

Monday, May 27, 2024

mint

Think Ahead. Think Growth.

mint primer

Why multiple chatbots are better than one

BY SHELLEY SINGH

Now that users are getting comfortable with AI models and chatbots, the next step is to improve user-experience. But how? The answer lies in using many specialist bots, rather than getting one to do all the jobs—from banking to customer care to teaching. *Mint* explains:



1 What are multiple virtual agents?

Systems that rely on more than one chatbot or use multiple Large Language Models (LLMs) are called multi-agent systems (MAS). A chatbot on the website of a bank, auto, insurance, edtech or any other company has improved over the years, thanks to advances in AI and natural language processing. But it still falls short of answering questions that might require more 'human-like' capabilities or pulling data from different domains. The solution lies in using multiple bots or more than one AI (artificial intelligence) model—each with a different, specialized capability, and complementing each other to deliver a better response.

ISTOCKPHOTO



2 How are they better than a single AI model?

Companies and users are getting better at deploying and interacting with virtual agents. Open AI's release of an upgraded GPT4 offers improved handling of text, vision and audio, boosts AI capabilities, and opens up new possibilities. Just as teams of humans are better in tackling complex problems, more than one chatbot will improve customer interactions. So, a Hindi language chatbot could combine with a math teaching bot and deliver math lessons in Hindi. Each is a separate LLM (which helps chatbots understand human input and offer answers) and is better at executing specialist tasks.

3 What will be the impact of having multiple bots?

If a chatbot gets stuck, the query is usually escalated to a human agent. Merging capabilities of multiple bots or making different bots work together is the way out. Microsoft, Meta, Exotel, Tokyo-based Sakana and others are trying multiple bots. A single bot can break down the task and give an answer but it may lag in response time and lack accuracy.

4 So, will we have teams of bots?

That's the future. As machines get better with more computational power and ability to comprehend context and emotions, there will be many specialized bots. Some will take care of FAQs; others will offer deeper insights on, say, a holiday destination; another could plan the itinerary. But if you can't go on the holiday and need someone to reschedule plans, it is beyond the capability of a current bot. But in future, even this will be managed by a virtual agent. It could be two or more bots managing such processes.

5 What are the risks of many chatbots?

Trust will be a big issue. The biggest risk is the virtual team messing up the outcome. You may not leave your entire mutual fund portfolio and money management to a bunch of bots. Single bots are getting better at customer care type of requests, like air con service or issuing cheque books. But in other use cases like content generation, there are doubts on accuracy and copyright issues. Even if teams of bots get it right, user acceptance will take longer. After all, it took over a decade to get comfortable with a single bot.

QUICK EDIT

Fire: Too hazardous

At least seven babies were killed and others injured after a fire erupted at a children's hospital in Delhi late on Saturday night. Earlier during the day, at least 27 people including minors were killed in Gujarat's Rajkot city when a blaze broke out in a gaming arcade. While the exact causes of the two fires are to be determined, they remind us just how poor safety arrangements in India typically are, and the country's habitually weak adherence to civic regulations. It is tragic that so many lives are lost so often to preventable disasters. Each time, a hue and cry arises for a few days and then it's business as usual, as if such urban infernos are not man-made occurrences or somebody else's problem to fix even if they are. That way, fire tragedies are treated like global warming often is. This must change. As with high road traffic mortality, poor fire safety in the country glares out for a middle-income country with developed status aspirations. Ritual promises of an overhaul must give way to an upward leap in our fire-safety standards. Does the third tier of governance in India need empowerment for this? Whatever the answer, we can't afford any lethargy on fire safety. The *status quo* is too hazardous.

MINT METRIC

by Bibek Debroy

Was it a bus or train?
No, just IndiGo running a plane.
A standing passenger found,
The flight had to turn around.
Airline inefficiencies increasingly plain.

QUOTE OF THE DAY

While issuing guidelines for small finance banks (SFBs) to become universal banks, it would be in the larger national interest of financial inclusion if RBI lifts some of the restrictions imposed on such SFBs, including tag of SFBs.

D.K. MITTAL
FORMER FINANCIAL SERVICES SECRETARY



THE WEEK AHEAD

27-31 MAY

Q4 EARNINGS

Dish TV, Aster DM Healthcare and Wockhard among companies set to declare Q4 results.

31 MAY

GDP DATA

Centre to release Q4 and full-year data of India's GDP for FY24.

27 MAY

ADANI FUNDRAISE

Adani Energy Solutions board to decide on fundraising plans.

31 MAY

DELHI-PHUKET ROUTE

SpiceJet set to start non-stop service between Delhi and Phuket.

28 MAY

TESLA INFRINGEMENT CASE

Delhi high court to hear Elon Musk-led Tesla's trademark infringement case against Tesla Power.

1 JUNE

PHASE 7 POLLS

Lok Sabha polls to conclude; exit poll predictions expected.

31 MAY

SOUTHWEST MONSOON

Southwest monsoon is expected to hit the Kerala coast, according to IMD.

1 JUNE

NEW LICENCE RULES

Road ministry's new driving licence rules to come into effect.



Rural road plan meets aim with speed bumps

BY PRAGYA SRIVASTAVA

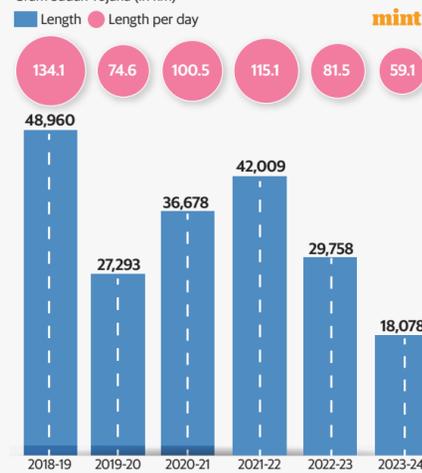
For governments run by the Bharatiya Janata Party (BJP), the construction of roads and highways has been a highlight going back to the tenure of former prime minister Atal Bihari Vajpayee. It was back then, in 2000, that the objective of providing good all-weather roads to unconnected villages was set under the Pradhan Mantri Gram Sadak Yojana (PMGSY). Nearly 25 years since, efforts by successive governments have helped build over 760,000 km of roads, connecting 173,000 habitations at a bill of ₹3.2 trillion.

However, the scheme was not free from delays, poor quality, and the lack of proper monitoring and, more importantly, had its aims based on the outdated 2001 Census. After the BJP government returned to power in 2014, the pace of construction picked up, reaching 134 km per day in 2017-18 and 2018-19, but has slowed since. It clocked over 100 km per day even in the pandemic years, but it fell nearly to half in 2023-24, a *Mint* analysis of data shared in the Parliament showed.

Meanwhile, the spending on the scheme consistently undershot Budget estimates. Barring 2021-22, the budgeted amount since 2016-17 has been roughly ₹19,000 crore every year, which was cut to ₹12,000 crore for the current year. A report by the standing committee on rural development, laid in Parliament in July last year, expressed concerns over unspent funds and noted that the need of the hour was expeditious utilization of available finances for faster completion of projects, particularly in states that were lagging.

Construction of rural roads lost pace in recent years

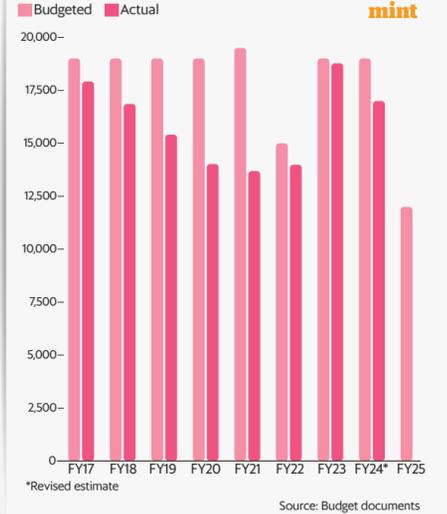
Details of construction of roads under Pradhan Mantri Gram Sadak Yojana (in km)



*Data for 2023-24 is until 31 January 2024. The data refers to roads being built under all stages of the scheme. Source: Rural development ministry

Spending under rural road scheme has consistently undershot budgeted aim

Spending on Pradhan Mantri Gram Sadak Yojana (in ₹ crore)



*Revised estimate. Source: Budget documents

Status Check

THE PMGSY was launched in December 2000 as a 100% centrally sponsored scheme, but over the years, it evolved into different verticals with shared funding between the central and state governments.

The second phase, PMGSY-II, was launched in 2013 to consolidate the existing rural roads network, and PMGSY-III, the third phase that was launched in 2019, aimed to further consolidate and provide connectivity to habitations. The first and second phases are close to completion, having achieved 99% of the sanctioned construction of roads.

The progress under PMGSY-III seems better than the previous verticals. The vertical aims to complete 125,000 km of roads by March 2025 and has achieved 69% so far, the scheme's dashboard shows.

However, the parliamentary panel expressed concerns over PMGSY-III while highlighting the "inordinate delay" in the completion of the first two phases.

"Despite the passage of a substantive period of time since its (PMGSY III) launch, even the sanctioning of the entire targeted length of road to the states has not been completed so far. This does not augur well for the future of the vertical as the deadline for completion is not very far," the panel noted.

The Road Ahead

THE CONSTRUCTION of roads under the scheme has also varied across states, with north-east states and other hilly areas seeing little progress. Eight states and union territories have made zero progress under the current vertical (PMGSY-III), and five have achieved less than 20% of the sanctioned length, as per data available for 32 states and union territories on the PMGSY dashboard.

Nine states, mostly in the plains, have achieved over 80% of the sanctioned length. According to the rural development ministry, the slow progress elsewhere has been due to issues of land acquisition, forest clearance, and poor contracting capacity, among others, and further challenges like adverse climatic conditions, tough terrains, and short working season in hilly states, leading to delays in the implementation of PMGSY-I and PMGSY-II. Consequently, the sanction under PMGSY-III has been slow due to the pending work under the first two phases in some states.

Despite the progress on construction, quality remains a major issue. The parliamentary panel noted that 41% of the roads were "stated to be in the poor and very poor category largely attributed to the non-provisioning of adequate funds for maintenance by state government".

A bigger problem is the use of the 2001 Census to identify eligible habitations. The number of villages with a population of above 500 (the criterion for PMGSY) had already risen by nearly 27,000 by 2011. The panel said it was necessary to review the policy and introduce a new vertical of the scheme to include habitations as per the 2011 Census.

Even then, the government will be a decade behind on fully addressing the needs of the growing population.

With the status of the new Census hanging in balance, it may take a while before the roads become available to more people in rural India.

This is the third of a four-part data journalism series.

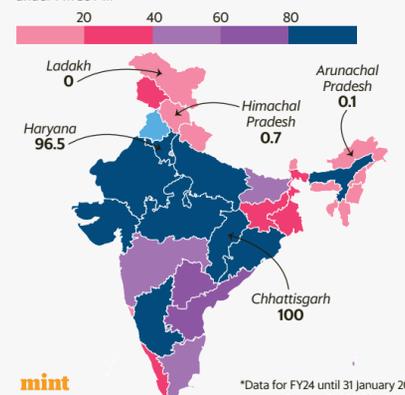
Delayed completion of the first two stages could be behind the overall slowdown

Details of road construction under Pradhan Mantri Gram Sadak Yojana (in km)



State-wise variations in construction of rural roads highlights structural issues

Share of road constructed as % of km sanctioned so far under PMGSY III



*Data for FY24 until 31 January 2024. Source: PMGSY Dashboard

PARAS JAIN/MINT

PEANUTS by Charles M. Schulz



Monday, May 27, 2024

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Does SRK's home buying advice apply to you? ▶P10



If Indian market goes down a lot, I'll invest: Jim Rogers ▶P4

SENSEX 75,410.38 ↕ 0.00 NIFTY 22,957.10 ↕ 0.00 DOLLAR ₹83.09 ↕ ₹0.00 EURO ₹89.99 ↕ ₹0.00 OIL \$81.60 ↑ \$0.82 POUND ₹105.61 ↕ ₹0.00

Centre to bulk up state capex loans

Interest-free loans may see sharp increase in full budget

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NEW DELHI

The Union government plans to significantly scale up interest-free loans given to states, two people familiar with the matter said, leveraging a pandemic-era fix to help states drive reforms and capital expenditure.

The full-year budget for FY25, due in July, is expected to dial up the allocation, the people cited above said on condition of anonymity.

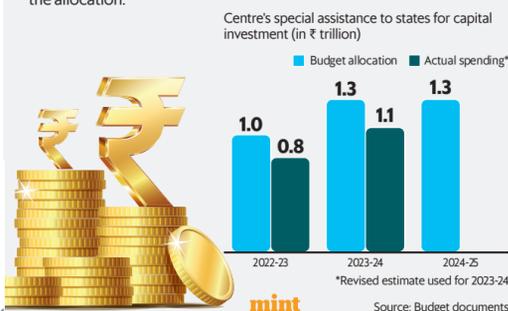
"The upcoming full-year budget could see some revisions in certain allocations made in February, driven by the higher-than-anticipated RBI dividend payout and other factors. The Centre's interest-free loans scheme for states could see higher allocations," one of the two people said.

In FY21, the Centre launched the Special Assistance to States for Capital Investment scheme with 50-year interest-free loans to help states battle covid waves. Allocations to the scheme have seen a rise in the past few years, from ₹12,000 crore in FY21 to ₹1.3 trillion in FY24 under budget estimates and ₹1.05 trillion under revised estimates.

In FY24, the budgeted allocation

REFORM NUDGE

The full-year budget for FY25, due in July, is expected to dial up the allocation.



MONEY PLANT

SPECIAL assistance to states was launched in FY21
SCHEME saw grants rising from ₹12K cr in FY21 to ₹1.3 tn in FY24
TO avail these loans, states must meet several conditions

to the scheme had ₹27,000 crore linked to specific reforms by states, which was increased to ₹75,000 crore in FY25, on the back of a total outlay of ₹1.3 trillion.

To avail these loans, states must meet several conditions, including reforms in housing sector, incentives for scrapping old government

vehicles and ambulances, reforms in urban planning and urban finance, increasing housing stock for police personnel, and setting up libraries with digital infrastructure at panchayat and ward levels for children and young adults.

TURN TO PAGE 6

Ex-Cognizant staff on FB moderation work seek damages

Varun Sood
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BENGALURU

The ghost of content moderation is back to haunt Cognizant Technology Solutions Corp., over three years after the company ended its contract with Meta Inc.

At least 14 former staffers have separately sued Cognizant in a Florida court this year, accusing the Nasdaq-listed technology services company of wilfully concealing the mental health harm from content moderation work for Facebook, owned by Meta. All employees have sought a jury trial and damages of over \$75,000 each.

This is the first time Cognizant is facing lawsuits over its Facebook contract, which ended in 2020. Significantly, almost all compare the company's practice with how tobacco firms failed to disclose the health-related problems of cigarettes in the past.

The lawsuits come at a time Cognizant has trailed its peers and seen a CEO change. Last January, the board sacked CEO Brian Humphries and hired former Infosys Ltd executive S. Ravi Kumar in his place.

"Cognizant misrepresented



At least 14 former staff have separately sued Cognizant in a Florida court this year. MINT

to Plaintiff and other applicants the extreme nature, high volume and severity of the content they would be reviewing. Cognizant also misrepresented the risk of psychological harm it knew the work of content moderation of this nature posed to Plaintiff and the other applicants," said Derek Tyrone Anderson in his complaint filed in January.

"Like the tobacco companies, Cognizant took on the duty to disclose by promising to share information regarding the injurious nature of content moderation with new hires, including Plaintiffs, Cognizant

TURN TO PAGE 6

Top builders set sights on larger, ultra-luxury homes

Madhurima Nandy
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BENGALURU

Boyed by splendid sales of homes priced ₹2-4 crore, top real estate developers are now laying the next big foundation: super-luxury homes costing ₹10 crore and above.

These homes, aimed at the ultra-rich, offer larger and more exclusive residences, with five to six bedrooms or more, balconies with each room and top-of-the-line clubhouses. Most importantly, these projects are coming up at prime locations, in high-end real estate addresses in Gurugram and Mumbai, as well as in Goa and Hyderabad. And they are backed by strong developer brands such as DLF Ltd, Prestige Group, K Raheja Corp Homes, Godrej Properties and M3M Group.

The resurgence in India's luxury residential real estate, with homes priced at ₹2-4 crore and above, has been evident in recent years, as buyers upgraded their homes and sales gained pace. The sales of luxury homes in India, priced ₹4 crore and above, jumped sharply to 12,935 units in 2023, from

TURN TO PAGE 6

DON'T MISS



Severe cyclonic storm Remal heads for West Bengal coast

Severe cyclonic storm Remal has intensified and is expected to make landfall between the coasts of Bangladesh and adjoining West Bengal around Sunday midnight, prompting the evacuation of over 100,000 people. >P2

SC upholds NFRA's retrospective investigative powers

The question of the National Financial Reporting Authority's (NFRA's) investigative powers over statutory audits of businesses done prior to the watchdog's creation in 2018 is finally getting settled. >P2

Burmans warn Care board of legal action over Saluja Esops

The Burman family has warned of legal action against the board of Care Health Insurance, if it does not prevent its chairperson Rashmi Saluja from cashing out her employee stock options (Esops). >P6

Travel firms, hotels see big rush on pilgrimage circuit

Traffic gridlocks notwithstanding, travellers have been visiting popular pilgrimage destinations across the country this year, with travel companies seeing a rise in demand ranging from 30% to 100% compared with the last summer season. >P7

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STRAIGHT
FORWARD
SHASHI SHEKHAR

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Supreme Court upholds NFRA's retrospective investigative powers

The apex court's dismissal of appeals by auditors affirms NFRA's jurisdiction over pre-2018 business audits

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NEW DELHI

The question of the National Financial Reporting Authority's (NFRA's) investigative powers over statutory audits of businesses done prior to the watchdog's creation in 2018 is finally getting settled.

The Supreme Court in March and then in May dismissed two appeals against a tribunal order that upheld the audit watchdog's retrospective powers over audits, showed court orders seen by *Mint*.

According to an assessment by the NFRA, this development has reinforced the watchdog's jurisdiction including for the period before its creation in October 2018, a person with knowledge of the regulator's view said.

This assessment is based on a fundamental principle of law called the 'doctrine of merger,' which implies that only one operative order can govern a particular subject matter at any given time.

This doctrine also seeks to preserve the hierarchical structure of courts and tribunals.

The apex court's decision not to intervene in the tribunal order is significant because it also seals the fate of other challenges to NFRA orders pending in a few high courts, said a second person who also spoke on condition of not being named.



The SC in March and then in May dismissed two appeals against a tribunal order that upheld the audit watchdog's retrospective powers over audits. PTI

The National Company Law Appellate Tribunal had on 1 December 2023 held that the NFRA has "clear and required retrospective jurisdiction over alleged offences by delinquent Chartered Accountants

the disciplinary orders issued by the NFRA for alleged lapses, leading to the tribunal order upholding the regulator's retrospective powers.

Two of the branch auditors then appealed against the tribunal order,

October 2018. It also ensures that there is no regulatory vacuum in the country's oversight of the corporate and the financial sectors.

"When an appeal or revision is lodged against a decision by a lower court, tribunal, or authority, and the higher forum modifies, reverses, or affirms the decision under scrutiny, the decision of the lower forum becomes absorbed into the decision of the higher forum. As a result, the decision of the higher forum becomes the operative and enforceable one in the eyes of the law," said the person.

The apex court's orders on 22 March and 17 May saying there is no reason to interfere with the NCLAT order, "underscores NFRA's authority, including retrospective jurisdiction, in matters of financial reporting standards and norms," the first person quoted above said.

It also applies to the tribunal's order on other issues in the same order—for example, clarifying that the standards of audits notified by government are mandatory and not advisory or a guidance note to auditors, the person said.

Experts said that as per the 'doctrine of merger,' when a higher court reviews a case and issues a decision, the order of the lower court merges into the higher court's judgment.

"This principle ensures that the final decision from the higher court takes precedence, and the lower court's decision no longer stands

independently. Essentially, it affirms the authority of the higher court's ruling as the definitive judgment on the matter," Sonam Chandwani, managing partner at law firm KS Legal & Associates, said, without referring to this specific case.

This doctrine prevents conflicting rulings and upholds the higher court's interpretation and application of the law as the ultimate resolution, said Chandwani.

"In practical terms, when a higher court, such as the Supreme Court, either decides on a case or chooses not to intervene in a lower court's decision, it effectively endorses that decision. This endorsement solidifies the lower court's ruling as the final legal outcome, preventing further legal disputes on the same issue within the lower courts," said Chandwani.

One of the branch auditors who had contested the NFRA's disciplinary order said in response to an emailed query from *Mint* that the decision of the Supreme Court not to interfere with the order of the NCLAT, as things stand now, brings finality to the proceedings initiated by NFRA against five branch auditors of DHFL. "However, this has no meaning that the law on NFRA has been settled," said the auditor, who spoke on condition of not being named. He said that the NCLAT's power is restricted to deciding on issues raised in an appeal, testing whether law was applied correctly or not, with the assumption that the law is correct.

STAKES ARE HIGH IN THE CONTEST FOR PURVANCHAL SEATS

I am writing this piece from Kashi, which, being the Prime Minister's constituency for the past 10 years, has drawn national and international attention.

The Prime Minister has built a rapport with *Kashiwasis* (residents of Kashi), and so, does not see any significant challenge, says Rinku, who owns a kiosk in front of Banaras Locomotive Works (previously DLW). Rinku needs to relocate his kiosk for the length of the PM's visit just as dozens of other such businesses. But, he says, he can do that much for the PM and he is not the only person willing to make such sacrifices for Modi.

Last Tuesday, sometime before the Prime Minister's visit to Sampurnanand Sanskrit Vishwavidyalaya, I noticed a group of women waiting behind a police barricade along the route. When I spoke with them, I gathered that they were from Shivdaspur and had originally wanted meet Modi at the university. But owing to the security arrangements for the PM's visit, they could not make it to the university in time. So, despite the scorching summer heat, they had decided to wait for the PM to pass by. I told them it could take a long time for the PM to come. "No problem, now that we've left the house, we thought we'd wave to him and greet him," they said. However, in areas such as Karaundi, the clearing of encroachments for the widening of a road has left some people outraged. Nonetheless, the wider road benefits a huge number of commuters.

Congress's Ajay Rai is pitted against Modi in Kashi. Rai is that party's state president and an established political figure. He is looking to narrow the margin of defeat by as much as possible.

Kashi has traditionally flown with opposing political currents. Tea and paan stalls in this city are venues of heated discussions among people of different political hues—communists, socialists, nationalists, etc. These people forge the spearheads of resistance that can determine victory or defeat. Chakraborty Moshay of Agastkunda, though, says satirically, "Don't fall into their trap; no matter what they say, in the end they would only vote for Modi."

I don't even remember the names of the other contenders here. Athar Jamal Lari is the Bahujan Samaj Party candidate in Kashi. But he is nowhere in the discourse.

Varanasi is known as the capital of Purvanchal, a region that includes 11 other Lok Sabha seats. The electoral battle is fierce for each seat. In Chandauli, which is part of Varanasi district, for instance, Dr Mahendranath Pandey is trying his luck again. Dr Pandey is a member of the Modi cabinet and has previous administrative and organizational experience. He is being challenged by Virendra Singh of the INDIA bloc. Singh, a former minister of Uttar Pradesh, is a Samajwadi Party candidate.

Anupriya Patel, another minister in the Modi cabinet, is fighting from neighbouring Mirzapur. She is the daughter of Apna Dal founder Soneylal Patel and the president of Apna Dal (Soneylal). Ramesh Bind of the INDIA bloc is challenging her. Both Anupriya and Dr Pandey are fighting for the honour of their cabinet posts.

Meanwhile, Laliteshpati Tripathi in Bhadohi and Neeraj Shekhar in Ballia face a tough fight to maintain their legacies. Tripathi is the great-grandson of Kamalapati Tripathi, former acting president of the Congress, and Neeraj is the son of late PM Chandra Shekhar. Lalitesh, a Trinamool Congress candidate, is backed by the INDIA alliance, while Neeraj is a BJP candidate.

Muscle power is also a factor that comes into play in two other Purvanchal constituencies. Afzal Ansari, elder brother of the late Mukhtar Ansari, who had been known as a mafia king, is also contesting the election from Ghazipur. Similarly, Dhananjay Singh of Jaunpur is backing the BJP after the Bahujan Samaj Party denied his wife Srikala Reddy a ticket. In Azamgarh, Akhilesh Yadav's cousin Dharmendra Yadav has the tough task to retake the legacy seat. The mandates for Azamgarh, Laliganj, Jaunpur, Machlishahr, and Bhadohi are already sealed in EVMs, while the fight for the remaining seats continues. Although no one is talking about Robertsganj, Machhalishahar, or Laliganj, I was saddened to witness the pathetic state of Robertsganj. I'll go into more depth about this another time. However, the fight for these seats is equally fierce.

The message is clear: There is a fierce fight for every seat in Purvanchal except Kashi. It is muscle power at stake in one, in others, it is legacy or the prestige of a ministerial post. Results on 4 June will not only determine victory or defeat but will also establish a new political trend in Purvanchal.

Shashi Shekhar is editor-in-chief, Hindustan. Views are personal.

Amit Shah slams Opp for EC criticism

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NEW DELHI

Union home minister Amit Shah has slammed the INDIA bloc's criticism of the Election Commission as a ploy to cover up its impending loss in the Lok Sabha polls, asserting that the BJP will score a bigger win in opposition-ruled states due to a "positive mandate" for Prime Minister Narendra Modi.

In an interview with *PTI*, Shah claimed that his party has not resorted to any religion-based campaign but insisted that if canvassing against reservation for Muslims, and reaching out to voters on the abolition of Article 370 and implementing a Uniform Civil Code is religion-based campaign, then the BJP has done it and will continue doing so.

He dismissed the Opposi-

tion's criticism of the Election Commission for its handling of poll data and the issue of Electronic Voting Machines (EVMs), saying that similar protocols and practices have been followed in previous assembly polls, including Telangana, West Bengal and Himachal Pradesh where the BJP lost.

"If those elections were fair, then this election is also fair.

When you see defeat, you start crying in advance and try to find excuses to go abroad.

"This can't go on and on. They want to go on vacation on 6 June. So, they are telling something or the other," he said.

The Congress's questions about the polling process is aimed at covering up Rahul Gandhi's failure, he said.

Shah said the opposition party had not offered any such suggestion at the customary all-party meeting called by the poll watchdog before the elections.

In an interview, Shah claimed that his party has not resorted to any religion-based campaign

Severe cyclone Remal barrels towards Bengal coast, 110,000 evacuated

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KOLKATA

Severe cyclonic storm 'Remal' has intensified and is expected to make landfall between the coasts of Bangladesh and adjoining West Bengal around Sunday midnight, prompting the evacuation of over 100,000 people from vulnerable areas of the state to safety.

Bengal's coastal areas have been put on high alert as the cyclone, accompanied by high-velocity winds, has already triggered rain in several parts of the state.

According to an India Meteorological Department (IMD) bulletin, 'Remal' was centred 160 km south-southeast of Sagar Island at 6pm.

The cyclone, which has a maximum sustained wind speed of 100-110 kmph, gusting to 120 kmph, was likely to hit land between Sagar Island in West Bengal and Khepupara near Mongla port in Bangladesh by Sunday midnight, officials said.

By 3 pm, the West Bengal government had evacuated around 110,000 people from the coastal and vulnerable areas and shifted them to cyclone shelters, schools and



People in Satkhira, Bangladesh, move with their belongings to a shelter before Cyclone Remal hits the country. REUTERS

colleges.

Prime Minister Narendra Modi on Sunday chaired a meeting to review response

and preparedness for cyclonic storm Remal.

State minister Akhil Giri said, "Our experience in tack-

ling Cyclone Amphan and Cyclone Yaas will be put to good use."

West Bengal governor Dr C.V. Ananda Bose said he is closely monitoring the situation and is in constant touch with state and Central experts to ensure a coordinated response.

Bose emphasized the importance of safety for residents in the coastal regions of Bengal, urging them to adhere to the standard operating procedures (SOPs) for cyclones.

The cyclone has already caused light rain and winds in areas like Digha, Kakdwip and Jaynagar, which are expected

to intensify on Monday.

IMD's eastern regional head Somnath Dutta said from Sunday evening, districts in south Bengal would experience squally winds of 45-55 kmph, gusting to 65 kmph, affecting Kolkata, Howrah, Hooghly and Purba Medinipur.

"This will gradually increase to gale wind speed, reaching 70 to 80 kmph gusting to 90 kmph," he told reporters.

Dutta warned that surface wind speeds in coastal areas of West Bengal could reach 100-120 kmph, gusting to 135 kmph from Sunday evening to Monday morning.

However, he mentioned

that the damage caused by Remal would be less severe than the destruction wrought by Amphan in 2020.

Amphan, which was categorized as a super cyclone, had made landfall on 20 May in 2020 over Sagar Island and caused widespread destruction in Kolkata, South and North 24 Parganas, Howrah and Nadia.

The IMD has warned of localized flooding and major damage to vulnerable structures, power and communication lines, kutcha roads, crops and orchards in the South and North 24 Parganas districts of West Bengal.

EMERGING MARKETS TRACKER

Launched in September 2019, *Mint's* Emerging Markets Tracker provides a summary of economic activity across 10 large emerging markets* based on seven high-frequency indicators. With a composite score of 83, India topped the EM league table in April. China and Brazil were second and third, respectively.

Better performance →

TOP COUNTRIES

1 INDIA topped the league table with persistently high manufacturing PMI. The stock market performance was also one of the best among peers.

2 CHINA retained the No. 2 spot on the back of a decent GDP figure for the March quarter. Its inflation remained in control but stock markets saw a decline.

3 BRAZIL climbed up four places to No.3 with the best export growth and import cover among EM economies.

Country	Composite index score, April 2024	Real GDP growth (y-o-y, in %)	PMI manufacturing	Export growth (y-o-y, in %)	CPI inflation (y-o-y, in %)	Import cover (no. of months)	Exchange rate movement** (m-o-m, in %)	Stock market capitalization** (m-o-m, in %)
INDIA	83	8.4	58.8	1.1	4.8	11.3	-0.4	3.1
CHINA	61	5.3	50.4	1.5	0.3	15.2	-0.5	-1.2
BRAZIL	54	2.1	55.9	14.1	3.7	17.4	-2.8	-4.3
MALAYSIA	53	4.2	49.0	9.1	1.8	4.9	-1.0	1.1
INDONESIA	47	5.1	52.9	1.7	3.0	7.7	-2.1	-1.8
MEXICO	44	1.6	51.0	-5.3	4.7	4.5	-0.2	0.8
PHILIPPINES	40	5.7	52.2	-7.3	3.8	10.5	-1.9	-4.3
THAILAND	37	1.5	48.6	6.8	0.2	8.7	-2.2	-2.6
TÜRKIYE	33	4.0	49.3	-4.1	69.8	2.3	-0.9	3.6

Scoring method: The best-performing economy's value on any given indicator gets a score of 100, the worst one gets zero, and the rest are interpolated linearly for their relative scores. A country's composite index score is the simple average of its seven indicator scores. Latest available data used (as of 26 May 2024). Scores/ranks may change as more data comes in. *Russia has been dropped from the tracker temporarily as some data has not been reliably available since the Ukraine war began. Source: Bloomberg, Mint calculations. **Change in monthly average. Exchange rate is against US dollar. Data: Payal Bhattacharya, Graphics: Paras Jain

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THE MONDAY QUIZ

- 1) WHICH firm will buy Hewlett Packard Enterprise's Communications Tech Group assets?
- 2) WHICH telco has Cisco partnered with to launch its Webex Calling feature in India?
- 3) WHO was appointed as the managing director of Northern Europe by IT firm Wipro last week?
- 4) WHICH Indian online retail company has Google recently invested \$350 million in?
- 5) WHAT is Intel planning to launch for artificial intelligence PCs later this year?

GLOSSARY

Power over Ethernet: Abbreviated as PoE, it is a technique of delivering data signals and electric power over the same Ethernet cabling. It eliminates the need for separate power supplies and outlets and simplifies installation. PoE allows flexibility in positioning devices such as IP cameras, voice-over IP phones, and wireless access points.



Call deflection: It is a technique to temporarily decrease call volume to a call center or contact center by routing them to alternative digital or self-service channels. It stops wastage of customers' time during long hold times on voice channels, especially for simple and direct inquiries. Call deflection

frees human agents to service more complex inquiries and improve overall efficiency.

Data policy: An organization's data policy is a document that outlines how it handles data, especially focusing on aspects such as collection, usage, storage, and sharing. Particularly important for personal data, it details the journey of data right from collection to destruction. Data policy promotes responsible data practices and helps users control their information by ensuring transparency, regulatory compliance, and security.

Crud: Acronym for create, read, update, and delete, Crud in software engineering represents the four fundamental operations for managing data in applications. It is important in the context of persistent storage where data needs to be saved and retrieved even after the application is closed.

THE MONDAY QUIZ ANSWERS:
(1) HCLTech (2) Tata Communications (3) Sarat Chand (4) Flipkart (5) Lunar Lake processors

Techies retool for AI boom

Generative-AI frenzy leads to unbalanced labour market in technology sector

Katherine Bindley
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Tech workers are feverishly retooling their skill sets for a time when every company suddenly wants to be an artificial-intelligence company—and every worker feels the need for AI chops.

To try to make that happen, workers are attempting to bridge the gap between what they know and what they need to know, adding skills and knowledge to pivot into this game-changing technology. Tech companies, meanwhile, are refashioning themselves as AI companies and trying to remold their workforces to be more AI proficient.

"I've been leading with an AI-tailored resume for the last two to three months," says Asif Dhanani, 31 years old, of Irvine, Calif., who was laid off from his job as a technical product manager at Amazon in March. Dhanani has landed plenty of interviews for AI product manager roles, but he hasn't received any offers. He has worked with large language models but not since 2016; the technology has changed significantly since then. He also isn't entirely convinced that companies know what they are looking for. On top of that, two different hiring managers told him they were sifting through hundreds of applicants.

His next step is a two-week online AI boot camp from Deep Atlas costing \$6,800. "The skills building for me is a worthwhile investment," he says, even if it doesn't help land him a job.

The tech labor market is in an unbalanced state. There is demand for a specific type of tier-one AI talent—namely those who have the technical knowledge or experience working with large language models, or LLMs, that fuel chatbots with the ability to generate content. There are companies seeking candidates with those skills, but not enough workers who are



Tech firms are trying to remold workforces to be more AI-proficient. ISTOCKPHOTO

qualified to do them. Then there is everyone else. Thousands of people have been laid off in the past few years, and many of those who remain employed are dealing with new management styles, reorganizations and microcuts, as more resources get shifted into AI. Those workers are now taking courses in AI, adding buzzwords to their resumes and competing in an increasingly crowded field.

Tony Phillips, co-founder of the Deep Atlas boot camp, says he has noticed a significant increase in the level of urgency that tech workers feel about the need to upskill. Deep Atlas recently added another five slots to their summer AI boot camp. "People started to see the writing on the wall that their jobs really could be obsolete," he says. "You're probably not going to get replaced by AI. You're going to be replaced by someone who knows AI and does your job."

As of December, the number of LinkedIn members adding skills like Copilot and ChatGPT to their profiles

was 142 times as great as in the year prior, according to the 2024 Work Trend Index from Microsoft and LinkedIn. The survey also found that job posts on LinkedIn that mention AI receive 17% more applications compared with non-AI roles.

One sales manager with more than a decade of experience says his software-as-a-service company has been through several reorganizations, more-intense performance management reviews and several small rounds of layoffs. He applied to jobs at OpenAI and Anthropic earlier this year but didn't get a response from either. He reckons he needed to have AI-specific experience in sales to get in the door.

Tech firms are investing heavily in AI, but they aren't going on hiring sprees as they did years ago: New tech job postings fell from an average of around 308,000 a month in 2019 to 180,000 a month as of April, according to the tech trade association CompTIA.

Jobs in AI and machine learning as a percentage of all U.S. tech job postings

are growing, but they still aren't a large portion of the overall tech job market. AI and machine-learning postings grew from 9.5% of tech jobs in January 2023 to 11.5% in April 2024, according to data from labor-market analyst Lightcast. But that growth is happening amid depressed demand for tech workers overall, said Art Zeile, chief executive of DHI Group, parent company of the tech careers marketplace Dice. Zeile says many of those hiring for AI or AI-adjacent roles are consulting firms. "What that means is, the large companies are starting with business consultants to do pilots or prototypes," he says.

Many tech workers specifically want to work at companies that are solving problems in AI, according to Nancy Xu, founder of Moonhub, a recruiting firm that hires talent for companies in artificial intelligence. They might be at a desirable tech company, she says, "but they're leaving these companies because they want to go to an AI company".

Candidates shouldn't get too discouraged about a lack of experience, Xu says. Many firms are looking for talent to build applications on top of large language models, which requires software engineering skills but not AI-specific experience.

OpenAI is willing to take a chance on workers new to the space, says Elena Chatziathanasiadou, who runs the ChatGPT-maker's residency program, which is six months long. More important than prior experience in AI, Chatziathanasiadou says, is a willingness to learn and a commitment to the company's mission. The program has accepted college dropouts, neuroscientists and a graduate from the Juilliard School who worked on an AI-based music research project. "We care about people being able to understand the field," Chatziathanasiadou says.

Anna X. Wang, head of AI at the education-tech company Multiverse, is building a machine-learning engineering team. There are three crucial

criteria: coding skills, soft skills including learning agility and the ability to cross collaborate, plus a foundational knowledge of AI theory, even if it is self-taught or acquired in online courses. It is hard enough to find the first two, she says, but when you add the third requirement of "not just toying around with ChatGPT" but truly understanding which AI tools should be used for solving what problem, the field gets very thin.

Large tech companies are trying to make their entire workforces more AI-proficient. Trailhead, Salesforce's training platform, currently offers 43 AI-related courses ranging from fundamentals to ethical AI use. Over 60,000 Salesforce employees have taken at least one AI course. "We believe that everyone should be reskilled and in some way have the tools they need to have to succeed in this new world," says Jayesh Govindarajan, senior vice president of Salesforce AI.

Juliet Kelso, a consultant who has worked on projects at Meta and Google identifying opportunities to use AI, pivoted into the field about a year and a half ago, before it was so competitive. She took the initiative to learn about AI herself. "I did a research project that identified the best AI tools depending on the company size, business use case, whether the client wants to prioritize the most innovative AI offerings or platforms," she says.

Kelso has since founded Oasis Collective, a group in San Francisco that hosts networking and education events for women in AI. She says she has seen multiple founders teaching themselves how to build AI products so they can change the focus of their startups. "There's this hierarchy of coolness within AI founders," she says. "The lowest rung of coolness would be if you have a company and you're just literally using AI tools integrated into your offering and just calling yourself an AI company."

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BharatPe, PhonePe settle all long-standing suffix disputes

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Fintech unicorns BharatPe Group and PhonePe Group have amicably settled all long-standing legal disputes pertaining to the use of the trademark with the suffix 'Pe', the companies said in a joint statement.

BharatPe and PhonePe had been involved in long-drawn legal disputes across multiple courts over the last five years. The settlement will put an end to all open judicial proceedings, the companies said in the statement.

The parties have already taken steps to withdraw all opposition against each other in the trademark registry, which will help them to proceed with the registration of their respective trademarks, the statement added.

"This is a positive development for the industry. I appreciate the maturity and professionalism shown by the



The unicorns have taken steps to withdraw all opposition against each other in the trademark registry. REUTERS

management of both sides, working closely to resolve all outstanding legal issues and moving ahead to focus their energy and resources in building robust digital payment ecosystems," BharatPe chairman Rajnish Kumar said.

Both organizations will undertake to take other necessary steps to comply with the obligations under the set-

tlement agreement in respect of all cases before the Delhi and Bombay high courts.

"I am glad that we have reached an amicable resolution in this matter. This outcome will benefit both companies to move forward and focus our collective energy on growing the Indian fintech industry as a whole," PhonePe founder and chief executive officer Sameer Nigam said.

'Reject Musk's \$56 bn Tesla pay'

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Proxy advisory firm Glass Lewis said on Saturday it has urged Tesla shareholders to reject a \$56 billion pay package for chief executive Elon Musk, which if passed, would be the largest pay package for a CEO in corporate America.

A report cited reasons like the "excessive size" of the pay deal, the dilutive effect upon exercise and the concentration of ownership. It also mentioned Musk's "slate of extraordinarily time-consuming projects" which have expanded with his high-profile purchase of Twitter, now known as X.

The pay package was proposed by Tesla's board of directors, which has repeatedly come under fire for its closeness with the billionaire. The package has no salary or cash bonus and sets rewards based on Tesla's market value rising to as much as \$650 billion over the 10 years from 2018.

The company is currently



Elon Musk's pay package at Tesla would be the largest for a CEO in corporate America. PTI

valued at about \$571.6 billion, according to LSEG data.

In January, Judge Kathleen McCormick of Delaware's Court of Chancery voided the original pay package. Musk then sought to move Tesla's state of incorporation to Texas from Delaware.

Glass Lewis also criticized the proposed move to Texas as offering "uncertain bene-

fits and additional risk" to shareholders.

Tesla has urged shareholders to reaffirm their approval of the compensation.

In an interview this month, Tesla's board chair Robyn Denholm told the *Financial Times* that Musk deserves the pay package because the company hit ambitious targets for revenue and its stock price.

Musk became Tesla CEO in 2008. In recent years, he has helped improve results, taking the company to a \$15 billion profit from a \$2.2 billion loss in 2018 and seven times more vehicles have been produced, according to an online campaign website, Vote Tesla.

The proxy advisor also recommended shareholders vote against the re-election of board member Kimbal Musk, the billionaire's brother while former 21st Century Fox CEO James Murdoch's re-election was recommended.

A report cited reasons like the pay's "excessive size", the dilutive effect on exercise, concentration of ownership



Venturi Partners managing director Rishika Chandan.

Venturi may launch India-focused fund for family offices

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Asian private equity (PE) firm Venturi Partners is considering raising a \$75-100 million fund in India to invest in local consumer-focused growth-stage companies, managing director Rishika Chandan said in an interview. The fund, likely to be launched later this year, will be pooled from top family offices in India, Chandan added.

"The intention is to give access to Indian families that want to be part of this platform and get access to growth-stage consumer companies because most funds in India [invest mainly in] early-stage [companies]," Chandan said.

The firm has backed companies such as new-age home furnishing startup Livspace, direct-to-consumer dairy tech startup Country Delight and K12 Techno, which runs the Orchid chain of schools. All these investments were from its \$180 million Asia fund, in which it has a 1:1 co-investment thesis along with its limited partners (LPs).

"The India AIF will have a similar 1:1 investment thesis for our LPs. We plan to raise anywhere from \$75 million to \$100 million towards the first fund," Chandan said.

Singapore-based Venturi has deployed around 60-65% of its flagship Asia fund in India and the rest in South-East Asia, Chandan said. It aims to have a concentrated portfolio of 8-10 companies and thus does only two or three deals a year. Its cheque sizes range from \$25-50 million. Next year, it will also look to raise a \$250-300 million Asia fund, about twice the size of its first fund.

Deals digest: KKR, Google ink key transactions; volumes fall

K Amoghavarsha & Priyal Mahtha
BENGALURU

The number of Indian companies that raised funding from private equity (PE) and venture capital (VC) investors declined last week although tech giant Google and buyout firm KKR struck significant deals.

The total deal volume fell to 19 during the week versus the previous week's 24, according to data collated by VCCircle.

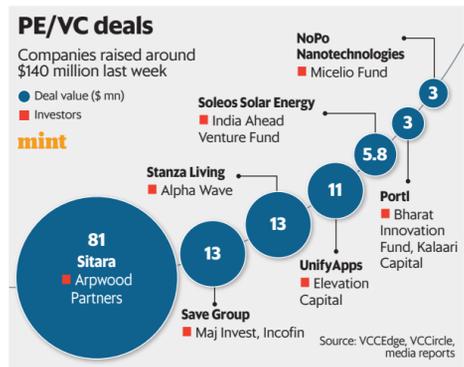
The amount of funding disclosed by companies fell below the \$200 million mark amid a lack of large-sized deals and weaker volumes. Overall funding values announced by companies slipped to around \$140

million, nearly a fifth of the preceding week's total. However, some significant transactions were announced this week even though their values were undisclosed.

Walmart-backed Flipkart is adding Google to its cap table as part of an ongoing funding round. The amount of investment was officially undisclosed, but it is likely that the e-commerce major raised about \$350 million from Google.

The investment will help Flipkart expand its business and advance the modernization of its digital infrastructure.

Another key deal in the past week included KKR's minority stake buy in healthcare revenue services firm Infinix Services. The round also saw participation from existing investor Norwest Venture Partners.



The value of the deal was undisclosed.

Among the largest deals where the value was disclosed, women-focused housing finance company Sitara, operated by Sewa Grih Rin Ltd,

pany.

In a key transaction, Stanza Living, a managed living player riding on the boom in the real estate segment, raised capital after a gap of almost three years. It secured about \$13 million in a round led by Alpha Wave, with other investors including Matrix Partners, Accel India and Peak XV Partners pitching in.

Smaller deal activity remained upbeat as more than half the transactions were valued up to \$6 million. These included Porti raising \$3 million.

Meanwhile, merger and acquisition activity also remained tepid as only two such deals were reported dur-

ing the week.

CashFlo, a finance automation and payments platform, is set to acquire Pune-based tax compliance management solutions provider LogiTax to enter the enterprise business. The move will also help Cash-

Flo ramp up its accounts payable automation and supply chain financing platform.

We aarables brand Noise also made a strategic move as it acquired artificial intelligence-powered women's wellness platform SocialBoat for an undisclosed amount, in a bid to push innovation in smart rings.

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The total deal volume fell to 19 during the week versus the previous week's 24, according to VCCircle data

S&P BSE Sensex				Nifty 50				Nifty 500				Nifty Next 50				Nifty 100				S&P BSE Mid-cap				S&P BSE Small Cap			
CLOSE	75410.39	1-WEEK CHANGE (%)	1.90	CLOSE	22957.10	1-WEEK CHANGE (%)	2.02	CLOSE	21483.75	1-WEEK CHANGE (%)	1.60	CLOSE	69033.25	1-WEEK CHANGE (%)	2.03	CLOSE	23980.10	1-WEEK CHANGE (%)	2.01	CLOSE	43519.44	1-WEEK CHANGE (%)	1.10	CLOSE	47996.45	1-WEEK CHANGE (%)	0.08
1-MONTH CHANGE (%)	2.11	3-MONTH CHANGE (%)	3.10	1-MONTH CHANGE (%)	2.48	3-MONTH CHANGE (%)	3.35	1-MONTH CHANGE (%)	3.63	3-MONTH CHANGE (%)	5.76	1-MONTH CHANGE (%)	9.10	3-MONTH CHANGE (%)	16.70	1-MONTH CHANGE (%)	3.51	3-MONTH CHANGE (%)	5.48	1-MONTH CHANGE (%)	6.26	3-MONTH CHANGE (%)	8.98	1-MONTH CHANGE (%)	2.43	3-MONTH CHANGE (%)	4.26
6-MONTH CHANGE (%)	14.31	1-YEAR CHANGE (%)	22.08	6-MONTH CHANGE (%)	15.98	1-YEAR CHANGE (%)	25.55	6-MONTH CHANGE (%)	21.77	1-YEAR CHANGE (%)	38.46	6-MONTH CHANGE (%)	48.12	1-YEAR CHANGE (%)	68.44	6-MONTH CHANGE (%)	21.04	1-YEAR CHANGE (%)	31.98	6-MONTH CHANGE (%)	29.48	1-YEAR CHANGE (%)	64.30	6-MONTH CHANGE (%)	20.57	1-YEAR CHANGE (%)	60.34

MINT SHORTS

Bearish trades crater fast in Wall Street's high-pitch rally

With each passing week, the bear case for Wall Street proves too tempting to pass up for a handful of gutsy traders. Risky assets with lavish valuations march on against expectations, the group of stock winners stays stubbornly concentrated, interest-rate cuts get delayed once more. Certain things are about to reverse, these traders take the bait. In one example, they plowed \$500 million at the start of the month—the most this year—into an amped-up exchange-traded fund designed to win big when the Nasdaq 100 drops. The problem: The tech-heavy index keeps going up with a fresh 1.4% advance this week. In turn, the bearish ETF has plunged 20% this month alone. It's a similar story for those who have recently dived into trades that gain when volatility rises, from vanilla options hedges to more complex black-swan portfolio insurance. In each case, buyers have paid dearly as bullish sentiment endures.

BLOOMBERG



Fed chair Jerome Powell has stressed the need for more evidence that inflation is on a sustained path to 2%.

US Fed's key inflation gauge is set to show modest relief

The Federal Reserve's first-line inflation gauge is about to show some modest relief from stubborn price pressures, corroborating central bankers' prudence about the timing of interest-rate cuts. Economists expect the personal consumption expenditures price index minus food and energy—due on Friday—to rise 0.2% in April. That would mark the smallest advance so far this year for the measure, which provides a better snapshot of underlying inflation. The overall PCE price index probably climbed 0.3% for a third month, according to median projection in a Bloomberg survey. Increases this year stand in contrast to relatively flat readings in the final three months of 2023, underscoring uneven progress for the Fed in its inflation fight. Fed chair Jerome Powell and his colleagues have stressed the need for more evidence that inflation is on a sustained path to their 2% goal before cutting the benchmark interest rate, which has been at a two-decade high since July. The PCE price measure is seen rising 2.7% on an annual basis, while the core metric is expected at 2.8%—both matching the prior month's levels.

BLOOMBERG

Ageing world looks to EMs like India

Bloomberg
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India and Indonesia's gains are in part due to a boom in infra spending.

Emerging markets (EMs) such as India and Indonesia, whose populations are growing at a solid pace, stand to benefit as demographics begin to play a bigger role in investment decisions, according to Fidelity International and BlackRock Investment Institute. The investors are focusing on the two nations in emerging Asia, thanks in part to an expected boom in infrastructure spending, which in turn bodes well for the countries' economies. Both India and Indonesia coincidentally had elections this year, showcasing to the world their ambition to transition into major economic powerhouses with their dynamic population a key strength. The two countries stand out at a time when rapid aging has plagued peers in the region, including China. India surpassed China as the world's most populous nation in mid-2023, a historic milestone that unleashed a rush to identify potential winners in the South Asian nation's stock market. BlackRock's analysis shows a positive relationship between a country's working-age population growth and share-price valuations, while Fidelity sees the financial sector as

key beneficiary as credit needs grow for both corporates and consumers. "India and Indonesia's labour forces are young—with demographic dividends that far outshine some of the largest economies in the neighbourhood," said Ian Samson, a fund manager at Fidelity in Singapore. "All companies big and small require financing. This in part explains why bank stocks generally correlate with GDP growth in emerging markets." India and Indonesia are projected to see population gains of at least 10% from this year by 2040, according to data from the World Bank, while China will likely see shrinkage of nearly 4%. A more important metric would be changes in the working-age population, defined as those between 15 and 64 years old. India's is the youngest among major economies.

Page Industries' woes continue

Harsha Jethmalani
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Is the worst behind Page Industries Ltd? That's the answer investors are seeking. Unfortunately, the March quarter (Q4FY24) results offer little comfort. The problem is the same: subdued demand. After Q4, analysts have trimmed earnings estimates for FY25 and FY26. Sure, Q4's year-on-year revenue growth was the best in the past six quarters but it stood at just 3.2% to ₹995.4 crore, missing consensus estimates. Also, growth was on a lower base given that revenue had fallen 13% in Q4FY23.

This time around, an unfavourable product mix hurt realization growth. Sales volumes rose about 6%, less than anticipated, to 45.3 million pieces. Plus, elevated competition in the organized and unorganized sectors has meant no respite from pricing pressure. Page has the exclusive licence for the manufacture, marketing and distribution of the Jockey brand. In Q4FY24, the inner-wear segment did relatively better, but athleisure still faces demand headwinds. Athleisure, or athletic-cum-leisure clothing, usage rose in the pandemic. ICICI Securities said the relative und-



Analysts have trimmed earnings estimates for FY25 and FY26.

Rough patch

Page Industries saw muted volume and revenue growth in Q4FY24 on subdued demand



Source: Motilal Oswal Financial Services, Company

PRANAY BHARDWAJ/MINT

erformance in Page's athleisure wear is higher than reported results of other apparel companies until now. The brokerage expects Page's turnaround to take long and has trimmed FY25 and FY26 earnings estimates by 10% and 5%. In the earnings call, Page's management said competitors give discounts

and higher incentives to liquidate inventory. Page intends to offload the inventory organically given that it is not seasonal. There has not been significant progress on the issue of excessive inventory, particularly in athleisure, which Page has been struggling with. At the distributor level, inventory came down

by three/six days in Q4 and FY24, respectively, aided by the implementation of the auto-replenishment system. This is still higher than the company's desired levels.

Overall, Page ended FY24 with flat-ish net profit for the full year. The management expects a revival in demand by H2FY25, aided by a normal inventory level and recovery in consumption. Even so, the ongoing channel rationalization is a bother and points to the underlying demand stress. In FY24, the company reduced its multi-brand outlets (MBO) by around 13,200 and the addition of exclusive brand outlets (EBO) was slower at 93. An increase in rationalization of channels may improve operating efficiency, but it could be at the cost of

growth, caution analysts. Meanwhile, Page maintained Ebitda margin guidance of 19-21%. While it continues to focus on cost-control measures, advertisement expenditure is a monitorable. The management believes there is need to invest in brand building and does not intend to tighten advertisement costs as

much. In FY24, ad expenditure was 3.9% of revenue and is expected at 4.0-4.5% in FY25.

Growth triggers are elusive, as investors have noted. In the last one year, the stock has declined by almost 14%, lagging Nifty50 index's 25% gain. "Page benefited remarkably during covid, particularly in the athleisure segment.

Hereon though, growth shall be driven by initiatives to increase channel presence (EBO and online), SKUs (womens-wear) and categories (athleisure)," said a report by Nuvama Institutional Equities. Page is facing challenges on these parameters. Little wonder then that Nuvama said there could be a revenue CAGR of 8% (FY23-26E) for Page versus 17% over FY15-19.

Against this backdrop, the lacklustre earnings show has led to a de-rating. Consequently, valuations have moderated from recent peaks but still fail to entice. Page's shares trade at nearly 56 times the estimated earnings for FY25, according to Bloomberg data. Faster-than-expected recovery in demand should aid investor sentiment.

HIT AND MISS

IN the March quarter of FY24, an unfavourable product mix hurt realizations

THE management expects revival in demand by H2FY25, aided by a normal inventory

Mark to Market writers do not have positions in the companies they have discussed here

'I will invest in India again if the stock market goes down a lot'

Dipti Sharma
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Legendary investor Jim Rogers, hailing from the quaint town of Demopolis in Alabama, has harboured a relentless desire to explore the world beyond the confines of his small hometown. While some may have found contentment and happiness in never venturing far, Rogers felt an insatiable wanderlust. The 81-year-old investor—and avid biker—said that many people never leave and are in fact quite happy, which is fun, "except I knew there was something else and I wanted to see the world..." Rogers travelled to so many countries that he has lost count now.

Craving adventure, he took the leap, including a journey to India where he drove around the country. He added that although he's traversed much of India, including Rajasthan, Kerala remains a blank spot on his map. He said, "...I tell people all over the world that if you can only visit one country, it should be India because it's the most exciting country for a tourist. The

food, the languages, the man-made sites, the natural sites, the women: the women are always winning beauty contests. Ohh! It is a fantastic country." Rogers also visited the Kumbh Mela and jests that he may have washed away his sins in the sacred waters. The veteran investor was stunned and said it was a sight to behold.

However, his travel diaries were not all roses. He encountered a myriad of challenges and weathered numerous epidemics and wars. Reflecting on the perils of traversing unfamiliar

lands, he recounted a harrowing experience in Africa as a hostage for eight days. "You know, they would not let us leave. It was in the Congo," he said. "It's not an easy world."

Despite acknowledging the world's complexities, he affirmed his pursuit of exploration. "I wanted to see the world," he declared, "and I did it. Hooray, I'm still alive." Edited excerpts:

Many youthful investors have been inspired by your fervour for both biking and investing. What do you want to say to them?

I aspire for everyone to explore the world, to venture beyond their own borders and see new places. Exploring other countries and meeting different people is a valuable experience, and in doing that one can also learn a lot about oneself and their homeland. If people spent more time together,

understanding each other, there would be fewer wars.

Does your investment strategy draw any influence from your travels?

Because of my background and who I am, when I travel, if I come across something positive, I don't just pass by—I pause and delve deeper. If possible, I'll even consider making an investment. There are many promising opportunities in the world, and I don't want to merely overlook them. Instead, I hope to seize them and contribute positively wherever I can. During one of my journeys through Africa, I stumbled upon a country called Botswana. Despite knowing little about it initially, I swiftly discerned its distinctiveness from other African nations. The presence of well-maintained roads, efficient immigration and customs processes, and quality accommodation caught my attention. Intrigued by this unique environment, I went to see if there was a stock market. I found out there was a stock market, so I started investing.

Even so, I don't think it is always that easy. While there are occasions when we encounter positive aspects in a country, there are also instances where we encounter challenges and find less desirable elements. Unfortunately, the world has both good and bad people.

Regarding strategy, how has your approach to investing changed over the years?

The best strategy is that everyone should invest only in what they truly understand. Avoid relying on Internet advice, television pundits or the opinions of others. Only invest in what you yourself know.

However, each scenario is unique, and it's crucial to recognize that if you encounter a new situation, you need to spend time learning about it. You need to invest time in understanding the people, the industry, and the products involved in any situation; otherwise, you risk losing money. Nearly every time I lost money, it is because I didn't invest enough time in research. It was my responsibility, my fault, for not delving deeply enough into the situation. This holds true in nearly every case. So, if individuals invest in what they understand and diligently conduct their research, they are likely to be successful.

In 2015, you weren't particularly enthusiastic about the growth narrative of India, but it appears that something has shifted for

India in the past decade or so. So how would you describe your confidence in Indian equities at this point?

Well, I am embarrassed to say I do not own Indian shares now. Anybody who owns Indian shares and could not sell, they should keep them. And I think for the first time in my lifetime, India is going to be a very good place to invest. The primary reason being the Indian government comprehends the economy and seems to have grasped the importance of investment and wealth generation for the nation's benefit and the well-being of its citizens. Therefore, I think that people should delve deeper into the Indian economic landscape and consider making investments.

I prefer to make investments with a long-term perspective, typically aiming for a minimum holding period of around five years to much more. I seek out opportunities where positive developments are expected to unfold over many years. I'm not a fan of short-term trading; rather, I prefer the stability and growth potential of long-term investments.

I am always on the lookout for promising investments worldwide, including in India. While the Indian stock market is currently at an all-time high, I haven't invested there because I missed the opportunity. However, I remain hopeful that if prices decline in India or elsewhere, I'll identify good investment opportunities. India, in particular, offers great potential in sectors such as agriculture and tourism, among others.

The manufacturing sector has received considerable attention in India's current narrative, particularly due to the government's emphasis on infrastructure and efforts to boost economic growth. How do you perceive the investment prospects in manufacturing?

India aspires to enhance its manufacturing prowess, and it's actively working towards that goal. With its abundant intellectual capital and skilled workforce, India possesses all the essential ingredients. While historical factors have limited India's manufacturing capabilities compared to countries like South Korea, the tide is turning, driven by the government's initiatives. Although this transformation may not occur immedi-

ately, it's inevitable that India will emerge as a manufacturing powerhouse in the future.

Do you think it is a more opportune moment to sell rather than buy in the current market, whether it is stocks or commodities?

Currently, commodities are cheaper than stocks. While stocks in many countries are reaching record highs, commodities are down. For instance, silver is down by 40% or 50% from its peak, and other commodities like sugar have also seen a dramatic fall. Although gold is at an all-time high, there are still opportunities to be found in commodities.

Historically, you've preferred gold and silver. What are your thoughts on these commodities as an investment compared to equities?

I've held onto gold and silver for many years, never selling any because I believe that during times of crisis, having them provides a sense of security. They've always been a safe haven in turbulent times.

While I've invested in various other commodities like sugar, rice and copper, gold and silver have remained constants in my portfolio, and I believe they should be in everyone's Indian women, in particular, have shown me the value of gold and silver. They seem to possess a deep understanding of their importance, and their wisdom has resonated with me. It's a sentiment shared by many in India, passed down through generations. Seeing this during my visits to India has reinforced my belief in the enduring value of gold and silver.

What are your expectations from the election in India? Are you waiting for the elections to get over and maybe then jump into the Indian stock market?

Prime Minister Narendra Modi has certainly implemented several measures beneficial to the Indian economy. If he secures victory, I expect the Indian stock market to remain strong. If the Indian stock market goes down a lot, then I would change my strategy and start investing in India again.

While I don't anticipate a major downturn before the election, but if it were to happen, I would seize the opportunity and invest more. I typically invest in countries when their markets are down.





Former TCS chief Rajesh Gopinathan joins board of NSE

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Rajesh Gopinathan, former MD & CEO of TCS and professor IIT Bombay. BLOOMBERG

Rajesh Gopinathan, former managing director & chief executive officer, Tata Consultancy Services and professor IIT Bombay, has joined the board of the National Stock Exchange (NSE), making him the second former head of a technology company to be appointed after Venet Nayar, former vice chairman & CEO of HCL Technologies, joined the NSE board in September 2021 as non-independent director.

Gopinathan's appointment comes at a time when the bourse is looking to shift its data centre from its existing premises with colocation becoming the dominant mode of trading after the pandemic, due to a surge in derivatives and cash volumes.

"His over 25 years of experience in the global technology industry, a part of which was spent heading one of the world's largest tech services firms (TCS), will come in handy for the exchange, whose top priorities include shifting its data centre within a year to a year-and-a-half," said a person on condition of anonymity.

Gopinathan has joined as a public interest director with effect from 23 April for three years. NSE shareholders approved the reappointment of Nayar at its 31st annual general meeting in August last year, which is pending Securities and Exchange Board of India (Sebi) approval, as per the exchange's corporate governance report for the fourth quarter of FY24 released last month. Nayar was appointed to the NSE board on 20 September 2021 after Sebi's approval.

NSE proposes to shift its data centre to a new place "some time next year", NSE's Group CFO Yatrik Vin told investors at the earnings call on 6 May.

Ashishkumar Chauhan, MD & CEO of the bourse, added that the exchange was increasing capacity within the building (Bandra Kurla Complex in Mumbai).

"... we are increasing capacity within our current building. So there is going to be enough racks available for all the future growth also going forward... even within this building till the time we shift to the new data centre," Chauhan said without specifying capacity details.

The shift to a new data centre follows colocation becoming the dominant mode of trading after the pandemic (from FY21) across the cash and derivatives segments, shows NSE data.

Colocation (colo) involves high-frequency traders placing their servers within the exchange premises on racks for a few lakhs depending upon the size of the rack, whether quarter, half or full, said the person mentioned earlier.

Burmans warn Care board of legal action over Saluja Esops

Care Health parent Religare dismisses charges, says board may initiate legal action itself

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The Burman family has warned of legal action against the board of Care Health Insurance, if it does not prevent its chairperson Rashmi Saluja from cashing out her employee stock options (Esops).

Cash-rich Care Health is the largest subsidiary of Religare Ltd, for which the Burmans launched an open offer in 2023. Saluja is non-executive chairperson of Care Health, and executive chairperson of its parent Religare Enterprises Ltd (REL). After initially welcoming the Burmans' open offer, the Religare board rejected it, sparking a range of charges and counter-charges.

In a letter to the Care Health board on 13 May, four Burman family investment firms wrote that the board granted 22.7 million stock options to Saluja, even after the Insurance Regulatory and Development Authority of India (Irdai) had rejected its proposal. *Mint* has seen a copy of the letter.

The Burman family owns FMCG major Dabur Ltd and a host of other companies. It holds over 25% in Religare through four associate firms—M.B. Finmart Pvt Ltd, Puran Associates Pvt. Ltd, VIC Enterprises Pvt. Ltd, and Milky Investment & Trading Co.

In response to *Mint's* queries, a spokesperson for Religare said Care Health has already provided a comprehensive reply with documentary evidence to Irdai on allotting stock options to Saluja.

The Burmans' letter alleges that Saluja "continues to exercise these illegal CARE options and sell the resulting shares of CARE to third parties and, in



Cash-rich Care Health is the largest subsidiary of Religare Ltd, for which the Burmans launched an open offer in 2023. MINT

the process, stands to monetize from such ill-gotten CARE options".

The Burmans asked the Care Health board not to issue any further equity shares arising from the conversion of any of the 22.7 million-odd Care Health stock options granted to Saluja, and not to permit the transfer of any shares that have in the past been issued in the exercise of the Care options.

'Issue public notice'
The letter also asked the Care board to issue a public notice not to trade in any of Saluja's equity shares in Care, and freeze payments of "all dividends and voting rights attached to shares arising from the conversion of the CARE options". The family has threatened legal action against the board members if these steps are not followed, "including but not limited to, seeking recourse from the members of the Board through

the recovery of monetary claims, directly, or indirectly by having claim over your personal assets".

A Burman family spokesperson said, "Rashmi Saluja has derived an aggregate value in excess of ₹400 crore from the REL Group, whilst REL has had inadequate profits."

"The shareholders have raised these concerns with the CARE board and IRDAI, and are actively exploring legal avenues to recover the value loss. It defies business logic that the CARE board decided to compensate a non-executive director with ₹250 crore, despite the IRDAI rejecting the allotment of these options," the Burmans' spokesperson added.

'Control by hook or crook'
The Religare spokesperson said, "We would like to clarify that all these attempts being made by Burmans are

nothing but their malafide continuous attacks on Dr. Rashmi Saluja's reputation, with the only aim to remove her from Religare and gain control by hook or crook."

"The acquirers (Burmans) have been repeatedly raising the same concerns through a motivated smear campaign which not only renders them liable for strict and appropriate legal action but also makes them liable for regulatory action for leaking confidential documents and inter-regulatory correspondences in view of the adverse effect on the integrity of the stock market and impact on the shareholder value," the Religare spokesperson said.

Queries sent to Irdai remained unanswered.

A matter of options
In its 13 May letter, the Burman family's investment firms argued, "The acquirers fail to comprehend how bestowing exorbitant payouts upon REL employees, particularly those holding non-executive roles in CARE, contributes to shareholder value creation. In reality, it appears that value is being generated primarily for REL employees at the expense of CARE shareholders."

Meanwhile, Religare's spokesperson said the board of Care Health has denied all the allegations and assertions by the Burmans as baseless and "categorically stated that the grant of ESOPs to Dr. Rashmi complies fully with not only all legal requirements but also all standards of propriety".

"The Board of CHIL reserves its right to take appropriate legal action against the Acquirers in this regard," the spokesperson said. Care Health is worth at least ₹10,000 crore, based on the price of its shares at ₹10 apiece in its last rights issue in 2022.

25% in Religare is held by Burmans via 4 associate firms

22.7 mn of stock options were granted to Rashmi Saluja

Ex-Cognizant staff sue for damages

FROM PAGE 1

breached that duty when operational leadership, including Operations Leader Terry Oliver and the supervisors who reported to Oliver, deliberately misrepresented that information to Plaintiff," said Lameka Dotson in her complaint.

Mint has seen copies of all complaints.

The petitioners say they are suffering from post-traumatic stress disorder, as their work entailed watching and manually removing vile content, including murders, rapes and abuses. They say Cognizant failed to provide them a safe work environment.

Printy Law Firm, a Tampa, Florida-headquartered law firm, represents all 14 complainants.

An email sent to Gary Printy, Partner at Printy Law Firm, on 18 May seeking comment remained unanswered. Dennis Waggoner, partner at Hill Ward Henderson, the law firm representing Cognizant, did not offer comment. An email sent to Cognizant remained unanswered.

"When individuals file lawsuits a few years after an event, it could mean one of the two



Petitioners are suffering from post-traumatic stress disorder, as their work entailed watching and manually removing vile content.

things. First, individuals have more information on the event and hence they see merit in the case. The other thing is that the aggrieved employees believe they have precedence over a development which they can leverage," a former Cognizant executive said on the condition of anonymity.

This is the first time Cognizant is facing lawsuits over its Facebook contract, which ended in 2020

"The outcome of these cases could have a bearing on other content moderation work done by Cognizant for YouTube," the executive added.

Cognizant counts YouTube's parent Alphabet as one of its large customers, estimated to account for over \$600 million in annual revenue.

The engagement with Meta has become a lightning rod for the Teaneck, New Jersey-headquartered company, since it started offering engineers

to scrub through its social media feed of violent content in late 2017. According to two executives privy to the work, the Meta deal was worth almost

\$250 million in annual revenue for Cognizant, which employed over 650 employees for content moderation. But soon, this partnership ran into trouble, as people deployed for the task began voicing the psychological harm caused by the work.

In September 2018, Selena Scola, who had worked as a content moderator for Facebook at a Florida-based staffing firm PRO Unlimited, filed a class-action lawsuit against Facebook. Two years later, in 2020, Meta agreed to pay \$52 million to compensate over 14,000 people who worked as content moderators hired by third-party contractors, including those hired by Cognizant.

In October 2019, while declaring its results for the July-September period, Cognizant said it would end its partnership with Facebook over the coming months as the work did not align with its "long-term strategic vision". The deal ended in 2020.

Since ending its partnership with Meta, Cognizant has struggled to back-fill this loss of \$250 million in annual business, resulting in the company ending with \$19.35 billion in revenue last year, a decline of 0.4%.

'Wipro's engineering R&D unit may grow by 30% this fiscal'

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Wipro Ltd's engineering research and development (ER&D) division is estimated to grow up to 30% in the ongoing financial year (FY25), according to an executive who is privy to its internal communications and growth projections, emerging as one of the bright spots for the company whose growth has lagged peers.

Wipro Engineering Edge, which is India's fourth largest IT company's ER&D unit, is expected to get almost \$300 million in incremental business in FY25, the executive said, adding that the unit contributed nearly \$1 billion, or 10% of the Bengaluru-headquartered company's \$10.8-billion revenue in FY24, at a growth rate of about 9%. To be sure, Wipro reported a 4% decline in annual revenue in FY24, making it the only company in Indian IT's big four to end the financial year on a revenue decline.

Much of ER&D's \$300-million incremental revenue in



Wipro reported a 4% decline in annual revenue in FY24. HT

and is headed by Harmeet Chauhan, who previously served as vice-president of Noida-based HCL Technologies Ltd's ER&D division. He joined Wipro in April 2023, when Wipro's ER&D business unit was carved into Wipro Engineering Edge.

Wipro reorganized itself into four global business lines (GBUs) on 1 April 2023, namely Wipro FullStride Cloud, Wipro Enterprise Futuring, Wipro Engineering Edge, and Wipro Consulting, to serve customers in the domains of cloud, artificial intelligence (AI), ER&D and consulting, respectively.

While the engineering unit is expected to grow by one-fourth in the coming financial year, the revenue per employee in Wipro Engineering Edge is lower than its overall value for the company. As per *Mint's* calculations, Wipro Engineering Edge with at least 25,000 employees and \$1 billion in FY24 revenue, would have its revenue per employee amount to \$40,000, which is lower than Wipro's overall revenue per employee of \$43,868, as revealed in a *Mint* report on 7 May.

According to the executive, Wipro Engineering Edge has more than 25,000 employees

FY25 will be fuelled by hardware, semiconductors, Industry 4.0, wireless networks and cabling, the executive, who requested not to be named, added. Industry 4.0 refers to the integration of digital technologies into manufacturing and industrial processes.

"The ER&D division's growth in FY24 has largely come from the Americas region, which contributes a tad lesser than \$1 billion to the Engineering Edge unit," the executive said.

decided by the buyer. Each of the 420 apartments in the project would cost upwards of ₹50 crore.

"Super luxury is bespoke. 'Camellias' had 7,400 sq. ft and 9,500 sq. ft homes, but we realized that the demand was more for the latter," Ohri said. "So, we have larger homes in this project and there are balconies with each bedroom. It doesn't matter whether people use the extra bedrooms, but they want them."

In Goa, DLF will launch 62

Developers bet big on larger, ultra-luxury homes priced over ₹10 cr

FROM PAGE 1

7,395 in 2022, according to property advisory CBRE.

The more niche, ultra-luxury segment has seen big demand too, leading to both primary and secondary sales. This has also prompted developers to go out and launch higher-priced homes.

Bengaluru-based Prestige Group will soon launch a project in south Mumbai's posh Worli area, with four- and five-bedroom apartments sized 3,500-7,000 sq. ft. The still unworked project will start to sell at about ₹1.1 lakh per sq. ft.

It had recently launched the first residential tower at its 'Prestige Ocean Towers'

project in the financial capital's Marine Lines, where it sold 64 out of 75 four-bedroom homes over the Arabian Sea for ₹20-25 crore each. It plans to launch the second tower soon, at a higher price.

"There are three categories of luxury home buyers today—business families, C-suite executives and first-generation startup entrepreneurs," said Anand Ramachandran, senior vice-president, business expansion, west, Prestige Group. "Luxury consumers want larger homes, a prime location and, in Mumbai, balconies with a view."

Gurugram-based M3M Group's recently launched 'M3M Altitude' project on Golf

Course Extension Road will have a 2 million sq. ft sky club, featuring a wide range of amenities for residents, and will be connected with the residential units through a glass air bridge. M3M says the sky club will be the tallest in Gurugram.

The project has 350 apartments sized from 3,780 sq. ft priced upwards of ₹10 crore. Six penthouses, of 8,000 sq. ft each, are priced at around ₹30 crore.

Mumbai's K Raheja Corp Homes has been acquiring land for ultra-luxury projects. The developer will launch two such projects in Haji Ali and Worli, both in south Mumbai, with homes priced at ₹30-35 crore. "We are in advanced stages



DLF Golf Links, Gurugram, where all three projects—Aralias, Magnolias and The Camellias are located.

of signing redevelopment deals in prime locations like Mount Mary and Pali Hill in Bandra, and Nepean Sea Road, for luxury residential projects," said

CEO Ramesh Ranganathan. After selling out premium projects like 'Arbour' and 'Privana', priced at sub-₹10 crore, Gurugram-based developer

DLF has lined up ultra-luxury projects. Its project 'The Camellias' set the benchmark for luxury real estate in Gurugram, with an apartment selling at ₹100 crore last year. DLF now plans to launch Camellias-2 in DLF Phase-5, Gurugram.

It's a more superior, evolved product, said Aakash Ohri, joint managing director and chief business officer of DLF Home Developers Ltd. The 9,500 sq. ft, five-bedroom + study apartments will be sold as bare-shell homes, which means the interiors are



States account for 20-25% of the overall infra spending. MINT

Centre to bulk up interest-free loans for states

FROM PAGE 1

About ₹75,000 crore, or 58% of the allocation for FY25, will be linked to outcomes and reforms carried out by the states, and the remaining ₹55,000 crore will also come with "simple conditions", Union finance secretary T.V. Somanathan had earlier told *Mint*.

"The portion of the interest-free loans disbursed to states under the condition of implementation of milestones is likely to be increased in the upcoming budget as the Centre wants to nudge the states to carry out reforms," the second person said. "The overall allocations to the scheme could see a 20-25% hike from the vote-on-account budget."

A finance ministry spokesperson didn't respond to emailed queries.

States account for 20-25% of the overall infrastructure spending, a key focus area for the government, and the easy loans have helped states stimulate capital spending and catalyze the economy after the pandemic.

"The interest-free capex loans to states is an ingenious scheme to fund targeted investments across infrastructural segments," said Debo-pam Chaudhuri, chief economist at Piramal Enterprises. "The strict sanction norms help with efficient capital deployment. Augmenting the outlay for this scheme with additional RBI dividend this year can be a prudent way to monetize states and support their growth."

Chaudhuri added that in the past two years, there has been a sharp rise in disbursements through this window, suggesting the rising preparedness of Indian states to deploy additional funds to fill infrastructural gaps across housing, roads and various elements of the Gati Shakti plan.

Last week, RBI approved a record dividend of ₹2.1 trillion for the central government for FY24, 141% higher than the year before. The latest dividend payout from the RBI will be instrumental in compensating for any slippages in tax revenue and increased public spending in FY25.

The government is likely to signal its commitment to lay a solid foundation for medium-term growth through continued infrastructure expansion in the full-year budget, D.K. Srivastava, chief policy advisor at EY India told *Mint* last week.



Travel firms, hotels see big rush on pilgrimage circuit

Demand for travel to religious centres has seen a 30-100% rise from last summer

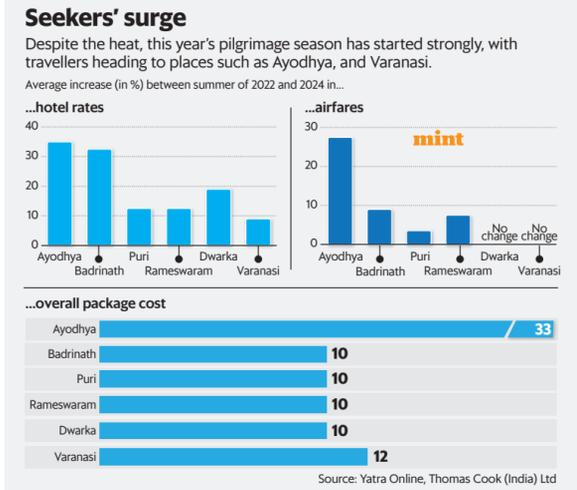
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Traffic gridlocks notwithstanding, travellers have been visiting popular pilgrimage destinations across the country this year, with travel companies seeing a rise in demand ranging from 30% to 100% compared with the last summer season.

Despite the heat, this year's pilgrimage season has started strongly, with travellers heading to Ayodhya, Varanasi, Prayagraj, Uttarakhand, the Char Dham circuit, and Tirupati. Travel agency Thomas Cook (India) Ltd has witnessed a 100% increase in bookings over the last year for its Char Dham yatra, with growing interest among younger, millennial travellers. For them, the company has tailored a "Pilgrimage Plus" offering, which combines temple visits with local experiences such as cuisine trails and outdoor activities. It has also introduced aerial helicopter "dashans" (auspicious view) for Adi Kailash and Om Parvat mountain peaks in Uttarakhand, in collaboration with the state's tourism board, which are already sold out for this summer.

The surge of tourists has also prompted travel agencies and hotel companies to strengthen their offerings for religious and pilgrimage travel. For Sarovar Hotels & Resorts, which operates hotels such as Park Inn in locations including Ayodhya, Bodh Gaya, Badrinath, Haridwar, Somnath, Juna-garh, Mathura, Vrindavan, and Tirupati, this segment of the business will contribute significantly to its overall revenue, with about a 15% share coming from these locations.

However, Ajay Bakaya of Sarovar Hotels makes a clear distinction



between religious and spiritual tourism. Spiritual tourism is not the same. It is led mainly by travellers who go to locations such as Rishikesh. But from a religious standpoint, it is destinations such as Ayodhya and Varanasi which, more recently, have shown "remarkable

growth", he said. "Demand for religious destinations has always been huge. However, most people engaging in religious tourism are not seeking luxury but rather austerity. Thus, there's a bigger market for mid-market hotels and more so for the lower end of the pyramid, which is

TEMPLE RUN

- THOMAS Cook (India) Ltd** saw 100% rise in bookings over the last year for its Char Dham yatra
- TOURIST** interest has prompted travel agencies and hotel companies to boost pilgrim travel offers
- SAROVAR Hotels** hopes 15% share of its overall revenue will come from pilgrim centre folio
- THE** hotel industry may record a 7-9% revenue growth in FY25, including from pilgrimage tourism

owned Indian Hotels Company Ltd (IHCL) signed a hotel in Sarnath, Uttar Pradesh, as a greenfield construction under its Gateway hotel brand with 160 rooms, while Sarovar Hotels & Resorts opened a Tulip Inn in the pilgrimage city of Shravasti, in the same state. "We have noticed over the years that

under-supplied," said Bakaya. The hotel industry is projected to record a 7-9% revenue growth in FY25, underpinned largely by domestic leisure travel, including pilgrimage tourism, said data from ratings agency Icmr. Earlier this month, Tata group-

pilgrim tourism is impacted less by economic downturns than other segments, which we have particularly witnessed during and after the pandemic. In general, most spiritual/pilgrim destinations have been seeing an uptick, with our hotels in Haridwar, Katra, Rishikesh, Dwarka (Gujarat), etc. performing well. Further, with the Char Dham dates starting this month, we have witnessed growth in both occupancy and room rates in key markets such as Dehradun (for Badrinath), Dwarka and Bhubaneswar (for Puri)," said Harleen Mehta, senior vice-president, sales, Lemon Tree Hotels Ltd. Online travel agency Yatra Online has seen a steady increase in the Char Dham pilgrims with a special focus on Ayodhya, and has recorded phenomenal numbers this year because of the novelty factor (the Ram temple in Ayodhya was inaugurated in January) and a general shortage of inventory.

It said there are also no registration slots left for the Char Dham yatra. Other religious destinations such as Tirupati, Vrindavan, Ujjain, and Amritsar have seen a jump, too. Badrinath, and Varanasi have been destinations with a strong footfall.

According to the most recent data from the Union ministry of tourism, India had about 1.73 billion domestic tourists in 2022, growing 55% over 2021, but still below 2019, when the figures were 2.32 billion.

The story is no different in Uttar Pradesh. There are 24 flights operating from Ayodhya to other cities with some routes being serviced twice a week and others four times a week, including Hyderabad, Mumbai, Delhi, Bengaluru, and Ahmedabad. Interestingly, while it is still early days for Ayodhya, the state's tourism board said it is Varanasi's Kashi Vishwanath temple that has the highest footfall among the religious tourism sites in Uttar Pradesh.

Investors of CIG Realty Fund move SAT against trustees

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Investors in CIG Realty Fund have moved the Securities Appellate Tribunal (SAT) against the trustees of the fund citing alleged breach of contract that caused them "grave inconvenience".

Essentially, the applicants before the SAT are those who invested in schemes I, II, and IV offered by the fund. It was set up in August 2005 and registered with the Securities and Exchange Board of India (Sebi) as a venture capital fund in December 2005. Investors have together invested about ₹650 crore across all schemes. In their plea filed before the tribunal last week, the investors alleged that the schemes were wrongfully extended beyond the permissible time, leading to breach of contract, causing "grave inconvenience" to them.

"The fund has clearly made a mockery of the trust and faith invested by the applicants along with other investors," investors said in the plea cited earlier. "The trustees have failed to maintain the integrity and highest standards expected, particularly in not ensuring proper care, due diligence and independent professional judgement in winding up the schemes."

A real estate fund, with corpus typically pooled from retail investors, invests in securities of real estate companies.

A copy of the petition was seen by Mint.

In December 2023, Sebi had passed an order against Unitech Advisors (now known as Auram Asset Management) — the fund manager to the realty fund — its directors Sanjay Chandra, Ajay Chandra, Ramesh Chandra, and Hitendra Malhotra. Others named



Sebi had asked CIG Realty Fund trustees to wind up schemes of the fund by providing exit to its investors within six months. REUTERS

included the present trustees of CIG Realty Fund Anil Harish, Vijay Tulshyan, Mahesh Kumar Sharma, and Rakesh Dhingra. The regulator had asked them to wind up the schemes of the fund by providing exit to its investors within six months.

This comes a couple of months after the trustees too challenged the Sebi order.

These trustees were fined ₹10 lakh each and barred from taking new assignments as trustees of Alternative Investment Fund (AIFs) of any category for one year. Sebi had also imposed a fine of ₹1 crore on Unitech Advisors.

The regulator found that nearly 80% of the corpus from CIG Realty Type IV fund was invested by Unitech Advisors in associate firms, violating Sebi's venture capital fund regulations.

The plea added that there was a "breach of confidentiality and transparency" regarding information relating to the AIF, its investors and investee companies. Such actions, the investors said, not only constitute a deviation from stipulated professional conduct but also raise concerns about the

trustees' commitment to transparency, ethical practices and fiduciary responsibilities.

Queries sent to the investors' counsel remained unanswered till press time while trustees of CIG Realty Fund could not be reached for comment.

In fact, Sebi had received several complaints against CIG Realty Fund between May 2011 and January 2022. These complaints pertained to three schemes — CIG Realty Fund Type I, II, and IV — that made investments in the real estate sector through various Indian companies, as per Sebi's order in December.

The complaints pertained to various issues including the extension of scheme tenures, non-liquidation of schemes, non-receipt of invested funds, fraudulent activities, and underperformance of the CIG Realty Funds.

Following these complaints, the regulator started an investigation into the book of accounts and other records of CIG Realty Fund between April 2019 and March 2020.

The matter will be taken up by the tribunal on 26 July.



Premalu, a romantic comedy made on a budget of about ₹10 crore, has earned over ₹130 crore. @AAWARAHOON/X

Small southern films see windfall from OTT sales

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A host of small-budget southern language films have witnessed great windfall from the sale of OTT rights after emerging as sleeper hits at the box office.

Titles such as Premalu, Manjummel Boys and Lover were not snapped up by streaming platforms before the theatrical release, given that OTT services are going slow on acquisitions

after burning their fingers with several big-ticket titles not bringing adequate returns. However, these movies later managed nearly twice the streaming rates they would have got before cinematic release, based on the potential OTT players might have seen in them.

Manjummel Boys, a low-budget thriller produced at less than ₹10 crore, has made over ₹200 crore worldwide. Premalu, a romantic comedy, also made for the same amount, has earned over ₹130 crore. Lover, a romantic drama, costing less than ₹5 crore, has made double its investment by earning around ₹10 crore. Streaming platform execu-

tives say it is common for hits to command up to 25% of total box-office collections as acquisition fee, especially if platforms see value in them at a time subscriptions have hit the ceiling and few originals are truly making a mark.

"If the film hasn't locked a deal before theatrical release and then breaks out at the box office, it is definitely in an advantageous position," said a senior executive at a streaming platform, requesting not to be named. "Platforms are always ready to pay for movies that have been successful at the box office, especially if they feel their target audience will be able to relate to it."

The executive added that it is common for OTT platforms to take the initiative to dub such films in different languages, even if the makers had refrained from a multilingual release in theatres, sticking to the native language to get the authenticity and nuances right.

For example, Disney+ Hotstar is streaming Manjummel Boys in Hindi, Tamil, Telugu and Kannada other than Malayalam even though the theatrical release did not see any dubbed versions.

ADVERTISEMENT

DR. VED TANDON WELCOMED PRIME MINISTER NARENDRA MODI ON HIS ARRIVAL AT DWARKA

Dr. Ved Tandon met PM Modi and congratulated him in advance for the victory on June 4

Prime Minister Narendra Modi came to seek votes for BJP in a public meeting organized in Dwarka. During this, PM Modi was welcomed by Dr. Ved Tandon, in-charge of Delhi State Bharatiya Janata Party Teachers Cell. Dr. Tandon also congratulated him in advance for the victory in the results to be announced on June 4.

Voting will take place in Delhi on May 25. A day before the end of the election campaign, Prime Minister Narendra Modi came to Dwarka. Addressing the Vijay Sankalp public meeting held at Sector 20 DD Ground here, he sought votes for BJP candidates Kamaljit Sehrawat from West Delhi, Bansuri Swaroj from New Delhi, Ramvir Singh Bidhuri from South Delhi and Yogendra Chandolia from North-West Delhi.

During the public meeting, Dr. Ved Tandon said that for the third time in a row, BJP is winning all the seven Lok Sabha seats in Delhi. PM Modi will score a hat-trick of victory and become the Prime Minister for the third time in a row. The people of the area are happy on his reaching Dwarka. Thousands of people had come to listen to their successful Prime Minister in this scorching heat.

CENTRAL RAILWAY (E-TENDER NOTICE)
OPEN TENDER NOTICE No. GSU-ENGG-2024-07 OF 20-05-2024 (1)
Name of work: Request for Proposal (RFP) for Appointment of General Consultant for Gati Shakti Unit, Nagpur Division of Central Railways.
Approximate cost: Rs. 22444920.00
Earnest Money: Rs. 262200.00
Date & time of closing of tender: 20-06-2024 at 15:30 hrs. Details on Railway's website www.ireps.gov.in
Divisional Railway Manager (GSU) ANJ/06/76 Nagpur
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CENTRAL RAILWAY (E-TENDER NOTICE)
OPEN TENDER NOTICE No. : DRMWNGP-46-2024-01 OF 23-05-2024 (1) Name of work : Major improvements to customer amenities for replacements of overaged OH water steel tanks by RCC OH tank at Ballarshah-01 Nos., Chandrapur -02 Nos. Total=03 Nos. on Nagpur Division. (Composite Tender)
Approximate cost: Rs. 29389840.61
Earnest Money: Rs. 2970000.00 Date & time of closing of tender: 13-06-2024 at 15:00 hrs. Details on Railway's website www.ireps.gov.in
DRM (Works) Nagpur ANJ/08/78
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AUCTION OF STATE GOVERNMENT SECURITIES

The following State Governments have offered to sell stock by way of auction, for an aggregate amount of ₹21,200/- Crore (Face Value).

Sr. No.	State/UT	Amount to be raised (₹Cr)	Additional Borrowing (GreenShoe) Option (₹Cr)	Tenure (in years)	Type of auction
1	Andhra Pradesh	1,000	-	24	Yield based
2	Assam	1,000	-	25	Yield based
3	Jammu & Kashmir	1,000	-	10	Yield based
4	Kerala	2,000	-	30	Yield based
5	Mizoram	2,000	-	12	Yield based
6	Punjab	1,500	-	31	Yield based
7	Rajasthan	200	-	15	Yield based
8	Tamil Nadu	1,500	-	12	Yield based
9	West Bengal	1,500	-	10	Yield based
	Total	21,200			

The auction will be conducted on Reserve Bank of India Core Banking Solution (E-Kuber) in multiple-price format on **May 28, 2024 (Tuesday)**. Individual investors can also place bids as per the non-competitive scheme through the Retail Direct portal (<https://rtdirect.org.in>). For further details please refer to RBI press release dated **May 24, 2024 (Friday)** on RBI website www.rbi.org.in

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South Korean President Yoon Suk Yeol (right) and Chinese Premier Li Qiang during a meeting in Seoul on Sunday. REUTERS

China urges South Korea to maintain stable supply chains

Bloomberg
feedback@livemint.com

China called for South Korea's help to maintain stable supply chains as the countries began their first three-way summit with Japan since 2019, with Tokyo and Seoul putting pressure on Beijing by drawing closer to the US on security and industrial policies.

Chinese Premier Li Qiang and Japanese Prime Minister Fumio Kishida arrived in the South Korean capital Sunday and met separately with President Yoon Suk Yeol. Bilateral discussions were held between Japan and China and a dinner for all three will follow. The formal summit is set for Monday and a session with business leaders will come after that.

In the first bilateral meeting of the day, Li told Yoon that China wants the two to be trustworthy neighbours and partners helping the other to thrive, according to a pool report.

Chinese state media *Xinhua* cited Li as telling Yoon that both sides should avoid turning economic issues into political issues, and maintain stable and smooth supply chains.

Yoon said he hopes both countries can strengthen exchanges, the pool report said.

Summits among the three countries that account for about a quarter of the world's gross domestic product have been on hold for nearly five years due in part to the pandemic and political rancour.

While the summit brings risks and rewards for all three, the stakes are high for China. It will likely try to push Japan and South Korea not to join US-led efforts in further restricting

exports of advanced chipmaking equipment, after Tokyo imposed export controls last year. Japan has been resisting US pressure to further curb sales to China. The Biden administration is also trying to bring South Korea into the agreement that includes Japan and the Netherlands.

"This is an opportunity for China to try to improve relations with Japan and South Korea without the United States," said Naoko Aoki, an associate political scientist with the Rand Corp. in Washington.

After Yoon took office about two years ago, South Korea saw an improvement in ties with Japan after several years of tensions. The two have stepped up security cooperation with their common ally—the US—and the Biden administration have lobbied them to join its efforts to deny Beijing access to the latest semiconductors and sophisticated equipment needed to make the most advanced chips.

Kishida said ahead of his meeting with Yoon that he is hoping to see closer cooperation between Japan and South Korea "in order to maintain and strengthen a free and open Indo-Pacific region and to effectively address global challenges," according to a pool report.

"Next year will mark the 60th anniversary of the normalization of diplomatic relations between Japan and Korea," Kishida said, according to the pool report.

The summit will cover six areas of cooperation that include sustainable development, people-to-people exchanges as well as economy and trade, South Korean officials said.

With \$14 billion U.S. steel deal in limbo, Nippon Steel seeks community support

Nippon Steel's vice chairman visits Pittsburgh area, says firm is ready to 'share all the fruits of our technology'

Bob Tita
feedback@livemint.com

Nippon Steel has launched a charm offensive to win support for its planned acquisition of U.S. Steel in a bid to counter the deal's staunchest critics.

U.S. Steel shareholders overwhelmingly approved the company's \$14.1 billion takeover in April, but the deal remains bogged down by federal regulatory review and a raft of opposition. Leaders of the United Steelworkers union, some members of Congress and Cleveland-Cliffs, U.S. Steel's main rival, have panned the purchase. President Biden has expressed skepticism about it.

Takahiro Mori, vice chairman of the Tokyo-based steelmaker, met this past week with business executives and government leaders in the Pittsburgh area, which includes U.S. Steel's headquarters and its Mon Valley Works operation. Mori hosted a dinner and a presentation for about 150 people that lasted more than two hours.

"This transaction is about growth," Mori said in an interview. "We're going to share all the fruits of our technology."

The company said it would invest at least \$1.4 billion to improve the performance of U.S. Steel's older mills, which also include operations in Indiana.

Nippon Steel spends more than \$500 million a year on research and development, compared with about \$40 million by U.S. Steel, according to the companies. Mori said Nippon Steel's chief technology officer will visit the Mon Valley Works as part of the planning for production improvements.

Residents of some of the small towns surrounding the Mon Valley plants have complained for years about air pollution and a lack of investment in maintenance. Mori has pledged to use hydrogen energy to reduce Mon Valley's carbon-dioxide emissions from burning coal in blast furnaces.

Elaina Skiba, borough manager of Glassport, Pa., said she and other community officials have been skeptical about the acquisition and concerned about the future for the Mon Valley operation, but she left the presentation with more confidence in Nippon Steel's plans.

THE WALL STREET JOURNAL.



A weakening American steel market threatens to add uncertainty to Nippon Steel's investment plans. AP

Executive Lourenco Goncalves is backing the union's opposition to the sale to Nippon Steel. He said recently that the deal is dead without the union's support.

Nippon Steel is seeking to close its purchase by year's end, pushing back the deadline by a few months. It has said it would refrain from plant closings and layoffs through the end of U.S. Steel's union labor agreement in 2026.

Slowing market A weakening American steel market threatens to add uncertainty to Nippon Steel's investment plans. Falling steel demand and low prices would ratchet up the pressure on the company to conserve cash and reduce expenses.

Manufacturing activity has receded in some steel-consuming industries, including parts of the construction industry, commercial trucks, farm machinery and home appliances. Contributing to the downturn is the absence in recent years of panic buying caused by Covid-related supply bottlenecks, Russia's war in Ukraine and other market shocks that drove up prices.

Some steel mill executives describe reluctant buyers as being on a diet. The U.S. spot-market price for hot-rolled coiled sheet steel was \$750 a ton on Friday, down nearly 30% from a year earlier, according to S&P Global Commodity Insights.

The benchmark price sank to \$690 in September when a strike against U.S. automakers chilled steel buying, but went as high as nearly \$2,000 a ton in 2021.

A decline in shipments hurt U.S. Steel's first-quarter performance, with sales falling 7% from a year earlier and net income shrinking 14%.

Mori said a soft American steel market wouldn't sidetrack spending to improve U.S. Steel. Nippon Steel executives have been dealing with a yearslong slump in Japan, where the

The deal to acquire U.S. Steel has been stalled by federal regulatory review and a raft of opposition

Mori is planning several stateside visits this summer, but didn't meet with union leaders in the latest visit. The union is seeking commitments from Nippon Steel on specific plant upgrades and has been dissatisfied with the Japanese company's attempts to maintain the current labor agreement with U.S. Steel.

The union said Mori's visit was a "desperate last gasp" by the two companies to save the deal and accused Nippon Steel of trying to escape its obligations under the union's contract with U.S. Steel.

The union endorsed Cleveland-Cliffs' attempt to buy U.S. Steel last year. In turn, Cleveland-Cliffs Chief

executives have been dealing with a yearslong slump in Japan, where the

company is the country's largest steel producer. Japan's estimated steel consumption—which includes domestic steel production and imports minus exports—sank 17% from 2019 to 2023, according to the Japan Iron and Steel Federation. Nippon Steel has closed some plants in Japan in response to falling demand.

American steel consumption slipped 7% during the same period, according to the American Iron and Steel Institute.

Presidential campaign issue Nippon Steel has the economics worked out on the deal, but the politics is a work in progress.

Biden, who won Pennsylvania in the 2020 election, has signaled opposition to foreign ownership of U.S. Steel, though he hasn't explicitly said he would block the deal, which is now under national-security review by a Treasury Department-led committee.

The presumptive Republican presidential nominee, Donald Trump, has publicly criticized the deal, which could become an important issue in Pennsylvania, seen as a battleground state in the presidential contest.

The Justice Department is also reviewing the merger for market-concentration concerns. Nippon Steel is part owner of a steel mill in Alabama with the steel company ArcelorMittal.

"We are confident that we will be able to clear the issue if we are properly screened," Mori said.

Nippon Steel said the deal reflects confidence in the U.S. steel market in the long run. The American market features some of the highest steel prices in the world, helped in part by tariffs on lower-cost imports.

Domestic steel demand in recent years has been underpinned by spending on factory and warehouse construction and government-funded technology and infrastructure projects.

"It's kind of an ideal place," said Martin Englert, an analyst for Seaport Research Partners.

The purchase of U.S. Steel would double Nippon Steel's overseas steel production capacity and profit. The company's long-range goal is to raise its overall production capacity to 100 million metric tons a year.

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AI firms mustn't govern themselves, say ex-members of OpenAI's board

The Economist

Can private companies pushing forward the frontier of a revolutionary new technology be expected to operate in the interests of both their shareholders and the wider world? When we were recruited to the board of OpenAI—Tasha in 2018 and Helen in 2021—we were cautiously optimistic that the company's innovative approach to self-governance could offer a blueprint for responsible AI development. But based on our experience, we believe that self-governance cannot reliably withstand the pressure of profit incentives. With AI's enormous potential for both positive and negative impact, it's not sufficient to assume that such incentives will always be aligned with the public good. For the rise of AI to benefit everyone, governments must begin building effective regulatory frameworks now.

If any company could have successfully governed itself while safely and ethically developing advanced AI systems, it would have been OpenAI. The organisation was originally established as a non-profit with a laudable mission: to ensure that AGI, or artificial general intelli-

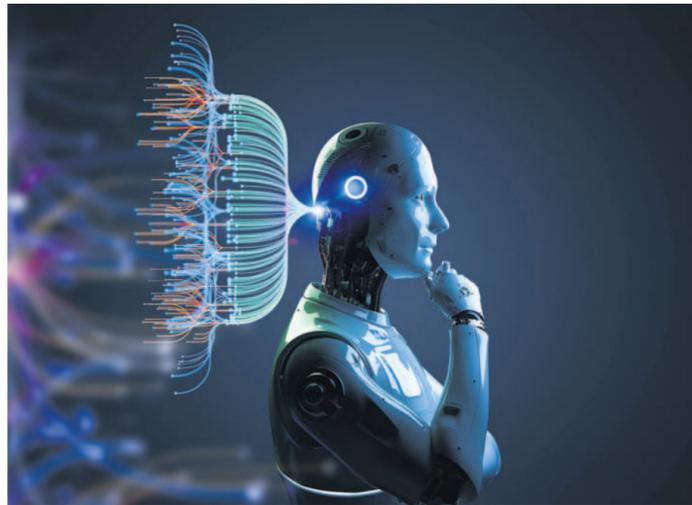
gence—AI systems that are generally smarter than humans—would benefit "all of humanity". Later, a for-profit subsidiary was created to raise the necessary capital, but the non-profit stayed in charge. The stated purpose of this unusual structure was to protect the company's ability to stick to its original mission, and the board's mandate was to uphold that mission. It was unprecedented, but it seemed worth trying. Unfortunately it didn't work.

Last November, in an effort to salvage this self-regulatory structure, the OpenAI board dismissed its CEO, Sam Altman. The board's ability to uphold the company's mission had become increasingly constrained due to long-standing patterns of behaviour exhibited by Mr Altman, which, among other things, we believe undermined the board's oversight of key decisions and internal safety protocols. Multiple senior leaders had privately shared grave concerns with the board, saying they believed that Mr Altman cultivated "a toxic culture of lying" and engaged in "behaviour [that] can be characterised as psychological abuse". According to OpenAI, an internal investigation found that the board had "acted within its broad discretion" to dismiss Mr Altman, but also con-

cluded that his conduct did not "mandate removal". OpenAI relayed few specifics justifying this conclusion, and it did not make the investigation report available to employees, the press or the public.

The question of whether such behaviour should generally "mandate removal" of a CEO is a discussion for another time. But in OpenAI's specific case, given the board's duty to provide independent oversight and protect the company's public-interest mission, we stand by the board's action to dismiss Mr Altman. We also feel that developments since he returned to the company—including his reinstatement to the board and the departure of senior safety-focused talent—bode ill for the OpenAI experiment in self-governance.

Our particular story offers the broader lesson that society must not let the roll-out of AI be controlled solely by private tech companies. Certainly, there are numerous genuine efforts in the private sector to guide the development of this technology responsibly, and we applaud those efforts. But even with the best of intentions, without external oversight, this kind of self-regulation will end up unenforceable, especially under the pressure of



In recent months, a rising chorus of voices—from Washington lawmakers to Silicon Valley investors—has advocated minimal government regulation of AI. ISTOCKPHOTO

immense profit incentives. Governments must play an active role.

And yet, in recent months, a rising chorus of voices—from Washington lawmakers to Silicon Valley investors—has advocated minimal government regulation of AI. Often, they draw parallels with the laissez-faire approach to the internet in the 1990s and the economic growth it spurred. However, this analogy is misleading. Inside AI companies, and

throughout the larger community of researchers and engineers in the field, the high stakes—and large risks—of developing increasingly advanced AI are widely acknowledged. In Mr Altman's own words, "Successfully transitioning to a world with superintelligence is perhaps the most important—and hopeful, and scary—project in human history." The level of concern expressed by many top AI scientists about the technology they themselves are

building is well documented and very different from the optimistic attitudes of the programmers and network engineers who developed the early internet.

It is also far from clear that light-touch regulation of the internet has been an unalloyed good for society. Certainly, many successful tech businesses—and their investors—have benefited enormously from the lack of constraints on commerce online. It is less obvious that societies have struck the

right balance when it comes to regulating to curb misinformation on social media, child exploitation and human trafficking, and a growing youth mental-health crisis.

Goods, infrastructure and society are improved by regulation. It's because of regulation that cars have seat belts and airbags, that we don't worry about contaminated milk and that buildings are constructed to be accessible to all. Judicious regulation could ensure the benefits of AI are realised responsibly and more broadly. A good place to start would be policies that give governments more visibility into how the cutting edge of AI is progressing, such as transparency requirements and incident-tracking.

Of course, there are pitfalls to regulation, and these must be managed. Poorly designed regulation can place a disproportionate burden on smaller companies, stifling competition and innovation. It is crucial that policymakers act independently of leading AI companies when developing new rules. They must be vigilant against loopholes, regulatory "moats" that shield early movers from competition, and the potential for regulatory capture. Indeed, Mr Altman's own calls for AI

regulation must be understood in the context of these pitfalls as having potentially self-serving ends. An appropriate regulatory framework will require agile adjustments, keeping pace with the world's expanding grasp of AI's capabilities.

Ultimately, we believe in AI's potential to boost human productivity and well-being in ways never before seen. But the path to that better future is not without peril. OpenAI was founded as a bold experiment to develop increasingly capable AI while prioritising the public good over profits. Our experience is that even with every advantage, self-governance mechanisms like those employed by OpenAI will not suffice. It is, therefore, essential that the public sector be closely involved in the development of the technology. Now is the time for governmental bodies around the world to assert themselves. Only through a healthy balance of market forces and prudent regulation can we reliably ensure that AI's evolution truly benefits all of humanity.

Helen Toner and Tasha McCauley were on OpenAI's board from 2021 to 2023 and from 2018 to 2023, respectively.

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NEWS NUMBERS

61.75%

THE VOTER turnout in the sixth phase of Lok Sabha elections 2024, across 58 constituencies, lower than 64.73% recorded in 2019 for these seats

7-9%

REVENUE GROWTH the Indian hotel industry is projected to report in FY25, over FY24, driven by domestic leisure travel, according to ratings agency ICRA

41 mn

THE NUMBER of cases pending in the Indian courts, which has pushed the demand for reducing the length of vacations judges take every year

₹564 cr

THE NET profit reported by Bosch, the Indian arm of German automotive supplier Robert Bosch, in Q4 FY24, up 42% from ₹398.1 cr during the year-ago period

\$56 bn

THE PAY package Tesla CEO Elon Musk is set to get from the company, if its shareholders approve, making it the largest for any CEO in corporate America

HOWINDIALIVES.COM

Deficit up with nine top trade partners

India has recorded a trade deficit, the difference between imports and exports, with nine of its top 10 trading partners, including China, Russia, Singapore, and South Korea, in 2023-24, according to official data. The data also showed that the deficit with China, Russia, S. Korea, and Hong Kong increased in the last fiscal compared to FY23, while the trade gap with the UAE, Saudi Arabia, Russia, Indonesia, and Iraq narrowed. The trade deficit with China rose to \$85 billion, Russia to \$57.2 billion, S. Korea to \$14.71 billion and Hong Kong to \$12.2 billion in FY24 against \$83.2 billion, \$43 billion, \$14.57 billion and \$8.38 billion, respectively, in FY23. China emerged as India's largest trading partner with \$118.4 billion of two-way commerce in FY24, edging past the US. The bilateral trade between India and the US stood at \$118.28 billion in FY24. India has a trade surplus of \$36.74 billion with the US in FY24. **PTI**



The Indian economy grew 8.2%, 8.1% and 8.4% in the previous three quarters. **BLOOMBERG**

Q4 GDP may have grown at 6.1-6.7%

India's GDP in the fourth quarter of financial year 2023-24 is expected to have grown within the range of 6.1-6.7%, lower than over 8% rate recorded in the previous three quarters, according to projections by various economists. The GDP numbers for Q4 and the provisional estimates for FY24 are scheduled to be released by the government on 31 May. According to economists, the expected growth in FY24 is estimated to be in the range of 7.6-7.8%. The Indian economy grew 8.2% in the June quarter, 8.1% in the September quarter and 8.4% in the December quarter of 2023-24. Kotak Mahindra Bank chief economist Upasna Bhardwaj said high frequency data suggests robust growth across the board. Also, trade and hotels have held up in the fourth quarter. "Manufacturing activities have also been good, and construction linked and investment segments should be doing better, but agriculture sector growth could be a laggard and see contraction during the quarter. We are expecting 6.1% GDP growth for Q4 and as a result, the full-year number for GDP growth should be close to 7.6%," Bhardwaj said. **PTI**

Govt asks telcos to block spoofed calls

The government has directed telecom operators to block all incoming international spoofed calls that display Indian mobile numbers, an official statement said on Sunday. The Department of Telecom (DoT) said that it has been reported that fraudsters are making international spoofed calls displaying Indian mobile numbers to Indian citizens and committing cyber-crime and financial frauds. Such calls appear to be originating within India but are being made by cyber-criminals from abroad by manipulating the calling line identity (CLI) and have been misused in recent cases of fake digital arrests, FedEx scams, drugs or narcotics in courier, impersonation as police or government officials, disconnections of mobile numbers by DoT or TRAI officials, etc. "DoT and Telecom Service Providers (TSPs) have devised a system to identify and block such international spoofed calls from reaching any Indian telecom subscriber," the statement said. **PTI**

Best year yet for Indian filmmakers with three wins at Cannes

It was a triple feat for Indian talent at the 2024 Cannes Film Festival with Payal Kapadia's *All We Imagine as Light*, *Sunflowers Were the First Ones to Know* by FTII student Chidananda S. Naik, and Anasuya Sengupta of *The Shameless* fame winning major awards in each of the three competitive sections of the prestigious gala. The 77th edition of Cannes, which concluded on Saturday, was undoubtedly the best year for the country which found space at the fest through eight Indian, or India-themed, films. Kapadia, an alumna of the Film & Television Institute of India (FTII), charted history by becoming the first Indian filmmaker to win the Grand Prix award for *All We Imagine as Light*. The movie earned the honour, the second-most prestigious prize of the gala after the Palme d'Or, which went to American director Sean Baker for *Anora*. Kapadia's movie, her feature directorial debut, is the first Indian film in 30 years and first ever by an Indian female director to be showcased in main competition, last being Shaji N. Karun's *Suham* (1994). **PTI**



Payal Kapadia became the first Indian to win the Grand Prix award. **AFP**

ANOTHER TRAGEDY



Debris is removed from the remains of a gaming zone in Rajkot, Gujarat, where a fire on Saturday killed at least 27 people, including four children. The owner of TRP game zone and its manager have been arrested on the charge of culpable homicide. The Gujarat High Court has taken *suo motu* cognisance of the matter, terming it *prima facie* a "man-made disaster" and noting a stock of highly inflammable materials such as petrol, fibres and fibreglass sheets stored at the facility. **PTI**

Seven newborns killed in fire at Delhi children's hospital

Sixteen fire tenders pressed into service; oxygen cylinders in building explode

A massive fire broke out at a private children's hospital in east Delhi's Vivek Vihar, leaving seven newborns dead, officials said on Sunday. Delhi Fire Services officials said the blaze broke out at Baby Care New Born Hospital at around 11.30pm on Saturday and soon spread to two other adjacent buildings. Sixteen fire tenders were pressed into service to douse the blaze, divisional fire officer Rajendra Atwal said. Oxygen cylinders kept in the two-storey building exploded due to which the adjacent buildings were damaged, he said. Another fire official said two boutiques, a portion of an IndusInd Bank branch operating from an adjacent building and a shop on the ground floor were also damaged, besides an ambulance and a **PTI**

two-wheeler parked outside the building. Condoling the death of the children, President Droupadi Murmu prayed for strength to the bereaved parents. State health minister Saurabh Bharadwaj said strictest punishment would be given to those found negligent or involved in any wrongdoing. In a post on X, Delhi chief minister Arvind Kejriwal said the government stood with those who had lost their children in the fire incident, and added that the administration was ensuring proper treatment to the injured. He said the reasons behind the fire were being probed and those found negligent would not be spared. Delhi Fire Services chief Atul Garg said 12 newborns were rescued from the medical facility but **PTI**

seven of them died. Five babies are undergoing treatment at another hospital, he said, adding some of them have received minor burn injuries. The bodies have been shifted to GTB Hospital for post-mortem, police said. Deputy commissioner of police (Shahdara) Surendra Choudhary said the owner of the hospital, Naveen Kichi, has been booked under sections 336 (act endangering life of personal safety of others) and 304A (causing death by negligence) of the Indian Penal Code. The officer said teams have been formed to nab the owner. Choudhary said the police was checking whether the hospital had a fire NOC, and if it is found without one, more sections may be added. **PTI**

Two boutiques, a portion of an IndusInd Bank branch in an adjacent building and a shop on the ground floor were also damaged

RIL, Nel deal to push new energy funding

Reliance Industries Ltd's (RIL) technology partnership with Norway's Nel ASA will help accelerate its new energy investments, including in the production of green hydrogen that will aid Mukesh Ambani's pivot towards green energy. Reliance on 21 May entered into a technology licensing deal that provides the firm with an exclusive licence for Nel's alkaline electrolyzers in India and allows it to manufacture the Norwegian firm's alkaline electrolyzers for captive purposes globally. "We see this as a win-win for RIL and Nel as it supports RIL's ambition to accelerate its new energy ambitions, build an integrated energy vertical (new energy powering existing energy investments) and decarbonise the portfolio," brokerage Morgan Stanley said in a note. Nel ASA has about 10-15% global market share in electrolyzers with 350 megawatt (MW) and 400MW deliveries in 2023-2024. **PTI**



BSE and NSE imposed a cumulative fine of ₹34 lakh on India's oil refining and marketing giants. **MINT**

Listing norms: Oil, gas cos fined again

State-owned oil and gas giants including IOC, ONGC and GAIL (India) Ltd have been slapped with fines for the fourth straight quarter for failing to meet listing requirements of having the requisite number of directors on their board. BSE and NSE imposed a cumulative fine of ₹34 lakh on oil refining and fuel marketing giants Indian Oil Corp. (IOC), Hindustan Petroleum Corp. Ltd (HPCL), Bharat Petroleum Corp. Ltd (BPCL), Oil and Natural Gas Corp. (ONGC) and Oil India Ltd (OIL), gas utility GAIL, and Mangalore Refinery and Petrochemicals Ltd for not meeting the listing requirement, exchange filings showed. In separate filings, the firms detailed the fines imposed for either not having requisite number of independent directors or the mandated women director, but were quick to point out that appointment of directors was done by the government and they had no role in it. **PTI**

Supply of low-cost homes slips 38%

New supply of affordable homes—priced up to ₹60 lakh each, declined 38% across eight major cities to 33,420 units during January-March this year, with builders focusing on developing luxury flats, according to PropEquity. Real estate data analytic firm PropEquity attributed the fall in new supply to sharp rise in land and construction costs, which has made development of affordable housing projects less profitable or unviable. According to PropEquity data, the fresh supply of homes, up to ₹60 lakh each, stood at 33,420 units during January-March 2024 across top eight cities, as against 53,818 units in the year-ago period. These eight cities are—Delhi-NCR, Mumbai Metropolitan Region (MMR), Bengaluru, Hyderabad, Chennai, Kolkata, Pune and Ahmedabad. **PTI**

Polls: FPIs pull out ₹22,000 cr in May

Foreign investors have pulled out a massive ₹22,000 crore from Indian equities so far this month, due to uncertainty surrounding the outcome of the Lok Sabha election and outperformance of Chinese markets. This came following a net outflow of over ₹8,700 crore in the entire April on concerns over a tweak in India's tax treaty with Mauritius and a sustained rise in US bond yields. Before that, foreign portfolio investors (FPIs) made a net investment of ₹35,098 crore in March and ₹1,539 crore in February. Going forward, as clarity emerges on the election front, FPIs are likely to buy in India, since they cannot afford to miss the post-election results rally. Actually, the rally may begin even before the election results, V.K. Vijayakumar, chief investment strategist, Geojit Financial Services, said. According to data with depositories, FPIs witnessed a net outflow of ₹22,047 crore from equities this month (till 24 May). **PTI**



Chief of Army Staff General Manoj C. Pande will continue to serve in the post till 30 June. **PTI**

Army chief gets one month's extension

Army chief Gen. Manoj Pande will continue to serve in the post till 30 June with the government on Sunday extending his tenure by one month, in a rare and unusual move that came amid the Lok Sabha polls. General Pande was to retire from service on 31 May. The Appointments Committee of the Cabinet approved one-month extension in service of General Pande, the defence ministry said. The extension to Gen Pande came nearly five decades after the then Indira Gandhi-led government extended the tenure of Army chief Gen G. G. Bewoor by one year in early 1970s in the first such instance. "The Appointments Committee of Cabinet on May 26 approved the extension in service of chief of the army staff Gen Manoj C. Pande for a period of one month, beyond his normal age of superannuation (May 31) that is up to June 30 under Rule 16A (4) of the Army Rules 1954," the defence ministry said. Lt Gen Upendra Dwivedi, currently serving as the Vice Chief of Army Staff, is the senior-most official after Gen Pande. **PTI**



DOES SRK'S HOME BUYING ADVICE APPLY TO YOU?

Shah Rukh Khan's advice motivated Rajkumar Rao. But it may not work for everyone



TARUN KUMAR SAHU/MINT

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MUMBAI

"What, a one BHK?" Vivaan's mother almost shouted. "Yes Ma," replied Vivaan, who works as a junior-level manager with a fast moving consumer goods company. "That's all me and Mairaa can afford."

"But where will I sleep when I come to visit you?" "Of course, in the bedroom Ma," said Vivaan, maintaining his cool and at the same time hoping that the video call would come to an end soon.

"And where will you guys sleep?" "In the living room," explained Vivaan. "We will use the sofa-cum-bed."

"And what will happen if Mairaa's parents also come visiting at the same time? And what happens when you have children?"

"Oh, I hadn't thought about that," said Vivaan, not having the heart to tell his mother that he and Mairaa didn't want to have children. But that was not a conversation to be had on the phone.

"What will you do without me my *bachcha*," the mother asked. "Okay, now give the phone to Mairaa. No use talking to you."

Vivaan handed over the phone to Mairaa and walked into the kitchen to make coffee. Mairaa has been working in the information technology sector for nearly half a decade.

"Hello, Mummy ji," said Mairaa, putting emphasis on the *ji*.

"Tell me something Mairaa. What do you think of Shah Rukh Khan (SRK)?"

"SRK is the love of my life, Mummy ji," replied Mairaa. "Of course, after Vivaan."

"So, I was recently watching an interview with the actor Rajkumar Rao on YouTube."

"Oh," replied Mairaa, wondering where this was going and cursing all the mobile phone companies offering cheap internet connections, which had made all mothers social media savvy.

"In that interview he shared something that SRK had told him."

"Hmmm."

"Basically, SRK told Rajkumar that '*Beta kabhi bhi ghar lega na, toh aukaat se thoda zyada lena, kyunki phir na, upar wala bhi dekhta hai aur tu khud bhi zyada mehnat karega*', meaning that whenever you buy a house buy something which is beyond your reach in terms of price because then God keeps an eye on you and you will also work harder."

"That's interesting."

"So, you guys should buy a bigger flat, at least a two BHK, so that when I and your parents come visiting at the same time, at least everyone has a room to themselves," Mummy ji explained, making what she thought was a rather obvious point.

"But we can't afford it," replied Mairaa.

"Oh beta, remember what SRK said. It's good to stretch yourself financially," Mummy ji replied affably. "*Chalo* I need to start cooking dinner now."

RAREST OF RARE

The video call ended and Vivaan walked into the room with two cups of coffee in his hand. It was a new blend that he had just bought.

"The coffee is nice," said Vivaan, taking a sip.

"Is it?" asked Mairaa.

"What Mummy was saying makes

sense *yaar*," having overheard some of the conversation.

"When was the last time what your mother said didn't make sense to you?"

"Come on," replied Vivaan. "I am her only child. Cut her some slack. Also, what was the SRK bit she was telling you about?"

Mairaa recounted the conversation. "So, how do we approach this," asked Vivaan.

"People make sense of their lives through their limited experiences," said Mairaa.

"Yes," replied Vivaan.

"And what SRK told Rajkumar was from his experience of buying Mannat, a very expensive house, and then paying for it."

"Probably, yes."

"SRK is one of the most successful actors that Indian cinema has seen—a success that is the rarest of rare. And given that, what he has learnt from his experience cannot always be applied to the world at large and especially to people like us."

"Yes."

"So, while SRK was right in sharing his experience with Rajkumar, who is a relatively successful actor, but Mummy ji using that example for us and nudging us to buy a bigger house, doesn't really work."

MANY STREAMS

"Now who would have thought that a day would come when Mairaa wouldn't agree with SRK," remarked Vivaan.

Mairaa ignored this comment: "Also, successful actors can make money in ways other than just acting. They can have a stake in a film's profits. They can do advertisements. They can attend corporate events, weddings and other family functions, and charge money for it. And they can even make money from social media. In fact, there is one school of thought which suggests that acting is something that simply keeps an actor's brand going, allowing them to earn much more money through other avenues."

"Yes."

"So, the point is that actors have ways and means of making more money through avenues other than just acting, allowing them to really stretch things financially while buying a house. Now, that's not true for you and me simply because we hold normal corporate jobs in sectors where salaries don't go up at a fast pace," explained Mairaa.

"Yes."

A former boyfriend had taken pains to explain the basics of personal finance to her. She had taken an interest and learnt a lot about the different aspects of money.

"I guess that makes sense," said Vivaan.

"Also, if we stretch ourselves completely, almost all of our income left after expenditure will go into repaying the EMI on the home loan, and we won't be able to save and invest much. Further, we will have to use a

greater proportion of our savings towards making the down payment and perhaps even furnishing the flat. And given that we want to exit this rat race in a few years, money in the bank and other investments are very important for us," explained Mairaa.

some coffee, which had gone cold by then. At that point her phone rang. It was her mother video calling. "Your mother-in-law just called," Mairaa's mother said. "Ah. Bad news travels fast," replied Mairaa.

"How can you even think of buying a one BHK?" Mairaa's mother asked in a very agitated manner. "That Sharma ji ka ladka (Sharma ji's son) just bought a two BHK last week."

"It's simple Ma. That's all we can afford."

"But beta it's time to get settled in life and at least buy a three BHK." And so their conversation continued. After a point Mairaa gave up and decided to let her mother do the talking and wondered if Mummy and Mummy ji thought that she and Vivaan had access to a money printing machine. Meanwhile, Vivaan went into the kitchen again to make a fresh cup of coffee.

Five minutes later, Mairaa was done with the rather inconvenient call and was enjoying the freshly made cup: "You know V, no one tells you that personal finance means that things will get really personal and that families will get involved."

"Ha ha."

"I have thought a lot about this. Our parents want to know all about the kind of money we make. They also pushed us towards buying a car on a loan, which we rarely drive given that both of us hate driving. I mean I just couldn't explain to our mothers that buying a depreciating asset—which a car is—on a loan, isn't really the done thing."

"Hmmm."

"Now, they are pushing us towards buying a bigger flat. But in all this they have never really asked us how well our investments in shares and equity mutual funds are doing. Or how well our investments in sovereign gold bonds have done. Or the fact that our emergency fund—which consists of savings deposits and bank fixed deposits—is now at nearly 12 months of our incomes. Why is that?" asked Mairaa.

"Interesting question," replied Vivaan.

"You tell me."

"I guess they can talk about our salaries, our car and our future bigger home, to our relatives and their friends. It gives meaning to their lives. They can show the pictures of our foreign holidays, our car and hopefully our home. All it takes is a WhatsApp forward. At the end of day, talking to relatives is also about one-upmanship. But what do they do about our investments in stocks, mutual funds, gold and fixed deposits? That they can't show off."

"Makes sense," replied Vivaan. "But isn't that a rather cynical view?"

"It is what it is V," she replied. "Just because they are our parents doesn't mean they are perfect."

"Hmmm."

"You know there is something else that is bothering me."

"What?" asked Vivaan, slightly fed up with the fact that this conversation was making an already very humid evening even worse.

"Artificial intelligence." (The example is hypothetical.)

Vivek Kaul is the author of *Bad Money*.

Actors have ways and means of making more money through avenues other than just acting, allowing them to stretch things financially while buying a house.

"Hmmm."

"Even the Reserve Bank of India (RBI) hasn't been able to predict which way inflation will go. Over the years, the RBI has said several times that the inflation is transient. But if inflation was transient, how has it remained at high levels for more than four years now, is a question well worth asking."

"Fair point."

"So, if the RBI has very little idea of which way inflation and hence, interest rates are headed, how can you and I have any idea."

"So, let's try and control the controllable."

"Yes. What we can control is the amount of home-loan we take and be in a position to continue repaying that loan even if rates were to rise," explained Mairaa.

"If they fall, good for us."

"Makes sense," replied Vivaan.

FOR RELATIVES

"There's another point I wanted to make," said Mairaa.

"Go on."

"Both of us want to get out of the rat race. And that can't happen unless we have fully repaid the loan. And to do that we will have to keep prepaying it. So, the larger the loan we take on, the more time we will take to prepay it."

"You have really thought through things."

"Even break-ups have their benefits," replied Mairaa, thinking about her ex and trying to sip



How this retired Hindi scholar funds his charitable activities

Ram Mohan Pandey discovered MFs in his 80s and has since used investments to buy a home, make donations

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Blessed is the wealth that is spent in charity for greater good. Fortunate is the intellect that is immersed in virtue," says Ram Mohan Pandey, quoting a couplet from a poem composed by Hindu saint Tulsidas, in explaining his commitment to charity. Pandey, an 86-year-old retired Banaras Hindu University (BHU) professor with a doctorate in Hindi, donates 6-10% of his investment corpus to charity every year, in keeping with the spiritual ethos of Banaras. Pandey firmly believes in giving back to society, recalling his own education at BHU in the 1960s when university fees were significantly lower.

Pandey, who retired more than two decades ago and now relies on his pension and mutual fund (MF) systematic withdrawal plans (SWPs), admits that he did not feel the need to commit to any serious investments for a long time after retirement.

Retirement
Using his retirement benefits, a significant contribution from his son who was working abroad and a small loan, Pandey bought a large house in Banaras in 2000. He retired from BHU the same year. That house, built on a sprawling 5,000 sq. ft plot of land, formed a major chunk of his net worth then.

Pandey says that instead of receiving a large provident fund corpus, he secured a good pension upon retirement. The pension provided a steady and reliable income stream, helping him meet household expenses. Additionally, the produce from Pandey's ancestral land took care of most of the family's food expenses. Local farmers manage this land and in return share their harvest with him.

Road to investment
Pandey's investment journey began only after he sold off his house in 2019. The reason for selling this property was practical—both his daughters were married, and the

How this Hindi professor learnt ABCs of mutual funds

Retired Banaras Hindu University professor discovered investing and mutual funds in his 80s



Ram Mohan Pandey, 86, with his wife Shanti Pandey, 81, at their house in Banaras.

Where do you invest?
▶ 100% in mutual funds

What's your current asset allocation mix?

What are your post-retirement goals?
▶ Doing charity work and visiting sites of pilgrimage.

How do you manage your expenses?
▶ Systematic withdrawal plans (SWPs) from mutual funds.
▶ Get pension from Banaras Hindu University (BHU).

How do you take care of medical needs?
▶ 13% of investment corpus is kept for medical care.

How do you provide for charity?
▶ 7% of corpus is marked for annual charity.

How is debt:equity re-balanced?
▶ Aim to keep it at 40:60
▶ Oldest equity money is replaced to debt if there is large withdrawal.

house had become difficult to maintain. Since Pandey and his wife spent 6-7 months each year visiting their daughters in Mumbai, the upkeep of such a large property impractical. "It was also not sensible to rent out the house as you are not sure about your tenants and we didn't want to take that sort of stress at our age," Pandey explains.

Building investments
After selling the house, Pandey received calls from bank relationship managers who wanted him to invest

in fixed deposits, but he resisted. His son-in-law then introduced him to Deepali Sen, managing partner at Srujan Financial Services, a Mumbai-based MF distributor.

Pandey and his wife invested the proceeds from the house in MFs. Initially, Pandey invested some funds in portfolio management services (PMS) but soon realized that it was not favorable. "We didn't incur any losses, but we weren't making any gains either," he says. He quickly withdrew that money and moved it entirely into

MFs. Investing in MFs, especially equities, was new to Pandey. Sen recalls that their initial meetings involved extensive financial counseling. "We had to reassure him that MFs were suitable for him. We explained that, unlike bank fixed deposits, MFs don't guarantee returns but equity MFs are linked to India's economic growth and can offer better returns over the long term. We showed him historical performance and told him that he could expect 12% annualized returns over time," Sen says.

Pandey felt more comfortable with Sen as she knew his son-in-law from their school days. "She told us to be patient for three to four years, and it has worked well for us," he says.

Pandey's equity investments were made through systematic transfer plans (STPs) to gradually build his portfolio and mitigate the risk of stock market volatility. STPs allow investors to regularly transfer a fixed amount from one mutual fund, typically a liquid fund, to another that is designated for investments.

Sen distributed the family's corpus equally in equity and debt. Pandey had indicated his intention to buy a smaller house in Banaras, and half of the investment corpus was allocated to debt initially. The couple bought a suitable flat in 2019 but retained 80-85% of the proceeds from the previous property's sale, keeping the amount invested in MFs.

At present, Pandey's investment mix stands at 62% in equities and 38% in debt. He has also been using SWPs to manage a part of his household expenses, which account for 4% of his investment corpus. His pension takes care of the remaining household expenses. Of his corpus, 7% is marked out for charity. He also uses his pension to donate to charity and to fund his pilgrimages.

Medical care
Despite the comprehensive medical coverage provided by BHU for the couple, Pandey maintains a separate health care corpus. He prefers to be in Mumbai during the winters as his wife is asthmatic. "Every year, we are in Mumbai for 6-7 months. If there is any medical emergency, my daughters there look after us. Here in Banaras, we don't have anyone right now in case of an emergency," he says. "Although BHU covers all our medical needs, it requires a fair bit of paperwork, and I don't feel right about using BHU funds after retirement. Also, the BHU hospital's doctors who knew us are no longer there," he says.

(For an extended version of this story, go to [livemint.com](#))



We welcome your views and comments at mintmoney@livemint.com

ARE COMPANIES OFFERING YOU INFLATED CTCs?

Many organizations and recruiters are outrightly misrepresenting the CTCs offered to their prospective employees. CTC has become a marketing tool, and several companies grossly exaggerate it. Over the last few months, I have encountered several LinkedIn posts by distraught employees voicing their frustrations after getting conned by a firm's exaggerated CTC offering. One firm visiting an IIT campus inflated its CTC by over 50% by including medical insurance benefits—not the insurance premium—but the entire ₹5 lakh worth of insurance payout in its CTC. A scam, in my opinion.

One way to safeguard yourself from such deceptions is by understanding that CTC contains various costs that a company might spend on you. Might! CTC may further include costs like insurance premiums, training and development costs, and some companies may even include expenses incurred on office furniture, equipment, and electricity. While these are costs for the company, they may not translate into benefits for you. This plays a crucial role during salary negotiations as companies, through deceitful financial engineering, may increase your CTC without enhancing any real benefits you might receive. Therefore, the CTC can be deceptive and is not the right metric for you to use when comparing alternative offers or during negotiations with the human resources (HR) department of companies.

To find the right metric, look at all the components in your CTC. Understanding these components would also set your expectations right. CTC is the sum total of direct fixed benefits, indirect benefits, retirement benefits and conditional benefits.

Direct fixed benefits are the components that appear on your monthly salary slips. These include basic salary and allowances like special allowances, house rent allowances, etc.

Indirect benefits, as said earlier, are costs for companies—like insurance premiums, equipment costs, and other costs that may not translate into monetary benefits for you. This is the component most often used by companies to inflate CTCs.

Retirement benefits include provident fund contributions (PF) and gratuity. While PF is paid for all months, gratuity is paid in the full and final settlement after an employee completes approximately five years with a firm.

Conditional benefits include components like joining, retention, and performance bonuses. Joining and retention bonuses are one-time and conditional on one's tenure with the firm. Some firms give the joining bonus upfront but with a clawback clause—meaning the firm can retrieve the amount if the employee quits before a specified period. Performance bonus is also a variable component that you may or may not receive. Some firms also offer stock options, which are tricky to evaluate as their monetizable value depends on many factors and may fluctuate with market conditions. Only direct fixed benefits are assured and are often a better metric to discuss with your recruiter during negotiations. Presently, there are no laws regulating how companies structure salaries between these components, and the firms exploit this gap.

Another thing you can do to protect yourself from exaggerated CTCs is considering a longer time frame. Firms usually inflate the first year's CTC by including components like a signing bonus, which is a one-time benefit. In such a case, calculate your total CTC for at least a three-year period, and use that figure to compare alternative offers. This averages the initial CTC spike, and you get a more realistic estimate of the money you would make over a three-to-five-year period. To sum up, here is a quote by Dr. Chester Karrass: "In business as in life, you don't get what you deserve; you get what you negotiate." In addition, negotiating on the right metric would help you further sweeten your deal or, at least, keep you away from any unpleasant surprises.

Prashant Navin Gupta is a management consultant and author of the book: *The MBA Mindset: I3B-school Secrets to kick-start your career*.

Bets on risky CLOs are paying off with 20% gains

Bloomberg
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Returns on the riskiest portion of collateralized loan obligations (CLOs) are booming, reaching about 20% annualized on both sides of the Atlantic as loan performance improves, debt spreads tighten and payouts grow.

In some cases, a structural

quirk that allowed managers to put fresh debt on old deals has also aided returns to the equity slice, the first piece of the structure that takes losses. Money managers that put together CLOs—bonds backed by a group of leveraged loans—are taking advantage of falling fundings costs and issuing more lower-rated bonds, instead of hanging onto them.

Many are now selling what's known as a "deferred class F tranche," tacking it on to an older CLO. The money they get from the sales can reward equity holders with fresh distributions.

"Managers are able to flush the sale proceeds straight out to equity, which can lead to bumper returns," said James Baillie, a structured credit part-

ner at Paul Hastings in London.

The deferred tranches are another example of how issuers are taking advantage of a strong rally in risky debt as fears of a recession recede and pricing recovers after a prolonged rocky period.

Since the start of the year, more than a dozen such deals have been issued in Europe from CLO managers including

Invesco and Capital Four.

Equity returns have also been helped by a number of CLOs exiting their non-call period, meaning they can be refinanced, restarted or liquidated. The new pricing and extended investment timelines can also free up more cash that can be sent to the equity portion, Baillie added.

"In both approaches you're

moving from a less levered to a more levered position and that's giving you in some instances an equity dividend," he said.

CLO equity returns have been choppy in recent years due to fluctuating arbitrage—or the difference between the yields a manager gets from the loans it buys and the funding costs on the bonds it issues.

What a car loan costs you

It is tempting to buy a new car, be it an upgrade, a first car or another car for the family. Whatever be the reason, a car loan makes the purchase easier. Car loans are usually of three to five years but some lenders may offer loans for up to seven years too. A loan for longer may mean smaller equated monthly instalments (EMIs), which makes the car seem more affordable, but overall, you pay more as interest. Don't forget that a car is a depreciating asset, so taking a bigger loan may not be the best thing to do. But if you take a car loan for a short duration, the EMIs will be heavy and non-payment will mean a blot on your credit report. Conditions apply to the loan amount also. For instance, some lenders give a loan for the full ex-showroom price of the car, while others may offer a loan up to 80%. Apart from the interest rate on a car loan, also take a look at the applicable processing fee and other charges.

Loan amount = ₹1 lakh. Tenure = 5 years

Lender	Interest rate (%)	EMI (₹)	Processing fee
DCB Bank	8.50-11.37	2,052-2,193	2% (Min ₹5,000)
Bank of Maharashtra	8.70-13.00	2,061-2,275	0.25% (Min ₹1,000 and Max ₹15,000)
Canara Bank	8.70-11.95	2,061-2,222	0.25% (Min ₹1,000 + GST and Max ₹5,000 + GST)*
Central Bank of India	8.70-10.15	2,061-2,132	0.50% + GST (Min ₹2,000 and Max ₹20,000)
UCO Bank	8.70-10.55	2,061-2,152	1% max ₹1500
Union Bank of India	8.70-10.45	2,061-2,147	₹1,000 + GST
Indian Bank	8.75-10.00	2,064-2,125	Nil
Punjab National Bank	8.75-9.60	2,064-2,105	0.25% (Min ₹1,000 and Max ₹1,500)
State Bank of India	8.75-9.80	2,064-2,115	₹750 to ₹1,500 + GST; 50% concession for SBI GREEN CAR (EV)
CSB Bank	8.75-11.00	2,064-2,174	Not available on website
IDBI Bank	8.80-9.60	2,066-2,100	Up to ₹2,500
Bank of India	8.85-10.85	2,069-2,167	0.25% (Min ₹1,000 and Max ₹5,000)
Indian Overseas Bank	8.85-10.35	2,069-2,142	As applicable
Punjab & Sind Bank	8.85-10.25	2,069-2,137	0.25% (Min ₹1,000 and Max ₹15,000); Up to 50% concession available
ICICI Bank	8.85-12.75	2,069-2,263	Up to 2% + applicable GST

Banks that have not updated information on their websites are not included here. Data was taken from bank websites on 22 May 2024. The EMI range is indicative and calculated on the basis of interest rate range. In an actual situation, it may include other fees and charges. Actual applicable interest rate may vary based on the credit profile, loan amount, tenure and as per bank's discretion. *Bank is celebrating Retail Loan Festival and waiver of 50% processing charges from 1 May 2024 to 31 May 2024.

PRANAY BHARDWAJ/MINT

Source: MyMoneyMantra.com

Who can claim rights to a co-owned flat?

Neha Pathak

My father died due to covid two years ago and he didn't leave behind any will. My mother, who is in her seventies, has clearly mentioned that she doesn't want to write a will either. A few years back, I bought a flat in Mumbai with my mother as a co-applicant. I have paid regular home loan EMIs (equated monthly instalments), and my mother did not contribute to the down payment either. I understand that in case anything untoward happens to my mother, my US-based sister and I will have equal rights to our parents' properties. Does this apply to the flat which I co-own with my mom. Will my sister have any rights to this particular property?
—Name withheld on request

As per your query we assume that you are a Hindu. With reference to your father, we assume that there is no right or interest of any other person in the property and that the same were held only by him and that his properties are self-earned and self-created. Further, we understand



ASK MINT
ESTATE PLANNING

your father had not created a Will. Thus, as per Hindu Succession Act (HSA), for the assets that were owned by your father, a succession or legal heir certificate has to be acquired from the competent civil court. Succession certificate is a document that gives legal heirs the right to inherit the assets of the person who died intestate. As per the HSA, Class I legal heirs for your father's assets will be his mother, spouse, children, widow of predeceased son, etc.

Likewise, in case your mother passes away without a will, her assets would be distributed according to the laws

culty is to request your mother to make a will for her assets including the assets purchased by you to overcome any ambiguity and the need for an NOC from your sister. Alternatively, to be on the safer side, your mother can gift her share of the property to you vide a registered gift deed. This provides clear ownership and avoids future inheritance issues.

Having said the above, the situation with the co-owned property can be complex and may depend on various factors such as the specific laws governing property inheritance and ownership in your region.

It is highly advisable to consult with a legal expert who specializes in property and inheritance laws. They can provide guidance specific to your situation and help you understand your rights and potential steps to protect your interests.

Neha Pathak is head of trust & estate planning, Motilal Oswal Private Wealth.

Do you have a personal finance query? Send in your queries at mintmoney@livemint.com and get them answered by industry experts.



OUR VIEW



Pune crash: Let's tackle drunk underage driving

Tragic road accidents like the one involving a Porsche driven by a 17-year-old must serve as a wake-up call for all. It's time to start an Indian chapter of Mothers Against Drunk Driving

The tragic accident in Pune on 19 May involving a 17-year-old driver, allegedly under the influence of alcohol, that led to the death of two young techies and the anguished debate that followed has strong parallels with the Michigan, US, school shooting in November 2021. In that case, a 15-year-old turned the gun on his school-mates, killing four of them. The jury trial saw the court convicting both the offender, a minor who was tried as an adult, and his parents on the grounds that they had failed to prevent their son from committing a heinous crime. Where does parental responsibility begin and end, this newspaper had asked, in the context of juvenile crime? There are no easy answers. But as more instances come to light of underage or drunk drivers taking to the road and causing death and injury, we, as a society, need to take a stand on some contentious issues. One, should juveniles (aged under 18 years) who commit heinous crimes like rape or causing death be tried as adults? Two, should parents be held responsible in such cases? Three, how can we prevent such incidents?

Take these one by one. Driving drunk before the age of eligibility for both these adult-only activities has grown alarmingly common. Although the Juvenile Justice (Care and Protection of Children) Act, 2015, and a related amendment lets juveniles aged 16-18 be tried as adults for heinous crimes after a preliminary hearing by a juvenile justice board, this is more the exception than the rule. This must change. As for parental responsibility, it could be argued that the parents of the 17-year-old in the Pune case are culpable since they apparently allowed their underage son to drive their

car, a Porsche, knowing full well that he did not have a driving licence as he wasn't yet eligible for one. Sure, we live in an age where parents have less and less influence over their progeny, especially once they reach their teens. But that does not absolve them of responsibility. Vehicles, like guns, can be lethal. And alcohol impairs abilities. Indeed, it is not just parents, but society at large that needs to do some soul-searching. As Reupert A. *et al.* write in their paper, 'It Takes a Village to Raise a Child' in *Front Public Health*, March 2022, "Even though parents may be a child's primary caregivers, a family does not exist in a vacuum." Social connectedness or the bonds that people develop, including a sense of belonging and feeling of being cared for, are no less important. Unfortunately, the covid pandemic hurt this 'social inter-connectedness.' For almost two years, humans lived almost in isolation, interacting only with close family members. That sense of isolation, loss of empathy with fellow humans may have scarred many, especially those who spent their formative and turbulent teen years under lockdown conditions.

How much of a role did all this play in the horrific accident in Pune? It is hard to say. What is true is that despite the fact that India leads the world in road fatalities, civil society is yet to respond with proactive steps like Mothers Against Drunk Driving (MADD), a non-profit organization that began in the US and now has chapters in Canada and Brazil. By working with law-enforcement agencies, MADD has reportedly helped reduce drunk-driving deaths by more than 50%, as estimated, saving more than 400,000 lives. At the very least, the Pune accident should serve as a wake-up call to start a MADD chapter in India.

THEIR VIEW

Questions on the economy that BJP and Congress must answer

The two political parties are yet to say what model they prefer for developing the Indian economy



PUJA MEHRA

is consulting editor, Mint, and the author of 'The Lost Decade (2008-18): How India's Growth Story Devolved into Growth Without a Story'

The Lok Sabha election is drawing to a close, leaving us no better informed on India's economic future. The campaigns of both the Congress-led INDIA and BJP have produced more questions than answers.

India's economic model is broken. The economy needs a structural transformation for moving labour out of unpaid distress work and disguised unemployment on farms to better-paying productive jobs in factories. Without this, we risk our enormous demographic dividend going waste. Besides, we should not have farmers toiling in the sun as the planet heats up.

How do INDIA and BJP propose to kick-start that transformation? This is unclear from their manifestos, speeches and interviews. The campaign has generated noise on redistribution of wealth. In any country, it is legit to question how the competing claims of various interest groups on the distribution of gains from economic growth would be settled. It would help if INDIA's Rahul Gandhi and the BJP's Prime Minister Narendra Modi tell us what according to them is the best way to sort out distributional conflicts and handle inevitable trade-offs.

Gandhi ought to explain INDIA's policy position on the Congress manifesto promise of legal minimum support prices (MSPs) for farm produce. A similar proposal for law-backed MSPs, agriculture economist Ashok Gulati said, was

rejected by Manmohan Singh of the Congress when he was PM. Gulati was chairman the official body that recommends MSP hikes during Singh's tenure. Has the party disregarded Singh's position on this subject or has he had a change of heart? Either way, the Congress must explain how price discovery can take place in farm markets if a legal MSP is made binding on all buyers. The fallout inescapably would be excess supply of MSP products and shortages of others. How will supply respond to demand in the absence of price signals?

The PM, in turn, should explain his government's modest record on macro-economic policies and the urgent changes they need. Three of the four engines of GDP growth—private consumption, private investments and exports—are out of steam. Increased welfare spending and 'labharthi' economics haven't quite fired consumption spending. Wages are not growing. Labour's bargaining power is not improving.

The government cut corporate tax rates and is making its capex sweat. But private investment remains sluggish. Economists at a conference on India's economic growth at the Indian Statistical Institute last month debated if the fiscal multiplier is working at all. Has the relationship between public and private investment snapped?

The fiscal stimulus administered by the Congress-led UPA government to help the economy recoup from the shock of a global crisis had sent the deficit rising. It was almost 6.5% of GDP in 2009-10 at its peak, after which the UPA reduced it by cutting spending and sacrificing GDP growth in the process. It bequeathed a fiscal deficit of almost 4.5% of GDP to the BJP government in 2014.

The Modi government increased tax rates on fuels, which helped reduce the deficit to about 3.4% by 2018-19. However, the deficit started going up again, rising as high as 9.17% of GDP in covid year 2020-21 as lockdowns reduced tax collections. In April 2024, on the eve of

elections, it was 5.8%, according to the February budget's estimate. Even before the pandemic wrecked government finances, the government had already invoked the 'escape clause' of the Fiscal Responsibility and Budget Management (FRBM) Act to take leeway in the fiscal deficit for 2019-20. No other government has ever invoked this clause.

Given the implications for inter-generational equity, inflation and GDP growth, what does the PM think can be done to resolve India's chronic fiscal stress problem?

The Congress promise of ₹1 lakh per year cash transfers to a woman in every poor household may be one way of nudging the economic growth engine of private consumption. But Gandhi should explain what data-base would be used to identify beneficiaries and avoid leaks, and if he has a plan to mitigate the increased risk of populism; ₹1 lakh a year may be hiked ahead of every election season. It would also help to know if fiscal stress worries his party.

As for the BJP, the 10-year record of its government rests largely on implementing ideas that originated in previous governments or states. Its flagship PM Kisan was taken from Telangana's Rythu Bandhu and Odisha's Kalyani. Its welfare narrative depends to a large extent on a rural employment guarantee and free foodgrain scheme that were inherited from the Congress government led by Manmohan Singh. The GST rollout and inflation-targeting framework for the central bank also originated in the Congress-led administration. Both were work-in-progress in 2014. So too, the digital economy, including direct benefit transfers, which has been scaled from its modest debut on technology platforms built under the previous regime. The BJP's signature ideas, demonetization and electoral bonds, turned out to be disasters. Electoral bonds were struck down by the Supreme Court for being unconstitutional. Is the BJP thinking of investing in its capacity for policy design?

10 YEARS AGO



JUST A THOUGHT

Living in the lap of luxury isn't bad, except that you never know when luxury is going to stand up.

ORSON WELLES

MY VIEW | MODERN TIMES

What explains new harmful behaviours of India's rich

MANU JOSEPH



is a journalist, novelist, and the creator of the Netflix series, 'Decoupled'

Once, I was in a bus with a former nun. She had recently quit a convent. Now nobody could stop her from having fun, even in a bus. She started clapping and singing, and tried to get everyone else on the bus to join her. She also yelled at passersby on the road, all in the pursuit of fun, her idea of fun. This is probably what she thought people who had fun did. When she did not feel the fun, she tried harder, and finally looked confused at why fun was not coming to her. It's the same baffled look I see in boys anywhere in India who go out on New Year's Eve to have fun in the Republic of No-Fun. To tell themselves they are enjoying life, they have to get totally drunk, sway, fall, vomit and laugh aloud. It is the same emotion I see in extraordinarily rich young men in India when they are in luxury vehicles their dads got them. They look like miners of fun. Eventually, all they can do is get drunk and drive at 200km an hour. Now and then, they send pedestrians flying, as it happened a few days ago in Pune, when a drunk 17-year-old rammed his

father's Porsche into a motorcycle, killing a young man and a woman.

Since then, India has been very confused about what to do with the juvenile, first releasing him on bail within 15 hours of the incident, and then, because of public anger, taking him back into remand. The teenager's father, a builder named Vishal Agarwal who it appears had wilfully given him the car, reportedly tried to flee, but was eventually arrested. Stripped of legal jargon, the man was arrested for being a lousy parent and thus a danger to society. India's wealthy homes today are filled with this type.

Once, India's rich had to hide because it was very unsafe to be rich in a poor country. It was a time when the rich were called 'industrialists.' That generation of India's rich had also sponsored idealism out of self-interest to defeat the era's cultural elite, the British. They either ended up believing these ideals or had to somehow sustain the noble myth. They knew what being vulgar was, and did not wish to do that. It was hard to hide their wealth, but their displays often had a public context, as with the aplomb of royals. Even today, it is rare to see outrageous behaviour from the children of billionaires. It could be that billionaires are rare, so all incidents involving them appear

rare, or it could be that when they do mow down people, that news gets slain. Granting all this, I still get the feeling that the children of India's industrialists are briefed well at home to behave well and not kill people with expensive cars. But the ordinary rich are a different lot. I can't imagine those families telling their sons to be aware at all times of their dumb luck and be kind to those who are not as lucky.

You sit with some of India's wealthy, and all you hear is what money has bought and will buy next. What they have taken from the world, what they will take next. A new generation has been raised listening to this talk and might believe that this is the way to be, this is how the rich should enjoy their luck.

It is my guess that the best thing wealth can buy is an intellectual pursuit. The origin of intellect is in wealth, and it still serves the rich the best. Without an intellectual pursuit, wealth searches desperately to entertain itself with material things, to somehow buy fun that is unattainable for others.

In response to this demand, capitalism has invented many fake products for the super-rich. But the fun just does not come, and like that nun on the bus, they have to buy more desperate things. They have to buy more and more, consume more and more, and veer towards the dangerous side. Like pushing a Porsche's pedal to 200kmph on an Indian road.

Garish gluttons of material goods are often mistaken as India's new rich. This is wrong classification

Garish gluttons of material goods are often mistaken in India as the new rich. This is wrong classification of a group of people that may actually exist in the West.

I do not think there are many newly enriched people in India because that would mean this is a country conducive to rags-to-riches or even middle-

class-to-riches. We are not such an equal society.

There could be some exceptions, but we are in essence a rich-to-more-riches nation. Most of the rich we see around us, the winners of capitalism, are beneficiaries of a head-start from previous generations, like

Vishal Agarwal, the father of the teen in the Porsche. So what we have is not the new rich, but new behaviour of the rich.

After the Porsche slammed into the bike, the people on the streets thrashed the teenage driver. We can assume this was not an act of rage on behalf of the victims, but rage at the Porsche.

There is a sociological mystery in the world, especially in India. Why don't the poor kill us? Why do they tolerate blatant and vulgar inequality? They know the price brackets of cars and how much we order as a single meal on Zomato. There are some obvious and banal reasons why they have not risen in violent ways. Like, for instance, the poor don't want to be violent. Also, they do not want to go to jail. But there are some underrated reasons for this peace. One is that all things considered, the poor are probably meaner to the poor than the rich are. The rich not only generate jobs and make sweet but useless art films about the plight of the poor, the affluent sophisticated Indian is the face of goodness in India, the very representation of good intent, social service and activism against the rich.

This perception lies in precarious balance with that other face of the rich—the ominously lightly damaged Porsche on a road.



THEIR VIEW

MINT CURATOR

Reforming court vacations can speed up the delivery of justice

Judges deserve leave but their breaks should be staggered so that Indian courts never shut and our backlog of cases is eased



VIJAY L. KELKAR & PRADEEP S. MEHTA are, respectively, vice-president of Pune International Centre and secretary general of CUTS International.

The Chief Justice of India (CJI), during the diamond jubilee celebration of the Supreme Court of India, recently remarked that an "adjournment culture" should give way to a "culture of professionalism" in court. "Let us begin the conversation on long vacations and whether alternatives such as flexi-time for lawyers and judges is possible," said Y.V. Chandrachud in the presence of the Prime Minister of India. Even the PM has voiced similar concerns earlier. It is now time to take this up seriously, particularly at the judiciary's lower levels, so that the huge backlog of cases is reduced and people get justice.

In the 133rd Report of the Parliamentary Standing Committee on Law and Justice on court vacations, it was recommended that instead of all judges going on vacations at one time, individual judges should take leave at different times, so that the country's courts are constantly open, like any other public or private establishment.

The report states that the demand for doing away with vacations in courts is primarily based on the huge pendency of cases—evident from the latest data release that has documented a backlog of more than 41 million cases in Indian courts—as well as the inconvenience caused to litigants during such court closures. Further, the Law Commission's 230th Report in 2009 had suggested that the number of working days of Indian judges should be increased, considering the huge backlog of cases.

If we trace the history of the vacation system, it turns out that it dates back to the era of British rule, under which the current system of courts in India was established back in 1860. These courts continue to function till this day. All the judges back in those days were British subjects with familial connections with their homeland in Europe. They would journey to and from India by sea, spending one month or so on the voyage to Britain, another month residing there, and then another on their return journey to the subcontinent. Consequently, they observed a three-month summer vacation, a practice that existed until transportation by air became widely available after World War II.

In this context, it's essential that we analyse the court vacation system in other countries that were once under colonial rule, especially in Africa. The legal vacations in most West African countries start from 1 August to the end of September, with shorter breaks over Christmas and Easter of around 10 days each. Currently, Ghana is testing a system of running trial courts in two shifts, so that infrastructure does not become a handicap and the backlog is brought down.

On a lighter note, many judicial systems in Africa still follow colonial practices like wearing wigs. In India, we dropped these quaint hair-pieces soon



after we attained independence on 15 August 1947.

In the United Kingdom, Court of Appeal judges and High Court judges, who still have to don wigs, are typically required to dedicate themselves to judicial duties for approximately 185-190 days annually during the legal year. Circuit and District judges are expected to preside over cases for a minimum of 210 days, with an optimal target ranging between 215 and 220 days per year. A few good practices that India can adopt from Western countries include staggered vacation periods for judges, as in any other occupations and work cultures, rather than a single month-long summer break.

Currently, the Indian Supreme Court works for 193 days on its judicial functions, while high courts in India function for around 210 days and trial courts for 245 days. In accordance with the Supreme Court Rules, 2013, the CJI has the authority to designate division benches to handle urgent miscellaneous and regular matters during summer vacations—which it does, providing relief in a few rare cases that cannot wait.

However, this provision does not detract from the fact that court vacations are not in consonance with the demands of a humane society dedicated to justice. Imagine police stations or hospitals, which work round the clock, being closed for certain hours—let alone for months—in spite of it being obvious that people may need immediate relief from them no matter what time and day it is.

Disputes are not raised by people unless they are

inevitable. Many times, disputes get settled out of court. Recently, the CJI criticized judges for not delivering judgements for over 10 months after the arguments were heard. Is there any time limit for the announcement of judgements? Is it time we considered setting one.

This is not to deny that vacations are needed for rejuvenation. It is plain that every judge or lawyer is entitled to annual leave, like in any other occupation. It is just that the establishment should not close, and certainly not for an extended period of time. The argument that judges and lawyers are in the most stressful professions is also misguided. There are many other professions that involve higher levels of stress. According to a survey by Goodall, surgeons are the most stressed, at No. 1 in its ranking table, while lawyers are at No. 14.

That said, although the tradition of vacations may hold historical importance, the country's present judicial scenario necessitates a reconsideration of such practices to ensure effective operations, reduce case backlogs (so that the queue does not grow longer) and cut disruptions for litigants by making sure that Indian courts never stop functioning.

A work-life balance is needed for individual judges, which can well be achieved without courts taking breaks. Reforming such practices of the judiciary will raise the quality of judgements and work towards speedier justice for litigants.

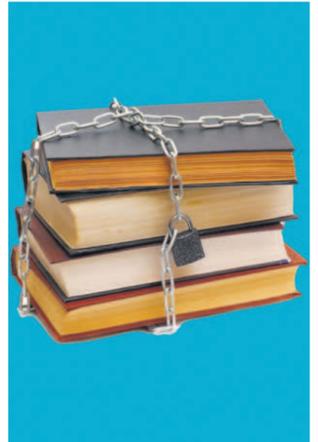
Arima Pankaj of CUTS contributed to the article.

How to stop books from being banned? Counter it with a ban

Outlawing book bans is a way to help the market for ideas thrive



PATRICIA LOPEZ is a Bloomberg Opinion columnist covering politics and policy.



Censorship of books goes against the promise of democracy

While far-right groups—in mostly Republican-led states—wage a crusade to ban thousands of books in schools and public libraries across the country, Minnesota is pushing back. This state, governed by a former high-school teacher, has banned book bans. The rise in attempts to censor Americans' reading material is alarming. In 2023, book challenges surged to the highest level ever documented, according to the American Library Association, with efforts to censure more than 4,200 titles.

The tactics are alarming too. Where previous attempts typically involved a parent or small group of parents challenging a single book title, now groups with clear political agendas are filing coordinated challenges against scores of books, all under the guise of parental rights.

The books targeted typically deal with issues of race, sexuality or gender expression. School and library board members have been shouted down at meetings, librarians have been harassed and threatened with violence, and groups have used the possibility of lawsuits and criminal charges as intimidation tactics.

Last year, while Florida was yanking books off its shelves—300 titles were removed in nearly a third of the state's school districts—Minnesota Democratic Governor Tim Walz moved to highlight the absurdity of the Sunshine State's ban. He installed his own 'Little Free Library' at the Minnesota Capitol building, like the small pop-up libraries that dot the front of many homes nationwide. The difference: This one featured banned books.

It was a small gesture that sparked a larger idea: to stand against censorship with the full force of state law.

"I knew we had to do more," Walz said just before signing the ban into law Friday. "I see book bans as dangerous. Throughout history, the people who want to ban books have never been on the right side." As a teacher, he said, "The freedom to read is super personal to me. We know how powerful it is for kids."

The law states in simple, unambiguous language, "a public library must not ban, remove or otherwise restrict access to a book or other material based solely on its viewpoint or the messages, ideas or opinions it conveys." It puts decisions on book selection firmly in the hands of experts: librarians—who have made books their life's work.

That's not such a novel idea. Librarians have been entrusted with such decisions since libraries began. It was only after

extremist groups such as Moms for Liberty decided they could exploit this issue for political gain a few years ago that book challenges surged.

The Minnesota anti-book-ban bill does not overlook parents' rights. Every library must have policies that allow parents or guardians to exercise their own judgment regarding their children.

Parents should be able to determine what their children are exposed to and raise them in accordance with their values. But when they seek instead to control access to books for all children, they cross a fundamental line, violating the rights of those students and their parents and the intellectual freedom that must be cultivated and exercised at a young age.

Their desire to impose their moral code, or religious beliefs on others does not—or at least should not—override an individual's freedom. Does it matter that we're talking about students here? Not according to Supreme Court Justice William Brennan, who in 1982 issued an opinion for a divided court in *Board of Education vs Pico* that stated, "Local school boards may not remove books from school library shelves simply because they dislike the ideas contained in those books."

Democratic Minnesota State Senator Steve Cwodziński, who taught American government to high schoolers for more than 30 years, believes passionately in the power of books to open students' minds to new ways of thinking. "I believe in the marketplace of ideas," said Cwodziński, who sponsored the bill and struggled for its passage against Republican opponents who said it was unnecessary. Democrats hold a one-seat majority in the chamber. "I would tell parents, try to trust the professionals," Cwodziński said. "I've seen the spark go off in students when they find a book that speaks to them. And having a librarian guide them is a lot better than them just finding out on the internet alone."

Book bans are the most widespread form of censorship in the US and are antithetical to a democracy that depends on a thoughtful, informed citizenry. Controlling access to books and limiting materials considered controversial only by some are the first steps toward controlling thought. We should reject it soundly. ©BLOOMBERG

THEIR VIEW

RBI has been managing liquidity in challenging times

MADAN SABNAVIS



is chief economist at Bank of Baroda and author of 'Corporate Quirks: The Darker Side of the Sun'.

The country's money market is very sophisticated today, with the Reserve Bank of India's (RBI) liquidity framework now targeting the call money rate. The call-money market is the ultimate refuge for banks to manage their surpluses and deficits after exhausting all other options. With its liquidity adjustment facility (LAF), RBI targets the weighted average call money rate to keep it in a range of 6.25% to 6.75%.

Gauging liquidity in the banking system has become complex because of several factors at play. Normally, one looks at the net liquidity position of banks, as provided by RBI on a daily basis. This can be in deficit or surplus, and if any trend persists for a certain period of time, it is possible to characterize the system accordingly. The net position is a result of both the flows and stocks of money provided and absorbed by RBI. The liquidity framework being pursued deploys VRR (variable rate repo) and VRRR (variable rate reverse repo) auctions to balance liquidity. In the first case, RBI provides liquidity to

the system, while in the latter, it absorbs the same. Both of these operate on a relatively longer-term basis, which is more than a day and can start from three days and go up to 14 days, if not more.

The RBI framework's rate corridor ranges from 6.25% to 6.75%. Typically, the VRR rate is in a range of 6.51-6.74%, which is the upper corridor, with the central bank's MSF (marginal standing facility) rate fixed at 6.75%. The VRRR rate ranges from 6.26% to 6.50%, as the corridor's floor is set by RBI's SDF (standing deposit facility) rate of 6.25%.

There have been anomalies here. We have seen net deficit levels of ₹1-1.5 trillion on a daily basis, as has been the case since April. Yet, the bank surpluses that have flowed into the SDF have been buoyant and could lie in a range of ₹60,000-80,000 crore. This shows that the system is not one-sided. Some banks have surpluses and invest in RBI's overnight SDF for a return of 6.25%, while those with cash shortfalls borrow at 6.51-6.75% through the VRR and MSF windows. A closer picture is difficult to get.

When individual banks raise their deposit rates for certain maturities, observers often wonder if others will follow. A clue is that banks manage their balance sheets to match the maturities of their assets and liabilities to

the extent possible. Hence, if there is a mismatch, there's a tendency to increase rates on deposits of certain tenures to match those of assets (loans given out, i.e). Such micro moves may be purely for internal reasons.

Three elements are at work all the time. The first is what's predictable, like tax payments to be paid on a quarterly basis. Similarly, when salaries are paid at the end of the month, liquidity improves as deposits increase. Then second factor is less predictable, which is the level of government cash balances that reside with RBI (and are not in the system). When the government spends, funds re-enter the system, as recipients get money that is deposited. This increases liquidity. The third is probably the least predictable, which is deposit and credit growth. If households prefer mutual funds, then deposits come down. If companies borrow more, credit growth picks up and affects the liquidity situation. These trends evolve over time and must be watched on a fortnightly basis.

Government cash balances deserve comment. As the government works towards ensuring that its fiscal deficit is contained, a tendency arises to hoard revenue earned. These balances tend to come down towards the end of every quarter as spending picks up, with the highest expenditure usually recorded in March. This holds for both the Centre and states, and these cycles influence the system's overall liquidity situation.

Its LAF corridor has been well managed under trying liquidity conditions in the Indian money market

Improved adherence by the government to the country's Fiscal Responsibility and Budget Management (FRBM) guidelines would make the impact of this component easier to forecast and plan for.

Under these circumstances, RBI has maintained the liquidity situation in the market quite adroitly through its framework. Of late, however, a new twist has been added with the announcement of buybacks of government securities. This happens at a time when government cash balances are somewhat high and liquidity is under some stress. In the past, the option exercised was

for the central bank to go in for open market operations (OMO) where securities were purchased by RBI from banks so that liquidity improved. Unlike repo operations, which are temporary in nature, OMO is a permanent measure of infusing or withdrawing funds. The buyback formula being adopted today can be interpreted as the government withdrawing its debt by using cash balances. This way, RBI holdings of government paper do not increase. An alternative could have been to just hold back on weekly auctions. But the messaging would be different that way. A bond buyback conveys immediacy and sends a strong signal to the market.

On the whole, RBI has brought a lot of dynamism to the money market with an array of tools being used to manage liquidity and bond yields in a non-disruptive manner. The buybacks have not been fully subscribed, though, given the pricing; banks may be waiting to sell their assets at higher prices to book profits. But if bond prices rise, as they did on news of RBI's bumper surplus, it would mean yields fall, which would send a signal to the market that they might be softening. This would go against RBI's message to banks that the transmission of its repo rate hikes is not yet complete.

These are the author's personal views.



Why in-house fitness plans are not in demand

Several companies now offer health and wellness options to their workers, but it's one-day events and short programmes that are more popular

Shrenik Avlani

Yoga? Regular classes are conducted in the office through the week. Running? There's a club that meets thrice a week. Meditation? The whole family can join weekly guided meditation sessions. Strength training? There's a gym in the office or you can join a gym and submit the bill to HR.

No matter what an employee needs for their health and wellness, chances are modern-day India Inc offers it to, or arranges it for them. Cricket? There's an in-house league. Hiking? At least one big hike is planned every quarter. Healthy food? There are two canteens and a cafe on site to choose from. Doctor? Check. Insurance? Definitely. Health screening? Yes.

Yet, most of the health and wellness programmes don't find as many takers as organisations would like. Cult Fit's Enterprise Wellness Survey conducted found that almost 64 per cent of the Indian workforce does not exercise regularly, and while 75 per cent of the companies surveyed aim to have an organization-wide health strategy and action plan, only 0.22 per cent employees in these companies actually go to a fitness facility. The survey, carried out last year between April and June, included 150 corporates across Bengaluru, Hyderabad, Mumbai, National Capital Region, Pune and Chennai.

WHAT WORKS, WHAT DOESN'T

Yoga, meditation and mindfulness workshops have all had their peak, and it is sports activities such as cricket, football and running that are the most successful initiatives across corporate India. Rajesh Uppal, member of Maruti Suzuki India Limited's executive board (human resources, IT, safety and digital enterprise), says the activities that can be termed successful at Maruti campuses are sports where collective fun-filled activities are included.

Cult Fit's head of enterprise business, Arjit Shukla says some of the popular activities among their corporate clientele are guided yoga sessions with experts, nutrition and wellness consultations, Zumba, dancing and fitness fests. "Dancing and Zumba gained popularity among corporates because it is fun, engaging and inclusive due to its varying intensity," says Shukla.

At Tata Consultancy Services (TCS), which has a global workforce of more than 600,000 employees and runs a comprehensive in-house fitness programme called 'Fit4Life', the most popular event is its annual Fit4Life Corporate Challenge 10k run held at various locations. The fitness programme was created in 2013 by Tata Group chairman N. Chandrabosekar (he was then CEO), a well-known running enthusiast with multiple full marathons to his name. TCS employees track their activities and progress on a dedicated web portal as well as Android and iOS apps. One of the biggest reasons why running and walking are a hit at TCS is because of its Fit2Lead initiative that affords participants the opportunity to meet the organization's leaders. Earlier, the chance to meet Chandrabosekar



ISTOCKPHOTO

used to be a big incentive. Today, TCS is one of the biggest sponsors of running events globally with the software giant a partner at major events such as TCS New York City Marathon, TCS London Marathon, BMW Berlin Marathon and Tata Mumbai Marathon, among others.

Another mega corporate with more than 20,000 employees that has a long-running health programme is Hindustan Unilever Limited (HUL). The Healthier U programme focuses on employees' physical health, nutrition and mental health. The company uses biometrics and data analytics to track and assess physical well-being and health improvement goals. One of HUL's key mental well-being initiatives is the Mental Health Champion (MHC) programme, where employees are provided a defined structure in which they can extend support to people who are experiencing negative emotions, behaviour or thinking. They have 900 trained "mental health champions" who listen to those dealing with crises and redirect them to the right experts, information and resources. HUL says it has 80 per cent engagement across factories and branches in campaigns and roadshows focusing on physical well-being initiatives, especially nutrition.

Cult Fit's Shukla says 95 per cent of employees sign up within the first six months for the health and wellness initiatives they run for organisations. Cult works with 1,200 organisations across all major cities with focus on Bengaluru, Hyderabad, Mumbai, National Capital Region, Pune and Chennai. "This number can go up or down based on hiring. Usually, by the end of six months of activation of benefits, we are at 95 per cent or higher," he says.

However, that's not the case with large organisations that run their own programmes.

While HUL notices an 80% footfall in campaigns, initiatives and events that are targeted—such as programmes tailored for nutrition, heart health or mental well-being—and run for limited durations, a company spokesperson says that they witness a lower participation in long-term behavioural change programmes that require a commitment of one to three months or more. Long-term change programmes are those aimed at making long-lasting lifestyle changes, such as completing steps targets or making better food choices regularly. Short-term programmes of limited duration are wellness camps or nutrition camps that are held for just a day or two, or a sports league that might run for a couple of weeks. This trend is evident at TCS too where only 30 per cent of the employees were enrolled in Fit4Life and only 35 per cent of them were active in 2023. In comparison, even those who are not enrolled

in the programme show up for the Fit4Life Run.

At Maruti, quite like at several other organisations, one of the least successful programmes is the voluntary annual medical

check-up, where, says Uppal, the participation rate is low. One of the main reasons for the low uptake of this particular initiative is the fact that all data and information from these check-ups tend to be shared with the employees' bosses, says a member of Wipro's leadership team on the condition of anonymity. "I definitely don't want my boss to access my medical reports. They hold more information than merely my health markers. All that is private information and up to the individual whether or not they want to share it with their bosses and employers," the employee says. "Many of the fitness events, like our Spirit of Wipro Run, take place on a Sunday and that is time away from the fam-

ily after having hardly spent time with them through the week."

MISPLACED PRIORITIES

Most organisations create a one-size-fits-all programme where multiple levels of personal fitness and propensity to use a particular category of formats are missed, says Shukla, explaining the low success rates of fitness and health initiatives in India Inc. "Availability of a centre close to the office or home is important to drive regular usage," he adds.

Uppal feels many employees pass on these initiatives due to skewed work-life balance, misplaced priorities and excessive social media usage instead of opting for the outdoors and physical activity. "Stress might also be taking a toll on most individuals, especially due to socio-economic factors such as rising cost of living," reasons Uppal.

Employees who nominate themselves for behavioural change programmes related to health and wellness often fail to sustain them in the long run due to busy schedules and lack of motivation and time. For junior employees, finding time outside their professional and personal commitments can be a challenge, admits a TCS spokesperson. Other common reasons that keep people away from exercise and health offerings are long commutes, personal and professional commitments, stress and depression.

"The problem lies in understanding what health means. It is often misunderstood, especially when we are young. People adopt healthy behaviours when they are sick, like we witnessed during the pandemic. As soon as life returned to normal people were back to old habits wherein they paid less heed to healthy lifestyle choices," notes the HUL spokesperson.

Shrenik Avlani is a writer and editor and the co-author of *The Shivfit Way*, a book on functional fitness.

Write to us at businessoflife@livemint.com



MONDAY MOTIVATION

Zafar Masud Chaudhary on simple designs

Habitat Architects' CEO says he was inspired by Le Corbusier in Chandigarh

Shail Desai

Zafar Masud Chaudhary's inclination towards design was stirred while growing up in Chandigarh. He admired Le Corbusier's architecture that could blend with nature and decided to pursue a Bachelor of Architecture from the Chandigarh College of Architecture to explore it further. "My early years were deeply influenced by Chandigarh's expansive thoroughfares and a pioneering approach to a new world of architecture, a tribute to [Swiss architect and designer] Le Corbusier. His revolutionary style towards design, emphasising functionality, simplicity and geometric forms shaped my aesthetics preferences, driving me to conceive living environments that harmonise with their occupants and the natural world," says Ludhiana-based Chaudhary, 55, CEO, Founder and Principal Architect at Habitat Architects.

It's been a key focus of Chaudhary's practice over the years to blur the boundaries between interior and exterior areas, creating spaces for practical needs that are also pleasing. "A blank space is like a canvas, awaiting the brushstrokes of design ingenuity to transform it," he says.

Chaudhary talks to *Mint Lounge* about the importance of collaboration and why he enjoys mentorship.

Who do you consider your mentor?

When it comes to mentorship, architect Abhimanyu Dalal is undoubtedly a significant influence.

One major insight you worked on with your mentor's guidance?

It is the importance of being attentive to details in every aspect of work.

What does being a mentor mean to you?

Being a mentor involves promoting collaboration and actively engaging with colleagues to develop new ideas and refine concepts. Collaboration forms the core of our design philosophy, and cultivating an environment conducive to active engagement with all stakeholders in the design and construction process is essential.

What's your morning schedule like?

A typical morning involves starting the day with meditation, followed by family tea time and then some exercise.

What are some of the productivity principles you follow?

Productivity is not just about doing more; it's about creating value and enjoying the journey. Key principles include prioritizing tasks, maintaining clarity in goals, establishing a healthy work-life balance and practising mindfulness.

How do you unwind? Do you pursue any serious hobbies?

Engaging in meditation and other meditative practices helps in unwinding. These moments of quiet reflection are essential for rejuvenating and finding balance amidst the demands of daily life. Meditation helps me cultivate mindfulness and inner calm.

Monday Motivation is a series in which business leaders and creative individuals discuss their mentors and their work ethics.

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EXTRACT

The man who raised an army to fight a hostile takeover

The biography of A.M. Naik, chairman emeritus of Larsen & Toubro, covers different facets of his long career

Priya Kumar and Jairam N. Menon

As the long-drawn corporate battle drew to a close, it was time for the generals to shake hands. Kumar Mangalam Birla, chairman and scion of one of the country's largest global conglomerates, the Aditya Birla Group, held his hand out to A.M. Naik, who had led L&T to an unexpected victory.

"Mr Naik, do you realize what you have done? You have made sure that L&T is not easily taken over," Birla said. Naik smiled modestly.

"When the history of L&T is written, your name should be inscribed in letters of gold," continued Birla. How prophetic those words would be!

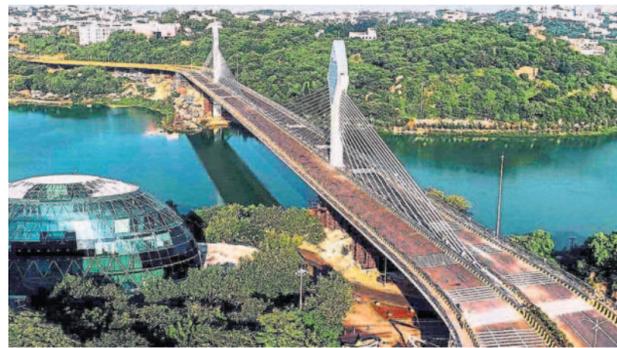
The battle that had just concluded had originated before either of the 'generals' had entered the scene. By the mid-1980s, L&T had become one of the more respected engineering companies in corporate India. It was large, had developed remarkable engineering and construction capability, and employed a sizeable, talented workforce, led by professionals.

But it was vulnerable—a loosely held company with widely dispersed shareholding. This was an Achilles heel that had remained hidden from public gaze until it was brought to light in the aggressive,

acquisitive business climate of the late 1980s. The company became tempting prey for buccaneer business leaders in search of a quick buck, corporate raiders whose modus operandi was to rapidly acquire a controlling stake in target companies and then proceed to put their hands in the till.

One such corporate raider, with a fearsome track record of seizing control of profit-making companies, was Manu Chhabria, who had made his vast fortune in the Gulf states as an agent for foreign manufacturers of consumer electronics. When he first turned his eye towards L&T, alarm bells went off in the boardroom. In corporate circles, hearing his name was akin to an ancient king getting word that the Huns were headed in his kingdom's direction.

A year before in 1988, N.M. Desai, L&T's chairman and managing director at the time, had celebrated its golden jubilee at a function in Mumbai (then Bombay). Few among the executives who had gathered there would have known a minefield lay in their path. Desai soon recognized the threat and tried to fend it off. In his hour of crisis, a white knight appeared in the form of a trailblazing businessman who was rapidly making a name for himself in industrial circles—Dhirubhai Ambani.



Durgam Cheruvu Bridge in Hyderabad, constructed by L&T.

Dhirubhai was in the process of rewriting the rules of the game in Indian industry. He acquired a sizeable stake in L&T, triggering a period of uncertainty. But none of it had much of an impact on the company's performance. L&T continued on its planned growth trajectory. The Ambanis faced resistance from a section of stakeholders, and while they managed to retain their holding in L&T, they had to cede control. But the company found a buyer in another family business group—the Birlas. This large and storied business family

had major plans for expansion in cement, and L&T was a coveted acquisition. They took Ambani's holding and looked for more to clinch their acquisition.

Nothing seemed to be able to stop them except for one stubborn leader. Chieftains of family-run conglomerates tend to look with a mixture of emotions upon executives who have risen up the ranks. The executives are respected for expertise in their chosen domains, but it is felt that an inter-corporate battle is beyond them.

They are usually at a loss, not knowing

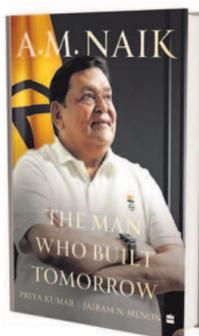
what to do, whom to approach in the corridors of power or how to safeguard their controlling interests. But Naik turned out to be very different from the typical white-collar executive. Right from the start, he made his intentions clear—he was opposed to any attempt at a takeover. But you don't step on to the battlefield without raising an army. And so, Naik and his lieutenants prepared themselves for what was going to be a long and complex phase.

A lot had to be done, much of it in the corridors of the North Block in the country's capital, where the destinies of corporates can be made or unmade.

Naik flew to Delhi to muster support; at that time, North Block was unfamiliar territory to him. In the high-stakes game of influence peddling, L&T had been a novice, unlike family-owned organizations, for whose satraps it was customary to cultivate the powers that be. But Naik was passionate about his cause. There was always some support to be found for a lone individual battling an organization, and Naik tapped into it.

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