyengar**  
Mumbai

Notwithstanding the heady inflows into equity mutual fund schemes, five of the 11 equity categories have registered a net outflow or lower inflow compared with last fiscal.

Interestingly, large-cap and focused funds have seen a net outflow of ₹613 crore and ₹4,060 crore in the year ended March against an inflow of ₹8,373 crore and ₹6,357 crore in FY23, according to a FY23 research report.

**NEW TAX REGIME**  
Similarly, with the introduction of the new tax regime, equity-linked savings schemes (ELSS) have lost their glory and inflows plunged 87 per cent to ₹1,040 crore (₹7,744 crore). The new tax regime provides for a

lower tax rate but does not provide for any exemptions and deductions such as house rent allowance (HRA), leave travel allowance (LTA), 80C, 80D and many more.

Inflow into the flexi-cap category was down nine per cent at ₹15,502 crore (₹16,961 crore) as investors preferred to book profit after the recent run-up in equity markets. In fact, flexi-cap is the most sought-after as mar-

ket regulator SEBI norms provide a free hand for the scheme fund managers to move across market cap without any restrictions.

Investment in the dividend yield category fell 11 per cent to ₹3,470 crore (₹3,892 crore) due to the lack of any new fund offer in this category. However, inflows into equity mutual funds rose 25 per cent at ₹1.84-lakh crore (₹1.47-lakh crore), largely

aided by a mad rush to invest in small and mid-cap schemes.

Investments in small and mid cap categories increased 82 per cent and 10 per cent respectively to ₹40,189 crore (₹22,104 crore) and ₹22,226 crore (₹20,206 crore). Net inflows into multi-cap fund doubled to ₹22,958 crore (₹11,420 crore).

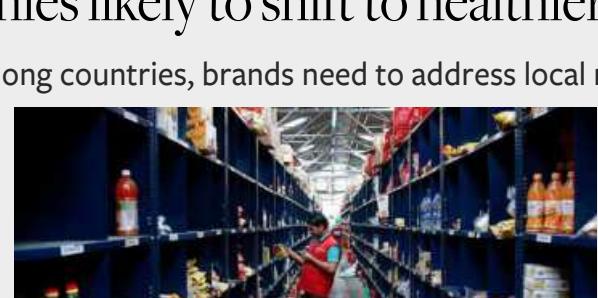
Gopal Kavalireddi, Vice-President of Research, Fyers said investors seeking higher returns have shifted their portfolios towards mid and small cap segments of the market, rather than large-cap stocks.

While dividend yield funds, which focus on generating income, would have limited capital appreciation potential, the relevance of ELSS as a tax-saving option has decreased with the introduction of the new tax regime.

# Packaged food companies likely to shift to healthier options

'While product formulations could vary among countries, brands need to address local needs of consumers'

**Meenakshi Verma Ambwani**  
New Delhi



**BITTER TRUTH.** Last week, Swiss NGO Public Eye had raised concerns about added sugar levels in Nestle's baby food products sold in India and other developing markets

food companies also face a lot of genuine practical issues that need to be addressed while simultaneously following health norms.

**NEED OF THE HOUR**  
The national and international packaged food companies usually make sure they comply with the regula-

tions in letter. Food standards set up by FSSAI are harmonised with the CODEX standards. But are they complying in spirit is the big question. The challenge is that the ingredients that you get in India could be vastly different from other markets. Hence, product formulations could vary from country to country due to

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**businessline.**

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(Sd/-) Managing Director

# APPOINTMENT

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6. Assistant General Manager

## Uncertain times

Global inflation fears return

**T**o observers of global economy and finance, the air of apprehension at the recently concluded Spring meetings of the IMF and World Bank was not surprising at all. Two factors are currently playing out to unsettle world trade, public finances and capital markets: first, the spat between Israel and Iran and, second, the fiscal, and thereby inflationary impact of over 80 countries including India going to polls this calendar year.

The meetings as well the three reports released last week — the IMF's Global Financial Stability Report, its Fiscal Monitor and the Bank's World Economic Outlook — draw succour from the 'resilience' of growth amidst generally declining inflation since 2022. But there is no mistaking the elephant in the room — sticky inflation, and its fallout on financial stability and growth. The Fund-Bank reports clearly say that since the "progress towards inflation targets has somewhat stalled since the beginning of this year", the Fed is expected to hold rates 'higher for longer'. US consumer inflation in March at 3.5 per cent was above the target of 2 per cent. The reports recommend that "central banks should avoid premature monetary easing" — clearly an effort to check volatility in capital flows in emerging economies. While inflation was the main theme at the meetings, public debt and 'fragmentation' of global trade as medium term risks to inflation and growth too emerged as key takeaways.

Today's global inflation stems from many sources: commodity shocks; disruption to trade arising out of protectionism and emergence of 'geo-economic' enclaves; rising cost of labour in the developed world (particularly the US) as a result of social safety nets; and a vicious cycle of public debt (led by US and China) and inflation feeding into each other. High public debt is believed to crowd out private investment, hurting growth and taxes, leading to more debt in the absence of spending cuts. A weak medium-term outlook on global growth is linked to this debt-inflation overhang. There are two notable issues here: first, US debt has become a global worry; and second, it has become difficult to roll back spending undertaken during crisis years.

The US's fiscal deficit jumped to 8.8 per cent of GDP in 2023 from 4.1 per cent in 2022 (it was 11.1 per cent in 2021). China's fiscal deficit was 7.1 per cent of GDP in 2023, against 7.5 per cent in 2022, while India's (general government) was 8.6 per cent of GDP (9.2 per cent). The Fund-Bank duo is worried over whether US growth will be robust enough to offset rising debt. China's tanking property sector could impact all asset classes, growth and trade. But the biggest challenge for multilateral bodies is to overcome fragmentation of trade. Trade blocs have been carved out along geo-political lines, with more trade taking place within blocs than between them. This could create untold inefficiencies, besides inflation.

## FROM THE VIEWSROOM.

## Stop food firms from catching them young

PT Jyothi Datta

**N**estle's infant food and controversy have never been too far from each other, and for several decades now. The multinational had first earned the wrath of the global public health community over its marketing of infant formula. The health community pushed for stringent norms to ensure that infant formula was not marketed as a nutritious option over mother's milk. And those guardrails remain till date.

The latest allegations involve "added sugar" in infant food, in low- and middle-income countries including India, though the product was found to be "sugar free" back home in Switzerland, according to Public Eye, a Swiss investigative organisation. Nestle claims, it is in compliance with international and local norms.

In 2003, soft drink and bottled water companies found themselves in the dock over allegations of pesticide residue in their products. Then too, the companies said, they were in compliance. Only that, standards

on pesticide residue were defined after this revelation.

It is disingenuous for companies to argue that food products meet the law of the land — when the law clearly has scope for improvement. International companies sell their products on the claim that they bring in global best practices. So taking refuge behind arguments that the groundwater has pesticide (and therefore the end-product too), does not wash, especially for companies operating globally.

Not long ago, Nestle's Maggi noodles found itself in a soup over the presence of flavouring item MSG (monosodium glutamate). The explanation — it could be from naturally occurring glutamate. Nevertheless, the "No added MSG" label had misled many. Food companies need to understand that it's not business as usual, anymore. The use of sugar and salt in foods, let alone infant food, requires serious attention from the food and health regulators. Countries already battle obesity, hypertension, diabetes and other non-communicable diseases. So anyone trying to catch them young, certainly needs to be stopped.

MUKUNDAN NARASIMHAN  
SURESH MONY

**H**uman beings are among the most fortunate of God's creations, residing on possibly the only planet with life. Nature offers flora and fauna for food and coexistence. Earth, located in the 'Goldilocks Zone' around the Sun, provides the right balance of air, water, and heat. It's the only known planet with 'soil'.

Earth's biodiversity (today is Earth Day) implies an equilibrium among humans, animals, and plants — a mutual dependency where one species' output benefits another. Yet, a significant portion of the global population, including the educated, disconnects from nature, recklessly destroying trees and forests meant for other living beings.

**HUMAN DISRUPTION**

Humans have breached limits on six of the nine planetary boundaries crucial for Earth's habitability as evidenced by:

**Climate change:** A 1.5 degrees temperature rise since 1900 and significant rainfall pattern changes.

**Biodiversity loss:** Extinction of 680 vertebrates and 600 plant species since the 16th century, and a 69 per cent wildlife decline since 1970.

**Freshwater scarcity:** India's per capita availability dropped 75 per cent, from 6047 cu. metres to 1486 cu. metres.

**Land use:** Forests in India reduced from 33 per cent in 1952 to 21 per cent.

**Nutrient pollution:** Nitrogen and phosphorus pollution causing water 'eutrophication' — turning the water green, malodorous, blocking sunlight, and releasing toxins.

**Plastics pollution:** 19-23 million tonnes of plastic waste enter aquatic ecosystems annually; plastics manufacturing emits 3.3 per cent of global greenhouse gases.

The other three boundaries, ocean acidification, air pollution, and ozone depletion remain within limits. Though crossing the six boundaries does not immediately cause disaster, it's a high-risk warning, similar to high blood pressure.

Human arrogance has upset Earth's equilibrium, impacting animal, plant, and insect species. The Covid-19 outbreak in 2019 exposed the consequences of this imbalance. An integrated approach addressing health, socio-economic development, climate change, biodiversity, and the war against plastics, the theme for 'Earth Day 2024', is crucial to transform the global economy.

**THE PLASTICS THREAT**

Plastic's invention in 1907 by Belgian Leo Baekeland led to its widespread use due to affordability, durability, and aesthetic

appeal. Major single-use plastic applications include: Food and Beverages — 31 per cent, Bottles and Container Caps — 16 per cent, Plastic bags — 11 per cent, Straws, Stirrers, Beverage Bottles, and Containers — 7 per cent.

Additionally, 99 per cent of toys are plastic. Plastics take up to 1,000 years to decompose, accumulate on/under the top soil restricting the ingress of rainwater to the ground.

Environmental degradation from plastics arises from:

1. Improper disposal and incineration releasing toxins into air and water.

2. Fragmentation into Microplastics contaminating soil, water, and air.

3. Harmful chemical release threatening wildlife and human health.

4. Ecosystem disruption altering habitats and reducing biodiversity.

The usage of plastic products has grown in keeping with consumerist societies that symbolise human greed with constantly increasing consumption. In the Indian context of climate change, the plastics industry generates around 4 million tonnes of waste annually.

**POTENTIAL SOLUTIONS**

To respect mother earth the munificent



GETTY IMAGES/STOCKPHOTO

# The battle against plastics

**GREEN AGENDA.** Reduction and recycling of plastics must be taken up to save the planet

divine provider to all living beings, some solutions include:

1. Reduce-Reuse-Recycle and adopt a circular economy

In our quest for material prosperity, external possessions have become a vehicle for happiness. The true nature of happiness as per the Vedanta philosophy, lies within — *Ananda*, the bliss of the self; more material consumption and prosperity does not necessarily increase happiness. Hence, it is prudent to reflect and examine what is important and determine 'what and how we consume'. A research study estimates the present value (PV) of the social cost of

continuing a business-as-usual (BAU) structure in the plastics industry in India for the period 2025-2030 at \$541 billion and the PV of adopting a 100 per cent

circular plastic value chain by 2030 at \$370 billion. Thus, the net present value of implementing 100 per cent circularity by 2030 is \$170 billion. This necessitates improved Recycling Infrastructure and novel technology adoption, for example the use of plastic waste along with bitumen and asphalt in road

construction.

2. Changing mindset and adopting 'Bio mimicry' which is the practice of

'learning from and mimicking the strategies found in nature to solve human designed challenges' and recognising that economy is a subset of ecology. In this regard, waste is a human concept and does not exist in nature.

3. Some radical measures would include:

a) Implement sweeping bans on non-essential plastics, such as straws, plastic utensils, and excessive packaging,

pushing for more sustainable alternatives.

b) Producer Responsibility Laws to hold manufacturers accountable for the entire lifecycle of their products, including collection, recycling, and proper disposal of plastic waste.

c) Heavy taxation on virgin plastics and plastic products to promote the use of recycled materials and drive consumer behaviour towards eco-friendly choices.

d) Establish Plastic-Free Zones promoting a culture shift towards zero-waste living and sustainable consumption practices.

e) Incentivise innovation to businesses and entrepreneurs developing solutions for plastic alternatives, recycling technologies and waste management.

f) Community-led initiatives through grassroots movement for clean-up projects and educational campaigns, showcasing environmental stewardship and collective responsibility.

The munificence of Mother Earth provides us the food we eat, the air we breathe, the water for drinking and irrigating crops and within the ecosystem, the forests, rivers, oceans and soils are intimately connected and thus germane to our very existence. This lone thought hopefully should be a motivation to save our Planet Earth, otherwise we are killing ourselves as well as the future generations.

Mony is Advisor, Rajagiri Vidyapeeth, and SCMS Kochi; and Member PanIIT Alumni India; Narasimhan is Founder and Director, PlaySolar Systems Pvt Ltd. Both are members of the Societal Impact Action Group of IIT Madras Alumni Association

# IMF, World Bank debt revamp process needs a relook

Of particular concern is the IMF's delay in putting together a package for financially-stressed nations

Neeraj Kumar

**T**he recent Global Sovereign Debt Roundtable (GSDR) meeting held on the sidelines of the IMF and World Bank Spring Meetings on April 17 offered a ray of hope for low- and middle-income countries (LMICs) burdened by mounting debt. The IMF and World Bank acknowledged significant progress in tackling global debt vulnerabilities.

However, a key challenge remains: expediting debt restructuring processes and ensuring fair treatment across creditors. The world faces a daunting challenge: global debt reached a staggering \$23 trillion in 2022, with low-income developing countries particularly vulnerable.

According to Uctad's Least Developed Countries Report 2023, the total external debt of Least Developed Countries hit a record \$570 billion in 2022 — more than four times higher than in 2006. As a result of this growing debt burden, they are spending five times more on debt servicing than a decade ago.

In the past three years alone, the number of sovereign debt defaults in these countries has surged to 18,

outstripping the total of the previous two decades. The situation is particularly dire for Low-Income Countries, with over 60 per cent currently in debt distress or having defaulted on their obligations.

This unsustainable debt situation creates a vicious cycle. LMICs often rely on borrowing to finance crucial infrastructure projects and social programmes. However, excessive debt can become a major drag on economic growth. High debt servicing costs divert resources away from productive investments, hindering long-term development prospects.

The IMF and World Bank through tools like Debt Sustainability Frameworks (DSFs), assess a country's ability to repay its loans. They also offer financial assistance and policy advice to help countries implement reforms that promote economic stability and growth.

**THE TIMEFRAME**

One of the key issues addressed at the GSDR was the lengthy timeframe associated with debt restructuring processes. Delayed resolutions not only create uncertainty for debtor countries but also exacerbate economic hardship.

The delay in finalising IMF programme and debt restructuring package for



IMF. Working on debt sustainability REUTERS

Ethiopia under the G20 Common Framework for debt treatments has caused particular concern. Stakeholders have specifically sought clarification over the efficacy of the IMF's Ethiopia package and the reasons for its delay.

Such transparency would not only benefit Ethiopia but also strengthen confidence in the IMF's role as a facilitator of debt resolution.

The GSDR discussions proposed a potential solution: setting a target of programme approval within 2-3 months for future debt restructuring cases, including under the G20 Common Framework for debt treatments. This would require streamlining communication and information sharing between debtor countries, official

bilateral creditors (government-to-government loans), and private creditors. Another critical aspect of debt restructuring is ensuring comparability of treatment (CoT) between different creditor groups. This principle dictates that all creditors holding similar claims should receive comparable treatment in terms of debt relief. Inconsistent CoT can create an uneven playing field, potentially undermining the overall debt restructuring effort.

The GSDR discussions emphasised the need for enhanced information exchange and coordination between official bilateral creditors and private creditors. This would allow debtor countries to negotiate with full knowledge of how CoT will be assessed, facilitating a more efficient and equitable resolution. While the GSDR meeting represents a step forward, significant challenges remain. The IMF and World Bank must continue to play a proactive role in facilitating communication, promoting transparency, and advocating for faster and fairer debt restructuring processes.

Neeraj Kumar is an IES officer, currently serving as Joint Director (Bilateral Cooperation) at the Ministry of Finance.

**LETTERS TO EDITOR**

Send your letters by email to bleditor@thehindu.co.in or by post to 'Letters to the Editor', The Hindu Business Line, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

**Apprenticeship guarantee**

In these times of divisive and confrontational politics it must go to the credit of the Congress to include, as part of its five "guarantees" for the upcoming Lok Sabha elections, the Right to Apprenticeship for every diploma holder or college graduate below the age of 25.

A one-year apprenticeship gives an assured first job with a private or a public sector company along with a stipend of ₹1 lakh a year to every youth. Estimates put just 1 per cent of people who enter the workforce annually are apprentices in India. In any modern economy, apprentices should

comprise 3-4 per cent of the total workforce, which would roughly translate into a total of around 20 million apprentices.

India is poised to reap its demographic dividend for at least another decade, as the youth population will be 23 per cent of the population in 2036, down from the 27 per cent in 2021, but still one of the highest among nations. But lack of earnest skilling would result in poor harvest of human potential.

R Narayanan

Navi Mumbai

**The new gold rush**

Referring to the article on "the fuelling the new gold rush" (April 20), I sense

that gold rates have always had a sporadic rise whenever a crypto asset like bitcoin plummets. Excluding the first halving on November 28, 2012, all the subsequent halving episodes have made Bitcoin experience a short-term sell-off and also fuelled an upward-rally in gold prices thereafter. Gold rates spiked from \$1477/Oz to \$2038/Oz in a matter of 88 days after the 2020 halving and a similar trend was witnessed after July 2016 too.

This is evidence of transferring of value from Crypto Assets to Real gold. The capital from the crypto sell-off flows into yet another dead asset called Gold thus triggering an unrealistic price rise. Moving forward in both short and long run, a mean reversion in gold prices is conspicuous.

**Nandagopal**  
Chennai

**Make easy health insurance**

People worldwide are living longer. Today most people can expect to live into their sixties and beyond. Every country in the world is experiencing growth in both the size and the proportion of older persons in the population. While this shift in distribution of a country's population towards older

ages — known as population ageing — started in high-income countries, it is now low- and middle-income countries that are experiencing the greatest change.

By 2050, two-thirds of the world's population over 60 years will live in low- and middle-income countries. There is a significant difference in the premium of a young person versus a senior citizen.

However, this may vary from insurer to insurer.

Let the seniors plan and bring out the best health care policy for the future care and health benefits.

**CK Subramanian**  
Mumbai

## The dollar devalued

Richard Duncan's 2003 book's remarkably prescient

### KITAB KHANA.

TCA Srinivasa Raghavan

**B**ack in 1983, my then Editor asked me to write a monthly article on business and economics books for the books page, where he wanted me to reassess an old economics book.

The idea was not to review the book but to take a fresh look at the ideas it contained.

That series forced me to read the books that the editor suggested, or rather, selected. The exercise helped in filling the large gaps in my nearly empty brain.

I am resurrecting that series for this newspaper. This new monthly column will be about a revaluation of old books on business and economics. I expect it will once again demonstrate what Aristarchus or some other Greek eminence said, namely that there's nothing new under the sun. But, as Paul Samuelson whom many regard as the father of modern mathematical economics was fond of writing at the end of his 'Forewords', *bon aperitif*.

#### THE DOOMED DOLLAR

It seems apposite that we see what was written about dollar dominance two decades ago. It's especially relevant now because it seems Donald Trump's former treasury secretary is thinking of doing a sort of Plaza Accord of 1985 once again. He wants America to devalue the dollar now just as it was devalued then.

Fortunately, I found on my bookshelf a book called *The Dollar Crisis: Causes, Consequences, Cures*, published in 2003, and is by a financial analyst called Richard Duncan. As he was not a celebrity academic or economist, the book went mostly unnoticed. But he did predict the Thai crisis of 1993. And he did help sorting it out.

But celebrity or not, Duncan's analysis is spot on. He said, 22 years ago, that the dollar was doomed. He did not say, however, how long it would take to die.

Timing is always and inevitably a problem in economic forecasts.

The reason, Duncan wrote then, is the American addiction to over-consumption which had led to its persistent trade deficits, which periodically destabilise the global economy. Basically, America wants others to pay for its domestic consumption bills while it pays for their defence and national security bills. That's the unspoken agreement. Duncan's thesis is fully supported by data even though theory itself is

Duncan's book has many solutions for sustaining global financial order. But ironically they may not be entirely 'democratic' sufficient to prove it.

America is like the Mughal emperor in Delhi and all other countries are like his *mansabdars* or tribute payers. But this relationship is not sustainable, as the Mughal emperors discovered to their cost.

#### ALL THOSE 'ISMS'

Duncan believed that the debate about Keynesianism and monetarism was just a quibble between economists. The problem wasn't which was the right policy but the global tendency to run up huge deficits even when they were not needed, economics-wise. Politics, of course, is a different matter.

The last two decades have proved him right. India, for example, has continued the free food policy of the Covid period. There are an unbelievable 800 million recipients! This is 'Modism'.

Duncan also talked about the huge increase in global money supply and the certainty of deflation and inflation and a host of other dangers. So he suggested, in 2002, global policy coordination that the G20 talked about in 2008 and 2009 after the crises.

Raghuram Rajan came to these conclusions in 2006.

Most importantly, in view of the idea that the US should devalue the dollar, Duncan said it was not a matter of whether but when and by how much.

Duncan then talked about a whole lot of other things like global wage agreements, a global central bank, the resurrection of SDRs, the need to have globally acceptable banking standards and so on. The G20 is still grating on and on about these things.

That leads to the question: how practicable are the solutions? This is where the problem lies because arrangements cannot be entirely democratic. There are plenty of economists who have shown that, in the end, a 'dictator' is necessary.

Whether that dictatorship arises from a majority shareholding in a company or a parliamentary majority or because of status in a family — or even the editorship of a media platform — is irrelevant.

Cooperation has to be coercive and Duncan couldn't bring himself to say that.

thehindu businessline.

TWENTY YEARS AGO TODAY.

April 22, 2004

#### Reliance mulls power at Rs 2 per unit

In a bid to deliver power at a competitive rate of Rs 2 per unit, Reliance Energy Ltd (REL) is attempting to structure its project on a 90:10 debt-equity structure. This heralds a significant shift from the traditional 70:30 debt-equity norm on which financial institutions have financed power generation projects in the country.

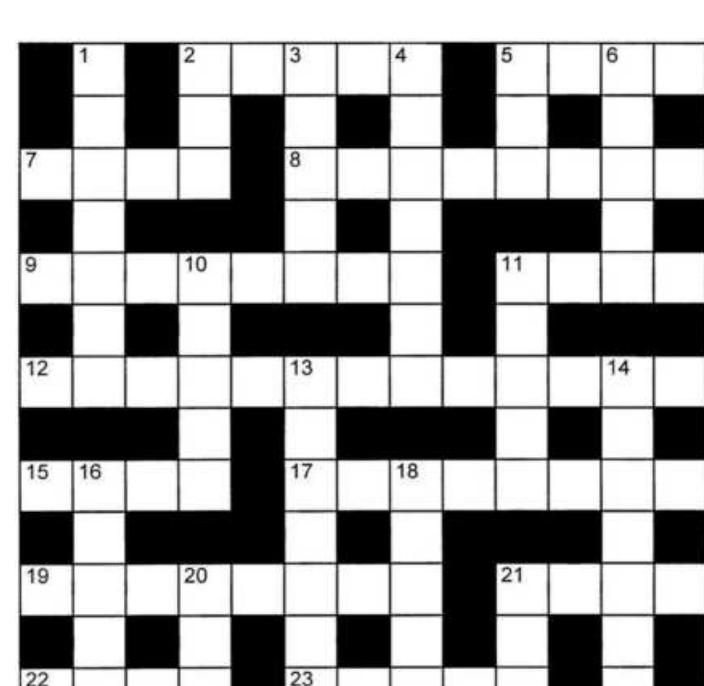
#### 'Tired' Coke mulls pulling out of Kerala

Coca Cola India (CCI) has indicated that it may consider closing down or relocating its troubled plant at Plachimada near Palakkad in Kerala. The operations of the plant, at the centre of a controversy for alleged misuse of groundwater, have been temporarily suspended till the monsoon sets in following a direction from the State Government.

#### Exit poll results boost Sensex by 71 points

Stock prices, led by index heavyweights, rose across the board following exit polls after the first phase of the Lok Sabha elections that said the National Democratic Alliance would return to power at the Centre. The Indian entry plans of one of the US' biggest pension fund, CalPERS, also boosted market sentiment.

## BL TWO-WAY CROSSWORD 2422



# A keepsake for entrepreneurs

An Israeli unicorn builder's candid book on every stage of his entrepreneurial journey

### BOOK REVIEW.

Chandu Nair

**I**t is always fascinating to read about the journey of ultra-successful entrepreneurs, especially their thought processes and approaches they used to create and scale global businesses. When that person is a two-time 'unicorn' builder, the interest is heightened. (Lightning never strikes twice at the same place kind of phenomenon).

And when you discover that the entrepreneur is not from the usual suspect, the US, but from one of the smaller countries in the world, Israel, then it is perhaps more relevant for entrepreneurs from upcoming start-up hubs like India.

Uri Levine, an entrepreneur and disruptive innovator, is the co-founder of Waze, the world's largest community-based driving traffic and navigation app, which was acquired by Google for \$1.1 billion in 2013, and former investor and board member in Moovit, aka 'Waze of public transportation', which was acquired by Intel for \$1 billion in 2020. He has been associated with the creation of over a dozen start-ups, and has seen failure to middling success, to resounding success. He is known for building the first unicorn in Israel.

He has now written this book, *Fall in Love with the Problem, Not the Solution: A Handbook for Entrepreneurs*, based on his experiences of creating, scaling and building Waze and other start-ups, which claims to be the 'ultimate practical guide to starting and running a business' virtually from idea to exit. On his web site, Levine says, "The book also provides an inside look at the creation and sale of

Waze and my second unicorn, Moovit, revealing the formula that drove those companies to compete with industry giants."

What Levine has done is organise the wisdom he has obtained over the years into chapters based on specific areas such as: firing and hiring; raising funding; understanding your users; reaching product market fit; scaling-up; going global; exit or deciding when to sell.

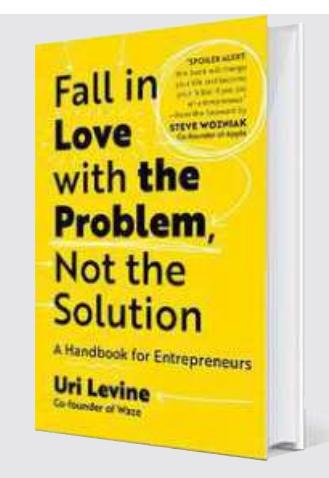
Certain readers can benefit from reading a specific chapter given the specific stage in their entrepreneurial journey (for example, those looking at raising money can head to chapter 5A on fundraising, while those looking to sell their company might dive straight into Chapter 12 — 'The Exit').

My recommendation is that start-up entrepreneurs would benefit more from reading the book in its entirety once and then refer back to any particular chapter(s) when those specific issues come up in their business.

#### CORE PROBLEM

For me, it was a refreshing reminder of how defining the core problem leads to better answers than getting stuck on the solution one has arrived at. Years ago, in *businessline*, I had written an article, 'In the problem lies the answer', stressing on the need to get a firm grip on the problem one is trying to solve. Levine keeps that as the focus and urges entrepreneurs to use an innovation mindset to solve customer problems as also keep improving the experience and value for the customer.

Each chapter offers very practical, action-oriented tips; at the end, in fact, Levine helpfully provides his 'Startips'. For the couple of early stage entrepreneurs I showed the book to, the chapters on 'understanding the



**Title:** Fall in Love with the Problem, Not the Solution: A Handbook for Entrepreneurs

**Author:** Uri Levine

**Publisher:** Matt Holt

#### MEET THE AUTHOR

**Uri Levine**, a two-time 'unicorn' builder, is also a world-class speaker on entrepreneurship and disruption. He also leads an academic workshop aimed at undergraduate and graduate-level business students.

(product-market fit) will die. The second reason a start-up may die is because of the team's or more to the point, the CEO's ability to make hard decisions."

Based on my own journey as an entrepreneur and thereafter as an investor-advisor to start-ups, I can say he has given a pretty accurate perspective of the roller-coaster journey of an enterprise — the various phases, the hard challenges that are faced especially in the early days, the crisis situations, the shifting priorities, and most of all, the constant struggle an entrepreneur has with uncertainty and doubt. And the not-so-surprising reality that the only thing that helps the entrepreneur prevail is an unshakable belief, the grit to persevere against all odds and the deep desire to make a real impact.

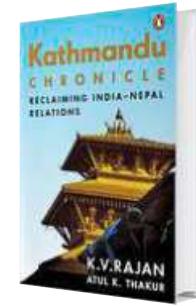
#### A USEFUL GUIDE

The book is easy to read, written in simple, jargon-free language by and large, structured well, and overall, can be a useful guide to a freshly minted entrepreneur or one who is interested in starting the journey, or anyone else who wants to get a better idea of the reality confronting entrepreneurs and not get misled by the hype around valuations or eye-popping exits.

Would I say that I found new insights? Not really; it was more an affirmation of what I have learnt from my own lived experiences as an entrepreneur and subsequently, as an investor-advisor-educator. Plus, it serves as a useful reminder to keep an enterprise's focus on generating true value especially for users, and exhorts founders to keep the faith and forge ahead on this tough and, often, lonely journey despite the many challenges.

The reviewer is an IIMA alumnus of the 1983 batch and an entrepreneur, advisor and angel investor

### NEW READS.

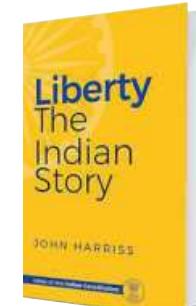


**Title:** Kathmandu Chronicle: Reclaiming India-Nepal Relations

**Authors:** KV Rajan, Atul K. Thakur

**Publisher:** Vintage

**Anecdotal, definitive** and deeply researched, this book opens a window to many stories of India-Nepal relation that remain untold

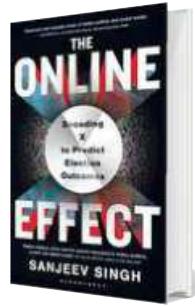


**Title:** Liberty: The Indian Story

**Author:** John Harriss

**Publisher:** Speaking Tiger

**This monograph** lucidly explains the difficult relationship between the Constitution and the Parliament, which is key to strike a balance



**Title:** The Online Effect

**Author:** Sanjeev Singh

**Publisher:** Bloomsbury India

**This book tells** the story of how a journalist used latest data tools to predict the winning party even before all the votes are counted

### Short take

## Copper wiring is key to prevent electrical fires

Mayur Karmarkar

**W**ith increasing urbanisation, the spectre of electrical fires looms large, posing a grave threat to public safety. During July to December 2023, 112 fire incidents were reported across India, resulting in 131 fatalities and 164 injuries, according to Building Safety Fire Tracker by the International Copper Association India.

Residential and commercial areas were significantly affected, with 40 incidents reported in residential areas and 72 in commercial complexes.

Shockingly, electrical short circuits were identified as the primary cause in 58 per cent of cases, closely followed by

electrical faults at 49 per cent.

Faults within the electrical systems can be caused by a variety of factors, including faulty wiring, overloaded circuits, and equipment malfunction.

A recurring factor in many fire incidents is the use of low-quality wires and cables. These inferior materials are prone to overheating, heightening the likelihood of short circuits and fires.

ETP Grade copper wires are less susceptible to overheating, thereby reducing the risk of electrical faults. Copper maintains its structural integrity over time, ensuring a safe and dependable electrical infrastructure within buildings. With 100 per cent copper wiring in buildings, electrical fires can be curbed to a great extent.

The government has recognised the importance of copper wiring in mitigating the risk of electrical fires, advocating for its adoption in building construction projects.

By mandating the use of ETP grade (Electrolytic tough pitch grade copper) BIS marked copper wires and conducting periodic inspections to ensure compliance, authorities can significantly reduce the incidence of electrical fires. Notably, various government agencies have rallied behind the promotion of copper wires to mitigate the risk of electrical fires and protect lives and property.

However, promoting electrical safety goes beyond regulatory measures. By using low quality materials to save costs will not only put lives at risk but also lead

to a much larger costs once the accident occurs. There is a need to relook at the current gaps and ensure that corrective steps are taken immediately.

Additionally, consumer education and awareness will play a crucial role in preventing electrical fires.

The recent surge in fire incidents serves as a sobering reminder of the urgent need for improved electrical safety measures that are preventive in nature. It is imperative for all stakeholders, including government, industry, and consumers, to come together to mitigate the risk of electrical fires and prevent future tragedies.

The writer is Managing Director, International Copper Association India

## EASY

### ACROSS

- 02. Paved area outside house (5)
- 05. One's calling (4)
- 07. Cry (4)
- 08. Unnecessary (8)
- 09. Monitors (8)
- 11. Rubber disc in ice-hockey (4)
- 12. Something advantageous, ancillary to activity (6,7)
- 15. Get together in a group (4)
- 17. Fence of stakes (8)
- 19. Cheeky (8)
- 21. Protracted (4)
- 22. Paradise Garden (4)
- 23. Slumbered (5)

### DOWN

- 01. Less obscure (7)
- 02. Ginger beer (3)
- 03. Garment (5)
- 04. Superintendent (7)
- 05. Nothing (3)
- 06. Sound art (5)
- 10. Made to pay, as penalty (5)
- 11. Removes skin (5)
- 13. Woman of power (7)
- 14. Puts in for; notches (7)
- 16. Having a gun (5)
- 18. Lissome (5)
- 20. Tea-receptacle (3)
- 21. Ignited (3)

### NOT SO EASY

- 02. Irishman, one to ring when you want a courtyard (5)
- 05. Nay: Meg ends off the what-d'y-call-it (4)
- 07. Being very little, quietly shed tears (4)
- 08. Superfluous, sewing-implements being doubled at the end (8)
- 09. They have authority to wield sceptre loudly inside (8)
- 11. Hobgoblin gets a whacking in ice-hockey match (4)
- 12. Bang: the advantage is, it's something on the side (6,7)
- 15. The gang that may have a musical output (4)
- 17. Friend that is unhappy inside may provide a stake fence (8)
- 19. I am cautious, right out – cheeky, too! (8)
- 21. Very much want to be extended (4)
- 22. One-time Prime Minister's garden for first inhabitants (4)
- 23. Wasn't conscious of Louis' leadership among seven from France (5)

### DOWN

- 01. One getting over the hurdle is easier to understand (7)
- 02. Sort of music that might be bottled or canned? (3)
- 03. Something to wear cut about I being turned up (5)
- 04. What periscope enables one to do is be a supervisor (7)
- 05. No end to the river, and nothing on the scoreboard (3)
- 06. 'Hell is full of \_\_\_\_\_al amateurs: \_\_\_\_\_ is the brandy of the damned' (GB Shaw) (5)
- 10. Cleared the beer but got punished as to the pocket (5)
- 11. Skins that nod off when upside-down (5)
- 13. What Queen was to send me back to Fleet Street? (7)
- 14. Makes out written order and cuts it zig-zag (7)
- 16. What Venus de Milo originally was, with a gun? (5)
- 18. Being supple, he got off first (5)
- 20. Tea container necessary to neighbour nevertheless (3)
- 21. Got fire going when he left (18) (3)

### SOLUTION: BL TWO-WAY CROSSWORD 2421

## FUND FACTS.

\$170.77 million

Flipkart Internet Pvt Ltd received funding from Flipkart Pte Ltd on April 10, taking the total funding to \$3.28 billion.

\$40 million

Altum Credo Home Finance Pvt Ltd received Series C funding from Z3Partners, Oikocredit, British International Investment (CDC Group), Aavishkaar Capital, Amicus Capital Partners, and PS Pai and family on April 18, taking the total funding to \$71.24 million.

\$30 million

Instant Procurement Services Pvt Ltd received Series B funding from Paramark Ventures, Fundamentum Partnership, and Nuvama Private Equity (Edelweiss Private Equity) on April 16, taking the total funding to \$39.34 million.

\$20 million

Neyas Networks Pvt Ltd received seed funding from Matrix Partners India, Nexus Venture Partners, and NTTVC on April 10, taking the total funding to \$20 million.

\$20 million

Sprinto Technology Pvt Ltd received Series B funding from Accel India, Elevation Capital (SAIF Partners), and Blume Ventures on April 9, taking the total funding to \$31.60 million.

*Source: PrivateCircle Research, a private market intelligence platform*

## RE POSTS.

**X** Today every global brand wants to be in India. From being the back office for the world to being the talent capital for the world, India has come a long way globally. If you are a global brand or a startup or a business and India is not on your radar or a probably missing out greatly.

Ritesh Agarwal  
@riteshagar

**X** Increase in EV sales highlights a shift towards more sustainable economic growth and technological innovation. Considering the current price points of EVs & number of options available, the sales figures might seem modest, but they are actually impressive.

Nikhil Kamath  
@nikhilkamathcio

**X** USP of a good VC: We just give capital; and keep our unsolicited views, advice, feedback and suggestions to ourselves.

pj @BeingPractical

## Inclusive program: Leaving no child behind in software skills

Hyderabad start-up's tactile cardboard kit introduces visually challenged students to joys of coding

KV Kurmanath

**S**tudents who have just finished writing their board exams typically long to cast aside their books for a break. However, at the Devnar School for the Blind in Hyderabad, seven students are looking forward to staying back in school even after their Std X exams. They are, after all, about to have their first brush with coding.

Helping them in this is a cardboard-based tactile coding kit that Next Skills 360, a four-year-old start-up, has created for school students. The company is beta testing the kit.

"We are testing it with small groups of learners to improve the kit after taking the feedback," says Suraj Meiyur, founder and Chief Executive Officer of the Hyderabad-based start-up.

The tactile coding kit, embossed with Braille script (along with English), is an improvised version of a coding kit — named ProGame — made up of cardboard blocks that the start-up had earlier developed and used in hundreds of schools across the country.

The kit works in tandem with tools available on an AI-based app. Students arrange the cardboard blocks in a logical se-



**BIT BY BIT.** Next Skills 360's coding kit for visually challenged students

quence and scan them using a mobile phone to generate an 'output'. For instance, a set of blocks showing a cat, a beach, and a circle would need to be arranged in a specific order to generate a small video clip of a cat drawing a circle on the beach.

**PROBLEM-SOLVING SKILL** The start-up aims to ensure that government school students, who are often deprived of good teaching in mathematics and science, do not also lose out on coding skills, Meiyur says.

"Unlike their peers in private schools, they don't have access to computers. By offering founda-

## ● INSIDE STORY

## Market disruption takes intimate turn

**BRIEF TAKE.** How India launched 60-plus Internet-first innerwear brands, more than any other country except the US

Haripriya Sureban  
Jyoti Bantia

**O**nline shopping for innerwear has its legion of devoted fans in India, who swear by the added comfort, privacy, choice and affordability that it promises. Younger buyers, in particular, are drawn to the distinctive fabric choices, innovative designs, and inclusivity on offer.

Little wonder the country has the second highest number of Internet-first innerwear brands — more than 60 at last count — globally, after the US. Freecultur, Bummer, Almo, HealthFab, Modern Crew, Happie Curves, Bunny Corset, Butt-Chique, FIMS Fashion, One8 Innerwear, Miri, Ellixy, TRYB, Verrnon, Tromko, Oneleph, and Briefly are among the prominent names in India.

Taking on the might of legacy brands, the Internet-first innerwear brands are also grabbing the attention of investors, raising \$162 million till date, according to data research firm Tracxn.

In just the last five years, 25 innerwear start-ups were launched, with the sector pulling in \$81.3 million funding.

## FUNDING LANDSCAPE

Among the generously funded bigger D2C innerwear brands in India are Zivame, which has raised \$73.5 million to date, XYXX (\$35.3 million), and Clovia (\$24.8 million).

The new-age companies are giving stiff competition to entrenched giants, as more and more Indians revel in the availability of choice and convenience in online shopping, says Neha Singh, co-founder, Tracxn.

"These D2C brands have started gaining the market from notable players like Lux, Jockey, Rupa, and others. Bummer has increased its



**SNUG FIT FOR E-COMMERCE.** (Top) Sulay Lavsi, founder-CEO, Bummer; and Yogesh Kabra, founder-CEO, XYXX

revenue by 7-8 times in the previous two years," she says.

Apart from style, the newer players are innovating for added comfort and use cases such as menstrual innerwear from Healthfab and eco-friendly innerwear from Bummer, among others. The privacy and judgment-free environment of online shopping is a major draw when scouting for a choice of intimate apparel, she adds.

## DESIGN LANGUAGE

Yogesh Kabra, founder and CEO of XYXX, credits the growth of online innerwear labels to rising disposable incomes, growing reach of e-commerce platforms, and the growing awareness and adoption of newer innerwear options, among other factors.

Operating primarily through our online platform, we can reach

customers directly, ensuring a wider geographic reach. Our online platform has played a crucial role in building customer loyalty, with our annual retention on the website at 30-35 per cent," he says.

The brand is growing 100 per cent year-on-year, with digital channels leading the growth in the past year, he adds.

On the start-up's omnichannel expansion, he says it has over 22,000-plus retail touchpoints, through general trade and modern trade formats, in 160-plus cities and towns across India.

XYXX's D2C channel has achieved 4x growth in the past financial year, both in revenue and profitability, and currently operates with a positive contribution margin (which includes fixed costs in addition to variable costs). Website sales have grown 52 per cent in

FY24 compared to FY23.

In November last year, the company expanded its sales to quick commerce platforms such as BlinkIt (29 cities), Swiggy Instamart and Zepto, and has since grown 20 per cent month-on-month.

## RIPE FOR DISRUPTION

Sulay Lavsi, founder and CEO of Bummer, points out that any category that has long been dominated by incumbent brands is always ripe for disruption.

In the billion-dollar apparels market, every other category, including socks and accessories, had been disrupted, with innerwear alone being the outlier so far.

For Bummer, the USP has been catering to the changing needs and demands of millennial and GenZ consumers. "The incumbent

brands were trying the same design and brand language to appeal to all age categories without differentiation. This monotony is not true for any other form of fashion; the cyclic shift was missing in innerwear, and that is the differentiation we are trying to build," Lavsi says.

He also notes that consumer behavior has been changing dramatically as people care more, think more, and are more particular about the kind of innerwear they use, and the start-ups in this space are catering to this evolving demand.

## OFFLINE FOR BOTTOMLINE

While the show is going great guns online, the new-age innerwear disruptors can achieve the scale of the industry biggies only by deepening their offline presence too.

As Lavsi says, "Innerwear is largely dependent on general trade. For us to really be a threat to the Jockeys, Dollars and Rupas of the industry in the longer run, the next 70 per cent of the market must be achieved through both levers — modern and general trade. Bummer, too, is piloting across the country in tier 2, tier 3 cities in the next couple of months."

The D2C consumer-wear space is currently experiencing a surge of investor attention due to multiple factors, chief among them India's projected transition to a \$3,000-per-capita GDP around 2025.

"This economic growth has increased disposable income among Indian consumers, resulting in a noticeable shift in their preferences and choices. Today, they are no longer satisfied with ordinary products; instead, they seek offerings that allow them to express their individuality and showcase their unique ethos. This emerging trend has created a significant opportunity for businesses operating within the D2C consumer-wear industry," says Anirudh A Damani, Director, Artha India Ventures.

## ● START-UPS: VAI-THEE-FUSS?

## What holds back a small-town woman's business dreams



VAITHESWARAN K

**R**ecently, I was speaking at a start-up event themed on food and beverages. The hall was filled with women, which was lovely to see. After my session, I was surrounded by a bunch of entrepreneurs, all excitedly talking about their start-up plans. I noticed a young woman who remained standing at the back, while looking at me. Later, as I walked towards my parked car, I saw the same woman standing in a corner and looking forlornly at me. I walked up to her and asked if she needed any help. Immediately her

eyes welled up and she started sobbing.

I felt embarrassed standing there beside the crying woman, but she fortunately pulled herself together and asked in Tamil if we could talk for a few minutes. Relieved, I accompanied her back to the event room, where coffee was being served, grabbed two cups, sat her down in a corner and asked what was the problem?

She was a chemical engineer from Hosur. She wanted to open a restaurant serving healthy dishes but had no idea how to get started. She visited start-up events in Bengaluru regularly to seek help from experienced people but found herself unable to approach anyone. I asked why and she explained that she had studied in a Tamil medium school and

struggled to speak English. At events like these, most of the speakers are surrounded by confident young women speaking good English. Chennai was far away and expensive as she came from a middle-class background. Meanwhile, her parents were pressuring her to get a job and also get married. She was speaking to me only because I knew Tamil. She wanted to know if a woman like her from a small town, without the big-city confidence or strong command of English, had any chance of succeeding in building a non-tech business?

There were several issues at play here: woman entrepreneur, small town, lack of English, and non-tech start-up idea, and none of these could be solved over a cup of coffee. I told her that a small town girl with her background can definitely succeed in running a restaurant. She should work in a restaurant somewhere, maybe in Bengaluru, and learn the ropes of

the business while, at the same time, acquiring English speaking skills and some confidence through online courses; after a couple of years, she could review the situation.

She brightened up and promised to work on this and requested if I could talk to her parents and help postpone the wedding plans. I smiled at her, saying I could not do that; but her brother, who was working in the US as a software engineer after his MS and loved her a lot, was the best candidate for this.

I haven't heard back from her and hopefully her dreams are not being suffocated.

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



ISTOCK.COM

## Digitise for unserved half-billion

Hyderabad start-up's tactile cardboard kit introduces visually challenged students to joys of coding

KV Kurmanath

**S**tudents who have just finished writing their board exams typically long to cast aside their books for a break. However, at the Devnar School for the Blind in Hyderabad, seven students are looking forward to staying back in school even after their Std X exams. They are, after all, about to have their first brush with coding.

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**PROBLEM-SOLVING SKILL** The start-up aims to ensure that government school students, who are often deprived of good teaching in mathematics and science, do not also lose out on coding skills, Meiyur says.

"Unlike their peers in private schools, they don't have access to computers. By offering founda-

tion coding techniques, we are exposing them to logical thinking and problem-solving methods," he says.

The teaching module does away with the need to learn the jargon associated with coding. "They don't need to learn all of that syntax required to write a program. If they make an error, the whole program fails. So we made it easier by avoiding that route and giving them blocks to complete the tasks," he says.

The start-up trained over 10,000 teachers to use the app and teach students to code. "In a single project, about 34,000 students in 250 schools in Asifabad

are learning to code. We are currently deploying from the first fund, which is \$106 million. Our average ticket size is ₹20 crore for the first

## bl.interview

Jyoti Bantia

**D**igital tech-focused Arkam Ventures, which has invested in companies such as business-to-business marketplace Jumbotail, investment start-up Jar, and lending platform Kreditbee, is betting on India's ongoing digital transformation, says its Managing Director, Rahul Chandra.

Edited excerpts from an interview

## What is Arkam Ventures' core investment strategy?

The one overarching investment strategy we follow is how digitisation impacts a sector where a customer who was not being served earlier can now access a non-discretionary part of their consumption. We have backed entrepreneurs who are solving problems for that half-a-billion population in the country that lives beyond the metros.

The bootstrapped start-up is making profits.

"We plan to go for fund-raising by the end of the year to expand operations," Meiyur says.



66

We see our portfolio solving needs of customers... The wide digital adoption lends itself to the India growth story

RAHUL CHANDRA

Managing Director, Arkam Ventures

cheque and we reserve another ₹30 crore for the follow-up in those companies. Our portfolio comprises 18 companies from the metros.

We look at about 1,200 ventures a year, conducting 60-80 deep dives, and invest in six or seven of them.

We look at early stage Series A and Series B investments across sectors — fintech, agritech, mobility, SaaS

[software-as-a-service], and manufacturing — and we are also evaluating areas like EV [electric vehicles] and AI [artificial intelligence].

We will soon deploy from our second venture capital fund of \$180 million, eyeing early-stage bets in around 20 companies.

## What is your preferred exit route?

The market has grown and

## OFFICE BUZZ.

## Pawternity policies

This National Pet Day, Swiggy announced a Paw-ternity policy for its employees, who are pet parents. The food aggregator said employees can get a paid day-off to welcome their new four-legged companions home. Pet parents may also opt for work-from-home during the settling-in period to provide support to their new family member. The paw-ternity policy covers sick leave to take care of vet visits and bereavement leave to bid goodbye to a cherished pet. Globally, a small band of companies have begun offering fur-ternity leaves. Google declares itself as a dog friendly company. Woof!



## Google cracks down on disruptive protests

Google may have petfriendly policies, and welcome fury pals to its offices, but it's pretty strict about no disruptive debates or protests at work. It recently fired 28 workers who protested inside Google offices against its \$1.2 billion contract with Israel. Nine employees who were staging sit-in protests were



arrested too. Later, Google CEO Sundar Pichai in a blog post said that employees need to be more focused "in how we work, collaborate, discuss and even disagree." In the memo, he said, "This is a business and not a place to act in a way that disrupts co-workers or makes them feel unsafe, to attempt to use the company as a personal platform or to fight over disruptive issues or debate politics," adding, "This is too important a moment as a company for us to be distracted."

## Deloitte opens new office

Consulting firm Deloitte has opened a new office in Bengaluru, its fourth in the city. The new facility at Yemalur Village, Marathahalli



can accommodate 6,000 professionals and will support global clients. The opening of the new office reinforces Deloitte's commitment to expand and grow in the region, the company said. Inaugurated by Lara Abrash, Chair, Deloitte US, the facility will boast of cutting-edge technology infrastructure such as XR Studio, Innovations spaces and Labs.



Avinash Nair

**T**all towers loom in the distance as you head out of Ahmedabad on National Highway 48 towards Gandhinagar. The steel-and-glass structures of different shapes and sizes come into full view along the highway as you cross the security check-point of Gujarat International Finance Tech-City, or GIFT City in short, and drive into its sprawling premises.

And, it's vastly different from the city you've just left behind. Neatly organised with tall buildings spaced out from each other, the layout of GIFT City appears well-planned with broad roads and landscaped shoulders. The buildings house heavyweights such as SBI, Citibank, LIC, BSE, Google and several banks — domestic and foreign. Besides, there are separate towers for the International Financial Services Centre Authority (IFSCA), the International Bullion Exchange and the units of BSE and NSE. That you've entered an international financial and business district is clear.

It's been some time in coming, but in the past ten years GIFT City has grown rapidly, attracting over 660 firms, all housed in those 19 tall, gleaming edifices one can see. Though still in a nascent stage, these firms are part of a financial ecosystem that could compete with thriving international financial zones. "In the last four years, about 28 regulations and 14 frameworks have been put in place and the outcome has been phenomenal. These regulations are receiving a lot of traction among investors both in India and abroad," K Rajaraman, chairman of the IFSCA told *businessline*.

"We want to do things which complement what is done in India. IFSC is not meant to be an arbitrage market. We are here to aid, assist, facilitate, grow and support the Indian growth agenda," says Rajaraman.

## EXPANDING ECOSYSTEM

Gujarat government officials point out that GIFT City not only features among the 100-odd financial centres that feature on the Global Financial Centres Index, but has overtaken Mumbai. As per the latest standing in March 2024, GIFT City has improved its position to 57th on the list, while Mumbai stood at 58th position.

The figures are mind-boggling.

This expanding ecosystem currently boasts of 25-odd aircraft leasing and financing firms that have leased out 150 aviation assets; India's first International Bullion Exchange (IBBX), which has traded eight tonnes of gold and 900 tonnes of silver till March 2024; 28 IFSC banking units have cumulative banking transactions of \$755 billion and banking assets of \$56 billion (till February 2024); 33 insurance and intermediary firms that have booked a gross premium of \$319 million (till December 2023), 100-plus Alternate Investment Funds that have committed an amount of \$32.65 billion (till February 2024); 94 fund management entities, two international stock exchanges, 64 ancillary service firms and more than 45 fintech firms.

Work is on at a feverish pace. Over 25 tower cranes — armed with long booms and rising hundreds of feet in the air — are hard at work to build 34 more high-rise structures.

"What one sees in GIFT City today is a result of the reforms carried out in the last 10 years. By offering a business and regulatory environment that is comparable with other global financial centres, IFSC at GIFT City provides a platform for both Indian and international corporates to deal efficiently in services, not only for India, but for third countries as well," Tapan Ray, Group CEO and MD of GIFT City told *businessline*.

Between 2010-14, GIFT City went through a period when there was almost zero interest in the project. Recently, when a tender to build a new 200-room 5-star hotel was floated, the project received 11 bids. "The Government is looking at an enclave that could reform faster than India. The focus of IFSC in Gujarat is on bringing world class financial services to India with light-touch regulations. The idea is to provide regulations that provide comfort to global investors in line

with Singapore, Dubai and other places," Rajaraman said during a recent interaction with ship leasing firms in Mumbai.

The idea behind GIFT City is to bring back the companies that left Indian shores for various reasons including higher taxes, complicated procedures, policies and lack of finance. "So our tag line is onshoring what is offshore," adds Rajaraman who functions as a unified regulator handling the functions of RBI, SEBI, IRDA and others at GIFT City.

Prohibition laws, which were considered a "holy cow" in Gujarat, have also been relaxed, enabling those who may not have come to a "dry" State otherwise.

The 10-year tax holiday where exemptions are given with regard to capital gains tax, GST, stamp duty have all helped attract new participants to this financial enclosure.

"The Governments — both in the State and at the Centre — have been standing steadfast behind the pro-

ject," officials say.

## ENABLING START-UPS

Apart from IBBX, which has three vaults to store over 700 tonnes of gold in GIFT City, the two exchanges — India International Exchange and NSE International Exchange — have an average daily trading volume of \$2-3 billion.

Earlier this year, the Union Finance Ministry had notified direct listing of Indian companies on the stock exchanges of GIFT City, which was seen as a move that will enable start-ups and unlisted companies access global capital. Now, efforts are underway to merge both the exchanges into a single entity.

Nand Gopal Anand, Partner of Gurgaon-based JSA Advocates and Solicitors, says that GIFT City will transform the international business landscape in India in next five years. "The journey of this city was not flawless. There were various practical issues initially when it was set up, such as lack of dispute mechanism resolution, residential facilities for expats and employees, applicability of multiple regulations and so on. However, the Government took timely feedback from stakeholders and took steps in the right direction. Over the next 5 to 6 years, we can expect the city to further transform the international business landscape in India and become a top global financial hub," explains Anand.

More is being planned. Hotels, clubs, gardens, entertainment zones, river front, metro stations, pod taxis are among the infrastructure projects taking shape as the city prepares to kick-in social life by inaugurating the first set of high-rise residential structures during June 2024.

Now the government is in the process of increasing the size of GIFT City to 3,430 acres, from 1,000 now, which will house a population of one million. The foreign universities, Deakin University and University of Wollongong, setting up campuses in GIFT City are being seen as human resource multipliers. These universities are expected to offer advanced courses of cyber security, financial management, technology and others, thus fulfilling the skills needed for an under construction greenfield city.

"It is still a work in progress. We are prepared for the long haul," says Ray. Well, as the saying goes, Rome was not built in a day.

## OUTLOOK FY24-25

## Consumer sector: On slow lane to recovery

Janaki Krishnan

**C**onsumer oriented sectors have been struggling most of last year with rural demand refusing to pick up. However, the last quarter of FY24 saw a slight narrowing in the gap between rural and urban demand, and FY25 may be better than last year but the recovery is going to be uphill.

Let us take a look at some of the consumer sectors that are seen as lead indicators in the economy and a sensitive barometer of consumer trends.

## FMCG

During most of FY24, FMCG companies were focused on their margins and there were several rounds of price hikes that were taken during the early part of the year. Rural demand and recovery dominated the conversations of most companies but that recovery is yet to happen in a big way. The elevated interest rates, as well as higher food inflation kept rural demand subdued for most of FY24.

In the fourth quarter of CY2023, the FMCG sector reported a 6 per cent growth year on year in value with an underlying 6.4 per cent volume growth, according to Nielsen. However, there was a moderation in consumption growth compared to sequential quarters.

Nielsen's head of customer success in India, Roosevelt Dsouza, observed that in Q4 consumption gaps between urban and rural markets narrowed for the first time. "Despite a sequential-quarter decline, the rural recovery narrative continued to evolve throughout the year. In Q4 of FY24, we observe an uptick in consumption, primarily driven by habit-forming categories in food and essential home products," he said.

Rural consumers spent more on non-food products with the segment rising 8.7 per cent, compared to 3.8 per cent for food categories.

**Outlook for FY25:** Nielsen expects the FMCG sector to grow 4.5-6.5 per cent this year compared to 9.3 per cent in FY24. Kantar has projected a



UPHILL BATTLE. The FMCG sector has its task cut out to nudge demand back MOORTHY M

a mixed bag with 2-wheeler and sport utility vehicles sales showing good demand while that of commercial vehicles and tractors has lagged. Automobile sales rose 10 per cent in FY24, data from the Federation of Automobile Dealers Association showed.

There was a resurgence in 2-wheeler sales fuelled by new launches, especially in electric vehicles and in the premium segment. In the passenger vehicles segment, SUVs with a 50 per cent market share led the growth in sales. The fourth quarter of FY24 saw sales in this segment dip sequentially and annually with heavy discounting and selective financing.

Truck sales rose a modest 5 per cent and most of the demand came from government purchases and bulk deals. The poor monsoon and low water levels in reservoirs affected tractor sales last year and volumes fell about a fifth.

**Outlook FY25:** New product launches, pricing, financing, interest rates, economic growth and the monsoon will drive sales in the current fiscal year. The dip in discretionary spending is expected to have an impact on automobile sales and if the Reserve Bank of India keeps the interest rates at the current level of 6.5 per cent, it would have an effect on the price-sensitive entry level vehicle sales which are already subdued.

"How the monsoon pans out will be the critical factor for the tractor segment," said Kumar Rakesh, auto analyst with BNP Paribas. Referring to the high availability of financing that has

driven 2-wheeler demand, he said, "sustenance of that or potential expansion of further financing is something which will be an additional catalyst this year." He pointed out that the higher discounting seen in the passenger vehicles segment was due to the manufacturers chasing the same set of customers. If demand moderates, there will be higher discounting.

## CREDIT CARDS

In the digital payments world where UPI transactions have the lion's share, credit card transactions have shown a decent growth. According to a report by Worldline, that tracks digital payments, credit cards are powering the growth in card transaction values.

In the first half of CY2023 credit card transactions in volume was 155 crore with a value of ₹7.9-lakh crore. In the second half this increased to 178 crore and ₹9.4-lakh crore. "Credit card transactions (volume and value) have been steadily solidifying its position as the preferred channel for high value transactions," Worldline said. "This is being observed on both PoS as well as online transactions," it added.

The average ticket size of credit card transactions showed an uptick to ₹5,276 in the first half compared to the ₹5,122 in the second half. At the end of the year the total number of credit cards rose 21 per cent to 97.9 million with HDFC, SBI, ICICI, Axis Bank and Kotak Bank being the top issuers. At the end of February number of credit cards outstanding had crossed the 100 million mark, according to RBI data.

It is significant that debit card transactions both in volume and value have been falling with the UPI mode being increasingly favoured.

**Outlook FY25:** Credit card usage will rise as people use them for buying high ticket items, taking advantage of the mechanism of paying in instalments, said Sunil Rongala, Senior Vice President, Strategy, Innovation and Analytics, Worldline India. He said that based on past years and the usage seen, there will be 25-30 per cent growth in credit card transactions.

## PEOPLE@WORK



KAMAL KARANTH

**I**t will be difficult to disagree that one of the best moments of this IPL so far has been those three consecutive sixes by Dhoni against MI at Wankhede. On the other hand, one could argue that such play was expected of Mahi and he was simply delivering on his role!

Meanwhile, I am struggling to decide if I should vote again for the sitting MP in the upcoming Lok Sabha election, whom we elected based on the promises he made last time. Promise versus delivery has become a sensitive debate at home.

In the midst of this summer of IPL and elections where we are evaluating players and politicians, it's also appraisal season at enterprises, where employees and employers are evaluating each other on their say-do ratios.

## THE PROMISES

"In the next cycle, we shall make the correction" is a common hiring managerial assurance when organisations can't match the new joiner's pay demand. Once hired, the managers continue to build this salary correction hope with the new recruit throughout the employment cycle. The employee plays the underpaid card, and the manager dangles the carrot for the

next cycle correction. It's an endless loop where the manager can never get the best of any employee after pay-related broken promises. Picture this: many salary benchmarking consulting firms have projected an 8-10 per cent average salary hike this year, which further creates a minimal benchmark for most employees. So, a no hike or a lesser increase than average rightfully makes the employees feel betrayed.

## THE CHANGED CONTEXT

From the time Russia invaded Ukraine in February 2022, global enterprises have been on a continual volatile journey. Their ability to grow, maintain profits, hire, give hikes or promote employees has been highly challenged. Moreover, many of them over-hired talent at inflated salaries, and the new recruits haven't delivered against their enhanced titles and inflated salaries. Sounds similar to the ongoing struggling performance context of IPL and captaincy? Enterprises like the IPL franchises must be wondering what happened to their new hires' potential and promises. Should they consider the difficult circumstances under which employees are supposed to perform while appraising them or weigh on the organisational affordability? When the organisations choose the latter, the consequences are not difficult to predict.

## ATTRITION QUARTERS

In the IT industry, it's well known



SEASONAL MERRY-GO-ROUND. Boxer and former Congress leader Vijender Singh recently joined the BJP ahead of Lok Sabha elections PTI

The burden of more work, loss of IP and the discontinuity of people and processes are producing indecisive managers. IT services companies that shed significant headcounts last year are still showing increases in employee costs, highlighting the cost increase to replace, upskill and retain skilled talent.

Just like in our upcoming elections we have a limited pool of politicians who show up after elections, the enterprises also have to budget for a significant number of leavers post appraisal. As I head to the polling booth and also approve the salary hikes, I am reminded of the quote, "Promises are like a full moon: if they are not kept at once, they diminish day by day."

Kamal Karanth is the Co-Founder of Xpheno, a specialist staffing company



New bank licences unlikely for a while

**R**ecently the Reserve Bank of India refused to grant licences to Dvara Kshetriya Gramin Financial Services and Tally Solutions Private Ltd to set up their respective small finance bank. While the denial did not surprise many, given that the licence applications were kept pending for almost three years, it nevertheless sends a strong message to banking aspirants.

Dvara is a well-established financial service outfit largely focused on bottom-of-pyramid borrowers and is entrenched in the southern India market. It works in the sphere of financial inclusion, making it a perfect candidate for an SFB licence. Tally is a software provider and a hit product among small and medium businesses. It's perhaps one of the brands that almost every shopkeeper, businessman and anyone remotely in the business of maintaining books of accounts would know about. The software offers potential to integrate the backend of lending with the front end of finance. It would have made for a potent experiment in the small-ticket business loans segment.

Yet, if these two worthy names didn't make the cut then what really could be the reasons? Dvara's assets under management, as of March 2024, stood at ₹2,266 crore. While ideally size didn't matter when nine microfinance institutions (MFIs) were converted into SFBs in 2014, did the regulator take a cue from the struggles for scalability that some of the predecessors faced (and perhaps continue to face) when turning down Dvara?



Likewise, rejecting Tally's application seems to send out the message that if you don't have prior lending, more so banking knowledge, then don't experiment with a licence.

Did the ownership structures of both entities not cut ice with the regulator? Tally is a family-owned privately held company while Dvara is owned by the Dvara Trust. In both cases, if a need for large capital infusion arises then the potential source of the money comes into question. Also, complying with the regulatory requirements on capital structure could also be challenging in future.

Overall, it sends out a loud and clear message that banking as a business is coveted and not for all. As much as there is a constant canvassing to get more banks to deepen financial inclusion, the theory has been set aside by the regulator on several occasions. In fact, in a recent interview to *businessline*, former RBI governor Dr D Subbarao said that the country needs more banking than banks. The regulator's actions lately are validating his statement.

However, a newer problem that has arisen is that every bank is beginning to look the same — rolling out the same products to the same customer segment. Understandably, the fear of missing out is driving the replication. Even those that set up shop in the last 15 years are no different. What the industry needs is innovation in terms of products and focus markets. At present, many aren't willing to walk a new path.

Is that going to be the RBI's bigger worry in the next 12-24 months?

## bl.podcast



Takeaways from PSU bank stock rally

Sridhar Sivaraman, Investment Director, Enam Holdings, explains why he remains bullish on PSU bank stocks

<https://tinyurl.com/blCAPSULBanks>

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## SMALL TALK.

### Too good to be bankable?

Is the universe conspiring to make things work for this large private sector bank? Seems so, because you wouldn't have heard even a whisper of anything negative about this bank in almost half a decade. Things are so picture-perfect that several interested groups, involving shareholders, the bank's customers, employees and even Mint Street officials are starting to wonder how this might be possible. It's not as if there is no problem with the bank or that everyone's happy. Still, no one wants to rock the boat. Well, one wonders how long this show can go on and whether the bank really has everything it takes to keep all stakeholders happy forever. Let's see.



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## ● LIVING IN BORROWED TIMES

# Why retail loans remain unstoppable

**PIQUE INTEREST.** Banks are lending more than ever, including unsecured credit, even as the RBI moves to curb overreach

K Ram Kumar

**B**ank loan offers are flooding customers via SMS, WhatsApp message, email, calls, and advertisements, promising to meet every kind of need — from home and vehicle purchase to education and wedding expenses. And they are finding plenty of takers too.

Retail or personal loans, as classified by the regulator, have grown by leaps and bounds in the last decade to become the banking sector's single biggest loan segment. And nothing can seemingly dampen this either, nor even a rise in lending rates after the repo rate was hiked by 250 basis points between May 2022 and February 2023, and the enhanced risk-weights on unsecured loans.

The segment has grown 18.1 per cent year-on-year as on February 23, 2024. This would have been 28 per cent, if adjusted for the impact of the HDFC-HDFC Bank merger.

Yet, here's the catch. During the same period last year, the growth was 20.6 per cent. So, is the base effect catching up?

According to Sanjay Agarwal, senior director, CARE Ratings, the base effect is at play in the case of personal loans. "FY21 and FY22 were slack years due to Covid. So, relatively, FY23 was a hyper-growth year. A part of the catch-up in credit growth happened in FY24 also.

But that, by no stretch, means bad news for the sector.

"Only the base effect would have pulled down the growth in percentage terms for personal loans. But on an absolute basis, personal loan growth is still high. Things look good. We don't see any cause for concern," Agarwal reaffirms.

#### RETAIL POWER

From September 2021 to September 2023, retail loans saw a compound annual growth rate (CAGR) of 25.5 per cent, higher than the



**ALL-TIME ASSET.** Loans against gold were untouched in the RBI's latest attempt to rein in bank credit *ISTOCK.COM*

headline credit of 18.6 per cent, according to the RBI's Financial Stability Report (FSR). Share of retail lending in gross advances increased to 42.2 per cent from 37.7 per cent during this period.

Unsecured retail loans, in particular, grew faster, up 27 per cent from September 2021–23, commanding a share of 23.3 per cent in total retail loans or almost 10 per cent of total bank credit.

#### TIGHTER NORMS

Agarwal says the personal loan segment is still the fastest growing for banks. Therefore, while the swelling base-effect could see retail loans hitting the slow lane in FY25, in absolute terms the overall growth is anticipated to be robust despite the RBI's attempt to curb the exuberance towards certain loan segments by announcing macro-prudential measures in November 2023.

**RBI Governor Shaktikanta Das, in his foreword to the FSR, noted that increasing risk weights underlines the central bank's commitment to preserving financial stability without compromising the availability of funds for economic productivity.**

The question is whether this is reflecting in the growth of unsecured loans as intended.

"Sentiments were impacted, especially in November, December 2023 and January 2024 after the new risk weights took effect. So, this did pull down growth in the personal loans segment to an extent. But beyond that, the sector is very robust. Banks will not stop business for the sake of capital," explains Agarwal.

Banks loaded their interest rates by 50-75 basis points on select unsecured loans, following the increase in risk weights. "We didn't find an immediate impact on loan growth in the subsequent month or until February 2024. Now, if one were to look at month-on-month data you will notice a gradual reduction in the pace of growth," says the CEO of an NBFC catering to retail borrowers. Yet, the category is unlikely to become a headache for banks, whether due to asset quality or capital adequacy.

Despite the sharp growth in retail lending, the FSR emphasised that the underlying asset quality in retail loans has improved.

#### UNSECURED AND STELLAR

The gross non-performing assets ratio of retail advances improved to 1.6 per cent in September 2023 from 2 per cent in September 2022, while special mention accounts or SMA (1 and 2) ratio rose marginally from 2.7 per cent to 2.8 per cent during this period. SMAs are tracked for incipient signs of stress in portfolio.

What's surprising is the stellar quality of unsecured loans. Gross NPA of unsecured retail advances improved to 2 per cent in September 2023 from 2.5 per cent a year ago. In the next 4-8 quarters it remains to be seen whether the portfolio stays healthy despite the moderation projected. That will indicate whether loan growth is keeping quality intact, or the portfolio is good by itself.

Agarwal is also confident that the capital requirements of banks may not change much because of the new risk weight norms.

"Today, the banking sector has no challenge on the capital front. Return on equity is measured on balance sheet capital, not on the regulatory capital. While optimising the regulatory capital, the focus will be on maximising balance sheet capital."

Given the high growth-high yield nature of retail loans, banks will focus on them even if the regulatory capital requirement is higher. "Today, there is enough regulatory capital in the sector," Agarwal says.

Rating agency ICRA anticipates credit growth to moderate to 11.6-12.5 per cent in FY25, as against 16.3 per cent in FY24, amid challenges in mobilising deposits, high interest rates and the increase in risk weights. Yet, bankers and industry experts insist there is no slowdown in the new fiscal, but rather a consolidation of gains in the retail segment.

## ● SPOTLIGHT

### Building bank tech for India

What it takes to make software for a regulated sector like financial services

Hamsini Karthik

**G**aurav Kumar, founder and CEO, Yubi, describes how his three-year-old outfit found its place among the biggies in the banking space. Edited excerpts from an interview.

#### You are seen as a unique player in your segment. How did you achieve this?

We are a technology company currently working with financial services and [will work] in future with non-financial services customers. We build software for banks and lending partners across the product suite of lending, collections, and credit. Yubi largely has banking tech in terms of supply chain, partnering with banks for direct assignment software and co-lending. We are today the largest collections technology company. We are a TSP (technology service provider) for partners. If a partner wants us to onboard partner A, B, C, we use our protocol to come on to the platform. Anything we build is based on the protocol, network and software for a specific product.

#### Who are your competitors?

The India market is not one where you can demand much pricing and other commercials. So anyone who's not serious or bringing enough domain [expertise] to understand the problem areas we are solving cannot survive. We are largely focused on India... you don't see too many players focusing on India because the competition here is intense. Many players exit within 12-18 months.

#### Have you experienced similar challenges?

We see that in pockets. We saw a lot of players, from the largest in software technology to the fintechs, trying to build software on co-lending. Then we saw some of them exiting because they couldn't sustain. Software requires a lot of domain [expertise] around financial services. Execution will be the biggest competitive moat.

#### Your profit-and-loss is unlike that of a tech company?

Our gross margin is very high and will remain so. Our cost structures have remained the same and most of it is technology cost. Unlike any other company, we don't have [a high] sales and marketing cost. You will always see us building more and more tech because



**CODE CREDIT.** Gaurav Kumar, Founder and CEO, Yubi

#### it's easy working with banks...

We have had a great experience. Given the size of banks in India, we have benefited enormously because the product maturity progresses very fast. While we are a three-and-a-half-year-old company, our product maturity is already that of a 10-year-old, because they [banks] have enabled it. Banks will require you to make a certain amount of personalisation and customisation.

Our biggest learning is that if you want to partner with banks, you cannot make your problem theirs.

#### What went into building Yubi?

Being in Chennai has helped find a great pool of talent from the tech and financial services domain. When you're building software for financial services it is important to know that you're working with customers who are regulated. Your allegiance is to the banks and you will do what the banks want.

#### Your fintechs today command more valuations than plain tech companies. How do you view this?

In the short term, it might be more about the space you are in.

#### But as you build more, it becomes about the scale, size and profit.

As we enter our sixth year or so, our valuation will largely become a function of execution and what we have delivered financially. Because, when a late (stage) investor is coming in, they're not going to reward your idea or vision. One thing I am seeing personally is that, as the ecosystem of start-ups is maturing, the focus has moved to founders who have executed at scale in their past avatar. Your past track record, governance, value system and compliance become important.

## Slow but healthy growth

At 14 per cent, bank credit growth seen moderate but adequate in fiscal 2025, backed by retail demand

**IN MY VIEW.**



AJIT VELONIE

**C**risil Ratings expects healthy bank credit growth in fiscal 2025, but moderate at about 14 per cent, compared to about 16 per cent in fiscal 2024 and 15.9 per cent in fiscal 2023.

In fiscal 2024, broad-based economic growth and strong retail demand had driven bank credit growth.

In fiscal 2025, however, it is set to moderate due to four factors — slower growth in gross domestic product (GDP) at 6.8 per cent, compared with about 7.6 per cent in fiscal 2024; the high-base effect of fiscal 2024; decreased growth in unsecured retail loans; and deposit growth lagging credit growth.

To be sure, larger capital expenditure would provide some tailwind.

But the Reserve Bank of India's move in November to increase risk weights on unsecured consumer credit and bank lending to higher-rated non-banking financial companies (NBFCs) remains an overhang.

These two segments were among the fastest growing for banks in recent years. While the revised norms have already impacted bank credit to NBFCs, growth in unsecured credit will temper over the next few months.

#### BENIGN OUTLOOK

Asset quality trends are benign, with gross non-performing assets (NPAs) expected to decline from 3.9 per cent, as on March 31, 2023, to about 2.5 per cent in 2025. Continued improvement is likely in the corporate segment, as gross NPAs may fall below 2 per cent from a peak of about 16 per cent, as on March 31, 2018, thanks to clean-ups and tougher norms for risk management and underwriting.

Fundamentally, corporate India is on stronger footing, given the secular deleveraging over the past few fiscals — the median gearing will likely remain benign at about 0.5 times for this fiscal. Asset quality in the micro, small and medium enterprises (MSME) segment has also improved with formalisation and data availability enabling improved underwriting. However, the segment remains vulnerable to economic cycles.

Retail loan NPAs are seen range-bound while there could be uptick in unsecured loan NPAs. That said, lending to the unsecured segment is largely through cross-selling to existing customers, which benefits credit quality as



**INS AND OUTS OF BANKING.** Deposit growth vs credit growth *ISTOCK.COM*

essment. Hence, a significant deterioration in asset quality is unlikely.

#### CAPITAL ADEQUACY

The banking sector has adequate buffers in terms of capitalisation and is set for medium-term growth. The increased risk weights may marginally impact capital adequacy. Public sector banks have benefited from capital infusion by the government, as well as improved internal accrual. Private banks have traditionally maintained comfortable buffers, but many also benefit from capital raised in the past few fiscals.

It is important to ensure deposit growth does not greatly lag credit growth, with the differential narrowing to 300 basis points (bps) in fiscal 2024 from 500 bps in fiscal 2023, given the hike in deposit rates.

The shift from lower-cost current and savings account (CASA) deposits to term deposits happens during rising interest rates, as the opportunity cost of maintaining funds in CASA is higher.

Improved asset quality due to lower slippages and healthy recoveries, and the high provisioning cover ratio (PCR), have cut incremental credit costs. Return on assets improved to about 1.2 per cent in fiscal 2024 from 1.1 per cent the previous fiscal, despite relatively flat net interest margins (NIMs). Crisil Ratings expects NIMs to compress 10-20 bps

## ● SPLIT SCREEN

# Modi, Nitish may opt for solo rallies in Bihar

**NEW STRATEGY.** Sources say for the remaining six phases of elections, the two will campaign separately; top leaders to follow suit

**Shishir Sinha**  
Patna

In what is being perceived as a sign of strain in BJP's patch-up with Bihar Chief Minister Nitish Kumar, he may not be sharing stage with Prime Minister Narendra Modi when he campaigns in the State.

Multiple sources told *businessline* that for the remaining six phases of elections, the two will campaign separately.

Some party sources are attributing it to Nitish fumbling and making garbled statements, like he did at a joint rally with the PM in Nawada. In a speech gone viral, the CM first said the NDA would win 4 lakh and then 4,000 seats in the Lok Sabha. In the same meeting, Kumar took an inordinately long time to wind up his speech while the audience and the PM were becoming visibly restless.

## ● HEATING UP

## Thrissur's triangular tussle heading for a close finish

**V Sajeet Kumar**  
Kochi

Thrissur is witnessing an evenly matched contest for the Lok Sabha polls with all the three major candidates of Congress, BJP and CPI in a neck-and-neck battle.

The constituency is much talked about since the BJP fielded a turned politician Suresh Gopi to counter the influence of both Congress-led UDF and CPM-led LDF, who have interchangeably won it in multiple times in the past over seven decades. The BJP is banking on his charisma and popularity to open the party's account in the State.

He is pitted against former Agriculture Minister in the previous LDF government, VS Sunilkumar of CPI and K Muralidharan of Congress, who is the son of veteran Congress leader K Karunakaran.

This is the second time Gopi is trying his luck in the Thrissur constituency which did not favour him in 2019. He still managed to garner nearly 30 per cent of the polled votes despite late announcement of his candidature giving him hardly 20 days for the election campaign.

**THE MODI MAGIC**  
BJP seems to have made amends this time with Prime Minister Narendra Modi holding his first roadshow in Thrissur. The PM made another visit to the constituency to attend the

"There have been embarrassing situations... This 4 lakh seats speech was really mortifying. He also took so much time to finish his speech that people became impatient. The PM kept looking at his watch," a source said, adding that the PM and CM not campaigning together is an "honourable solution".

It doesn't stop with the PM and the CM. Now, all the NDA constituents in Bihar—be it the Lok Janshakti Party of Chirag Paswan or the Hindustani Awam Morcha of Jitan Ram Manjhi or Rashtriya Lok Manch of Upendra Kushwaha—will campaign separately.

## CAMPAIGNING APART

"All the top NDA leaders, be it PM Modi of BJP, CM Kumar or Deputy CMs, Chirag Paswan, Jitan Ram Manjhi or Upendra Kushwaha are going to address election rally for their candidates independently under the banner



**TROUBLE IN PARADISE?** Prime Minister Narendra Modi with Bihar Chief Minister Nitish Kumar during a public meeting ahead of Lok Sabha elections, in Jamui (file photo) PTI

of NDA, which means no sharing of stage by prominent leaders of various alliance members," another source said.

But will such a situation not send confused signals? Sources in the NDA constitu-

ent parties say that the idea is to campaign for alliance and make joint appeal irrespective of parties. This means that Modi will campaign for JD (U) or LJP (Ram Vilas) candidates but the leaders of different parties will cam-

paign independently.

The early signs of this arrangement were visible when Modi addressed rallies in Gaya and Purnia on April 16. In both the rallies, Nitish Kumar was not present. RJD leader Tejaswi Yadav was

quick to catch on.

"It is up to you (media persons) to find out why the CM was not present in PM's public meetings at Gaya and Purnea on April 16. Why is the BJP not inviting him in rallies?" Tejaswi asked.

PM is scheduled to address two rallies in Bihar on April 26 in Araria and Darbhanga. The same day, Bihar will have second phase of polling in Kishanganj, Purnia, Katihar, Bhagalpur and Banka. Barring Kishanganj, all four seats are currently represented by JD (U). It is expected that Nitish will not be present in the PM rallies.

Under NDA alliance, out of total 40 seats, BJP is fighting on 17 seats, JD (U) on 16 and Lok Janshakti Party (Ramlila) contesting on five seats. Former Chief Minister Jitan Ram Manjhi's led Hindustani Avami Morcha and Upendra Kushwaha's Rashtriya Lok Morcha have been given one seat each in the State.

## QUICKLY.

## 'Violence on Ram Navami outcome of appeasement policies'

Uttar Pradesh Chief Minister Yogi Adityanath on Sunday said the violence on Ram Navami in non-BJP-ruled States is the outcome of "policies of appeasement". "Be it the violence on Ram Navami or Holi, in non-BJP-ruled States including West Bengal, it is the bad outcome of the policies of appeasement and playing with the emotions of the majority community," Yogi told PTI.



Adityanath questioned the ability of the non-BJP-ruled States to ensure the security of the "sisters and daughters" when they "fail" to provide security to the peaceful processions on Ram Navami. He appealed to the voters to send a message across with their votes to the "so-called secular people and parties" who play with "our emotions". PTI

## 'Feeling betrayed': Ex-hockey captain Tirkey on quitting Cong

Former Indian hockey captain Prabodh Tirkey, who resigned from the Congress after being dropped as a candidate, on Sunday said the party betrayed him. Speaking to PTI, he said the Congress insulted him by withdrawing his candidature without informing him of the reason behind it. The party replaced Tirkey with Debenra Bhatia in the Talsara assembly seat in the Sundergarh district. "I feel betrayed by the Congress leadership. They have betrayed my trust," Tirkey said. "It was an insult to me as the party withdrew my candidature without informing me the reason behind it," he said, maintaining that the news was a shock for him and his supporters. PTI



## QUOTE.

**66** Elections should be fought for both majority and minority communities, not for one or the other. The priority should be the growth of economy and development of people so that we can build a future for our next generation

**YUSUF PATHAN**  
Former Indian cricketer-turned-politician

**66** There is nobody from my family in politics. What happened to the Congress after Independence... all (who run the party) are from a family. That is the reason Congress is becoming extinct

**NITISH KUMAR**  
Bihar Chief Minister

among the common people and political class that the BJP has opted to contest the elections in Kashmir through its proxies like the Jammu and Kashmir Apni Party (JKAP) and Sajad Ghani Lone-led People's Conference (PC).

A recent meeting between the BJP's Jammu and Kashmir in-charge Tarun Chugh and Lone at the residence of JKAP chief Altaf Bukhari lent some credence to such perceptions.

"It appears that despite the BJP's attempts at political engineering, traditional parties like the NC and the PDP still enjoy significant support, suggesting that the BJP's efforts may not have delivered the desired results," said a Valley-based political analyst.

He said that the BJP was now trying to enter the Valley through its proxies.

There is a general feeling

## Odia actors dive into politics as regional film industry faces crisis

**Prafulla Das**  
Bhubaneswar

As Odia film industry faces multiple challenges, including declining viewership in recent years, many regional cine stars of Odisha are increasingly becoming more active in politics than films. Ahead of the simultaneous Lok Sabha and Assembly elections in the State, many regional film stars are taking a plunge into politics.

Four top actors—outgoing Kendrapara MP Anubhab Mohanty, former Berhampur MP Sidhant Mohapatra, former Korei MLA Akash Das Nayak and Arindam Roy—quit the ruling Biju Janata Dal and joined the Bharatiya Janata Party in the past few weeks. One of the most popular actresses Varsha Priyadarshini, who has had a series of hits in Odia and Bengali films in the past two decades, joined the BJD on Thursday. Her name was announced as the party candidate for Barachana Assembly seat the next day.

**SWING STATE**  
The Thrissur Lok Sabha constituency has a reputation of causing electoral upsets. The defeat of K Karunakaran, the veteran Congress leader, in 1996 by a thin margin of less than 2,000 votes in his pocket-borough came as a shocker in the political circles at the time.

The parliamentary constituency consists of assembly constituencies such as Thrissur, Ollur, Pudukkottai, Irinjalakuda, Manalur, Nattika and Guruvayur.

In 2019, TN Prathapan of Congress had 39.83 per cent of vote share when he defeated Rajaji Mathew Thomas of CPI.

All the candidates are



**FROM REEL TO REAL.** Odia actor Barsha Priyadarshini with BJD officials at Sankha Bhawan as she joins the party ahead of Assembly elections in Bhubaneswar BISWARANJAN ROUT

after they lost hope of getting the BJD ticket to contest the coming polls. The saffron seat has fielded Sidhant from Digapahandi Assembly seat, one of the segments under the Berhampur Lok Sabha seat that he represented between 2009 and 2019. Akash is the BJD nominee from Korei Assembly seat, which he represented from 2014 to 2019.

Other prominent actors in the BJD's fold at present include sitting Rajya Sabha Member Munna Khan, and Kuna Tripathy, Chairman of Odisha Film Development Corporation. Another major star Manoj Mishra, who acts in Odia and Hindi films, is the Congress nominee from the Balangir parliamentary seat for coming polls. He had joined the Congress recently.

Odisha politics is not new to film stars. Yesteryears' superstar Prashanta Nanda, whose tenure as a Rajya Sabha Member of the BJD ended earlier this year, has been in politics since 2000 elections.

He had successfully contested Assembly elections from the

BJD and the erstwhile Nationalist Congress Party before joining the BJD. He was also a Minister in the Naveen Patnaik Government.

## ELECTION DRAMA

Odisha witnessed an increasing trend of film stars joining politics since the 2009 elections. Late actor Bijay Mohanty and actress Aparajita Mohanty had unsuccessfully contested from Bhubaneswar and Cuttack Lok Sabha seats in 2014 elections on Congress tickets. Aparajita also fought and lost from Bhubaneswar North Assembly seat in 2019 polls as a BJD nominee. Veteran actress Mahasweta Ray joined the BJD in 2018, but did not contest elections in 2019.

Further, actress Pinky Pradhan and comedian Papu Pom Pom had joined the BJD and BJD, respectively, ahead of 2014 polls. While Papu unsuccessfully contested the Assembly elections in 2014, Pinky failed to win in 2019 elections. More Odia actors are likely to join the election fray in the coming days.

trying to woo the dominant Catholic community in Thrissur which accounts for 35 per cent of the region's population. About 16 per cent of the voters are Muslims.

**TRYING TO WOO**  
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**ELECTION TWIST.** On April 17, DPAP Chairman Ghulam Nabi Azad announced that he would not enter the poll fray as he only wanted to serve the people of J&K by staying with them ANI

to keep its cards close to its chest.

It was being widely debated whether Anantnag-Rajouri seat would provide

the BJP its much-desired gateway to the Valley. However, as the last date for filing the nomination papers drew close, both the parties

sprang a surprise by opting out of the race.

On April 17, Azad announced that he would not enter the poll fray as he only

wanted to serve the people of Jammu and Kashmir by staying among them.

"The people reminded me of this commitment after my party decided to field me from the Anantnag-Lok Sabha seat," Azad said. The party named Mohammad Saleem Paray as their candidate from the seat.

Over the last few weeks, Azad toured many parts of Jammu and Kashmir and held a flurry of rallies and meetings ostensibly to gauge the public mood. According to his political adversaries, he perceived the sentiment to be against him, spurring his decision to withdraw from the polls.

DPD spokesperson Mohit Bhan told *businessline* that Azad found popular sentiment against him as he failed to conceal his BJP backing. "Moreover, he

lacked a connect with people and a sense of rootedness in Anantnag," he added.

The BJD, at the same time, had hinted a few days before the deadline for the filing of nomination papers that it might not contest the election from Kashmir. During his visit to Jammu on April 16, Home Minister Amit Shah said: "the lotus would bloom on its own in the Valley" and the "party is not in a hurry".

BJP leader Altaf Thakur says that steering clear of polls is a tactical move.

**HIGH-STAKES ELECTION**  
The party has very high stakes in the polls. A defeat could mean the delegitimisation of Article 370 and the party's development and normalcy narratives.

He said that the BJP was now trying to enter the Valley through its proxies.

## ● VALLEY VOTES

## Plot thickens at Anantnag-Rajouri with Azad's exit and BJP's proxy play

**Gulzar Bhat**  
Srinagar

On April 18, the streets leading to Anantnag town, about 55 km south of Srinagar, witnessed an endless stream of cars ferrying fervent workers of different political parties. Leaning their heads out of the car windows, they chanted slogans *Jeevit Hamari, Inshallah* (victory is ours, God willing). The workers, many of whom had wrapped themselves in their respective party flags, were accompanying their candidates to file nomination papers for Anantnag-Rajouri Lok Sabha seat.

Outside the Returning Officer's office, a maelstrom of cars led to heavy traffic snarls. Amidst a cacophony of newly-minted slogans and political songs, the

People's Democratic Party (PDP) leader Mehbooba Mufti and the National Conference leader Main Altaf Ahmed filed their nomination papers.

The newly-floated Jammu and Kashmir Apni Party (JKAP) leader Zaffar Iqbal Manhas also submitted his papers. The constituency is going to polls on May 7 in the third phase of elections and April 19 was the last date for filing the nomination papers.

Since the announcement of Lok Sabha elections, the spotlight has been firmly fixed on the seat as the BJP and former Chief Minister Ghulam Nabi Azad were expected to contest from the seat. His Democratic Progressive Azad Party (DPAP) announced Azad's candidature, while the BJP chose

to keep its cards close to its chest.

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## ● BIG BETS

# Bull run in the equity markets makes Amit Shah, wife richer by 62.84%

**BLOOMING ASSETS.** While Shah's assets grew 17.7% between 2019 and 2024, that of Sonal zoomed 215% during this period

**Avinash Nair**  
Ahmedabad

The assets of Union Home Minister Amit Shah and his wife Sonal grew by 62.84 per cent to ₹65.67 crore in the last five years, a comparison of affidavits filed with the Election Commission of India for Lok Sabha election has revealed.

While Shah's assets (including those inherited) grew by 17.7 percent between 2019 and 2024, the assets of Sonal — a housewife — grew 215 per cent during this period.

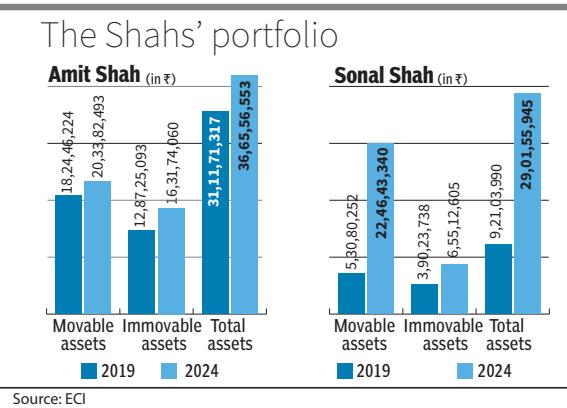
Amit Shah, who describes his occupation as "farming" and "social activism", is contesting for a second consecutive time from the Gandhinagar seat. Polling would be held here in the third phase on May 7.

For Sonal Shah, the biggest jump has been recorded in movable assets owned by her. These assets



saw a three-fold jump from ₹5.3 crore to ₹22.46 crore. Most of this increase can be attributed to the quantum of listed and unlisted securities of various companies in her name. The ₹4.36 crore parked in shares by Shah's wife in 2019 has now increased to ₹20 crore in 2024.

**INVESTMENT PLAN**  
In comparison to his wife, the movable assets of Shah rose by 11.47 per cent.



Sonal Shah owns one lakh shares of The Karur Vysya Bank Ltd, 40,000 shares in TV18 Broadcast Ltd, 50,000 shares of Canara Bank, 30,890 shares of Tata Steel, 20,000 shares of Aditya Birla Fashion and Retail Ltd, 30,000 shares of NCC Ltd, 17,500 shares of Sun Pharma Advanced Research Company Ltd, among other listed entities. She also owns 1,620 grams of gold and 63 carats of diamonds worth ₹1.1

crore. Among the companies where Amit Shah owns 10,000 shares or more include Western India Shipyard Ltd, Suzlon Energy Ltd, NMDC Steel Ltd, Tata Teleservices (Mahindra) Ltd, The South Indian Bank, VIP Industries, Vision Organics, TARC Ltd, Prino Chemicals Ltd among others. The husband-wife duo has invested ₹37.47 crore in shares of listed and unlis-

#### IMMOVABLE ASSETS

The value of immovable assets owned by Shah — which include agricultural land in Vadnagar in Mehsana district and Lilapur in Ahmedabad, non-agricultural land in Shilaj in

Ahmedabad, Manasa in Gandhinagar, commercial and residential properties in Sola, Memnagar, Thaltej in Ahmedabad and Mansa and Sector-1 in Gandhinagar — rose by about 26 percent in the last five years. The value of immovable assets owned by Sonal Shah rose by 67 percent during this five year period.

While Shah mentions in his affidavit that the "increase in value of total assets is mainly on account of appreciation in the value of price of respective assets," the market price of a 677 square feet commercial property bought by him and his wife in 2019 at Sola in Ahmedabad city has zero appreciation, costing the same as it did five years ago (as per the affidavit).

"During the last five years, immovable assets of ₹1.52 crore comprising of one party office and a small piece of land in native village was only acquired," Shah stated in his affidavit.

## QUICKLY.

'Democracy will end if Modi-Shah sarkar returns'

Congress president Mallikarjun Kharge on Sunday claimed that democracy will end in the country if the "Modi-Shah sarkar" returns to power, launching an attack on the BJP-led National Democratic Alliance. Targeting Prime Minister Narendra Modi and Union Home Minister Amit Shah while addressing a public meeting in Madhya Pradesh's Satna district, Kharge said they will also scrap the Constitution. "They will scrap the Constitution scripted by Babasaheb Bhimrao Ambedkar. If you want to keep it alive, the right to vote for women, labourers and farmers, then vote for the Congress and its *panja* (hand) symbol," he appealed to the voters. Former Congress president Rahul Gandhi was scheduled to address the rally in Satna but his visit was cancelled as he took ill, a party leader said earlier, adding that Kharge would fill in for him. The Satna Lok Sabha seat will go to polls in the second phase on April 26. PTI



Won't abide by ECI notice to remove 'Hindu': Uddhav

Shiv Sena (UBT) chief Uddhav Thackeray on Sunday said he has received a notice from the Election Commission of India (ECI) to remove the words "Jai Bhavani" and "Hindu" from his party's new anthem, but he won't abide by it.

Addressing a press conference here, Thackeray said asking for the removal of "Jai Bhavani" from the



anthem was an insult to Maharashtra. Thackeray said his party has come up with an anthem to popularise its new poll symbol, "mashal" (flaming torch), and the ECI has asked for the removal of the words "Hindu" and "Jai Bhavani" from it.

"Chhatrapati Shivaji Maharaj founded Hindavi Swaraj with the blessings of goddess Tulja Bhavani. We are not asking for votes in the name of the goddess or Hindu religion. This is an insult and will not be tolerated," Thackeray said. He said he will continue the practice of saying "Jai Bhavani" and "Jai Shivaji" in his public meetings. PTI

## NDA's lone Muslim MP in Bihar joins RJD

LJP MP Mehboob Ali Kaiser, the lone Muslim to have been elected to the Lok Sabha from the BJP-led NDA in Bihar, joined the RJD on Sunday, in a shot in the arm for the opposition party amid the elections. Kaiser, who sided with former Union minister Pashupati Kumar Paras when the latter split the LJP, and was denied a ticket this time by Chirag Paswan despite efforts to seek rapprochement, joined the RJD in the presence of its leader Tejashwi Yadav. "Kaiser-sahab is joining us after a meeting with party president Lalu Prasad ji. We stand to gain from his experience. It is a development that will send across a strong message in favour of our fight to protect the Constitution, which is facing threat from the ruling dispensation," said Yadav. PTI



## Lalu's daughter takes on BJP veteran Rudy in Bihar's Saran

**QUESTION TIME.** businessline caught up with both the leaders as they prepare for a keenly contested fight

**Shishir Sinha**  
Chhapra, Bihar

The sixth member of former Chief Minister Lalu Prasad Yadav's large clan, Rohini Acharya, is taking on four-term MP, Rajiv Pratap Rudy, in Saran parliamentary constituency, which was home-ground for her father.

Rohini was in the news when she donated her kidney to her ailing father, and this is her debut election. A doctor by education, her family is based out of Singapore.

Rudy has served as a Union Minister in Vajpayee and Modi's government.

While Rudy is relying on the work done in the region through infra and industrial development, Rohini claims that Rudy has done nothing while she has proved to be an ideal daughter.

Polling in Saran Constituency will take place on May 20. businessline caught up with both the leaders during campaigning. Excerpts from the conversation:

**Rajiv Pratap Rudy, BJP**

**How do you assess the situation in Saran?**



It's for the people to decide. God's will and people's will is what matters in the end.

**What do you have to say about opponent?**

She has come here barely 10 days ago. She is not the actual candidate. The real candidate is Lalu Prasad Yadav.

**There is a feeling about anti-incumbency? What do you think about that?**

You will only have to find about it.

**People here complain**

**about infrastructure in this region...**  
I don't think so. We have the best of roads. We have electricity round the clock and there is no shortage. Gas pipeline is coming. Rural roads are perfect. I don't know who is complaining and what their vision for infrastructure is.

**What is your vision for the next five years?**  
Why only next 5 years, I have been working here for years. Mine is ongoing work. Today, Chhapra has an investment

of ₹36,000 crore. Projects are being implemented. DPR (Detailed Project Report) is getting ready. For us, it is not the beginning today. For others, it may be beginning today.

**Rohini Acharya, RJD, INDIA bloc**

**How do you see the situation here?**

You can see how much love and affection I am getting. It is a blessing. People are waiting for me in the scorching heat, leaving their work and

waiting to give blessings to their daughter.

**What is your assessment of your opponent?**

It is quite visible what he has done or not done for Saran. People are complaining about no roads, no electricity and no jobs for the youth. People are still struggling for basic needs.

**What do have to say about dynasty politics?**

Let me ask you a question. Why don't you ask about Bansuri Swaraj (Late

Bansuri Swaraj's daughter who is BJP spokesperson), Pankaj Singh (Rajnath Singh's son) and Jay Shah (Amit Shah's son) and many more. Why do people question only the opposition about dynasty? Isn't the ruling party fielding all sons and daughters?

Sushma Swaraj's daughter who is BJP spokesperson), Pankaj Singh (Rajnath Singh's son) and Jay Shah (Amit Shah's son) and many more. Why do people question only the opposition about dynasty? Isn't the ruling party fielding all sons and daughters?

#### Why should people vote for you?

I want to become their voice. People are saying I am an ideal daughter. People want their daughters to be like me who has sacrificed. I believe that if you have truth and generosity at heart, then you can do anything. I quite enthused by the support I am getting.

#### But people say you will fly away to Singapore after elections.

You should ask the same question to Varanasi MP. People are saying I am *Videshi Bahu*. They should be ashamed. My husband is there because he has a job there. Like him, many Indians have travelled abroad for work. If there is so much problem with people settled abroad, Modi government should bar them (from contesting election).

## QUOTE.



"The BJP is targeting me and Abhishek, we are not safe. We urge everyone to be on guard against a conspiracy against TMC leaders and the people of West Bengal

**MAMATA BANERJEE**  
West Bengal Chief Minister



"There is lawlessness in West Bengal under the Mamata Banerjee dispensation. Goons are ruling the roost here and people are afraid

**RAJNATH SINGH**  
Defence Minister

## ● DROUGHT AND DECEPTION

## Political silence masks an irrigation scam in Maharashtra

**WATERGATE.** In the arid lands of Maharashtra, corruption remains unquenched and a ₹70,000-crore scandal goes unchallenged

**Radheshyam Jadhav**  
Pune

In the arid expanses of Maharashtra's Marathwada region, a looming drought casts a long shadow over the parched fields and dry riverbeds. The dams stand eerily quiet and their reserves nearly empty with just 15.55 per cent water left in reservoirs.

As the grim tableau heralds another impending crisis and amidst this escalating plights, the ₹70,000-crore irrigation scam, which once dominated the political discourse during the 2019 Lok Sabha elections, has all but evaporated from the public debate and political campaign.

The scam — a glaring example of alleged financial mismanagement and corruption — shockingly revealed in 2012 that despite an astronomical investment in various irrigation projects, Maharashtra's ability to harness water had improved only 0.1 per cent over a decade. Later, the Maharashtra Anti-Corruption Bureau

(ACB) informed the Bombay High Court about major lapses on the part of politicos and government officials.

Deputy Chief Minister Ajit Pawar, along with other NCP ministers, was in charge of the irrigation department between 1999 and 2014 under the Congress-NCP regime in Maharashtra.

The scandal implicated several high-profile leaders, including Pawar, who now, in a twist of political fate, finds shelter within the ranks of the BJP — the very party that once vociferously attacked him on this issue.

#### SILENT WATERS

Last year in June, Prime Minister Narendra Modi while speaking in Bhopal had said NCP faces allegations of scams of nearly ₹70,000 crore along with other scams.

The very next month, Ajit Pawar split the NCP and took oath as Deputy Chief Minister in the BJP-supported Eknath Shinde government in Maharashtra. Today, an uncomfortable silence envelops the scam in the election campaign. The BJP-led alliance,

which includes Pawar, strategically steers clear of the topic, perhaps wary of opening old wounds that might bleed into new alliances. Meanwhile, Sharad Pawar's NCP, is conspicuously silent, choosing politi-

cal expediency over electoral confrontation.

Even the Congress and the Shiv Sena tread lightly around the issue, reluctant to stir the political pot that involves the powerful Pawar clan.

This collective muteness

raged over the very water they now so desperately lack.

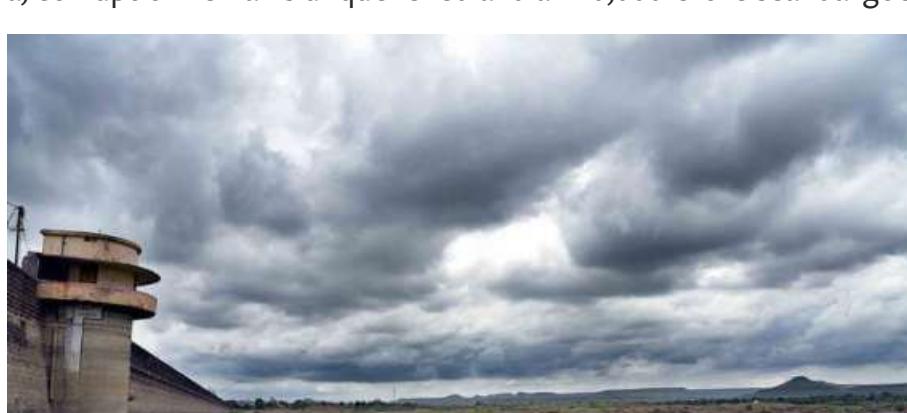
#### MOB MENTALITY

Activists like Vishwambhar Choudhary — spearheading the 'Nirbhay Bano' campaign across the State — express concerns that leaders embroiled in corruption might soon be exonerated due to their new alliances with the ruling party, effectively shielding them from any investigative scrutiny.

Farmer leader Amar Habib criticises the prevailing "mob mentality" during elections, often overshadowing critical issues and debates.

He points out that while the electorate may be captivated by stories like Ajit Pawar's political manoeuvring against his uncle to ally with the BJP — a narrative that resonates emotionally with voters — the grave implications of the irrigation scam and its impact on their lives remain largely ignored.

"It's these emotional and irrational campaign themes that dominate, leading voters away from substantive issues that directly affect them," said Habib.



**FORGOTTEN VICTIMS.** In 2012, the scam revealed that despite an astronomical investment in various irrigation projects, Maharashtra's ability to harness water had improved only 0.1 per cent over a decade

among the political elite stands in stark contrast to the desperation of the people in the State, who watch helplessly as their lifeline dwindles with each passing day and their plight ignored in the corridors of power where once fiery debates

**CM YK**