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ESAF
ESAF SMALL FINANCE BANK
Joy of Banking

(Please scan the QR code to view the RHP and the Abridged Prospectus).

ESAF SMALL FINANCE BANK LIMITED

Our Bank was incorporated as 'ESAF Small Finance Bank Limited' on May 5, 2016 at Thrissur, Kerala, as a public limited company under the Companies Act, 2013, and was granted the certificate of incorporation by the Registrar of Companies, Kerala at Ernakulam **("RoC")**. Our Promoter, ESAF Financial Holdings Private Limited, was granted in-principle approval to establish a small finance bank (**"SFB"**), by the RBI, pursuant to its letter dated October 7, 2015. Subsequently, our Bank received the final approval to carry on the SFB business in India, pursuant to a letter dated November 18, 2016 issued by the RBI. Our Bank commenced its business with effect from March 10, 2017 and was included in the second schedule to the RBI Act pursuant to a notification dated November 12, 2018 issued by the RBI. For further details, see *"History and Certain Corporate Matters"* on page 241 of the red herring prospectus dated October 28, 2023, read with the corrigendum to the Red Herring Prospectus dated October 30, 2023 together (**"RHP"** or **"Red Herring Prospectus"**).

Corporate Identity Number: U65990KL2016PLC045669
Registered and Corporate Office: Building No. VII/83/8, ESAF Bhavan, Thrissur-Palakkad National Highway, Mannuthy, Thrissur 680 651, Kerala, India; **Tel:** +91 487 7123 907; **Website:** www.esafbank.com; **Contact Person:** Ranjith Raj P, Company Secretary and Compliance Officer;
E-mail: investor.relations@esafbank.com;

OUR PROMOTERS: KADAMBELIL PAUL THOMAS AND ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

INITIAL PUBLIC OFFER OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF ESAF SMALL FINANCE BANK LIMITED ("BANK" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) AGGREGATING UP TO ₹ 4,630.00 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹ 3,907.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹ 723.00 MILLION ("THE OFFER FOR SALE"), COMPRISING UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹492.60 MILLION BY ESAF FINANCIAL HOLDINGS PRIVATE LIMITED (THE "PROMOTER SELLING SHAREHOLDER"), AND UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹126.70 MILLION BY PNB METLIFE INDIA INSURANCE COMPANY LIMITED AND UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹103.70 MILLION BY BAJAJ ALLIANZ LIFE INSURANCE COMPANY LIMITED (THE "OTHER SELLING SHAREHOLDERS" AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES THE "OFFERED SHARES".

THE OFFER INCLUDES A RESERVATION OF UP TO [•] EQUITY SHARES, AGGREGATING UP TO ₹ 125.00 MILLION (CONSTITUTING UP TO [•]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [•]% AND [•]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR BANK.

DETAILS OF THE OFFER FOR SALE BY THE SELLING SHAREHOLDERS

NAME OF THE SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (IN ₹ MILLION)	WACA (IN ₹ PER EQUITY SHARE)*
ESAF Financial Holdings Private Limited	Promoter Selling Shareholder	Up to [•] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 492.60 million	10.11
PNB Metlife India Insurance Company Limited	Other Selling Shareholder	Up to [•] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 126.70 million	40.07
Bajaj Allianz Life Insurance Company Limited	Other Selling Shareholder	Up to [•] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 103.70 million	40.07

*WACA: Weighted average cost of acquisition on fully diluted basis *As certified by A. John Moris & Co., Chartered Accountants pursuant to their certificate dated October 28, 2023.*

We are a small finance bank headquartered in Kerala provides micro, retail and corporate banking, para banking activities such as debit card, third party financial product distribution, in addition to treasury and permitted foreign exchange business.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.
• QIB Portion: Not more than 50% of the Net Offer | Non-Institutional Portion: Not less than 15% of the Net Offer | Retail Portion: Not less than 35% of the Net Offer
Employee Reservation Portion: Upto [•] Equity Shares aggregating up to ₹125.00 Million

PRICE BAND: ₹ 57 TO ₹ 60 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH
THE FLOOR PRICE IS 5.70 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 6.00 TIMES THE FACE VALUE OF THE EQUITY SHARES
THE PRICE TO EARNING RATIO BASED ON DILUTED EPS FOR FISCAL 2023 AT THE FLOOR PRICE IS 8.49 TIMES AND AT THE CAP PRICE IS 8.94 TIMES
BIDS CAN BE MADE FOR A MINIMUM OF 250 EQUITY SHARES AND IN MULTIPLES OF 250 EQUITY SHARES THEREAFTER
A DISCOUNT OF ₹ 5 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION

In accordance with the recommendation of Independent Directors of our Bank, pursuant to their resolution dated October 30, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transactions, as applicable, disclosed in the 'Basis for Offer Price' section on page 130-149 of the RHP.

In making an investment decision, potential investors must only rely on the information included in the Red Herring Prospectus and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS:

1. Our business is concentrated in Kerala and Tamil Nadu. As at June 30, 2023, 43.43% and 13.86% of our banking outlets were in Kerala and Tamil Nadu, respectively, 43.45% and 22.14% of our gross advances were from customers in Kerala and Tamil Nadu, respectively, and 80.04% and 3.36% of our deposits were from banking outlets in Kerala and Tamil Nadu, respectively. Any adverse change in the economies of those states, could have an adverse effect on our financial condition, results of operations and cash flows.
2. As at June 30, 2023, and March 31, 2023, 2022 and 2021, 75.15%, 75.35%, 83.59% and 85.50% of our advances (net of provisions) were unsecured advances, respectively. If we are unable to recover such advances in a timely manner or at all, our financial condition, results of operations and cash flows may be adversely affected.
3. As at March 31, 2023, we were in non-compliance with 17 out of the 272 Risk Based Supervision Tranche III requirements and if the Reserve Bank of India imposes penalties on us for this non-compliance, it could adversely affect our reputation, business, financial condition, results of operations and cash flows.
4. As at June 30, 2023 and March 31, 2023, 2022 and 2021, 74.70%, 75.04%, 81.16% and 84.80%, respectively, of our advances under management were Micro Loans. Any decrease in demand for our Micro Loans could adversely affect our business, financial condition, results of operations and cash flows.
5. Under the provisions of the SFB Licensing Guidelines, the RBI In-Principle Approval and the RBI Final Approval, the Equity Shares are required to be mandatorily listed on a stock exchange in India within three years from the date our Bank reached a net worth of ₹5.00 billion, which we reached on July 31, 2018. Therefore, the Equity Shares were required to be listed on a stock exchange in India before July 31, 2021, which we did not comply with. We could be subject to various sanctions and penalties by the Reserve Bank of India (RBI) for failing to comply with this requirement. The RBI pursuant to its letter June 9, 2023 observed that our Bank continued to be in violation of the listing deadline and directed our Bank to ensure that the Equity Shares are listed by November 30, 2023.
6. We are currently in non-compliance with certain major observations of the RBI noted in its regular inspection reports, which we are in the process of rectifying. These major observations include integrate our treasury system with our core banking solution; ensure completion of re-KYC of pending accounts with a particular focus on high-risk customers; ensure that KYC details of pending current and legacy accounts are uploaded to the Central Know Your Customer Registry within the defined timespan; implement an automated asset liability management system; implement system-level controls to ensure customers with a Basic Saving Bank Deposit account are restricted from opening another savings bank account with us; and ensure that our various forms for customers are printed in tri-lingual form and shall include the option of a third gender. Any significant deficiencies identified by the RBI in a final inspection report or other observations made that we are unable to rectify to the RBI's satisfaction could lead to sanctions and penalties being imposed by the RBI on our Bank, which could materially and adversely affect our reputation, business, financial condition, results of operations and cash flows.
7. Our business is significantly dependent on our business correspondents. Our business correspondents sourced or serviced 74.75%, 75.53%, 83.35% and 84.78% of our gross advances as at June 30, 2023, and March 31, 2023, 2022 and 2021. Our income contributed by business correspondents represented 77.13%, 79.02%, 76.06%, 77.93% and 80.97% of our total income for the three months period ended June 30, 2023 and 2022 and Fiscals 2023, 2022 and 2021, respectively. If any of our business correspondents prefer to promote our competitors' loans over our loans or the agreements between us and them are terminated or not renewed, it would adversely affect our business, financial condition, results of operations and cash flows.
8. The attrition rate of our employees was 3.87% (not annualized), 5.66% (not annualized), 24.07%, 20.07% and 13.03% for the three months period ended June 30, 2023 and 2022 and Fiscals 2023, 2022 and 2021, respectively. If the attrition rate of our employees continues to increase our payments to and provisions for employees could increase, which could have an adverse effect on our financial condition, results of operations and cash flows.
9. The majority of our customers' complaints relate to (i) internet banking, mobile banking and electronic banking and (ii) transaction disputes related to withdrawal of cash from ATMs through ATM cards and disputes related to debit card transactions carried out at the merchant through point-of-sale machines. If we are unable to resolve our customers' complaints to their satisfaction, they may decide to no longer bank with us, which could have an adverse effect on our business, financial condition, results of operations and cash flows.
10. The gross proceeds of the Offer are up to ₹4,630.00 million, which includes the gross proceeds of the Offer for Sale by the Selling Shareholders of up to ₹723.00 million, which represents 15.62% of the gross proceeds of the Offer. Our Bank will not receive any proceeds from the Offer for Sale.

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11. Average cost of acquisition of Equity Shares for the Selling Shareholders namely, ESAF Financial Holdings Private Limited is ₹10.11, PNB MetLife India Insurance Company Limited is ₹40.07 and Bajaj Allianz Life Insurance Company Limited is ₹40.07 and Offer Price at upper price Band is ₹ 60.00.

12. Weighted average cost of acquisition of all Equity Shares transacted in one year, 18 months and three years preceding the date of the Red Herring Prospectus:

Period	Weighted average cost of acquisition per Equity Share (in ₹)	Upper end of the price band (₹60) is 'X' times the weighted average cost of acquisition	Range of acquisition price: Lowest price – Highest price (in ₹)*
Last one year	Nil	NA	NA
Last 18 months	Nil	NA	NA
Last three years	75	0.80	Highest - 75 Lowest - 75

**As certified by A. John Moris & Co., Chartered Accountants pursuant to their certificate October 30, 2023*

13. Weighted average cost of acquisition compared to Floor Price and Cap Price:

Past Transactions	Weighted average cost of acquisition (in ₹)*	Floor Price (in ₹)	Cap Price (in ₹)
WACA of past five primary /secondary transactions	75.00	0.76 times	0.80 times

**As certified by A. John Moris & Co., Chartered Accountants pursuant to their certificate dated October 30, 2023*

14. Market Capitalization to Revenue From Operations and total market valuation at floor and cap prices:

Particulars	At Floor Price (₹ 57)	At Cap Price (₹60)
Market capitalization to revenue from operations (Fiscal 2023)	1.04 times	1.08 times
Total Market Valuation	₹ 29,539.03 million	₹ 30,886.79 million

15. Weighted Average Return on Net Worth for Fiscals 2023, 2022 & 2021 is 11.44%

16. The three BRLMs associated with the Offer have handled 70 public issues in the past three years, out of which 26 issues closed below the offer price on listing date.

Name of BRLMs	Total Issues	Issues closed below IPO Price on listing date
ICICI Securities Limited	35	15
DAM Capital Advisors Limited	11	4
Nuvama Wealth Management Limited	9	2
Common issues of above BRLMs	15	5
Total	70	26

BID/ OFFER SCHEDULE

ISSUE OPEN

BID/ OFFER CLOSES ON TUESDAY, NOVEMBER 7, 2023(1)

(1) The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.

THE EQUITY SHARES OF OUR BANK WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Bank and the Promoter Selling Shareholder may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Banks.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (**"SCRR"**) read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (**"QIBs"**, the **"QIB Portion"**), provided that our Bank and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis (**"Anchor Investor Portion"**), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than Anchor Investor Portion) (**"Net QIB Portion"**). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders, out of which (a) one third of such portion shall be reserved for Bidders with Bids exceeding ₹ 0.20 million and up to ₹ 1.00 million; and (b) two third of such portion shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders, subject to valid Bids received at or above the Offer Price, and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily required to participate in the Offer through the Application Supported by Blocked Amount (**"ASBA"**) process by providing details of their respective ASBA Account (as defined hereinafter), and UPI ID in case of UPI Bidders (defined hereinafter), if applicable, pursuant to which the corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks (**"SCSBs"**) or the Sponsor Banks, as the case may be, to the extent of their respective Bid Amount. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see *"Offer Procedure"* on page 471 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (for UPI Bidders bidding through UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID and UPI ID available (for UPI Bidders bidding through the UPI Mechanism) in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes notification dated February 13, 2020 and read with press releases dated June 25, 2021, September 17, 2021 and March 28, 2023 and any subsequent press releases in this regard.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR BANK AS REGARDS ITS OBJECTS: For information on the main objects of our Bank, investors are requested to see "*History and Certain Corporate Matters*" beginning on page 241 of the RHP. The Memorandum of Association of our Bank is a material document for inspection in relation to the Offer. For further details, see "*Material Contracts and Documents for Inspection*" beginning on page 497 of the RHP.

LIABILITY OF THE MEMBERS OF OUR BANK: Limited by shares.

AMOUNT OF SHARE CAPITAL OF OUR BANK AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of the Bank is ₹ 6,000,000,000 consisting of 600,000,000 equity shares of face value of ₹10 each aggregating to ₹ 6,000,000,000. The issued, subscribed and paid-up share capital before the Offer of the Bank is ₹ 4,494,737,980 consisting of 449,473,798 equity shares of face value of ₹10 each. For details of the capital structure of our Bank, see "*Capital Structure*" beginning on page 109 of the RHP.

NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR BANK AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The names of the initial signatories of the Memorandum of Association of our Bank along with their allotment are: Allotment of 94,995 equity shares to ESAF Financial Holdings Private Limited, 5,000 equity shares to Kadambelil Paul Thomas and 1 Equity Share each to Mereena Paul, Alok Thomas Paul, Emy Acha Paul, George Kalaparambil John and Beena George, who hold such Equity Shares as nominees on behalf of ESAF Financial Holdings Private Limited, who is the beneficial owner of such Equity Shares. For details of the share capital history and capital structure of our Bank see "*Capital Structure*" beginning on page 109 of the RHP.

LISTING: The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE", and together with NSE, the "Stock Exchanges"). Our Bank has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters, each dated September 7, 2023. For the purposes of the Offer, the Designated Stock Exchange shall be BSE. A signed copy of the Red Herring Prospectus has been filed with the RoC and a copy of the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid/ Offer Closing Date, see *"Material Contracts and Documents for Inspection"* on page 497 of the RHP.

DISCLAIMER CLAUSE OF RBI: A license authorizing the Bank to carry on small finance bank business has been obtained from the Reserve Bank of India in terms of Section 22 of the Banking Regulation Act, 1949. It must be distinctly understood, however, that in issuing the license, the Reserve Bank of India does not undertake any responsibility for the financial soundness of the Bank or for the correctness of any of the statements made or opinion expressed in this connection.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities stated in the Offer Document. The investors are advised to refer to page 465 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF BSE (the Designated Stock Exchange): It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the RHP has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to the page 445 of the RHP for the full text of the disclaimer clause of BSE.

DISCLAIMER CLAUSE OF NSE : It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 445 of the RHP for the full text of the disclaimer clause of NSE.

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Bank and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (**"SEBI"**), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to *"Risk Factors"* on page 35 of the RHP.

ASBA* | Simple, Safe, Smart way of Application!!!

*Applications Supported by Blocked Amount ("**ASBA**") is a better way of applying to offers by simply blocking the fund in the bank account. For further details, check section on ASBA.
Mandatory in public issues.
No cheque will be accepted.

UPI
UNIFIED PAYMENTS INTERFACE

UPI-Now available in ASBA for Retail Individual Investors and Non Institutional Investor applying in public issues where the application amount is up to ₹ 500,000, applying through Registered Brokers, Syndicate, CDPs & RTAs. Retail Individual Investors and Non-Institutional Investors also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021.

*ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Investors in the Retail Portion; (ii) Non-Institutional Investors with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in the Bid Cum Application Form and abridged prospectus and also please refer to the section "Offer Procedure" on page 471 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("**AIBI**") and Stock Exchanges and in the General Information Document. The Bid Cum Application Form and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**") and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes &intmId=43, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. HDFC Bank Limited and Kotak Mahindra Bank Limited have been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Offer related queries, please contact the Book Running Lead Managers ("**BRLMs**") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail Id: ipo.upi@npci.org.in.*

BOOK RUNNING LEAD MANAGERS

ICICI Securities

ICICI Securities Limited
ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India
Tel: +91 22 6807 7100
E-mail: esafsfb.ipo@icicisecurities.com
Website: www.icicisecurities.com
Investor Grievance ID: customercare@icicisecurities.com
Contact Person: Kristina Dias/ Ashik Joisar
SEBI Registration No.: INM000011179

DAM CAPITAL

DAM Capital Advisors Limited
One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India
Tel: +91 22 4202 2500
E-mail: esaf.ipo@damcapital.in
Website: www.damcapital.in
Investor Grievance ID: complaint@damcapital.in
Contact Person: Chandresh Sharma
SEBI Registration No.: MB/INM000011336

nuvama

Nuvama Wealth Management Limited
(formerly known as Edelweiss Securities Limited)*
801 - 804, Wing A, Building No 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051
Maharashtra, India
Tel: +91 22 4009 4400
E-mail: ESAF@nuvama.com; **Website:** www.nuvama.com
Investor Grievance ID: customerservice.mb@nuvama.com
Contact person: Lokesh Shah
SEBI registration no.: INM000013004

REGISTRAR TO THE OFFER

LINK Intime

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai 400 083, Maharashtra, India
Tel: +91 022 4918 6060
E-mail: esaf.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance ID: esaf.ipo@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration Number: INR000004058

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ranjith Raj P
ESAF Small Finance Bank Limited
Building No. VII/83/8, ESAF Bhavan, Thrissur-Palakkad National Highway, Mannuthy, Thrissur 680 651,Kerala, India
Tel: +91 487 7123 907; **Email:** investor.relations@esafbank.com

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer-related queries and for redressal of complaints, investors may also write to the BRLMs.

**Pursuant to order passed by Hon'ble National Company Law Tribunal, Mumbai Bench dated April 27, 2023, the merchant banking business of Edelweiss Financial Services Limited has demerged and now transferred to Nuvama Wealth Management Limited and thereforethe said merchant banking business is part of Nuvama Wealth Management Limited*

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the "*Risk Factors*" beginning on page 35 of the RHP before applying in the Offer. A copy of the RHP has been made available on the website of SEBI at www.sebi.gov.in and is available on the websites of the BRLMs, ICICI Securities Limited at www.icicisecurities.com, DAM Capital Advisors Limited at www.damcapital.in and Nuvama Wealth Management Limited at www.nuvama.com and the websites of the Stock Exchanges, for BSE at www.bseindia.com and for NSE at www.nseindia.com.

AVAILABILITY OF THE ABRIDGED PROSPECTUS: A copy of the abridged prospectus shall be available on the website of the Bank at www.esafbank.com, the websites of the BRLMs, ICICI Securities Limited at www.icicisecurities.com, DAM Capital Advisors Limited at www.damcapital.in and Nuvama Wealth Management Limited at www.nuvama.com and the Registrar to the offer at www.linkintime.co.in.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of our Bank, **ESAF SMALL FINANCE BANK LIMITED:** Tel: +91 487 7123 907; **BRLMs:** ICICI Securities Limited, Tel: +91 22 6807 7100; DAM Capital Advisors Limited, Tel: +91 22 4202 2500 and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited), Tel: +91 22 4009 4400 and **Syndicate Members: Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**, Tel: +91 22 4009 4400 and **Sharekhan Limited**, Tel: +91 22 6750 2000 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, SCSBs, Designated RTA Locations and Designated CDP Locations for participating in the Offer. Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

SYNDICATE MEMBERS: Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) and Sharekhan Limited

SUB-SYNDICATE MEMBERS: Anand Rathi Share & Stock Brokers Limited; Axis Capital Limited; Centrum Broking Limited; Centrum Wealth Management Ltd.; Choice Equity Broking Private Limited; DB(International) Stock Brokers Ltd.; Eureka Stock & Share Broking Services Ltd.; Finwizard Technology Pvt. Ltd.; HDFC Securities Limited; IDBI Capital Markets & Securities Ltd.; IFCI Financial Services Ltd.; IIFL Securities Ltd.; JM Financial Services Ltd.; Jobanputra Fiscal Services Pvt. Ltd.; Keynote Capitals Limited; KJMC Capital Market Services Ltd.; Kotak Securities Limited; LKP Securities Ltd.; Inventure Growth & Securities Ltd.; Motilal Oswal Securities Ltd.; Nirmal Bang Securities Pvt. Ltd.; Prabhudas Lilladher Pvt Ltd.; Pravin Ratilal Share And Stock Brokers Ltd.; Religare Broking Limited; Religare Securities Ltd.; RR Equity Brokers Pvt Ltd.; SBICAP Securities Limited; SMC Global Securities Ltd.; Systematix Shares and Stocks (India) Limited; Trade Bulls Securities (P) Ltd.; Way2wealth brokers Pvt Ltd. and YES Securities (India) Limited.

ESCROW COLLECTION BANK AND REFUND BANK : HDFC Bank Limited.

PUBLIC OFFER ACCOUNT BANK : Kotak Mahindra Bank Limited

SPONSOR BANKS: HDFC Bank Limited and Kotak Mahindra Bank Limited

UPI: UPI Bidders can also Bid through UPI Mechanism.

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For **ESAF SMALL FINANCE BANK LIMITED**
On behalf of the Board of Directors
Sd/-
Ranjith Raj P
Company Secretary and Compliance Officer

Place: Thrissur, Kerala
Date: November 3, 2023

ESAF Small Finance Bank Limited is proposing, subject to the receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offering of its Equity Shares and has filed the RHP with RoC. The RHP along with the corrigendum to the Red Herring Prospectus dated October 30, 2023 shall be available on the website of SEBI at www.sebi.gov.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and is available on the websites of the BRLMs, i.e. ICICI Securities Limited at www.icicisecurities.com, DAM Capital Advisors Limited at www.damcapital.in and Nuvama Wealth Management Limited at www.nuvama.com, the website of the NSE at www.nseindia.com and the website of the BSE at www.bseindia.com and the website of the Bank at www.esafbank.com. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risks, please see the section titled *"Risk Factors"* beginning on page 35 of the RHP. Potential investors should not rely on the DRHP for making any investment decision.

This announcement has been prepared for publication in India and may not be released in the United States. This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States, and any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended, or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Bank and that will contain detailed information about the Bank and management, as well as financial statements. However, no public offering of securities is being made in the United States.

CONCEPT

THE HINDU businessline. www.businessline.in businessline thehindubusinessline
DELHI
MONDAY - NOVEMBER 6, 2023
₹10 • Pages 14 • Volume 2 • Number 307
RNI No. Applied
Bengaluru - Chennai - Coimbatore - Hubballi - Hyderabad
Kochi - Kolkata - Madurai - Malappuram - Mangaluru
Mumbai - Noida - Thiruvananthapuram - Tiruchirapalli
Tirupati - Vijayawada - Visakhapatnam

(Please scan this QR code to view the Red Herring Prospectus and the abridged prospectus)

protean
Change *is* growth

PROTEAN eGOV TECHNOLOGIES LIMITED

(FORMERLY KNOWN AS NSDL e-GOVERNANCE INFRASTRUCTURE LIMITED)

Our Company was originally incorporated as 'National Securities Depository Limited' on December 27, 1995 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Maharashtra at Mumbai (**"RoC"**). Our Company was issued a certificate for commencement of business dated February 8, 1996 by the RoC. Pursuant to the scheme of arrangement between our Company and NSDL Depository Limited under Section 391 to 394 of Companies Act, 1956 (**"Scheme of Arrangement"**), the name of our Company was changed from 'National Securities Depository Limited' to 'NSDL e-Governance Infrastructure Limited' and a fresh certificate of incorporation was issued on December 19, 2012 by the RoC. The name of our Company was changed from 'NSDL e-Governance Infrastructure Limited' to 'Protean eGov Technologies Limited' pursuant to a shareholders' resolution dated October 28, 2021, to represent the full gamut of products and service offerings of the Company in the space of information technology solutions and extension into new markets, sectors and geographies, and a fresh certificate of incorporation was granted by the RoC on December 8, 2021. For further details in relation to the Scheme of Arrangement, see *"History and Certain Corporate Matters - Scheme of Arrangement between NSDL Depository Limited and our Company"* beginning on page page 167 of the Red Herring Prospectus dated October 30, 2023 filed with the RoC, read with the corrigendum to the Red Herring Prospectus dated October 31, 2023 together (**"RHP"**). For further details in relation to the changes in the name and registered office of our Company, see *"History and Certain Corporate Matters"* beginning on page 165 of the RHP.

Registered and Corporate Office: Times Tower, 1st Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra; **Telephone:** +91 22 4090 4242;
Contact Person: Maulesh Kantharia, Company Secretary and Compliance Officer; **E-mail:** cs@proteantech.in; **Website:** www.proteantech.in; **Corporate Identity Number:** U72900MH1995PLC095642

OUR COMPANY IS A PROFESSIONALLY MANAGED COMPANY AND DOES NOT HAVE AN IDENTIFIABLE PROMOTER

INITIAL PUBLIC OFFER OF UP TO 6,191,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF PROTEAN eGOV TECHNOLOGIES LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE ("OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF UP TO 459,617 EQUITY SHARES BY 360 ONE SPECIAL OPPORTUNITIES FUND (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND) AGGREGATING UP TO ₹[●] MILLION, UP TO 320,177 EQUITY SHARES BY 360 ONE SPECIAL OPPORTUNITIES FUND – SERIES 2 (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND – SERIES 2) AGGREGATING UP TO ₹[●] MILLION, UP TO 148,197 EQUITY SHARES BY 360 ONE SPECIAL OPPORTUNITIES FUND – SERIES 3 (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND – SERIES 3) AGGREGATING UP TO ₹[●] MILLION, UP TO 396,843 EQUITY SHARES BY 360 ONE SPECIAL OPPORTUNITIES FUND – SERIES 4 (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND – SERIES 4) AGGREGATING UP TO ₹[●] MILLION, UP TO 309,225 EQUITY SHARES BY 360 ONE SPECIAL OPPORTUNITIES FUND – SERIES 5 (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND – SERIES 5) AGGREGATING UP TO ₹[●] MILLION, UP TO 243,175 EQUITY SHARES BY ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA AGGREGATING UP TO ₹[●] MILLION, UP TO 1,783,395 EQUITY SHARES BY NSE INVESTMENTS LIMITED AGGREGATING UP TO ₹[●] MILLION, UP TO 705,674 EQUITY SHARES BY HDFC BANK LIMITED AGGREGATING UP TO ₹[●] MILLION, UP TO 712,077 EQUITY SHARES BY AXIS BANK LIMITED AGGREGATING UP TO ₹[●] MILLION, UP TO 712,077 EQUITY SHARES BY DEUTSCHE BANK A.G. AGGREGATING UP TO ₹[●] MILLION, UP TO 400,543 EQUITY SHARES BY UNION BANK OF INDIA AGGREGATING UP TO ₹[●] MILLION (THE "SELLING SHAREHOLDERS") AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE ("OFFERED SHARES").
THE OFFER INCLUDES A RESERVATION OF UP TO 150,000 EQUITY SHARES, AGGREGATING UP TO ₹[●] MILLION CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). OUR COMPANY AND SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY OFFER A DISCOUNT OF UP TO [●]% (EQUIVALENT OF ₹75 PER EQUITY SHARE) TO THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●] % RESPECTVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION

Name of Selling Shareholders	TYPE	Number of Equity Shares offered	Weighted average cost of acquisition per Equity Share (In ₹)(1)
360 One Special Opportunities Fund *(formerly known as IIFL Special Opportunities Fund)*	Selling Shareholder	459,617 Equity Shares aggregating to ₹[●] million	950.10
360 One Special Opportunities Fund – Series 2 *(formerly known as IIFL Special Opportunities Fund – Series 2)*	Selling Shareholder	320,177 Equity Shares aggregating to ₹[●] million	950.10
360 One Special Opportunities Fund – Series 3 *(formerly known as IIFL Special Opportunities Fund – Series 3)*	Selling Shareholder	148,197 Equity Shares aggregating to ₹[●] million	950.10
360 One Special Opportunities Fund – Series 4 *(formerly known as IIFL Special Opportunities Fund – Series 4)*	Selling Shareholder	396,843 Equity Shares aggregating to ₹[●] million	950.10
360 One Special Opportunities Fund – Series 5 *(formerly known as IIFL Special Opportunities Fund – Series 5)*	Selling Shareholder	309,225 Equity Shares aggregating to ₹[●] million	950.10
NSE Investments Limited	Selling Shareholder	1,783,395 Equity Shares aggregating to ₹[●] million	55.00
Administrator of the Specified Undertaking of the Unit Trust of India	Selling Shareholder	243,175 Equity Shares aggregating to ₹[●] million	10.00
HDFC Bank Limited	Selling Shareholder	705,674 Equity Shares aggregating to ₹[●] million	49.50#
Axis Bank Limited	Selling Shareholder	712,077 Equity Shares aggregating to ₹[●] million	112.00#
Deutsche Bank A.G.*	Selling Shareholder	712,077 Equity Shares aggregating to ₹[●] million	49.50#
Union Bank of India	Selling Shareholder	400,543 Equity Shares aggregating to ₹[●] million	26.00#

** It is hereby clarified that the Mumbai branch office of Deutsche Bank A. G. is the shareholder in the Company and is acting as a Selling Shareholder.*
#Calculated based on the equity shares held by the Selling Shareholder prior to giving effect to the Scheme of Arrangement.
(1) As certified by M/s S D T & Co., Chartered Accountants by way of their certificate dated October 30, 2023.

We are one of the key IT-enabled solutions companies in India (*Source: CRISIL Report*) engaged in conceptualizing, developing and executing nationally critical and population scale greenfield technology solutions.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations
QIB Portion: Not more than 50% of the Net Offer | Non-Institutional Portion: Not less than 15% of the Net Offer
Retail Portion: Not less than 35% of the Net Offer
Employee Reservation Portion: Up to 150,000 Equity Shares aggregating up to ₹ [•] Million

PRICE BAND: ₹ 752 TO ₹ 792 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH.
THE FLOOR PRICE IS 75.20 TIMES AND THE CAP PRICE IS 79.20 TIMES THE FACE VALUE OF THE EQUITY SHARES.
THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FINANCIAL YEAR 2023 FOR THE COMPANY AT THE HIGHER END OF THE PRICE BAND IS AS HIGH AS 29.91 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 28.40 TIMES.
BIDS CAN BE MADE FOR A MINIMUM OF 18 EQUITY SHARES AND IN MULTIPLES OF 18 EQUITY SHARES THEREAFTER.
A DISCOUNT OF ₹ 75 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated October 31, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for the Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), disclosed in 'Basis for the Offer Price' section on pages 92 to 96 of the RHP

In making an investment decision, potential investors must rely on the information included in the RHP and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS

1. **We are substantially dependent on projects awarded by government entities and agencies. In Fiscals 2021, 2022 and 2023 and in the three months ended June 30, 2022 and June 30, 2023, revenue from contracts and licences sourced from government clients/ bodies were ₹ 4,364.75 million, ₹ 4,822.85 million, ₹ 5,381.58 million, ₹ 1,152.82 million and ₹ 1,651.62 million representing 72.37%, 69.80%, 72.51%, 73.55% and 74.94% of our revenue from operations, respectively. Our relationship with GoI entities exposes us to risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition.**
2. **We may not be able to provide business solutions that meet our clients' requirements, which could lead to clients discontinuing their work with us, which in turn could harm our business. In Fiscals 2021, 2022 and 2023 and in the three months ended June 30, 2022 and June 30, 2023, revenue from IT enabled e-governance services were ₹ 6,031.32 million, ₹ 6,909.09 million, ₹ 7,422.06 million, ₹ 1,567.48 million and ₹ 2,204.03 million each representing 100% of our revenue from operations, respectively.**
3. **We rely on telecommunications and information technology systems, networks and third party infrastructure to operate our business and any interruption or breakdown in such systems, networks or infrastructure of the third parties we rely on or our technical systems could impair our ability to effectively deliver our products and services.**
4. **Our client contracts can typically be terminated without cause, which could negatively impact our revenues and profitability.**
5. **In Fiscals 2021, 2022 and 2023 and in the three months ended June 30, 2022 and June 30, 2023, amount of trade receivables were ₹ 2,075.60 million, ₹ 2,003.98 million, ₹ 2,088.62 million, ₹ 1,968.54 million and ₹ 2,195.66 million representing 34.41%, 29.00%, 28.14%, 125.59% and 99.62%, respectively, of our revenue from operation. Any delay in the collection of our dues and receivables from our clients may have a material and adverse effect on our results of operations and cash flows.**
6. **Our Company is neither associated with nor related to National Securities**

Continued on next page...

...continued from previous page.

Depository Limited. Further, the business of our Company is not similar to that of National Securities Depository Limited.

7. We may not meet the selection criteria set for high value contracts by the Government. In Fiscal 2023 and in the three months ended June 30, 2023, we have not been awarded any contracts or tenders.

8. We will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the net proceeds from the Offer for Sale.

9. The Offer Price, market capitalization to total revenue multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing.

Particulars	Ratio vis-à-vis Floor price (i.e. ₹ 752)	Ratio vis-à-vis Cap price (i.e. ₹ 792)
	(In multiples, unless otherwise specified)	
Price to Earnings Ratio based on Diluted EPS for year ended March 31, 2023	28.40	29.91
Price to Revenue from Operations	4.10	4.32
Market Capitalization to Revenue from Operations	4.10	4.32
Price to Earnings Ratio of Nifty 50 index as on October 27, 2023	20.63	

10. Weighted Average Return on Net Worth for Fiscal 2023, 2022 and 2021 is 14.64%

11. The weighted average cost of acquisition for all Equity Shares acquired in one year, 18 months and three years preceding the date of the Red Herring Prospectus is set forth below:

Period	Weighted average cost of acquisition per Equity Share (in ₹)*	Cap Price is 'x' times the weighted average cost of acquisition*	Range of acquisition price per Equity Share (Lowest price –Highest price) (in ₹)*
Last one year preceding the date of the RHP	Nil	Nil	Nil
Last 18 months preceding the date of the RHP	Nil	Nil	Nil
Last three years preceding the date of the RHP	Nil	Nil	Nil

The above includes Equity Shares transacted by Selling Shareholders & shareholders with special rights

12. Weighted average cost of acquisition, floor price and cap price

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price in ₹ 752	Cap Price in ₹ 792
WACA of Primary Issuances	NA*	NA	NA
WACA of Secondary Issuances	NA*	NA	NA

Notes:
**As there are no transactions to be reported under primary and secondary issuances, computation of weighted average price is not required here*

13. Average cost of acquisition of Equity Shares held by the Selling Shareholders ranges from ₹ 10.00 to ₹ 950.10 per Equity Share and Offer Price at upper end of the Price Band is ₹ 792 per Equity Share.

14. The four BRLMs associated with the Offer have handled 75 Public Issues in the past three financial years, out of which 26 Issues closed below the offer price on listing date.

Name of the BRLMs	Total Public Issues	Issues closed below IPO Price on listing date
ICICI Securities Limited*	21	5
Equirus Capital Private Limited*	6	1
IIFL Securities Limited*	19	6
Nomura Financial Advisory and Securities (India) Private Limited*	3	1
Common issues handled by the BRLMs	26	13
Total	**75**	**26**

**Issues handled where there were no common BRLMs*

BID/OFFER PROGRAMME

BID/OFFER OPENS TODAY

BID/OFFER CLOSES ON : WEDNESDAY, NOVEMBER 8, 2023^

^UPI mandate end time and date shall be 5:00 p.m. on the Bid/Offer Closing Date.

ASBA# Simple, Safe, Smart way of Application!!!

Applications supported by blocked amount ("ASBA") is a better way of applying to issues by simply blocking the fund in the bank account, For further details, check section on ASBA.

Mandatory in public issues. No cheque will be accepted.

UPI — UNIFIED PAYMENTS INTERFACE

UPI-Now available in ASBA for Retail Individual Investors and Non Institutional Investor applying for amount upto ₹ 5,00,000/-, applying through Registered Brokers, Syndicate Dps and RTAs. UPI Bidder also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021.

ASBA has to be availed by all the investors except anchor investors. UPI may be availed by UPI Bidders. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section ***"Offer Procedure"*** on page 330 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("**AIBI**") and Stock Exchange and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the website of BSE Limited ("**BSE**") (the "**Stock Exchange**") and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. RIBs Bidding using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. ICICI Bank Limited and HDFC Bank Limited have been appointed as Sponsor Banks for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2018 as amended. For offer related queries, please contact the Book Running Lead Managers (**"BRLMs"**) on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail Id: ipo.upi@npci.org.in.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, may for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Member and by intimation to Self-Certified Syndicate Banks (**"SCSBs"**), other Designated Intermediaries and the Sponsor Bank, as applicable.

This Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (**"SCRR"**) read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**"SEBI ICDR Regulations"**). The Offer is being made in accordance with Regulation 6(1) of the SEBI ICDR Regulations and through a Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (**"QIBs"**, and such portion, the **"QIB Portion"**). Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (**"Anchor Investor Portion"**), out of which at least one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders such that: (a) one-third of the portion available to Non-Institutional Investors, shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000 and (b) two-thirds of the portion available to Non-Institutional Investors, shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders (**"RIBs"**) in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount (**"ASBA"**) process by providing details of their respective bank account (including UPI ID (defined hereinafter) in case of RIBs) which will be blocked by the SCSBs, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see *"Offer Procedure"* beginning on page 330 of the RHP.

Bidders/ Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021 and any subsequent press releases in this regard.

Contents of the Memorandum of Association of our Company as regards its objects: For information on the main objects of our Company, please see the section "*History and Certain Corporate Matters*" on page 165 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see **"*Material Contracts and Documents for Inspection*"** on page 353 of the RHP.

Liability of the members of our Company: Limited by shares

Amount of share capital of our Company and Capital structure: As on the date of the RHP, the authorised share capital of the Company is ₹5,000,000,000 consisting of 500,000,000 Equity Shares having of ₹10 each. The issued, subscribed and paid-up share capital of the Company is ₹404,467,320 divided into 40,446,732 Equity Shares of face value of ₹10 each. For details, see *"Capital Structure"* beginning on page 72 of the RHP.

Names of signatories to the Memorandum of Association of our Company and the number of Equity Shares subscribed by them: The names of the signatories of the Memorandum of Association of our Company are: Industrial Development Bank of India,Unit Trust of India, National Stock Exchange of India Limited, Anilkumar Gajanan Karkhanis, Pavagada Srinivasa Subramanyam, Basudeb Manindra Nath Sen and Ramchandra Hanmant Patil. For details of the share capital history and capital structure of our Company, see *"Capital Structure"* beginning on page 72 of the RHP.

Listing: The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE Limited (**"BSE"**). Our Company has received 'in-principle' approval from BSE for the listing of the Equity Shares pursuant to the letter dated January 18, 2022. For the purposes of the Offer, the Designated Stock Exchange shall be BSE. A signed copy of the Red Herring Prospectus has been delivered and a copy of the Prospectus shall be filed with the RoC in accordance with Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see *"Material Contracts and Documents for Inspection"* beginning on page 353 of the RHP.

Disclaimer Clause of the Securities and Exchange Board of India ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 307 of the RHP for the full text of the disclaimer clause of SEBI.

Disclaimer Clause of BSE (Designated Stock Exchange) : It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 312 of the RHP for the full text of the disclaimer clause of BSE.

General Risk: Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the Bidders is invited to *"Risk Factors"* beginning on page 24 of the RHP.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER	Company Secretary and Compliance Officer
ICICI Securities	equirus	IIFL SECURITIES	NOMURA	LINKIntime	
ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025 Maharashtra, India **Tel:** +91 22 6807 7100 **E-mail:** protean.ipo@icicisecurities.com **Investor grievance Id:** customercare@icicisecurities.com **Website:** www.icicisecurities.com **Contact person:** Rupesh Khant/ Ashik Joisar **SEBI registration no.:** INM000011179	**Equirus Capital Private Limited** 12th Floor, C Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai - 400 013 Maharashtra, India **Tel:** +91 22 4332 0700 **E-mail:** protean.ipo@equirus.com **Investor grievance Id:** investorsgrievance@equirus.com **Website:** www.equirus.com **Contact person:** Ankesh Jain **SEBI registration no.:** INM000011286	**IIFL Securities Limited#** 24th Floor, One Lodha Place Senapati Bapat Marg, Lower Parel (West) Mumbai - 400 013, Maharashtra, India **Tel:** +91 22 4646 4600 **E-mail:** protean.ipo@iiflcap.com **Investor grievance Id:** ig.ib@iiflcap.com **Website:** www.iiflcap.com **Contact person:** Pinkesh Soni/ Dhruv Bhagwat **SEBI registration no.:** INM000010940	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli Mumbai - 400 018 Maharashtra, India **Tel:** +91 22 4037 4037 **E-mail:** proteanipo@nomura.com **Investor grievance Id:** investorgrievances-in@nomura.com **Website:**www.nomuraholdings.com/company/group/asia/india/index.html **Contact person:** Vishal Kanjani **SEBI registration no.:** INM000011419	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra, India **Tel:** +91 22 4918 6200 **E-mail:** protean.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Investor grievance Id:** protean.ipo@linkintime.co.in **Contact person:** Shanti Gopalkrishnan **SEBI registration no.:** INR000004058	**Maulesh Kantharia** Times Tower, 1st Floor, Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra **Tel:** +91 22 4090 4242 **Email:** cs@proteantech.in Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Investors may also write to the BRLMs.

#In compliance with the proviso to Regulation 21A of the SEBI Merchant Banker Regulations and Regulation 23(3) of the SEBI ICDR Regulations, IIFL Securities Limited will be involved only in marketing of the Offer. IIFL Securities Limited has signed the due diligence certificate and has been disclosed as BRLM for the Offer.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the *"Risk Factors"* beginning on page 24 of the RHP, before applying in the Offer. A copy of the RHP shall be available on website of SEBI at www.sebi.gov.in, the website of the Company at www.proteantech.in, and is available on the websites of the BRLMs, i.e.ICICI Securities Limited, Equirus Capital Private Limited, IIFL Securities Limited and Nomura Financial Advisory and Securities (India) Private Limited at www.icicisecurities.com, www.equirus.com, www.iiflcap.com and www.nomuraholdings.com/company/group/asia/india/index.html, respectively and on the website of BSE at www.bseindia.com.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid cum Application Forms can be obtained from the Registered Office of **PROTEAN eGOV TECHNOLOGIES LIMITED *(FORMERLY KNOWN AS NSDL e-GOVERNANCE INFRASTRUCTURE LIMITED)*, Telephone:** +91 22 4090 4242; **BRLMs : ICICI Securities Limited, Telephone:** +91 22 6807 7100 ; **Equirus Capital Private Limited, Telephone:** +91 22 4332 0700, **IIFL Securities Limited, Telephone:** +91 22 4646 4600 and **Nomura Financial Advisory and Securities (India) Private Limited , Telephone:** +91 22 4037 4037; **Syndicate Member: EQUIRUS SECURITIES PRIVATE LIMITED, Telephone:** +91 22 4332 0600 and at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the websites of BSE the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchange and SEBI.

Sub-Syndicate Members: Anand Rathi Share & Stock Brokers Ltd, Axis Capital Limited, Centrum Broking Limited, Centrum Wealth Management Ltd, Choice Equity Broking Private Limited, DB(International) Stock Brokers Ltd, Equirus Securities Private Limited, Eureka Stock & Share Broking Services Ltd, Finwizard Technology private Limited, HDFC Securities Ltd, JM Financial Services Limited, Jobanputra Fiscal Services Pvt. Ltd, Kotak Securities Limited, LKP Securities Limited, Inventure Growth & Securities Ltd, Motilal Oswal Financial Services Limited, Motilal Oswal Securities Ltd, Nuvama Wealth and Investment Limited (Edelweiss Broking Limited), Prabhudas Liladhar Pvt Ltd, Pravin Ratilal Share And Stock Brokers Limited, RR Equity Brokers Private Limited, SBICap Securities Limited, Sharekhan Limited, SMC Global Securities Limited, Systematix Shares and Stocks (India) Limited, Trade Bulls Securities (P) Limited, Way2wealth brokers Private Limited and Yes Securities (India) Limited

Escrow Collection Bank and Refund Bank: ICICI Bank Limited

Public Offer Account Bank: HDFC Bank Limited

Sponsor Banks: ICICI Bank Limited and HDFC Bank Limited

UPI: UPI Bidders can also bid through UPI Mechanism.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For **PROTEAN eGOV TECHNOLOGIES LIMITED**
On behalf of the Board of Directors
Sd/-
Maulesh Kantharia
Company Secretary and Compliance Officer

Place: Mumbai
Date: November 4, 2023

PROTEAN eGOV TECHNOLOGIES LIMITED is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its Equity Shares and has filed the RHP dated October 30, 2023 filed with RoC on October 31, 2023, read with the corrigendum to the RHP dated October 31, 2023. The RHP shall be available on the website of SEBI at www.sebi.gov.in, website of BSE Limited at www.bseindia.com, website of the Company at www.proteantech.in and is available on the websites of the BRLMs, i.e. ICICI Securities Limited, Equirus Capital Private Limited, IIFL Securities Limited and Nomura Financial Advisory and Securities (India) Private Limited at www.icicisecurities.com, www.equirus.com, www.iiflcap.com and www.nomuraholdings.com/company/group/asia/india/index.html, respectively. Investors should note that investment in equity shares involves a high degree of risk. For details, potential investors should refer to the RHP filed with the RoC, including the section titled *"Risk Factors"* on page 24 of the RHP. Potential investors should not rely on the DRHP read with the addendum dated April 27 , 2022 and addendum dated April 25, 2023 instead investors shall rely on RHP filed with the RoC.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act, "**Rule 144A**") in transactions exempt from, or not subject to, registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and pursuant to the applicable laws of the jurisdictions where those offers and sales are made. There will be no public offering of the Equity Shares in the United States.

THE HINDU
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DELHI
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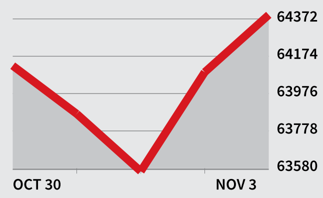


IN FOCUS

	Week's close	Week's change
Nifty 50	19230.60	+183.35
P/E Ratio (Sensex)	22.45	-0.02
US Dollar (in ₹)	83.28	+0.04
Gold Std 10 gm (in ₹)	60830.00	+249
Silver 1 kg (in ₹)	70771.00	-135

CURRENT ACCOUNT. **In the interest of the depositor**, weak UCBs may go in favour of consolidation rather than cancellation of licences **p9**

BUCKING THE TREND. **Despite slowdown,** large-cap IT companies maintain stable margins over 5 years **p10**

MONDAY SPECIALS.

CORPATE FILE.
Can Delaporte plug into the right turnaround port?

Since taking over as Wipro's CEO in 2020, Frenchman Thierry Delaporte has established a "deep" transformation programme after examining the company's strengths and weaknesses. **p6**

BL ON CAMPUS
Freshers brace for a tough year of hiring

At the start of the academic year, a final year engineering graduate in a private college in Chennai, was excited about the prospects of joining one of the largest IT companies. However, she is nervous now as her wish may just remain a dream with the 'bulk' recruiters planning to stay away from campus recruitment in the coming months due to a bleak business outlook. **p7**

SPARK
Blast-off thrust from angels

More than 200 spacetech companies are vying to provide services ranging from satellite launches to remote sensing and data analytics solutions. **p8**

QUICKLY.

Coal power plants loading air with toxic sulphur dioxide

Chennai: Coal-fired power plants in India are spewing sulphur dioxide into the atmosphere way above the allowed limit. The biggest culprits are those built after January 1, 2017, which are also wayward in putting out nitrous oxides, data from the Central Electricity Authority (CEA) show. **p3**

Today's issue carries a 32-page supplement **Changemaker Awards** (Tabloid) in select areas

Digital competition law panel goes into hibernation mode

INCONCLUSIVE. With clock ticking on polls, there's doubt whether the legislative process would end on time

KR Srivats
New Delhi

Concerns are rising in policy and industry circles about the exercise to frame a statute on competition aspects of regulating digital markets getting relegated to the backburner. The anxieties have become acute of late because even after an extended term, the 16-member inter-ministerial Committee on Digital Competition Law (CDCL) has been unable to firm up any conclusive report.

The uncertainty over the fate of a separate digital competition law can be gauged from the fact that the CDCL has not met even once for over three months and the extended term of end-October has now lapsed, sources in the know said.

EX-ANTE FRAMEWORK

Start-ups in India are still pinning their hopes on the government putting in place an ex-ante framework to address the anti-competitive conduct of Big Tech in a pre-emptive way that would give them a level-playing field.

Even digital news publishers — who have been getting a raw deal from Big Tech on revenue sharing for digital news content — are relying on enactment of an ex-ante framework to strengthen their hands and boost their revenues.

The Corporate Affairs Ministry (MCA) had, on February 6 this year, set up CDCL to frame a draft for the proposed law in three months. However, the committee has overshot the initial time allocated and the panel's tenure has been extended several times since May 6. The last extension came a month back when the tenure was extended to end-October 2023.

CDCL had been mandated to examine the need for an ex-ante regulatory mechanism for digital markets through a separate legislation.

The panel was asked to review whether existing provisions in the Competition Act and the rules and regulations framed under it are sufficient to deal with the challenges that have emerged from the digital economy.

Initially, there was lot of controversy over the composition of CDCL with the panel having preponderance of representatives from Big Tech and law firms counting Big Tech as their clients.

Ahead of the BRICS International Competition Conference in the capital last month, the Chairperson of Competition Commission of India Ravneet Kaur, who is a member of CDCL, said in response to a specific query from *businessline*: "It is for the government to take a final call on whether a separate digital competition law should be enacted or not."

With India slated to go in for general elections sometime in May next year, the delay has led to a scenario where the present government may not be able to complete the legislative process before the model code of conduct kicks in.

Based on the recommendations of the MCA-appointed CDCL, the government would have to figure out if it would want a separate digital competition law in the "whole of government approach" that was set to be adopted for regulation of digital markets, experts said.

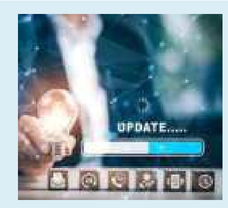
In this "whole of government approach" for regulation of digital markets, there was still a possibility that the proposed digital competition law might not see the light of the day, said experts.

GROWING CONCERN

India is contemplating the enactment of a Digital Competition Act at a time when there is growing concern among policymakers around the world about the power and dominance of tech giants in the digital economy, and the need to ensure a level playing field for all players in the market.

India's digital economy — which has been growing at frenetic pace in the last decade — is set to surpass the $1-trillion mark in 2025-26.

WHERE'S THE REPORT?



- The Committee on Digital Competition Law was set up on February 6 with a three-month tenure
- The panel's tenure has been extended several times since May 6 with the last extension ending in October
- The panel is yet to finalise the report and submit it to the government
- Start-ups pinning hopes on level playing field with Big Tech
- Digital news publishers look for equitable share in ad revenues

Festival demand drives record loan disbursals for NBFCs in October

Anshika Kayastha
Mumbai

The festival season-led spending and consumer exuberance are driving record disbursals for NBFCs, led by both consumer and MSME finance.

M&M Financial said it estimates overall disbursements for October to be around ₹5,250 crore, similar to last year. The YTD (year-to-date) disbursements for October 2023, at ₹30,700 crore, were 16 per cent higher compared with the previous year.

Business assets, at ₹95,750 crore, were up 16 per cent over March 2023 and 27 per cent over October 2022.

"The festival season presents a significant opportunity for businesses and consumers, with this year witnessing heightened demand for loans. MSMEs supplying to in-demand segments like food, apparel, electronics, and appliances experienced a surge in orders, driven by increased consumer demand, particularly for business owners selling through modern trade platforms and large format stores," said Mahesh Shukla, CEO & Founder of digital lending platform PayMe.

Capri Global Capital said it disbursed a record 10,000 car loans in October worth ₹1,000 crore. The lender is aiming for car loan disbursements worth ₹10,000 crore in FY24 compared with ₹5,700 crore in FY23.

"The demand for car loans, especially for mid-segment SUVs, is on the rise, particularly in tier 2 and tier 3 cities," said Capri Global MD and CEO Rajesh Sharma, adding that borrowers were from a broad spectrum looking to buy entry level cars to premium models.

TIER-3 CITIES

Nearly half of the credit demand during the festival season is originating from tier 3 cities, led by higher funding and working capital requirements of MSMEs and increase in consumer purchases of white goods, vehicles, personal clothing, and décor, as per reports.

Corporate or MSME lending growth is seen as being led by demand for working capital loans given that sales volumes are expected to be 1.5 times higher this year. On the other hand, consumer loan demand is being driven by personal, automobile and equipment loans.

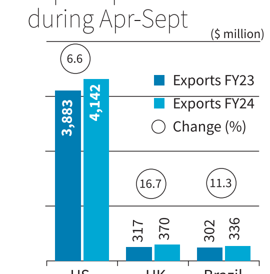
Earlier this week, SBI Card MD and CEO Abhijit Chakravorty had said that because of the delayed festival season this year, the entire impact of heightened consumer spending would be felt in Q3 FY24. As a result, consumption patterns across the market indicated that October and Q3 FY24 could see record spends, he said.

"It can be safely stated that the trend might continue till the end of the year, on the back of improving employment rate and rising disposable income in rural areas," Shukla said.

Pharma exports grow 5% in H1; Gaza strife may provide tailwind

G Naga Sridhar
Hyderabad

Top 3 export destinations during Apr-Sept



Pharmaceutical exports grew 5 per cent in the first half of the current fiscal year ended September 30, 2023, to $13,361 million compared with $12,723 million in the corresponding period of the previous financial year.

"Overall exports in September grew 9 per cent — the second highest monthly growth after April — which recorded 9.43 per cent growth. This is a positive sign for the overall growth in pharmaceutical exports," R Uday Bhaskar, Director General, Pharmaceutical Export Promotion Council (Pharmexcil), told *businessline* on Sunday.

The growth was driven by greater demand, increase in export scale up of mid-level pharma companies and clearance of pending site inspections by the US Food and Drug Administration (USFDA), Bhaskar said.

The US, the UK and Brazil were the top three destinations for Indian pharma exports at $4142 million, $370 million and $336 million, respectively. All three top regions — NAFTA, the EU and Africa LAC — showed healthy growth.

"At this run rate, overall exports in the current financial year of FY24 are likely to surpass the $27-billion mark," Bhaskar said.

THE WAR MOMENTUM

Due to the Israel-Hamas conflict, drug shortages might increase, and India's exporters may get some additional benefits which can result in higher quantum of exports over next 2-3 months, he added.

Due to the wartime shortage of drugs, Indian companies are already being asked to fill the gap as a measure of emergency even without market authorisations that might augur well for exports, according to Bhaskar.

In 2022-23, pharma exports to Israel grew 40 per cent at $92 million, compared with $60 million in the previous year. The compounded annual growth rate (CAGR) for the last five years is 22 per cent, Pharmexcil data show.

Pharmaceutical exports have registered a 3.25 per cent growth in FY23 at $25.3 billion. In 2021-22, the exports growth was almost flat at 0.71 per cent at $24.62 billion.

bl. video

Listen to **Aarati Krishnan** explain how mutual funds are more than an investment vehicle for merely stocks, in this episode of her **QuestionofMoney** video series.

https://bit.ly/MutualFunds1QoM

Farm issues take centrestage in four poll-bound States

Promises of farm loan waivers and rise in MSPs figure prominently in the manifestos of parties

Prabhudatta Mishra
New Delhi

Political parties in poll-bound States are vying with each other to address agriculture-related issues with Madhya Pradesh, Rajasthan, Chhattisgarh and Telangana either topping the chart or occupying the second position in the production of several crops.

For instance, in Chhattisgarh, after the Congress promised to hike the price of paddy to ₹3,000/quintal from the current ₹2,640, the BJP too jumped in and vowed to increase it to ₹3,100.

The Congress, which won the 2018 Assembly polls in Chhattisgarh, Madhya Pradesh and Rajasthan on the back of a loan waiver promise, has already announced waiver of loans up to ₹2 lakh per farmer in Telangana, Chhattisgarh and Madhya Pradesh while it is likely to unveil it soon in Rajasthan during the release of manifesto. "Farmers realise how important each of the issues raised by us are. But, they feel proud to show their strong bond with political parties of their choice," said Rampal Jat, president of Kisan Mahapanchayat in Rajasthan.

GROUSE AGAINST BJP

Farmer leaders in all these poll-bound States believe that the BJP does not place as much premium on their issues as it does on its emotive agenda featuring the Ram Mandir or the 'developed India' promise.

"Despite fixing the MSPs at 50 per cent over costs in 2018, the BJP lost Assembly polls in three States. The party probably believes that we do not influence polls as much as other factors," said Ram Naresh Sirohi, a farmer leader from Madhya Pradesh. Another leader Shiv Kumar Kakkajee of Samyukta Kisan Morcha, which spearheaded a year-long protest against three farm laws (since withdrawn), has been leading a yatra for the past 46 days in major districts of MP which will culminate in Dewas next week. Kakkajee wants both the BJP and the Congress to sit up and take note of their issues.

"We have been making farmers aware about the past track record of both the BJP and the Congress with regard to farmer-related issues without telling them whom they should vote for," Kakkajee told *businessline*.

RURAL CONNECT. The Congress has already promised waiver of farm loans up to ₹2 lakh per farmer in Telangana, Chhattisgarh and Madhya Pradesh

THE SOUTH SAGA

In August 2023, Telangana Chief Minister K Chandrasekhar Rao cleared implemented his party's 2018 promise of loan waiver. Even Rao's Rythu Bandhu scheme, the first in the country as far as direct cash transfer to farmers is concerned, has been played up by the Congress which has promised ₹15,000/acre to both landholding and tenant farmers, up from ₹10,000/year which landowning farmers get now. Telangana became the second largest rice producer in 2022-23. Chhattisgarh has risen to be among the top five rice producers from the seventh position in 2018-19. Madhya Pradesh is now among the Top 10 producers. In wheat production, it has become the second largest producer; it was in No. 3 position in 2018-19. The State has retained its fifth position in bajra and has improved its position in mustard to third from fourth.

Rajasthan has been continuously at top in mustard production with more than 45 per cent share and is also the leader in bajra. It continues to rank third in soyabean and No. 5 in wheat. In cotton output, the State has become the fourth largest producer; it was in fifth position in 2018-19. Telangana is the third largest cotton producer in the country.

DELHI
businessline.
MONDAY - NOVEMBER 6 - 2023

QUICKLY.

Tata Steel seeks Dutch aid for decarbonisation plans

New Delhi: After securing a funding in the UK, Tata Steel is looking for a financial aid from the Netherlands government to execute its decarbonisation plans. In October 2021, Tata Steel completed the process of separating Tata Steel UK and Tata Steel Netherlands as two independent companies from Tata Steel Europe. "In the Netherlands, we will shortly be submitting the detailed decarbonization proposal to the Dutch government seeking regulatory and financial support," Tata Steel CEO and MD TV Narendran said. PTI

IOC acquires Mercator Petroleum for ₹148 crore

New Delhi: Indian Oil Corporation (IOC) has acquired Mercator Petroleum for about ₹148 crore in an insolvency proceeding, according to regulatory filings by the company. "The resolution plan submitted by IOC for acquisition of 100 per cent stake in Mercator Petroleum Ltd has been approved by the National Company Law Tribunal, Mumbai Bench vide its order dated November 2, 2023.," the firm said in the filing. PTI

Carbon emissions: India may accept EU's default values

PRACTICALITY TRIUMPHS. This will give the country time to develop own system

Amiti Sen
Abhishek Law
New Delhi

During the ongoing transition phase of the European Union's (EU) Carbon Border Adjustment Mechanism (CBAM), India is likely to accept the bloc's default values for calculating carbon emitted during production of identified polluting items, including steel and aluminium, in the country, for export to the region.

"As carbon taxes on carbon-intensive goods covered under CBAM will not kick in before 2026 and EU-based importers would need to report data on the embedded emissions only till end of 2025, it may be a more practical idea to just allow them to apply the EU's default value for both direct and indirect emissions for imports from India during the transition phase. This will allow time for our own systems to be ready," an official tracking the matter told *businessline*.

CARBON-INTENSIVE. CBAM will badly affect India's steel and aluminium sectors, which, in case of a non-compliance, may attract additional levies up to 20-35 per cent

Based on averages and their own estimates, the EU is working on a country-wise list of 'default' value of embedded emissions for the identified carbon intensive items, and is expected to share it soon, the official said. The items include cement, iron and steel, aluminium, fertilisers, electricity, and hydrogen.

AKIN TO CBAM

CBAM is an EU regulation to put a "fair" price on carbon emitted during production of carbon intensive items in non-EU countries when they are imported into the bloc. It seeks to level the field for producers in the EU already facing a carbon price for their emissions under the EU Emission Trading System (ETS). While the transition period for CBAM began on October 1, 2023, wherein importers need to report the embedded carbon content in their imports on a quarterly basis till end of 2025, the carbon tax regime will kick in from January 2026.

India does not yet have a carbon verification and accreditation system in place and, therefore, may find it difficult to do its own carbon emission determination at the moment. "Given complexity of the legislation governing the CBAM transitional period, which was only recently published, our efforts to develop and implement CBAM-compliant systems capable of delivering fully compliant data are still ongoing," another official confirmed.

In the short term, until systems are fully developed and implemented, it has been suggested that exporters for "reporting purposes rely on the so-called CBAM 'default values", the second official said.

The Indian steel and aluminium sectors are likely to be hit the most by CBAM as some estimates show that they may attract additional levies up to 20-35 per cent if compliance cannot be established.

Kotak-Zurich deal could boost RCap's valuation under Hindujas

Our Bureau
Mumbai

The deal between Zurich Insurance Company and Kotak General Insurance could help Hinduja-led IIHL raise the valuation of Reliance Capital, which it acquired under the insolvency process.

The Zurich deal values Kotak General Insurance at ₹7,943 crore on a post-money basis.

Kotak General Insurance has a Gross Written Premium (GWP) of . ₹1,148 crore and a networth of ₹341 crore, as on March 31, 2023, which values the general insurance business at seven times of its GWP and 21 times of its net worth.

On the other hand, Reliance General Insurance, which is a 100 per cent subsidiary of Reliance Capital, has a GWP of ₹10,339 crore and a networth of ₹2,575 crore, as on March 31, 2023.

NEW FUNDING PLAN

According to banking sources the same valuation

Zurich-Kotak deal values Kotak General Insurance at ₹7,943 crore; Reliance General Insurance at ₹53,000-72,000 crore

formula would peg the current valuation of RGIC in the range of ₹53,000 crore to ₹72,000 crore.

Indusind International Holdings, a Hinduja group holding company, is paying ₹9,600 crore for the acquisition of Reliance Capital group.

"The Kotak-Zurich deal shows the investor interest in the general insurance space. This could help Hindujas raise funds required to acquire RCap," said a banking source.

The Hinduja Group, which is set to take over Reliance Capital, is reworking its resolution funding plan after the insurance regulator disallowed pledging shares of the insurance subsidiaries to infuse capital. Hinduja Group submitted its resolution plan for RCap to the NCLT in July 2023.

REGULATORY HURDLES

It had proposed and sought approval for change in control of the ownership, and creation of pledge over the shares of Reliance General Insurance and Reliance Nippon Life Insurance, to raise funds from investors.

In a letter to the RCap administrator dated October 18, 2023, IRDAI said that as per the existing framework investment in insurance companies can only be made out of "own funds".

"Investment in the insurance companies out of borrowed funds is not permitted," the regulator said as per the letter accessed by *businessline*.

"With regard to creation of pledge, it is to reiterate that no pledge or any other kind of encumbrance/charge shall be created over the shares of insurance companies without prior written approval of the IRDAI," it added.

Mineral blocks including graphite, nickel and chromium set to be auctioned

Abhishek Law
New Delhi

India's Mines Ministry would look at the auction of select critical mineral blocks "soon". While some 100-odd blocks could be on the cards, sources aware of discussions say the first few mineral blocks could cover ones like graphite, nickel, chromium, and even molybdenum.

Clearances for auctions were received in August 2023, which set the ball rolling and was followed by the appointment of SBI Caps as transaction advisors.

"Clearances were obtained in August. The transaction advisor was then roped in and now we are in the final leg to begin auction of some of these critical minerals," the official told *businessline*.

Auctions could happen towards the end of the year. But dates are yet to be finalised.

In July this year, sweeping amendments were made to the Mines and Minerals (Development and Regulation) Act, which primarily allowed for private investments in select critical minerals, including lithium, the cornerstone for India's switch to green mobility.

Weeks before the amendments were made, the Mines Ministry first released a list of 30 key critical minerals, including 17 rare earth elements (REEs) and six platinum-group elements (PGE). These, which included ones like antimony, beryllium, bismuth, cobalt and copper, were classified as 'critical' because of their economic importance and limited availability in India.

PROBABLE BLOCKS

Possible blocks for graphite could come up in the east Indian States, primarily covering Jharkhand, Odisha and Bihar.

Graphite is used across industries covering categories

RESERVE-HEAVY EAST. Possible blocks for graphite could come up in Jharkhand, Odisha and Bihar, while Molybdenum auctions are likely in Tamil Nadu

like writing instruments, lubricants, refractory, batteries, nuclear reactors and graphene sheets.

Identified nickel blocks in India are also in the eastern region, mostly in Odisha, said sources.

Nickel is another mineral currently not mined in India, and it is now used as a coating item to slow down corrosion. It is used for a variety of purposes, including the production of coins, nickel-cadmium and nickel-metal hydride batteries; and also as a catalyst for certain chemical reactions.

Chromium resources, too, are expected to occur in the eastern region, mostly in regions of iron-ore mining, said officials.

Industrial production of chromium proceeds from chromite ore (mostly, FeCr2O4) to produce ferrochromium, an iron-chromium alloy. Ferro-chromium is then used to produce alloys such as stainless steel.

Molybdenum block auctions are likely in South Indian state of Tamil Nadu.

Most molybdenum is used to make alloys. It is used in steel alloys to increase strength, hardness, electrical conductivity and resistance to corrosion and wear. The 'moly steel' alloys are also used in parts of engines. Estimate global use of the metal is around 35 per cent in structural steel, 25 per cent in stainless steel, 14 per cent in chemicals, 9 per cent in tool and high-speed steel, and 6 per cent in cast iron, among others.

STATE OF THE
ECONOMY

The scale and execution speed of infrastructure projects have appreciated considerably in the last 10 years, says **Rahul Prithiani** from Crisil Market Intelligence and Analytics in this podcast hosted by **Rishi Ranjan Kala**

https://bit.ly/Infrastructureprojects

Also available on Spotify, Apple Podcasts and Google Podcasts

VALLEY'S FORTUNE FLOWER

BOUNTIFUL. Farmers pluck the blooming saffron flowers from a saffron field in Pampore, Srinagar. Pampore is famous for its high quality saffron. Kashmir is the only place in India, and one of the few places in the world, where the world's most expensive spice grows NISSAR AHMAD

Centre may allow CAs to cater to non-financial services clients from Gift City's IFSC

Ashley Coutinho
Mumbai

The government may allow chartered accountants to service non-financial services clients from the International Financial Services Centre (IFSC) at Gift City, Gujarat, a move that may prompt Indian and global chartered accountancy firms to set up shop at the financial services hub.

IFSC's current ancillary framework allows accounting firms registered in IFSC to service only IFSC and overseas entities engaged in the financial services sector.

TIE-UPS IN INDIA

The relaxation will level the playing field with CA firms that operate from the mainland that have no such restrictions and can cater to clients across sectors. It may pave the way for foreign consulting firms to enter into tie-ups with Indian CA firms at IFSC and outsource some of their accounting work to Gift IFSC.

At present, only a handful of CA firms have registered at Gift IFSC, primarily because most Indian CA firms do not cater to a sizeable number of overseas clients in the financial services sector. The units based in IFSC have to generate export income or foreign exchange to take a registration and avail of tax benefits.

"Global CA firms setting up offices at Gift will be able to avail of Indian talent at a cheaper cost. Indian CA firms will be motivated to set up at Gift because of the tax benefits. These firms will now be able to cater to diverse clientele across sectors from pharma to automobiles to banking," said a person with a global accountancy firm.

10-YEAR TAX HOLIDAY

CA firms setting up shop or subsidiaries at Gift IFSC will be able to avail of a tax holiday for 10 years on the fee income earned.

"There is a need for parity between the large global and homegrown accounting firms. At present, having a certain number of overseas clients from the financial services sector on the roaster is a major requirement for obtaining the ancillary services licence. Having a wider permissibility that allows firms to cater to non-financial sectors for overseas clients as well as those from the mainland (subject to tax implication), may provide a level playing field for setting up shop at Gift IFSC," said a chartered accountant who is a partner at a consulting firm.

The Big Four firms typically have a larger financial services client portfolio compared to local CA firms in India. At present, it may not be viable for large Indian firms catering to, say, 200-300 non-FS clients and 10-15 FS clients to shift to Gift as the cost of administration and hiring employees at GIFT may offset any tax benefit, said experts.

An email sent to IFSC's Authority did not get a response.

Over 3 lakh CA professionals in India are registered with the Institute of Chartered Accountants of India. 200-300 Indian CA firms meaningfully cater to overseas clients at present.

Defence Minister approves extended maternity benefits to women soldiers

Dalip Singh
New Delhi

In a gender empowering step, Defence Minister Rajnath Singh has approved a proposal for extension of the rules for maternity, child care and child adoption leaves for women soldiers, sailors and air warriors in the tri-services.

Now the women soldiers would be able to avail maternity facilities at par with their officer counterparts, the Ministry of Defence officially stated on Sunday. "With the issuing of the rules, the grant of such leaves to all women in the military, whether one is an officer or any other rank, will be equally applicable," stated the Ministry.

According to the Ministry, the decision is in line with the Minister's vision of inclusive participation of all women in the Armed Forces, irrespective of their ranks.

"The extension of leave rules will go a long way in dealing with women-specific family and social issues relevant to the Armed Forces. This measure is going to improve the work conditions of women in the military and aid them to balance the spheres of professional and family life in a better manner, observed the Ministry of Defence.

Chemplast Sanmar expects 20-25% growth in custom manufacturing business this fiscal

G Balachandar
Chennai

Chemplast Sanmar Ltd, a leading manufacturer of speciality chemicals, has said its custom-manufactured chemical business would record strong growth of 20-25 per cent this fiscal even as it expects some headwinds in other businesses in the near term.

"Despite global cues of weakness in the end markets, the enquiries from potential customers of our custom manufactured chemicals division remain robust. To effectively address the growing demand, we continue to invest to enhance our capabilities. Overall, this business is on track to achieve 20-25 per cent growth this year," the company's Managing Director Ramkumar Shankar

Ramkumar Shankar, MD, Chemplast Sanmar

said during the company's Q2FY24 earnings call.

With the recent signing of the 3rd LOI (letter of intent) with a global agrochemical innovator to manufacture a new pipeline active ingredient (AI), the company sees strong visibility with respect to steady-state capacity utilisation of the new production block and is on track to achieve the ₹1,000-crore revenues mark from this business in the next 3-4 years. Phase 1 of the new multi-purpose production block, which was inaugurated in Q2 of this fiscal at Berigai in Tamil Nadu for the custom manufactured chemicals business, has been commissioned and is being ramped up. Phase 2 of the project is expected to be commissioned by the end of this fiscal.

The company has planned a capex outlay of ₹680 crore for these expansions, which will increase the division's capacity to about 4,500 MTPA from 1,068 MTPA.

Deliveries of the two-molecules for which LOIs have been signed in the recent past will commence in the second half of this year.

PVC BIZ RECOVERY

Meanwhile, the company's performance in Q2 of this fiscal was relatively better than the preceding quarter. While the top line was flat, EBITDA was back in the black.

Shankar said the recovery in the PVC business will be gradual over the next 2 or 3 quarters. The imports of both suspension and paste PVC witnessed an increasing trend towards the end of Q2 with a surge in imports from China.

The trend is continuing in this quarter as well, which is resulting in some correction in prices in October "While PVC prices have started moving up again from the end of October, the scale of the drop in the early part of October will impact our margins in Q3," he added.

It may be mentioned that the chemical industry is experiencing a phase of broad-based weakness globally.

VLCC to invest ₹100 crore on clinics, e-commerce push

Meenakshi Verma Ambwani
New Delhi

Beauty and wellness company VLCC is investing about ₹100 crore in upgrading existing clinics as well as adding new outlets. The company, which acquired men's grooming brand Ustraa earlier this year, is also investing in strengthening its e-commerce presence.

The company said it is open to inorganic growth opportunities. In December last year, global investment firm, Carlyle, acquired a majority stake in VLCC.

Vikas Gupta, Group CEO, VLCC, told *businessline*, "In the past two quarters, we have seen a strong upswing in revenue growth. We are witnessing more than 100 per cent growth in customer acquisition in terms of our services business. We are doing a lot of capital expenditure on our strategic priorities. This includes investments in people, R&D and upgrading infrastructure of our clinics as well as on technology."

The company has added 10 clinics or salons in the past few months in India. VLCC Group's operations span 310 locations in 139 cities across 11 countries.

GROOMING GROWTH

Nearly two-thirds of the company's revenues come from its services business. "I think in this fiscal, in the services business alone, between customer acquisition and capital expenditure, we would spend about ₹100 crore."

In terms of its products business, VLCC has direct reach across 110,000 outlets in the country besides a strong retail footprint in the wholesale channel.

"We are betting big on growing our assisted channel (where beauty advisers offer consultation to consumers) across general trade and modern trade stores for our products. At the same time, as a brand VLCC has been under-indexed on the e-commerce channel and our strategic thrust is on gaining our fair share. Our acquisition of Ustraa has helped us in gaining those capabilities. We are now also working on launching a D2C range of VLCC," Gupta explained.

The company is stepping up investments on R&D and will allocate 4-5 per cent of its revenues in this space.

He said the company remains open for other acquisition targets that can help the brand gain further scale.

Coal power plants loading air with toxic sulphur dioxide

CHOKED. Risk turns focus on repeated extension on installation of 'flue gas desulphurisation'

M Ramesh
Chennai

Coal-fired power plants in India are spewing sulphur dioxide into the atmosphere way above the allowed limit. The biggest culprits are those built after January 1, 2017, which are also wayward in putting out nitrous oxides, data from the Central Electricity Authority (CEA) show (see table).

This brings into question the issue of installing 'flue gas desulphurisation' (FGD) in coal-fired plants, for which thermal power companies have managed to secure repeated extensions from the initial 2017 deadline.

India has 2,07,045 MW of coal and lignite-fired power plants, of which only 22 units with a total capacity of 9,280 MW – less than 5 per cent – have been fitted with FGD.

FGD BENEFITS

According to the Centre for Atmospheric Science, IIT Delhi, an FGD unit can remove anywhere between 50 and 99.8 per cent of SOx emissions, depending on the power plant's vintage. CEA data show that most of the plants with FGD have been able to keep SO_2 emissions below the norm – only NTPC's Dadri units 1, 3 and 4 – each of 210 MW capacity – are wayward.

Sulphur dioxide is bad for health and the environment. "Short-term exposures to SO_2 can harm the human respiratory system and make breathing difficult.

"People with asthma, particularly children, are sensitive to these effects of SO_2," says the US Environment Protection Agency.

At high concentrations, SO_2 can harm trees by damaging foliage and stunting growth. When the gas mixes with falling raindrops, we get a shower of sulphuric acid.

In December 2015, the Ministry of Environment, Forest and Climate Change stipulated SO_2 emission norms for coal-based power plants, compliance with which is possible only with the installation of FGD.

EMISSION NORMS

"The implementation of the emission norms, requiring the installation of FGD technology, got delayed due to various techno-economic constraints faced by thermal power plants and further affected by the impact of Covid -19 pandemic," the Ministry of Power told Parliament in July. The government initially decided on phased implementation of FGDs with maximum timelines up to December 2022 but later granted an extension of the time limit twice for implementation of the new emission norms for SO_2 parameters up to December 2024, December 2025 and December 2026 for different categories of plants, based on their location.

In July 2022, the Centre for Atmospheric Science, IIT Delhi, recommended a "phased implementation" of FGDs across the country, the fifth phase ending in July 2034.

SO_2 Emission report from coal/lignite stations

Category	Total no. of units	Data received units no.	Norms (mg/Nm3)	Average of monthly average SOX emission in each category (mg/Nm3)
Category 1a	179	152	600	955
Category 1b	27	26	200	1,006
Category 2a	164	136	600	769
Category 2b	159	139	200	953
Category 3	74	59	100	1,030

Note: Category 1a: Units commissioned on or before 31st December 2003 and capacity < 500MW
Category 1b: Units commissioned on or before 31st December 2003 and capacity ≥ 500MW
Category 2a: Units commissioned on or between 1st Jan 2004 & 31st December 2016 and capacity <500MW
Category 2b: Units commissioned on or between 1st Jan 2004 & 31st December 2016 and capacity >500MW
Category 3: Units commissioned on or after 1st Jan 2017.

Power consumption grows 9.4% in April-October

Press Trust of India
New Delhi

The country's power consumption grew 9.4 per cent to around 984.39 billion units in the April-October period this fiscal compared to a year ago mainly due to improvement in economic activities and weather conditions. Power consumption in the April-October period in fiscal year 2022-23 was 899.95 billion units, according to Power Ministry data.

Another indicator, peak power demand, was also higher at nearly 241 GW during the April-October period this fiscal against 215.88 GW in the same period in 2022. The country's power consumption grew nearly 22 per cent to 138.94 billion units (BU) in October, showing a surge in electricity demand due to festivities and increased economic activities. In the same month a year ago, power consumption stood at 113.94 BU, higher than 112.79 billion units recorded in October 2021, as per government data.

A spokesperson of Tata Power Delhi Distribution Ltd said, "In the last couple of months, electricity consumption has gone up substantially."

"The demand has remained higher mainly due to delays in winter onset. The festive activities in October have also contributed to the demand phenomena."

Uneven rainfall cast a shadow over rural demand in second quarter, say FMCG firms

Meenakshi Verma Ambwani
New Delhi

FMCG companies have reported slower-than-anticipated rural recovery trends in the September quarter.

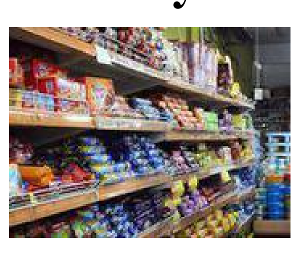
According to players with significant exposure to rural markets, rural consumption continued to lag urban demand in the second quarter amidst uneven rainfall.

However, the companies are hopeful of a gradual recovery on the back of higher minimum support price (MSP), government spending on infrastructure and surge in consumption due to the festival season, among others.

KEY INDICATORS

Mohit Malhotra, CEO, Dabur India, said that while the macro-economic indicators were showing improving trends, uneven distribution of rainfall and deficient monsoon impacted rural consumption in the September quarter. In an investor call, the management pointed out that syndicated FMCG industry data suggest that after witnessing a negative growth trajectory for three quarters, rural growth would come in at 0.3 per cent in the March quarter and 4 per cent in the June quarter. It has moved to 6.7 per cent in terms of volume.

"So the growth trajectory of rural is becoming positive but on a lower base. I think rural will continue to gain traction, albeit slowly, but it will happen surely with factors such as the MSP increases, sustained infrastructure investments by the government, direct benefit transfers in place, robust crop sowing and the onset of the festival season. With the election season coming up, some pops are also likely to happen. That said, rural growth is still lagging urban demand," Malhotra stated.



Marico's management too pointed out that deficient rainfall in August and a spike in food prices impacted the rural consumption trends during the second quarter.

On a recent earnings call, Saugata Gupta, Managing Director and Chief Executive Officer, Marico, Ltd said, "Q2 started on a positive note with reasonably encouraging demand trends in rural and urban in July. However, there was a noticeable drop in overall sentiment, especially in rural during August and early September, which seemed to have been triggered by significantly deficient rainfall in August, followed by a spike in food prices across. We have seen some recovery since the second half of September and we are optimistic about the gradual pickup in consumption."

FESTIVAL CHEER

Gupta added that rural consumption trends are expected to improve in the next 2-3 quarters with the onset of the festive season, range-bound retail and food inflation, and government spending between now and the elections.

Packaged food major Britannia also said FMCG growth has been faster in urban compared to rural. "Our potential in rural continues to remain high, and hence, expansion in rural distribution continued despite the reported rural slowdown," the company said in its earnings statement.

With moderation in inflation, companies such as Asian Paints are betting on the festival season, wedding season, and government spending to boost rural demand.

NCLT approves record resolutions in Sept quarter

KR Srivats
New Delhi

The processing capacity of insolvency cases under the Insolvency and Bankruptcy Code (IBC) is now seeing a significant ramp up with the National Company Law Tribunal (NCLT) approving a record 85 corporate insolvency cases in the just ended July-September 2023 quarter, latest Insolvency and Bankruptcy Board of India data showed.

This was more than double the 38 corporate insolvency resolutions approved by the NCLT in the April-June 2023 quarter.

Going by the September quarter run rate, NCLT is well on course to process the IBBI indicated level of 300 resolutions this fiscal year, say insolvency law experts. In the July-September 2023 quarter, the total value of claims admitted touched ₹65,247 crore, of which the total realisable value stood at ₹20,771 crore, IBBI data showed.

CLEARING THE BACKLOG

For the September 2023 quarter, the realisable value as a percentage of liquidation value stood at 219 per cent (much above the 168 per cent levels since commencement of IBC). It was 133 per cent of the fair value of assets resolved, much higher than the overall average of 86 per cent since the commencement of IBC.

On the other hand, in the April-June 2023 quarter, the total value of claims admitted in the 38 cases stood at ₹23,046 crore, of which the realisable value was ₹6,791 crore. Realisable value as a percentage of liquidation value stood at 141.30 per cent for the June 2023 quarter and 97 per cent as percentage of fair value.

This improvement in NCLT processing of insolvency cases comes at a time when the Corporate Affairs Secretary Manoj Govil had recently underscored the need for a significant ramp up in the processing capacity of insolvency cases under IBC. Govil had then noted that a large gap still exists between the demand on the system and the current NCLT processing capacity.

DELHI
businessline.
MONDAY - NOVEMBER 6 - 2023

THE HINDU businessline.
MONDAY - NOVEMBER 6, 2023

Horror show

Israel must stop pounding innocents in Gaza

In the ongoing atrocities between Israel and Hamas, an old question has once again come to the fore: can you right a wrong with another wrong? Hamas was wrong in stealthily attacking Israel and killing a few hundred civilians but is it kosher for Israel to openly bomb the Gaza Strip which is controlled by Hamas, kill a few thousand civilians and destroy their city?

If UN resolutions are anything to go by, most of the world thinks it's not okay. However, a small minority with muscle and money and a huge guilty conscience over the European atrocities against Jews over several centuries, thinks it is quite okay. The problem is that there appears to be none to stop either Israel or Hamas from trying to completely annihilate each other. Both sides say it's a matter of survival, and therefore all means are justified. Into this visceral fight have stepped others with their own little axes to grind. No one seems to care about ordinary people in Gaza who are being subjected to inhuman bombing. India's absention at the UN General Assembly vote calling for a ceasefire in Israel-Palestine, should not be interpreted to mean that it is indifferent to the situation in Gaza. However, it can play a proactive role in arresting the violence, while ensuring condemnation of terror.

The tragedy is that a solution has existed for three decades, namely, the creation of two countries, Israel and Palestine. But Israel is refusing to agree even though the others have. So without putting too fine a point on it, the time has come for the world to actually force Israel to accept the two state solution. Israel is in an uncontrollable rage and behaving without regard to human life. Such behaviour requires the self-styled "international community" to compel it to immediately stop bombing civilians in Gaza and then accept the two state solution. Successive American governments are as culpable as Israel. True, they have tried to bring peace to the Middle East, but with Israel they have been very indulgent. It's high time that the US read out the riot book to Israel. Defending your country against insane acts of terror is one thing. Bombing civilians mercilessly is another.

The US is itself on very weak moral ground, as the world has seen in Vietnam in the 1960s and 1970s and in Iraq and Afghanistan in the 2000s. Nor is any other western country much better. From Russia in the east to the US in the west, they have behaved exactly like Israel. It was England that set the precedent 200 years ago! In 1847, the house of a diplomat Don Pacifico, a Portuguese who was a British subject, was burned down in Greece. Lord Palmerston, Britain's foreign secretary at that time, actually sent a naval fleet in 1850 to blockade Greece and teach it a lesson that "it would never forget". For the West since then, that's been the template: military muscle is what counts and morality is for the weak.

FROM THE VIEWSROOM.

Learning from Bhutan's compassion

PT Jyothi Datta

Without much ado, neighbouring Bhutan has apparently become the first country in the world to fully sterilise and vaccinate all its street dogs, in a 14-year project.

Bhutan may be a small country, but it's certainly been big on intent while handling animal welfare and human health, in humane and civilised manner. And its achievement provides a stark contrast to the blood-lust seen in some quarters, against stray dogs in India — when the need is, in fact, for scientific investigations into alleged dog-linked incidents and strengthening of programmes implemented by municipalities and animal non-government organisations (NGOs).

Bhutan's achievement comes after "years of investment in a humane dog management program," said global animal charity Humane Society International, (HSI) that was involved with this project. In fact, Prime Minister Dr Lotay Tshering recognised their support in Bhutan's street dog welfare success from 2009 until its closure – "a decade and a half of intensive, targeted spay/neuter work and community engagement initiatives" undertaken by Bhutan and HSI, it added. The project sterilised and vaccinated more than 1,50,000 street dogs and micro-chipped 32,000 pet dogs.

The targeted spay/neuter programme is not new to India, and several States including Maharashtra and Tamil Nadu, have been implementing it with reasonable success. It is an ongoing task, that needs more resources, by way of funds, veterinarians, genuine animal NGOs and pharmaceutical companies (making rabies vaccines etc), to effectively expand this sterilisation and vaccination programme across the country.

No one in their right mind wants violence — involving animal or human. But recent tragic incidents have seen some people rush to promote hate-filled agendas, even as details behind these alleged dog-linked incidents remain unclear. All because animals cannot tweet or vote.

As the world marks One Health day, recognising links between human, animal and environment health, India needs to strengthen its Animal Birth Control (ABC) programme, promote dog adoption, regulate the commercial pet trade and ensure that *ahimsa* sits at the heart of these policies.

SANTANU PAUL
B SAMBAMURHTY

Start-ups must create real value

SOUL SEARCHING. Institution-building should be their mission. High valuations cannot be a start-up's *raison d'etre*

A prolonged funding winter has knocked the wind out of many start-ups and put an end to yet another era of irrational exuberance and frothy valuations. Many start-ups are currently facing backlash on a range of issues such as dodgy governance, financial impropriety, unethical selling, and workforce exploitation.

Suddenly, the tables have turned. Cool start-ups that have so far played an investor-sponsored valuation game look fragile and vulnerable. Boring companies that have stood the test of time look stable, even appealing!

This comes after a decade of growth with India emerging as the third largest start-up ecosystem globally with nearly 1,00,000 registered start-ups and over 100 unicorns across diverse sectors. It is noteworthy that only 15 per cent of these start-ups are profitable while the rest are making losses and burning cash in an attempt to grow or stay alive.

While free-flowing venture capital has been a boon for India's start-up ecosystem, the excessive dependence of even the most established start-ups on non-stop capital infusions is disconcerting. As the funding winter has revealed, this is becoming a dangerous way for start-ups to live. In Warren Buffet's inimitable words: Only when the tide goes out do you learn who has been swimming naked.

What should start-ups aspire to be when they grow up? One view is that start-ups should try to be useful institutions that solve important problems. A high valuation can be a happy side effect of such institution building, but it cannot be the start-up's reason to exist. Jim Collins wrote admiringly of Level 5 leaders who combine personal humility with professional excellence; and yet so many contemporary start-up leaders are using personal branding as a way to metamorphose into celebrities.

Peter Drucker said that the purpose of every business is to attract and retain good customers, and beyond that to make a difference in the world; and yet so many modern entrepreneurs stand ready to devise any method to attract investors at high valuations, however negative the impact on their customers, employees, or the ecosystem.

> **Malfeasance by founders, questionable business** practices and ill treatment of staff have dogged the start-up ecosystem in recent times.

Customer delight should be a cardinal truth for any start-up with long-term aspirations.

We know that delighted customers generate positive word-of-mouth, which leads to high referral rates, which in turn leads to sustainable and profitable growth. The Net Promoter Score metric was introduced by Fred Reichheld to quantify this virtuous cycle.

So what are we to make of our start-ups that abuse their customers? In edtech, there have been reports of vulnerable parents being browbeaten into taking undisclosed loans to buy courses they cannot afford. Paid trolls have attacked the same parents on social media for posting negative feedback on companies.

EMPLOYEES FIRST

In fintech, regulators have stepped in to curb predatory lending practices that were pushing gullible borrowers into a debt trap. It is unlikely that high valuation start-ups that are playing a win-lose game against their customers will ever grow up to be respected institutions.

In his book *Employees First, Customers Second*, Vineet Nayar illustrates how business leaders must build trust with their employees and treat them as first class citizens within organisations. However, many companies that live off the hard work of gig workers are doing the opposite. Quick commerce and food tech start-ups are in the news for subjecting their delivery staff to a toxic brew of long hours, poor pay, and traffic hazards.

Recent mass layoffs across the start-up ecosystem have shone an ugly spotlight on the inhumane treatment of affected workers. Stacking the odds heavily against those who serve the company, in order to benefit only those who own the company, seems incompatible with the idea of institution building.

Even beyond customers and employees, founders have a responsibility to protect the start-up ecosystem. Earlier this year, a major start-up backed by blue-chip investors admitted to grave errors in financial reporting; their defense was they got carried away by passion.

In another instance, a celebrity founder was accused of embezzlement by his own board and forced to exit. Such cases of malfeasance taint entrepreneurs, investors, and auditors alike. Worse, they erode public faith in the integrity of the start-up ecosystem. In the last decade, entrepreneurs were encouraged to move fast and break things and fake it till you make it. They were exhorted to embrace new age mantras like growth hacking and *jugaad* innovation. All this fostered a culture of chasing reckless growth, whatever be the cost. The bill of damages has come due.

The silver lining is that our youth no longer lack the courage to start something new. The profusion of unicorns, decacorns, and IPOs around us are testament to that. India is getting ready to offer its own world-class tech companies; UPIs arrival on the global stage is a harbinger of things to come.

However, recent start-up implosions and post-IPO price meltdowns suggest that when courage is overtaken by greed, it is not a pretty sight.

Founders should raise capital and grow at a fast clip, but they must also pay proper attention to their revenues and expenses, respect their customers, nurture their employees, and protect the start-up ecosystem they inhabit. If businesses follow this time-tested script, macroeconomic fluctuations and rising regulations may affect valuations temporarily, but their true long-term value would remain intact.

High valuations can glitter, but when all is said and done, enduring institutions are gold.

Paul is MD and CEO of TalentSprint; and Sambamurthy is former chairman of NPCI. Views expressed are personal.

There's an urgent need to inject vibrancy into cotton

Technology, seed research, contract farming are some measures that can revive stagnant yields and raise cultivated area

G Chandrashekhar

India has the world's largest area under cotton cultivation (125 lakh hectares). With production of 320-330 lakh bales, we rank either first or second in global production. Also, we are a significant exporter of raw cotton, cotton yarn and value-added textiles.

But the cotton sector is at a crossroads today. One side is the High Road that will lead to higher productivity and production, benefit primary producers (growers), provide sufficient raw material for our expanding consumption demand, and still leave a genuine export surplus.

The other side is a Low Road that may lead to stagnating production, supply-demand mismatch, volatile prices, falling export surplus, rising import dependence and all its consequential impacts on the economy and value chain participants. Stakeholders including policymakers have to choose the road they want to take. Consider the following:

* Land available for cotton cultivation is stagnating; perhaps reaching a saturation point

* Our yields are declining after peaking at 500 kg/ha five years ago are down to 440 kg/ha now

* Land constraints, water shortage and climate change are also hurting the cotton sector

* It is critical to recognise the risks posed by climate change;

* There is strong positive correlation between economic growth and cotton consumption;

* With the ambition of a $5 trillion economy, demand for cotton is sure to expand robustly in the next several years;

* Cotton demand to gradually rise to about 380 lakh bales by 2030;

* But cotton production growth may be slower than demand growth;

* In the event, there will be demand-supply mismatch, price volatility and hardly any genuine export surplus of raw cotton;

* Fall in crude oil prices due to 'energy transition' efforts of countries will make synthetics cheaper and adversely impact the demand for cotton-based goods

* Also our import dependence for fine and extra-long staple varieties will increase.

As the area for cotton stagnates and possibly reaches a saturation point, raising yields is the only way to boost production.

Technology: Bt. Cottonseed is possibly facing technology fatigue; Pink Bollworm has acquired resistance as evidenced by repeated incidences of pest attack. Agronomic practices are not followed as per prescribed protocol. Growers need guidance.

COTTON CROP. Time for revival NAGARA GOPAL

A supportive policy environment for investment in tech seeds is needed. But denial of IPR and tech premium discourages research. Price controls on tech seeds are best avoided.

Sucking pests are also taking a toll. New seeds (stacked genes) are available. Weeds are a big issue. Cost of manual weeding is high. Herbicide Tolerant seeds should be encouraged.

Genetic research: There's need to fight climate change with climate-smart agriculture or climate-resilient crops. For the purpose, a supportive long-term policy to encourage firms to spend on R&D is the only alternative. Seed research is a long-term play.

Replication: While all-India cotton yield averages around 450 kg/ha, a few districts enjoy twice the yield. Input management, agronomy and so on in high yield area can be replicated in other areas.

Contract farming: Not the least is the moral duty of large user-industries to produce the required raw material through contract farming. FPOs can be good partners for contract farming. It will be a win-win for growers and industrial users.

Finally, India has to urgently impart a new vibrancy to its slowly degenerating cotton sector. All stakeholders including policymakers, research institutions, growers' organisations, input companies, industrial users, exporters, traders and service providers have to come together with unity of purpose to design a long-term policy for sustained growth in a sustainable manner.

(Excerpts of speech delivered by the author at Cotton Association of India conference in Hyderabad on October 29)

The writer is is a policy commentator and agribusiness specialist. Views are personal

BELOW THE LINE

RBI Governor Shaktikanta Das PTI

An ideal central banker

During the businessline Changemaker award ceremony in the Capital this past week, RBI Governor Shaktikanta Das gave an enlightening answer to a query about the ideal attributes of a central banker — robust (strong) common sense, an open mind with the ability to smell a crisis before it occurs, and collaborative decision-making and teamwork.

The moment Governor Das shared his perspective, a member of the audience humorously remarked, "With such criteria, it seems a good number of economists might find themselves out of the reckoning to be Das' successor. That much seems certain."

Das' insights would mean that his successor should ideally be selected from a more diversified pool.

In a world where 'common sense' is often a rarity, it might just become the most sought-after "currency".

Diwali Dhamaka sale?

Electoral Bonds sales are back even as the Supreme Court has reserved its verdict in a batch of pleas challenging the legal validity of the electoral bond scheme.

The Finance Ministry has now allowed SBI to issue and encash Electoral Bonds through its 29 authorised branches between November 6-20.

This is the second window of sales within a month and comes just ahead of Assembly elections cycle in five States beginning November 7.

This is also the first time this year that the Centre has exercised its option of allowing electoral bond sales for an extra fortnight. Last year too, the extra fortnight window for electoral bond sales was exercised ahead of Gujarat and Himachal Pradesh Assembly elections.

The original scheme — which was amended last year — provided for such sales only in January, April, July and October every year, and 30-day period during year of Lok Sabha elections.

Political parties are now pitching this latest sale window as one "last Mega Opportunity" for donors (mainly corporate houses) to fill the party coffers ahead of Assembly and general elections next year. Buzz in the Capital is that this festive season will not only see the e-commerce giants laughing their way to the bank's courtesy their Great Indian Festive Sales, but even the political parties raising a tidy sum via electoral bonds!

Poll bonhomie

During the time of election a show of bonhomie between political leaders is common.

Candidates cracking jokes, helping a kid wear a shirt, or sporting a wrench or a spanner at an auto service centre are familiar sights.

Congress leader Rahul Gandhi, during his campaigning in Telangana is seen doing this more frequently — randomly interacting with people and engaging them in an informal conversation, squatting on the ground.

BRS Working President joined the club the other day as he joined Gangavva, a social media star, and her team to make country chicken. Shot in a paddy field, the 40-minute video was not exactly part of the election campaign but its political import is hard to miss.

Tea powder challenge

Political parties and organisations are finding new ways to raise funds.

The women's wing of Indian Union Muslim League in Kozhikode is selling tea powder. Called Tea Gala Collection Feast, the women's wing intends to sell tea to people at ₹333 per kg as part of the fund-raising campaign.

An exclusive app has also been developed for the purpose with a target to collect ₹5 crore in a month's time. Barring all expenses, it is estimated that the tea challenge could help fetch ₹150 per kg to the party fund. The Kerala Youth League's Dhoti fund raising drive seems to have inspired the women. **Our Bureaus**

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Debunking corporate myths

Management phrases put through the wringer

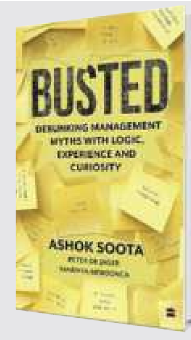
Ambi Parameswaran

Harry S Truman, the 33rd President of the US, is reported to have observed, "Give me a one-handed economist. All my economists say 'on hand...', then 'but on the other...". There could be some truth to this since most economists tend to hedge their bets by saying "... on the other hand things may go south if xyz happens...". The President wants assurances and guarantees. If we increase interest rates will inflation come down, unemployment reduce....

Managers do play this game a little differently. They don't mention body parts but often put a qualifier that reads "it depends". Well our sales will go up by 10 per cent if we drop prices by 5 per cent. Is that a guarantee? Well 'It Depends' on the market condition and what our competitors do.

In order to cut through this double speak management experts come out with pronouncements that seem final in all respects. Culture eats strategy for breakfast. Early adopters are the ones to go after. If it ain't broken don't fix it. Multitasking is to be avoided. People leave people not organisations.

In the book *Busted*, Ashok Soota, one of the most respected figures in the Indian ITES space, has partnered with Peter DeJager, an international consultant, and Sandhya Mendonca, to put 15-odd management myths through the grind. They have attempted to bust all these catch phrases or wise words through logical arguments, examples and more.



Title: Busted: Debunking Management Myths With Logic, Experience and Curiosity
Author: Ashok Soota and Peter DeJager
Publisher: HarperCollins India
Price: ₹599

BUSTING MYTHS

Between Soota and DeJager they have written individual essays on these commonly held management aphorisms. Soota has quoted many examples from his own storied career running Wipro Infotech, Mindtree and Happiest Minds. DeJager in his essays has quoted from his own consulting practice.

In order to add more weight to their arguments they have also reached out to business leaders and management thinkers to help them 'bust' the myths.

Nandan Nilekani, Hema Ravichander, Sandeep Maini and many others have been interviewed and quoted.

The authors have also quoted from numerous books and articles, in order to build a ballast for their arguments.

Did they succeed in busting all the myths? According to this reviewer, the management myths or aphorisms are often simplified to make a point. Let us take the statement 'Culture eats strategy for breakfast'.

Anyone worth his salt will know that a company cannot succeed with just great culture. You need strategy. And systems and processes in order to succeed. The sensational nature of the Culture–Strategy–Breakfast statement does one thing surely. It makes one sit up and acknowledge the role of culture. Nothing wrong with that.

Each of the 17 chapters make interesting reading but busting some of the management mantras seemed a little too obvious. 'People leave people not organisations' is a myth that was used by Naukri.com for their successful ad campaign [remember 'Hari Sadu']; but we know that an organisation does play an important role in the attrition rate of a company. How do you explain the lower attrition rate of TCS compared to its industry peers.

This reviewer enjoyed the book but was left with the feeling that the same 'Busting' could have been done with a more humorous pen [check out *Plato and a Platypus Walk into a Bar - Understanding Philosophy Through Jokes*].

A Dilbertesque approach may have been more fun to read. But to those who want a quick primer to the most commonly used management mantras and see both sides of these mantra, this book is a great read.

The reviewer is a best selling author. His latest *All the World's A Stage* is a personal branding story

Poll panel — an insider's thoughts

The book talks about the poll panel's powers, its ties with the govt and simultaneous polls for Lok Sabha and Assemblies

BOOK REVIEW.

TCA Srinivasa Raghavan

This book carries 21 endorsements by persons of Sunil Khilnani's 'Idea of India' persuasion. Also, during its launch a few weeks ago, which I watched on YouTube, it was praised to high heavens by none other than Fali Nariman, one of India's leading experts on the Constitution and democracy.

So I write it not as an expert but as a reasonably well-informed layman. The author comes from a family of Islamic scholars. The family lived in old Delhi in the Ballimaran area where Ghalib once lived.

Quraishi went to the right college in the right university of those times. He is thus the perfect representative of the elite that dominated the Indian worldview until recently. He joined the IAS in 1971. And while in service he acquitted himself as well as anyone. His eventual reward was his appointment as the Chief Election Commissioner of India.

BUNCH OF THOUGHTS

As to this book itself, it's what might be called a bunch of thoughts, a collection of long and short essays. There are numerous sections which have been arranged subject wise. Quraishi says you can read the essays in any order. That's nice. Unfortunately, it also makes it appear like Wikipedia, which it is not. There's far more opinion than Wiki would allow.

Quraishi raises many questions. Amongst them is a very important one: should the Election Commission have the powers to punish that are similar to the contempt of court power of the judiciary. The Commission thinks it should. It has given three examples of why. Two of these involve Arvind Kejriwal who has called the ECI uncomplimentary names and accused it of being partial to the BJP. Kejriwal also accused two election commissioners of "being close to the BJP". One of them recused himself from the case before the EC.

Quraishi differs. He says "I don't think the proposal is well considered". It's not entirely clear why because later on in the chapter he says the EC should be able to penalise political parties. This is not the same as the power of contempt, of course, but it's a similar power. He wants the EC to have the power to punish errant political parties that disobey rules about submitting accounts and not conducting internal party elections.

EC APPOINTMENTS

He also discusses the appointment of the election commissioners. At present, as with other institutions, the government is the appointing authority. It exercises the kind of discretion that gives it comfort.

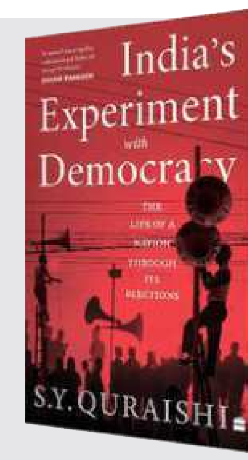
Quraishi says India is unique in this regard because nowhere else in the world do governments unilaterally appoint the commissioners. Indeed, even in India, for many other institutions, this '*meri marzi*' system isn't allowed and the government has to consult others.

Another reform he suggests is that the commissioners should not be removed except by impeachment, as is the case for the CEC. The commissioners "should not be made to feel like probationers trying to please the government".

He concludes the chapter saying Narendra Modi has a new vision for India. So why not include these suggestions also in that new vision?

Quraishi is also sceptical about the practicability of simultaneous elections to the Lok Sabha and State assemblies. He raises many valid doubts.

But not once does he remind himself that such simultaneous elections had been held from 1952 to 1967.



Title: India's Experiment with Democracy: The Life of a Nation through its Elections
Author: SY Quraishi
Publisher: Harper Collins
Price: ₹700

ABOUT THE AUTHOR

SY Quraishi joined the Indian Administrative Service in 1971 and rose to become the seventeenth Chief Election Commissioner of India. He introduced a number of electoral reforms, including the creation of a voter education division and expenditure monitoring division

Quraishi believes that election commissioners should be removed only through impeachment and "should not be made to feel like probationers trying to please the government".

It was only in 1971 that the Lok Sabha elections were held a year earlier because Indira Gandhi couldn't be bothered by the consequences that would follow.

GOVT-EC RELATIONSHIP

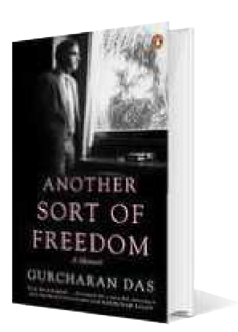
The book discusses many episodes both during and after the author's tenure as CEC. You will have to read the book to get a sense of the relationship between the government and the ECI. But here's a stark example of that.

In one chapter he says he was appalled that the Prime Minister's principal secretary had asked or 'invited' the chief and the other two election commissioners to the PMO for an 'informal interaction'. He compares this to such an invitation to all the judges of the Supreme Court and adds that the PMO official would immediately be in contempt.

The Law Minister, he says, should go to the EC and not the CEC to the Law Minister. He says when he, as CEC, was similarly invited by the then Law Minister Veerappa Moily, he politely told the Minister to come over instead.

Finally, there's the most important question regarding the rock band Quraishi was part of at his college and at the civil services Academy in Mussoorie. What did he do in it? Sing or play some instrument? He must answer. The nation wants to know.

NEW READS.

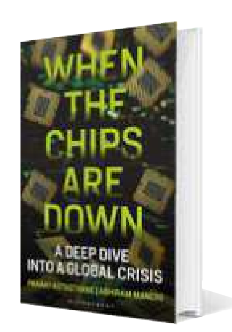


Title: Another Sort of Freedom

Author: Gurcharan Das

Publisher: India Allen Lane

A funny, moving and honest memoir of a man's struggle to break free from expectations. The book is filled with moments of deep introspection

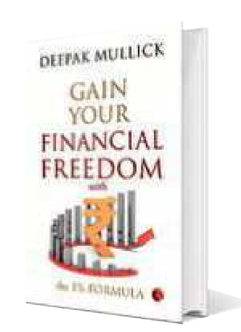


Title: When the Chips Are Down: A Deep Dive into a Global Crisis

Authors: Pranay Kotsthane and Abhiram Manchi

Publisher: Bloomsbury India

An overview of semiconductors and their geopolitcal importance



Title: Gain Your Financial Freedom with the 1% Formula

Author: Deepak Mullick

Publisher: Rupa Publications India

This book simplifies planning framework for financial freedom and contains stories of people who created a nest egg without stress

businessline.

TWENTY YEARS AGO TODAY.

November 6, 2003

All insider trading cannot be punished, says SAT

In a path-breaking verdict, the Securities Appellate Tribunal has said that a person indulging in insider trading cannot be punished unless proven that he had unfair advantage over other shareholders. The ruling will have far-reaching consequences considering that insider trading by nature is extremely difficult to prove.

TRAI nod not needed to fix basic services tariffs

The Telecom Regulatory Authority of India (TRAI) has issued a notification, making it free for basic telecom operators to fix the tariffs (except for rural subscribers) without seeking prior approval from it. So far, while cellular and limited mobility (WLL) services were being charged at the market-determined rates, the tariffs for basic landline services had to get prior approval from the TRAI before being offered to the subscribers.

Tata Motors set to acquire Daewoo truck co for $118 m

Tata Motors Ltd today said that it has signed a binding MoU with Daewoo Commercial Vehicle Co Ltd (DWCV) to acquire the Korean truck manufacturer. "The transaction is expected to close in the next two to three months, subject to a final due diligence of DWCV's operations," an official statement said.

Short take

Why are e-comm models going brick and mortar?

M Muneer

Myntra, an online fashion store has set up Myntra Fashion Store along with its sports wear stores HRX, supposedly to give its customers an immersive shopping experience. Lenskart, set up an exclusive online eyewear business, has its Eye Studios now. Pepperfry, an online furniture and home decor store, has opened a chain of "Studio Pepperfry" experience centres. Even Makemytrip, the original disruptor of travel business, has started its physical store!

The natural process would have been for a brick-and-mortar business to migrate to online but this new trend is baffling. What reasons could possibly be behind this shifting business models? Our research heralds the convergence of online and offline strategies.

Enhanced customer experience: While online shopping offers convenience – and some cost advantages – some customers still prefer the tactile and immersive experience of shopping in a physical store, especially after the boredom created by the pandemic isolation. By having a brick-and-mortar presence, e-commerce businesses can provide a hands-on experience, allowing customers to see, touch, feel, smell and try products before making a purchase.

Brand building and trust: A physical store normally serves as a tangible representation of a brand, helping to establish credibility and trust with customers. Having a physical presence makes the brand feel more authentic and reliable, especially for customers who are sceptical of online-only businesses.

Showcasing innovation: Some e-commerce enterprises use physical stores to showcase their technological innovations or unique products. For example, an online electronics retailer might use a physical store to let customers experience cutting-edge gadgets in person.

Returns and customer service: Physical stores can serve as return centres for online purchases. Having in-store customer service can address customer queries and concerns.

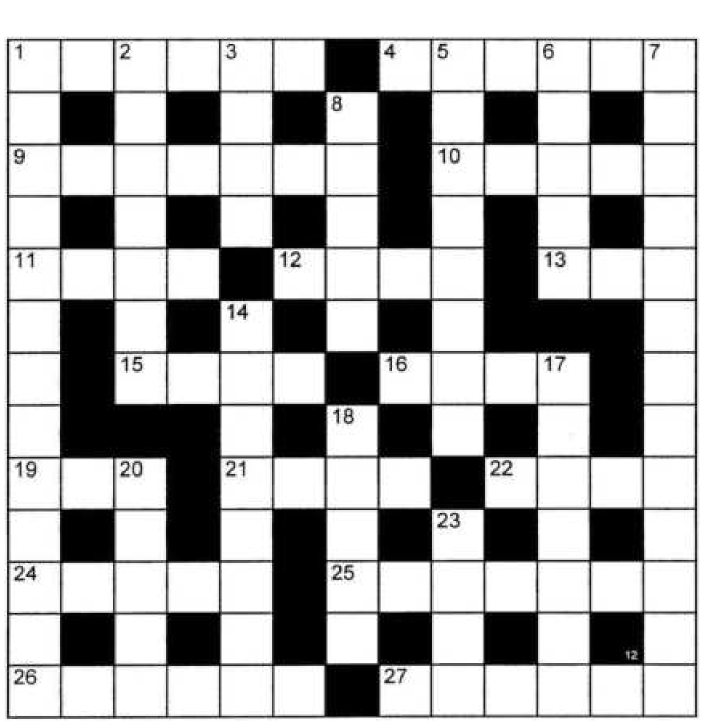
Behavioural data collection: Physical stores can provide valuable data on customer behaviour and preferences that might be challenging to capture online. This data is most helpful in refining the marketing and product strategies.

Competitive edge: In some cases, entering the brick-and-mortar space can help to differentiate itself from other online-only competitors.

Market saturation: In mature e-commerce markets, there might be a point of saturation where online growth slows down. In such cases, expanding into physical retail may provide new avenues for growth.

Muneer is a co-founder of the non-profit Medici Institute for Innovation

BL TWO-WAY CROSSWORD 2306



EASY

ACROSS
01. Infrequently (6)
04. Particles (6)
09. Firmness of purpose (7)
10. Something additional (5)
11. Pin down (4)
12. Bother (4)
13. Pole or perch (3)
15. One of ancient German nation (4)
16. Box for fowls (4)
19. A good deal (3)
21. Bar fastening door (4)
22. Flag flower (4)
24. Used up; dead (World War I slang) (5)
25. Sick dizziness (7)
26. Lay out; employ (6)
27. Finds out the heaviness (6)

DOWN
01. Instrument used for weighing (6-7)
02. Enduring (7)
03. Lubricates (4)
05. 'What the butler saw' (4-4)
06. Provide for needs (5)
07. Instantaneous resolutions (4,9)
08. Object, hesitate from uncertainty (5)
14. Unreasonably obstinate (8)
17. Leaving one another (7)
18. Hand-cover (5)
20. Refill glass (3,2)
23. For nothing (4)

NOT SO EASY

ACROSS
01. It's not often the Dome's made it around London capital (6)
04. The first starling eats bits of dust (6)
09. Make up one's mind to do the puzzle again (7)
10. A wide, so ordinary it's out of the usual run (5)
11. What is fingered that may get a hammering (4)
12. Make a to-do of excessive elaboration (4)
13. Spare it from being a child spoiler (3)
15. Old German was in charge of architectural style (4)
16. Will confine a company to work (4)
19. He was no doubt a good deal put out by his wife's metamorphosis (3)
21. Run away with a length of cloth (4)
22. The rainbow goddess, quite an eyeful! (4)
24. No OAP could show it was good for nothing in WW1 (5)
25. Get Ivor to change due to giddiness (7)
26. Use money to expose half and finish it (6)
27. Is influential as one uses 1 Down (6)

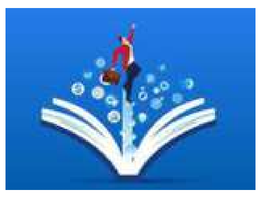
DOWN
01. Around May, equilibrium will show how heavy it is (6-7)
02. Staying the course behind all the others in Gateshead (7)
03. Makes things smoother, painting in them (4)
05. Pier entertainment may be to Tom's satisfaction (4-4)
06. Provide victuals in order to trace it out (5)
07. Photographers take them, making mind up on spur of moment (4,9)
08. Object to being endlessly modest (5)
14. Bust out on being given birth to one like a mule (8)
17. Are leaving each other, between the waves? (7)
18. Fits like a greeting lovers can reveal (5)
20. Pot will give a refill before one's empty! (3,2)
23. Let one go gratis (4)

SOLUTION: BL TWO-WAY CROSSWORD 2305

ACROSS 1. Slippers 7. Below 8. Remains 9. Trotter 10. Ably 12. Residue 14. Creased 17. Epée 18. Upholds 21. Curious 22. Bonus 23. Psalters **DOWN** 1. Spread 2. Immolate 3. Pain 4. Roster 5. Flat 6. Swerve 7. Browsed 11. Results 13. Disprove 14. Crumbs 15. Discus 16. Versus 19. Hang 20. Oral

OFFICE BUZZ.

India to see highest salary hike in Asia-Pacific in 2024



The median salary increase in India is forecast to rise by 9.8 per cent in 2024, close to the actual salary increase of 10 per cent in 2023, according to the latest salary budget planning report by WTW, a global advisory, broking and solutions company.

Being an emerging market, salary increases in India continues to be the highest across Asia-Pacific. The 2024 salary increase for Vietnam is projected at 8 per cent, followed by China at 6 per cent, the Philippines at 5.7 per cent and Thailand at 5 per cent.

HOT JOBS

There is a slight dampening of sentiment when it comes to business revenue outlook. The WTW survey shows that just one-third (36 per cent) of the companies have projected a positive business revenue outlook for the next 12 months in Q2 23 compared to 42 per cent in Q2 22. In terms of hiring, 28 per cent of companies plan to recruit in the next 12 months while about 60 per cent companies have increased headcount in 2023 as compared to the previous year.

According to the report 'hot jobs' for recruitment in the next 12 months are IT (61 per cent), engineering (59.8 per cent), sales (42.9 per cent), technical skills trade (38.6 per cent), finance (11.8 per cent), marketing (10.6 per cent) and human resources (3.1 per cent).

Voluntary attrition rate in India has gone down from 15.3 per cent in 2022 to 14.6 per cent in 2023 although it is still one of the highest among the APAC markets.

India tops in workplace burnout

Indian employees experience one of the highest rates of workplace burnouts in the world, according to a new study by the McKinsey Health Institute. About 59 per cent of Indian employees experience burnout symptoms at work. Globally, around 22 per cent of employees report burnout symptoms.

The study is based on a survey of over 30,000 employees from 30 countries. It said that more than half of employees across 30 countries reported positive overall holistic health. Turkey had the highest percentage (78 per cent) of positive scores, while Japan (25 per cent) had the lowest. Employees in larger companies (more than 250 workers) had higher holistic health scores than those in smaller companies.

Deepesh Nanda takes charge as head of TPREL

Deepesh Nanda has taken over as the CEO and MD, and President-Renewables of Tata Power Renewable Energy Ltd (TPREL), a subsidiary of Tata Power, from November 1.

In his new role, Nanda will be responsible for driving the growth and profitability of Tata Power's renewable energy portfolio, which encompasses solar, wind, hybrid and B2C green energy solutions. He will also lead the innovation and digital transformation initiatives in the renewable energy sector.

Nanda brings with him 28 years of experience across companies like GE, Flowserve and Tyco. He was formerly Chief Executive Officer for South Asia at GE Gas Power, overseeing operations in India, Bangladesh, Sri Lanka, Mauritius and Nepal. He was additionally President and CEO of GE's Aero-derivative gas turbine business segment for Asia. An alumnus of Annamalai University, Nanda graduated in Mechanical and Production engineering.

TABLE TALK

Can Delaporte plug into the right turnaround port?

THE BIG PICTURE. Wipro's French CEO expects to be ambitious and patient on the IT firm's deep transformation programme

Venkatesha Babu
Haripriya Sureban

ON WAIT-AND-WATCH MODE. Thierry Delaporte, CEO, Wipro VISVESWARAN V

In May 2020 — after a well-publicised, four-month-long search — India's fourth largest IT consulting and services firm, Wipro, announced that a then 52-year-old Frenchman, Thierry Delaporte, would be its next CEO. Markets cheered the announcement. Delaporte, a lawyer by qualification but a technology leader by choice, was after all a senior executive at the France-based multinational IT giant, Capgemini, with a 25-year track record of having delivered growth for the company across multiple geographies.

After decades of red hot growth, Wipro, which at one time was the second largest IT services player in the country after TCS, first ceded that position to Infosys and eventually even HCL Tech overtook it in terms of revenues pushing it to a distant fourth. To be sure, while other players too did face some sectoral challenges, they seemed to have navigated it more adroitly.

Wipro tried everything from having joint CEOs to hiring a former TCS veteran Abidali Neemuchwala as its CEO to fix its lagging growth compared to its peers, with limited success. So when Delaporte, with his strong record at Capgemini, was brought in the markets hoped that he would be able to address issues quickly.

EARLY DAYS

In his first couple of years at the helm, the Frenchman was both lucky and unlucky. He was hired during the Covid pandemic, which meant that for the first 500 days, he worked in isolation, only connecting with colleagues, clients and employees online. However, the pandemic proved to be a significant advantage for IT service providers. With nearly every industry striving to establish an online presence as physical commerce came to a standstill due to Covid, companies like Wipro and others reaped substantial benefits.

Thierry acknowledges that, "in the IT industry, you've had cycles that last close to a decade every time. Indian companies starting to appear on the international scene was in the late '80s or early '90s, but were small. And (with the Y2K opportunity) in the '90s, they started to get scale. Then came the internet bubble burst, early 2000, few difficult years and then go back for massive growth and then financial crisis. Back to growth and slowdown. (20)20 to (20)22 was, however, incredible growth, one of the biggest. What used to be a 10-year cycle has been, in this case (crunched into) a three-year cycle."

However, the adage that it is only when the water recedes that one knows who has been swimming naked has come true, as some of the players, including Wipro, are facing greater challenges now. IT spending which was on steroids has been pulled back and Wipro's shares in the stock market also remains stagnant.

The CEO and MD admits to the challenges. "Wipro is a fantastic company that has been developed over the years, that has had an outstanding ride for years. And then over the last 10 years, between 2010-20, it has been lagging behind its competitors," he says.

So what has he been doing to fix this? Since he joined in 2020, Delaporte has established a "deep" transformation programme after examining the company's strengths and weaknesses.

The transformation, he explains, is happening on multiple fronts, right from changing its positioning to being a partner rather than an IT resources provider, organising the business to focus on key strategic markets, to building and investing in operating to improving efficiency, making acquisitions and upgrading the talent pool. "We've been executing on this, ever since without any deviations," says Delaporte.

However, he also admits that there are ups and downs. "We are at a low cycle, no doubt. At the same time, I'm convinced that this market will bounce back. There will be continued demand for IT services, across industries."

Asserting that technology is taking a massive role across industries,he says that IT services is absolutely key to drive alignment, coherence, simplification, scale, security and privacy. From being and enabler for businesses 10 years ago, technology is the heart of all activities today.

INFLECTION POINT

However, with advent of generative AI there is a perception that we are at a true inflection point indicating a fundamental shit in the industry. . And that only those who are ahead of the curve will be able to ride it out, with most traditional system integrators falling by the wayside. Delaporte, however, disagrees. "We are the coordinators. We are one of the orchestrators who help companies to not only add the technology layer-by-layer, but also help them make sense of all this addition of technology. Is there a fundamental shift in in our industry?Looking back, we are always seeing technology constantly disrupted by new technology."

On the issue of some of the substantial acquisitions made under his tenure yet to pay off, the CEO asserts: "Yes, we've done about 10 to 12 acquisitions in the last few years. I think we absolutely need to recognise that acquisitions cannot be tactical. They are strategy. They are here to transform the organisation and our position in the market in the long run."

Even as multiple challenges persist, the 'Crazy French' — as he refers to himself — remains resolute and believes there's nowhere to go but up. Delaporte believes that, "there will be quarters where the market is higher than others and there will be quarters where things will be easier than others, but it doesn't change the direction. Transforming an organisation of this size is not something you do overnight. You have to be clear about your priorities. One has to be ambitious, persistent, resilient and patient. And that's what we have been doing ever since. This company is getting stronger by the day,"

For the consummate family man (he is one of nine siblings in his close-knit family), who has been married for 32 years and has four children, taking care of the larger Wipro family of clients, employees, shareholders and all stakeholders, comes naturally. The Premjis, specially Rishad, who is the Chairman and with whom he works closely, ensures that whenever Delaporte visits, he has his favourites of *rasmalai* and *gulab jamun* made available.

Stakeholders will be hoping that the outcome of the transformation journey by the CEO will be as sweet. For the Frenchman who is an avid sportsman, who plays soccer, runs marathons (the last one he did was the Paris marathon) and loves to sail the high seas, steering Wipro out of troubled waters to a firmer path of growth will be a legacy he would want to leave behind.

POWER PLAY

Hindujas flex their muscle in BFSI space

Richa Mishra

ASHOK HINDUJA. Chairman of IndusInd International Holdings

The highly diversified Hinduja group, which has presence in at least 11 sectors, is drawing up ambitious plans for its play in the BFSI segment.

"The plan for BFSI is all clear — we are targeting to touch anywhere between $35-40 billion value creation on that," declared Ashok Hinduja, Chairman of IndusInd International Holdings Ltd, at a select media briefing in London recently. Asked when this will happen, he responded: "We are targeting a minimum of five years or so — by 2030. You see every entity has its own board. So, all need to be on the same page for a macro strategy."

The group had been active in the segment under IndusInd Bank and Hinduja Leyland Finance. In 2019, it stepped up its presence in the category by acquiring Bharat Financial, India's largest microfinance institution with 3,492 branches. Earlier this year, the group put in a bid of ₹9,661 crore to acquire the distressed Reliance Capital. This was approved by RCap's lenders this August giving the group a foothold in life insurance, general insurance and health insurance, among others.

RAISING THE STAKES

The family has a story to tell about IndusInd Bank, which will turn 30 in a year's time. Established in 1994 by a platform conceived and promoted by the Hinduja family, along with members of the Indian diaspora, the name 'IndusInd Bank' was inspired by the Indus Valley Civilisation — a hark back to the great culture and trade practices of yore. As of September 30, 2023, IndusInd Bank has 6,657 outlets including 2,631 branches and 2,903 ATMs spread across 28 States and 9 UTs. The bank also has representative offices in London, Dubai and Abu Dhabi.

The promoting entity, Mauritius-registered IndusInd International Holdings Ltd, is in the process of raising its stake in IndusInd Bank, as it believes a strong promoter presence is necessary. Ashok Hinduja says, "I have been telling the government, including the Reserve Bank, that you should have a policy of the strong promoter group. If you see the original licence (of 1994), the permissible promoter holding was minimum 40 per cent. In years to come, they went on diluting and it came down to 10 per cent. Then after a lot of debates and discussions they stopped at 15 per cent. And, subsequently, they have modified the policy to allow promoter stake at 26 per cent. Now after this change (26 per cent), we approached the regulators and they have given us consent that yes, as per the policy we can increase the stake."

So when will the buyback happen? "With consent in hand, we have started the process of raising the capital. We will get over a billion dollars to go into phases, our first capital raise, which was the treasury shares, was there. So, we'll be completing that hopefully by November 15," explains Hinduja.

He stresses how the objective is to grow the BFSI sector to complete the full stack, including mutual funds. "Hopefully, by this financial year, we will cover 95 per cent of the BFSI sector," he said.

As regards to mutual funds, will the group look at an acquisition? "The market is big. Everybody has an opportunity to come in, everybody will have their own pie, because it's a big market and there are some opportunities which are already available," responds Hinduja.

In the next phase, focus will also be on refreshing the technology and honing the digital and fintech aspects, he stresses. "In the BFSI segment, I think there's a big thrust to make sure that we move more and more from a technology perspective using AI in many respects and for improving the business efficiencies as well," he adds.

On Reliance Capital, he said he expects a decision by November. Currently the matter is *sub judice*. "Reliance Capital, once if we get it, it will remain a separate entity with a common parent," he says.

In the Hinduja group, each entity operates independently as a conscious strategy. "You have general insurance which is run separately, you have life insurance where 49 per cent is already with Nippon, but health and general will be 100 per cent ours. So, these are value creations, which after two, three years can go for the IPOs," he explains.

FUTURE PLAY

Will the Hinduja group pitch for IDBI? "But what value can it give? he asks, adding, "Today you don't need branches, because everything is now becoming digital. Nobody wants to go to a branch, right? So the branches are not required. Today there are so many banks — smaller, mid-sized banks, which are available and I think the regulator is telling various banks why don't they consolidate?"

Is the group keen on buying brokerage firm Sharekhan? To this, Hinduja says, "One has to look into everything, but in the BFSI sector, whatever will be missing will be added post opportunity evaluation at an appropriate time."

While the details are still nebulous, one thing emerges clearly though — the group is aggressively strengthening its position in BFSI.

The writer was in London at the invitation of the Hinduja group

All in 70 hours: An email exchange between a GenZ worker and her boss

Is the office hours debate between different generations in an organisation getting more complex due to the definition and perception of work?

PEOPLE @ WORK

KAMAL KARANTH

ISTOCK.COM

Dear Founder,

As your employee, I am told the only way to get your attention is by writing to you directly. I admit I am amazed by your vision and commitment to build this company into a billion-dollar venture. I see your car every day before entering the office and while I leave in the evening, I can hear the hustle of the leadership team in your cabin. The midnight and weekend emails we get suggest you must be working almost round the clock.

My manager recently mentioned that we are expected to be in office every day. But as an engineer who joined you two years ago, this does not work for me. My boss raves about your work ethic, how you respond to every e-mail and Slack message immediately, and expect the same from all of us. But as much as I love the office buzz and the cafeteria, I am not sure I want to commute three hours daily to get there. When HR visited our campus, they said it would be a hybrid role, which was one of the attractions of this job besides the pay. I enjoy sports and on alternate days, play soccer with friends and go for music classes in the evening.

I understand the global economy is wobbly and the organisation could face headwinds. Managers are pressurising us more on the daily KPIs now. Being at the bottom of the pyramid, we are unable to relate to this changing context. The hope that if the organisation does well everyone will benefit had gotten punctured after the last fundraiser, when the leadership team got luxury cars, while our salaries remained flat.

I am amongst the five people who have resigned after this return to office mandate. This e-mail from the anonymous name is to ensure that my full and final settlement doesn't get affected. But, 90 days to relieve me, seriously? I am taking a break from this sweatshop and, after that, will choose an employer who can offer me the balance I need for a productive life. My family is supportive during this phase. My objective of writing to you is to impress you on the need to take care of the mental health of my colleagues who may be suffering silently.

Your Gen Z employee

REPLY FROM THE FOUNDER:

My young colleague,

Thank you for the passionate e-mail. It's sad that we couldn't retain you despite investing in your training for more than a year. I know that organisation's vision and employees' priorities are at crossroads now. But let me share my point of view. I am sure you are reading a lot about founders like Bhavish Aggarwal, Kunal Shah and Sajjan Jindal defending the 70-hour work week philosophy invoked by our industry pioneer NR Narayana Murthy. After training millions of freshers for their first IT job and facilitating employment via Infosys to more than two million software engineers, can we just dismiss his plea out of hand? I wonder what kind of work routines pop icons like Taylor Swift or cricketer Shubman Gill, must have had before they became famous. If they had urged the younger generation to strive more, would we have dismissed them as rich people's poor advice to the middle class?

When I was your age, I too compared my life with the CEOs of the companies I worked for, looking at their cars with envy. But I didn't have the luxury of quitting because my family wasn't supportive like yours. Instead, they always told me to work harder. On second thoughts, I also tell myself that we were lucky in our early careers not to be swayed by the influencers of Twitter and LinkedIn who take cheap shots at respectable entrepreneurs and marquee enterprises on social media. As an entrepreneur, I struggled to build a scalable organisation for years and was worried looking at the stats that 95 per cent of the start-ups failed. I wish I could have learnt earlier from the pundits on LinkedIn how to run an enterprise by paying above-market salaries, remote working and 40 hours a week and still survive! Advice is cheap and easy when it comes to others.

You want to know why I am online most of the time? I feel responsible for setting the tone for a responsive organisation. If we can't set that culture internally, how else will we be a customer-centric organisation? Imagine if we aren't successful, more people like you will have to leave for a different reason.

And finally, on the notice period, I wish we could transfer all the knowledge/experience you gained in two years to be absorbed in less than a month by the new talent we hire. I sincerely hope that you go on to become a successful entrepreneur.

Don't worry about your full and final settlement, but please be considerate when you rate us on Glassdoor!

Yours Truly,

Founder CEO.

PS: Still working 70 hours

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

LEARNING GROUND

Flipping the classroom, the MCC Boyd Tandon B-School way

NEW IDEAS. Global leader and philanthropist Chandrika Tandon is re-imagining management education

Chitra Narayanan

"Students are a lot more vocal today and clear about what they care about. They care about grand challenges. Water security, climate, the SDGs — they feel the previous generations have failed them," declares Chandrika Tandon, the global business leader and philanthropist who is now devoting her energies to try and transform education.

Tandon, who left a sparkling career with McKinsey, where she was the first Indian woman to become partner, has had great success with academic transformations at New York University. Post McKinsey, when she wanted to do something transformative, she met the Dean of NYU and was offered the role of a distinguished executive-in-residence. "It transpired into a 23-year old history with NYU," she exclaims.

She got on to the board, raised money for the university and the engagement kept mushrooming leading to the creation of the NYU Tandon School of Engineering.

Now Tandon is looking to do something similar at her *alma mater*, the 185-year old Madras Christian College in Chennai — an institution she feels deeply about. "It has a glorious history. My grandfather went there, my father studied there... I was part of the B.Com programme, it was new when I joined but became the most prestigious programme," she says. The Chennai-born leader is now busy setting up the Boyd Tandon School of Business.

A view of Madras Christian College, Chennai; (below) Chandrika Tandon

THE PRINCIPLES FOR CHANGE

Why is Tandon invested so deeply in trying to usher change in education? She says there are four or five things happening concurrently that have great implications for businesses and education. The first is the constant technological revolution. "Technology is changing the way every industry works including leadership. We are suddenly talking about digital governance. How do you as a leader relate with generations of people talking a different language?" queries Tandon.

Tandon, who besides being a noted deal maker is also a Grammy-nominated singer, describes how the music industry has changed so much between her first album released five years ago and now, thanks to new technologies. "The medium of how people have measured success has changed. A few years ago it was about CD sales. Now it is about just streams," she says.

"If I take any example from any industry, there is a seismic shift," she continues. "This is not an incremental change. Four years ago we were talking about IOT. Now we are talking about AI, Chat GPT. On the one hand, there are all the NLP and deep learning algorithms that are changing and getting more sophisticated. On the other hand, data sets are getting cleaner and you can apply them to any field," she says.

All this spells a big opportunity in education, she says, adding, "we have to prepare people to deal with this change."

Warming to her theme, she says, how fields that did not exist a few years ago are big today. Take computational biology or clinical trials, where pharma companies deal with huge data sets. "Ethics becomes a big issue. How much data about you am I allowed to keep? Where do I keep it? Who has control? Who is the recipient? And then the legal system comes in," she says.

The point she makes is that a great convergence is going on between law, science, mathematics, arts and a whole lot of other fields. Meanwhile, the whole pedagogy has also changed.

"In my time at IIM, we spent a lot of time studying the basics — the basics of finance, the basics of marketing. But now if you are enterprising you can get the basics from anywhere," she points out.

"This is where the need to flip the classroom comes in. The way Khan Academy has done; we also need to do it," she asserts. Flipping the classroom in a masters or a B-School context, she says, is bringing in a whole new set of ideas — not just in the classroom but also giving real-world experiences.

THE MCC PROJECT

Her ideas and vision sound great — but the big question is execution. Where will the Boyd Tandon School get the kind of teachers who can flip the classroom?

Through alumni love is the prompt reply. She rattles off the names of MCC alumni who straddle different fields and have big achievements to their credit, and with whom she is talking to give back to the school. The advisory board to the Dean is chaired by former Citibank executive Sanjeev Thomas, Tandon's classmate from IIM-A. Key voices like Som Mittal, ex-Nasscom, Srilata Zaheer (former Dean of Carlson School of Management), S Gopal (Chemplast) are all part of the advisory council. "We have hired two deans. Rajeshwari Krishnamurthy from Great Lakes as Dean of academics. And David Jawahar who will look after administration," she says.

The foundation has been laid. Now, one has to watch the progress.

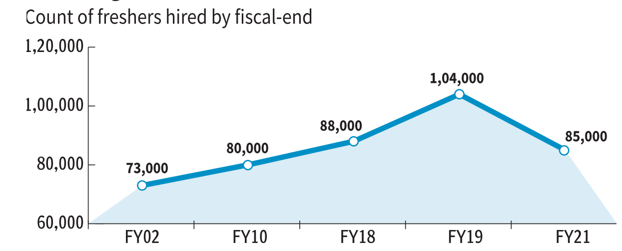
CAMPUS PLACEMENT

Freshers brace for a tough year of hiring

TE Raja Simhan

The hiring lows

Count of freshers hired by fiscal-end



Source: Xpheno

At the start of the academic year, Devaki (name changed), a final year engineering graduate in a private college in Chennai, was excited about the prospects of joining one of the largest IT companies (which are the bulk recruiters of college freshers). However, she is nervous now as her wish may just remain a dream with the 'bulk' recruiters planning to stay away from campus recruitment in the coming months or reduce their intake due to strong bench strength, higher employee utilisation and a bleak business outlook.

Thousands of engineering graduates are staring at a bleak year ahead and colleges are adopting a wait-and-watch mode.

Infosys' CFO Nilanjan Roy, while discussing the second quarter results told reporters, "We still have a significant fresher bench with us. We are training them on new skills like generative AI and SAP. At the moment, we are not going to the campuses as yet. We will monitor this every quarter looking at our future projections and then decide when to go back."

However, S Ravi Kumar, CEO, Cognizant, says, the company will go to campuses in 2024. "We have already onboarded people who were hired from campuses in 2022 and started to onboard all those hired in 2023, and will continue to do that until the middle of next year," he explains.

MS Prasadh, Workforce Research, Xpheno, says that the first half headcount among IT service bellwethers have further dropped the prospects for fresher intake this fiscal. With a 60-65 per cent projected drop, the FY24 is set to join the list of fiscals with the lowest fresher intake by the IT sector.

With the 'talent-build' model broken, engineering talent should brace for a slow career start. Institutions should explore options available for students to start in alternate domains that may not directly fall in their area of study, says Prasadh.

Awareness and information on the talent pattern will help plan academic interventions, training inclusions and industry reach outs. Incubating talent, on an extended campus model with industry support can speed up the talent absorption process, he said.

According to Krishna Vij, Business Head, IT Staffing, TeamLease Digital, the major IT service companies have refrained from on-campus recruitment this year due to a weakened deal pipeline and fears of an economic downturn; and the trend is expected to continue.

The caution has resulted in a reduction in fresh campus hires targeting an employee utilisation rate of 84-85 per cent. This delay in recruitment has affected potential job opportunities for graduates, leading to increased anxiety among them, she said.

Navigating the tough scenario requires freshers to explore opportunities beyond campus placements, participate in industry events, and expand professional networks. Emphasising soft skills as much as technical expertise is pivotal in this landscape, she explains.

POSITIVE NOTE

While established IT players are exhibiting caution in campus hiring this year, the recruitment trend is expected to spike over the next one year with the subsiding economic fears. Especially in Indian start-ups, with over 80 per cent them having shown an increased hiring outlook in 2023, says Sachin Alug, CEO, NLB Services.

In the next year, the campus hiring figures are anticipated to rise in engineering institutes due to non-tech companies relying highly on technology talent to pursue their digital transformation strategies. The demand for technology talent is expected to grow by at least 9-10 per cent among non-tech sectors within the first quarter of 2024, necessitating them to scout for the right talent in academic institutions, he adds. This That should augur well for those entering the job market.

WELCOME CHANGE

Demat mandated for pvt companies too

Team Quantum

On October 27, the Ministry of Corporate Affairs issued the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023, requiring all private companies other than small companies, to dematerialise their shares before October 1, 2024.

The Ministry had earlier mandated public companies to transact shares only in demat form from October 2, 2018, but private companies were not covered by the ruling.

Now, the amendment rules do not apply to government companies.

"This amendment will ensure better transparency and mitigate fraud, risk of loss and theft. Further, the share transfer process will become more efficient and reduce the company's expense of printing and distribution of physical certificates," says Lalit Kumar of JSA Associates, a law firm. "For regulators, this will aid them in mitigating benami transactions, money laundering and other such activities," Kumar observed, writing in *Mondaq*.

Under the amendment, every private company, which is not a small company, must within a period of 18 months of closure of such financial year (i.e., before October 1, 2024): (a) issue the securities only in dematerialised form; and (b) facilitate dematerialisation of all its securities.

Every such private company making any offer for issue of any securities or buyback of securities or issue of bonus shares or rights offer, must ensure that before making such offer, entire holding of securities of its promoters, directors, key managerial personnel has been dematerialised.

All holders of securities who intends to transfer such securities or subscribes to any securities of the private company, by the way of private placement or bonus shares or rights offer, must ensure that all the securities are held in dematerialised form before such transfer or subscription.

CCI's new merger norms: Hits and misses

A MIXED BAG. Proposed changes seek to plug loopholes and ease remedies, but fall short with the introduction of deal value threshold

Rahul Rai
Shruti A Murali

On September 5, the Competition Commission of India (CCI) published draft regulations that would bring significant changes in its merger control regime. These regulations, along with the recent amendments to the Competition Act, 2002, seek to introduce some helpful changes that could impact dealmaking in India.

Due to the lack of an express mechanism in the Competition Act permitting on-market purchase of shares in listed companies, the CCI ended up penalising companies for breaching the standstill requirement. The recent amendments and the proposed regulations addresses this legislative gap. Acquisition of listed shares, off an exchange, will no longer attract sanctions, if the acquirers notify the CCI within 30 days of completing the acquisition and do not "influence" the target during CCI's review. Similarly, to make the merger control rules more business-friendly, the CCI has broadened the opportunities to offer "remedies" for addressing competition concerns in select transactions. The Act currently offers only one formal opportunity for parties to propose remedies after the CCI expresses its preliminary opinion that the transaction may be anti-competitive.

Historically, the CCI first makes a remedy proposal, followed by a counter-offer from the parties, which the CCI could either accept, reject or modify. This formalistic approach limited the parties' ability to voluntarily make a first offer. The draft regulations seek to create more opportunities for parties to offer remedies.

MERGER CONTROL RULES. Facilitating change or regulatory overreach?

THE DEAL VALUE THRESHOLD

One unhelpful introduction relates to the introduction of an additional notification threshold aimed at stopping "killer acquisitions" or deals that allow dominant firms to buy-out innovative firms to further their strength. Prior approval from the CCI will soon become mandatory for all transactions (involving targets with substantial business operations in India) valued at or above ₹2,000 crore. In defining "value of transaction", the CCI appears to depart from its usual facilitative approach to instead anticipate and plug potential loopholes in the new threshold.

For example, the draft regulations require transacting parties to aggregate the value of all the transactions, involving the same target, undertaken in the preceding two years, to determine the value of a transaction on a specific date. Parties must also look two years into the future and aggregate the value of all arrangements incidental to the transaction. This is likely to create more ambiguity than offer certainty. For example, in a two-year horizon, investors may invest funds through equity purchases multiple times in a start-up. While each investment may be unconnected with the earlier round, investors may need to notify their investments if they cross the ₹2,000 threshold in aggregate over two years and possibly even face CCI penalties for failure to notify earlier investments.

Likewise, parties to an otherwise not notifiable transaction may be required to predict and assign a numerical value to all of their commercial arrangements with the target, whether or not they are connected to the deal, only because the arrangement takes place within 2 years of the deal. This could discourage transacting parties from exploring ways to collaborate beyond mere financial investment.

CCI's merger control regulations have consistently evolved to facilitate dealmaking in India. Unless reconsidered, the proposed tools to ascertain the value of a transaction will upset this approach.

The writers are partner and co-founder and counsel, respectively, with Axiom5 Law Chambers

Streamlining civil litigation: Guidelines from SC

Vasanth Rajasekaran
Harshvardhan Korada

In a landmark decision aimed at accelerating civil trials in India, the Supreme Court (SC), in *Yashpal Jain vs Sushila Devi*, has introduced a set of comprehensive guidelines to streamline and expedite the country's lengthy and cumbersome legal processes. These guidelines, if implemented well, would enable quicker and more efficient resolution of civil disputes.

All district and taluk level courts are now tasked with ensuring that summons are delivered, written statements and pleadings are filed, without undue delay. If a litigant seeks an adjournment, the necessity of it must be demonstrated to avoid the imposition of costs. To further minimise requests for adjournments, trial dates are to be fixed in consultation with advocates and proceedings are expected to continue on a day-to-day basis, ensuring a more consistent and efficient trial process.

One of the most significant shifts introduced by the guidelines is the emphasis on Alternative Dispute Resolution (ADR). After the completion of pleadings, parties would be encouraged to opt for ADR methods such as arbitration, conciliation, judicial settlement and mediation. If parties opt not to engage in ADR, the courts are asked to frame the issues for determination within one week. This is aimed at enhancing transparency and ensuring that proceedings move forward without delay.

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To improve caseload management, judicial officers have been instructed to maintain diaries to ensure that only manageable number of cases are handled each day to prevent overcrowding and to reduce the need for adjournments.

For better compliance of the directives, the SC has directed the creation of a two-tier monitoring mechanism, first at the trial courts and also at the respective High Courts (HC).

The apex court, in an attempt to address the backlog of pending cases, has directed the district-level courts to share statistics on cases pending for more than five years with the respective HCs. This continuous monitoring is to be supplemented with corrective measures regularly.

From a socio-economic perspective, the proper implementation of the SC's guidelines holds the potential to make substantial improvements in the ease of doing business and the enforceability of contracts within India. Delays in the dispute resolution can increase the costs and uncertainty associated with commercial activities. However, with the new guidelines, businesses can expect quicker resolution of their disputes fostering a more business-friendly environment.

The guidelines represent a comprehensive and ambitious effort to expedite civil trials in India. By addressing delays, reducing adjournments, promoting ADR and improving case management, the directives aim to transform the Indian legal landscape. Notably, in 2021, the Supreme Court in *Rahul S Shah vs Jinendra Kumar Gandhi* rendered a slew of directions for quicker execution of decrees. With the two sets of guidelines in place, the district judiciary is well-guided on the efficient and effective conduct of the legal proceedings covering the complete lifecycle of a civil suit.

The writers are advocates at Trinity Chambers, Delhi

DELHI
businessline.
MONDAY - NOVEMBER 6 - 2023

FUND FACTS.

$420.42 million

API Holdings Ltd received funding from undisclosed investors on October 31, taking the total funding to $1,923.04 million.

$91.91 million

Mamaearth received pre-IPO funding from anchor investors on October 30, taking the total funding to $293.32 million.

$54 million

Aequs Pvt Ltd received funding from Sparta Group, Amansa Capital, Steadview Capital, and Catamaran Ventures on October 30, taking the total funding to $225.58 million.

Source: PrivateCircle Research, a private market intelligence platform

RE POSTS.

Over the yrs I've recvd Qs / requests from so many younger folks who want to join VC. I see a lot of them shitting on startups & founders to build a following. You can't play both sides of this game. If you want to be in VC find a way to help founders. Leave the criticism to investigative journalists.

Hemant Mohapatra
@MohapatraHemant

The Founders Mindset. Recently an Asian Bank had a full day tech outage. You wonder how could that be happening into todays time. The reality is that banks which have been around for some time have legacy technology. And then you ask, why wouldn't they change it? Comes down to the "founders mindset". When its your company you want to fix it perfect and also for the long term. However, when you re doing a job, you tend to kick the can down the road. Why would you take up the massive job of over hauling the architecture when you could apply band-aid and keep the lights on? The thinking is always short term if you don't have the founder mindset in the company. Many startups end up giving titles to people as "Founders" (although they aren't). What they really should be saying is that this person has the "founders mindset". These are the people who think that the company belongs to them and every action they take, reflects it. Find the people who have the founders mindset.

Amrish Rau
@amrishrau

bl.podcast

Evolution of digital finance

Sanjay Jain, Partner, Bharat Innovation Fund, and **Shilpa Mankar Ahluwalia**, Partner, Head-Fintech, Shardul Amarchand Mangaldas & Co, decode the trends in the Indian fintech sector

https://bit.ly/SoEfintechtrend

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ROCKETING ENTERPRISE

Blast-off thrust from angels

FLUSH WITH FUNDS. Over 200 spacetech firms vie to provide services ranging from satellite launches to remote sensing and data analytics


ISTOCK.COM

Jyoti Banthia

Barely a week after unveiling Vikram-1, a rocket capable of deploying multiple satellites in orbit, on October 30 the start-up Skyroot Aerospace announced a $27.5-million pre-Series C fundraising round led by Temasek. The Hyderabad-based company also threw open its new headquarters, a state-of-the-art facility for the design, manufacture, and testing of advanced space launch vehicles.

The national agency Indian Space Research Organisation (ISRO) has long been synonymous with India's space programme, with the private sector mainly serving as vendors and suppliers of components and sub-systems.

This is changing rapidly in recent times, with over 200 spacetech companies today vying to provide services ranging from satellite launches to remote sensing and data analytics solutions. Their customers are spread across industries, including the global mining sector, energy sector, agritech, and communications.

And there has been no dearth of funding, either.

SPACE FOR INVESTMENT

Private investment in the Indian space sector surged by nearly 17 per cent between 2021 and 2022, according to data from private intelligence platform Tracxn. In 2023 alone, the sector attracted investment of $122 million, making it the seventh most funded globally, Tracxn added.

Chennai-based AgniKul Cosmos, recently armed with nearly $27 million through a Series B fundraise, wants to commercialise its launch vehicle technology.

The company's two-stage launch vehicle Agnibaan can carry up to 300 kg to the lower earth orbit (LEO).

Its patented single-piece engines — seven in the first stage and one in the second stage — are 3D-printed at its facility, named Rocket Factory-1, at the IIT-Madras Research Park.

"Our clients are spread across the imaging [satellite imaging or remote sensing] and communication sectors," says Srinath Ravichandran, co-founder and CEO of AgniKul. "There is a growing need for new space applications such as mobility and data storage in space. The client base is global, as space is a global business; we see extensive demand from European and Japanese customers," he adds.

Among the other spacetech start-ups that recently garnered big-ticket investments are the Bengaluru-based SatSure ($15 million in August), which uses third-party satellite imagery to provide business insights, and Google-backed Pixxel ($36-million Series B funding in June), which manufactures and operates advanced imaging satellites.

Vipul Patel, Partner-Seed Investments at start-up incubator IIMA-CIIE, credits the rapid evolution in the Indian space industry to a combination of factors, including government support, a growing demand for satellite services, and the emergence of private players

At the same time, he says, "Developing space technology requires substantial capital, and start-ups often face difficulties in raising it."

BUSINESS IN HIGHER ORBIT

Currently, Indian spacetech companies are engaged in miniaturisation and cost-effective satellite manufacturing techniques. Additionally, they are pioneering reusability in the launch process and developing cutting-edge software and data analytics solutions.

Bengaluru-based Pixxel's hyperspectral satellite capture imaging — which can locate, sort, or quantify the concentration of various materials that are invisible to common cameras or the human eye — aims to function as a 'health monitor' for the planet, by tracking climate-related risks such as floods and wildfires.

Its 50-plus customers include global mining company Rio Tinto and agritech company DataFarming.

"We plan to expand our presence and clientele through a global reseller base, set up a sales office in Europe in the near term, as well as expand to places like Japan and Australia. We plan to tailor our offerings to the financial services sector, as also develop a series of agricultural and environmental insights data products powered by our hyperspectral data," says Awais Ahmed, founder and CEO, Pixxel.

Another Bengaluru-based spacetech company, Bellatrix Aerospace delivers its customers' satellites to the precision orbits of choice. Its product range covers the entire spectrum of mission-specific requirements, from a tiny nano-satellite to a heavy satellite for a geostationary platform or GEO-mission.

"Our client base includes satellite manufacturers, owners and operators. However, with our products inching closer to commercialisation, we expect to enter the European and US markets," says Yashas Karanam, co-founder at Bellatrix Aerospace.

The global space market that these budding Indian enterprises are eyeing hungrily is worth $360 billion, of which the country's share is just 2 per cent. To help grow this to 9 per cent by 2030, the Indian National Space Promotion and Authorisation Centre (IN-SPACe) was set up in 2020 as a second nodal agency (after ISRO) operating autonomously under the Department of Space. The easing of bureaucratic hurdles is seen to have boosted investments in the spacetech sector.

The wait now is for these start-ups to rocket into the league of global biggies like SpaceX, Blue Origin, Virgin Galactic, and Arianespace, which have revolutionised the space sector with their breakthrough technologies.

START-UPS: VAI-THEE-FUSS?

'Foolish' source of funds and other founding sagas

VAITHEESWARAN K

In the previous column, 'Raising money from customers is the litmus test', dated October 23, 2023, we looked at why entrepreneurs should raise capital. Now, let's review the possible sources of funds. The first thing to decide is whether to raise equity or debt. Debt funding is typically available from banks or debt funds, but only against collateral like deposits or real estate. For first-time entrepreneurs without a strong economic background, such collateral may be hard to organise and, hence, equity is a more practical option. In any case, unlike traditional old-world businesses, young founders and start-ups prefer equity over debt. Some common sources of equity capital are:

Bootstrapping: Basically an entrepreneur invests his or her own funds, starts a company, grows steadily and turns profitable. From a satisfaction perspective, this is hard to beat. There are millions of entrepreneurs who do this — small businesses, family-owned shops, services offered by individuals like plumbers, carpenters, painters, and pushcarts on the roads are great examples of bootstrapped businesses.

Friends and families: Young people dream of starting up but do not have the capital to power their dreams. For them, the most popular sources of money are friends and


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families, who invest small amounts, more for the relationship, and then forget about it. In start-up slang, this source is sometimes referred to as 'Friends, Families and Fools'. In reality, many of these folks have generated serious returns from their "foolish" investments and, hence, the term "fools" is more an endearment than abuse.

Syndicates and angels: This is a more recent phenomenon. High-networth individuals (HNIs) who are keen to gain from the exciting start-up ecosystem, but lack individual expertise to manage angel investments, come together and invest as a group. Several individuals bring to the table their professional expertise across domains and industries, and the group or syndicate relies on their judgements for specific investments.

Venture capital/ private equity: Once a start-up establishes proof of concept and is generating revenues with signs of strong future growth, it's time for venture capital. VC funds invest significant sums in early-stage start-ups, hoping to create future leaders and big financial returns. After a few rounds of VC investments, if the firm still has a big appetite for growth and capital, VC gives way to PE funds, which do more of the same but at a much larger scale.

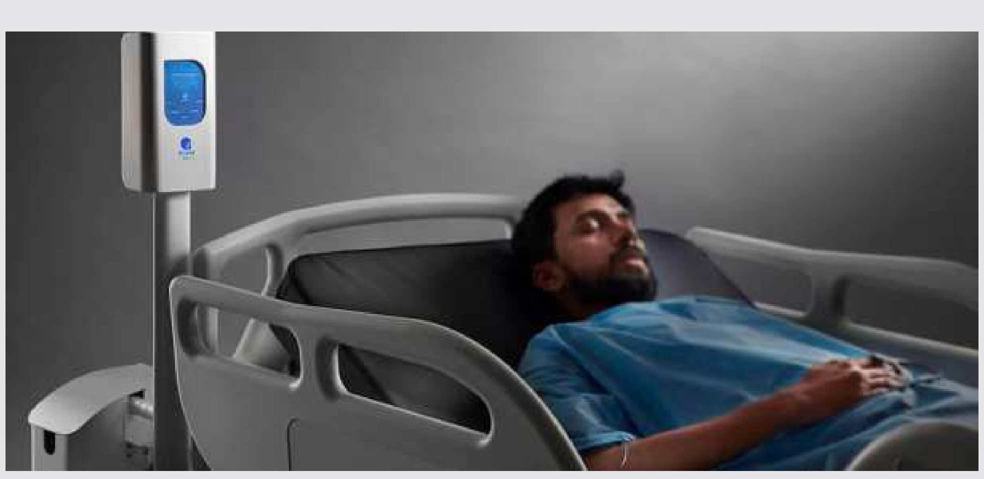
Public funds: This is the holy grail of entrepreneurial success: an initial public offering (IPO). Nowadays, even loss-making firms can list on the stock exchanges through an IPO. This is a progressive step and allows start-ups to access funds directly from the public instead of just private entities. Conversely, it also increases the responsibility of the start-ups to ensure that the investing public gets good returns on their trust.

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

Bedside bots: Dozee's AI-powered patient care

Start-up offers non-invasive digital solution to continuously monitor vital signs

Isha Rautela


TIRELESS ATTENDANT. The Dozee Pro Ex device enables contactless remote patient monitoring

The healthcare industry perennially grapples with a shortage of human resources, right from doctors and nurses to paramedical personnel. Healthtech companies are attempting to lend a helping hand through digital solutions. One such company, Dozee, has developed an artificial intelligence-based contactless remote patient monitoring (RPM) and early warning system (EWS) for continuous patient monitoring and care.

Dozee's device, placed under a patient's mattress, non-invasively monitors vital signs such as heart rate, respiration rate, and blood pressure without any direct contact with the patient. It can also connect to wireless peripherals to collect data such as oxygen saturation levels and ECG reading.

"This data is continuously collected and analysed by AI to identify trends and alert healthcare professionals if a patient enters a high-risk zone. The alerts are sent to nurses and clinicians at central nursing stations for timely intervention," says Mudit Dandwate, the CEO and co-founder of the company.

On the impact made by the product in patient care, Dandwate says that a recent clinical study showed that "every 100 Dozee beds produce nearly about 210 lifesaving alerts", pre-empting the patient's decline into a high-risk zone or deteriorating health, almost eight hours in advance.

In fact, he says, a leading private healthcare provider has reported that the device has led to a significant reduction in code blue incidents — where a patient requires resuscitation or other immediate medical attention, most often due to a respiratory or cardiac arrest.

The product, named Dozee Pro Ex, was launched in May 2019 and has since been deployed on more than 10,000 beds in over 200 hospitals across India. The company aims to reach the 20 lakh-bed mark over time, even though not many are currently aware of the device's utility, he says.

The start-up, which was founded about eight years ago, has secured $24 million funding across four rounds and plans to raise a larger growth fund in the next 6-9 months. "This would be a much larger round as we scale up the business and operations to newer places," Dandwate says.

The company eyes a presence in Africa, Southeast Asia, and the US, among other global markets. It also aims to launch a home version of its device within six months.

The product, manufactured entirely in India by the company, complies with global standards, including FDA ISO 13485 and ISO 27,001, for data security and privacy.

'Cut the flab to attract investors'

bl.interview

KV Kurmanath

Bharat Innovation Fund focuses on early-stage IP-led Indian deeptech start-ups that have global potential. It has invested 70 per cent of its ₹500-crore fund in 14 start-ups in the domains of healthcare, agritech, fintech and mobility. Shyam Menon, a co-founder of the company, spoke with *businessline* about the investment scenario and the fund's investment strategy in a not-so-bullish scenario. Edited excerpts from the interview.

> If you have hired a huge team in the post-Covid phase, when massive capital was coming in, it's time to right-size
>
> **SHYAM MENON**
> Co-founder, Bharat Innovation Fund

What's the current mood in the VC community?

Very cautious, for sure. People are generally bullish about India's prospects globally, because we are one billion people with room to grow. Whereas China, for example, has already built infrastructure (and other) things. The per capita income is moving towards $3,000. Disposable incomes are growing.

And that is why international capital is looking to come in, more and more. We are where China was 10-20 years ago. The US, the UK and China have reached saturation for many things. India becomes the driver for global growth.

Why are VCs attracting mostly global capital and not enough domestic funds?

Yes, 90-95 per cent of VC money is international or US-based endowments, pensions and other funds. All the new businesses of tomorrow are being built by this asset class, which is considered high-risk. It gives far higher returns than traditional instruments like FDs [fixed deposits] and mutual funds.

So if the country doesn't support this asset class, that's an issue. It is steadily increasing, though. The Union Government has two fund-of-funds. But we expect to see more Indian institutions, banks, insurers, and asset and wealth managers allocating more capital to this asset.

What should founders do to attract investors in such tough situations?

If they have, for example, spent a lot of money or hired a huge team in the post-Covid phase, when massive capital was coming in, perhaps it's time to right-size (and find) a pathway to profitability.

If you can make revenues and become profitable but are still just spending to create new opportunities, then this is the time to cut down and focus (on the core) because of the macro scenario.

What's your fund size? At what stage do you invest?

We have made 14 investments in deeptech start-ups from the ₹500-crore Innovation Fund. The Inclusion Fund has equity of ₹100 crore and a ₹100-crore grant component, too.

The Inclusion Seed Fund looks at India stack stories, with a focus on the consumers here. While investments in the inclusion funds go up to $1 million, in the main fund it goes up to $4-5 million. We have invested 70 per cent of the total fund. We will use the rest for follow-up investments. We invest in pre-Series A to Series B stage.

Have you made any exits?

No, not yet. All the investments were done over the last four to five years. The companies have to grow. There is no point in trying to exit too early. Hopefully, we are looking at exits in 2-3 years.

VAULT MATTERS.

HAMSINI KARTHIK

Overcustomising loan repayments isn't a great idea

There is abundant caution around unsecured loans, especially personal loans. But this category also seems to be growing without any restrictions. Are the red flags then supressed, and is the pain being deferred?

Both seem to be happening simultaneously. Lenders are growing their books at such a pace and volume that fresh loans written are masking the pain in vintage portfolios. This is an age-old practice and as such not a bad strategy, because there's still growth in the underlying assets. But what is supporting this growth is the manageable size of repayment – in fintech language, the proliferation of equated daily instalments or EDI. As against the monthly repayment schedule, in EDI, the borrower repays the loan daily. One could call it a fine-tuned MFI model, which works daily instead of weekly. On paper, it's a fantastic repayment scheme.

Sample this, a kirana store owner who has taken a loan for ₹3,00,000 has to pay only ₹300 a day to repay the loan against upwards of ₹10,000. Since the repayment

bullet is very manageable, for the shopkeeper it barely matters whether the lender charges interest at 20 per cent, 40 per cent or 14 per cent, which is the acceptable bank rate for personal loans. When his daily turnover is ₹3,000-5,000, physiologically the amount he repays daily won't dent the wallet. Low-wage salary earners also prefer EDI.

The model is perfect until the first signs of stress emerge, which could arise due to medical or personal emergency in the family, job loss or unforeseen reasons. When three or five days of EDI isn't paid, and there isn't equivalent income accruing for the borrower, the trouble starts.

To pay ₹1,800, along with penal charges on the sixth day, becomes burdensome, and that's when the lender will have to choose whether to stay with the borrower or not; either way, it's a tricky call. But since the interest rate charged is quite steep, the real hit on the lender's financials may not be much, irrespective of the borrower's behaviour. It is exactly for this reason that overpersonalisation of repayment may end up becoming counterproductive.

The potential stress of the borrower remains supressed, but everyone in the ecosystem ends up making money. At present, we are at the favourable end of the lending curve, and these models seem flawless. As the cycle reverses, the cracks will be revealed. But that may be too late to stand up against such innovation.

bl. Current Account podcast

Decoding green loans **Rajashree Nambiar**, co-founder, MD & CEO, Ecofy joins in to explains how lenders can make money out of green loans.

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Also available on Spotify, Apple Podcasts and Google Podcasts

SMALL TALK.

The big fat banker wedding

It's going to be a hectic week for bankers, i-bankers, consultants, and the who's who in the world of finance. Not entirely work-wise, but in terms of social commitments. The elder son of India's richest banker is all set to tie the knot. Since it's the first wedding in the family after many years, everyone's excited.

Incidentally, it's also the first grand celebration at Jio Convention Center, and Bandra Kurla Complex is readying up. There's an added attraction for the banking fraternity. We are told that the latest top honcho addition at the bank will join the celebrations. This would, perhaps, be the first time when people at the bank would get a glimpse of the new boss, and nobody wants to miss this.

No wonder why meetings are getting rescheduled!

URBAN SAGA

Where are urban co-op banks headed to?

SURVIVAL TACTICS. In the interest of the depositor, the wind is in favour of consolidation rather than cancellation of licences

K Ram Kumar

The prospect of their licences getting cancelled seems to have prompted some of the financially weak urban co-operative banks (UCBs) to walk down the aisle with stronger counterparts, going by the approvals for amalgamation the Reserve Bank of India (RBI) has given over the last two decades.

Since 2004-05, when the central bank first issued guidelines for merger/amalgamation of UCBs and followed it up 16 years later with a 'Master Direction on Amalgamation of UCBs,' 152 UCBs have merged with financially sound and well-managed UCBs till October 2023.

In other words, roughly 8 per cent of the 1,926 UCBs that existed as on March-end 2004, have amalgamated with healthier peers so far. There may be more to come. The RBI, in its latest 'Report on Trend and Progress of Banking in India', noted that the liberal licensing policy adopted in the 1990s has led to a surge in the number of UCBs.

"Over the years the inherent fragility in their structures, coupled with financial weaknesses, resulted in nearly one-third of the newly licensed UCBs becoming unsound. Since 2004-05, the Reserve Bank initiated a process of consolidation in the sector, including amalgamation of unviable UCBs with their viable counterparts, closure of non-viable entities, and suspension of issuance of new licences. As a result, the number of UCBs progressively declined (coming down from 1,926 as of March-end 2004 to 1,514 as of March-end 2022)," the report noted.

ON A RESCUE MISSION. Understanding that there is a genuine problem and depositors of UCBs need to be protected, the government and the RBI have put in place certain critical measures after the PMC Bank debacle

STRING OF PEARLS

For the stronger UCBs, this consolidation fits in with their string-of-pearls strategy. They have grabbed acquisition opportunities with both hands, as it has given them an established branch network in geographies where they either didn't have a presence or want to deepen it and expand customer base — depositors and borrowers.

For example, Mumbai-headquartered Saraswat Co-operative Bank, India's largest UCB, acquired seven stressed UCBs since 2006 — Maratha Mandir Co-operative Bank, Mandvi Co-operative Bank, South Indian Co-operative Bank, Nashik Peoples Co-operative Bank, Annasaheb Karale Janata Sahakari Bank, Murgharajendra Sahakari Bank, and Kolhapur Maratha Co-operative Bank. The move followed the RBI decision to not issue fresh licences for branch opening to co-operative banks.

Pune-headquartered Cosmos Co-operative Bank snapped up three UCBs — Shree Sharada Sahakari Bank, Maratha Sahakari Bank and Sahebrao Deshmukh Co-operative Bank — in the year gone by, and is now eyeing Mumbai's The City Co-operative Bank.

NOT ALL SUCCESS

Not all amalgamation attempts have been successful. Financially weak Kapol Co-operative Bank's efforts to merge with Cosmos Co-operative Bank came a cropper. The Reserve Bank cancelled Kapol Bank's licence in September 2023 due to inadequate capital and earning prospects and inability to pay its depositors in full, given its financial position.

Cosmos Bank, in its annual report, has identified increasing competition in the banking sector, the need to adopt latest technology, cost outlay required for technological upgradation, and enhancing skill sets of human assets through continuous training, as the challenges faced by small co-operative banks.

But what happens when a UCB licensed is cancelled? Experts underscored that when a UCB's licence gets cancelled, depositors holding balances over and above the maximum deposit insurance amount of ₹5 lakh lose money. If a depositor has ₹10 lakh deposit with such a bank, only the insured ₹5 lakh is received.

This is why even the regulator prefers amalgamation of a weak UCB with their stronger counterparts, instead of cancelling licences, so that depositors with cash balance of over ₹5 lakh are protected.

"RBI cancels licence only when it becomes impossible to revive a bank. So, instead of exploring merger after becoming sick, UCBs should do so prior to reaching such a stage," says Jyotindra Mehta, President, National Federation of Urban Co-operative Banks and Credit Societies (NAFCUB).

Mehta believes that smaller UCBs have understood that they will not be able to bring in technology as it is very expensive. Further, referring to the RBI's stipulation that UCBs with deposit size of ₹100 crore and above should constitute Board of Management (BoM), comprising persons with special knowledge and practical experience in banking for allowing them to expand their area of operation and open new branches, he said such expertise is hard to come by in certain locations.

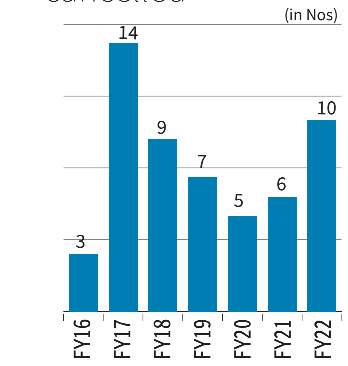
That said, Mehta expects the number of amalgamations to come down once the Umbrella Organisation (UO) for the UCB sector — the National Urban Co-operative Finance and Development Corporation — gets in the groove.

UO, apart from extending liquidity and capital support to its member UCBs, is expected to set up Information and Technology infrastructure for shared use of members to enable them to widen their range of services in the wake of advances in information and communication technology at a relatively lower cost. It can also offer fund management and other consultancy services.

UCBs: Shrinking numbers

	No of UCBs	Change (%)
FY 2012	1,618	-27
FY 2013	1,606	-12
FY 2014	1,589	-17
FY 2015	1,579	-10
FY 2016	1,574	-5
FY 2017	1,562	-12
FY 20 18	1,551	-11
FY 2019	1,544	-7
FY 2020	1,539	-5
FY 2021	1,534	-5
FY 2022	1,514	-20

Number of licences cancelled



Source: RBI

GOVT, RBI TO THE RESCUE

Understanding that there is a genuine problem and depositors of UCBs need to be protected, the government and RBI have put in place some critical measures after the PMC Bank debacle. First is increasing the deposit insurance cover five-fold to ₹5 lakh to protect depositors.

The government enacted the Banking Regulation (Amendment) Act, 2020, to protect the interests of depositors and strengthen co-operative banks by improving governance and oversight by the RBI, while enabling them better access to capital.

A significant feature of this measure is that it enables the RBI to reconstruct or amalgamate a bank, with or without implementing a moratorium, provided there is approval of the Central government. This enabled the merger of fraud-hit PMC Bank with Unity Small Finance Bank.

Clearly, in the interest of ultimate stakeholder (depositor), the wind is in favour of more consolidation among UCBs. This could be the silver bullet to ensure they become stronger, especially when without scale, facing stiff competition from nifty rivals such as small finance banks and NBFCs could be a tall ask.

SPOTLIGHT

Small Finance Banks — why exceptions are not examples

Hamsini Karthik

When two deals happen back to back in the small finance banking space, it's bound to spark talks of consolidation.

More so when the sector is constantly questioned for its ability to prove its business model and survive the long haul.

But before we rush to spot a trend or label it, it is important to ask this critical question – what mooted the two deals? The SpiceNorth East Small Finance Bank merger is easy to explain. It was a marriage, where the entity with capital didn't have a viable business model, and the entity with business was starving for capital and, thus, the marriage took off.

Those interpreting it as the regulator's willingness to give a way out for fintechs or try out new models in the banking space may be reading too much between lines. As for the recent AU SFB-Fincare SFB merger, it's not a mere pursuit of scale.

In a segment where average profitability or net interest margin is upwards of 7.5 per cent, AU is far below this number. The bank is also concentrated in the North and West India regions. The merger with Fincare will address both issues.

For Fincare, there were different considerations. Being a heavily private equity-promoted entity (like most SFBs), Fincare not only needs to give its investors a good liquidity option (new synonym for exit in the capital market language), but one which is also lucrative.

NEW BENCHMARK

Utkarsh SFB, which listed a few months ago, priced its initial public offering at just around the book value, and this has practically set a new listing benchmark for SFBs. The merger with AU SFB, which values Fincare at 3.1x 12-months trailing book value, is the better option for investors of the bank vis-à-vis listing.

What these examples suggest is that there was a problem to solve, and the merger solved the problem. But are there more problems

AU SFB - Fincare SFB: Deal synergies

(₹ crore*)

	AU SFB SFB	Fincare bank	Merged
Gross advances	65,029	10,541	75,570
Deposits	75,743	9,453	85,196
Net worth**	11,763	1,539	14,002
Net profit	789	219	1,008
CAR (%)	22.4	22.3	23.5
EPS (%)	11.8	9.9	13.6
ROA (%)	1.7	3.2	1.9

CAR: Capital adequacy ratio; EPS: Earnings per share; ROA: Return on assets (annualised)* H1FY24 financials** Includes RS 700 crore of capital infusion into Fincare SFB

to solve to trigger a wave of consolidation among SFBs?

RESOLVING AN ISSUE

Scale is the latent advantage of any merger. But providence has revealed that mergers just to garner scale could become counterproductive. Tata Steel-Corus deal is the perfect example. In banking, mergers are more nuanced.

ICICI Bank and HDFC Bank were on an acquisition spree in the early 2000s. Certainly, it gave them an edge in terms of scale, and it also ensured that the banks penetrate markets where they were otherwise not so strong.

Post the AU-Fincare deal, the gap between the No 1 player and one level below (fiercely competed between Ujjivan and Equitas) has widened significantly, and is equivalent to the size of at least 2-3 SFBs. Will this gap be filled by smaller SFBs folding into the larger ones or by acquisitions that could add value to the industry? Nine NBFC-MFIs and an NBFC were licensed as SFB in 2014. Shivalik SFB is an addition in 2020 when it converted from urban co-operative bank to SFB. Fino Payments Bank is looking to becoming an SFB. Two MFI-heavy SFBs coming together may not solve the problem of scale or diversification, and seems unlikely here on because capital is not yet a constraint for most players.

Instead, segments such as housing, vehicle loans, small business loans and gold loans, could be areas of interest, given the requirement of SFBs to diversify the loan book. Even fintechs could be an option. But what may be a deterrent is the valuations. It's possible that some of these non-banks trade at a reasonable premium to SFBs.

Also, integrating a non-bank with SFB could be more challenging than merging two SFBs from every viewpoint — whether the quality of book, operations and people.

To sum up, it's a tough call to take. At one end, there is an imminent need to become large, especially if some SFBs are aspiring to become universal banks. But the options ahead of them aren't straightforward. While there is a trigger for consolidation, the means to it aren't many and certainly not attractive in the current form. As to who will resist the glitz of M&A and focus on organic growth will determine the serious players among SFBs.

Embedded finance on the cusp of a breakout

IN MY VIEW.

ANIKET DANI

As financial institutions press the pedal on digital adoption to enhance customer experience and widen their reach, embedded finance has emerged as an innovative approach to connect with a vast pool of consumers who may have a digital footprint but no direct interaction with the financial institution.

Over the past decade, adoption of embedded finance has surged, and digital platforms have expanded into markets that were once the stranglehold of conventional financial institutions. The shift has prompted a surge in collaborative ventures with non-financial entities, facilitated by open business models and partnership ecosystems.

Indications are the trend is here to stay. In the milieu, the payment vertical within embedded finance has undergone a substantial transformation, boasting a compound annual growth rate (CAGR) of 76 per cent and 28 per cent in transaction volume and value, respectively, between fiscals 2021 and 2023.

Unified Payments Interface transactions have led the way, logging a CAGR of 94 per cent in volume and 84 per cent in value. Most key indicators favour the shift. For one, the number of Internet data subscribers has surged 44 per cent to 883 million in 2023 from 615 million in 2019.

PURCHASING POWER

Mobile phone penetration is increasing, with sales expanding by 36 per cent from ₹1.94 trillion to ₹2.64 trillion in the past four years. Increased purchasing power of borrowers, supported by economic growth, easy availability of funds and continued innovation in selling blended products such as 'buy now, pay later' or BNPL, zero-interest financing and cash-back offers, will also be a catalyst.

Significant growth in penetration e-commerce across geographies, along with increasing digital literacy, is supporting financial institutions in targeting new segments by cross-selling – to travel service providers, for instance. Growing tech stack has increased the digital footprint of borrowers, enabling better credit evaluation and helping extend financing to borrowers considered ineligible earlier.

Further, increasing partnerships within financial institutions and with non-financial institutions – with the aim of creating a niche – can also be leveraged to push financial products to large groups of individuals.

Then, there are the inherent virtues — for instance, embedded finance leads to creation of unique selling propositions such as providing curated customer-centric services and on-tap availability of funds (availability of financing at point of purchase), thereby removing intermediaries and supporting better funding cost.

That said, challenges do abound. Among others, data privacy and security are primary concerns, given the need to exchange sensitive data among stakeholders. Transparency, ethical business practices, and customer grievance redressal mechanisms are needed to prevent loss of consumer trust, fraudulent product offerings, and money laundering.

DIGITAL LITERACY

Promotion of digital and financial literacy also needs to continue. Ensuring fair competition and preventing monopolistic practices are necessary as increasing competition saturates the market, with multiple players offering similar financial products. Besides, with the globalisation of digital financial services, it is vital to enact regulations that promote collaboration across borders.

It is essential to leverage data analytics using proprietary data and consumer habits gathered by this ecosystem in order to expand the borrower base. Conventional financial institutions have been hesitant to recognise that customers prioritise products and services that fulfil their specific needs, rather than the financial products designed to facilitate their procurement.

However, transitioning from a product-centric strategy to a client-centric approach focussed on meeting individual needs, will enable cross-industry offerings while reducing operational expenses.

Through revenue-based financing, e-commerce platforms can assist sellers with limited credit histories in meeting their working capital requirements. Overall, financial institutions can set themselves apart by specialising in loans for specific industries or market segments through collaborations with non-financial entities that hold a dominant position in the targeted lending space.

The writer is Director - Research, CRISIL Market Intelligence and Analytics

DELHI
businessline.
MONDAY - NOVEMBER 6 - 2023

Despite slowdown, large-cap IT firms maintain stable margins over 5 years

AGAINST ALL ODDS. TCS, Infosys and HCL have delivered margins in the range of 24-25%, 21-23% and 22-24%

Ayushi Kar
Mumbai

As the IT industry faces one of its longest periods of financial headwinds, an analysis conducted by *businessline* shows that large-cap IT firms have been able to maintain stable margins over a period of five years.

In the current economic paradigm, growth eludes IT companies as they evaluate their operating models; however, IT firms have consistently delivered stable margins.

According to data shared by CareEdge with *businessline*, IT firms such as TCS, Infosys, and HCL Tech have delivered margins in the range of 24-25 per cent; 21-23 per cent; and 22-24 per cent since FY19.

Even as IT firms faced a bump in margins in the latter half of FY22 following the pandemic, margins have consistently climbed to reach the levels seen at the beginning of FY19.

Over the last year-and-a-half, IT firms have faced economic pressures, starting with the Russia-Ukraine war to the banking crisis in the US in the first half of 2023, and even now major economies such as the US and the UK flirt with recession.

A period of consistent downturn has compelled these IT firms to trim their workforce and reduce hiring.

Deal Wins

(USD billion)

	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24
TCS	8.2	8.1	7.8	10	10.2	11.2
Infosys	1.7	2.7	3.3	2.1	2.3	7.7
HCL Tech	2.1	2.4	2.3	2.1	1.6	4
Wipro	1.1	0.7	1	1.1	1.2	1.3
Total	**13.1**	**13.9**	**14.4**	**15.3**	**15.3**	**24.2**

Source: Company Presentations; Note: data for the top 4 players (TCS, Wipro, HCL Tech and Infosys)

HIRING BY FIRMS

businessline reported earlier that this fiscal year will look extremely difficult on the hiring front; however, through these headwinds firms have appeared to hold on to their margins.

'LASER-SHARP FOCUS'

Sanchit Vir Gogia, Chief Analyst, Founder and CEO of Greyhound Research, explained that IT firms have been able to maintain margins because they have been pretty dexterous in adopting new technologies.

Experts also believe that IT companies need to look into breaking their business units to operate more efficiently and strive for growth

"Many levers have been used to manage back-to-back economic downturns. Indian IT firms have had a laser-sharp focus on the changing tech trends, and continue to streamline investments into products.

"IT firms have also better managed the unit economics, currency hedging is being done better to manage these situations. Moreover, they have set service centers nearer to client locations over the years and are hiring more locally."

CHANGES NECESSARY

However, experts continue to maintain that IT firms will have to change their operating models if they wish to grow.

Companies such as TCS, and Infosys are seen as bulky organisations in need of trimming their bench.

This fiscal year, all signs indicate that these IT firms hope to leverage AI to hire less and deliver projects using their existing bench strength.

But experts also believe that IT companies need to look into breaking their business units to operate more efficiently and strive for growth.

Gaza evacuations suspended after attack on ambulance

Reuters
Cairo

Evacuations of injured Gazans and foreign passport holders through the Rafah crossing to Egypt have been suspended since Saturday, but Egyptian, US and Qatari officials said there were efforts to resume them.

The evacuations were suspended after an Israeli strike on Friday on an ambulance in Gaza being used to transport injured people, said Egyptian official sources. The Israeli military said the vehicle was carrying Hamas militants.

The Rafah crossing to Egypt's Sinai peninsula is the only exit point from Gaza not controlled by Israel. Aid trucks were still able to travel into the territory, said two Egyptian sources.

"We believe it will [open] this afternoon," said a senior US State Department official.

Evacuations began on Wednesday under an internationally brokered deal aimed at letting some foreign passport holders, their dependents and some wounded Gazans out of the enclave.

'Hamas war to cost Israel above $50 b'

Reuters
Jerusalem

Israel's war with Hamas in the Gaza Strip will cost as much as $51 billion, the *Calcalist* financial daily reported on Sunday, citing preliminary Finance Ministry figures.

The daily said the estimate, equal to 10 per cent of GDP, was premised on the war lasting between eight to 12 months; on it being limited to Gaza; and on some 350,000 Israelis drafted as military reservists returning to work soon.

TRAI's new proposal to tighten regulations irks consumer organisations

Our Bureau
Mumbai

Consumer groups have voiced concerns against a proposal by the telecom regulator to tighten regulations for consumer organisations in the telecom sector. TRAI has proposed that consumer groups that want to register at the national level should have at least three years of experience in representing consumer issues and worked in at least five States.

Consumer groups have written to TRAI, stating that these regulations will exclude many entities working in local areas. "The requirement of three years of experience may seem like an artificial barrier, particularly in the field of technology, where many young organisations are making significant contributions and innovations that should ideally be recognised. It is advisable to reduce the requirement to one year and with the experience in one or more such activities," said Consumer Unity & Trust Society (CUTS) in a submission to TRAI.

"Rule 5(2)(b) requires a consumer organisation to have the experience of working in at least five States or Union Territories to be eligible for registration at the national level. This stipulated requirement appears to be overly expansive, which may potentially result in the exclusion of many consumer organisations engaged in addressing consumer concerns across multiple States.

"Additionally, there exists ambiguity concerning the criteria for identifying these organisations, such as whether it hinges on the establishment of a physical office or engagement in specific projects in multiple States," it added.

'RETROGRADE MOVE'

Consumer Care Society said a State body of a national-level consumer organisation is a retrograde step, and contrary to the very objectives that are listed by TRAI to bring this modification.

"TRAI should encourage more smaller and district-level consumer organisations if it wishes to achieve the objectives listed in the draft. As an example, Uttar Pradesh has 75 districts. State-level consumer organisations in such a big State is highly ineffective in reaching in a meaningful way the target groups that TRAI wishes to focus on," it said.

"Management studies indicate that a larger organisation with subordinate bodies is invariably not agile nor effective locally due to its inherent structure and centralised decision-making.

"So, national-level consumer organisations having State-level offices will not be as effective in addressing the needs of the local groups as would local (State or district) level consumer organisations," Consumer Care Society added.