

Friday, June 28, 2024

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Air India pens route to regional aviation ▶ P1



Sebi tightens rules on use of finfluencers ▶ P1

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Galaxy S24 Ultra



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Zero down payment | 24 months no cost EMI**



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Think Ahead. Think Growth.

mint primer

Current account was in surplus in Q4. What next?

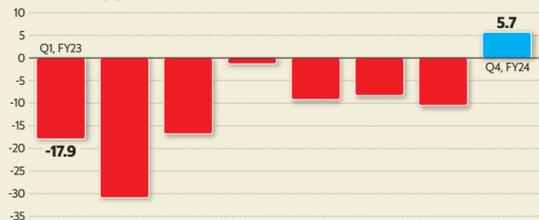
BY RHIK KUNDU

India's current account recorded its first surplus in about four years in Q4 of FY24. The last time was in Q1 of FY21, after which GDP shrank as the pandemic set in. Now, the fundamentals are more robust. *Mint* looks at the significance of these numbers, and the challenges ahead.

Turning positive

India's current account jumped to a surplus in the final quarter of FY24.

India's balance of payments in current account (\$ billion)



mint

Source: RBI

PRANAY BHARDWAJ/MINT

1 How has India's recent performance been?

India's current account recorded a surplus of \$5.7 billion, or 0.6% of GDP, during the March quarter, compared with a deficit of \$8.7 billion, or 1% of GDP, in the previous quarter due to higher services exports, and a deficit of \$1.3 billion, or 0.2% of GDP, in the year-ago quarter. During FY24, India's current account deficit (CAD) moderated to \$23.2 billion, or 0.7% of GDP, from \$67 billion, or 2% of GDP, during the previous year, due to a lower merchandise trade deficit. However, during FY24, India's CAD was the lowest since FY17 if we exclude covid-hit FY21 due to a services surplus and solid remittances.

2 What factors led to the surplus in Q4?

The turnaround was due to a narrowing of the merchandise trade deficit to a 10-quarter low of \$50.9 billion in Q4 FY24 from \$69.9 billion in Q3 FY24. Meanwhile, there was a robust expansion in the services trade surplus. Services exports grew by 4.1% annually during the fourth quarter of FY24 due to rising shipments of software, travel and business services, according to the latest Reserve Bank of India (RBI) data. During Q4 of FY24, net services receipts at \$42.7 billion were higher than the \$39.1 billion a year ago, contributing to the surplus in the current account balance during the quarter.

3 What can we expect in the forthcoming quarters?

Experts expect the CAD to rise slightly in FY25 owing to a widening in the merchandise trade deficit due to domestic demand and higher commodity prices, but it will remain manageable at 1-1.2% of GDP. Assuming an average price of the Indian crude basket at \$85 per barrel, this would be easily financed, given expectations of large FPI-debt inflows, says Icra.

4 What are the challenges ahead?

The Q4 numbers were aided by a decline in the merchandise trade deficit for the year. The overall trade deficit, including both merchandise and services, shrank to \$78.12 billion in FY24 from \$121.62 billion in FY23. However, the merchandise trade deficit is on the rise again, widening to a four- and seven-month high in April and May, due to a surge in imports. Exports have also been hit by slowing global growth amid tightening of interest rates and geopolitical challenges, including conflicts in West Asia and Ukraine.

5 Any weaknesses that could hit the balance?

While foreign portfolio investment experienced a net inflow of \$4.1 billion in FY24 compared to a net outflow of \$5.2 billion in FY23, net foreign direct investment inflow dropped to \$9.8 billion from \$28 billion. There has also been an outflow of Indian savings, showing that domestic savings couldn't find local avenues of investment. This indicates a weakness in the economy. The difference between the real and nominal effective exchange rates has also been widening since FY21, eroding India's export competitiveness.

QUICK EDIT

Stability assurance

Going by the Reserve Bank of India's (RBI) latest *Financial Stability Report* released on Thursday, banks are nice and stable. Bad loans as a proportion of overall loans are at multi-year lows, with their gross ratio standing at 2.8% in March 2024, which could decline further to 2.5% by March next. Their capital buffers have been well over regulatory minimums, and tests show they would be adequate in stress scenarios. Plus, earnings have been robust. All this points to a banking system that is well-positioned to expand credit and drive India's economy forward. That said, demand needs to rise evenly too. Bank loan growth in recent years has been mainly on account of the services sector and household consumption, with industrial credit lagging. Further, increased personal lending may pose delinquency risks, as cautioned by the latest report, which notes an overall improvement in asset quality except in the case of personal loans. Broadly, however, the financial outlook looks good. As for global spillovers, RBI's Systemic Risk Survey conducted in May among experts found that perceptions of such risks had receded sharply. With macro risks also seen as a bit lower, the report has good news overall.

MINT METRIC

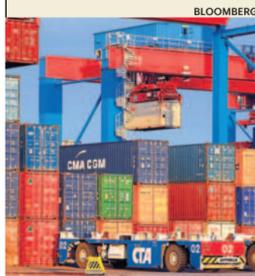
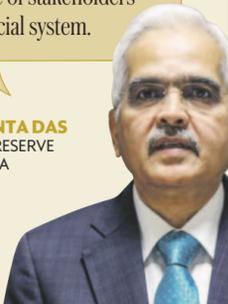
by Bibek Debroy

Limburg's citizens are very kind,
But 700 pigeons turned them blind.
The droppings made them see red,
They voted to have the birds dead.
A falconer will now do the grind.

QUOTE OF THE DAY

The highest priority must be assigned to governance as strong governance is at the core of resilience of stakeholders in the financial system.

SHAKTIKANTA DAS
GOVERNOR, RESERVE BANK OF INDIA



BLOOMBERG

mint Data Bites

INDIANS ARE AMONG THE WORLD'S MOST AVID SMARTPHONE DATA USERS

Data traffic per smartphone (GB/month), 2023



* includes China | The regional classification is as per the one used by the report.

Data: Shuja Asrar, Design: Satish Kumar

Source: Ericsson Mobility Report, June 2024



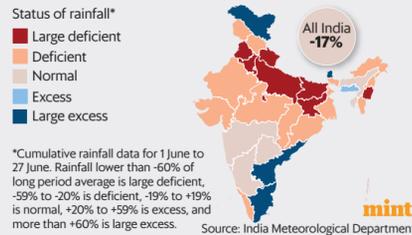


Data recap: Uneven rains, Adani's capex

CURATED BY PAYAL BHATTACHARYA

Every Friday, Plain Facts publishes a compilation of data-based insights, complete with easy-to-read charts, to help you delve deeper into the stories reported by *Mint* in the week gone by. Despite arriving early, the annual monsoon rains have been deficient in June so far, while the government has imposed stock limit on wheat to control price rise. The Adani group is planning to nearly double its capital expenditure in 2024-25.

Monsoon Misery



THE MONSOON season in India is off to an uneven start despite an "above-normal" rainfall prediction by the India Meteorological Department (IMD). After arriving ahead of its schedule in Kerala, on 30 May, the progress of monsoon has been uneven. IMD data shows all-India deficiency in rainfall was 17% of the long-period average until 27 June. Of the 36 states and UTs, 24 are getting below-normal rains, with Bihar, UP, Jharkhand, Bengal and Gujarat, among others, facing large deficiency.

Dissent of Doves

Number of times when the two members dissented against the majority vote since they joined the MPC

	Jayanth R. Varma	Ashima Goyal
Voted for rate cut	3	1
Voted against rate hike/for shallower rate hike	2	2
Expressed reservations or voted against stance	14	2
Voted to change stance to neutral	3	1

Source: Reserve Bank of India, Mint analysis

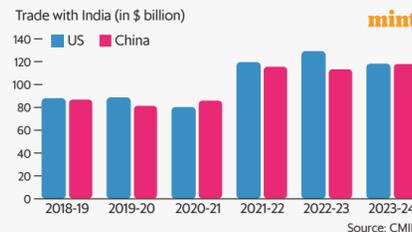
THE RESERVE Bank of India is facing growing pressure to start easing the monetary policy amid softer inflation from its two rate-setting panel members. Earlier this month, Monetary Policy Committee members Jayanth R. Varma and Ashima Goyal voted to cut the repo rate by 25 basis points against the majority vote of status quo. According to a *Mint* analysis, Varma has a long record of dissents, mostly on stance, while Goyal is the only other member to dissent albeit fewer times.

₹1.3 trillion

Expansion Plans

THAT'S THE capital expenditure the Adani group has planned in 2024-25, which is nearly double the ₹70,000 crore it had outlined in 2023-24. The capex will be funded through a mix of debt, equity and internal cash generation. The group plans to 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 and ₹4,200 crore in the data centre business.

Trade Tales



AFTER A gap of two years, China overtook the US to become India's leading trading partner in 2023-24, although with a small margin, mainly due to a 19.8% decline in imports from the US. India's trade relationship with the two countries is quite contrasting. While the trade with China is import-heavy, that with the US is driven by exports. As a result, India enjoys a hefty \$36.7 billion trade surplus with the US, while the trade with China leaves a debilitating deficit.

Stake Sale

Shareholding pattern of public sector banks (in %)

	Promoter or promoter group	Public
Punjab & Sind Bank	98.3	1.8
Indian Overseas Bank	96.4	3.6
UCO Bank	95.4	4.6
Central Bank of India	93.1	6.9
Bank of Maharashtra	86.5	13.5

Data as of 31 March 2024 Source: BSE

FIVE STATE-OWNED banks, UCO Bank, Central Bank of India, Punjab & Sind Bank, Bank of Maharashtra and Indian Overseas Bank are looking to issue qualified institutional placements in the second half of 2024-25 to increase the public shareholding to 25% to meet regulatory norms, a *Mint* report said. While the deadline for the compliance is 1 August, the public sector banks have reportedly requested an extension. Current public shareholding in these banks ranges from 1.75-13.54%.

3,000 tonnes

Wheat Woes

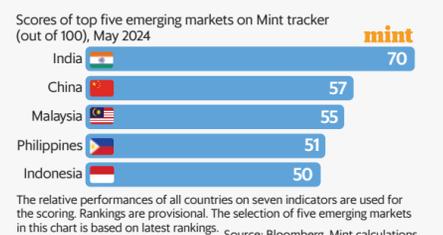
THAT'S THE permissible limit of wheat stock that wholesalers can hold, as per the latest restrictions imposed by the Centre. The rules were notified to crack down on hoarders and speculators, control rising prices, and prevent food security issues. Restrictions have also been imposed on retailers and processors. This move comes amid an already existing ban on exports of wheat imposed to manage stock and control prices.

Backlog Busting



CONSUMER COURTS in India are making a significant headway in clearing backlog of cases, with more cases (440,971) disposed off than filed (415,104) since the formation of the Central Consumer Protection Authority, *Mint* reported. The progress can be attributed to the cancellation of summer vacations for state commissions. Alarmed by the growing backlog of cases, the consumer affairs ministry urged the National Consumer Disputes Redressal Commission to suspend these breaks.

Chart of the Week: India Leads



AMID GLOBAL growth slowdown, India maintained its dominance in May when it attained the first position among its emerging markets' peers. Strong GDP growth and manufacturing Purchasing Managers' Index were the major boost, as per Emerging Markets' Tracker. Follow our data stories on the "In Charts" and "Plain Facts" pages on the *Mint* website.



PARAS JAIN/MINT

TOP FIVE ROMANTIC DRAMAS

- 1 ALL OF US STRANGERS**
Platform: Disney+ Hotstar
Language: English
- 2 PAST LIVES**
Platform: Lionsgate Play
Language: Korean, English
- 3 LOVER**
Platform: Disney+ Hotstar
Language: Tamil
- 4 SWATHI MUTTHINA MALE HANIYE**
Platform: Amazon Prime Video
Language: Kannada
- 5 HI NANNA**
Platform: Netflix
Language: Telugu

TOP FIVE ITALIAN FILMS

- 1 NUOVO OLIMPO**
Platform: Netflix
Cast: Damiano Gavino, Andrea Di Luigi
- 2 BEAUTIFUL REBEL**
Platform: Netflix
Cast: Letizia Toni, Selene Caramazza
- 3 BRADO**
Platform: CinemaWorld
Cast: Kim Rossi Stuart, Saul Nanni
- 4 PIRANHAS**
Platform: Amazon Prime Video
Cast: Francesco Di Napoli, Viviana Aprea
- 5 DOGWORLD**
Platform: CinemaWorld
Cast: Dennis Protopapa, Giuliano Soprano



Friday, June 28, 2024

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Checkmate: How Indians mastered the mind game ▶ P10



Jio to hike tariff by up to 27% from 3 July ▶ P7

SENSEX 79,243.19 ↑ 568.94 NIFTY 24,044.5 ↑ 175.7 DOLLAR ₹83.46 ↑ ₹0.12 EURO ₹89.28 ↑ ₹0.06 OIL \$84.59 ↑ \$0.18 POUND ₹105.55 ↑ ₹0.32

Air India pens route to regional aviation

Move may step up competition with market leader IndiGo

Anu Sharma & Mihir Mishra
NEW DELHI

Air India is weighing a potential entry into India's growing regional aviation space, stepping up rivalry with market leader IndiGo which is growing its own turboprop fleet to advance its regional ambitions. The Tata group airline has held internal discussions on a potential regional expansion, two people aware of the matter said. Regional aviation includes flights from metros to smaller cities, as well as between smaller cities.

"Discussions were held on the matter. These are internal discussions and there will be further rounds of assessment on this before a final decision is taken. The opportunity in the regional space is staring us in the face and the intent is to provide a complete travel solution to Indian travellers," one of the officials cited above said on the condition of anonymity.

An Air India spokesperson did not respond to a request for comment sent on Wednesday.

India's regional aviation has benefited from a government-funded regional connectivity scheme called UDAN, and an increase in airport infrastructure in smaller towns. According to industry estimates,

FLIGHT PATH

The Tata group airline is looking at expansion into a market that is largely dominated by airlines such as IndiGo and Spicejet.

Airline	Aircraft type/make	Number of regional aircraft
IndiGo	ATR	45
Alliance Air	21 ATR and 1 Dornier	22
Spicejet	De Havilland	21
Star Air	Embraer	9
Zoom	Bombardier	4
Flybig	De Havilland	3
Indiaone Air	Cessna	2
Fly91	ATR	2

Total aircraft registered with Indian airlines: 778

Source: flightradar24

LOCAL PROSPECTS

INDIA'S regional aviation has benefited from UDAN scheme : INCREASE in airports in small towns also boosted connectivity : INDIGO, Spicejet ran bulk of the 200,000 regional flights in 2023

SARVESH KUMAR SHARMA/MINT

Indian airlines operated close to 200,000 regional flights during 2023, the bulk of which were flown by IndiGo and SpiceJet. As per data from global aviation data company OAG, India, along with Central and West Africa have been outliers in regional flight operations, clocking an increase of 4-5% in regional jet frequencies since 2019, in contrast to the global scenario where the

regional jet frequencies have decreased 33.5%.

While Air India was under government control, its subsidiary Alliance Air operated in the regional space. However, Alliance Air was not part of the Air India divestment, and continues to operate as a government-run airline.

TURN TO PAGE 6

Sebi tweaks stocks' F&O norms, curbs use of finfluencers

Neha Joshi & Priyanka Gawande

MUMBAI

The stock market regulator on Thursday tweaked selection criteria for stocks to join the derivatives segment and barred brokers and mutual funds from engaging so-called financial influencers, aiming to curb manipulation in futures and options and guard retail investors from reckless financial advice.

The board of the Securities and Exchange Board of India (Sebi) also decided to ease voluntary delisting of companies and proposed a fee collection mechanism for registered investment advisors.

"In order to ensure that there is healthy linkage between cash market and the futures and options market. Second is criteria of which stocks will be permitted in F&O, we need to adjust those parameters," chairperson Madhabi Puri Buch said.

The derivatives exit criteria will apply to only those stocks which have completed six months after entering the segment. For existing stocks in the derivatives segment, the exit criteria based on performance would be applicable six months from the date when the circular



Sebi's decision aims to curb inducing investors to deal in securities. REUTERS

will be effective, Sebi said. The circular is yet to be released.

Among the reasons behind Sebi's move are the increase in cash market turnover, delivery volumes and volatility over the past six years. Changes in the spot or cash market also necessitated the revision of eligibility criteria for stocks to enter or exit the derivatives segment. This would prevent stocks with low liquidity and high volatility from entering the F&O segment, curbing manipulation.

Analysts welcomed the move, adding the steps would have limited impact as stock futures' share as a proportion of total turnover tends to be small compared with index options.

"Any regulatory measures to

TURN TO PAGE 6

Bad loans hit 12-yr low, may dip further to 2.5%, says RBI

Shayan Ghosh
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MUMBAI

The share of bad loans at banks could decline to 2.5% by the end of FY25 in case of a baseline stress scenario, the Reserve Bank of India (RBI) said on Thursday, pointing to the sector's improving health.

Gross bad loan ratio hit a 12-year-low of 2.8% last fiscal year; however, it could rise to 3.4% under a severe stress scenario, RBI said in its semi-annual Financial Stability report. State-owned banks continued to have the highest bad loan ratio --- toxic assets as a percentage of gross loans --- among peer banks, although lower than where they were even a year ago.

While the gross non-performing asset (NPA) ratio of public sector banks was at 3.7% as on 31 March, private sector banks and foreign banks were at 1.8% and 1.2%, respectively. The report pointed out that the continuous decline in bad loans since March 2020 has been on the back of a lower addition of fresh NPAs and increased write-offs.

"This issue of the FSR highlights the strengthening of balance sheets of financial insti-

TURN TO PAGE 6

DON'T MISS



Budget to lay roadmap for Viksit Bharat, says President

The upcoming budget for 2024-25 will introduce major economic reforms, providing a roadmap for Viksit Bharat, the government's initiative to elevate India to 'developed nation' status by 2047, President Droupadi Murmu said on Thursday. >P9

Govt working on export promotion fund for MSMEs

The Union government is considering setting up a fund to support exports by small businesses. A proposal for the fund may be placed in the upcoming Union budget by the finance ministry, two people aware of the development said. >P2

Centre may amend baby food rules after Cerelac controversy

The Union government may soon tighten the standards for baby food, according to two people aware of the matter. This comes in the backdrop of the recent controversy regarding Nestlé's baby food Cerelac, which allegedly contains added sugar. >P2

Promoters offload stakes worth ₹62,000 crore in H1 2024

Indian promoters have offloaded shares worth ₹62,000 crore in the first six months of 2024, the highest since 2019, showed data by markets data provider Prime Database. Promoters had raised ₹61,277 crore through stake sales in the year-ago period. >P6



Kumar Mangalam Birla, chairman, Aditya Birla Group. MINT

UltraTech buys into India Cem as Adani gives chase

Nehal Chaliawala & Ankit Gohel

NEW DELHI

Kumar Mangalam Birla-led UltraTech Cement snapped up a big chunk of struggling rival India Cements Ltd, at a time the Adani group pursues a break-neck expansion in cement after entering the space barely two years ago.

UltraTech, India's largest cement maker, on Thursday bought 22.77% non-controlling stake in India Cements for ₹1,889 crore via block deals. The acquisition won't trigger an open offer as per India's takeover code, but deters a potential rival bid for India Cements, long seen as a takeover target.

The sellers include Radhakishan Damani, Gopikishan Damaniz, Kiran Devi Damani, Derive Investments and Derive Trading and Resorts. The share purchase translates to a valuation of \$85 per tonne for the 14.5 million tonnes per annum (mtpa) cement manufacturing capacity of India Cements, analysts said. That compares to a cost of \$90-100 per tonne for setting up a greenfield manufacturing capacity.

Shares of India Cements closed 11.5% higher on the BSE

on Thursday at Rs 293.15, after touching a 52-week high of Rs 299 intraday. UltraTech gained 5%, on a day the benchmark SENSEX index closed 0.72% higher.

UltraTech has a consolidated cement making capacity of 152.7 mtpa, far ahead of second-placed Adani's 77.4 mtpa. The two market leaders are adding capacity at break-neck speed, having set targets of reaching 200 mtpa and 140 mtpa of capacity, respectively, before the turn of the decade.

The bullishness of the market leaders in the cement sector is based on the Indian government's infrastructure push. Crisil analysts predict India's cement demand to grow 6-8% in FY25 after two consecutive years of double-digit growth.

Earlier this year, UltraTech acquired a 1.1 mtpa cement grinding unit in Maharashtra from India Cements for ₹315 crore. In 2023, it acquired the 10.75 mtpa cement business of Kesoram Industries.

The total cement-making capacity in India is 541 mtpa, according to industry body Cement Manufacturers' Association.

The Indian cement industry is undergoing significant consolidation since the entry of the

TURN TO PAGE 4

Bonding with the world

By Mayur Bhalerao & Niti Kiran
mayur.bhalerao@livemint.com

MINT

Investors are gung-ho about bond markets. With the imminent inclusion of Indian bonds in JP Morgan's widely tracked Emerging Markets Bond Index, the debt market has attracted significant inflows from overseas investors, totalling around ₹67,000 crore this year. Since its announcement in September 2023, the Indian debt market has witnessed inflows to the tune of ₹1.1 trillion. Bond yields have declined and are expected to be range-bound. However, this bodes well for the Indian currency, imparting further stability. Experts believe that the historical trend of currency depreciation due to India's trade and current account deficits is unlikely to repeat in the near future.

The expected influx could bolster the rupee

Daily closing value of rupee against the US dollar



Strong FPI debt investments seen ahead

Net investments (in ₹ crore) by foreign portfolio investors, monthly



Overseas investors flock to Indian bonds

Foreign portfolio investors' assets under custody

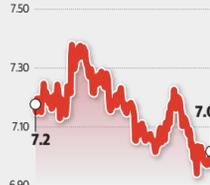
FPI category	Debt as of May 2024 (₹ crore)	% change since Sep 2023
Appropriately regulated-investment manager	20,697	387.4
Appropriately regulated-Bank	21,285	273.0
Appropriately regulated-Broker dealer	4,970	152.3
Entity whose investment manager is category I FPI from FATF member country	26,005	113.5
Sovereign wealth fund	9,151	74.9

The bond inclusion announcement came in September 2023

Also see | Inclusion in JPMorgan index to spur flows >P4

There are signs of stability in bond yields

10-year government bond yield (%)



Source: Bloomberg, NSDL

SARVESH KUMAR SHARMA/MINT

Modest hike in road capex; eyes on pvt spending fuel

Subhash Narayan
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NEW DELHI

The Centre may roll out another increase in capital expenditure allocations for the roads ministry in the upcoming budget, as it looks to maintain its focus on rapid infrastructure development in the current financial year, two people aware of the matter said.

The increase in allocations may range between 5% and 10% of the FY24 (revised estimate) level of ₹2.64 trillion, the people added.

While that is a moderate raise, it would still be a fair bit higher than the 3% increased allocation proposed in the interim budget.

The modest raise is being considered as the government expects a significant increase in private investments in road construction projects being



The increase in allocations may range between 5 and 10% of FY24 level. MINT

awarded under the build-operate-transfer (BOT) toll model, the people cited above said.

"We are expecting 20-25% of highway project awards this year to be on the BOT (toll) model," the first person said on condition of anonymity.

"This would relieve the pressure on the government to spend on its own for such infrastructure development." According to data from the

ministry of road transport and highways (MoRTH), private investments in roads reached ₹34,805 crore in FY24. The government expects this number to almost double in FY25.

Rough calculations (based on 1.5X growth in FY24 over FY23, as the government did not release FY23 numbers) showed private investments were at ₹23,000 crore in FY23.

"Money will continue to be spent by the government, but with more private investors (coming in), central capex could go into more critical infrastructure projects and ones that have strategic interest attached to them," said the second person cited above.

BOT (toll) projects allow private sector bidders to collect toll to recover their investments over a long period of usually 20-30 years. Consequently, this allows them to take the risk of putting in money to develop road pro-

TURN TO PAGE 6

Q-commerce lands a new revenue stream: Advertisements

Suneera Tandon & Sowmya Ramasubramanian

MUMBAI/BENGALURU

The rapid expansion of quick commerce companies into households across the country is bringing with it not just sales revenues, but also the emergence of advertising as a feasible source of steady, growing income.

Attracted by the lure of fast-delivery companies' increasing penetration, consumer goods companies across categories such as food, beauty, bags, petcare, confectionery, among others, are beginning to ride this gravy train to reach their target audiences. Thanks to their advertise-

ments, quick commerce platforms like Zepto, Zomato's Blinkit and Swiggy Instamart have seen a surge in advertising volumes and revenue.

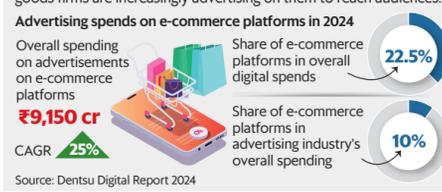
According to Karan Taurani, senior VP at Elara Capital, FMCG companies could be spending, broadly, ₹700-₹800 crore in ads on quick commerce platforms, making this an important income stream for the platforms as they move into newer categories.

"There is a strong potential for quick commerce companies to grow their ad revenue by over 50-60% and also outperform overall e-commerce ad revenue growth rates," Taurani said.

Last week, Zepto said it expects advertising revenue to

Quick lure

Lured by fast-delivery companies' growing penetration, consumer goods firms are increasingly advertising on them to reach audiences.



PARAS JAIN/MINT

touch Rs 1,000 crore in the next 12 months. The figure has already hit Rs 400 crore in May 2024.

"The advertising business is scaling rapidly and is growing at the rate of 150% year-on-year, driving up margins steadily," the company's

co-founder and CEO Aadit Palicha said in an interview with *Mint* last week.

Ad revenue for Blinkit grew 220% year-on-year in the third quarter of FY24, according to the company's earnings release. It said companies advertise with the intent of

building visibility for their products for a highly engaged and fast-growing customer base with spending power.

"The quick-commerce advertising opportunity is turning out to be promising so far," Albinder Dhindsa, CEO of Blinkit, said in Zomato's shareholders letter in Q3 FY24. The number of advertisers on the platform grew to 557 from 242 during the quarter.

Blinkit declined to comment on its advertising business when contacted.

A spokesperson of Swiggy, which operates the Instamart platform, said that over the past six months, there has been a consistent month-on-month increase in the number of brands partnering with the

platform to enhance consumer engagement, increase visibility, and drive growth.

"Swiggy's in-depth understanding of users, gained from its extensive presence in food delivery, further strengthens its ability to support brands effectively," the company spokesperson said.

"Different brands utilize quick commerce platforms according to their unique needs. For instance, market leaders may focus on increasing category penetration through targeted promotions, while newer brands can drive trials among a select group of potential customers."

Typically, consumer goods

TURN TO PAGE 6



MINT SHORTS

Indian Oil to boost LNG portfolio to 20 mn tonnes by 2030, exec says

New Delhi: Indian Oil aims to increase its liquefied natural gas (LNG) portfolio to 20 million tonnes per year (MTPA) by 2030, from 7.8 MTPA currently, Sujoy Choudhury, head of planning and business development at the company, said at an industry event on Thursday. The power sector is expected to be one of the key drivers for Indian LNG demand, Choudhury said. **REUTERS**

TERI to set up institute to conserve Himalayan resources

New Delhi: The Energy and Resources Institute (TERI) is planning to set up an institute in Guwahati in collaboration with the government of Assam to conserve natural resources in the eastern Himalayas, one of the world's most biodiversity-rich regions, a top official said. Through the institute, the plan is to create green jobs, enhance agricultural productivity, boost demand for electricity in the region, and contribute to India's energy requirements from renewable energy sources. **PUJA DAS & MANAS PIMPALKHARE**

ESOPs by foreign cos to domestic subsidiary staff not to attract GST

New Delhi: Employee Stock Options (ESOPs) given by a foreign firm to employees of its Indian subsidiary at prevailing market value will not attract GST, the CBIC said. ESOP/Employee Stock Purchase Plan/Restricted Stock Unit will come under GST net if an amount over and above the cost of securities/shares is charged by the foreign holding company from the domestic arm. **PTI**

₹2,000-cr terminal of Guwahati airport to open in April 2025

Guwahati: The Adani Group-run Lokpriya Gopinath Bordoloi International Airport in Guwahati will move to its upcoming terminal by April 2025, a senior official said. The initial target to complete the terminal building, being developed at a total cost of over ₹2,000 crore, was December 2024, but it got delayed by around four months due to a change in design, he said. **PTI**

Govt to roll out quality standards for lab glassware from 1 July

New Delhi: Come July, manufacturers of laboratory glassware will need to comply with new standards set by the Bureau of Indian Standards (BIS), as demand for high-quality scientific equipment grows globally, two persons aware of the matter said. "The plan is to enhance product quality to help improve India's credentials and competitiveness in the global market, with laboratory glassware being exported to the US, Europe, West Asia, Africa, and Latin America," the first person said. **DHIRENDRA KUMAR**

India imposes anti-dumping duties on three Chinese products

New Delhi: India on Thursday imposed anti-dumping duties on three Chinese products, including hydraulic rock breaker with an aim to protect domestic players from cheap imports. These duties were imposed following a recommendation by the commerce ministry's directorate general of trade remedies (DGTR), which has concluded in its probe that dumping of these goods are impacting domestic industry. The DGTR held investigations after complaints were filed by domestic players on the dumping of these goods. **PTI**

Govt sanctions ₹700 crore for setting up pharma and medtech centres

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NEW DELHI

The Union government has allocated ₹700 crore for establishing centres of excellence at the National Institutes of Pharmaceutical, Education & Research (NIPER).

According to a notice issued by the Department of Pharmaceuticals, the steering committee has approved a budget outlay of ₹700 crore for setting up of these centres over a period of five years. Out of the ₹700 crore, a sum of ₹243 crore has

been approved for 2024-25.

Currently there are seven NIPERs—located in Mohali, Ahmedabad, Hajipur, Hyderabad, Kolkata, Guwahati and Rae Bareilly. As per the Department of Pharmaceuticals, the first steering committee meeting for the scheme was held on 27 March.

While India is known for affordable generic drugs, research and development is a key area that needs attention in the Indian pharma industry, as drugmakers face scrutiny for allegedly selling toxic cough syrups in Gambia and Uzbekistan.

The seven existing NIPERs



The fund will be used to set up centres of excellence at National Institutes of Pharmaceutical, Education & Research. **BLOOMBERG**

will concentrate on research in a variety of areas, including medical device manufacturing, bulk drug R&D, phytopharmaceuticals, biological therapeu-

tics, and antiviral and antibacterial drug discovery and development.

Instead of the formerly common batch processing proce-

dures, the focus in Kolkata will be on building production methods that include the latest continuous flow chemistry technology.

According to then health minister Mansukh Mandaviya the Union Cabinet had last year approved the Promotion of Research and Innovation in Pharma-MedTech sector (PRIP) scheme with an outlay of ₹5,000 crore for five years, from 2023-24 to 2027-28. The scheme will be in two parts: preparing capacity in PSUs; provide support to private sector for research.

Last year, the Parliamentary Panel headed by Shashi Tha-

loor, that looks into the fund allocation to the Department of Pharmaceuticals (DoP) had recommended that the government allocate more funds for new initiatives, such as the establishment of the National Institute of Medical Devices Education and Research (NIMED) and Indian Council of Research & Development and Innovation in Pharma-MedTech Sector (ICPMR).

It was mentioned that the Department had asked for ₹1,286 crore for FY24. Of this amount, ₹560 crore had been requested for NIPERs, and the remaining amount was to be used for other new initiatives

under the NIPER scheme, such as ₹200 crore for NIMEDs, ₹233 crore for Centres of Excellence (CoEs), ₹50 crore for ICPMR, and ₹243.00 crore for Promotion of Research & Innovation in Pharmaceutical Sector).

However, only ₹550 was set aside for NIPERs; no money was given for these new projects. Considering the aforementioned, the Committee's initial report suggested that financial allocation for the NIPER scheme be increased, even if it noted that no funding for new initiatives would negatively impact the plan's development and expansion.

Govt working on export promotion fund for MSMEs

Proposal for the fund with expected corpus of ₹5,000 cr may be placed in upcoming budget

Rituraj Baruah & Dharendra Kumar
NEW DELHI

The Union government is considering setting up a fund to support exports by small businesses. A proposal for the fund may be placed in the upcoming Union budget by the finance ministry, two people aware of the development said, adding that the fund may have a corpus of around ₹5,000 crore.

"The fund is likely to focus on first-time exporters with an annual turnover of less than ₹25 crore," one of the two people mentioned above said on condition of anonymity.

"MSMEs and, more so, efforts to boost their export potential are expected to get a major push in the upcoming budget," the second person said.

The fund would be used to set up export facilitation centres at the district level to help small businesses gauge potential markets and explore opportunities.

It would also be used to develop export capacity of first-time exporters by imparting necessary skills to compete in international markets in both B2B (business-to-business) and B2C (business-to-consumer) areas.

Queries sent to the ministries of MSME and commerce remained unanswered till press time.

Further, the first person cited earlier added that the fund would boost the



The fund will be used to set up export facilitation centres to help small businesses gauge potential markets and explore opportunities. **BLOOMBERG**

ODOP (one district one product) scheme, which was launched in 2018 to provide a framework to develop the value chain and align support infrastructure for production of district-specific products. So far, under this initiative, the Centre has identified 1,102 products from 761 districts.

Several schemes are already in place to support MSME exports. For instance, the Centre runs the Marketing Assistance and Export Promotion scheme that provides training to the workforce of these smaller businesses in marketing, packaging for exports, and also gives out awards for quality products.

Currently, MSMEs contribute about 45% to the country's total exports, according to a Global Trade Research Initiative (GTRI) report. However, experts believe there is immense scope to increase this share.

A report jointly published by the Niti Aayog and Foundation for Economic Development in March noted that exports remain an under-utilized opportunity for MSMEs—even as they are hailed as the powerhouse of the Indian economy—and contribute significantly to employment generation, exports, and overall economic growth.



Citing data from the Udyam portal, the NITI Aayog report said that despite the opportunity for MSMEs to pursue exports, only 0.95% of MSMEs are engaged in it. Out of the 15.8 million MSMEs registered on Udyam, only over 150,000 units claimed to export their goods and services.

In terms of MSME exports through the e-commerce route, data from GTRI showed that India significantly lags a comparable economy like China. The data showed that in 2022, MSMEs in China exported goods worth over \$200 billion through e-commerce platforms, while India's e-commerce export was barely \$2 billion that year.

Rahul Ahluwalia, co-founder of Foundation For Economic Development, noted that one of the key supports that MSMEs require is simpler export processes, including a green channel for e-commerce, simpler compliances, and fewer restrictions around export payments.

"Targeting particular firms will require the government to decide which firm is 'worthy'...which is very tricky. Broad reforms that make MSMEs' lives easier in tangible ways are much better," he said.

Presenting the interim budget for FY25 on 1 February, finance minister Nirmala Sitharaman said that the government aims to make small businesses globally competitive.

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Centre may amend baby food standards

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The Union government may soon tighten the standards for baby food, according to two people aware of the matter. This comes in the backdrop of the recent controversy regarding Nestlé's baby food Cerelac, which allegedly contains added sugar.

"The government may amend the regulations for baby food after reviewing the report of the scientific panel of FSSAI," said one of the persons cited above. The second person said that work related to baby food is ongoing, and samples have been picked from the market. Both the persons requested not to be named.

"The panel is likely to submit its report to the authority within 10-15 days," the first person added.

In April, India's top food regulator, Food Safety Standard Authority of India (FSSAI), ini-

tiated an investigation by a scientific panel into whether there was added sugar content in baby food items. Typically, a scientific panel submits its report to another scientific committee, which examines its recommendations.

Infant food comprises formula milk and Cerelac of different flavours, among other items. This assumes significance given that India's baby food market size is around \$6.5 billion and is estimated to grow at a CAGR of about 14% during 2024-30, according to a market insights and analysis report.

However, it is a long process. The government may issue notifications and float draft guidelines in the public domain for feedback before finalizing, one of the persons cited above said.

"We are a compliant company and shall comply with all the regulations," said Nestlé India's spokesperson in response to *Mint's* query.

Govt wants blending of domestic coal

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NEW DELHI

The Union coal ministry has suggested to the power ministry that it should consider mandating blending 10-15% domestic coal by imported coal-based (ICB) power plants, said two people in the know of the developments.

The move comes against the backdrop of an increase in the domestic production of the mineral. The government is looking at reducing the import of the low-grade Indonesian coal and eventually substituting it with domestic coal.

"The coal ministry has recommended to the power ministry to look into the prospect of 10-15% blending to start with. There would be no requirement of making changes to the boilers of the current ICB plants as 15% is not a significant amount," said one of the two people mentioned above.

This is part of the government's ambitious plan to stop importing coal for power generation.

"The price of imported coal is very high and import substitution is the top priority for the ministry," said the other per-



The coal ministry wants mandatory blending of 10-15% domestic coal in imported coal-based power plants. **BLOOMBERG**

son. The price of the Indonesian coal grade (ICI 5) on the Indonesian Coal Index is ₹5,198 per tonne, while the India equivalent produced by Coal India Ltd, known as G14, costs about ₹1,600 per tonne.

Similarly, among the higher grades, the ICI 1 Indonesian grade of coal costs about ₹12,620 per tonne (including insurance and freight), while the equivalent G3 grade produced in India costs around about ₹4,900 per

tonne, including taxes and other charges.

Official data showed that in the last financial year (FY24), India imported 261 million tonnes of coal, out of which 65.73 million tonnes was used for power generation.

The import of 65.73 million tonnes of coal in FY24, was 18.15% higher than 55.63 million tonnes in the previous fiscal.

However, the import by ICB plants declined 15.63% to 23.93 million tonnes during the

Hike in hospital beds sought from FM

Manas Pimpalkhare & Rink Khandu
NEW DELHI

Experts from the health and education sectors urged the government to increase the number of hospital beds and create awareness around the National Education Policy in their pre-budget consultations with finance minister Nirmala Sitharaman on Thursday.

Experts suggested ways to improve the Ayushman Bharat scheme so that the poor can access quality healthcare at lower prices, apart from issues focussing on social sector welfare, women and children, two people who attended the meeting said. Ayushman Bharat aims to cover over 100 million poor and vulnerable families, or around 500 million individuals, providing coverage of up to ₹5 lakh per family a year for secondary and tertiary care hospitalisation.

"We have less than two (hospital) beds for every thousand people. The WHO says we should have at least 3.5 beds for every thousand people. There is a huge disparity between the density of beds across states. For instance, Karnataka has four beds for every thousand people, Bihar has only 0.3. The government will have to review the healthcare policy in states," said Girdhar Gyani, director general at the Association of Healthcare Providers of India.

financial year ended March 2024 due to high price of imported coal.

With easing prices and anticipation of high power demand, ICBs imported 4.58 million tonnes of coal in the first month of this fiscal, compared with 2.36 million in April FY24.

In April, the power ministry directed ICB plants to operate at full capacity till September to meet rising demand for electricity. The power ministry had said in a statement that it will extend Section 11 of the Electricity Act till the end of September. So far, the mandate is in effect till June.

The power ministry has been taking precautionary measures including mandating blending of 6% imported coal till the end of June by all domestic coal based (DCB) power generators.

The ministry has been issuing advisories and directive to power plants in order to avert a crisis, as witnessed in September-October 2021 and April-June 2022 due to low availability of domestic coal and low import of coal by ICBs due to high international prices.

The coal ministry and state-run coal companies, including Coal India have increased production to cater to the growing power demand.

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MINT SHORTS

LeapFrog Investments promotes executive to partner role

New Delhi: Private equity firm LeapFrog Investments, an investor in homegrown lending companies such as NeoGrowth, Dvara KGFS and Electronica Finance, has elevated Pranav Kumar, its director of investments, to a partner role. Kumar, who joined LeapFrog in January 2016, looks after new investments, portfolio management and exits focusing on inclusive financial services and fintech in Asia. On behalf of LeapFrog, he sits on the boards of NeoGrowth, Dvara KGFS and Shubham Housing Development Finance.

AMAN RAWAT

Neo San raises \$1.5 mn in seed funding from angel investors

ISTOCKPHOTO



Bengaluru: Climate-tech startup Neo San has raised \$1.5 million (₹12.5 crore) in a seed funding round from a host of angel investors including Ashish Kacholia, Aaradhana Jhunjhunwala, Aman Poddar, Adithya Mathews, Apurva Damani, Mammen Kurien and Sandeep Telang. The startup raised the funding at a post-money valuation of \$7.2 million. Founded in 2022, Neo San works in the hazardous waste management disposal space through its proprietary technology.

K. AMOGHAVARSHA

Autocracy secures ₹5 cr funding from Venture Catalysts, others

Bengaluru: Autocracy Machinery has raised \$598,833 (₹5 crore) in a pre-Series A funding round led by existing investor Venture Catalysts. The round also saw participation from family offices and investors from India and Africa, including existing investors Nikhil and Bharat Jaisinghani (Polycab India Ltd) and SFour Capital. Autocracy's machinery solutions cater to sectors such as agriculture, telecommunications, landscaping, irrigation, civil engineering and infrastructure development.

K. AMOGHAVARSHA

Sportstech startup Machaxi raises ₹4.8 crore in pre-Series A funding

Bengaluru: Machaxi has raised \$574,843 (₹4.8 crore) in a pre-Series A funding round from early-stage investor Inflection Point Ventures. The funds will be used to develop technology for user analytics and sports shopping, expand the sports shop vertical, and build the Machaxi brand.

K. AMOGHAVARSHA

Medtech nurses global ambitions

India's medtech sector could grab 10-12% of global market by 2030, helped by National Medical Devices Policy

Dipti Sharma & Ranjani Raghavan
MUMBAI

India has long relied on global giants for medical devices to equip a healthcare network characterised by a shortage of doctors, expensive treatments and inadequate technology. But now, domestic medtech firms are taking the fight to their international peers, attracting interest from top-tier global investors and pharmaceutical giants.

According to Indian government estimates, India is the fourth largest market for medical devices in Asia. Globally, though, India's medtech sector claims a meagre 1.5% share, which market experts predict will grow substantially as global investors, including KKR & Co., Morgan Stanley and Warburg Pincus, rush to back domestic medical equipment makers.

Anish Bafna, chief executive and managing director of Healthium Medtech Ltd, sees India's medtech sector seizing a 10-12% of global market share by 2030, backed by India's National Medical Devices Policy of 2023.

"This ambitious target," Bafna said, "underscores India's potential to become a global medtech hub."

Bafna has good reasons for his optimism. Last month, US private equity (PE) firm KKR won a bidding war to acquire Healthium from British PE firm Apax Partners for \$700-800 million. The medtech company manufactures and sells surgical products in about 90 countries.

India unveiled its medical devices policy with ambitions for the domestic medtech sector to account for 10-12% of the expanding global market over the next 25 years.

Mansukh Mandaviya, former Union health minister, said last year that the government was "confident of fostering the medical devices sector's growth from present \$11 billion to \$50 billion by 2030."

Several domestic medtech firms



India's medical devices market is expected to expand from \$12 billion today to \$50 billion by 2030.

MINT

are already credible challengers to multinational companies in India and global markets, said Anshul Gupta, managing director and head of healthcare investment banking at Aventus Capital.

The financial services firm has advised several companies in the healthcare sector, including NephroPlus and Maiva Pharma, on their

managed by Morgan Stanley Private Equity Asia and India Life Sciences Fund-IV.

"In certain segments of medtech, (multinational companies) have been defocused and have shrunk their incremental investment dollars due to lower return versus investment," said Gupta.

But "for Indian medtech compa-

ting advantage.

The domestic medtech sector is catching up with its global peers as investors recognize the need for high-quality products at affordable prices to meet the demands of an ever-expanding global healthcare network.

"Private equity and venture capital players have rightfully recognized the existing industry gap and corresponding market opportunity," said Bafna of Healthium Medtech, "and are backing category leaders who can challenge the status quo, gain market share from the MNCs in India, and also leverage the potential in larger export markets."

Earlier in April, US PE firm Warburg Pincus struck its largest deal ever in India's healthcare sector, picking up a 65% stake for about \$300 million in Chennai-based Appaswamy Associates, a maker of ophthalmic equipment.

Earlier in June, domestic private equity firm Jashvik Capital invested \$25 million in Bengaluru-based

GROWING DEMAND

GROWING interest in India's medtech space is largely driven by low-cost manufacturing

INDIAN medtech firms are attracting interest from top-tier global investors and pharma giants

SEVERAL domestic medtech firms are already credible challengers to multinational firms

INDIA is the fourth largest market for medical devices in Asia, according to govt estimates

deals.

Bengaluru-based NephroPlus is among Asia's largest dialysis care providers. Last month, it secured ₹850 crore in an investment round led by Singapore-headquartered PE firm Quadria Capital.

Maiva Pharma, a Bengaluru-based injectables manufacturer, raised ₹1,000 crore last month from a fund

nies who are playing the challenger strategy and hence starting from a low base, return on investment in technology, clinical trials, and marketing infrastructure to capitalise on a large global opportunity remains an attractive proposition."

The growing global interest in the domestic medtech space is largely driven by India's low-cost manufac-

MapmyIndia's revenue race faces hurdles

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MUMBAI

Digital mapping company MapmyIndia is banking on growth in its analytics business and its overseas expansion efforts to achieve ₹1,000 crore in revenue by 2027.

However, the company might face challenges on the way, including heightened competition in both its legacy maps business and its new analytics offering.

Rakesh Verma, co-founder, chairman and managing director of CE Info Systems, MapmyIndia's parent company, told *Mint* in an interview, "The analytics business is expected to grow significantly, alongside the expansion into international markets, particularly Southeast Asia through our office in Korea... We anticipate growth in the automotive, corporate,



Rakesh Verma, co-founder, CE Info Systems, MapmyIndia's parent company.

and government sectors, leveraging ClarityX's focused analytics capabilities."

ClarityX, an artificial intelligence-based data analytics and consulting services company, was recently rolled out as a separate entity by Verma and his fellow promoter and wife Rashmi Verma, who is also chief technology officer

of MapmyIndia. It is headed by Rakesh Prasad, co-founder of ClarityX and non-executive director at MapmyIndia.

"We are leveraging MapmyIndia's relationship with customers and providing them with ClarityX's value-added offerings to help solve their problems. Our first approach is capitalising on all the MapmyIndia's goodwill and customer base. Initially, we will focus on India," Prasad told *Mint*.

Asked why the company chose to branch out into analytics, an investor and industry expert, who did not wish to be named, said, "When growth tails off in your core business and it's profitable, there is no need to deploy more capital into the same business. With

inflation next year, growth is normal and your competition holds some part of the market, so you're seeing that this has naturally stabilised now. So rather than spend money on it, you'll actually try to keep costs the same or less."

The firm may face challenges like heightened competition in legacy maps business, new analytics offering

"Now for growth, you'll have to take adventurous risks in some other business models. They are using an agency where they are already serving their customers. Custom-ers use an analytics tool or a consulting tool to make more sense of the data that MapmyIndia provides anyway, so they are trying to build a service layer themselves."

Rohan Verma, CEO of MapmyIndia, said that there are many growth opportunities for MapmyIndia across all its business areas.

Smartworks raises over \$20 million

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BENGALURU

Smartworks Coworking Space Pvt. Ltd on Thursday said it has raised ₹168 crore (\$20.24 million) this year from a host of investors, including existing backer Keppel Ltd. Ananta Capital Ventures Fund I, Plutus Capital, family trusts and high net worth individuals (HNIs) also joined the round, the co-working space provider said in a statement.

It, however, did not disclose the names of the family trusts and HNIs. Mumbai-based Ananta Capital is backed by the Taparia Group, which owned pharmaceutical company Famy Care.

Smartworks was founded by Neetish Sarda and Harsh Binani in 2016. The company has a presence in 13 cities and manages 41 centres spanning 8 million square feet. It caters to



Smartworks founder Neetish Sarda.

sector-agnostic large organizations and says clients can customise the office space.

Sarda said the company will use the funds to expand its business and to meet general corporate expenses.

The founders of Smartworks continue to hold a majority stake in the company after the latest fundraise.

The new round takes Keppel Ltd's total investment in Smartworks to \$29 million. In 2019, the company had raised \$25 million from Singapore-based Keppel Ltd, the property arm of business group Keppel Corporation.

"This [new] investment maintains our long-term involvement in India's com-

mercial office market, as we look to expand Keppel's office portfolio in India and support the country's urbanisation through our urban space solutions," said Louis Lim, chief executive officer of real estate at Keppel Ltd.

In FY24, the company added new centres across India in cities such as Gurgaon, Noida, Pune and Chennai. Some of the large campuses in the company's portfolio include Vaishnavi Tech Park in Bengaluru, M Agile, 43 EQ and AP81 in Pune.

In FY23, the startup nearly doubled its revenue to ₹710 crore from ₹360 crore in FY22. However, its loss widened to ₹100 crore in FY23 from ₹70 crore the year before. Smartworks' competitor Awfis floated its IPO last year. It raised ₹128 crore via a fresh issue of shares while two of its investors, Peak XV Partners and Chryscapital, sold part of their stake in the company.

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Calibrating Start-Up Story:
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Dun & Bradstreet is pleased to present "The Next Big Leap 2024" that showcases the trailblazing startups of 2024 and their disruptive ideas. The publication also presents the state of the start-up ecosystem in India, along with the priorities and challenges in their journey to become a unicorn.

(L-R Dr. Arun Singh, Global Chief Economist, Dun & Bradstreet; Shri Darshan H.V., IAS Director of Electronics, Information Technology, Biotechnology and Science & Technology, Government of Karnataka; Vipul Oberoi, Director of Marketing, CSR & Learning Solutions, Dun & Bradstreet India)

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Eduvanz Financing Private Limited	Eduvanz	University Living Accommodation Private Limited	University Living
Entropik Technologies Private Limited	Entropik	v-shesh Learning Services Private Limited	v-shesh
Evily Logitech Private Limited	Evily	WatchOut Wearables Private Limited	WatchOut
Farm Gas Private Limited	Farm Gas	Yulu Bikes Private Limited	Yulu
Fasturance Consultants Private Limited	Insurance Samadhan		
Globiva Services Private Limited	Globiva		
GM's SpeechGears Private Limited	SpeechGears		
GroMo Inc.	GroMo		
Hyphen SCS Private Limited	Hyphen SCS		
Imagine HealthFin Private Limited	Alyve Health		
Infimhains Lab Private Limited	Credibl ESG		
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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: 79,243.18 PERCENT CHANGE: 0.72 PREVIOUS CLOSE: 78,674.25 OPEN: 78,758.67 HIGH: 79,396.03 LOW: 78,467.34	CLOSE: 24,044.50 PERCENT CHANGE: 0.74 PREVIOUS CLOSE: 23,868.80 OPEN: 23,881.55 HIGH: 24,087.45 LOW: 23,805.40	CLOSE: 22,537.40 PERCENT CHANGE: 0.45 PREVIOUS CLOSE: 22,436.80 OPEN: 22,459.90 HIGH: 22,571.65 LOW: 22,395.90	CLOSE: 71,340.65 PERCENT CHANGE: 0.15 PREVIOUS CLOSE: 71,235.80 OPEN: 71,204.80 HIGH: 71,578.20 LOW: 70,654.35	CLOSE: 25,026.55 PERCENT CHANGE: 0.64 PREVIOUS CLOSE: 24,867.15 OPEN: 24,878.45 HIGH: 25,070.25 LOW: 24,819.60	CLOSE: 45,967.83 PERCENT CHANGE: 0.17 PREVIOUS CLOSE: 45,887.88 OPEN: 46,074.87 HIGH: 46,278.46 LOW: 45,666.98	CLOSE: 51,842.29 PERCENT CHANGE: -0.57 PREVIOUS CLOSE: 52,141.11 OPEN: 52,300.32 HIGH: 52,515.64 LOW: 51,577.60

MINT SHORTS

Foreign funds sell Japan's stocks for fifth straight week

Foreign investors offloaded Japanese shares for a fifth week, marking the longest selling streak since last March when the nation's stocks were about to kick off their historic rally. They sold net ₹21.4 billion (\$133 million) of cash equities in the week that ended 21 June. The country's stocks slid during the period as political risks in Europe weighed on sentiment. Domestic retail investors bought ₹190 billion of shares, the third week of net purchases. There are signs that global investors are growing more cautious on the country's stocks as the yen's decline extended to a 38-year low. While currency depreciation has previously given a boost to exporters, its relentless slide is raising concerns that it may hurt Japan's economy. The weak yen also erodes the value of foreign investors' holdings in dollar terms. Political uncertainty in Europe is dampening down risk appetite as elections in France and the UK near.

BLOOMBERG



M&A fees in Asia totalled \$1.5 billion in the first six months, the lowest since 2013, LSEG data showed.

Asia M&A fees drop to 11-year low amid slow-cooked deals

Financial advisory fees from mergers and acquisitions (M&A) in Asia dropped to the lowest levels in 11 years in the first half of 2024, with little sign of a quick rebound amid declines in both announced and completed deals. M&A fees in Asia totalled \$1.5 billion in the first six months, the lowest since 2013, LSEG data showed. Japan alone accounted for 40% of that. The total value of announced transactions in Asia dropped 25% year-on-year to \$317.5 billion, also a 11-year low, the data showed, indicating transaction revenue might remain tight. Completed deals, totalling \$253 billion, were the lowest since 2009, when deep wounds of the global financial crisis severely disrupted market activities. "A reduction in average deal size is driving much of the decrease in M&A deal volume year to date, as investors prioritise mid-sized opportunities over large transformative mergers and acquisitions," said Tom Barsha, head of Asia Pacific M&A at Bank of America.

REUTERS

Options data indicates market in bull zone in July

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MUMBAI

Bullish investor sentiment could spill over to the July derivatives series from the June series' expiry on Thursday, with markets discounting the possibility of a tax hike when the Union budget is presented next month. This will put more money into the hands of the salaried class and the prospect is being cheered by investors and traders alike, said market analysts.

These expectations resulted in Nifty and Sensex rising over 0.7% each to fresh closing highs of 24,044.5 and 79,243.18, respectively, on Thursday.

"There is a possibility of the tax-free limit being increased

from ₹750,000 on income under the new tax regime, which is adding to the bullish sentiment," said A. Balasubramanian, MD & CEO, Aditya Birla Sun Life AMC. "Aside from buying by mutual funds, foreign investors have also turned net buyers in June, after two straight months of selling ahead of the budget."

While domestic institutional investors (DIIs) have net invested ₹1.22 trillion in the past three months, as per BSE data, their foreign counterparts (FIIs) turned net buyers of ₹18,807 crore this month after net selling ₹34,257 crore in the preceding two months, according to depository data.

One of the drivers of the momentum, which hint at a strong rollover of bullish derivatives positions, is reflected in



the rising number of put options being sold than call options on a market-wide basis in the past two days through Wednesday.

Inclusion in JPMorgan index to spur flows to bonds

Mayur Bhalerao & Gopika Gopakumar
MUMBAI

Indian government debt with a combined nominal value of \$330 billion will be included in JPMorgan Chase & Co.'s emerging markets bond index effective 28 June.

This will make India's bond market the 25th to join the widely tracked index since it was launched nine years ago.

JPMorgan announced in September that it would include 23 Indian government bonds in its emerging markets bond index.

Between then and May, foreign portfolio investors' asset holding in debt has swelled by ₹84,093 crore, show data from the National Securities Depository Ltd.

Foreign bond investors locked in yields anticipating that the Reserve Bank of India would maintain its high-interest rate stance leading up to the inclusion of Indian bonds in the JPMorgan index. "Foreign investors are shifting towards longer-dated Indian bonds," said Kunal Sodhani, vice president at Shinhan Bank.

"Yields have dipped since the inclusion announcement, with the 10-year bonds easing



JPMorgan announced in September that it would include 23 Indian government bonds in its emerging markets bond index.

20 basis points due to foreign inflows into the debt segment," he added. "We expect a broader range for the 10-year (government securities) to be 6.85%-7.05%." India's debt

market has attracted significant inflows from overseas investors this year, totalling around ₹67,000 crore.

Since September, the Indian debt market has witnessed

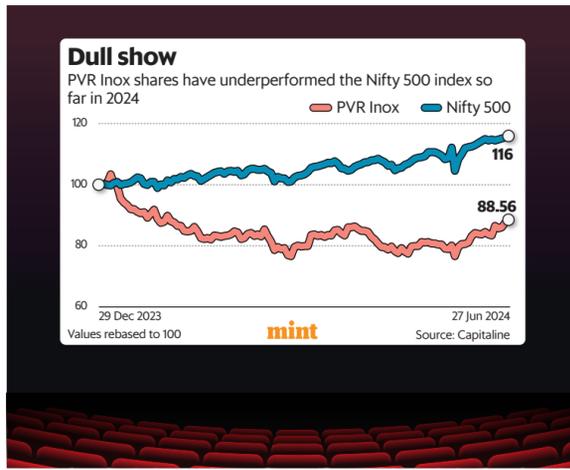
Pallavi Pengonda
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PVR Inox Ltd's shares are languishing even as the broader stock markets are ebullient. So far in 2024, the shares have fallen 11% compared to a 16% gain in the Nifty 500 index.

The immediate worry is that the June quarter (Q1FY25) is likely to be another dull one for the multiplex chain. Sure, there are big hopes that the release of Deepika Padukone-starrer *Kalki 2898 AD* on Thursday would help boost box office collections. But how much is the moot question.

"How *Kalki 2898 AD* performs in the last four days of Q1FY25 would play a decisive role in whether box office collections register an increase or decrease for the quarter," said Jinesh Joshi, analyst at Prabhudas Lilladher. "If we assume *Kalki 2898 AD* manages to garner net box office collection of about ₹300 crore in the first four days of its release, industry-wide collections will be at about ₹1,881 crore in Q1FY25, clocking a growth of 1% year-on-year," he added. PVR Inox commands about 30-35% share in industry collections.

Nonetheless, expectations from PVR



Inox's Q1 performance are running low, with the Indian Premier League 2024 and the general elections weighing on the flow of new releases during the quarter, and in turn footfalls. The second quarter is expected to be relatively better for box office collections, led by the release of movies such as

Despicable Me 4, *Street 2* and *Sarfiya*. But year-on-year growth would take a beating, hurt by the lack of large-ticket Hindi films and a high base as last year's Q2 had hit movies such as *Gadar 2*, *Rocky Aur Rani Kii Prem Kahani* and *Jawan*. Moreover, the release of the movie *Pushpa 2: The Rule* this year has

been postponed to Q3 from Q2.

"The wait for occupancy revival may turn longer for PVR Inox," says Karan Taurani, analyst at Elara Capital (India). "We estimate occupancy levels will be in the range of 21-23% in H1FY25, which could accelerate to more than 35% in Q3FY25; therefore, we do not expect any big negative impact in our revenue estimates currently, as we have factored in an occupancy of 25% in FY25," says Taurani. In FY24, PVR's occupancy stood at 25.6%.

To be sure, competition from OTT is another area of concern for multiplexes. Also, the quality of TV screens has been improving. "So, unless a movie has a lot of special effects that warrant a theatrical experience, there is no incentive for a family of four to spend ₹2,000 or more for a movie plus popcorn," said an analyst on the condition of anonymity.

In this backdrop, PVR Inox is taking many initiatives such as shutting down underperforming cinemas, screening of alternative content and renegotiating rentals to boost its financials. In FY25, it plans to shut down about 70 underper-

forming screens, after exiting 85 in FY24. Thus, net screen additions are expected to be 50 this year. The company is also considering adopting a capex-light model and aims to reduce its capex by 25% year-on-year in FY25. Over the next 12-18 months, it is looking to reduce the debt on the balance sheet from free cash flows and by monetizing real estate assets by at least 50%. As on March-end, PVR Inox had a net debt of ₹1,294 crore, down from ₹1,430 crore last year. Meanwhile, a large part of the PVR-Inox merger synergies was seen in FY24 and the company expects to realize further synergies in FY25, as well.

The company's efforts can be expected to bear fruit over the medium-term. But in the interim, the under-performance in the PVR

meanwhile signs of improvement in occupancy and footfalls emerge. "Despite near-term weakness, we remain confident of a sharp occupancy revival in FY26, led by comeback of Hollywood and stability in the Hindi genre," says Taurani.

CINEMATIC SLUMP

EXPECTATIONS from Q1FY25 performance are low amid subdued movie content

COMPETITION from OTT platforms is another area of concern for multiplexes

Rich nations lead global race to ease monetary policy, for now

Harsha Jethmalani
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After increasing interest rates rapidly to counter spiralling inflation in the aftermath of the covid-19 pandemic, central banks worldwide now have a common goal - easing monetary policy. But the speed at which individual central banks reach this goal is likely to vary, leading to policy divergence.

Monetary policy decisions are generally governed by a country's economic and financial condition. The easing of inflationary pressures is a crucial factor currently at play. But ongo-

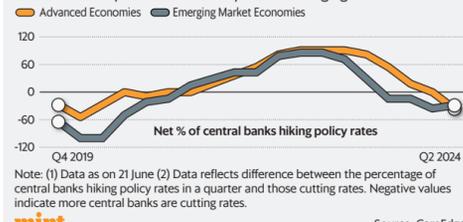
ing geopolitical tensions, which have a bearing on global supply chains, have made things tricky. Many countries, including the US and UK, are also bracing for elections this year. Thus, political and policy uncertainty is likely to persist.

Among developed economies, the European Central Bank, Bank of Canada and the Swiss National Bank have started trimming interest rates. The usual trendsetter for global monetary policy decisions, the US Federal Reserve, is still in a wait-and-watch mode.

As for emerging markets, key central banks such as the Reserve Bank of India (RBI),

Out of sync

Central banks in developed nations are moving towards interest rate cuts at a faster pace than counterparts in emerging economies



Bank of Korea, Bank of Indonesia and People's Bank of China are maintaining a status quo on key lending rates. But for how long?

In India's case, the recently released minutes of RBI's June policy meeting point to a growing divide between members of

the Monetary Policy Committee. Two external members voted for a 25-basis-point cut and a change in stance in June, versus just one in April. One basis point is 0.01%. Heatwaves in various parts of the country have increased the risk of a further rise in food prices in the near term. The progress of the monsoon will be a key determinant of the food-inflation trajectory and therefore the timing of the interest rate cut.

According to economists at Vanguard Group, the strength of the US economy has forced the Fed to maintain its peak for longer. "Other central banks cannot delay policy normalisa-

tion much longer, given domestic economic weakness," they said in a note on 25 June. That said, this policy divergence may be temporary - once the Fed starts cutting rates, the policy directions of key central banks will be in alignment.

Until then, though, movements in foreign fund flows need to be monitored. Typically, money tends to flow out of countries where interest rates are cut as investors chase higher returns. This means higher-for-longer interest rates in the US could put pressure on emerging market economies that choose to pre-empt the Fed on interest rate cuts.

UltraTech buys 23% in India Cements as competition rises

FROM PAGE 1

Adani Group less than two years ago. Adani emerged as India's second-largest cement maker in September 2022 with the acquisition of Ambuja Cement and its subsidiary ACC Ltd from the Swiss Holcim Group.

Since then, it has acquired listed Sanghi Cement and commissioned multiple capacity expansion plans. Two weeks ago, it announced the acquisition of Hyderabad-based Penna Cement at an enterprise value of ₹10,422 crore.

The ports-to-edible oil conglomerate has since been aggressively cutting costs, improving operational efficiencies and adding capacity in a bid to become the lowest-cost producer of the crucial commodity.

"There is clearly an acquisition battle going on between the two leaders in the industry with only a handful of sizeable assets left on the block. This is not just a financial investment by UltraTech but a strategic one as it practically eliminates the risk of any other competitor acquiring India Cements," said Sumangal Nevatia, associate director at Kotak Securities.

Experts tracking the sector said there will be further consolidation ahead as larger players achieve better cost efficiencies due to their scale, pushing smaller players out of business.

Promoters led by N. Srinivasan currently own 28.42% in India Cements. Among public investors, Radhakrishnan Damani and Gopikishan Damani together own 20.78%. Other large investors include



Earlier this year, UltraTech acquired a 1.1 mtpa cement grinding unit in Maharashtra from India Cements for ₹315 crore.

Life Insurance Corp. of India (3.6%), Sri Saradha Logistics Pvt.Ltd (5.04%) and foreign investor ELM Park Fund Ltd (5.58%).

The company has been facing high operating costs and working capital shortages. The company recorded just ₹241 in Ebitda per tonne of cement produced, as against over ₹1,100 for large cement makers

Life Insurance Corp. of India (3.6%), Sri Saradha Logistics Pvt.Ltd (5.04%) and foreign investor ELM Park Fund Ltd (5.58%).

"This deal can be mutually beneficial for (UltraTech) and (India Cements) (Ultratech) can work out a strategic cement supply agreement to gain market share in undersupplied AP/Telangana belt and (India Cements)' financial performance can also improve as vol-

ume improves," said Tushar Chaudhari, Research Analyst, Prabhudas Lilladher.

The subdued operating performance of India Cements stems from the significantly higher power and fuel requirement compared to the industry average and also continued loss in market share in the southern region over the years, CareRatings noted in a report in February, as it downgraded the company's long-term credit rating to BB+ with a negative outlook, from BBB- earlier.

The rating agency "believes that owing to the weak operating

performance of the company, the net debt to Ebitda will remain stretched and over 6x in FY24 and FY25 unless management resorts to deleveraging by equity infusion or significant asset proceeds from non-core assets as guided earlier." nehal.chaliawala@livemint.com

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

The Nasik Merchants Co-operative Bank Ltd., Nashik

नामको बँक
(मल्टी-स्टेट शेड्युल्ड बँक)



Namco Bank
(Multi - State Scheduled Bank)

Admin Office : A-16, Industrial Area, Late Babubhai Rathi Chowk, Netaji Subhash Chandra Bose Marg, Satpur, Nashik - 422007. Phone No. : 0253 2308200 to 2308206 Fax : 0253 2353581 E-mail : ceo@namcobank.in Website : www.namcobank.in

Balance Sheet as on 31st March 2024 and Profit and Loss Account for the Year Ended 31st March 2024 (Subject to AGM Approval)

Balance Sheet as on 31st March 2024

Particulars	Schedule	As on 31-Mar-24	As on 31-Mar-23
		₹	₹
Capital and Liabilities			
Capital	1	51,48,36,700	51,96,02,300
Reserves	2	391,50,31,429	378,88,71,185
Deposits	3	2184,38,49,356	1856,28,29,996
Borrowings	4	0	0
Other Liabilities and Provisions	5	26,31,60,020	35,91,92,135
Total	a	2710,73,45,286	2362,79,86,172
Assets			
Cash and Balance with RBI	6	135,83,79,456	116,73,37,304
Balance with banks and Money at Call Short Notice	7	204,79,98,757	203,48,90,566
Investments	8	1257,78,43,849	1033,25,85,760
Advances	9	1039,60,64,917	942,33,29,943
Fixed Assets	10	25,21,72,831	23,52,16,295
Other Assets	11	47,48,85,475	43,46,27,704
Total		2710,73,45,286	2362,79,86,172
Contingent Liabilities	12	28,71,42,732	26,80,26,301

Profit & Loss Account for the year ended 31st March 2024

The Nasik Merchants Co-operative Bank Ltd., Nashik (Multi-State Scheduled Bank)			
Profit & Loss Account for the year ended 31st March 2024			
Particulars	Schedule	As on 31 March 2024.	As on 31 March 2023.
		₹	₹
Income			
Interest Earned	13	201,66,32,836	183,91,54,549
Other Income	14	47,39,48,876	27,80,31,877
Total		249,05,81,711	211,71,86,426
Expenditure and Provisions			
Interest Paid on Deposits and Overdraft	15	114,15,35,424	90,23,12,155
Operating Expenses	16	63,87,56,092	56,70,17,213
Provisions	b	17,01,80,658	16,81,48,852
Total		195,04,71,174	163,74,78,020
Net Profit - Before Tax		54,01,10,538	47,87,08,406
Less - Income Tax/Deferred Tax		12,85,00,000	13,60,00,000
Net Profit Available for Appropriation		41,16,10,538	34,33,08,406
Statutory Reserve Fund		10,98,47,844	8,58,27,101
Unforeseen Losses Fund		4,11,61,054	3,43,30,641
Education Fund		41,16,105	34,33,084
Charity Fund		41,16,105	34,33,084
1% Co-operative Rehabilitation Reconstruction & Development Fund		41,16,105	0
Building Fund		3,00,00,000	3,50,00,000
Ex-gratia		2,25,19,000	2,15,00,000
Proposed Dividend @ 15%		7,57,34,325	7,62,49,224
Investment Fluctuation Fund		12,00,00,000	0
Members Welfare Fund		0	1,00,00,000
Transfer to Next year		0	7,35,25,072
Total		41,16,10,538	34,33,08,406

Schedules Forming Part of Balance Sheet as on 31st March 2024

Particulars	As on 31 March 2024.	As on 31 March 2023.
Schedule - 1		
Capital		
Authorised Share Capital		
2000000 Equity shares of Rs. 100/- each	200,00,00,000	175,15,00,000
(9940000 Equity shares of Rs. 25/- each)		
Total	200,00,00,000	200,00,00,000
Issued, Subscribed & Paid up Capital		
5148367 (Prev. Yr. 2711023) Equity shares of Rs. 100/- each	51,48,36,700	27,11,02,300
(Prev Yr. 9940000 Equity shares of Rs. 25/- each)	0	24,85,00,000
Total	51,48,36,700	51,96,02,300
Schedule - 2		
Reserve & Surplus		
I. Statutory Reserve Fund	172,66,69,310	163,55,55,188
Opening Balance	163,55,55,188	159,88,71,180
Addition During the year	9,11,14,122	7,68,84,028
II. Dividend Equalisation Reserve	92,72,532	92,72,532
III. Reserve for BDD	97,88,04,917	97,28,34,572
Opening Balance	97,28,34,572	96,53,67,368
Addition During the year	59,70,345	74,67,004
IV. Reserve for BDD U/S - 36	11,87,22,752	15,87,22,753
Opening Balance	15,87,22,753	4,85,68,000
Addition During the year	11,87,22,752	11,01,55,753
Deduction during the year	15,87,22,753	0
V. Investment Fluctuation Fund	38,00,00,000	38,00,00,000
VI. Building Fund	31,21,75,601	27,14,75,601
Opening Balance	27,14,75,601	27,14,75,601
Addition During the year	3,50,00,000	0
VII. Charity Fund	40,77,360	38,44,276
Opening Balance	38,44,276	38,32,818
Addition During the year	34,33,084	29,11,460
Deduction during the year	32,00,000	29,00,000
VIII. Members Welfare Fund	1,34,79,221	39,66,358
Opening Balance	39,66,358	45,44,403
Addition During the year	1,00,00,000	0
Deduction during the year	4,87,137	5,78,045
IX. Contingent Provision Against Standard Assets	4,00,00,000	4,00,00,000
Opening Balance	4,00,00,000	4,00,00,000
X. Investment Depreciation Fund	16,28,14,850	16,28,14,850
XI. Reserve for Unforeseen Losses	8,35,67,666	4,92,36,815
Opening Balance	4,92,36,815	2,01,22,213
Addition During the year	3,43,30,841	2,91,14,602
XII. Contingency Reserve Fund	2,43,08,783	2,43,08,783
XIII. Reserve for Restructured Accounts	3,10,78,447	3,10,78,447
XIV. Technological Upgradation Fund	3,00,00,000	3,00,00,000
XV. Election Fund	0	1,00,00,000
XVI. Reserve for Non performing Investment	60,000	60,000
Total	391,50,31,429	378,88,71,185
Schedule - 3		
Deposits		
I. Demand Deposits (Current Deposits)	2,41,50,01,246	1,71,82,22,497
i) From Banks	0	0
ii) From Others	2,41,50,01,246	1,71,82,22,497
II. Saving Deposits	525,88,36,369	520,13,98,474
III. Term Deposits	1417,00,11,741	1164,32,09,025
i) From Banks	0	0
ii) From Others	1417,00,11,741	1164,32,09,025
Total	2184,38,49,356	1856,28,29,996
Schedule - 4		
Borrowings		
	0	0
Schedule - 5		
Other Liabilities and Provisions		
Audit Fees Payable	22,18,950	21,95,100
DD Payable	17,20,808	11,83,772
Pay orders	6,72,74,305	8,61,25,335
Interest Payable	1,90,69,353	63,67,514
Outstanding Liabilities	2,08,25,248	2,58,98,746
Overdue Interest Reserve	30,93,985	33,13,365
Processing Fee Payable	7,16,36,825	9,69,14,032
Provision for Impaired Assets	27,80,000	70,15,734
Security Deposits (Tender & Vendor)	17,64,498	34,42,078
Shriampur Peoples Share Capital Payable	0	45,80,995
Shriampur Peoples Staff Payable	24,219	73,428
Subsidiary Reserve Fund	54,19,098	54,19,098
Sundry Creditors	47,99,788	1,23,90,843
TDS Payable	1,03,24,293	65,83,928
Bonus Ex-gratia Payable Acc	0	85,00,000
GST Payable	19,42,761	20,50,213
Real Time Gross Settlement	5,25,387	0
Parking NPA Interest Payable	0	1,23,951
NMC POS/UP	27,25,403	14,33,306
Legal Fees Expenses Recovered	0	500
Income Tax Payable	1,17,14,353	2,78,89,366
Deferred Tax Liability	3,24,27,472	3,24,27,472
Professional Fees Payable	17,97,050	7,20,000
Total	26,31,60,020	35,91,92,135

Schedule - 5a		
Profit		
Previous Year Profit brought forward 22-23(after adjustment of IFR Reserve)	15,88,57,244	7,41,84,151
Net Profit for the Year	41,16,10,538	34,33,08,406
Total	57,04,67,782	41,74,92,557
Schedule - 6		
Cash and Balance with RBI		
I. Cash in Hand & at ATM	43,23,59,673	35,58,81,047
II. Balance with RBI (In Current Account)	92,60,19,783	81,14,56,857
Total	135,83,79,456	116,73,37,904
Schedule - 7		
Balance with Banks and Money at call and short notice		
Balance with banks		
a) In Current Accounts	13,93,25,303	15,23,45,607
b) In Other Deposit Accounts	190,86,73,454	188,25,44,959
Total	204,79,98,757	203,48,90,566
Schedule - 8		
Investments		
i) In Central & State Govt Security at Book Value	990,76,58,038	888,26,03,053
Face Value :	988,07,80,000	865,88,00,000
Market Value :	989,34,53,450	858,07,86,922
ii) Other approved Security	0	0
iii) Shares Co-op Banks	1,85,000	1,85,000
iv) Bonds of PSU	135,00,00,000	65,00,00,000
Face Value :	135,00,00,000	65,00,00,000
Market Value :	134,65,42,850	64,17,71,450
Others :		
a) NCD's (Corporate & NBFC) at Book Value	45,00,00,000	55,00,00,000
Face Value :	45,00,00,000	55,00,00,000
Market Value :	44,94,50,100	54,88,03,850
b) Gold Mohar	811	811
Treps Lending	87,00,00,000	30,00,00,000
Standing Deposit Facility	0	0
Total	1257,78,43,849	1033,25,85,760
Schedule - 9		
Advances		
A. i) Bills purchased and discounted	0	0
ii) Cash credits, overdrafts and loans repayable on demand	245,82,54,015	240,65,28,969
iii) Term loans	793,78,10,802	701,68,01,074
Total	1039,60,64,917	942,33,29,943
B. ii) Secured by tangible Assets		
i) Unsecured	1001,65,01,776	906,16,03,046
ii) Secured	37,95,63,141	39,17,26,894
Total	1039,60,64,917	942,33,29,943
C. i) Priority Sector		
ii) Others	615,90,01,435	510,59,55,437
Total	1039,60,64,917	942,33,29,943
Schedule - 10		
Fixed Assets		
I. Premises	7,04,62,304	4,01,24,361
At cost as on 31st March of the preceding year	4,01,24,361	2,97,46,315
Additions during the year	3,79,80,132	1,51,04,963
Deductions during the year	0	5,47,594
Depreciation to date	76,52,189	41,79,324
II. Other Fixed Assets (including Furniture & Fixture)	18,17,20,527	19,50,91,834
At cost as on 31st March of the preceding year	19,50,91,834	16,89,80,846
Additions during the year	2,71,11,503	6,00,59,938
Deductions during the year	12,17,393	39,85,703
Depreciation to date	3,92,65,517	4,69,42,146
Total	25,21,72,831	23,52,16,295
Schedule - 11		
Other Assets		
I. Branch Adjustment Ac	11,86,410	11,86,410
II. Interest Accrued		
Interest Receivable on Investments	30,35,86,006	21,64,45,616
Interest Receivable on NPA Loans acc	7,16,36,825	6,69,14,032
PA Interest Receivable	2,17,07,809	2,33,37,911
III. Income Tax, TDS, Refund Receivable	0	1,97,20,885
IV. Stationery and Stamps		
Stock of Stamps	3,90,717	4,23,988
Stock of Stationery	33,13,345	28,95,282
V. Non Banking Assets acquired in satisfaction of claims	3,13,32,000	3,13,32,000
VI. Others		
GST Input / GST TDS / GST Paid under reverse charge	24,50,756	35,64,127
DEAF Claim Receivable from RBI	9,22,948	3,08,802
Deposit - Premises	95,40,603	95,40,611
Deposits - MSEDCL & Telephone	4,71,668	4,33,070
NPCI (IMPS) Collateral Deposit	15,00,000	15,00,000
Prepaid Expenses	45,37,530	34,54,997
Security Guarantee Fee	34,00,000	34,00,000
Staff Festival Advance	65,13,100	46,52,400
Sundry Debtors	60,89,206	57,76,234
NPA Charges Receivable	10,54,219	0
NMC ATM POS IMPS Settlement Account	46,91,305	32,07,068
Branch Renovation Progressive Work	0	29,83,500
Proxy Account (Charges) Receivable	5,75,722	5,72,772
Total	47,48,85,475	43,46,27,704
Schedule - 12		
Contingent Liabilities		
Bank Guarantees	9,54,91,435	8,97,92,444
DEAF Parking Accounts	18,95,54,421	17,61,37,581
Contingency Provision (Legal case)	20,96,876	20,96,876
Total	28,71,42,732	26,80,26,901
Schedule - 13		
Interest Earned		
i) Interest on Advances/Bills		
Loans and Advances	86,61,22,429	85,31,26,939
NPA Write Off (Woff prior to 2019)	35,78,332	76,67,661
ii) Income on Investment		
Government Securities, T-bill	84,32,32,437	77,73,02,538
Bank FDR and Call Money	16,16,37,893	9,80,77,392
Reverse Repo/SDF	54,95,714	1,41,13,901
On Security Bond	13,22,41,988	8,71,83,710
On Treps Lending	30,00,229	2,92,216
iii) Other Interest (CCIL)	70,263	9,053
Interest on Income Tax Ref		

Modest hike in capex for roads likely in budget

FROM PAGE 1

jects, and relieves pressure on the government to spend more money on roads.

Queries sent to MoRTH remained unanswered.

In the interim budget presented this February, the central government had increased the allocation for the ministry of road transport and highways a mere 3% year-on-year to ₹2.72 trillion for FY25, from ₹2.64 trillion (revised estimates) in FY24. The allocation for FY23 was at ₹2.58 trillion.

The higher allocation of 5-10% being mulled this fiscal is expected to be used by the ministry both to step up construction of highways as well as retire the high levels of debt accrued by the country's nodal road building agency, the National Highways Authority of India (NHAI).

The authority's debt had ballooned to ₹3.5 trillion at the end of FY24.

The government plans to construct 12,000-13,000 km of national highways in FY25, while awarding contracts for about the same levels so that the pace of construction is maintained in subsequent years.

According to ratings agency Crisil, as the government moderates the budgetary allocation for roads, it has made amendments in the BOT toll model concession agreement to increase private participation.

However, improvement in traffic estimation accuracy and any increase in the willingness of lenders to fund BOT toll projects will also bear watching, the ratings agency added.

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

Promoters sell ₹62,000 cr shares in first half of 2024

Biggest sales since 2019 also comes at big discounts; sales may not be related to bull market

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Indian promoters have offloaded shares worth ₹62,000 crore in the first six months of 2024, the highest since 2019, showed data compiled by markets data provider Prime Database. Promoters had raised ₹61,277 crore through stake sales in the year-ago period.

While promoters tend to go on an encashment spree during a bull run, this time most have sold their stakes at significant discounts to the previous day's closing price.

In the biggest block deal, IndiGo co-founder Rakesh Gangwal sold a 5.8% stake in the airline's parent InterGlobe Aviation Ltd for ₹6,785.7 crore in March. It was followed by Mphasis Ltd's promoter selling shares worth ₹6,736 crore, and Bharti Airtel's foreign promoter Pastel selling a stake worth ₹5,849 crore.

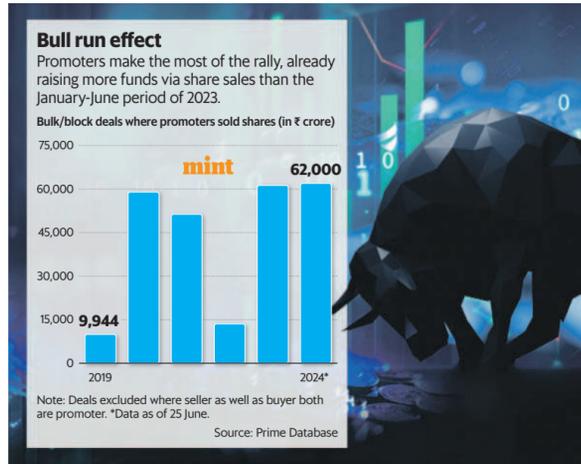
The benchmark Nifty 50 has surged 10.5% in 2024 so far, registering an all-time high of 24,036.6 points on Thursday.

Although attractive returns are one of the key reasons for company managements that have only been investing in their business for liquidating stakes, a promoter may choose to sell shares for various reasons, including personal debt reduction, portfolio diversification, strategic treasury management, and liquidity requirements, said Varun Saboo, head of equities at Anand Rathi Shares and Stock Brokers Ltd.

He added that these reasons are not concerning in a bull market.

Long-term promoters, who have invested heavily in their businesses, may also sell for philanthropic reasons.

"While such sales might make investors nervous, viewing them as a lack of



promoter confidence, these sales are not always negative and could continue with good valuations," said Satish Menon, executive director at Geojit Financial Services.

The transaction can indicate that the company is healthy, evident from the

offering potential gains from expected rate cuts in the near term.

All said, the stake sales must be understood in alignment with the intentions of the promoters, said a deal valuation expert on the condition of anonymity.

amounting to a 15.1% stake, in Mphasis through a bulk deal for ₹6,735.6 crore on 10 June.

In February, promoters of Whirlpool and Vedanta sold shares to raise money to repay debt. However, the discount was below 5% in Whirlpool.

Block deals signed at a discount of 5% or above to the deal price include names like Happiest Minds Technologies Ltd, Vedanta Ltd, Coffee Day Enterprises Ltd and IRB Infrastructure Developers Ltd.

The sharp discount can be attributed to selling a significant chunk through bulk or block deals in a single day.

Buyers in such scenarios typically seek a better deal, considering that they could alternatively purchase shares from the open market.

The discount reflects the promoter's willingness to bear impact costs of a swift sale versus potentially losing out on the gains by selling shares gradually over time.

"These sales can cause short-term volatility and declines in stock prices, but they might also present opportunities for new investors to buy at lower prices," said Siddhesh Mehta, research analyst at SAMCO Securities, adding that frequent and significant promoter sales could also erode investor confidence.

However, this should not be essentially contemplated as a negative investment case for the company, especially when long-term outlook remains promising, said Binod Modi, portfolio manager at Sharekhan PMS. "Reduction in promoters' stakes can also be prompted by factors like listing compliant norms, reduction in debt (as in case of Vedanta) and making room for strategic investments." Modi sees this trend continuing given the sustained rally in the markets and red-hot valuations of many mid- and small-cap stocks.

EYE ON GAINS

INDIGO co-founder Rakesh Gangwal sold a 5.8% stake in InterGlobe Aviation for ₹6,785.7 crore

BHARTI Airtel's foreign promoter Pastel sold a stake worth ₹5,849 crore after Gangwal

BLACKSTONE sold 28.5 million shares in Mphasis through a bulk deal for ₹6,735.6 crore on 10 June

BLOCK deals signed at a discount of 5% or above to the deal price include names like Vedanta Ltd

recent sales to long-term investors boosting holdings of foreign and domestic institutional investors, which bodes well for long-term growth, he added.

Additionally, selling stakes now, with anticipated lower interest rates, could benefit buyers like mutual funds by

For instance, if a promoter is a private equity (PE) player, it would typically aim to divest within 5-7 years as per the fund's strategy. A notable example is Mphasis Ltd, where Blackstone Inc. sold its stake, achieving a 5X return over eight years, he said.

Blackstone sold 28.5 million shares,

Q-commerce lands a new revenue line: Advertisements

FROM PAGE 1

companies promote new products or push offers at large retailers and online platforms. They advertise on e-commerce platforms in the form of banner ads and run promotions or offer discounts across platforms like Amazon, Flipkart, Big Basket, or Zepto.

While it is not a flood yet, consumer goods companies are beginning to get a feel of the new advertising opportunity, and are setting aside part of their digital ad budgets for quick commerce platforms.

For packaged foods company Parle Products, e-commerce (excluding quick commerce) contributes 4.5-5% of its sales. The company has been investing in quick commerce in line with the sales growth.

"Quick commerce is shaping up quite well for us. From less than 1% of our business two years ago, it is now contributing to close to 2% of our overall sales. Because revenues are going up, our spends and investments are also improving," said Krishnarao Buddha, senior category head at Parle Products.

Salil Murthy, managing director, Mars Petcare India, said, "Quick commerce now constitutes a significant share of Mars Petcare India's overall e-commerce sales, reflecting the growing consumer preference for fast delivery. We are seeing an uptick in demand from q-commerce platforms, with investments yielding strong ROI and significantly impacting sales and consumer engagement."

Beauty products company Plum said its marketing expenses across e-commerce platforms, including quick commerce, are proportional to the size of the channels. Plum



Parle has been investing in quick commerce in line with the sales growth. MINT

gets 20% of its e-commerce sales via quick commerce.

"The economics with regard to how much we invest on any platform is pretty much the same. Since the primary motivation for shopping on quick commerce is not price, discounts are lower, so whatever money is saved on discounting tends to be ploughed back into marketing on the platform," said Shankar Prasad, Plum's founder and CEO.

Accessories company Baggit spends 8-10% of its sales towards advertising on e-commerce on business-as-usual

days, and 12-13% during the festive season and other sales. It will "wait and watch" before allocating significant budgets to quick-commerce platforms.

"For quick commerce, we will wait to see how demand picks up. When the competition in the category picks up and we see these platforms becoming lucrative channels, we will decide the marketing budget," said Nina Lekhi, Baggit's founder & MD. Nikhil Rao, chief marketing officer of Mars Wrigley India, said the company actively invests in the growing e-commerce channel, especially in paid search and on banner advertising.

Bad loans may dip to 2.5%: RBI

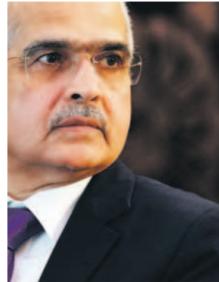
FROM PAGE 1

tutions with low levels of impairments, robust earnings and strong buffers that render the financial system resilient to shocks," RBI governor Shaktikanta Das said in the foreword.

As per the report, a metric known as the banking stability indicator (BSI) provides a comprehensive assessment of the health of the domestic banking system. The BSI, it said, shows that overall stability of the banking system improved on the back of stronger capital levels, higher earnings, and a decline in the stock of NPAs, including restructured loans.

While profitability indicators like return on assets, return on equity and net interest margin remained strong in March, it was marginally lower than September 2023. However, efficiency indicators weakened because of the increase in staff costs and the cost-to-income ratio.

"Today, the matrix of financial stability is perhaps at its



RBI governor Shaktikanta Das. PTI

best, but the real challenge is to maintain it and improve upon it further," said Das. "The regulators, on their part, remain committed to these goals. We are focused on having in place an ecosystem that is adaptive and proactive in safeguarding the stability of the financial system."

On retail loans, the report listed some concerns that it said require close monitoring. In November, RBI raised the risk weights assigned to unsecured consumer credit like personal loans and credit card

dues. "Overall asset quality of outstanding credit showed an improvement, except personal loans," the report said.

It said that delinquency levels among borrowers with personal loans below ₹50,000 remain high. Second, vintage delinquency --- a measure of slippage --- remains relatively high in personal loans at 8.2%. Vintage delinquency is the percentage of loan accounts that have ever turned delinquent within a year of onboarding. It is a key metric to assess the efficiency of the loan underwriting process. Third, little more than a half of the borrowers in this segment have three live loans when they were onboarded, and more than one-third of the borrowers have availed of more than three loans in the last six months.

In the foreword, Das once again extolled the Indian economy. He said that amid global headwinds, the domestic economy is exhibiting strength and resilience, with strong macroeconomic fundamentals and buffers.

Sebi tweaks F&O criteria for stocks, curbs influencers

FROM PAGE 1

safeguard the interests of the small investor is a welcome move," said Gaurav Dua, senior vice-president and head of capital market strategy at Sharekhan by BNP Paribas.

"This is certainly a wise decision," said Abhilash Pagaria, head of Nuvama Alternative & Quantitative Research. He pointed out that the last update to the methodology was in 2018, and since then, market dynamics have changed considerably. Therefore, it's important to stay updated and adapt to the current landscape, he said.

The regulator also clamped down on regulated entities such as mutual funds and brokers dealing with so-called financial influencers. It, however, added that financial influencers engaged in investor education will be exempt from the new restrictions. It will be the responsibility of the regulated entity to ensure that individuals with whom it is associ-



Madhabi Puri Buch, chairperson, Securities and Exchange Board of India. PTI

ated do not breach the rules of conduct set by the Sebi, including avoiding the promise of assured returns, Sebi said.

Sebi also introduced a product success framework in single-stock derivatives to ensure that the liquidity and participation in the derivatives markets aid market development, regulation and investor protection. The framework will take effect six months from the date of the circular.

The Sebi board also approved

a fixed price process as an alternative to reverse book building (RBB) for voluntary delisting of companies whose shares are frequently traded. The fixed price offered must be at least 15% premium over the floor price as determined under Delisting Regulations.

The board also approved a proposal to facilitate a mechanism on an optional basis for fee collection by Sebi registered investment advisers (IAs) and research analysts. The mechanism would facilitate investors for availing services and making payment of fees only to registered IAs and RAs, thus creating trust in the ecosystem," Sebi said.

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Ram Sahgal and Dipti Sharma contributed to this story. For an extended version of this story, go to [livemint.com](#).

Air India pens route to regional aviation and to IndiGo's turf

FROM PAGE 1

"For now, the group is exploring an organic growth opportunity for the regional aviation segment. Hence, there are no plans for now regarding any stake acquisition opportunity for Alliance Air. Currently, it looks like that product (Alliance Air) does not align with the new Air India vision," the second executive aware of the discussions said.

Air India's ambitions come at a time IndiGo is planning to bulk up its fleet of ATRs, a favourite of regional airlines. IndiGo is also the country's largest regional aircraft operator with 45 ATR-72 and five more on order. ATR-72 is a regional aircraft produced by Franco-Italian manufacturer ATR, which can seat around 78 passengers.

The Tata group now oper-

ates four airlines—Air India, Vistara, Air India Express, and AIX Connect (formerly AirAsia India). Beginning 2025, they will be merged into two—Air India and Air India Express, once the integration is completed by the end of the current year.

"ATR is one of the options that the Air India group is looking at with a lot of interest," the first person added. It is, however, not yet clear whether the low-cost AI Express or full-service Air India will house the regional expansion.

The Tata group won Air India in January 2022, bidding ₹18,000 crore as the airline's enterprise value. As a result, it acquired 100% stake in Air India, its subsidiary Air India Express and the entire 50% stake in ground and cargo handling joint venture Air India SATS.



Air India's ambitions come at a time IndiGo is planning to bulk up its fleet of ATRs, a favourite of regional airlines. REUTERS

Among India's regional aircraft, SpiceJet has 21 De Havilland Canada Dash 8-400s, Alliance Air has a mix of 21 ATRs and one Dornier, and Indore-based Flybix has three de Havilland Canada DHC-6 Twin Otter aircraft.

Star Air operates nine Embraers, Indiaone Air two Cessnas and FLY91—the latest entrant in the regional space—two ATRs.

With an air travel penetration rate of 3-7% in India, rising income levels, and the growing

propensity to travel by air in smaller towns and cities, Air India is looking to offer a comprehensive package to travellers, not just from metros, but also those who want to travel from the interiors of the country to faraway destinations, the first person added.

Ameya Joshi, founder of aviation research platform Network Thoughts said that with SpiceJet reducing its presence, there remains scope for regional turbo-prop operations.

"With the government likely to extend the UDAN scheme, any airline which invests in regional network is likely to benefit for the next five years, if not more. From a volume perspective, the numbers are low;

however, many have seasonal variations and yields which are higher than many metro routes at times," Joshi said.

A regional aircraft is often called a turboprop jet as the airplane uses a turbo-prop engine to turn the propellers. These are typically used for last-mile connectivity, but these jets have also found a spot in India to connect short to medium-haul destinations. The seating capacity of such jets can range anywhere between 20 to around 80-90 passengers.

India currently has 108 regional aircraft including ATRs, up nearly 12.5% from 88 aircraft at the end of 2023, data from aircraft tracking website FlightRadar24 showed.

MOVES

A weekly list of C-Suiters who have moved up the corporate ladder either within or outside their companies.

Akhil Anand	Appointed as Partner at J Sagar Associates
Anil Agarwal	Appointed as Chief Financial Officer at Onix
Ankita Tiwari	Appointed as Chief Human Resources Officer at DTDC Express
Anupama Chopra	Appointed as Editor - The Hollywood Reporter India at RPSG Lifestyle Media
Ashish Mehrishi	Appointed as Chief Executive Officer at BRLF Textiles
Ashutosh Gupta	Appointed as Operating Partner at Avatar Venture Partners
Babu Bhaskaran	Appointed as Vice President HR - Americas, Europe & HR Digitization at EPL
Janak Malkani	Appointed as India Head Managed Office business at WeWork India
Manish Agarwal	Appointed as Financial Controller at Hygienic Research Institute
Meeru Gupta	Appointed as VP and General Counsel at Bata India
Mitanshu Shah	Appointed as Chief Financial Officer at Arvind Smartspace
Radhika Arora	Appointed as Head Investor Relations at Siemens India
Rajesh Garg	Appointed as Chief Financial Officer India at B Braun Group
Rajneesh Garg	Appointed as Senior VP and Chief Information Officer at Allcargo ECU Worldwide
Sanjay Marne	Appointed as Director EHS and Sustainability India at Regal Rexnord
Swagata Gupta	Appointed as Head Corporate Communication at National Payments Corporation of India
Varun Kohli	Appointed as COO News Broadcasting at Times Network

Source: Accord India, executive search worldwide



OTTs tighten purse strings, top stars may feel the pinch

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As video streaming platforms in India tighten their spending to improve profitability, top OTT stars, who often lead original web content across services, may also feel the pinch.

The challenge in these negotiations arises from the lack of shared data on viewership or performance of shows or movies, making it hard to convince actors and their teams of a previous season's success.

"There will definitely be a market-based correction of payouts to top actors," said Ujjwal Mahajan, co-founder, Chaupal, a platform specializing in Punjabi, Haryanvi and Bhojpuri content. "This is also because most OTT apps have only come up in the last few years and were all making huge investments to gain more customers. Good apps now have certain numbers and won't spend beyond a point to blind customer acquisition. Both these factors might contribute to a slight correction in actor prices," he added.

Popular OTT stars like Manoj Bajpayee, Pankaj Tripathi, and Nawazuddin Siddiqui earn ₹8-10 crore per show, according to industry estimates.

Some top-tier names are aware of their standing and may choose to stay firm on the pricing front, but since platforms have a lot of control over original content, they can manage more favourable rates.

"Artists may demand more, but they would need platforms as much as the platform would



Platforms are becoming more cautious with their marketing expenditure. ISTOCKPHOTO

need them," Mahajan said. Other than star fee, services are also making sure that the project is fully defined before shoots begin to avoid delays due to last-minute changes. Platforms are becoming increasingly more careful about their marketing expenditure as well.

A senior producer working on OTT shows said it is common for upcoming seasons of successful web franchises to be delayed as platforms negotiate fees with lead stars.

"It's the same scenario as for feature films. Nobody is signing new projects in a hurry and fewer titles are going on floors," the person said adding that a 10-12% escalation in actor prices is common once a season has fared well. "One way to work around this is to cast non-familiar faces that anyway doesn't make much of a difference on OTT to be able to mount the project."

However, several stars were demanding nearly twice the remuneration that they may have received in the previous season. "That kind of absurd pricing is not happening anymore," the producer said.

"We have been successfully

Jio ups mobile tariffs by 12-25%

Reliance Jio takes the lead in raising rates; industry insiders say Bharti Airtel, Vodafone Idea likely to follow suit

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India's largest telecom services provider Reliance Jio took the lead in raising tariffs as it revised upwards charges of all its postpaid and prepaid plans on Thursday.

The increase ranges between 12% and 25% depending upon the plan and will be effective from 3 July, according to the carrier's statement.

"The introduction of new plans is a step in the direction of furthering industry innovation and driving sustainable growth through investments in 5G and AI technology. Ubiquitous, high-quality, affordable internet is the backbone of Digital India and Jio takes pride in contributing to this. Jio will always put our country and customer first and will continue to invest for India," Akash Ambani, chairman, Reliance Jio Infocomm Ltd, said.

On the postpaid side, its ₹299 and ₹399 monthly plans will be charged ₹349 and ₹449, with bundled data amounts remaining same.

The monthly prepaid plan of ₹239



The new plans come bundled with JioSafe and Jio Translate that are free for a year.

giving 2GB data free per day has seen the steepest increase of 25% to ₹299, and ₹399 plan with 3GB data free per day, will now be 12.5% higher at ₹449.

The new plans come bundled with JioSafe and Jio Translate that are free for a year. The safe app is a secure communication app for calling, messaging and file transfer, and Jio Translate is an AI-powered multi-lingual communication app for translating

voice call, voice message, text and image. The apps will be chargeable at ₹298 after one year.

Industry insiders said that rivals Bharti Airtel and Vodafone Idea would follow suit with tariff increases as well, that may take place in the coming days. The carriers did not comment to Mint's queries as of Thursday evening.

The hike was much anticipated after the general elections ended ear-

lier this month. Analysts said that the move is good for the industry and the impact on the consumer will be minimal. India is still the market with the lowest data tariffs and free voice service.

"An increase of ₹20-30 per month for low Arpu (average revenue per user) may not affect the customers considering that the sector had not had any inflationary

increase as well over the past couple of years. Bharat still remains one of the lowest tariff countries in the world and there is clearly another tariff hike which is a must over the next 6-12 months for the sector to be self-sustaining in investing more on innovation," Prashant Singhal, leader for tech, media and telecom as well as emerging markets at consultancy firm EY Global, said.

Several brokerages had estimated 20-25% hike in tariffs in 2024, on the lines of similar increases having taken place in the past two instances since 2019. In 2019, telcos took the first tariff

revision, increasing them by 20-40%, while in 2021, they increased it by 20-25%.

"We have baked in tariff hikes of 25% spread over 2Q/3Q FY25," said JPMorgan analysts, noting that ability to raise headline tariffs soon after auctions led to sharp stock reactions. Airtel and Vodafone Idea stocks saw a spike in trading on Tuesday.

"For Bharti Airtel we assume a 20% Arpu increase in the upcoming September quarter and a 20% increase in FY26, this would translate to a near 10% uplift in India Ebitda in FY26 (our estimates) and potentially

improve fair value to ₹1,410-₹1,660 per share," Macquarie analysts said. The 20% increase in Arpu would translate to Arpu of ₹245-295 per month from ₹209 in the quarter ended March 2024, they said.

Any potential increase in tariffs will lead to increase in Arpu, a critical benchmark of profitability. Currently, industry Arpu's range between ₹130 per user per month and ₹210.



DCGI check brings curtains down on 36% of 400 pharma units

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The Drug Controller General of India (DCGI) Rajeev Raghuvanshi on Thursday said the Central Drugs Standard Control Organization (CDSCO) has conducted risk-based inspections of over 400 pharmaceutical manufacturing units over the past year and a half, resulting in the closure of 36% of these facilities.

"We have been successfully

doing risk-based inspections and inspected about 400 manufacturing units and I am not very happy to say that more than 36% of them had to be closed because there was a reason to close them," Raghuvanshi said at an Indian Pharmaceutical Alliance event. "These MSMEs had to shut down as they realized that they cannot meet the expectations of the regulators."

As the quality assurance of drugs manufactured in India continues to be a cause of concern, CDSCO is about to start

four key projects that will help the pharma industry to continue improving and maintaining the quality of the drugs coming out of the country, the 'pharmacy capital of the world'.

One of the four projects the regulatory body will be coming out with is a digital platform, the Digital Drug Regulatory System, he said. "So four big-ticket projects

are in the pipeline and one of them we are coming out with is our digital platform, which would cover the complete regulatory value chain in this country," said Raghuvanshi.

CDSCO plans to structure the platform in a way that brings aboard all the stakeholders involved in the industry from regulatory bodies to manufacturers and retailers.

Raghuvanshi also disclosed the second project the organization is working on, the regulatory rationalization initiative, under which CDSCO has hired two internationally renowned consultants. One of the two consultancy firms is tasked to look at CDSCO's internal process, while the second one will take a look at the Drugs and Cosmetics Act, 1940, and rules to rationalize while removing the redundancies and simplifying the whole regulation.

The first one will start from 1 July while the second one will

begin in a couple of weeks.

The third is to increase the internal scientific cadre at CDSCO, while the fourth project is for the Indian Pharmacopoeia Commission (IPC) to set up the Digital IP. IPC is an autonomous institution of the ministry of health and family welfare committed to ensuring quality and safety of drugs.

"The product is in its final stages and will be in use by the next month as it is under final testing," he added. Raghuvanshi is also the secretary-cum-scientific director of IPC.

US agency sanctions Boeing for sharing information

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Boeing is being sanctioned by US investigators for sharing information about a federal investigation of a door plug blowout that left a gaping hole in a Boeing 737 Max 9.

The National Transportation Safety Board (NTSB) said Thursday that Boeing "blatantly violated" the agency's investigative regulations as well as a signed agreement by providing non-public investigative information to the media and speculating about possible causes of the January 5 door plug blowout on a Boeing passenger jet in Portland, Oregon.

During the incident, a panel that plugged a space left for an extra emergency door blew off an Alaska Airlines Max 9. Pilots were able to land safely, and there were no injuries.

The NTSB said that on Tuesday during a media briefing, a Boeing executive provided non-public investigative information to the media about the Alaska Airlines incident that the agency had not verified or authorized for release.

The NTSB said that Boeing portrayed the NTSB's investigation as a search to find the individual responsible for the door plug work, but the agency said it's focused on the probable cause of the accident, not placing blame on any individual or assessing liability.

Boeing did not immediately respond to a request for comment early Thursday.

Shares of The Boeing Co, based in Arlington, Virginia, were flat before the opening bell.

Govt to part-fund IS satellite launches in the PPP model

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The Centre is looking to offer a range of incentives in order to build demand for the domestic private space sector. These include establishing a public-private partnership (PPP) model for earth observation (EO) satellites, as well as incentives for conducting satellite launches through domestic rockets from Indian launch pads.

In an interview with Mint, Pawan Goenka, chairman of Centre-affiliated space coordination body Indian National Space Promotion and Authorization Centre (In-Space) said, "Right now, we are launching an EO-PPP model, which will offer support to private sector companies to launch IS satellites with some funding from the government. We're also offering funding support via incentives for space launches through India, as well as accessing technologies."

Goenka, however, did not provide information about the size of the incentives for either of the activities.

Also in the works is the creation of a nodal space data organization—a precedent of which already exists in the European Union through the latter's Copernicus programme. "We're looking to create a company that will become a nodal data disseminator—by accessing data through Isro as well as other sources, and making it available to multiple entities," Goenka added.

Even as private space firms ramp up their offerings, demand generation has been a challenge. On Wednesday, S. Somanath, chairman of Indian Space Research Organisation (Isro), said that the key to generating demand will be in creating new applications that require satellite data. "There is



Pawan Goenka, chairman of Centre-affiliated space coordination body In-Space.

so much more possibility in the area of applications, as well as space timings and fusion of earth observation and miscellaneous observations. This will create demand to make satellites in India, which in turn will lead to demand for satellite launch vehicles," Somanath said.

Elaborating on this, Goenka added, "Creating this demand is not a policy or financial hurdle. Apart from satellite communications, so far, only government bodies have been clients to the space sector. There continues to be very little demand for anything apart from communications. This is why we need to increase visibility of space."

To do this, In-Space has identified two areas of opportunities—ground station as a service, and satellite as a service.

"Three firms have already sought authorization to set up ground stations. Today, any downlink of satellite data is only done by Isro. Non-Indian satellites passing through Indian airspace presently do not have a facility to download their data to a ground station within Indian borders. If any such data is required here, it is downloaded elsewhere and transferred to India. The pri-

mate sector can resolve this through commercial ground stations," Goenka said.

For satellite services, one of the early instances was Wednesday's \$8.5-million contract signed between Australian startup Space Machines and Isro's commercial arm, NewSpace India Ltd (Nsil). The former's 450kg satellite observation payload is to be launched aboard a privatized version of the Isro-designed Small Satellite Launch Vehicle in 2026.

Calling this a big opportunity, Goenka said that satellite services can help India create an all-round commercial space economy. "Any payload operator can come to an Indian firm to access a satellite, and subsequently, its data. Three startups from within India have had some success in conducting pilot projects here, with commercial revenue. One of the companies is in process of signing a large commercial contract from a foreign firm to carry three payloads aboard their satellite, which will be launched aboard an Indian rocket. The launch should take place this year," he added.

Satellite imagery and data analytics firm Pixxel is in the race to capture early commercial satellite clients, and has conducted commercial pilots with revenue, two senior industry officials said.

For an extended version of this story, go to livemint.com

Rajasthan State Beverages Corporation Limited
(A Government of Rajasthan Undertaking)
5th Floor, CoERRA Bhawan, Near Aranya Bhawan, Jaipur Pin-302004
(Ph. 0141-2744231, Fax - 0141-2744237, Email - ed.rsbc@rajasthan.gov.in, CIN-U15511RJ2005SCC020336)

NOTICE INVITING e-BIDS
e-Bids for Selection of Franchisee of RSBC for Setting up and Operations of BIO Wholesale Vends in Rajasthan are invited from interested bidders upto 6.00 pm on 18-07-2024. Other particulars of the bid may be downloaded from the procurement portal <https://eproc.rajasthan.gov.in>, <https://sppp.rajasthan.gov.in> of the state and <https://excise.rajasthan.gov.in>.

UBN No. - BCL2425SLOB00004
Raj. Samwad/C24/1340 Executive Director

WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED
(A Govt. of West Bengal Enterprise)
Regd. Office: Vidyut Bhawan, Block-DJ, Sector-II, Bidhannagar, Kolkata-700091
(CIN: U40109WB2007SGC113473, www.wbseidl.in)

WBSEDCL invites e-Tender as follows:
NIT No.: Adv(S&V)/CSO/ (T)/ PSG/ 3587 Dt.:20.03.2024 of the Chief Security Officer, WBSEDCL for 'Inviting bids from resourceful, reputed & competent private security agencies for providing approx. 3500 (three thousand five hundred) nos. security guards/ supervisors for deployment at different establishments/installations of WBSEDCL across West Bengal.'

For details, visit <https://wbstenders.gov.in> & www.wbseidl.in
ICA- 19891(3)/2024

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जयपुर जिला दुग्ध उत्पादक सहकारी संघ लि.
गांधी नगर रेलवे स्टेशन के पास, जयपुर-302015, Tel: 0141-2713866-69
Ext. (PAB), Website: Jaipurdairy.com, E-Mail ID: jaipurdairy@jaipurdairy.com

ई-निविदा सूचना
जयपुर जिला दुग्ध उत्पादक सहकारी संघ लि. जयपुर द्वारा अग्रिकृत/ फार्मों से जयपुर दुग्ध संघ एवं अधीनस्थ उपकेन्द्रों पर तकनीकी एवं सामान्य कामगार/श्रमिक उपलब्ध करवाये जाने हेतु अनुभवी/प्रशिक्षित फार्मों से ई-निविदा के माध्यम से वेबसाइट <http://eproc.rajasthan.gov.in> पर दूर आमंत्रित की जाती है। विस्तृत निविदा प्रश्न वेबसाइट [www.jaipurdairy.com](http://sppp.rajasthan.gov.in) व <http://sppp.rajasthan.gov.in> से भी डाउनलोड किया जा सकता है। प्रबन्ध संचालक
निविदा नं. मर.स्व.हमाल प्राार २०२४

New Okhla Industrial Development Authority
Administrative Building, Sector-6, Noida-201301 (U.P.)
Website: www.noidaauthorityonline.in

E-TENDER NOTICE
E-Tenders are invited from eligible contractors/firm for the following jobs against which bids can be uploaded and same shall be opened/downloaded as per schedule mentioned. The details and conditions of all tenders are available on Noida Authority's official website: www.noidaauthorityonline.in & <https://etender.up.nic.in>. Please ensure to see these websites for any changes/amendments & corrigendum etc.

A) Fresh-Tender Work

S. No.	Jobs No.	Name of the Work	Tender Amount (Rs. Lacs)
1	04/DGM/SM (WC-7)/ ET/ 2024-25	M/o Drain (C/o RCC drain and Box Culvert C-04 to C-54 on 60.00 mtr. wide road in Phase-II), Noida.	152.04
2	07/DGM/SM (WC-7)/ ET/ 2024-25	D/o Sector-80-81 (C/o RCC drain and fixing Hollow covers on 60 mtr. wide road Sector-80 side), Noida.	162.98

The above tenders can be uploaded by dated 11.07.2024 up to 5.00 PM. Pre-qualification shall be opened/downloaded on dated 12.07.2024 at 11.00 AM.

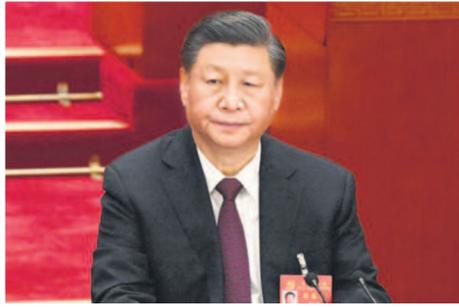
Dy. General Manager (Civil)
Sector-6, NOIDA
CLEAN, GREEN, SAFE & SECURE NOIDA

MADHYA PRADESH INDUSTRIAL DEVELOPMENT CORPN. LIMITED
(Government of M.P. Undertaking)
SECRETARIAT FOR SINGLE WINDOW SYSTEM
21, Arera Hills, Bhopal-462011, M.P. (India)
Tel. : (91) 0755-2571830, 2575618, 3523555, 3523505
E-Mail : helpdesk@mpidc.co.in, Website: www.invest.mp.gov.in
(CIN : U51102MP1977SGC001392)
No. : 199/MPIDC/Est./S. N. 17/2024/6765 Date : 26.06.2024

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3	Sector Specialist - Automobile & Engineering	1	1,25,000
4	Sector Specialist - Food Processing	1	1,25,000
5	Digital & Social Media Specialist	1	1,25,000
6	Chief Technical Officer	1	2,00,000
7	Policy Specialist	1	1,50,000
8	Senior Project Engineer (Civil)	1	1,25,000
9	Project Engineer (Civil)	1	1,00,000

2. Brief job description, minimum qualification, relevant experience, application format, opening & closing dates and other details shall be available on website www.invest.mp.gov.in.
M.P. Madhyam/115097/2024 **MANAGING DIRECTOR**



The new limits for Chinese financiers are in line with President Xi Jinping's push for a more equal distribution of wealth. AFP

China's finance elite face \$400,000 pay cap, bonus clawbacks

Bloomberg
feedback@livemint.com

The era of big paychecks for Chinese financiers is fast coming to an end as some of the industry's biggest companies impose strict new limits to comply with President Xi Jinping's "common prosperity" campaign.

The nation's largest financial conglomerates have asked senior staff to forgo deferred bonuses and in some cases return pay from previous years to comply with a pre-tax cap of 2.9 million yuan (\$400,000), according to people familiar with the matter.

China Merchants Group, China Everbright Group and Citic Group Corp. are among state entities that have conveyed the guidance to employees at some of their units in recent weeks, said the people, asking not to be identified discussing a private matter. Some mutual fund managers are also being pressured to return non-compliant pay earned in previous years, the people said.

Vilified by Beijing as "hedonists" over their lavish lifestyles, top-earning finance workers including investment bankers and fund managers have been among the hardest hit by Xi's push for a more equal distribution of wealth. The \$66 trillion financial industry has fallen under tighter Communist Party control, with banks and brokerages slashing pay and other perks.

Several Chinese mutual fund managers proposed capping staff salaries at about 3 million yuan, people familiar with the matter said in April. It wasn't clear how many financial entities will be subject to the current guidance, the people added.

At Citic Securities Co., a unit of Citic Group, all senior executives on its management committee earned well over 3 million yuan last year, with

chairman Zhang Youjun making 5 million yuan, according to its annual report. The majority of their pay was from deferred bonuses.

Representatives of Citic Group, Merchants Group and Everbright Group didn't respond to requests for comment. The move comes as China recently started a new round of anti-graft inspections of some of its largest state lenders, the central bank and key regulators, the first broad probe since the one in 2021 that sent shock-waves through the industry.

At least 130 financial officials and executives were investigated or punished in 2023 alone, according to Bloomberg calculations based on official announcements.

Authorities have put an increasing focus on corruption among cadres and corporate executives, at a time when they are trying to stabilize the world's second largest economy and prevent systemic financial risks.

The proposed caps mark a drastic shift from the era where companies doled out big pay checks to

President Xi will convene senior officials from 15 to 18 July for a delayed conclave that's expected to set long-term policy on a wide range of economic and political issues, the official Xinhua News Agency reported after the Politburo wrapped up a meeting on Thursday. That meeting emphasized the party's leadership should be at the centre of any reform, and called for the proper handling of relationships between economy and society, government and market, development and security.

China's economy is struggling to regain momentum as confidence has cratered among domestic consumers and international investors. Banks have been urged to step up lending, but demand is weak for new credit.

Rivian's lifeline is a \$5 billion gamble for Volkswagen

The automakers' new partnership combines scale of an incumbent with the clean-sheet technology of a startup

Stephen Wilmot
feedback@livemint.com

Rivian gets the thing it needs most out of its deal with Volkswagen: cash. What Volkswagen receives in exchange is less clear-cut. The carmakers late on Tuesday announced a tie-up aimed at leveraging their different strengths to fix their respective weaknesses in an industry upended by the rise of electric vehicles.

Rivian's problems are financial and operational: It has well-reviewed EVs, but still loses money to make them, setting it on a road to ruin. Volkswagen is a master of scale manufacturing and still generates huge operating cash flows—the analyst consensus is for roughly \$38 billion this year—but hasn't nailed the complex software necessary to create cutting-edge EVs.

Overlay these two skill sets and you get a win-win situation, or that is the theory. The reality will depend partly on how well they work together in a proposed joint venture that neither side will control.

In Volkswagen's case, there is also the crucial question of capital efficiency that has long weighed on the stock. It could end up putting \$5 billion into Rivian and the JV. If this simply comes on top of internal investments, it will add complexity and cost to an organization in desperate need of simplification.

The JV, to be run by co-chief executives supplied by each company, will focus on the so-called electrical architecture of EVs. This is the system



Rivian's problems are financial and operational: It has well-reviewed EVs, but still loses money to make them. BLOOMBERG

that connects and controls vehicle electronics, increasingly via a "software stack" that can deliver over-the-air updates. Getting it right makes EVs smart as well as electric. The technology is tougher for old-school automakers than just replacing gas engines with batteries and motors because it requires a different kind of engineering.

THE WALL STREET JOURNAL

Volkswagen EVs such as the ID.4 have been praised for their hardware but criticized for their infotainment system, particularly in China. Last year the company invested in Chinese EV maker Xpeng to get access to its software for the local market, and the Rivian deal follows a similar pattern. Volkswagen will start by giving

Rivian \$1 billion through a convertible note, with another \$2 billion for further tranches of equity next year and in 2026, subject to conditions. In addition, the German company will put \$1 billion into the JV later this year, including to secure Rivian's current electrical architecture. A \$1 billion loan to the JV may follow in 2026.

Rivian's stock soared 36% in pre-market trading. While the gains are

exaggerated by short-covering and may ebb, they reflect the much-reduced risk investors face now that the company has a strategic backer. Rivian, which is expected to burn through \$4.1 billion of cash this year, is holding an investor day Thursday. The deal has come in time to give it better answers to questions about its financial viability.

Volkswagen's preference shares—the instrument most institutional investors in Europe trade—were down 2% in midday trading Wednesday. That is despite a roughly 50% paper gain on half of its initial Rivian investment, which will convert into stock at a price based on levels before the deal was announced. Investors have been burned before by Volkswagen's habit of throwing money at problems.

The German company invests much more of the cash it generates than its peers. The Rivian deal forced it to cut its guidance for automotive free cash flow after acquisitions to just 3.5 billion euros at the midpoint, equivalent to \$3.7 billion. General Motors expects to generate \$9.5 billion at the midpoint by selling only two-thirds as many vehicles.

If partnerships with Rivian in the U.S. and Xpeng in China can deliver top-notch vehicles, it will be a win for Volkswagen. To turn that into a win for its investors, though, the German company will also need to limit software investments at home to avoid the usual waste and duplication. For a company with a big state shareholding and an unusually dominant union, that may be the harder part.

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Biggest banks can withstand severe downturn, \$685 bn in losses: Fed

Andrew Ackerman
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WASHINGTON

Big U.S. banks passed their latest annual stress test, with the Federal Reserve finding they would be able to continue lending to households and businesses in a severe recession even while suffering losses last year's tests.

This year's exercise measured the 31 biggest banks' ability to maintain strong capital levels in a hypothetical recession marked by double-digit unemployment and a severe stock market decline.

The banks would collectively lose nearly \$685 billion in the Fed's imaginary worst-case recession, the Fed said.

That would be more than last year, but all the banks would still remain above their minimum capital requirements.

The banks were expected to lose more in this year's test because they faced higher projected credit-card losses, riskier corporate loans and lower projected income, the Fed said.

The bank balance sheets are "somewhat riskier and expenses are higher,"

Michael Barr, the Fed's vice chairman for banking supervision, said in a statement.

"The goal of our test is to help to ensure that banks have enough capital to absorb losses in a highly stressful scenario," he said. "This test shows that they do."

The annual exercise aims to project confidence about the health of the banking



Michael Barr, vice chairman for banking supervision at the Fed. AP

system. If banks do poorly, they could face automatic restrictions on shareholder distributions and discretionary bonus payments. None of the banks face those limits after this round of tests.

Wednesday's results could give banks and their lobbyists

more ammunition to push back against large increases in capital requirements, which the Fed and other regulators have floated. Supporters of the plan say it will improve the overall resilience of the financial system after a spate of regional bank failures last year.

This year's stress test included a severe global recession in which the U.S. unemployment rate jumps to 10%, housing prices crash by 36% and commercial real-estate prices drop by 40%.

Another wrinkle in this year's tests, an "exploratory analysis" of the system suggests banks could withstand a repeat of the deposit crisis of 2023 or a potential catastrophe in hedge funds. The biggest banks could in the aggregate lose up to \$85 billion if five big hedge funds failed, the Fed found.

Those scenarios have no impact on bank capital requirements.

The stress tests were intro-

duced following the 2008-09 financial crisis, when the U.S. government bailed out some of the largest financial institutions. The results of the first tests helped restore investor confidence in the banking system.

Over the years, the annual stress tests have lost a lot of the stress they once had for big banks and are no longer as dreaded by bankers.

Daniel Tarullo, who oversaw bank regulation at the Fed from 2009 until 2017, said the tests have become more routine and predictable and questioned whether the Fed should continue to use them to set big banks' minimum capital levels.

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Gates has billions in green startups. He shares early winners, long shots

Ed Ballard
feedback@livemint.com

It is the blessing that can help determine a climate startup's fate: backing from Bill Gates, one of the biggest investors in efforts to transform the world's energy use.

Since 2015, Breakthrough Energy, the climate-investment firm founded by Gates, has lavished \$2.2 billion on more than 160 startups and other initiatives, seeking both returns for investors and emissions reductions. He has also

made investments separately outside the firm.

Some of those startups are pursuing relatively straightforward solutions, such as sealants that make heating systems more efficient. Others are working on ideas that might sound far-fetched, such as burying plant waste to remove carbon dioxide from the atmosphere.

In an interview, the Microsoft co-founder looked at the road ahead for the young companies he has invested in.

emerge as early winners

The surest bets, Gates said, are the companies that find ways to make existing systems more efficient. "They are, in a sense, just making a better product," Gates said.

Among the examples he cited was TS Conductor, which makes a power cable that weighs less and carries more electricity than conventional wires. That lets utilities add power to congested grids without building new transmission lines.

As demand for TS Conductor's technology grows rapidly, a company representative said it is deciding where to put a new U.S. manufacturing site with 10 times the capacity of its first one in Southern California.

Another startup Gates cited is Aeroseal, which identifies leaks in heating and cooling systems, then releases sealant-containing mist to plug them. The technology has been used in hundreds of thousands of homes and more than 10,000 commercial buildings, according to the company.

Gates also predicted success



Microsoft co-founder Bill Gates breaks down his climate investments. BLOOMBERG

for KoBold Metals, a mineral-exploration company that uses artificial intelligence to identify deposits of metals used in batteries, power lines and other gear needed for the energy transition. KoBold said this year it discovered a vast copper deposit in Zambia after conducting drilling tests at the site since 2022.

Many startups still need to reduce costs

A big reason many green

technologies aren't catching on more quickly is that they cost more than the polluting option.

"The Breakthrough Energy theory is to get to a point where there is no green premium," Gates said.

That isn't the case yet for green hydrogen, which could help decarbonize steelmaking and other industries that rely heavily on fossil fuels. Green hydrogen is made by splitting

water using renewable electricity, but still costs far more than hydrogen produced from natural gas.

Electric Hydrogen, a Gates-backed startup that says it has developed a better electrolyzer, which splits water, is among those trying to bring costs down. The company raised \$380 million from BP, United Airlines and others last year and opened a factory in Massachusetts this spring.

One area where Gates said the cost gap is narrowing is heat batteries, which convert electricity into heat for industrial processes. Rondo Energy, backed by Breakthrough, is working with Diageo, the liquor company, at sites in Kentucky and Illinois and this week announced deals in Europe.

Some investments are far from paying off

It will likely be many years before some technologies can be commercialized, but Gates said his investing approach is "unusually patient."

Since 2008, he has poured more than \$1 billion into TerraPower, a company he founded to develop nuclear reactors that are smaller and cheaper than conventional nuclear power plants. TerraPower recently broke ground on its first project in Wyoming, which the company hopes will come online in 2030.

"As long as that looks promising to me, I'll make sure that it's financed," he said.

Those next-generation

reactors aren't the biggest long shot in Gates's portfolio. Breakthrough has also backed startups working on nuclear fusion, which could theoretically provide abundant carbon-free power. But even optimists agree that the first fusion power plant is years away.

Gates called it "maybe the hardest thing we work on."

Startups working to remove carbon dioxide from the air are also still in their relatively early stages. The methods include giant fanlike machines that suck carbon from the air, and the spreading of carbon-absorbing rocks on soil.

Gates said he pays \$600 per metric ton of carbon dioxide to offset his emissions; Breakthrough has backed a startup that says it can remove carbon for less than \$100 a ton by burying plant waste.

Gates said costs will need to fall further for carbon removal to play a major role in curbing climate change.

A bet that didn't work out

aren't surprising when trying to develop new technologies. One disappointment for Gates came in May with the chapter 11 bankruptcy of Ambri, a developer of liquid-metal batteries.

Ambri is one of many startups trying to develop cheaper or longer-lasting alternatives to lithium-ion batteries, which power electric vehicles and store wind and solar power for when it is needed on the grid.

An Ambri spokesman said the company is on course to exit bankruptcy next month and will push to license its technology after it didn't secure enough investment for its manufacturing plans. Gates is part of a creditor group that is on course to acquire the company out of bankruptcy.

Gates, who invested through his Gates Frontier firm, said Ambri didn't bring down costs as hoped. He predicted that most startups in that area will struggle to gain traction.

"Given the large number of battery companies, the majority of those technologies will be outcompeted," he said.

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NEWS NUMBERS

₹700 cr

THE AMOUNT government has set aside to establish centres of excellence at the National Institutes of Pharmaceutical, Education & Research over five years

₹1,398 cr

THE AMOUNT the clients of Quant Mutual Funds pulled out in three days through 26 June following an investigation by Sebi. It represents 1.5% of its assets

₹62K cr

THE AMOUNT Indian promoters raised through stake sales in the first six months of 2024, the highest since 2019, according to Prime Database

23%

THE STAKE UltraTech Cement, India's largest cement maker will acquire in India Cements for ₹1,885 crore, even as it faces increased competition from Adani Group

500

THE NUMBER of employees Yes Bank laid off as it looks to cut costs and strengthen digital banking, according to a report

HOWINDIALIVES.COM

'Airports must rejig pricing strategies'

Indian airports need to review their pricing strategies and can substantially increase their profitability by garnering more non-aeronautical revenues, according to aviation consultancy firm CAPA India.

India is the world's third largest domestic civil aviation market and air traffic is on the rise. Airlines are increasing their fleet, operating more routes while airports are also expanding their capacities. Airports operated on public private partnership (PPP) mode generate more non-aero revenues compared to those operated by the Airports Authority of India (AAI), the consultancy said during a webinar on Thursday.

Just five PPP airports—Delhi, Mumbai, Bangalore, Hyderabad and Cochin—accounted for 71% of the total non-aeronautical revenue in India in FY20, while handling 53% of the traffic. Despite the rise since privatisation, PPP airports still have headroom to increase non-aero revenue to global levels, CAPA India said. **PTI**



The clarification comes after reports suggested Foxconn is not hiring married women. **BLOOMBERG**

'25% of new hires are married women'

Apple iPhone maker Foxconn has informed the government that 25% of its new hires are married women and its safety protocol, which requires all employees to avoid wearing metal irrespective of gender or religion, is not discriminatory, people aware about the matter said.

In an informal note shared with the government after reports suggested it is not hiring married women, Foxconn stated that such stipulations are not part of its policy and these claims may have been made by those individuals who were not hired, the people said.

They added that such media reports malign the fast-growing Indian manufacturing sector. Meanwhile, the ministry of labour and employment on Wednesday sought a detailed report from the Tamil Nadu labour department on the issue of married women not being allowed to work at the Foxconn India Apple iPhone Plant, as reported by the media.

"Foxconn had clarified that 25% of the latest hires are married women. This would mean nearly one-third of the total women are married," one of the people said. **PTI**

Fairfax Group sells 9.7% in CSB Bank

Canadian billionaire Prem Watsa's Fairfax Group on Thursday divested a 9.7% stake in CSB Bank for ₹595 crore through an open market transaction.

FIH Mauritius Investments, an arm of Toronto-based Fairfax Group, offloaded 16,868,645 shares of CSB Bank through a block deal on the National Stock Exchange (NSE). FIH Mauritius Investments is also the promoter of Thrissur-based CSB Bank.

As per the data available, the shares were disposed of at an average price of ₹352.75 per piece, taking the transaction size to ₹595.04 crore.

After the share sale, shareholding of FIH Mauritius Investments in CSB Bank has declined to 40% from 49.72%.

DSP Mutual Fund (MF), ICICI Prudential MF, WhiteOak Capital MF, Edelweiss Tokio Life Insurance Company, Goldman Sachs, Morgan Stanley, Amansa Holdings, and Abu Dhabi Investment Authority were among the buyers of CSB Bank's shares. **PTI**

Infosys CEO settles insider trading case with Sebi



Infosys CEO and MD Salil Parekh. **REUTERS**

Giant Infosys' managing director and CEO Salil Parekh has settled with markets regulator Sebi a case pertaining to alleged violation of insider trading norms after paying ₹25 lakh. He allegedly failed to put in place "adequate and effective systems" of internal control to ensure compliance for preventing insider trading, according to an order passed by the Securities and Exchange Board of India (Sebi).

The case emerged from Sebi's investigation between 29 June 2020, and 27 September 2021, in the matter of alleged insider trading in the scrip of Infosys. The probe found that certain information which was unpublished price sensitive information (UPSI) had not been considered as such by Infosys.

The latest ruling came after Parekh proposed to Sebi to settle the alleged violations "without admitting or denying the findings of fact" via a settlement order. The case relates to a partnership announcement between Infosys and US-based asset manager Vanguard in July 2020. Under the deal, Infosys was required to provide a cloud-based record keeping platform to Vanguard. **PTI**

RAIN AND RELIEF



Security personnel in raincoats hold umbrellas during heavy rain as they keep vigil near the Parliament House complex in New Delhi on Thursday. Rains lashed parts of the national capital, providing people respite from the heat as the maximum temperature dropped to 35.4°C. **PTI**

Budget to lay road map for Viksit Bharat, says President

'To outline government's futuristic vision'

Dhirendra Kumar
dhirendra.kumar@livemint.com
NEW DELHI

The upcoming budget for 2024-25 will introduce major economic reforms, providing a road map for *Viksit Bharat*, the government's initiative to elevate India to 'developed nation' status by 2047, President Droupadi Murmu said in her address to the joint session of Parliament on Thursday.

"Along with significant economic and social decisions, this budget will include many historic steps as the government prepares to present its first budget in the forthcoming session. It will be an effective document outlining the government's far-reaching policies and futuristic vision," she added. Union finance minister Nirmala Sitharaman is expected to present the budget for FY25 in July.

Murmu said reforms in infrastructure development, manufacturing and industrial policy, digital economy, green energy transition, agriculture, healthcare and financial sectors have helped strengthen India's economy. "Within a decade India has risen from the 11th to the 5th largest economy. When we celebrate the hundredth anniversary of Independence in 2047 as a developed India, the current generation will also get

credit. This is India's century, and its impact will last for a thousand years." She said the government was working towards major reforms in examination-related authorities, including their functioning and other aspects of the examination process. She also emphasized the need for a robust mechanism to prevent the leaking of exam papers for admissions to higher education courses.

"Regarding the recent instances of paper leak in some examinations, the government is committed to a fair investigation and ensuring strict punishment to the culprits," the President said. "It is important that we rise above party politics and undertake concrete measures nationwide. Parliament has also enacted a strict law against unfair means in examinations," she said.

Murmu said the Centre was prioritizing all three pillars of the economy—services, manufacturing and agriculture—and that its production-linked incentive (PLI) schemes and improvements in ease of doing business had significantly boosted investments and employment opportunities. The government is also aggressively promoting sunrise sectors such as semiconductors, solar energy, electric vehicles, electronic goods, and green hydrogen, the President said.

However, the mention of Emergency, prompted Opposition leaders to raise slogans against government.

CCI rejects complaint accusing Google of favouring Truecaller

The Competition Commission of India (CCI) has dismissed a complaint against Google India alleging that the tech giant abused its dominant position to favour Truecaller in the market for caller ID and spam protection apps, as it found no evidence of violation of competition law. While dismissing the complaint, the fair trade regulator said, "The Commission finds that no prima facie case of contravention of the provisions of Section 4 of the Act is made out against Google in the instant matter". Section 4 of the Competition Act, deals with the abuse of dominant position. The ruling came on a complaint filed by Rachna Khaira (informant) accusing Google of granting exclusive access to Truecaller to share private contact details while prohibiting other apps. **PTI**

mint lounge

WIMBLEDON 2024

After more than a decade of dominance, Wimbledon legends are making way for a new generation while the women's crown is up for grabs

FIRST
Can merit dictate the world? Lavanya Lakshminarayan answers

TASTE
Guwahati's buzzing gourmet scene

CULTURE
Give your child space to breathe

ISSUE OUT TOMORROW



CHECKMATE: HOW INDIANS MASTERED THE MIND GAME

As Gukesh gets ready to challenge Ding Liren, we look at how chess has come of age in India



A file photo of a match between D. Gukesh (right) and Magnus Carlsen. Gukesh's recent victories, especially against Carlsen, have propelled him to the 6th place in world chess body FIDE's rankings.

Gaurav Laghate
gaurav.laghate@livemint.com
MUMBAI

In 2013, Dr Rajinikanth, an ENT surgeon, and Dr Padma, a microbiologist, introduced their seven-year-old son D. Gukesh to chess to keep him occupied while they were at work. It soon became apparent that he had a natural inclination to take on mental challenges. It also happened to be the year Chennai was hosting the World Chess Championship between the defending world champion Anand Viswanathan and Norway's new grandmaster, Magnus Carlsen.

"He would spend hours studying and practising chess, devoting 6-8 hours a day to honing his skills," Rajinikanth says. On 5 January 2019, Gukesh became the world's second-youngest grandmaster at the age of 12 years, seven months and 17 days. His recent victory in the 2024 Candidates Tournament positions him as the youngest contender for the coveted title of World Chess Champion later this year, when he takes on reigning world champion Ding Liren from China.

It will also give him a chance to regain India's pride of place, which it lost after his hero was dethroned by Carlsen back in 2013. The world championships, if anything, have historically seen underdogs topple reigning champions, as happened during the Cold War-era drama that played out in Iceland's capital Reykjavik in 1972. That year, another upstart, the USA's Bobby Fischer, beat reigning world champion Boris Spassky to briefly interrupt decades of Russian/Soviet domination of the world championships.

In 1984, the USSR's Anatoly Karpov and Garry Kasparov duelled each other in a marathon in Moscow, which was called off in controversial circumstances after failing to throw up a winner after five months and 48 games. The rematch in 1985 was again a close affair, with Kasparov eventually emerging as the winner. He went on to fend off Karpov in three more world championships in perhaps the greatest rivalry the game has ever seen.

While it may not have matched the Fischer-Spassky and Kasparov-Karpov contests, the 2013 world championship final in Chennai had a profound impact on Gukesh, who watched every move with intense concentration. Eventually, Carl-

sen dethroned Anand in his own city with two games to spare, heralding the beginning of a new era in the world of chess. Now, Gukesh, who hails from a Telugu family settled in Chennai, has a chance to put the city on the map again.

GRANDMASTER INCUBATOR

Chennai has always been uniquely positioned as a centre for chess, and the game has now spread to the rest of the country. "Gukesh's win in the Candidates, and his participation in the World Championship later this year, will drive a lot of interest in India. It's been a kind of snowball effect," says Anand, India's first grandmaster, a five-time world chess champion, and also a two-time chess world cup champion.

The champ acknowledged that the seeds for the growth of the game in India were planted when he became a world junior champion and grandmaster. "A lot of them then took up the game and became grandmasters. When they retired, they started academies. You can see how the ecosystem has developed—the infrastructure, the talent, the coaches all started to come together, and today it has become a very competitive scene in India."

Years before Gukesh entered the chess world, two pre-teen siblings would take an hour-long bus ride every day from Padi, a suburb of Chennai, to coach and grandmaster R.B. Ramesh's Chess Gurukul, a two-bedroom apartment in the city's T. Nagar locality, to learn the game. The siblings, R. Praggnanandhaa, now close to 19, and R. Vaishali, now 23, are today grandmasters and have created many records, including becoming the first-ever duo to qualify to play in the Candidates Tournament, a precursor to finding the challenger for the incumbent world chess champion.

"I started to learn the rules of chess at the age of three watching my sister playing," Praggnanandhaa says. "She used to practise at home and I would watch. I was intrigued by the pieces on the board, and my parents got me one. I played my first state championship at the age of five."

Like Gukesh, Praggnanandhaa was inspired by Anand. "Indian chess players are making remarkable strides. Firstly, we are all inspired by Anand sir. One memorable moment for me was when our school (Velammal Vidyalaya) went to receive

Anand sir at the Chennai airport after he won the world championship," says Praggnanandhaa. On 2 June 2012, Anand returned home after winning his fifth world title, defeating Israeli challenger Boris Gelfand in a rapid tie-break in Moscow to defend his crown. "It was a deeply inspiring experience," recalls Praggnanandhaa, who was just 7 at the time.

In 2022, Chennai hosted the 44th Chess Olympiad with over 1,700 players, including 800 women from 186 countries. Under-18 Indian prodigies, including Nihal Sarin, Arjun Erigaisi, Raunak Sadhwani and Praggnanandhaa helped India get a podium finish at the Olympiad.

"These whizkids of Indian chess are inspiring every parent that their child could be the next Vishy Anand," says Shruti Jain, mother of an 11-year-old learning chess in Vadodara. "Growing up, I was passionate about chess, but logistical issues deterred my working parents from taking me to classes daily. But in the case of my son, high-quality chess coaching is now available online and I'm thrilled to see his rapid progress," she adds.

GROWING POPULARITY

The pandemic acted as a catalyst for the growth of chess. "Yes, more of you joined in 18 months during the pandemic than in all of our first 13 years," Chess.com posted on its official blog in December 2022. The platform saw its total users go from 25 million at the beginning of 2020 to 75 million in 2021 to over 100 million users in 2022 globally.

While Chess has been integral to Indian culture since ancient times, the sport has today gained popularity worldwide, and is played in almost 200 countries. Its popularity skyrocketed during the pandemic thanks in part to shows like *The Queen's Gambit* becoming a massive hit. A recent advertising campaign featuring famous footballers playing chess and the promotion of chess in regional TV series and movies has advanced the sport's reach and popularity further. Social media platforms have also witnessed exponential growth in the consumption of chess content with the emergence of chess influencers.

In addition, tournaments are being organized across various schools, colleges and corporate offices. But the growth of the game hasn't been uniform. For instance, while Chennai and a few big cities have many grandmasters and international masters coaching youngsters, other, smaller cities lack quality coaching.

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SHORT
STORY

WHAT

The seeds for the game's growth were planted by Viswanathan Anand, India's first grandmaster, world junior champion, five-time world chess champion and two-time chess world cup champion.

BUT

The growth of the game hasn't been uniform. While Chennai and a few big cities have many grandmasters and int'l masters coaching youngsters, smaller cities lack that coaching quality.

NOW

The rise of online chess platforms has given players a chance to improve their game. They can win money at competitions and earn an income as content creators.

THE CHAMPIONS

Four Indians are among the top 15 male chess players in the world.

Rank	Name (Country)
1	Magnus Carlsen (Norway)
2	Fabiano Caruana (USA)
3	Hikaru Nakamura (USA)
4	Ian Nepomniachtchi (Russia)
5	Nodirbek Abdusattorov (Uzbekistan)
6	D. Gukesh (India)
7	Ding Liren (China)
8	Arjun Erigaisi (India)
9	Wesley So (USA)
10	Yi Wei (China)
11	Viswanathan Anand (India)
12	Leinier Dominguez Perez (USA)
13	R. Praggnanandhaa (India)
14	Anish Giri (Netherlands)
15	Alireza Firouzja (France)

Ranking, as of June 2024, is based on points won

GM: Grandmaster, IM: International master

Source: FIDE

The flagbearers

Indian men have taken the world of chess by storm.

Rank	Name	Title
1	D. Gukesh	GM
2	Arjun Erigaisi	GM
3	Viswanathan Anand	GM
4	R. Praggnanandhaa	GM
5	Vidit Santosh Gujrathi	GM

In their own league

Indian women chess players have also made a name for themselves.

Rank	Name	Title
1	Koneru Humpy	GM
2	Harika Dronavalli	GM
3	R. Vaishali	GM
4	Divya Deshmukh	IM
5	Vantika Agrawal	IM

GOING ONLINE

One of the things that has made chess so fun in recent years is the convenience and accessibility offered by digital platforms. Previously, one had to visit a club and arrange a game. Now, everything is instantly accessible," said Anand. "This accessibility factor is a driving force behind increased engagement with the game. I believe that chess, coupled with the growing digitization of the world, particularly in India, will contribute significantly to its popularity, especially among the youth."

The demand for structured learning has led to the emergence of chess academies, both online and offline, nationwide. These academies offer a structured curriculum, seasoned coaches and a nurturing community for budding chess enthusiasts.

"At Chessniti Professional Academy, our pedagogy is designed by International Master (IM) Shantanu Bhambure, a player with a peak FIDE rating of 2336. Instructors are FIDE-rated professionals. We deploy sequential learning, individual approach and most importantly, make

chess a fun game to learn," says Mithil Anande, co-founder and chief executive officer (CEO) of the year-old Chessniti Academy in Mumbai.

"For any sport to flourish, infrastructure is a fundamental prerequisite, and with the right application of technology, we have created online systems and processes that aid in high-quality learning at scale," says Sreeraman Thiagarajan, also a co-founder of Chessniti Academy.

AN EXPENSIVE MOVE

While playing chess for fun is one thing, aiming to become a grandmaster is an entirely different endeavour. Experts estimate that to attain the title of international master—the FIDE rank below grandmaster—a player may need to invest over ₹30 lakh per year and participate in tournaments in multiple countries. The financial commitment only increases with each level of achievement. For those aspiring to become grandmasters, without a sponsorship, annual expenses for travel, accommodation and training can range between ₹60 lakh and ₹1 crore.

Praggnanandhaa initially received support from Adani Sportline under its grassroots GarvHai programme, which later evolved into an exclusive sponsorship and talent management arrangement. "We believe in supporting athletes across sports. Praggnanandhaa has brought pride to India, and we are fully committed to backing him," said Sanjay Adesara, chief business officer at Adani Sportline.

Similarly, as Gukesh's talent flourished, his coach, Vijay Anand, recognized his potential and advised him to seek guidance from Grandmaster Vishnu Prasanna. "We dedicated all our resources to supporting our son's passion for chess. From 2017 to 2019, we faced financial difficulties and took loans to sustain his training and tournament participation," Rajinikanth recalled. "Fortunately, our efforts have begun to bear fruit in the last two years, as we secured a sponsorship from Westbridge Capital and received support from WACA (Westbridge-Anand Chess Academy), which provided top-tier training at no cost."

Trusts for specially abled children: A practical guide

To secure your child's future, transfer your wealth to a trust and appoint trustees to manage it

Aprajita Sharma
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Ensuring the future of specially abled children requires more than love and care—it demands meticulous financial planning. Parents navigating this journey often turn to special needs trusts, a strategic move to secure their child's financial well-being and independence.

Rachna Khare, 55, from Bhopal, understands this deeply. She recently established a trust for her 28-year-old son, Rachit. "By the time my son turned 21, we helped him transition to an assisted living setup. Once he settled, we focused on securing his financial future and consulted professionals who advised us to create a trust," Khare said.

Likewise, Sunil Kawariya, 36, a finance professional in Bengaluru, who works at Right Horizons Portfolio Management Services Pvt Ltd, helping parents in this crucial task, has set up a trust for his seven-year-old daughter.

A special needs trust, also known as a private family trust, allows parents to transfer their wealth and appoint trustees to manage it on behalf of their specially-abled children. These trusts are governed by the Indian Trusts Act, 1882, and can be tailored to fit the specific needs and dynamics of each family. Trustees can be family members, friends, or even professionals from NGOs or residential homes where the child receives therapy or support. However, identifying trustees is a critical factor, as they will be responsible for managing the trust after the grantor's demise.

For instance, Sachin Chopra, 44, who is trying to set up a trust for his 48-year-old brother, is struggling to find suitable trustees. "Lack of awareness and very little or no understanding of the role of a trustee makes it difficult to find the right people," he said.

The challenges
According to Jitendra Solanki, director of Dehradun-based estate planning firm, Special Needs Estate Planners Pvt. Ltd, each family can decide and create a structure as per their family dynamics. "What will be the power of the trustees? Who can withdraw the money? How can the money be withdrawn? These are some important aspects that can be defined in a trust deed."

Creating a trust should not be difficult, said Solanki, who caters specifically to families with specially-abled children or relatives. There are many estate planning and law firms active in this space, the idea is to reach out to people who would help you identify the right professionals, he added.

Khare has decided to appoint herself, her husband, and two close relatives as trustees to look after her son. "The second line of trustees could be sons and daughters of our siblings, but we never know who would move abroad or stay in India, or be in the same city where my son lives. We want to streamline everything so that we can clearly explain the need in terms of time and effort to future trustees who will outlive us," she said.

Similarly, Kawariya has appointed one relative each from his side and his wife's side to take care of their daughter in their absence.

Building trust

Parents of specially abled children need to form a trust to ensure their financial well-being after they are no more



RACHNA KHARE (55)
Has a 28-year-old specially abled son

Recently set up a trust where my husband and I and our siblings are trustees.



SACHIN CHOPRA (44)
Has a 48-year-old specially abled brother

Unable to find reliable trustees who can manage the trust in my absence.

The cost

- ₹1-2 lakh including registration
- Recurring cost varies

Stamp duty

- 3-6% varying across states
- Registration fee
- 1%

But what about those like Chopra who are not being able to identify a family member as a trustee? According to Solanki, the solution may lie in other families that are looking for trustees. "So, I become a trustee in your trust and you become a trustee in my trust. That is how people are trying to find a solution," he explained.

Alternatively, one can find trustees from NGOs, residential homes or entities where one's child goes for therapy. "Representatives of such places can become one of the trustees. The trust should ensure that another representative of the same place can replace him or her if the first representative is no longer around," said Solanki.

According to experts, it is always better to appoint multiple trustees. "At least two trustees are required in a private family trust. There is no limit on the maximum number. Anywhere between 2-5 is a good number," he added.

One can even consider appointing a corporate trustee. Nextgen Estate Planning, Warmond Trustees, and Khaitan & Co, provide trusteeship services for a fee.

"In India, corporate trusteeship services are expensive and only those with a sizable corpus can avail of it. We are trying to reduce the cost for special needs trusts. We too provide trusteeship services apart from managing the administrative part of it exclusive to such trusts," said Solanki.

Cost of creating a trust

What is a special needs trust?

A private family trust meant for specially abled children.

Why form a trust

Will is limited to inheritance; a trust ensures the inherited wealth is managed in the best interest of the beneficiary

How to create a trust

- Go for a discretionary trust*
- Registration mandatory for immovable properties, not for movable
- Register the trust deed still with a lower movable asset amount
- Explore collaboration with parents with similar circumstances. eg: differently abled kids
- Ensure that single trustee cannot withdraw funds—stipulate at least 2 signatories
- Bequeath property to trust in your will
- Explore engaging professional trusteeship companies eg: Nextgen Estate Planning, Warmond Trustees, Khaitan & Co., Special Needs Estate Planners Pvt. Ltd.



Tax on trust income

- AT individual maximum marginal rate or,
 - AT AOP tax rate if the following conditions are met :
 - (i) where none of the beneficiaries has taxable income (or income below exemption limit)
 - (ii) none of the beneficiaries is a beneficiary under any other trust
- AOP is association of persons
*Trustees to decide when, how and what amount to give to the beneficiary

Trust income

₹10 lakh

Tax payable at MMR @31.2%

₹3.12 lakh

As per AOP slab rate (old tax regime)

₹1.14 lakh

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PRANAY BHARDWAJ/MINT

WHAT'S THE FOREX RATE?

Whether you are planning overseas travel or want to send money abroad, it is always a good idea to shop around for the best forex exchange rate. From banks, travel aggregators to money changers, various small and big players sell foreign exchange. To simplify your work, here is a list of INR to USD forex rates offered by some of the major banks and travel aggregators. We recommend that you also check the commission being charged by these players to ensure that you are getting the best deal.



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FOREX RATES (₹/\$)

Bank/travel aggregator	Wire transfer*		Buy forex	
	inward	Outward	Forex/travel card	Cash
SBI	83.05	83.90	84.07	84.35
Bank of Baroda	82.92	83.83	84.25	84.65
Canara Bank	83.10	83.82	84.02	NA
IndusInd Bank	81.95	84.95	85.74	86.04
Kotak Bank	81.99	84.90	85.30	85.87
HDFC	82.14	84.78	85.03	85.60
ICICI	81.59	85.02	85.04	86.62
Axis Bank	81.47	85.95	85.15	86.40
Yes Bank	81.99	84.89	85.81	85.81
Thomas Cook	81.60	85.06	83.89	85.28

Note: Data collected from website of respective entities as on 26 Jun 2024; Rate mentioned in the table denotes INR/USD. The rate is as mentioned on the website of the Bank/FI and it may vary according to different amount slab; *Wire Transfer/TT Buying is Inward Rem to receive Forex & Wire Transfer/TT Selling is Outward Rem to send forex

Compiled by BankBazaar.com

Checkmate: How Indians mastered the mind game

FROM PAGE 10

A VIABLE PROFESSION

According to Anand, chess has evolved to become a viable profession. "Chess has long been seen as a viable career option, but its scope is expanding," he says. Today, top chess players worldwide earn money from playing for clubs, competing in tournaments, appearance fees and sponsorships. In India, players who work for major public sector undertakings (PSUs) and government entities have received significant cash rewards for their success in international events.

In the digital era, the boundaries of earning potential in the chess world are expanding. People can earn a living from chess not just as players but also as journalists, streamers, promoters, coaches and more.

Online chess platforms offer players the chance to earn money by participating in tournaments and winning cash prizes. Additionally, players can generate income by competing in local and national tournaments, playing for clubs, engaging in chess hustles, becoming coaches and taking on roles such as arbiters, tournament directors, or commentators.

Last year, Tech Mahindra launched the Global Chess League (GCL), an IPL-style format, touted as the world's first and largest franchise league. "Social media platforms have witnessed exponential growth

and producing chess-related content through brand collaborations. Several chess players have taken to sharing informative and engaging content to entertain users.

"Only the top 10-20 players had a chance to make a living out of playing chess a decade ago. Now, there are multiple opportunities, and most of them are internet based, including streaming, content creation, remote coaching, etc.," says Chessniti Academy's Sreeraman. "For example, Levy Rozman (Gotham Chess), is an International Master. He's the number 1 Chess You-Tuber, but won't even rank in the top 200 in the world."

The rise of online chess platforms has also provided players opportunities to earn income from sponsorships. Several online tournaments are conducted every week, from mid-level to higher-level competitions, and chess players can earn money from home by participating in such competitions without having to travel to different locations.

Anand has some advice for every new player: "If you're starting out, just have fun. Play a few fun games, see what you learn, see if you can implement that learning and take it one step at a time."

For those aspiring to become grandmasters, annual expenses on travel, accommodation and training can range between ₹60 lakh and ₹1 crore.

HOW THE BUDGET CAN UNLOCK NON-LIFE INSURANCE SEGMENT'S POTENTIAL



POWER POINT

SUMIT BOHRA

We welcome your views and comments at
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The insurance industry's growth trajectory aligns with India's aspirations, with Swiss Re, a reinsurance firm, projecting it as the fastest-growing among G20 countries between 2024 and 2028. However, there is still much ground to cover. Insurance adoption in India remains low at around 4%, with life insurance contributing 3% and non-life only 1%. There is significant potential for growth in the non-life segment to meet global standards.

Incentivising investments in health insurance: A key driver of the non-life segment is health insurance. In FY24, the segment surpassed ₹1 trillion in premiums, growing by 20.2%. However, it is also true that close to 73% of India's population is not covered by health insurance. If we consider this, along with the fact that at 14%, India has one of the highest rates of medical inflation, we have a challenge that needs to be resolved on priority.

There is no doubt that a lot needs to be done to promote awareness about adequate medical coverage, especially for families with dependents requiring medical care due to age or chronic condi-

tions. Offering a reduction or complete waiver of goods and services tax (GST) on health insurance premiums could encourage purchase and renewals of health insurance in the long term.

Additionally, providing tax benefits for insurance for senior citizens would ensure that all sections of the population are suitably covered in terms of health insurance. It would also be pertinent to mention that including insurance spends by corporates under corporate social responsibility (CSR) could incentivise several companies to opt for comprehensive group health insurance coverage for employees and by extension, their families.

Bridging protection gap: The insurance protection gap is an equally formidable challenge. Let's consider property insurance. Having a roof over one's head to call one's own remains a dream of the average Indian household.

Due to government schemes, rising income levels and growing urbanisation, owning a home may have become easier, but protecting it from damages is an area of concern. Over 84% of low- and middle-income categories, and over 77% from coastal regions and tier II and III cities, do not have property insurance. Also, courtesy climate change, the number of natural calamities has only been on the rise, resulting in frequent earthquakes, floods, drought and wildfires, among others.

Considering that a significant life savings of an individual are invested in property, and it is increasingly being exposed to potential external threats, encouraging investments in property insurance is imperative.

Today, property insurance contributes less than 5% of non-life premiums. A GST waiver or tax exemptions on the category could



go a long way in improving adoption and reducing the protection gap that the government has to bear in case of damages due to natural calamities.

Similarly, just as workmen's compensation is mandatory for employee welfare and protection, minimum insurance should also be made mandatory for anyone starting a business. Depending on the type of business, they should be required to have fire,

marine and liability insurance, to be able to operate.

Furthermore, all listed companies where public money is involved should be directed to conduct insurance audits to weed out potential protection gaps arising from underinsurance, inadequate coverage, wrong policy issuance, etc.

Empowering investments in the future: Citizens are a country's most critical asset. For India, which has a young population, this demographic dividend can lead to next level growth only if they are economically secure. Investing in the future through pension and retirement plans is vital for economic security. Presently, the annuity and pension protection gap is over 93%.

Considering the growing rate of inflation and cost of living, incentivising increased investments in retirement plans will be important, either by increasing the amount of ₹1.5 lakh under exemption (Section 80C of the Income Tax Act, 1961, under the old tax regime), or by introducing separate exemption provisions for the pension plans, including for senior citizens.

While the Insurance Regulatory and Development Authority of India (Irdai) and the government are taking steps to enhance insurance adoption, innovation, offerings and affordability, the recommendations made in this column could help accelerate the process.

Sumit Bohra is president of Insurance Brokers Association of India. The views are personal.

OUR VIEW

GUEST VIEW



Duckworth levelled the cricket field, didn't he?

Last Friday, the game lost a statistician who helped create a fairer way to adjust targets for rain-interrupted matches. He batted for justice in the one-day format. T20, however, differs

Last Friday, cricket buffs around the world shared a loss, one that was felt most acutely by protestors against the vagaries of weather. Frank Duckworth died at the age of 84. He was a statistician who batted for justice. He was an Englishman, too, and the great injustice that drew him to the arena of a sport that makes heroic claims to fairness was an unfair win by his own country. In a semi-final match of the 1992 World Cup between England and South Africa, his country's team batted first and set a target of 252 runs in 45 overs after the last five got lopped off by rain, which had stopped play for a while. In their turn at the crease, South African batters were steadily chasing that total and had scored 231 for 6 wickets in 42.5 overs when a drizzle called players off the field again. For victory, South Africa needed just 22 runs off 13 balls, easily doable with a few big hit across the boundary. But when they got back after the forced break, they had only one ball left to make 22 runs. An almost sure win was turned into a sudden loss by a crude rain rule that deleted England's two least-scoring overs (both with no runs scored) from its score-sheet to reset a target for 43 overs.

That twist of fate ordered by a cloudy sky had two consequences of note. England advanced to the final and lost to Pakistan, granting it the World Cup and its captain Imran Khan an aura that would later aid his rise in politics. Less fuzzy was what it did to cricket by provoking folks for whom statistics didn't merely mean data—let alone lies, damned or otherwise—but justice. After all, as a discipline, it's doomed if it doesn't strive against bias. This is the passion that animates the dispassionate. Which may explain why Duckworth teamed up with

former cricketer Tony Lewis to work out an equitable formula to reset a target if a match gets interrupted. Either that, or a business-like view of cricket. The duo cracked the puzzle by focusing on the resources at hand in terms of deliveries and wickets. They combined both factors to get a 'resource percentage' for each scenario. The resultant Duckworth-Lewis (DL) chart is a large matrix with '100%' in its top-left corner for full charge (all overs available with all wickets, i.e.), with this gauge dropping as both resources deplete. Since we can consult it for delivery depletions caused by rain, we can calculate a revised target that sets the resources of both teams at par, done by scaling down the original score by the ratio of their differing resource availability. It takes some math, but isn't something a captain can't do on a phone.

Adopted by the International Cricket Council in 1999, the DL chart has proven fairly useful for 50-over clashes. For T20, though, it's less useful, as data analysis suggests. Available balls matter more than wickets in the 20-over format and this difference amplifies the core weakness of the DL method: it ignores how batting line-ups vary. An explosive tail of pinch-hitters is assumed to pack the same punch as one likely to collapse like an idiomatic bicycle stand. Still, cricket fans are in Duckworth's debt. It's a name we cannot easily forget, if only because 'duck' means a score of zero, a concept whose 'worth' is an enduring paradox: It is incalculable, frankly, for it's what enabled us to calculate. Duckworth's legacy needn't be placed at such an exalted level, but in a world that finds itself let down by all sorts of other much-hyped charts, from meteorology to astrology, what he gave us is valuable: a nudge to level the playing field, even if the levellers we craft aren't perfect.

Laws that are bad for business must be reformed, not ignored

The compliance burden on Indian businesses remains too high and their growth incentives too low



ANKUR KOTHARI & YUVRAJ KHETAN are, respectively, chief executive officer of Kusumgar and program manager at Foundation for Economic Development.

How many hours do you end up spending on regulatory matters?" we asked Agarwalji, a garment exporter. "Around 15-20%," he said, "approvals and inspections, labour audit, water, building certificate, new site formalities and so on. Every day, I spend a couple of hours going through some of these." Since this involved government officials, he couldn't delegate it; officers would insist that the owner be their single point of contact. This is not an exception, but a sad reality facing many manufacturers, specially MSMEs.

Manufacturing MSMEs are at the centre of job-led growth in India. Firms up to 10 years old account for about 30% of all formal employment. Yet, most Indian manufacturers stay small and suffer from low productivity; firms that last 40 years only increase employment by 1.4 times from where they started. Similar firms in the US increase employment by seven times. One big factor holding MSMEs back is the burden of various local, state and central government regulations and approvals. According to a 2022 World Bank survey, senior managers in manufacturing firms, like Agarwalji, spend nearly 15% of their time dealing with government regulations. This diverts time from business imperatives, creating a regulatory glass ceiling that discourages investment and growth. When we try to understand root causes, we see a combination of suspicion towards private

enterprise and a deeply risk-averse bureaucracy. This results in rules that are too many, too complex and too process-heavy. By some estimates, formal enterprises must navigate more than 25,000 labour-related compliance requirements. This includes a web of central and state government licences, permissions, registrations and renewals. A recent report by TeamLease RegTech found that nearly 500 compliances are required to set up and run a small automotive manufacturing unit. The rules often focus on the wrong things, like asking for quarterly reports on raw material usage or specifying the creation of a 'managing committee' for canteens in a factory. Other rules even dictate how often factory walls need to be repainted. While many of these are not followed, selective enforcement will not create an ecosystem conducive to growth.

Bad laws need to be reformed, not ignored. We need to foster a sense of trust between businesses and the government. The latter, on its part, needs to implement fewer and better laws. The aim should be to promote competition and growth, rather than incentivizing firms to stay small and under the radar.

States can learn from each other. In 2014, Rajasthan amended its labour laws to introduce flexibility and incentivize MSME growth. The result? Output and

workers per factory grew at twice the pace than the rest of India for the next two years. Plus, common-sense practices such as clear criteria for approvals, well-defined timelines and effective grievance resolution mechanisms will help reduce arbitrariness and uncertainty in the business environment.

We must also build trust between bureaucrats and the political leadership. A 2010 survey of IAS officers found that 80% cited political interference as a reason for leaving the service. Outdated procedures were a key constraint. On the other hand, it has been observed that when bureaucrats feel confident that their decisions will not be subject to later inquiries, they work together with businesses to resolve issues. Investigations of bureaucrats (or politicians) should be based on clear evidence of wrongdoing, and not just on the impact of their decisions on private enterprise. Any decision will have winners and losers, after all. That assurance could empower bureaucrats to administer rules without stifling businesses. Indeed, states that perform better on many metrics, like Tamil Nadu or Gujarat, typically have better relationships between politicians and bureaucrats.

As government regulation improves, compliance and enforcement will follow. Bureaucrats will have more resources to enforce fewer laws, while businesses will have fewer incentives to break rules. Bureaucrats and industry can work in sync. Effective grievance resolution can aid cooperation between the government and businesses. The government's role as a facilitator would then become clearer.

Economic growth and job creation are imperatives. To achieve this, entrepreneurs must be treated not with suspicion but as responsible partners in India's growth. The appropriate role of government is to create an environment where businesses are encouraged to do what they do best: create jobs and wealth. Fewer, simpler and clearer laws would be a step in the right direction.

QUICK READ

The time that managers at small manufacturing units spend on rule compliance leaves little of it for business imperatives. This regulatory glass ceiling keeps investment and growth down.

When regulation improves, compliance and enforcement follow. Entrepreneurs need to be seen as responsible partners in India's growth and should not be treated with suspicion.

10 YEARS AGO



JUST A THOUGHT

A gun is no more dangerous than a cricket bat in the hands of a madman.

PRINCE PHILIP

THEIR VIEW

Cheaper credit doesn't always spell faster GDP growth

MADAN SABNAVIS



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

There are growing calls for a reduction in the repo rate. The argument is not so much that inflation has come down, but that potential growth will get affected. This is contrary to the majority view that as growth is very much on target, with the Reserve Bank of India (RBI) projecting it at 7.2% for the year, monetary policy focus can remain on inflation control. This is different from the stance RBI took during the pandemic, which was to do everything to protect growth. But that was a black swan event, and using the same logic today, when the economy is cruising along well after registering a high growth rate of 8.2% in 2023-24, may be misplaced.

Conceptually, when interest rates are high, companies borrow less, which slows down investment. That's what policy is supposed to do. However, in practice, it is not that simple. Companies invest when they see business opportunity and capacity utilization rates matter more. If there is vibrant demand, higher interest rates will not be an

impeding factor for investment. In fact, for non-financial companies, interest cost as a proportion of turnover is just 3-4%; and is lower than the share of power expenses or promotion and distribution costs. Hence, just as how higher raw material prices do not get in the way of production, provided there is demand, interest costs do not.

When investment decisions are taken, companies work out their return on capital based on future revenue streams adjusted for costs and compare them with the market rate of interest. Higher costs get transmitted to final prices when conditions are good, as is the case presently. Now, in the traditional world, when interest costs were fixed, this equation was relevant. Today, all rates are pegged to either an external benchmark lending rate (EBLR) or the marginal cost lending rate (MCLR), which are reset periodically by lenders. The current rate of interest cannot be the benchmark used, as a loan for say five years will see its pricing vary across the length of this tenure, depending on the environment. Interestingly, for the quinquennium ending 2014-15, which was around the time when bad loans cropped up as a big issue, bank credit growth was robust even though interest rates denoted by the weighted average lending rate on fresh loans

ranged from 10-12% during the period. Hence, there is room for discussion on the link between the repo rate and GDP growth.

The school that is for repo-rate reduction also points to the fact that the absolute number is very high. The central bank rate in India cannot be compared with that in other countries such as the US or Eurozone because it has to be seen in the context of the prevailing inflation rate. In India, the central inflation target has been set at 4%, while it is generally closer to 2% in Western economies. The reason is that headline inflation in India is swayed dramatically by food prices, due to heavy dependence on monsoon rains as well as pricing policies of the government. But the basic question is whether or not RBI's repo rate is high in nominal terms.

Historically, the repo rate has tended to be high in India. For example, for the 60 months preceding the beginning of the pandemic, when the repo rate was lowered to 4%, its average

was 6.28%. If the period is stretched back to 2012 for 98 months, it was 6.90%. Once the rate was lowered to 4%, however, a downward bias took effect, and the last 51 months averaged 5.1%, as the rate was pegged at 4% for 24 successive months.

A different picture emerges when we look at the real interest rate, calculated as the difference between the repo rate and CPI inflation rate for that month. The differences are interesting. For the five years preceding the pandemic, the real repo rate averaged 2%. This was higher than the average of 1% for the 98 months starting January 2012. But when the pandemic period starting March 2020 is considered up to May 2024, the real repo rate averages -0.81%. And finally, the average real repo rate for the period when RBI kept it unchanged at 6.5% for 16 months was 1.12%.

Some conclusions may be drawn from this data. First is that the repo rate appears to be at a fair level in nominal terms.

QUICK READ

If there's vibrant market demand, high interest rates don't get in the way of investment. For non-financial companies, interest cost as a proportion of turnover is just 3-4%. It is not a big burden.

It's the real rather than absolute policy rate that counts. Inflation doesn't just need to be taken into account, it's also what the central bank's rate-setting committee must mandatorily focus on.

Ideally, for a country like India, a range of 6-6.5% is what can be expected under normal conditions. If inflation can be sustained at low levels of around 4% for a year or so, then 5.5-6% could be a range to expect.

Second, the real repo rate is still on the lower side at around 1%, and unless inflation comes down substantially on a durable basis, it would be hard to argue for a rate cut based on this argument.

Third, the crux will be India's inflation path in the coming months. Will we actually see CPI inflation stay durably in the vicinity of 4%? In the last 150 months, it was above 5% in 93 months, while it was between 4% and 5% on 28 occasions. In 29 months, it was less than 4%, a period during which it was concentrated in 2017-18 and 2018-19. If the central bank is looking at inflation of 4.5% in 2024-25, with food inflation still a major concern today, assuming a smooth glide path would be tricky.

The country's inflation pattern is pertinent because the RBI monetary policy committee's official charter is to target inflation at 4% within a band of 2% on both sides. Growth is not the panel's mandate and hence inflation control should logically be the single most important goal for policy.

These are the author's personal views.



THEIR VIEW

MINT CURATOR

Tourism: Do not neglect a sector offering high economic rewards

Our failure to tap the potential of tourism as a boost for GDP and employment growth needs reversal. Start with the budget



SUDIPTO MUNDLE
is chairman, Centre for Development Studies.



GETTY IMAGES

Perhaps the most intractable economic problem facing Indian policymakers today is how to translate India's high GDP growth into high employment growth. One clear message from the reduced BJP share of seats in Parliament, especially its reduced share from Uttar Pradesh, is voter frustration with the lack of opportunities for proper employment and decent livelihoods. Yet, curiously, the dominant policy debates are all about maximizing GDP growth, with little attention paid to accelerating employment growth. Our economic strategy lens needs to change, focusing on employment growth alongside GDP growth.

In the early years of planned development, the emphasis was on heavy industries producing capital goods. Consumer goods industries were given short shrift. Later, when the consequences of neglecting agriculture caught up with us during the food crisis of the mid-1960s, attention shifted to agriculture and the Green Revolution. After the foreign-exchange crisis of 1991, attention shifted again, this time to structural adjustment reforms, mainly in industry and trade policy, as well as fiscal policy. But all these shifts in policy were driven by concerns about growth of output, never by the need to optimize employment growth. The implicit assumption was that if output growth was high, high employment growth would follow. Unfortunately, that did not happen.

If we can now shift our focus from output growth alone to optimizing growth of output and employment, looking at the comparative advantage of sectors through this bi-focal lens, the relative importance of sectors would look very different.

It is in this context that I will make a pitch in this column for tourism and allied activities. This sector has never been considered to have much economic significance, but in fact it has enormous potential that remains mostly unexploited.

India is the fifth largest economy in the world, expected to soon become the third largest. However, it is ranked 39th in the latest World Economic Forum global tourism ranking, with a share of only 1.6% in global tourism income. The share of tourism in the economy is a negligible 0.9%, down from 2.7% in 2019-20; tourism was one of the worst affected sectors in the pandemic. However, it is a very employment-intensive sector. The 2022-23 Periodic Labour Force Survey (PLFS) indicates that its share in employment is 5.5%; i.e., more than five times its share in GDP. Also, tourism has strong linkages with allied sectors in terms of both output and employment. Thus, compared to its 0.9% direct share of GDP, the combined direct and indirect share is 1.8%. Similarly, its direct plus indirect share in total employment, estimated at 76 million persons, is 12.6%, well above its direct share of 5.5% (PLFS 2022-23).

This is the core of the sector's potential significance. If the direct GDP share of tourism could be restored to its pre-pandemic level of 2.7% of GDP in, say, the next 3 years, then the total share of tourism plus allied activities would be back up to 5.4%. The volume of direct plus indirect employment of the sector would then go up 95 million. If that direct GDP share could be further raised to 5.4%, double the pre-pandemic level, in another three years, then by the end of this decade, the tourism sector could be providing total employment of 195 million. These are not small numbers. Yet, such goals are achievable.

To address the scepticism in policy circles about the possible role of tourism in optimizing both GDP and employment growth, it is useful to look around the world at what it has contributed elsewhere. This column has been inspired by what I am seeing in our sojourn through southeastern Europe, how these countries have leveraged their historical legacies and natural features to maximize tourism revenue and employment. To take just one example, in a small country of less than 4 million persons like Croatia, which has reached a per capita income level of \$23,000, the services sector accounts for as much as 61% of its GDP while tourism alone accounts for 20%, higher than the share of all industry. This is despite its limited tourism asset, a large Adriatic coastline,

which is no comparison for India's vast coastline, the Himalayas and southern hills, apart from its many game parks, cultural assets, heritage sites and innumerable sites for religious tourism.

Sceptics may still dismiss the potential of the sector in India, arguing that its role in a small country like Croatia is of little relevance to India. However, in China, the manufacturing hub of the world and an economy about five times the size of India's, tourism contributes 11% of its GDP today, as it did before the pandemic. So the real reason for the unimportance of tourism in India is neither its size nor lack of potential. Instead, it is a policy failure from the beginning to recognize the potential of the sector in helping optimize both GDP and employment and also earn scarce foreign exchange.

But taking tourism seriously will require not only a whole mindset change among policymakers, but also resources and incentives to put a suitable tourism ecosystem in place, from travel options to hotels to efficient high-quality services at tourism sites. Hopefully, in her forthcoming budget, India's finance minister will make a break with the past and provide adequate resources as well as incentives to accelerate the growth of this sector. The payoff in terms of output and employment growth as well as extra forex earnings would be well worth the initiative.

QUICK READ

The share of tourism in India's economy is a negligible 0.9%, while its share in employment according to the 2022-23 PLFS is an impressive 5.5%, more than five times its tiny slice of GDP.

India's challenge today goes beyond raising overall output and policymakers must recognize the tourism sector's high potential for generating jobs as well as economic growth.

statements or actions are attributable to the subject of a deepfake. However, if a deepfake creates the illusion that its subject has said or done something that would harm the person's reputation, it would arguably no longer qualify as an opinion or satire. Defamation may arise not only from the content of such a deepfake, but also from the mis-attribution of words and actions to the person depicted. Celebrities famous for promoting a healthy lifestyle or green causes could have their reputation harmed by deepfakes that depict them discussing a love for junk-food, for example, or flying on a private jet. These situations appear to fall outside the ambit of protected satire recognized by the Delhi high court in the *Anil Kapoor* case.

QUICK READ

There's often a thin line between deepfake satire and defamation and discerning the difference has been made harder by AI generated video clips that could be mistaken as real depictions.

While India is a jurisdiction that sees a legitimate public interest in satire, satirists are advised to issue clear disclaimers that could shield them from the law against damaging people's reputations.

Failure doesn't breed success as a rule but as an exception

Those who learn from it are the brave few who can face reality



FAYE D. FLAM
is a Bloomberg Opinion columnist covering science.



ISTOCKPHOTO

Failure studies constitute the latest 'dismal science,' as economics was once called

A new scientific paper on failure may have succeeded in offering the most depressing opening line in the history of scientific papers: "Is there anything failure does not ruin? It destroys reputations, careers, and families; economic prospects, political prospects, and social ones." That's perhaps a useful corrective to all the graduation speakers, motivational gurus, and TED-talk-giving experts who glibly recount how they persisted, failure after failure, on the way to success. It's easy to forget that many more people fail at least as many times and never achieve their goal. There are many more frustrated authors than best-selling ones, failed entrepreneurs than self-made billionaires, and actor-baristas than *bona fide* movie stars. But it may not be quite as depressing as the new paper suggests. There are some sub-categories of failure that do seem to spawn success, and there are ways of responding to failure that can improve your prospects.

The important finding in the paper, published in the *Journal of Experimental Psychology: General*, is that people tend to overestimate how easy it is for others to overcome failures—like failing a test or overcoming addiction. "Our goal was to better understand resilience and what gets into people's way," said lead author Lauren Eskreis-Winkler of Northwestern University's Kellogg School of Management. Her results indicate that we overestimate how much people learn from failure.

One experiment used a language-learning game in which people got feedback when they chose the wrong answer. Those who paid attention to feedback improved. But fewer than participants expected.

Resilient people are those who are willing to look failure in the eye, she said. But such people are rare because looking squarely at our failures makes us feel bad about ourselves.

People also tend to overestimate the role of willpower in overcoming failure. There's a long history of attributing addiction to a failure of will, for example. Scientists have now come to see addiction as a disease. To recover, people need more than determination—they need medical help. Eskreis-Winkler said that by debunking myths about the ease of success after failure, the researchers were able to convince study subjects to support programmes to help people avoid relapse.

But perhaps not all failures are the same. Another scholar at Kellogg, Dashun Wang, found that in some cases, certain kinds of failures do propel people to success. Falling short can help when a competition is fierce

and those who are near-miss losers are indistinguishable in skills and qualifications from the close winners.

In a 2019 paper published in *Nature Communications*, Wang looked specifically at data on more than 700,000 scientists applying for grant money from the US National Institutes of Health. He got data from the NIH on whose proposals were close to the cutoff: by-a-whisker winners and losers. And Wang found that in subsequent years, the scientists who nearly missed were more successful than those who squeaked out a victory. One explanation might be that near misses were more motivated to work harder and address their weaknesses, while the winners were more complacent. Perhaps, he said, there's an ideal dosage of failure. (Moreover, everyone gets feedback on their grant proposals, whether they're accepted or rejected.)

And of course, once you've failed, your chances of success are zero if you don't try again. So an important consideration is whether it's worth your time and effort to study harder for that bar exam or whether you're more likely to find success in some other career path.

Eskreis-Winkler emphasized that people fail repeatedly because they don't accept feedback—they don't look failure in the face.

You're more likely to get good feedback from people you already work with than people who want to hire you. These days, employers think it's okay to ghost candidates who put hours into applications or interviews. Unsolicited manuscripts rarely get a response. Failed auditions might get only vague comments about a "lack of fit" or "going in a different direction."

The problem is that the gatekeepers who make these decisions don't benefit from putting in the extra effort to tell failed applicants what they didn't like. For useful career feedback, what you need are collaborators or employers who are invested in your success.

So failure can lead to success, indeed, but only under the right circumstances. Life is more complicated than most motivational speakers make it sound, but if we come back to the question posed at the opening of the new academic paper—"Is there anything failure does not ruin?"—the answer is probably 'yes.'

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GUEST VIEW

A thin line separates deepfake satire from defamation

ANUSHKA SHARDA & MADHAV KHOSLA



are, respectively, partner and principal associate at Khaitan & Co.

Satire has long been accepted as a legitimate form of free speech, not constituting defamation. However, with the advent of deepfakes created by using Generative AI tools, whether content is parody or defamation is not limited to only the question of what is said, but now includes the question of whether the viewer can reasonably tell who said it.

Several public figures in India have recently been the subject of deepfakes, some of which were widely circulated on social media. While morphed images are not a new phenomenon, deepfakes created by artificial intelligence (AI) are distinguished by a much higher degree of realism. As AI—and deepfakes in particular—go mainstream across online platforms, the question of how these technologies affect our legal obligations assumes greater salience.

The Delhi high court recently examined the use of non-consensual deepfakes in the matter of *Anil Kapoor vs Simply Life India & Others*. The Hindi film actor Anil Kapoor

had approached the Delhi high court against the misuse of his image, name, voice and persona without his consent.

The Delhi high court observed that tools like AI have made it possible for unauthorized users to use the visual and audio data of any person to create deepfakes. The court held that Anil Kapoor's likeness, image, persona, etc. all deserve to be protected under intellectual property law, and therefore users cannot create deepfakes without consent for their own commercial purposes. The court also observed that the legal protection accorded to free-speech referring to public figures includes satire within its ambit, but does not include speech that jeopardizes the "individual's personality" or "attributes associated with them..."

Television journalist Rajat Sharma has also approached the Delhi high court seeking broad orders on deepfakes, including directions for access to be blocked to software applications that enable their creation. The Delhi high court will consider this case further in July 2024.

Satire versus defamation in the world of deepfakes: While the Delhi high court's decision in the *Anil Kapoor* case does provide a Lakshman Rekha, or red line on what

is acceptable, the question of how deepfakes interact with the law of defamation remains open. Defamation, under civil law, has two aspects: first, the publication of content in any medium, and second, the content that is thus placed in the public domain is found to lower the reputation of its subject.

One line of defence against defamation is that it qualifies as 'fair comment,' which typically includes forms of satire, parody or mimicry, depending on the specific statements made and context in which the content is published. The same standards cannot be directly applied to deepfakes.

In the case of satirical drawings and depictions in film or text of an individual, a fair-minded viewer or reader is aware that the content in question did not actually originate from the subject of the satire. However, recent research suggests even fair-minded people may have difficulty determining whether

statements or actions are attributable to the subject of a deepfake.

However, if a deepfake creates the illusion that its subject has said or done something that would harm the person's reputation, it would arguably no longer qualify as an opinion or satire. Defamation may arise not only from the content of such a deepfake, but also from the mis-attribution of words and actions to the person depicted.

Celebrities famous for promoting a healthy lifestyle or green causes could have their reputation harmed by deepfakes that depict them discussing a love for junk-food, for example, or flying on a private jet. These situations appear to fall outside the ambit of protected satire recognized by the Delhi high court in the *Anil Kapoor* case.

Balanced use of deepfakes for the creation of satire: While several jurisdictions, including India, see a legitimate public interest in satire, the obvious signs that usually lead an audience

to conclude that the content they're consuming is satirical are likely to be missing in hyper-realistic deepfakes. The use of disclaimers on deepfakes, however, can mitigate the risk that a viewer will be misled into taking the content as genuine.

The EU now requires AI-generated content, including deepfakes, to be labelled as such. A similar measure is included in advisories issued by India's ministry of electronics and information technology on 1 March and 15 March 2024.

Indian courts have held that even where content does not, from its context, appear to be defamatory, a disclaimer indicating that the content is satire may usefully safeguard the rights of all parties.

As deepfakes gain in sophistication and become increasingly likely to pass for genuine material capturing reality, content that is meant to parody rather than deceive may still be defamatory. Clear warnings that such satirical content is generated using AI, and that it does not actually seek to depict real-life events, could help manage viewer expectations and reduce the likelihood of unintended defamation charges and their penal consequences.

Haridik Malik, associate at Khaitan & Co, contributed to this article.



Driving a machine fit for an apocalyptic world



With its strong build and engineering, the monstrous 'Kalki 2898 AD' movie car, Bujji, can make the driver feel invincible

Renuka Kirpalani

It's 47 degrees Celsius. Power lines are buzzing over my head, and the terrain is open and arid, except for the freshly laid tarmac of the Coastt High Performance Centre race track in Coimbatore, Tamil Nadu. It feels like I'm in Martian terrain. More so because of what's in front of me: Bujji. It's a mammoth vehicle that makes you believe you've stepped out of reality. There are several sci-fi films about the apocalypse consuming humanity, leaving behind dystopian survival-of-the-fittest world that the hero navigates from the sanctuary of their super-vehicle. I never thought I could step into that kind of future outside of a dream. But I did.

While most filmmakers today use CGI and artificial intelligence to create these kinds of visuals, director Nag Ashwin wanted a touch of reality for his fantasy. *Kalki 2898 AD*, his newly released film that stars actors Prabhas, Amitabh Bachchan, Kamal Haasan and Deepika Padukone. So, he roped in Mahindra and Mahindra and JA Motorsport from Coimbatore to build Bujji.

I've been an automotive journalist for over 20 years and driven everything from a tractor to a Sherp, but this is quite unlike anything I've ever seen. The gargantuan machine is over 6m long, 3m wide and 2m tall. Its sheer size blows me away, and I see the hubless front wheels—yes, I can see through and through the centre of the



Bujji is over 6m long, 3m wide and 2m tall.

wheel. Purpose built, the 34.5-inch wheels with inches of rubber, crafted by Ceat, function with the rims mounted on taper roller bearings and then on to the hollow hubs. It's all done to create a cool-looking wheel. While there are two wheels in front and only one in the rear, it's a far cry from a Polaris Slingshot (the three-wheeled motorcycle). The rear axle weighs about 3 tonnes, and the wheel's frame pivots on the vertical and horizontal axis.

FROM THE INSIDE

The cabin is nestled in a transparent bubble-like canopy. The machine looks like something out of a *Transformers* movie.

I step up into the sparse cabin, and the raw look is all intentional as the hero of the movie, played by Prabhas, is supposed to have built this

out of the scraps he could find.

I am thankful that once that canopy shuts over my head, there is an air-conditioner.

The steering folds up from the floor, and I lock into place via a lever and use another one to move forward. As I accelerate away, the two electric motors offer me instant torque, and this 6-tonne behemoth is propelled forward super rapidly—9000 NM of torque is what's on hand. I am trundling down the dirt runoff areas around the Coastt track feeling super invincible, decimating everything in my path, imagining myself warding off evil villains and capturing the enemy.

In the film, the rear half of Bujji has a cage to

hold captured enemies, but here, it houses the 47kWh battery.

One of the engineers who is riding shotgun with me tells me to steer on to the track. Bujji is rear-wheel drive, and considering there is only one wheel at the rear, I imagine I will have to steer it like a rudder on a boat, but it turns easily enough, much like a large truck would. It accelerates easily, and once I am on the tarmac, I step on the pedal and drive into 2898AD at a rapid pace.

It's easy to dream inside Bujji, but I have to navigate between a set of cones and turn around. Like a truck driver, I turn a little wide, and Bujji sails through to the other side.

I feel like I have stepped into a crazy world way in the future. I am grinning from ear to ear, little 5ft 3 inches me driving this monster. I feel like I can fight off any evil anti-hero that crosses my path.

As I get out, I am still wrapping my head around the crazy amount of engineering that has gone into this vehicle, built to navigate a post-apocalyptic world.

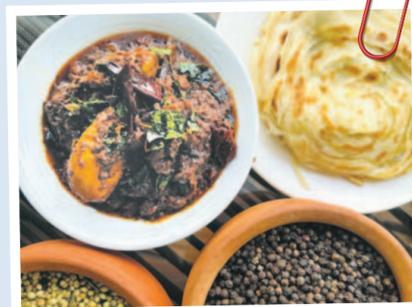
The Mahindra and Mahindra and JA Motorsport team say it took more than two years to create Bujji. The surprising nugget of information shared by director Ashwin, a car nut himself, is that they couldn't use the actual car because of the two-year long wait. Instead, they used a prop vehicle. But since they thought since the project had started, it would be great to complete the car. The film industry is crazy, isn't it?

Renuka Kirpalani is consulting editor, *Autocar India*.

Write to us at businessoflife@livemint.com

THE SPECS

Weight: 6 tonnes
Length: 6075mm
Height: 2186mm
Width: 3380mm
Ground clearance: 180mm
Peak wheel torque: 9800NM
Battery pack: 47KWh



Taste the flavours of south India at Delhi's Edesia restaurant.

For the weekend Of food, theatre and dance

A Mint guide to what's happening in and around your city

DELHI

DAKSHIN YATRA: FLAVOURS OF SOUTH

Till 30 June

Savour flavours of Kerala, Andhra Pradesh, and Tamil Nadu at this food festival. On the menu are items like Chettinad Chicken, Kerala Prawn & Mango Curry, Dindigul Biryani, Thalassery Biryani and Bisi Bele Bath, besides drinks like Ambuli Juice, Neer Majjige and Panakam.

7-11pm. *Edesia, Crowne Plaza, Okhla*. For details, visit www.ihg.com

BENGALURU

THE EARTHQUAKE

30 June

Why do people feel lonely even when they are surrounded by people? Why do people stay in relationships despite not feeling a connection? Director Samragini Dasgupta's play *The Earthquake* explores the theme of loneliness with a story of two people who first bond over an apple.

6:30pm. *Mazumdar-Shaw Auditorium, first floor, Kasurba Road, Museum of Art & Photography*. For details, visit Map-india.org.

COURTESY INSTAGRAM/LASTPAGECOLLECTIVE



MUMBAI

NAVRASA: EXPLORING THE SPECTRUM OF EMOTIONS

2 July

Students of studio Nriya Shakti, led by choreographer Shakti Mohan, will present a two-hour dance performance that expresses a range of human emotions, from joy, sorrow, anger and courage to disgust, fear, peace and love.

7pm. *The Royal Opera House, Mathew Road, Opera House, Gurgaon*. For details, visit www.royaloperahouse.in

HYDERABAD

INDOSOUL: AT THE THEATRES

28 June

Chennai-based band IndoSoul is celebrating its 12-year anniversary with a performance that will bring together Carnatic music, pop and rock.

8pm. *EXT by Moonshine, Phase III, Jubilee Hills*. For details, visit in.bookmyshow.com

Why Denmark is trying to make meat-free meals tastier

The Nordic country is encouraging its residents to embrace plant-based diets to tackle climate change

Bloomberg

Danish chef Rasmus Kofoed has no regrets about going mostly meat free at his three-Michelin star restaurant, even if the decision spurred a wave of hate from across Denmark.

"We got a lot of angry emails from people who said they hoped we would go bankrupt and close," Kofoed recalls in an interview in Geranium, his chic and bright restaurant located at the national football stadium in Copenhagen. "It's like people think you come and steal something from them," says Kofoed, who was undeterred by the uproar. The chef changed the menu to largely plant-based fare in 2022 and earned a coveted world's best restaurant award that same year.

Today Geranium has more customers than ever, he says.

Geranium is part of the Danish capital's growing reputation as a revolutionary culinary destination, but the domestic furore over its menu shows not everyone in Denmark is ready for innovative plant-based cuisine. Many Danes have been

raised on bacon and butter, and feel passionately about their traditional pork sandwiches and meatballs.

This national identity with food is part of the challenge for Denmark as it undertakes an ambitious experiment to curb its 6 million people's appetite for meat and dairy. To slash tonnes of agriculture emissions from its carbon footprint, the Nordic nation is rolling out what is the world's first government-led action plan for plant-based foods. The 40-page strategy, which involves no bans or restrictions, embraces a number of unconventional initiatives to make animal-free meals more enticing, tastier and accessible.

This weekend, dozens of food guides will be deployed at a summer music festival to mingle with concert-goers and stage engaging plant-based cook-ups. A hospitality college in Copenhagen is developing a vegetarian chef degree, while business conferences are trying to nudge attendees toward veggie options. These are just some of the first 36 ideas getting a boost from a \$100 million Plant Fund that accompanies the plan. More grants will soon be handed out after a second funding round was flooded with applications.

Creative solutions are needed to address some of the biggest unsolved climate challenges. Livestock is estimated to make up some 14.5% of global greenhouse gas emissions and is a drag on land and water resources. Getting people in high-



income countries to eat less meat has been singled out as a key way to help the planet. Swapping out beef for a single meal can almost halve a person's carbon footprint for that day.

Yet, governments have typically stayed away from policies aimed at influencing consumer behaviour, especially when it comes to everyday staples. Meat is an increasingly divisive topic embroiled in political culture wars. Governments in the Netherlands and New Zealand have back-

tracked on livestock policies amid protests from farmers. So the plan from Denmark—a large pork and dairy exporter—makes it even more spectacular in the eyes of the international audience, says Rune-Christoffer Dragsdahl, secretary general of the Vegetarian Society of Denmark. It lacks concrete targets and as a result is not politically contentious, something that has helped win over both vegetarians and the country's food lobby.

"It sends a signal to countries that are

similarly deeply rooted in the meat tradition that it's possible to create dialogue and start initiatives for change. It's easy to copy-and-paste," Dragsdahl says.

Other European nations have been "asking curiously" about the details of Denmark's action plan, and expressing interest in taking a similar approach, says Jacob Jensen, Denmark's food minister.

What characterizes Denmark's strategy and its Plant Fund projects is they steer clear of words like "vegetarian" or "vegan," which helps to depolarize the topic. Take business tourism group Meet-Denmark, which has received funding to encourage people to choose plant-based foods at corporate events. One secret is to name dishes anything but vegan or vegetarian, says Sanne Holden Venlov, a green gastronomy consultant who will be training staff as part of the project.

Caterers often default to these labels, she says, but they give little information about what you're eating. "It doesn't have any positive sensual words that make you want to order this fantastic meal they've prepared," Holden Venlov says. "Tell me what's in the dish, the preparation method, or the vegetables you've used to create it." The project builds on behavioural science and "nudges," small, easy-to-do interventions that don't restrict people's choices but can be a powerful lever for changing behaviour.

Other Plant Fund projects are aimed at promoting a greener food culture among

young Danes and teaching them how to cook without meat at the centre of a meal.

One organization Madkulturen has recruited 35 food guides aged 19 to 28 for a so-called "plant corps." The guides, who have received training in plant-based food preparation, will showcase their new skills at Denmark's largest music festival in Roskilde from 29 June, and other events in the fall. Meanwhile, the Copenhagen Hospitality College will next year offer a specialized "green food artisan" degree, taking a flexible approach that allows students to cook with eggs, milk or fish.

Kirstine Birk Petersen is taking part in the working group to develop the degree. The 27-year-old chef student is also enrolled in a green experiment class at the school and says during her first three months of studying she only cooked with meat once. Most of her time has been spent learning about preparing seaweed and kale, breeding carrots and making legume "meatballs."

Birk Petersen, who is not a vegetarian, admits it's a challenge to make something other than meat the hero of a meal, but she sees great potential in learning to craft plant-based dishes that are tasteful and visually appealing. "We need to get away from the sharp divisions of who you are based on what you eat," she says. "Vegetarian does not have to be an identity you have."

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