

Wednesday, June 19, 2024

mint

Think Ahead. Think Growth.

mint primer

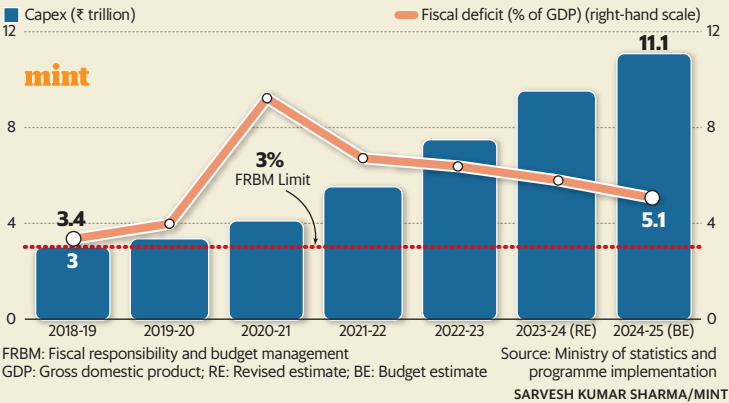
# Is India Inc's call for more public capex justified?

BY N. MADHAVAN

Confederation of Indian Industry (CII) president Sanjiv Puri wants a substantial hike in the already-high government capital expenditure. However, experts suggest it's time India Inc did some heavy lifting and invested to support economic growth. *Mint* explains the issue:

### Costly capex

High government capex coincided with a period of high fiscal deficit



**1 What is industry's demand?**  
Speaking to the media last week, CII president Sanjiv Puri sought a 25% increase in government capital expenditure from the ₹11.11 trillion allocated in the 2024-25 interim budget. This, he said, was needed to make the rural sector, which is yet to recover fully from the pandemic as evident from the poor and uneven demand, more resilient. The additional funds, he said, can be deployed for housing, agriculture, warehousing and irrigation. The increase CII has sought will cost the government ₹2.78 trillion more, taking capex as a share of gross domestic product (GDP) from the existing record 3.4% to 4.25%.

**2 Why is the demand surprising?**  
Three of the four engines of economic growth—government spending, private consumption and exports—have contributed significantly recently. The fourth, private investment, has remained sluggish for years despite the government's attempt to pump-prime it by way of high government capex. Between FY19 and FY25, government capex has risen from ₹3 trillion (1.6% of GDP) to ₹11.11 trillion (3.4%). The government, in September 2019, reduced the corporate tax rate sharply hoping to catalyze private investment. Despite these efforts, the private sector's reticence to invest heavily continues.

**3 How is this impacting fiscal consolidation?**  
High capex spending moved with fiscal deficit. In FY19, capex stood at ₹3 trillion and the fiscal deficit at 3.4% of GDP. Post-covid, the Centre increased capex and the fiscal deficit stayed much higher than the 3% limit set by the Fiscal Responsibility and Budget Management Act (*see chart*). Further reduction in the fiscal deficit is not possible if this capex spending continues.

**4 Should the private sector do more?**  
One of the main reasons for private investment not taking off was surplus capacity. Thanks to revival in demand, both domestic (especially urban) and exports, average capacity utilization has crossed 75%. In select sectors it has exceeded 85%, levels at which capacity expansions are typically greenlit. Corporate balance sheets are much healthier now as debt piled up for expansion has been repaid. Banks too have cleaned their books and are primed to lend. Experts say the time is right to start investing again.

**5 Will the government heed India Inc's call?**  
Unlikely. Allocating funds for capex is one thing—the ability to utilize it is another. In FY24, ₹10 trillion was allocated but only ₹9.49 trillion was spent. In the interim budget ₹11.11 has been allocated, an 11% increase. It remains to be seen if it will be fully utilized. Also, the government is keen on fiscal consolidation and wants a fiscal deficit of 4.5% by FY26. The central government may maintain its capex at the current level of 3.4% of GDP but will incentivize states and public sector enterprises to spend more.

## QUICK EDIT

# Direct tax bounce

Direct tax collections in the first two and a half months-odd of 2024-25 offer an upbeat picture. Net of refunds, the Centre's direct tax collections from 1 April to 17 June climbed a hearty 21% over the comparable period a year earlier to ₹4.63 trillion. Of this, ₹1.81 trillion came by way of corporation tax and ₹2.81 trillion through personal income tax, including revenue from securities transaction tax. The rise in tax inflows overall is encouraging. Sure, some of it might have the first instalment of advance taxes that was due by 15 June to thank. Still, these are healthy figures and suggest that companies and individuals in India are faring well in terms of earnings. However, the bulk of direct taxes are still paid by a small proportion of our population, resulting in a heavy burden that could do with easing. News reports have indicated that finance minister Nirmala Sitharaman's budget for 2024-25, likely next month, could announce some relief for income taxpayers. While this may help, what India needs is a widened tax net. It also needs to ensure that progressive direct taxes don't fall behind regressive indirect levies. This may require the Centre to overhaul both forms of taxation.

## MINT METRIC

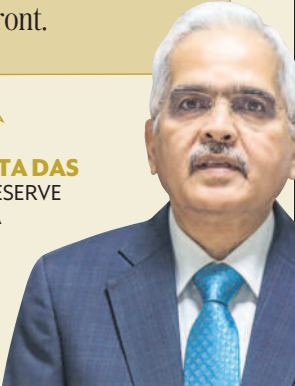
by Bibek Debroy

Chinese employees with a new stress buster,  
Gather green bananas, cluster by cluster.  
Nurture them until yellow and ripe,  
Reduces tension, if you are the type.  
Productivity boosted, with sheen and lustre.

### QUOTE OF THE DAY

If the downward move on inflation were to be fastened, we will have to take into account the sacrifices on the growth front.

SHAKTIKANTA DAS  
GOVERNOR, RESERVE  
BANK OF INDIA



## MINT NEWSLETTERS



### TOP OF THE MORNING

A daily guide to *Mint's* best offerings, 'Top of the Morning' is a power breakfast for your mind. Start the day with nutritious insights and a clear overview of the world of business, markets, investing and finance. A weekday newsletter produced for the curious business leader in you.



### TWICH+

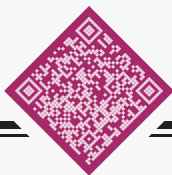
BY VARUN SOOD  
A newsletter on India's top five IT services companies—TCS, Wipro, Infosys, Cognizant and HCL Technologies—and more. 'TWICH+' is your weekly guide to understanding the industry that put India on the global technology map.



### SATURDAY FEELING

BY SHALINI UMACHANDRAN  
Work and life need balance. 'Saturday Feeling' helps the well-heeled, conscious business leader unwind over the weekend. Compiled by Shalini Umachandran, the editor of *Mint Lounge*, this newsletter is your weekly guide to an intelligent lifestyle.





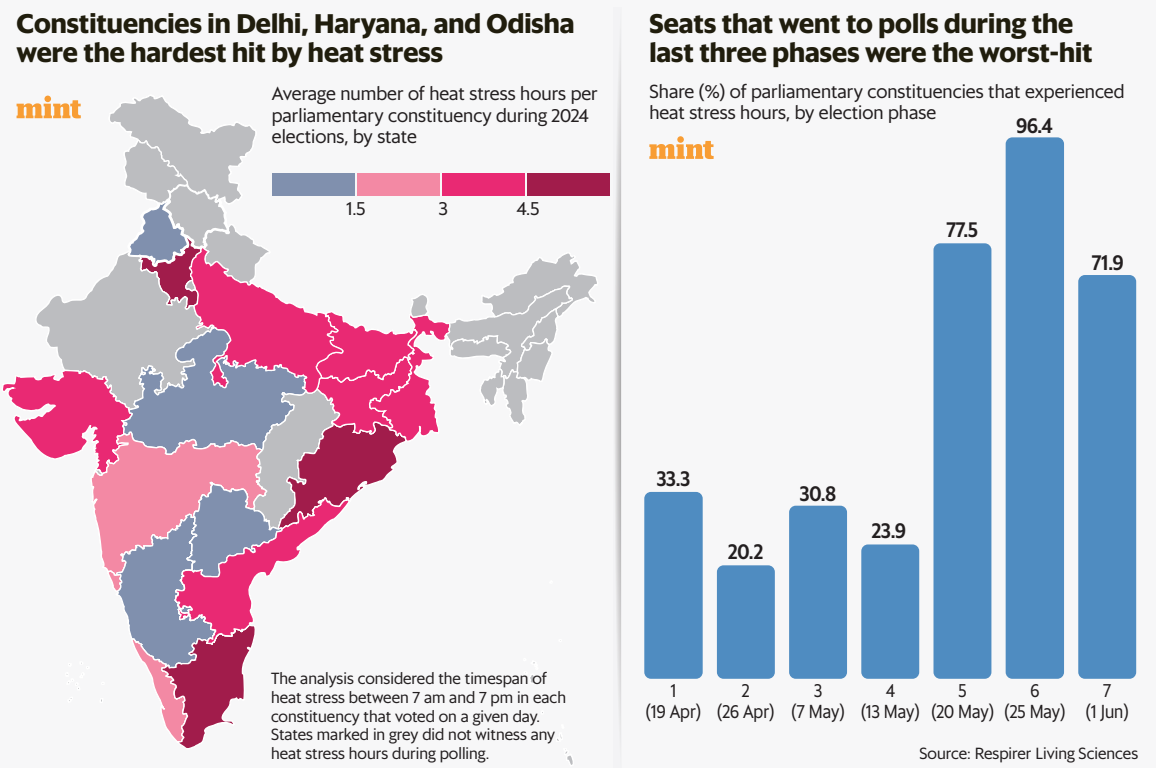
# Why the summers are piling misery on India

BY MANJUL PAUL

Climate change is making heatwaves hotter and more intense all over the world. Over the past few decades, unprecedented temperatures have become more common in India, with 2024 breaking records already. While parts of the country have already received south-west monsoon rains, residents of northern states are eagerly awaiting the rains for respite from the heat. The recent Lok Sabha election also drew much attention due to heatwave conditions. Voters in constituencies spread across 19 of the 36 states and Union territories cast their votes amid dangerously high “heat stress”, according to an analysis by Respirer Living Sciences, a climate tech startup. In each of the last three phases (20 May, 25 May, and 1 June), more than 70% of the constituencies faced heat stress at some point during the voting hours.

“Heat stress” refers to the situation when the heat index—a measure of the apparent temperature that takes into account both temperature and humidity—exceeds 41°C. Delhi, Haryana and Odisha faced the worst, with an average constituency in these states facing 5- 8 hours of heat stress in the roughly 12-hour voting window. Uttar Pradesh, Bihar, West Bengal, Gujarat, Andhra Pradesh, and Jharkhand also experienced heat stress for 3-4 hours per constituency.

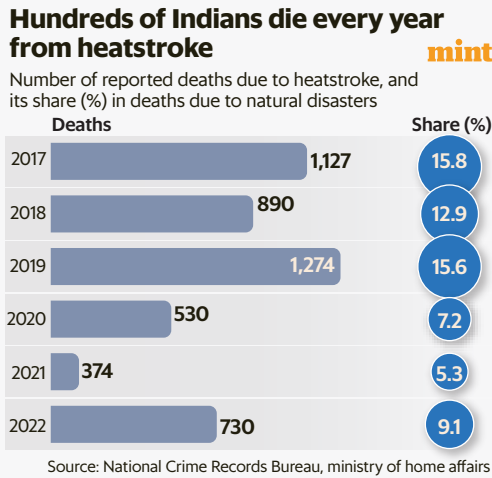
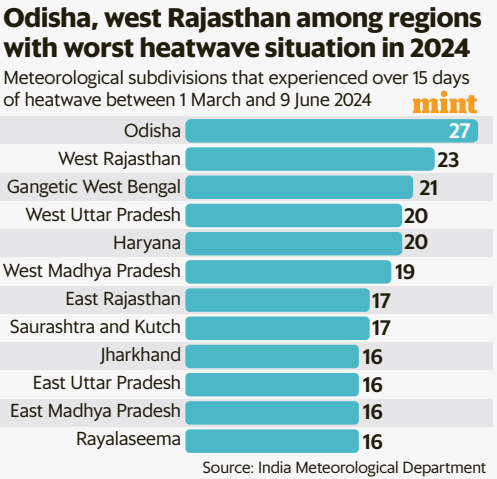
The heat index is similar to the one India Meteorological Department (IMD) launched last year as an experiment. It relies on a location’s air temperature and relative humidity readings from Open-Meteo.com’s open-source weather data, which is used to calculate the hourly heat index using the US National Oceanic and Atmospheric Administration’s methodology.



## Heatwave Havoc

**IMD DATA** shows that India is indeed in the midst of its longest heatwave periods. Fourteen of the country’s 36 weather subdivisions recorded more than 15 heatwave days between 1 March and 9 June, and the spell continues. Barring the North East, coastal Karnataka and Marathwada, the rest of India has been affected by heatwaves at some point this summer. The northern and central belts were the worst hit.

A heatwave is officially declared if the maximum temperature, or the departure from the normal, exceeds a limit in at least two weather stations in a meteorological subdivision for at least two days in a row. The highest number of heatwave days seen this summer until 9 June was recorded in Odisha (27), followed by West Rajasthan (23), Haryana (20), and West Uttar Pradesh (20). Even high-altitude areas were not spared, with Jammu and Kashmir recording six heatwave days, Himachal Pradesh, 12, and Uttarakhand, two.



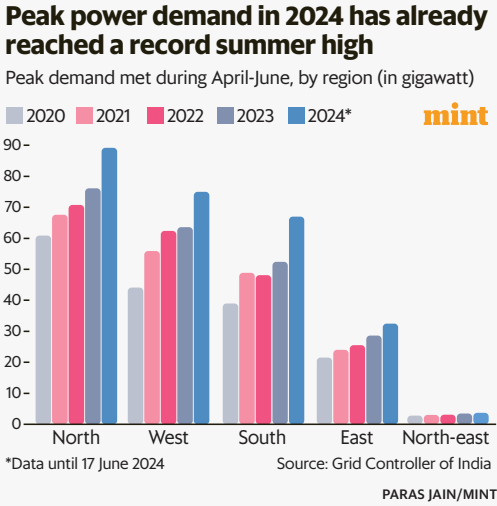
## Deadly Summers

**MANY LAWMAKERS** have, during the recent parliamentary sessions, brought up grave concerns around climate change-related extreme events. The ministry of earth sciences reported heatwaves in Uttar Pradesh, Odisha, Jharkhand, Maharashtra and Andhra Pradesh as a “major natural disaster” in 2023—the first such instance since 1990. Exposure to heatwaves manifests into heat-related illnesses, commonly known as heatstroke. Data reported by the National Crime Records Bureau puts the number of heatstroke deaths per year at several hundreds. Data from the National Centre for Disease Control shows that heatstroke claimed at least 56 lives between March and May—46 of them in May alone and with data for some states missing. Many more are suspected to have died of heat-related effects. Meanwhile, public information portal Factly recently observed several discrepancies in data on heatwave-related deaths in India reported by different wings of the government.

## Beat the Heat

**ACCORDING TO** IMD, 2023 was India’s second-warmest year on record, closely trailing temperatures recorded in 2016. The relentless heat also drives up electricity demand as people turn on cooling appliances. During summers, June typically sees peak power demand. This year, peak power demand had hit at least a five-year high by early June.

While the pace of increase in power demand is expected for a developing nation such as India, the escalating deadly heatwaves also threaten to impact labour productivity, especially for those in the informal and non-skilled workforce engaged in outdoor work. Despite climate change gradually finding a place in parliamentary questions, substantial action to mitigate its effect has been lacking. As the 18th Lok Sabha convenes next week, Indians will hope for some discussions addressing the rising heat.



**PEANUTS** by Charles M. Schulz







The many faces behind the NEET protests ▶ P12



How India's young cashed in on a stock market boom ▶ P13

SENSEX 77,301.13 ↑ 308.36

NIFTY 23,557.9 ↑ 92.3

DOLLAR ₹83.41 ↑ ₹0.15

EURO ₹89.42 ↓ ₹0.11

OIL \$84.33 ↑ \$1.31

POUND ₹105.81 ↑ ₹0.04

# Firms go extra mile to skip bond listing

Cos raise debt via unlisted arms to avoid compliance burden

Neha Joshi & Nehal Chaliawala  
MUMBAI

A new regulation to enhance transparency in India's corporate bond market is not working out as planned, lawyers and financial experts said.

Companies with publicly traded bonds planning to sell fresh non-convertible debt papers have to mandatorily list them on stock exchanges, under a new rule that took effect earlier this year. However, the rule has prompted companies to raise debt through their unlisted subsidiaries instead, the people said. The capital raised can then be transferred to the parent through inter-company loans or other mechanisms.

Corporate lawyers said on condition of anonymity that several companies are in touch with them for private placements of unlisted debt through unlisted subsidiaries to avoid the compliance burden that comes with listed papers. Some companies, especially in power and infrastructure, are planning unlisted subsidiaries to house projects requiring high capital investment for this purpose, they added. Private placement is essentially selling bonds to pre-selected investors rather than offering them in the market.

The number of non-convertible debenture (NCD) issuances through unlisted subsidiaries is expected to increase as companies aim to avoid the regulatory compliance associated with listed NCDs, said Venkat-krishnan Srinivasan, founder and managing partner at Rockfort Fin-cap, a boutique financial advisory firm specializing in corporate debt. He added that this trend will likely

PRIVATE PREFERENCE

The number of NCD issuances via unlisted subsidiaries is expected to increase as companies try to avoid the compliance burden.

FIRMS

keened on pvt placement of bonds via unlisted units to avoid mandatory listing of these instruments

LISTED

cos having outstanding NCDs to list all new bond issues as per Sebi's recent LODR rule changes

PRIVATE

placement of bonds is a bilateral agreement; companies not keen to list these instruments

STRUCTURING

transactions this way compliant with the law, say experts

LISTING

entails getting bonds rated, stating details in public, making periodic disclosures

be prominent among companies struggling to secure debt in the domestic market, who will instead turn to private credit funds and other high-risk investors for borrowing.

Last month, resources major Vedanta Ltd's subsidiary Vedanta Semiconductors raised just over ₹18,000 crore through this route from a clutch of private credit funds. The capital was then transferred to Vedanta Ltd via an inter-company loan. A leading Gujarat-based conglomerate is also considering a similar issue, the lawyers cited above said.

Vedanta did not respond to a request for comment.

"Companies typically take into consideration the disclosures to be made under the listed regime, compulsory rating requirements for listed paper, creditor mix currently in the entity, and timelines and

costs involved in a listed issue before opting for a listed versus an unlisted debt issue," said Manisha Shroff, partner at law firm Khaitan & Co. "Since the amendments to the regulations last year which made the disclosures more exhaustive and stringent, the trend for many companies has been to opt for unlisted issuances or issuance through their unlisted subsidiaries," Shroff said.

Amendments to the Securities and Exchange Board of India's (Sebi) Listing Obligations and Disclosure Requirements effective 1 January mandate companies with outstanding listed non-convertible debt securities (NCDS) to sell only listed NCDS going forward. However, a company that doesn't have any listed NCDS may issue such unlisted papers. Essentially, a company can-

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# Interest-free state loans may get a 30% increase in budget

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The Centre is considering allocating a higher amount for 50-year, interest-free loans to states in the upcoming annual budget. Two people aware of the matter said that a chunk of these loans will continue to be linked to reforms by the states, though the list of reforms will be tweaked.

"Allocations to the scheme could see an increase by 20-30% in the upcoming budget," said the first person mentioned above.

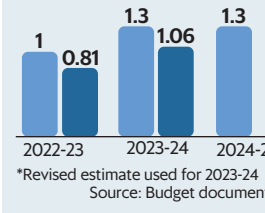
The increase is being considered on the back of the record ₹2.11 trillion dividend that the Centre received from the Reserve Bank of India (RBI) last month, the people mentioned above said on condition of anonymity.

## Fund allocations

The centre has linked ₹75,000 crore to outcomes under the special assistance scheme for states for 2024-25

Centre's special assistance to states for capital investment (in ₹ trillion)

Budget allocation Actual spending\*



\*Revised estimate used for 2023-24 Source: Budget documents

PARAS JAIN/MINT

A big part of these loans, which were first introduced in FY21, began to be linked to reforms that the Centre wanted states to carry out since FY23.

In its latest edition, several reforms currently linked to the scheme are likely to be scrapped, and new ones

# Sebi, RBI keeping close watch on surge in derivatives volume

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India's banking and stock market regulators are monitoring the high volume of trading in the futures and options segment, Reserve Bank of India governor Shaktikanta Das said, but ruled out any sign of overheating in the country's financial market.

The Securities and Exchange Board of India (Sebi) is fully seized of the matter and will

take action if necessary, Das said, adding the two regulators have discussed the issue under the aegis of the Financial Stability and Development Council (FSDC).

"Options and futures volumes are larger than nominal GDP of the country. We have discussed this matter with Sebi and they will deal with it," Das said at an event organized by ET Now in Mumbai. That said, "all the parameters and indicators of the Indian economy and financial sector look stable at

the moment", Das added.

Trading in equity derivatives has soared in recent years fuelled mainly by retail investors, sparking concerns among market participants and government officials.

Derivatives' turnover grew 23-fold over the last five years to reach ₹79,927 trillion at the end of March, NSE data showed.

Sebi is now considering a series of tweaks to its deriva-

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# Direct taxes kitty Across Cognizant, Infosys and Wipro, office space is shrinking swells 21% in FY25

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The central government has so far this year collected ₹4.62 trillion in direct taxes after adjusting for refunds, marking a 20.99% growth annually, the Central Board of Direct Taxes (CBDT) said on Tuesday quoting provisional figures.

This includes corporate taxes of ₹1.8 trillion and personal income tax of ₹2.81 trillion. The personal income tax figure includes proceeds from

securities transaction tax (STT). The Centre had collected ₹3.82 trillion in net direct taxes in the comparable period of the last financial year.

The latest figures include the first instalment of advance tax collections, for which the due date was 15 June.

The government has in the interim budget for FY25 projected a revenue of ₹10.4 trillion from corporate tax and a revenue of ₹11.56 trillion from personal income tax.

The projected growth rate

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Office real estate is shrinking at some of India's top technology services companies, as hybrid work and falling headcounts reduce the requirement for sprawling offices.

Cognizant Technology Solutions Corp., Infosys Ltd and Wipro Ltd saw their real estate footprint shrink last year, company disclosures showed. The three companies ended last financial year with



The IT sector firms added the fewest employees in a year. MINT

103.2 million sq. ft of office space, down 3.7% from 107.25 million sq. ft a year earlier. The savings from real estate

support profitability even as the cutback has prompted worries whether these companies will remain India's largest employment generators, leasing vast office spaces across metros and smaller cities.

Cognizant's office space in India shrank 2.76 million sq.ft in a year. The company's annual report showed its India real estate stood at 21.6 million sq.ft. at the end of December 2023, down from 24.36 million sq.ft a year earlier. The Teaneck, New Jersey-based

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# Boeing's CEO search hits some turbulence

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Several high-profile candidates have turned down the chance to run Boeing, complicating the jet maker's search for a new leader amid discussions about whether the next CEO needs to be based near its Seattle-area factories.

Boeing CEO David Calhoun said in March he would step down by the end of the year. GE Aerospace CEO Larry Culp, widely considered a natural for the job, declined Boeing's request to consider taking over, said people familiar with the discussions.

Other potential candidates—

Boeing's operating chief Stephanie Pope and Spirit AeroSystems boss Pat Shanahan—face complications on their path to the top job, while one of the company's own directors, aerospace veteran David Gitlin, also declined an approach.

Calhoun heads to Capitol Hill on Tuesday to testify before a Senate panel in a face-off that promises to underscore the thorny nature of

the job Boeing is trying to fill. He is expected to be questioned on everything from mounting whistleblower allegations to the chain of events that led to January's near catastrophe in which a piece of fuselage blew off a Boeing 737 while in flight.

Calhoun's successor will



Some discussions have included whether the next leader should be based near Boeing's manufacturing plants in Seattle. REUTERS

have to deal with those issues, while rooting out ingrained quality problems that have led to massive production delays and drawn the ire of airline customers, federal regulators and investors.

Some of the discussions have included whether the next leader should be based near Boeing's manufacturing plants in the Seattle area that make 737s and other jets, some of the people said. Boeing moved its

headquarters to Chicago in 2001, and in 2022, the company announced plans to move the main offices to Arlington, Va. It has a factory in South Carolina that produces 787s.

The executive search is being handled by recruiting and advisory firm Russell Reynolds and Boeing's recently appointed Chairman Steven Mollenkopf, a former Qualcomm chief executive. Among the scenarios that have been discussed is having Mollenkopf step into the CEO role for a transition period, especially if the company is aiming for an internal candidate like Pope to take over, the people said.

Culp, GE's first-ever outsider CEO who rehabilitated the

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\*Terms & Conditions Apply



## Import of Chinese goods slows during January-April '24

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NEW DELHI

India's efforts to boost manufacturing and cut its dependence on Chinese imports appear to have met with some success, with merchandise imports from the neighbour declining in the three months since January before flattening out, according to data from the commerce ministry.

However, the overall bilateral trade remains heavily skewed in favour of China, with Indian industries across sectors significantly dependent on Chinese manufacturing.

Chinese goods imports fell from \$8.96 billion in January to \$8.09 billion in February, \$7.75 billion in March, and was flat at \$7.79 billion in April.

China's share in India's imports, too, declined during January-February, despite a rising trend in overall imports.

During January, while India's total imports stood at \$53.35 billion, China's share stood at 16.79%, which fell to 13.46% in February when total imports rose to \$60.11 billion.

However, China's share in India's imports stood at 13.53% and 14.4% in March and April, respectively, while imports stood at \$57 billion and \$54 billion respectively.

During April, China took the largest share in India's import basket, followed by Russia (9.7%), the United Arab Emir-



Overall, bilateral trade is still skewed in China's favour. AFP

ates (6.14%), the US (5.9%) and Saudi Arabia (5.9%).

India largely imports crude oil from Russia, the UAE and Saudi Arabia.

Top imports from China include telecom and smartphone parts, laptops and PCs, plastics, iron and steel, chemicals, non-assembled cells, lithium-ion batteries, fertilizers and other electronic goods such as radio transmission and television apparatus parts.

India has been working to cut imports of non-essential consumer and electronic goods from China in a bid to narrow a trade imbalance.

"The rising trade imbalance with China is a concern. In some strategic sectors such as renewable energy and pharmaceuticals, we are dependent on China for raw materials. However, there are other non-essential sectors where such imports could be cut," said a senior official, who spoke on the condition of anonymity.

## T-shirts, innerwear may find place in textiles PLI scheme

The Centre's move is aimed at improving the effectiveness of the scheme approved in Sep '21

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The Centre may bring more products such as T-shirts and innerwear under the ₹1,000-crore production linked incentive (PLI) scheme for the textile sector, according to two people close to the development, amid a sharp decline in exports.

The government will also extend the time provided to an applicant to set up the facility from two years to over three years, the people added.

The Centre plans to tweak the scheme, approved in September 2021, to increase its effectiveness as it has failed to boost India's textile exports, which have declined sharply 11.69% from \$16.24 billion in 2018 to \$14.34 billion in 2023.

Mint reported in April that the Central government is planning a periodic review of its marquee manufacturing incentive scheme across sectors and make necessary adjustments.

The government is considering restructuring the PLI scheme in sectors with slow progress, and even scrap it in sectors where investor interest is dim and not much progress has been made, the report said.

According to industry stakeholders the scheme would do better by reducing the minimum entry level so that smaller



The government is considering restructuring the PLI scheme in sectors with slow progress, and even scrap it in sectors where investor interest is dim. AFP

players could also benefit from it.

"If the government is keen to have the garment sector also take advantage of the PLI scheme, it will have to treat the minimum entry levels differently from the rest of the sector, as the capital required to set up a mega garment unit is substantially lower than that of a textile unit," said Rahul Mehta, chief mentor at the Clothing Manufacturers Association Of India.

"Textile industry is composed of textile and apparel industries. The current PLI scheme structure with large capital layout is more suited to setting up large textile mills but not apparel fac-

tories," said Pawan Gupta, chief executive and co-founder of Fashinza, a business-to-business global fashion supply chain startup.

"We need a PLI scheme with a lower initial capital requirement for the apparel industry, which is a significant employer compared to mills that are increasingly automated. A substantial base of apparel factories would also act as demand centres for large mills, which might otherwise struggle to sell their products," Gupta added.

Based on industry suggestions, the government plans to implement "corrective measures to support the textiles

industry in achieving a positive growth trajectory", said one of the persons cited above.

Queries emailed to the spokesperson of the textiles ministry remained unanswered till press time.

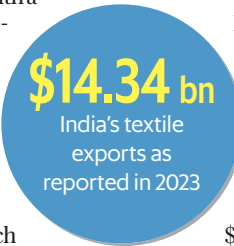
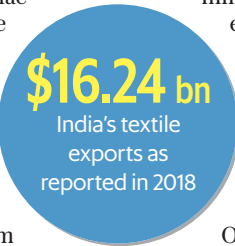
The Centre launched the PLI scheme for textiles sector with an approved outlay of ₹10,683 crore to promote the production of man-made fibres (MMF) apparel, MMF fabrics and products of technical textiles in the country to enable the industry to achieve size and scale and to become competitive.

MMFs are chemically derived, while technical textiles are utilized in the production of items like personal protective equipment, and bullet-proof vests.

The government has approved 64 applicants under the scheme, with a proposed investment of ₹19,798 crore, projected turnover ₹1.94 crore and employment generation of 245,362.

The first set of applicants will start receiving incentives from 2025-26.

"Between 2018 and 2023, India's trade dynamics in the garments, made-ups and textiles sectors have shown a mixed pattern of growth and decline. Overall, India's total exports in these sectors decreased by 7.87% from \$37.16 billion in 2018 to \$34.24 billion in 2023," said Ajay Srivastava, the founder of Global Trade Research Initiative (GTRI), a research group focused on climate change, technology and trade.



## India, S. Korea discuss bilateral air rights

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NEW DELHI

India and South Korea have begun talks to enhance rights under their existing bilateral air service agreement, two officials aware of the development said.

A bilateral air service agreement gives certain rights to countries, such as use of airspace and airports by their airlines. But it also puts a limit on the number of seats and flights.

India has bilateral air service agreements with 116 countries.

The air service agreement between India and South Korea has remained unchanged since 2015 when the capacity entitlement for both countries was increased from six flights per week to 19. "India and Republic of Korea are assessing the current flight limitations under the bilateral air service agreement between the two countries. We are working with them with an intent to increase the permitted number of flights from both sides," said one of the officials cited above.

Air traffic between India



India has bilateral air service pacts with 116 countries. BLOOMBERG

and South Korea has shown strong growth since the easing of covid-related restrictions in March 2022. As per the latest data from the Directorate General of Civil Aviation, air traffic between the two countries has more than doubled to 54,174 passengers in Jan-Mar as compared with 20,378 passengers a year ago.

In the same period, total international traffic to and from India grew 18% to 17.9 million passengers. "The enhancement of bilateral

air rights in 2015 took place after two rounds of inconclusive discussions. So, we will see how it goes (this time around)," the other official said.

**The air service agreement between India and South Korea has remained unchanged since 2015**

"Discussions are taking place on increasing points of call, the number of flights between two countries, and to establish an all-cargo route structure for scheduled airlines."

As per data for the March quarter, Delhi-Seoul is the only direct scheduled service between the two countries

with non-stop flights by Air India and Korean Air.

Seoul remains a popular point to connect on the network plan for other Indian airlines as well. Before merger with Air India, Vistara had plans to launch flights to Seoul. IndiGo is eyeing Seoul as a destination once it receives the long-range Airbus A321XLR by next year.

The civil aviation ministry is also assessing the bilateral air service agreement with the UAE, but this is more complicated on account of mixed feedback from Indian airlines.

Domestic carriers have been divided over allowing foreign carriers, especially from West Asia, more access to India, the fastest growing aviation market of the world.

"Airlines from the UAE have been quite persistent regarding demand for enhancement of bilateral air service agreement to include more seats, especially on India-Dubai route. But they also understand our resistance at the moment. We know that there are new airlines, who want a share of the bilateral air rights too. We are looking into this and will accommodate them wherever there is scope," the first official added.

## India, US must remain at the forefront of technology: Doval

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NEW DELHI

India and the US must remain at the forefront of technology as part of their larger strategic interest and to protect and defend their value systems, National Security Adviser (NSA) Ajit Doval told an industry roundtable focused on critical and emerging technologies on Tuesday.

Doval and his American counterpart Jake Sullivan addressed the industry roundtable of CEOs and thought leaders, held as part of efforts to mobilize private sector investment and partnerships in strategic technology sectors, a day after co-chairing the second meeting of the India-US initiative on Critical and Emerging Technology (iCET).

Sullivan is the first senior official of the Biden administration to visit India following the formation of a new coalition government and the iCET meeting agreed on the next steps in the strategic technology partnership and pledged to remove long-standing bar-



Ajit Doval, National Security Adviser. REUTERS

riers to strategic trade.

"The US and India have got to remain at the forefront of technology in case we need to protect and defend our value systems and it is part of a larger strategic interest," Doval told the roundtable organized by the Confederation of Indian Industry (CII) and held behind closed doors.

He highlighted the role of industry in technology and the progress of iCET since its inception in January 2023, and said, "iCET has achieved more than we could imagine."

He also referred to the progress made in the defence innovation roadmap and start-ups, and emphasised the importance of the semiconductor industry, according to a statement from CII.

Sullivan pointed to three important buckets for technology partnerships—innovation, production, and deployment. In the important field of innovation, he emphasized the need for government support for the private sector.

There is bipartisan support in the US for Indian industry and building an ecosystem and supply chain manufacturing is key to production, he said.

Doval and Sullivan assured private industry due diligence will be done to resolve barriers holding up deeper and closer India-US ties.

Industry had representation from Thayer Mahan, General Atomics, Jeh Aerospace, Holtec, Cummins, Alysium Energy and Axiom Space, 3rdiTech, BHEL, Bharat Forge, Bharti Airtel, Bhukhanvala Industries, Centum Electronics, L&T, Tata Advanced Systems, Tata Power and Tejas Network.

### MINT SHORTS

#### Housing rent growth slows in top 7 cities; avg hike 2-4% in Q1

New Delhi: Average monthly rent for residential properties has risen 2-4% so far this quarter compared with



January-March across seven major cities, according to Anarock. It said the growth across Delhi-NCR, Mumbai Metropolitan Region, Chennai, Kolkata, Pune, Hyderabad and Bengaluru has moderated with an improvement in housing supply. PTI

#### SEA seeks end to export ban on de-oiled rice bran

New Delhi: Edible oil industry body SEA on Tuesday

appealed to the government not to extend the ban on export of de-oiled rice bran beyond 31 July, as domestic prices have slumped on increased supply of an alternative animal feed. The government prohibited exports of the commodity on 28 July 2023, citing high fodder prices, with the ban initially imposed until 31 March, and later extended till 31 July. PTI

#### Infra, realty to get ₹15 tn in investments till Mar '26: Crisil

Mumbai: Infrastructure and realty sectors are likely to get ₹15 trillion worth of investments till March 2026, rating agency Crisil said on Tuesday. The investments will create 50 GW of renewable energy capacity and 25,000 km of roads in the infra space, and real estate, it said. "The underlying demand drivers in these sectors remain strong, with regular policy interventions fuelling investor interest," chief rating officer Krishnan Sitaraman said. PTI



#### Coal India Ltd exploring lithium assets in Argentina



New Delhi: Coal India Ltd is exploring lithium blocks in Argentina, along with a US company, to secure supplies of the metal, a person with direct knowledge of the matter said on Tuesday. The efforts are part of India's membership under the US-led Minerals Security Partnership, which New Delhi joined last year to ensure adequate supplies of minerals to meet zero-carbon goals. REUTERS

#### 'Digital loans up 49% in FY24 by value, ₹1.46 tn disbursed'

Mumbai: Amid wide-ranging concerns about digital lending, an industry body on Tuesday said its 37 member entities witnessed a 49% surge in disbursements at ₹1.46 trillion in financial year 2023-24. According to Fintech Association for Consumer Empowerment, the number of loans disbursed grew by 35% to more than 100 million borrowings in FY24. PTI



#### Sebi invites applications to hire executive director

New Delhi: The Securities and Exchange Board of India (Sebi) has invited applications for the post of executive director until 18 July. The appointment will be on a deputation or contractual basis, for a period of three years, the regulator said in a public notice issued last week. PTI



Peak power demand in north hit 89GW on Monday. AP

## Peak power demand at new record as heatwave melts North

Reuters  
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NEW DELHI

Peak demand for power in India's hot, arid northern plains hit a record on Monday, the government said as it continues to implement measures to meet high energy consumption, although the weeks' long heatwave is forecast to abate soon.

The India Meteorological Department (IMD) has predicted above-normal temperatures for June in the north-west and central parts of the country, making it one of the longest heatwave spells.

Government data shows that there were nearly 25,000 cases of suspected heat stroke and 56 people lost their lives in the sweltering heat across the country from March-May.

The power ministry said demand for power at the peak time on Monday reached 89 gigawatt (GW), the highest ever for the northern region, adding that the strong demand, which has prevailed since 17 May, was "challenging".

The temperature in Delhi was about 44 degrees Celsius late Monday afternoon but the IMD said it felt like 49.2 C.

In Delhi, which is facing a water shortage, the highest daily temperatures have stayed above 40 degrees Celsius since 12 May and are forecast to fall below that mark only on 26 June.

The ministry said it was able to supply power to the northern parts by importing 25-30% from neighbouring regions and urging all utilities to minimize forced outages of equipment.

This summer has seen a record peak 250GW demand for power throughout the country. The IMD expects respite from the heat from Thursday although the monsoon has delivered a fifth less rain than normal so far this season.

Sweltering heat and policy measures have fuelled a surge in the use of gas-fired power, with power generation doubling in April and May to 8.9 billion kilowatt-hours (kWh) compared with the same period last year, according to data from Grid India.

#### CORRECTIONS AND CLARIFICATIONS

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MINT SHORTS

Healthtech startup Alyve Health raises \$5.5 million Series A funding

**Bengaluru:** Alyve Health has raised \$5.5 million (₹46 crore) in a Series-A round. The round was led by Axilor Ventures and saw participation from existing investor ICrowd Fund, and Inhealth Ventures. The company also raised venture debt from Trifecta Capital as part of this round. The company plans to use the new funds for growth initiatives across areas like platform development, talent acquisition, operations expansion, improvement of services and higher member engagement. **K. AMOGHAVARSHA**

Bitcoin touches 1-month low in broad crypto market selloff



Bitcoin touched a one-month low as outflows from digital-asset investment products and the prospect of higher-for-longer US borrowing costs sapped the cryptocurrency market. The largest digital asset shed as much as 2.7% on Tuesday, reaching a level last seen in mid-May, before paring some of the drop to trade at \$65,266 as of 8:04 am in New York. Smaller tokens such as Ether, Solana and Dogecoin also sank. Some \$600 million was pulled from digital-asset products last week, the most since March. **BLOOMBERG**

Ayna bags \$1.5 million in seed funding from Inflexor Ventures

**Bengaluru:** Ayna has raised \$1.5 million (₹12.5 crore) in a seed funding round led by early-stage venture capital firm Inflexor Ventures. It will use the funding to expand AI capabilities, develop its platform and scale team. It helps brands to create studio-quality product photoshoots at scale without physical photo-shoots. Its generative AI eliminates costly overheads, lengthy turnaround times, and creative limitations. **K. AMOGHAVARSHA**

Rockit secures pre-seed funding from Sauce.VC, others

**Bengaluru:** Homegrown beverage brand Rockit has raised \$719,299 (₹6 crore) in a pre-seed funding round led by consumer-focused early-stage VC firm Sauce.VC. Rockit has launched products in Haryana and aims to build an omnichannel presence across India starting with Uttar Pradesh, Punjab, Rajasthan and Madhya Pradesh. **K. AMOGHAVARSHA**

Huawei weighs app store purchase fees

Bloomberg  
feedback@livemint.com

Huawei Technologies Co. is considering taking a cut of in-app purchases on its Harmony mobile operating system, underscoring its growing confidence in competing with Apple Inc. in the world's largest smartphone arena.

The Shenzhen-based company is weighing a commission lower than the typical 30% cut that Apple and Alphabet Inc.'s Google take for payments made via their mobile stores for things like apps, games, movies and music subscriptions, according to people familiar with the matter.

Huawei has kept Harmony OS fee-free until now, as an enticement to bring developers and publishers on board.

For games in particular, which account for the majority of mobile app store reve-



The firm is considering a cut lower than the typical 30% that Apple and Google take. **AP**

nue, Huawei has been discussing a fee of about 20% with developers, the people said. They asked not to be identified as the information is private.

Rival Android store operators in China, such as Xiaomi Corp., charge as much as 50%

on in-game purchases. Huawei has not yet made a final decision and its plans could still change, according to the people.

Huawei's imminent move suggests the Chinese tech conglomerate feels it has grown its user and developer base to the point where it can begin collecting rent. The company shifted to its in-house Harmony OS after US sanctions cut it off from working with Google, the proprietor of Android.

A Huawei representative said that it is untrue that Huawei is discussing with game developers about a fee of some 20%, without providing details.

The envisioned commissions would still place Huawei's 4-year-old Harmony

ecosystem below market competitors.

The company has to convince both users and app makers to embrace its third option, after Apple's iPhone software and Google's Android, though it has made strong progress over the past year with its return to prominence in China's premium market.

Huawei has seen increased demand for its 5G smartphones after it released the Mate 60 Pro with an advanced China-made chip last year. Its net profit rose 564% in the first quarter as it took market share from Apple and others. Its Harmony OS also overtook iOS in terms of market share in China in the January-March period, according to Counterpoint Research.

Nabventures ex-CEO starts his own firm

Aman Rawat  
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BENGALURU

Rajesh Ranjan, former chief executive officer of Nabventures, a venture growth equity fund that invests in agriculture, food, rural businesses and agri/rural financial services at early to mid-stage, has floated his own investment firm to invest in growth stage opportunities in India, **VCCircle** has learned.

Ranjan, who joined Nabventures in 2018 and was instrumental in raising the initial fund of ₹598 crore, has now established BlackHill Fund Management, an investment firm based in Mumbai.

An email sent to Ranjan didn't elicit a response till the time of publishing of this story.

BlackHill Fund Management is currently in the process of receiving the in-principle approval for its maiden cat-



Rajesh Ranjan, former chief executive officer of Nabventures.

egory-II alternative investment fund (AIF) from securities regulatory Sebi, **VCCircle** has gathered.

The fund will invest in opportunities in certain segments, including consumer, financial services, climate, and food and agritech, **VCCircle**

has learned. To be sure, these focus areas are similar to key investment segments of Nabventures.

During his tenure at Nabventures, Ranjan was instrumental in setting up the maiden fund, raising capital from limited partners, hiring, investments

and exits, among others. He invested the fund across 13 companies. Some of his investments include Vilcart, Beyond Snack, and Jai Kisan. He also managed a successful exit from Fraazo.

Ranjan is a seasoned investment professional. In the past, he was the director of investments at CapAleph Fund, an early-stage equity fund with an initial focus on investments in food, agribusiness and financial services firms.

Previously, he has worked with a slew of investment banks such as Asia Cap Advisors (erstwhile India Capital Advisory) and Investment Holdings), Destimoney Securities and Transwarranty Finance.

He was also a part of investment teams for QInvestments LP and IDFC Proprietary Equity Investments. He has an MBA from IIM Calcutta and a degree in Economics from St. Stephen's College.

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NEW DELHI

Advanced Micro Devices, Inc. (AMD), the US fabless chipmaker, is betting big on artificial intelligence (AI) to not only power the chips used in data centres but also those used in personal computers or PCs, mobile devices, cars, factories and smart cities. The aim is to capture a bigger share of the AI chip market from Nvidia, which controls about 80% of the market, on the back of escalating demand to implement and scale up AI and generative AI projects.

"AI represents an unprecedented opportunity for AMD," CEO of AMD, Lisa Su, told investors during the first-quarter earnings call this April.

In May 2023, she entrusted president Victor Peng with the task of executing the company's "broad AI strategy" and "significantly accelerating this key part of our business," for which she merged AMD's multiple AI teams into a single entity under his leadership. Peng asserted that "the concept of 'pervasive AI' is central to AMD's vision".

"It encompasses not just data centre graphic processing units (GPUs) but a broad spectrum of applications including servers, networking, edge computing, and various AI-enabled devices in smart cities, smart factories, and automotive industries," he said in a video interview from his US office last week.

Peng, who rejoined AMD in February 2022 after the company completed its \$35 billion acquisition of Xilinx where he was CEO, is responsible for shaping AMD's AI strategy across its product range that includes Ryzen processors for AI PCs, the Radeon RX 7000 Series graphics cards for gaming, customisable chips, integrated system chips, AI accelerators like MI325X, the



Last May, CEO of AMD entrusted president Victor Peng (above) with the task of executing the company's broad AI strategy..

MI30 and MI350 GPUs, EPYC (pronounced 'epic') server central processing units (CPUs), neural processing units (NPUs) and data processing units (DPUs).

According to Peng, the acquisition of data centre optimisation startup Pensando in April 2022 for \$1.9 billion, too,

tasks more efficiently and consume less power. An estimated 48 million AI-capable PCs will ship worldwide in 2024, predicts Canalys, representing 18% of total PC shipments. The market research firm expects vendors to ship 205 million AI-capable PCs in 2028. Other than AMD, Intel, Nvidia and

THE 'BROAD AI' STRATEGY

**AMD'S** multiple AI teams were merged into a single entity under Victor Peng's leadership.

**'PERVASIVE AI'** encompasses not just data centre GPUs but a broad spectrum of apps.

**PENG** points out 'pervasive AI' isn't confined to PCs but extends to various edge devices.

A distinctive feature of AMD's AI architecture is its focus on low latency & power efficiency.

is "enhancing its (AMD's) capabilities in networking and integrating AI technologies across AMD's product range". This integration is evident in the development of the first x86 AI PC with a "fully integrated monolithic NPU, termed XDNA", according to Peng.

AI-capable PCs use dedicated AI accelerators such as NPUs to handle AI

Qualcomm provide chips for AI PCs.

Peng pointed out that "pervasive AI" technology is not confined to PCs but extends to various edge devices, including cars and smart infrastructure. AMD's technology, for instance, powers not only the computational needs for in-car experiences, like what it does for Tesla, but also the communi-

cation infrastructure that supports autonomous driving and other AI-driven functionalities.

A distinctive feature of AMD's AI architecture, according to Peng, "is its focus on low latency and power efficiency, crucial for applications like autonomous driving, where real-time processing is critical".

AMD has 11,492 patents globally, of which 7,923 have been granted, most of them in the US, according to a 25 April report by 'Insights' from innovation consulting firm GreyB. Of these patents, 572 have been filed from India.

Peng underscored AMD's significant presence and investment in India, highlighting the country's young demographic and vast pool of talented engineers. In July 2023, AMD said it plans to invest \$400 million over the next five years, which included setting up of an AMD campus in Bengaluru to serve as the company's largest design centre, and add about 3,000 engineering roles by the end of 2028.

Having set up operations in 2001, AMD has grown to more than 7,000 employees after acquiring Xilinx and Pensando, which had local operations. India now accounts for a quarter of AMD's global workforce and the local unit is "heavily involved in mission-critical R&D (research and development)" and in partnerships with the Tata Group, Reliance Jio and institutions like the Indian Space Research Organisation (Isro) to drive technological advancements, according to Peng.

But AMD faces stiff competition from Intel and Nvidia. The overall market for just data centre AI chips in 2023 was \$17.7 billion, with Nvidia accounting for a 65% market share, according to market research firm TechInsights. Intel came a distant second with a 22% market share, while AMD had 11%.

*Read an extended version of this story at livemint.com.*

EV maker Fisker files for bankruptcy

Bloomberg  
feedback@livemint.com

Electric vehicle startup Fisker Inc. has filed for bankruptcy after discussions with a major automaker about an investment ended without a deal.

Fisker listed assets of between \$500 million and \$1 billion and liabilities of between \$100 million and \$500 million in its bankruptcy petition filed on June 17 in Delaware. The filing protects Fisker from creditors while it works out a plan to repay them.

The electric vehicle maker sought bankruptcy after earlier announcing weaker-than-expected earnings and plans to cut 15% of its workforce. Fisker in February said there would likely be "substantial doubt" about its ability to continue operating if it can't secure more financing.

Fisker said in March that it secured \$150 million in financing from an existing lender, but the financing was contingent upon the startup securing investment from an unidentified automaker. But talks with the automaker were terminated without a deal, Fisker said.

The bankruptcy comes as electric vehicle makers struggle to adapt to slowing sales in the US and Europe and waning consumer demand. Although enthusiasm for electric vehicles remains strong, nearly 60% of global EV sales in 2024 will be in China, BloombergNEF said in a January report.

Fisker has struggled with production issues and technical glitches and last year lowered its production guidance. The company follows a handful of other EV startups into bankruptcy.

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S&P BSE Sensex	Nifty 50	Nifty 500	Nifty Next 50	Nifty 100	S&P BSE Mid-cap	S&P BSE Small Cap
CLOSE 77,301.14	CLOSE 23,557.90	CLOSE 22,329.60	CLOSE 72,345.70	CLOSE 24,683.55	CLOSE 46,255.30	CLOSE 51,694.00
PERCENT CHANGE 0.40	PERCENT CHANGE 0.39	PERCENT CHANGE 0.52	PERCENT CHANGE 0.63	PERCENT CHANGE 0.46	PERCENT CHANGE 0.43	PERCENT CHANGE 0.96
PREVIOUS CLOSE 76,992.77	PREVIOUS CLOSE 23,465.60	PREVIOUS CLOSE 22,214.30	PREVIOUS CLOSE 71,892.15	PREVIOUS CLOSE 24,571.65	PREVIOUS CLOSE 46,058.76	PREVIOUS CLOSE 51,199.99
OPEN 77,235.31	OPEN 23,570.80	OPEN 22,323.55	OPEN 72,333.85	OPEN 24,689.75	OPEN 46,259.61	OPEN 51,527.67
HIGH 77,366.77	HIGH 23,579.05	HIGH 22,338.15	HIGH 72,414.35	HIGH 24,700.60	HIGH 46,284.08	HIGH 51,758.97
LOW 77,071.44	LOW 23,499.70	LOW 22,253.35	LOW 72,051.20	LOW 24,612.95	LOW 46,048.66	LOW 51,351.92

MINT SHORTS

### 'Global investors bullish on record-hitting stock market'

Global investors are likely to keep pumping money into record-hitting stock markets, according to a survey by Bank of America Corp. Answering a question about the asset class that would benefit most from a reallocation of money-market funds, 32% of respondents opted for US stocks. Another 19% said the cash would go into global equities, while a quarter of the respondents indicated they would buy government bonds. The survey—conducted from 7-13 June, and canvassing 206 participants with \$640 billion in assets under management—showed investors remained the most bullish since November 2021, with cash levels in money-market funds at a three-year low. Cash funds currently have about \$6.1 trillion in assets, according to data compiled by *Bloomberg*. Long bets on the so-called Magnificent Seven technology behemoths such as Microsoft Corp. and Nvidia Corp. now stand at 69%.

BLOOMBERG



Germany has been jolted by the most severe slump in the property sector in decades.

REUTERS

### German home building permits nosedive in April

Building permits for apartments in Germany fell 17% in April from a year earlier, government data showed on Tuesday, underscoring a continued downturn in demand in the construction and real estate industry. Germany has been jolted by the most severe slump in the property sector in decades. Some 17,600 permits were issued, which is 17% lower than a year earlier, the data showed, making for a nearly 44% drop over the past two years. "Since May 2022, the number of building permits for apartments in Germany has only gone in one direction: downwards," said Tim-Oliver Mueller, head of the German Construction Industry Federation. The number of building permits is an important indicator of future construction. For years, low interest rates, cheap energy and a strong economy sustained a boom across the German property sector, which broadly contributes 730 billion euros (\$782.56 billion) a year to the nation's economy, or roughly a fifth of Germany's output.

REUTERS

## Retail buying on 4 June pushes FY25 buys to full FY24 levels

Ram Sahgal & Sneha Shah

MUMBAI

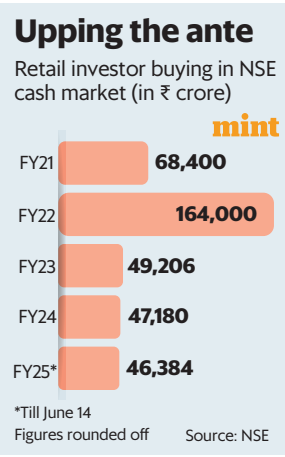
Retail investors' humongous cash market share purchase on NSE on the day of the Lok Sabha election result has catapulted their buying figure in less than two-and-a-half months of the current fiscal year to close to their purchases in each of the two preceding fiscal years, a sign of a possible behavioural shift from the past, according to market watchers.

The category net purchased shares worth ₹21,178.94 crore on 4 June when the Nifty tanked 8.5% to 21,884.50 points from the previous session after the BJP failed to secure a majority on its own—winning 240 seats against an anticipated 330—in the Lok Sabha elections.

The purchase on that single day accounts for almost 46% of the total purchase of ₹46,383.8 crore in the fiscal year through 14 June, as per NSE data. In comparison, their net purchase stood at ₹47,180 crore in FY24 and ₹49,206 crore in FY23.

FII's net sold shares worth ₹12,511.07 crore and mutual funds offloaded equities worth ₹6,249.12 crore on 4 June. The Nifty has since then rallied 7.6% to Monday's closing of a record high 23,557.9 points.

NSE enjoys a 93% market share in the capital market segment, clocking an average daily turnover of ₹1.18 trillion against BSE's ₹8,494 crore average daily turnover so far



this fiscal year.

Market mavens see retail interest as a behavioural shift from being "last in-first out" prior to the pandemic to "buying the dip and selling the rally", after the event. The caveat is that the post-pandemic retail entrant hasn't seen a 20% plus drawdown and should be cautious.

"It seems they have been buying the dips and selling the rallies, against typically being last in-first out prior to the pandemic," said Siddhartha Khemka, head of retail research at Motilal Oswal Financial Services.

Khemka adds that in the absence of a serious market correction post the March 2020 pandemic, when markets tanked 38% in a little over a month to a low of 7,511.10 on 24 March, there haven't been any serious long-lasting market corrections and warns that this should act as a "leash" on "greed".

Ashish Nanda, president &

head, digital business, Kotak Securities, agreed, but warned against irrational exuberance. "Prima facie, the numbers suggest that individual investors have turned smarter, in terms of buying dips and selling rallies. But having said that, they haven't been privy to continuous drawdowns that happen day after day and make the previous day's dip seem like the tip of the iceberg. It goes without saying that caution should be the buzzword."

Data from NSE shows that the highest quantum of retail direct buying of ₹1.64 trillion was in FY22. The subsequent years witnessed substantially reduced buying but the tempo of purchases so far this fiscal, particularly after the elections, shows that retail investor interest has been rekindled, especially in mid- and small-caps. Thanks to relentless mutual fund inflows and direct retail investments, broader market indices have outperformed the large caps. While Nifty has returned 25% to 23,465.60 over the past year through 14 June, Nifty Smallcap 250 has generated a 63% return to 16,845.55 while the Nifty Midcap 150 has given a 58.25% return at 20,698.25 through 14 June.

However, Sharad Shah, a well-known stock market trader, is unremitting on the retail frenzy.

He believes that the current lot of retail investors are chasing profits without paying heed to market fundamentals.

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Read an extended version of this story at [livemint.com](#).

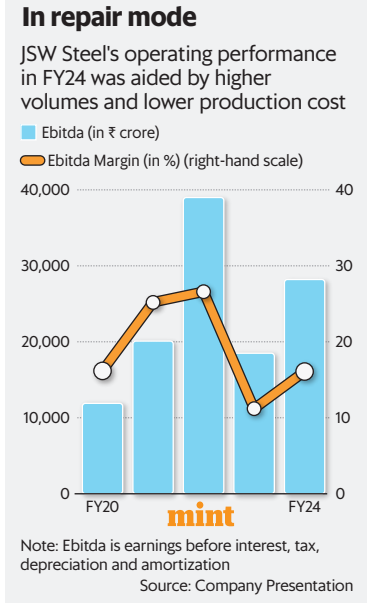
## MARK TO MARKET



So far this year, JSW Steel shares have risen by 4%.

BLOOMBERG

Steel prices are rising. They are near ₹46,000 per tonne in June compared to an average of just under ₹43,000 per tonne in the March quarter. Prices of coking coal, a key input in steel making, have fallen by 12% year-on-year or \$22-27 per tonne, in the June quarter. While JSW Steel has all these factors



in its favour, the Street's indifference to the stock may be explained by its financial performance in the March quarter. The company's earnings per share fell short of the median estimate of analysts polled by *Bloomberg* by about 42%.

As both input and output prices stabilise, analysts are projecting profita-

## Realty price hikes brace for litmus test over the course of FY25

Harsha Jethmalani

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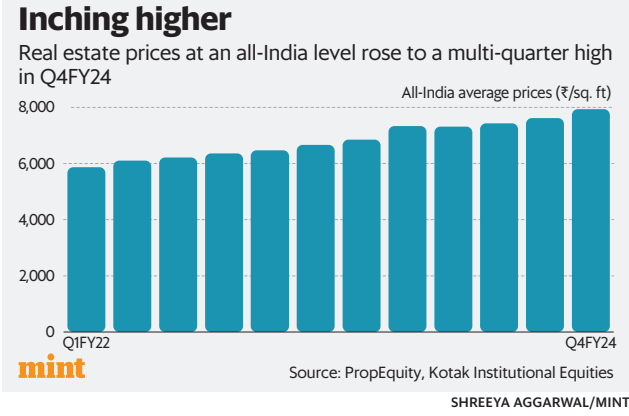
The real estate market, buoyed by strong demand in FY24, is now bracing for potential dampeners.

Rapid inventory depletion, particularly in the premium and luxury segments, helped these firms close FY24 with strong pre-sales or bookings, bolstering their confidence to implement price hikes. Average price of a housing unit hit ₹7,938 per sq. ft. in the March quarter (Q4FY24), marking a multi-year high with an 8% year-on-year (y-o-y) and 4% sequential rise, PropEquity and Kotak Institu-

tional Equities data shows.

Realty stocks have been rewarded for their resilience in pre-sales despite an elevated interest-rate environment. Over the past year, Nifty Realty index has surged 122%, outperforming the Nifty50 benchmark which rose 25%. But, FY25, with many project launches and supply, may challenge this optimism.

Listed companies have set ambitious pre-sales targets for FY25, despite a high base of FY24. For example, Macrotech Developers Ltd (Lodha) aims for a 20% compound annual growth rate in pre-sales. And, Godrej Properties Ltd, and Prestige Estates and Projects Ltd target



20% and 25% y-o-y pre-sales growth. These firms expect new launches to drive a substantial portion of pre-sales in FY25.

But, cracks are emerging. The residential rental market is feeling the strain of oversupply. Anarock Property Consult-

ants data, released on Tuesday, indicated that rental prices in key micro markets across major cities rose a modest 2-4% sequentially in the second quarter of 2024, compared to a 4-9% increase in the first quarter.

The top seven cities are set to deliver 531,000 new units in 2024, compared to 435,000 units in 2023, representing a 22% annual increase in supply if delivery schedules are on track, Anarock said. This influx could exert further pressure on rental rates, diminishing the investment appeal of real estate.

Additionally, expected delays in interest rate cuts could keep home loan rates elevated amid

rising prices, potentially causing prospective homebuyers to postpone their purchasing decisions. After the sharp rally in listed realty stocks, valuations have become expensive and require robust pre-sales growth in FY25 to justify them.

In the near term, the Union Budget is a critical event. A new scheme to revitalize the affordable housing segment would be welcome. Companies with exposure to Mumbai and Pune markets should keep an eye on Maharashtra elections, likely in H2FY25, as any changes in stamp duty for residential property purchases could significantly affect investor sentiment.

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

## 'Indian stock market is not at bubble levels'

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The stock market, at least for the large-cap mainstream stocks, is not in a bubble, and they are still below the long-term trendline, says Devina Mehra, founder, chairperson and managing director of First Global, a PMS and Smallcase manager in India, that also manages global funds and portfolios.

In an interview with *Mint*, Mehra shares her views on the key triggers for the Indian stock market and how one should play the mid-cap and small-cap segments. She also discusses sectors she is positive about at this juncture. Edited excerpts:

### What is your overall medium-term outlook for the Indian stock market?

I remain positive on the Indian market for the medium term, although there may be interim volatility. We are playing this by being fully invested in First Global's PMS (portfolio management services) portfolios but being partially hedged.

The broad reason for this is that the market had a very poor performing decade from 2010 to 2020 where instead of the 15-16% compounding that we expected, the Nifty and Sensex compounded only around 8.5%—hardly beating fixed deposit returns.

This created room for a bull market in the present decade.

However, I am less positive about the outlook of some frothy areas in the market like micro-caps and small-caps.



On triggers, my view is stories are often found *post facto* to explain market moves, and exactly the same reasons can be found to justify both an upmove and a decline.

Of course, one concern area remains: the poor growth in private consumption (the largest GDP segment), which grew at only 4% in the previous year. This has an impact on earnings of companies, especially those selling to any segment other than the affluent class.

**As the BJP has failed to secure a majority on its own and a coalition government is at the Centre, do you think the scale and pace of policy reforms will be curtailed?**

Data shows that coalition governments are good for the country, economy, and markets—somewhat unexpectedly—not just coalitions that lasted five years but even unstable ones like when Deve Gowda and I.K. Gujral were prime ministers. My view is that this is

because taking multiple viewpoints into account improves decision-making.

I do not see reforms slowing down.

However, I have an issue with the very definition of reforms, whereby measures that benefit businesses or investors are considered reforms, whereas spending on basic food, health, and education for the masses is considered populist and freebies.

Again, as in the case of company management, the short-term and the long-term

have to be balanced. Spending on nutrition, education, and health improves the quality of human capital.

**What is your view on the current market valuation?**

I do not see valuations reaching bubble proportion, at least for the large-cap mainstream stocks.

In price-earnings ratio (P/E) terms, we are not at very low levels, but we are not at extreme levels either. Also, remember that look-

ing at the Nifty or Sensex PE is not very meaningful as, over the years, the composition of each of these indices has undergone a huge change.

If you want to look at PEs at all, we should look at sectoral indexes—like autos, IT, metals, and so on. In none of these do we see that PE ratios are very high relative to history.

This decade of big underperformance created room for the stock market to grow. However, if we plot the market's returns, we will see that they are still below the long-term trendline. The risk of a big crash is when you are away above the trendline.

**What should be the investment strategy for the next two to three years?**

I certainly think that if you look at micro-caps and stocks below ₹5,000 crore market cap, there is more than a little froth there, and investors should limit their exposure there.

It is also because risk management measures do not work well for this segment as neither can you hedge those via Nifty options (as those stocks do not necessarily move with the Nifty), nor do stop losses work well here as the stocks can fall very rapidly without allowing you to sell.

Remember, in every small cap bust, hundreds of stocks disappear, never to return. Remember this when small-cap managers and advisors tell

you they have compounded 50 or 60% for two or three years.

If you go back five or seven years the picture may be completely different.

This is a risky area of the market, and if you are lucky enough to have made money here, book most of your profits and reinvest in steadier stocks.

**What sectors are you betting on at this juncture?**

The sector we have been overweight on for nearly three years now has been industrial machinery and capital goods although most other fund managers seem to have discovered it only in 2023.

However, a considerable part of the move in this sector is now over, and we have been cutting back, although we are currently still overweight.

Over the last year and a half, we have added automobiles, auto components, pharmaceuticals, and some construction names.

We also added some metals a few months ago, but I may not necessarily recommend them now.

Very diverse companies are under the PSU umbrella, from PSU banks to oil and energy to defence and manufacturing—all with different dynamics. The sub-segments that we are relatively overweight are PSU banks relative to private banks.

Read an extended version of this story at [livemint.com](#).









Shaktikanta Das, governor of Reserve Bank of India. PTI

## Close watch on surge in derivatives volume

FROM PAGE 1

tives trading rules, including higher margins for selling options contracts and more detailed disclosures.

Last month, finance minister Nirmala Sitharaman alluded to an unchecked explosion in retail trading of futures and options, saying it could create challenges not just for the markets but for investor sentiment and household finances as well.

Das on Tuesday said the last mile of the disinflationary process was proving to be sticky owing to 'stubborn' food prices. But he added that it was "too premature" to change the monetary policy stance and that the apex bank had to shun an "adventurism" approach on the rates front. "The disinflationary process is facing a lot of resistance from food inflation which is stubborn and high, primarily due to supply-side factors affected by weather conditions," he said.

RBI's monetary policy committee kept its rates and stance unchanged in its June policy. The MPC also raised its forecast on India's GDP growth in fiscal year 2024-25 to 7.2% from 7% following the economy's blistering 8.2% expansion in FY24.

# Auto firms move govt to keep circuit board imports flowing

According to SIAM, the duty on PCBs from China will increase procurement cost by 30%

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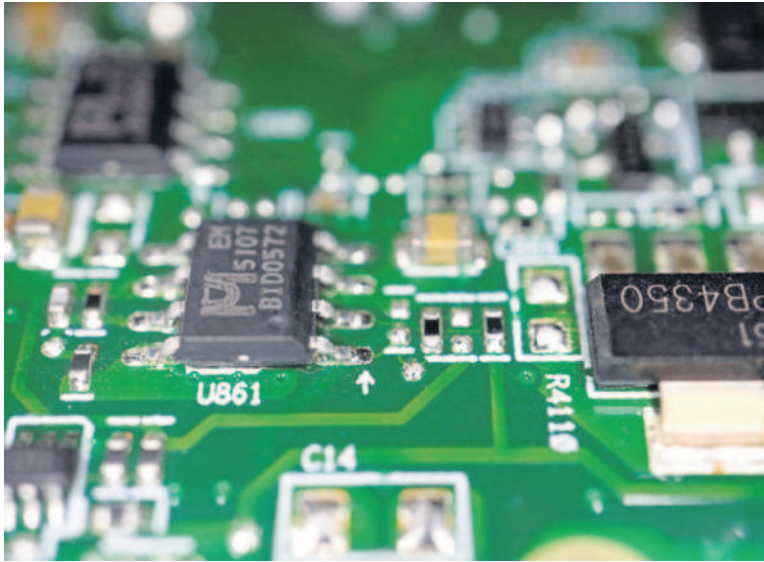
Citing quality, price and capacity challenges, Indian automakers are seeking exemption from a government order issued this March to impose anti-dumping duty on printed circuit boards (PCBs) imported from China and Hong Kong.

PCBs form the base of the many integrated circuits that control electronic functions in modern automobiles. They are also widely used across sectors such as consumer durables (for TVs, refrigerators, etc.) and telecommunications (network equipment).

The anti-dumping duty will increase auto companies' cost of procurement by 30% and have a cascading effect on the cost of vehicles, industry body SIAM (Society of Indian Automobile Manufacturers) said in a letter to the ministry of commerce. *Mint* has seen a copy of the letter.

SIAM points out several challenges in the letter in sourcing PCBs domestically, including the lack of advanced technology for producing multi-layer boards, insufficient facilities to ensure contamination-free PCBs and a shortage of high-quality, approved materials like Shengyi S1000H required for producing chips in India. It also mentions that domestic manufacturers do not consistently produce the high-reliability PCBs needed for various "safety-critical applications".

While the government is heavily incentivizing local manufacturing of 'intelligent' electronic components like chips, it has imposed anti-dumping duty on PCBs imported from China and Hong Kong for five years, reasoning that the boards were being imported



The government has imposed anti-dumping duty on PCBs imported from China and Hong Kong for five years. REUTERS

into India 'below normal values' and harming the domestic industry.

SIAM declined to comment on *Mint*'s request for comment on the story.

SIAM's letter further said, "PCBs are an integral functional part of Electronic Control Units (ECUs) which controls

cesses. Availability of domestic manufacturer meeting these manufacturing practices is a challenge presently."

"Hence, the PCB manufacturers in India need to augment their capabilities and capacities to enable supply PCBs of required specification and

duty is necessary to promote manufacturing of the boards in India, as China's large-scale manufacturing and dumping at cheap prices, subsidised by the local government, have kept investments in ramping up manufacturing in India low.

"The auto industry doesn't need to compromise on quality or safety; we have equally satisfactory technology, knowledge and skills in the country," M. Thyagarajan, president of Indian Printed Circuit Association (IPCA), told *Mint*. "We understand the concern that the industry feels we may not be able to deliver the quality they need, but we make PCBs for satellites, ground and aircraft systems for defence, and we started PCB manufacturing much before the Chinese did. But the lack of raw material needed (such as copper-clad laminate) to make PCBs in India took away that advantage from us."

"Other countries have taken advantage of that and are dumping at a lower cost. Our argument is that technology that is available in India should be encouraged and manufactured in the country," Thyagarajan added. "Mainly we are buying from outside because it is cheaper."

Thyagarajan said PCB makers are "absolutely willing" to invest in capacity, but for that OEMs (original equipment manufacturers) need to start giving them firm demand signals.

"We do want Indian manufacturers to invest in quality and understand that due to insufficient capacity at present, an anti-dumping duty will hurt the consumer in terms of higher pricing," a top auto industry executive said on condition of anonymity as the discussions are currently ongoing. "This is a chicken-and-egg problem, which can be resolved with more pragmatism on both sides."

## Companies go extra mile to skip bond listing

FROM PAGE 1

not have listed and unlisted debt securities.

A query emailed to a Sebi spokesperson remained unanswered.

The amendment is aimed at ensuring better transparency in price discovery for all NCDS, and to facilitate easier exit for investors. Sebi also expects the amendment to help reduce investor confusion between listed and unlisted papers of the same company and prevent mis-selling of unlisted bonds to investors.

"However, these amendments may not have the desired knock-on effect, and may, in fact, push investors and issuers to voluntarily delist existing listed NCDs or turn to other sources or avenues of fund-raising, including traditional routes like banks and non-banking finance companies where possible," law firm AZB said in a blog in February this year. "It may now also be practically impossible for issuers having outstanding listed NCDs to execute bilateral arrangements with investors and arrangers of unlisted NCDs, which are otherwise fairly common," they noted.

Experts say that by issuing the bonds through unlisted subsidiaries, companies can return to such bilateral arrangements.

However, companies may need to offer collateral from their most credit-worthy entity in the group to provide comfort to an investor to invest in an unlisted paper of an unlisted group entity, Khaitan & Co's Shroff said.

Borrowings of unlisted subsidiaries are typically guaran-



The amendment is aimed at ensuring better transparency in price discovery for all NCDS.

teed by their listed parents with higher credit rating.

Chirag Shah, a senior lawyer in securities law, added that if Sebi actually wanted listed companies to list their NCDS, it should mandate that not just the listed company, but its wholly owned subsidiary or material subsidiary should also do the same. "This is the only way to curb any circumventing of the law via unlisted subsidiaries. In any event, such unlisted subsidiaries wouldn't be able to raise money without the parent's support or guarantee," Shah said.

Kunal Sharma, partner at Singhania & Co, clarified that it was for Sebi to contemplate whether investors are under serious financial risk if NCDS are unlisted. "It would be naive to think that regulators do not deliberate on whether the entities seeking borrowing through means of NCDS would engineer for exceptions, especially when among other benefits of having unlisted NCDS, one such benefit would be no requirement of periodic credit review as mandated under SEBI (LODR) Regulations for Listed Entities" he said.

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## Interest-free state loans may get a 30% increase in budget

FROM PAGE 1

upcoming annual budget. The remaining ₹55,000 crore in the interim budget came with "simple conditions" that were not reforms-linked.

Current reforms that states must meet include reforms in the housing sector, incentives for scrapping old government vehicles and ambulances, reforms in urban planning and urban finance, increasing housing for police personnel, and setting up libraries with digital infrastructure at panchayat and ward levels for children and young adults.

"Interest-free capex loans to states are often used to fund targeted investments across infrastructural segments. This will further drive up infrastructure spending and overall growth," the first person mentioned earlier said.

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

"The special assistance as loans to states for capital expenditure is an effective way of making the economy more progressive," said K. Lakshminarayanan, minister for public works of Puducherry, who represents the Union territory in GST meetings. "Normally, welfare schemes and committed expenses like salaries and pensions comprise 60-70% of the expenditure in our budget, leaving little for capital expenditure on infrastructure projects like roads, airports, railways and others."

"However, Puducherry being a Union territory is not eligible for this loan. Our chief minister has written to the prime minister to make this loan available to us so we can spend more on



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

infrastructure projects," Lakshminarayanan added.

"Since states account for roughly one-fifth/one-fourth of the infrastructure expenditure, this scheme will strengthen growth impulses, facilitate structural transformation, partly reduce regional imbalances and promote distributive equity within the constraints of the scheme," said Manoranjan Sharma, chief economist at rating agency Infomerics, and former chief economist at Canara Bank.

The 'special assistance to states for capital investment' scheme was launched in FY21 to help states after the pandemic with an allocation of ₹12,000 crore. The Centre stepped up the allocation to the scheme to ₹15,000 crore in FY22 and dramatically scaled that up to ₹1.07 trillion in FY23 with ₹27,000 crore linked to specific reforms by states.

In FY24, ₹1.3 trillion was earmarked for the scheme, and about ₹30,000 crore of that allocation was marked as outcome-based. The remaining ₹1 trillion had the same condition as is being proposed for FY25—states had to ensure that the loan was used to supplement their own capex and not to substitute it.

## Direct taxes kitty swells 21%

FROM PAGE 1

for both direct and indirect tax is 13%, faster than the 10.5% nominal gross domestic product (GDP) growth projection made in the budget.

The forecast implies buoyant direct tax collection growth this year. The 21% growth rate seen in the first two months also implies the government may comfortably meet the projected tax collection target.

It remains to be seen if the finance ministry will make adjustments to the target when it presents the full year budget for FY25 next month.

The total direct tax collection of the Centre before adjusting for refunds stood at ₹5.16 trillion so far this year, compared with ₹4.22 trillion in the corresponding period of the preceding financial year, showing an annual growth of 22.19%, CBDT said.

Before adjusting for refunds, corporate tax collection stood at ₹2.26 trillion and personal income tax receipt including STT collection stood at ₹2.89 trillion. Personal income tax



Personal I-T beat corporate tax receipts in last 2 years. BLOOMBERG

collection has in the last two years grown faster than corporate tax collection due to several reasons, including rising income levels, higher use of technology by the government and taxing dividends in the hands of the individual taxpayer instead of the corporate entity.

Data showed that tax collected at source (TDS) is a significant mode of tax collection. TDS fetched ₹3.25 trillion, while advance tax contributed ₹1.49 trillion. Self-assessment tax contributed ₹28,471 crore while regular assessment fetched

₹10,920 crore.

Advance tax collection after the first instalment due date shows a growth of 27.34% from the year-ago period, when the department collected ₹1.17 trillion. The tax department gave ₹53,322 crore as refund so far this financial year, 33.7% more than the refunds issued in the same time a year ago.

Experts said increased formalization, use of technology and strong economic growth are contributing to direct tax buoyancy. It can also be attributed to an increasing number of scrutiny cases, a sharp focus on advance tax collection and faceless assessments, according to Manish Gang, lead-transfer pricing and litigation at AKM Global, a tax and consulting firm.

"Also, the scope of TDS and tax collected at source (TCS) is being extended gradually by the government to include transactions such as purchase of luxury cars, foreign remittances and large cash withdrawal etc., which has contributed to the boost in direct tax collections," said Garg.

## Boeing's CEO search hits some turbulence

FROM PAGE 1

industrial giant, was a favorite of investors and suppliers. He's known as a guru in the world of lean manufacturing, a management philosophy focused on cutting waste while continuously improving quality.

Culp has said publicly that he intends to stay at GE Aerospace, which has shed its other businesses to focus on making jet engines used in Boeing and Airbus planes.

Gitlin, the current CEO of manufacturer Carrier Global, said on an earnings call in April that he told Boeing's board to remove him from the list of potential contenders. Gitlin's relative youth, his success at Carrier and years spent at United Technologies made him an attractive candidate.

Pope was named Boeing's chief operating officer in December, beating out other internal candidates. Boeing put Pope in charge of the troubled commercial airplane unit after



Boeing CEO David Calhoun will step down by year end. REUTERS

the Alaska Airlines accident.

Calhoun has called the assignment trial by fire. But Pope, a 30-year Boeing veteran, must contend with calls, coming from investors, airline customers and some politicians, for Boeing to pick an outsider. Pope also has a background in finance, while some insiders and observers are lobbying for a CEO with engineering credentials.

Shanahan spent three decades at Boeing, where he earned a reputation as an oper-

ational fixer. Last year he took over as CEO of troubled fuselage supplier Spirit AeroSystems. He's an engineer by training and was acting defense secretary for six months under President Donald Trump.

Shanahan has held discussions with Boeing about the CEO job, but the talks are largely on hold as Boeing negotiates to take over Spirit.

Spirit also makes parts for Boeing rival Airbus. The future of those operations had been the main sticking point in the sale, but Spirit and Airbus have since worked out key issues, according to people familiar with the discussions.

Airbus said in a statement Monday that it is in early stage negotiations with Spirit over options for its programs with the supplier, which include potentially acquiring Spirit operations that make Airbus parts.

Boeing executives have said they hope to have a deal by the end of June.

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## Cognizant, Infosys, Wipro see fall in real estate space in a year

FROM PAGE 1

Cognizant, which counts close to three-fourths of its total employees in India, follows a January-December financial year.

Wipro's office space declined from 26.03 million sq. ft in India at the end of March 2023 to 24.97 million sq. ft last year, a 1.06 million sq. ft decline, the company's stock exchange disclosures showed. Wipro also shut three of its 185 sales and marketing offices, development and training centers outside India.

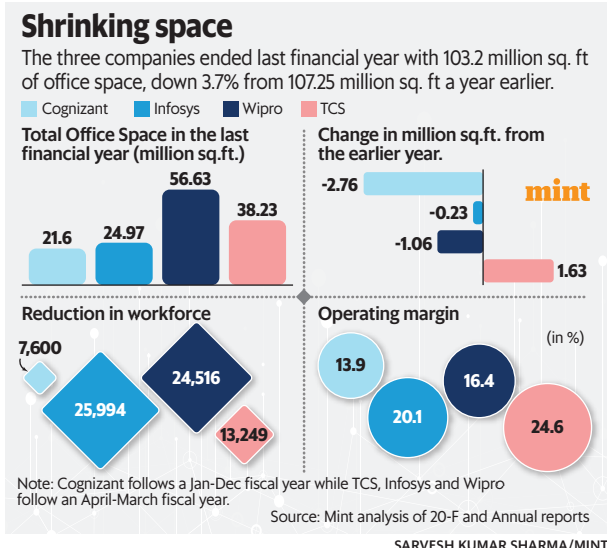
Meanwhile, Infosys's office space declined by 0.23 million sq. ft to 56.63 million sq. ft in FY24, as the Bengaluru-based IT services firm closed 11 offices to end with 265 offices.

"The net decline in the square foot area is due to optimization of real estate space,"

said Infosys in its annual report.

"Post-covid, most companies are adapting to the work-from-home and from-office structure. This hybrid model has allowed companies to make better use of their current physical space," the former CEO of an IT services firm said. "Finally, a reduction in workforce has made these companies relook at their future office needs."

The country's \$254 billion IT services sector reported the weakest-ever dollar revenue growth of 3.8% in FY24, according to industry body Nasscom. The sector also added the fewest employees in a year, as four of the five largest IT services companies saw a reduction in their workforce. Noida-based HCL Technologies Ltd was the only company that reported a marginal



increase in its headcount.

Infosys's workforce fell by 25,994, from 3,43,234 at the end of March 2023 to 3,17,240 in March 2024. Wipro's headcount declined by 24,516 from

2,58,570 to 2,34,054. Cognizant ended with 3,47,700 employees last year compared to 3,55,300 at the end of 2022, a fall of 7,600 employees.

To be sure, Cognizant CEO

S. Ravi Kumar had outlined a policy of working with 40% less office space soon after he took over in January 2023. "We expect the structural shift in our real estate costs to help eliminate 80,000 seats and 11 million sq. ft in large cities in India," Ravi Kumar told analysts in a post-earnings call on 3 May last year. "This shift will also enable us to invest in collaboration spaces in smaller cities while creating structural savings for the future that we can invest in our people and growth opportunities. We expect this program to help enable us to deliver margin expansion in the range of 20-40 basis points in 2024 while supporting a large deal pipeline," he had said.

India's IT services firms cutting back on office space also mirrors how Big Tech firms including Alphabet, Meta

and Salesforce have vacated some of their office spaces in expensive cities like Dublin, London and San Francisco over the years.

In the early years of India's outsourcing industry in the late 90s, offices of the largest IT services firms played a central role in these companies winning the confidence—and business—of the Fortune 500 companies. The manicured gardens, man-made lakes, and swanky buildings hosted both global and business leaders on their visits to Bengaluru and other cities.

More than two decades later, managing these vast offices is proving costly given the pressure on profitability as several services they offer to companies get commoditized, and in the wake of existential threats posed by newer technologies like Generative AI.







# China's giant solar industry is in turmoil

Expansion in supply drove down cost of clean energy, acted as counterweight to rising cost of capital needed to develop solar farms

The Economist

In a factory in a smoggy corner of China's inland Shaanxi province, the country's world-leading solar industry is on display. Robots scoot around carrying square slices of polysilicon, a crystalline substance usually made from quartz. The slices, each 180mm across and a hair's breadth thick, are called wafers. They are bathed in chemicals, shot with lasers and etched with silver. All that turns them into solar cells, which convert sunlight into electricity. Several dozen of these cells are then bundled together into a solar module. The factory, owned by LONGi Green Energy Technology, can churn out about 16m cells a day.

China's solar industry is dominant across every stage of the global supply chain, from the polysilicon to the finished product. Module production capacity in the country reached roughly 1,000 gigawatts (GW) last year, almost five times that of the rest of the world combined, according to Wood Mackenzie, a consultancy. What is more, it has tripled since 2021, outgrowing the rest of the world, despite efforts by America and others to boost domestic production. China is now able to produce more than twice as many solar modules as the world installs each year.

This massive expansion in supply has helped drive down the cost of clean energy for consumers, acting as a counterweight to the rising cost of capital needed to develop solar farms. During the pandemic the price of solar modules spiked owing to a shortfall in the supply of polysilicon. Since then, however, the global price has fallen to a record low of less than 10 cents per watt, according to PVInsights, a data provider.

Yet the rapid growth of Chinese capacity, which has outpaced global demand, has also squeezed much of the profit out of the industry. Polysilicon, wafers, cells and finished modules now sell below their average production cost. Collapsing prices caused Chinese solar export revenues to fall by 5.6% last year, according to Wood Mackenzie, even as volumes soared. Longi's share price has slumped by some 60% since the start of 2023. In March the company said it would fire 5% of its workers, citing an "increasingly complex and competitive environment". The share prices of other Chinese solar giants, including Trina Solar, JA Solar and Jinko Power, have also been battered.

Smaller companies have been hit even harder. Yana Hryshko of Wood Mackenzie explains that the big firms are typically diversified, helping them weather the collapse in solar prices. Others are not so lucky. Lingda, a smaller manufacturer of solar cells, recently cancelled plans to build a \$1.3bn fac-



China's solar industry is dominant across every stage of the global supply chain, from the polysilicon to the finished product.

tory. An executive at one Chinese solar company reckons that at least half of the businesses across the supply chain will go under.

So far, however, there are few signs of an end to China's overcapacity problem. Despite financial pressure from falling prices, the industry's largest companies continue to upgrade their technology and expand their output in an effort to keep their marginal costs

below those of their competitors. Wood Mackenzie forecasts that China's solar industry will expand capacity to nearly 1,700GW by 2026.

**Cloud cover**

State support for the industry is contributing to the supply glut. For decades leaders of municipal and provincial governments in China have sought to build local solar industries that hire from

their populations and contribute taxes. Support comes in a variety of forms, including free land, free electricity, interest-free loans and access to cutting-edge technologies, notes Usha Haley of Wichita State University. She reckons all this adds up to about 35% of a solar company's costs, on average, but could be as high as 65% in some cases.

There are signs such support has

been growing more generous, notes Ms Haley. Some local governments are financing and building solar factories that they then lease and later sell. Many will be tempted to step in to prevent local solar champions from going under. That is especially so given the downturn in China's property sector, which has strained the finances of local governments that relied on selling land to developers to generate income. One industry insider in the inland city of Zhengzhou notes that officials there have grown more willing to aid solar companies that run into trouble.

That support may dry up. Many of China's provinces are now struggling to service their ballooning debts. Solar companies must also compete for government largesse with firms in other industries that are grappling with overcapacity as China's economy slows. More than a fifth of Chinese industrial firms were unprofitable last year, according to analysis by Rhodium, another consultancy. Efforts to export away China's overcapacity problem are encountering resistance abroad. Last month Ursula von der Leyen, the president of the European Commission, declared that "the world cannot absorb China's surplus production." On June 12th the EU announced it would slap provisional tariffs of between 26% and 48% on Chinese electric vehicles (EVs).

China's cut-price solar modules could come in for similar treat-

ment. America has levied anti-dumping duties on Chinese solar manufacturers since 2012. Although the EU abandoned similar measures in 2018, some fret over the continent's dependence on Chinese solar companies. In April the bloc agreed to expand subsidies and other support for local solar manufacturers that have been pummeled by Chinese imports.

Although China's leaders have contested claims that the country is grappling with excess supply, there are signs they are aware of it. In a meeting with business executives and economists last month, Xi Jinping, China's ruler, cautioned against focusing resources solely on EVs, batteries and solar modules—or, as a recent slogan calls them, "new quality productive forces"—and noted that investments must "have their own merits".

All this suggests a period of consolidation looms for China's solar industry. Jenny Chase of BloombergNEF, a research group, has seen this play out before. "There are slight profits, then longer periods of terrible margins, then bankruptcies and exits. We call it the solar coaster." Demand may eventually catch up with supply, as lower module prices encourage developers to install more solar power. In the meantime, China's solar industry should prepare for a bumpy ride.

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## Social media influencers aren't getting rich, they're barely getting by

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Many people dream of becoming social-media stars like YouTube's MrBeast or TikTok's Charli D'Amelio. But for most who pursue careers as content creators, just making ends meet is a lofty goal.

Clint Brantley has been a full-time creator for three years, posting videos on TikTok, YouTube and Twitch where he comments on news and trends related to the online game "Fortnite". Despite having more than 400,000 followers, and posts that average 100,000 views, his income last year was less than the median annual pay for full-time U.S. workers in 2023—\$58,084, based on Bureau of Labor Statistics data. The 29-year-old is hesitant to commit to an apartment lease because the money he gets, mainly from online tips and sponsorship deals, arrives randomly and could vanish at any moment. For now, he's living with his mom in Washington state.

"I'm vulnerable," he says.

Earning a decent, reliable income as a social-media creator is a slog—and it's getting harder. Platforms are doling out less money for popular posts and brands are being pickier about what they want out of sponsorship deals. The real possibility of TikTok potentially shutting down in 2025 is adding to creators' anxiety over whether they can afford to stick with the job for the long haul.

**Few overnight sensations**

Hundreds of millions of people around the globe regularly post videos and photos to entertain or educate social-media users. About 50 million earn money from it, according to a 2023 report from Goldman Sachs. The investment bank expects the number of creator-earners to grow at an annual rate of 10% to 20% through 2028, crowding the field even further. The Labor Department doesn't track wages for these creators, also known as influencers.

It can take months or years to earn money as a creator, often through a combination of direct revenue from social-media platforms, sponsorship deals, merchandise sales and affiliate links. But those who stick with it eventually see some returns, surveys show. Creators say that's because you can learn what kind of posts most resonate with an audi-

ence, which can lead to more followers and, in turn, more moneymaking opportunities.

But money doesn't mean big bucks. Last year, 48% of creator-earners made \$15,000 or less, according to NeoReach, an influencer marketing agency. Only 13% made more than \$100,000.

The gap reflects multiple factors, including whether creators work full- or part-time, the kind of content they put out and when they started. People who jumped into the space during the height of Covid-19 lockdowns—and who focused on a niche such as fashion, investing or lifestyle hacks—say they benefited from the surge in social-media use during that time.

A small number of creators shot to fame, propelling the occupation to the top of career wish lists for many teens (and adults). But behind the scenes, creators say the job is grueling. They need to constantly produce compelling posts or risk losing momentum. They spend their days planning, filming and editing posts while also working to make inroads with advertisers and interacting with fans.

"It is a lot more work than most people realize," says Emarketer analyst Jasmine Enberg. "Creators who make a living doing it have been at it for many years. Most are not overnight sensations."

Like other self-employed professionals, creators don't get paid time off, healthcare benefits, retirement contributions and other perks that companies typically provide for their workers. That reality, coupled with stubbornly high inflation and mortgage rates, is making it more difficult to get by as a creator. "Everything is more expensive, especially groceries," says Jason Cooper of Mobile, Ala.

A few years ago, Cooper dreamed up a sassy sock puppet named Sock Cop, who cracks dad jokes in live and recorded videos for TikTok and Twitch. He currently makes \$500 to \$600 a month, almost entirely from tips.

He thinks he could probably haul in a lot more if he went full-time. But with no guarantee, the 37-year-old father doesn't want to quit his marketing job and risk losing health coverage. He now spends a few hours in the evening and on weekends on Sock Cop. If he had more time, he would feel the need to constantly make videos. "You've got to feed the



Platforms are paying less for popular posts, while brands are pickier about partnerships.

beat," says Cooper.

**Shrinking platform payouts**

TikTok's \$1 billion creator fund, which ran from 2020 to 2023, doled out money to eligible creators for posting to the platform. Others joined in. YouTube's TikTok competitor, Shorts, allowed creators to earn anywhere from \$100 to \$10,000 a month with its temporary fund.

Instagram's Reels Play bonus program rewarded creators with fluctuating payouts. Snapchat's Spotlight rewards program gave \$1 million a day to the platform's top creators. Today, the platforms have revamped or completely changed how they pay creators—doing away with their funds. Qualifications for TikTok's current rewards program include having an account with at least 10,000 followers with a minimum of 100,000 views in the past month. Instagram is currently testing a seasonal, invitation-only program that rewards creators for sharing Reels and photos.

YouTube debuted an ad-revenue share model last year, in which qualifying creators with more than 1,000 subscribers and 10 million public Shorts views in the past 90 days receive 45% of revenue from ads that occur between posts. Snapchat has a program that gives creators who meet certain criteria, such as having at least 50,000 followers and 25 million monthly views, a portion of the ad revenue that appears between Stories. Its Spotlight program also continues to dole out money to creators.

Creators who opt into these programs or bonuses aren't guaranteed a significant payday.

Yuval Ben-Hayun originally became popular on TikTok in 2020 because of his posts about the word-puzzle game Wordle. The 29-year-old New Yorker eventually expanded into linguistic and other education content, and by early 2023, was able to support himself and his bills of over \$4,000 a month.

TikTok had closed its fund by then but was testing its creator rewards program. Ben-Hayun said in March he received about \$200 to \$400 per million views, and it's steadily declined since then—even as his follower count reached 2.9 million.

The followers are still there, but the money isn't. He recently hit a new low, receiving only \$120 for a video with 10 million views.

Danisha Carter is frustrated that TikTok and other platforms sold the idea of content creation as a job, but later withdrew the financial incentives. Thanks to creators' efforts, she says, consumers are now hooked on social feeds, bringing the platforms billions of dollars in annual revenue.

The 26-year-old has 1.8 million TikTok followers, and her posts about beauty and exercise, along with opinions on topics ranging from dating to online bullying, regularly receive hundreds of thousands of views. TikTok has paid her a total of \$12,000, Carter says. She sells merchandise for additional income, bringing in about \$5,000 last year.

"Creators should be paid a fair percentage based on what the apps are making off creators," says Carter. "There should be more transparency into how we're paid, and it should be consistent."

A TikTok spokeswoman

declined to comment.

YouTube said it paid more than \$70 billion to creators, artists and media companies in the past three years, and more than 25% of channels in the ad-revenue share model are now making money through it. "We remain committed to putting our full energy into what matters most for our creators, viewers and advertisers," a spokeswoman said.

**A future without TikTok?**

Many creators and advertisers credit TikTok, which pioneered the short-form video genre, with driving stronger engagement than its industry peers. TikTok has gained more than 170 million users in the U.S. since its launch in 2016—including, Pew Research Center says, a third of American adults. They spend an average of 78 minutes a day on the app, according to market-intelligence firm Sensor Tower.

TikTok may not be available in the U.S. for much longer, at least not in its current form. In April, President Biden signed a bill into law that will force a sale or ban of the app by Jan. 19, 2025. U.S. lawmakers have expressed worries that TikTok poses a national security risk. TikTok's parent company, Beijing-based ByteDance, has said it can't and won't sell its U.S. operations by the deadline.

ByteDance sued the U.S. government, alleging the new law violates its First Amendment rights. Several U.S. creators also sued. The U.S. Court of Appeals for the District of Columbia Circuit will hear arguments in September for both cases. "To lose TikTok would be kind of devastating," says Brandon Granberg, a 31-year-old creator from Bayville, N.J., known for interacting with strangers in public places in silly ways.

Granberg struggled for years to attract viewers on the app before one viral post two years ago took his follower count from 5,000 to more than one million. Recently he made \$1,000 from a TikTok program that launched last year called TikTok Creative Challenge, which allows creators to earn money by making video ads for brands that don't appear on their personal profiles. He also earned \$2,800 for producing four TikTok videos promoting a website for people with foot fetishes. Granberg says he found it creepy, but did it because he needed the money.

While he hasn't landed many other sponsored posts, he's grown his income significantly by making marketing videos for small businesses over the past year. Most clients find Granberg on TikTok. "If it gets banned, it will definitely hurt me," he says.

**Changing tastes and algorithms**

This year, U.S. social-media creators as a whole are expected to make \$13.7 billion, according to Emarketer. The research firm projects the majority of that—\$8.14 billion, or 59%—will come from brand sponsorships.

Advertisers have always led in compensating creators, paying out far more money than the social-media platforms and fans who buy merchandise or dole out tips. But these days, advertisers expect more from creators than just large followings, according to agency and talent representatives. They want to see evidence of strong engagement in the form of saved and shared posts, plus the demographics of creators' audiences.

"Brands are looking at metrics that are far less predictable for creators and also very difficult to price yourself on," says Sarah Peretz, a business-strategy consultant in Los Angeles who helps creators negotiate partnerships and deals with advertisers.

Some brands are more controlling than in the past, says Sarah Steele, a 34-year-old creator in Tulsa, Okla., who started making TikTok videos about being a working mom in 2020. "Now it's, 'We're paying you and this is what we want you to say,'"

Earlier this year, Steele says an advertiser insisted she cite legal disclaimers in a series of sponsored Instagram posts. "It felt like I was reading off a teleprompter," she says. "As a consumer it even turned me off to the brand a little bit."

Creators, meanwhile, are having a tougher time attracting viewers, thanks to algorithm changes and other factors beyond their control. And while more advertisers are looking to partner with creators than in the past, "increased activity leads to increased competition," says Peretz.

Another change is that advertisers now prefer to work with just a handful of creators on long-lasting deals rather than experiment with several on one-off projects, says Jess Hunichen, of Shine Talent Group.

Hunichen co-founded the talent-management agency in 2015, when TikTok didn't exist and influencer marketing was still relatively new. Back then, an average deal size between an influencer and brand was usually below \$1,000. Now, the average deal per campaign is around \$10,000, she says.

**Worth the hustle**

Ronit Halmos of Los Angeles began making TikTok videos earlier this year that she describes as quick-reviews of restaurants, bars and more "with some sass and attitude."

The 27-year-old, a full-time technology recruiter, recently landed her first advertiser deal. A kombucha brand asked her to make a 30-second post featuring her take on a line of flavors. Though it ended up getting less attention from viewers than her usual fare, she made \$1,500 from about 30 minutes of work.

Tyler Haven, a 27-year-old traveling around the Pacific Northwest, charges \$250 to \$300 to make promotional videos that brands can post to their own social channels, and around \$1,200 for posts that appear on either his Instagram account with more than 41,000 followers or his TikTok account with more than 10,000 followers.

Since January, he's been posting videos documenting his "van life" with his wife, Oak Haven: Their primary residence is a fully paid, fully decked-out 2004 Mercedes Sprinter van.

Haven said it's been easy to grow his following organically. He believes it's because his posts don't depict some unattainable, picture-perfect life.

He quit his job in June to pursue full-time content creation. "Even if I were to make \$2,000 a month, which is absolutely nothing—that's less than most people's rent—I could live on that," Haven says.

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It let customers split purchases into four payments over six weeks, with no interest.

## Apple is shutting down its buy now, pay later service

Joseph Pisani  
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Apple is ending its buy now, pay later service, just over a year after launching it.

The service, called Apple Pay Later, allowed customers to split purchases between \$50 and \$1,000 into four payments spread over six weeks with no interest and no fees. The initiative, unveiled in March 2023, was part of the company's push to use finance to deepen its relationship with consumers. It competed with buy now, pay later companies such as Affirm and Klarna.

Apple's website said Monday that the company is "no longer offering new loans" for Apple Pay Later, but that existing ones aren't affected. The company said it plans to offer a way for people to apply for buy now, pay later loans from other companies when they check out with Apple Pay, the company's payment system.

Last week, Apple said one of those companies would be Affirm, which it is adding as an option in the fall. Citigroup and Synchrony Financial will also be a part of the rollout, Apple said. The company is also adding a scannable code that will help shoppers use Apple Pay across the web. Affirm's stock closed at \$30.81 on Monday. The share price has nearly doubled over the past 12 months, though it remains well below its record high above \$160 in late 2021.

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NEWS  
NUMBERS

17

**THE NUMBER** of firms that have received approvals from Sebi to raise nearly ₹11,946 crore through IPOs in the coming months, according to Prime Database Group

₹11,730 cr

**THE NET** purchases made by foreign portfolio investors in the Indian equity market last week (10-15 June), reversing the selling spree, according to NSDL data

6-8%

**THE PROJECTED** growth in demand for jewellery in value terms in FY25, down from 18% growth in FY24, due to a surge in gold prices, according to Icra

531,000

**THE NUMBER** of new housing units the top seven cities in India are expected to see in 2024, up 22% from 435,000 units in 2023, moderating the rental growth

\$51.5 bn

**THE AMOUNT** the US spent on nuclear weapons in 2023, followed by China (\$11.8 billion) and Russia (\$8.3 billion), according to SIPRI, a Swedish think tank

HOWINDIALIVES.COM

## India to investigate WB train collision

India will launch an investigation on Tuesday into a train collision that killed nine people in West Bengal and injured more than 50, a day after a top railway official blamed the incident on driver error.

The death toll was revised down to nine from 15 after Monday's accident, in which a freight train rammed into a passenger train, Kanchanjunga Express heading for the state capital of Kolkata from Tripura. The probe by top railway safety official will start on Tuesday, Chetan Kumar Shrivastava, general manager of the Northeast Frontier railway, where the accident happened, told *Reuters*.

"The inquiry will involve eye-witness accounts, scrutiny of official documents and statements from railway officials, regarding signalling and other mandatory safety issues," he added.

There were 1,400 people aboard, a railway spokesperson said.

REUTERS

Rupee was buoyed by fresh inflow of foreign capital and a firm trend in equity markets. REUTERS

## Rupee up 12 paise, hits 83.43 a dollar

The rupee appreciated 12 paise to settle at 83.43 against the US dollar on Tuesday, buoyed by fresh inflow of foreign capital and a firm trend in domestic equity markets, wherein benchmark indices scaled new peaks.

Forex traders said reports of dollar selling by public sector banks also supported the local currency. However, higher crude oil prices capped the gains in the local unit. At the interbank foreign exchange market, the local unit opened at 83.52 and hit the intraday high of 83.39 against the greenback during the session. It finally settled at 83.43 against the dollar, registering a gain of 12 paise from its last close.

On Friday, the rupee had settled 1 paise lower at 83.55 against the US dollar. Forex markets were closed on Monday on account of Bakri Id.

Anuj Choudhary, research analyst at Sharekhan by BNP Paribas, said the rupee gained as domestic markets hit new all-time highs amid fresh foreign fund inflows. "Reports of selling of dollars by state-run banks also supported the rupee. However, a positive tone in the US dollar and surge in crude oil prices capped sharp gains," he said.

PTI

## Fosun to cut stake in Gland Pharma

Shanghai Fosun Pharmaceutical Group Co. is in talks about cutting its stake in India's Gland Pharma Ltd through block deals after being unable to offload it in one go, according to people familiar with the matter.

The Chinese company could start the sale by paring a 6% stake in the drugmaker as soon as next week through a block deal, the people said, asking not to be identified discussing confidential information.

The listed arm of billionaire Guo Guangchang's Fosun International Ltd holds about 58% of Gland Pharma, which has a market value ₹30,300 crore (\$3.6 billion). It will carry out more block sales in the coming months to shore up its balance sheet unless buyout firms make an offer, the people said. Fosun Pharma's high valuation expectations for Gland Pharma have been a hurdle to a potential sale to private equity firms, the people said.

A representative for Fosun Pharma declined to comment, while Gland Pharma didn't respond to requests for comment.

BLOOMBERG

## Consumer affairs secy cautions e-comm firms on dark patterns

Consumer affairs secretary Nidhi Khare on Tuesday warned e-commerce companies against deploying deceptive user interface designs known as "dark patterns", stating that the practice violates consumer rights and amounts to unfair trade.

Addressing a stakeholders session, Khare highlighted various ways for online platforms to refrain from using such designs that mislead consumers into making unintended purchases or subscriptions, an official statement said. She suggested improvements like relying on consumer feedback, monitoring user satisfaction and repeat customers, using app features to identify non-compliant patterns, and self-auditing specified dark patterns, according to an official statement.

The Department of Consumer Affairs, which notified guidelines to prevent dark patterns in November 2023, has specified 13 such designs, including false urgency alerts, subscription traps, bait-and-switch pricing and nagging tactics.

PTI

The Department of Consumer Affairs notified guidelines to prevent dark patterns in November 2023. ISTOCKPHOTO

### FISHING IN FLOODWATERS

Villagers catch fish in floodwaters amid heavy rains in Assam's Kamrup district on Tuesday.

PTI

# Centre revises retail prices of diabetes, other essential drugs

## NPPA announced revised prices of 54 drug formulations, 8 special feature products

Somrita Ghosh  
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NEW DELHI

The Centre has fixed higher prices for drugs used in the management of diabetes, hypertension, heart disease, bacterial infections, and allergies, as well as some multivitamins.

In an official order, the department of pharmaceuticals and the National Pharmaceutical Pricing Authority (NPPA) announced the fixing of retail prices of 54 drug formulations and eight special feature products. The decision to increase the prices of the formulations was taken during the authority's 124th meeting. In a relief to diabetes patients, prices of many common prescribed drugs including metformin, linagliptin and sitagliptin, have been fixed at ₹15 to ₹20 per tablet. Prices of calcium, vitamins and drugs for bacterial and fungal infections have, however, been reduced.

The retail price of ciprofloxacin antibacterial injection was fixed at ₹0.23 per millilitre (ml), while that of combination tablets containing telmisartan, chlorthalidone, and cilnidipine for hypertension is ₹7.14 per tablet. Combination aspirin and atorvastatin, used to treat high cholesterol, particularly when linked to rising risk of heart disease, have a set at ₹2.68 per capsule.

The price of 500 ml pack of glucose in "euro head plastic bottles" was fixed at ₹0.24 per ml, while the cost of calcium and vitamin D3 pills has been set at ₹7.82 per tablet.

The increase in the prices of the drugs and special feature product follow the NPPA's announcement in March that price of drugs on the National List of Essential Medicines (NLEM) will rise by

0.00551% due to variation in wholesale inflation.

In May, the authority announced a reduction of the ceiling rates for seven scheduled formulations and a comparable cut in retail prices for 41 important pharmaceuticals.

The NPPA has also stated that retailers and dealers shall display price list and supplementary price list. The NPPA has also said that in case the retail price of any of the aforesaid formulations is not complied with, as per instant price notification and notes specified, then the concerned manufacturer or marketing company will be liable to deposit the overcharged amount along with the interest thereon under the provisions of the DPCO, 2013 read with the Essential Commodities Act, 1955.

The drug pricing authority has also stated that retailers and dealers must display price list and supplementary price list, else face penal action

## Thailand allows same-sex marriages

Thailand is the third Asian place, after Taiwan and Nepal, to allow same-sex marriage. AFP

Thailand's Senate voted overwhelmingly on Tuesday to approve a bill that would legalise same-sex marriage, clearing the last legislative hurdle for the country to become the first in Southeast Asia to enact such a law.

Thailand has a reputation for acceptance and inclusivity but has struggled for decades to pass a marriage equality law. Thai society largely holds conservative values, and members of the LGBTQ+ community say they face discrimination in everyday life.

The government and state agencies are also historically conservative, and advocates for gender equality have had a hard time pushing lawmakers and civil servants to accept change.

Thailand will become the third place in Asia, after Taiwan and Nepal, to allow same-sex marriage. The marriage equality bill, which grants full legal, financial and medical rights for marriage partners of any gender, sailed through the House of Representatives right before the previous parliamentary session concluded in April with the approval of 400 of the 415 members who were present.

AP

For iPhone users, access to Gemini will be rolled out via the app over the next few weeks. REUTERS

## Android users get Gemini app in India

Google on Tuesday said its AI (artificial intelligence) assistant Gemini is now available as an app for Android smartphone users in India with support for English, Hindi and eight other Indian languages. For iPhone users, access to Gemini will be rolled out through the Google app over the next few weeks, according to a blog post by Amar Subramanya, vice president, Engineering, Gemini Experiences.

"Gemini, your AI assistant from Google, has had an exciting first year in India... From students to developers and many other curious minds, people in India are embracing Gemini's capabilities to enhance their productivity, learning, and creativity in everyday life," Subramanya wrote. Additionally, users of Gemini Advanced in India will now be able to access features of Gemini 1.5 Pro, Google's latest next-gen AI model.

The expanded capacity of Gemini Advanced will allow users to upload multiple large documents and emails for quick summaries, feedback, and actionable insights.

Google said the Gemini feature will also be added in Google Messages on select devices.

PTI

## Most workers face learning barriers

Notwithstanding the fact that a significant percentage of professionals in India say that their company is doing enough to cultivate a culture of learning, 9 in 10 professionals find it hard to prioritize learning due to work and family commitments, says a report.

According to new research by the leading professional network LinkedIn, 91% of professionals in India face barriers such as feeling burnt out or family responsibilities that are getting in the way of their learning.

In a bid to overcome barriers to upskilling, professionals are resorting to 'loud learning', the act of being vocal and intentional about learning ambitions in the workplace.

LinkedIn research shows that 79% of professionals in India believe that engaging in 'loud learning' can support their career growth.

PTI

Adani Ports & SEZ's market capitalization has climbed to about \$37 billion. AFP

## Adani Ports tops peers in mkt value

Shares of billionaire Gautam Adani's port operator are primed for further gains after high cargo volumes made it the world's largest transport operations and services provider by market value.

Adani Ports & Special Economic Zone Ltd's (SEZ) market capitalization has climbed to about \$37 billion, overtaking peer Beijing-Shanghai High Speed Railway Co. Rising cargoes and entry into benchmark S&P BSE Sensex Index may extend its rally.

"It's the beginning of a journey for Adani Ports," said Deven Choksey, managing director at DRChoksey FinServ Pvt. Expansion is becoming more natural for the firm now that it's generating cash and can already manage millions of tonnes of cargo, he said. Adani Ports handled about 27% of India's total cargo and around 44% of container cargoes in the year to 31 March, according to a statement.

BLOOMBERG

## India largest market for Nestle's Maggi

India has become the largest market for Nestle globally for its instant noodles and soup brand Maggi and the second largest for chocolate wafer brand KitKat, according to the latest annual report of its local subsidiary.

Besides, the India market with a high double-digit growth has become one of the fastest growing markets for Nestle, it added.

"Penetration, premiumization and innovation, combined with disciplined resource allocation, have been key in driving business, making your company one of the fastest growing markets for Nestle globally," said Nestle India's annual report for 2023-24.

Nestle, which sells its popular instant noodles under brand Maggi and prepared dishes and cooking aids, sold over six billion servings of Maggi during FY24, "making India the largest Nestle market for Maggi worldwide," it said.

PTI

## US officials in India to meet Dalai Lama

A group of US lawmakers arrived in India on Tuesday to meet Tibetan spiritual leader the Dalai Lama, with the head of the delegation saying President Joe Biden would soon sign a bill that aims to press China to resolve the Tibet dispute.

The bill seeks to push Beijing to hold talks with Tibetan leaders, stalled since 2010, to secure a negotiated agreement on Tibet and spur China to address Tibetan people's aspirations on their historical, cultural, religious and linguistic identity. The visit, likely to rile Beijing at a time when the US and China have sought to stabilize rocky ties, comes days ahead of a US trip planned by the Dalai Lama for medical treatment, but it is unclear if he will have any engagements during it.

The bipartisan delegation of seven lawmakers, headed by Republican representative Michael McCaul and including Democratic former house speaker Nancy Pelosi, arrived in Dharamsala.

REUTERS





# THE MANY FACES BEHIND THE NEET PROTESTS

The nationwide protests against alleged discrepancies in NEET have many heroes, from students to influencers



Students protest over the alleged irregularities in NEET in Bhopal on 14 June; student organizations stage a protest in New Delhi on 10 June; students during a rally in Kolkata on 10 June.

Devina Sengupta & Krishna Yadav  
MUMBAI/NEW DELHI

On 4 June, at 5 pm, millions of Indians were glued to their television as the Lok Sabha election result trends poured in. Around the same time, in Noida, Alakh Pandey, founder of edtech firm Physics Wallah, found himself glued to something else—he was trying to tally the scores of this year’s National Eligibility-cum-Entrance Test (NEET). The test results were declared earlier in the day.

Pandey was befuddled. So was Saurabh Pant, co-founder and academic director of Vijayawada-based coaching centre Sri Gosalites Medical Academy. Pant and his team of teachers were stunned for half an hour and were silent “as if someone had died”. In Mumbai, a parent working in the tea industry decided not to leave his daughter alone that evening.

Nearly 2.4 million students wrote the exam in order to gain admission in undergraduate medical programmes. Now, their fate hangs in the balance. What went wrong?

Some students secured abnormally high scores—67 of them scored 720 marks, the highest possible in the nationwide entrance examination. On 7 June, the Indian Medical Association Junior Doctors’ Network, a forum for young doctors, wrote to Pradeep Kumar Joshi, the chairperson of the National Testing Agency (NTA), the body which conducts the exam. “Total of 67 students scored a perfect 720 out of 720, which is highly questionable. This has never happened. Usually, only three to four students score perfect marks. Also, six-seven of these students, out of the 67 students, come from one just one centre in Haryana,” the letter stated.

Many received varying ‘grace marks’ because of delays in starting the exam at certain centres. Students said that the scores they calculated and the final declared result were vastly different. The NTA releases the correct answers to questions after the test. Allegations of paper leak at some centres started doing the rounds.

In the following days, students and parents from different states visited coaching centres, uploaded their stories on social media platforms, reached out to influencers and decided to move courts against alleged discrepancies in the entrance test.

“The declaration of result was soon followed by news of a number of concerns

involving grant of grace marks, abnormally high scores, high number of 100% scores, high cut-off scores etc. Resultantly, candidates started raising a number of queries relating to the non-transparency in the manner in which the results had been declared,” stated one petition filed by Pandey in the Supreme Court.

Pandey has also written mails to the NTA, uploaded 282 videos on social media platforms highlighting the problem, and wrote about the anomalies on X, formerly Twitter. In short, Pandey quickly rose to become one of the prominent faces leading the protests, demanding accountability from the testing agency.

“There are eight lakh students who have paid ₹4,000-₹5,000 for our NEET exam course material. Right now, even a student with a high score is not celebrating because people may allege that the student has received the marks through unfair means,” Pandey told *Mint*.

**MASSIVE SCALE**

Before we tell you about the other faces behind the protest, let us understand how exams of this scale are conducted. The NEET (undergraduate) tests students on physics, biology and chemistry. Students have to answer 180 questions. This year, the tests took place on 5 May, between 2pm-5.20 pm, in 4,750 centres across 571 cities in India and 14 cities outside the country. Students have to answer objective questions on their ‘OMR’ sheets.

OMR sheets, or optical mark recognition, is a technology that allows quick readings of surveys, large scale data and answer sheets where the responses are darkened on a specially designed paper. In the case of NEET, the answers were marked by students and scanners tabulated if the answers were correct.

Few days after the exam, NTA uploads the scanned OMR sheets and the ‘answer key’ is released. Students can therefore tally how much they scored. Once the final test scores are declared by the agency, students secure seats in medical colleges across the country depending on their ranks. Until last year, a score of 550-570 plus may have guaranteed a seat in a government college while 480 and above meant a seat in a private college. This year, the NTA declared that the minimum score to qualify in the unreserved category was 164 versus 137 last year. The average marks scored was 323.55 versus 279.41 last year.

While the costs of studying in a government aided medical college can start from a few thousands a year to ₹1.2 lakh, private

colleges are six to 25 times more expensive—annual fees can range between ₹6 lakh and ₹25 lakh a year, say students and their parents.

This is why securing very high scores becomes an imperative for many students, particularly those from middle India.

**SHARMA-JI’S ANGST**

Student bodies have been active in protesting against the alleged discrepancies. One of them is the All India Students’ Association (AISA). It is trying to organize students who feel wronged.

“We met these aspirants at protests and in WhatsApp groups. These are young people. So, we try to help them understand the legal aspects of a protest and update them on any developments in court proceedings,” Neha, the association’s Delhi state secretary, told *Mint*. “We are coordinating with the students and their parents, whom we have been meeting throughout the week at various protests,” she added.

One student protesting is 17-year-old Manas Sharma. He alleged that while he scored 610 as per his calculation from the OMR sheet, the official result showed a score of 468.

The son of an Indian Railways employee, Sharma recently spoke to journalists in a presser organized by AISA in New Delhi. The room was crammed with people and a non-functioning air conditioner added to the woes. A seemingly nervous Sharma, who is from Shastri Nagar in Delhi, told scribes: “It is absolutely shameful that we put in so much effort and now have to suffer due to NTA’s mismanagement. Why wasn’t action taken on the FIRs filed against paper leaks? Why was the result declared 10 days early? We demand answers.”

NEET results were initially expected on 14 June and not 4 June. The fact that it was declared on Lok Sabha election result day surprised many.

The letter from the Indian Medical Association Junior Doctors’ Network, cited earlier, underlines this surprise. “The results were declared prematurely on a day when the media was occupied with broadcasting the results of the general election. What is the reason for this urgency?” the letter questioned.

“My father always wanted to become a doctor, but despite his efforts, he ended up working for the railways. I want to fulfil his unfulfilled dream,” Sharma told *Mint* that day.

Private college is not an option for him—his family can’t afford the stiff tuition fees such colleges charge. Now, he plans to attempt NEET again next year.

Another student organization protesting is the Students Islamic Organisation of

**mint SHORT STORY**

**WHAT**

Alleged irregularities in this year’s NEET-UG have led to massive protests in the country. Students, teachers, coaching institutes, parents and influencers have united in protest.

**WHY**

Some students got abnormally high scores—67 scored 720 marks, the highest possible. The students said the scores they calculated were vastly different from the results declared.

**NOW**

Different entities have approached the courts. A SC bench has consolidated various petitions and will hear them on 8 July. The govt has assured that the guilty wouldn’t be spared.

India (SIO). The body has filed a petition in the Supreme Court alleging fraud. It wants the NTA to recall the results and conduct a fresh examination.

Roshan Mohiddin, national secretary of SIO, said his association conducted a survey of about 600 students in various states. About 50 students who scored more than 600 marks were also called. According to the survey, 51% of students found errors in their NEET exam scores. The impact on mental health due to NEET result issues was significant, affecting 73.2% profoundly, Mohiddin said. Additionally, 64.8% of the students faced issues at the exam centre, such as delayed starts. About 76% of the surveyed supported a re-examination and investigation.

“Based on this survey, we decided to file the petition,” Mohiddin said.

**ANGUISHED DAD**

Like Manas Sharma, there are millions in India who wouldn’t be able to afford private education.

In Mumbai, a person who didn’t want to be identified, has written to the NTA protesting against his daughter’s marks, which was almost 70% less than what she had tallied from the scanned OMR sheet.

His elder daughter is a doctor and studied in Maharashtra in a government col-

lege. His second daughter attempted NEET for the second time this year. “We have written to the NTA. We could have accepted her last year’s score of 485 and attempted a seat in a private college but she wanted to study in a government one. Now, we do not leave her alone (the daughter is in a state of shock),” said the Mumbai-based person who works in the tea sector.

The family can’t afford private colleges and while education loans are an option, the father isn’t very sure. Unlike an MBA graduate, a doctor may not earn enough in the initial years to be able to pay back the borrowed amount. Depending on the city and the state, the starting salary for a doctor in a hospital can range between ₹50,000 and ₹1 lakh a month.

**PANT’S SURVEY**

Meanwhile, several coaching institutes are now counselling their students.

Sri Gosalites Medical Academy in Vijayawada claims to have coached more than 5,000 doctors. Co-founder Saurabh Pant, who also teaches chemistry, is advising students “not to take any drastic steps”. At the same time, he is looking at the data of 4,300 students his company coached. “For half an hour after the results came in, we were quiet. It felt similar to mourning a death,” he said. “I expected 2,000 students to get government seats. Now, about 1,200 will qualify,” Pant added.

His analysis found that a score of 640 could get an All India Rank (AIR) of 38,872 this year. The same score would have secured a student an AIR rank of 10,305 in 2023. Pant is therefore telling his students not to celebrate even when they have secured high marks.

“There were parents ready to sell their land to ensure that their child becomes a doctor. The parents are just as angst ridden as the students,” he said.

**VIDEO FROM KOTA**

Students, meanwhile, have reached out to social media influencers, asking for their support.

“Several students have sent me messages on my social media handles and emailed me their grievances. Many had prepared for more than two years, relocated to places like Kota to study,” said Mitali Sharma, a content creator who is in her final year MBBS (bachelor of medicine and bachelor of surgery) at Maulana Azad Medical College in Delhi. Sharma had scored 700 in her NEET exam in 2020

and has put out a video highlighting student angst. “One studies for 12 hours a day, sometimes for a couple of years. Now, those who scored well on their own merit may not want any retest. What if they do not succeed again?” she asked.

A bunch of Kota-based content creators have been highlighting the mentioned discrepancies as well. More than 100,000 aspirants arrive at Kota every year to prepare for the medical entrance.

“There are seven of us who make video stories of students in Kota. For the last couple of weeks, students contacted us to shoot their stories of disappointment,” said Akhilesh Dixit, who runs a YouTube channel called ‘Kota Students Help Club’.

**HUNT FOR THE GUILTY**

So, what should we expect, going ahead?

A Supreme Court bench, comprising justices Vikram Nath and Sandeep Mehta, has consolidated various petitions filed in the NEET case. They will hear them on 8 July.

On 13 June, the government informed the Supreme Court of its decision to scrap grace marks given to 1,536 students who took the medical entrance test. These students will be notified of their actual scores, excluding the grace marks, and will have the option to take a re-test on 23 June. The apex court, on 14 June, also sent out notices to the Centre and the NTA on pleas requesting a probe by the Central Bureau of Investigation (CBI) into the allegations of paper leak. Meanwhile, the NTA has held press conferences and met students to explain why it did what it did. The test results were advanced because the marks were ready, NTA clarified.

Perfect scores in many cases were attributed to revision of one physics answer.

The agency and the education ministry did not respond to clarifications sought by *Mint*. Nonetheless, last week, union education minister Dharmendra Pradhan told reporters that the government is committed to ensure 100% transparency in the exam; that the NTA needs improvement; that the guilty wouldn’t be spared.

The 2.4 million who wrote the exam would impatiently wait to know who the guilty is.

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OUR VIEW



# Cold War II: Do not let it spark off a nuclear race

A SIPRI report warns of a rising number of nuclear warheads deployed. The world must reverse this. An arsenal only needs a few nukes to achieve minimum credible deterrence

The deadly stockpiles of nuclear weapons built by Cold War adversaries Russia and the US gave the ‘MAD’ doctrine of ‘Mutually Assured Destruction’ a literal ring. With thousands of nukes each, both had enough to destroy the planet many times over. Could today’s geopolitical divide between a China-led bloc and the US-led West imperil the world with another arms race being pushed beyond the limits of reason by its force of rivalry? According to the latest report by Stockholm International Peace Research Institute (SIPRI), a think-tank, all nine nuclear-armed countries—the US, Russia, UK, France, China, India, Pakistan, North Korea and Israel—modernized their arsenals in 2023, while some deployed new weapon systems. By SIPRI’s 2024 estimates, of the world’s 12,121 warheads in existence this January, about 9,585 are held in military arsenals, with some 3,904 of these mounted on delivery vehicles. Worryingly, this tally of ‘deployed’ nukes is 60 more than it was last January. Russia is thought to have upped its deployment by 36 to 1,710, just 60 short of the US’s latest figure. But the year’s expansion story has been China’s. Its count of warheads jumped to 500 from 410 at the start of 2023. Moreover, as many as 24 of its nukes are now thought to be deployed, although no other Asian country has any deployment in SIPRI’s analysis.

Why is China expanding its nuclear arsenal so fast? The size of its stockpile was already more than double that of India’s, its big regional rival. Analysts view Beijing’s moves in the context of its push for long-range hypersonic missiles and the ability to project force across the Western hemisphere as well. Alarm over China’s alliance with Moscow has been rising. Over the week-

end, Nato’s Secretary General Jens Stoltenberg said that Nato allies could for the first time face a nuclear threat on two fronts, Russia and China, which may require increasing its deployable warheads to act as a deterrent. In this formulation, the “no limits” partnership of Moscow and Beijing justifies weighing their joint capacity for nuclear annihilation against their own. Stoltenberg’s statement drew criticism from the Kremlin, whose spokesman Dmitry Peskov called it “escalation of tension.” Given that arms-control talks of the West with Moscow remain in limbo, with Cold War-calming pacts having lapsed in recent years, none of this is reassuring.

What’s particularly disturbing is the stockpile versus stockpile dynamic in evidence, as if a nuclear shield demands a balance of explosive power between adversaries ranged against each other. By SIPRI’s data, Pakistan has 170 warheads to India’s 172. This also seems to fit into the same framework. Yet, given how easily the game of ‘strategic parity’ can slip into an expensive race for more, all nuclear-armed states need to exercise self-restraint. All that’s really required is minimum credible deterrence (MCD), which can be achieved even with a small arsenal backed by sharp delivery devices. As Cold War II worsens, this fact needs to be borne in mind globally. Nuclear proliferation was absurd back in the days of the Cuban Missile Crisis, and it still is. The global imperative right now is to make the world a less dangerous place. To that end, a no-first-use treaty signed by all nuclear states would be worth the pursuit. If this does not work out—say, if countries with weaker conventional defences insist they see value in rattling nuclear sabres—then at least we should all agree to cap our arsenals at MCD levels. A nuclear race makes no sense.

MY VIEW | ON THE OTHER HAND

# Tax freebie or tax reform? That could depend on who one asks

India needs a fair taxation system. Special interests shouldn’t get to decide what’s a handout or not



VIVEK KAUL is the author of ‘Bad Money’.

With the central government’s budget due to be presented in July, the phrase ‘economic reforms’ is in the air, especially among those in the business of managing other people’s money (OPM) and those in the business of managing the so-called system for corporates.

But the phrase ‘economic reforms,’ like many such terms, doesn’t really have a clearly defined meaning. Indeed, it might be safe to say that what might seem like a ‘reform’ to one person might seem like a *revdi* or handout to another. Allow me to explain.

My first job in journalism required me to write on personal finance. I realized very quickly that a decent understanding of India’s complex and convoluted Income Tax Act, 1961, could be a regular source of stories. And within months of this realization, there was another—that India’s income tax system was built for the rich, particularly the non-salaried rich.

Let me share two examples. For many years, mutual funds (MFs) would launch fixed maturity plans (FMPs) just before a financial year (FY) came to an end. FMPs were debt MFs which came closest to operating like fixed deposits (FDs). They had a fixed maturity period. When that period ended, the initial investment along with the returns earned would be handed back to the investor, like with an FD.

Now, these FMPs would be launched towards the end of one FY and would mature in a little over a year’s time. Let’s say the last date for investing in an FMP was 29 March 2007. This scheme would then mature on 2 April 2008. On the face of it, the maturity period was just a little over a year; nonetheless, it needs to be pointed out that such an FMP launched in FY 2006-07 remained in existence through 2007-08 and matured just at the start of 2008-09.

And this is where a legal tax dodge came in. The moment an investment in a debt MF was held for more than a year, indexation, or accounting for inflation while calculating capital gains, came into the picture. Here, the investment started in one FY, was held during the next FY and matured in the third, so double indexation came into play.

Let’s say an investor invested ₹1 lakh and earned a return of 10%, resulting in a maturity amount of ₹1.1 lakh. If inflation averaged 5% per year, then the cost price for the investor could be claimed at more than ₹1.1 lakh. Hence, for tax purposes, the investor would actually make a capital loss, implying that no tax had to be paid on real capital gains. The irony of this device was that even though the maturity period was just over one year, for tax purposes, inflation for two years could be taken into account. The MFs raised thousands of crores every year through this dodge.

Let’s take one more example. For many years, interest of up to ₹1.5 lakh a year paid on a home loan on a self-occupied home could be deducted while calculating taxable income. But the moment one took on a second, third or nth home loan, the entire interest paid on that home loan could be deducted while calculating taxable income, as long as a notional rent was taken into account. This became a great tax dodge for the rich because the annual rental yield in the country was around 2%, whereas interest rates were 9-10%.

Thankfully, both these tax dodges are no longer possible, but while they were

on, one did not hear of a single OPM *wallah* talk about them, or of corporate lobbies complaining about how one of these dodges encouraged real estate speculation, making things doubly difficult for those who wanted to buy homes to live in.

Indeed, when the favourable tax treatment of debt MFs was done away with, there was a hue and cry from those who benefitted from it. A similar outcry arose after long-term capital gains on equity and equity MFs became taxable.

In all these years of writing on personal finance and economics, I have neither seen OPM *wallahs* nor corporate representatives talk about the loss of tax collections for the government due to the availability of such dodges. But they all lined up to welcome India’s cut in the corporate income tax rate in September 2019, as if that did not lead to lower tax revenues.

When the Mahatma Gandhi National Rural Employment Guarantee Scheme and the Food Security Act, especially the latter, became the order of the day, many comments were made, including by yours truly, on the dangers of fiscal profligacy. Clearly, whether it’s a *revdi* or a reform depends on who you ask. If a so-called reform helps push corporate profits or encourages more investors to invest money with OPM *wallahs*, that’s taken by these interest groups as reform, irrespective of whether it leads to lower taxes. But if the government decides to spend some more money on helping the poor, that’s called fiscal profligacy, as if the sole aim of the government should be to drive up stock market indices.

To conclude, the coming budget is a good time for the finance ministry to do away with some pointless distinctions that still exist in the taxation of different kinds of income. There is no reason why income from the buying and selling of stocks and real estate should be taxed in a different way than salaried income or income from FDs or what is earned by the self-employed.



JUST A THOUGHT

The nuclear arms race is like two people sitting in a pool of gasoline spending all their time making matches.

JOHN DENVER

THEIR VIEW

# EU elections: Far-right parties have gained influence

ATANU BISWAS



is professor of statistics at Indian Statistical Institute, Kolkata.

Many of us didn’t notice that the world’s biggest and second-biggest democratic exercises took place back to back, as our Lok Sabha election was followed by the just-concluded European Union (EU) elections during 6-9 June, with an electorate of nearly 400 million people.

Indeed, 2024 is an electorally significant year, marked by the scheduled participation of about half of the world’s eligible voters across 60 different countries.

Voters in the EU’s 27 member states cast their ballots to choose 720 representatives to the European Parliament in Brussels. The exercise served as a political litmus test for various parties in participating nations. The results were seen as a political earthquake, the epicentre of which appears to be in France; however, tremors were felt across the EU and beyond.

A spectre of far-right neo-fascist ideology has haunted Europe for some time now. Nonetheless, ‘the centre is holding’ in the EU overall, although centrist parties suf-

fered a serious blow. Timothy Garton Ash stated in *The Guardian* that “a Europe that just celebrated on the beaches of Normandy the 80-year-old D-day beginning of its liberation from war, nationalism and fascism now again faces fascism, nationalism and war.”

The impact of the extreme right’s victories was felt more strongly in Paris and Berlin than in Brussels. The most dramatic outcome was in France, where Marine Le Pen’s National Rally handed Emmanuel Macron’s Renaissance party huge defeats, and pushed the French president to take a big gamble by holding snap elections to France’s legislative body. Macron’s bet is that centrist parties will unite to take on Le Pen’s party, but this could pave the way for extreme-right governance in France. Who knows? In neighbouring Germany, the extreme-right Alternative für Deutschland (AfD) came in second with slightly less than 16% of the vote, more than any of the three parties in the country’s governing coalition, including Chancellor Olaf Scholz’s Social Democrats, though the centre-right CDU-CSU was the clear winner.

Meanwhile, Giorgia Meloni, Italy’s prime minister, achieved kingmaker status in Europe. Her rightist party, Fratelli d’Italia, came out on top, scoring 28%. As long predicted, FPÖ finished first in Austria with

26%. In the Netherlands, Geert Wilders’s Party for Freedom, often accused of open Islamophobia, performed only slightly less well than the centre-left.

What implications does the rise of the far right in the EU have? Eurosceptic sentiment has been brewing throughout the continent ever since the UK broke away from the EU. Still, none of these anti-EU groups may be so naive as to try Frexit, Dexit, or Nexit. However, by taking an even tougher stance on immigration, resolutely opposing the green policies that are desperately required to address climate change, reducing support for Ukraine, and clamping back national control from Brussels, they will probably continue to push the EU to the right from within.

The rise of rightist parties in the European Parliament may have repercussions for Europe and other regions. What about nations like China and India? The European Conservatives and Reformists (ECR) secured 69 seats in the newly elected Parlia-

ment, and far-right parties like Identity and Democracy (ID) secured 49 seats. While the ID takes a softer approach, the ECR maintains a staunch anti-Chinese position. As a result of such fragmentation, member states will find it more difficult to come to a consensus, which could make it harder for Chinese companies and other global firms operating in China to work out how to operate in the European market.

While Italy recently withdrew from the Belt and Road Initiative (BRI) and at least eight member states, including France, have restricted the deployment of Chinese technology in their 5G networks, many European chief executives anticipate a worsening of relations between Europe and China over the next three years, with the EU’s de-risking strategy and Beijing’s close ties with Moscow being identified as the main points of friction.

Can India strengthen its commercial ties with the EU? With 10.8% of India’s overall trade being with the EU in 2021, the EU is the

country’s third-largest trading partner. From India’s viewpoint, both the worsening of EU-China relations and progress on the India-Middle East-European Economic Corridor would be significant.

Another plausible event is a potential change in leadership in the UK after its general election due on 4 July, just three days before the second round of France’s snap elections. Following 14 years of Conservative Party control in the UK under five prime ministers, Sir Keir Starmer’s Labour Party has been outperforming the Rishi Sunak-led Conservatives by about 20 percentage points in most poll predictions. Starmer, however, has reiterated that there is no case for rejoining the EU. All things considered, Labour’s leader Starmer might emerge as Britain’s prime minister at a pivotal moment, coinciding with the rise of right-wing—or more precisely, ultra-right—ideas throughout mainland Europe. Will he be able to push for a balance, especially now that the UK has left the EU?

Shifts in European politics are no less significant for a far-off country like ours. And if the Republican candidate Donald Trump makes a comeback in the US presidential election this November, what then? Will we plan ‘Namaste Trump, Season 2’?

Eurosceptics are on the march but issues of identity will be impacted more than the EU’s common market









# Press play: 7 must-have gadgets for every gamer



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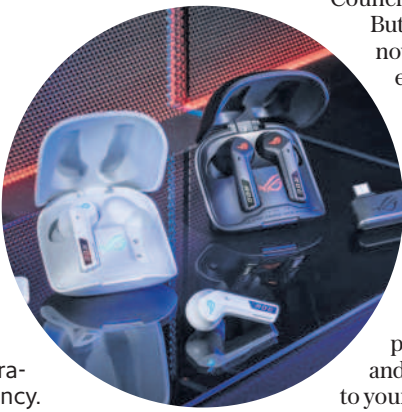
Moving beyond chairs and PCs, here's a look at new gaming tech that can add light, sound, and immersive action to your gaming setup

An average Indian user spends up to 46 minutes daily on gaming. The only other online activity they spend more time on is social media, according to a recent report on India's gaming landscape by the non-profit Interactive Entertainment and Innovation Council and gaming platform Winzo.

But these are not just mobile gamers. India now has a rich pool of serious gamers and esports players that enjoy console gaming as much. With that, gaming gear has now moved beyond gaming chairs and juiced up personal computers. As with everything, artificial intelligence is also slowly finding its way into gaming gear – as some of these picks in our list will show. These new gaming gadgets are perfect for bringing in more power, light, sound and immersive action to your gaming setup.

## ▶ Asus ROG Cetra True Wireless SpeedNova

These true wireless earbuds come with SpeedNova 2.4 GHz wireless technology that offers ultra-low audio latency. Bone conduction AI microphones pick up the wearer's voice loud and clear. In Bluetooth mode, the earbuds offer up to 46 hours of battery life. Available on [amazon.in](https://amazon.in), ₹45,802.



## ▶ Shure MV7+

Recording podcasts, music or streaming, the Shure MV7+ comes with an innovative voice isolation technology, that focuses only on the user's voice, avoiding any background noise. The microphone also has a new digital signal processing engine, which brings advanced features. Available on [shure.com](https://shure.com), starting \$279.



## ▲ MSI Titan 18HX

Powered by the Intel Core i9 processor 14900HX, this gaming notebook features an 18-inch 4K mini LED 120Hz display, which not only brings super-bright backlighting but a peak brightness of over 1000 nits. It has a beautiful RGB mechanical keyboard and comes with the Nvidia GeForce RTX 4090 laptop GPU. Available on [amazon.in](https://amazon.in), ₹4,39,990.



## ◀ Dell Alienware 34 curved QD-OLED

This curved monitor features quantum dot display technology – along with a slim panel design and superb colour performance – which delivers immersive and realistic game-play visuals. Has a peak brightness of 1000 nits. Available on [dell.com](https://dell.com), ₹91,500.



## ▼ Steelseries QcK Prism Cloth

This microwoven cloth mousepad comes in 5 different sizes and is optimized for low and high DPI tracking movements. But what stands out is its 2-zone RGB dynamic illumination that allow for in-game lighting alerts and customizable Discord notifications. Available on [steelseries.com](https://steelseries.com), starting from \$39.99.



## ▼ Govee Glide Hexagon Light Panels Ultra

These state-of-the-art LED hexagon panels come in two color options and can be customized in multiple DIY ways to amp up the lighting in your gaming room. Can be connected through WiFi and Bluetooth. Available on [amazon.in](https://amazon.in), ₹63,277.



## ◀ Razer Kishi Ultra

The Kishi Ultra is compatible with Android, iPad Mini, and the iPhone 15 series. With immersive haptics and a first-of-its-kind full-size handle and button layout, the controller offers gamers console grade control. It can also be used for wired play with PCs. Available on [razer.com](https://razer.com), \$149.99 (approx ₹12,513).



## PLAYER MODE

# Fantasy, apocalypse and spirit animals

A sneak peek at some exciting games and sequels to look forward to

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From a much-awaited expansion of an iconic fantasy game to a cosy casual one involving spirit animal companions, here are some video and mobile games being released in the coming weeks:

## FINAL FANTASY 14: DAWNTRAIL

*Final Fantasy XIV: Dawntrail* is the upcoming fifth expansion pack to *Final Fantasy XIV*, a massively multiplayer online role-playing games (MMORPG) set in the fantastical land of Eorzea, a few years after the devastating Seventh Umbral Calamity, an apocalyptic event that devastated the realm. In Dawntrail, players travel to Tural, a continent across the sea, to participate in a rite of succession. The developers say Dawntrail was designed as a "summer vacation" for the player's character, the Warrior of Light, and initiates the game's first major graphical overhaul since its relaunch in 2013.

Release date: 2 July; Platforms: Windows, macOS, PlayStation 4, PlayStation 5, and Xbox Series X/S.

## COZY GROVE: CAMP SPIRIT

This cosy life simulator game with adorable graphics (everyone compares it to the iconic *Animal Crossing*) is about camping on a haunted, ever-changing island. The player is a Spirit Scout wandering the island's forests, finding secrets and helping the local ghosts and animals rebuild the island. The gameplay includes making *Cozy Grove* more detailed by finishing tasks, all of it set to soothing music, and the sequel unlocks a new location.



Release date: June 25; Platforms: Android/iOS

## FROSTPUNK 2

You guessed it—this features an apocalyptic future of eternal winter, so if you're fans of the film and TV show *Snowpiercer*, Frostpunk might be your jam. Set 30 years after a climate event that wiped out most of humanity in this universe, the game tasks players to take on the role of a leader who has to build and manage a city while making difficult moral, ethical and political choices. In the upcoming sequel, civilisation faces a new threat in the form of fresh adversaries. Be warned: critics have called the game "cruel and brutal".

Release date: July 25; Platforms: Windows PC, PlayStation 5, Xbox Series X/S

Player Mode looks at previews, reviews and the latest from the world of video games.

## REVIEW: VIVO X FOLD 3 PRO

# This modern-day foldable phone comes at a premium

The X Fold 3 Pro checks most boxes for what you want in a foldable but its hefty price tag might make customers think

Tushar Kanwar  
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Vivo isn't new to the foldables space, having released several book-style and flip phones, none of which made it to India. The Vivo X Fold 3 Pro changes all that, arriving fashionably late to a still emerging market that has the likes of the Samsung Z Fold 5 and the OnePlus Open. In doing so, Vivo has leveraged its late mover status to the fullest, packing the X Fold 3 Pro to the gills with several segment firsts, including that of being the thinnest and lightest book-style foldable.

## DESIGN AND BUILD

At ₹1,59,999, it certainly looks the price, with a sleek 5.2mm thickness when unfolded, barely thicker than the USB-C port on the bottom edge. Even when closed, the X Fold 3 Pro's slimline 11.2mm

thickness and 236g weight give it a very regular candy bar phone feel, one that fits easily in palm or pocket without weighing them down.

It has Schott Xensation scratch resistance, IPX8 water resistance and a display hinge that's certified for 500,000 reliable folds and unfolds for added peace of mind.

The hinge does double duty, ensuring not only that both halves fold flat against each other without a discernible crease, but also keeping the screen propped semi-open at various angles, to watch content, take selfies or use it laptop-style with half the screen working as a keyboard.

## DISPLAY

It's the massive 8.03-inch 2K+ resolution inner display that gets the foldable its biggest screen bragging rights. Along with the 6.53-inch outer display, both are top-tier AMOLED displays, with 120Hz refresh rate, tack sharp details and vivid colours, up to 4500 nits of peak brightness for excellent outdoor visibility. There are two in-display fingerprint scanners—one on the outer display and another on the folding display on the bottom right. The slightly rectangular inner display is good for viewing HDR10+/Dolby Vision content, although the speakers lack depth, expected from such a slim chassis.



Vivo X Fold 3 Pro runs on Funtouch OS 14, with a number of AI features. vivo

## UNDER THE HOOD

Powering the X Fold 3 Pro is a 2024-flagship Qualcomm Snapdragon 8 Gen 3 chipset paired with 16GB and 512GB of top-spec memory and internal storage. Gaming and everyday tasks were handled just fine, albeit with the occasional throttling under stressful gaming, and Vivo has optimized apps like Instagram to work better on the larger screen.

The sheer expanse of the inner display allows the device to accommodate multiple windowssimultaneously in split-screen or floating window arrangements. I quite liked the 'Fold to Split' feature that quickly lets you move an app into split screen mode by gently folding the display (OnePlus' Canvas feature is still the gold standard for foldables, though).

Keeping up with the times, Funtouch

OS 14 includes a number of AI features, including note summarization, voice transcription and summaries and live translation of on-screen content, although I do wish Vivo would pare back some of the pre-loaded first- and third-party apps. Software upgrades support is a bit of a let-down at 3 years of supported upgrades, particularly for a flagship phone at this price point.

## VIVO X FOLD 3 PRO

**Display:** 8.03 inch (main), 6.53 inch (cover) AMOLED  
**RAM:** 16GB, **Storage:** 512GB  
**Processor:** Snapdragon 8 Gen 3  
**Price:** ₹1,59,999

## CAMERAS

With the prominent Zeiss branding and the very prominent camera module on the rear, it comes as no surprise that Vivo has packed the X Fold 3 Pro with a formidable camera

setup—a 50megapixel main camera, a 64MP ZEISS telephoto lens that's capable of 3x optical, 10x hybrid and up to 100x digital zoom (along with macro shots), and a 50MP wide-angle lens. You'll also find identical 32MP selfie shooters on the outer and inner displays.

The primary camera takes excellent shots with good details and colours, both

in daylight and low light conditions, and the level of details captured at 10x zoom on the telephoto allows you to really get in on the action. Selfies are passable, though.

## VERDICT

What may come as a surprise is the size of the battery Vivo has managed to pack into such a slim device, and the 5700mAh unit takes the X Fold 3 Pro well past a day and half, even with heavy usage and screen times of well past 7 hours. Fast charging support at 100W speeds gets you from empty to full in under 40 minutes.

Save for a little polish that the user interface sorely needs, the X Fold 3 Pro checks most boxes of what you'd want to find in a foldable today—good performance, sleek dimensions, bright displays both within and without, excellent battery life, great cameras.

Vivo has gone the distance in ensuring the big bragworthy numbers play out well in day-to-day use. The ₹1,59,999 price tag will give customers some pause, particularly with the new Samsung foldables lineup just around the corner. We'd recommend waiting to see what Samsung pulls out of the hat before pulling the trigger on the Vivo.

Write to us at [businessoflife@livemint.com](mailto:businessoflife@livemint.com)