HT NEW DELHI, MUMBAI, BENGALURU, KOLKATA, CHENNAI, AHMEDABAD, HYDERABAD, CHANDIGARH*, PUNE*, LUCKNOW* VOL. 18 NO. 153

Wednesday, June 26, 2024

mint

Think Ahead. Think Growth.

mint primer

Ever seen the rain? The price of a truant monsoon

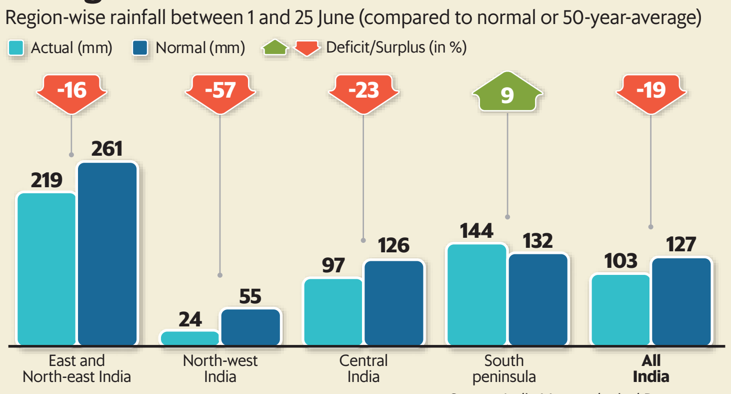
BY SAYANTAN BERA

Despite arriving early, the annual monsoon rains have been deficient in June. The coming month is critical—any hit to *kharif* crop planting in July will spoil the chances of a revival in farm growth, besides pushing food prices even higher. *Mint* explains what is at stake.

Falling short

mint

Region-wise rainfall between 1 and 25 June (compared to normal or 50-year-average)



Source: India Meteorological Department

SARVESH KUMAR SHARMA/MINT

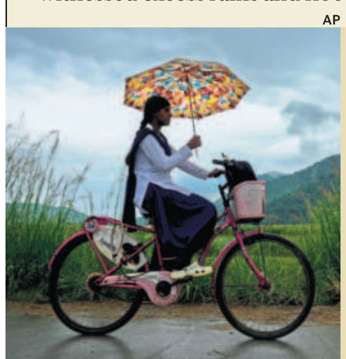
1 How has the monsoon progressed?

After setting in over Kerala two days ahead of schedule on 30 May, the progress of the annual south-west monsoon has been slow. Till 25 June, the rainfall deficit was 19% of the long-period average (LPA). As per the Met office, 21 out of 36 states and Union territories have seen subnormal rains. Of these, the rainfall deficit is 60% or higher in eight—including Uttar Pradesh, Haryana, Jharkhand, Bihar, Punjab and West Bengal. June has been a story of contrast so far—while north-west and eastern India battled a prolonged heatwave leading to several deaths, some states in the north-east witnessed excess rains and floods.

2 How critical are the June rains?

The monsoon season (June to September) brings in 75% of India's annual rainfall, watering crops, filling reservoirs and boosting farm income and consumer demand. June and July are critical months for planting *kharif* crops like rice, pulses, oilseeds and cotton. However, historically, June has contributed just about a fifth of the rains during the monsoon season. That means ample rains in the next few months can make up for the losses this month. But as always, the geographical distribution of the rains over the next few months will be critical—because aggregate numbers often hide regional imbalances.

AP



3 What is the overall forecast?

The Met has forecast above-normal rains, at 106% of LPA, for the entire season. The forecaster also expects La Niña conditions—cooling of sea surface temperatures known to bring in more rains—to set in by the second half of the monsoon. This raises the risk of excess rains and floods in August and September. For now, the July rains will be critical for crop planting.

4 What about farm growth and incomes?

Agriculture, which contributes 15% to India's gross domestic product, saw its growth rate plunge to 1.4% in FY24 from 4.7% in FY23. This was largely due to uneven rains hitting production of rice, pulses and cane, and perishables like fruit and vegetables. The monsoon this year is critical for farm growth rates to revive, which in turn will have a bearing on rural incomes, including wages for those dependent on casual work. Higher incomes can revive sales of consumer goods, which have been tepid for a while.

5 How are food prices moving?

Food prices rose 8.7% on-year, in May, about the same as seen a month earlier. High food inflation was driven by cereals, vegetables and pulses, which rose by 8.7%, 27.3% and 17.1%, respectively. The prolonged heatwave impacted the most volatile component in the food basket—vegetables. Data from the department of consumer affairs shows prices of perishables like tomatoes, onions and potatoes are abnormally high—with annual spikes of 38%, 70% and 50% as of 24 June. Well-distributed rains can put a lid on these prices.

QUICK EDIT

Assange set free

WikiLeaks founder Julian Assange is finally a free man. He walked out on bail from a UK jail after reaching a plea deal that will have him plead guilty in a US court on a single charge of conspiring to obtain and disclose national security secrets, in lieu of relief on other counts. He won't have to face further jail time in the US, as he has already served longer than what the punishment entails. While this is good news for all supporters of free speech and journalistic freedom, the world still has a problem of over-secrecy. The explosive internal papers put out by WikiLeaks had revealed US military excesses in Iraq and Afghanistan. Thus exposed, the US government had come down hard on Assange, attempting to try him for espionage, which forced him to seek asylum abroad in a bid to avoid extradition to the US. That long ordeal is about to end. What we're left with is an imperfect world in which too much is hidden from electorates who may disapprove of how states deploy force. Some things need to be kept confidential, but this should be a small list. The US response to disclosures by WikiLeaks did no justice to its democratic credentials. This is a chance for the US to recover its image globally.

MINT METRIC

by Bibek Debroy

Tough to distinguish left from right,
In Panipat, a patient's sorry plight.
Doctors operated on the wrong knee.
What use is a medical degree,
If negligence is the perennial blight?

QUOTE OF THE DAY

We've never had a closer relationship with India. Americans of Indian descent are now about 1.5% of our population. And pay 6% of the taxes in America. It is the most successful immigrant community in America.

ERIC GARCETTI
US AMBASSADOR TO INDIA

PLAIN FACTS

Climate change and its toll on marginal farmers

BY NANDITA VENKATESAN AND MANJUL PAUL

As erratic weather disrupts livelihoods at alarming frequency, Indian farmers are facing a big brunt, especially those with limited landholdings. In a survey held in April, 80% of marginal farmers—those who own less than one hectare of farm land—said their villages had suffered one or the other extreme weather event in the past five years. Such farmers also reported considerable impact on their crop produce, finances, and their livelihoods.

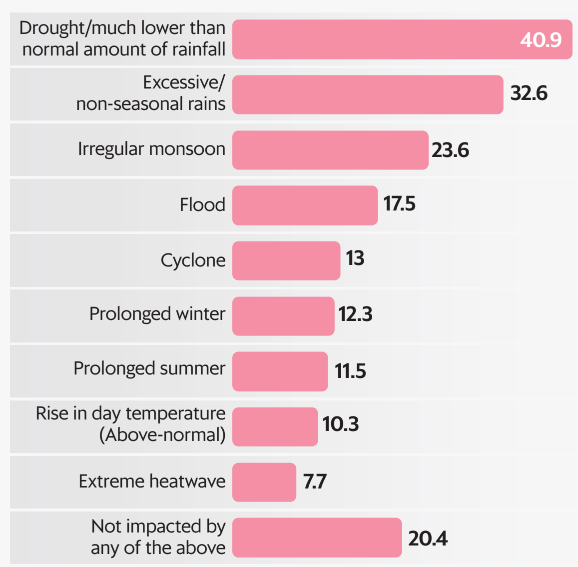
Around 41% of the 6,615 marginal farmers who were surveyed across 21 states said their villages had seen a drought in the past five years, close to one in three had faced excessive or non-seasonal rains, 18% reported floods and 13% reported cyclones, each posing a significant hurdle to cultivation.

The survey, whose findings were released on Tuesday, was conducted telephonically by the Development Intelligence Unit (DIU) and Forum of Enterprises for Equitable Development (FEED). DIU is a collaboration between Sambodhi, a research group, and Transforming Rural India, a non-profit. The findings are crucial because according to the 2015-16 agriculture census, marginal farmers account for 68.5% of all farmers in India, but own only about 24% of the crop area.

Prolonged winters had the worst impact, with 54% of the farmers who reported them saying they had lost half or more of their standing crops. For rain-related events, this share was 48%. Prolonged summers and irregular monsoon patterns had less adverse impact.

Most marginal farmers have suffered extreme events, especially rain-related ones

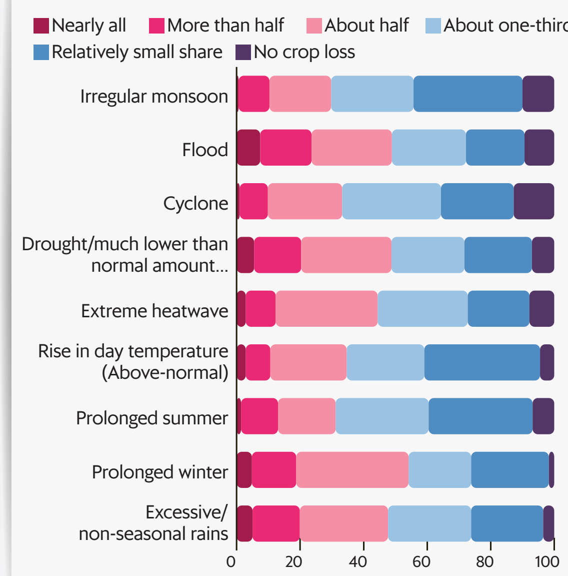
Share of marginal farmers who claimed that their village was impacted by extreme events in past five years (in %)



The survey interviewed 6,615 marginal farmers (those cultivating up to 1 hectare of land) across 21 states.

Floods, droughts have hurt crops the most, but winter chills also bit them hard

Share (%) of farmers by extent of crop loss due to extreme weather events



Based on a sub-sample of 5,263 farmers whose villages had been affected by extreme weather events in last five years.

Source: "State of Marginal Farmers of India" report, 2024, FEED and DIU

Output Losses

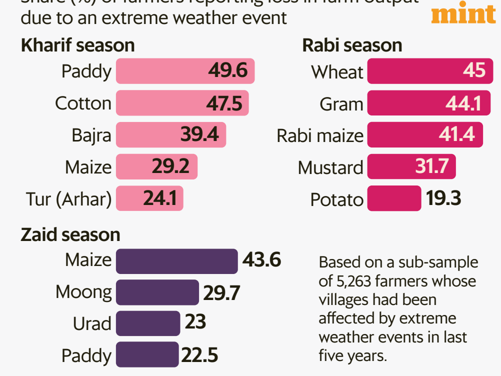
THE IMPACT of climate change on agriculture cannot be underestimated, with reports globally predicting a loss of up to 40% in crop production by 2100. This puts food security greatly at increasing risk. The survey showed that farmers reported crop losses across a variety of crops and seasons—kharif, rabi and zaid.

Among the farmers whose villages were struck by extreme weather events, nearly half reported crop loss in kharif paddy, and close to 45% said so for rabi wheat and zaid maize.

In monetary terms, the median value of crop loss that farmers reported in the last instance of a damaging extreme weather event was the highest for cotton (₹27,200), followed by tur dal (₹12,100). The median value of loss for paddy during the kharif cycle was ₹8,400, while the same for rabi wheat was ₹9,200, the survey report said. Paddy and wheat are sown by a majority of marginal farmers.

Rising extreme events have affected farmers growing major crops

Share (%) of farmers reporting loss in farm output due to an extreme weather event

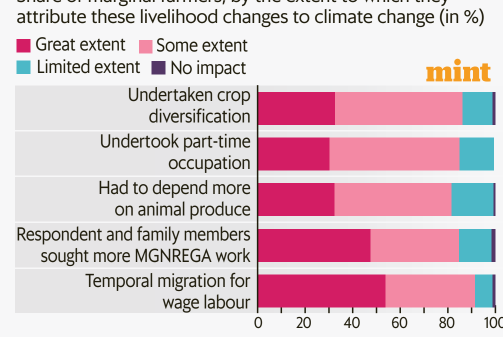


Based on a sub-sample of 5,263 farmers whose villages had been affected by extreme weather events in last five years.

Source: "State of Marginal Farmers of India" report, 2024, FEED and DIU

Adverse climate is forcing farmers to find alternatives for sustenance

Share of marginal farmers, by the extent to which they attribute these livelihood changes to climate change (in %)



Based on a sub-sample of 4,379 farmers who were affected by climate change and made changes in livelihood patterns

Source: "State of Marginal Farmers of India" report, 2024, FEED and DIU

Livelihood Tweaks

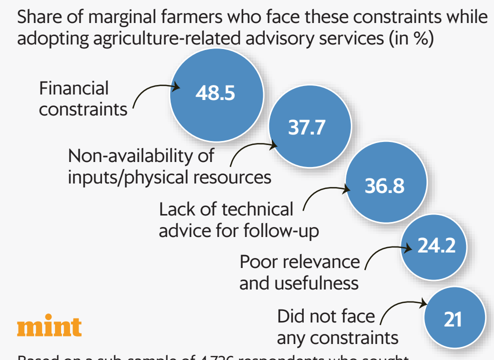
ADVERSE CLIMATIC patterns and the resultant income losses are forcing marginal farmers to make changes to their livelihoods and diversify income streams. The survey showed that 83% of marginal farmers in villages impacted by extreme weather events in the last five years had changed their livelihood pattern in some way. Among them, 42% said they had to increase engagement in other part-time occupations, 37% said they were forced to depend more on animal husbandry or livestock, 32% had to look for other earning opportunities outside their villages, while 21% said they or their families had sought work under the government's rural jobs scheme. In each case, most attributed these shifts to extreme weather events at least to some extent. What doesn't help, though, is lack of awareness about climate-resilient farming. Close to a third (31%) of all respondents who had reported being affected by extreme weather events in the last five years had not adopted any such practices.

Adaptation Barriers

ADAPTATION STRATEGIES to minimize the impact of climate change is a key part of tackling the issue at hand. About 72% of the marginal farmers said they had accessed some form of agriculture-related technical advice, but that was largely from informal sources such as other farmers and elders. However, nearly four in five reported that they had to face various types of constraints while accessing such advice, including financial restrictions preventing them from carrying out what they had learnt (49%), non-availability of inputs or physical resources in their area (38%), or just a lack of follow-up technical inputs (37%). About one in four had found advisories to have poor relevance and usefulness. This indicates that while climate-adaptive farming options exist, their dissemination and implementation support could be inadequate. As the government enters its third consecutive term, marginal farmers would look forward to better protecting against rising extreme weather events.

Despite assistance, many farmers struggle to adapt to new techniques

Share of marginal farmers who face these constraints while adopting agriculture-related advisory services (in %)



Based on a sub-sample of 4,736 respondents who sought agriculture-related advisory services

Source: "State of Marginal Farmers of India" report, 2024, FEED and DIU

PARAS JAIN/MINT

PEANUTS by Charles M. Schulz

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Mango: King in India, no kingdom abroad ▶P12

FY24 among Wipro's toughest years, says Rishad Premji ▶P5

SENSEX 78,053.52 ↑ 712.42 | NIFTY 23,721.3 ↑ 183.45 | DOLLAR ₹83.43 ↑ ₹0.04 | EURO ₹89.48 ↑ ₹0.02 | OIL $84.51 ↑ $0.27 | POUND ₹105.88 ↓ ₹0.14

Adani steps up FY25 capex to ₹1.3 trillion

Infra, utilities to get biggest chunk; rest in ports, data centres

Anirudh Laskar & Nehal Chaliawala
AHMEDABAD

The Adani group plans to nearly double its capital expenditure to ₹1.3 trillion in FY25, as the conglomerate sharpens its infrastructure and green energy focus in one of the most aggressive expansion plans in India Inc.

The capex will be funded through a mix of debt and equity, including internal accruals and capital from promoters, the group's chief financial officer Jugeshinder Singh said on Tuesday. The Gujarat-based conglomerate had outlined about ₹70,000 crore for capex in FY24.

The group will invest nearly 85% of the planned amount in infrastructure and utilities, including ₹34,000 crore in renewable energy. About ₹7,000 crore will go into the ports business, ₹4,200 crore in data centres business under unlisted AdaniConneX, and the rest in airports, roads and energy equipment manufacturing.

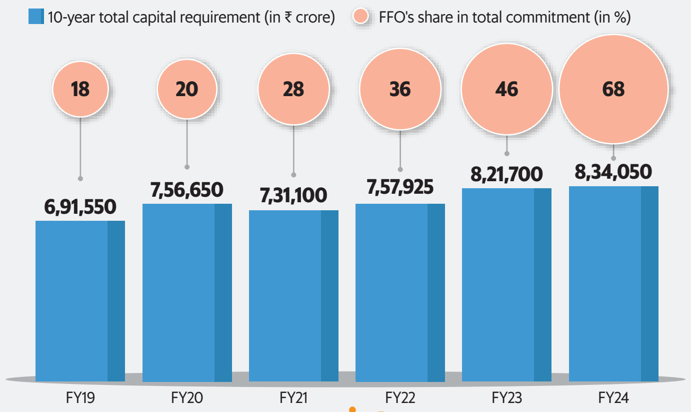
Adani will raise $2.5–3 billion by selling shares in group companies this fiscal, Singh said. In May, the boards of group flagship Adani Enterprises and Adani Energy Solutions had passed enabling resolutions to raise ₹16,600 crore and ₹12,500 crore of equity. "Our average equity programme is going to be ₹2.5–3 trillion. We are in discussions with more than 116 potential investors," he added.

The Adani group's plans come at a time of renewed calls for the private sector to step up with capex. In the last few years, the government has done much of the capex heavylifting in India, while the private capex stayed muted. In February, finance minister Nirmala Sitharaman had urged corporates to "join in a big

TURN TO PAGE 6

CASH COUNT

Adani group has been relying more on its own funds to meet its capital expenditure needs, particularly in the wake of the Hindenburg report.



FFO: funds from operations
mint
Source: Adani Group presentation

CHARTING EXPANSION

ADANI group had set aside ₹70,000 crore for capex in FY24

GROUP may invest 85% of FY25 capex on infrastructure, utilities

OF the investment, ₹34,000 crore will go into clean energy

SARVESH KUMAR SHARMA/MINT

BSE push for lower option fees route hits Sebi stonewall

Ram Sahgal & Gopika Gopakumar
MUMBAI

In a setback to stock exchange BSE, India's capital markets regulator is holding firm on its stand of levying a regulatory fee on the notional turnover of options rather than on the premium turnover, said a person aware of the matter.

Since premium turnover is just a fraction of notional turnover, paying regulatory fees based on the former means significantly less outgo for BSE.

"They will have to pay the regulatory fees on annual turnover based on the notional turnover in case of options contracts," the person said on the condition of anonymity.

BSE, which has been paying the regulatory fees based on premium turnover, had requested the Securities and Exchange Board of India (Sebi) to reconsider its "advisory" to the exchange on 26 April.

This gains significance against the backdrop of BSE's derivatives business growing in a big way in the previous fiscal.

BSE had informed NSE (National Stock Exchange of India) about the letter from Sebi, according to an exchange filing on 26 April. BSE is listed on its rival stock exchange.

The unlisted NSE, the country's largest stock exchange, has been paying the regulatory fee on notional turnover of options contracts since 2006-07, "in keeping with Sebi's definition of annual turnover", another person said on the condition of anonymity. A query to NSE to confirm this went unanswered.

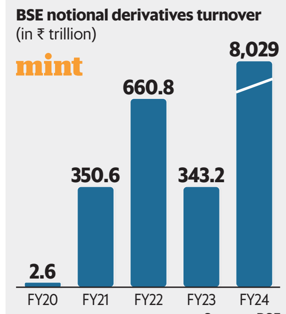
BSE said during the release of its March quarter results on 8 May that it had made a provision of ₹169.77 crore—includ-

TURN TO PAGE 6

Outgo rising

BSE may need to pay regulatory fees based on notional turnover.

BSE notional derivatives turnover
(in ₹ trillion)



Source: BSE

SATISH KUMAR/MINT

Sensex scales 78,000-mark as banks, IT stocks surge

Dipti Sharma
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MUMBAI

Banking and information technology stocks took the market indices to fresh peaks on Tuesday after a relatively quiet week, as investors looked forward to the Union budget in July.

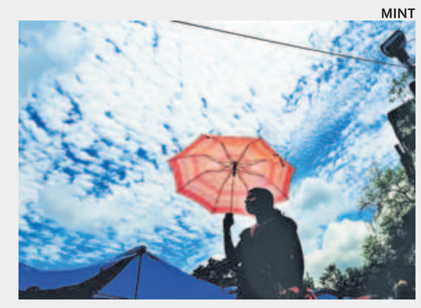
The BSE Sensex crossed the 78,000-mark to touch a record 78,164.71 points, before settling 0.9% up at 78,053.52 points. The Nifty50 ended 0.8% higher at 23,721.30 points, after touching a record 23,754.15 points intraday.

In the broader markets, Nifty Midcap 100 and Nifty Smallcap 250 hit all-time highs of 55,922.95 and 17,219.05 points, respectively.

According to Dhiraj Relli, MD & CEO of HDFC Securities, the gradual rise of the market over the past few days has been fed by participants wary of high valuations. Relli said they also fear sharp profit-booking before or after the budget, which has not happened so far. Meanwhile, even June quarter earnings are not expected to be great given the election-related disruption, he added.

TURN TO PAGE 6

DON'T MISS



MINT

Hydropower generation falters as monsoon progress slows

Hydropower generation, which has declined over the past one year, is unlikely to gain momentum this monsoon amid delayed rains and dipping reservoir levels. The southwest monsoon lost its momentum after reaching Mumbai on 9 June. >P2

Spectrum auction off to slow start; ₹11,000-cr bids on Day One

The first spectrum sale in two years got off to a slow start on Tuesday, with telecom operators bidding for ₹11,000 crore against nearly ₹96,320 crore worth of airwaves on offer. Bidding may continue in the 900 Mhz and 1800 Mhz bands on Wednesday. >P6

Why RIL investors opposed board role for Aramco executive

In the three years since RIL appointed Saudi Arabian businessman Yasir Al-Rumayyan as an independent director, he's skipped about 25% of board meetings. On Monday, about 40% of public shareholders sought to pull him up, voting against his reappointment. >P5

NOTE TO READERS The Media Marketing Initiative on Page 7 is the equivalent of a paid-for advertisement, and no Mint journalist was involved in creating it. Readers would do well to treat it as an advertisement.

MINT SHORTS

Jute crisis deepens as prices fall below MSP amid reduced orders

Kolkata: The jute industry is facing a crisis following reduced orders from customers, as prices of the golden fibre plummeted below ₹5,000 per quintal, while the minimum support price is ₹5,335 per quintal for the 2024-25 season. This occurred despite projections of reduced production by the Expert Committee on Jute, due to reduced orders for gunny burlap textile bags by the Food Corporation of India and state procuring agencies. **PTI**

India says high solar cell output will curb imports from China

BLOOMBERG

India expects a surge in domestic solar cell-making capacity in the coming months that will help reduce its dependence on imports from China. The nation's cells capacity is set to jump five-fold to about 30 gigawatts a year by March 2025, renewable energy secretary Bhupinder Singh Bhalla said. This will allow the government to widen import restrictions aimed at boosting local adoption of hardware. **BLOOMBERG**

India, China top buyers of Russian fuel oil in May, LSEG data shows

Moscow: India and China were the top destinations for Russian seaborne fuel oil and vacuum gasoil (VGO) exports in May, as per traders and LSEG data. Russian fuel oil and VGO seaborne exports last month rose 12% from April to about 4 million metric tonnes, helped by completion of seasonal maintenance. China and India import straight-run fuel oil and VGO for refining, partially replacing more expensive Urals barrels, traders said. **REUTERS**

Indian imports of Russian coal fall as US shipments rise

AP

Singapore: Indian imports of Russian coal have declined while US shipments have risen in the three months ending in May, data from coal consultancy Bigmint showed, which traders attributed to Russian supplies becoming less competitive. Russia's exports of all types of coal to India over the period fell 22.4% from a year earlier to 6.76 million metric tonnes, the data showed. US exports rose 14.4% to 6.68 million tonnes in the same period. **REUTERS**

Leather, footwear exporters seek PLI scheme for jobs, shipments

New Delhi: Leather and footwear exporters body CLE on Tuesday sought an extension of the production-linked incentive (PLI) scheme for the sector with a view to boost job creation, domestic manufacturing and shipments. In a pre-budget meeting with finance minister Nirmala Sitharaman, Council for Leather Exports chief Rajendra Kumar Jalan said: "Implementation of PLI will lead to structural transformation of the industry and will make the country a major manufacturing hub." **PTI**

Livestock census data to be key in addressing challenges: Minister

New Delhi: Union minister of fisheries, animal husbandry and dairying, Rajiv Ranjan Singh, on Tuesday stressed the need for proper planning to undertake the 21st Livestock Census and said the data collected will play a major role in addressing the challenges in the sector. The minister inaugurated a workshop and launched the mobile application developed for the 21st Livestock data collection. **PTI**

Hydropower generation falters amid slow monsoon

El Nino, patchy rainfall and a prolonged dry spell last year have left water reservoirs drying

Rituraj Baruah & Puja Das
NEW DELHI

Hydropower generation, which has declined over the past year is unlikely to gain momentum this monsoon amid delayed rains and drying reservoirs.

The southwest monsoon lost its momentum after reaching Mumbai on 9 June—two days earlier than normal—and is yet to gather pace. This coupled with El Nino causing patchy rainfall and a prolonged dry spell last year has left water reservoirs drying.

As per the latest data from the Central Water Commission, live storage available in the country's 150 key reservoirs as of 20 June was 37.662 BCM (billion cubic metres), 21% of the live storage capacity and 80% lower than last year.

Moody's Ratings warns that India's annual average per capita water availability is likely to drop to 1,367 cubic metres by 2031. MINT

Moody's Ratings warned on Tuesday that India's annual average per capita water availability is likely to drop to 1,367 cubic metres by 2031 from an already-low 1,486 cubic metres in 2021. A level below 1,700 cubic metres indicates water stress, 1,000 cubic metres water scarcity, according to the water ministry.

21%
Live storage available in India's key reservoirs

In the last financial year (FY24), power generation declined 17.33% to 133.97 billion units, from 162.05 billion units in FY23, according to the Central Electricity Authority. In April, hydropower generation fell 7.71% on-year to 7.99 billion units.

"Given the delay in progress of monsoons and the lower reservoir levels, hydropower generation is expected to be flattish compared to last year, considering the base case expectation of a normal southwest monsoon rainfall" as per IMD (India Meteorological Department)'s prediction," said Vikram V, vice-president & co-group head, corporate ratings, Icra.

However, if the rainfall remains below normal, hydropower generation may even fall compared to last year. Further, some of the hydropower plants were shut down last year due to adverse impact of floods and cloudbursts and all of these plants are yet to resume operations," he said.

Noting the significance of hydro generation during the monsoon months, Vikram V added: "It is largely during the first half of a financial year that hydro generation peaks. Last year, out of the 134 billion units produced in the whole of the financial year, 90 billion units of hydropower were generated in the first half."

7.71%
Year-on-year dip in hydro power generation in April

Usually starting June-July, hydropower generation contributes significantly to the country's power supply. This time around, however, coal-fired power plants are expected to continue taking on the load given that hydro plants are yet to pitch in with higher generation.

"Depleting hydroelectricity output amid irregular rainfall in the past fiscal has led to a lower water level available in the country's primary reservoirs which could further reduce India's hydropower generation during the summer," S&P Global said in a recent report.

India's installed large hydro capacity stands at 46.92 GW, which is about 10% of the total power generation capacity of 442.85 GW. The capacity addition of hydropower also has not gained momentum over the past year. According to data from CEA, in FY24, only 60 MW of capacity was added compared to 120 MW in the previous fiscal (FY23).

Indira Sagar reservoir in Madhya Pradesh, which caters to a hydel capacity of 1 GW, is 17% full, compared with 24% last year. Koyana dam in Maharashtra, with a hydropower capacity of 1.9 GW, is 10% full currently.

Moody's Ratings noted that India is facing increasing water stress amid rapid economic growth and climate change. It noted that this shortage of water supply can disrupt several sectors including agricultural production and industrial operations. Industries where the usage of water is higher, such as coal power plants and steel makers would also be impacted.

rituraj.baruah@livemint.com

'Govt may extend PLI to garments industry'

PTI
feedback@livemint.com
NEW DELHI

Textiles minister Giriraj Singh on Tuesday said the government has approved an over ₹10,000-crore production linked incentive (PLI) scheme for textiles and is now considering extending it to the garments sector with a view to boosting manufacturing and exports.

Addressing the India International Garment Fair (IIGF), Singh said that huge opportunities are there to increase exports and the industry should target $50 billion worth of shipments in the coming years.

In 2021, the government approved the PLI scheme for textiles with an approved outlay of ₹10,683 crore over a five-year period to promote production of MMF (man-made fibre) apparel, MMF fabrics and products of technical textiles in the country to enable textiles industry to achieve size and scale and to become competitive.

"We are considering to cover your (garments) sector also (under the scheme)," Singh said. He added that the market size of the Indian textiles industry is about $165 billion and "we have to take it to $350 billion". He said that the ministry is framing a roadmap to move ahead of China in the sector.

Tamil Nadu, UP lead in GST return filing

Gireesh Chandra Prasad
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NEW DELHI

Uttar Pradesh, Tamil Nadu and Maharashtra lead in filing Goods and Services Tax (GST) returns on a monthly basis, showing their economic potential, data from GSTN, the company processing tax returns, showed.

While UP and Tamil Nadu file more returns than Maharashtra on a monthly basis, Maharashtra edges ahead during the last month of every quarter, when smaller businesses with annual sales up to ₹1.5 crore also file their returns under a special scheme.

Maharashtra edges ahead when smaller businesses with annual sales of up to ₹1.5 cr file returns

UP, the most populous state in the country reported more than 908,900 GST returns showing their monthly transaction summery in April (in form GSTR- 3B), while industrialized Tamil Nadu reported over 880,200 GST returns.

Maharashtra was in third position with over 798,600 GST returns in the month. Karnataka, Gujarat and Delhi followed these states in the number of returns filed in April.

Monthly return filings of transactions indicate not only the business activity in the state, but also the compliance levels, the revenue generating potential of the state, efficiency in tax administration and the demand for goods and services there. More than 93% of the registered businesses have filed GST returns in these states.

However, in the just concluded March quarter of FY24, Maharashtra reported 1.46 million GST returns, ahead of 1.43 million returns filed by UP and 1.05 million returns by Tamil Nadu. Maharashtra is the largest state economy in India with a gross state domestic product (GSDP) of ₹20.2 trillion in FY22, followed by Gujarat with ₹13.6 trillion and Tamil Nadu with ₹13.4 trillion. Karnataka has a GSDP of ₹12.35 trillion while UP has a ₹12 trillion economy.

'Improve exports R&D, ease of doing biz'

Manas Pimpalkhare & Rhik Kundu
NEW DELHI

Leaders of trade and services businesses, in pre-budget consultations urged finance minister Nirmala Sitharaman on Tuesday to improve the ease of doing business for the service sector, make the transfer pricing regime more competitive, tighten tariffs placed on Chinese goods, and develop an Indian shipping line of global repute.

Union finance minister Nirmala Sitharaman chaired the eighth pre-budget meeting in New Delhi on Tuesday. PTI

Top finance ministry officials and leaders from trade and service organizations discussed ideas to push the growth momentum and improve exports in a recovering global market, amid geopolitical turmoil.

"Our key focus today was to look at the ease of doing business from the point of view of increasing service sector exports. Our focus was on making our transfer pricing regime more globally competitive," said Aashish Aggarwal, head of public policy at Nasscom.

"We have asked if it was possible to enhance the scope of the safe harbour regime, if we can look at safe harbour margin rates being reduced and make advance pricing agreements more efficient," he added.

The need to protect domestic industry from dumping of Chinese products featured prominently in the discussions.

The need to protect domestic industry from dumping of Chinese products featured in the discussions

"We represented our industry pain points, which are imports from China and the threats we face from China," said Ajay Sardana, chairman - National Expert Committee on Chemical and Petrochemical, Indian Chamber of Commerce.

"China has created a lot of overcapacity. After the pandemic, with the demand coming down, they are dumping products in India at a cheaper price. We asked the finance minister to review the tariffs put on China," Sardana said.

Meanwhile, some industry leaders asked the government to step up investments in research and development to push exports.

"Exports require R&D and innovation. And therefore, the fiscal support to R&D should go up," said Ajay Sahai, director general of the Federation of Indian Export Organisations.

"Our other proposal is that we should develop an Indian shipping line of global repute," he added.

The finance minister has already met economists, representatives of industry, capital markets and financial sector, farmers' associations, trade union leaders and MSMEs for pre-budget consultations.

Senior finance ministry officials present at Tuesday's meetings included Ajay Seth, secretary of the department of economic affairs, and the government's chief economic advisor V. Anantha Nageswaran, finance secretary T.V. Somanathan.

Prominent leaders from trade and services organisations who attended the consultation on Tuesday included Vipul Shah (Gems & Jewellery Export Promotion Council), Ashwini Kumar (Federation of Indian Export Organisation), M Karthikeyan (Marine Products Export Development Authority), Debjani Ghosh (Nasscom), Sunil Yajaman (All India Fixed Internet Service Providers Association), among others.

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18th Lok Sabha braces for its first showdown over election of Speaker

Smriti Kak Ramachandran & Saubhadra Chatterji
NEW DELHI

India is set to witness the first election for the Lok Sabha Speaker's position in nearly half a century after talks between the government and Opposition broke down on Tuesday over the deputy Speaker's post, setting the stage for the first major showdown in the 18th Lok Sabha.

The ruling National Democratic Alliance (NDA) picked 17th Lok Sabha Speaker Om Birla who will likely become only the fourth person to get a second term helming the Lower House. The Indian National Developmental Inclusive Alliance (INDIA) fielded its most-experienced lawmaker, Kodikunnil Suresh, who filed his nomination just minutes before the 12pm deadline.

The INDIA bloc said it was ready to support Birla and wanted the deputy Speaker's post as per parliamentary convention, but the BJP leadership remained non-committal, forcing the 236 member-strong Opposition to fight for the top post of the Lok Sabha as a form of protest.

"The entire Opposition said we would support the Speaker, but the convention is that the Deputy Speaker post should be given to the Opposition," said Congress leader Rahul Gandhi.

The NDA fielded Om Birla who will likely become only the fourth person to get a second term helming the Lower House PTI

The NDA hit back, accusing the Opposition of putting preconditions. "The Speaker does not belong to any one party...but is chosen unanimously for running the House. It is sad that the Congress has nominated its candidate for the Speaker's post," parliamentary affairs minister Kiren Rijiju said.

As the numbers stand, the BJP-led NDA, backed by key allies such as the Telugu Desam Party and Janata Dal United, has 293 votes in the 543-member House, and is likely to be backed by others such as the YSR Congress Party.

The INDIA bloc has 236 members and might get the support of some smaller outfits and independents.

Major parties have issued three-line whips for the Speaker's election on Wednesday at 11am. If the numbers hold, Birla is set to be the only Speaker after Balram Jakhar in 1985 to get two full terms.

Elections for the Speaker's post have been held twice before – the first time in 1952, when there was a contest between G.V Mavalankar and Shankar Shantaram, and then in 1976 during the Emergency between Baliram Bhagat and Jagannath Rao. In both cases, the ruling party nominee, Mavalankar and Bhagat, won.

Speaker's elections have been held twice before—the first time in 1952 and then in 1976 during Emergency

NDA constituents such as the TDP and the JD(U) also criticised Opposition parties for not lending unconditional support for the Speaker's election.

"The government reached out to the opposition for building consensus, but it seems they want to politicise the issue," said TDP leader and Union minister Ram Mohan Naidu.

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First published in February 2007 to serve as an unbiased and clear-minded chronicler of the Indian Dream.

RAVI KRISHNAN (EDITOR); PUBLISHED/PRINTED BY **MANHAR KAPOOR** ON BEHALF OF HT MEDIA LTD, 18-20 Kasturba Gandhi Marg, New Delhi 110001

Printed at HT Media Ltd presses at •Plot No. 8, Udyog Vihar, Greater Noida, Distt Gautam Budh Nagar, Uttar Pradesh 201306; •MNSPrinters Pvt. Ltd, 345/4, Bhatrahalli, Near KR Puram RTO, Old Madras Road, Bangalore 560049; •Saraswati Print Factory Pvt. Ltd, 789, Chowbhaga (W), Near China Mandir, Kolkata 700 105; •MNSPrinters Pvt. Ltd, 76/1, Poonamallee High Road, Velappanchavadi, Chennai 600077; • Bhaskar Print Planet, Survey No. 148P, Changodar Bavla Highway, Sanand (Tal), Distt Ahmedabad, Gujarat. •Jagati Publications Ltd, Plot No. D75 & E52, APIE Industrial Estate, Balanagar, Rangareddy Distt. Hyderabad 500037 *Also available in Chandigarh, Pune and Lucknow.
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MINT SHORTS

Fintech startup LXME raises funds from Kalaari Capital, others

Bengaluru: Women-focused fintech startup LXME has raised $1.2 million (₹10 crore) in a seed funding round led by early-stage venture capital firm Kalaari Capital's women entrepreneurs-focused CXXO initiative. The round also saw participation from Yash Kela of Founders Collective Fund, Amaya Ventures, the family office of Amit Khanna, Capri Holdings, Aditi Kothari of DSP and Adiko Holdings, among others. Founded by Priti Rathi Gupta and Ridhi Kanoria Doongursee, the startup will use the funds to invest in brand-building and user acquisition efforts across India. It will also invest in its technology and product stack to improve user experience and engagement.

LetsDressUp secures pre-Series A funding from GVFL, others

ISTOCKPHOTO

Bengaluru: Women-focused apparel brand LetsDressUp has raised $1.3 million (₹11 crore) in a pre-Series A funding round from GVFL Ltd, the Indian Angel Network (IAN) and The Chennai Angels. Existing investors, including Titan Capital, also participated in this round. The funds will be invested to improve the firm's artificial intelligence-driven design technology, expand its presence across channels and categories, and expand the team across verticals. Founded by Drishti Anand and Aditya Balani, LetsDressUp is a women-focused apparel brand with a zero-dead inventory model. It offers sizes for all body types and launches multiple new designs every month, in all sizes, with a tech-enabled inventory supply chain.

Fintech startup Plus Gold raises $1.2 million in seed funding

Bengaluru: Bengaluru-based fintech platform Plus Gold has raised $1.2 million (₹10 crore) in a seed funding round led by JITO Angel Network. The round also saw participation from early-stage investment firm Venture Catalysts, Signal Ventures and angel investors like Bollywood celebrity Sonakshi Sinha and tech entrepreneur Sachin Shetty, among others. The funding will be strategically deployed to improve Plus Gold's technological infrastructure, along with team expansion, particularly in technology and customer service roles.

COMPILED BY K. AMOGHAVARSHA

After success with individual lending, Jupiter targets SMEs

The firm secured an NBFC licence in July last year, and more recently a mobile wallet licence

Samiksha Goel
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BENGALURU

Jupiter needed about four years to secure regulatory approvals to begin lending, but just a year for credit to account for about 40% of its business. Buoyed by that success, the neobanking startup wants to test the temperature in another high-opportunity territory: lending to small and medium enterprises (SMEs).

Founded in 2019, Jupiter is an online-only platform offering banking services such as savings accounts, money transfers and cash withdrawals, allowing users to monitor their transactions through a dashboard.

In July last year, Jupiter secured a non-banking finance company (NBFC) licence from the Reserve Bank of India (RBI), and more recently a mobile wallet licence. The NBFC licence allowed it to lend. The company achieved considerable success targeting mostly young, urban individuals for its credit business, which it now wants to replicate in the SME space.

"We will first experiment to see how the return profile of those (SME) loans pans out, how is the performance, and basis that we will evaluate whether we need to scale or not," said Jitendra Gupta, founder and chief executive of Jupiter, adding that the company's looking to scale up lending to account for 50% of its business in about a year.

"We do close to ₹100 crore worth of loan disbursement on a monthly basis, and we do it only to our existing users. We are seeing around 10-12% growth every month, and the default rates are under 2.25%. So, we are able to see a very healthy portfolio and it will continue to scale," said Gupta, who had previously founded fintech startup Citrus Payments Solutions, which PayU acquired in 2016.

Jitendra Gupta, founder and chief executive of Jupiter.

Lending to SMEs presents a huge opportunity.

India is home to about 63.3 million micro, small and medium enterprises (MSMEs), of which about 99.4% are micro businesses, according to Mehekka Oberoi, director, IIFL Open Fintech Pvt. Ltd, a joint venture between IIFL Ltd, an NBFC, and neo-banking platform Open Financial Technologies Pvt. Ltd.

But only 14% of such businesses have access to credit, as against more than 30% in developed nations. "Currently, total demand for credit by MSMEs in India is ₹45 trillion, of which only ₹15 trillion is met," Oberoi said.

Lending to SMEs, however, comes with its share of challenges, such as inadequate availability of financial data and a lack of proof of business, she added.

The overall digital lending space is also seeing increasing challenges. "I am seeing the data across companies and there is an elevated risk of 100-150 basis point credit cost increasing," said Gupta. A basis point is one-hundredth of a percentage point.

In November, the RBI raised the risk weights for unsecured consumer credits, including personal loans and credit card dues, signalling concerns over aggressive lending.

An increase in risk weights results in higher capital requirements for the lender, which discourages lending and could push up interest rates. That apart, banks will have to assign higher risk weights for their loans to NBFCs such as Jupiter.

"Credit cost increase has come in the consumer neobanking space essentially because of the personal loan segment seeing higher stress and higher provisioning requirements. In the personal loan space, the delinquency has gone up significantly," said Oberoi.

Gupta, however, said Jupiter was able to escape the cycle as it had just started lending last year. "When the risk started increasing, we could see that first hand because we were doing more short-term, so the repayments were coming faster and we could see if there was any change we needed to do," he said.

But he admitted there was a supply crunch in capital and banks are not offering new credit lines to NBFCs, creating a dual problem.

For Jupiter, the solution lies in co-lending. "We were able to raise money from three banks—ICICI Bank, IDFC First Bank, and Federal Bank—on the debt line last year. It helped us maintain the cost of capital and the supply of capital. But that being said, as an alternate strategy, co-lending is what we have been focusing on," Gupta said.

BANKING ON SMES

JUPITER achieved success targeting mostly young, urban individuals for its credit business

BUOYED by that success, the firm now wants to test the temperature in the SME space

LENDING to SMEs comes with its share of challenges, such as availability of financial data

JUPITER'S CEO said there was a supply crunch in capital and banks aren't offering new credit lines

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Sid's Farm snaps up funds from Omnivore, others

K. Amoghavarsha
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BENGALURU

Direct-to-consumer (D2C) dairy startup Sid's Farm, said on Tuesday that it has raised $10 million (₹83.4 crore) in a Series A funding round co-led by agritech-focused venture capital firm Omnivore and the Narotam Sekhsaria Family Office.

The Hyderabad-based startup intends to use the funds to improve its manufacturing capabilities, hire talent and consolidate its presence in Hyderabad and Bengaluru.

Founded in 2016 by IIT-Kharagpur alumnus Kishore Indukuri, Sid's Farm is a mass-premium dairy brand. Its products include whole buffalo and cow milk, double-toned buffalo milk, buffalo and cow ghee, buffalo and cow butter, buffalo and cow curd, probiotic curd, paneer, buttermilk and lassi.

VCCiRCLE

"This investment will be instrumental in accelerating our growth trajectory," said Indukuri.

According to IMARC Group reports, India's dairy industry was worth ₹16.8 trillion in 2023 and is expected to reach nearly ₹50 trillion by 2032. Premium dairy brands and products over D2C platforms are expected to lead this growth. "We see Sid's Farm emerging as a key player in this space with its antibiotic-free, hormone-free, preservative-free milk, milk products," said Reihem Roy, partner, Omnivore.

IVCA vice-chairperson Srini Sriniwasan. The industry body held a meeting with the Union finance minister ahead of the Budget. MINT

Budget 2024: VCs back relook at PE control definition

Sneha Shah & Priyamvada C
MUMBAI/BENGALURU

The Indian Venture and Alternate Capital Association (IVCA) has sought a review of the Competition Commission of India's (CCI) definition of control over companies by private equity (PE) funds in a meeting with Union finance minister Nirmala Sitharaman ahead of Budget 2024-25.

"When PE funds invest in companies, they have some rights to protect themselves that can be viewed as a control position. So, the question was if there can be an exemption for PE funds," Srini Sriniwasan, vice-chairperson of the industry body for alternative investment assets, told *Mint* in an interview on Tuesday.

Besides, IVCA discussed measures to boost domestic capital in alternative investment funds (AIFs) to finance infrastructure, credit, startups and growth companies in the pre-budget consultation meeting on 20 June.

The finance minister is expected to present the budget by July end.

Sriniwasan, who is the managing director of Kotak Alternate Asset Managers Ltd, asked for clarity on the definition of what constitutes a PE investor. "This money, which is coming from foreign direct investments (FDIs), is not seen as an organized pool of capital as AIFs, which at this point in time is the only recognized PE pool under the law," he said.

When foreign investors invest through the FDI route, it becomes very hard to distinguish whether it is a PE fund or a strategic investor as the recipient of that money is either a company or the government, he explained. Therefore, a clearer definition that considers the broad-based nature of PE firms, which include both direct and indirect investors, will be imperative.

IVCA also discussed measures to boost domestic capital in alternative investment funds

Chrys Capital's Ashley Menezes and Rajat Tandon, the president of the industry body, were also part of the discussions.

IVCA is looking for more clarity on taxation of investments in securities that are more readily available to foreign portfolio investors. "What we are asking for is to have the same parity as them, make it as clear and put out additional circular clarifications as the case may be," Sriniwasan said.

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MS risks EU ire after warning on Teams

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Microsoft Corp. risks a hefty European Union (EU) fine after regulators accused the company of abusing its market power by bundling the Teams video-conferencing app to its other business software.

The European Commission said it fired off a so-called statement of objections alleging that Microsoft's practice of tying Teams to its Office 365 and Microsoft 365 packages fell foul of the bloc's competition rules.

The EU regulator said that since at least 2019, Microsoft's behaviour protected its dominance on the market and gave Teams an advantage over rivals. This unfair advantage was also boosted by limited interoperability between Teams and competing software, watchdogs added.

"Preserving competition for remote communication and collaboration tools is essential as it also fosters innovation on these markets," EU competition commissioner Margrethe Vestager said on Tuesday.

So far, Microsoft's attempts to sidestep deeper scrutiny of its behaviour have failed to sway regulators. REUTERS

Penalties for antitrust violations can be as high as 10% of a firm's global revenue, although they seldom reach that level.

So far, Microsoft's attempts to sidestep deeper scrutiny of its behaviour have failed to sway regulators. But the company promised to weigh further concessions that could may allow it to avoid punishment. "Having unbundled Teams and taken initial interoperability steps, we appreciate the additional clarity provided today and will work to find solutions to address the commission's remaining concerns," Microsoft president Brad Smith said in a statement.

The EU's formal warning comes after messaging platform Slack made a complaint to the EU's antitrust watchdog in 2019. Slack was acquired by Salesforce Inc., a leader in cloud-based customer management software, in a $27.7 billion deal in 2021. Like many of its peers, it's been hit by a slowdown in tech spending after the pandemic—announcing plans to cut about 10% of headcount after staffing nearly tripled in the past four years.

The use of Microsoft's Teams video app soared during the pandemic, when lockdowns across the globe forced millions into remote working and social distancing. Within a short period of time, the application has grown from around 2 million worldwide daily users in its first year of operation in 2017, to 300 million in 2023, according to data from Statista.

Critics say Microsoft was able to leverage its power over PC software to make Teams the easiest option for remote workers already using programs like Word and Excel.

Microsoft has spent years battling antitrust regulators in the US and Europe over complaints that it unfairly tied products and blocked rivals' access to the desktop Windows software. But it's not faced any formal EU market dominance scrutiny in a decade, since a 2013 fine for not complying with a pledge to offer a choice of web browsers.

Atome Fin gets up to $100 mn debt facility

Reuters
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SINGAPORE

The facility will support new product launches. BLOOMBERG

Singapore-based financial technology firm Atome Financial said on Tuesday it had secured an up to $100 million debt facility including from EvolutionX, a debt financing platform jointly set up by DBS and Temasek, to expand in Southeast Asia.

Atome said it was working with a syndicate of investors to fully use the accordion feature of the three-year term loan facility that could boost the total amount to $100 million.

In a statement, Atome did not disclose the size of the financial commitment from EvolutionX, nor the identity of the group of investors involved in the syndicate.

The facility will also support new product launches such as savings, insurance and debit card Atome Card in countries including Singapore, Malaysia, the Philippines and Indonesia, the statement said.

"This is our first fintech investment in Southeast Asia," said Rahul Shah, EvolutionX's partner. "We're excited to support Atome Financial in their journey to improve financial inclusion and access to mobile first financial services in large under-served markets in Southeast Asia," he said.

Singapore's EvolutionX is a growth-stage debt financing platform with $500 million capital that provides financing to tech companies across Asia, the statement said.

Route Mobile owner Proximus Opal plans to list on Nasdaq

Sneha Shah & Gulveen Aulakh
MUMBAI/NEW DELHI

Proximus Opal, the company that acquired a controlling stake in India-based listed communications platform-as-a-service (C-PaaS) company Route Mobile, will look to list on Nasdaq over the next 24-36 months, Rajdip Gupta, chief executive officer (CEO) of Route Mobile, said in an interview.

"The idea is to grow the C-Paas business and make it an eligible candidate to list globally, preferably on Nasdaq," Gupta said. However, Proximus Opal is yet to firm up its listing plans, and for now is focusing on synergies and growing in double digits, according to him.

Gupta, who along with his family, sold almost a 60% stake in the company to get $730 million from the deal that was announced last year, has ploughed back $350 million to own 15% of the joint entity, he said. After the closure of the transaction in May this year, Gupta now runs the joint business that also includes global businesses such as Telesign and BICS.

Belgium-based Proximus Group, which has acquired a majority stake in Route Mobile, intends to double the group's revenues to $3 billion in 3-4 years, on the back of synergies from the new acquisition, *Mint* reported in May 2024. Within that, Route Mobile alone is expected to generate $1 billion in revenues, the report said.

Route, which listed on Indian exchanges in 2020, is likely to close FY25 at ₹5,000 crore in revenues. "The ambition we have is to scale Route Mobile's R&D (research and development) capabilities not only to serve the C-PaaS platform, but also to help us accelerate the development of Telesign and more traditional Proximus telco activities that we may have in Europe. Significant investments will be needed, in operations, IT (information technology) and R&D, to achieve that scale," Proximus CEO Guillaume Boutin had told *Mint* in May.

Rajdip Gupta, CEO of Route Mobile. @ROUTESMS/X

Proximus, a telecom service provider, will also double down on investments in India and raise its headcount in the country by a few hundreds, which will also serve as its research and development hub for developing generative artificial intelligence (GenAI)-based products.

According to Gupta, the company is scouting for inorganic opportunities in GenAI and blockchain, among other areas. "We have set aside capital for such opportunities."

On 8 May, Proximus Group completed the acquisition of a majority stake in Mumbai-based Route Mobile

The €6 billion Proximus Group provides 5G, data and fibre services in Belgium and several other European markets under brands including Proximus, Scarlet and Mobile Vikings.

On 8 May, Proximus Group completed the acquisition of a majority stake in Mumbai-based Route Mobile, nearly a year after it agreed to buy a 57.56% share stake for ₹5,924.4 crore, through its subsidiary Proximus Opal. The deal is one of the largest in the communications services space in recent years. The agreement to buy the initial stake triggered a mandatory open offer to purchase up to 26% more of the company's outstanding shares. Proximus Opal bought another 24.99% stake through the open offer for ₹2,593.4 crore. It now holds 82.7% in Route Mobile and has about 12 months, as per Securities and Exchange Board of India guidelines, to cut its stake to 75% to ensure the public holding in the company is at least 25%.

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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 / PERCENT CHANGE	78,053.52	0.92	23,721.30	0.78	22,370.65	0.37	71,360.85	-0.39	24,757.80	0.55	46,020.08	-0.26	52,064.12	-0.03
PREVIOUS CLOSE / OPEN	77,341.08	77,529.19	23,537.85	23,577.10	22,289.10	22,349.75	71,642.25	71,915.70	24,621.60	24,674.10	46,137.90	46,311.31	52,077.63	52,410.69
HIGH / LOW	78,164.71	77,459.60	23,754.15	23,562.05	22,391.75	22,287.10	72,049.35	71,257.30	24,786.70	24,626.00	46,396.86	45,886.31	52,542.41	52,023.48

MINT SHORTS

Forget 160, traders see yen slumping as far as 170 this time

The yen is at risk of sliding to levels last seen in 1986, with bearish traders unfazed by the spectre of government intervention to bolster Japan's embattled currency. A slump as far as 170 per dollar—some 10-yen from current levels—is possible amid continued selling of the currency in favour of the higher-yielding greenback, according to Sumitomo Mitsui DS Asset Management Co. and Mizuho Bank Ltd. Investors see few catalysts right now, including potential yen purchases by Japan, that would be powerful enough to reverse the momentum that's sent the yen down almost 12% this year. Market moves since early May underscore this point, with the yen pretty much back where it started following a record ¥9.8 trillion ($61.4 billion) foray into the market. "There's potential for dollar-yen to get to 170 relatively quickly," said Nick Twidale of ATFX Global Markets, who has traded Japan's currency for a quarter of a century. BLOOMBERG

Saudi Arabia's construction output value is forecast to reach $181.5 billion by the end of 2028. BLOOMBERG

Saudi Arabia set to be world's biggest construction market

Saudi Arabia is set to become the world's largest construction market as the kingdom pours vast amounts of money into projects aimed at overhauling and diversifying the economy, according to real estate consultancy Knight Frank. The country's construction output value is forecast to reach $181.5 billion by the end of 2028, up almost 30% from 2023, the firm said. Much of that is likely to come from residential property and so-called giga projects, alongside other developments that form part of Crown Prince Mohammed bin Salman's mission to transform the economy. The plan, known as Vision 2030, will need to cater for a growing population to succeed, as well as an expected influx of foreign tourists. "We are currently witnessing a historical transformation in Saudi Arabia with construction projects standing out in design scale," said Mohamed Nabil, regional partner and head of project and development services for the Middle East and North Africa at Knight Frank. BLOOMBERG

Hotel stocks dig up keys to growth

Pallavi Pengonda
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Investors in hotel companies in India should brace for a soft start to the financial year 2025. These firms are expected to bear the brunt of subdued demand in the ongoing June quarter (Q1 FY25), led by the general elections and the harsh summer. This could weigh on the revenue per available room (RevPAR) in the seasonally weak quarter.

Citing data from hotel analytics firm STR, Jefferies analysts said the Indian hotel industry's RevPAR and average room rate (ARR) growth moderated sharply to 3% each year-on-year (y-o-y) in May. This compares with RevPAR growth of 5-6% y-o-y so far in Q1, and 12% growth in Q4 FY24.

However, momentum is expected to pick up in Q2 and continue into the second half of FY25. Prospects for FY25 aren't too bad, especially in the light of the high base following strong growth in recent years. It's encouraging that The Indian Hotels Co. Ltd (IHCL) is confident of achieving double-digit growth in consolidated revenue during FY25 after clocking 16.5% growth in FY24.

Motilal Oswal Financial Services Ltd's analysis of the hospitality business of 11 companies showed that aggregate revenue and Ebitda increased 20% and 25%, respectively, during FY24. The analysis included pure-play hotel companies and the hospitality segments of companies such as Brigade Enterprises Ltd and ITC Ltd.

As such, business conditions are expected to be favourable over the next couple of years, with demand growth projected to beat supply growth. Corporate travel and the meetings, incentives, conferences and exhibitions (MICE) business is expected to trend upwards. Other demand drivers include spiritual tourism, domestic travel, rebound in foreign tourist arrivals, and destination weddings.

JM Financial Institutional Securities expects growth to recover in the second half of FY25, leading to 10-12% RevPAR growth for FY25E (from a high base in FY24). "For the overall industry, average room rates have grown by about 12% year-on-year in FY24 and we may see a slower growth in FY25E (about 8%) due to a muted 1HFY25E and the high base of last year," added the JM report. The brokerage expects a 250-300 basis points improvement in occupancy levels in FY25. One basis point is 0.01%.

Hotel companies are expanding their footprint to capitalize on the bright prospects. IHCL, for instance, plans to open 25 hotels in FY25. As of the end of March, the company had 218 operational hotels and another 92 in the pipeline. Chalet Hotels Ltd, meanwhile, has plans for ₹1,500-2,000 crore of capital expenditure over the next three years. Lemon Tree Hotels Ltd's inventory stood at 9,863 rooms at March-end and it has additional about 4,000 rooms in the pipeline.

For IHCL, Jefferies expects 7-9% growth in RevPAR aided by a strong room pipeline, and has projected that Ebitda will grow at a compound annual growth rate of 17% from FY24 to FY27. For Lemon Tree, how occupancies shape up at its Aurika, Mumbai SkyCity hotel remains crucial in FY25, as does the amount of gains from renovations it is undertaking.

In general, how cost pressures pan out—especially employee wages—is key from a margin perspective.

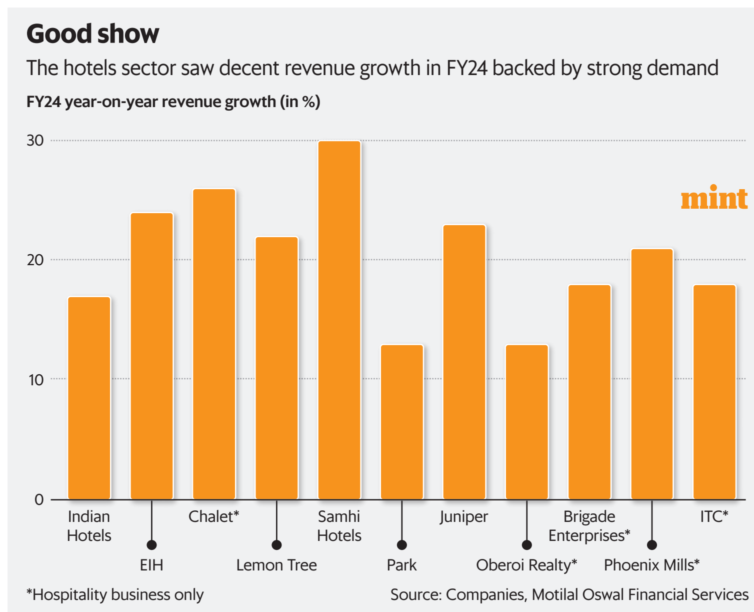
It's no secret that stocks of hotel companies have been all the rage of late. Over the past year, shares of IHCL, EIH Ltd, Chalet Hotels and Lemon Tree have risen in the range of about 60-115%. Valuations no doubt seem pricey now, which may limit significant near-term upside.

Also, while companies seem poised to sail through FY25, investors will need to assess whether growth will stagnate in FY26.

DEMAND TAILWIND

BUSINESS conditions are expected to be favourable over the next couple of years

DEMAND growth is projected to beat supply growth, along with robust MICE trends



Amara Raja's lithium-ion pact powers the stock, jerks likely

Harsha Jethmalani
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A crucial trigger for battery maker Amara Raja Energy & Mobility Ltd has played out—a technology tie-up for lithium-ion.

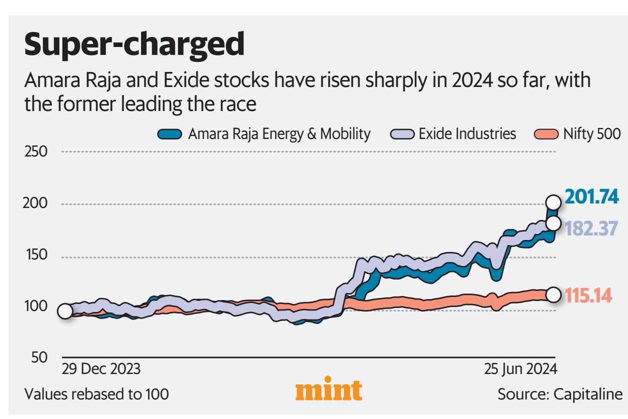
Its subsidiary Amara Raja Advanced Cell Technologies entered into a technical licensing agreement with GIB EnergyX Slovakia, a subsidiary of China-based Gotion High Tech Co. The partnership will help the battery maker access GIB's LFP tech for lithium-ion cell manufacturing. This battery is mainly used in passenger vehicles and three-wheelers.

In reaction, the Amara Raja stock zoomed 20% on Tuesday, also hitting a new 52-week high of ₹1,656.05. Amara Raja is looking to develop a gigafactory and eyeing 16GWh capacity in 10 years. In 2023, Amara Raja announced a ₹9,500-crore investment for the Amara Raja Giga Corridor in Telangana. The Street is excited as this deal could accelerate the process of meeting the target. Amara Raja's core business is manufacturing lead-acid batteries, but the industry is transitioning to lithium-ion. Hence, it is investing in building lithium-ion capacity to meet demand.

Amara Raja is assembling and supplying lithium battery packs and making chargers for customers in two-wheeler, three-wheeler and industrial segments. It has a small lithium-ion cell manufacturing facility with 2GWh capacity. This was built for ₹1,500 crore and may come on stream in 2025-26. The GIB deal is a step in the right direction. Remember, Exide Energy Solutions partnered with SVOLT to build its own lithium-ion battery plant, which could begin operations in 2024-25.

After Tuesday's jump, the Amara Raja stock has outpaced competitor Exide Industries Ltd with returns of over 100% in 2024 so far. But the lithium-ion business is capital intensive, so in the medium term, Amara Raja's return ratios and profitability may be hit. Plus, competition is high. Many large original equipment manufacturers (OEMs) have tied up with battery suppliers, like Hyundai-Kia Motors' memorandum of understanding with Exide.

While OEMs will opt for multiple suppliers, "we believe they will appoint other suppliers at a particular scale, which may take a couple of years," said a Kotak Institutional Equities report on 25 June. In simple terms, huge investments may not fetch immediate results, especially on earnings growth. Also, the risk of cannibalization means the Street needs to temper its earnings expectations from lead-acid business. Thus, valuation multiples may need to moderate. According to *Bloomberg* data, the stock trades at 27 times 2024-25 estimated earnings.



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

Real-time dollar settlement by 2025 eyed by GIFT City

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Real-time dollar settlement in India's newest financial hub in Gujarat is likely to become operational later this year or by early 2025, according to a senior official, a step that could burnish the country's appeal to foreign investors.

The service will cut down on times and delays, and it would be available for financial firms in Gujarat International Finance Tec-City, Prime Minister Narendra Modi's flagship project. It would speed up transactions at a time when foreigners are showing greater interest in India and its sovereign bonds are due to be included into JPMorgan Chase & Co's emerging market index.

"If your cash movement becomes faster and more efficient, it will have a positive ripple effect upon the rest of the market," K Rajaraman, chairman of International Financial Services Authority, told *Bloomberg News* in an interview. The IFSCA regulates the hub, also known as GIFT City, and which offers stocks, currency and derivatives trading.

Rajaraman added that the real time settlement system will promote greater efficiency.

The GIFT-City service will cut down on delays. BLOOMBERG

India imposes capital controls and has a myriad tax structure, both of which have been eased for this financial hub so that it can emerge as an alternative trading centre to Singapore and Dubai.

Last year, the Reserve Bank of India started a domestic non-deliverable forward market settled in dollars at GIFT City. Some foreign banks are already offering derivative products to investors who want exposure to India without necessarily having to set up shop. Globally, there are efforts underway to make sending money across borders faster and less complicated. Currently, most cross-border transactions rely on a network of correspondent banks, which can make settlement expensive.

It would speed up transactions at a time when foreigners are showing greater interest in India

Asset-backed bond market is helping to fuel the global AI boom

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The AI revolution is increasingly being funded in a little-watched part of the debt market. Artificial intelligence products need vast troves of information and processing power to turn facts into something approximating human thought. Across the world, companies are pouring billions of dollars into building data centres to store and process this information, and fibre-optic cables to connect computers to these sites.

In this way, AI is accelerating the decades-long growth of the internet and digital infrastructure. Global spending on data centre construction is likely to top $55 billion by 2030, according to Synergy Research Group. The companies building data centres are often thinly capitalized, forcing them to raise at least some of that money in the asset-backed securities market.

Earlier this month, Frontier Communications Parent Inc. sold a $750 million bond backed by fibre-optic cables, the biggest portion of which yielded about 6.3%, while Switch Inc. sold a roughly $940 million bond backed by six of its data centres. By end-2024, companies are anticipated to raise a record $12 billion of financing in the asset-backed securities market, spanning data centres, fibre and related investments, Barclays Plc said.

These transactions are one of many possible sources of financing for the AI revolution, which also relies heavily on equity, unsecured bonds and loans, among other markets. Data centre and fibre investments are growing for many reasons like employees working from home more since the pandemic.

"Some of the largest companies can raise unsecured debt, but anyone else who's developing infrastructure for computing is looking for financing right now," said Erik Falk, partner and head of strategy at Magnetar Capital, an investment firm that has participated in some of these transactions.

So far this year, there's been about $4.7 billion of ABS deals backed by data centres — more than double the volume seen at this time in 2023, while fibre-backed ABS sales are up by more than 50%, at $3.5 billion, according to data compiled by *Bloomberg News*. Some notable transactions include telecom firm Ziply Fiber's sale of about $1.6 billion of asset-backeds in March, supported by revenue streams from its fiber-optic networks, while Zayo Group Holdings Inc. plans to tap the ABS market by the end of the year.

Asset-backeds tied to digital infrastructure are also starting to spread outside the US. In early June, Vantage Data Centers completed what it says is the first-ever securitization of data center assets in the Europe, Middle East, and Africa region, totaling $761 million, partly to refinance debt at its 148 MW Cardiff, Wales campus. The deal marks the hyperscale data center operator's 10th securitization since 2018, and follows a €750 million ($815 million) equity raise to capitalize on the boom in AI technology.

Companies are pouring billions of dollars into building data centres to store and process information needed for AI. HT

So far this year, there's been about $4.7 billion of ABS deals backed by data centres

AI is challenge for central banks to raise their game: BIS

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Central banks must get a better grip on artificial intelligence both to gauge its economic impact and to harness the technology for themselves, the Bank for International Settlements said.

In a report published on Tuesday, Basel-based officials said that AI won't supplant human judgment but that its likely effects on productivity, investment and consumption mean policymakers must find ways to study that and employ it for their own benefit.

"The rapid and widespread adoption of AI implies that there is an urgent need for central banks to raise their game," the BIS said. "Central banks need to upgrade their capabilities both as informed observers of the effects of technological advancements as well as users of the technology itself."

Among the economic effects listed are productivity, with the example that software developers can code more than twice as many projects per week if they are supported by AI. Meanwhile companies will likely invest more in information technology, while for consumers, algorithms can yield better choices in spending decisions, thereby boosting consumption.

For central banks, the ability of new algorithms to crunch vast amounts of data also holds great potential for tasks like nowcasting and forecasting, according to Cecilia Skingsley, head of the BIS Innovation Hub, who told reporters that "it will lead to better decision-making."

Economic adviser and head of research Hyun Song Shin added that setting interest rates will probably remain the task of humans because that involves judgment. Skingsley emphasized that an algorithm can't answer for its own actions.

"The ways we organize ourselves and our societies are that we like to hold human beings accountable to decision-making," she said. "You know, changing politicians, possibly changing central-bank governors from time to time. So I can't really see a future where it will be an AI setting rates."

The new technology's effect on inflation will depend on expectations of welfare gains and will differ in the short and the long run, the BIS said.

As long as consumers underestimate future benefits, such new capabilities will dampen consumer-price growth, officials said, noting that such an effect may reverse when people start to anticipate the advantages.

The rise of AI will also expose central banks to risks including hacker attacks, disinformation, and unknown biases, according to the report. Some of those are already a worry, officials have said.

For central banks, the ability of new algorithms to crunch vast amounts of data also holds great potential, BIS said. ISTOCKPHOTO

Why RIL investors opposed board role for Aramco exec

Reliance's resolutions on Al-Rumayyan and Khaitan were passed despite opposition

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Yasir Al-Rumayyan, chairman of Saudi Aramco and governor of the Public Investment Fund, Saudi Arabia's sovereign wealth fund . YASIR AL RUMAYYAN/LINKEDIN

In the three years since Reliance Industries Ltd appointed Saudi Arabian businessman Yasir Al-Rumayyan as an independent director, he's skipped about 25% of the company's board meetings. On Monday, about 40% of the public shareholders of India's largest company sought to pull up Al-Rumayyan for his absence, voting against his reappointment.

A third of Reliance's large investors also rejected the appointment of Haigreve Khaitan as an independent director, given that he's on the board of several other companies and may not be able to devote enough time to a conglomerate with diverse interests ranging from exploration and energy to retail and telecom.

The 54-year-old Al-Rumayyan is not only the chair of Saudi Aramco, the world's largest oil company, but also the governor of Public Investment Fund, Saudi Arabia's sovereign wealth fund and the owner of Newcastle United football club. Only 5% of Reliance's large shareholders had rejected his appointment to Reliance's board in 2021.

40%
The shareholders against Rumayyan's reappointment

At Monday's shareholder meeting, Reliance's resolutions on Al-Rumayyan and Khaitan were passed despite significant opposition, with 50.3% promoter holding helping the proposal on Al-Rumayyan secure 84% votes in favour, and 87% for Khaitan. Nevertheless, the dissenting voices were loud enough for two proxy advisory firms and two investors in Reliance Industries to term the voting outcome unprecedented.

"The resolutions may have been passed with a majority. Still, this kind of pushback from investors is a lesson for all promoter-owned companies that you cannot take your shareholders for granted," said an executive at one of those proxy advisory firms, speaking on condition of anonymity.

Reliance Industries's 14-member board comprises chair Mukesh Ambani, his three children, Akash, Isha and Anant, and his nephew Hital Meswani.

Industry experts also point to potential conflicts of interest in the appointments of Al-Rumayyan and Khaitan to the Reliance board.

"Yasir Al-Rumayyan is the chair of Saudi Arabia's sovereign wealth fund, which has invested 2% in Reliance Retail, and, therefore, (that) does not make him an independent director," said Sharmila Gopinath, a specialist adviser for India at the Asian Corporate Governance Association.

"And in the case of Haigreve Khaitan, his firm Khaitan & Co. provides legal services to Reliance and he is also on the board of more than seven companies, which goes against the law," Gopinath said.

Reliance did not reply to an email seeking comment on the development. A spokesperson for Aramco is yet to reply to an emailed questionnaire from *Mint*. An email sent to Khaitan seeking comment went unanswered.

Shareholders at other large Indian companies have also been voicing their displeasure in recent times, such as when Wipro sought to award former chief executive Thierry Delaporte a ₹36 crore cash severance last month.

25%
The RIL board meetings that Rumayyan skipped

In June, shareholders of Dish TV India Ltd rejected the candidature of two independent directors, bringing the number of directors booted out by them to 18 since September 2021. Nestle India's shareholders recently rejected the company's proposal to increase royalty payouts to its Swiss parent.

At Reliance's latest shareholder meeting, at least 10 large foreign institutional investors, including the world's largest sovereign fund and the UK's largest fund manager, opposed Al-Rumayyan's reappointment, show documents reviewed by *Mint*.

About 91% of public investors, who own 38% of Reliance, exercised their vote, while only a fifth of retail and non-institutional shareholders, who own about 13% in the company, participated.

"Board members should devote sufficient time to fulfil their responsibilities effectively," reasoned Norway-based Norges Bank Investment Management, the world's biggest sovereign wealth fund, managing $1.63 trillion of assets as of 31 March.

"The chairperson is responsible for leading all aspects of the board's work and should devote a significant amount of time to fulfil his or her responsibilities effectively. Board members should contribute to effective discussions and decision-making by attending all meetings," said Norges, which owns 0.85% of Reliance, making it the fifth-largest public shareholder in the company.

The UK's largest fund manager, Legal & General Investment Management, said it voted against Al-Rumayyan's reappointment owing to "the director's level of attendance at board and committee meetings and therefore their ability to provide oversight for shareholders."

GDP at cusp of sustained 8% growth orbit: Das

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The Indian economy is at the threshold of a major structural shift, moving towards an 8% growth rate on a sustained basis, Reserve Bank of India (RBI) governor Shaktikanta Das said, warning that any wrong monetary policy move could hurt growth.

In a speech at the Annual General Meeting of the Bombay Chamber of Commerce on Tuesday, Das defended the monetary policy committee's decision to keep the 4% inflation target and reasoned why the monetary policy committee (MPC) cannot afford to make any policy error with respect to inflation.

The MPC earlier this month kept the policy interest rate unchanged at 6.5% for the eighth consecutive time, citing inflationary concerns.

"We have to navigate the path of inflation with a clear and unambiguous focus and commitment to bring down inflation. There cannot be any distraction at this stage. Any distraction will impact growth. In the game of chess, if you make one wrong move, you can lose the game. In the battle against inflation, one single wrong move can just throw you off track, and coming back to track will be costly," he added.

Das assured that the Indian economy is not slowing down and there is clear evidence of private sector capex picking up, especially in sectors like cement and steel. He also said that the economy needs to be driven by multi-sectoral growth.

IndiGo, Air India deploy AI to bolster customer service

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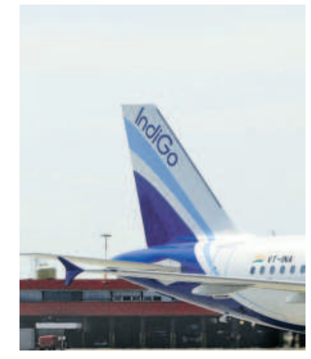
IndiGo developed 6Eskai, its chatbot, in collaboration with Microsoft.

Two of India's largest airlines, IndiGo and Air India, are deploying artificial intelligence-based tools in their customer care operations to ensure that most customer queries are resolved at the virtual assistant level.

The airlines aim to minimise the time taken to address passenger queries and increase the efficiency of their customer care operations by leveraging AI tools.

For instance, India's largest domestic carrier IndiGo, which carries three out of five flyers in India, told *Mint* that following the implementation of its chatbot 6Eskai in November 2023, it has witnessed a 75% decline in the workload of its customer service agents.

The low-cost carrier had developed 6Eskai in collaboration with Microsoft. The company's artificial intelligence chatbot is powered by OpenAI's large multimodal language model GPT-4, which is adept at generating text from textual and visual input.

Air India had deployed a GenAI virtual agent 'AI.g' in 2023, which has handled more than two million queries so far

"We have seen over 6,000 bookings made through 6Eskai over the website and mobile application. From March 2024 till date, over 39,000 boarding passes have been issued through the chatbot," an IndiGo spokesperson told *Mint*.

"The 6Eskai application is currently transferring only 2-9% of chats to experts, as compared to Dottie (virtual chat assistant), which was transferring 14-19% chats, thereby boosting efficiency by about 5%."

"We also conduct daily scans of the customer chat interactions to improve the overall experience of our customers with regard to the AI chatbot," the spokesperson added.

The Tata group-owned Air India, the largest international operator in India, has also started seeing the impact of virtual assistants powered by generative artificial intelligence on its customer care operations.

Generative AI or GenAI is artificial intelligence that can create original content, such as text, images and video, among others, from cues or prompts provided to it.

Air India had deployed a generative AI virtual agent 'AI.g' in 2023, which has handled more than two million customer queries so far. Normally, these queries would have required the assistance of a customer service agent in the absence of AI.g.


Wipro chairman Rishad Premji. MINT

FY24 one of the toughest years for Wipro, says Premji

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Wipro Ltd had one of its most challenging years in FY24, but the information technology (IT) services company is committed to investing in the future, aiming to be at the forefront of the transformation being brought about by artificial intelligence, chairman Rishad Premji said.

"FY24 has undoubtedly been one of the most challenging years in our company's history. The global economic climate has been quite volatile, affecting the technology spends of our clients," Premji said in a letter to shareholders in Wipro's annual report for the year ended March 2024. "We remain committed to innovation and are dedicated to investing in our future."

Premji assured investors that despite short-term challenges, Wipro's fundamentals remain unchanged.

The past year for Wipro was marked by a change of its chief executive officer (CEO) and a churn in the senior leadership that was a drag on the company's performance in terms of both revenue and profitability.

Srinivas Pallia, who took over as Wipro's CEO on 7 April, replacing Frenchman Thierry Delaporte, acknowledged FY24 as a year fraught with challenges.

"The past year presented significant challenges across our industry, impacting our performance as well. We were tested by a tough and volatile macroeconomic environment," said Pallia in his letter to stakeholders.

Wipro was the only one among the top four Indian IT firms to report a decline in annual revenue in FY24

Wipro was the only one among the top four Indian IT outsourcing companies to report an annual revenue decline in a year of slow growth. It ended FY24 with revenue falling 4.4% to $10.8 billion while rivals Tata Consultancy Services Ltd, Infosys Ltd and HCL Technologies Ltd reported revenue of $29.1 billion, 18.6 billion and $13.3 billion, respectively.

Wipro's profitability for FY24 at 16.1%, up 50 basis points, was also the lowest. TCS, Infosys and HCLTech reported operating margins of 24.6%, 20.7% and 18.2%, respectively.

Premji said Wipro aims to be at the forefront of the artificial intelligence (AI) transformation and that the company had already deployed generative AI internally.

Sattva to bet ₹14,000 cr on realty

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Sattva Group's managing director Bijay Agarwal.

Real estate firm Sattva Group, backed by American investment firm Blackstone Inc., plans to invest ₹12,000-14,000 crore in the next 2-3 years developing commercial office, residential, and hotel projects, said a top company executive.

Around 40% of the planned investment will be deployed in office projects, 50% in housing development and 10% in hotel projects across existing cities it operates in, such as Bengaluru, Pune and Hyderabad. It is also set to enter two new property markets—Chennai and Mumbai, Sattva Group's managing director Bijay Agarwal told reporters.

The investment will be financed through a combination of equity, debt and internal accruals like sales.

Bengaluru-based Sattva Group has completed roughly 80 million sq. ft of projects across various business verticals. Another 88 million sq. ft is in various stages of planning and development—23 million sq. ft under construction and 65 million sq. ft in the pipeline.

Sattva and Blackstone have partnered to develop 32 million sq. ft, of which 18 million sq. ft has been completed and the remaining is under development.

It aims to almost double its residential sales from ₹3,500 crore in 2023-24 to ₹6,000-6,500 crore in FY25. On the commercial office front, it is expecting a 20% growth in annuity income from ₹2,000 crore in FY24.

"Up until the pandemic in 2020, our bigger focus was on the commercial office business. However, given the momentum in the residential sector since then, we have witnessed strong sales and have a significant launch pipeline of housing projects. We are also seeing a resurgence and stronger pick-up in office leasing this year," Agarwal said.

India's real estate sector is currently undergoing a housing boom, with developers clocking record growth in sales in the aftermath of the pandemic. The commercial office sector, which went through its share of challenges, also seems to be on a recovery path with leasing picking up and a huge pipeline of projects.

Sattva Group, which counts Google, Novartis, JP Morgan as some of its largest tenants, has around 9 million sq. ft of office projects under development in Bengaluru, Hyderabad and Pune. It is launching a 4.5 million sq. ft office development in Chennai's Old Mahabalipuram Road (OMR).

Tata Electronics inks pact with US chip firm Synopsys

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Randhir Thakur, chief executive officer and managing director of Tata Electronics. REUTERS

Tata Electronics on Tuesday signed a memorandum of understanding (MoU) with California-headquartered semiconductor design and engineering firm Synopsys, to collaborate on various technological verticals. The partnership will see Synopsys' offerings being used in Tata Electronics' upcoming $10.9 billion semiconductor fabrication plant, or fab, in Dholera, Gujarat.

As part of the MoU, Tata Electronics will use Synopsys' foundry design platform, which will help ramp up designing custom semiconductor products for clients—once the fab is complete. Other areas of technology that the two firms will collaborate on include factory automation, data analytics, computer-aided design and technology transfer from Synopsys to Tata Electronics, supply of product design kits by Synopsys and development of intellectual properties for the chip fab.

Randhir Thakur, chief executive officer and managing director of Tata Electronics, said that the move will help the firm offer "integrated solutions across the electronics manufacturing value chain to global customers seeking a resilient supply chain."

Tata's Dholera fab was approved by the Union Cabinet on 29 February, under the government's Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India, with Taiwan's Powerchip Semiconductor Manufacturing Co. (PSMC) as its primary technology partner.

At the time, Union IT minister Ashwini Vaishnaw said that the plant would produce 3 billion chips annually, once up and running at full capacity, and will make chips ranging across 28nm (nanometre), 50nm, 55nm and 90nm nodes.

A semiconductor 'node' denotes the size of a chip. Roughly, chips used in advanced electronics such as smartphones and laptops use the smallest nodes, such as the 3nm chips powering Apple's iPhones and Google's Pixel phones.

Such chips are largely controlled globally by Taiwan Semiconductor Manufacturing Co., which controls over 50% of the world's chip supply.

Makers explore revenue avenues in merchandise, spin-offs

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Indian filmmakers are increasingly turning to new and relatively untapped revenue streams to bolster recovery prospects for big-budget tentpole movies beyond their theatrical run, especially at a time box office has turned uncertain and satellite and digital rights are drying up.

While titles such as Ranveer Singh-starrer *83*, a film on the Kapil Dev-led Indian team winning the cricket world cup in 1983 and *Fighter* have brought out merchandise collections, others like *Baahubali* and *Singham* have seen animation spin-offs stream on television and video-on-demand platforms.

In a first, a spin-off of Prabhas-starrer *Kalki 2898 AD* titled *B&B: Bujji and Bhairava* started streaming on Amazon Prime Video in the run-up to the film's theatrical release.

While these are undoubtedly seen as ways to create IPs (intellectual properties) that can sustain beyond the individual film, industry experts point out that this is an unchartered territory for India and would need significant work to become sustainable.

"By venturing into merchandise or rather collectibles and spin-offs, filmmakers create avenues for enduring income and, more importantly, enhanced engagement. This strategy taps into the audience's deep emotional connections with characters and narratives, transforming moments on screen into lasting treasures in fans' lives," Sameer Chopra, vice-president, marketing, Reliance Entertainment Studios, said.

In a first, a spin-off of *Kalki 2898 AD* began streaming on Amazon Prime Video in the run-up to the film's release. @KALKI2898AD/X

For sports drama *83*, Reliance Entertainment had partnered with tennis player Mahesh Bhupathi's Swag Fashions Hub Pvt. Ltd (SFHPL) to launch a merchandise collection including apparel, clothing accessories, home furnishings, pillows, crockery, furniture, travel bags, backpacks, drink ware, wall-decor, clocks and face masks. The company has also developed animated homegrown IPs based on movies such as *Golmaal*, *Singham*, and *Simmba*, resulting in spin-offs like *Little Singham*, *Golmaal Jr.*, and *Smashing Simmba*, among others, which air on kids' channels like POGO, Nickelodeon and Discovery Kids.

Indian filmmakers are creating new revenue streams, transforming movies into multi-layered fan experiences beyond the movie screen, agreed Shruti Deora, senior vice-president at digital agency White Rivers Media. "Merchandise and animated spin-offs are just the glimpse of possibilities, offering significant revenue potential and deeper fan connections. In the future, we might see immersive virtual reality experiences that transport viewers into the heart of the film's world while E-sports and gaming leverage the film's themes to further captivate audiences," Deora added.

Filmmakers are creating new revenue streams, morphing movies into multi-layered fan experiences beyond screens

To be sure, entertainment industry experts point out these attempts are inspired by Hollywood and particularly the Marvel Cinematic Universe where everything, from merchandise to theme parks and specific rides are tailored to scale IPs and make them part of pop culture.

Film studios and producers usually tie up with vendors and invest capital to manufacture products or create animated series. The licencee, in turn, works with them on a revenue-sharing model.

Adani group plans to nearly double capex this fiscal

FROM PAGE 1


Gautam Adani, chairperson, Adani group. PTI

way" to push up India's growth trajectory, especially as the country aims to become a developed nation by 2047.

In its latest May bulletin, the Reserve Bank of India said, "A strong revival in private investment has to become the most important factor driving growth in the years to come, especially as public finances consolidate." Earlier in February, too, the central bank had called upon India Inc. to lead the way in capex.

Adani group's capital requirement for the next 10 years is $100 billion, Singh said, adding the group has secured the necessary funding. "68% of this is via own capital," Singh said. "The equity-debt funding gap will be further narrowed in FY25 in which our own capital will be 88%."

The Adani group has been reducing its leverage ratio since American short-seller Hindenburg Research last year accused it of stock price manipulation, leading to a rout in its stock prices and making it difficult for the group to raise debt. The group had denied all charges. The leverage ratio has come down from 3.3 times in FY23 to 2.2 times in FY24. The group wants to lower this ratio further, Singh said.

Adani houses its renewable energy business in listed Adani Green Energy and its ports business in Adani Ports and Special Economic Zone. Adani Green Energy plans to ramp up its renewable energy capacity to 50GW by 2030 from 10.9GW at present.

Adani group has been reducing its leverage ratio since Hindenburg Research accused it of stock price manipulation

The group will also refinance about $3–4 billion of maturing debt in FY25, Singh said. Adani Airports Holdings, a non-listed company housed under group flagship and incubator Adani Enterprises, will be listed by FY28, he added.

FY25 will be more of an "asset completion year" than venturing into newer spaces, Singh said. During the year, the company expects to fully operationalize its new copper smelter at Mundra, complete the construction of its Navi Mumbai airport and operationalize about 6–7GW of fresh renewable energy capacity, he said.

A *Mint* report on 1 April citing Centre for Monitoring Indian Economy (CMIE) data said ₹11.3 trillion worth of new projects were announced across India in the March quarter, twice that in the December quarter. However, FY24 ended with ₹27.1 trillion worth of new projects being announced, down nearly 31% after two successive years of sharp growth.

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Telcos bid for ₹11,000 crore on Day One of spectrum sale

Government has put up ₹96,320 crore worth of airwaves on offer in this year's auction

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At 150Mhz, the quantum of spectrum bid for is a small fraction of 10,523.2Mhz, the total pool of spectrum, put up for sale. MINT

The first spectrum sale in two years got off to a slow start on Tuesday, with telecom operators bidding for ₹11,000 crore against nearly ₹96,320 crore worth of airwaves on offer.

Telecom operators bid for 150 Mhz of spectrum, against the 10,523.2 Mhz that the government has put up for sale, two officials familiar with the matter said. Bidding is expected to continue in the 900 Mhz and 1,800 Mhz bands on Wednesday, which saw the maximum interest on day one, they added.

"On the first day, ₹11,000 crore has been committed, bids for 150 Mhz have been received in five rounds. Most activity has been seen in the 900 Mhz and 1,800 Mhz bands, with some bidding in the 2,100 Mhz band. It was supposed to be subdued this time, especially since the previous auction saw them committing very high amounts," one of the two officials cited above said on the condition of anonymity.

This year's auction is expected to be limited in scale compared with the levels of 2022, when 72,097.85 MHz of radio frequencies were sold for a record ₹1.5 trillion. That year, the government had put up 150,173 Mhz of airwaves on sale, including 5G spectrum for the first time, which led to record bidding.

While revenue from spectrum sale was not separately stated in the interim budget, overall revenue from telecom sector is estimated at ₹1.2 trillion for FY25.

According to data issued by the department of telecommunications on Tuesday, bidding was seen in the 900 Mhz, 1,800Mhz and 2,100Mhz bands, while no activity was seen in the other bands including 800Mhz, 2,500Mhz, 26Ghz and 3.3Ghz.

In the 1,800 Mhz band, the West Bengal, Bihar, Madhya Pradesh and Uttar Pradesh East circles saw bidding above the base price, and revenue from the sale of airwaves in this band is expected to be about 70% of the total bids received. Airtel has upcoming spectrum renewals in six circles of UP East, West Bengal, Bihar, Odisha, Assam and J&K, while Vodafone Idea has spectrum to be renewed in UP West circle in the 900 Mhz band, with bidding over base price in circles of Punjab, Rajasthan, UP East and West Bengal.

A little over 25% of the total bids have come for the 900 Mhz band. In the 2,100Mhz band, about 5Mhz was bid for, while bidding over base price was observed in Assam, J&K and North East circles, an analysis of DoT data showed.

Industry insiders said that since spectrum is being bought for renewals, competitive bidding may be seen in some of the circles which was leading to additional rounds in the auction.

According to the bidding rules, auction will continue till the time there is no demand in any slot of spectrum, in any round, in any circle. Analysts expect about 17% of the spectrum value to be sold, which could be the lowest in any auction since 2014.

Reliance Jio, Bharti Airtel and Vodafone Idea had collectively submitted ₹4,350 crore as earnest money deposit allowing them to bid for 10–12 times the bid amount. Reliance Jio has deposited ₹3,000 crore, while Bharti Airtel and Vodafone Idea deposited ₹1,050 crore and ₹300 crore, respectively. To be sure, Airtel and Vodafone Idea are bound to renew airwaves, Reliance Jio does not have to renew any spectrum.

WEAK SIGNAL

OFFICIALS expect bidding to continue in the 900Mhz and 1,800 Mhz bands on Wednesday

THE auction is expected to be limited in scale compared with the 2022 bids

THE auction in 2022 generated a record ₹1.5 trillion from the sale of 72,097.85Mhz of radio frequencies

IN 2022, the Centre put up 150,173mhz of airwaves of sale, 5G spectrum included, for the first time


Pharma firms need to comply with GMP norms to align with WHO standards. BLOOMBERG

Govt plans an audit of pharma cos' GMP norms compliance

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The central government is all set to start the process of auditing pharmaceutical companies from July to verify that all drug-making firms in the country are following Good Manufacturing Practices at par with World Health Organisation (WHO) standards.

As part of the government's guidelines, which were announced in July 2023 and notified in December 2023, pharma companies with annual turnovers of over ₹250 crore were to compulsorily follow GMP within six months, while those with a turnover of less than ₹250 crore were supposed to do so over a 12-month period.

The government set a June deadline for compliance. It amended Schedule M of the Drugs and Cosmetics Rules, 1945, last year to upgrade, tighten and make GMP norms mandatory, especially for micro, small, and medium enterprises (MSMEs).

Harish Jain, president of Federation of Pharma Entrepreneurs, an industry body of MSME pharma companies, said, "In today's time, nobody is 100% perfect. I believe the first phase of audit would be for bigger companies that have a turnover of more than ₹250 crore. Most of these companies are already WHO GMP compliant firms and such companies are very less. As far as MSME firms are concerned, I am sure they will show satisfactory compliance with Schedule M."

The government's action came after reports in the past year-and-a-half alleged that cough syrups manufactured by Indian MSMEs were behind the deaths of children in developing countries, including 66 in Gambia and 68 in Uzbekistan.

Good Manufacturing Practices, or GMP, is a set of mandatory standards that aims to uphold the quality of products by way of controlling the quality of raw materials, methods, machines, processes, personnel, facility and environment, among other things, used in the manufacture of drugs and medical devices.

GMP was first incorporated in Schedule M of the Drugs and Cosmetics Rules, 1945, in the year 1988, and the last amendment was done in June 2005.

Sensex crosses 78,000 pts on banks, IT

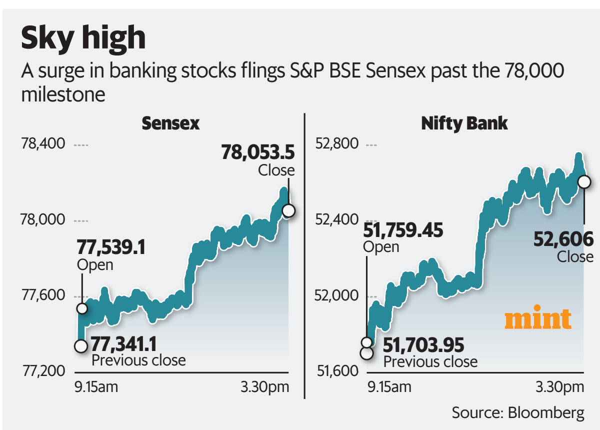
FROM PAGE 1

At the same time, Relli believes India still offers visible growth at a good pace over the next few years, unaffected by global developments. Besides, a decent monsoon could improve growth prospects further while bringing down inflation. And a rate cut by the US Fed over the next few months could make equity as an asset class even more attractive, benefiting Indian equities through more inflows, he explained.

Tuesday's gains were primarily driven by financial services and information technology (IT) stocks. HDFC Bank, ICICI Bank, Axis Bank, Reliance Industries (RIL), Larsen & Toubro (L&T), and Infosys were the biggest contributors to the surge.

Nifty Bank index registered a fresh high on Tuesday, closing 1.7% higher. What acted as a sentiment booster for this sector was the better-than-expected current account numbers.

"India's current account deficit reduced to 0.7% of GDP in FY24 from 2% in FY23 and recorded a surplus of 0.6% of the GDP in Q4 due to higher



SARVESH KUMAR SHARMA/MINT

services exports," pointed out Ajay Menon, MD & CEO, broking & distribution, Motilal Oswal Financial Services.

The Nifty has been largely consolidating in a range of 1,000 points for the past couple of months, said Gaurav Dua, senior vice-president and head of capital market strategy, Sharekhan by BNP Paribas.

He pointed out that there is buying interest below 22,500 and some selling pressure beyond 23,500 on Nifty.

"We see it as a one-time correction, which is healthy for the sustenance of the rally," said Dua. He believes sectors such as private banks and IT, along with heavyweights RIL and HUL will have to take up the baton to break out of the range into higher levels.

The Nifty 50 has been largely consolidating in a range of 1,000 points for the past couple of months

"Banks have more catching-up on the up, as do IT services and fast-moving consumer goods," said Relli, adding that pre-budget buying could happen in defence, rail, agri-based and infrastructure stocks, whereas oil & gas and pharmaceuticals could underperform in the near term.

Meanwhile, Nishit Master, portfolio manager, Axis Securities PMS said, "We believe that over the next few days, markets will keep consolidating till we get incremental news which drives FPI or domestic flows". One such event could be budget expectations and actual delivery, which will drive future market movement in the next month, he explained.

Although investor sentiment for the coming year is upbeat, experts said there might be periods of consolidation or occasional dips in the short term.

From the Union budget perspective, Menon of Motilal Oswal Financial Services believes the new government will largely maintain its thrust on capex and investment-led growth. Overall, he expects the policy agenda of the NDA government (investment-led growth, public capex, infrastructure creation, manufacturing, thrust on renewable energy, investments in power, PLI, etc.) to continue. "Hence, we expect the market to maintain its positive momentum as we draw nearer to the event."

BSE push for lower option fees route hits regulatory stonewall

FROM PAGE 1

ing ₹44.3 crore for the April-December 2023 period and ₹73.47 crore for the differential regulatory fee, pending Sebi's final decision on its request.

While BSE declined to comment on the matter, a query to Sebi went unanswered.

Notional turnover refers to the total value of an options contract while premium turnover refers to the actual traded value. For instance, the 78,100 strike Sensex call options contract expiring on 28 June is available at a premium of ₹340 a share (10 shares make one contract). The notional turnover for this contract will be ₹7.84 lakh (10 x (78,100 +340)), while premium turnover will be ₹3,400 (premium of 340 x 10 shares).

BSE shares ended up 0.9% at ₹2,520.55 apiece on NSE on Tuesday.

The share has lost 21.47% in value since Sebi's circular on 26 April. Against this, the Sensex is up 6% at 78,053.52 over the same period, and the Nifty is also up 6% at 23,721.3.

BSE shares ended up 0.9% at ₹2,520.55 apiece on NSE on Tuesday. REUTERS

The regulatory advisory comes in the wake of BSE ramping up its derivative segment volumes since last May after decades of being unable to get traction on this front.

This was enabled with Sebi allowing it to launch weekly Sensex options expiring on Friday instead of Thursday, coinciding with the weekly Nifty option contracts expiry.

In FY24, BSE reported total derivatives turnover of ₹8,028.93 trillion, up a staggering 2,241% from ₹343.15 trillion in FY23. The corresponding NSE figures were ₹79,928 trillion and ₹38,223 trillion. Shortly after the regulator's letter to BSE, HDFC Securities said in a company update, "The shift from premium to notional is a regulatory setback and BSE will have to pay a regulatory fee of -INR 1/2.5/3.1bn, which is -13/21/22% of FY24/25/26E APAT."

The brokerage added that one way to offset the impact of higher regulatory fees was to increase the transaction charges by about 25% and reduce clearing charges by about 10%, which will reduce the impact for FY25/26.

"The exchanges earn revenue on the premium, which is only 6/19 bps of the notional value, and the payment of the regulatory fees will be on the notional turnover," HDFC Securities said, noting that NSE has been paying the regulatory fees based on the notional turnover. "We have not changed our estimates (₹3,100 target price per share) and will wait for more clarity," it said in the note.

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Consumer courts clear backlog with the suspension of vacations

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National and state consumer forums have resolved more cases than have been filed since the Central Consumer Protection Authority (CCPA) was set up almost four years ago, chipping away at the huge backlog of pending disputes.

According to data available exclusively with *Mint*, 415,104 cases were filed and 440,971 disposed of since the CCPA was launched in July 2020. This trend is reflected in the absolute number of pending cases. According to the Press Information Bureau, a government agency that disseminates information to the media, the number of cases pending before consumer commissions fell from 555,000 in December 2022 to 545,000 in September 2023.

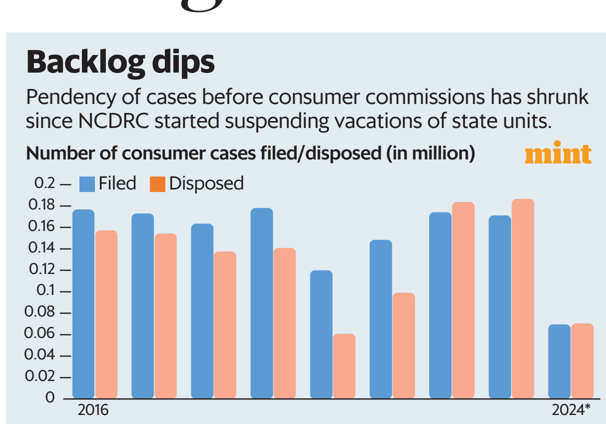
One reason for this is that the National Consumer Disputes Redressal Commission (NCDRC) started suspending summer vacations for state commissions in 2022 on the recommendations of the consumer affairs ministry, two officials said on the condition of anonymity.

This month, justice (retd) Sangita Dhingra Sehgal, president of the Delhi State Consumer Disputes Redressal Commission, was asked to cancel her summer vacation, they added.

One of the officials said, "State commissions taking leave had become a very common practice. We began addressing this issue in 2022, after seeing the significant backlog of cases at various courts."

"We brought the matter to the notice of the NCDRC and it acted according to the provisions of the CCPA. The act clearly states that all commissions will follow the holiday schedule prescribed by the state government," the official added.

"Since there is no provision for a summer vacation in any state office, the NCDRC directed all commissions to adhere to the norms and continue functioning."



PARAS JAIN/MINT

The second official said, "The commissions had a habit of taking leave during summer breaks, similar to various courts, including high courts and the Supreme Court." Summer breaks for courts start from the third week of May and end in the first week of July. This year the vacation started on 20 May and hearings are scheduled to resume on 8 July.

The second official added, "Another key initiative that the ministry of consumer affairs has taken to reduce pendency is the introduction of e-courts. In March, of the 10 benches of the NCDRC, only one was operating online." Now, the official added, most of the 35 state consumer dispute redressal commissions hear cases online.

SHEDDING WEIGHT

SCDRCS have been asked to adhere to holiday schedules of state offices, which have no vacations

PENDENCY of cases has also fallen with the introduction of e-courts at most of the 35 SCDRCs

Ashim Sanyal, chief operating officer and secretary of Consumer VOICE, a consumer rights organization, said, "It's a good move and a lesson that every other quasi-judicial body needs to follow. The mandate of the CCPA is very different from that of courts. Its key focus area is protecting the rights of consumers and addressing their grievances within the stipulated time."

Queries emailed to the consumer affairs ministry were not immediately answered.

The NCDRC handles cases in which the amount in dispute exceeds ₹2 crore, while SCDRCs handle cases between ₹50 lakh and ₹2 crore.

In 2021, the NCDRC received 2,449 cases and resolved 2,011. After holidays for commissions were suspended, 3,420 cases were filed and 4,138 cases resolved in 2022. In 2023, 5,276 cases were filed and 6,422 resolved.

As of 31 May 2024, 1,796 cases were filed and 3,778 cases resolved across the 10 NCDRC benches.

Also, as of 31 May 2024, consumer commissions have resolved 70,576 cases while 69,615 have been filed.

Panic uncalled for, assures Quant MF CEO amid Sebi lens

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Sandeep Tandon, CEO of Quant Mutual Fund.

Sandeep Tandon, chief executive officer (CEO) of Quant Mutual Fund, which is under scrutiny for charges of so-called front-running, has sought to assure investors that the allegations are overblown and that they should not redeem their investments in panic.

Teams of officials from the Securities and Exchange Board of India (Sebi) paid surprise visits to Quant's offices in Mumbai on 21 June for a search and seizure operation triggered by suspicion of front-running by Quant's employees.

"Look around you. Do you see any disruption? We are all carrying on our usual work," said Tandon when this reporter visited the Quant MF office in Mumbai.

In a statement on Monday, the company said it wanted "to assure you that Quant Mutual Fund is a regulated entity, and we are always fully committed to cooperate with the regulator throughout any review".

Teams of officials from the Sebi paid surprise visits to Quant's offices in Mumbai on 21 June

Front-running is an illegal practice where fund managers, dealers or brokers aware of upcoming large trades place their own orders beforehand to profit from an anticipated price movement when the large trade is executed.

Tandon emphasized that the asset management company had ample liquidity to meet redemptions.

About ₹800 crore has been redeemed from Quant since the news broke.

This, however, accounts for less than 1% of Quant's total assets under management (AUM).

Quant Mutual Fund is among India's fastest-growing mutual funds with AUM of more than ₹90,000 crore.

About 53% of Quant's AUM is in liquid instruments—large-cap stocks or cash equivalents—and can easily be redeemed, Tandon said.

So far, Sebi has not filed any official charges against Quant Mutual Fund. The matter is at the information-gathering stage.

Founded by Tandon, Quant secured its mutual fund licence from Sebi in 2017.

Quant MF ranks 18th in terms of AUM among 44 asset managers in India, and is an active investor in small- and mid-cap stocks.

As per *Mint*'s data, the MF's Quant Active Fund Growth has delivered a CAGR of 31.36% over the past five years and 54.91% in the last year. It has ₹10,204 crore in assets under management.

Bandhan gets a new director

Former central banker Arun Kumar Singh has been appointed additional director for a year till 23 June 2025

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RBI's move is likely to ensure a smooth transition at Bandhan Bank. MINT

The Reserve Bank of India has appointed a former central banker to the board of Bandhan Bank, about two weeks ahead of founder and chief executive Chandra Shekhar Ghosh's retirement.

While the bank late on Monday announced RBI's decision to appoint retired chief general manager Arun Kumar Singh as an additional director on its board, it did not specify the rationale behind the step.

A person familiar with the development said RBI's move was likely to ensure a smooth transition at Bandhan Bank, considering its succession process is still ongoing. Also, Singh would support oversight of the bank's board of directors.

"The regulator does not have any broader concern with the bank and the additional director was put in to aid succession," said this person, speaking on condition of anonymity.

Mint had reported in December that big-four accounting firm EY was conducting a forensic audit on a portion of Bandhan Bank's loan book that's backed by government guarantees. The bank's management has clarified that the audit had no link to Ghosh's decision to retire.

RBI and Bandhan Bank did not immediately reply to *Mint's* queries.

Analysts believe RBI's decision to appoint Singh is to ensure proper functioning of Bandhan Bank.

"The issue in the case of Bandhan (Bank), in our view, is that there aren't sufficient internal candidates in the bank who have served the bank for a long time at board level to be eligible for the CEO position," Suresh Ganapathy, managing director and head of financial services research at Macquarie Capital, said in a note to clients on Tuesday.

"While the market may fear that there could be more skeletons in the closet (in terms of further increase in the stress pool), we believe this is more of a prudent measure exercised by the RBI."

RBI has appointed 60-year-old Singh for a period of one year, till 23 June 2025, or till further orders, whichever is earlier. A graduate in economics and an MBA in finance and human resources, Singh is also a Certified Associate of the India Institute of Banking (CAIIB) and worked at RBI for about 36 years.

CHANGE IS IN ORDER

THE central bank has appointed 60-year-old Singh for a period of one year

FOUNDER and chief executive Chandra Shekhar Ghosh's term ends on 9 July

He has served as an RBI nominee director on the boards of five banking and non-banking entities, as per Bandhan Bank's stock exchange filing. "(Singh) has worked in various capacities in the field of non-banking supervision, regulation, banking supervision and regulation, financial inclusion, monetary policy, information technology, enforcement actions against banks and non-banks, government banking, etc," Bandhan Bank said in its filing.

Bandhan Bank's board in November approved Ghosh's reappointment for three more years, and was awaiting RBI's clearance.

In April, Ghosh announced he would step down as managing director and chief executive when his term ends on 9 July. In his resignation letter, Ghosh said he was looking to assume a broader strategic role after stepping down, but did not specify what that would be.

"I am neither an economist nor a banker. I am a pure NGO worker," said Ghosh, who has helmed the bank since its inception in 2015. "I feel happy to leave behind a strong franchise in the hands of a capable leadership team, many of whom have partnered me in building the organisation, brick by brick, sharing the same vision and values."

FMCG firms to strategically boost ad spends as demand stabilizes

Varuni Khosla & Suneera Tandon
NEW DELHI/MUMBAI

Makers of fast-moving consumer goods (FMCG) would be careful about boosting expense on advertising and promotions despite a relatively stable commodity outlook as they wait for stronger signs of demand revival.

Advertising executives and FMCG industry watchers expect a stronger step-up in ad spends in the second half of this fiscal year. Ad spends may likely come back by then, as companies try to chase greater volume growth.

To be sure, packaged goods companies spend significantly on advertising their goods. However, the last 2-3 years were marked by significantly high inflation, prompting firms to undertake price hikes to counter higher input costs. Consumers too played safe, buying only essentials or moving to cheaper brands.

However, the demand environment is now showing signs of stability, with companies also pointing to a more deflationary environment over the last several months.

FMCG industry watchers expect a stronger step-up in ad spends in the second half of this fiscal year

Ankush Jain, chief financial officer, Dabur India Ltd, said that while the company is seeing some short-term positive trends in material costs, it will take a strategic approach to advertising and promotion (A&P) spends.

"We understand the need to increase brand visibility and consumer connect. But we will also prioritize efficient allocation of our A&P budget. This might involve a mix of traditional and digital marketing channels, with a data-driven approach to optimize reach and engagement," Jain said. The company, which sells toothpaste, shampoo and hair oils, spent ₹849 crore on advertising and promotions last fiscal.

"Our intent is that overall A&P (across traditional, digital, consumer promotion) would be higher than last year, which will increase our brand visibility and engagement across all platforms. While core channels remain important, we will allocate budget judiciously and strategically to explore high-impact digital opportunities as well," Jain added.

Biscuit maker Parle Products said its A&P spends this year could be 30% more than last year, driven by cricketing events at the beginning of the current year. The company advertised during the ongoing T20 World Cup as well as the IPL.

Commodities, barring cocoa, are benign too, said Krishnarao Buddha, senior category head at Parle Products.

"So we are looking at being aggressive. Our participation in these key cricketing events indicates that we are looking at having a greater share of voice this year," he said.

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Julian Assange to plead guilty in U.S. case

The WikiLeaks founder is set to enter a plea in Saipan and be sentenced to time served, after fighting a yearslong battle to avoid trial

Sadie Gurman & Aruna Viswanatha
WASHINGTON

Julian Assange is set to plead guilty this week in his U.S. espionage case, in an agreement that will allow the WikiLeaks founder to soon walk free after spending more than a decade holed up and imprisoned in London, largely to avoid being sent to the U.S.

Assange is expected to plead guilty to a felony charge of conspiring to obtain and distribute classified information, according to a court document and people familiar with the matter, over the website's publication of thousands of confidential U.S. military records and diplomatic cables about America's actions in Iraq and Afghanistan in the 2000s.

The plea is expected to take place on Wednesday morning in Saipan, the U.S. territory in the western Pacific. He is expected to be sentenced to the 62 months he has already spent in a London prison, and be allowed to return to his native Australia after his sentencing, according to the people.

Prosecutors had been in talks with Assange to resolve the 2019 case, *The Wall Street Journal* reported in March, with one sticking point being Assange's desire to never set foot in the United States. To enter a felony plea, defendants generally have to show up in person in court.

Assange's team had floated the possibility of pleading guilty to a misdemeanor, the *Journal* reported, which would mean Assange could enter the plea remotely. The Justice Department and Assange's legal team reached a compromise under which Assange wouldn't have to travel to suburban Virginia, where the original case is filed, and prosecutors could still get a felony plea, the people said.

The plea deal offers a neat solution to what was becoming an increasing political headache for the U.S. government.

Earlier this year, Australian Prime Minister Anthony Albanese said he hoped the U.S. could find a way to conclude the case against Assange, and lawmakers there passed a motion calling for Assange to be allowed to return to his native home. German Chancellor Olaf Scholz has also weighed in, saying that the British courts should not extradite Assange to the U.S. In February, the United Nations special rapporteur on torture, Alice Jill Edwards, said Assange shouldn't be extradited to the U.S. to face trial, saying he suffered from "depressive disorder" and was at risk of being placed in solitary confinement.

"Politically he is in a much better position than he was six months ago," says Stella Assange, Julian Assange's wife, during an interview with the Journal last month. Stella Assange hinted that their family was willing to accept a plea deal to get him out of a British high security prison where she said he is suffering health issues and lives in a cell alone. "As his wife and the mother of his children...I want him to be free," she said.


WikiLeaks founder Julian Assange has spent over a decade imprisoned in London to avoid being sent to the U.S. REUTERS

The legal drama began around 2010, when WikiLeaks released a huge trove of classified documents that presented a bleak view of America's actions in two wars. The website collaborated with top media organizations, and for years, Assange reveled in his status as a proponent of radical government transparency.

The public perception of him soured after the 2016 election, when WikiLeaks published tens of thousands of documents the U.S. says were stolen from Democrats by Russian government hackers. Former President Donald Trump's first CIA director, Mike Pompeo, called the website a "nonstate hostile intelligence service."

U.S. prosecutors later charged Assange in connection with the Iraq and Afghanistan leaks, accusing him of conspiring to help former U.S. Army intelligence analyst Chelsea Manning break into a Defense Department computer system by trying to help her crack a password. They added charges under a U.S. espionage law, leaving him to face 18 counts of conspiring to disclose classified information and hack a military computer.

Assange's lawyers had argued that he merely published information given to him, much as a journalist would, and so shouldn't face punishment. The press's right to publish is generally protected by the First Amendment.

Manning was convicted of leaking government secrets and served seven years in prison.

Trump-era Justice Department officials who charged Assange sought to differentiate his work from journalism because they alleged Assange solicited the classified material and knew its publication would jeopardize lives. The Obama administration also considered charging him but declined because of concerns about how it could affect conventional journalism.

The legal drama began around 2010, when WikiLeaks released a huge trove of classified documents

In the Biden administration, officials struggled with how to proceed, given some parallels between his work and that of the press, and the passage of time, which would likely mean he had already essentially served any sentence he might get after being convicted in a trial.

Assange has fought a winding, and at times surreal, campaign to avoid a U.S. trial. He was initially dogged by allegations of rape in Sweden in 2010. He sought asylum in the Ecuadorean Embassy in London in 2012 and stayed there for years, fathering two children and hosting guests including actress and model Pamela Anderson and pop star Lady Gaga.

The Swedish rape investigation was eventually dropped. Assange outstayed his welcome in the cramped Ecuadorean Embassy, where he angered officials by not cleaning up after his cat, skateboarding in the hallway and allegedly leaking personal information about Ecuador's president to a rival. The U.S. and U.K. governments also applied pressure on Ecuador to evict Assange.

After being kicked out of the embassy, Assange was promptly jailed in London. A British judge ruled Assange had a history of evading justice and so should be kept in Belmarsh prison awaiting decision on his U.S. extradition. In January 2021, a British judge ruled Assange should not be extradited, saying his mental health meant he would be at risk of suicide if convicted and held in a maximum-security prison.

But that decision was overturned after an appeal by U.S. authorities, who gave a package of assurances, including a pledge he could be transferred to Australia to serve any sentence. British judges then ruled in March that he couldn't immediately be extradited to the U.S. to face the charges, which was expected to further prolong his appeals.

Max Colchester contributed to this article.

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Canada to curb China EV imports to align with US

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Canada is clamping down on imports of Chinese-made electric vehicles, as Prime Minister Justin Trudeau's government seeks to align itself with the Biden administration on trade.

Finance minister Chrystia Freeland announced the start of a 30-day public consultation period—the first stage before Canada can bring in tariffs on Chinese EVs. The government's plan to hike these tariffs was first reported by *Bloomberg News* last week.

Freeland said the government will also examine changes to the list of EVs that are eligible for federal consumer incentives, as well as "broader investment restrictions in Canada" for the EV industry.

"All possible tools are on the table," she said.

Speaking at a news conference in the Toronto region, Freeland said Canada's auto industry is "facing unfair competition from China's intentional, state-directed policy of overcapacity that is undermining Canada's EV sector's ability to compete in domestic and global markets."


The Canadian auto industry has been pushing for tariffs, arguing that China's EVs are cheaper due to weaker labour standards. AFP

Canada has been under pressure to coordinate with Group of Seven (G7) allies on China trade policy. The White House last month unveiled plans to nearly quadruple US tariffs on Chinese-manufactured electric vehicles, up to a final rate of 102.5%, while the European Union (EU) also plans to increase tariffs, taking those levies as high as 48% on some vehicles.

China has suggested there may be benefits for Germany if the EU backs off on its plan—it has floated lowering its existing tariffs on large-engine cars in return for scrapping the planned EV levies, according to people familiar with the discussions. Trudeau also faces tensions domestically. The Canadian auto industry has been pushing him to hike tariffs in order to protect domestic jobs and wages, arguing that China's EVs are cheaper due to much weaker labour standards.

With a joint review of Canada's free trade deal with the US and Mexico coming up in 2026, Trudeau's government has been urged by business groups to ensure Canada isn't seen as a side door for cheap Chinese goods into the rest of North America.

Canada is holding a 30-day public consultation period—the first stage before it can bring in tariffs on Chinese EVs

One of the government's goals, Freeland said Monday, is "to prevent trans-shipment through Canada" of vehicles from China.

Still, Trudeau has moved cautiously toward hiking tariffs on China. China is Canada's second-largest trading partner, behind only the US.

Chinese foreign ministry spokeswoman Mao Ning said Tuesday at a regular press briefing in Beijing that her nation believed "politicizing trade and setting barriers will only undermine the normal trade and economic cooperation between two countries."

Some environmentalists also oppose the move, worrying that higher tariffs on EVs will only raise prices and hamper consumer adoption of cleaner technology.

The vast majority of Canada's EV imports from China are Tesla Inc. vehicles produced from its Shanghai factory. Freeland would not comment on whether tariffs might apply to those vehicles.

China's rich spend millions on Shanghai property

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A $15 million penthouse was snapped up hours after it went on sale. More than 200 homes priced from nearly $5 million were taken in less than a day. Apartments worth $3.8 million were five times oversubscribed.

Shanghai's luxury real estate market is a bright spot in China's bleak property sector. It's the only one among the country's mega cities that's still attracting people to put down money in an asset class that has otherwise been abandoned. The move is driven by rich Chinese—many dwelling in the Yangtze River Delta region that Shanghai is part of—who are parking their money only in surefire investments. The recent buyers still see luxury residences as an optimal choice, given Shanghai's financial hub status, the scarcity of supply of such dwellings and the discount that new offerings boast compared with existing ones.

The trend underscores the diverging outlook for real estate in a country with big wealth gaps. Outside of Shanghai, China's majority of cities—including even the capital of Beijing—are still struggling to revive transactions and prices, even after the government pushed out its strongest yet stimulus measures.

"An uncertain economic outlook drives the wealthy to park money somewhere conservative," said Song Hongwei, research director at property agency Tospur Real Estate Consulting Co. "When they're short of better channels to allocate assets, core real estate in Shanghai's prime area becomes a handy choice."

In the first five months of 2024, sales of new Shanghai residences offered at 30 million yuan ($4 million) or more already topped annual units sold in each of the past seven years, Tospur data showed.

Their average price gained 18% from last year. That dwarfs a 0.6% on-year uptick seen in the entire new-home market in Shanghai—already the best performer among 70 major cities tracked by the statistics bureau.

The buyers are a mixture of locals and outsiders, many from the neighbouring Zhejiang and Jiangsu provinces, according to sellers and developer advisers. Shanghai allows non-local homebuyers if they've paid income taxes for three years. They're taking advantage of the recent policy easing. Down-payment thresholds in Shanghai have been lowered to 20% for a first home, and as low as 30% for a second. A third home is allowed if a family has at least two children, and at least one of them is under 18 years old.


Shanghai's luxury real estate market is a bright spot in China's bleak property sector. BLOOMBERG

Shanghai also relaxed the cap on prices for new homes, a tactic the government used to temper the property bubble when values were soaring. A number of luxury projects including Shanghai Arch, which sits on the waterfront of the famous Bund, were sold at about 170,000 yuan per square metre, 13% higher than the previous limit, according to people familiar with the matter. Shanghai Arch, developed by Hong Kong-based Sun Hung Kai Properties Ltd., witnessed the frenzy recently. Its 212 upscale condos lured more than 1,000 prospective buyers and sold out on the opening day. Its $15 million penthouse was purchased within hours.

Outside of Shanghai, the majority of China's cities are struggling to revive prices and transactions

In the city's French Concession, all 75 units of Singapore-based CapitaLand Group Pte's the Paragon were sold online in 45 minutes. They were sold for about 20% less than two second-hand units of similar range in the neighbourhood marketed by Landz Realtors.

"Those who can afford such prime projects have waited for more than two years," said Stephanie Zhou, who has been facilitating the sales of prime real estate in Shanghai for more than two decades. "Some new projects were priced lower than existing ones they've checked during the market peak, and they see them as a bargain."

Sunac China Holdings Ltd's 204 condos at One Sino Park lured 4,000 prospective buyers, even though the cheapest unit was nearly $5 million, a record in Shanghai this year.

A Hongkong Land Holdings Ltd-backed project sold at an average price of $3.8 million and was five times oversubscribed. Demand is so strong that people are even willing to purchase luxury homes that haven't been built. Increasingly in China buyers have become wary of developers failing to deliver on pre-sold apartments.

It stands in stark contrast with other cities including Beijing, where luxury projects are failing to attract buyers. Shanghai's more affluent and entrepreneurial demographic is helping with the rebound, whereas the capital has more people working for state-owned enterprises and the government, meaning they already have access to government-subsidized housing.

Shortage of parts forces Airbus to cut back on goals

Bloomberg
feedback@livemint.com

Airbus SE is coming up short on the millions of parts that make up the company's commercial aircraft, and the situation is getting worse rather than better for the world's largest planemaker.

The manufacturer warned late on Monday that it's experiencing a shortage on engines, aerostructures and cabin interiors, which in turn is sabotaging the company's delivery plans. As a result, Airbus pared back a whole slew of longer-term goals—from operating profit, cash generation and jet handovers to the monthly production rates of its all-important A320 model.

The challenges facing Airbus and rival Boeing Co. are caused not by slack demand for its products, but rather a supply chain that's been severely stretched for years. Airbus has long warned of the issue after the pandemic first upended the global aviation industry and then left it unprepared once air travel came roaring back. What's new is the breadth of the problem, with chief executive officer (CEO) Guillaume Faury saying that engine shortages are now coming up as the latest pinch point.

"That is a new situation that we were not expecting," Faury said on a call after Airbus issued its surprise revisions for the year.

The company now expects to hand over 770 aircraft rather than 800 units in 2024, it said Monday after European markets closed. Adjusted earnings before interest and tax will reach €5.5 billion ($5.9 billion) this year, down from a previous goal of as much as €7 billion. The company also cut its outlook for free cash flow before customer financing to about €3.5 billion.

"The dust needs to settle before we can turn positive again," said Christophe Menard, an analyst at Deutsche Bank, who called Airbus's profit warning "stunning." "June deliveries are apparently sluggish and there is no guarantee at this stage that the new delivery target will be easy to achieve by year-end."

Faury told reporters the situation isn't getting any better, requiring the company to adjust its goals.


Airbus now expects to hand over 770 aircraft rather than 800 units in 2024. BLOOMBERG

Airbus also pushed back its goal to produce 75 of its A320 single-aisle jets per month by one year to 2027. That more conservative approach stands to further intensify a shortfall in new jets, given that Boeing is also making its 737 model at a significantly reduced monthly rate.

The annual delivery revision is the second time since 2022 that Airbus has pared back that goal. The jetmaker had most recently reiterated its 800-unit aspiration at the end of April, when it reported numbers for the first quarter.

Faury said that cabin parts, for example, are in short supply because airlines are refurbishing older planes, meaning shipments to Airbus are constrained. Many airlines have complained that aircraft deliveries are delayed, forcing them to fly older kit for longer.

Airbus CEO Guillaume Faury said earlier in June that any supply issues might persist for the next 2-3 years

The CEO said in an interview earlier in June that any supply issues might persist for the next 2-3 years. Faury cautioned on Monday that economic and geopolitical challenges are contributing to the situation and are here to stay "for a while."

Compounding Airbus's woes are issues afflicting the engines on its best-selling A320 model, which is powered by RTX Corp.'s Pratt & Whitney model or the Leap variant made by the CFM International Inc. consortium.

Faury said on the call that the situation has "significantly degraded" in recent weeks, and that the company will end up with gliders by the end of the quarter—industry parlance for planes without turbines. Engine issues are becoming more prevalent, after appearing to be more under control in 2023 and beginning of this year, the CEO said.

Airbus has enjoyed a relatively calm first half of the year, while Boeing has fallen into a deep crisis following a near-catastrophic accident on an airborne aircraft in early January. As a result, the US company has been forced to pare back output of its 737, potentially handing Airbus an opening to win business from Boeing loyalists. At the same time, both companies are largely sold out on their best-selling products, giving Airbus only limited scope to capitalize on Boeing's woes.

The new forecast excludes any possible acquisitions, Airbus said. The company is nearing an agreement with Spirit AeroSystems Holdings Inc. to take over parts of the aerospace supplier's business, *Bloomberg* reported last week. Faury said discussions are continuing, but he declined to comment on a possible conclusion of the talks.

"Spirit's situation is difficult from an industrial standpoint," Faury said. "It is part of the difficulties that are triggering this update."

Airbus said it will also suffer charges of about €900 million related to some space programmes, citing "complex and sophisticated products" that created development risks. As a result, Airbus said it will "evaluate all strategic options such as potential restructuring, cooperation models, portfolio review and M&A options."

Lithium batteries will power the world, and pose fire risks

The latest incident involved a South Korean blaze that killed workers at a battery making unit

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SEOUL


Emergency personnel and investigators examine the site of a fire at a lithium battery factory of South Korean battery maker Aricell in Hwaseong on Tuesday. AFP

To the makers of smartphones, power grids and electric vehicles, lithium—the lightest metal—allows batteries to become supercharged, underpinning hopes for a greener economy and longer-lasting devices.

But the very traits that make lithium game changing for energy storage can pose overpowering challenges should the batteries ever catch fire. Incidents involving lithium-battery fires are becoming more common around the world, raising safety concerns.

Water isn't always an effective combatant for certain types of lithium-battery fires, leaving little option other than waiting things out or using costly suppressants, firefighting experts say. Combating fires involving lithium-batteries can be difficult due to the emission of toxic gases. Then there is the heat: the lithium produces searing temperatures more akin to a welding torch than a typical blaze, capable of slicing through protective gear or an extremity.

The world saw the risks of lithium-battery fires on Monday in South Korea, where at least 23 workers died in one of the country's worst industrial accidents in recent memory. Local investigators are still determining the blaze's exact cause. Some 35,000 battery cells were thought to have been stored on-site—and video footage of the fire showed occasional flashes that produced thunderous booms like a detonated bomb.

On Tuesday, Park Soon-kwan, chief executive of the battery maker Aricell, apologized for the incident. He added the company had complied with all required safety precautions and training, and would cooperate fully with authorities. Later in the day, local police charged Park, along with four other company officials, for causing death and injury due to occupational or gross negligence. Aricell didn't have an immediate comment.

Kim Young-suk, who owns a beef-bone soup restaurant across the street from the Aricell factory, heard a loud explosion around 10:30 a.m. Monday, followed by a whoosh of heat lashing through the vicinity. Thick smoke hurled toward the skies. Metal debris flew off the two-story building. The windows of the neighboring fishing-appliance store got smashed.

THE WALL STREET JOURNAL.

Kim rushed to turn off the restaurant's gas valves, locked the door and fled the site. She didn't reopen on Tuesday. "It was so extremely, extremely scary," she said. "We couldn't stay there because of the fire."

Battery fires are a growing concern for firefighters worldwide, prompting calls for regulation and public-education campaigns. So-called "lithium-ion" batteries are rechargeable and widely used in smartphones, PCs and EVs—and are the subject of the bulk of such fires, often due to overheating. But the South Korean factory fire involved "primary lithium" batteries that aren't rechargeable and are typically used in smart-grid electricity networks and military equipment.

For instance, extinguishing a lithium-ion battery fire for an EV takes longer and about three times as much water than a regular vehicle, on top of the exposure to carcinogenic chemicals, said Greg McConville, the national secretary of the United Firefighters Union of Australia. The fire's ignition is more intense than an oxy-acetylene torch, which can be roughly 5,000 degrees Fahrenheit or more, or about five times hotter than many house fires.

"It will literally cut through a firefighters' protective clothing and their leg if it's coming out from underneath their vehicle," McConville said.

Sometimes the safest option is to let a battery fire burn. That was in the case in 2021, when a Tesla battery caught fire while being installed at an Australian power storage facility. The fire spread to another battery. Responders allowed the blaze to burn out over six hours, while keeping nearby units cool. No one was injured.

Water, in some cases, could even worsen a battery fire, as it could produce explosive chemical reactions because lithium metals react violently to moisture, said Sunnie Haam, a professor of fire-protection engineering at the University of Seoul. Coolants, such as liquid nitrogen, could be used instead of water, but it is very expensive for every fire station to purchase in big volumes and to deploy them in sufficient quantities to quell a large-scale fire, Haam said.

"I don't think there is any fire station in the world with sufficient supplies," Haam said.

In her evaluation of South Korea's response Monday, Haam thought it was a wise choice to wait for the flames to burn out on their own. Firefighters used water once it was deemed safe to do so, and then quickly started rescue operations, Haam said.

Lithium is widely viewed as a key future energy source, given its outstanding ability to retain high amounts of energy compared with other metals, said Tak Yong-sug, a chemical engineering professor at South Korea's Inha University who specializes in battery-materials research. The properties of lithium that make it suitable for energy storage also pose risks, but the metal in its various forms has been harnessed to operate safely for a variety of uses, Tak said.

"Lithium is a coveted resource, and countries worldwide are making efforts to ensure access to lithium supply," Tak said.

Mastercard, Visa $30 bn swipe fee deal blocked

Reuters
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A US judge on Tuesday rejected a $30 billion antitrust settlement in which Visa and Mastercard agreed to limit fees they charge merchants who accept their credit and debit cards.

US district judge Margo Brodie in Brooklyn concluded she was not likely to grant final approval to the settlement, and therefore denied the plaintiffs' request for preliminary approval.

Her decision could force Visa and Mastercard to negotiate a settlement more favourable to merchants, or go to trial.

The settlement announced in March was intended to resolve most litigation that began in 2005 over so-called swipe fees that merchants pay to accept Visa and Mastercard, and which the card networks set.

Those fees totalled about $72 billion in 2023, according to the Nilson Report. They generate profits for bank and other card issuers, which funnel many of the fees into rewards programmes that encourage consumers to spend more.

Many merchants and retail trade groups viewed the fees, typically 1.5% to 3.5%, as excessive. They also objected to rules forbidding merchants from telling customers why some cards cost more than others, and steering them toward cheaper cards.

Critics also say the fees lead to higher prices for consumers, who are now sometimes charged less for using cash.

The rejection does not affect a separate $5.6 billion class action swipe fee settlement among Visa, Mastercard and about 12 million merchants.

All eyes on Nvidia's stock, so what's been going on?

AP
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Nvidia briefly overtook Microsoft as Wall Street's most valuable stock last week. AFP

In the past few days, Nvidia's shares have lost billions in market value and the chipmaker has slipped off its perch as the most valuable stock on Wall Street. But the concerns may be short lived.

Nvidia's stock had been falling since it briefly overtook Microsoft as Wall Street's most valuable last week, and it was down nearly 13% in just three days, its worst such stretch since 2022. The company's $2.97 trillion market capitalization puts it behind Microsoft, at $3.34 trillion, and Apple, at $3.22 trillion.

Because Nvidia has become so massive in size, the movements for its stock carry extra weight on the S&P 500 and other indexes. It was the heaviest weight by far on the S&P 500 on Monday.

Market watchers would rather there be more diversification, having concerns seeing just Nvidia and a handful of other companies responsible for much of the S&P 500's returns recently. They would prefer a market where many stocks are participating in the gains.

There's been nearly insatiable demand for Nvidia's chips to power artificial intelligence applications and the company has played a big role in the U.S. stock market's recent record runs even as the economy's growth slows under the weight of high interest rates. But the AI boom is moving at such a rapid pace that it's raised worries about a possible bubble in the stock market and too-high expectations among investors.

Still, investor concerns may be calming, as Nvidia's stock rose more than 5% in trading on Tuesday. The rebound for Nvidia helped the Nasdaq composite rise and head toward its first gain in four days.

Derren Nathan, head of equity research at Hargreaves Lansdown, said in a statement that while Nvidia's stock has declined in recent days, one must also look at the bigger picture. "The shares have still gained 190% on a 12-month view, so it's no surprise some investors are locking in some profits," he said.

Nathan also isn't concerned about potential wider spread implications. "Although Nvidia has sneezed, the wider market hasn't caught a cold with a mixture of less extreme movements in both directions for the rest of the Magnificent 7," he said.

The Magnificent 7—Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia and Tesla—are a small group of stocks that are responsible for a big chunk of the US stock market's total return.

Investors may also be welcoming a better-than-expected consumer confidence reading and a solid job market. America's employers added a strong 272,000 jobs last month, a sign that companies are still confident enough in the economy to keep hiring despite persistently high interest rates.

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DUPLEX BUNGALOW VIP Sector 15 A Noida, 220 Sq Mtr Corner adjoining Greenbelt & 200 Sqmtr With lift on 18mtr Road, only for Genuine end users,Brokers excuse, # 9999981395

300MTR. RESIDENTIAL plot for sale sec-44 Noida 18m Rd North East facing & 200,450m Old Kothi Sec-15A best location Jitendra Singh- 9810207945, 9810061531

FOR SALE Noida Commercial 2500 sqft, Showroom / Shop Rented to H.D.F.C. Bank for 12 year Lease The Bank/ Space is Surrounded by huge foot Fall /Population Contact :Sonik 9810288611

SQUARE METERS Realtors 9717452701

YEIDA PLOTS Sale/ Buy, Sector 18 & 20, Yamuna Expressway, Size 300, 500, 1000, 2000 sqm, Call WhatsApp 9717452701

Buniyad REAL ESTATE SERVICES 9999011116

SECTOR-71 NOIDA 450sq.mtr, 78kh Simplex house on12mtr wide road North West Avail for Sale. In Good Location. ,9999011116

Buniyad REAL ESTATE SERVICES 9999981395

PRE RENTED Commercial Buildings in Sector 18 Noida., Rent 3.15 Lakh, & 5 Lakh, Both ROI @5% Per Annum., only for Genuine end users, Brokers excuse, # 9999981395

BIG LANDS YOUR LAND, YOUR LEGACY 9818077228

LUXURIOUS KOTHI 300mtr, duplex, Sec-39,450mtr Sec-30,300mtr 18mtr road Sec-44 Plots, 450mtr-300mtr & 250mtr, Sec-15A, 26, 30, 36, 39, 40, 44, 47, 50, 51 & 99 Call:9818077228

Buniyad REAL ESTATE SERVICES 9999981395

VIP SECTOR 17 Noida, 375 Sqmtr Plot, Excellent Location on 18mtr wide Road, Lush Green Well Maintained Beautiful Park view, Vastu Perfect Northeast Facing. # 9999981395

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BEST TIME TO BUY PLOTS FLATS SHOPS Commercial Spaces AGM REALTORS 98100 31431 93126 00800

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AVAILABLE 250 sq.yds Park facing Vastu Compliant, Luxury Floor Ready Poss. Sec 19 & Vastu compliant north facing 502 sq yds sec 46 luxury floor. # 9811077668, 9212255155

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DEALS IN Resi./Commercial/Industrial/ Properties Sale / Purchase/ Leasing. Kavi Nagar, Raj Nagar, Wave City, Nehru Nagar, Vaishali, Kaushambi, Indirapuram,Ghaziabad. 9810019733

GURUGRAM

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PARAGON M3M the most prime loc. shop in the whole of Paragon R1G 03 1790 sq ft double height main road facing centre shop transfer case 9873687898 Vikram (owner).

GROUND FLOOR Shop For Sale Area 1250 Sq.Feet Rental 2.79 Lacs Per Month Top Retail. Centre On Golf Course Extension. Call Owner for more Details. 9810404394

DLF – SUSHANT LOK

SIA ESTATE 9811467000

AVAILABLE PLOT Orris Woodview :- 239 YRD North, 360 YRD East & 24 mtr, 460 YRD West, 670 YRD Corner & North Facing. Call :- 9811467000

UDYOG VIHAR (opposite Oberoi/ Trident Hotels) 450 meter East facing Plot for sale, Prime Location. For further details kindly contact 98111 31131

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INDUSTRIAL SHED
in DHARUHERA
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Opp. Hero Motocorp
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• Office 5000 sq.ft approx.
• Plot area 4.1 Acres approx.
7827910779, 9953048904

GURGAON RENTED Bank, Rent 2.08 Lacs Ground Floor, Commercial Corporate Building Sohna Road, Good Return Owner # 8368841512 / 9205622514

DLF-3 CONFIRM Sale 1) V Block Kothi / 316 sqyds Liveable/ North East Facing 2) V Block Kothi/163sqyds Liveable/ South East/prime loc Call Amit Prop 9899335988

ASSET AMPLIFIERS 9999555874

SOUTH CITY-1 : 500yd@12.5cr / 360yd, 18mtr@9cr / 500yd park fcng house @ 16.5cr / 240yd, 2side opn @6.50cr #9999555874

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DIRECT OWNER Meeting DLF City -II. 500 Yds Corner, Park Facing # 9910888735

SABHARWAL ASSOCIATES 502/380 yds Corner/Park 9910026336, 9810026076

DLF- 1,2 Prime location 380yd Corner East park facing, 502y Ashoka Crescent North East fac. 502y Corner East facing, 502y Kothi Plot rate Call 9810026076, 9910026336

DLF CITY phase one F Block east facing 300 yards plot Low ch @10 # Deeparul Estate 9811068621

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DIRECT OWNER Meeting DLF City -I. 450 Yds Near Ashok Crescent Road # 9910888735

perfect estate agency

DIRECT OWNER Meeting DLF City -I, 200 Yds 18 Mtr Road Good Location # 9910888735

DLF PH-3 CONFIRM & MANDATE DEALS
• 500 syd Moulsari Avenue
• 500 syd Adjoining Park
• 500 syd V-1 Park facing
• 400 syd W-9 2½ Storyed House
• 400 syd W-9 Corner Plot
• 316 syd House @ 7.5 Cr.
• 316 syd Corner Plot Adj. Park
SUMINDRA PROPERTIES 98101-65528, 98101-65532

ASSET AMPLIFIERS 9999555874

DLF PHASE-1: 502yd Paschim Mrg @22cr / 502yd 18m cnr@17cr / 300yd, E blk@9cr / 200yd G blk @6cr. #9999555874

ASSET AMPLIFIERS 9999555874

SUSHANT LOK-1 :- 376syd cnr B blk @12cr / 300syd cnr B blk @8.30cr / 502syd plot cnr@14cr / 215syd house@ 6.25cr #9999555874

DLF-3 CONFIRM Sale W Block 400sqyd Plot & Kothi North Facing /Max Chq Direct Party Meeting Pls call Genuine Buyer Only Amit Prop 9899335988

DLF – SUSHANT LOK

FOR SALE 400 Sqyd Plot in Vatika India Next, Prime Location on 90 mt Sector Rd facing, Sect-83 , Opp Town square market. Call Triumph Estates 9811773376, 9999036127

M3M SKYWALK Sect-74 Ready to Move Flat for Sale 2018 Sqft 3 B/R + Study middle floor North facing AC/ Moduler kitchen/Club/Car Parking Ramandeep 9810940556

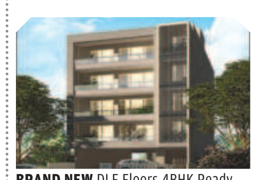
SUSHANT LOK one A block. 500 yards east facing Plot in best location Deeparul estate 9811068621

SABHARWAL ASSOCIATES 9811400506

DLF ALAMEDA Requirement of 250 / 538 / 700 Sqyard Plot. Block- A/B/D. We have some ready buyer. Flexible in payment terms. Meeting can be plan this weekend. 9811400506

INFOCITY (ADJOINING Hero-Honda Chowk) 1000 meter North facing building for sale, covered area 27,000 sft (glass facade with lift). Kindly contact 98111 31131

DLF-3 CONFIRM Sale W Block 400sqyd Plot & Kothi North Facing /Max Chq Direct Party Meeting Pls call Genuine Buyer Only Amit Prop 9899335988



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Flat No T2 - 3D & T2-15D
Main Road Facing
HERO HOMES
Sector - 104
2 Beds Size 1099 sq.ft.
Flat No. T6 - 1902
Owner 9310293101

DLF CITY phase 2 P Block 251 yards East facing Self user @3/50 Deeparul estate 9811068621

DLF GARDEN City Arcade, Sector 92 Gurgaon, Ground Floor Shop Area 2350 Sq.ft, Corner, Front Facing 60 Mtr Road Owner : 8368841512

SABHARWAL ASSOCIATES 9810652416

LUXURY FLRS Nirvana Country 500y@ 7.45cr 360y@4.65cr 270y@4.15cr Suncity 800y@9.95cr,680y@7.95 cr 500y @6.05cr, 360y@4.45cr, 250y @3.35cr, Sabharwal 9810652416

OUTSIDE DELHI

OWNED RESIDNTL/ Comml/Industrl Land at First Green Field Smart City Dholera Gujarat & Resi/Comml Prop Options@ Gift City Gandhi Ngr Gujarat. Call: 9999060603 / 9810073210

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CONTACT FOR buying and selling plot, farmhouse, flat, villa, agricultural land, colony land in Khatushyamji. Excellent Location, Contact : 6367648400

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LAND SALE NH-58 Delhi to Haridwar Rd on Highway Nr. Eicher Motor, Muzaffarnagar (UP)-251002 Area-5460 sq.mt. Size - (44 x 124 mt.) 9927034340

GOA

VPR GOYAL AND CO PVT LTD 9711555020 9810239280

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WEST DELHI

PRIME PROPERTY 9560018111

AJAY ENCL ND-18 3 BR 1400 Sqft bldr flr DD Kitchen loby 2nd flr Lift Stilt pkg balcny Gated colony opp Pacific Mall & nr Subhash Ngr Metro stn Co. lease pref 45k. # 9560018111

VPR GOYAL AND CO PVT LTD 9711555020

FOR RENT Furnished office space with 30 Workstation with 2 Cabin, Kitchen washroom opp Kirti Nagar Metro Station. VPR Goyal and Co Pvt Ltd: 9711555020

RENT COMMERCIAL space Rohtak Road Karol Bagh Office / Showroom Basement, U.Ground, 1st floor Contact: 9811696868.

SOUTH DELHI

SAINIK FARM Kothi 3/ 4/ 5 bedrooms 2000, 1000, 500 sq. yds. available For Rent, best location, contact- Charnjeet Singh: 8595707401, 9711854553

FOR RENT to Expat Diplomats Only others may excuse - farmhouse Radhe Mohan Drive 1100 sqyds, five big bedrms, drawing dining, swimming pool lawns servants quarters. Nath 9811000075

GULMOHAR PARK 500y First Floor Having Huge 4BHK, Park Facing, 4 Side Open, Natural Light, SQ, Lift, Prkg, Etc. Excellent Location Availb for Rent.# 9810113868

KAILASH HILLS 176, 3rd floor 4BHK, Corner/adjoining Park, Self Newly Constd. Building N/E Facing, lift, Stilt Parking, furni / Unfirni Lotus Temple view # 98110-15720, 99998 52015

EAST OF Kailash E-Block, Basement newly built area 1250 sq. ft. semi finished, modular kit./bathroom/Lift, walking metro station distance. Ideal for professionals.Owner- 9810107575

NFC 300 Yds, Corner Newly Renovated G.Flr 3 BHK also G.K-I/II/III, 217/250/ 300 Yds, Newly Built 3/4 BHK, All Flr with SQ, Lift, Stilt Car Parking, Best Locations.# 9312231319, 9212114256

COMMERCIAL SPACE OWNER 9910020141 9810020141

C-55, SHIVALIK, Main Geetanjali Road, Commercial Basement -1500 Sft. and 1st Flr-1500Sft with Toilet/Pantry for Office, Ample Parking, Best Location. Owner Manoj Verma: 99100-20141

FOR RENT Centrally a/c, fully furnished, Commercial building. Stilt, main road, Defence Colony. Suitable for Corporates / MNC. Contact 9250555544, 9891555544

E- BLOCK East of Kailash Brand New 1700 sqft, Semi Furnished, Corner, Main Road, Ample Parking, Huge visibility, near Metro, for Professionals. Owner 9811707061,9811087765

SAFDARJUNG ENCLAVE 200y for rent 2 bedroom att. bathroom kitchen 2nd floor 2 balconies with reserved prkng suite for couples small fmly foreigner MNC. 9899320146, 9871480555

4BHK AVAILABLE on Rent at Risland Chatterpur @2.25 Lacs . For more details contact RPG Estate @ 9810150047.

GREATER KAILASH Independent Duplex Bungalow 5 Bedrooms Drawing Dining Qtr. Driveway, Front Lawn. Contact for all kind of Prop. Requirment Sharma 9810166637

OKHLA INDEPENDENT building, Area 30000 sq ft, goods lift, ample parking, interested party. Contact: 9810083369

SALWAN REAL ESTATE PVT. LTD.

VASANT VIHAR, 800 sq yds, 4100 sq ft, Luxurious First Floor, comprising 4 bedrooms attach baths, living cum dining equipped with aircon. Suits Expat/Diplomats.Raman:9810062871

PANCHSHEEL PARK : S-17, F.F., 3BHK, Study, Lift, Stilt Parking,Park Facing, North Facing, Uppal Const.,Nice Loc., Contact: Pooja Bhatt - 9990202752, Dheeraj Nathani: 9654329909.

PVR ANUPAM Shopping Complex Saket 200 sqft.,Prime Location,Commercial Shop, Maintenance Free. Suitable for Electronic Telecom, Eatable, Gifts or Boutique. 9810396918/ 9811066118

CENTRAL DELHI

9811902828

FOR RENT Near Jhandewalan Rani Jhansi Road 40,000 Sq Ft. New Construction, Stilt Parking # 98119 02828

CENTRAL DELHI

TWO FURNISHED Cabins overlooking Connaught Place available on rent in New Delhi House, Barakhamba Road Metro Station, ND-01, Expected rent @ 40K & 30K pm. Cont: 8447439812

RENT- FLAT NO 409 (486 Sq.ft) Fully Furnished Naurang House, K G Marg, Connaught Place. New Delhi. Guglani: 9312255553, Bhoginder: 9810659256.

FOR RENT fully furnished 431sqft. Comm. Flat on 6th floor in Ashoka Estate C.P. & 1300 sqft comm. flat on 7th floor in Deepali build. Nehru Place, Contact : 9999411000

NOIDA/GREATER NOIDA

SHED NEWLY built-up 65000 sq.feet, Corner, power as per requirement, nearby Noida-Greater Noida Expressway. Contact: 98114 79033, 8287098511 (Broker excuse).

FURNISHED/ UNFURNISHED Space Available for long lease/rent in Sec-10, nr. DND Road, Noida, Bsmt-1250 sq.ft, GF-1250 sq.ft, SF-1550 sq.ft, TF-1550 sq.ft. Call 9811142911.

GURUGRAM

SUSHANT LOK 1, C Block, 300 yds, SF-2 BHK- Study & Dresser, connected balconies with spacious court yard, all teak Marbel, superb construction, semi furnished. 9958889673

WAREHOUSE 11000 sq ft, 3 Kms From Delhi Airport Mahipalpur , Available For Rent # 7042498161 , 7042498163

UDYOG VIHAR 9000 ft. for lease, Brand new interiors, NH-8 facing, Signage available. Other tenants MNC. Next to Radisson Hotel. Covered car parks. # 9871098146

M3M HEIGHTS Gurugram on 22, 25, 31 & 33 Floor 2 Bedrooms Apartments for Lease in Tower 6 on Very Prime & B'ful Location with All Modern & Luxurious Amenities. Call: 9667896229.

DLF – SUSHANT LOK

SUSHANT LOK 1 - 4 BHK D/D, Brand New Floor on (360 yds Plot) Avail able For Rent. MNC employee Prefd. Contact Owner. Satish 9810044402 Between 9.30 AM TO 3.00 PM.Only

SUSHANT ARCADE Sushant Lok-1 Ground floor Shop F-104 Fully Furnished Freehold Area 250 Sq.ft for Rent. Call Owner # 9810054005, 9899869329

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EMPLOYMENT

ACADEMIC

DELHI INTERNATIONAL Sec. School Jawahar Ngr, Del-94, Req (Female) Vice Principal, TGT- Eng., Maths, Sci., S.St.,Primary Teacher & Incharge. #9958531377, E: diss.jn@gmail.com

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Vacancy
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Principal

REQUIRED TEACHER Physics, Chemistry, Biology PGT, Maths PGT, English PGT, Drawing, & Librarian in Reputed School Nangloi. Contact - 9711365920

MAHARAJA AGARSEN Public School Bakhtawarpur Delhi -36 Req. TGT- Maths, spc. Edu. Computer, PRT- All Subject, NTT. Candidate should be CTET Qualified. Please Send CV at mapsbkp36@gmail.com

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PRINCIPAL

ACADEMIC

REQ M/F PET PGT / TGT Physics Chemi-stry English Political Science, Econo-mics New Delhi Convent School RZH 121 Raj Nagar 2 Palam # 9810227913, 9333333498, ndcsss@gmail.com

REQUIRED TRAINED Lady Teachers for History, Music and Nursery. Apply - Principal, Nav Bharti Public School, Deepali Pitampura, New Delhi-110034. Ph -011-35534269

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ACCOUNTS/FINANCE

REQD. ACCOUNTANT for NCR graduate with 5 to 6 years experience for Greater Noida & Gurugram site office. What s app only # 7217894971, Email CV at : info@hilltopindian.com

CA FIRM (1988) requires Qualified OR Semi-Qualified (Fresher/ CA (Inter)/ CA Dropout for Audit Assistant, Good Salary, Audit Location: Gurugram, Haryana. # B.S.Sawhney, F-249, New Rajinder Nagar,Delhi-110060,Ph: 011 -45082854, Email: bssa@bssa83.com

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SALES & MARKETING

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COMPUTER/IT

REPUTABLE ORGANIZATION Requires Online Digital Marketing (Facebook. Instgram, linkdin) etc. Professional . experience. 2 years. Malviya Nagar, South Delhi. # 8527977888

ENGINEER/ PROD/TECHNICAL

Indraprastha Institute of Medical Sciences
(Hospital & Medical College)
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9671557212, 9814441732
Requires the following staff for immediate appointment
CIVIL ENGINEERS
and
CIVIL SUPERVISORS
WALK-IN-INTERVIEW on Sunday 30th June, 2024 between 2:30 p.m. to 4:00 p.m.

MEDICAL

KUKREJA HOSPITAL Rajouri Garden requires Medical Suprin, Nursing Supervisor, Nurses, MRD Tech, Store Incharge. Cont: 9990021218 between 10-4pm, drgeetukukreja@yahoo.com

More Classifieds on Page 9

NEWS IN NUMBERS

3-5%
THE PROJECTED growth in volumes of FY25 passenger vehicle sales, down from 7.4% in FY24, due to shrinking order book and lower demand for entry-level variants

908,900
THE NUMBER of GST returns filed by businesses in Uttar Pradesh in April, the highest among all states, followed by Tamil Nadu and Maharashtra

5
THE NUMBER of state-owned banks that are likely to raise money through QIPs this fiscal to reduce the central government's stake in each of them to less than 75%

19
THE NUMBER of Chinese companies on which the European Union imposed sanctions for supporting Russia in its war against Ukraine

3,331
THE NUMBER of outlets that the top three pizza brands had in India by the end of FY24, up from 1,654 in FY20, according to a report by Prabhudas Lilladher

HOWINDIALIVES.COM

Modi to visit Russia first time since 2019

Prime Minister Narendra Modi is expected to visit Russia for the first time since the start of the Kremlin's war on Ukraine, a trip that follows his return to office for a third term and underscores the strong ties between the two countries.

The Kremlin's foreign policy aide, Yuri Ushakov, announced Modi's trip on Tuesday, saying the exact dates of the visit will be confirmed later. Tass news service reported earlier that the Indian leader was set to spend two days in the country in early July.

Modi's trip to Moscow will be a short, official visit, said a senior Indian official, who asked not to be identified because discussions are private. It would be his first trip to the Russian capital since 2015. Modi visited Vladivostok in 2019 and last met Russian leader Vladimir Putin two years ago on the sidelines of the Shanghai Cooperation Organization summit in Samarkand, Uzbekistan. BLOOMBERG

The merger of Tech Mahindra's arms shall be effective from 1 July 2024. MINT

TechM to merge Healthnxt with TMA

IT major Tech Mahindra (TechM) on Tuesday announced the merger of its step-down arm Healthnxt with its wholly-owned subsidiary Tech Mahindra (Americas) (TMA).

The merger shall be effective from 1 July, 2024, according to a regulatory filing.

"Both the transferor and transferee companies are wholly-owned subsidiaries and hence there will be no cash consideration or issue of new shares involved under the Plan of Merger. The investment of TMA in Healthnxt will get cancelled on the merger becoming effective," the filing said.

Healthnxt is a wholly-owned subsidiary of Tech Mahindra (Americas) and a step-down subsidiary of Tech Mahindra. Healthnxt is a virtual healthcare company that offers fully integrated inpatient experience at home and outsourced services.

The merger will result in synergy of business operations, optimise operational cost and reduce the compliance risk, Tech Mahindra added. The turnover of Healthnxt and TMA for FY24 was $1.07 million and $1,153.28 million respectively. PTI

DIPLOMATIC TALKS

External affairs minister S. Jaishankar (right) with Chinese ambassador Xu Feihong during a meeting in New Delhi on Monday. Xu arrived on 10 May after the position of Chinese ambassador remained vacant for nearly 18 months—the longest such gap in over four decades. PTI

Govt to form mediation council by year-end to boost businesses

The council will issue rules for dispute resolution to improve ease of doing business

Manas Pimpalkhare
manas.pimpalkhare@hindustantimes.com
NEW DELHI

The government is likely to establish the Mediation Council of India (MCI) by the end of this year to improve out-of-court dispute resolution, and enhance ease of doing business, according to two people aware of the matter.

Mediation involves parties appointing a mediator to help them reach a consensus. Unlike other out-of-court dispute resolution mechanisms, mediation does not result in a binding award or judgment. Instead, a mediator helps parties reach a mutually agreeable settlement. "We are trying our best to finish the process for formation of the MCI by December," one of the people told *Mint*.

Council members may be directly appointed by the Centre, or on the advice of a special search-cum-selection committee, he added. "There is a definite push for mediation right now," the second person said.

The MCI will be formed under the aegis of the Mediation Act, which was passed by the government last year and mandates mediation proceedings to be completed within 180 days, according to a Rajya Sabha disclosure. The council will issue the guidelines for the mediation process. It will also oversee training, assessment, and certification of the mediators by recognized institutions, and will lay down standards for the conduct of mediators.

> It will oversee training, assessment and certification of mediators by recognized institutes, and lay down standards for their conduct

The council will have three members, including a chairperson, who are experts in mediation, as per the Act. It will also have a chief executive officer and a representative of a recognised commerce and industry body, appointed by the central government.

The establishment of the council will be the first step towards making mediation a preferred method for dispute resolution, especially for corporates, experts said. "Formation of the MCI is a milestone, although a step in a long journey that lies ahead," said Namita Shah, co-founder of Presolv360, a dispute resolution platform offering e-mediation services. "We're seeing a renewed focus on mediation, especially online mediation. The formation of MCI will add to this momentum. ODR institutions are key to growth of online mediation. With MCI, ODRs will be growing faster and more strategically to make India a hub for online mediation," said Shah.

Zurich Insurance to increase India staff

Zurich Insurance Group AG plans to increase headcount in India by 40% over the next three years, adding 600 people following its acquisition of a majority stake in Kotak Mahindra Bank Ltd's general insurance unit. The Swiss firm is pursuing growth in the "super important, super attractive market" as it looks to expand business "across the board", said its chief executive officer for Asia Pacific.

"India will soon be the world's third largest economy, the largest working age population, the biggest middle class among emerging markets, the strongest route of growth in the G-20 for insurance," Tulsi Naidu said in an interview. There are opportunities to grow in commercial, small and medium enterprise, assurance, auto and general insurance, Naidu said, noting the business has already recorded growth of 40% "over the past few years." BLOOMBERG

The funds raised will be deployed in retail MSME loans, micro-loans and green loans. ISTOCKPHOTO

Northern Arc Cap raises $75 mn debt

Non-bank lender Northern Arc Capital on Tuesday announced that it has raised a debt of $75 million (around ₹620 crore) from Dutch entrepreneurial development bank FMO. The money is raised through issue of senior secured, listed non-convertible debentures (NCDs), according to a statement. The transaction takes the overall exposure of the lender from FMO to $125 million, the statement said.

The funds raised will be deployed in retail micro-loans, MSME loans, and green loans, the statement said, adding that this will also help in the wish to fostering inclusive economic growth and environmental sustainability.

The company aims to create a cascading effect that promotes sustainable economic growth and financial inclusion, Northern Arc Capital managing director and chief executive officer Ashish Mehrotra said. PTI

Vraj Iron and Steel secures over ₹51 cr

Vraj Iron and Steel on Tuesday said it has raised a little over ₹51 crore from anchor investors a day before its initial share sale opening for public subscription.

Those who have been allocated shares are—Volrado Venture Partners Fund IV, Capri Global Housing Finance, Ashika Global Securities, Rajasthan Global Securities, Leading Light Fund VCC-The Triumph Fund and Astorne Capital VCC-Arven, according to a circular uploaded on the BSE website.

Vraj Iron and Steel has allotted 2,478,259 equity shares to six anchor investors at ₹207 apiece, aggregating the transaction size to ₹51.30 crore, it added. The ₹171-crore initial public offering (IPO) is entirely a fresh issue of equity shares with no offer-for-sale component. Shares will be available for public subscription in the range of ₹195 to ₹207 per scrip during 26-28 June. PTI

Happiest Minds promoter sells 6%

Happiest Minds Technologies on Tuesday said its promoter and executive chairman Ashok Soota has sold a 6% stake of the IT consulting firm in the open market through a bulk deal.

According to the exchange data, the shares were sold at an average price of ₹834.87 apiece, taking the deal value to ₹762.77 crore.

"Ashok Soota, promoter of Happiest Minds Technologies Ltd, has sold 9,136,490 equity shares (6%) in the open market through bulk deal on 25 June 2024.

"The requisite disclosure is as per the Securities and Exchange Board of India (Sebi)(Substantial Acquisition of Shares and Takeover) regulations," the company said in a statement.

After the stake sale, the shareholding of Ashok Soota in Happiest Minds Technologies has declined to 44.13% from 50.13%, the statement said. Details of the buyers of Happiest Minds Technologies' shares could not be ascertained. PTI

52 drug samples fail quality test

Of these sub-standard drugs, 22 are manufactured in Himachal Pradesh. MINT

India's apex drugs regulatory body, CDSCO has found the samples of around 50 drugs, including that of widely-used paracetamol, pantoprazole and some antibiotics for treating bacterial infections, as not of standard quality.

Of these sub-standard drugs, 22 are manufactured in Himachal Pradesh, according to the alert issued by the Central Drugs Standard Control Organisation (CDSCO) for the month of May. Besides Himachal Pradesh, the samples were collected from Jaipur, Hyderabad, Waghodia and Vadodara in Gujarat , Andhra Pradesh and Indore, among other places. A total of 52 samples have failed the quality test conducted by the CDSCO, according to the drug alert issued on 20 June.

People aware of the matter said state drug regulators have reportedly sent notices to the pharmaceutical companies concerned and the failed samples would be recalled from the market. The list of the sub-standard drugs contains Clonazepam tablets that are used to treat seizures and anxiety disorders, pain reliever Diclofenac, anti-hypertension drug Telmisartan, Ambroxol, and some multivitamin and calcium tablets. PTI

Union minister Jitendra Singh said nuclear power generation capacity to rise 70% in next 5 years. PTI

'India to add 7 new reactors by 2029'

India's nuclear power generation capacity is likely to rise by around 70% over the next five years, reaching 13.08 GW, with the installation of seven new nuclear reactors, said Union minister Jitendra Singh during a meeting to review the Department of Atomic Energy's 100-day action plan. India currently has 24 nuclear reactors.

Singh also reviewed ongoing projects and issued directives for upcoming units. The meeting was attended by Ajit Kumar Mohanty, chairman, Atomic Energy Commission, and secretary of the Department of Atomic Energy, along with senior department officials.

Singh urged the department to integrate and collaborate more effectively to harness the full potential through capacity building, knowledge sharing, and leveraging resources and expertise. He also emphasized the importance of making indigenous technology. "Indigenous technology development and promoting energy security should be our priority," he said, adding that the government has allowed joint ventures with public sector units, besides increasing budget through collaboration, the use of next-generation technologies, and increasing cooperation. RITURAJ BARUAH

Shoppers Stop to double beauty biz

Department store operator Shoppers Stop Ltd could double its beauty business in the next few years by partnering with more global brands and adding more standalone stores for existing brands, said Biju Kassim, the CEO of its beauty business. "If we really work around all the fundamentals well I think in the next three years for sure the beauty business could double," Kassim added.

Last fiscal the firm—which sells clothing, footwear, accessories, home products and beauty products—reported revenues of ₹5,228 crore, up 3% from the previous year. The beauty business reported sales of ₹887 crore in FY24, up 10% year-on-year, while the beauty distribution business—Global SS Beauty Brands—reported additional revenue of ₹119 crore.

Shoppers Stop not only sells beauty products in its own stores but also manages specialty beauty stores for brands such as M.A.C., Estée Lauder, Bobbi Brown, Clinique, Jo Malone and Too Faced in India. SUNEERA TANDON

JSW Steel invests $110 mn in Texas facility for offshore wind

JSW Steel, the steelmaking arm of the $24-billion JSW Group, on Tuesday announced plans to upgrade the manufacturing facility of its US-based subsidiary's Baytown, Texas, facility with an investment of $110 million.

The firm's US-based subsidiary, JSW Steel USA plans to produce high-quality monopile steel plates that are meant to be used in the planned expansion of offshore wind energy generation, which has a target of deploying 30 gigawatts (GW) by 2030. JSW said that it plans to introduce sustainable technology and state-of-the-art equipment at its Baytown facility with a view to support the US government's offshore wind energy generation target.

"The new upgrades at our Plate Mill support the long-term ESG initiative of JSW USA and support decarbonization of the Energy Spectrum in the United States of America. The new investments will enable us to progressively deliver high-quality steel products while further defining our niche markets through a Made in America speciality steel portfolio," said Parth Jindal, director of JSW Steel USA in the statement. NAMAN SURI

JSW Steel USA plans to make high-quality monopile steel plates, to be used in planned expansion of offshore wind energy generation. REUTERS

MANGO: KING IN INDIA, NO KINGDOM ABROAD

India is the largest producer of the king of fruits. So, why is it still a low-level exporter?

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AMROHA/NEW DELHI

Workers pack pre-mature Dasheri mangoes, which are less sweet and fragrant, at an orchard in Amroha, Uttar Pradesh. SAYANTAN BERA/MINT

Nadeem Siddiqui caressing a mango is a sight to behold. He places a Chausa, a late flowering variety, on his palm to measure how well it is growing. He climbs a tree of the popular Langra variety searching for spots and pests on unripe mangoes. The black-rimmed glasses Siddiqui is wearing add to the seriousness of his probing eyes. Like a primate looking at his prized possessions.

Siddiqui climbs down from the 60-year-old tree and instructs the worker shadowing him to cover more fruits with protective paper bags to shield them from birds and flies. He is a third-generation grower from Amroha in Uttar Pradesh, a few hour's ride from the national capital, Delhi.

So far, 2024 has been good for Siddiqui. "Last year, I lost close to ₹50 lakh due to a freak hailstorm. This year I am hoping to recover the losses," he said, sitting on a *charpai*, under the shade of giant mango trees spread across the 25-acre orchard. The oppressive June heat, closing in on 50 degrees Celsius, is a little more bearable here.

Production in eastern parts of Uttar Pradesh has been lower this year due to adverse weather while growing areas in southern and eastern India have been hit by low yields due to untimely rains and prolonged heat stress.

For Indian consumers, the mango season spans four months—from April to July—with supplies peaking with rising mercury and ebbing with the progressing monsoon. This year has been pricey—the best varieties are in short supply, which means retail prices are upwards of ₹100 per kg. One could still get prized southern or western varieties on ten-minute-delivery grocery apps—but those *aams* cost an arm.

At the orchard next to Siddiqui's, a contractor oversees workers neatly arranging Dasheris in boxes that will be dispatched to India's financial capital, Mumbai. But the fruits have been harvested two weeks ahead of maturity and so are less sweet and fragrant.

This annoys Siddiqui. "What will the consumer in Mumbai think of our Dasheri?" Quality is paramount for the grower and exporter, whose produce competes with the famed Alphonso variety from coastal Maharashtra and Kesar from Gujarat, both within and outside of India.

Siddiqui isn't worried only about what consumers in Mumbai will think as he also caters to many in the Arab world. He is a leading exporter of the fruit from India's most populous state, flying commercial varieties such as Dasheri, Langra and Chausa to markets in the Middle-East. But his ambitions, and his mangoes, like those of many of his fellow exporters, go no further.

UNFIT TO TRAVEL?

The 'king of fruits' has been cultivated in India for 4,000 years, and the country is known to grow about 1,000 varieties. Indeed, India is the largest producer of mangoes in the world, accounting for half of the global output. And yet, less than 0.5% of its annual production of 20-22 million tonnes is exported. That's because the country's best mango cultivars are ill-suited for commercial export and only a handful of popular ones drive the market. The birthplace of the fruit is yet to hit upon a variety that can dominate global markets.

Consequently, in 2023, India's share in global mango shipments stood at a mere 6.3%, lower than Mexico (21%), Thailand (15%), Brazil (12%) and Peru (11.6%), according to a review of tropical fruit markets by the Food and Agriculture Organization of the United Nations (January 2024).

> Most mango exports go to the Middle-East. In 2023-24, the UAE, Qatar, Kuwait, and Oman took close to 60% of the fresh mangoes shipped from India.

In 2023-24, India exported 93,000 tonnes of fresh mango and pulp (valued at ₹1,120 crore)—a decline of nearly 40% from 2021-22.

So, why isn't the world's largest grower exporting more mangoes? Experts cite two reasons; first, as mentioned earlier, the best varieties grown in India do not travel well over long distances. On the other hand, mangoes grown in Mexico and Brazil, such as the Tommy Atkins and Kent varieties, are better travellers, thanks to having thick skins. But what they enjoy by way of a longer shelf life is offset by the lack of sweetness and complexity of flavour.

In addition, Latin American exporters Mexico, Brazil and Peru, among others in the region, have been able to capture the premium US and Canada markets not so much because of the quality of their mangoes as their geographical proximity, which makes for lower freight costs.

Since most Indian mangoes have short shelf lives—between two days to two weeks after harvest—the air route is the preferred mode of transport. This pushes freight costs up. For instance, the average air freight for Siddiqui is around ₹70 per kg this summer. This, too, is from smaller international airports such as Lucknow and Jaipur to destinations in the Middle East. The payout on freight is higher than the price at the farm gate—it costs more to transport a mango than it costs to grow one.

For destinations in the US, the transport costs are in multiples of wholesale mango prices. This summer, the air freight charge from Bengaluru to a US destination is about ₹450 per kg—over four times what it costs an exporter to procure mangoes (₹110 per kg for Banaganapalle). "Compared to the pre-covid years, air freight costs have more than doubled, hurting the export of mangoes," said K.S. Ravi, managing director of Innova Agri Bio Park, Bengaluru, which runs an integrated facility for the export of various farm commodities, including mangoes. The facility was set up at a cost of about ₹200 crore.

The second reason India's mango exports have remained low is the strict entry standards set by importing countries, imposing a high compliance burden on anyone who wants to ship agricultural produce. The United States, for instance, requires imported mangoes to be irradiated (exposing the fruit to gamma rays) to ensure they are pest and disease-free. The European Union asks for hot water treatment (immersing fruits in water heated to 48 degrees Celsius, for an hour). Japan and New Zealand require vapour heat treatment (heating the fruit with air saturated with water vapour).

Some of these processes alter the taste and quality of the fruit, while temperature variations during transport lead to internal injuries, said S. Chandrasekaran, a Delhi-based farm trade analyst. Besides, these standards are more suited to fruits grown in temperate regions, such as apples and pears, and not tropical ones like mangoes, which are mostly grown in south and southeast Asia. Not surprisingly, most mangoes exported from India land up in the Middle East, which only checks for pesticide residue. In 2023-24, the United Arab Emirates, Qatar, Kuwait and Oman took close to 60% of the fresh mangoes shipped from India, compared to less than a quarter by the US, the UK and Canada, as per numbers from the Agricultural and Processed Food Products Export Development Authority (Apeda).

"There is no financial viability in exporting mangoes without government support. Setting up post-harvest facilities for a seasonal fruit available for just three months in a year does not make business sense," said Dhaval Meghpara, director of the Junagadh-based Vanraj Mills in Gujarat. "You can do that for bananas, which are available round the year, but not for mangoes."

Meghpara's family owns a 25-acre Kesar orchard, which he says is more a "passion project". About a decade back, he had explored the prospect of setting up an export business but aborted the plan eventually. "Our family does 100% organic farming, but the Kesars are in their prime just for three to four weeks in a year. How can I pour money into a business that lasts for such a short time," he said. And so, most of the produce from the farm is gifted to family and friends.

Not surprisingly, traders in the farm supply chain say mangoes are a *'kacha'* business—one fraught with risks and losses. On the ground, all it takes is a heavy spell of wind in the winter to blow away the mango flowers and ruin a season's harvest. At the business end, the inability to obtain export clearances on time can leave them saddled with truckloads of decaying fruit.

mint SHORT STORY

WHAT

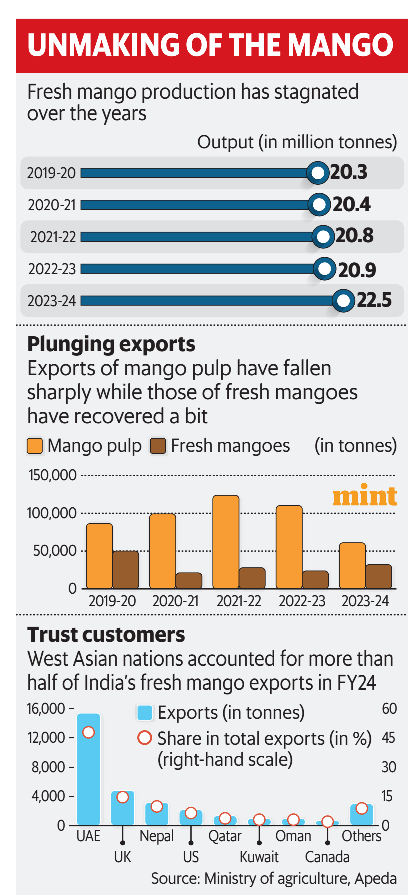
India produces half of the world's mangoes but it is a minor player in global trade. Its finest commercial varieties, numbering over 20, are ill-suited to global value chains.

WHY

Indian mangoes perish fast. Post-harvest treatment facilities are few and far between. And exporters are reluctant to invest due to a short window of trade, that lasts for 3-4 months a year.

SO

Growers and exporters need state support to cover their costs. Since most commercial varieties are too old, India needs a breakthrough research variety to dominate global markets.



SATISH KUMAR/MINT

NORTH-SOUTH DIVIDE

Mangoes evoke a range of emotions—from pride in one's regional cultivars (the scientific term for variety), to envy and heartburn. During India's annual mango season, plump yellow Banaganapalles from Andhra Pradesh square off with firm green Malgovas from Tamil Nadu. A war of words is par for the course: is the delightful Himsagar from Bengal superior to the aromatic Jardalu from Bihar? While this friendly rivalry is welcome in a country whose people, like its mangoes, can sometimes be thin-skinned, there is a far more serious North-South divide when it comes to the business side of things, especially exports.

Data from Apeda shows that varieties grown in the western and southern parts—Kesar, Alphonso, Banaganapalle, and Totapuri—dominate the export market. In 2023-24, these varieties comprised nearly a quarter (23.7%) of fresh mango exports. In comparison, northern varieties such as Chausa, Langra and Dasheri account for less than 5% of exports. This is despite Uttar Pradesh being the largest mango-growing state in India, with a 26% share in domestic production (2023-24).

The availability of post-harvest facilities and popularity on foreign shores drive this regional skew. For instance, all four US-approved irradiation facilities for mango exports are in southern or western cities—Bengaluru, Ahmedabad, Nashik, and Mumbai—and there are none in the North or the East. Growers in the North and East complain that their varieties are not known to international customers.

"East- and North-grown varieties need wider promotion in international markets, where the consumer is willing to pay a premium (the retail price on US market shelves ranges between $12-15 for a kg of Indian mangoes)," said Innova Agri Bio Park's Ravi.

IGNORANCE OF NORMS

The export challenge is not limited to the availability of post-harvest facilities or promotion, said Ravi. "Most farmers do not know how to grow and prepare mangoes for the export market," he said. "Freight and logistics are major pain points."

This year, Ravi's facility exported 700 tonnes of mangoes on its own. "We invested in this integrated facility but there were not many takers. Traders who want to export do not even know where to find an Apeda-registered grower. They don't know where to get a residue analysis done or where to get boxes and foam nets for packing," he lamented. "So, we now provide end-to-end services and also export directly."

There is a big communication gap between growers and exporters, said Ravi. "To an exporter, a mango crop from a certain orchard might look perfect until it reaches the facility," he added. "Using paper bags to cover individual fruits can greatly improve the quality by reducing pathogens, but it is a costly affair. So, exporters need to work closely with farmers."

Things are not going well for Innova Agri Bio Park at the moment. In the past few days, the facility has seen a drastic reduction in the inflow of mangoes for export—from 25-30 tonnes a day to just 1-2 tonnes. The reason? Heavy rains in Andhra Pradesh, Telangana and Karnataka have spoiled the harvest.

PLAGUED BY INDIFFERENCE

Indians have been obsessed with the king of fruit for centuries. Mango leaves are commonly used in Hindu religious and social ceremonies. Ancient mythological texts are peppered with references to the fruit; one of the five arrows of Kamadeva, the Hindu god of love and desire, is made of mango flowers. *Ain-i-Akbari*, the 16th century treatise by the Mughal emperor Akbar, has a detailed account of different mango varieties.

But despite this obsession, little is happening on the ground today. "For all the talk and poetic descriptions of mangoes, the crop is plagued by indifference—from the soil and farm to the markets and kitchens," said Sopan Joshi, author of a forthcoming book titled *Mangifera indica: A Biography of the Mango* (Aleph, July 2024).

Most orchards are managed by contractors who employ fly-by-night practices—overusing chemical inputs to maximise yields, for instance. Joshi, whose research and travels for the book lasted a decade, adds that the 24 varieties that have commercial value in the domestic market come from only one species: *Mangifera indica*.

Scientific evidence suggests that the species originated in the Indo-Burma region spanning north-western Myanmar, Bangladesh and north-eastern India. Sixty-million-year-old fossil impressions of carbonized mango leaves found in Meghalaya form the basis of this hypothesis.

Mangifera indica has travelled far and wide, with nearly 120 countries reporting its cultivation, according to the scientific compendium *The Mango Genome* (Springer Nature, 2021). The species is highly heterozygous, meaning, it shows a lot of variability at the time of fertilization (fruiting). A mango tree born out of its seed is unlikely to bear fruit like the parent tree.

Growers get around this problem by grafting varieties on top of seedlings. But this means entire orchards have trees that are genetically very similar, giving pests an opportunity to train themselves over time. The common mango encounters more than 400 documented pests. So, even when consignments are not rejected because of pest infestation, they could be turned down due to the presence of chemical residues. Both of these are critical bars to clear when it comes to exports.

While the immediate outlook is gloomy, there is a hope that Indian mangoes will claim their rightful place on the shelves in every corner of the world in the not-too-distant future, just as apples and oranges and pears and peaches from every corner of the world are making their way into urban Indian homes today. Innova Agri Bio Park's Ravi certainly hopes so. "This year we took the effort to introduce northern varieties like Dasheri and Chausa in the US market. Hopefully, we will see an uptick in volumes next year," he says, fingers crossed.

Is this high-performing fund worth your time and money?

JM Flexicap fund has gained 64% in a year, but investors must consider other factors as well

Sashind Ningthoukhongjam
sashindnj@livemint.com

A sleeping fund house has finally woken up and is quickly making inroads in the flexi cap category.

JM Mutual Fund is one of the earliest companies in India to secure a private mutual fund licence, in 1994, but had failed to make its presence felt until 2021. Even after operating for nearly three decades, it was managing only about ₹2,602 crore of assets, as of January 2021. In the 3.5 years since, though, its assets under management have skyrocketed to more than Rs 7,500 crore.

What has caught investors' attention is JM's flexi cap fund, which was launched in September 2008. It hadn't made a mark until JM Mutual Fund roped in Satish Ramanathan as chief investment officer in August 2021. At the time, the JM Flexicap was handling about Rs 187 crore in assets under management. The figure for May shows its assets under management (AUM) was just shy of the ₹2,500-crore mark.

The JM Flexicap fund has generated 64% returns in the past 12 months. It is currently the best-performing fund in the category after Quant Mutual Fund in terms of returns over the past five years, according to Morningstar data.

It has registered an average return of 26% over five years, and 15.85% since inception. But does this mean investors should invest in the JM Flexi cap fund?

To understand why the scheme has outperformed in recent years, we need to dig deeper and find out the stock bets that worked in its favour. Underlying portfolio data trends reveal the true picture. A large part of the alpha stems from higher allocation to small- and mid-cap stocks since the beginning of 2022. JM Flexicap's exposure to small- and mid-caps increased from 6.7% and 18% of its portfolio, respectively, in January 2022 to 39.7% and 21.4%. During the period, its large-cap exposure fell from 75.3% to 38.9%.

"The fund gradually increased its allocation to mid- and small-caps during the correction phase when Nifty Midcap 150 indices declined by approximately 22% and Nifty Smallcap 250 indices corrected by about 29% from January to June 2022," said Nirav Karkera, head of research at Fisdom, an online trading and mutual fund investment platform. "This timing allowed the fund manager to capture opportunities at more favorable valuations."

Another key factor that contributed to the scheme's outperformance was its exposure to public sector undertakings. The fund had identified beneficiaries of capital expenditure spending in sectors such as industrials, railways, manufacturing, and financials. Furthermore, the fund's exposure to public sector banks worked in its favour thanks to the ongoing rally.

"Most active funds missed out on the PSE rally. However, JM Flexicap had exposures to PSE, which helped the performance," said Alekh Yadav, head of investment products at Sanctum Wealth Advisors Pvt. Ltd.

The fund manager is overweight on sectors such as industrials, real estate, and consumer cyclical vis-a-vis the Nifty 500 benchmark, according to Morningstar data. JM Flexicap has a 17.57% allocation (vs 10.17% benchmark) in consumer cyclical, 15.98% (vs 9.57% benchmark) in industrials, and 3.01% (vs 1.05% benchmark) in real estate. These sectors combined contributed nearly half (31.62%) of the 64% gains it achieved in the past 12 months. Choosing the right stocks in the sector also benefited them. "The fund was underweight in financial services and consumer defensives, (which also) helped the performance," added Yadav of Sanctum.

Key factors that contributed to the scheme's outperformance was its exposure to PSUs, and small and mid-cap firms

Investors need to look at the long-term performance before getting stoked. Top performers keep changing. For instance, in 2021, JM Flexicap was at 9th position in terms of 5-year performance. Only recently it became the second-best performer.

Also, this performance has come on the back of increased allocation to mid- and small-cap companies, which are considered to be riskier and more volatile than big firms. Hence, its outperformance might have come from more risk-taking than other schemes in the category.

Long-term track record of Tattva Capital, the previous venture of JM MF's CIO Ramanathan, is not available. "Tattva Capital was a private fund and the track record is not available for distribution, as it belongs to the fund investor," it said in an emailed reply to *Mint*. "However, the fund outperformed on a consolidated basis during its life and at peak was close to $180 million."

Analysts *Mint* spoke to said the fund house is not able to communicate its investment philosophy convincingly. "While the fund's philosophy is GeeQ, (growth of earnings and earnings quality) it appears the portfolio is a blend of everything. It has a few firms that could be categorised as GARP and a few can be categorised as value," said Yadav.

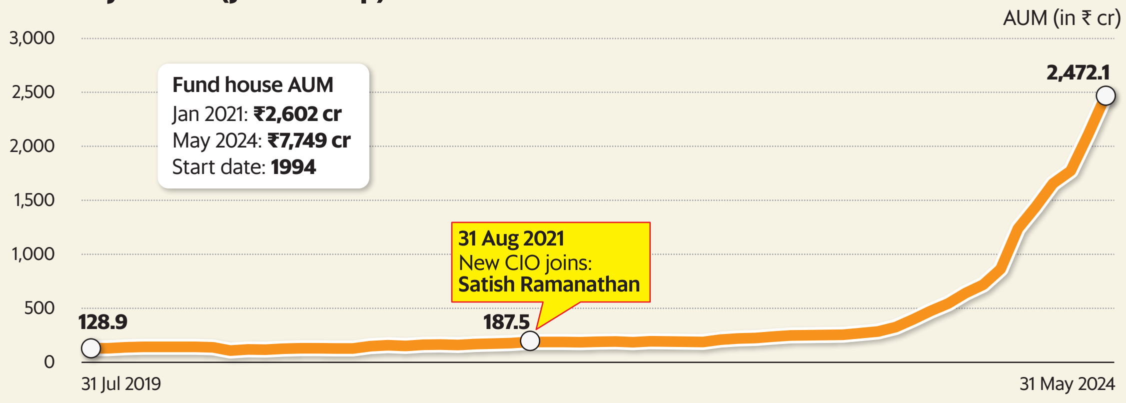
GARP stands for 'growth at a reasonable price', and focuses on investing in companies with promising growth as well as reasonable valuations.

There is no clear answer whether investors should buy or sell. Investors need to gauge whether the investment philosophy of suits them. This criteria extends to existing investors as well. That said, investors should not invest on the basis of just the returns.

Waking up after 30 years: JM MF

JM Flexi cap is quickly catching the eyes of investors, but wait before jumping the bandwagon

AUM Skyrockets (JM Flexi cap)



Chaitanya Choksi (Dec-21 - Till date)
Gurvinder Singh Wasan (Dec-22 Till date)

Source: Bloomberg

Showing up in the radar

Apart from rankings, AMC is aggressively ramping up the sales divison.

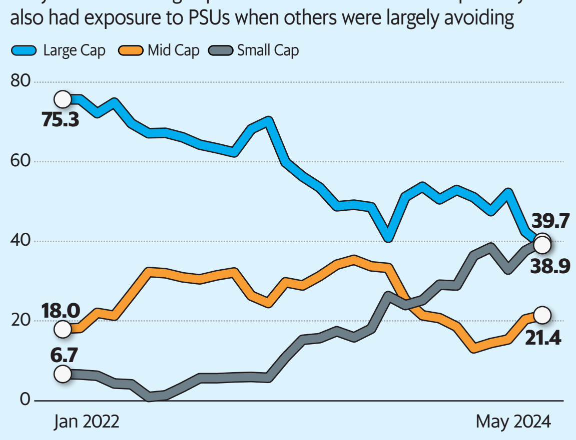
5 year rankings (return in %)

2021		2022		2023		2024	
Quant Flexi Cap Gr	24.01	Quant Flexi Cap Gr	17.67	Quant Flexi Cap Gr	26.62	Quant Flexi Cap Gr	33.13
Parag Parikh Flexi Cap Reg Gr	23.19	Parag Parikh Flexi Cap Reg Gr	15.27	Parag Parikh Flexi Cap Reg Gr	22.79	**JM Flexicap Gr**	26.43
PGIM India Flexi Cap Reg Gr	21.96	PGIM India Flexi Cap Reg Gr	13.07	**JM Flexicap Gr**	21.12	Parag Parikh Flexi Cap Reg Gr	24.39
UTI Flexi Cap Reg Gr	21.54	Canara Robeco Flexi Cap Reg Gr	12.54	PGIM India Flexi Cap Reg Gr	19.22	Franklin India Flexi Cap fund	21.38
Canara Robeco Flexi Cap Reg Gr	20.39	Union Flexi Cap Gr	12.09	HDFC Flexi Cap Gr	19.06	HDFC Flexi Cap Gr	20.97

Source: Sanctum Wealth, Morningstar

What clicked for them?

They were increasing exposure towards small & mid caps. They also had exposure to PSUs when others were largely avoiding



Source: Fisdom research

Another factor: The fund also had an edge by being overweight in Industrials, real estate, & consumer cyclical vis a vis the Nifty 500 benchmark. -**By Sanctum Wealth via Morningstar data**

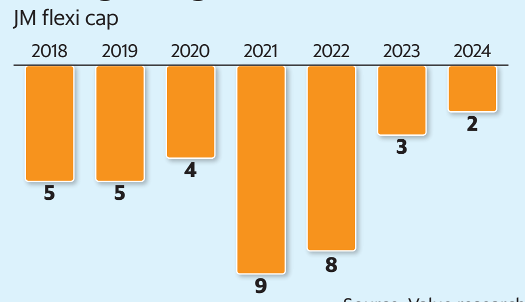
Wait and watch

- **HIGH** exposure to small and mid-caps indicates risk-taking.
- **LONG** term track record of FM not available*
- **NEED** more clarity on investment philosophy
- **RECENT** high performance leads to normalization

*Track record of Satish Ramanathan's earlier venture 'Taatva; not available

Rankings change

JM flexi cap



Source: Value research

PRANAY BHARDWAJ/MINT

Compare your bank FD rates

Bank fixed deposits (FDs) continue to be popular investment products not just among senior citizens, who are looking for guaranteed income, but also among investors who can't stomach risk. But overexposure to FDs is not good, and you need to assess your asset allocation and goals to decide how much money you should park in them. For instance, saving for your child's higher education that's 15 years away through FDs may not be effective as the post-tax interest rate of an FD may not give you a real return (return that's above the rate of inflation). But if you plan to take a holiday in two years, an FD can help. Before choosing an FD, you should compare the interest rates on offer. Here is a list of banks that offer the highest FD rates for deposits up to ₹1 crore over various tenures.

Interest rates (%) for fixed deposits up to ₹1 crore

	6 months to < 1 year	1 to < 2 years	2 to < 3 years	3 to < 5 years	5 years and above
DCB Bank	6.20-7.25	**7.10-8.05**	7.50-7.55	**7.40-7.75**	7.25-7.65
Axis Bank	5.75-6.00	**7.00-7.20**	7.10	**7.10**	7.00
HDFC Bank	4.50-6.00	**6.60-7.25**	7.00-7.15	**7.00-7.20**	7.00
IndusInd Bank	5.00-6.50	**7.75-7.99**	7.25-7.99	**7.25**	7.00-7.25
IDFC First Bank	4.50-5.75	**6.50-7.90**	7.25-7.75	**7.00-7.25**	7.00
RBL Bank	4.75-6.05	**7.50-8.00**	7.50-8.00	**7.10-7.50**	7.00-7.10
YES Bank	5.00-6.35	**7.25-8.00**	7.25	**7.25**	7.00-7.25
ICICI Bank	4.75-6.00	**6.70-7.20**	7.00-7.20	**7.00**	6.9.00-7.00
Canara Bank	6.15-6.25	**6.85-7.25**	6.85	**6.80**	6.70
Dhanlaxmi Bank	6.50	**6.75-7.25**	6.50-6.75	**6.50-7.25**	6.60-7.25
Federal Bank	5.00-6.00	**6.80-7.40**	7.05	**7.00**	6.60
Bank of Baroda	5.60-7.10	**6.85-7.15**	7.25	**6.50-7.25**	6.50
Bank of Maharashtra	5.25-6.90	**6.50-7.15**	6.50-7.25	**6.50**	6.50
Central Bank of India	6.00-6.25	**6.85-7.30**	6.50-7.00	**6.50**	6.50
Indian Overseas Bank	5.75	**6.90-7.30**	6.80	**6.50**	6.50
State Bank of India	6.25-6.50	**6.80-7.10**	7.00	**6.75**	6.50
Union Bank of India	4.90-6.25	**6.50-7.25**	6.40-6.50	**6.50**	6.50

Data taken from respective bank's website as on 20 June 2024; Only main entity of the merged banks are taken. Banks which merged with its main entity are removed from the table; The list of 15 banks is based on highest fixed deposit rates available for 5 years and above

Source: www.Bankbazaar.com

Demystifying estate planning: Succession versus nomination

Aditya Chopra & Amay Jain
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ASK MINT
ESTATE PLANNING

How do legal frameworks governing testamentary and intestate succession differ from the role of a nominee in temporarily managing assets until the rightful successor is determined? What should I consider to ensure my estate plan is legally sound, minimises administrative burdens, and prevents potential disputes among heirs?

—Name withheld on request

One needs to understand the distinction between succession and nomination to ensure his estate plan is effective. In India, succession occurs through testamentary (through a valid will) or intestate (without a valid will) processes. Testamentary succession, governed by the Indian Succession Act, 1925, allows a person to dictate the distribution of his ir her assets upon death, ensuring control over the estate's disposition.

Conversely, intestate succession follows personal laws, such as the Hindu Succession Act, 1956, which provides a predetermined order of inheritors, potentially leading to outcomes contrary to the deceased's wishes.

On the other hand, nomination, as per Section 39 of the Insurance Act, 1938, and similar provisions in financial regulations, appoints a temporary custodian of assets, not the ultimate owner. The nominee's role is to hold and manage assets until the rightful heirs, determined through succession laws, can claim them.

One should consider clearly defining asset distribution in a will and nominate reliable individuals to manage the assets temporarily, ensuring compliance with legal requirements, updating documents regularly, and communicating his plans to reduce disputes and administrative burdens.

Aditya Chopra is managing partner and Amay Jain is a senior associate at Victoriam Legalis, Advocates & Solicitors.

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

GUIDE TO BUYING TERM INSURANCE: KEEP IT AS SIMPLE AS POSSIBLE, BUT NO SIMPLER

POWER POINT

ANKIT KANODIA

We welcome your views and comments at
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If you are a cricket buff like me, odds are high that you would be watching the T20 World Cup matches late at night. Do you know apart from waking up until late, what else do I not like about this T20 World Cup? It's the term plan advertisement aired on television between overs during every match.

The question asked in the advertisement is what should be the minimum term insurance coverage that you would need. And pat comes the reply: "10 times your annual earnings." If you check on YouTube, many influencers suggest a minimum cover of 15-20 times annual income.

"Make things as simple as possible, but no simpler" is a quote often attributed to Albert Einstein. It's often used to encourage making a subject easy to understand, but its should not be so easy that it would become meaningless. These advertisements are doing the same thing. They are simplifying it so much that it loses its significance.

So, what should determine your term insurance cover? I would say, broadly three things: financial situation, family expenses and life goals.

However, you should also factor in inflation, besides considering large future expenses and investments such as your child's education and parents' healthcare needs.

If you are a perfectionist, you may use the human life value calculator that does this calculation in a much more organized and practical way. It may help you decide on the coverage amount.

However, for most people who are not that sophisticated, there should ideally be a good balance between how much you can afford and how much you need.

We should avoid extremes on both ends. Just because your income is low, you should not ignore or under-cover for a term plan. Similarly, just because your income is very high, you should not over-cover for a term plan.

Let me share an example to prove my point. If you are a bootstrapped startup founder, there is a high probability that you are drawing either no or a meagre salary from your business. If you draw only ₹50,000 per month (₹6 lakh in annual compensation), do you think 10 times of that, or just ₹60 lakh, will be enough to secure your family's future? Probably not. So, you may have to go beyond that 10x rule here.

On the other hand, if you are the chief executive of the highest paying asset management company, drawing a ₹50 crore-plus annual salary, should you compulsorily take a term plan coverage of ₹500 crore?

To sum up, I would say, the following five simple rules can be a good guide to begin with:

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One, a term plan is a must for the income earner of a family. This is especially true when you're the sole breadwinner and there is no alternative income source. The only exception to this rule is that your assets exceed your financial liabilities.

For instance, you have a college-bound child, a dependent spouse and no outstanding loans, but you have enough savings that can cover the child's education costs, a house where the family can live, and dividend and rental income that can provide for your spouse's and child's needs.

Two, decide your coverage amount based on your financial situation, your present and future family expenses and future goals such as buying a house, or funding your child's education.

Three, never forget to factor in the impact of inflation on your family's requirements. If your current monthly expenses are, say, ₹50,000, at an average inflation rate of 6%, after 10 years the same will cost you about ₹90,000. Deciding a corpus on the basis of the current expenses can lead to a shortfall in the future.

Also factor in inflation, and future expenses and investments to determine financial needs

Four, don't go to the extreme. Keep a balance between what you can afford and what you need. For instance, for a young professional with an education loan, buying a policy that covers the loan is adequate. Whereas, for young professionals who have no liabilities, a term insurance may not be required at all. Buying insurance purely out of fear is not a good decision.

Five, start as soon as you get financial liabilities in life. Even when your spouse is earning but your income exceeds hers, buy enough cover that can make up for the shortfall so that you don't have to compromise on the lifestyle you have built together.

The sixth, and probably the most important rule, is that don't fall for oversimplified calculations.

Ankit Kanodia is founder of Smart Sync Services, a Sebi-registered investment advisory firm.

OUR VIEW

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Free-float shares rule: Tighten it for a change

The time seems ripe to reverse a softening of Sebi's rule that at least 25% of a listed company's shares must qualify as free float. Both market efficiency and corporate governance could win

How strictly should the Indian stock market's 25% free-float rule be enforced? Under this basic norm, meant to assure every traded stock sufficient liquidity for trading, at least a quarter of every listed company's equity must qualify as its 'free float' portion, as distinct from the stake held by its promoters. It's back in the news because five state-run banks—Uco Bank, Central Bank of India, Punjab & Sind Bank, Bank of Maharashtra and Indian Overseas Bank—still have public shareholding levels of only 1.8% to 13.5% and must raise it to 25% by 1 August. As *Mint* reported, while the Centre plans institutional placements to comply, these banks have sought another two years for it from the regulator, Securities and Exchange Board of India (Sebi). If the odds seem to favour their wish being granted, pin it on a trend of rule relaxations. An exception was made for companies holding a public issue that would lead their market value to exceed ₹1 trillion, with such cases given two years more than the usual three to touch the quarter mark. This had suited Life Insurance Corporation of India (LIC), in which the government wanted to offload a 10% stake in parts without subscribers falling short. In 2022, LIC raised over ₹20,500 crore from 3.5% of its equity and has since been granted leeway till 2032 to comply fully. Private lobbying for relief has been active too. Last year, Sebi eased its policy, letting stock options be counted as free float, for example, within a 2% limit. Institutional ownership always qualified as free float, even though such shares aren't always traded actively, a point that came up in a controversy over the Adani Group's free-float adequacy.

The burden of rule-making includes the need to review rules from time to time. However, the question to ask today is not how doing business is getting easier, but also whether the rule is meeting its aims. Let's turn to first principles. The basic rationale of a 25% float is to ensure every listed stock sees enough trading for apt price discovery. Plentiful shares available on stock exchanges usually means one-off deals can't distort its market value, thus also making the stock price harder to manipulate. It's an ideal that stems from the very idea of an open market, its efficiency driven by a blend of diverse views held by a disparate crowd on what listed assets are worth. The prices of widely traded stocks tend to reflect their true value better, which in turn helps sustain investor confidence. To satisfy this aim, though, equity held by financial institutions should ideally not count as free float. Back in 2010, when this rule kicked in for all listed firms, markets had sparse retail participation, so its definition was kept broad. Today, the post-pandemic retail boom has weakened that logic. To uphold the 25% rule in its best spirit, it may well be time to exclude equity that's not widely dispersed.

Corporate governance is another reason why markets prefer wide dispersal of ownership. It invites wider public scrutiny, after all, reducing scope for the whim of promoters to trump the will of other investors. Since it takes a quarter-plus of all corporate votes to block a special resolution, 25% may sound like the right slice to pry out of promoter hands. Yet, this cuts it so close that 75%-stake owners may still exercise their whims. For public shareholders to register dissent in defence of their interests, they would together need over 25%. A policy reset to 28%, say, might help. Tighter rules aren't always bad.

MY VIEW | ON THE OTHER HAND

Why do we have a housing glut and shortage at the same time?

A distorted market full of locked homes is largely to blame but policy changes can ease this problem

VIVEK KAUL
is the author of Bad Money.

In a recent interview to *The Indian Express*, G. Hari Babu, national president of National Real Estate Development Council (Naredco)—a real estate industry association—shared some interesting data: "There are 1.14 crore flats lying vacant in India. These are being bought as investment opportunities." This is not the first time such a comment has been made. In 2015, Anshuman Magazine, then chairman and managing director of CBRE South Asia, a real estate consultant, had said: "Despite a housing shortage, around 1.02 crore completed houses are also lying vacant across urban India."

Now, contrast this with other data points. Recently, Kotak Institutional Equities, a stock brokerage, said that in 2023-24 residential real estate sales stood at 1.1 billion sq ft, 20% higher than 2022-23. Further, property consultant Anarock pointed out that home prices in the top seven cities have gone up 13% per year in the last two financial years.

So, what explains the dichotomy of so many locked flats along with robust growth in home sales and prices? More than 10 million locked flats signals a glut. But a 13% price rise signals good demand and thus a shortage of homes. How do a glut and a shortage co-exist?

First, many individuals like the idea of investing in real estate because it's a physical asset, which they can touch, see and feel. The same cannot be said about financial assets. *Second*, conspicuous consumption is at work when it comes to buying real estate for investment. The wealthy need to look wealthy. One cannot show off a financial investment. Also, those who have more money than they know what to do with end up investing in new homes that they keep locked, in the process ensuring that the demand-supply dynamic which is at the heart of any market, does not work properly in this case.

Third, investment of black money in real estate is always a reason. *Fourth*, favourable tax treatment of income from real estate incentivizes people to invest in it. *Fifth*, with the stock market having gone from strength to strength, high net-worth individuals are diversifying some of the gains made from stocks by buying homes.

Sixth, the rental yield—a flat's annual rent divided by its market price—is only around 1.5-2%, which disincentivizes renting out property. *Seventh*, some investors fail to calculate real returns from investing in real estate. Typically, they tend to look at 'returns' as the difference between one large number, the price at which they buy, and another large number, the price at which they can sell, without taking into account the time value of money, maintenance expenses, property tax and the general risk of owning real estate.

So, how do these locked homes hurt the overall economy? *First*, they turn a physical asset into a financial one. Investors are not buying a home to live in, but buying to flip it. *Second*, locking up homes for the purpose of flipping drives up prices and makes things difficult for those who want to buy homes to live in. Look at the joke that "affordable housing" has become.

Third, high home prices impact the other spending decisions of those who buy homes to live in. It also leads to lower financial savings. *Fourth*, it leads to cities over-expanding, requiring longer commute times and delivering a lower quality of life. *Fifth*, it raises the question of whether a capital-deficient country like India should incentivize the building of locked homes. *Sixth*, the making of things like cement, glass, plastic, steel, ceramics, etc, which go into the building of homes, involves the emission of greenhouse gases. There is also construction dust. If no one is living in these homes, then what's the point?

So, what's the way out? *First*, capital gains from real estate need to be taxed at the marginal rate of tax, the same way as salary income or interest on fixed deposits. If that's too radical a proposal, then at least the period of holding for long-term capital gains—which allows inflation to be taken into account while calculating them—should be significantly more than 24 months.

Second, as Babu of Naredco suggests, those who keep flats locked should be charged a higher property tax. Similarly, locked flats can be assigned a notional rent that would make the owner pay income tax on it. This would incentivize a few owners to rent out or sell their locked apartments.

Of course, such moves are not easily executable, but with the government collecting more data, things can only get better. Earlier this year, income tax notices were sent out to salaried employees claiming to pay a higher rent than they actually did.

Third, the government needs to get a proper real estate index constructed, detailed data for which should be available in the public domain a few weeks after the end of a month. The Reserve Bank of India's House Price Index is a quarterly index. Plus, it's a 10-city index with cities like Hyderabad and Pune not forming a part of it. *Fourth*, renting out homes needs to be encouraged.

Of course, all this will only start the process of taming real estate prices in Indian cities and not immediately make homes more affordable. It's important to understand that this is a complex socio-economic problem and such problems do not have simple solutions that deliver instant results.

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QUICK EDIT

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JUST A THOUGHT

Study after study, not only here but in other countries, show that the most affordable housing is where there has been the least government interference with the market—contrary to rhetoric.

THOMAS SOWELL

THEIR VIEW

Target a 'unit of change' to transform our justice system

SUPRIYA SANKARAN & RAHUL MATTHAN

are, respectively, co-founder of Agami and Public Collective for Avoidance and Resolution of Disputes (PUCAR), and a partner at Trilegal and author of 'The Third Way: India's Revolutionary Approach to Data Governance'.

The Unified Payments Interface (UPI) transformed payments. In the process, it streamlined transactions, connected banks and enabled ecosystem players to build citizen-centric solutions. In 20 years, credit card companies got just 9 million point-of-sale terminals to merchants, whereas, just eight years after its launch, India already has 350 million UPI QR codes.

The UPI journey didn't start by merely digitizing the existing payment system. Instead, it focused on the outcomes it was looking to achieve. All the steps required to enable that—the actors that had to be aligned, the technology that needed to be built, the incentives that had to be created, and the governance that was required—were conceptualized with that in mind.

We need a similar transformation of dispute resolution in the country. But, where do we start? In an earlier article, we discussed the idea of selecting an appropriate 'unit of change' for reform. What then is the most effective unit of change for transforming the dispute resolution experience?

For a citizen, a 'dispute'—from the moment it is triggered until it is resolved—is a single experience that is not segmented by different institutions or processes. The objective is to resolve the dispute effectively without worrying about engaging with various other institutions, actors or processes. If our goal is to transform citizens' dispute resolution experience, then the obvious unit of change to focus on would be 'dispute type.'

The first step would be to map out the entire journey of the parties in a dispute. With this understanding, we will be able to adapt the justice system to the user, using technology to the maximum extent possible. Let's see how this might work in cheque-bouncing disputes, which comprise 10-15% of criminal cases in the country. How might we re-imagine these disputes from the perspective of citizens?

Could we, for instance, design a system where banks proactively send alerts to the parties, providing them information needed to take necessary action? Can ensure that citizens get reliable information on their rights, obligations and choices from AI chatbots? Can we help them easily discover mediators and lawyers through a portal? Can we use existing digital ecosystems like the GST information network and that of the National Payments Corporation of India to offer credentialled digital evidence for them to use? Can we build digital ecosystems that reliably deliver notices to relevant parties? Can we offer them ways to asynchronously submit documents or digitally request the rescheduling of hearings? Can all the systems that a citizen interacts with operate seamlessly with each other?

We can adapt the judiciary to the digital world by aiming much needed reforms at cases carved apart by type

We can set up special courts to resolve distinct 'dispute types.' This will let us carry out the changes we are proposing within a sand-boxed environment that would allow us to iterate and validate the reimagined process within the confines of a single 'dispute type.' It will allow us to narrowly focus the change management efforts that are needed in a manner that will make outcomes easily measurable. These special courts can be used to demonstrate proofs-of-concept for the integration of other dispute types with the larger judicial system.

A dispute-type approach would also give us the most bang for the buck. Many of the 'people' (lawyers, litigants, judges) and 'actions' (user authentication, issuance of summons, scheduling of hearings) that make up the user journey are common across multiple dispute types. If we can design each of them to be extendable and interoperable modules, it should be possible for us to adapt and deploy them across a wide range of different dispute types as needed.

Taking 'dispute type' as a unit of change has worked well for transforming the justice system in the past. Efforts in the UK and India to transform 'traffic penalty disputes' have been successful. The Traffic Penalty Tribunal in the UK serves as a global benchmark for transformed resolution processes, allowing parties to upload digital evidence and asynchronously communicate. Since it sets time limits for each process, 90% of all its appeals progress to a decision without the need for a hearing, and 57% of its cases are closed within 15 days. In India, the concept of 'virtual courts challans' has enabled a majority of cases to be settled at the summons stage without litigants having to go to court.

The online dispute resolution (ODR) movement also gained momentum when it used 'dispute type' as its unit of change. In the US, ODR providers first focused on e-commerce disputes before extending it to family and other disputes. In India, the early providers of ODR focused on unsecured loan disputes (involving personal loans and credit cards), as a result of which over 110,000 unsecured loan disputes with a total claim amount of more than ₹2,000 crore have been referred to ODR in the past two-three years. Over 65,000 awards have been passed via online arbitration and 10,000 plus settlements have been made in online mediation, with an average resolution time of 60 days.

We don't need a faster caterpillar, we need a butterfly—a complete transformation of our dispute resolution ecosystem. This is not just desirable, but essential to tackle the mounting backlog of cases in Indian courts. More importantly, this transformation is necessary to ensure that the formal dispute resolution systems that we currently rely on continue to remain relevant in a rapidly changing world.

THEIR VIEW

Economic development could be led by policy-supported services

The big challenge has been to raise productivity in labour-absorbing services and here are four strategies that aim to do so

DANI RODRIK & ROHAN SANDHU
are, respectively, professor of international political economy, and co-founder and co-director of the Reimagining the Economy initiative, at Harvard Kennedy School.

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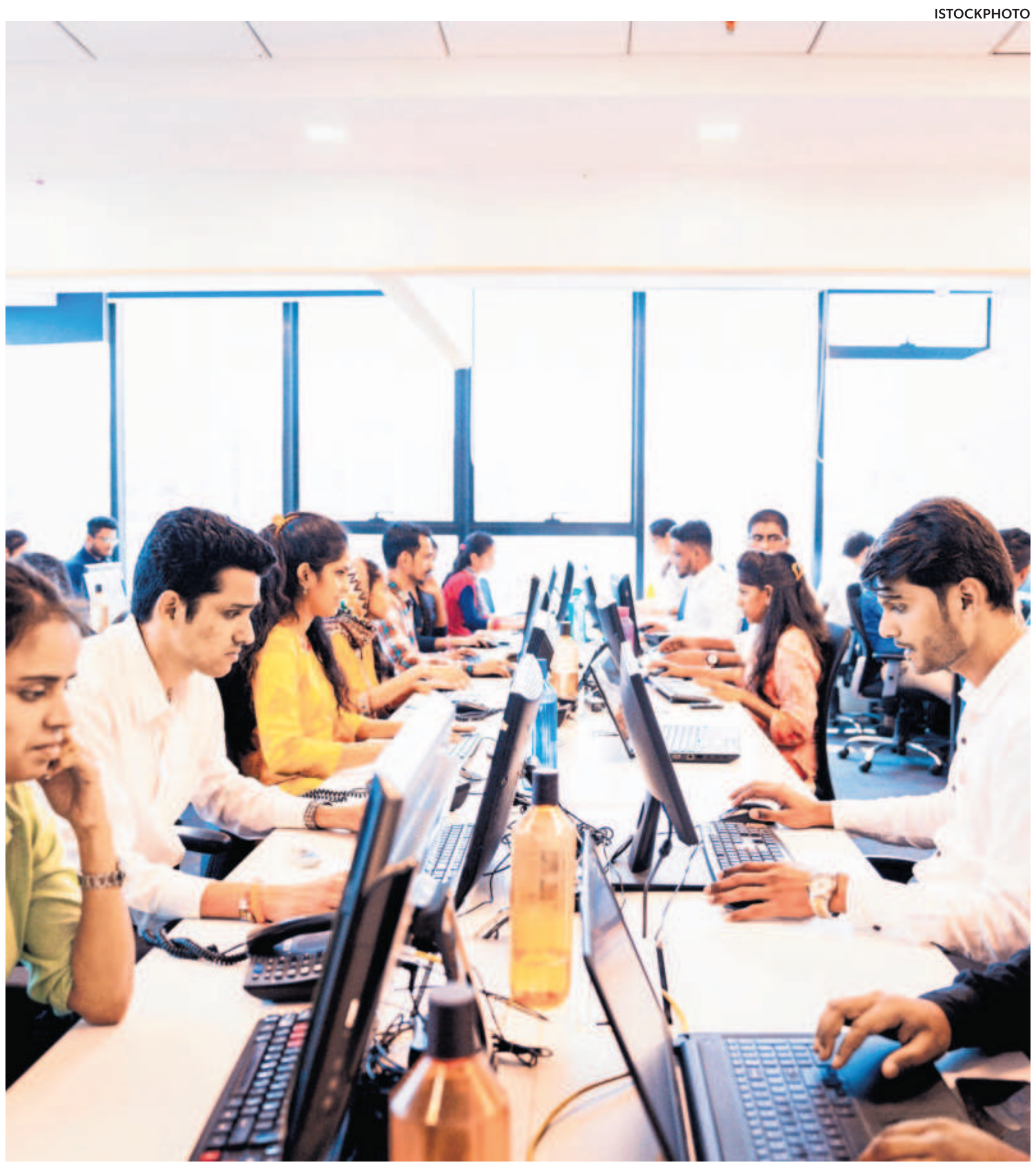

The future of developing countries is in services. This may sound odd in view of the fact that industrialization has been the traditional road to growth and eventual prosperity, one travelled by all of today's rich economies and by more recent successes such as South Korea, Taiwan and China. Manufacturing seems even more essential given that industrial policies to revive it are back in fashion in the US and Europe.

But today's manufacturing is different. Innovation in manufacturing has taken a predominantly skill-biased form, reducing demand for workers with relatively low levels of education. New technologies such as automation, robots and 3D printing directly substitute physical capital for labour. While firms in developing countries have an incentive to use more labour-intensive techniques, competing in the global marketplace requires employing production techniques that cannot differ significantly from those used in the frontier economies, because the productivity penalty otherwise would be too high. The need to produce according to the exacting quality standards set by global value chains restricts how much unskilled labour can substitute for physical capital and skilled labour.

Thus, the rising skill- and capital-intensity of manufacturing in turn means that globally competitive, formal segments of manufacturing in developing countries have lost the ability to absorb significant amounts of labour. They have effectively become 'enclave sectors,' not too different from mining, with limited growth potential and few positive effects on the supply side of the rest of the economy.

This means that enhancing productivity in labour-absorbing services has become an essential priority, for reasons of both growth and equity. Since the bulk of jobs will be in services, these jobs need to be productive enough to support income growth. The conundrum is that we do not know much about how to raise productivity in labour-absorbing services.

While some services, such as banking, infotech and business-process outsourcing (BPO) are both productively dynamic and tradable, they will not be labour-absorbing for the same reason that manufacturing is not. Even under the best circumstances, these relatively skill-intensive services will not provide the answer to the challenge of productive job creation. The challenge is to increase productivity in labour-absorbing services such as retail, care and personal and public services, where we have had limited success, in part because such services have never been an explicit target of productive development policies.

In a new paper, we describe four strategies for expanding productive employment in services that create the most jobs in developing countries.

The first focuses on established, large and relatively productive incumbent firms, and it entails incentivizing them to expand their employment, either directly or through their local supply chains. These firms could be large retailers, platforms such as ride-sharing services, or even manufacturing exporters (with potential to generate upstream linkages with service providers).

The second strategy focuses on small enterprises (which constitute the bulk of firms in most developing countries) and aims to enhance their productive capabilities through the provision of specific public inputs. These inputs could be management training, loans or grants, customized worker skills, specific infrastructure or technology assistance. Given the heterogeneity of such firms, ranging from micro-enterprises and self-owned proprietorships to mid-size companies, policies in this domain require a differentiated approach that respond to their distinct needs. Moreover, given the numbers involved, policies often also require a suitable mechanism for selecting among the most promising firms, since most are unlikely to become dynamic and successful.

The third strategy focuses on the provision, to workers directly or to firms, of digital tools or other forms of new technologies that explicitly complement low-skill labour. The objective here is to enable less educated workers to do (some of) the jobs traditionally reserved for more skilled professionals and to increase the range of tasks they can perform.

The fourth strategy also focuses on less-educated workers and combines vocational training with 'wrap-around' services, a range of additional assistance programmes for job seekers to enhance their employability, retention and eventual promotion. Modelled after Project Quest, a US-based initiative, and other similar sectoral workforce development schemes, these training programmes typically work closely with employers, both to understand their needs and to reshape their human-resource practices to maximize employment potential.

There are examples of these kinds of initiatives around the world, many of which have been rigorously evaluated and which we summarize in our paper. There is already a foundation of practice on what might be called "industrial policies for services" on which future efforts can build.

Regardless of the success of individual programmes, it is important to bear in mind the scale of the challenge a services-oriented development strategy faces. A randomized policy intervention that increased earnings of low-income workers by, say, 20% would normally be judged a great success, assuming reasonable programme costs.

But even if it were successfully scaled up to the economy at large, this gain would not make up even 1% of the income gap that currently exists between a country like Ethiopia and the US.

Real success will require greater ambition, continuous experimentation and the implementation of a very wide range of programmes.

MINT CURATOR

Global talent centres present India with a great opportunity

GE's Welch tech centre in Bengaluru offers a peek at possibilities

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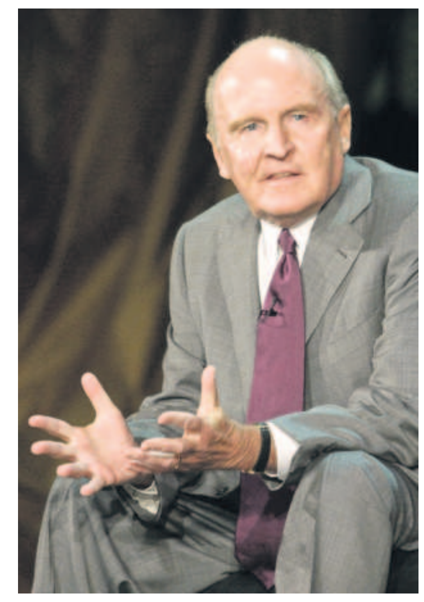

The late Jack Welch, as GE's chief, was an early identifier of India's potential BLOOMBERG

In the early 2000s, Alok Nanda's new colleagues called him the "bumper guy." His new job at General Electric back then was putting some plastic between the bumper and the beam of a Suzuki Swift. The plastics division had hired the young engineer from India's state-run DRDO, placed him at a GE facility near Bengaluru, and asked him to find a cost-efficient way to reduce the impact on pedestrians in auto accidents. Two decades later, the former bumper guy and the John F. Welch Technology Centre he now heads in Bengaluru are executing far more complex projects. In the process, they're writing a template for MNCs on how to use India's engineering talent to create intellectual property, not just cut costs.

This is different from the code-writing work that gave India global recognition. While software outsourcing will face an existential challenge from GenAI, India's engineering prowess, if harnessed well, will launch the next wave of productive and lucrative jobs. Policymakers have their sights on China's factory-to-the-world crown, and are spending $24 billion over five years on production-linked incentives. Trouble is, the rivalry is not limited to other Asian countries like Vietnam that are ahead in the game. The US, too, is running a very generous industrial policy to revive its manufacturing.

While India's factory ambitions are hobbled by its stifling bureaucracy and protectionist attitude to trade, it's still possible for it to make a play as a global engineering workshop and research lab. The knowhow it exports will be embedded in products made elsewhere. As Frederic Neumann, HSBC's chief Asia economist, says: "India's services connectivity to the world economy is so large nowadays that it 'compensates' for the lack of goods trade connectivity." It's time to use those links to target commercial services, whose cross-border demand grew 9% to $7.5 trillion last year. World goods trade is three times larger, but it shrank by 5%.

Take Nanda's next big mission. As CTO for India at GE Aerospace, he and his team are working with colleagues in Niskayuna, New York, on a novel platform that would offer 20% efficiency gains in future jet engines. "I feel really privileged," Nanda told me. "For an engineer, it's like being a kid in a candy store."

When CEO Larry Culp rang the opening bell on the New York Stock Exchange on 2 April, launching GE Aerospace as an independent public company, joining the party on the podium was Ravindra Shankar Ganiger. With 100-plus patents, Ganiger has one of the richest hauls of all scientists and engineers at the Bengaluru centre. The team's intellectual inputs, already at the heart of newer jet engines like GE9X, is crucial to Culp's vision of "defining the future of flight."

GE woke up to India's potential early. Others are doing it now. Nearly 1,600 MNCs have set up captive units, employing 1.7 million professionals. By lifting the quantity and quality of the graduates and Ph.Ds India mints in science, technology, engineering and medicine, it can conceivably expand its relevant talent pool. A little less red tape and some improvement in civic amenities will keep more of them at home with good jobs.

As these highly paid individuals will support other Indians, and not just as drivers and housemaids but by generating tax resources for publicly funded employment in urban infrastructure, the narrow top of the employment pyramid would start filling its own middle. Stronger mass consumption will create demand for locally manufactured factory goods.

Consider the 360 Foam Wash. Vidya Venkataramani and her team wanted to test a portable washer to clean jet engines between flights. To simulate Middle East conditions, she created her own dust in the lab. The wash is already in use, saving global airlines fuel. Sanjeev Jha, meanwhile, uses machine-learning models to predict a maintenance schedule so carriers get the most out of engines.

In September 2000, I was present when GE's then-boss Jack Welch came to open the Bengaluru centre. At the time, the global behemoth had 12,000 employees in a market that barely generated $1 billion in sales, not even 1% of its global revenue. "Market growth will come," he told us. "The real opportunity in India is its incredibly skilled workforce. We have used the software generated by our India business to change the company. That's great."

In the past 25 years, the appeal of India's talent has transformed. One idea for GE's upcoming engine platform is a hybrid-powered jet: a Toyota Prius of the skies. Suma MN is trying to crack that puzzle. I asked her if she is the first woman PhD from her village in Kerala. "I'm the first human," she corrected me.

GUEST VIEW

Big Social Media let India down during election season

NAMRATA MAHESHWARI

is senior policy counsel and encryption policy lead at Access Now, an international digital rights organization.

The 2024 Indian general election highlighted the failures of major social media platforms, Google's YouTube and Meta's Facebook. Despite election preparedness promises, both fell visibly short on curbing disinformation and hate speech, while apparently profiting from opaque political advertising practices.

Before the election, much of the focus was on the creation of content, especially the blows that artificial intelligence and deepfakes could deal to democracy. But the dissemination of content—political ads, disinformation and AI-generated material—was a relatively overshadowed issue. Fake images or videos lack impact without wide reach, which is ultimately controlled by the platforms' algorithms for ads and posts.

The election underscored the platforms' failure to enforce their own policies. There continues to be opacity around how algorithms moderate content, and the data used for such algorithmic decision-making. This overarching lack of accountability is a warning sign for other countries, and an issue for India's new government to prioritize.

Experts labelled this year's election as the "YouTube election." Both YouTube and Facebook became prime venues for political content, used extensively by parties, candidates, content creators and the public. WhatsApp, which was pivotal in the 2019 election, was also used for campaigning this year. But YouTube's trump card was its virality potential with over 462 million users, and its ability to hyper-target audiences based on demographic and behavioural profiles. The platform became an alternative to traditional TV news, with opportunities for independent news media output and diverse content to thrive.

As for the influence of social media on elections, a 2021 Oxford Economics report found that 87% of Indian YouTube users turn to the platform during national news events. A news daily reported a two-fold increase in YouTube subscribers of digital news channels and political leaders as the election approached. According to a *Hindustan Times* report, the official page of the BJP spent at least ₹19.38 crore on Facebook and Instagram, and the Congress spent at least ₹10.88 crore. Similarly, the BJP spent at least ₹85.8 crore, and the Congress at least ₹45.4 crore on Google, including YouTube. The ad repositories of Google and Meta, which are not as transparent as they should be, and only tell part of the story, show that the two companies earned 9-10 digit figures from just two major political parties between February and May 2024.

In the lead-up to the election, Google pledged to support the democratic process by enforcing policies against false claims. However, an investigation by Global Witness and Access Now shows that YouTube approved 100% of submitted ads containing election disinformation—including content that could result in vote suppression or plausibly incite violence—in English, Hindi and Telugu, violating its content policies. In contrast, YouTube had rejected such ads before the 2022 US midterm elections, pointing to a disparity in policy enforcement between regions and potentially reflecting internal choices on resource allocation to pre-poll supervision in the US over that in India.

India's new government has an opportunity to set a global precedent on good digital governance

Meta also seems to have failed its self-regulation test. Civil society organizations found that Meta approved 14 out of 22 ads with inflammatory content within 24 hours, despite public commitments to detect and remove violative AI-generated content. Most users seeking to upload such content are not researchers, and do not withdraw before publication. The potential harm from such content reaching millions is significant.

These examples are part of a broader pattern of large platforms placing profits over other concerns.

The writing is on the wall for India's new government and other democracies: Self-regulation by social media companies is inadequate. Platforms wield immense influence over elections, and their policy enforcement (or lack thereof) has real-world consequences.

However, the regulatory efforts so far have mainly been aimed at shifting power from companies to the government. The need of the hour are policies that balance free expression, privacy and public accountability of algorithmic decisions. This is not a task for the government and tech companies to bilaterally address, as has often been done. The inclusion of technical experts, civil society and those impacted by these decisions can be a game-changer. Consultations on the upcoming Digital India Bill and data protection rules could help institute an inclusive-governance approach that fosters democratic engagement.

With newly elected representatives, a burgeoning tech sector and several imminent digital-regulation frameworks, India has an opportunity to lead with workable solutions for the repercussions of Big Tech dominance and modes of governance that involve those who are impacted the most: the end users of social media platforms.

India's elevation of digital initiatives should be backed by leadership moves that focus on inclusive governance, compelling technology to be shaped in a way that empowers people. The country should send a clear message that platforms cannot have heightened accountability measures for the West and lax enforcement for the rest. A governance model which puts fundamental rights and collective deliberation up front would demonstrate a will to ensure that technology strengthens democracy.

Silicon Valley tech trail: Of spaceships and relics

From San Francisco to San Jose, some of California's prime attractions and landmarks are its science and technology hubs

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ISTOCKPHOTO

Picture this—you're standing by the sea atop a cliff, after having driven up a winding road adorned on either side by Edwardian-style homes. There's a whiff of chill in the air that needs you to reach out for your jacket buttons, even as the sun shines bright. Sounds like a quaint European countryside? It's not. You're at the hub of the world's biggest technology corporations, on the US west coast.

As technology takes over most of our lives and livelihood, some of California's prime attractions have emerged to be its technology hubs. Dotted along a 100-kilometre stretch from the picturesque city of San Francisco all the way to the quieter, cleaner and arguably snazzier city of San Jose, this stretch makes for a great two-day experience where you can stop by to witness where all the world's technologies—Instagram, YouTube and the iPhone—are made and functioned out of.

A disclaimer: you cannot book an office tour and walk into any of the main Big Tech campuses as a guest for security reasons. But there's still a lot you can do at and around them.

SAN FRANCISCO MUSEUM OF MODERN ART, THIRD STREET

While the first destination on our list is not strictly a tech venue, the San Francisco Museum of Modern Art (MOMA) is often home to fascinating displays of modern-day technologies. For instance, a visit before mid-August will take you to the 'Art of Noise' exhibition at MOMA—a showcase of how design has impacted the way we experience and perceive music. The exhibition is a visceral experience of how modern-day technology is creating all-pervasive experiences such as the metaverse, but also hurting classic hobbies and passions, such as the analogue era of music production and collection.

Also drop by: Uber's global headquarters, a massive swathe of glass and steel, on Third Street, San Francisco.

META HEADQUARTERS, MENLO PARK

At Menlo Park, Mark Zuckerberg's Meta Platforms has established nothing short of a city sprawled across a claimed 1 million square feet of office space. The most impressive, however, is Meta's latest building—which the company claims houses "the world's largest open-plan office space." From the outside, an iconic visitor attraction of Silicon Valley is the erstwhile Facebook's signature address billboard—a big 'like' button placed on a blue background that will remind you of the Facebook platform of yore.

Also drop by: A cluster of Amazon offices in the company's signature colour. It is not the e-commerce firm's largest, but is still interesting to see on a tech tour.

NASA AMES RESEARCH CENTER, MOUNTAIN VIEW

Right down the San Francisco Expressway, you can see the Ames Research Center—one of the biggest research and top-secret work hubs of the National Aeronautics and Space Administration (Nasa). The Nasa facility is visible from the Expressway itself, if you do not wish to stop by. On most days, expect to see an ensemble of private and little-known aircraft that offer great joy for aviation geeks. While Ames does not have an elaborate visitor experience, do drop by at the Center's gift shop for one of the best technology and science souvenir destinations around. The Center also houses a small number of Nasa exhibits that you can see.

Take a detour: If you have time, a 40-minute detour to Oakland, California will take you to Ames Research Center's official visitor experience zone. Located at Nasa's Chabot Space and Science Center, as a technology and science enthusiast, you will come across one of the best space and science walkthroughs outside of Nasa's Houston, Texas hub.

GOOGLEPLEX AND VISITOR CENTER, MOUNTAIN VIEW

A further 15-minute drive down the Expressway takes you to Mountain View—a town that you can nearly mistake to be owned entirely by Google. The Search and Android major offers a limited visitor tour experience, which includes a central building that looks unique, and somewhat confusing. During our visit, fellow visitors likened the Google headquarters' design to Japanese pagodas, and the scale of a dragon—even though this solar panel-strewn contraption was designed by a duo of Danish and English designers. If you spot a visitor tour ongoing that lets you in, you'll find the iconic Android statues. On the outside, you'll also find one of the biggest Google experience stores that house limited edition Google merchandise and devices.

COMPUTER HISTORY MUSEUM, MOUNTAIN VIEW

The centrepiece of your Silicon Valley technology tourism journey is the iconic Computer History Museum, easily the best technology museum around the world. This museum experience houses the earliest examples of analogue electronics, missile guidance systems used during the World Wars, Nasa's earliest computers aboard the Apollo missions, Eniac (the world's first computer), the first-ever IBM PC, the first Apple computer—Apple 1, and much more. Strewn across the museum are theatrical experiences that take you through the history of Silicon Valley and its origins.

(from top) Apple Park in Cupertino; and the first IBM PC released in 1981. SHOUVIK DAS

Do not miss: The souvenir shop, which is packed with some of the best tech gifts you can buy: including the mini Atari gaming console, micro hand-held games, metal folding fighter jet replicas, cipher keychains and more.

APPLE PARK AND VISITOR CENTER, CUPERTINO

The spaceship-like Apple Park was one of Steve Jobs' last contributions to his company and is definitely a striking sight. Its visitor center closely replicates the seamless glass, wood and steel architecture of Apple Park and the Steve Jobs Theater. The center also houses a range of limited edition merchandise. Alternatively, book yourself in for a demonstration and walkthrough of the Apple Vision Pro—the iPhone-maker's alternate reality headset, which you get as a very personalized experience in the store.

Do try: A walk down the quaint North Tantau Avenue, which lets you catch glimpses of the spaceship-esque Apple headquarters' design.

INTEL MUSEUM, SANTA CLARA

A further drive down will lead you to the Intel Museum, a 30-minute experience dedicated to arguably the one company that popularized Silicon Valley around the world. During this experience, you will come across historic documents—such as Intel's first cheque received from a vendor's order, photographs from Intel's earliest days, and carefully preserved technological heritage such as the Busicom printing calculator, which housed one of Intel's first-ever chipsets. The Intel Museum also showcases a history of how the US tech giants exploded around the world between the 1960s and today.

Worth trying: If you wish to take a break from technology, a brief walk down is California's Great America, one of the biggest amusement parks in the Silicon Valley region.

NVIDIA CORPORATION, SANTA CLARA

The latest Big Tech company and one of only three to ever hit a valuation of $3 trillion to date, Nvidia's new headquarters reflect its glory. From the outside, you can spot its marvellous architecture, including its stadium-like setup inside, called Voyager. Nvidia's global headquarters marks the end point of the 100-kilometre stretch that begins near the iconic Golden Gate bridge, even though the trails of Silicon Valley continue until further down. For instance, a drive down to the city of Los Gatos will take you to the headquarters of Netflix.

Try dropping by: If you're into basketball, watching a match or even a concert at San Jose's SAP Center stadium is a tactile experience. Once in San Jose, do try to catch the mixed reality visitor experiences at Tech Interactive, a visual technology experience hub.

Also located nearby is Santana Row, one of Silicon Valley's most iconic retail hubs that houses top designer brands, as well as globally renowned restaurants such as Din Tai Fung.

ISTOCKPHOTO

AI TRACKER

Your neurons could improve how AI works

New neuron model could lead to more powerful artificial neural networks

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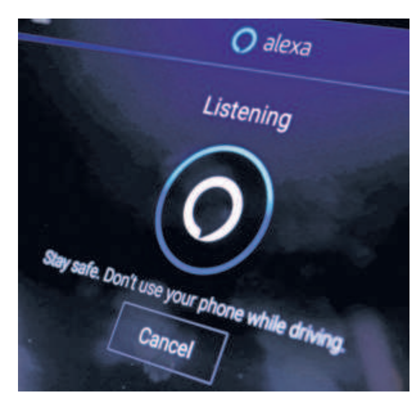
THIS NEURON MODEL COULD HELP AI

Researchers at the New York-based Flatiron Institute, which specializes in scientific research, have developed a new computational model, which proposes that biological neurons have more control over their surroundings than previously thought. According to the researchers, this could be replicated in artificial neural networks used in machine learning. Most neural networks behind modern AI tools are based on a 1960s-era computational model of a living neuron, a news release from institute explains. Developers of the new neuron model say it could lead to more powerful artificial neural networks that better capture the powers of our brains. Findings of the research were published recently in the journal *Proceedings of the National Academy of Sciences.*

A MELEE OF CHATBOTS

The list of AI chatbot assistants continues to grow. Days after Anthropic introduced its Claude 3.5 Sonnet chatbot to compete against the likes of ChatGPT, Facebook-owner Meta announced the arrival of its assistant Meta AI in India on WhatsApp, Facebook, Messenger, Instagram, and meta.ai. As per Meta's statement, Meta AI is built on Meta Llama 3, the company's most advanced large language model to date. Another new AI chatbot called Dot is garnering attention for its focus on human speech and empathy. Developed by a startup called New Computer, Dot is designed to be a digital companion. Multiple reports also said that Amazon is working on a new chatbot code-named Metis.



GEOLOGISTS TURN TO ALGORITHMS

AI is helping geologists map and unearth more information about our past geological times. Researchers at the University of Tromsø in Norway have developed a new AI algorithm that can analyze microfossils, tiny remains of bacteria, plants and animals that are too small to be seen with the human eye. Studying microfossils is usually a taxing and time-consuming process, but the new method will allow researchers to automatically detect and analyze microfossils from microscope images with the help of AI.

CLIMATE CHANGE TRACKER

A sneak peek into a future of climate breakdown

The past year has been a preview of what it would feel like to live in a hothouse world reeling under intense heat

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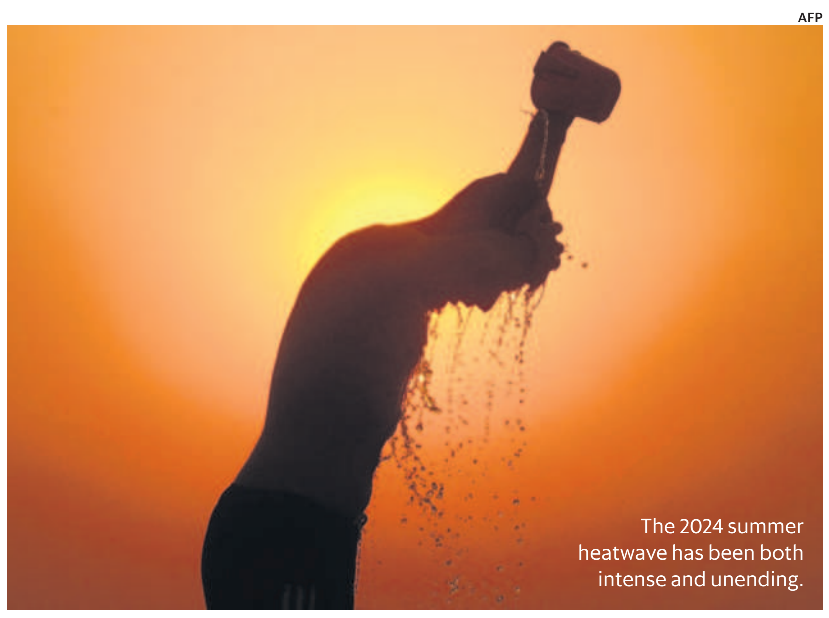
The Lok Sabha elections this year could have been about climate change. But they weren't. No political party spoke about it, very few even acknowledged it in their manifestos, and just a handful outlined mitigation and adaptation plans. In the grip of a record heatwave that left scores of people dead and daytime temperatures above 44 degrees Celsius for over a month, the climate crisis was never mentioned, either by politicians, or by the media.

But does that mean that the elections had nothing to do with climate change? Well, it's quite clear that extreme heat did leave a mark on the general elections. According to a report in the *Down To Earth* magazine on 17 May, a rise in temperatures in 43 of the 93 constituencies that voted during Phase 3 of the elections on 7 May, coincided with far lower voter turnouts than in 2019.

As temperatures continued to rise through May, and heatwave conditions persisted for weeks on end, *Mint* reported last week that the seats that went to polls in the last three phases experienced extreme heat stress during voting hours, with Phase 6 (25 May), recording extreme heat stress in 96.4% constituencies. On the final day of voting on 1 June, a reported 58 people died of heat exposure across India. At least 18 polling staff died in Uttar Pradesh and Bihar on that day. With intense heatwaves lasting for longer number of days the new normal, it is debatable whether the general elections will ever be held in the summer again, or indeed over so many phases across such a long time.

Of all the different types of extreme weather caused by climate change, heatwaves have always been the most 'invisible'. While I was working on a story on India's tryst with extreme heat in 2020, I had spoken to architect and urban planner Rabina Rangwala. An Associate Director with World Resources Institute (WRI), she has worked with WRI's Sustainable Cities Centre. She'd said that communities saw heatwaves more as nuisances. "Unlike flooding, which is a visible stress and therefore motivates people to act as communities to demand action, heat isn't a rallying point for people to ask for increased green areas or heat shelters," Rangwala said. Prolonged summer heat like the one this year, one would hope, has certainly made heatwaves more 'visible', a more clearly understood health hazard.

AFP



The 2024 summer heatwave has been both intense and unending.

Globally, this has been a summer of intense climate impacts, as both sea surface temperatures and temperatures over land are going through the roof. In a way, the past year has been a sneak peak of what it would feel like to live in a world with an average global temperature of 1.5 degrees Celsius above pre-industrial levels.

Under current levels of global warming and greenhouse gas emissions, the world isn't expected to decisively cross that heating limit till the early 2030s. However, each of the last 12 months has seen the average global temperature breach the 1.5-degree threshold.

While this was caused in part by the warming effect of the El Nino climate phenomenon, the devastation caused by such persistent heating is proof enough that global CO2 levels have to be brought down urgently. Global heating is accelerating, and, as data from the EU's climate agency Copernicus Programme shows, the 365-day average global mean temperature—as of 21 June—reached 1.64 degrees Celsius above pre-industrial levels.

In 2018, the landmark "1.5 degree" report from the UN's climate body Intergovernmental Panel on Climate Change, pointed out that failure to keep the world under this heating limit by the end of the century would result in a planetary climate that humans have never experienced before. This would result in more frequent and longer lasting heatwaves, persistent marine heatwaves, more destructive rains and storms as well as more intense droughts, destruction of ecosystems and greater water stress. It would also pose a massive threat to global snow and ice, from the poles to Himalayan glaciers, resulting in sea level rise and the desiccation of glacier-fed rivers like the Ganga and the Brahmaputra.

The report had urged deep emissions cuts to prevent this, prescribing a course where global energy systems turn to renewable energy on an urgent basis, thus bringing down CO2 emissions by nearly half by 2030, and to net zero by 2050.

However, instead of steep year-on-year cuts to emissions from fossil fuels, this has actually risen. Global decisions taken in the next 24 months will be crucial if we are to avoid climate breakdown.

Many of that report's predictions are already a reality. The global ocean has been in the grips of a massive marine heatwave, leading to widespread coral bleaching events, and stronger storms. The Himalaya is seeing significantly less snowfall in winter, according to a recent report from the International Centre for Integrated Mountain Development (ICIMOD), a regional intergovernmental body that serves 8 countries of the Hindu Kush Himalaya, including India.

The report has labelled 2024 to be an "extraordinary below normal snow year", with plummeting 'snow persistence' (the amount of time that snow stays on the ground) over the glaciers feeding most of the major river systems, including the Indus, Ganga and Brahmaputra. The heat is on. We have very little margin of error.