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Banking in South India: A Tradition of Innovation and Growth

Money and management are the two buzzwords that have given a thrust to banking industry in the south. Money is the central theme of banking but how to make money for everybody is what makes the region special when it comes to banking

M Raghuram

South India, with its rich history and diverse cultures, has always been a cradle of economic dynamism in India. Its banking sector, steeped in a legacy of community-focused financial solutions and innovative practices, continues to be a robust pillar of its economic architecture. This article delves into the evolution, current state, and prospects of banking in South India, highlighting the region's unique contributions to the financial landscape of the country.

South India gave birth to four nationalised banks, Syndicate, Canara, Vijaya, Corporation banks and one old generation private bank i.e., Karnataka bank, while Tamil Nadu has the honour of creating State Bank of India and one old generation private bank -Karnataka Bank as early as the early 20th century by visionaries like Ammembal Subba Rao, (Canara Bank) Dr. TMA Pai, Upendra Pai brothers (Syndicate Bank) and Khan Bahadur Haji Abdullah Haji Kasim Saheb Bahadur (Corporation Bank) all in just one district of Dakshina Kannada in Karnataka. All these visionaries had only one broad vision -to promote savings and build wealth for every individual.

These five banks spurred growth in every sector, transportation, industry, agriculture, engineering, education, services and many more at a time when money was hard to come by but, the value of money was more and customers of these banks were aware of better management of their earnings. Syndicate bank (now merged with Canara Bank) even had a scheme for micro-savings called 'Pygmy savings account' which is now seen in the present-day Business Correspondent concept.

Historical Context

The history of banking in South India dates back to the



British colonial era when traditional forms of banking such as indigenous bankers and moneylenders were prevalent. The formal banking sector began to take shape in the early 20th century. Notably, South India has been the birthplace of some of India's most significant banking institutions.

THE GROWTH OF MSMEs IN THE SOUTH HAS CREATED ADDITIONAL INDUSTRIAL PRODUCTION UNITS, EVEN TO THE NICHE INDUSTRIES IN ORDANCE, SPACE TECHNOLOGY, ELECTRONICS, MEDICAL EQUIPMENT, FISHERIES AND SHIPBUILDING, AND MANY OTHER ACTIVITIES

The Madras Presidency, which covered a large part of South India, was a hub of early banking activity. The Bank of Madras, established in 1843, merged with other banks to form the Imperial Bank of India, which later became the State Bank of India. This marked the beginning of organized banking in the region.

In 1904, the South Indian Bank was founded in Trissur, Kerala, to meet the financial needs of the local community. It was soon followed by the establishment of other banks, such as the Federal Bank and the Catholic Syrian Bank, both also based in Kerala. Meanwhile, Tamil Nadu saw the birth of several banks in the early 20th century one of the first to arrive was the Kumbhakonam Bank in Kumb-

hakonam city in 1904 promoted jointly by R. Santhanam Iyer, S.Krishna Iyer, V.Krishnaswami Iyengar and T.S.Raghavachariar. It was rechristened as City Union Bank in 1987. The City Union Bank has a passed through amalgamations, takeovers and mergers in one of the most active banking organisations in Tamil Nadu if not in south India. The Indian Bank was born as early as 1907 it was promoted by: M. Annamalai Chettiar, V. Krishnaswamy Iyer, and M. Ramaswami Chettiar followed by Karur Vysya Bank in 1916 followed by Tamilnad Mercantile Bank in 1921. It was originally called Nadar Bank but later the name was changed to Tamil Nadu Mercantile Bank (TMB) to give more representation to the Nadar community, and the Lakshmi Vilas Bank in 1926. Eleven years later the Indian Overseas Bank was born in 1937 in Chennai, founded by M. Chidambaram Chettiar. These banks were instrumental in fostering economic development by providing accessible banking services to both urban and rural populations.

Public Sector Banks (PSBs) like the Canara Bank, headquartered in Bengaluru, and the Indian Bank and Indian Overseas Bank headquartered in Chennai, play a crucial role in the region's economy. These banks have been pivotal in implementing government schemes aimed at financial inclusion and supporting small and medium enterprises (SMEs). After the special status for the SMEs was created by way of an act of the parliament, the new entity MSME sector, the ancillary industry got a big boost and the first signs of this phenomenal story of growth were seen in Tamil Nadu when few pockets in the state centred around Coimbatore developed hubs of ancillaries working with large industrial houses as corollaries. Similarly tier II cities like Mangaluru and Mysuru in Karnataka, Kozhikode and Shornur in Kerala, Amaravati, Kakinada and Vishakhapatnam and Sangareddy in Andhra Pradesh, Madchal and Warangal in Telangana are now industrial hubs in focussing on MSMEs in the South.

The growth of MSMEs in the south has created additional industrial production units, even to the niche industries in ordance, space technology, very heavy transport vehicles, earth moving equipment, aviation, precision engineering, electronics, medical equipment, fisheries and shipbuilding, and many other activities. On average 419.52 lakh enterprises generating 950.59 lakh jobs. The value of fixed assets and output witnessed a growth of 6.66 percent. Whereas the gross value of the output of MSME Manufacturing sector has increased with a CAGR of 7.11 percent till the end of March 2023.

The golden gateway to India's glory

South India accounts for forty percent of the total gold consumption in India

Anjali Goyal

When Reserve Bank of India (RBI) transferred 100 metric tons of its gold from The United Kingdom to domestic vaults, the notable transfer was more than transferring an asset back. The demand for gold reserves is rising due to growing economic uncertainty.

India ranks as the world's second largest gold market and accounts for around 25 percent of world's gold demand. Its gold demand is primarily through jewellery (73.1 percent), coins (6.9 percent), industrial (1.4 percent), ETFs (2.7 percent) and bullion (15.9 percent).

India's love for gold is not just for following an ancient financial wisdom that has been vindicated by surge in gold prices globally. It is intrinsic to Indian culture. It is about following traditions, beliefs and culture that have shaped its generations much before the era of Roman Empire when gold was used as a currency to obtain a variety of spices from Cochin.

As per RBI's report of the household finance committee, south Indian states are more inclined towards investing in gold in India than other states. Tamil Nadu leads the nation when it comes to investing in gold. The households in Tamil Nadu spends 28.3 percent in gold and have more than 40 percent of their total debt in the form of gold loans. Then comes Andhra Pradesh that spends 21.6 percent, followed by Telangana (17.5 percent) and Kerala (13.1 percent) on gold.

South India also dominates Indian gold jewellery consumption, accounting for 40 percent of the country's total jewellery demand. The South Indian Jewellery retail market has recently crossed the mark of Rs. 2 lakh-crores with its organised retail share more than Rs. 65,000 crores and unorganised segment consisting over 2 lakh traditional local goldsmiths and jewellers.

According to World Gold Council's India Gold Report, the weight of the gold worn by a bride

Top gold loan companies in India

1. Muthoot Finance
2. Manappuram Finance
3. Union Gold Loan
4. SBI Gold Loan
5. Kotak Mahindra Gold Loan
6. HDFC Gold Loan

Top jewellery brands of South India-

1. Malabar Gold
2. Rajesh Exports
3. Krisniah Chetty & Sons
4. Bhima Jewellers
5. Kalyan Jewellers
6. Joylukkass Jewellers.
7. Senco Gold

from Kerala is 320 grams, brides from Tamil Nadu and Andhra Pradesh, on average, wear 300 grams of gold at their weddings. Bridal jewellery plays crucial role in the gold jewellery landscape especially in South India with 50-55 percent of market share. The weddings, together with festivals, constitute two major gold purchase occasions in South India.

The golden traditions- Gold, the metal and the colour, play an integral part of South India's traditions and festivals. In the Kerala New Year -Vishu, Gold is used to decorate 'Vishukkanni' -an arrangement of gold, flowers, fruits and pulses. With Vishukkanni, devotees open their eyes to year filled with divine wealth. Buying Gold is extremely auspicious in Tamil Nadu on Akshaya Tritiya as this tradition is believed to usher happiness and prosperity in one's life. The popular bridal saris- Manthra Khodis and Kasavu made with intricate golden embroideries, mangalsutras -Thaali and Pustelu made of gold, and other ornaments holds great significance in south Indian households.

The jewel of love- Jewellery makes up a key component of gold demand in South India. The plain gold jewellery alone maintains 80-85% of market share, majority of which is 22-carat gold.



REVOLUTIONISING FERTILITY TREATMENT: The Success Story of Dr. Padmaja Fertility Centre

In the ever-evolving landscape of healthcare, the journey of Dr. Padmaja Divakar and her husband Divakar Reddy stands out as a remarkable testament to innovation, perseverance, and a deep-seated commitment to service. Over the past two decades, Dr. Padmaja Fertility Centre has emerged as a beacon of hope for childless couples, blending cutting-edge technology with personalised care to deliver exceptional results.

Founding Vision: Turning Challenges into Opportunities

Dr. Padmaja Divakar's journey from the agrarian roots of Khammam District in present-day Telangana, to becoming a pioneer in fertility treatment is inspiring. Her bold move into the relatively nascent field of fertility treatment in the late 2000s followed her determination to pursue medicine in the early 1990s. This laid the foundation for what is now a premier fertility centre. Her husband, Mr. Divakar Reddy, provided indispensable support through his managerial acumen, ensuring that the clinic delivered results to its clients.

Innovative Services and Exceptional Success Rates

Dr. Padmaja Fertility Centre, located at Habsiguda in Hyderabad, offers a comprehensive range of fertility treatments, including In Vitro Fertilization (IVF), Intracytoplasmic Sperm Injection (ICSI), Intrauterine Insemination (IUI), and surrogacy. The clinic's impressive success rates of 75%, often surpassing 80%, are a testament to its meticulous and patient-centric approach. In an industry where a 25% success rate is considered commendable, these figures highlight the clinic's exceptional performance.

One of the unique aspects of the clinic is its focus on first-time success. Many couples, previously disheartened by multiple failed IVF cycles elsewhere, have found joy at Dr. Padmaja Fertility Centre. This remarkable achievement is attributed to the clinic's dedication to customising treatments for each patient, rather than employing a one-size-fits-all approach.

Comprehensive and Compassionate Care

Dr. Padmaja and Divakar's philosophy of care extends beyond just medical treatment. The clinic ensures transparency in its pricing, avoiding the common pitfalls



Dr. Padmaja Divakar with her husband Divakar Reddy

of hidden costs that plague many other healthcare providers. This commitment to ethical practices has garnered immense trust and loyalty among patients.

Additionally, the clinic's holistic approach includes in-house maternity services, ensuring a smooth transition from conception to childbirth. This comprehensive care model not only enhances patient satisfaction but also ensures the health and well-being of both mother and child.

Commitment to Continuous Learning and Excellence

Despite their success, Dr. Padmaja and Divakar remain relentless in their pursuit of excellence. Dr. Padmaja's dedication to staying abreast of the latest developments in fertility treatment through continuous education and participation in international conferences underscores the clinic's commitment to providing world-class care.

Active involvement of the couple in leading organisations like the Indian Society of Assisted Reproduction (ISAR), Fertility Society of India (FSI), Asian Pacific Initiative in Reproduction (ASPIRE), American Society of Reproductive Med-

icine (ASRM), and the European Society of Human Reproduction (ESHRE) reflects a lifelong dedication to learning, teaching and innovation.

Community Impact and Ethical Leadership

Dr. Padmaja's impact extends beyond her clinic. Her establishment of Navya Nursing Home in Bhongir serves the poor and marginalised, highlighting her commitment to social responsibility. This hospital has become a vital healthcare resource in the region, further cementing the couple's legacy of service.

Mr. Divakar's community engagement and recognition have also played a crucial role in the clinic's success. His emphasis on ethical practices and patient care resonates through every aspect of their operations, ensuring that no one is turned away due to financial constraints.

A Legacy of Excellence and Dedication

The legacy of Dr. Padmaja and Divakar is not only reflected in their professional achievements but also in their family's contributions to the fields of law and medicine. Their sons and daughters-in-law continue the tradition of excellence, making significant strides in their respective careers.

Dr. Padmaja Fertility Centre stands as a testament to the power of visionary leadership, relentless dedication, and compassionate care. As infertility continues to affect countless couples, the clinic's pioneering approach and remarkable success rates offer a beacon of hope.

Dr. Padmaja and Divakar's journey from humble beginnings to becoming leaders in fertility treatment is a story of triumph, resilience, and a commitment to making a difference in the lives of others.

Celebrating life with fun, food, festivities and fireworks

From Mysore Dasara and Hampi Festival to the world's largest festival of Tamil Nadu, to Ugadi and Pongal, South India's list of festivals is as rich as its diverse culture and tradition

They say India has 366 festivals for years 365 days. For a land as culturally rich and diverse, it is no exaggeration. All forms of harvest festivals, welcoming the spring, paying gratitude to the sun, changing seasons, all become excuses for Indians to celebrate.

The southern part of India has its own unique festivals as well. While some such as Vishu, Ugadi and Pongal are celebrated in other states under different names, some such as Onam, Thirissur Pooram, and Chithirai Thiruvizha are truly unique to the geography. These celebrations are not only about prayers in temples, music, meeting family, and delicacies, but also about an excuse to take time out from busy schedules and exhale deeply, happily. Here's a look at some of the most popular festivals of south India.

ONAM: Celebrated to mark the day King Mahabali comes back to visit his subjects of Kerala, Onam is a five- to seven-day festival and falls between August and September. While the first day is called Atham, and marks the day people start cleaning their homes, the tenth day is Thirunam, when a lavish nine-course meal with many delicacies is prepared for family and loved ones. People wear new clothes, decorate their homesteads with ornate kolams, or rangolis made with seasonal flowers, and visit each other's homes. The festival also makes boat races, elephant processions, dances, and happy tug of war competitions.

PONGAL: Celebrated by the people of Tamil Nadu, Pongal is a harvest festival on 14th or 15 January. A harvest festival, it marks making of rice with milk on an open fire, encouraging the rice to boil over, symbolising abundance. Since sugarcane, turmeric and some cereals are harvested at this time, food cooked on this day features them as well. It is also typically a three-day festival.

MYSORE DASARA: Falling between September and October, Mysore Dasara is Mysore's take on Dusshera, which is celebrated all over north India as well. While the Mysore Palace is decorated with over 100,000 lightbulbs, the streets are jam-packed with colourful processions and the royal sword is worshipped. Marking Goddess Chamundeshwari's win demon king Mahishasura, the traditional procession includes the Jambu Savari, which has a line



of ornamented and decorated elephants, where the idol of the goddess is paraded on the streets of the city.

THIRISSUR POORAM: Unique to Kerala, Thirissur Pooram was started by the king of Cochin, Raja Rama Verma, and centres around the Vadakkunnath Temple, which is dedicated to Lord Shiva. The festival is marked by a flag being unfurled in the temple premises, and culminates in a spectacular fireworks on the fourth day, called Sample Veditettu. As many as 200-300 people play chanda, a percussion instrument, with such gusto that the roads reverberate with the sound. Special musical performances are also held.

UGADI: Celebrated in Andhra Pradesh, Ugadi marks the beginning of the Hindu lunar calendar. Observed in April when mangoes are just about ripening down south, the festival's special dish is Ugadi Pachadi, a special chutney that has all flavours—from sweet and sour to savoury and bitter; other dishes include several types of sweets

and payasams. People have special oil baths to mark the festival, and decorate their homesteads and business entrances with mango leaves.

HAMPI UTSAV: Also called Vijaya Festival, this festival is celebrated over three days in November in the city of Hampi in Karnataka. It is marked by processions, music and dance performances, and even puppet shows. The folk song concert called Janapada Kalavahini is particularly famous, as is the elephant procession. State-sponsored events such as rock climbing, rural and water sports are another crowd puller.

CHITHIRAI THIRUVIZHA: Called the longest festival in the world, this festival is celebrated in April in the state of Tamil Nadu. The month-long festival sees the first fifteen days as the coronation of Goddess Meenakshi, while the remaining fifteen days are about Lord Azhagar's (incarnation of Lord Vishnu) journey from a temple in Alagar Kovil to Madurai. The festival attracts people from all over the world and is marked by colourful processions and music performances.

VISHU: Celebrated in the state of Kerala in April, this marks the beginning of Malayali new year. A pooja corner is decorated with local fruits and vegetables, specially mangoes and local cucumber variety. The yellow laburnum is a must, too.

The elders of the family guide the younger to the corner early morning with their eyes closed, so that the first thing they see is the decorated shrine, called Vishukkanni. Money is given as blessing and families enjoy local delicacies made at home.