

Opinion

SATURDAY, AUGUST 17, 2019

SANS THE ILLS

Congress leader, Sonia Gandhi

A democratic and resilient India at 73 has no place for bigotry, superstition, sectarianism, fanaticism, racialism, intolerance or injustice... We must rise as a nation to stand against every act of injustice



Amazon should clear Future Retail deal with govt first

Don't want e-tail situation where rules changed after Wal-Mart paid \$16bn for Flipkart; open the sector fully

A MAZON MAY OR may not finally buy 10% of Indian retailer Future Retail—media reports suggest the deal is close to being finalised—but what is odd is that the discussions are taking place despite the NDA government at the centre being opposed to allowing FDI in multi-brand retail. While the deal will probably, like the one which saw Amazon buy 5% of Shoppers Stop, be concluded using an investment arm of the US major, the law is not wholly clear either. Before the UPA demitted office, for instance, it had allowed up to 49% FDI in multi-brand retail with a few caveats on minimum investment, local sourcing and the requirement to get specific permission from each state government before setting up shops there. While the BJP said it was not in favour of the policy when it came to power, the policy wasn't scrapped either. In due course, under the NDA/BJP, FDI was allowed in the B2B space, but banned in B2C; foreign capital, including from Amazon, came into the country in billions using what is called the 'marketplace' model. Under this model, an Amazon could invest billions of dollars in a 'marketplace' where sellers—including some controlled by Amazon—could sell their products to retail customers.

While there was no explicit confirmation, the broad signal that everyone got was that allowing FDI in multi-brand retail would hurt the BJP's *kirana* support base, but the government was not averse to allowing multi-brand retail through the back door. It was in this context that Walmart spent \$16bn to buy Flipkart, but within a short while of this, once elections were approaching, the government decided to tighten the rules dramatically. While FDI was still to be allowed in B2B e-commerce, suppliers that were controlled by e-commerce majors—like Cloudtail for Amazon or RetailNet for Flipkart—could not sell anything on the marketplace. While this was done to prevent these suppliers from using free foreign money to offer very deep discounts—the thrust of the new policy was to prevent discounting as this was hitting local players—it was a complete U-turn from the prevalent policy. While the new policy also prohibited e-tailers from exclusive tie-up with suppliers, like a mobile phone manufacturer for instance, oddly enough none of the rules—such as the ban on deep discounting, whatever that meant—did not apply to e-commerce platforms set up by home-grown chains like Reliance or Future Retail.

Given how any policy can be overturned so quickly, even though Amazon may not require explicit permission from the government to buy into Future Retail using some investment arm/firm, it would do well to get this formally cleared by the government; else, it will be in trouble if, at some point, the government wants such deals to be undone. Ideally, though, the government should give up its hostility to FDI in multi-brand retail as, once this is allowed, it will attract large amounts of FDI and also create a lot of jobs. More important, from the point of view of the BJP's *kirana* constituency, given how much space most big-box retailers like Walmart require, they are unlikely to be able to set up shop in most neighbourhood markets and, to that extent, they are unlikely to pose a threat to *kiranas*. E-tail operations, on the other hand, pose a real threat since they don't need to be located near the consumer.

Yesterday's problem

'Population explosion' is a bogey the govt should ignore

THE PRIME MINISTER, in his Independence Day speech, flagged "population explosion" as a problem and talked of the need to counter it. It is surprising that the government has missed the message on the declining trend in fertility in the country and is gearing up to fight yesterday's problem. The proponents of population regulation raise the bogey of the absolute population level already being too high and the resulting resources-demand gap fuelling social misery and instability. But this deliberately ignores or underplays the fact that the rates of both absolute population growth and total fertility have been declining steadily, and negate the need for population regulation measures. Rajya Sabha member representing the BJP, Rakesh Sinha, has moved a private member's Bill that talks of enforcing a two-child policy through measures such as denial of financial benefits and sharply cutting PDS benefits for people who have more than two children. But, the fact is the total fertility rate (TFR) in the country is already down to 2.2, marginally above the 2.1 replacement rate, and both states and communities that have had historically high fertility rates are registering sharp decline in this. Indeed, amongst Muslims, the decline between 2003-06 and 2015-16 was the sharpest, at 23%, and the fertility rates for Christians and Buddhists/neo-Buddhists have fallen below the replacement rate and that for Jains and Sikhs, already below the replacement rate in 2003-06, has slid further.

The country's annual population growth rate fell from 2.5% in 1971-81—a time when 'population explosion' was banded around commonly, and when India infamously experimented with forced sterilisation—to 1.3% in 2011-16. Similarly, the TFR in the country is down from 5.52 in 1971. As per the Sample Registration System (SRS) that provides the most dynamic data on fertility rates, even the states that have a higher fertility rate—Bihar (3.2), Uttar Pradesh (3), Madhya Pradesh (2.7), Rajasthan (2.6), Jharkhand (2.5), Chhattisgarh (2.4) and Assam (2.3)—than the national TFR have shown precipitous decline in fertility rates. Just a decade ago, for instance, Bihar had a TFR of 4 and UP of 4.1 while MP, Jharkhand and Rajasthan had a TFR of 3.5 each. With such trends likely to continue, as demographers predict, the population burden on India's resources will only ease in the coming decades. Given the improving levels of education, especially amongst women, and access to contraception, late marriage, financial independence of women, etc, fertility rates are coming down sharply. Local culture also plays a strong factor. Thus, as educational attainment levels go up, and more women push marriage for later, TFR will come down further, even child-bearing shifts to the older age-brackets. The solution to achieving population stability rests on increasing access for women to education and jobs. Pushing for active control measures, like a two-child policy that penalises those having more than two children could actually do more harm than good. Indeed, the Economic Survey 2018 talks about a sharp slowdown in population growth over the next two decades, with some states transitioning to an ageing society by the 2030s. India's 0-19 population is already falling and the share of the elderly is set to double over the next two decades. Against such a backdrop, population regulation seems not just unnecessary, but also harmful.

Listening IN

Facebook transcribing audio chats over Messenger in a furtive way hurt its own interests

IT IS IRONICAL that those who chronicle the tiniest detail of their lives on social media should rue the loss of privacy in the digital age, but the latest instance of Facebook's "privacy violation" has even its die-hard supporters cringing. The social media giant, as per Bloomberg, had hired hundreds of private contractors to transcribe the content of call made over its Messenger app. The company admitted that it had been transcribing the audio content and it will no longer do so, following scrutiny on other companies over related transcriptions. The company explained that those using Messenger had chosen the option to have their voice-chats transcribed. Given that some of the transcribed chats featured deeply personal content, it is quite clear that users were not aware that they had signed up for such sharing of their data. With consent fatigue, it is easy to assume, most simply didn't bother to read the terms of agreement and thus were not aware of what they had signed away. What Facebook has done is hardly surprising, though. It has become a norm for Big Tech industry—both Amazon and Google have been caught doing the same.

Although all three have promised not to do this again, they are bound to work a way around it. For companies, selling smart AI speakers, the only way they can improve services is through more and more data, which has to come from consumers sharing such data over social media, searches, chats, etc. Instead of trying to hide the fact that it will mine data, a Facebook should perhaps ask consumers outright to opt for such services in exchange for incentives. That way, they may even find willing participants. Also, given the fact that the core services of Facebook or Google continues to be free, adding a payroll for opting out of such data mining could be the right way to go. Big Tech's reputation will end up in tatters if it keeps hiding the fact that it will mine all sorts of data about the user, and hiding, thanks to the hyperbole on privacy, will always get conflated with sinister designs.

PDS REFORMS

SLOW PROGRESS OF AUTOMATION OF FAIR PRICE SHOPS IN KEY STATES COULD POSE A CHALLENGE FOR THE GOVT'S AIM TO MAKE ONE RATION CARD APPLICABLE ACROSS INDIA BY JUNE, 2020

The challenges for one nation, one ration card

THE GOVERNMENT HAS made a 'soft launch' for rolling out nation-wide portability for an estimated 23 crore ration card holders by June 1, 2020. The key aim in introducing of nation-wide ration card portability under the National Food Security Act, 2013 is to facilitate ration card holders lifting their foodgrains from any of the 5.4 lakh fair price shops (FPS) of their choice, without needing to obtain new ration card. According to food ministry officials, the key focus of the scheme is ensuring that beneficiaries covered under NFSA are not denied their rations because of inter-state migration.

Currently, a large chunk of the labour force mostly covered under NFSA travels from states like Uttar Pradesh, Bihar, Madhya Pradesh, Odisha, etc, to more economically advanced states, such as Punjab, Haryana, Maharashtra, in search of livelihood. This migration pattern is seasonal, especially at the beginning of the sowing of *rabi* and *kharif* crops, and during their harvesting. Often, few members of a family migrate to other states, thus depriving them of subsidised foodgrain entitlements under NFSA. Along with inter-state migration, there is migration within states for economic reasons as well.

"This initiative shall be helpful for the large migratory population of the country, who migrate from one part of the country to another in search of job or employment, marriage, or any other reason, and find difficulty in accessing subsidised foodgrains in the present system," food minister Ram Vilas Paswan has said recently, after launching the inter-state portability in two clusters of adjoining states—Andhra Pradesh & Telangana, and Gujarat & Maharashtra. This would enable beneficiaries from either state's cluster to avail the NFSA benefits from any of the two states.

Currently, in four states—Andhra Pradesh, Telangana, Gujarat, and Maharashtra—both intra-state and inter-state portability of ration card is being implemented. Seven other states—Haryana, Jharkhand, Karnataka, Kerala, Punjab, Rajasthan and Tripura—are, at present, testing intra-state portability that would allow beneficiaries to lift their quota of ration



from any FPS store within that state.

Food Secretary, Ravi Kant, has said that inter-state portability of ration card will be implemented in these 11 states by January 2020. "By January 2020, these 11 states will be formed as one grid, where ration card will be made portable. It means beneficiaries can buy ration from any one of these 11 states."

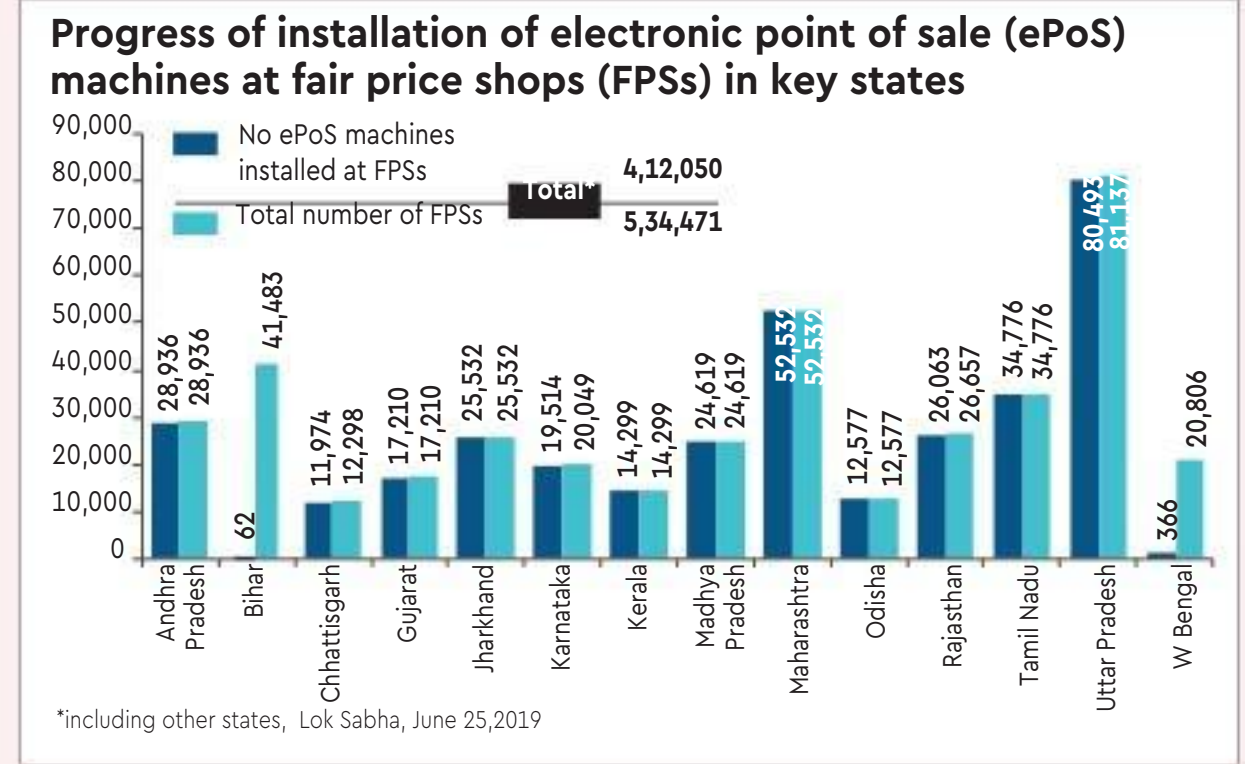
The 'one nation, one ration card' entails integration of the existing PDS systems or portals of states and UTs with those of the Centre under a central repository of all NFSA ration cards and beneficiaries. The central repository also ensures that no duplicate ration cards and beneficiaries exist in any state or UT.

However, a critical factor which would impact the country-wide roll out of this initiative is studying, recording and regularly updating labour migration patterns. Especially, when a few members of a family that owns a ration card migrates for few months, reconciling the data at both locations would be a critical challenge. "The allocation of the foodgrains to states would have to be dynamic,

based on the lifting of foodgrains captured on a monthly basis across states," an official stated. On the storage distribution front, Food Corporation of India (FCI) godowns have to operate in tandem, considering the needs arising in particular states. Presently, FCI godowns store three months' stock in advance, keeping in mind demand from a state or region.

Another challenge is that currently, around 77% of FPSs—4.12 lakh of the 5.34 lakh operating across the country—have installed electronic Point of Sale (ePoS) machines. Two key states—West Bengal and Bihar—that witness huge labour emigration, have been laggards in this regard. According to data presented by the food ministry in the Lok Sabha recently, Bihar has installed ePoS devices at only 62 of its 41,483 FPSs. In West Bengal, only 366 FPSs out of the total 20,806 have ePoS machines.

Food ministry officials said that ePoS devices serve to authenticate of beneficiaries and electronically record subsidised foodgrain distribution to them. "As compared to earlier practice of man-



Transit can save the environment

The technology that drives Uber and Lyft might reduce traffic yet, just not in the way those companies initially thought

MARK BUCHANAN
Bloomberg



AS MORE AND MORE of the world's population shifts into cities, traffic congestion is becoming an ever-larger problem. The average American now loses around 100 hours a year sitting in traffic. Globally, congestion slows driving speeds, increasing emissions of carbon dioxide—more than 20% of which now comes from traffic.

Some dream that self-driving cars may solve the problem by smoothing out people's natural and often disruptive driving habits, yet self-driving cars are arriving much more slowly than enthusiasts expected. Ride-hailing services might also help by reducing car ownership, but a new study shows that in cities where Uber and Lyft have been introduced, traffic delays have gone up, not down.

One obvious idea to decrease congestion is better public transportation. But experts have been skeptical of how much this can help. Economists Gilles Duranton and Matthew A Turner argued nearly a decade ago that luring some drivers off the roads and onto trains and buses leaves less congested roadways, which then attract other drivers to those same roads. It is similar to what happens when you try to reduce congestion by building more roads: When you make more room for cars and trucks, you get more cars and trucks.

But new research based on statistical patterns in traffic demand and the availability of public transportation files in the face of this theory. A good measure of a city's traffic burden is the fraction of the population that chooses to drive to work rather than use public

transit. Using a simple conceptual model, physicists Vincent Verbatz and Marc Barthelemy of the Institute of Theoretical Physics in Saclay, France, posited that easier access to public transportation can tip people away from driving.

That prediction turned out to be quite accurate for 25 large metropolitan areas in Europe, the US, Asia and Australia. In these cities, the fraction of people driving to work decreased in direct proportion to how easy it is to access public transportation—specifically, which fraction of the population lives within one kilometre of a transit station.

Why did no one discover this before? For one thing, the data didn't exist. The research used sources such as TomTom navigation data, academic studies on access to transportation in many nations, and average driving speeds estimated from Google Maps. But more than that, Barthelemy told me by email, patterns can only be discovered if someone thinks to look for them. Their simple model suggested an interesting pattern to look for.

Their results lend credence to the idea that making public transportation more accessible can draw people away from driving, thereby reducing traffic. It also counters a fixed idea in transportation policy research that population density is the most crucial determinant of traffic patterns, with more densely populated cities being more efficient. That turns out to be wrong.

Verbatz and Barthelemy also used their results to estimate how carbon dioxide emissions vary between cities

and found that—in another prediction backed up by the empirical data—emissions rise in direct proportion to the diameter, or linear size, of a city, as well as with the proportion of people who lack good access to public transport. Compact cities emit less carbon dioxide per person, but not because of their population density. And better access to public transport always helps.

Of course, making access easier isn't just about getting people closer to transit stations. "Easier" might mean bridging the final distance between user and transport system with convenient bus service, for example. In this sense, one of the most exciting developments in public transport might be the rise of fleets of Uber-like buses able to move people over short, flexible routes. One example is the DC MicroTransit system, currently running for free in Washington. The aim is to use mobile technology to make the mass transit system easier for everyone to access, but to do it using large vehicles so as not to tax the roadways with even more traffic.

Some experts envision the emergence of a dense microtransit mesh of public and private shuttles bringing access to sprawling public transit systems to almost everyone's doorstep. Logically, as Verbatz and Barthelemy's modelling demonstrates, this seems like a sound way to reduce road traffic. The technology that drives Uber and Lyft might reduce traffic yet, just not in the way those companies initially thought.

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LETTERS TO THE EDITOR

PM's I-day address

In his second-longest 92 minute I-Day speech since 2014, PM Modi talked about everything, but, did not mention 'Pakistan'. While the Pakistan PM Imran Khan, during his I-Day address, remarked that Pakistan observed its I-Day as "Kashmir Solidarity Day" and that people of Kashmir would retaliate against "illegal aggression by India". As per Pak's trend, Imran also said "goons of RSS" were lynching people, threatening judges, intellectuals and declaring anyone who differed with them "anti-nationals". This year in his speech, Modi probably brought the three most important points on birth control, Jal Shakti and plastic use regulation. In his speech Modi said that what his government has achieved in 70 days, previous governments could not in 70 years, on Jammu & Kashmir. Modi gaga over triple *talaq*, but he did not find it necessary to explain the need to criminalise triple *talaq*. PM Modi may feel suitable to announce, a long-standing demand that has been pending two decades, from the Red Fort that India would soon have a Chief of Defence Staff. However, these promises should not turn out to be hollow words. Because optimism is necessary to have will of implementation of schemes and projects in phased manner to benefit the *oam admi*. Very correct when one national daily said "Deeds must follow words as noon follows dawn". — Bidyut K Chatterjee, Faridabad

Clarification

In 'Fiscal space before the new govt in Karnataka' (August 16), the fiscal deficit-GSDP ratio for the year 2016-17 in Karnataka is 2.5%, not 2.65% as it reads in the graph.

Write to us at feletters@expressindia.com

How yoga can boost exports

India's yoga trade is poised for an export boost given the rising interest for the ancient technique across the globe

NEHA GUPTA & VARSHA JAIN

Gupta is fellow and Jain is research assistant, ICRIER. Views are personal

LINKING TO THE wellness carnival of the International Yoga Day (IDY) on June 21, many yoga studios are opening up both in India and globally. India is the second-largest exporter of Ayurveda, Yoga, Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) products with permission of 100% FDI therein. But the government is yet to fully utilise the trade potential in yoga industry, which exists in both services and manufacturing. Trends suggest a growth in cross-border movement of yoga professionals (teachers, practitioners, trainers, instructors) part of which are referred to as the 'software' while yoga. Another growing segment is trade in yoga accessories, dealing with the 'hardware' part of yoga (technically considered to be part of sports goods sector).

As estimated by the '2016 Yoga in America Study', the US continues to lead with the rise in number of yoga practitioners from 20.4 million in 2012 to 36.7 million in 2016. Over the same period, the spending by such professionals on yoga classes, clothing, equipment and accessories has increased by \$6.1 billion (\$16.8 billion during 2016). Conversely, Asia is leading in wellness trips, where China and India are the top countries, adding over 12 million and 17 million trips, respectively, during 2015-17, as per the Global Wellness Economy Monitor 2018. Till December 2016, India had trained and certified 799 yoga professionals as reported by the ministry of AYUSH. Certification can lead to formalisation of the industry, but the gap is wide enough to call for greater intervention on the part of the government for continuing its yoga heritage.

So, where India is placed in terms of trade of yoga services and equipment, as compared to the US, Europe and East Asia? The government has been opening centres in such regions to promote cultural exchange on yoga, music, dance, etc. For example, India and Japan committed

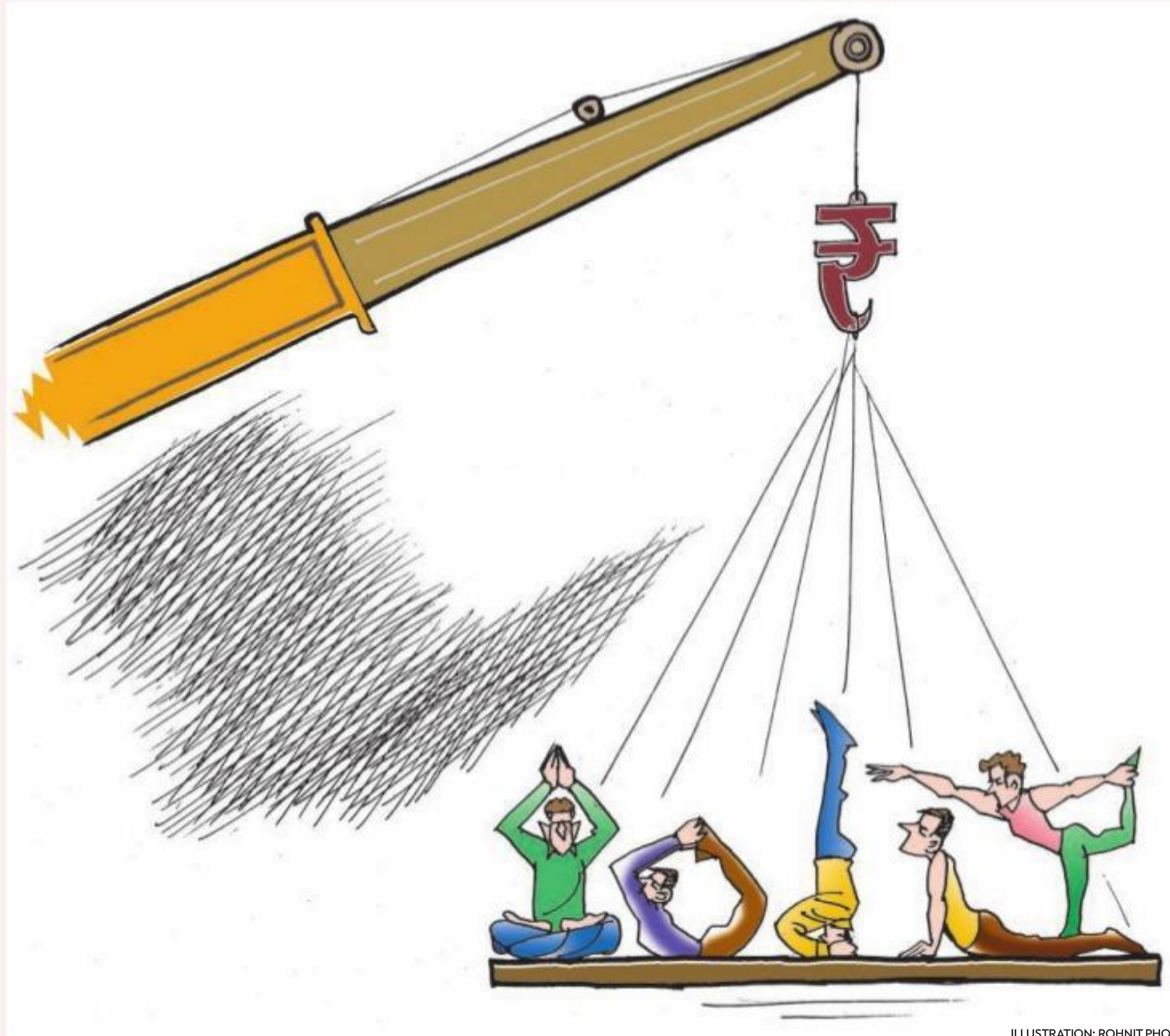


ILLUSTRATION: ROHINIT PHORE

to liberalisation, under the Comprehensive Economic Partnership Agreement (CEPA) in 2011, across all services modes to cover provisions relating to movements of teachers and contractual service providers in the field of yoga, among others. In July 2018, under India-Korea CEPA, both the countries agreed on certain terms related to export of yoga from India—Indian trainers/teachers/instructors to be sent to Korea for imparting lessons or providing guidance to Korean hospitals, etc, and instructors as well as Indian yoga institutes allowed to set up centres in South Korea (in exchange of Korea's similar initiative in the field of taekwondo). Having said that, it is crucial to verify whether India's yoga institutes are investing enough abroad to capture maximum gains?

With growing need for yoga services mainly post-IDY, the demand of and

spending on accessories has risen. Broadly, yoga accessories are the tools that support yoga, such as mats, bricks, blocks, clothes and other equipment. However, more clarity on definition, scope and coverage of the same is required. Several foreign brands, too, have introduced special yoga mats, and various manufacturers are friendly to recyclable, renewable or eco-friendly sources for making such equipment. The identification of exact product codes for yoga accessories is a big hindrance to a detailed study on the trade potential in this industry. For instance, the Sports Goods Export Promotion Council does not provide separate product codes for yoga mats, yoga straps, etc.

In its Foreign Trade Policy Statement 2017 Mid-Term Review, the government emphasised on using branding/marketing campaign to facilitate exports "of

commodities and services in which India has traditional strengths, such as handicrafts and yoga." As the craze for yoga techniques and accessories is rising, along with export of yoga professionals' services, this is the right time to strike and reap the potential economic benefits from the industry. Better and separate data reporting can be pursued in terms of demand for yoga mats, bricks, clothes, etc, and information about the number of yoga professionals going from India to other countries. The challenge, though, remains for researchers and policymakers to verify the accuracy of data and information available on private websites with official government sources. Nevertheless, investment in promoting yoga exports and value addition under Make in India can support growth of concerned manufacturers and give the country a required export boost.

Bond with the best

Sovereign bonds: How to meet the budgetary 'ends' with limited 'means'

SHARAD KUMAR

The author is AGM-Economist, SBI. Views are personal

THIS YEAR'S BUDGET focused on Grameen Bharat, MSMEs and infrastructure—pillars towards reaching the \$5-trillion economy goal. A non-populist Budget, it remained short of major direct tax proposals, but focused on development goals. While achieving these goals could be an end, where are the means? With tax revenue growth having its own limitation, the dependence has been on off-budget borrowings, besides government borrowings. And with government borrowings already on the high side, the government think tank might have worked out a feasible option, especially when the fiscal prudence target is supposed to be kept sacrosanct. The sovereign bond issue might be an outcome of such deep thinking.

The finance minister said: "India's sovereign external debt-to-GDP is among the lowest globally at less than 5%. The government would start raising a part of its gross borrowing programme in external markets in external currencies. This will also have beneficial impact on domestic situation for the government securities in domestic market." The beneficial impact had an obvious reference to the intent of easing the yields and interest rates. Many considered it as a change of issue from the times when the government issued government bond in rupees and borrowed in foreign currency through designated bodies (on concessional rates) such as the World Bank. The government's intent to have an offshore borrowing of 10-15% of total borrowing, working out to Rs 70,000 crore (\$10 billion), got a mixed reaction.

The cacophony takes the debate back to the East Asian Crisis and reminds one of the implications of foreign inflows in the form of debt. The East Asian Crisis was followed by the Global Financial Crisis. While India remained largely unscathed, growth was supported by the four stimulus packages by the government in 2008-09. Strong domestic fundamentals and relatively low external debt helped, as there were no foreign obligations.

The study "The Impact of the Financial Crisis on Emerging Asia" by Morris Goldstein and Daniel Xie presented at the Asia Economic Policy Conference (2009) notes: "By contrast (and with the exception of Peru, Argentina and Venezuela), shares of foreign currency debt are low in Latin America and are particularly low in emerging Asia." It acknowledged that the most striking feature is the low rollover risk in

emerging Asia, relative to higher risk in emerging CIS and emerging European economies. Today, this low rollover risk in India is also due to its low dependence on sovereign foreign debt.

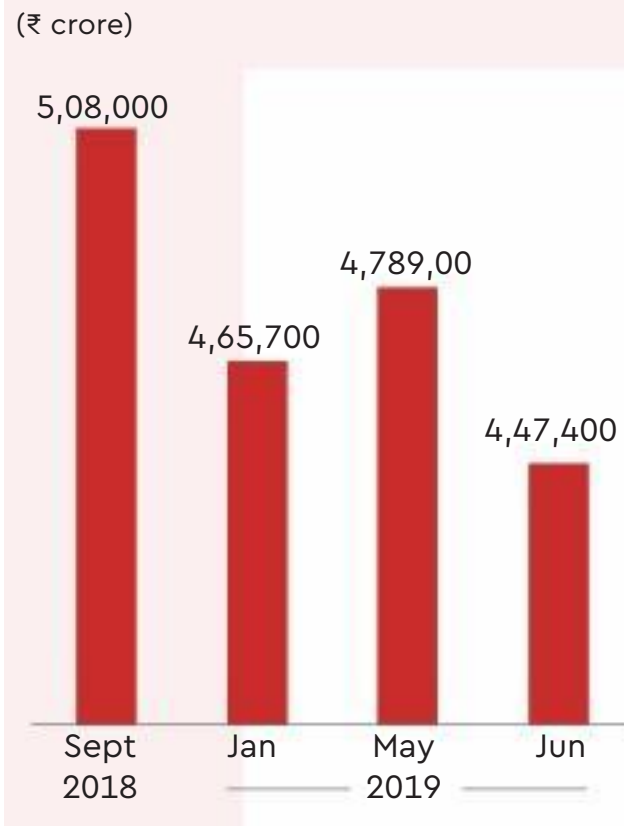
In a scenario where sovereign debt is expected to be priced 7.5% (assuming 3% coupon and 4.5% forward premium), much higher than the current yields on domestic bonds, it becomes a little ambitious to go for it, especially when there could be options to raise resources within. Though the domestic bond market is also subject to volatility and bond prices may move in tandem with factors that make sovereign bonds dearer, it does not provide a concrete case for not resorting to the traditional mode of financing.

Are there better options? An alternative could be revisiting the limit for FPIs to buy government bonds, revised upwards to 6% in FY20 by RBI. Currently, the limit for FPI investment in central government securities is Rs 3,384 billion for H1FY20. The utilisation so far has been Rs 2,063 billion, i.e. 61% with two months remaining for the first half year. This is against a utilisation level of 73% in the same period of FY19. Another alternative that has been exercised by some—like Kerala Infrastructure Investment Fund Board (KIIFB)—is *masala* bonds. These can take supply of money from international markets without incurring currency risk. The off-shore *masala* bond issue, denominated in rupee, would entail the investor bear the currency risk, with no requirement of currency hedge on the issuer side (unlike sovereign bonds). While this may also seem to be an option, the higher coupon would reduce the '*masala*' element in such bonds. A better-rated company would be able to issue *masala* bonds at a better pricing, but so is the case if it floats a bond domestically. KIIFB had to pay 9.723% for its five-year *masala* bond—not a low number.

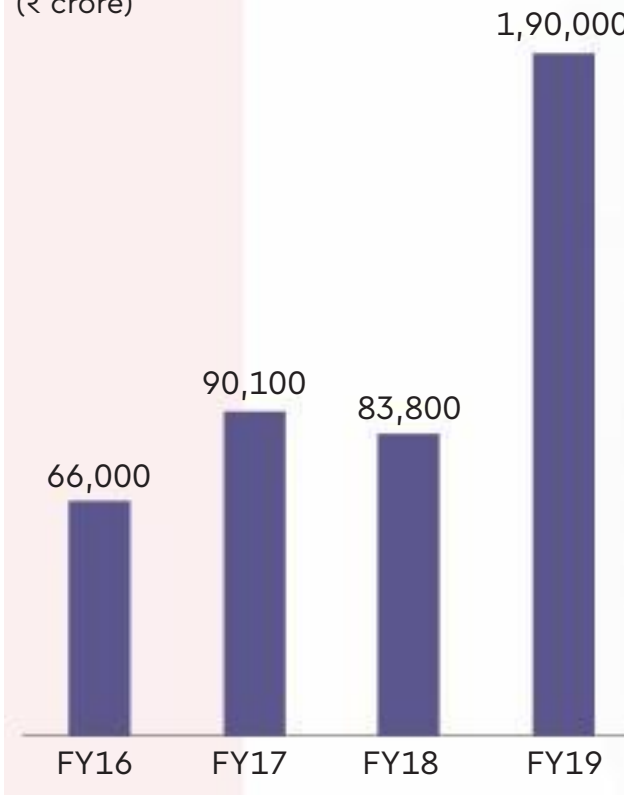
As Phil McGraw said: "Sometimes you make the right decision, sometimes you make the decision right." We believe the government would take a call depending on market demand, pricing and acceptability—but with domestic financing as the primary option with further relaxation in FPI limits. In a developing economy like India where growth is being targeted, can we not afford a bit of fiscal slippage? India has slipped from the fastest growing economy to second fastest. It may, therefore, be pertinent to look at the broader picture and be flexible, than to micromanage.

DATA DRIVE

Steep drop in MF exposure to NBFCs



Sharp rise in loans sell down by NBFCs/HFCs



Disbursement slows down because of tight liquidity



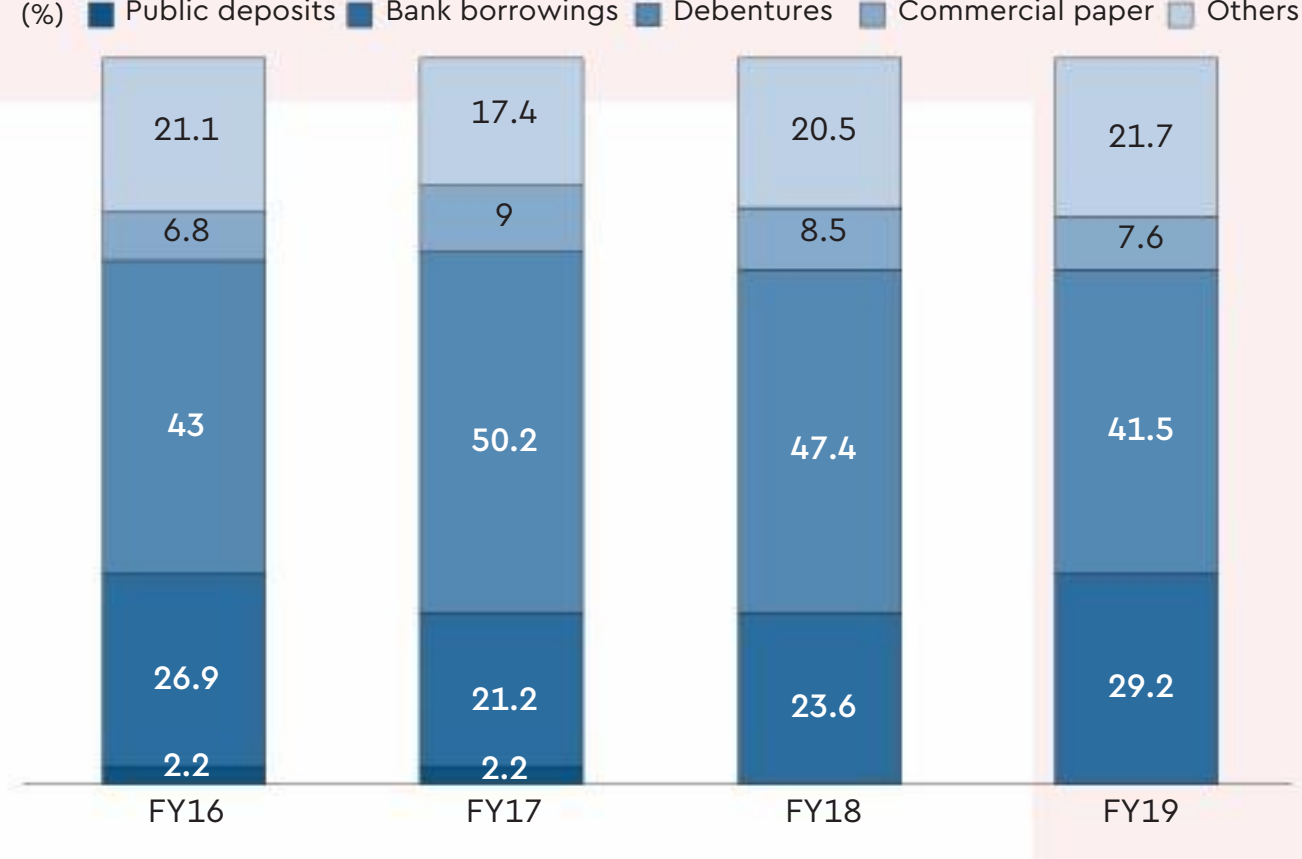
NBFCs face liquidity squeeze

NON-BANKING FINANCIAL companies (NBFCs) are still facing liquidity squeeze as most banks have tightened lending since Q1FY20, and mutual funds, too, have reduced their exposure to NBFCs and housing finance companies. As a result, most NBFCs have resorted to assignment/securitisation of loans to meet funding requirements. Some banks have hit single sector exposure limits on NBFCs and are not keen to increase

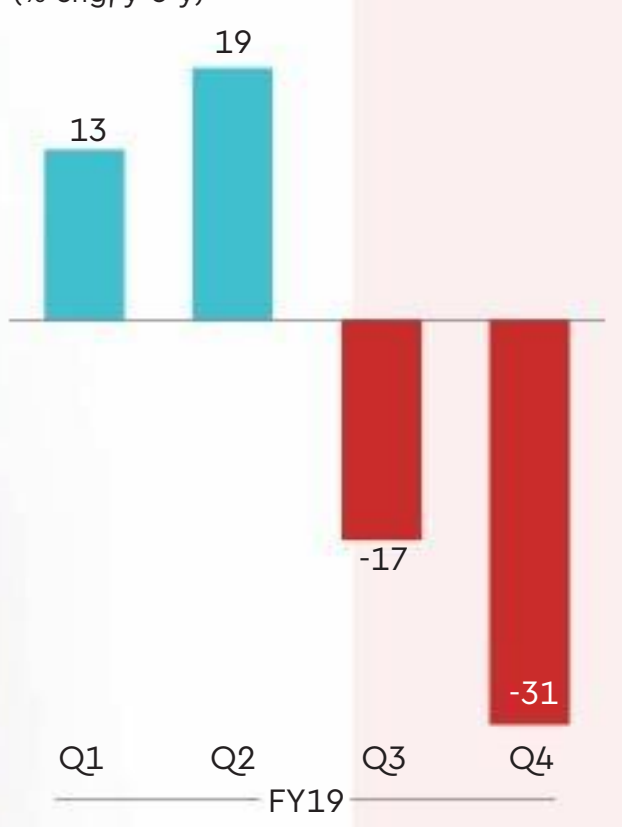
exposure to the sector. While the Reserve Bank of India has taken multiple steps to increase availability of funds to NBFCs, the overall impact has been marginal. The central bank has allowed banks' lending to NBFCs for agriculture, micro and small enterprises, and housing classified as priority sector lending, up to specified limits. It has also raised any bank's exposure limit to a single NBFC from the existing 15% to 20% of tier-1 capital to ease the liquidity pressure.

In the Budget, the government has underlined that public banks will be encouraged to buy high-rated pooled assets of up to ₹1 lakh crore of financially sound NBFCs on which the government will give six-month partial credit guarantee for the first loss of up to 10%. These changes will help some reduce some of the challenges faced by retail NBFCs as the risk factors of infra-structure or consumer-lending NBFCs.

Borrowings mix of NBFCs



Loan growth collapses



Muted AUM growth

