

Thursday, July 11, 2024

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Allen cuts pay, PhysicsWallah shifts staff as Kota cools ▶ P1

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Think Ahead. Think Growth.

mint primer

To Russia With Love: Takeaways from Modi's visit

BY ELIZABETH ROCHE

Prime Minister Narendra Modi closed a two-day visit to Russia on 9 July. *Mint* looks at the key outcomes from the visit that came amid the Ukraine war and a growing divide between Western countries on the one hand, and China and Russia on the other.



PM Modi and Russia's President Putin attend a meeting in Moscow. REUTERS

1 What were the highlights of the visit?

The diplomatic tightrope walk was unmissable. During bilateral talks on 9 July, Modi prefaced his remarks by addressing President Vladimir Putin as "friend" and spoke warmly about the depth India-Russia ties had acquired over the decades. Modi recalled Russia's help in ensuring cheap fuel and fertilizer supplies for India in the midst of shortages caused by the Ukraine conflict. However, he also addressed the Russian missile strike on Kyiv hospital that killed four children. "Whether it is war, conflict or a terrorist attack, any person who believes in humanity is pained at the loss of lives," Modi said.

BLOOMBERG

2 What were the major bilateral outcomes?

There were detailed talks on expanding and broad-basing trade. Trade between the two nations is heavily skewed in Russia's favour with most the \$60 billion worth of commerce taken up by Indian purchases of Russian oil. Both leaders stressed that India must increase exports to Russia by strengthening industrial cooperation, and forging new technological and investment partnerships, especially in advanced high-technology areas, a joint statement said. The two scaled up their bilateral trade target to \$100 billion by 2030, having already achieved the 2025 target of \$30 billion.

3 What were the areas in which pacts were signed?

Nine agreements were signed. These included accords on facilitating Russian private investment in India, boosting bilateral trade and investment, and increasing trade and joint investment projects between India and the mineral-rich Far East region of Russia. There was also a pact to boost cooperation in the study of polar environments and logistics.

4 What about defence cooperation?

Defence has long been a jet part of the India-Russia partnership. To ensure there are no delays in the supply of critical spares for the Indian defence forces, India and Russia have agreed to encourage joint ventures to make parts for the maintenance of Russian-origin arms and defence equipment in India through transfer of technology. Joint venture firms created as a result would also export military hardware to 'mutually friendly' countries once both India and Russia give their consent.

5 What did the world make of Modi's visit?

US State Department spokesman Matthew Miller said Washington was "quite clear" about concerns over the India-Russia relationship. These had been raised with India, he said. This comes as the US hosts a key North Atlantic Treaty Organization summit marking 75 years of its existence. The US said NATO will give Ukraine new air defence systems to counter Russia. The US, Germany and Romania will also dispatch batteries for the Patriot air defence system. Elizabeth Roche is Associate Professor, Jindal Global University.

QUICK EDIT

Global outreach

One aspect of Indian foreign policy under Prime Minister Narendra Modi that has stood out since he first assumed office in 2014 is the outreach he has made to countries New Delhi seemed to have little time for. Modi's visits to West Asia have been the most remarkable, but his visit to Austria is another good example. On landing in Vienna, Modi became India's first PM in 41 years to go there. The last such visit was by Indira Gandhi back in 1983. Such engagements matter. In this case, Modi's visit has yielded a new understanding with Austria that should put mutual ties on a fresh strategic trajectory through cooperation in areas such as infrastructure development, renewable energy, water and waste management, and artificial intelligence. Modi and Austrian Chancellor Karl Nehammer also discussed the Ukraine war, with the Austrian leader noting how India was in a unique position to help secure peace in Europe. Some of India's global outreach may have to do with the country's adopted role as a leader of the Global South. If India is to play a more influential role in global affairs, it must engage as many countries as possible and maintain principled positions.

MINT METRIC

by Bibek Debroy

Purchase of an air cooler was delayed,
As the husband waited to be paid.
Agra heat gripping her in a vise,
The wife left him in a trice.
Her parents' cooler house met the grade.

QUOTE OF THE DAY

The statutory auditors play a significant role in maintaining stakeholder confidence in audited financial statements and this is particularly important in the case of banking industry where the entire edifice is built on 'trust'...

M. RAJESHWAR RAO
RBI DEPUTY GOVERNOR



MINT PODCASTS



SMARTPHONE DILEMMA
Mint's Leslie D'Monte and Shouvik Das discuss changes in India's telecom industry, with Reliance Jio, Airtel and Vodafone raising prices by up to 27%. They explore AI avatars helping cope with loss, the slowdown in smartphone innovation, and astronaut Sunita Williams' resilience aboard Boeing's troubled Starliner.



HYBRID FUNDS
In this latest episode, we explore Sebi's proposal for passive hybrid funds. Arun Kumar, head of research at FundSIndia, discusses what this new fund category means for investors and its potential impacts on the market. Tune in for insightful analysis and expert perspectives on financial strategies.



DAILY BIZ NEWS
Start your day well-informed with the engaging daily business bulletin "Top of the Morning podcast." In this insightful show, we bring you timely updates on global markets, the dynamic business world, and emerging trends, ensuring you kick-start your day with valuable insights and a wealth of knowledge.





A shrinking informal economy hurts jobs

BY PAYAL BHATTACHARYA

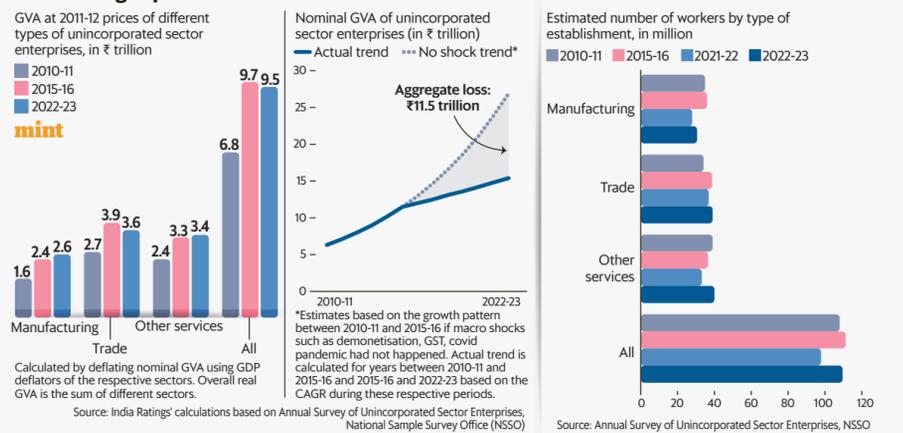
In the past few years, a lot has been written about the struggles of India's informal sector, which forms the backbone of the livelihood for millions in the country. A new government survey confirms some of the fears expressed by economists: The non-farm informal sector shrank—both in terms of output and workforce—during the seven years ended 2022-23.

A leaner informal sector could mean greater formalization, but remember that this was also the period in which the Indian economy, particularly the informal sector, was battered by some of its most disruptive shocks, from demonetization in 2016, and a chaotic introduction of the goods and services tax in 2017, to the covid-19 pandemic.

The 2021-22 and 2022-23 reports of the Annual Survey of Unincorporated Sector Enterprises, released by the government last week, provided data on the size of the sector at nominal prices. A follow-up analysis by India Ratings and Research shows that in inflation-adjusted terms, the gross value added (GVA) by such enterprises declined 1.6% from 2015-16 to 2022-23. (The last time a similar report was released was in 2015-16.) The analysis showed that the informal sector's growth had lagged its potential due to the economic shocks, costing India an estimated ₹11.5 trillion, or 4.3% of 2022-23 GDP, over the 7-year period.

India's informal sector consists of a vast network of small businesses, street vendors, and independent workers, operating outside the formal legal framework, and their sheer size—three-fourths of the workforce—means they play a critical role in job creation. The latest survey covered 458,938 informal sector enterprises between October 2022 and September 2023.

Lower output, economic loss, fewer workers: India's informal sector suffered big in past decade

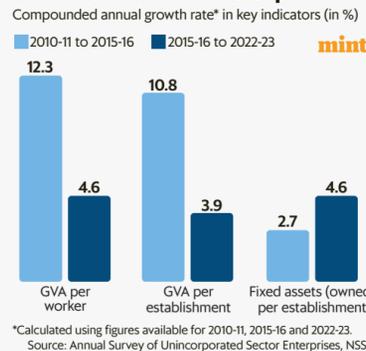


Employment Woes

THE INFORMAL sector had grown 7.4% per year in real terms between 2010-11 and 2015-16. Alongside, the number of workers also rose from 108 million to 111.3 million. But as the informal sector shrank in size in the seven years that followed, the number fell to 109.6 million by 2022-23. This was chiefly due to a decline in the size of the informal manufacturing sector, while trade and other services saw increases. Although this is higher than 97.89 million in 2021-22, the lower level of employment from the pre-demonetization year is worrisome at a time when job scarcity is one of India's major economic issues.

Labour productivity in India's unincorporated sector, as measured by GVA per worker, also paints a worrying picture. The compound annual growth rate (CAGR) for GVA per worker was 12.3% during the period of 2010-11 to 2015-16, which decelerated to a mere 4.6% in the subsequent seven-year period. Amit Basole, a professor at Azim Premji University, says this tends to happen when people crowd into the informal sector due to a lack of other options that divides the existing market among more workers, leading to a fall in productivity.

Productivity growth fell but capital investments rose at a faster pace



Policy Push

AMID THE gloomy scenario in the informal sector, the silver lining is that capital investments have picked up, with fixed assets owned by the sector going up by 4.6% per year between 2015-16 and 2022-23 compared to 2.7% a year in the five preceding years. That improvement could be further tapped through right policy pushes. In the past few years, the Narendra Modi government has tried to push for more formalization of the economy and a shift away from cash, and it has yielded some results. But the shocks to the informal sector cannot be ignored.

Amid the K-shaped growth story of India, with lack of jobs and rural distress continuing to worry policymakers, strengthening the informal sector should be a priority. "No doubt, formalization of the economy is the way forward, but the reduced footprint of the unorganized sector has implications for employment generation," the India Ratings report said. "Therefore, a judicious mix of policy, which allows co-existence of both formal and informal sectors, needs to be pursued in the interim."

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YouGov BRAND DASHBOARD

How Indian consumers rate various brands

This monthly dashboard captures how leading brands in new-age sectors are perceived by urban Indian consumers. The sector in focus this month is **fintech**. The numbers represent "Future Consideration" metric*, i.e. the share of respondents in a daily online poll who showed interest in using each brand in its respective category.

Quarter-on-quarter change in share (in percentage points)

Category	Brand	Share (%)	Change (pts)
WALLETS/UPI	Google Pay	60.7	0.9
	amazon pay	45.4	1.4
	PhonePe	41.1	2.5
	paytm	37.8	-5.6
	BHIM	27.8	0.6
CARD NETWORKS & CREDIT CARD COMPANIES	VISA	23.5	1.2
	mastercard	20.9	0.5
	RuPay	20.7	1.4
	AMERICAN EXPRESS	8.0	-0.2
	one card	6.5	0.7
INVESTMENT PLATFORMS	Groww	16	2.0
	ZERODHA	10.5	-0.1
	upstox	9.6	1.5
	IND money	3.5	0.3
	5paisa	3.2	-0.1

Respondents could select multiple options. The data is based on YouGov's proprietary brand tracking solution, BrandIndex. *Future Consideration is one of the 16 metrics captured by the BrandIndex surveys. The data relies on ~3,300 interviews on average over a period of three months. The poll covered 180 cities. The survey period was Apr-Jun 2024; the comparison is with Jan-Mar 2024.

PARAS JAIN/MINT

PEANUTS by Charles M. Schulz



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Quant MF's Tandon and a bumpy ride to the top ▶ P10



Maruti's Bhargava sees states on road to clean energy ▶ P5

SENSEX 79,924.75 ↓ 426.89 NIFTY 24,324.45 ↓ 108.75 DOLLAR ₹83.53 ↓ ₹0.03 EURO ₹90.38 ↓ ₹0.01 OIL \$85.1 ↓ \$0.88 POUND ₹106.99 ↓ ₹0.04

FAME-III may spark charging, cut outlay

Next edition may be for three years, with a smaller allocation

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NEW DELHI

The upcoming FAME-III scheme to encourage clean transport may give a lift to charging networks, even as the Centre looks to slowly reduce the hefty vehicle subsidies that fuelled an EV revolution in India. According to two officials with direct knowledge of the matter, the scheme may set aside up to ₹2,000 crore to encourage charging networks, critical for wider adoption of electric vehicles. Alongside, the next edition of FAME will back subsidies for all EV categories, as part of a plan to taper all federal subsidies on such vehicles. FAME is short for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India. The second edition of FAME ended in March this year.

"Subsidies have to come down now across the board. They will be lower than in FAME-II," one of the two people said, adding, "Not everyone in the government is in agreement on whether electric four-wheelers should be offered incentives under FAME-III." Meanwhile, officials at the heavy industries ministry are discussing a national charging policy, though its scope and methodology are not clear, since power is a state subject. The ministry has also held talks with government and industry officials as well as the prime minister's office to chalk out a comprehensive action plan for building a charging infrastructure, seeking feedback on whether they need to be installed along highways or in cities, the standards they need to follow, and the type of output required.

"In our base case scenario, we



POWERING UP

RENEWED FOCUS

THE Centre may bring electric car subsidies to an end in FAME-III

IT plans to focus on battery-powered buses, trucks

SUBSIDIES for e-2W, 3W will continue but at a lower rate

have built in the continuation of current reduced incentives till the end of FY25 and progressively nil incentives in FY26. We have seen historically that once subsidy reduces, volumes get impacted for a couple of months and then come back," Jay Kale, senior vice-president at equity research firm Elara Capital said. After FAME-II concluded, the government rolled out Electric Mobility Promotion Scheme (EMPS), a ₹500 crore scheme solely for electric two- and three-wheelers that will run till July 2024. According to the people cited above, FAME-III may offer subsidies at the same levels as EMPS, or lower. Queries emailed to ministries of heavy industry and finance remained unanswered. Industry bodies such as SIAM

have pushed for battery swapping incentives under FAME-III, but there is no decision in this respect, the officials cited above said. The Union cabinet is yet to clear FAME-III, and hence, it may not feature in this year's Union budget on 23 July, the people cited above said on the condition of anonymity. The final contours of the scheme are still being worked out. A top executive with an electric two-wheeler makers said the "industry will not be disappointed" with the limited incentives under consideration. Under EMPS, the maximum incentive available for an electric two-wheeler is ₹10,000 per unit, down from ₹60,000 earlier. However, FAME-III may not just have a smaller outlay, but may also

TURN TO PAGE 6

Allen cuts pay, Physics Wallah transfers faculty as Kota cools

Devina Sengupta & Mansi Verma

MUMBAI

Allen Career Institute has slashed fixed salaries for its 4,000-plus faculty and administrative staff by 20-40%, multiple faculty members said, after the coaching giant in Kota saw 35-40% fewer students sign up this year.

Reliable Institute, a unit of Allen specializing in coaching for top engineering schools, too, has slashed faculty pay, while rival Physics Wallah has reassigned teachers to centres outside Kota. Coming just two years after a fierce war for faculty, the developments paint a grim picture for the once-booming coaching industry in the Rajasthan city, where Allen is the biggest institute. "On 17 June, a meeting of all faculty was called and chief executive officer Nitin Kukreja informed that the number of



Physics Wallah has reassigned teachers to centres outside Kota.

student admissions for the year has fallen from 131,000 last year to 81,000 this year," said a senior physics teacher who has worked with Allen for more than a decade. "Our compensation will from now include variable pay, which can range from 20-50% and will depend on the performance of the individual, the company, and the centre," the teacher said on the condition of anonymity.

According to another physics teacher at Allen's unit Reliable, salaries of about 60 faculty members were reduced last month, in some cases by half. Approximately 600 teachers wrote a joint letter to the institute earlier this month expressing their concerns. "We have been a part of this prestigious organization since the competitors tried to woo us away or dilute the business you have built so passionately... We acknowledge that the Kota Centre is facing challenges such as declining enrolment this year... But this decision to cut salaries has shocked us. Salary cuts not only affect us financially but also affect our mental state," the letter said. Mint has seen a part of the letter that was written in Hindi. Allen did not immediately reply to queries sent late Tuesday.

TURN TO PAGE 6

News on Big Tech: New law likely

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India is considering a new law to ensure fair transactions between Big Tech and news publishers, taking cues from Australia and other nations that want companies such as Google and Meta to pay for using such content on their platforms. The new law will be in addition to the proposed Digital Competition Bill, on which the government has completed

public consultation, according to three persons with direct knowledge of the matter. A parliamentary standing committee on finance led by Jayant Sinha had in 2022 proposed regulatory provisions to ensure news publishers can establish fair and transparent contracts with influential technology companies. It was, however, not included in the Digital Competition Bill being steered by the ministry of corporate affairs, which seeks to establish 'dos and don'ts' for Big Tech to

ensure fair competition in digital markets, explained one of the persons mentioned above. "The proposal for ensuring a level playing field between news aggregators and news publishers is under consideration of the ministry of information and broadcasting. The idea of evolving a separate law is being looked into," said a second person. The I&B ministry is studying Australia's news media bargaining code and similar laws in

TURN TO PAGE 6

DON'T MISS



Norfund, DEG in race for stake in IndiGrid's transmission unit

Investment firms including Norfund and German development finance institution DEG are eyeing a stake in KKR & Co.-backed India Grid Trust's (IndiGrid) new power transmission platform in a deal expected to have an equity value of about \$250 mn. >P7

Disinvestment, monetization receipts likely to be unchanged

The government is likely to keep its revenue target from disinvestment and asset monetization in the upcoming Union Budget at around the same levels of ₹50,000 crore as in the interim Budget. >P2

India plans JV between SCI, oil marketing firm to make tankers

The Union ministry of shipping has proposed a joint venture between state-run Shipping Corporation of India (SCI) and a public sector oil marketing company (OMC) for manufacturing large oil tankers, said three people aware of the development. >P2

NBFCs, not banks, are salary kings in India's finance street

Shadow banks have been able to shower their bosses with hefty salaries, bonuses and stock options as they reap the rewards of robust business growth. But that may be about to change as CEO salaries is likely to come under RBI's purview. >P6

Gold beats equities in first half, and US Fed could fuel it further

Gold has outshone equity markets in the first half of calendar year 2024, defying expectations and showcasing its resilience. Spot gold prices on the Multi Commodity Exchange surged 14%, outpacing the benchmark Nifty50 index. >P4

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June CPI inflation may inch up to 4.9%: Mint poll

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NEW DELHI

India's retail inflation may have inched up to 4.9% in June from 4.75% in May mainly on account of higher vegetable prices, according to the median estimate of 18 economists polled by Mint.

This would be the first rise in inflation in six months, but a favourable base from June 2023 likely helped limit the quantum of increase.

Inflation projections by the economists polled by Mint ranged from 4.56% to 5.14%. The official data is set to be released on 12 July.

"The likely uptick in June CPI inflation closer to the 5% mark, will be on account of higher food and beverages prices, particularly led by vegetables," Deutsche Bank said in a note last week.

Food, which constitutes almost 40% of the inflation basket, has recorded 8% plus inflation since November 2023, while vegetable prices have increased in double digits since then.

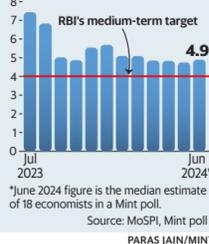
The Reserve Bank of India expects inflation to average 4.5% in the current financial year. However, persistently elevated food inflation and the uncertainty surrounding their future trajectory have been a major headache for the central bank.

Besides vegetables, pulses and milk prices may have added to inflationary pres-

Inflation uptick

The likely acceleration in June would be the first in six months.

Consumer price index, year-on-year (in %)



ures in June. However, a more favourable base effect from July could help slow inflation.

Last month, the Monetary Policy Committee (MPC) of the RBI kept the policy repo rate unchanged at 6.5%, although two of the six members of the panel voted to cut the rate, as the uncertainty over food's inflation trajectory is alive and inflation continues to be above the medium-term aim of 4% for over four-and-a-half years now.

"In the near term, base effects are likely to contribute to a precipitous drop in the headline inflation in July-September, as expected by the RBI," Barclays said in a report last week. However, it added the central bank would want to see signs of durable alignment of headline inflation with the target from October-December.

India plans JV between SCI and OMC to make oil tankers

This move will help India lower its dependence on foreign ships and insurance entities

Subhash Narayan & Rituraj Baruah
NEW DELHI

The Union ministry of shipping has proposed a joint venture between state-run Shipping Corporation of India (SCI) and a public sector oil marketing company (OMC) for manufacturing large oil tankers, said three people aware of the development.

Indian Oil Corporation Ltd (IOCL), the largest OMC and refiner in the country, is being considered as the preferred entity for forging the joint-venture with SCI.

India, which has never made an oil tanker, currently has less than 1% share of the global shipbuilding market, which is dominated by China, South Korea and Japan.

The move is in line with the government's 'Atmanirbhar Bharat' agenda that aims to develop India's manufacturing sector. It will also ensure energy security as indigenous very large crude carriers (VLCCs) or oil tankers would allow India to lower its dependence on foreign ships and insurance entities while reducing the risk of sanctions in war-like situations from impacting operations.

"It is felt that all the key aspects like leasing, operations and insurance should be handled by Indian companies. The shipping ministry has put in a proposal for developing VLCCs in the coun-



China, South Korea & Japan dominate the global shipbuilding market. BLOOMBERG

try with joint venture between SCI and an oil company," said one of the three people mentioned above, adding that the proposal is being considered by stakeholders, including the ministry of petroleum and natural gas.

Another person said that although the proposal is on the table for consideration, it is at an early stage and would need time for taking a concrete shape.

"The infrastructure for building these large VLCCs would also be required to be set up in the country," said the second person.

India is the third largest importer of crude oil after the US and China, and the proposal for making oil tankers comes at a time when wars and conflicts have led

building is an industry with a unique feature - it has nearly 65% value addition coming from other technology and ancillary industries such as steel, electronics, engineering, and port infrastructure.

"Being an order-driven industry where each vessel is custom built, building an orderbook is essential for growth and sustenance of the shipbuilding industry. India has demonstrated strong shipbuilding capability in past with several shipyards delivering good quality vessels globally," it said.

However, Indian shipyards are struggling against a global downturn and competition with protectionist measures, it noted, adding that during early 2000s, the Indian shipbuilding industry produced over 300,000 Gross Tonnage (GT) and ranked among the top 10 in the world.

The global downturn in the shipbuilding industry significantly impacted Indian shipyards with India's share in global market declining to less than 1%.

India currently has 28 shipyards, 6 under the Central public sector, 2 under state governments and 20 private sector. Although Indian companies have been in the shipbuilding business, large oil tankers have not yet been manufactured in the country.

China, Japan and South Korea are among the top suppliers of VLCCs. [subhash.narayan@livemint.com](#)

1%
India's share of global shipbuilding market.

28
Current number of shipyards in the country.

Key posts vacant in central ministries

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NEW DELHI

Several key ministries are without their secretaries - the top civil servant attached to each ministry - raising concerns about policymaking and administrative efficiency.

These include critical ministries such as agriculture, housing and urban affairs, and the department of personnel and training (DoPT).

Secretaries play a vital role in policymaking as the main point persons between a minister and the ministry. Placed at the top of the bureaucratic pecking order they are also key to ensuring policy continuity and smoothing transitions to a new government.

Besides, there are some positions - also influential - of additional secretary and joint secretary level that are vacant in the ministries of health, consumer affairs and agriculture, and the department of post, among others, as per the portals of the respective ministries.

The absence of secretaries and joint secretaries in these key departments is significantly affecting their ability to function effectively, said a



Empty post of secretaries in key ministries raise concerns about policymaking and administrative efficiency. AFP

retired bureaucrat, who wished not to be named.

Experts caution that without leaders of the so-called 'steel frame', these ministries may struggle with direction, decision-making, and policy implementation.

"At this time, the government is finalizing its budget document for FY25, which may also serve as the vision document for Modi 3.0, departments without a permanent head will certainly face issues in policy formulation,"

two other retired bureaucrats, who served in previous Modi governments as secretaries, said on the condition of anonymity.

Secretaries play a vital role in policymaking as the main point persons between a minister and the ministry

"Ministries like agriculture and urban affairs play a crucial role in policy formulation, serving the needs of a large population. While officers handling these departments as part of

their additional assignments are well-trained, having a secretary would significantly impact the effectiveness of sub-

ordinate officers," the first former official, who recently retired from a secretary-level position, said.

The agriculture ministry, which plays a crucial role in ensuring food security and supporting farmers, has been running without a full-time secretary since Manoj Ahuja was transferred to his parent cadre in Odisha to be the chief secretary - the main coordinator between a state and the Central government - following the formation of a new government in the state.

Following Ahuja's repatriation on 25 June, food secretary Sanjeev Chopra was appointed acting agriculture secretary on 29 June, according to a DoPT notification. Similarly, the housing and urban affairs ministry, responsible for urban development and housing policies, has been without a full-time secretary since 5 March, when the then-secretary Manoj Joshi was transferred to the rural development ministry as secretary of the department of land resources.

Queries emailed to the spokesperson of the PMO and Cabinet Secretariat remained unanswered until press time.

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

Disinvestment, monetization receipts likely to be unchanged

Gulveen Aulakh
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The government is likely to keep its revenue target from disinvestment and asset monetization in the upcoming Union Budget at around the same levels of ₹50,000 crore as in the interim Budget.

Two officials familiar with the government's thinking said a shift in strategy of not keeping a separate target for disinvestment and looking at receipts from dividends holistically, will continue. This comes when receipts from dividends have risen significantly in FY24, crossing budget estimates, on the back of a rally by listed public enterprises.

"Some of the transactions are ongoing, and not much has changed from the interim Budget; the approach to not have targets for disinvestment will continue," one of the officials said.

In the interim budget of February this year, the government moved away from the practice



Centre may keep its revenue target at around the same levels as of interim Budget. MINT

of setting revenue targets from disinvestment or stake sales in central public sector enterprises which the government would either partially or fully exit. A full exit, called strategic

disinvestment, is where a CPSE is sold to a private company and government hands

over management control. The shift led to a change in tabulation of capital receipts in the budget with asset monetization and disinvestment being clubbed under the single head of 'miscellaneous', contribut-

ing ₹50,000 crore. Dividends from CPSEs were kept separate with an estimated receipt of ₹48,000 crore.

For FY24, the Centre netted ₹32,507 crore, one-half of which came from disinvestment and the other half from asset monetization. This was higher than the budget estimate of ₹30,000 crore.

Receipts from dividends have been higher than budget estimates for three years running. In FY24, the government earned ₹63,749.29 crore as PSU dividends, 26% above the revised estimates of ₹50,000 crore and budget estimates of ₹43,000 crore. As of 10 July, no proceeds from disinvestment had come in, as per data issued by the department of investment and public asset management. Receipts from dividends, from stakes that government holds in various CPSEs, stood at ₹4,917.6 crore.

Disinvestment receipts are usually a slow trickle, with stake sales of minority shares via FPOs (follow on public offers) or a windfall when strategic sales go through giving the government a lump sum amount in one go.

MINT SHORTS

Govt caps interest equalization at ₹1.66 cr per IEC for Jul-Aug

New Delhi: The commerce ministry on Wednesday clarified that the interest equalization will be capped at ₹1.66

crore per IEC (import-export code) for the 1 July-31 August period. Last month, the government extended the interest equalization scheme on pre- and post-shipment rupee export credit for two months to promote India's outbound shipments. **PTI**

India-Taiwan pact on organic agri goods biz comes into force

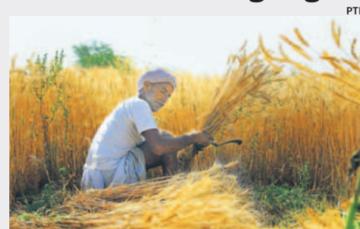
New Delhi: An agreement between India and Taiwan to

facilitate trade in organically produced goods, including tea and medicinal plants, has come into force from Monday, the commerce ministry said on Wednesday. The mutual recognition agreement will ease the export of organic products by avoiding dual certifications, thereby reducing compliance costs, simplifying compliance requirements by adhering to only one regulation and enhancing trade opportunities in the organic sector. **PTI**

Urad prices softening in wholesale market: Govt

New Delhi: The prices of black gram, popularly known as urad dal, have started softening in the domestic market as monsoon rains enhance the area under cultivation during the current Kharif sowing season, the department of consumer affairs said. Anticipation of a normal or above normal rainfall this season is expected to push production of the crop in major urad producing states. **PUJA DAS**

Govt to sell wheat from state stocks starting August



Mumbai/New Delhi: India plans to sell wheat from its state reserves to bulk consumers such as flour millers and biscuit makers from next month, as it seeks to keep a lid on local prices by boosting supplies. The government has allowed the Food Corporation of India to start offering wheat from its inventories from next month at ₹23,250 (\$279) a tonne, a government order said. **REUTERS**

Retail inflation for industrial workers eases to 3.86% in May

New Delhi: Retail inflation for industrial workers eased to 3.86% in May from 4.42% in the same month a year ago. The Consumer Price Index-Industrial Workers was 3.87% in April 2024, a government statement said. It added that year-on-year inflation for May 2024 moderated to 3.86% against 4.42% in May 2023. **PTI**

'Problems faced by states need practical solutions'

New Delhi: NITI Aayog member Arvind Virmani on Wednesday made a case for finding 'practical' solutions to problems faced by states, as many like Rajasthan and Odisha have done without getting the special category status. He said in a democracy one has to recognize specific problems and find out pragmatic solutions. **PTI**

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MINT SHORTS

Samsung hikes prices, bets on AI to reclaim foldables lead

Samsung Electronics Co. sees the addition of AI features as the key to reclaiming its title as the world's leading maker of foldables, mobile chief T.M. Roh said on the eve of unveiling its latest models. The company that pioneered the foldables segment in 2019 staged a gala event in Paris on Wednesday to unveil its new products, the \$1,100 Galaxy Z Flip 6 and \$1,900 Galaxy Z Fold 6. Both are the slimmest and lightest iterations of their respective lines.

BLOOMBERG

'M&A deals in FMCG space may accelerate'

Local firms, MNCs will look to build a wider portfolio through buyouts

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Deal-making activity in India's packaged consumer goods space is expected to accelerate over the next four-to-five years, but fewer potential targets will likely drive up valuations for such transactions, Subhankanta Bal, managing director at financial advisory group Rothschild & Co, said.

He said that both domestic and multinational FMCG companies will look to buy out strong regional and national brands to build scale and diversify their offerings.

Deal activity is expected to be higher in the packaged foods space as more companies build a wider portfolio and gain ground in a market that remains underpenetrated. Bal told *Mint*, adding that domestic companies are likely to be more aggressive in snapping up regional players as they try to build scale and size of business.

"We do expect very strong outcomes on the strategic side (compared to private equity). That's because if there is a corporate deal—private equity will obviously be a very formidable competitor. But if it is a brand deal, companies are better positioned to buy the asset compared to private equity. Because they already have the distribution—all they are doing is plucking the brand out of this company and putting it into their distribution infrastructure," he said.

Globally, Rothschild & Co works with consumer companies such as Nestlé and Diageo. Bal has been associated with Rothschild & Co since 2007 and is responsible for advising businesses on M&A, strategy, and financing, as well as investment in healthcare, pharma, life sciences, chemicals and consumer sectors.



Post-covid, consumer goods makers have lapped up assets spanning spice makers, wellness brands as well as organic food companies.

Post-covid, consumer goods makers such as ITC Ltd, Dabur India, Hindustan Unilever Ltd and Tata Consumer Products have lapped up assets spanning spice makers, wellness brands as well as organic food companies.

In 2022, Dabur acquired a majority stake in spice maker Badshah Masala. Earlier this

Bain Capital are evaluating a controlling stake in Haldiram Snacks Food Pvt. Ltd. In the past three years alone, the consumer sector saw \$2.61 billion being poured into deals—including private equity funding as well as acquisitions, according to data sourced from investment bank Avendus. *Mint* had earlier reported that several large FMCG companies, including Dabur India and Tata Consumer, continue to have strong appetite for acquisitions.

"Organically growing a brand is tough in India—from a gestation period point of view. So if you can buy something, which already has critical scale, and you can pump in much more of that through your distribution infrastructure it's only obviously going to be value-accretive," he added.

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

SNACKING UP

IN 2022 , consumer goods co Dabur acquired a majority stake in spice maker Badshah Masala	EARLIER this year, Tata Consumer Products spent ₹5,100 cr acquiring Capital Foods	IN the past three years alone, the consumer sector saw \$2.61 bn being poured into deals
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year, Tata Consumer Products Ltd spent ₹5,100 crore acquiring condiment and ready-to-cook food maker Capital Foods while separately paying ₹1,900 crore for wellness food company Organic India.

Mint earlier reported that private equity firms Blackstone, Temasek Holdings and

thing, which already has critical scale, and you can pump in much more of that through your distribution infrastructure it's only obviously going to be value-accretive," he added.

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

Microsoft, Apple drop OpenAI board plans amid scrutiny

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Microsoft Corp. and Apple Inc. dropped plans to take board roles at OpenAI in a surprise decision that underscores growing regulatory scrutiny of Big Tech's influence over artificial intelligence.

Microsoft, which invested \$13 billion in the ChatGPT creator, will withdraw from the board, the company said in a letter to OpenAI, which was seen by *Bloomberg News*. Apple was due to take up a similar role, but an OpenAI spokesperson said the startup will have no board observers after Microsoft's departure.

Regulators in Europe and the US had expressed concern about Microsoft's sway over OpenAI, applying pressure on one of the world's most valuable companies to show that it's keeping the relationship at arm's length. Microsoft has integrated OpenAI's services into its Windows and Copilot AI platforms and, like other big US tech companies, is banking on the new technology to help drive growth.

"Over the past eight months we have witnessed significant progress from the newly formed board and are confident in the company's direction," Microsoft wrote in the memo. "We no longer believe our limited role as an observer is necessary."

Microsoft is facing broader scrutiny over its alleged dominance of artificial intelligence. The US has started



Microsoft has invested \$13 bn in the ChatGPT creator.

separate investigations into Microsoft's alleged dominance of the rapidly emerging field, and whether the company properly notified antitrust agencies about its deal with an OpenAI rival, Inflexion AI, people familiar with the matter have said.

European regulators also said they were going to survey OpenAI's exclusive use of its technology, and the UK's competition regulator is weighing a deeper investigation of the tie up. Microsoft isn't being singled out.

The UK is also looking into Amazon.com Inc.'s \$4 billion collaboration with AI company Anthropic, expressing concern that large tech companies are using partnerships to "shield themselves from competition." The US is probing Nvidia Corp.'s dominance over AI chips.

The *Financial Times* reported Microsoft's exit earlier.

Accenture acquires silicon design firm Cienra



New Delhi: IT services and consulting major Accenture announced on Wednesday the acquisition of Cienra Technology, a silicon design and engineering services company offering custom silicon solutions for global clients. Cienra is headquartered in New Jersey, US, and has offices in Frankfurt, Germany as well as in Bangalore, Hyderabad and New Delhi, India. The financial terms of the acquisition were not disclosed.

SOHINI BAGCHI

'PSUs emerging as strong customer base for industry 5.0 startups'

New Delhi: Indian PSUs open to adopting digital solutions are emerging as a promising customer base for industry 5.0 startups that are at the cusp of significant opportunities, says Barath Shankar Subramanian, partner at leading venture capital firm Accel. With India emerging as a key manufacturing hub, startups have a golden opportunity to innovate alongside large enterprises, Subramanian said.

PTI

Medtronic to invest \$60 mn in its Global IT Centre at Hyderabad

Hyderabad: Medtronic, a global medical technology firm, said it will invest \$60 million over three-to-five years in its new Global IT (GIT) Centre at Medtronic Engineering and Innovation Centre (MEIC), which was inaugurated on Wednesday. The Global IT Centre is Medtronic's first large-scale IT centre outside the US, the company said.

PTI



The company, which is opening its 100th store this week, gets about 65% of its revenue from its physical outlets.

The Sleep Company eyes ₹1,000 crore revenue by FY27

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The Sleep Company is betting big on physical stores to clock ₹1,000 crore in revenue by FY27, a top executive of the comfort-tech firm that makes chairs, mattresses, and recliner beds, said.

The company, which is opening its 100th store this week, makes about 65% of its revenue from its physical outlets, while the rest comes from online sales. Back in October, it used to have a 50-50 mix of offline and online sales.

"This year we expect our store network to grow from 100 today to about 150 by March. We are opening one store every four to five days in India. We are currently present in 30 cities. These new stores would come in additional cities as well as, increasing density in the top cities," Harshil Salot, co-founder of the company, told *Mint*.

The share of revenue from physical stores is expected to grow further as the company ramps up the number of outlets, Salot said.

The move follows a report by Accel and Fireside Ventures that suggests that investors no longer want to back domestic

online-only direct-to-consumer brands, a category that had become a big draw for investors putting money in the Indian startup ecosystem till a few years ago.

With its shift of focus to offline, The Sleep Company joins a list of other D2C startups like eyewear retailer Lenskart, cosmetics brand Mamaearth, and meat-delivery platform Licious that all began with a digital-focused strategy, but have now been investing heavily to grow through retail outlets.

The company, co-founded in 2019 by the husband-wife team of Harshil and Priyanka Salot, said it is on track to achieve Ebitda (earnings before interest, taxes, depreciation and amortization) profitability in FY25. The company said it

clocked a revenue of about ₹335 crore in FY24. To be sure, the company is yet to file its FY24 financials with the ministry of corporate affairs.

The company is also ramping up its advertising expenses to achieve the ₹1,000 crore milestone. The Sleep Company, which spent close to ₹70 crore in the year ended March 2023 on advertising, plans to spend ₹85 crore in FY25.

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Arya.ag raises \$29 mn from Blue Earth, Quona Capital

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Agri-tech startup Arya.ag, operated by Arya Collateral Warehousing Services Pvt. Ltd, has raised \$29 million (₹242 crore) in a pre-Series D funding round. Switzerland-based investment firm Blue Earth Capital led the round. The round also saw participation from existing investors Asia Impact SA and Quona Capital.

The integrated grain commerce startup will use the fresh funds to develop its technological stack, expand geographical footprint and boost user base.

"With these funds, we plan to expand our reach, serve more farmers and buyers, and introduce innovative offerings," said Prasanna Rao, co-founder and chief executive officer, Arya.ag.

Setuka Partners served as the strategic advisor for this



Prasanna Rao, co-founder and CEO of Arya.ag

equity round.

Founded by Rao, Chathanathan Devarajan, and Anand Chandra, the Arya.ag platform connects sellers and buyers of agricultural produce and claims to provide assurance on quantity, quality and payments. Arya.ag enables farm-gate storage and provides finance options, which allows farmers to sell the produce at their convenience.

In the financial year ended March 2024, the startup said

that it clocked ₹17 crore in profit on a revenue of ₹360 crore.

Arya.ag was originally part of the JM Baxi Group. In 2013, co-founders Rao, Devarajan and Chandra acquired a controlling stake in the company. Before taking a controlling stake in Arya, Rao was the head of farm commodity finance at ICICI Bank while Anand was previously ICICI's national product head for agricultural commodity finance.

The startup had raised \$60 million in January 2022 in a mix of equity and debt as part of its Series C funding round. Valued at about \$300 million, the agri-tech startup's Series C funding round was led by Asia Impact SA, Lightrock India and Quona Capital. The debt funding round was led by the US International Development Finance Corporation (DFC), among other investors.

The startup had also made two acquisitions in 2022.

CASHe buys Centcart Insurance

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Aeries Financial Technologies Pvt. Ltd, which operates fintech startup CASHe, on Wednesday, said it has forayed into insurance broking services with the acquisition of Hyderabad-based Centcart Insurance Broking Services Pvt. Ltd.

With this strategic acquisition, CASHe expands its presence across key sectors of the fintech industry, including lending, wealth management, and insurance domains, the company said in a statement.

CASHe said that with a direct insurance broker licence, it can now sell insurance products across diverse categories from all insurance companies operating in India, including life and general insurance such as health and vehicle.

The company will provide essential services such as pol-



The move allows CASHe to expand presence across key sectors in fintech.

icy recommendations, claims assistance, and customized risk management solutions as well as instant quotes and online purchasing options for personalized customer experiences.

This strategic acquisition also aligns with CASHe's focus on the rural and semi-urban sectors, aiming to bridge the gap in insurance penetration compared to metro and tier-1 cities, the company said.

"India, as one of the fastest-

growing economies globally, has experienced a surge in demand for insurance products and services, resulting in a notable increase in insurance penetration through brokers," said V. Raman Kumar, founder chairman of Aeries Financial Technologies.

"The new broking licence also enables CASHe to provide personalized product recommendations to its over 50 million users on its platform and offer a diverse portfolio of insurance products to users across India," Kumar added.

Founded in 2016, Mumbai-based CASHe is a financial platform that offers short-term credit, insurance, and investment solutions. It claims to have disbursed ₹10,200 crore worth of digital loans to over 3 million users across India over the past seven years.

It has raised over \$37 million funding. It last raised capital from Singapore-based holding company TSLC Pte Ltd in January 2022.

Martech platform WondrLab eyes 21 acquisitions over 3 years

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Saurabh Varma, the former chief executive of Publicis Communications South Asia, is on a mission to transform WondrLab into a global communications powerhouse with Indian roots. Since its inception during the peak of the pandemic in November 2020, WondrLab has rapidly expanded, boasting over 550 employees across India and Poland and making significant strides with four acquisitions. Varma's vision includes an aggressive expansion strategy with plans for 21 more acquisitions in the next three years.

"We have identified gaps in our portfolio that we want to quickly fill by acquiring the right companies. We are currently evaluating close to 40

companies, and some are close to conversions," Varma told *Mint*. "We are only talking to founders who buy into our vision."

Founded by Varma, along with Vandana Varma and Rakesh Hinduja, WondrLab was established with a distinctive aim. "Unlike traditional networks, our focus is on integrating products and platforms with digital business transformation (DBT) for a global client base," Varma explained. This approach has already led to the acquisition of several companies, including What's Your Problem (WYP), a digital-first creative agency, and Opportunity, a data-driven influencer marketing platform, among others. The most recent addition to the WondrLab portfolio is WebTalk, a Polish B2C digital marketing agency, acquired in January 2024. This acquisition



Since its inception during the peak of the pandemic, WondrLab has rapidly expanded across India and Poland.

highlights WondrLab's commitment to not only enhancing its service offerings but also expanding its geographic footprint, with future hubs planned in Vietnam, the US and West Asia.

"Acquisitions and inorganic growth are part of our core

strategy. We have a dedicated M&A team, which is quite rare in our segment. We're not just building an agency; we're building a network," Varma said. "This has been our ambition from the start. The blueprint is simple: either you acquire or you get acquired.

We've chosen to be the acquirer. Strategically, we're fully digital and avoid legacy structures. We focus on platforms like DVCC (digital video content and community), digital media and data, digital business, and martech/ad tech. These areas allow us to be a digital-first company."

This network-centric approach is complemented by a strong emphasis on digital-first platforms and avoiding legacy structures.

WondrLab has also heavily invested in technology, particularly in areas where digital media intersects with business data and martech (marketing technology). A prime example is their platform Hector, initially developed for Amazon

and now expanding to other platforms like Flipkart. "Hector has been a game-changer in how brands optimise their spends across platforms, providing a strategic edge in digital marketing," Varma said.

Artificial intelligence (AI) technology plays a central role in WondrLab's strategy, particularly in enhancing client services and operational efficiencies. "AI is central to our strategy, especially in creating efficiencies and enhancing client services," Varma stated. "This integration of AI allows us to advise clients on optimal actions without them having to sift through data manually."

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

The most recent addition to the WondrLab portfolio is WebTalk, a Polish B2C digital marketing agency

S&P BSE Sensex			Nifty 50			Nifty 500			Nifty Next 50			Nifty 100			S&P BSE Mid-cap			S&P BSE Small Cap		
CLOSE	PERCENT CHANGE		CLOSE	PERCENT CHANGE		CLOSE	PERCENT CHANGE													
79,924.77	-0.53		24,324.45	-0.45		22,977.65	-0.39		73,897.50	0.05		25,425.65	-0.35		47,450.68	-0.19		53,779.98	-0.69	
PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN	
80,351.64	80,481.36		24,433.20	24,459.85		23,067.35	23,124.15		73,863.60	74,148.70		25,515.10	25,557.65		47,540.17	47,729.03		54,155.43	54,416.34	
HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW	
80,481.36	79,435.76		24,461.05	24,141.80		23,125.30	22,685.65		74,158.90	72,254.00		25,557.70	25,165.00		47,731.38	46,440.87		54,449.11	52,748.17	

MINT SHORTS

China consumer prices inch up but deflation pressure lingers

China's consumer prices eked out another small gain in June, hovering near zero for a fifth month, a sign that deflationary pressures continue to impede an economic recovery. The consumer price index rose 0.2% from a year earlier, the National Bureau of Statistics said. That compares with an increase of 0.3% in May and a median forecast of 0.4% in a *Bloomberg* survey of economists. Companies' rolling out promotions for the annual "618" shopping festival hurt the prices of entertainment-related consumer goods, household appliances and cars last month, the bureau said in a statement. Factory-gate prices remained stuck in deflation, as they've been since late 2022, with the producer price index sliding 0.8% from a year earlier, matching the result expected by economists. The index declined 1.4% in May. China's economic recovery has been uneven this year. Consumption has been hampered by a real estate slump. **BLOOMBERG**



The yuan is frequently described as a "currency anchor" for the rest of Asia.

Yen, Yuan correlation is danger sign for Asian currencies

Asia's two most important currencies are moving together like never before, increasing the risk of a broad decline among their regional peers amid the relentless strength of the dollar. The 120-day correlation between the dollar-yuan and dollar-yen currency pairs climbed to 0.54 this week, a record high in data compiled by *Bloomberg* starting in 2007. A reading of 1 would mean the two move in lockstep. The yuan is frequently described as a "currency anchor" for the rest of Asia given that other nations compete with China in global export markets. The yen is similarly influential due to Japan's sheft as the world's third-largest economy. "It certainly beggars belief to suggest Asia FX are unfettered by yen and yuan weakness," said Vishnu Varathan, head of economics and strategy at Mizuho Bank Ltd in Singapore. "The tight supply-chain and investment linkages as well as inter-dependencies mean that Asia FX will be materially impacted by yen and yuan bears." **BLOOMBERG**

Sensex falls 400 points as investors cream off profits

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Equity benchmark indices Sensex and Nifty buckled under heavy selling pressure to sink below record high levels on Wednesday, tracking deep losses in metal, auto and IT stocks amid widespread profit booking after recent gains.

Rising uncertainty over interest rate cut by the US Federal Reserve also added to the weak trend in domestic equities, traders said.

The 30-share BSE Sensex opened 129.72 points higher to hit a fresh all-time high of 80,481.36.

However, the index soon

tumbled 915.88 points or 1.13% to trade at 79,435.76. It finally closed lower by 426.87 points or 0.53% at 79,924.77.

The NSE Nifty also hit its record 24,461.05 in opening deals but pared all gains to decline 291.4 points or 1.19% to 24,141.80 intra-day.

It dropped 108.75 points or 0.45% to settle at 24,324.45.

"The Indian market experienced profit booking ahead of the upcoming earnings season. The expectations are muted, given the moderation in sales growth due to a slowdown in the world economy and consolidation in margins driven by high inflation."

Additionally, the market is under temporary risk towards high budget expectations,



The NSE Nifty dropped 108.75 points to settle at 24,324.45.

which appears well factored in the last one month's rally," said Vinod Nair, head of research, Geojit Financial Services.

In the Sensex pack, Mahindra & Mahindra tanked over 6% after the company cut the

prices of its SUV models to boost demand.

Mahindra & Mahindra said its XUV700's fully-loaded AX7 range now starts at ₹19.49 lakh, a price cut of over ₹2 lakh.

Tata Steel, Tata Consultancy Services, HCL Technologies, State Bank of India, JSW Steel, Tata Motors and Kotak Mahindra Bank were other losers.

On the other hand, Asian Paints, NTPC, Power Grid, Adani Ports and Bharti Airtel were the winners.

"The intraday slide in the index has slightly dented sen-

timent, but resilience in certain pockets limited the damage," Ajit Mishra, SVP, Research, Religare Broking Ltd, said.

A total of 2,574 stocks declined, while 1,365 advanced and 82 remained unchanged on the BSE.

In the broader market, the BSE smallcap gauge declined 0.69%, while the midcap index dipped 0.19%.

Among the indices, auto declined 1.65%, metal (1.60%), IT (0.99%), commodities (0.87%), consumer discretionary (0.78%), teck (0.76%) and

industrials (0.62%).

In contrast, healthcare, utilities and power were the winners.

"Markets had been hitting new highs over the past few weeks, and hence, investors resorted to profit-taking because of the stretched valuations of Indian equities.

"While several sectoral stocks have run up sharply ahead of their fundamentals, the upcoming earnings of many of these companies will show if the rise is justified or not. Also, investors would look to churn their portfolios ahead of the Budget and trim their exposure in risky stocks," Prashanth Tapse, senior VP (Research), Mehta Equities Ltd, said.

India IPO frenzy draws retail investors with quick 57% gains

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Retail investors are expected to keep piling into initial public offerings in India this year, as hefty gains for new stocks outpace the broader market and listings abroad.

Shares that began trading in India this year have delivered an average gain of about 57% since their debut, according to data compiled by *Bloomberg*. That compares with 32% for Asia Pacific and is more than double the global average, the data show.

At least 15 more companies are working on offerings that could materialize in coming

months that could potentially raise a combined \$11 billion. Buying by retail investors has been key for the success of such sales in India, one of the hottest spots globally for IPOs in 2024 as surging valuations and good economic prospects lure issuers.

"At the moment it seems like a juggernaut that's not going to stop anytime soon," said Vineet Arora, who manages the Singapore-based NAV Capital Emerging Star Fund.

"I talk to a lot of younger generation investors. Most of them don't want to buy a house or real estate, an asset that one would typically invest soon after starting work. Now that money is finding its way



Seven recent IPOs saw individual demand exceed available shares by over 50 times.

into stock markets."

Retail investors bid for about \$10.6 billion worth of shares sold in 36 IPOs on Indian bourses this year,

according to data from Prime Database Group.

The amount was more than 12 times higher than the portion made available for them,

the data show.

All of the new share sales had their individual quotas fully filled.

Individual buying hasn't ebbed since an increase in surveillance in the first quarter by regulators, after several small deals flopped shortly after listing. Aiming to erase what they called "malpractices," authorities imposed measures to cool retail involvement by curbing lending to them for share purchases.

Seven IPOs that began trading in recent months attracted individual demand that surpassed the amount available by more than 50 times. Electric vehicles charging firm Exicom Tele-Systems was among

popular offerings, with retail investors bidding for 120 times more shares than available to them. The stock has rallied almost 230% from than its IPO price.

While individual involvement isn't expected to ebb, many don't plan to keep their investments in specific stocks for long, according to Pranav Haldea, managing director at Prime Database Group.

"Most retail investors basically come in to flip and are not studying the companies or sector and financials," Haldea said. "With the kind of listing gains we are seeing now, if one is able to get allotment, there is quick money to be made," he added.

PFC deserves higher market cap?

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Share price of Power Finance Corp. Ltd (PFC) has tripled over the past one year. Its market capitalization (mcap) now stands at almost ₹1.85 trillion. Interestingly, REC, its subsidiary in which it holds a 52% stake, trades at a mcap of ₹1.6 trillion. This raises a common dilemma for investors: Which of the two stocks should be preferred?

Note that there is no significant difference in the latest financial performance of these companies. In FY24, PFC and REC reported a standalone net profit of ₹14,367 crore and ₹14,019 crore, respectively. The loan book of the former was ₹4.8 trillion, while that of the latter was ₹5.1 trillion at FY24-end.

Currently, REC trades at a price-to-earnings multiple of about 10 times based on FY24 standalone earnings, which indicates a payback period of 10 years. Now, both companies are assumed to have the same growth trajectory in future.

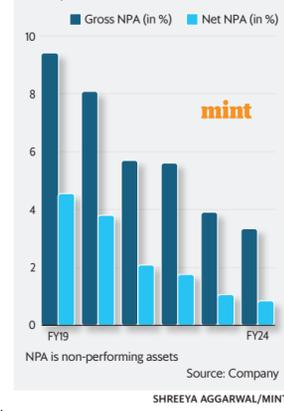
Thus, using the sum-of-the-parts valuation methodology, if PFC also trades in line with REC's price-to-earnings multiple, then the former should command about 25% premium on its current mcap. This is easy to explain.

PFC's net profit for FY24 stood at ₹14,367 crore, and at 10 times price-to-earnings multiple, its mcap works out to ₹1,43,670 crore. Adding this to the 52% mcap of REC, PFC's potential



The share price of PFC has tripled over the past one year.

Power-packed show
PFC's NPAs in FY24 were the lowest in six years



Source: Company

mcap works out to ₹2.3 trillion as against the current figure of ₹1.85 trillion. Both companies have subsidiaries, so standalone valuation is considered for the sake of simplicity.

But skeptics could argue that a holding company discount would be applicable for valuing the stake in REC.

However, that argument has little merit in this case for a couple of reasons. One, both the companies have almost identical business operations. Secondly, a holding company discount is generally applicable in cases where the parent company is either acting as mere holding company without any business activity and/or there is a difference between the businesses of the parent and subsidiary companies, for example, oil refining and telecom/retail in the case of Reliance Industries Ltd.

So, what is the rationale behind having different power financiers with the same ultimate owner, the government? Considering that PFC and REC are doing all kinds of power projects financing and the former has a 52% stake in the latter, some may think it makes sense to merge the two companies.

However, the key obstacle to a merger is the borrowing limit from banks. According to the RBI's guidelines issued in September 2019, a bank can lend 20% of its net worth to each NBFC not giving gold loans. For

instance, a bank with a net worth of ₹100 crore can lend ₹20 crore each to PFC and REC if they are separate companies, but this amount drops to ₹20 crore if the entities are merged.

Lower lending of funds to power financing companies, in turn, reduces the onward lending by these companies.

Irrespective of a merger, the fact remains that both companies have healthy financials on a standalone basis.

The key performance indicators such as ROE (return on equity) of about 20% for FY24 with net NPA of less than a percent and average interest spread of 2.7% have been acknowledged by analysts and investors alike.

This has enabled the course correction of the severe undervaluation of both PFC and REC as the stocks have tripled over the past one year. Their valuation, now at a price-to-adjusted-book-value of 2.25x-2.5x based on FY24, compares well with most banks and NBFCs with a few exceptions, such as Bajaj Finance.

MERGER WISE

SOME experts may think it makes sense to merge PFC and its subsidiary REC

HOWEVER, the key obstacle for a merger is the borrowing limit from banks

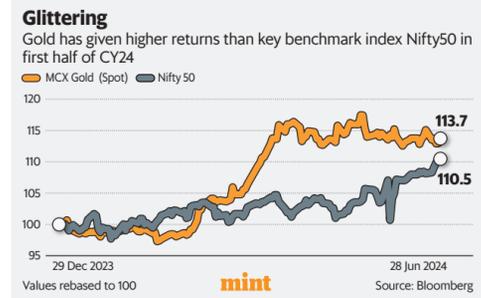
Gold beats equities in H1CY24 and US Fed could fuel it further

Harsha Jethmalani
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Gold has outshone equity markets in the first half of calendar year 2024, defying expectations and showcasing its resilience. Spot gold prices on the Multi Commodity Exchange surged 14%, outpacing the benchmark Nifty50 index. Globally, the yellow metal climbed nearly 13% during the period, reaching \$2,380 per ounce. This rally persisted despite prolonged periods of high interest rates, reinforcing gold's status as a safe haven.

Amid muted global growth, risk-averse investors have

sought refuge in gold. Prices also got a boost from continued central bank purchases and ongoing geopolitical tensions. The traction in gold exchange-traded funds (ETFs) has notably improved, with global gold ETFs seeing inflows worth \$1.4 billion in June, marking the second straight month of positive inflows, a World Gold Council report dated 9 July said. Asian funds attracted a record \$3 billion during the first half, indicating robust investment demand driven by higher gold prices. In contrast, North American and European funds saw large outflows. Still, inflows were seen in June and May helped limit global gold



ETFs' year-to-date losses to \$6.7 billion.

Gold prices in both domestic and international markets are

near record highs, prompting the question: Is there more steam left in this rally? Apart from geopolitical ten-

sions, the strained ties between the US and China will likely sustain safe-haven demand for gold in the medium term. Additionally, a rate cut by the US Fed could serve as a significant trigger for further price increases. As a non-interest-bearing asset, gold becomes a more attractive investment option when interest rates are lower.

While the timing of the Fed rate cut stays uncertain, optimism is growing it might happen sooner than later. Per ING, last week's poor economic data has raised hopes about the Fed pivoting to monetary easing as early as September. "Swap traders are now pricing in a 75% chance of a

rate cut in two months," it said in a report dated 8 July.

ING sees three rate cuts this year versus two currently priced by markets.

The next Federal Open Market Committee meeting is on 31 July. Additionally, movements in US bond yields and the US dollar impact gold prices.

On the flip side, a big reduction in central bank gold purchases could dim its prospects. Notably, China's central bank did not add to its gold reserves for the second consecutive month in June.

Also, declining demand from Asian investors could stall gold's persistent rise.

Aramco kicks off dollar bond sales

Bloomberg
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Saudi Aramco started the sale of triple-tranche dollar bonds, extending the oil-rich kingdom's debt spree as it brings in cash to help fund projects.

The world's biggest oil exporter is selling dollar bonds for the first time since 2021, according to data compiled by *Bloomberg*. The debt has 10-, 30- and 40-year maturities, according to a person with knowledge of the matter. Initial pricing thoughts, announced after calls with investors, are at about 140, 180 and 195 basis points over treasuries for the three tranches respectively.

Aramco is seeking to raise at least \$3 billion, and may increase the size depending on investor demand, *Bloomberg* has reported. Saudi Arabia's government and affiliated companies have borrowed vast amounts this year, topping China as the biggest issuer of international debt among emerging markets. The state, which needs funds to help cover an expected budget shortfall resulting from an ambitious economic diversification plan, has accounted for more than half of the total debt sold by Saudi entities this year.

Aramco is a big part of the kingdom's cash flow plans. In June, the Saudi government offered a stake in the company that eventually brought in \$12.35 billion, while the company's massive dividend payouts—the biggest in the world—also help fill state coffers.



Aramco's sale of dollar bonds is its first since 2021.

In May, Aramco maintained its \$31 billion quarterly dividend to the Saudi government and other investors despite lower profit. Its free cash flow—funds from operations minus capital expenditure—of \$22.8 billion in the period was less than the total payout.

Aramco sold its first dollar bond in 2019 and followed it with a 50-year debt in 2020. It issued dollar-denominated Islamic notes in 2021, data compiled by *Bloomberg* show.

The company hired banks including Citigroup Inc., Goldman Sachs Group Inc., HSBC Holdings Plc, JPMorgan Chase & Co., Morgan Stanley and SNB Capital to manage the latest bond sale, which may price later on Wednesday.

Aramco is likely to use the funds to refinance existing borrowings.

The company is expanding natural gas production at home including \$25 billion of contracts for the Jafurah project. Its spending billions to maintain oil output and pursuing acquisitions overseas.

72% SMBs investing in advertising, finds study

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MUMBAI

Seven in every 10 small and medium businesses (SMBs) in India are now investing in advertising to fuel growth in domestic and global markets, as per a new study. As many as 72% of SMBs invest in advertising, with 85% reporting success in acquiring new customers, showed the study by market-research agency Opinium for Amazon Ads, advertising arm of the e-commerce giant Amazon.com Inc.

The study, which surveyed 300 Indian SMBs, along with businesses across several nations, also found that 28% of them decided against advertising because of prohibitive costs and unsatisfactory returns. "As a digital-first and consumer-first brand, effectively communicating our message is critical. Despite our limited budgets, which make Above The Line advertising out of reach, we focus on performance-oriented online efforts. Our primary platforms include Amazon, Google and Meta," said Tushar Khurana, co-founder of Perfora, a dental-care firm. The path to advertising isn't without challenges. About 30% struggle with budget allocation and 36% find crafting compelling content to be their biggest hurdle.

"Typically, spending 20% of our revenues on advertising is optimal; most new-age brands allocate between 20 and 40%. While there's a clear correlation between advertising and sales, the proportion isn't always consistent...Increasing our advertising spend tends to boost revenue, although the return on investment might take a hit," said Khurana.

States set to implement clean transport initiatives

The move aligns with the national goals to cut greenhouse emissions and reduce oil imports

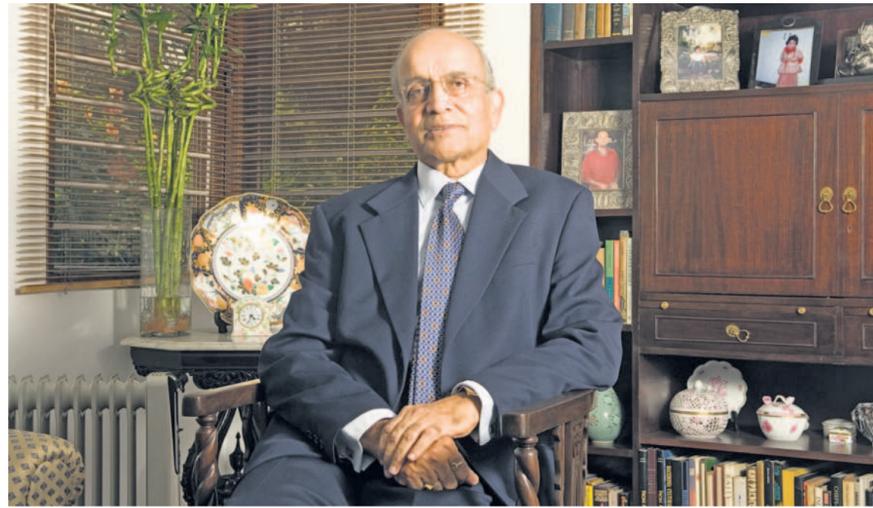
Alisha Sachdev
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NEW DELHI

Numerous states are on the verge of implementing decisions to encourage clean transportation, a move that aligns with broader national objectives to reduce greenhouse gas emissions and lower oil imports, R.C. Bhargava, chairman of India's largest carmaker Maruti Suzuki said in an interview to *Mint*. Bhargava said incentivizing EVs is good, but only incentivizing EVs alone will slow down our "national carbon reduction goals".

He added that the dominance of petrol and diesel vehicles has to be reduced in favour of vehicles with alternative fuels which offer lower emissions. He expressed that the Uttar Pradesh government's directive to waive road tax on hybrid cars would negatively impact the sales of petrol and diesel cars. "There is an adverse impact on petrol and diesel sales. We need to transition to cleaner technologies. As a country we cannot hope to keep selling more polluting cars," he said, emphasizing that taxation policy should be built on the premise of reducing reliance on traditional fuels.

Bhargava also addressed current market conditions, noting that retail sales have been affected by the heatwave in June but are expected to normalize in July. "The heatwave conditions were primarily responsible for the lower retail sales in June. Now that situation has gone, we are in July, and I expect sales to get back to normal," he said.

The automotive industry is experiencing increased discounts due to inventory pressure. "Every company today has increased discounts because of the inventory situation. There is greater supply than demand, and demand and supply determine pricing,"



Maruti Suzuki chairman R.C. Bhargava.

Bhargava explained. He mentioned that manufacturers are adjusting production to manage inventory levels, which is a normal business practice.

Despite the temporary dip in sales, Bhargava is optimistic about the overall economic environment. "The economy

Regarding margin pressure and pricing strategies, Bhargava noted that competition and efficiency will play significant roles. "The more efficient manufacturers, those with cars that have better acceptance by customers, will ultimately thrive," he said. He also high-

which is only being implemented now. "Many states have taken decisions which are about to be implemented. It's not as if this is a sudden decision. UP's decision was actually taken way back in 2022," he said. Bhargava hopes that more states will adopt measures to promote cleaner transportation technologies, including compressed natural gas, biofuels, hybrids, and electric vehicles (EVs).

When asked about the role of the budget in promoting alternative fuels, Bhargava clarified that these matters fall outside budgetary decisions. "These are all things which have to be done outside the budget," he said, adding, for example, that Bhargava noted that CNG vehicles, for example, are treated similarly to petrol or diesel under the GST regime, but that the GST Council can consider differentiating CNG due to its cleaner emissions.

GOING GREEN

THE automotive industry is seeing increased discounts due to inventory pressure

DESPITE temporary sales dip, Bhargava is optimistic about the overall economic environment

HE also highlighted the challenge for domestic OEMs in controlling EV prices due to high imports

BHARGAVA hopes more states will adopt measures to promote cleaner transportation tech

is continuing to do well. The stock market is in a very bullish phase, which is always good for car sales," he said. Bhargava pointed out that favourable monsoon conditions and overall economic stability are positive indicators for future car sales.

lighted the challenge for domestic OEMs in controlling EV prices due to high import content, making cost-cutting difficult. Bhargava highlighted that the UP government's push for cleaner transportation is not a new development but a long-standing EV policy decision



The bench stayed the order after considering a plea from senior lawyer Mukul Rohatgi representing the Adani entity.

SC stays Gujarat HC ruling on Adani

Krishna Yadav
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NEW DELHI

In a relief to the Adani Group, the Supreme Court on Wednesday stayed the Gujarat High Court's decision to allow the Gujarat government to return 108 hectares of grazing land to villagers near Mundra port in Kutch district.

The bench, comprising Justices B.R. Gawai and K.V. Viswanathan, stayed the order and issued a notice after considering a plea from senior lawyer Mukul Rohatgi representing the Adani entity, arguing that the High Court had passed the order without giving the company a chance to be heard.

"He (Mukul Rohatgi) states that though the counsel for the petitioner was present before the High Court and attempted to make submissions, he was not heard by the High Court. Issue notice, and there shall we stay the impugned order," Justice Gawai remarked.

Adani Ports and Special Economic Zone Ltd (APSEZ) had challenged the Gujarat High Court's 5 July order mandating

the return of 108 hectares of grazing land to farmers.

The case originated 13 years ago when residents of Navinal village filed a public interest litigation against the Gujarat government's decision to allot 231 acres of grazing land to APSEZ.

The Gujarat High Court had ruled in favour of the villagers based on an affidavit from the Gujarat department of revenue's additional chief secretary.

In the affidavit, the revenue department had pledged that the state had decided to reclaim

Adani Ports stated in its plea before the SC that the Gujarat High Court's order was a "blatant breach of natural justice"

nearly 108 hectares from APSEZ and replenish 129 hectares of grazing land using a combination of government and reclaimed land.

This decision followed an April 2024 directive from a Gujarat High Court division bench that instructed the additional chief secretary to find a solution.

Adani Ports stated in its plea before the Supreme Court that the Gujarat High Court's order was a "blatant breach of natural justice".

The company said the order took away its legally transferred land without giving it a fair chance to present its case.

GCCs: The cybersecurity powerhouses



By Manu Dwivedi

According to estimates from *Statista's Market Insights*, the global cost of cybercrime is expected to rise substantially - from \$9.22 trillion in 2024 to \$13.82 trillion by 2028. India's thriving technology industry, its proliferation of innovative start-ups and its skilled talent pool have ensured that it holds centrestage when it comes to cybersecurity. Around 28% of global organisations have more than half of their cybersecurity teams in India, and 17% of them have over 75% of their teams in this country. Bolstering India's prowess in cybersecurity are global capability centres (GCCs) that are fast transitioning from conventional centres of operational support to bastions of cybersecurity excellence for their parent organisations. This evolution is not only reshaping the GCC landscape but is also underscoring India's growing presence in cybersecurity on the global stage.

Several GCCs have emerged trailblazers in the realm of cybersecurity, offering a diverse array of services - encompassing threat detection and response, vulnerability assessment, penetration testing, security operations centre (SOC) management, risk assessments, incident response and many others. These GCCs collaborate closely with their parent companies and stakeholders to devise bespoke cybersecurity solutions, leveraging their deep domain expertise and

technological prowess. At the forefront of technological innovation, they harness emerging technologies such as artificial intelligence (AI), machine learning (ML), blockchain and quantum computing to bolster their cybersecurity capabilities, protect against digital threats, and help to proactively identify and neutralise evolving cyberthreats, thereby safeguarding critical assets and ensuring business continuity for their parent organisations and clients.

By 2025, the country is poised to have 1,900 GCCs with the market size touching \$60 billion - 70% GCCs have large security teams in India. Many of these offshore centres are likely to emerge as hubs for cyber leadership, resilience and innovation. Existing GCCs, too, are diversifying their portfolios to include cybersecurity services. The key factors driving the rise of GCCs in India as cybersecurity nodes include government policies promoting cybersecurity, cost efficiency, enhanced infrastructure and availability of talent.

Here are some key strategies that could be considered before GCCs offer their cybersecurity services:

Assessing the parent organisation's requirements: GCCs should understand the cybersecurity challenges faced by the parent organisation and target clients, and identify emerging trends, regulatory requirements, and customer preferences to gauge the demand for cybersecurity services in their target markets.

Focus on a strategic roadmap: The roadmap should outline the steps needed to establish cybersecurity

services as well as define clear objectives, timelines and resource requirements for the initiative, and identify key stakeholders while securing buy-in from senior management to ensure alignment with organisational goals. Starting small with proofs of concept (PoCs) could be a better idea for fostering confidence in the parent organisation.

Develop skilled talent: GCCs would require a competent cybersecurity workforce. Redirecting India's digitally skilled workforce to cybersecurity through training programmes, certifications and career development opportunities can help plug this gap.

Establish strategic partnerships: GCCs should create alliances with cybersecurity vendors, technology providers, academia and industry associations so that they can capitalise on innovative solutions, share best practices and stay up to date with the latest trends in the cybersecurity domain.

Invest in infrastructure and technology: Develop the right infrastructure by establishing secure data centres, testing labs, and innovation hubs dedicated to cybersecurity research and development.

Prioritise regulatory compliance: GCCs planning to venture into cybersecurity offerings need to stay abreast of evolving regulatory requirements and compliance standards. For instance, GCCs often handle sensitive data and need to prioritise data protection to stay compliant with the DPDP Act which is in line with global cybersecurity and data protection standards.

Emphasise the value

proposition: GCCs should develop case studies, success stories and industry certifications to feature their cybersecurity capabilities and expertise to parent organisations and stakeholders.

Customer centricity: While GCCs work for their parent organisations, they must adopt a customer-centric mindset, viewing their parent organisations as clients and customise cybersecurity offerings to meet their unique requirements. GCCs should proactively engage with clients, conduct regular assessments and offer tailored solutions to tackle their cybersecurity challenges.

LOOKING AHEAD

As the demand for cybersecurity solutions grows, exciting opportunities will be unlocked for GCCs exploring cybersecurity services. By adopting a customer-centric approach that also includes market evaluation, strategic alliances, robust training and upskilling programmes, infrastructure development investment, and regulatory conformity, GCCs can establish themselves as top cybersecurity providers. By leveraging a favourable business environment, technology prowess and a skilled talent pool, GCCs in India are poised to emerge as global leaders in cybersecurity. Offshore centres will continue to shape the future of cybersecurity with a laser focus on collaboration, innovation and continuous improvement that will enable businesses to navigate the complex cybersecurity landscape with confidence and resilience.

The author is Partner and Leader - Cybersecurity and Risk Consulting, GCC, PwC India

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CORPORATE OFFICE PLOTS

at Golden Location



Adjacent to Yamuna Expressway



Easter Peripheral Expressway with Yamuna Expressway (Proposed)



Close to Noida International Airport, Jewar



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Sr. No.	Plot No.	Area in Sq.Mtr.	Reserved Price (Rs.)	Registration Amount (Rs.) (10%)
1	0-21	1000	2,50,00,000.00	25,00,000.00
2	0-22	1000	2,50,00,000.00	25,00,000.00
3	0-23	1000	2,50,00,000.00	25,00,000.00
4	0-24	1000	2,50,00,000.00	25,00,000.00
5	0-25	1000	2,50,00,000.00	25,00,000.00
6	0-26	1000	2,50,00,000.00	25,00,000.00
7	0-27	1000	2,50,00,000.00	25,00,000.00
8	0-28	1000	2,50,00,000.00	25,00,000.00
9	0-29	1000	2,50,00,000.00	25,00,000.00
10	0-30	1000	2,50,00,000.00	25,00,000.00
11	0-31	1000	2,50,00,000.00	25,00,000.00
12	0-32	1000	2,50,00,000.00	25,00,000.00
13	0-33	1000	2,50,00,000.00	25,00,000.00
14	0-34	1000	2,50,00,000.00	25,00,000.00
15	0-35	1000	2,50,00,000.00	25,00,000.00

SCHEME CODE: YEA/INST 2024-2025/01

Sr. No.	Plot No.	Area in Sq.Mtr.	Reserved Price (Rs.)	Registration Amount (Rs.) (10%)
16	0-36	1000	2,50,00,000.00	25,00,000.00
17	0-37	1000	2,50,00,000.00	25,00,000.00
18	0-38	1000	2,50,00,000.00	25,00,000.00
19	0-39	1000	2,50,00,000.00	25,00,000.00
20	0-40	1000	2,50,00,000.00	25,00,000.00
21	0-41	1000	2,50,00,000.00	25,00,000.00
22	0-42	1000	2,50,00,000.00	25,00,000.00
23	0-43	1000	2,50,00,000.00	25,00,000.00
24	0-44	1000	2,50,00,000.00	25,00,000.00
25	0-45	1000	2,50,00,000.00	25,00,000.00
26	0-46	1000	2,50,00,000.00	25,00,000.00
27	0-47	1000	2,50,00,000.00	25,00,000.00
28	0-48	1000	2,50,00,000.00	25,00,000.00
29	0-49	1000	2,50,00,000.00	25,00,000.00
30	0-50	1000	2,50,00,000.00	25,00,000.00

Allotment through E-Auction

Sr. No.	Plot No.	Area in Sq.Mtr.	Reserved Price (Rs.)	Registration Amount (Rs.) (10%)
31	0-51	1000	2,50,00,000.00	25,00,000.00
32	0-52	1000	2,50,00,000.00	25,00,000.00
33	0-53	1000	2,50,00,000.00	25,00,000.00
34	0-54	1000	2,50,00,000.00	25,00,000.00
35	0-59	1000	2,50,00,000.00	25,00,000.00
36	0-60	1000	2,50,00,000.00	25,00,000.00
37	0-61	1000	2,50,00,000.00	25,00,000.00
38	0-62	1000	2,50,00,000.00	25,00,000.00
39	0-63	1000	2,50,00,000.00	25,00,000.00
40	0-64	1000	2,50,00,000.00	25,00,000.00
41	0-65	1000	2,50,00,000.00	25,00,000.00
42	0-66	1000	2,50,00,000.00	25,00,000.00
43	0-67	1000	2,50,00,000.00	25,00,000.00
44	0-68	1000	2,50,00,000.00	25,00,000.00
45	0-69	1000	2,50,00,000.00	25,00,000.00

Date & Time of Opening: 11.07.2024 (05:00 PM)

Date & Time of Closing: 09.08.2024 (05:00 PM)

Date & Timing for Display of Names of Qualified/Disqualified Bidders: 30.08.2024 (05:00 PM)

Date & Time of e-Auction: 06.09.2024 (11:00 AM to 02:00 PM)

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Website: www.yamunaexpresswayauthority.com

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NBFCs, not banks, are salary kings in India's finance street

NBFC salaries are not regulated by RBI; lenders say risk-taking calls for suitable rewards

Gopika Gopakumar
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MUMBAI

India's highest-paid banker isn't Sashidhar Jagdishan, chief of the country's largest private lender, HDFC Bank Ltd. That title goes not to Rajeev Jain, the CEO of Bajaj Finance Ltd, India's largest non-bank, but to Abhay Bhutada, the recently retired chief of Pune-based Poonawalla Fincorp Ltd.

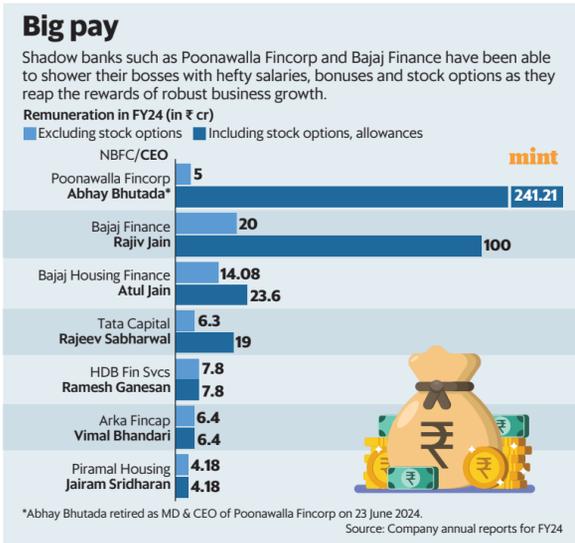
Shadow banks such as Poonawalla Fincorp and Bajaj Finance have been able to shower their bosses with hefty salaries, bonuses and stock options as they reap the rewards of robust business growth.

This has been possible also because the CEO salaries of non-banking financial companies are outside the purview of India's banking regulator. But that may be about to change.

The average salaries of the CEOs of shadow banks increased more than that of their peers at private banks, according to a *Mint* analysis of annual reports for FY23 and those published so far for FY24.

This has the Reserve Bank of India worried, and it may bring the salaries of key managerial personnel at NBFCs under its oversight, as per a *Business Standard* report. While this couldn't be independently established, RBI had signalled similar intentions earlier, asking NBFCs to establish a board-approved compensation policy.

"RBI has not gone into NBFC compensation because the salaries of a majority of the NBFCs are not a worry. In exceptional cases, RBI can have supervisory discussions," said R. Gandhi, a former RBI deputy governor. "Also, NBFCs are under the RBI Act, which does not have a direct provision relating to regulating the com-



pensation of CEOs." NBFCs, understandably, are perturbed about the possibility of RBI intervention in their pay structure. "NBFCs are not constrained by the limitations of a bank. It is market-

responsibilities, and this risk-taking warrants that kind of compensation." Nirmal Jain, CEO of IIFL Finance Ltd, received a salary of nearly ₹10 crore in FY23. That's about how much HDFC Bank's Jagdishan earned that

UNDER THE RADAR

<p>CEO salaries of non-banking financial companies may come under the purview of RBI</p>	<p>THE average salaries of CEOs of NBFCs rose more than that of their peers at private banks</p>	<p>NBFCs are perturbed about the possibility of RBI intervention in their pay structure.</p>	<p>ON average, chiefs of top NBFCs were paid between ₹3 cr and ₹20 cr in FY23 and FY24</p>
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driven and competitive from an NBFC perspective," said Geetha Menon, human resources head at IIFL Group. "If RBI is going to cap CEO salaries, I don't know how it will help considering these top officials take more

year. In FY24, Rajeev Jain, CEO of Bajaj Finance, which has about ₹3.3 trillion in assets under management, took home a total salary of ₹102 crore, including employee stock options and

sitting fees. In the year prior, he was paid ₹49 crore.

In contrast, Jagdishan of HDFC Bank, which has a loan book of ₹24 trillion, earned ₹34 crore during fiscal year 2023, including stock options.

On average, the chiefs of upper-layer NBFCs, handling assets of more than ₹1,000 crore, were paid between ₹3 crore and ₹20 crore in FY23 and FY24, excluding allowances and stock options, *Mint's* analysis shows.

The average remuneration of private bank CEOs was between ₹3 crore and ₹10.5 crore, excluding stock options.

Rajeev Sabharwal of Tata Capital Ltd received ₹19 crore, including stock options and other allowances, during FY24. Vishakha Mulye, CEO of Aditya Birla Finance, received ₹17 crore, excluding variable pay, in FY23, and Gagan Banga of Indiabulls Housing Finance Ltd nearly ₹10 crore.

Even smaller NBFCs showered their bosses with hefty salaries.

Abhay Bhutada, former CEO of Poonawalla Fincorp, earned a total remuneration of ₹241 crore, including share payment, in fiscal year 2024, and ₹78 crore in the year prior, similar to what his peers in India's information technology sector are paid. Poonawalla Fincorp has a loan book of ₹24,036 crore.

Bhutada retired as managing director and CEO of Poonawalla Fincorp on 23 June.

As per RBI's regulations, banks are governed by the Banking Regulation Act, which requires the boards of lenders to seek regulatory approval for CEO appointments and their salaries. This doesn't apply to non-banks, which are governed under the RBI Act and are not required to seek such approval.

Devina Sengupta contributed to the article.

India plans a new law for fair use of news by Big Tech

FROM PAGE 1

the pipeline in other countries, this person added.

A legal expert who has handled competition matters in media and Big Tech said a separate framework for ensuring fair deals between news businesses and digital platforms would also suffice.

"Merely the fact that there is a regulation in place has forced Big Tech to come to the negotiating table with news publishers in countries where these frameworks are in place, under the fear that they will be penalized for abusing their position if there is a complaint," said the expert, who spoke on the condition of not being named. "This has resulted in revenues of digital news publishers increasing by leaps and bounds."

Emails sent on 24 June to the I&B and corporate affairs ministries, the Competition Commission of India, Google, Microsoft and the Digital News Publishers' Association seeking comments remained unanswered. Meta did not immediately reply to queries sent on Tuesday.

India and other nations are exploring the need for a legal framework to ensure fair contracts between news organizations and Big Tech. Policy makers see a bargaining power imbalance between media organizations, which invest heavily in their news operations, and tech giants that enjoy an edge in the digital market connecting advertisement buyers and sellers.

The committee led by Sinha had proposed increased disclosures by the digital platforms and restrictions on their use of the data of news consumers.

The Digital News Publishers Association in India had told the committee that framed the



The I&B ministry is studying Australia's news media bargaining code and similar laws in the pipeline in other countries. ISTOCKPHOTO

Digital Competition Bill that it was in favour of forward-looking regulations for Big Tech to ensure a level playing field between large digital enterprises and news publishers, as per the report of the committee.

"At the face of it, it doesn't look like it is an issue for which a separate law is required for the Indian industry. However, the government can facilitate the stakeholders to come to the table and thrash out an arrangement that is fair to all," said Amol Kulkarni, director of research at CUTS International, a non-profit working on public interest issues.

"The industry should be able to better serve the market on its own. If that does not happen, the government can step in," Kulkarni said, and added that it was essential to ensure that the interests of both big and small publishers are taken into account.

India's advertising industry had an estimated market size of ₹3,166 crore in 2023, of which digital advertising accounted for ₹40,865 crore, said a report on 8 February exchange4me-

dia jointly prepared with advertising and public relations agency Dentsu Inc. It added that digital advertising had grown 36.6% annually in 2023.

Australia's bargaining code of 2021 allows eligible news businesses to bargain with digital platforms such as Meta and Google alone or collectively on payments for the inclusion of news on their platforms. Canada also introduced a law last year to promote fairness in the country's digital media news market.

In November 2022, Australia declared its 'News Media and Digital Platforms Mandatory Bargaining Code' a success. "Over 30 commercial agreements between digital platforms

(Google and Meta) and a cross-section of Australian news businesses have been struck, agreements that were highly unlikely to have been made without the Code," the Australian government said in a review following one year of the media bargaining code.

But in March this year Meta said it wouldn't renew deals with traditional news publishers in Australia and the US.

Little relief for Religare before SAT

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MUMBAI

The Securities Appellate Tribunal (SAT) on Wednesday granted Religare Enterprises Ltd time till 22 July to comply with the Securities and Exchange Board of India's 19 June order.

Religare had challenged Sebi's order, which mandated the company to seek approval from regulatory authorities, including the Reserve Bank of India, for the Burman Family's open offer by 12 July.

The Sebi order had also asked Religare, its chairperson Rashmi Saluja, and five others to explain why they should not be barred from capital market activities.

Senior counsel aware of the matter said, "SAT has stayed the show-cause notice. We asked for time to apply till 22 July without prejudice to all our rights and contentions." A bench led by Justice Dinesh Kumar asked Sebi to file a reply within four weeks and posted the matter for further hearing on 26 August.

Prior to September 2023, the Burmans held 21.54% shares of Religare Enterprises. On 25



SAT asked Religare to comply with Sebi order by 22 July. MINT

September 2023, the Burmans announced they would increase their stake in Religare by 5.27% under Sebi's Substantial Acquisition of Shares and

loggerheads with Saluja over the acquisition. The Burmans claim Saluja was creating hindrance by objecting to the open offer. Saluja, in turn, dismissed such allegations and said the Burman family was not "fit and proper" to acquire more stake in Religare. Senior counsel Ravi Kadam, appearing for Religare, argued that the

Religare had challenged Sebi's order asking it to seek regulatory nod for Burman Family's open offer by 12 July

"acquirers (Burmans) have been allegedly accused in the Mahadev betting scam and were named in the FIR. Therefore they did not fulfil the 'fit

and proper' criterion for acquisition." In November 2023, the Mumbai police had reportedly booked 32 individuals, including Dabur group director Gaurav Burman and chairman Mohit Burman in connection with an alleged betting scam.

Sebi's counsel, in turn, said, "In this process, the company actually has little or no role to play. The company cannot say that you are not an appropriate shareholder and therefore I can place any kind of obstruction. That right is left to the shareholders." The acquisition was completed in January this year when Burmans informed in an official statement that they acquired 25.18% in Religare enterprises.

Last year, when Religare wrote to Sebi objecting to the open offer on the "fit and proper" grounds, the regulator asked it to provide documents supporting the allegations. The Burmans, in turn, through letters in December 2023 and February 2024, complained to Sebi about the lack of cooperation and support from Religare, which impeded their efforts to provide the necessary information to obtain regulatory approval to complete the open offer process.

Allen cuts pay, Physics Wallah relocates faculty as Kota cools

FROM PAGE 1

Allen is not the only one struggling with falling student admissions.

"Physics Wallah has maintained the salaries of all faculty and staff at our Kota centres, despite a 15% expected decrease in admission numbers for academic year 2024-25 compared to 2023-24," said Ankit Gupta, chief executive officer of Physics Wallah (PW) Offline.

"To address the reduction in student numbers, we have reassigned our faculty members to other centres across India, ensuring seamless faculty association," it added.

Unacademy did not respond to *Mint's* emails on salaries at its Kota operation. Admissions in Kota typically stretch from December to June. Faculty members at various coaching centres in the city attributed the decline in student enrolments to multiple factors.

During an expansion phase a few years ago, institutes opened new centres in other cities within Bihar and Rajast-



The fall in student numbers at coaching centres has been attributed to many factors. MINT

han, making it more convenient for parents to send their children to nearby locations instead of Kota. Additionally, concerns about student suicides in Kota have made parents wary of sending their children to the city.

Mint spoke with faculty members and representatives from rival coaching institutes, who acknowledged that this could mark the beginning of a challenging phase for teachers in Kota, with more salary cuts likely to follow. The coaching

market may struggle to absorb the affected teachers.

Just two years ago, after the first waves of the pandemic, Kota's coaching institutes engaged in aggressive faculty and student poaching wars, offering reduced enrolment fees and higher salaries. The recent salary cuts starkly contrast with the 2x-3x salary offers rolled out in 2022.

Top institutes in Kota include Allen, Vibrant Academy, Motion Education, Resonance Eduventures, Reliable Institute (now backed by Allen), Byju's-owned Akash Institute, Career Point, Unacademy, Physics Wallah, and Bansal Classes.

Allen Career Institute, founded by Rajesh Maheshwari in 1988, derived its name from the initials of L.N. Maheshwari. In 2022, to compete with venture capital-funded startups, the institute sold a 36% stake to Bodhi Tree Systems for about \$600 million. Bodhi Tree is a joint venture between James Murdoch's Lupa Systems and former Walt Disney Asia Pacific chief Uday Shankar.

Space industry seeks boost from government to target global markets

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India's fledgling space economy, valued at around \$8 billion by the Department of Space as of December last year, is seeking budget allocations to boost creation of the domestic demand and capacity—for the private sector to help quadruple India's global space economy share to 8%. This, industry stakeholders said, will be key to India's space economy growing more than 5x in the next eight years, in order to reach a projected domestic space sector value of \$44 billion by 2033.

On 26 June, in an interview with *Mint*, Pawan Kumar Goenka, chairman of Centre-affiliated space activity body Indian National Space Promotion and Authorization Centre (In-Space), said that the body has, as per the norm with government agencies, submitted its demand from the industry with the finance ministry.

While In-Space or Goenka did not comment on what demands have been put forth, industry stakeholders said that the upcoming Union Budget is likely to include "strategic incentives that boost domestic demand generation—including funds to incubate new ven-



The space industry is seeking the Centre's support to boost creation of domestic demand and capacity. AP

tures, and direct government agencies to be customers to the industry," a senior government official with direct knowledge of the matter said.

Building scale for the private space sector, industry veterans said, could be key. "We hope to see PLI incentives for key components, lower GST rates, tax

holidays for space startups, lower rates for import duties of key components, and low-rate financial loans that will enable

NECESSARY BOOSTER

BUILDING scale for the private space sector, industry veterans said, could be key

BESIDES improving technology, boosting funds for early-stage ventures will also be imperative

as its members. Beyond boosting development of technology for the space sector—typically regarded as one that's heavy in capital expenditure, Bhatt said boosting funds for early-stage ventures will also be imperative.

"In-Space has already made a technical centre, and they have also begun offering seed funds in the agriculture sector. They are now looking to expand such funds to other sectors too—this will bring the impetus to generate demand in the space industry," he said.

Chaitanya Giri, space consultant and associate professor, space studies at Flame University, Pune, further added that key additions to the Budget will include setting up the industry for global compliance and participation. "Most of our budgetary asks for the space sector would be to set-up new common facilities for R&D and testing in more geographies beyond Ahmedabad and Bengaluru, via In-Space. A second demand would be for tax holidays, manufacturing incentives, and defence contracts from government agencies," he said.

For an extended version of this story, go to [livemint.com](https://www.livemint.com).

Tata Motors, the largest beneficiary of FAME-II, has made a renewed pitch for including e-four-wheelers under FAME-III. In a letter to the heavy industries secretary dated 9 March, managing director Shailesh Chandra had also sought the inclusion of personal e-four-wheelers in the scheme for a span of three years. *Mint* had reported earlier.

FAME-II, which had a total outlay of ₹11,500 crore and concluded this March, had broadly supported a range of electric vehicles including buses, two-wheelers, three-wheelers, as well as four-wheelers.

However, the distribution of subsidies had been uneven, with a large portion allocated to two-wheelers and buses, and only ₹750 crore directed towards electric cars and plug-in hybrids.



For many Indians, movie theatres are no more a big draw

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NEW DELHI

Cinema-going in India isn't quite the ingrained habit it once was. Today, the allure of the big screen is often reserved for major releases, festivals and holidays when people have more leisure time and disposable income.

A recent report by media consulting firm Ormax reveals that 157 million Indians watched at least one film in a theatre in 2023, resulting in 943 million footfalls at the domestic box office.

However, this translates to an average of just six films per theatre-goer annually, with Hindi films drawing particularly low numbers—only three per person. In contrast, Tamil and Telugu films see averages of 8.1 and 9.2, respectively.

High ticket prices, a dearth of mass-market cinema, and a plethora of free home entertainment options are driving Indians away from theatres, experts say.

Major releases, festivals, and holidays serve as stronger external triggers, indicating that cinema-going could be more seasonal or event-based," according to the Ormax report.

It added that while boredom, the need for entertainment, and the desire for social experiences are internal triggers for theatre visits, robust competition from other entertainment options—such as live events, experiential activities, and restaurants—makes cinema-going heavily reliant on these external triggers.



The allure of the big screen is often reserved for major releases, or holidays.

The irregularity of theatre visits, coupled with the expense and effort involved compared to free or low-cost alternatives like television or OTT platforms, further diminishes its habitual nature.

"The biggest hindrance to cinema-going emerging as a definitive habit in India, is the sizeable variance in the quality of the movies being created. Uncertainty about the quality of films and the absence of a strong string of films as a given, prevents greater involvement in the activity," Ormax said.

This uncertainty and lack of consistently strong films discourage regular engagement.

"Consistently making films targeted at urban audiences that alienate the majority of the masses is a big reason for most viewers not finding enough reason to go to the movies any longer," pointed out Akshay Rathi, a film distributor and exhibitor.

Read an extended version of this story at [livemint.com](https://www.livemint.com).

IndiGrid platform on int'l radar

Norfund, Germany's DEG are in race for stake in the company's new \$250-mn power transmission platform

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NEW DELHI

Investment firms including Norway's state-owned investment fund Norfund and German development finance institution DEG are eyeing a stake in KKR & Co.-backed India Grid Trust's (IndiGrid) new power transmission platform in a deal expected to have an equity value of about \$250 million.

British International Investment Plc., Beijing-headquartered Asian Infrastructure Investment Bank (AIIB), and Switzerland's responsibility Investments AG are also looking to invest in the new platform from India's first listed power-sector infrastructure investment trust, said two people aware of the development.

IndiGrid's new electricity transmission platform will help India's ambitions to increase its renewable energy (RE) capacity and reduce its dependence on coal for power generation.

Infrastructure investment trusts, or InvTs, manage income-generating



IndiGrid's power transmission platform will help enhance India's RE capacity.

infrastructure assets, typically offering investors a regular yield and a liquid method of investing in infrastructure projects.

"The talks are at a very initial stage with the percentage of stake sale yet to be decided. The development expertise will be housed within Indi-

Grid," said one of the people cited above, requesting anonymity.

Aventus Capital is running the fundraiser for IndiGrid.

IndiGrid manages assets worth about \$3.4 billion and also owns 41 power projects comprising 49 transmission lines, 15 substations, and 1.1

GW solar power-generation capacity. Spokespersons for KKR, IndiGrid, and British International Investment declined to comment.

A DEG spokesperson in an emailed response said, "For reasons of confidentiality, we cannot comment on any business activities in individual cases."

A Norfund spokesperson said the company doesn't comment on "market speculation" while Aventus Capital said it does not "comment on stories of this nature".

Queries emailed to the spokespersons of Asian Infrastructure Investment Bank on Friday afternoon, and responses on Monday afternoon remained unanswered.

India aims to increase its renewable energy capacity to 500 GW by 2030, adding 50 GW of green energy capacity annually.

The country currently has an installed RE capacity of 180.79 GW, including 73.31 GW of solar and 44.73 GW of wind-power capacity, out of a

total power capacity of 444.75 GW.

The additional RE capacity generated from solar and wind farms will need an adequate electricity transmission network to connect to the national power grid.

"To cater to the continued significant growth in renewable energy, India's electricity grids—transmission and distribution infrastructure—will require a significant amount of investment," Moody's Ratings said in a 6 June report.

"This investment would lead to optimal integration of renewable energy with the demand centres. Insufficient transmission capacity or congestion would increase the risk of RE curtailment, which could significantly impact the cash flow of projects and have implications for future investments in the sector," it added.

None of the potential investors in IndiGrid's new power transmission platform are new to India's green-energy space.



'Increase expenditure on healthcare services to 2.5% of GDP'

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NEW DELHI

With the government racing to deliver various essential services to a burgeoning population, stakeholders from the healthcare services industry have asked for an increase in public health expenditure to above 2.5% of the country's gross domestic product (GDP) in the upcoming Budget 2024-25, from 2.1% in FY23.

The investment is being sought towards strengthening

the country's healthcare infrastructure and easing both demand and supply-side challenges that bog the industry down.

"Addressing healthcare challenges will require an estimated two billion square feet of advanced healthcare infrastructure," said Abhay Soi, president, Nathealth and chairman and managing director of Max Healthcare Institute.

Nathealth, or the Healthcare Federation of India, submitted its recommendations for the Budget 2024-25 to the

government on 9 July.

Elaborating on Nathealth's recommendations, Soi emphasized the need to increase the government's spending on healthcare as a percentage of GDP, as it is crucial for enhancing social insurance, expanding healthcare facilities in tier 2 and 3 cities, and advancing the footprint of digital healthcare services in the country.

"The upcoming budget must focus on healthcare infrastructure, innovation,

skill development for medical professionals, and strengthening public-private partnerships to ensure improved access and quality across the nation. Prioritizing research and development will drive medical innovation and address emerging health challenges," he noted.

The combined budgeted expenditure on healthcare by the Union and state governments touched 2.1% of GDP in FY23 and 2.2% in FY22, according to the Economic

Survey 2022-23.

Further, data from National Health Accounts (NHA) showed that the government's expenditure on healthcare as a proportion of GDP increased by 63% between 2014-15 and 2021-22.

According to country-level data maintained by the Organization for Economic Cooperation and Development (OECD), health expenditure to GDP ratio was the highest for the US at 16.6% in 2022, followed by Germany at 12.7% and France at 12.1%. The number was at 2.9% for India in

2022.

The industry's representations to the government for the Budget 2024-25 also emphasized increasing the acceptability of scheme such as Pradhan Mantri Jan Arogya Yojana (PM-JAY) and Central Government Health Scheme (CGHS) among frontline healthcare service providers in the private sector, as it will unlock the private capital of the nation and help the country achieve universal health coverage.

Read an extended version of this story at [livemint.com](https://www.livemint.com).

MADHYA PRADESH POWER GENERATING COMPANY LIMITED
Office of the Addl. C.E. (P&W), Shree Singaji Thermal Power Project, Dongalia Distt. Khandwa (MP)
E-mail ID : sepnw.sstpp1@gmail.com, Website : mppgcl.mp.gov.in
No. 515-1700/SSTPP/MPPGCL/P&W/2393 Date 09.07.2024

NOTICE INVITING E-TENDER

Tender Particulars/Tender Number	Estimated Cost (Rs.) (including GST)	Tender Cost & EMD in Rs.	Last Date and Time for Closing of Online Submission
Procurement of quick erect cup lock scaffolding for Boiler furnace of 2X660MW Units, SSTPP, Dongalia.-As per schedule. (T-2024_MPPGCL_354058_1)	4.47 Crore	5000/- & 4,47,900/-	08.08.2024 up to 15:30

For extension & other details, the bidders are requested to please visit e-portal of GoMP at www.mptenders.gov.in

M.P. Madhyam/115313/2024 **SAVE ELECTRICITY** SE (P&W)

M.P. MADHYA KSHETRA VIDYUT VITARAN CO. LTD.
(Govt. of M.P. Undertaking)
Nishtha Parisar, Bijalee Nagar, Govindpura, Bhopal-23
Phone No. : 0755-2602033-36, Fax : 2589821, 2586636
Ref. : MD/MK/04/NIT/966 Dated : 10.07.2024

TENDER NOTICE

MPMKVVCL, Bhopal, invites following bids from manufacturers through e-tendering.

Tender specification Number	Particulars	Approx. Value (Rs. Lakh)	Tender Fee including GST (in Rs.)	Date of Pre-Bid Conference	Date of Opening of Tender
MD/MK/04/1068	Rate Contract for supply of various size of LT Aerial Bunched Cable.	2848.83	17700/-	23.07.2024 03.00 PM	31.07.2024 03:00 PM

Other details and full Tender documents would be available on Company website <https://portal.mpcz.in> & Govt. Website <https://mptenders.gov.in> shortly.

M.P. Madhyam/115342/2024 **CHIEF GENERAL MANAGER (PROC.)**

पावरग्रिड POWERGRID

Request for Proposal (RFP) for Empanelment of Consultants (Rate Contract) (Domestic Competitive Bidding under e-procurement; Funding: Domestic) (Single Stage Two Envelope Bidding Procedure)

Date: 11/07/2024

POWERGRID invites online bids through e-Portal <https://etender.powergrid.in> for following Packages:

NIT No. Group	Package Reference	Salient Particulars	Downloading of Bidding Documents Cost of Bid Documents	Deadline for Bid Submission: Soft and Hard Copy Part
NIT-01 G-1 0124-2822383/2393/2366	Spec. no.: CC/NIT/S-CONS/DOM/A00/24/09222 (Package - 1)	Empanelment of Consultants for Rate Contract of Architectural and associated design works.	11/07/2024 to 12/08/2024 (upto 1100 hrs. (IST)) INR 2,000	Soft Copy Part 12/08/2024 [1100 Hrs. (IST)] Hard Copy Part 14/08/2024 [1100 Hrs. (IST)]
NIT-02 G-1 0124-2822383/2393/2366	Spec. no.: CC/NIT/S-CONS/DOM/A00/24/09554 (Package - 2)	Empanelment of Consultants for Rate Contract of Civil / Structural Design Works.	11/07/2024 to 12/08/2024 (upto 1100 hrs. (IST)) INR 1,250	Soft Copy Part 12/08/2024 [1100 Hrs. (IST)] Hard Copy Part 14/08/2024 [1100 Hrs. (IST)]

- Notwithstanding the publication of aforesaid NIT No. 01 and NIT No. 02 under this single notice the empanelment of consultants for Architectural Works (Under NIT No. 01) and Civil/Structural Design Works (under NIT No. 02) are separate and independent of each other.
- For further details including addendum/changes in bidding program, if any, please visit procurement portal <https://etender.powergrid.in>.
- The cost of Bidding Document (in the form as mentioned in RFP Document) in favour of POWERGRID Corporation of India Ltd. Payable at New Delhi/Gurgaon shall be submitted alongwith Hard Copy part of bid.
- The first Envelope (Techno-Commercial part) of the bid shall be opened on the same day of the deadline for Bid Submission (Hard Copy part) i.e at 11:30hrs onwards.
- Pre-bid conference for both the packages will be held on 22/07/2024 at 11:30 hrs. (IST).
- The complete Bidding Documents for both the packages are also available on our website <http://www.powergrid.in> for the purpose of reference only.

POWER GRID CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)
Registered Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110 016
Corporate Office : Saudamini, Plot No.2, Sector-29, Gurgaon, Haryana - 122 001
Website: www.powergrid.in, CIN: L40101DL1989G01038121

A Maharatna PSU

ncrtc NATIONAL CAPITAL REGION TRANSPORT CORPORATION LTD.
(A JV of Govt. of India and participating State Governments)

E-TENDER NOTICE Tender Id: 2024-NCRTC-197510-1

Bid No: DM/EL/COB-06/245, Package 208

Online bids are invited for Design, Engineering, Supply, Installation, Testing, Commissioning and Comprehensive Operation & Maintenance of 4.9 MWp Roof Top Solar PV Project and associated support structure works on RESCO Model for a period of 25 years in Delhi-Ghaziabad-Meerut BRTS Corridor of NCRTC. For detailed information and subsequent addendum/corrigendum (if any), please visit NCRTC website www.ncrtc.in or CPP Portal www.stenders.gov.in/gprocure/app from 11.07.2024 to 12.08.2024 (upto 1500 hrs).

The West Bengal Power Development Corporation Limited
(A Govt. of West Bengal Enterprise)
Corporate Identity No. U40104WB1985CC0039154
Registered & Corporate Office: Bityut Udayan Bhaban Plot No.: 3/C, L.A. Block, Sector- III, Bidhannagar, Kol-700106

Notice for E-Auction
Ref No.: WBPDDL/Tend-Adv/24-25/CORP/CC-2011 Date: 08.07.2024
Tender Cum Forward Auction No.: WBPDDL/CORP/NIT/E1873/24-25 Dated: 08.07.2024
Tender-cum-Forward e-Auction for Sale of 7 Lakh Cum Settled Ash From Ash Pond of BkTPP, WBPDDL shall be held on 30.07.2024 at 12.00 PM.

Last date of Bid submission : 26.07.2024 at 12:00 hrs. Tender document published at: wbtdenders.gov.in Contact Person: Ipsita Chaudhuri, Sr. Manager, M&C, Corporate Office, WBPDDL. Contact: 9830616477. E-mail: ichaudhuri@wbddl.co.in ICA-T11018(2)/2024

CENTRAL RAILWAY

OPEN TENDER NOTICE NO. 19-2024-NGP-SNT-LHS Dt. 08.07.2024

Name of Work: Supply, installation, testing and commissioning of signalling and telecommunication work related to various engineering work for providing Road under Bridge/LHS at balance Amlanagpur section of Nagpur Division. **Tender cost:** ₹ 56,04,576.24/- **Earnest Money:** ₹ 1,12,100/- **Date & time of closing of tender:** 01.08.2024 at 15:00 Hrs. Details on Railway Website: www.reps.gov.in

DSTEN(North), Nagpur
Akar-18-142
Unauthorized crossing of railway line is a punishable offense

BSES BSES Rajdhani Power Limited, New Delhi

TENDER NOTICE Date: 11.07.2024

Scaled tenders under two parts (Un priced & priced) are invited for the supply of following materials from all bidders:-

NIT No.	Brief Tender Description	Estimated Annual Cost (₹)	Cost of EMD (₹)	Due Date & Time of Submission	Date & Time of Opening
CMC/BR/24-25/RB/PP/MS/1211	TENDER FOR SUPPLY, INSTALLATION, TESTING AND COMMISSIONING OF FIREWALL FOR SCADA OFFICE IN BRPL	1.50 Crores	3,00,000/-	31.07.2024 15:00 HRS	31.07.2024 15:30 HRS

Cost of each Tender Document: ₹ 1180/-

For any query call on 011-49107235 or e-mail on Brpl.Eauction@relianceada.com

For details in respect of Equipment/BOM/Services, Qualifying requirements, Terms & conditions, purchase/submission of tender documents etc. please visit our website www.bsesdelhi.com **Head (Contracts & Materials)**

Regd. Off. : BSES Rajdhani Power Limited, BSES Bhawan, Nehru Place, New Delhi-110019 | Corporate Identification No.: U40109DL2001PLC111527
Telephone No. : +91 11 4910 7235 | Website : www.bsesdelhi.com

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Russia is working to influence members of Congress and is broadly seeking to undermine U.S. support for Ukraine in its war with Russia, the officials said. BLOOMBERG

Russia seeks to boost Trump in 2024 election, U.S. intelligence officials say

Dustin Volz
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WASHINGTON

The Russian government has launched a “whole-of-government” effort to influence the outcome of the U.S. presidential election and favors Republican candidate Donald Trump in the race, senior U.S. intelligence officials said Tuesday.

The officials didn’t mention Trump by name, but said that Russia’s current activity—described as covert social-media use and other online propaganda efforts—mirrored the 2020 and 2016 election cycles, when Moscow also favored Trump and sought to undermine Democratic candidates, according to U.S. intelligence agencies.

“We haven’t observed a shift in Russia’s preferences for the presidential race from past elections,” a senior official in the Office of the Director of National Intelligence said, during a media briefing summarizing intelligence on foreign threats to the election.

A long with Russia, Iran has become “increasingly aggressive” in its foreign influence efforts, including in recent weeks by covertly encouraging protests against the war in Gaza, Avril Haines, the director of national intelligence, said in a separate statement on Tuesday.

The warnings underscore how U.S. adversaries are continuing to exploit social-media platforms and other avenues to manipulate public opinion, despite efforts by the intelligence and law-enforcement agencies to expose and crack down on the influence operations.

The Russian embassy in Washington didn’t immediately respond to a request for comment. A spokesman for the Iranian government didn’t immediately reply to a request for comment.

Russia was seeking to influence specific voting groups, including those in swing states, promote divisive narratives and denigrate specific politicians, the officials who briefed reporters said. They declined to provide details about the voters or politicians who have been targeted.

The Kremlin is also working to influence members of Con-

gress and is broadly seeking to undermine U.S. support for Ukraine in its war with Russia, the officials said.

Moscow employs commercial firms to obscure its involvement and attempts to spread propaganda by planting it with influential Americans, the senior ODNI official said.

Officials indicated that the activity witnessed so far this election cycle isn’t on the scale or scope seen in 2016, when Russia’s actions included a hack-and-leak of Democratic Party emails, rudimentary cyber-probing of some state election systems and other actions intended to undermine Democratic nominee Hillary Clinton’s campaign.

But they said Moscow and other countries were likely to increase their efforts to influence the race as the November election date drew closer.

Russia was the “pre-eminent threat” to the presidential election, the ODNI official said. By contrast Iran was a lesser threat at the moment, aiming to be a “chaos agent” in the election by exacerbating social tensions, the official said.

“We have observed actors tied to Iran’s government posing as activists online, seeking to encourage protests, and even providing financial support to protesters,” Haines said.

The statement didn’t describe how extensively the Iranians have sought to penetrate Gaza protests, which have occurred in many U.S. locations.

“Americans who participate in protests are, in good faith, expressing their views on the conflict in Gaza—this intelligence doesn’t indicate otherwise,” Haines said. Protesters may not be aware they are “interacting with or receiving support from a foreign government.”

“We assess China, for now, doesn’t plan to influence the outcome of the presidential race because it sees little gain in choosing between two parties that it perceives as both seeking to contain Beijing,” the ODNI official said.

China has told its diplomatic officials in Washington to avoid even the appearance of interfering with U.S. elections, fearing the kind of backlash

Russia faced in the years after 2016. China’s diplomats have been told to avoid even discussing a preference between the candidates, senior Chinese Ministry of Foreign Affairs officials said.

The findings highlight the rising concerns by U.S. officials and security experts about foreign adversaries potentially pouring resources into the 2024 presidential election contest eight years after Russia engineered a multipronged interference campaign seeking to help Trump defeat Clinton.

The efforts observed so far haven’t included attempts to disrupt procedures of the election itself, officials said.

Developments in artificial intelligence pose additional risks to the 2024 election, the intelligence officials said, calling it a “malign influence accelerator” that allowed bad actors to quickly create convincing audio and video deep-fakes. The technology was used during recent elections in Taiwan and India for deceptive purposes, the officials said.

“We are monitoring foreign actors seeking to create deep-fakes of politicians, flood the information space with false or misleading information, to sow doubt about what is real and to amplify narratives,” the ODNI official said.

The Justice Department announced Tuesday a take-down of computer infrastructure in the Netherlands that enabled a Russia-linked disinformation bot farm that had been operating on X, formerly Twitter. The bots, numbering nearly a thousand accounts, relied on artificial intelligence to create bogus user profiles and spammed posts in support of Russia’s invasion of Ukraine, according to the Justice Department, which relied on cooperation from Dutch authorities to disrupt the operation.

U.S. officials said the operation was financed by the Kremlin and organized by an employee of a state-owned media outlet who is a member of a Russian intelligence service. It was the first time the U.S. had publicly accused a foreign government of using generative AI technology in support of a foreign-influence operation against Americans, officials said.

Joel Schectman contributed to this article.

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American workers have quit quitting, for now

Job-hopping frenzy of the pandemic years has given way to what is being called the “big stay”

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Americans aren’t as restless in their jobs as they were a couple of years ago. Numerous surveys show that fewer U.S. adults are currently seeking to leave their roles, compared with the job-switching frenzy of the pandemic years. Other data suggest job satisfaction is rising, and in interviews, formerly job-hopping workers say they’re content with the balance they’ve struck in the positions they have.

Those who are tempted to make a jump face a tightening job market and shrinking pay premium for switching jobs, federal data show.

“Applying for jobs right now, it’s like hitting your head against the wall,” says Heather Sundell, a director of social strategy and copywriting in Los Angeles.

The current mood is a turn from recent years, when a red-hot labor market helped spur a wave of quits among American workers, or the “great resignation.”

So different is the current mood that some labor economists have dubbed it the “big stay.”

Sundell, 39, spent more than a year scouting new roles and says she got a single interview before landing her current position last October. She likes her company and colleagues and isn’t eager to revisit the dispiriting online job-application process, where artificial intelligence and other software often determine which résumés rise to the top.

Sundell, a mother to two small children and a doctoral student studying organizational psychology, also says it was tough to find the same kind of flexible, collegial work environment she now enjoys.

“If you say ‘Hey, I have to go pick up my kids’ and no one bats an eye, it’s like you’re trusted to be autonomous,” she says.

Blooming where they’re planted

A poll from April shows that 35% of U.S. adults plan to look for another job in the second half of this year, down from 49% a year ago, according to Robert Half, the workplace consulting and recruiting firm. Of 1,000 workers polled, 77% said they were happy with



A recent study of working adults found 73% were satisfied at work, up from 69% a year ago. BLOOMBERG

their jobs and 85% reported a good work-life balance.

“People feel really satisfied with their compensation and they are very happy with their flexibility, which are two big drivers,” says Dawn Fay, Robert Half’s operational president.

Another recent study of 2,800 working adults by MetLife found 73% were satisfied at work, up from 69% a year ago.

The number of U.S. workers who quit their jobs in one month peaked at 3% in April 2022, according to Labor Department data, prompting many employers to boost salaries, give more time off and offer flexible schedules in an attempt to retain talent. Since then the U.S. rate of quitting has drifted below prepandemic levels to 2.2%, where it has held steady so far this year.

Changing jobs doesn’t pay like it used to

The lower quits rate comes alongside a white-collar job slowdown and shriveling pay for new hires.

Two summers ago, job switchers got a median pay bump of 8.5% for making the leap, compared with a 5.9% raise for those who stayed at their jobs, according to the Atlanta Federal Reserve’s wage tracker. As of March,

job switchers were commanding a median 5.2% jump in pay, while job stayers were getting 4.5%.

“It lines up with where confidence in the labor market is at this point, and that makes sense because the hiring rate is slowing,” says Brett Ryan, a senior U.S. economist at Deutsche Bank Securities.

Job postings on hiring website Indeed have steadily fallen over the past year, making the prospect of jumping ship to a new company harder, says Svenja Gudell, Indeed’s chief economist.

“There’s just less out there,” Gudell says. “Employers aren’t trying to attract talent. Wage growth has cooled, so you’re less likely to be enticed to switch jobs. There’s a little bit of that ‘I’m gonna sit pretty here for a while.’”

In interviews and on social media, workers also say they are opting to stay put rather than face multiple interview rounds that can end in ghosting by recruiters and HR managers. That’s if they’re able to engage with anybody at all, given how automated the application process is for many jobs.

The shift in sentiment is even more stark among younger workers. Gen Zers planning to look for a new job in

the second half of 2024 fell to 44%, down from 74% last year, according to the research from Robert Half. Millennials planning to find new jobs dropped to 45%, from 63%.

Colleen Holleran of Binghamton, N.Y., says her salary, which was less than \$50,000, was the main reason she left her second postcollege job in April 2022. The search engine optimization analyst role she landed came with a 66% raise and the ability to work remotely. About a year later, her company promoted her to senior analyst and raised her salary by nearly a quarter. The 26-year-old is expecting another big raise this year, too.

“For me, that’s steady, sustainable and fair,” she says. “I’m not actively looking to jump.”

Holleran’s employer is small, which also gives her chances to take on stretch assignments and expand her skill set. Recruiters still reach out, but Holleran says none are offering the combination of salary, flexibility and learning and development that she’s getting where she already works.

“What could entice her to a new role? She says, ‘It would take an offer that is over or near 50% of what I am currently making for me to really entertain the idea of leaving.’”

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Samsung labour union plans to strike ‘indefinitely’

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Samsung Electronics Co.’s largest labour union of more than 30,000 workers declared an indefinite strike, a surprise move that raises the risk of production disruptions at the world’s largest memory chipmaker.

The union’s call for a general strike sharply escalates a dispute with South Korea’s biggest company. Thousands of workers rallied earlier this week outside Samsung’s chipmaking complexes south of Seoul to kickstart what originally was a three-day walkout demanding better pay. It’s the largest organized labour action in the South Korean conglomerate’s

half-century history. It’s unclear how many in total will respond to the union’s call, but the concern is that the action may snowball to hurt the country’s best-known corporation, or trigger similar responses across a recovering tech and chip industry.

“Management has no intention of dialogue,” the union said in a statement on its website. “We have clearly identified line production disruptions and the company will regret this decision,” it said. The union will first target a smaller 8-inch production facility that relies more on human workers, before it targets high-bandwidth memory production in Pyeongtaek. “Management will eventually relent and come to the negoti-



It is the largest organized labour action in Samsung’s half-century history. AFP

ating table.”

Much of Samsung’s production is automated, but the company can ill-afford any manufacturing snarls in the coming weeks. The company’s trying to

convince Nvidia Corp. to use its high-bandwidth memory, a prerequisite for it to catch up to smaller rival SK Hynix Inc. in the booming AI arena. “Samsung will ensure no disruptions occur in production lines,” the company said in a statement. “We remain committed to engaging in good faith negotiations with the union.”

The strike also comes as the global semiconductor supply chain navigates heightened US-China tech rivalry and geopolitical challenges. Samsung accounts for roughly 20% of the global DRAM market and around 40% of NAND flash, which is used in smartphones and servers.

Investors remain largely unfazed, analysts said. The

market is focused on how quickly Samsung is able to win approval from Nvidia to supply HBM, and has “little interest in the strike,” said Lee Seung-woo, head of Eugene Investment & Securities’ research center. It’s also difficult to assess what the impact will be on earnings, as a potential production disruption may drive up chip prices, he said.

The workers’ demands follow Samsung posting a 15-fold surge in operating profit in the June quarter, reflecting a rebound in memory chip demand and an investment boom in AI infrastructure. Investors remain concerned about the company’s market position in AI chips against SK Hynix, however.

Christian Dior’s \$57 handbags have a hidden cost: Reputational risk

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Christian Dior struck gold when it found a supplier willing to assemble a €2,600 handbag, equivalent to around \$2,816, for just €53 a piece—or did it? Cleaning up the reputational damage may not come cheap.

A Milan court named LVMH-owned Dior and Giorgio Armani as two brands whose products were made in sweatshop-like conditions in Italy. Images of an unkempt facility where designer handbags were produced, which was raided as part of an investigation into Italy’s fashion supply chain, are worlds apart from those the luxury industry likes to show its customers.

To keep up with the strong demand for their goods, some high-end brands rely on independent workshops to supplement their in-house factories. Sales at LVMH’s leather goods division have almost doubled since 2019.

While more outsourced manufacturing is understandable in a boom, brands may also have taken cost-saving measures too far in a push to juice profits. Some of Dior’s production was contracted out directly to a Chinese-run factory in Italy, where illegal workers assembled the bags in unsafe conditions, according to a translated court order. In other instances, Dior’s suppliers subcontracted work out to low-cost factories that also used irregular labor.

Nipping the problem in the bud would require hundreds of millions of dollars worth of investment in new facilities to bring more manufacturing in-house.

The alternative is for Dior to pay its suppliers more and keep them on a tighter leash. Either way, the result seems likely to be lower profits than shareholders have grown accustomed to.

Top luxury brands such as Christian Dior can have very high margins because consumers are willing to pay steep prices for goods they see as status symbols. They can also spread high fixed costs, such as expensive ad campaigns over a large volume of sales.

For the LVMH group overall, the cost of making the products



Some of Dior’s production was contracted out directly to a Chinese-run factory in Italy. BLOOMBERG

it sells—everything from Champagne to watches to cosmetics—amounted to 31% of sales in 2023. But the margins on big-brand handbags are probably at the high end of the spectrum.

Bernstein analyst Luca Solca estimates that a €10 billion luxury fashion label, roughly Dior’s size, may spend just 23% of its sales on the raw materials and labor that go into its products. This implies a €2,600

Dior purse would cost €598 to make, equivalent to \$647 for a roughly \$2,800 product at current exchange rates.

In reality, the cost may be even lower, based on the results of the Italian investigation. The €53-a-piece assembly price it cited didn’t include the cost of the leather and hardware, but that would only add another €150 or so, according to one Italian supplier.

Advertising fees are a further €156 per handbag, according to Bernstein’s analysis, and depreciation of the company’s assets is €156. Running the brand’s stores—including pay-

ing the rent on some of the most exclusive shopping streets in the world—and head office costs come to an additional €390. This leaves €1,300 of pure operating profit for Dior, or a 50% margin.

“This is the reality of the business,” says Solca. “The retail price for the goods of major luxury brands is typically between eight and 12 times the cost of making the product.”

LVMH hasn’t commented on the investigation, which first made headlines nearly a month ago. Meanwhile, a public-relations storm is brewing. Luxury influencers on social media are

asking what exactly people are paying for when they shell out for a fancy purse. Recent price increases also make the cheap manufacturing costs hard to stomach. A mini Lady Dior bag that cost \$3,500 in 2019 will set shoppers back \$5,500 today, a 57% increase.

A dozen other luxury labels that remain unnamed are under investigation for similar issues in their Italian supply chains, so this may be a much wider problem.

Profits will take a hit if the industry decides to clean up its act. But the cost of doing nothing might be higher. Luxury brands that charge customers thousands of dollars and rely on a reputation for quality can’t afford to be cheap.

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NEWS NUMBERS

157 mn

THE NUMBER of movie-goers in India who watched at least one film in a theatre in 2023, according to Ormax, a media consulting firm

8,090

THE NUMBER of 2024 batch IIT students who have not been placed yet, accounting for 38% of the total, compared to 21% in 2023, according to TeamLease Services

10 bn

THE NUMBER of passwords leaked via an online hacking forum, providing hackers with a single searchable file to sift through user data, the largest such leak

₹15K cr

THE AMOUNT Rajasthan government has set aside in the state Budget for FY25 to provide tap water to 2.5 million rural houses

₹90

THE PRICE of a kilogram of tomatoes in the Delhi-NCR region, following a price rise caused by supply shortages due to monsoon showers

HOWINDIALIVES.COM

Agarwal: Vedanta set for demerger

Vedanta chairman Anil Agarwal on Wednesday said that the company is going ahead with the proposed demerger of its businesses that will lead to formation of six firms and unlocking of massive value.

The company has received approvals from the majority of its creditors for a proposed demerger of businesses, marking an important step in the company's plan to split into six independent listed companies.

Addressing shareholders during the 59th annual general meeting (AGM), the chairman said, "We are going ahead with the demerger of our businesses, which will lead to the creation of 6 strong companies, each a Vedanta in its own right. This will unlock massive value." Each demerged entity, he said, will plan its own course but follow Vedanta's core values, its enterprising spirit and global leadership.

PTI



CEO T. Koshy said that ONDC witnessed 10 million transactions in June.

PTI

ONDC transactions to reach 30-40 mn

The government-backed Open Network for Digital Commerce (ONDC) is expecting 30 to 40 million monthly transactions through the platform by March 2025, its chief executive T. Koshy said on Wednesday. The open network witnessed 10 million transactions in June, up from over 7 million in March.

"In March (2024) it was 7 million plus transactions. Now in June we had 10 million transactions and I think by the end of the fiscal year it should be 30 to 40 million (monthly) transactions," Koshy said at a CII event here. He further said the ONDC platform has 500,000-600,000 merchants onboard with the number expected to rise significantly in the coming months. He was addressing MSME Growth Summit organized by the industry body. ONDC was set up with an aim to democratize India's e-commerce ecosystem.

Addressing the summit, Sameer Gupta, chairman of Confederation of Indian Industry (CII) National MSME Council, emphasized the transformative impact of the industry body's initiatives like Digital Saksham.

PTI

Patanjali to deposit ₹50 lakh for breach

The Bombay High Court has directed Patanjali Ayurved Ltd to deposit ₹50 lakh for alleged breach of the HC's interim order restraining it from selling its camphor products, in relation to a trademark infringement case filed by another company.

Following trademark infringement allegations by Mangalam Organics Ltd, the HC in an interim order in August 2023 restrained Patanjali Ayurved from selling its camphor products. A single bench of justice R. I. Chagla on 8 July noted that Patanjali, in an affidavit submitted in June, admitted breach of the earlier order granting injunction against sale of the impugned camphor products.

"Such persistent breach of the injunction order dated 30 August 2023 by defendant no. 1 (Patanjali) cannot be tolerated by this court," justice Chagla said in the order, a copy of which was made available on Wednesday.

The Bombay High Court posted the matter for further hearing on 19 July.

PTI

Karnataka nets ₹6,450 cr commitment from Japan, S. Korea

Karnataka has secured ₹6,450 crore in investment commitments from Japan and South Korea with potential to create more than 1,000 jobs, minister M. B. Patil said on Wednesday. The large and medium industries and infrastructure development minister was on a visit to the two countries from 24 June to 5 July. The Karnataka delegation he had led met industry leaders and conducted roadshows for Small and Medium Enterprises (SMEs).

"We have received investment commitments and MoUs worth ₹6,450 crore. These commitments from six major companies are projected to create over 1,000 jobs in Karnataka," Patil told reporters. He said the delegation met more than 35 industry leaders and 200 companies in the two roadshows conducted in Japan and South Korea. In Japan, the delegation met with key industry leaders including those from Renesas Electronics Corporation, Toyota Motor Corporation, Yamaha Motor Company, Sumitomo Heavy Industries, Panasonic Energy, Nidec Corporation, Nissan Motor Corporation, Brother Industries, Shimadzu Corporation, and Hitachi, Patil said.

PTI



The investments from Japan and South Korea have the potential to create more than 1,000 jobs.

MINT

MAKE IN INDIA PITCH



Prime Minister Narendra Modi with Austrian chancellor Karl Nehammer, in Vienna, Austria on Wednesday. Modi invited Austrian businesses to be a part of India's stellar growth story by leveraging high-quality and cost-effective manufacturing under the 'Make in India' programme for domestic and international markets.

PTI

'Centre confident of achieving \$2 tn export target by 2030'

Some initiatives will be launched in 100 days and may reflect in the Budget, says Goyal

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The Union government is on course to fulfill Prime Minister Narendra Modi's commitment of achieving \$2 trillion in exports by 2030, and essential building blocks are already in place, Union commerce minister Piyush Goyal said on Wednesday. The \$2-trillion target is achievable because of a strong macroeconomy to support it, Goyal said while addressing an event organised by the Federation of Indian Chambers of Commerce and Industry (FICCI) in New Delhi. "India has a stable economy, government and markets," he added. Despite global challenges, exports (goods and services) hit the highest level in 2023-24, reaching \$778.2 billion, up 0.23% from \$776.4 billion in 2022-23, according to commerce ministry data. In FY24, services exports rose from \$325.3 bil-

lion a year before to \$341.1 billion, while merchandise exports marginally declined from \$451.1 billion to \$437.1 billion.

As part of its initiatives to promote exports, the government identified Bhavnagar in Gujarat as a hub for container manufacturing with a few companies already having begun operations, as India will need 350,000 containers a year, with demand expected to increase further. "Some initiatives will be launched in the next 100 days and may reflect in the Budget, focusing on making India a global manufacturing hub, integrating India into global value chains, and encouraging global capacity centres to operate from India, thereby, rapidly increasing services exports," Goyal said.

Union finance minister Nirmala Sitharaman will present the Budget for 2024-25 on 23 July.

Goyal's assertions align with the government's plan to introduce a production-linked incentive scheme for manufacturing shipping-grade containers to improve domestic supply and reduce large-scale imports, especially from China. According to a recent report by the commerce ministry, India's exports to 115 countries, out of the total of 238 destinations, surged during 2023-24 despite global economic uncertainties.

India's exports to 115 countries, out of the total of 238 destinations, surged during 2023-24 despite global economic uncertainties

These 115 export destinations, which account for 46.5% of India's export basket, include the US, the UK, the United Arab Emirates, China, Singapore, and Bangladesh.

Glenmark Pharma to exit GLS



Glenmark Pharma will offload 7.84% stake in Glenmark Life Sciences for ₹778 crore.

Glenmark Pharmaceuticals on Wednesday said its board has approved a proposal to offload the remaining 7.84% stake in Glenmark Life Sciences (GLS) via an offer for sale, in a deal valued at around ₹778 crore. The company's board, at its meeting

held on 10 July approved the sale of up to 96,09,571 shares of Glenmark Life Sciences by way of an offer for sale (OFS) through the stock exchange mechanism, the Mumbai-based drug maker said in a regulatory filing. The shares will be sold by Glenmark Pharmaceuticals and chairman and managing director Glenn Mario Saldanha at a floor price of ₹810 per share, it added. The share sale will commence on 11 July and end on 12 July the company said.

In September 2023, Nirma announced a deal to acquire 75% stake in Glenmark Life Sciences for ₹5,651 crore.

In February this year, Nirma said it will kick off a ₹1,343 crore open offer to acquire an additional 17.33% stake from public shareholders of Glenmark Life Sciences. The parties had signed a definitive deal, under which the Mumbai-based drug maker agreed to offload a 75% stake in GLS to Nirma Ltd for ₹615 per share and retain just a 7.84% stake in GLS.

PTI



CPPIB sold shares of FSN E-Commerce Ventures and Delhivery for ₹1,166 crore.

BLOOMBERG

CPPIB sells shares of Nykaa's parent

Canada Pension Plan Investment Board (CPPIB) on Wednesday sold shares of Nykaa's parent company FSN E-Commerce Ventures and logistics company Delhivery for ₹1,166 crore through open market transactions. According to the block deal data available on the BSE, CPPIB offloaded over 23.4 million shares, amounting to a 3.2% stake in Delhivery. In addition, CPPIB sold a total of 14,734,000 shares, amounting to a 0.5% stake in FSN E-Commerce Ventures, as per the block deal data on the National Stock Exchange (NSE).

The shares were disposed of in the price range of ₹174-388 apiece on the NSE and BSE, taking the combined transaction value to ₹1,167 crore.

At the end of the March quarter, CPPIB held a 1.47% stake in fashion-to-beauty online retailer FSN E-Commerce Ventures, while it owned a 5.96% stake in Delhivery.

Meanwhile, Nippon India Mutual Fund (MF), Aditya Birla Sun Life MF, ICICI Prudential Life Insurance, Cophall Mauritius Investment, Blackstone, Morgan Stanley, Ghisallo Master Fund LP, Fidelity Investments, Societe Generale, BofA Securities and HSBC were buyers of Delhivery's shares on the BSE.

PTI

REC secures green loan worth \$200 mn

State-run REC Ltd has availed a \$200-million loan from Deutsche Bank AG to finance green projects in India.

This strategic investment is in line with the company's green finance framework, said a company statement on Wednesday. "This green facility is a first of its kind successful collaboration between an Indian government entity and Deutsche Bank AG, GIFT City branch," it said.

Vivek Kumar Dewangan, CMD, REC said, "This successful transaction is in line with REC's commitment to enhance its green energy financing and sustainable projects capabilities as well as the global community's support for sustainable development projects in India. This benchmark transaction is anticipated to pave way for more such collaborations in future which can help in achieving nation's goals in green space financing."

RITURAJ BARUAH



The funds will be utilized for funding infrastructure and affordable housing projects

MINT

SBI raises ₹10K cr more via infra bond

SBI on Wednesday announced raising ₹10,000 crore through issuance of infrastructure bonds. The proceeds of bonds will be utilized in enhancing long-term resources for funding infrastructure and affordable housing segment, SBI said in a statement. The fresh funding follows a similar development around a fortnight back, when the country's largest lender had raised ₹10,000 crore through infrastructure bond issuance.

The coupon rate for the latest issue was 7.36% payable annually during the 15 year tenor, the same as the last issuance. The state-owned lender had launched the issue to raise ₹5,000 crore, and ended up raising ₹10,000 crore courtesy the high investor interest and the greenshoe option, it said.

The issue was oversubscribed by 3.6 times, with bids in excess of ₹18,145 crore being received, it said.

PTI

DGCA issues rules to ensure safe ops

Aviation watchdog Directorate General of Civil Aviation (DGCA) has come out with safety standards for ground handling service providers at airports, including the compulsory safety clearance requirement, as part of efforts to ensure safe ground operations amid rising air traffic.

The norms also come against the backdrop of ground incidents at some airports that have resulted in damage to aircraft.

The new Civil Aviation Requirements (CAR), prepared after detailed consultations, will strengthen the oversight mechanism, DGCA said in a release on Wednesday.

It also specifies the training and competency requirements of ground personnel who are part of ground operations at the airports.

Ground Handling Service Providers (GHSPs) are required to obtain safety clearance within six months from the DGCA.

PTI

AI-Vistara merger to impact 600 staff

Around 600 non-flying staff of Air India and Vistara are likely to be impacted by the two airlines' mega-merger, and efforts will be made to provide job opportunities to the affected employees within Air India group and Tata companies, sources said on Wednesday. Tata Group-owned loss-making full-service carriers—Air India and Vistara—together have more than 23,000 employees.

People aware of the matter told PTI that the merger is expected to impact around 600 employees from the two airlines. Efforts will be made to provide employment opportunities for the affected people at Air India as well as the Tata groups. Those who cannot be accommodated in both groups will be provided a voluntary separation scheme package, they added. Further, the people said the process is still progressing and the exact number of impacted staff will be known after completion of the merger, which is expected in late September or early October.

PTI



INSIDE SANDEEP TANDON'S BUMPY RIDE TO THE TOP

He's turned Quant MF into a success, but the journey to that destination has taken place on a roller-coaster

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In less than half a decade, Quant Mutual Fund, led by Sandeep Tandon, has blazed up the rankings of India's mutual fund industry to the 18th spot. Its assets under management (AUM), which stood at a mere ₹166 crore in December 2019, had exploded to ₹84,000 crore by the end of May 2024, according to disclosures by the company. Tandon has played an outsized role in that success, donning the fund manager hat in 14 of the 27 funds it offers.

While the pace of its growth has been dizzying, the glow around Quant MF and Tandon began to fade late last month. On 23 June, digital-only publication *Money-control* published a story, citing people privy to the development, that officials from market regulator Securities and Exchange Board of India (Sebi) had searched offices of the asset management company (AMC) in Mumbai and Hyderabad. The report said the case relates to suspicions of 'frontrunning', an illegal practice.

Frontrunning at a mutual fund is akin to insider trading in listed companies, wherein a fund manager, trader or dealer is aware of large buy or sell orders and uses that information for personal gains. The fund is affected as the price can go up before it executes a buy order, which, in turn, affects investors by impacting the net asset value of a scheme.

Subsequently, Quant confirmed that it had received queries from Sebi although it did not clarify the nature of the probe. The regulator has not disclosed what it is investigating. In an interview with *Mint* on 25 June, Tandon maintained that it was business as usual.

"Look around you. Do you see any disruption? We are all carrying on our usual work," he said. Sebi's Quant kettle may be on the boil, but this story has nothing to do with it. Indeed, it focuses less on Quant Mutual Fund, which *Mint* has covered in depth over the years, and instead looks at Quant Capital, a company set up a decade before the AMC, and where Tandon faced other challenges.

They may share first names, but the two companies are not related. Quant Capital, the forerunner, started as a brokerage before moving into derivatives and commodities trading, among other things. It is a subsidiary of Reliance Capital, which is in the final stages of bankruptcy proceedings at the National Company Law Tribunal.

On the other hand, Quant MF, which was formerly known as Escorts Mutual Fund, is run by Quant Money Managers, the asset management company Tandon owns. Most of all, this story shines a light on Sandeep Tandon's path to entrepreneurial success. Beyond a handful of people in the mutual fund industry, few know of this winding trail, for it has lain obscured within the dense foliage of Quant Capital's corporate filings. In retracing those steps, we found that it was not so much a well-paved path as a roller-coaster ride. So, buckle up.

(Note: We reviewed over 3,000 filings by Quant Capital and its half-a-dozen subsidiaries from the last 17 years to piece together this narrative. In addition, we reviewed hundreds of court filings, emails and text messages. We spoke to eight executives, all of whom sought anonymity in order to speak freely about what transpired at their companies. We also spoke to Tandon, to get his version of the events covered in this story. He denied each point that it covers during a two-and-a-half-hour interaction with *Mint*.)

GENESIS
Tandon's entrepreneurial journey started with Quant Capital Private Ltd, a firm founded in December 2007 by his friend Adil Patrawala, a former Edelweiss Financial Services executive. Tandon, who was completing his stint at Kotak Securities at the time, joined Quant Capital in April 2008.

According to filings with the ministry of corporate affairs (MCA), Patrawala owned 51% of Quant Capital, while Tandon owned 49%. However, Tandon took on the chief executive officer (CEO) role while Patrawala was the chief operating officer (COO). "Adil knew the nuts and bolts of what is needed for a business, while Sandeep's strength was in the institutional equity derivatives business. For this reason, Adil took on the role of COO because that required building new lines of business, managing operations and ensuring compliance," said a person close to the developments.

Tandon, however, told *Mint* that he was the brains behind Quant Capital and that he had prodded Patrawala to do the paperwork and incorporate the company as he was serving his notice period at Kotak Securities. The two friends were ambitious and hungry. They rented an office on the sixth floor of the Maker Chamber IV building at Nariman Point, Mumbai, the primest of prime real estate—Mukesh Ambani's Reliance Industries has an office on the fifth floor. After starting out buying and selling shares for institutional clients, Quant Capital quickly branched into five other areas: proprietary trading, wealth management, retail equity, commodities and non-banking finance. Tandon and his team oversaw institutional customers while Adil managed the remaining businesses. It was a heady time for the small team. "Our vision was to build Edelweiss 2.0—a much bigger financial services firm focusing on technology," recounted one of the early employees of Quant Capital. That was the heyday of the first wave of financial entrepreneurship. First, Indiabulls Financial Services went public in 2004. Next, Nirmal Jain, a young graduate from the Indian Institute of Management-Ahmedabad, got his company, IIFL Finance Ltd listed in 2005. Jain's batchmate from the class of 1989, Rashesh Shah, took his firm, Edelweiss Financial Services, public in November 2007.

Quant Capital, however, was different from the rest of the pack. Its use of technology set it apart from Edelweiss, IIFL Finance, and Indiabulls' broking business. Staying true to its name, the company used computer algorithms to buy and sell stocks.

In July 2010, Tandon roped in Reliance Capital as a strategic investor. Reliance Capital picked up a 74% stake in the company for about ₹200 crore. Patrawala's stake came down to 13.26%, while Tandon's shrank to 12.74% after the dilution. By 2013, Quant Capital had become a 300-crore in revenue and recorded a ₹13.4 crore profit.

However, that spectacular run ended and the company plunged into a downward spiral soon after. **EXODUS**
Many of Quant Capital's employees—23, to be specific—had joined the company from other financial firms, including Kotak Securities and Edelweiss, after being promised shares in the company. "Quant was a startup and we all joined with lower salaries because we all were promised equity in the company," said the second executive. Five of those executives told *Mint* that Quant Capital had promised to give up to 12% equity to the group of 23 as they had taken a cut in pay to come on board. These shares were to come from the 26% equity stake held by Tandon and Patrawala. Reliance Capital's ownership was not to be diluted.

According to the five executives, while discussions were held on the issue with Tandon in 2011 and for much of 2012, none of them got any shares. "Sandeep would say it is correct that we are to get shares, but he wouldn't talk about when. It was getting clear that he had no intention of keeping his word," said a third executive. "This was becoming problematic. All of us were earning less. But Sandeep and his team at the institutional desk took market salaries and hefty bonuses," said a third executive. Tired of waiting for the promised payout, many of them resigned and moved on from Quant. By December 2012, all 23 executives had left Quant Capital.

IN THE LION'S DEN
Speaking to *Mint* in his nondescript sixth-floor office in Prabhadevi, in a building located between the more stately Goldman Sachs and ICICI Securities offices, Tandon gives little evidence of the aggressive personality he is reputed to have as a fund manager. He is guarded, never letting anyone read his mind. At times, he laughs, deflecting us as we try to get a glimpse into his emotions.

Except for two pet labradors, who hold sway over his affections, Tandon is always formal in every interaction. Periodically, his staff interrupt our conversation, seeking his intervention, giving credence to the popular belief that he is a one-man army/micro-manager at Quant. As the executive cited above put it, "Sandeep is a lone wolf. He does not have many friends. But above all, if he sets his eyes on something, he always gets it. As a micro-manager, he always wants to be the decision-maker in everything."

Tandon told *Mint* he has friends and that the description of him preferring to work alone was incorrect. "Rakesh Jhunjhunwala was a very dear friend," he said. When we sought clarity on the events at Quant Capital, Tandon said it was more important to focus on the present, especially since his fund house was outdoing the industry. He said he was perplexed by why questions on bygones were being raised now when the fund was doing well. "I don't know what the purpose of discussing this more than 15-year-old episode is. What is important is how we built Quant," said Tandon, referring to the AMC.

CO-FOUNDER'S EJECTION
The employees who were demanding a share in the company's equity found a sympathetic ally in Patrawala. According to some of the executives cited above, Patrawala tried to convince Tandon about the need to honour their promises to the group. "Adil took it upon

himself to fight for all of us," one of them told *Mint*. What happened next, however, left Patrawala reeling. According to the minutes of the board meeting held on 23 February 2013, Tandon brought a notice before the Quant Capital board for the removal of Patrawala, allegedly for committing all manner of malafide acts. It didn't end at Patrawala. According to three executives, Tandon was unhappy with the group of 23 who had demanded shares. In the April-June quarter of 2012, Reliance Capital hired the consultancy EY to conduct a forensic audit of the alleged wrongdoings. EY concluded that Patrawala and the 23 employees had stolen data, siphoned funds and committed financial irregularities. All of them were issued show-cause notices in February 2013, after they had left the company.

Mint has reached out to EY for comment but has not received a response thus far. EY's findings were taken up at the 23 February board meeting. "The Independent Auditors have submitted their Reports to Reliance Capital Limited and Audit Reports have implicated Shri Adil Patrawala, director and employee of Quant Group and a few other employees in various malpractices and fraudulent activities such as IPR/data theft, siphoning of funds, execution of backdated Agreements/MOUs without authority, financial irregularities, etc. clearly acting against the interest of the Group," said the minutes of the meeting. In addition, the minutes noted, "The group has also served Show Cause Notice to Shri Adil Patrawala... In the last few months, Shri Adil Patrawala has threatened board members, chief executive officer, chief financial officer, chief operating officer, chief technology officer, company secretary, compliance officer, principal officer and various employees of the Group and has been filed to record and protect the human wealth of the Group."

Four months later, in June 2013, Patrawala was removed from the company he had founded less than six years earlier. The ensuing legal battle brought some relief to Patrawala and some employees. In January 2014, a company law board directed Quant Capital to delete some of the EY report's conclusions on employee misconduct from Quant Capital's 2013 board meeting minutes. *Mint* has not been able to ascertain if Patrawala and the 23

executives implicated in EY's report committed any wrong. We are not revealing the identities of the employees. *Mint* reached out to Patrawala over the phone but he declined to speak. The five former employees *Mint* spoke to maintain that Tandon's actions were "retaliatory" and "vindictive", as they had all quit the company by the end of 2012. Tandon rejects this narrative. He maintains that the 24 executives, including his friend and co-founder Patrawala, were looking to build a parallel business. He also denies that he was not willing to share equity with the employees. After the ouster of Tandon's friend and co-founder, more people continued to leave. Among these exits, the departure of Quant Capital's company secretary and compliance officer, Vivek Thakur, in February 2014, stood out. In an unusual move, Thakur penned a letter questioning if the management, led by Tandon, would tamper with official documents. "I further state that I have in my possession some copies of the original work performed by me in the capacity of company secretary/compliance officer/authorised signatory which I believe would be tampered/doctored after my resignation from the post of company secretary/compliance officer/employee taking into consideration the current litigations affecting the Company," Thakur wrote to the board of Quant Capital, in his 3 February 2014 letter. "I further state that in the past also exiting employees have been pressurized by the Quant management from external agencies by filing false and frivolous complaints and I do not wish to be treated in such manner," Thakur wrote. *Mint* has reached out to Thakur by email but is yet to get a response. Soon, the executive exodus started reflecting on the company's performance: Quant Capital's revenue declined 35% from a year earlier to ₹66.1 crore in the year ended March 2014. Worse, it slipped into the red, reporting a ₹1.21 crore loss.

REVELATIONS
With most of the team gone, Tandon started to build his own business. He set up Quant Capital Securities in June 2013, followed by Quant Capital Holdings Pvt. Ltd in August 2013. Quant Employees Welfare Foundation Private Ltd was incorporated a month later. Finally, many subsidiaries of the Reliance Capital-backed Quant Capital were sold to the Tandon-owned Quant Capital Holdings between 2013 and 2015. Four such subsidiaries, Quant Capital Finance and Investments Private Limited, Quant Commodities Pvt. Ltd, Quant Capital Advisors Pvt. Ltd (QCAPL), and QOPPA Trading changed ownership in this manner to come under Tandon's holding company. The original Quant Capital was left only with Quant Broking, Quant Securities and Quant Investment Services. *Mint* could not establish why the Reliance Capital-backed company sold so many of its businesses to Tandon, especially since Tandon was already the CEO of Quant Capital. Tandon maintains that all his business transactions with Reliance Capital were transparent and had been undertaken because Reliance Capital wanted to shut down its brokerage business and focus on

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SHORT
STORY

WHAT

Tandon's entrepreneurial journey started with Quant Capital Private Ltd, a firm founded in December 2007 by his friend Adil Patrawala, a former Edelweiss Financial Services executive.

AND

Quant Capital ended FY13 with ₹103 crore in revenue and a ₹13.4 crore profit. However, the partners fell out, and the company, now owned by Reliance Capital, began sinking.

NOW

Quant Capital's parent is in bankruptcy proceedings. Late last year, the Hinduja Group agreed to buy Reliance Capital and its subsidiaries for about ₹10,000 crore.

A SHORT HISTORY

2007-2012: The beginnings

► **QUANT CAPITAL** set up in December 2007

► **RELIANCE CAPITAL** enters as strategic investor in 2010

Quant Capital shareholding structure, Dec 2012 (in %)



► **2013: Downward spiral**

► **23 EXECUTIVES** exit by December 2012 after failing to get shares in the company

► **IN JUNE 2013**, Patrawala is ousted from Quant Capital

► **TANDON STARTS** building his Quant business

Reliance-owned Quant Capital had the following subsidiaries:

Quant Broking Pvt. Ltd
Quant Securities Pvt. Ltd
Quant Investment Services Ltd
Quant Com Broking
QOPPA Trading
Quant Capital Advisors Pvt. Ltd
Quant Capital Finance & Investments Pvt. Ltd
Quant Commodities

► **2014-2017: A new quant**

Sandeep Tandon-owned Quant takes shape

Company Established
Quant Capital Securities June 2013
Quant Capital Holdings Pvt. Ltd August 2013
Quant Employee Welfare Foundation September 2013

Quant Capital Holdings buys these firms from Reliance-backed Quant Capital:

Company Purchase Year
Quant Commodities Pvt. Ltd 2014
Quant Capital Advisors Pvt. Ltd 2014
Quant Capital Finance & Investment Pvt. Ltd 2017
QOPPA Trading 2017

► **IN 2016**, Tandon picks up 10% stake in Escorts Mutual Fund

► **2018: Escorts deal**

► **IN JANUARY 2018**, Tandon resigns as CEO of Reliance Capital-backed Quant Capital

► **IN FEBRUARY 2018**, Tandon-owned Quant Capital Finance & Investments Pvt. Ltd buys Escorts' mutual fund business

► **ESCORTS MUTUAL** Fund is renamed as Quant Mutual Fund

► **RELIANCE CAPITAL** is in the middle of bankruptcy proceedings; Quant still a subsidiary

Source: Mint research, Company disclosure

SATISH KUMAR/MINT



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How this CEO secured a nest egg with passive investing

Sharma has been disciplined for over 17 years, avoiding unnecessary changes to his portfolio

Jash Kriplani
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Mumbai-based Kartik Sharma, who has been working in the advertising industry since the 90s, is well on track to achieve his retirement goals. His investments already account for 95% of his retirement corpus target.

Sharma, 52, who works as group CEO of a global media company, is eight years away from retirement. He has achieved his goals by putting in a large allocation to equity and letting his investments compound over the years. His asset mix has a 74% allocation to equities and a balance of 26% to debt.

"In the past 17 years of my financial planning journey, which has been orchestrated by my financial advisor, I have witnessed the power of compounding," says Sharma. He has been almost passive with his investments and avoided tampering and tinkering with them too much, he added.

Portfolio mix

Sharma and his wife have 34 mutual funds in all. While Sharma's investments are spread across 24 funds, ten funds are in his wife's name.

The family's equity mutual fund portfolio is diversified as follows: 35% in large-cap funds, 23% in flexi cap funds, 14% in large & mid-cap funds, 16% in international funds. The balance is in aggressive hybrid funds.

Meanwhile, the 26% debt allocation is split evenly, with 13% in liquid debt and 13% in illiquid debt. The liquid debt comprises a mix of arbitrage and debt schemes, while the illiquid portion is in the employee provident fund. The liquid debt is reserved for annual family travel, typically twice a year, and any contingency requirements. The equity investments are dedicated to long-term goals such as retirement and his son's education.

Sharma doesn't like real estate as an investment, as he says it is an illiquid asset. His own house is loan-free, but he says he doesn't look at it as an investment as it is for residential purposes.

Goals

He says he has already reached 100% of his corpus target for his son's education.

Apart from this, the family has goals for upgrading their car and planning annual vacations, in India or abroad. The funds for vacation goals are withdrawn from the debt portion of Sharma's portfolio.

In the post-retirement phase, Sharma would continue to travel with his family. He says he doesn't plan to necessarily stop working fully after turning 60. "If there are opportunities to consult, work in an advisory role, or even teach—as I enjoy teaching—I would be open to such roles," he says.

High savings rate

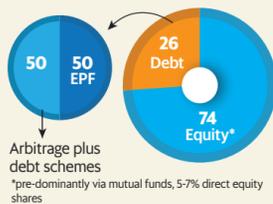
Sharma has a high savings rate of 70%, which he has maintained for the past seven to eight years.

Riding high on equity

Kartik Sharma, a media executive, has allocated 74% of his investment portfolio to equities.

SHARMA, 52, group CEO of a global media planning firm
Family: Wife Aarthi Sharma (47), lawyer at a legal research company
Son (18), student

What's your current asset allocation? (in %)



What about real estate?

- I prefer not to invest in real estate because it's illiquid.
- Our house is mortgage-free.

What's the split of equity mutual funds?



What's your monthly savings rate?

- 70% of family's income is allocated to mutual fund SIPs.



Have you reached your retirement target?

- Reached 95% of retirement savings target.

What about other goals?

- Son's education:** Funding target achieved.
- Car upgrade:** Funds ready
- Annual expense:** Vacation in India or abroad

What about life insurance?

- Don't need life cover; have accumulated sufficient assets.
- Have significant life cover from employer.

What about health insurance?

- Family floater of ₹20 lakh, covers me, wife and son.

What about contingency fund?

- Arbitrage and debt funds are for emergencies and annual travel expenses.

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PRANAY BHARDWAJ/MINT

He invests 70% of his income in mutual funds through monthly systematic investment plans (SIPs), with the remaining 30% for household expenses.

He doesn't have any outstanding loans. "I had a home loan, but I retired it quickly within three years of it getting disbursed with the help of my bonuses," he says.

"As a South Indian, the idea that loans are bad for you gets ingrained at a very young age," he adds. While he is born and brought up in Mumbai, his parents originally hail from Trichy, a city in Tamil Nadu.

Sharma doesn't have any credit cards either. He keeps just one bank account to maintain a simple and easy-to-track financial life.

The other idea is being disciplined with spending, which Sharma says has helped him boost his savings a lot. He adds that he avoids unnecessary spending while he doesn't compromise on clothing, food, and commuting comfort.

Over the years, he has realized that

getting more material things doesn't necessarily add to more happiness.

Sharma says growing up in the pre-liberalization era has also significantly shaped his thinking. "Back then, life was simple, and you had to work really hard just to get opportunities, unlike today," he points out.

First brush

Sharma recalls that there weren't many investment options in the early days. "In fact, I had invested in some insurance products that were sold to me as attractive investment propositions. Later, I realized these were mis-sold to me, and I ended up surrendering couple of them," he says.

Today, nearly all of Sharma's investments are through mutual funds. However, when he was first exposed to the stock markets in the early 2000s, he began with direct stock investing and also dabbled in intraday trading.

"Back then, you'd get a tip from a friend or relative and buy a stock. I even dabbled in intraday trading—not in futures & options, but by buying a stock in the morning and selling it the same

day to make a quick profit," Sharma recalls.

But Sharma says these activities neither fetched him much profit nor led to significant gains. "I hadn't invested much money in these experiments, so they didn't significantly impact my finances or contribute meaningfully," Sharma says.

Financial planning was a relatively new concept in the early 2000s. Up until then, Sharma's investments were sporadic, without any clear financial goals or planning behind them. When he sought a more disciplined approach, his sister-in-law recommended Ladder7 Wealth Planners in 2007. He has stuck with the Sebi-registered investment adviser (RIA) since then.

Life, health cover

Sharma has a sizeable life insurance cover from his employer, which he believes is more than adequate, especially now that he has accumulated sufficient assets on his own. He also has health cover in the form of family floater of Rs 20 lakh, which covers him, his wife and son.

By adhering to a disciplined approach, Sharma is successfully navigating his retirement planning journey and is well on track to achieving his goals.

MINT 20* MUTUAL FUND SCHEMES TO INVEST IN

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20 BEST
FUNDS

We have hand-picked 20 mutual funds for your portfolio that have jumped through hoops of good returns, low risk, good portfolio hygiene and our own qualitative research. We have restricted the choice universe to 10 categories out of the total 37 and given you at least two options to pick from each.

EQUITY	3-years return (%)	5-years return (%)	Corpus (₹ cr)
LARGE-CAP			
UTI Nifty Index Fund - Growth	16.56	16.97	16,925
HDFC Index Fund - Nifty 50 Plan	16.46	16.78	14,220
Category average	15.87	16.54	
EQUITY FLEXICAP			
Canara Robeco Flexi Cap	16.90	19.47	12,448
Parag Parikh Flexi Cap	20.98	25.35	66,384
Category average	18.11	19.76	
EQUITY SMALL AND MIDCAP			
Axis Midcap	21.43	25.22	27,748
SBI Small Cap	24.23	28.93	28,375
Category average Midcap	25.40	26.64	
Category average Smallcap	25.89	28.70	
EQUITY (TAXSAVER)			
Canara Robeco Equity Tax Saver	17.73	21.14	7,926
Mirae Asset Tax Saver	18.39	21.59	22,621
Category average	20.40	20.63	
HYBRID			
BALANCED ADVANTAGE			
Edelweiss Balanced Advantage	13.69	15.86	11,282
ICICI Prudential Balanced Advantage	13.64	13.67	56,750
Category average	13.47	13.50	
ARBITRAGE			
Kotak Equity Arbitrage	5.99	5.43	46,308
Tata Arbitrage	5.59	5.32	11,829
Category average	5.64	5.11	
OUT OF THE BOX			
	Returns since launch	Date of launch	Corpus (₹ cr)
BHARAT Bond ETF - April 2031	5.40	23-Jul-20	13,538
Motilal Oswal S&P 500 Index Fund	19.15	28-Apr-20	3,276

Returns as on 8 July 2024; Corpus data as of May 2024; Growth option in regular plans has been used
Absolute returns for 'Out of box', CAGR for the rest. For detailed methodology refer to:
Keep a smart, flexible and minimalist MF portfolio
<https://www.livemint.com/money/personal-finance/keep-a-smart-flexible-and-minimalist-mf-portfolio-11638378827521.html>
Download mint app for latest in Business News - <https://bit.ly/32XEFFE>
*Debt funds can be viewed in the full table online
Data and analysis by CRISIL Research

Compiled by Neil Borate

Revoking gift deed due to abuse: Legal options for seniors citizens

Shaishavi Kadakia & Radhika Parthasarathy



In 2022, I gifted my apartment to my son. This gift was made out of love. Now he and his wife have started abusing me physically and verbally. I want to cancel the gift and evict them. Is it possible?

—Name withheld on request

A gift of property cannot be revoked unilaterally but only in specific circumstances. So, the 2022 deed may be revoked in three eventualities. One, if you can prove before a court the gift deed was made by you in the circumstance of fraud, coercion, or undue influence. Two, if there is an event mentioned in deed, upon the occurrence of which you may revoke the gift — this will be under section 126, Transfer of Property Act. Three, if you are 60 years or

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above and the deed contains a provision stating the gift was subject to condition that your son will provide you with basic amenities or cater to physical need, and he failed to do so. In this case, you may approach Maintenance Tribunal under Maintenance and Welfare of Parents and Senior Citizens Act, also known as the Senior Citizens Act, for relief. If the tribunal is satisfied, it

may order revocation of the deed and eviction of your son. Note the condition in the deed must be 'express', i.e., clearly set out, and can't be inferred from the surrounding circumstances. This relief is available under Section 23(i) of the Senior Citizens Act. Whether the above courses of action will be available depends on the facts of your case. You should seek legal advice. However, if you are suffering from abuse, you may seek remedies for abuse under penal laws or, if you are a woman, under Protection of Women from Domestic Violence Act, 2005.

Kadakia is a partner, and Parthasarathy senior associate, at Cyril Amarchand Mangaldas.

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

Quant Mutual Fund: Inside Sandeep Tandon's bumpy ride to the top

FROM PAGE 10

getting a bank license. "Since they wanted to shut down the business, I thought I could buy it myself," he told *Mint*.

Tandon also had an eye on the mutual fund business of the Delhi-based Escorts Group. According to filings by Escorts Asset Management Ltd, the promoter of Escorts Mutual Fund, Tandon picked up a 10% stake in the AMC in the year ended March 2016.

EXIT AND RESURRECTION

And then one fine day, Tandon quit the Reliance-backed Quant Capital, in rather strange circumstances, going by his resignation letter.

"I would like to inform you and place on record the unfortunate developments that unfolded after the conclusion of the Board meeting," Tandon wrote in that letter, addressed to the board of Quant Capital. "As you are aware, I tabled serious reservations on the audit report tabled at the meeting and requested RC (Reliance Capital) nominees to record the factual inaccuracies in the minutes. Probably as a trigger of that

request, Mr Bapna threatened to sack me and the entire team of Quant in an unjust and harsh manner," the letter stated.

Reliance Capital appointed Amit Bapna to the board of Quant Capital in July 2014. Bapna was the president and chief operating officer of Reliance Capital before he left in August 2020. He is now the chief financial officer of Essar Ports.

"Mr Amit Bapna led a team of IT specialists and security officers to take physical possession of the Quant offices and evicted all the working staff under the pretext of a management coup led by him. I have decided to lean on the pressure of RC and Mr Bapna and resign as the CEO of Quant with immediate effect."

An email sent to Bapna seeking comment remains unanswered. *Mint* also reached out to the Reliance Anil Ambani Group for comment (Reliance Capital is in bankruptcy proceedings) but is yet to receive a response.

Without revealing any details, Tandon admitted that differences had cropped up between the two sides, leading him to head for the exit door.



In 2021, Reliance Capital's board was replaced by the Reserve Bank of India citing governance issues and payment defaults.

In 2021, Reliance Capital's board was replaced by the Reserve Bank of India citing governance issues and payment defaults. Subsequently, it ended up in bankruptcy court. Late last year, the Hinduja group agreed to buy Reliance Capital and its subsidiaries, including Quant Capital, for about ₹10,000 crore.

A month after leaving the Reliance-owned company, on 20 February 2018, Tandon

bought Escorts' mutual fund business through Quant Capital Finance and Investments, a company he owned in full with his family. Details of the financial transaction were not disclosed, but *Mint* learned that the deal was finalized for about ₹250 crore. Escorts Mutual Fund was subsequently rebranded as Quant Mutual Fund. Its stellar performance in a short time turned Tandon into the star he is today.

REPEATING HISTORY

In 2021, three years after setting up his Quant business empire, Quant Capital Advisors Pvt. Ltd (QCAPL), a wealth management company Tandon had acquired from Reliance Capital, saw a repeat of what had happened eight years earlier.

In December 2020, Tandon hired FTI Consulting India, a consulting firm that carries out forensic probes, as he suspected some employees of the

wealth management division had been cheating him.

In a strange coincidence, just as EY had implicated 24 employees of wrongdoings at the Reliance Capital-backed Quant Capital in 2013, FTI Consulting found in 2020 that eight of Quant Capital Advisors' employees had committed misconduct. All eight employees of Quant Capital Advisors were probed long after they had left—the employees were issued show-cause notices on 18 March 2021, whereas they had all quit the company by the end of 2019.

"Based on our work procedures performed, it can be noted the Custodians were indulging in theft of proprietary data of QCAPL, running parallel and competing businesses, soliciting clients of QCAPL, violating terms of employee contracts and the Code of Conduct and obtaining potential personal gains on account of their dealing," FTI Consulting India concluded, in a report titled *Project Eldorado*. "These breaches have caused significant diminution of the intrinsic value of the company." One of the employees was

Anurag Seth, who had quit QCAPL in December 2019. Tandon sought the removal of Seth as a director of Quant Capital Finance & Investment, a subsidiary of Quant Capital Holdings, which had been set up in August 2013.

"We left Quant in September 2019. We put in our resignation in September 2019, which was duly acknowledged by Quant, and then served our notice till December 2019," Seth told *Mint* in an email response when asked why he and his colleagues had quit the firm. "We left Quant because Quant/Sandeep bought an AMC in 2018 and wanted to focus on the mutual funds business, whereas we always wanted to focus on the wealth management business, our core strength," said Seth.

"We deny the findings of the FTI report in its entirety. Even the Board of Quant Capital has now declared the FTI Report as 'void'. Even NCLT Mumbai dismissed the FTI Report in its order initiating CIRP (Corporate Insolvency Resolution Process) against Quant Capital," Seth added.

Mint reached out to FTI Consulting for comment but has not received a response from the consultancy so far.

When asked about the parallels with the 2012 incident, Tandon said: "Please remember that it was Reliance Capital that hired EY in 2012. In 2020, I hired FTI Consulting. But is there anything wrong in this (undertaking a forensic audit) if you suspect some of your employees have done wrong?"

While the earlier part of his entrepreneurial journey was full of ups and downs, Tandon, 54, managed to stabilize things and get on a more stable path after going solo. He has won accolades for quickly building Quant Mutual Fund into a respected industry name. However, Sebi's search and seizure operations at the fund house's properties have slowed down his relentless march. With the regulator taking a closer look into the goings-on at his company, Tandon may once again find himself on a ride with many twists and turns. But then, he is no stranger to challenges and may weather this storm just as he has so many others.



OUR VIEW



Who is afraid of India's relations with Russia?

India's ties with Moscow needn't worry the West, given the role New Delhi can play in pursuit of peace. Indian strategic autonomy, however, would be better assured by economic success

Barely a year after US President Joe Biden hosted Indian Prime Minister Narendra Modi at the White House to much fanfare, it's the Kremlin now that is courting India's leader in much the same way. US efforts to woo India to its side—or the West—in a world riven by geopolitics may seem to have failed, as both Modi and Russian President Vladimir Putin sang paeans to the two nations' enduring friendship on Tuesday. Sure, misgivings have emerged in the West and Ukraine's leader has expressed concerns. But New Delhi's parallel ties with Moscow aren't something that should make the Western bloc uneasy. With China and Russia in a "no-limits" pact, India can plausibly act as a channel of communication with Russia in an attempt to settle the conflict in Ukraine. New Delhi's geopolitical neutrality could grant it the role of an intermediary trusted by both sides. Although its peace-securing exertions are yet to come good, attempts by other countries' leaders having fallen flat means the West may need to depend on India. Notably, White House spokesperson Karine Jean-Pierre alluded to such an eventuality: "We believe India's longstanding relationship with Russia gives it the ability to urge President Putin to end his brutal war, an unprovoked war in Ukraine." This is an opportunity for a global legacy that India must not let pass, even if it is difficult to pull off.

That said, it's bilateral economic ties that took centre-stage during Modi's Moscow visit. Among the agreements struck, the most prominent is a plan to boost bilateral trade to \$100 billion by 2030. Trade has already leapt up from the \$10 billion level a few years ago. Western sanctions imposed on Russia after its 2022 invasion of Ukraine resulted in Russian oil being

shipped in large volumes at a discount to Indian ports. Turned away by Western buyers, Russia found an eager consumer of its exports in India, which was glad to find an oil-shock absorber that could help keep local inflationary pressures in check. These imports have also helped soften the impact on global oil prices of the war in Europe by reducing Indian demand in the global full-price market. The deal's effect is visible in our trade data. Taken together, our exports to Russia and imports from there jumped to \$65.6 billion in 2023-24, more than six times the pre-pandemic figure. While this makes the target of \$100 billion by 2030 look achievable, there lies a problem in its composition, with the balance of trade tilted heavily in Russia's favour. We ran up a whopping \$57 billion trade deficit with Russia last year. In other words, what we exported was only a small fraction of what we imported. Unless this skew is corrected, scaling up bilateral trade may not prove sustainable. With Russia denied access to global dollar payment systems, this concern assumes even more importance. Rupee or rouble settlements will work only if trade is better balanced. Russia would resist being saddled with a stash of rupees if there's little it can buy with it. Hence, like China, we must ship vast volumes of our products to Russia. For this, India must emerge as a global manufacturing hub.

India's global heft would also be easier to exercise if large markets grow reliant on supplies from here. Economic success arguably makes more space for strategic autonomy than a game of equidistance from geopolitical adversaries. As for the West, it need not worry about India joining an anti-West bloc, given our distrust of China. But a neutral India could yet be its best bet to keep the world order stable.

THEIR VIEW

India's response to urban floods needs an indepth study of causes

Complex water-table interactions under heavy rainfall suggest we need a much broader approach



ALOK SHEEL
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Every monsoon, social media is flooded with video footage of floods all over the National Capital Region (NCR), but the past few days had particularly alarming images. While corruption in public works and climate change have amplified the damage, the underlying problem is more basic.

Some eight years ago, I had argued on these pages that flash floods have long been a feature of life on the Indo-Gangetic floodplains. Archival sources on south Bihar dating back to the 1860s, when India was primarily an agricultural economy, showed that sudden floods during the rainy season were the norm, as the Gangetic riverine network overflowed its banks. These floods, however, receded within days, causing little damage and leaving a layer of fine silt that replenished the soil and enhanced farm productivity. Drought and monsoon failure, rather than floods, were the main worries then.

The origins of waterlogging on the floodplain can be traced to early public developmental works under British rule, such as canals, all-weather roads and railways, that involved construction of embankments that often blocked lines of natural drainage. The problem has been compounded since with large-scale urbanization. The NCR, located on this floodplain, needs just three hours of heavy rainfall to be flooded, and isolated pools of floodwater can stagnate for

days, harming infrastructure, private property and even life. Mumbai, Chennai, Thiruvananthapuram and other Indian cities suffer similarly.

Eight years ago, I was of the view that better drainage could resolve the problem. On further reflection, since, it has dawned on me that it's so complex that flash floods in NCR cannot be prevented, only mitigated and managed.

If NCR were situated on a coast, excess water could drain into the sea. Delhi, however, is on the inland Indo-Gangetic floodplain that's one of the flattest places on earth. Normal rainfall water goes into water harvesting structures that recharge the phreatic/surface water table (natural bodies like rivers, ponds, open-raw wells and other artificial structures). But under incessant and excessive rainfall, this phreatic table gets fully recharged and rises to ground level. This water table differs from the intricate web of deep sub-surface aquifers, from which tube wells draw water and where water has accumulated over millennia. The two tables are linked, but we don't know exactly how.

Once the phreatic water table is fully charged where can the excess water go, especially since river levels are rising and overflowing their banks?

In coastal cities, the answer is clear, as sea-drainage guards against floods provided an adequate drainage system is in place and in good repair under routine maintenance. In floodplains, however, drainage to the sea can only occur over an extended period, since rivers have to cover a long distance to reach their outlet. Flash floods take place on account of this time difference. Once heavy rains cease, the waters subside and recede back into the original river bed.

What then are the possible long-term solutions, assuming drainage systems are well designed, adequate and kept in good repair?

First, more upstream reservoirs (including hydroelectric projects) in the hills, from where the rivers flow down to the floodplain. There are associated

environmental, technical and flooding concerns that need to be addressed, though, while designing these. Reservoirs have indeed been increasing over time, but might be inadequate to prevent flooding downstream as monsoon rains cover the entire Indo-Gangetic plain, and much of the flow into rivers at this time is downstream.

Second, desilt, deepen, revive and increase the area under ponds, wells, lakes and other water harvesting structures where excess water can flow during the monsoon season. These water storage devices would also increase water availability during the long dry season that follows the monsoon and during which there is extensive water shortage, both for drinking purposes and agriculture.

Three, minimize the built-up area under concrete, asphalt, etc. in urban areas so as to increase the recharge of sub-surface water. We need more parks, playgrounds, uncovered sidewalks by roadsides, buildings, etc.

Four, the blocked natural lines of drainage need to be de-obstructed while designing and reworking drainage systems so that excess water can flow towards the Yamuna and not accumulate in low-lying areas. Underpasses in particular should be avoided. It is far better to have elevated overpasses.

Five, needless to say, drainage systems need to be well maintained and kept in good repair so that they are not clogged with dirt, waste material, plastic, etc. that obstruct the flow of water.

My broad sense is that while such measures would mitigate the problem during monsoon rains, ultimately there is no preventing the water table from rising in the floodplains during the rainy season, as historical evidence cited in the article indicates, and consequential flash floods. Large and dense urban agglomerations like the NCR are fundamentally unsuited to such a vast flat floodplain that is so far from the sea. Urban planners and architects need to take seasonal flooding into account.

10 YEARS AGO



JUST A THOUGHT

Like air pollution, flood risk is a threat that government should be protecting us against.

BARRY GARDINER

THEIR VIEW

Relieve solar panels of tariffs and see them proliferate

MANOJ PANT



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Most people would now agree, given the recent heat wave in India and around the world, that climate control is high on every country's agenda. Though it was hardly raised in India's recent elections, this probably indicates that there are no serious political differences on this issue. In fact, India announced its commitment to achieve net-zero emissions by 2070 at CoP-26 in November 2021. Additionally, India aims to reduce its emission-intensity by 45% below 2005 levels and increase non-fossil power capacity to 50% by 2030, as part of its August 2022 Nationally Determined Contribution (NDC) update. As the same government continues in India, it is likely that these commitments will continue to occupy prominence in policy pronouncements. While tackling climate change (to reduce greenhouse gases and carbon intensity) involves a host of measures that include reduced vehicular emissions, less use of fossil fuels, etc. one area in need of greater policy attention is rooftop solar power as an

alternative to traditional sources of power. In India, most power is from fossil fuels.

To meet emission reduction targets, increasing rooftop solar capacity is crucial. However, India's installation of solar panels lags the national target of achieving 40 gigawatts (GW) of it by 2022, with only 7.3GW achieved by 30 November 2022 (official data). Recognizing the vital role that rooftop panels play, Prime Minister Narendra Modi launched the PM Suryaodaya Yojana on 22 January this year to support rooftop solar panel installations for households consuming less than 300 units of electricity per month.

The PM highlighted India's significant rooftop potential in the context of the 2070 net-zero goal. As the green-energy sector continues to grow, Modi has expressed his belief that both investors and industry will benefit. In the past, Union budgets have often been used to provide incentives for climate-control measures. However, the Budget for 2024-25 is expected to go further on India's climate commitments. Thankfully, there is a way to boost the adoption of rooftop solar power without major financial commitments or loss of government revenues. This is because it can help households lower their power bills.

Cheaper rooftop solar panel installations: Apart from a battery, solar panels require lithium wafers (almost solely made by China), solar cells and the final element, solar modules. Solar cells and modules are crucial components. However, since April 2022, India has imposed a 40% customs duty on solar modules and a 25% duty on solar cells (with some country/firm specific exemptions), despite the country's limited domestic production capacity.

The social (and private) benefits of eliminating customs duties on solar panel inputs like cells and modules can be calculated. To calculate its benefit in terms of saving on electricity usage expenditure by households (the consumer surplus), we first identified the levelized cost of electricity (LCOE) for rooftop solar power. The 'levelized cost' is calculated assuming tariff-free imports of solar cells and modules, and is found to range between ₹3 per kilo Watt hour (kWh) and ₹5 per kWh, based on research findings. Next, we obtained the average electricity

tariff rates from the Niti Aayog's India Climate and Energy Dashboard. These rates were ₹6.74 per kWh nationally and ₹9.36 per kWh in Delhi. We then calculated the electricity-bill expenditure savings for households by subtracting the LCOE of rooftop systems from the average electricity tariffs.

This difference represents the financial benefit per kWh of electricity generated by rooftop solar installations. We obtained India's total consumer surplus by multiplying this difference with the projected total solar energy generation capacity. Our calculations show a consumer surplus of ₹96,000 crore if the 2026 target of 40GW is achieved. If India's full residential rooftop solar potential of 637GW (according to CEEW 2022) is achieved, it would result in a far larger consumer surplus of ₹15.2 trillion nationally and ₹75,000 crore in Delhi alone. This assumes that the consumer pays the full cost of installing and maintaining rooftop solar panels. So these savings could be even

higher if the government subsidizes installation costs, as is the current practice.

In 2022-23, the government collected ₹2,160 crore in duty charges on imported solar modules meant for 2.6GW of power capacity. If India were to import solar modules for 637GW of capacity to fulfil its entire residential rooftop potential, the duty collected would still amount to just ₹5.2 trillion. This is far less than the aggregate energy cost benefit of ₹15.2 trillion. Even if we assume that only 25% of the full potential will be fulfilled, the realizable gains would be large enough to justify ending import duties on key inputs for solar installations.

Given that sunlight, the planet's ultimate power source, is free, what consumers could save from rooftop panels (even as they contribute to carbon-exhaust reduction) far outweighs the loss from reduced import duties on solar modules. Reducing duties on solar modules and cells would lower costs for domestic assemblers and decrease the final price of solar panels in India, thereby encouraging wider adoption of solar energy. At the very least, the forthcoming budget should start phasing out duties on imported cells and modules over the next few years to better enable everyone to work towards India's climate commitments.

Household electricity savings would incentivize the mass adoption of rooftop solar power supply



THEIR VIEW

MINT CURATOR

Insolvency code reforms should aim for swift and just resolutions

Let's minimize process delays, uphold recovery principles, address group failures better and reduce space for ad hoc rulings



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Insolvency and Bankruptcy Code (IBC) reforms are expected to be announced in the finance minister's forthcoming Budget speech. As the IBC is a complex business law on the solvency of corporate enterprises, it deserves priority attention.

When the IBC was adopted by India in 2016, Parliament had intended that the time period for insolvency resolution be mandatorily limited to 330 days, inclusive of one extension and the time taken in legal proceedings. This time limit is observed more in the breach than in performance. We must recognize that a delay depreciates the value of the enterprise in question, often causing a drastic drop in value. There is no evaluation mechanism to determine the balance of public interest versus private interest when resolution proceedings are stalled (by injunctions, for example). But it's clear that the loss of a lender's security value affects the tax-paying public adversely, as public money is lost, and so such losses need to be clipped.

First, new amendments to the IBC must stipulate provisions akin to Section 41(ha) of the Specific Relief Act, 1963 (as amended), to prevent any injunction from being granted in favour of failed resolution applicants, as they have no financial stake in the corporate debtor. Injunctions impede or delay the completion of corporate restructuring in time. Delays are seen to be caused by obstructive promoters, third-party litigators or competitors getting injunctions with an oblique motive to cripple their competition, and this must stop.

Second, the priority accorded to the secured financial creditors of an insolvent business has a great bearing on the cost of credit in India. Secured lenders adjust financing costs based on the priority that their claims are expected to get and the certainty of being able to recover dues in priority of their charge, whether the company is liquidated or not. Any dilution or disruption of the priority order in insolvency proceedings goes against globally accepted principles and market practices. As India seeks external money for distressed asset acquisition financing and international interim financing, the country must abide by global norms. Otherwise, international and national lenders would avoid participating in the Indian market for distressed assets.

Third, three judgements of the Supreme Court in the cases of *Rainbow Papers Ltd*, *Paschimanchal Vidut Vitaran Nigam Ltd* and *Vidharbha Industries Power Ltd* have significantly impacted or slowed down the process of admission of insolvency applications, which is the first step for the protection of companies faced with insolvency. The *Rainbow Papers* case has created a significant hurdle for the resolution of insolvency of distressed corporates. It places the recovery of sover-



eign debt in the first-priority category along with dues to secured financial creditors. The government back in 2016 had decided to relegate itself to fifth priority, as if its dues were equated with those of 'operational creditors' under Section 53(l)(e) of the IBC. Urgent amendments are needed to nullify the impact of these judgements and restore the earlier *status quo*.

Fourth, the siphoning of bank funds or corporate money by promoters is a well-identified perversion. Some crooked promoters create group enterprises and create multiple entities in India and abroad to facilitate the movement of funds and diversion of money fraudulently. In cases involving group enterprises, the IBC should incorporate provisions for procedural coordination among such entities (and their substantial consolidation) and clear rules to deal with perverse and criminal behaviour involving the misappropriation of creditor and/or public-sector funds. These must apply in India and extra-territorially as well. Protocols may need to be put in place for reciprocity between countries on common procedures, so that assistance can be sought in dealing with fraudulent diversions of funds, the country can better enforce recoveries and also resort to other remedies. Monies and assets thus recovered would add to the pool available for distribution to creditors that need to minimize their losses.

Fifth, cross-border insolvency, as expected to be incorporated in India's IBC, may not yet be in line with recommendations of the UN Commission on International Trade Law (UNCITRAL), which prepared and adopted a model law on enterprise group insolvency in 2019. States need to be equipped with modern legislation addressing both domestic and cross-border insolvency relating to multiple debtors and creditors of the same group.

We need to take a leaf out Singapore's Insolvency Restructuring and Dissolution Act of 2018 to legislatively provide for a moratorium over a company that can be extended to its holding company, ultimate holding company and subsidiaries to enable group-wide restructuring and asset tracing. Minimally, such protocols need to be established between India and its trading partners by means of appropriate reciprocal arrangements.

Sixth, ad hoc solutions or mechanisms crafted by particular judgements have been applied in India for group insolvency and cross-border cases, as seen in the cases of *Jet Airways* and *Videcon*. This exposes a bare cupboard for dealing with group insolvency involving multinational creditors and debtors, which need to participate in the process under the assurance of legislative certainty, rather than on the basis of fallible judicial discretion and judge-made procedures.

Lastly, the IBC and its regulations and their adjudication by the National Company Law Tribunal and its appellate body reveal a conflict between the principles of value maximization and time-bound resolution. Breaching statutory regulations by sidestepping these as merely 'directory' and not mandatory casts corporate insolvency cases into disrepute. Not only is it against the Rule of Law that India abides by, it causes international participants to contend that the insolvency law and its procedures have little certainty and sanctity in India. Evaluating their risks as unacceptably high, such participants then avoid participation in the Indian market. This does not serve the country's economic interests well.

These are few salient examples of shortcomings that need to be addressed as India moves to amend the IBC to boost its efficacy as a law for tackling cases of corporate insolvency.

Banning Airbnb rentals can't fix an urban housing shortage

Such bans distort supply and may eventually worsen the problem



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When it comes to housing, almost all governments say they want to make it more affordable—and then embrace policies that do the opposite. The latest illustration of this is a ban on short-term rentals, imposed in Barcelona just last month, while similar policies are being tried in New York and elsewhere. The theory is that services such as Airbnb take units off the market, driving up rental costs. By effectively banning Airbnb, cities are betting that they can make affordable housing better available.

That's not what happened in New York. Instead, hotel prices rose and tourists were pushed into New Jersey, benefiting homeowners and businesses there.

A ban on Airbnb may sound good to local residents who see it as opening up more housing for them. Yet, by that logic, why not ban home offices or even commercial real estate? Both take up space that could in theory be used for more homes. The truth is, all these restrictions ultimately make residents worse off.

The first reason is economic. A strong economy needs space for commerce, of which tourism is a part. There has always been tension between visitors and residents. Visitors are there to have fun, so they may be loud, messy and disrespectful. They also spend on restaurants, at shops and for entertainment. That benefits locals. The crash of the tourism economy during the pandemic hurt many communities and bankrupted many businesses.

People who advocate Airbnb bans rarely argue that they want fewer tourists. And if places want tourism, they need to provide tourists somewhere to sleep. Those higher hotel prices that come after significant limits on short-term accommodations will ultimately lead to the development of more hotels—using space and capital that could be used for residential housing.

Limiting short-term accommodation can make less space for residences by reducing market flexibility. The beauty of letting families make their own decisions about whether to rent out their home is that when demand changes—for example, when the Olympics come to Paris—then supply can elastically respond. High demand drives prices higher, which will convince some people to stay with friends or family, go on vacation to a less crowded place, or even take in a tourist.

This increases density during peak times and lets locals benefit from demand. Without such flexibility, a city would need more hotels, and then those rooms might stay empty most of the year.



Short-term rentals have made markets for lodging space more efficient

Yes, a ban on Airbnb may cause some city residents to put their place on the traditional rental market or take in a housemate. But others may simply leave. There is no doubt that current homeowners are hurt when a city adopts new restrictions on how they can use their home, but future homeowners are also hurt. Some people can afford living in a city only if they can rent out their place on Airbnb.

The development of platforms such as Airbnb has helped democratize the hotel business by allowing any homeowner to tap the tourist market. But there is a more profound change: The rise of short-term rentals is helping to democratize homeownership, which remains the primary wealth of most households. Short-term accommodations offer Americans a way to put this wealth to work for them, giving those with less steady or lower incomes another path to home ownership.

As an economist, I see this change, which allows for the more efficient use of housing capital, as miraculous. Living standards improve when people get more bang for their buck.

Tourists can be more noisy or messy than residents would like. But there are ways to address these problems without a ban. Limitations on the number of guests or number of days a property can be rented out, combined with stronger enforcement of local noise ordinances, can help reduce the negative impact on neighbours.

Governments are using the rise of short-term accommodations as a scapegoat for their own failure. Consider some of their other policies: rent control, which indirectly reduces supply by lowering the returns to building housing; limits on density, which directly reduce supply; restrictions or processes that slow down construction and reduce the return to housing development; and tax systems that encourage people to hold onto property even as fewer people live on it.

The best way to reduce the cost of housing, as several of my Bloomberg Opinion colleagues have pointed out, is to build more housing. And, I would add, we should also continue to raise people's incomes. That means ensuring that they can use their housing as fully as possible—to live in, to work in, and to rent out when they are not using it.

MY VIEW | BEHAVIOUR BY BRAIN

Do we have free will? The answer has big implications

BIJU DOMINIC



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On 25 October 2023, Robert Card, a US Army reservist walked into a restaurant and bowling alley in Lewiston, Maine, and shot dead 18 people. After the incident, he too was found dead with self-inflicted gunshot wounds. Everyone in that small town and many around the world were keen to find out why Robert committed this heinous crime. His family too was keen on an answer to this question.

Card's brain was sent to Boston University for further examination. The analysis found that repetitive sound-waves of the blasts he was exposed to during his military stint had caused much damage to the inner wirings of his brain. According to Dr. Ann McKee of Boston University's Chronic Traumatic Encephalopathy Centre, "While I cannot say with certainty that these pathological findings underlie Mr. Card's behavioural changes in the last 10 months of life, based on our previous work, brain injury likely played a role in his symptoms."

This diagnosis of Robert Card's brain

raises many questions. Where exactly does the accountability for his mass shooting lie? Is Card, the person, to be held guilty of it, or his damaged brain?

Almost always, society at large, law enforcement agencies and even the prevalent legal systems assume it is the former. So, had Card been alive, sending him to prison or even the gallows would have been the usual response of the justice system. But if a damaged part of his brain was actually responsible for that ghastly act, would it not have been better to have Card admitted to the neurological ward of a hospital?

Unfortunately, Card's case was not very rare. There are many individuals with damaged brains living around us. The recently published book, *Determined: Life Without Free Will* by Stanford University neuroscientist Robert Sapolsky, is significant in this context. A belief in free will, the ability of humans to decide what is right or wrong before taking action, is integral to any discussion on human behaviour. According to the book, human decisions are not the outcome of free will. Our actions spring from prior causes: our environment, upbringing, genes and primeval causes that go back to the Big Bang. Sapolsky clarifies that the absence of free will does not mean the absence of an

ability to veto our actions; nor does it make an individual to run amok. The book focuses on the origins of our intentions.

The book's key proposition is built on the work of several others. Prominent among them is Benjamin Libet, a neuroscientist at the University of California, San Francisco. He did an experiment in 1983 whose provocative findings many find hard to accept even today. This experiment involved a respondent having to press a button with his or her fingers. The respondent was to decide which finger to use for the pressing action at predetermined times. Meanwhile EEG data was collected of the respondent as his or her fingers were moving.

It was found that from the time a person decides to use a finger to press the button, it takes 200 milliseconds for that action to happen. This is the time it took for the respondent's brain to activate his motor cortex and then muscles to undertake the task. But there was another highly intriguing observation made. About 500

milliseconds before the respondent had decided to push the button, a readiness potential was captured by the EEG that the finger had committed itself to that action.

It was always believed that a human action begins when an individual consciously wills an action. But Libet's experiment proves that much before an individual thinks consciously of taking an action, another part of the brain has already willed that action.

Studies by neuroscientist Patrick Haggard of University College, London, and another by John-Dylan Haynes and colleagues at Humboldt University, Germany, who used more sophisticated fMRI machines instead of EEG machines, replicated Libet's study with the same

results. So these experiments clearly cast a serious shadow of doubt on the existence of a conscious free will.

A 1989 paper, 'The Nervous System in the Context of Information Theory' by Manfred Zimmermann of Heidelberg University concluded that of the 11 million bits of the

human brain's processing capacity, only 77 bits are available for use at a conscious level. This fact that more than 99.99% of human brain processes occur at a non-conscious level has further reduced the importance that scientists accord the conscious self in human decision-making.

Occasionally comes a theory that causes a paradigm shift in human thinking. Think of the helio-centric theory of Nicholas Copernicus, the theory of evolution by Charles Darwin and the theory of relativity by Albert Einstein. These have all forced significant shifts in human thinking.

In the past few decades, much new knowledge has emerged about neuro-biological facets of human behaviour. This knowledge is converging on a new theory of human behaviour that replaces existing theories based on human decisions arising from our conscious free will.

The emerging theory of human behaviour is founded on the vast non-conscious processes of the brain. This new theory will force us to rethink all that we thought we knew about human behaviour. Since it concerns all that we humans do, it will possibly have implications that reach farther than the paradigm-shifting theories of Copernicus, Darwin and Einstein combined.

Studies show non-conscious decisions get taken before we consciously 'decide' our course of action



Karunanidhi's rise and the upscaling of DMK

In this excerpt from his forthcoming book, Dravidian movement chronicler R. Kannan describes Karunanidhi's tumultuous early years

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M Karunanidhi showcased his talent for writing and organization early on. He edited a handwritten journal, headed a student organization and led processions against Hindi imposition in 1938. While in high school, EVR's (E.V. Periyar Ramasamy) weekly, *Kudiarasu* (Republic), interested him much more than school lessons. The result: he failed his intermediate exams all the three times he was allowed to take them. Furthermore, his self-respect precepts upended his marriage to the girl he had fallen in love with from a conservative family. Heartbroken, he dabbled in playwriting and acting and in 1945, on EVR's invite, Karunanidhi joined *Kudiarasu* in Erode as an assistant editor. It would be the best apprenticeship he could have ever had.

A year later, with EVR's permission, he relocated to Salem to pen the script for *Rajakumari* (Princess, 1947), where he met Marudur Gopala Ramachandran (MGR), its hero. It was a runaway success. *Mandhirikumari* (Minister's Daughter, 1950) that followed was also a huge hit. A string of successes would make them household names by 1950. The two would begin a friendship and journey that helped each other scale newer heights in films and public life.

Karunanidhi penned stories and scripts for seventy-five movies and innumerable propagandist plays such as *Udayasuryan* (Rising Sun), which helped popularize the DMK's symbol, the rising sun. His commentaries for Thirukkural Sangam literature, displayed his ceaseless pen, which poured out rich, elegant Tamil with often sharp social reform messaging. *Parasakthi* (1952) with Sivaji Ganesan remains his most popular film, with the hero's five-minute court monologue being the jewel among the immortal lines in the film.

In the 1949 split between EVR and Anna, Karunanidhi stood by Anna. His commitment, drive and talent would soon give him an early start. He presided over the party's Koval-patti conference in 1951, which had chalked out visions of a drawn-out struggle for an independent Dravida Nadu or south India. Not surprisingly, in less than two years, he led the party's now famous Kallakudi agitation in 1953—displaying imagination and leadership when he lay on the rail tracks, exceeding the party mandate and cementing Anna's confidence in him. That year, he also enticed MGR into the party.

Karunanidhi began to command an individual following in the party early on. As the third treasurer of the party from 1959 till Anna's death, he proved a consummate fundraiser. His influence was such that, in 1961, E.V.K. Sampath demanded that the function be entrusted to no one individual. He was far-sighted. In 1972, MGR, now treasurer, took exception to how

Karunanidhi's ambition, operation and political strategy catapulted the DMK to a national role



Muthuvel Karunanidhi campaigning in Chennai for the Tamil Nadu assembly election in 1989.

GETTY IMAGES

Karunanidhi played favourites with the election funds in the 1971 elections without his knowledge. But earlier, in the 1967 elections, Karunanidhi's money-raising skills exceeded Anna's expectations and the Rs 10 lakh limit set by the party, prompting Anna to give him the moniker 'Mr Eleven Lakhs'. Anna increasingly relied on Karunanidhi to deal with intra-party issues. On Anna's behalf, he negotiated political alliances and, in 1967, stitched together the rainbow alliance that brought the DMK to power that year.

Felicitating him on his birthday on 3 June 1968, Anna said: "Karunanidhi is someone who, whether asked to lie on the rails or take up the minister of public works position, would take the command as the same and would harness all his talent to complete it—the country knows that I for sure have a great deal of affection and respect for him."

On 6 March 1969, Karunanidhi succeeded Anna as chief minister. In his first and second innings that lasted until 31 January 1976, he took the social revolution engineered by the DMK forward with his left-of-centre agenda, social justice, populist schemes like eye camps, Tamil cultural renaissance and clamour for state autonomy. He proved an able administrator in touch with the ground. He nationalized buses, expanded the public distribution system, increased food subsidies and promoted industries.

His ambition, operation and political strategy catapulted the DMK to a national role. Prime Minister Indira Gandhi banked on his support for her reformist agenda and to break free of K. Kamaraj, the regional boss. In 1971, the DMK was re-elected with a brute majority, and Karunanidhi emerged out of Anna's shadow. The

The DMK Years: Ascent, Descent, Survival By R. Kannan, published by Penguin Random House India 752 pages, ₹1,299

young chief minister's combative spirit and ideological assertiveness grated on Indira Gandhi's lieutenants in Tamil Nadu. Relations with Delhi began to sour. In 1971, when he was at the zenith of his second political innings, his followers compared him to Sheikh Mujibur Rahman of Bangladesh. However, his worst nightmare also began in October 1972, when ally-turned-rival MGR broke away, levelling charges of nepotism and corruption that dogged his political career until his end. Similarly, he lived through the charge of introducing a whole new generation to alcohol when he lifted prohibition in 1972, citing financial reasons.

A new low between the Centre and the DMK was reached when Karunanidhi fiercely opposed the Emergency. His bête noire MGR's

craven rollover to Indira Gandhi may have left Karunanidhi with little choice. Karunanidhi, nonetheless, prided himself as a valiant fighter. On 31 January 1976, his government was dismissed for corruption and planning violence. A witch-hunt of DMK men followed with 419 party workers, including Stalin and nephew Murasoli Maran, jailed under the Maintenance of Internal Security Act (MISA). In this dark period, he refused to yield.

Shaken by the dismissal and the repressive Emergency measures, some frontline leaders feared Karunanidhi was taking the party down with him and advocated disbanding the DMK and turning it into a social welfare outfit. At this point, echoing their sentiments, Pulavar Govindan, the Assembly Speaker, wrote Karunanidhi a letter, requesting him to step down. In his lengthy reply, Karunanidhi said they could have given him poison instead and that a good politician was akin to a captain who would not desert his ship even if it were to sink.

The 'captain' was friendless and alone. Those who owed their place to him were now asking him to quit. With the Emergency censors banning political activity or writing, Karunanidhi resorted to allegory. On 19 July 1976, he wrote about himself and his situation poignantly using the selfless palm tree as a metaphor. The best of his letters, this deals with the palm's humble beginnings, how it grew on its own without anyone watering or tending it, and its self-effacing sacrifice and service to others who proved ingrates...

Despite what those cowering leaders thought of him, Karunanidhi had long become the party. Notwithstanding the Emergency, men and women travelled to Chennai in buses and vans to meet their Thalaivar (leader)...

Excerpted with permission from *The DMK Years: Ascent, Descent, Survival*, by R. Kannan, published by Penguin Random House India.



Hollywood does a rethink on firearms on set

The 'Rust' tragedy prompted calls for banning firearms from sets altogether

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In a studio near Los Angeles, a group of filmmakers practice framing a close-up of a rubber gun held by an actor, when they are suddenly interrupted. "He's pointing the gun directly at the crew—it's exactly what happened on *Rust*", said Dutch Merrick, a veteran armorer who offers training on gun safety in movies. "Who's going to raise that and speak up, if they see this situation?" he demands.

Merrick is referring to the infamous tragedy that took place in October 2021 on the New Mexico set of Alec Baldwin's low-budget Western *Rust*. That day, Baldwin pointed a prop gun in the direction of cinematographer Halyna Hutchins. He believed the revolver contained only blank bullets, but a live round struck Hutchins. Baldwin goes on trial for involuntary manslaughter this Tuesday.

"It was a wake up call to me," said Virginia Brazier, one of the group attending Merrick's training course. She works as a production manager, responsible for hiring film crews, including armorers and prop masters. "I want to know what questions to ask people, to make sure that I'm vetting and doing proper recruiting to make sure that we're safe on set," she told AFP.

During the course, Merrick underlines that *Rust* was "under-budgeted." He believes that led to a series of failures, culminating in an "industrial accident." He teaches students simple ways to help identify blank bullets, such as their characteristic ridged tips. And he makes attendees learn and repeat aloud the three "golden rules" of gun safety. Always point the gun in a safe direction. Always keep your finger off the trigger until ready to fire. And always treat a firearm as if it were loaded.

These are valuable basics for an industry set on edge by the *Rust* tragedy, said Ryan Taylor, an assistant director. Crew members often now want to inspect props themselves, and want any rounds contained within prop guns to have been "fully shown" before use, said Taylor.

While the *Rust* tragedy prompted some calls for banning firearms from sets altogether, Hollywood has generally preferred less radical measures. Industry guidelines on firearm use were revised last winter for the first time in 20 years. Among other changes, they now specify that only an armorer can hand a weapon to an actor. On *Rust*, prosecutors said Baldwin was handed the gun by the film's first assistant director, who later pled guilty to negligent use of a deadly weapon.

California will also require productions seeking state tax credits to hire a security advisor. Nonetheless, some productions have decided to give up on real firearms altogether. Action superstar Dwayne "The Rock" Johnson announced that his production company would no longer use real guns. Instead of shooting blank bullets on set, the flash and bang of gunshots would be added later using computer effects.

The extent of these changes felt across the industry is difficult to quantify. As an armorer with three decades of experience, Merrick believes that real guns—when used safely—give both actors and audiences an unrivaled sense of "authentic action."

Five unique gourmet desserts with a savoury twist

Imaginative desserts with a sweet-meets-savoury combination are a great way to jazz up multi-course meals

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A range of gourmet desserts are blurring the boundaries of sweet and savoury. There is a gelato imbued with pizza flavours; colocasias leaf ice cream with salted honey; and idli morsels ensconced in a mawa cake. Each of these will have you guessing that secret ingredient.

KADAKNATH CHICKEN CURRY WITH BLACK SESAME ICE CREAM
At Kokum Kitchen, Taj Fort Aguada, Goa
The epitome of a wacky, sweet-meets-savoury dessert is this one-of-a-kind palate-confusing dish. Conceptualised by Nishant Diwakar, the hotel's executive sous chef, this one sees a thick curry made from boneless pieces of the black local Kadaknath chicken (known for its rich taste and being healthy, as it is low in cholesterol and a rich source of iron) served alongside two scoops of black sesame ice

cream to complement the dark hue. Billed as a main-dessert hybrid, the slight heat of the spicy (from red chili, coriander and garam masala powders) coconut milk-based curry is the perfect foil to the frozen, earthy taste of the sesame ice cream that's flecked with whole black sesame seeds. "I felt that to complement the bold flavours of the Kadaknath chicken curry, a black sesame ice cream would be perfect. The combination of the savoury chicken curry and sweet ice cream creates a well-rounded and satisfying dish that is sure to challenge one's taste buds," says Diwakar.

PASS THE SALT, PLEASE!

At Pass The Salt, Mumbai
This recently launched pizzeria in Fort is taking a few key pizza elements and giving them a dessert spin with the gelato-based Pass The Salt, Please!. As its name suggests, this one has a generous sprinkling of pink salt atop a scoop of parmesan gelato that's served alongside a portion of tomato granita.
For its creator, Kruti Sanghvi, who is also the chef and co-founder of the pizzeria, the pairing of salt and ice cream is quite a natural coupling. "Salt is the main identity of our brand. One day, as I was snacking on some parmesan with a drizzle of extra virgin olive oil and some pepper, I had the 'eureka moment' of creating a Parmesan



Pass The Salt, Please!; (right) Mawa Idli Cake

gelato with a sprinkle of pink salt for taste and colour. Once we made it, I figured that the plate needed a touch of oomph and that made me reach for tomatoes. The idea was to create something that wasn't too savoury or jammy, which would feel like ketchup. So a (tomato) granita worked super-well. If you eat it with your eyes closed, it's almost like having pizza as an ice cream," says Sanghvi.



SINGAPORE ICE CREAM SANDWICH WITH SOY CARAMEL
At Pandan Club, Chennai
This T. Nagar resto-bar with a Singaporean and Malaysian-inspired menu offers the Singapore Ice Cream Sandwich. Nestled between two slices of tricolour milk bread is a scoop of creamy condensed milk ice cream. But the real standout element is the soy caramel drizzle over it,

adding a distinctive savoury twist. All this is inspired by the ice cream sandwiches one finds sold by elderly gentlemen manning push carts along Orchard Road in Singapore.

"The idea was to push the boundaries with the deep caramelisation of the toasted bread, which pairs well with the caramel sauce. Using soy was a nice way to enhance that caramelisation and the saltiness for balance. I usually like char and soy as elements and tried using the same reference for this dessert," says Sandesh Reddy, chef and partner at Pandan Club.

COLOCASIA LEAF ICE CREAM WITH SALTED HONEY

At Fig & Maple, New Delhi
Known multifariously as taro leaves or elephant ears, the colocasia leaf finds itself in a host of savoury dishes, from a Hawaiian luau stew to the Maharashtrian snack aloo wadi. At Fig & Maple, it is given a dessert spin in the form of an intensely vegetative colocasias leaf ice cream infused with pandan leaf and coconut milk. This is served atop fluffy pancakes, alongside a quenelle of black sesame ice cream with bits of fresh mango and dehydrated pineapple rounds for texture. All this is then drizzled with some salted honey to bring in savoury undertones to the dessert. "I wanted to showcase the versatility of the

monsoon green beyond the (alu) vadi and it paired beautifully with coconut, pandan and mangoes," says Radhika Khandelwal, chef-owner of Fig & Maple. "Plus, we had it growing in abundance on the rooftop (of the restaurant) so using it as an ice cream also helped us preserve it."

MAWA IDLI CAKE

At Aavartana, ITC Grand Maratha, Mumbai
Who would have thought in their wildest dreams that a typical hot south Indian breakfast could morph into a cold plated dessert? Well, that would be Aavartana's senior sous chef Dipti Jadhav. She has come up with an entremet-style dessert (that's part of the multi-course dinner menu) where the outer casing of the mini cake is made with mawa (reduced milk solids) combined with jaggery cream. The center is made with soft idli bits soaked in a filter coffee decoction, combined with sesame and jaggery. This is then garnished with a coffee tuile and dusted with beetroot powder. "The thought (behind this dessert) was provoked by a curiosity of binding all the above ingredients with a core memory," says Jadhav. "In a typical south Indian household, the day doesn't start without a strong, piping hot filter coffee and idlis for breakfast. It is this idli-meets-filter kaapi surprise element that we wanted our guests to enjoy."