



GREY MATTERS

A Monthly Magazine by Finance and Marketing Club



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Edition

“An investment in knowledge pays the best interest”

- Benjamin Franklin



NATIONAL INSTITUTE OF AGRICULTURAL EXTENSION MANAGEMENT (MANAGE)

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Surrogate Advertising: Way of Promoting Banned Products

We've all seen the witty and ironic ads for Seagram's Imperial Blue Superhits Music CDs called "Men Will Be Men." It goes without saying that the brand "Imperial Blue" is a famous Indian whisky owned by Pernod Ricard and launched in 1997. Since advertisements that encourage the manufacture, selling, or consumption of cigarettes, tobacco products, or alcohol in India are prohibited by Indian law, these products are marketed through surrogate advertising or brand extension.

The term "surrogate advertising" refers to duplicating the brand image of one product extensively to promote another product of the same brand. Surrogate products such as playing cards, soda water bottles, apple juices, and other things commonly used to market liquor and tobacco-related products either do not exist or, if they do, are made in small amounts.

Surrogate advertising is believed to have originated in the United Kingdom, where housewives protested "Siq1 commercials" because they claimed they were weaning their husbands away from them. To counteract this opposition, liquor producers began advertising innocuous items such as fruit juices and sodas under the same brand name as common liquors.

"Highlights"

The term "surrogate advertising" refers to duplicating the brand image of one product extensively to promote another product of the same brand.

Surrogate advertising is believed to have originated in the United Kingdom, where housewives protested "Siq1 commercials" because they claimed they were weaning their husbands away from them.



In India, tobacco and liquor advertising are officially forbidden on television and radio. Only tobacco advertisements with the statutory warning "cigarette smoking is harmful to your health" are allowed in print media. The Government of India amended the Cable TV Act to prohibit advertising that promoted the promotion, sale, or consumption of cigarettes, other



tobacco products such as gutkha, pan masala, liquors such as wine, beer, or any other intoxicants, and breast milk substitute products such as feeding bottles or baby food, either directly or indirectly.

As a result, the number of surrogate commercials for liquor and other tobacco-related products has increased. Surrogate ads are often used to reinforce brand recall rather than to promote new products.

Water, soda, and music are used by the bagpiper. Bagpiper is an Indian whiskey brand that is considered to be one of the best in the country. It promotes its products through Bagpiper Club Soda, a surrogate drink. Do you recall the intriguingly catchy line? “Khub Jamega Rang” is a song by Khub Jamega Rang.

Officers' Choice employs the use of playing cards. Officer's Choice is an Indian brand that is one of the world's largest spirits brands. It advertises its products through a surrogate product, Playing Cards, which allows the target audience to become aware of the brand.

Other examples are:

Bacardi – When Music kicks into the rescue

Kingfisher – Oo La La Le O with good times

McDowell's – It's your life, make it larger.

But have you ever wondered why they only use Music CDs, Water, and Soda as substitutes?



Many surrogate products, such as water and soda, are used in conjunction with alcohol and will never compete with banned products in terms of sales. What about CDs of music and playing cards, though? When people are inebriated, they enjoy listening to music, and alcohol marketers take advantage of this customer behaviour. The same can be said for playing cards.



It's Surprising All Over Again! That is why the government is considering banning surrogate ads.

What other options do these companies have now?

Alcohol companies are well aware of this reality, and they have formulated a plan to circumvent it. They've progressed to event sponsorship, branded content creation on digital channels, and show production. Liquor companies have found it viable to invest in online video marketing as viewers have turned away from their televisions and toward their cell phones for entertainment.

TVF Pitchers – The UB Group, which makes Kingfisher beer, partnered with The Viral Fever (TVF), a digital entertainment company, to create a web series called Pitchers, which has been renewed for two more seasons.

Bacardi NH7 Weekender – Bacardi is the title sponsor of the 2019 NH7 Weekender music festival.

IPL team sponsorship – They've also funded the IPL, one of India's most successful cricket tournaments. United Spirits, the manufacturer of Kingfisher beer, owns the Royal Challengers Bangalore team.

In today's competitive market and growing rivalry, marketing and advertising are important, and many

businesses and agencies are tempted to approach the competition from the wrong side. However, there is no substitute for healthy competition, so all sorts of regulations are needed.

In the words of advertising tycoon Leo Burnett, "Let's gear our advertising to sell goods but let's recognize also that advertising has a broad social responsibility."

STEPS THAT CAN BE TAKEN TO COMBAT SURROGATE ADVERTISING:

Making simple and explicit legislation prohibiting the use of surrogate ads for several brands under a single brand name.

Consumer awareness campaigns are being conducted to help people understand the harmful consequences of surrogate ads.

Increasing the authority of the Advertising Standards Council of India so that, instead of only issuing warnings, it can take action against false and deceptive ads and keep a close eye on clever legal evasion.

Creating a system to ensure that international and national laws are effectively implemented.

The value of non-governmental (NGOs) in combating the challenge of proxy ads should be acknowledged, and they should be given more authority to work on these issues.





The Role of Venture Capital in Agri Start-ups

Agriculture is a highly government regulated sector, especially traditional and unpredictable due to its high dependence on the climate - it was not on the VC radar. Despite the decline in agriculture, venture capital continues to flow into agriculture. Venture Capital (VC) investment in start-ups in agriculture and related sectors is gaining momentum. Agricultural firms which had good ideas but no funds could tap the venture capital to raise cash. The growing interest of the investment community in the agricultural sector is also reflected in the number of deals over the past three years. The lack of institutional funding by banks and the Non-Banking Financial Company (NBFC) has prompted entrepreneurs to seek funding through venture capital even though it is very expensive.

The flow of cash into the agricultural technology start-ups is set to remain strong in the coming year as digital start-ups in the farm sector are increasing and many farmers adopting to technological solutions. This segment appears to be attracting interest from major business investors such as Sequoia and Accel Partners, as well as existing players amassing large investments in agricultural technology, which has attracted a very high investment of \$ 300 million in 2019.

“Highlights”

Venture Capital (VC) investment in startups that are working in agriculture and allied fields are gaining traction. Agricultural start-up firms with great ideas but no funds can tap venture capital firms for cash.

The Small Farmer’s Agri-Business Consortium (SFAC) has launched the scheme named Venture Capital Assistance (VCA) Scheme for the welfare of farmer-entrepreneur to develop their agri-business.

The most common method used to evaluate investment decisions, taking into account uncertainty and irreversibility. when considering whether to invest in a particular period, in most practical cases, investors also have to decide about the timing of their investment and therefore should consider the variables which are random and volatility such as the costs. A good example of this approach to agriculture is uncertainty about investing in new irrigation technologies due to agricultural prices and climate uncertainty. Farmers are using new irrigation technology when prices exceed a certain limit. The same concept can be



applied to VC investment in the beginning of agricultural technology.

Although large business ventures have been occurring for decades, it is only after 2010 that they have grown significantly. In general, it has been shown that the market capitalization of financial institutions is driven by a number of measurable factors, including expected return on investment, overall economic life, industry characteristics, and variability in corporate financial performance. Large investments in agricultural investment are no different. Basically, they want the benefits of the investment. Investors compare performance across all industries, wishing to pinpoint the highest expected profit. Significant changes in agricultural commodity prices will be expected to shift the supply of corporate investments to industrialization.

The global share of investing in small businesses has increased from 2.4 percent in 2000 to 20.8 percent in 2013, indicating that key features of VC investors are increasingly available in emerging markets. Although agriculture, in general, can be regarded as a low-income traditional industry, most VC investments in this field focus on the use of advanced

technologies, such as geospatial technology, digital sensors, robotics, biotechnology, automatic farming, and other protein products. artificial intelligence decision-making tools, and large data sales management data. Regulations can have an impact on investment and agricultural technology. For example, regulations imposed by various countries or regions (such as the European Union) on genetic planning can lead to significant changes in biotech investment, with strong market availability depending on whether other countries will comply with European or American regulatory standards for this technology.

Venture Capitalists looks at four broad areas of agribusiness: farmers' platforms (agricultural accuracy and post-harvest services), agricultural B2B markets, consumer direct products, and rural fintech (agricultural finance).



VC funding Agri Start-ups

Agriculture has become much more mainstream and getting funds from VCs such as Lok, Aavishkaar, Aspada, Elevar, Ankur, Unitus and generalist VC funds such as Accel, IDG, Matrix, Kalaari, Nexus increasingly focused on agri start-up. A



lot of strategic investors getting involved in this space of late which would help agri start-ups to scale to the next level.

The Venture Capital Assistance Scheme by Ministry of Agriculture and Farmers Welfare - Venture Capital Assistance (VCA) is financial support in the form of an interest free loan provided by Small Farmer's Agri-Business Consortium (SFAC) to qualifying projects

to meet shortfall in the capital requirement for implementation of the project. This scheme can benefit by Help in assisting agripreneurs to make investments in setting up agribusiness projects through financial participation. It also Provides financial support for preparation of bankable Detailed Project Reports (DPRs) through Project Development Facility (PDF).



Brain Bulb Facts

- Samsung accounts for 20% of Korea's gross domestic product
- The most productive day of the workweek is Tuesday
- Warner Music owns the copyrights to "Happy Birthday," so it's technically owed royalties every time you sing it to someone on their big day
- Candy Crush brings in a reported \$633,000 a day in revenue





Emotional Marketing: A Must Skill to be Mastered by Brands

No matter how much we like to consider ourselves to be rational, logical persons - the ultimate truth is that we humans are slaves to emotions. To any extent we enlist the pros/cons for making a decision, the truth is that we make the decision based on our emotional status at that point in time. Psychologists found that humans think second and feel first. It takes one-fifth of the time for our brains' emotional part to process information than the time taken by the cognitive part.

We are discussing so much about emotions because they can be a great tool to consider while designing any marketing strategy and this concept is called emotional marketing.

What exactly is emotional marketing?

It refers to the advertising and marketing by a company/brand that primarily uses emotional appeals to make the customers and prospective customers notice, remember, share and buy their products/services.

There are mainly six types of emotional appeals that a company can target while marketing their product/service. They are:

- Self-esteem
- Authority/Experts
- Happy
- Sad

“Highlights”

It takes one-fifth of the time for our brains' emotional part to process information than the time taken by the cognitive part

They found that Ads with emotional appeals were twice as effective as Ads with logical information in persuading the customers to make the buying decision

85 percent of consumers regularly or occasionally seek out trusted expert content when considering a purchase

69 percent of consumers read product reviews written by trusted experts before making a purchase

- Fear
- Anger and Disgust



By leveraging emotional marketing, a company can connect to its customers in a meaningful way and the connection built remains in customers' minds for a long



time even after the purchase is made. Basically, it can help a company to build its base of loyal customers.

Can emotional marketing influence one’s buying decision?

Studies show that emotional content create everlasting memories. And marketing content which uses emotional content can create memories among customers and thereby influence their future buying decisions

The emotional content in advertising is far more influential than its informative content. The Institute of Practitioners in Advertising (IPA) studied 1,400 case studies spread across three decades to understand what kind of marketing was most influential to customers. They compared advertisements containing emotional appeals against advertisements with information and logic.

They found that Ads with emotional appeals were twice as effective as Ads with logical information in persuading the customers to make the buying decision.

How can businesses use emotional marketing effectively?

There can be a range of emotions, but they can be easily broken down into two categories i.e. positive emotions/feel-good emotions and negative emotions like fear and anger. One may think that positive emotions are the best to target but the fact is both positive and negative emotions have an equal impact and the choice between the two has to be made based on the message to be communicated.

Following are the examples showing how brands can use emotional marketing effectively.

Self-esteem:



Make your customers feel good about themselves. Dove soap ran a “campaign for real beauty” to emphasize the fact that being beautiful is to feel confident about one-self and it’s not about just having a flawless face with a fair skin tone. It was a great successful campaign that motivated many women to feel confident about themselves.

Using these feel-good emotions makes customers have a positive impression about your product and they connect to it leading to a long-term relationship with the brand.

Authority/Experts:



Unbiased and expert opinion can have a significant impact on consumers’ buying decisions.



- 85 percent of consumers regularly or occasionally seek out trusted expert content when considering a purchase.
- 69 percent of consumers read product reviews written by trusted experts before making a purchase.
- 67 percent of consumers agree that an endorsement from an expert makes them more likely to make a purchase.

Hearing from an expert about a product or brand makes its claims more reliable and genuine. So having an expert review/opinion about ones' product can help companies in better marketing and establishing their product as trustworthy.

Happy:



Happiness and enthusiasm are contagious. So, Ads spreading happy, joyful emotions stays with the customers. Recent ads from WhatsApp during Covid lockdown tried to spread positiveness among people and guess what... they were an instant hit!

Such Ads connect with customers easily and they share them to spread more and more happiness.

Sad:



Using sad emotion for marketing is highly persuasive. MetLife Insurances' "My father is a lair" ad showing how a father never shows his struggle to his daughter and tries to keep her always happy, until one day the daughter finds out the truth. It became a hit all around the world.

Sadness can persuade customers to act. Showing the problem and sadness around it and later showing them away for a solution, can make the customers act and get empowered.

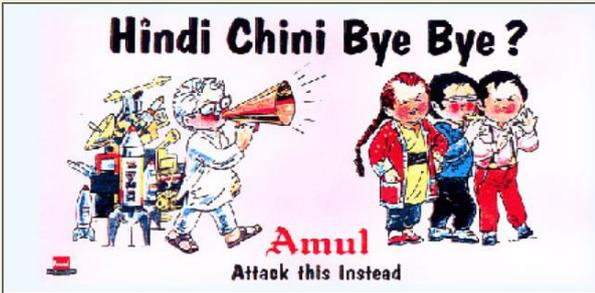
Fear:



Fear can persuade anyone to act for a change. We, humans, are programmed to be fearful about certain bad things and run opposite to it, towards a better change/situation. The anti-tobacco ads all around the world use fear to persuade people to quit tobacco/smoking.



Anger and Disgust:



Anger and disgust are negative emotions but if skill-fully used can provoke a positive reaction. Recently many brands harnessed the anger for China among the Indians over the Galwan valley incident

and tried to market their products.

Using anger towards one's competitor can help companies to convince people to try their products instead.

To conclude, it can be said that emotional marketing is an art to be mastered by companies to connect to their customers in a meaningful and lasting manner. Also, care should be taken that it should not be over-done which can lead to a backfire.



Brain Bulb Facts

According to research revealed by Business2Community, nearly 200 million of us have ad blocking software. This means that while many marketers are still throwing budgets at advertising - 10% of their total marketing budget - over 200 million - aren't accessible. That's a lot of virtual 'talk to the hand' action from consumers who are tired of being sold to online.

The majority of which appears to be millennials, who won't click on ads because they don't trust them. The good news is that the same research revealed that native ads are viewed 53% more than banner ads. Reiterating the importance of an authentic marketing strategy that gains trust and loyalty from consumers through organic routes such as content and, as above, video.



Traffic Jam in Suez Canal: Its Impact on Global Trade & India

The Suez Canal, a shipping artery that connects the Mediterranean and Red Seas through Egypt had been blocked in March 2021, as a large cargo ship ran aground while passing through it, bringing traffic on the busy trade route to a halt. Egypt depends a lot on revenues on this canal & this blockage has caused a long queue of vessels cross the canal which led to a disruption of global trade even though the vessels were diverted to an older channel.

This human-made water canal is of 24m depth, 190km length & 205m width and carries 12% of global trade & 7% of world's oil. The Suez Canal built in 1869, is a major shortcut for ships moving between Europe and Asia, who before its construction had to sail around Africa for the same journey.

How is the Suez Canal Blocked?

The vessel blocking Suez is on its way to Rotterdam in the Netherlands from China. The 2018-built vessel, which is 400-m long and 59-m wide, got stuck here due to a mishap caused by bad weather. The ship weighing 2 lakh tonnes ran aground and got stuck sideways across the canal, blocking the path of other ships waiting to cross through on both sides.

Is it Evergreen or Ever given?

The name of the wedged container ship that was stuck in the Suez Canal has been the source of confusion for many. Ever

"Highlights"

The Suez Canal accounts for 12% of the world's trade, 7% of oil & 30% of container ship traffic daily

Suez Canal is a human-made water canal is of 24m depth, 190km length & 205m width

The Suez Canal built-in 1869, is a major shortcut for ships moving between Europe and Asia, who before its construction had to sail around Africa for the same journey

Given is the official name for the ship, but the ship is operated by a Taiwanese company called Evergreen Marine. Many of the ships operated by Evergreen have names that start with the name "Ever," such as Ever Goods, Ever Glory and Ever Gentle. But the name "Ever Given" is indeed written on the bow and the back of the ship, albeit in smaller letters.



How did the Giant Cargo ship refloat?

The 400m-long (1,300ft), 200,000-tonne vessel with 18,300 containers became wedged across the canal amid high winds



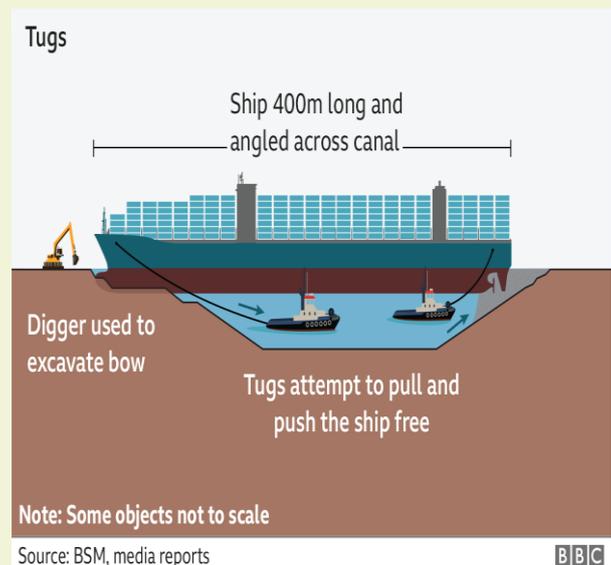
and a dust storm causing more than 400 vessels waited in the area to pass. Though an alternative route was suggested around the Cape of Good Hope on the southern tip of Africa it was taking two weeks long.

At last, with the combination of the tug boats and dredging equipment, the ship is dislodged. If these had failed, there would have been a third option - removing some cargo and fuel from the boat. It would have required a delicate and lengthy operation.

Global impact due to blockage:

The Suez Canal that accounts for 12% of the world's trade, 7% of oil & 30% of container ship traffic daily got blocked for a week and left a huge impact on global trade.

- Trade worth \$6-10 billion is lost in a week
- Supply chain setback due to blockage, loss in 15million\$ revenue each day
- Price rise in crude oil and goods like toilet paper, coffee, laptops. Etc
- Shortage in semiconductors & other electrical appliances.
- Increase in supplier's delivery time all over the world as many ships are stuck along with it and increase in



the petrol cost of ships by \$5,000-8000 due to taking an alternative route.

Impact on India due to Suez Canal blockage:

- India's shipments of oil, textiles, furniture, cotton, auto components and machine parts to Europe, North America, and South America could get delayed by 10-15 days
- A prolonged impact will be seen in the crude oil prices of India, which already has been one of the highest in the world, and India's 2/3rd of crude oil imports come from the gulf.





Fastening Fraud Detection and its Trends

Fraud detection is an activity which undertakes to prevent money or property from being obtained through false pretences. Fraud detection is being applied & focused by many industries such as banking or insurance, healthcare, etc. Financial institutions often facing some fraud charges which cause damage to a company's reputation, loss of revenue and additional legal costs to settle cases.

That is why in 2020, a major trend for companies would be in fastening fraud monitoring. Creating a digital approval workflow will help to filter out in deleting duplicate payments. It can also be used as a highly-secure document management tools to process invoices in order to decrease fraud.

Fraud detection techniques:

Fraud involves many repeated methods and making searching for patterns a general focus for fraud detection. Fraud detection can be integrated by the use of statistical data analysis techniques or by AI.

Statistical data analysis techniques include the use of:

- Probability distributions and models.
- Data matching
- Calculating statistical parameters

“Highlights”

According to RBI report 2019, losses due to banking frauds have grown by 73.8%.

A May survey by ACI Worldwide and YouGov found that 32% Indians were using digital payments more, while 31% were recently targeted by a card or digital payments fraud or know someone who was.

25% of the declined e-commerce sales transactions were false

- Regression analysis

AI techniques include the use of:

- Data mining- can segment data and classify group to search through millions of transactions to find patterns and detect fraud.
- Machine learning- can automatically identify characteristics found in fraud.
- Pattern recognition- can detect patterns and classes, clusters of suspicious behaviour.
- Neural networks- can learn doubtful looking patterns, and use those patterns to detect them further.

Machine learning vs. rule-based systems in fraud detection:



Rule-based	ML-Based
To Catch obvious fraudulent scenarios	To Find hidden and implicit correlations in data
Requires much more manual work to enumerate all possible detection rules	Automatically it will detect all possible fraud scenarios
Multiple verification steps that can harm user experience	Reduced number of verification measures
Long-term processing	Real-time processing

The machine learning (ML) approach for fraud detection has received a lot of limelight in recent years and shifted industry interest from rule-based fraud detection systems to ML-based solutions.

Fraud Prevention Software to Look Out In 2021:

Currently companies are coming out of their traditional fraud prevention systems and looking forward to adopt advanced software in fighting against the hackers and their sophisticated fraud tactics.

Clear Sale

Clear Sale is a comprehensive e-Commerce fraud prevention solution that leverages AI, advanced statistical techniques and a team of specialised fraud analysts to provide the outcome for their customers.

Key Features: Dramatically reduce charge backs and virtually zero false declines, Compliance with all data protection legislation and regulations.

AdvaSmart

AdvaSmart is AI-powered fraud prevention software that works on monitoring the platform highlighting actionable credit negative transactions for early detection of potential frauds. It can assess the creditworthiness and risk exposure, also it can determine and increase recovery from non-performing assets.



Signifyd

Another name that pops out in the e-Commerce fraud prevention market is Signifyd. It supports AI and machine learning for actionable commerce insights for merchants. It has revenue protection which provides a complete financial guarantee & protects merchants from unwanted policy abuse



Sift

Sift is a combined digital trust and safety suite that provides customers with the capability to safeguard their interactions and work with real-time machine learning for optimising growth. Sift has an unrivalled global network of data & can access to device fingerprinting API

FCase

FCase works on experienced technology to help BFSI companies with their fraud investigations. It has 'Feedback fraud results' which delivers crucial insight for machine learning & a common reference model, delivering improved business impact.

Riskified

Riskified is e-commerce fraud prevention software which claims to prevent fraud from logic to checkout and maximise customer conversions. It contains account takeover solution which stops bots and bad actors at the login & also has accurate risk analysis to reclaim revenue from lost transactions. It also can be deployed on top of existing operations with integrated API or plug-ins

Aless

Alessa, is an unified solution that makes AML compliance and fraud prevention easy and cost-effective. It continuously controls monitoring to flag potential violations & also has an advanced analytics including machine learning for dashboards, workflows and case management

Feedzai

Feedzai — a machine learning-powered fraud detection software. It helps to build customised models that address specific business needs & make ML-based decisions to extend frictionless customer experiences

Artificial Intelligence in India plays a critical role in fraud detection in finance and banking industry, especially as digital banking is seeing major adoption in India due to the covid-19 pandemic. According to RBI report 2019, losses due to banking frauds have grown by 73.8%. With more users now banking online, the risk of being deceived by fraudsters is higher. A May survey by ACI Worldwide and YouGov found that 32% Indians were using digital payments more, while 31% were recently targeted by a card or digital payments fraud or know someone who was.

RBI recently initiated the Positive Pay System for cheque truncation system to prevent frauds in high value cheques. "As the software develops more it will be easy to identify misuse of the cheque system and at some point of time it may minimize instances of check frauds significantly. Similarly AI and data can help in identifying trends in movement of money and also it prevents money laundering," RBI has also put in place a central information registry. After collection of enough data over a period of time, it will enable prevention, detection and reduction of fraudulent transactions in the financial system.



Can a 'Bad Bank' Solve the NPA Crisis?

During budget speech, Nirmala Sitharaman, finance minister, gave a new concept of a 'bad bank' by stating that the centre proposes to set up an asset reconstruction company to acquire bad loans from banks.

Already for the Indian banking sector, the problem of bad loans has been a perennial one, the COVID-19 pandemic triggered lockdown last year and the moratorium subsequently extended to borrowers by the RBI have worsened the crisis.

Bad loans are expected to increase this year due to economic slow-down, due to this the concept of bad banks has become important.

What is a 'BAD BANK'?

- It is a financial entity set up to buy non-performing assets (NPAs) or bad loans, from banks
- The aim of setting up a bad bank is to help ease the burden on banks by taking bad loans off their balance sheets and get them to lend again to customers without constraints
- After the purchase of a bad loan from a bank, the bad bank may later try to restructure and sell the NPA to investors who might be interested in purchasing it

"Highlights"

The total size of bad loans in the balance sheets of Indian banks at a gross level was just around ₹9 lakh crore as of March 31, 2020, down significantly from over ₹10 lakh crore two years ago.

Due to the lockdown imposed last year, the proportion of banks' gross non-performing assets is expected to rise sharply from 7.5% of gross advances in September 2020 to at least 13.5% of gross advances in September 2021.

- A bad bank makes a profit in its operations if it manages to sell the loan at a price higher than what it paid to acquire the loan from a commercial bank. The primary purpose of a bad bank is not generating profits, instead the purpose is to ease the burden on banks by holding a large pile of stressed assets, and to get them to lend more actively



What is the extent of the crisis faced by banks?

- According to the latest figures released by the RBI, the total size of bad loans in the balance sheets of Indian banks at a gross level was just around ₹9 lakh crore as of March 31, 2020, down significantly from over ₹10 lakh crore two years ago, while the size of total bad loans held by banks has decreased over the last few years. It is mostly the result of larger write-offs rather than due to improved recovery of bad loans or a slowdown in the accumulation of fresh bad loans
- Amount of bad loans write-offs by banks has steadily increased from around ₹70,000 Crore in 2015-16 to nearly ₹2.4 lakh crore in 2019-20
- Due to the lockdown imposed last year, the proportion of banks' gross

non-performing assets is expected to rise sharply from 7.5% of gross advances in September 2020 to at least 13.5% of gross advances in September 2021

Pros and Cons of setting up a bad bank

- Advantage in setting up a bad bank is that it can help consolidate all bad loans of banks under a single exclusive entry. The idea of a bad bank has been already tried out in many countries in the past such as the United States, Germany, Japan
- Raghuram Rajan, former RBI governor, has been one of the critics, arguing that a bad bank backed by the government will merely shift bad assets. There is little reason to believe that a mere transfer of assets from one pocket of the government to another will



lead to a successful resolution of these bad debts

- Other analysts believe that unlike a bad bank set up by the private sector, a bad bank backed by the government is likely to pay too much for stressed assets. While this

may be good news for public sector banks, which have been reluctant to incur losses by selling off their bad loans at cheap prices, it is bad news for taxpayers, who will once again have to foot the bill for bailing out troubled banks



Brain Bulb Facts

- Blogs have 63% more influence over purchasing decisions than the newspaper
- Companies that blog more than 15 times per month get 5 times the traffic
- The average length of a top ten page has 2000 words
- If a post is longer than 1,500 words it will likely have 68.1% more tweets and 22.6% more Facebook likes
- Posts with 10–18-word titles receive more likes
- Articles with photographs receive 94% more views
- Infographics allow companies to grow by 12% on average
- After increasing the number of pages on their site from 10-15, companies saw an average increase in sales leads of 55%



Startup Watch

Aqgromalin

“Diversify Farming with Us”

Tech-driven solutions for farm holders



Founders: Prasanna M and Bharani CL



Year: 2018

Sector: AgriTech (B2C)

Headquarters: Krishnagiri, Tamil Nadu

Website Link: aqgromalin.Com

Innovative Idea:

Aqgromalin is a farm diversification integrator. They aim to increase farmer income, especially small landholders, by enabling them to diversify into **Animal Husbandry and Aquaculture**. They provide access to all required input materials, technical instruments, training and support to immediately start operations. They offer a **guaranteed buy-back price** for their produce. Post-harvest, the company immediately supply input

materials to farmers to start their next crop-cycle without any farm idle-time. To ensure continuous supply, they work on **building input supply capacity** on the upstream by partnering with multiple stakeholders such as hatcheries, parent farms, nurseries, feed-mills, etc.

Vision:

Aqgromalin's goals are in line with 6 of 17 *United Nations Sustainable Development Goals*. The motive is to make sustainable living achievable. I.e., *No Poverty, Zero Hunger, Gender Equality, Decent Work and Economic Growth, Sustainable cities and Communities, Reduce Inequalities*.

Business Model:

Aqgromalin allows farmers to take up animal husbandry and aquaculture through its “ready to implement micro farms” model, which requires little space and investment, and is not too labour intensive, say the founders.

The model works thus: Say, a farmer invests Rs 1 lakh to rear fish, ducks, goat, and pigs and intends to sell the



produce at a profit. Aqgromalin buys the produce and takes it across the distribution chain. The farmer can also take it to the market if the price offered is higher. The startup also provides an app that has information to track the growth of the produce and helps the farmer monitor the farm’s maintenance.

Funding:

Total Funding: \$273.9k

Investors: Middle East Venture Partners (MEVP)

Associations:

The company stated it has been associated with

- SERP (Society for Elimination of Rural Poverty)
- Govt of Telangana
- [TANUVAS](#) (Tamil Nadu Veterinary and Animal Sciences University), Tamil

Nadu

- [ICAR-CIBA](#) (Central Institute of Brackish Aquaculture)

Competitors:

Ninjacart, Crofarm, CropIn, Farmizen, DeHaat, and BigHaat

Future Ahead:

The startup aims to set up 500 “ready to implement micro farms” in Tamil Nadu, Telangana, and Andhra Pradesh and ensure that its 600 partner farmers at least double their household income.

“As our work is predominantly in the rural areas, we encounter interesting challenges on a regular basis,” Bharani says of the scope for innovation at Aqgromalin. Although the agritech sector is yet to have a unicorn, Aqgromalin’s founders see a lot of potential for growth and innovation.



Brain Bulb Facts

- Over 40% of the companies that were at the top of the Fortune 500 in 2000 were no longer there in 2010
- The amount of data stored is doubling every 18 months
- By 2030, 5 billion people – nearly two thirds of global population – could be middle class





Wow Momo

The largest chain of MOMO's in India



Founders: Sagar Daryani and Binod Kumar Homagai



Year: 2008

Legal Name: Wow! Momo Foods Pvt. Ltd.

Sector:

Food and Beverage/Food Delivery/Food Processing

Headquarters: Kolkata, West Bengal

Website Link: wowmomofoodsbd.com

Innovative Idea:

Wow! Momo is an Indian chain of fast-food restaurants specializing in momos, dumplings, the delicacies of Tibet and Nepal. The quality of momos this fast-

food restaurant provides has been wanted more than ever by the Indian population, which made it establish 318

outlets in over 16 cities in India. Making it possible to sell roadside food hygienically is their USP, especially in this space for Grab and go food demand by the current generation, you know your franchise will sell. Wow! Momo with steamed momos, and soon came up with 12 different varieties, some of them being chicken, chicken and cheese, schezwan, and prawn. For vegetarians, the offerings include corn, and corn and cheese, among others. Steamed momos were easy enough to do, so the team introduced a pan-fried variety. Momos were fried in different sauces making the offering spicy or sweet or sour, essentially flavours that would suit the Indian palette.

Success Story:

As quoted by founder Sagar Daryani "When I was in school there is one aunt who sells momos and we called her as momo aunty I buy one plate and eat one



piece and momos are brilliant That gives me the confidence the good quality momos will sell. When Binod started making it I was like yaar people play with burgers and pizzas why can't we play with momos. That's the how Wow!Momo came in.

To start their first outlet, Sagar and Binod approached the supermarket chain Spencers

to et up a stall. In the earlier days, Sagar would wear a Wow!Momo T-shirt and approach every person entering the store, and ask them to sample the momos. At the start, they don't have money and began with borrowing Rs 30,000 from their parents as initial capital. Now they have done multiple rounds of funding and \$120 Mn plus valued company.

Business Model:

Value proposition: innovation in developing a variety of momos, tasty menu, reasonable price.

Target customer base: Budget savoury, modern urban youth budget delicious, experimental with cuisines.

Marketing strategy: inbuilt strategy of providing a diverse menu with authentic taste and let word of mouth do all the marketing.

Competitor review:

The others fast-food chains McDonald's,

dominos with high QSR edge and grabs and go menu.

Funding:

Wow! Momo is funded by 6 investors.

1. Tiger Global Management
2. William Bissell
3. Anicut Capital
4. Nitin Singhal
5. Lighthouse Funds
6. Indian Angel Network



Future Ahead:

Expansion is not a tough ask for Wow! Momo because of its easy scalability. "It can be operated from a 20-sq. ft. kiosk to a 1,000-sq. ft. restaurant," says Padmaja Ruparel, co-founder and president, Indian Angel Network (IAN). There is also the Indian consumer's growing appetite for grab-and-go foods (salads, momos, box meals, and snacks) which is a healthy sign for to their kiosk- and delivery-only kitchen formats, say industry experts. Plus, over the last five years, food-delivery players such as Swiggy, Zomato, and Uber Eats (now part of Zomato) have added to the sustainability of QSR chains whose business model eliminates the need for large sit-down outlets, bringing down realestates costs considerably.





Quiz Matters

1. Who was appointed (in Mar 2021) as the CEO and MD of Mahindra & Mahindra Ltd?

- a) Pawan Goenka
- b) Salil Parekh
- c) Anish Shah
- d) C.P. Gurnani

2. S&P has projected India's FY22 GDP growth forecast at _____.

- a) 7%
- b) 8%
- c) 10%
- d) 11%

3. Which of the following committee recommended establishment of "Banks Board Bureau"?

- a) Usha Thorat Committee
- b) Nachiket Mor Committee
- c) Urjit Patel Committee
- d) None

4. The Utkarsh 2022, sometimes seen in news is related to which of the following?

- a) Regulation and functions of Central Bank
- b) Foreign Trade
- c) Skill development
- d) Doubling farmer's income

5. The sale of financial assets is also referred to as the

- a) Capital decision
- b) CFO decision



- c) Financing decision
- d) Investment decision

6. An asset that pays a fixed amount of cash each year for a specified number of years is called

- a) Perpetuity
- b) Dividend
- c) Liquidity
- d) Annuity

7. Which of the following is the risk for marketing?

- a) Product
- b) Customer
- c) Change in the demand of goods
- d) Brand

8. The modern marketing concept asserts that 'marketing' starts with the product idea and ends with _____

- a) Production of quality product
- b) Advertisement campaign
- c) Customer satisfaction
- d) Sale of the product

9. Which of the following is not a direct tax?

- a) Sales tax
- b) Income tax
- c) Wealth tax
- d) Estate duty

10. What is a par value of a bond?



- a) The amount borrowed by the issuer of the bond and returned to the investors when the bond matures
- b) The overall return earned by the bond investor when the bond matures
- c) The difference between the amount borrowed by the issuer of bond and the amount returned to investors at maturity
- d) The size of the coupon investors receives on an annual basis

11. Which of the following organisation has introduced the flagship initiative Liberalised MSME AEO Package scheme?

- a) CBIC
- b) ONGC
- c) Niti Aayog
- d) Ministry of Planning

ANSWERS

- 1. c) Anish Shah
- 2. d) 11%
- 3. d) None
- 4. a) Regulation and functions of Central Bank
- 5. c) Financing decision
- 6. d) Annuity
- 7. d) Brand
- 8. c) Customer satisfaction
- 9. a) Sales tax
- 10. a) The amount borrowed by the issuer of the bond and returned to the investors when the bond matures
- 11. a) CBIC



Business Scan

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[Spectrum auctions underway; radio waves valued at Rs 3.92 lakh crore up for bidding](#)

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[Ola plans to invest \\$2 billion in TN two-wheeler factory](#)

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[With over ₹300 cr investment, private cos develop 38 farm markets in last 3 years](#)



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