



IN BRIEF

Mercedes-Benz unveils 2 sport utility vehicles

MUMBAI Mercedes-Benz introduced two sport utility vehicles (SUVs) — Mercedes-AMG G 63 'Edition 463' and Mercedes-AMG GLS 63 — to broad-base its product offering in India. With these, the company's SUV portfolio stands at eight. Mercedes-AMG G 63 'Edition 463' is priced at ₹2.17 crore, while the Mercedes-AMG GLS 63 is priced ₹1.58 crore onwards (prices ex-showroom Pune).

Hetero recalls antiviral drug in U.S.

HYDERABAD Hetero USA Inc. is recalling 13,692 bottles of Acyclovir Tablets (800 mg, 100-count bottle), an antiviral drug, for presence of foreign substance. The product being recalled was manufactured at Hetero's Unit V in Jachchela (near Hyderabad) and made for its subsidiary Camber Pharmaceuticals, according to the latest enforcement of the U.S. Food and Drug Administration.

Wow! Momo gets ₹44 cr. from Lighthouse, IAN

CHENNAI Start-up Wow! Momo, a quick service restaurant company, has raised ₹44 crore from Lighthouse Funds and Indian Angel Network (IAN). The funds raised also provide a highly-profitable exit to some IAN investors, who decided to sell their shares partly/completely to Lighthouse at a return of 106% on their initial investment in less than 18 months as part of a secondary deal in the current transaction, according to a company statement.

Cattle slaughter crackdown ripples through leather sector

The Centre aims to more than double industry revenue to \$27 billion by 2020

REUTERS
AGRA In the backstreets of Agra's Muslim quarter, where shoes have been made for centuries, small-scale manufacturers are firing workers and families cutting back on spending as a government crackdown on cattle slaughter ripples through the community.

The election of Indian Prime Minister Narendra Modi of the Hindu nationalist Bharatiya Janata Party (BJP) three years ago has emboldened right-wing Hindu groups to push harder for protection of the cow, an animal they consider sacred. Authorities in India's most populous state, Uttar Pradesh, started closing down unlicensed abattoirs in March, immediately hitting production and sales in the Muslim-dominated meat industry. Last month, Mr. Modi's government also banned trading cattle for slaughter, including not just cows, whose killing was already outlawed in most states, but also buffalo, an animal used for meat and leather.

Zara, Clarks
Now the squeeze is spreading to others in the Muslim minority and to lower-caste Hindus who cart cattle, labour in tanneries and make shoes, bags and belts — including for big name brands such as Zara and Clarks.

Frequent attacks by right-wing Hindus against workers they accuse of harming cattle have further rattled the industry. Much of India's meat and leather trade takes place in the informal economy, meaning the impact of the closing of illegal abattoirs and ban on trading for slaughter is hard to measure.



Wrong-footed: The rule on cattle markets, many in the industry say, contradicts plans to boost leather sales. ■REUTERS

But cattle markets are reporting a big slowdown in trade and tanneries a short-age of hides. Abdul Faheem Qureshi, a representative of India's Muslim Qureshi community of butchers, said in Uttar Pradesh some markets trading 1,000 animals last year were now down to as few as 100.

The decline in production means fewer jobs for two of India's poorest communities, and risks inflaming social tensions at a time when Mr. Modi has vowed to boost employment and accelerate economic growth ahead of the next general election in 2019.

Some large leather manufacturers support the State government's move, arguing that allowing only licensed abattoirs to operate will clean the industry's image.

Bigger exporters also say they have enough leather as they source hides widely, including from abroad.

Still, millions work in the meat and leather industries, which are worth more than \$16 billion in annual sales.

Like meat, India's leather industry has expanded rapidly in the last decade, providing relatively well-paid

factory work and cash for families stitching informally in their homes.

Agra, in Uttar Pradesh, turns out a million pairs of shoes a day for domestic buyers and European labels such as Inditex-owned Zara and Clarks. An estimated 40% of the population of the northern Indian city, famed as the home of the Taj Mahal, depends on the industry.

Clarks said in a statement that it does not use leather from Indian-origin cows and that the small amount of buffalo leather it sources from India had not been impacted. Zara did not respond to requests for comment.

India is one of the world's top five producers of leather, with skins coming from cows that die of natural causes or from the legal slaughter of buffalo.

Job creation push
Mr. Modi's government is targeting leather revenues of \$27 billion — more than double today's level — by 2020 as part of a job creation push.

But in May, the Government decreed that animal markets could only trade cow and buffalo for agricul-

tural purposes such as ploughing and dairy production — a move many in the industry say contradicts its plans to grow leather sales.

India's environment minister said this week the government could amend the rule after a court temporarily stayed the order and there was widespread anger in regions where meat and leather are important to the local culture and economy.

But industry officials said the shock of the ban, coming on the heels of the crackdown on abattoirs and attacks against cattle workers, meant business would not easily recover.

Mission 'impossible'
Companies say the government's leather target would be impossible to meet unless the restrictions are reversed.

"There is a lot of panic in the industry after the latest order, which has come as the biggest blow," Puran Dawar, chairman of Agra-based exporter Dawar Footwear Industries, said as hundreds of workers moulded shoes on the factory floor, referring to the ban on cattle traded for slaughter.

"There are grave concerns about the supply of leather, exports of shoes and overall employment."

India's commerce ministry did not respond to requests for comment.

Sitting in his one-room shop in Agra's leather market, Mohammad Hashim, a burly leather dealer in his sixties, said business was down 40% in the last three months.

The recent scarcity of hides had hurt Hindus as much as Muslims, he said, pointing to the quiet streets outside and a Hindu man struggling to sell puffed rice snacks from his cart.

Engineering exports to Doha hit by Qatar crisis

'Indian business and trade have a big stake in West Asia'

SPECIAL CORRESPONDENT
NEW DELHI

India's engineering exports to Qatar have been hit by the geopolitical situation arising out of the isolation of the West Asian country by other regional powers, according to the Engineering Export Promotion Council (EEPC) of India.

"Inputs from our engineering exporters indicate that shipping lines operating between India and Doha are keeping the containers on hold," the trade's apex body said in a statement. "A few such incidents have been reported from Jebel Ali and Krishnapatnam ports."

'Close eye'
EEPC India chairman T S Bhasin expressed concern and said, "Indian business and trade have a big stake in the region and it is import-



Stuck in standoff: Lines operating between India and Doha are keeping containers on hold at ports such as Jebel Ali. ■REUTERS

ant to keep a close eye on the fast-changing situation there."

The industry group said since the West Asia trade had a lot of interoperability between different ports, shipments were being affected. As a consequence, banking channels, particularly in Doha and some other parts of the region, had also been disrupted.

West Asia is among the key destinations for Indian engineering exports, accounting for 13% of India's total engineering exports. Shipments worth \$8.18 billion were destined for the countries in the region, EEPC India said. Major trading partners include UAE, Oman and Saudi Arabia. Exports include industrial and electrical machinery.

S&P revises Adani Ports to 'stable'

PRESS TRUST OF INDIA
MUMBAI

Global ratings agency Standard and Poor's (S&P) on Wednesday revised the outlook on Adani Ports to 'stable' from 'negative' on expectation of better operating performance and limiting related-party lending.

The ratings agency, however, affirmed its rating on the company at 'BBB-' as it expects the company, which runs the largest private sector operator port in Mundra in Gujarat, will sustain its improved operating performance supported by healthy revenue growth and strong pre-tax margins at 63-65% levels.

Lendingkart targets to lend ₹1,500 cr. to SMEs

Fintech start-up aims to triple loans

SPECIAL CORRESPONDENT
CHENNAI

Fintech start-up Lendingkart Finance, a low-cost digital platform that lends to small and medium enterprises (SMEs), has targeted to increase disbursements threefold in the current fiscal year, said a top official.

"Last year, we disbursed working capital loan of ₹500 crore to SMEs," said Harshvardhan Lunia, co-founder and chief executive officer, Lendingkart Technologies Pvt. Ltd. which operates the digital platform. "This year, our target is to disburse ₹1,500 crore to ₹1,600 crore."

In the last three years, Lendingkart Finance had been helping to bridge a gap left by banks and financial institutions. The start-up provided unsecured business loans of ₹50,000 to ₹10 lakh to two lakh small firms at an interest rate of 16%-24% for a 12-month period.

Missing link
"No one provides loans to SMEs in the range of ₹50,000 to ₹10 lakh as the costs are high," Mr. Lunia said. "Traders across the country need money for a shorter duration and quickly. This is the missing link we found in our analysis," he said.



The Hindu on Sunday now with more to read. Because #SundaysIsForReading

5 Ws - Explainer | Columnwidth | Despatches | Framed | Business Abroad | Science & Technology | Sports | Magazine | Literary Review

Grab your copy every Sunday!

THE HINDU ON SUNDAY

Experience this ad on PrintPlay

- Download The Hindu mobile app from Google Play Store.
- Go to Print Play option in the app's menu.
- Allow the app to use the mobile's camera.
- Scan the print ad and redefine your Sunday because #SundaysIsForReading.