

MARKETING SERVICES ON THE RISE

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**ATUL HEGDE,**  
Founder  
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## UNLOCKING INDIA'S POTENTIAL

Independent agencies like **Yaap** are uber scaling to rewrite the **Rs 1.2 lakh crore** marketing and digital services landscape



**INSIGHTS  
FROM  
R K Swamy,  
Graphisads,  
Bright Outdoor  
Media**

## Liquidity, Cash & the Rupee: A Wild Ride

**L**IQUIDITY FINALLY gets a break! The liquidity crunch of mid-March kept things tight, but thanks to advance tax and GST outflows, the net liquidity adjustment facility deficit stuck at Rs 2 lakh crore (versus Rs 1.5 lakh crore previously). Overnight bond rates jumped 16 basis points to 6.33 per cent. But relief is coming!

The central bank's Rs 500 crore Open Market Offer, a \$10 billion foreign exchange buy/sell swap, and the fiscal year-end government spending, was expected to push system liquidity into surplus by end-March, ruling out CRR hoarding. Many money market experts, the Reserve Bank of India's short-forward book could keep things edgy. Meanwhile, the government cash balances shot up to

Rs 2.7 lakh crore (from Rs 1.3 lakh crore), while those of the states climbed to Rs 3.1 lakh crore.

The month of March was all about undoing "Trump trades." Softer data from the United States, Federal Reserve rate cut hopes and China's stimulus, pulled US yields down 35-60 bps, dragging the US Dolly index 5.1 per cent lower. Crude oil prices have also eased, thanks to OPEC+. But beware, experts warn! Come 2 April, new US tariff policy, targeting the so-called "dirty 15" trade offenders, could shake things up.

Meanwhile, the Indian rupee was on fire – up two per cent in March, topping Asian peers. A weaker US dollar, foreign exchange flows, and exporter dollar sales pushed USD-INR parity below 86. Could it dip to 85-85.5? Maybe, unless the US tariff drama forces the RBI to intervene. We better buckle up!



Photographs by Indiapicturebudget

## Aching Backbone

**PLAGUED BY DELAYED** payments, high material costs and inadequate funding, India's micro, small and medium enterprises (MSME) seem to be buckling under. Union Minister of State for MSMEs, Shobha Karandlaje, has informed the Rajya Sabha in a written reply that more than 35,000 MSMEs have downed their shutters in the 2020-25 financial year alone. Since the coronavirus pandemic

more than 75,000 MSMEs have shut down. The MSMEs have been battered by rising input costs, lack of access to affordable credit, increased compliance burdens and sluggish consumer demand. While policies such as the Emergency Credit Line Guarantee Scheme (ECLGS) provided temporary relief to these enterprises, systemic challenges prevailed. With banks tightening lending rules and delayed payments from both corporate buyers and the government, MSMEs often find themselves trapped in a vicious cycle of debt and default.

The impact is particularly severe on micro enterprises that have limited financial buffers to weather economic shocks. The Udyam registration portal, reveals an increase in business exits. The MSMEs, often described as the backbone of the economy, contribute toward almost 30 per cent of India's gross domestic product (GDP) and employ millions. Despite the 'Make in India' and 'Self-reliant India' push, the MSME sector remains fragile. Without a robust policy shift that ensures better market access, ease of doing business and timely financial support, the crisis could deepen.

— **Abhishek Sharma**



Photograph by Sanjay Sakaria

# Jensen Huang's Quantum U-Turn

FEW INDUSTRY LEADERS are willing to publicly change course, but at Nvidia's annual developer conference recently, the company's co-founder and CEO, Jensen Huang, seemed to do just that. Just months after declaring that practical quantum computing was two decades away, Huang stood shoulder-to-shoulder with the very experts who had refuted him, conceding that he'd been too conservative in his estimates.

Interestingly, the January comments on quantum computing weren't the first time Huang made such a prediction. When *BW* queried him back in [redacted] and confidently stated that [redacted] systems were still at [redacted] years out. His stance hadn't [redacted] until now.



Cynics say that the change of heart is obviously a strategic pivot rather than a sincere epiphany. Nvidia, with its insatiable appetite for new frontiers, clearly has its eyes on quantum as the next GPU-sized gold rush. But was this a genuine reassessment based on new breakthroughs, or merely a market recalibration wrapped in self-deprecating charm?

Huang's brilliance has never been

in question and his adaptability – both in business and rhetoric – is what truly sets him apart. May be the real question isn't whether quantum computing is coming sooner than expected; it's whether Nvidia plans to own that future. And if his guide, bet on Huang playing the game – whether he admits or not.

— Rohit

## Surrogate Messages

GENERATIONS IN INDIA who have grown up watching their matinee idols drink familiar beverages on screen or display recognizable cigarette packets when stressing over a spat with a paramour or indulgent parents who would not accept her, have not obsessed over surrogate advertising and neither had the law keepers. But that was long ago.

Not only is the Department of Consumer Affairs (DCA) concerned enough about advertisements of "club soda" by popular liquor brands or cigarette companies using their corporate social responsibility (CSR) funds in veiled brand promotion efforts, the Securities and Exchange Board of India (SEBI) seems to be rolling up its sleeves too. The DCA is known to be working on fresh guidelines

on surrogate advertising and on 19 March the initial public offering (IPO) of Indira IVF Hospital was withdrawn, ostensibly at SEBI's instigation.

A sister concern of the fertility clinic chain, Indira Entertainment, has produced a film titled *Tumko Meri Kasam*, based on the life of Indira IVF Hospital founder Ajay Murdia. Indira IVF Hospital filed the red herring prospectus for the IPO with SEBI on 13 February and *Tumko Meri Kasam*, starring Anupam Kher and directed by Mukesh Bhat, was released on 21 March.

A report in the 26 March edition of *The Economic Times* attributes "regulatory objections" of the SEBI to the withdrawing of the IPO prospectus. The company will apparently file a fresh application for the IPO, but will the heroic efforts of its founder to help expecting mothers, still not live on in public memory even then?

— Madhumita Chakraborty

