

Friday, July 12, 2024

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Manufacturing fuels TCS earnings in June quarter ▶ P1



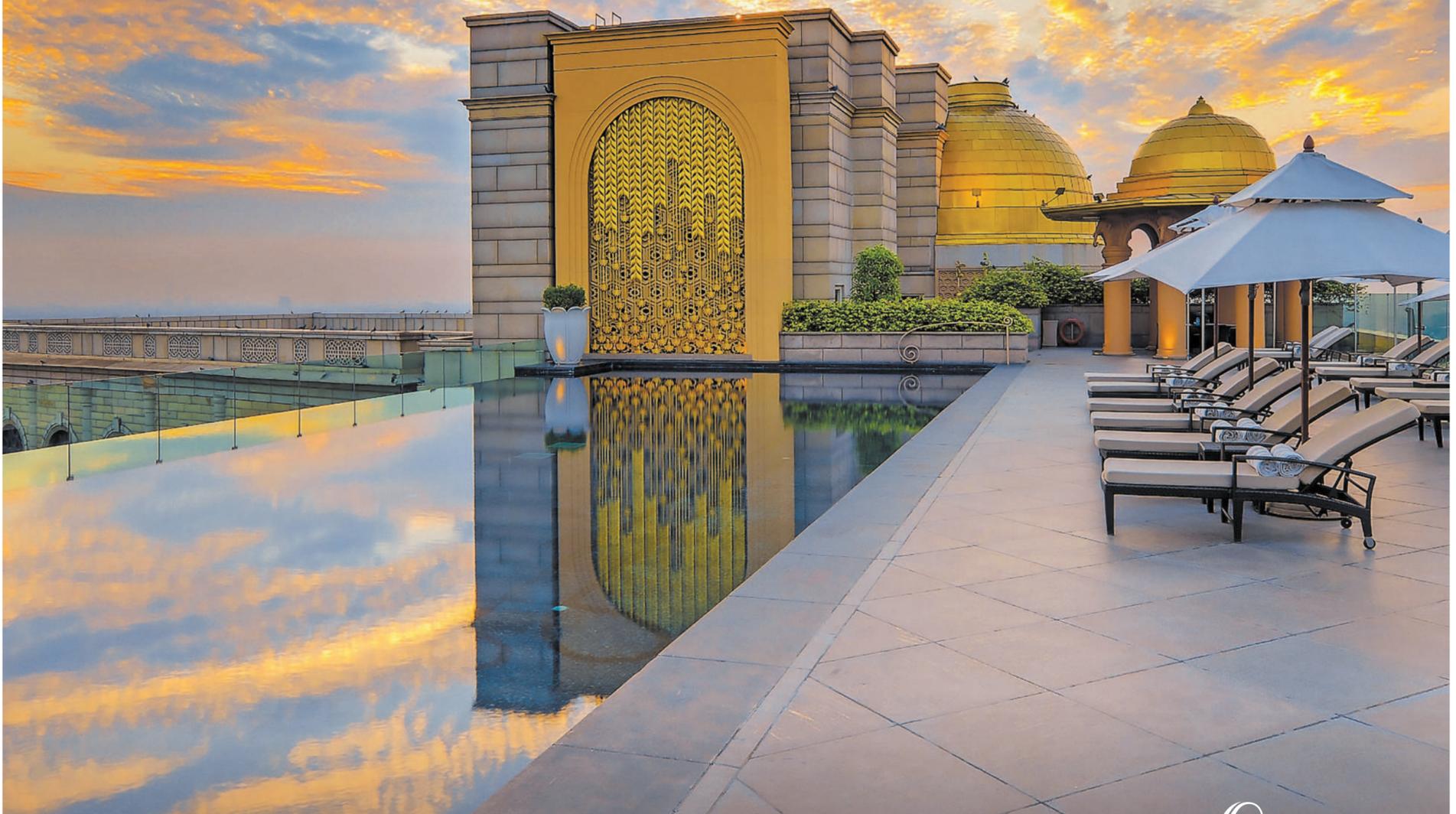
India readies plan to double airports to 300 by 2047 ▶ P1

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Hotels: The Leela Bhartiya City Bengaluru, The Leela Ambience Convention Hotel Delhi, The Leela Gandhinagar, The Leela Ambience Gurugram Hotel & Residences and The Leela Mumbai | Opening shortly: The Leela Hyderabad.

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THE LEELA

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Noida **New Okhla Industrial Development Authority**
Administrative Building, Sector-6, Noida G.B Nagar, (U.P.)
Website: www.noidaauthorityonline.com

E-TENDER NOTICE

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

A) Fresh Tender Work:-

SL No.	Job No	Name of Work	Tender Amount (in Lacs.)
1	09/DGM(E&M)/S.M./E-M-III/24-25	Construction of 33/11 Sub-Station in Sector-75, Noida.	1405.64
2	10/DGM(E/M)SM(E/M)-I/E.T./2024-25	External Electrification & Providing Street Light Pole in Sector-80, Noida.	196.13
3	11/DGM(E/M)SM(E/M)-I/E.T./2024-25	Annual Maintenance of Electrical Installation of Toilets And Newly Constructed various places of point at Sector-80, 81, 83, 84, 85, 86, 87, 88, 90, 106, 136, 137, 138, 140, 140A, 141, 141A, 142, 143, 143A, Phase-2, Hoisery Complex, and Villages- Bhooda, Kakrala, NaglaCharandas, Nayagoan, Salarpur, Yakubpur, Illahbans, Nalgarha, Bhangel, Shahdra, GarhiShahdra, Safipur Noida.	193.60
4	12/D.G.M.(E.M)/Sr.M(E/M)-I/E.T./2024-25	Construction of 33/11 Sub-Station in Sector-145, Noida.	1439.51

The above tenders can be uploaded by dated **25.07.2024** up to **5.00 PM**. Pre-qualification shall be opened / downloaded on dated **26.07.2024** at **11.00 AM**.

Re Tender Work:-

SL No.	Job No	Name of Work	Tender Amount (in Lacs.)
1	06/DGM(E&M)/S.M./E-M-III/24-25	Construction of 33/11 Sub-Station in Sector-78, Noida.	1061.63

The above tenders can be uploaded by dated **18.07.2024** up to **5.00 PM**. Pre-qualification shall be opened / downloaded on dated **19.07.2024** at **11.00 AM**.

Dy. General Manager (E&M) NOIDA

CLEAN, GREEN, SAFE & SECURE NOIDA

CENTRAL RAILWAY

E-TENDER NOTICE

OPEN TENDER NOTICE No. DRM WNGP-62-2024 OF 09.07.2024.

1) Name of work: Proposed supply and execution of AT welding for casual renewal works and emergency repairs in track in Narkhed-NGP and Narkhed-Chandur Bazar section under ADEN Katol sub division. **Approximate cost: Rs.1,46,81,477. Earnest Money: Rs. 2,23,400.**

2) Name of work: Proposed supply and execution of AT welding for casual renewal works and emergency repairs in track in Nagpur-Wardha and Butibori-Umred section under ADEN(S) NGP sub division. **Approximate cost: Rs. 1,46,81,477. Earnest Money: Rs. 2,23,400.**

3) Name of work: Detailed estimate for CTR(P) at 1) kms 1241.117-1251.130=10.013 kms Single line in Balharshah (BPO)-Nagbhir (NAB) section under Sr.DEN(S) Nagpur's jurisdiction. **Approximate cost: Rs. 3,88,96,029.22. Earnest Money: Rs. 3,44,500. Date & time of closing of tender 31.07.2024 15:00 Hrs.** Complete details and instructions for e-tendering and on-line participation for the above work is available on Railway's website www.ireps.gov.in

Divisional Railway Manager (Works), AK-144 Central Railway, Nagpur

Traveling with dangerous and explosive goods is a punishable offense

mint lounge

ISSUE OUT TOMORROW

SECRET LIVES OF CHEFS

What do chefs do when they're not cooking? Paint, dance, DJ and grow greens. Chefs tell Lounge how their hobbies help them stay fresh in the kitchen



+ **INTRODUCING:** Past Participle, a new monthly column by Manu Pillai

STYLE: Meet Abu Jani & Sandeep Khosla

THINK: Wimbledon —a joyful reversal of Brexit

TRAVEL: Style-spotting in Helsinki

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HT TWTW
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The Economist



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Think Ahead. Think Growth.

mint primer

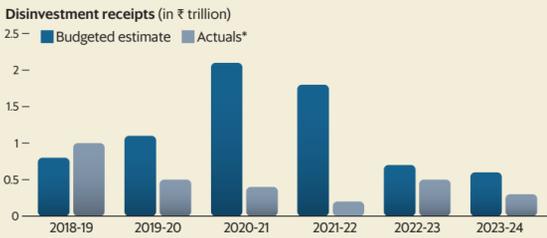
Is now the best time to pursue divestment?

BY N. MADHAVAN

Central government-owned entities are performing at their best. The stock market has rewarded their performance with high valuations. *Mint* explains why this is perhaps the best time for the government to divest its stake in public sector units (PSUs).

Unrealistic expectation

India's divestment proceeds, over the years, have fallen well short of estimates consistently



1 How are the PSUs performing?

They are doing extremely well. In 2023-24, the 56 listed central government public sector enterprises registered a 48% increase in their profits, which exceeded ₹5 trillion. The State Bank of India is the most profitable, followed by Oil and Natural Gas Corporation, Indian Oil, Coal India and Life Insurance Corporation of India (LIC). PSU banks which were struggling with bad debts have turned around and posted a strong show. The combined profits of all the 12 PSU banks, media reports say, have risen 4.5 times in the last three years from ₹31,818 crore in FY21 to ₹1.4 trillion in FY24.

2 How have the markets reacted?

The stock markets have rewarded them handsomely. According to Sachchidanand Shukla, chief economist of L&T, the market capitalization of listed PSUs has risen from \$404 billion in FY23 to \$804 billion now. In the last one year the BSE PSU index returned 102%. Such is their valuation that some PSUs are delivering better returns than their private sector peers. PSUs' high dividend payout played a part too. In FY24, the dividend that the government received from PSUs jumped 55% to ₹1.54 trillion compared with ₹99,913 crore in FY23. This year the government has budgeted a similar quantum of dividend.

3 So, is this the best time to divest?

Yes. With such good valuations, the government will get the best possible price for its stake. It needs money to invest in infrastructure and spend more on education and health without upsetting fiscal consolidation. Divestment will help it raise the necessary resources. The money can also be used to pare its debt which is currently at unsustainable levels.

4 What about the govt's past record?

In the last five years, the Centre planned divestments of ₹6.16 trillion and all that it managed to achieve was ₹1.79 trillion. Even here, the bulk of the proceeds came from the sale of minority stakes. The only exception has been the divestment of Air India. Not once since FY19 has the government come even close to meeting its divestment target. This despite the target being reduced every year since FY21. In FY24, all it managed from divestment was ₹30,000 crore and its target for FY25 is ₹50,000 crore.

5 What is the way forward?

Political opposition and procedural delays frustrated efforts like in the case of Bharat Petroleum Corporation. Minority stake sale has now become its chosen route. Most divestment proceeds in recent years have come from either offers for sale (LIC, Coal India, Hindustan Aeronautics) or IPOs (Indian Renewable Energy Development Agency). Experts say that with less political opposition, as there is no change in government control and fewer procedures, this option is ideal to revive divestment.

QUICK EDIT

Powell's latest hint

Federal Reserve chair Jerome Powell's testimony before US lawmakers will sound sweet to the ears of those waiting for the American central bank to start easing monetary policy. There seem greater odds now of that pivotal point arriving in September, going by Powell's views. While the task of taming inflation isn't over, he told lawmakers that it is moving down towards the Fed's 2% target and its confidence of this down-trend continuing would grow with "more good data." He also conceded that lowering interest rates too little or too late could put the US economy and its labour market at risk, while pointing out that the Fed won't necessarily wait for the exact 2% target to be hit before it starts slashing rates. His testimony suggests that the Fed is setting the stage for a policy switch that may be imminent as price data moves in the desired direction. Signs of softness in the labour market seem to have caught its attention, prompting it to relax its ultra-sharp focus on inflation. Like Paul Volcker decades ago, Powell has had to re-establish the Fed's credibility on price stability. And as an old link between price levels and labour conditions has weakened, the challenge has been unenviable.

MINT METRIC

by Bibek Debroy

In Colorado, a dog and situation dire,
Switched a stove on, house on fire.
With everything burnt down,
The owners could only frown.
Curious pets don't willingly conspire.

QUOTE OF THE DAY

Question of change in stance on interest rate quite premature given present level of inflation

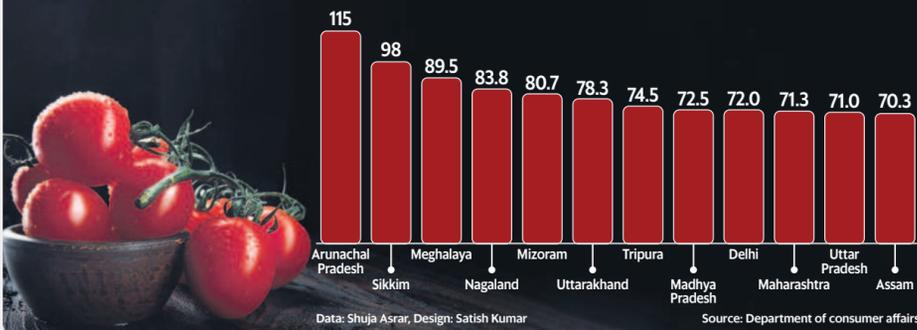
SHAKTIKANTA DAS
RBI GOVERNOR



mint Data Bites

TOMATO PRICES SURGE ACROSS INDIA, CROSS ₹70/KG MARK IN SEVERAL STATES

Average retail price of tomato on 10 July (in ₹/kg)



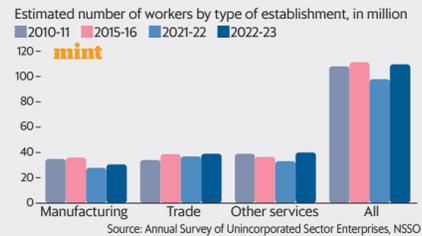


Data recap: Informal sector jobs, inflation

CURATED BY NANDITA VENKATESAN

Every Friday, Plain Facts publishes a compilation of data-based insights, complete with easy-to-read charts, to help you delve deeper into the stories reported by *Mint* in the week gone by. A new government survey shows jobs in the informal sector have declined in the past seven years. Meanwhile, India and Russia have agreed to boost trade between them to \$100 billion by 2030.

Shrinking Job Market



UNEMPLOYMENT IS one of the biggest issues India faces, and a new survey released by the government reveals a worrying trend in the informal sector. The sector employed 111.3 million workers in 2015-16, but just 109.6 million in 2022-23, mainly due to a decline in the manufacturing sector, a *Mint* analysis of the Annual Survey of Unincorporated Sector Enterprises showed. However, employment in 2022-23 was higher than the 97.9 million recorded in the previous year.

India-Russia Trade Ties



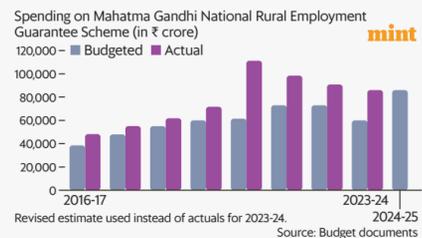
INDIA AND Russia agreed to increase bilateral trade to over \$100 billion by 2030 at the 22nd Annual Bilateral Summit. The two nations will increase cooperation in energy, infrastructure and agriculture, among other sectors. Since the outbreak of the Russia-Ukraine war, India has increased its oil import from Russia. Imports jumped to \$61.4 billion in 2023-24 from \$9.9 billion in 2021-22. India's bilateral trade with Russia stood at \$65.7 billion in FY24, with exports at just about 7% of imports.

17%

Equity MF Inflows Surge

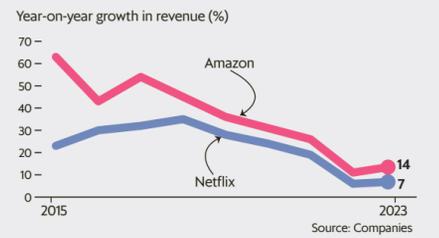
THAT'S THE increase in equity mutual fund investments from May to June. Investments in equity mutual funds in June stood at ₹40,608 crore, while assets under management (AUM) of equity mutual funds were around ₹27.68 trillion. The contribution of systematic investment plans (SIPs) came in at an all-time high of ₹21,262.22 crore, against ₹20,904.37 crore in May.

Another MGNREGS Miss?



DESPITE THE BJP losing popularity in rural areas, the government is unlikely to raise the ₹86,000-crore outlay for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) announced in the interim budget, *Mint* reported. But the government is open to increasing the sum later in the year, if required. A look at the previous allocation figures shows the government's actual spending on the scheme has consistently overshoot the budget estimates.

Platforms Embrace Ads



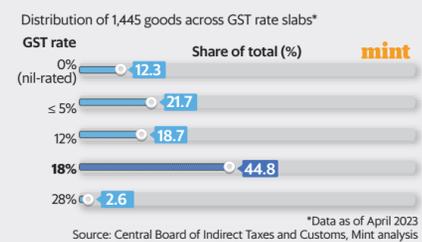
AFTER OFFERING high-quality content through subscriptions, Netflix and Amazon are turning to advertisement-supported plan as their revenues have declined significantly. Netflix launched an ad-supported plan in November 2022 and recently decided to axe its cheapest ad-free plan in the UK and Canada. Amazon has turned on ads for Prime Video users, asking them to upgrade for an ad-free experience. This comes as digital video ad spending in the US has more than doubled.

₹7.76 trillion

Growing Appetite For Dining Out

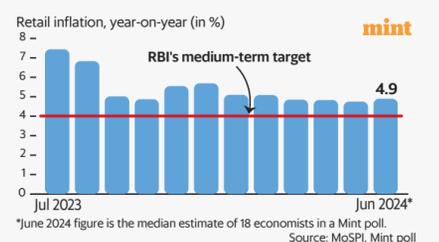
THAT'S THE size India's food services sector is estimated to swell to by 2028, up from ₹5.69 trillion in 2024, according to a report by National Restaurant Association of India and Kantar, a market research agency. This would translate into a compounded annual growth rate of 8.1%. The sector includes catering and delivery services. Millennials and GenZ, who are dining out more often than ever, will drive the industry's growth.

'Cut GST, Not Income Tax'



WHILE INDIANS are looking for income tax relief in the upcoming Budget, experts believe a GST cut is the right way to boost India's consumption, a *Mint* analysis showed. While income-tax cuts could be a quick fix, they would benefit only a small part of the population. And since 45% of the 1,455 goods still attract 18% GST, there is scope to reduce the indirect tax for the benefit of all Indians.

Chart Of The Week: Price Pain



INDIA'S RETAIL inflation is expected to rise for the first time in six months in June, accelerating to 4.9% from 4.75% in the previous month, due to pricier vegetables, a *Mint* poll showed. If today's inflation data comes in as expected, it will be the highest in four months. Follow our data stories on the "In Charts" and "Plain Facts" pages on the *Mint* website.



PARAS JAIN/MINT

TOP FIVE PERIOD DRAMAS

- 1 HEERAMANDI**
Platform: Netflix
Language: Hindi
- 2 BRIDGERTON**
Platform: Netflix
Language: English
- 3 THE MARVELOUS MRS MAISEL**
Platform: Amazon Prime Video
Language: English
- 4 MASTERS OF THE AIR**
Platform: Apple TV+
Language: English
- 5 PEAKY BLINDERS**
Platform: Netflix
Language: English

TOP FIVE BHOJPURI MOVIES

- 1 CHORI CHORI CHUPKE CHUPKE**
Platform: Dangal Play
Cast: Khesari Lal Yadav, Sahar Afsha
- 2 JEENA MARNA TERE SANG**
Platform: ZEE5
Cast: Vikrant Singh, Monalisa
- 3 BADKI BAHU CHOTKI BAHU**
Platform: Dangal Play
Cast: Rani Chatterjee, Kajal Raghwani
- 4 BORDER**
Platform: ZEE5
Cast: Amrapali Dubey, Dinesh Lal Yadav
- 5 DARAR 2**
Platform: Chaupal Bhojpuri
Cast: Rakesh Mishra, Ritesh Pandey

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Dexit: Is it time for you to leave Delhi? ▶ P10



India's population to double China's by 2085: UN report ▶ P9

SENSEX **79,897.38** ↓ 557.63 NIFTY **24315.95** ↓ 8.5 DOLLAR **₹83.56** ↓ ₹0.04 EURO **₹90.64** ↓ ₹0.25 OIL **\$85.83** ↑ \$0.01 POUND **₹107.60** ↓ ₹0.62

TCS rides big BSNL order to 1.9% higher Q1 revenue

Half of sequential revenue growth from \$1.83-bn deal; not a one-trick pony, says TCS

Jas Bardia & Shouvik Das
BENGALURU/NEW DELHI

Tata Consultancy Services Ltd kickstarted the first quarterly earnings season of 2024-25 on a buoyant note, growing faster than its average pace in the previous five financial years.

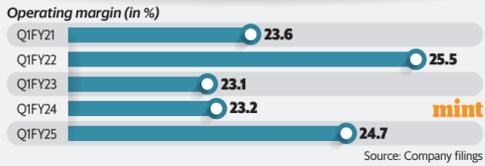
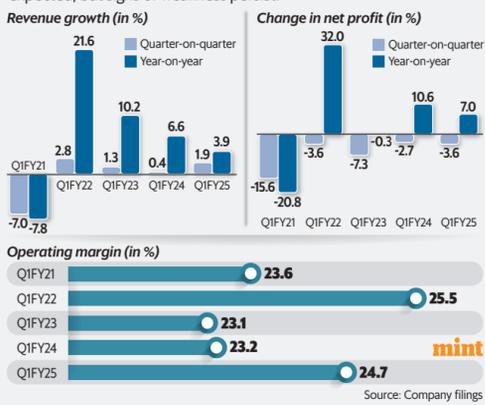
Growth in the April-June period, however, was considerably driven by a one-off deal in its home turf—an unconventional growth geography—leading to questions on whether the quarterly figures are an accurate representation of organic growth for India's biggest IT services outsourcer.

At least half of TCS's \$142 million sequential revenue growth came from India. This is unusual. Until the June quarter of last year, over 85% of TCS revenue came from the Americas, Europe and the UK, while India contributed less than 5%.

This quarter, a \$1.83-billion 4G network deployment deal won in May last year from state-run telecom operator, Bharat Sanchar Nigam Ltd (BSNL), bolstered TCS's India business to 7.5% of its quarterly revenue, even as the contribution of its key geographies declined by 2.4 percentage points.

NETWORK EFFECT

Tata Consultancy Services fared marginally better than what analysts expected, but signs of weakness persist.



"We are very happy to announce a good start to the new financial year, supported by all-round growth across markets and industry verticals," said K. Krithivasan, who took over as chief executive officer of TCS in June last year, even as he maintained caution on uncertainties in its largest geographies, including US, Europe,

and the UK. "There is strong growth outside of what we have seen in previous quarters. It's not a one-trick pony," Krithivasan said. "But at the same time, the reason why we are hesitant to call out sustained growth is that we still find market conditions to be quite volatile. Customers do

take decisions at a very short notice based on what they perceive of the market conditions and other sentiments."

Quarterly revenue for TCS grew 1.9% over the March quarter to \$7.5 billion. Excluding the June quarter of FY21—which was impacted by worldwide lockdowns as a consequence of covid-19—TCS grew at an average of 1.6% sequentially in each of the past five June quarters.

TCS also beat a Bloomberg poll of 28 analysts that projected revenue of \$7.44 billion this quarter. The company announced a dividend of ₹10 per share.

Despite faring better than expected, Krithivasan maintained prevalent macroeconomic conditions as the key factor behind the uncertain demand environment for technology services and projects.

Generative artificial intelligence, on this note, still remains a bit-part contributor at best—with the TCS chief stating that the company's generative AI pipeline was now at \$1.5 billion in annual revenue run-rate.

Signs of weakness, however, were aplenty through TCS' quarterly results. The company clocked its slowest year-on-year revenue

India readies plan to double airports to 300 by 2047

Anu Sharma
anu.sharma@livemint.com
NEW DELHI

India plans to more than double its airport count to 300 by 2047 on the back of an eightfold increase in passenger traffic, a draft plan made by the country's airport authority showed. This will involve developing existing airstrips to full-scale airports and building new ones from scratch.

The Airports Authority of India's (AAI) draft plan showed that around 70 airstrips can be developed into full-fledged airports which can handle narrow-body aircraft such as A320 or B737, and nearly 40 airstrips can be developed to handle smaller aircraft. Greenfield or new airports will be planned if an airstrip cannot be developed for any reason, or there is no civilian airport within a radius of 50 km. Currently, 138 airports are operational in the country.

Two officials aware of AAI's plans confirmed the development.

"This is likely to include a mix of greenfield airports and also development of existing civil enclaves into full-fledged operational airports," one of the two officials said on the



Existing airstrips will be developed into full-scale airports under the plan.

condition of anonymity.

The estimates are from AAI's draft National Airports Development Plan, which projects annual passenger traffic to grow from 376 million to 3-3.5 billion by 2047. Of this, 10-12% may be international traffic. The plan, which is being discussed in the civil aviation ministry and the Airports Authority of India, will form part of Vision 2047. Airports count domestic passengers twice—at arrivals and departures—while calculating domestic traffic, while international passengers are counted once.

"These estimates are based on various assumptions and

DON'T MISS



Agnipath scheme to continue; tweaks likely in budget or later

Armed forces service scheme Agnipath may undergo some changes in the Union budget or later. The Centre sees it as an instrument to attain goals of improving youth profile of the armed forces and addressing the issue of mounting defence pension liability. >P2

Brookfield invests \$200 million in Leap Green Energy

Canadian asset management firm Brookfield on Thursday announced an equity investment of over \$200 million in Tamil Nadu-based renewable energy company Leap Green Energy, with an option to infuse \$350 million more in the future. >P5

Dabur's digital-first brands touch ₹100 crore in sales in FY24

Dabur India's digital-first brands crossed a turnover of over ₹100 crore in FY24, the company has said in its annual report. The company rolled out 14 new products in FY24 in line with its strategy to expand premium portfolio and total addressable market. >P7

Mumbai registers record luxury home sales, Worli has lion's share

Luxury homes in Mumbai, India's most expensive real estate market, clocked record sales of ₹12,300 crore in the first half of 2024, driven by rising demand for high-end properties, with Worli accounting for more than a third of the purchases. >P7

Covid-era job surge baffles economists

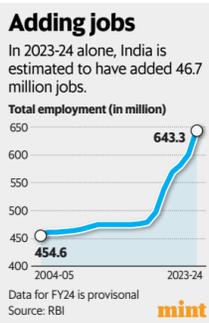
Shayan Ghosh & Rhik Kundu
MUMBAI/NEW DELHI

A recent dataset on employment has thrown a curveball at economists tracking India's economy, with several of them trying to wrap their heads around how the country managed to add a large number of jobs over the past few years despite the covid-19 shock.

India is estimated to have created 108.9 million jobs between fiscal years 2019-20 and 2023-24, significantly higher than the 76.8 million jobs added between FY06 and FY20, as per provisional data released by the Reserve Bank of India on 8 July.

In 2023-24 alone, India is estimated to have added 46.7 million jobs.

To be sure, RBI emphasized in a statement accompanying



the data that it had attempted "a provisional estimate of productivity" for the first time for FY24 based on available information.

"The data shows there was growth in employment even during the two pandemic years,

TURN TO PAGE 6

Hyundai IPO may lure more MNCs

Priyamvada C.
priyamvada.c@livemint.com
BENGALURU

South Korean automaker Hyundai Motor Co.'s plans for a \$3-3.5 billion listing of its Indian subsidiary, making for the country's second-biggest public share sale, could spur a revival in international companies looking to list their subsidiaries in India.

Hyundai Motor India Ltd is expected to reach a valuation of close to \$20 billion post the public listing of its shares, offering cues for other multinational companies on the benefits of India's resilient public markets, robust economic prospects, and a growing consumer base, experts said.

"Hyundai listing its India unit with such a large issue size is definitely a strong indication



Hyundai Motor India could reach a valuation of close to \$20 billion post listing.

of increasing depth and appetite of Indian capital markets with global business groups increasing focus on the country as a market," said Gaurav Sood, managing director of Equity Capital Markets at Aventus Capital.

Sood said the trend of more

TURN TO PAGE 6

The EV trade war between China and the West heats up

The Economist

In the trade war between the West and China, a battle over electric vehicles (EVs) has begun. In May, as part of a broader volley against Chinese tech, America slapped a 100% duty on Chinese EVs. On July 2nd Canada launched a consultation on what it called "unfair Chinese trade practices" in the EV industry. Two days later a provisional tariff of 37.6% on Chinese EVs took effect in the EU. On July 10th, days after the symbolic swipe of opening an anti-dumping investigation into European brandy, China's ministry of commerce signalled it will not take the assault lying down. It says it will study whether the EU's tariffs

create barriers to free trade.

Western car companies with large Chinese businesses fear getting caught in the crossfire. They would join earlier casualties of the intensifying conflict. Chinese government agencies have been told to tear out software and hardware made by American firms such as IBM, Microsoft and Oracle, ostensibly on national security grounds. Some officials have even been told not to buy Apple's iPhones.

China's most obvious target in EV tit-for-tat is Tesla. America's EV pioneer has a huge presence in China and is constantly vying with BYD, a local rival, to be the world's top maker of battery-powered cars. And yet, far from being the big loser from the tariff spat, Tesla appears to be notching one win after another in China.



Tesla is vying with China's BYD to be the world's top battery-powered car producer.

In April its boss, Elon Musk, struck a deal to use a local company's mapping data for a new autonomous-driving system. In June the company won approval to test such a system in Shanghai. Even more surprising, earlier this month the government of Jiangsu prov-

ince added Tesla to its official list of suppliers—despite earlier reports that Teslas were banned from sensitive places such as airports because their sensors snaffled too much information. Jiangsu's decision grants permission to state and Communist Party entities to purchase Teslas and gives the firm something close to the status of a local producer.

It is unclear why Tesla appears invulnerable. Perhaps Mr Musk persuaded Li Qiang, China's premier, that Teslas do not pose a security threat when the two of them met in April in Beijing. Or, as some insiders close to Tesla's factory in Shanghai suspect, the company's successes are connected to Mr Musk's recent chumminess with Donald Trump, who

TURN TO PAGE 6

A JOURNEY OF 43 YEARS

ENDEAVOURING TO SPREAD MORE SMILES THROUGH SUSTAINABLE DEVELOPMENT

On our 43rd Foundation Day, we celebrate the resilience and innovation of rural India. NABARD is committed to developing climate-smart solutions that empower our agricultural and allied sectors while also nurturing the environment.

National Bank for Agriculture and Rural Development
Plot No. C-24, 'G' Block, BKC, Bandra (E), Mumbai - 400 051 | www.nabard.org



MINT SHORTS

Procurement through GeM crosses ₹1.24 trillion in first quarter

New Delhi: With the procurement of goods and services through government portal GeM crossing ₹1.24 trillion (\$14.8 billion) in first quarter of 2024-25, the platform will become world's largest by the end of this fiscal, a senior official said on Thursday. The Government e-Market (GeM) portal was launched on 9 August, 2016, for online purchases of goods and services by all central government ministries and departments. **PTI**

Palm oil imports at 6-month peak, sunflower hits record



BLOOMBERG

Mumbai: India's palm oil imports in June touched a six-month high on robust demand from refiners for upcoming festivals, while sunflower oil imports surged to a record level. Higher palm oil purchases by India, the world's biggest importer of vegetable oils, could help leading producers Indonesia and Malaysia bring down stocks and support the benchmark Malaysian palm oil futures. **REUTERS**

ONGC seeks US waiver to lift Venezuela oil, industry source says

New Delhi: Oil and Natural Gas Corp. (ONGC) has sought a waiver from the US Office of Foreign Assets Control to lift crude oil from Venezuela, an industry source said on Thursday. ONGC is optimistic of winning an approval, the source said, declining to be named. ONGC has been looking to recover \$500 million in dividends pending since 2014 for its stake in Venezuelan projects and has also sought oil instead of the money. **REUTERS**

ISF members add 220,000 flexi jobs in FY 2024



HT

New Delhi: Industry body Indian Staffing Federation (ISF) on Thursday said it added 220,000 new flexi jobs to reach 1.66 million in 2023-24. "Flexi staffing industry witnesses 15.3% year on year growth in new jobs during FY24. ISF members added 2.20 lakh new flexi jobs in FY24. ISF collectively added 2.20 lakh new flexi jobs during this period reaching 16.6 lakhs," an ISF statement said. **PTI**

Self-sufficiency in production of pulses a priority for India: Minister

New Delhi: Union agriculture minister Shivraj Singh Chouhan on Thursday expressed satisfaction over the increase in pulse cultivation during the ongoing 2024-25 kharif sowing season, with the area under pulses rising by over 50%, particularly for tur. Reviewing the progress of kharif (summer) crops, Chouhan said achieving self-sufficiency in pulses production is a priority for the country and called for concerted efforts in this direction. **PTI**

'Rich nations failed to meet \$100 bn climate finance promise in 2022'

New Delhi: Rich countries falsely claimed that they provided nearly \$116 billion in climate finance to developing countries in 2022, while the actual financial support given was not more than \$35 billion, showed global non-profit body Oxfam International. At the 2009 UN climate conference in Copenhagen, rich nations pledged to provide \$100 billion annually from 2020 to help developing countries mitigate and adapt to climate change. Delays in achieving this goal have eroded trust between developed and developing nations. **PTI**

Agnipath scheme to stay; tweaks in Budget or later

Govt aims to boost youth profile of armed forces, address issue of mounting pension liability

Gireesh Chandra Prasad & Rhik Kundu
NEW DELHI

The four-year armed forces service scheme, Agnipath, may undergo some changes in the Union Budget or subsequently to make it more attractive.

Despite opposition protests, the Union government assesses the scheme as an effective instrument in attaining the twin goals of improving the youth profile of the armed forces and addressing the issue of mounting defence pension liability, said two persons with knowledge of the thinking in the government.

Under the scheme, introduced in June 2022, men and women aged 17.5 years to 21 years are recruited below the officer rank in the three services, given optimized basic military training and specialised trade training.

The scheme then allows for the absorption of a fourth of these recruits, called Agniveers, in the permanent cadre.

"The scheme has taken off. It helps in giving the defence budget a much-needed makeover, in terms of directing more spending towards technology and weaponry and less towards human resource expenditure," said the first person mentioned above, who spoke under the condition of anonymity. The scheme may be modified either in the FY25 Budget or later, but it will continue, the person added. The Agnipath scheme aids in effec-

Under the scheme, recruited youth are provided optimized basic military training and specialised trade training. **HT**

tively utilizing the financial resources available for the forces, the second person mentioned above said, who too didn't want to be named.

The armed forces have about three million retirees overall, many in short service commissions, leading to a shorter service period and a comparatively long pension period for many service professionals.

"The pension liability, if not addressed, could become unsustainable," said the second person.

For FY25, the government has allocated ₹1.41 trillion for defence pension, nearly a fourth of the ₹6.2 trillion defence budget.

"Agniveers do a four-year duty. They get a tax-free lump sum at the

end of their four-year tenure. At the end of the four years, another set of people come in. So you have young soldiers in the forces perpetually. About a quarter are permanently retained," the second person said.

Experts said it is important India takes a long-term perspective of public finance and addresses sticky issues like pensions.

"The Centre in 2004 introduced a contributory pension system called the NPS, thus moving away from the old pension scheme (OPS) with defined benefits as part of pension reforms and to ensure fiscal sustainability," said N.R. Bhanumathy, professor at the National Institute of Public Finance and Policy, New

Delhi. "Agnipath is one way to adjust for the long term," he said.

Going back to the old pension system is not the way forward and there should be a middle path between NPS and the old pension system. Bhanumathy said about the ongoing debate about some states backing the old pension system.

"We will have to look at the long-term perspective on public finances and ageing," he said, adding that there needs to be more analysis of intergenerational issues, pension, ageing and insurance.

Spokespersons of the ministries of finance, defence, and the Prime Minister's Office (PMO) didn't respond to emailed queries.

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India rejected 1,500 imported food products in last two years

Priyanka Sharma
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India has rejected consignments of as many as 1,500 imported food products over the last two financial years from multiple countries because they failed to meet quality and safety parameters laid down by the Food Safety Standard Authority of India (FSSAI), two officials aware of the matter said requesting anonymity.

The rejected consignments came from different countries or trade blocks, including developed economies with tight food regulatory regimes, said one of the officials quoted above.

To be sure, several Indian food items have also been rejected by other countries in the recent past.

Recently, spices from India were banned by Singapore and Hong Kong for alleged presence of ethylene oxide—a cancer-causing pesticide—above the permissible limit.

Taking cognizance of the matter, India's top food regulator, in May ordered a probe and comprehensive testing of all

brands of spices in India.

The first official said the FSSAI rejected 1,000 imported food items including cheese, almonds, milk and milk products, alcoholic beverages like whisky, dates, apples, coffee, sea food, and chocolates in 2022-23. Another 550 were rejected in 2023-24 for not conforming to Indian food safety standards, the first official said.

Mint couldn't independently verify which food items from which country were rejected by Indian authorities.

"The department of commerce has prepared a list of countries with the names of food items that have been rejected on safety parameters to take further steps," said the second official.

India imports food from more than 100 countries.

The FSSAI—established under Food Safety and Standards, 2006—lays down science-based standards for food products and regulate their manufacture, storage, distribu-

tion, sale and import to ensure the availability of safe and wholesome food for human consumption.

The standards for both safety and quality are equally applicable for domestic and imported food.

A spokesperson for the commerce ministry said the ministry is aware that food consignments from other countries do fail mandatory testing many a times.

"FSSAI as the food regulator, implements the import regulations and associated testing, market surveillance and consequential

measures. The Directorate General of Foreign Trade (DGFT) is not involved in any import check or implementation of import regulations at the ports etc," said the commerce ministry spokesperson.

There was no response to queries sent to the health ministry spokesperson till press time.

Gireesh Chandra Prasad contributed to this story.

PM interacts with economists

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NEW DELHI

Priime Minister Narendra Modi on Thursday discussed ways to augment all-round growth with economists ahead of his government's first post-election budget, two persons aware of the discussions said.

The discussion was on "ways to accelerate growth and employment across sectors and regions", which covered all the pressing issues facing the economy, said one of the persons on the condition of anonymity.

Around 15-16 people—economists, NITI Aayog members and government officials—attended the meeting in addition to Modi and finance minister Nirmala Sitharaman. **Mint** could not ascertain the names of the independent economists who participated.

Growth and employment generation top the priority list of the Modi administration as the government faces pressure to create adequate opportunities for the country's large workforce. According to UN estimates, 67% of India's population is between the age of 15 to 64 years, which

The meeting indicates that jobs and growth will be key themes in Budget 2024. **PTI**

is considered the working age.

The focus on boosting employment opportunities also assumes significance because of climate change's impact on the agriculture sector and increasing automation. Geopolitical uncertainties, too, pose challenges to growth.

Modi's discussions with economists indicate that jobs and growth will be key themes in the budget, which will be presented on 23 July.

The Indian economy added about 46.7 million jobs in 2023-24, with the country's total employment standing at

643.3 million in the fiscal year, up from 596.7 million in 2022-23, showed a Reserve Bank of India report released on 8 July.

The discussions also covered the rural economy and ways to step up rural incomes that drive consumption and the manufacturing sector, said the second person.

"Earlier today, interacted with eminent economists and heard their insightful views on issues pertaining to furthering the growth," Modi said in a social media post.

NITI Aayog vice-chairperson Suman Beri also participated in the discussions.

"Besides focusing on infrastructure building and incentivizing the manufacturing sector, one would expect the Union Budget for 2024-25 to focus on job creation and possibly, enhancing fund allocation for health, education and skilling," said an economist from a large consultancy.

"Also, given how technology is transforming the nature of work, the youth, which constitutes a large part of the population, requires upskilling. That is something the government is expected to lay emphasis on," said the economist who didn't wish to be named.

Employment and structural reforms can boost India's growth, says IMF

Rhik Kundu
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NEW DELHI

A shift in employment into construction, services and manufacturing can boost India's GDP growth by as much as 0.2 to 0.5 percentage points, the International Monetary Fund (IMF) said.

In a new report titled Advancing India's Structural Transformation and Catch-up to the Technology Frontier, the IMF said the country needs to create 143-324 million jobs by 2050 to enable its workers to shift towards more dynamic

sectors and thus boost its economic growth.

The report said structural reforms can also help India create high-quality jobs and accelerate growth.

"India's structural transformation still has some way to go. While the role of agriculture in terms of aggregate output has declined in India from over 40% in 1980 to 15% in 2019, it remains large in terms of employment, accounting for 42% of workers in 2019," the report said.

"This has resulted in depressed labour productivity in the sector. In its place, economic activity in India has



IMF said the country needs to create 143-324 million jobs by 2050 to enable its workers to shift towards more dynamic sectors. **HT**

shifted over time mainly to services. Construction has also become an important employer, but as in agriculture,

productivity in the sector is low and has not increased much since 1980," it added.

Recently, Citigroup Inc. said

India will struggle to create enough jobs for its growing workforce over the next decade even if the economy grows at a rapid pace of 7%, suggesting the country will need more concerted efforts to boost employment and skills.

Citi estimates India will need to create about 12 million jobs a year over the next decade to absorb the number of new entrants to the labour market because, based on a growth rate of 7%, India can only generate 8-9 million jobs a year.

However, in a rebuttal, the ministry of labour & employment said the report failed to account for the "comprehen-

sive and positive employment data" available from official sources such as the Periodic Labour Force Survey (PLFS) and the Reserve Bank of India's KLEMS data.

"The PLFS data shows that during the last five years, more employment opportunities have been generated compared to the number of people joining the labour force, resulting in a consistent reduction in the unemployment rate. This is a clear indicator of the positive impact of government policies on employment," the ministry said in a statement.

"The EPFO data suggests that more and more workers

are joining formal jobs. During 2023-24, more than 13 million subscribers joined EPFO which is more than double compared to 6.1 million who joined EPFO during 2018-19," it added.

The Reserve Bank of India (RBI) recently said India added 2.5 times more jobs in FY24 compared with the previous year, citing provisional data. As per the RBI, the total additions to the workforce at 46.7 million in FY24 were the highest since 1981-82. The RBI data shows as many as 108.9 million jobs were created between FY2004-FY20.

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S&P BSE Sensex		Nifty 50		Nifty 500		Nifty Next 50		Nifty 100		S&P BSE Mid-cap		S&P BSE Small Cap	
CLOSE	PERCENT CHANGE	CLOSE	PERCENT CHANGE	CLOSE	PERCENT CHANGE								
79,897.34	-0.03	24,315.95	-0.03	23,005.25	0.12	74,059.20	0.22	25,433.75	0.03	47,614.19	0.34	54,085.99	0.57
PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN								
79,924.77	80,170.09	24,324.45	24,396.55	22,977.65	23,059.95	73,897.50	74,155.45	25,425.65	25,503.65	47,450.68	47,660.64	53,779.98	54,038.98
HIGH	LOW	HIGH	LOW	HIGH	LOW								
80,170.09	79,464.38	24,402.65	24,193.75	23,063.10	22,904.30	74,308.55	73,787.05	25,508.30	25,312.00	47,753.30	47,449.38	54,144.14	53,915.34

MINT SHORTS

UK economy expands 0.4% in May, doubling expectations

The UK economy expanded at twice the pace expected in May, a sign of the strength that the new Labour government is counting on to fund its ambitious plans to get the nation working again. GDP rose 0.4% month-on-month in May after the flat reading in April, the Office for National Statistics said on Thursday. That compares with the 0.2% pace economists had expected, reflecting the fastest expansion in construction in almost a year. The figures put Britain on course for another solid quarter of expansion, continuing a recovery from recession that Labour wants to turbocharge with a blitz of growth-boosting policies. It also may make the Bank of England more hesitant to start an interest rate cutting cycle, with some policy makers warning that inflation is expected to rise again. "The print will be good news for Prime Minister Keir Starmer, but less so for the Bank of England," said Ana Andrade at Bloomberg Economics. **BLOOMBERG**



The consumer index of the University of the Thai Chamber of Commerce fell to 58.9 in June. **BLOOMBERG**

Thai consumer confidence falls for fourth straight month

Thai consumer confidence dropped for a fourth straight month in June to its lowest level since last September due to concerns about an economic slowdown and political uncertainty, a survey showed on Thursday. The consumer index of the University of the Thai Chamber of Commerce fell to 58.9 in June from 60.5 in May, the university said in a statement. Consumers felt that politics became unstable following a court case that could potentially lead to the dismissal of the prime minister, and that the economy was slowing down or recovering slowly because a lack of clear stimulus measures, the university said. "Consumers are unsure whether the economy will recover quickly or not, especially when the current political situation is becoming more uncertain," it said. Consumer confidence might improve if the government speeds up budget disbursement and stimulates the economy to recover quickly later this year, the university said in its statement. **REUTERS**

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Top airline stock beats bankruptcy risk

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A surprise return to profit has propelled Vietnam Airlines JSC to become the world's best performing airline stock this year, shrugging off the risk of bankruptcy as the company's post-pandemic recovery finally picks up momentum. The state-owned carrier has rallied 179% so far in 2024, lifted by a rebound in travel demand. That steered the company to post a bumper first quarter profit after more than four years of consecutive losses. It's an impressive turnaround for an airline that until recently had been at risk of insolvency, and in danger of being de-listed from the Ho Chi Minh Stock Exchange.

It's now outperforming regional rivals such as Singapore Airlines Ltd, which has risen 7.8% this year, and Air China Ltd, down 3.7%. Vietnam Airlines is expected to record "all-time high revenue and turnaround profit" this year, according to a 4 July note from PYN Fund Management, one of the company's few institutional investors. It was highlighted as PYN Elite's stock of the month for June by analyst Huyen Tran, with a forecast of growth in passengers and revenue this year. Airlines across Southeast Asia are seeing a resurgence in demand as key tourist markets

slowly return. Visitors from China, the largest source of visitors for Vietnam before the pandemic, have streamed back in the first six months of this year, more than tripling from a year earlier. As the biggest local carrier operating routes to the mainland, Vietnam Airlines is poised to benefit. The company remains wary of challenges to its business: In a statement last month, Vietnam Airlines chairman Dang Ngoc Hoa cited "macro-economic uncertainties" facing the industry, adding that its "primary goal" is to reduce losses while balancing revenue and spending.

The state-owned carrier, Vietnam Airlines, has rallied 179% so far in 2024, lifted by a rebound in travel demand

Dang Ngoc Hoa cited "macro-economic uncertainties" facing the industry, adding that its "primary goal" is to reduce losses while balancing revenue and spending.

Even so, the airline has ambitions to expand this year by adding routes to Southeast Asia and Europe. It's also adjusting the frequency of its flights and increasing capacity along key routes to "capitalize on demand." Vietnam has big plans for long-term growth in the tourism sector. It's been targeted as one of the key industries to keep powering an economy that's on track to expand 6% this year and 6.5% in 2025, according to a survey conducted by Bloomberg. "Vietnam's ambition to boost its popularity with foreign travelers is poised to be a key growth driver for local carriers such as Vietjet and Vietnam Airlines," according to Bloomberg Intelligence analysts Tim Bacchus and Eric Zhu.



Tesla has soared 44% over an 11-day winning streak that's the longest since June 2023. **AFP**

forward earnings, a level that was last seen in early 2022, according to data compiled by Bloomberg. Investors say the surge is down to traders looking past Tesla's EV credentials and betting that Elon Musk can transform it into an artificial intelligence powerhouse. The idea is that when Musk finally unveils Tesla's keenly anticipated self-driving technology—the so-called robotaxi—on 8 August, it will solidify the company's position as a leading AI player. "Investors have been looking for that one breakthrough, real-world application of AI,"

said Nicholas Colas, co-founder at DataTrek Research. "And now we have someone who has been working on AI for years saying 'hey, I have got that killer application.'" Yet, some numbers fly in the face of the current buzz around the stock: earnings are set to drop by 21% in 2024 and revenue growth is seen decelerating to just 2.2%. "This is clearly a faith-based stock now, not one whose valuations are in any way tied to current earnings power, and every day the stock rallies the bar for the event just gets higher," Colas added. The rally, which prompted bond billionaire Bill Gross this week to compare Tesla to meme stocks, picked up steam after the company's 2 July sales update suggested the worst of EV slowdown may be over. But the surge has since taken on a wilder momentum. Tesla is now the fifth-most expensively priced stock in the

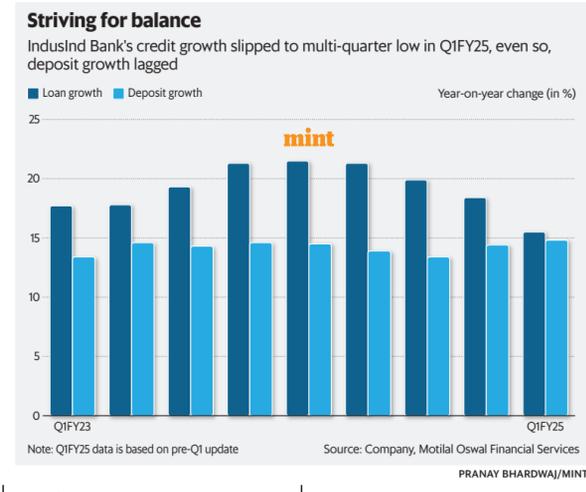
S&P 500 Index on a price-to-earnings basis, far surpassing the rest of the megacap technology cohort. One risk is that the crowning success for Tesla in AI relies on it solving one of the most complex problems the technology has yet tackled—creating cars that drive themselves more safely than humans can. By and large, analysts and experts believe a real-world mass adoption of such technology is likely decades away.

Tesla has "always traded on hopes and dreams," said Steve Sosnick, chief strategist at Interactive Brokers. "If you're not thinking about the future, the fact that this company is worth almost as much as the rest of the auto industry combined doesn't make sense. But if you think Elon Musk and Tesla are going to change the world, so what if you're paying 100 times earnings?" Even with the dizzyingly high PE ratio, the share price of \$263 is a long way from the peak of about \$410 touched in November 2021. That's because while Tesla's stock is staging a spectacular turnaround, its earnings are getting smaller. In 2021, when the stock rose 50%, annual profit jumped nearly seven-fold. None of this makes it any easier to predict whether the rally is about to break. However, trading in the options market suggest investors remain optimistic. "Tesla options market positioning over the next three months has become extremely bullish," said Vishal Vivek, an equity trading strategist at Citigroup.

IndusInd Bank needs to fix issues

Prithvi Dural
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Investors in IndusInd Bank Ltd are disheartened by the private lender's recent performance. So far this year, the stock has tumbled by 11%, contrasting sharply with sector indices Nifty Private Bank and Nifty Bank, which have climbed 5% and 8%. The provisional operational update for the June quarter (Q1FY25) offers little solace, signalling that a significant recovery in stock returns remains elusive. Year-on-year, loan/credit growth reached 15.5%, and deposits rose 14.8%. Tepid loan and deposit growth translated into moderation in Casa (current account and savings account) ratio to 36.7% in Q1FY25. So, the bank's net interest margin (NIM) would suffer. But that's not all. "IndusInd Bank increased its retail term deposit rates (one-three year bucket) by around 50 basis points over December 2023 to June 2024, and the impact of that could also be seen on NIMs in Q1FY25," said a Nomura Financial Advisory and Securities (India) report on 5 July. One basis point is one hundredth of a percentage point. Recall that in the March quarter (Q4FY24) the bank saw an uptick in the



cost of deposits. However, it maintained a margin of 4.26% due to a favourable loan mix. Then, the management had said that it expects the cost of deposits to stabilize and it aims to maintain margin in 4.2-4.3% going ahead. On the bright side, a chunk of IndusInd's loans is on a fixed rate cycle.

"So, eventually when interest rates would start to be cut by the Reserve Bank of India (RBI), IndusInd is likely to be the least impacted when it comes to margin compression," said Veer Trivedi, senior manager - equity research at Kotak Securities. IndusInd Bank is not alone in its

struggle to secure low-cost deposits and maintain margins; many banks face similar challenges. Part of the growth slowdown may be attributable to the seasonal weakness observed in Q1, according to an Axis Securities report. Other critical factors to monitor include asset quality trends, particularly in the retail segment. The bank has meaningful exposure to commercial vehicles (CV) and microfinance institutions (MFI) lending. Business trends seen in MFI are usually cyclical in nature. There have been concerns that due to heatwaves and general elections, some banks, including IndusInd, could see increased stress in their MFI portfolios. If this plays out then, provisions in Q1FY25 could increase due to higher slippages. It is worth noting that the bank has contingent provisions of ₹1,000 crore as a cushion for any volatility in MFI and CV segments. Further, an additional 2% of extra provisions were aimed at the microfinance segment and 0.5% extra on MHCV (medium and heavy commercial vehicles) in the forthcoming quarters.

Also, slippages in the bank's credit card portfolio are elevated and need monitoring. In its Q4FY24 commentary, the management had said that they made a choice to slowdown disbursements in unsecured products like credit card and personal loans. The management's views in Q1FY25 earnings commentary on the same will be important. Beyond earnings, news about the Hinduja Group, the bank's promoters, has also pressured the stock. Even as the RBI has permitted the promoters to increase stake to 26% from 15%, it remains pending as the promoters are busy closing the Reliance Capital acquisition deal. Meanwhile, the bank has maintained its guidance of 18-23% loan growth for the current planning cycle of FY23-26, driven by improved lending across segments. Achieving these targets will be crucial for the stock's prospects. Against this backdrop, the bank's focus on digital initiatives, capacity building, and distribution to enhance its retail loan book will likely keep medium-term operating expenses elevated.

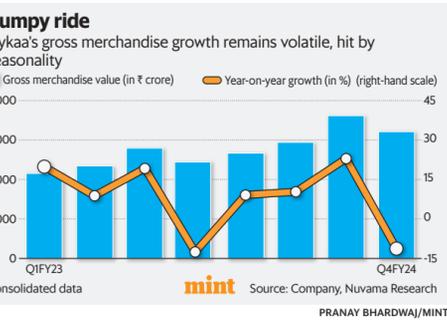
ROCKY ROAD
THE bank shares the struggle to secure low-cost deposits with many other banks
OTHER critical factors to monitor include asset quality trends, particularly in the retail segment

Nykaa's Q1 may be muted; investors await spring in fashion biz

Manvi Agarwal
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The June quarter update from Nykaa's parent FSN E-Commerce Ventures Ltd paints a picture of resilience in its main beauty and personal care (BPC) business. However, challenges in the fashion segment take some of the sheen off. The company expects its consolidated Q1 revenue growth at 22-23% year-on-year (y-o-y), largely meeting its annual 20-25% growth goal. The BPC segment contributes 85% to FY24 revenue and is lifting growth substantially. The segment's y-o-y gross merchandise

value (GMV) growth is seen in the high twenties. This aligns with Nykaa's plan to beat online BPC market growth (19-20% CAGR) with a mid-to-late 20s CAGR over FY24-28. To achieve this, Nykaa plans to boost spending among customers via more and premium products, and customized experiences for them. It will invest in drawing new customers via BPC category development initiatives and expand to 400+ stores (187 in FY24) by FY28. While the BPC segment is in the spotlight, the fashion segment has been a sore spot. In the June quarter (Q1FY25), y-o-y fashion GMV growth is projected in the mid-teens and revenue growth at 20%. Fashion's dull performance can be due to weak demand and seasonally



slow time with less festivities in the last quarter. Still, the segment could end the year well as the festival sea-

son could boost growth. Nykaa's focus on increasing customers and brand building may impact margins in Q1FY25. For Q1FY25, Nomura Financial Advisory and Securities (India) analysts expect consolidated revenue growth of 23% y-o-y and Ebitda 5.4%. These are much lower than the brokerage's FY25 expectation of 29% y-o-y and Ebitda margin 7.5%. "There are downside risks to our estimates if recovery is not stronger in H2FY25," said Nomura in an 8 July report. Nykaa has a breakeven plan for the fashion segment, which posted an Ebitda loss of ₹101.6 crore in FY24. The company

has guided to breakeven at Ebitda level by FY26 and clock mid single-digit margin in FY27, helped by growth in brand assortment and advertisement revenue. While Q1 may not be a blockbuster quarter, Nykaa's BPC segment performance and long-term vision appear promising. As things stand, the company's shares are about 9% below their 52-week highs seen in January. Two factors are worth watching. One is sustained momentum in the BPC segment despite competition from quick commerce. Two, signs of improvement in profit metrics in the fashion segment.

Crypto's \$100-bn illicit funds found since '19

Bloomberg
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Suspect digital wallets have distributed close to \$100 billion in illicit funds across the cryptocurrency market since 2019, flows that often touch popular stablecoins and centralized exchanges, according to Chainalysis. Bad actors are making record use of stablecoins, which now account for most of the illicit transaction volume in crypto, Chainalysis said in a study. More than half of all questionable flows wind up on centralized exchanges, it added. Officials globally are tightening regulations for stablecoins and digital-asset platforms to curb crypto's use in crimes such as money laundering and terrorism financing.



Bad actors are making record use of stablecoins, which now account for most of the illicit transaction volume in crypto. **REUTERS**

But lawbreakers keep looking for ways to skirt rules. "The ecosystem is constantly changing," Kim Grauer, director of research at Chainalysis, said in an interview. "There are new cryptocurrencies and use cases for criminals, and they are getting more sophisticated with laundering." Stablecoins typically seek to hold a steady value of \$1 underpinned by reserves of cash and bonds. Centralized exchanges custody customer assets whereas decentralized alternatives leave users in control of their tokens. Stablecoins and

centralized exchanges are the key pillars of the digital-asset market. Illicit flows have led prosecutors to target the crypto industry. Binance, the biggest digital-asset exchange, is now operating under US oversight after being hit with a landmark \$4.3 billion penalty last November in a plea deal with the Department of Justice over anti-money laundering and sanctions violations. Illegal funds from sources like darknet markets, fraud, ransomware and malware are concentrated in five centralized exchanges, Chainalysis found, without naming them. Aside from trading platforms, criminals also tap decentralized financial services, gambling sites, crypto mixers and blockchain bridges to wash money.

Tesla Inc stock's 11-day winning run brings about a valuation reality check

Bloomberg
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Tesla Inc. shares are climbing at a frenetic pace, but it's becoming harder to argue the case for the bulls. The last time there was a run like this, the rally was supported by revenues expanding at a double-digit clip. Things seem a lot gloomier now: The mood around electric cars is subdued, Tesla's sales are shrinking and its profits sagging. Tesla has soared 44% over an 11-day winning streak that's the longest since June 2023. The stock now trades at 90 times

forward earnings, a level that was last seen in early 2022, according to data compiled by Bloomberg. Investors say the surge is down to traders looking past Tesla's EV credentials and betting that Elon Musk can transform it into an artificial intelligence powerhouse. The idea is that when Musk finally unveils Tesla's keenly anticipated self-driving technology—the so-called robotaxi—on 8 August, it will solidify the company's position as a leading AI player. "Investors have been looking for that one breakthrough, real-world application of AI,"

said Nicholas Colas, co-founder at DataTrek Research. "And now we have someone who has been working on AI for years saying 'hey, I have got that killer application.'" Yet, some numbers fly in the face of the current buzz around the stock: earnings are set to drop by 21% in 2024 and revenue growth is seen decelerating to just 2.2%. "This is clearly a faith-based stock now, not one whose valuations are in any way tied to current earnings power, and every day the stock rallies the bar for the event just gets higher," Colas added. The rally, which prompted bond billionaire Bill Gross this week to compare Tesla to meme stocks, picked up steam after the company's 2 July sales update suggested the worst of EV slowdown may be over. But the surge has since taken on a wilder momentum. Tesla is now the fifth-most expensively priced stock in the

S&P 500 Index on a price-to-earnings basis, far surpassing the rest of the megacap technology cohort. One risk is that the crowning success for Tesla in AI relies on it solving one of the most complex problems the technology has yet tackled—creating cars that drive themselves more safely than humans can. By and large, analysts and experts believe a real-world mass adoption of such technology is likely decades away.

Tesla has "always traded on hopes and dreams," said Steve Sosnick, chief strategist at Interactive Brokers. "If you're not thinking about the future, the fact that this company is worth almost as much as the rest of the auto industry combined doesn't make sense. But if you think Elon Musk and Tesla are going to change the world, so what if you're paying 100 times earnings?" Even with the dizzyingly high PE ratio, the share price of \$263 is a long way from the peak of about \$410 touched in November 2021. That's because while Tesla's stock is staging a spectacular turnaround, its earnings are getting smaller. In 2021, when the stock rose 50%, annual profit jumped nearly seven-fold. None of this makes it any easier to predict whether the rally is about to break. However, trading in the options market suggest investors remain optimistic. "Tesla options market positioning over the next three months has become extremely bullish," said Vishal Vivek, an equity trading strategist at Citigroup.

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MINT SHORTS

Circuit House Technologies raises \$4.3 million in seed funding

Bengaluru: Circuit House Technologies has raised \$4.3 million (₹36 crore) in a seed funding round co-led by Stellaris Venture Partners and 3one4 Capital. The round also saw participation from angel investors like Varun Alagh (co-founder, Mamaearth) and Abhishek Goyal (co-founder, Tracxn), among others. Circuit House will use the funds to assemble its team across multiple functions, improve its research and development efforts on hardware and software, and launch its consumer electronics brand in the coming months.

K. AMOGHAVARSHA

Suven Pharma mulls inorganic push for its core business



BLOOMBERG

Mumbai: Private equity giant Advent International-owned Suven Pharmaceuticals Ltd is scouting for acquisitions in the technology space to bolster its contract development and manufacturing organization platform, a top company executive told VCCircle. The Hyderabad-headquartered firm, dealing in pharmaceuticals and fine chemical intermediates, is currently evaluating three to four companies in oligo and nuclear technology. Suven's executive chairman Annaswamy Vaidheesh said.

SREEJA BISWAS

Proptech startup Jugyah raises \$1.5 million in funding

Bengaluru: Jugyah has raised \$1.5 million (₹12.5 crore) in a funding round from a host of investors including White Venture Capital, QED Investors, Godrej Properties, Whiteboard Capital and Singularity Ventures along with angel investors like Kunal Shah (Cred), Harsh Jain (Dream II) and Ramakant Sharma (Livspace). The platform offers a full stack, vertically-integrated, managed marketplace with 100% verified listings.

K. AMOGHAVARSHA

Indian startups can thrive despite speed bumps, VC investor says

India's young tech companies are an attractive investment even as the country's startup economy faces hiccups at high-profile internet firms such as fintech Paytm and online tutor Byju's, Lightspeed Venture Partners' Bejul Somaia said. "There are bumps in the road and they happen in all economies, and we remain quite optimistic," Somaia said.

BLOOMBERG

Unacademy's teachers in Kota face salary cut

The edtech, hurt by falling student enrolments, reduced pay by 20-25%

Mansi Verma & Devina Sengupta
MUMBAI

SoftBank-backed Unacademy has slashed the compensation of teachers at its Kota coaching centre by 20-25%, following a similar move by two of its rivals in the country's coaching hub, hurt by a drop in student enrolments.

This U-turn comes within two years of the edtech startup recruiting some of the senior most teachers from rival Allen Career Institute at several multiples of their previous salaries.

Mint spoke to three senior teachers at Unacademy who, along with about 60 others, were informed of their salary cuts in mid-June over a video call. The firm that had recruited faculty members at a frenetic pace in 2022, is now facing a sluggish student admission numbers.

"So far 7,000 students enrolled in Kota this academic year, versus 10,000 last year," said a senior Unacademy faculty member who has taught in the coaching centre for more than two years. Some of the top teachers are yet to accept their new employment contract.

Unacademy did not respond to Mint's emails sent on Wednesday around noon and follow-up emails for more details on Thursday afternoon.

Unacademy is not the only one impacted by the drop in student numbers this year. Allen Career Institute, one of the largest coaching centres in India, has chopped the fixed salaries for its 4,000-plus faculty and administrative staff by 20-40%.

Reliable Institute, a unit of Allen specialising in coaching for top engineering schools, too, has slashed faculty pay, while rival PhysicsWallah has reassigned teachers to centres outside Kota.

These shifts in Kota come on the back of a 30-40% drop in student enrolments as parents prefer to send their children in the



Unacademy is not the only one impacted by the drop in student numbers this year. MINT

local centres of the same coaching institutes in states like Bihar, Rajasthan, and Madhya Pradesh.

"Those branches now have stiff targets and often dissuade the candidates from coming to Kota, which so far was the largest coaching centre," said a chemistry

teacher at the time of joining and the rest was paid over the next two years. These teachers will have to take a 25% pay cut," said a senior Unacademy faculty hired from one of the rivals.

The year 2022 stands out as that is when poaching wars for teachers were at their fiercest in Kota since students were allowed to return to classrooms after about two years of pandemic-induced online coaching.

The top institutes included Allen Career Institute, Unacademy, Vibrant Academy, Motion Education, Resonance Eduventures, Reliable Institute (now backed by Allen), BYJU's-owned Akash Institute, Career Point, PhysicsWallah (PW) and Bansal Classes.

Mint has learned that apart from salary cuts, the company has also laid off non-teaching staff across centres in India.

KOTA CRISIS

APART from salary cuts, the company has also laid off non-teaching staff across centres in India

THESE shifts in Kota come on the back of a 30-40% drop in student enrolments

YEAR 2022 stands out as that is when poaching wars for teachers were at their fiercest in Kota

teacher in one of the top institutes of Kota. Ironically, the teachers who were roped in at high salaries by Unacademy may now be forced to work at a pay scale similar to what they were earning at their previous employer.

"If a teacher was recruited at 1.5x or 2x salary in 2022, then a large chunk of it was

paid at the time of joining and the rest was paid over the next two years. These teachers will have to take a 25% pay cut," said a senior Unacademy faculty hired from one of the rivals.

Mint has learned that apart from salary cuts, the company has also laid off non-teaching staff across centres in India.

Brookfield invests \$200 mn in Leap Green Energy

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Canadian asset management firm Brookfield on Thursday announced an equity investment of over \$200 million in Tamil Nadu-based renewable energy company Leap Green Energy, with an option to infuse \$350 million more in the future. Brookfield said in a statement that it recently entered into definitive strategic investment agreements with Leap Green Energy, pursuant to which it has acquired a majority controlling stake in the company.

"Brookfield has provided an upfront commitment to make an equity investment of over \$200 million in Leap Green, through a combination of subscription of new shares and acquisition of shares from current shareholders. Additionally, Brookfield has an option to infuse \$350 million more of incremental equity capital to support the future growth of the business," it said.

Brookfield shall work alongside Leap Green's existing shareholders to enhance its capabilities and achieve over 3 gigawatts (GW) of capacity over the next four to five years.

Leap Green has an existing wind and solar asset base of 775 megawatts (MW), including running and under-construction assets.

"Our partnership provides an important opportunity to meet the demand in the C&I (commercial and industrial) segment and deliver outcomes where decarbonization and



Brookfield managing director Nawal Saini. NAWAL SAINI/LINKEDIN

value creation are in total alignment. We remain committed to helping corporates in reducing their carbon footprint and positively impacting the environment," said Nawal Saini, managing director, head of renewable power and transition, South Asia and the Middle East, Brookfield.

Brookfield's investment will be made through the Brookfield Global Transition Fund I (BGTF-I).

Brookfield has a portfolio of around 33 GW of generating capacity and 155 GW under development

A major investor in the renewable energy space, Brookfield has a portfolio of around 33 GW of generating capacity and 155 GW under development. Its assets

are located in North and South America, Europe and Asia Pacific comprising a diverse technology base of hydro, wind, utility-scale solar, distributed generation, storage and other renewable technologies. In India, Brookfield's renewable power and transition portfolio comprises over 25 GW of wind and solar assets in operation, construction and under development across leading platforms.



Acer will operate in the mid-range smartphone segment in India, intensifying competition. BLOOMBERG

Indkal signs deal to launch Acer phones for Indian market

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Bengaluru-based Indkal Technologies will make and sell Acer brand of smartphones in India through a brand licensing deal with the Taiwanese tech giant.

Indkal will design, manufacture and distribute Acer-branded smartphones in India starting in a couple of months, marking Acer's debut in the competitive Indian smartphone market, the two companies said in a statement on Thursday.

"We are excited that Indkal Technologies will further this mission in India by providing a wide range of smartphones under the Acer brand that expand end user choices and enrich their experience in the India market," said Jade Zhou, vice-president of global strategic alliances at Acer Inc.

Under the agreement, Indkal will leverage Acer's brand recognition and its own manufacturing expertise to capture a sizeable share of the Indian smartphone market. Indkal plans to launch smartphones in a price range of ₹15,000 to ₹50,000, steering away from

the entry-level segment, a strategy adopted by a number of players. These devices will boast high-end processors, advanced camera technology, and premium features, all designed and manufactured in India.

"We are thrilled to introduce Acer smartphones to Indian consumers," said Anand Dubey, chief executive officer of Indkal Technologies. "These well-designed devices will offer exceptional value with cutting-edge hardware and software. We are confident that consumers will appreciate the quality and innovation synonymous with the Acer brand."

Acer will be coming into the market at a time when Chinese brands—Xiaomi, Oppo, Vivo, OnePlus and others—have captured 75% of the Indian market share by volumes. The Transsion Group-backed Tecno, Infinix anditel smartphone makers work across price bands, including the entry-level or sub ₹10,000.

Acer will, however, compete in the mid-range smartphone segment, intensifying competition. Acer-branded phones will be available for purchase both online through e-commerce platforms and through retail stores across the country.

PE firm TA Associates invests in Vastu Housing Finance

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Pivate equity firm TA Associates Management LP has made an undisclosed growth investment in Multiples PE-backed Vastu Housing Finance Corp. Ltd, underscoring a growing interest in the housing finance sector.

The firms have not disclosed deal size and the post-money valuation.

Mint reported in May that the deal size would likely be about \$400 million, with Vastu Housing Finance valued upwards of \$1.4 billion. Vastu Housing was valued at about \$1.2 billion in February, according to market research firm Tracxn.

Multiples PE, which owns a majority stake in Vastu from an earlier fund, was expected to sell stake in this investment round, the report said. In October, the company secured \$30



Vastu chief executive Sandeep Menon. SANDEEP MENON/LINKEDIN

million from Faering Capital, an Indian private equity firm.

The firm's other top backers include Norwest Venture Partners, Creation Investments, and 360 ONE Asset Management. Founded in 2015, Vastu Housing Finance uses its proprietary technology to offer underwriting and other financial solutions to self-employed customers in semi-urban and rural areas. The company has 230 branches across 13 cities.

"Vastu has made great progress over the last few years towards its vision of becoming a large, respected and institutional retail lending franchise. We are confident that our association with TA will further accelerate our growth," Sandeep Menon, chief executive and founder of Vastu, said in a statement on Thursday.

Vastu Housing reported a net profit of ₹285 crore on a revenue of ₹768.5 crore in 2022-23, according to VCCircle, the data platform owned by HT Media. The company had reported a net profit of ₹181.7 crore on operational revenue of ₹522.6 crore in 2021-22. Housing finance companies have been in the news over the last few months for mega transactions.

Aadhar Housing Finance went public in May with a ₹3,000-crore initial public offering, while Warburg Pincus picked up a majority stake in Shriram Housing Finance in one of its largest investments in India.

Tata Play, Akash Digital in tie-up

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Bangladesh-based Akash Digital TV, a subsidiary of Beximco Communications Ltd, has teamed up with Tata Play (formerly Tata Sky) to leverage the Indian company's Binge platform-as-a-service (PaaS) solution for the launch of its new OTT service, Akash Go.

With this collaboration, the Bangladeshi direct-to-home TV service provider is looking to expand its offerings beyond traditional DTH services to include streaming content accessible on mobile devices.

The Akash Go app, inspired by Tata Play's mobile application in India, will allow subscribers in Bangladesh to access a range of OTT applications, live channels and video-on-demand services. It will also feature personalized recommendations based on the viewing history of each user.

"Our clients understand their customer base and their preferences profoundly. We are offering a platform that



Tata Play chief executive Harit Nagpal.

aggregates content from various apps, enhancing the relevance for their subscribers. While striking deals with apps and acquiring customers are relatively straightforward, the real challenge lies in providing robust 24x7 hosting with an advanced recommendation engine and comprehensive backend support," Harit Nagpal, managing director (MD) and chief executive officer (CEO) of Tata Play, told Mint.

Bangladesh—that has a market reminiscent of India from 15 years ago when the TV-viewing landscape was predominantly

analogue—presents a significant opportunity for both the companies. "As we make our foray into Bangladesh, we find potential partners eager for our platform. However, they seek proof of concept; they need assurance that we can deliver this platform effectively from India," Nagpal said.

"Our offering is economically structured, combining a fixed cost with subscriber numbers, disconnected from what their subscribers pay. This makes it a cost-effective solution for them, both in terms of quicker market entry and easier platform management," he added.

Nagpal said the Binge PaaS solution provides three core benefits: "First, our platform is uniquely tailored to address customer needs, making content discovery straightforward. Second, it's a robust platform, rigorously tested over three years, ensuring what we call a 'zero defect' experience. Third, the deployment speed is unmatched—we can have the platform operational in 3-4 months at a fraction of the usual cost."

Apple avoids EU threat with tap-and-pay probe settlement

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Apple Inc. has avoided the threat of fines from European Union (EU) regulators by agreeing to open up its mobile wallet technology to other providers free of charge for a decade.

The settlement brings to an end an investigation into the US tech giant's closely guarded payments technology. The EU earlier warned that restricting access to the technology amounted to an abuse of its market power.

"Apple has committed to allow rivals to access the 'tap and go' technology of iPhones," the EU's competition chief Margrethe Vestager said. The decision will prevent Apple "from excluding

other mobile wallets from the iPhone's ecosystem."

Under the EU settlement, consumers in Europe will be able to use alternative digital wallets to pay for goods and services at checkouts. The commitments remain binding for 10 years and Apple risks a fine of as much as 10% of global annual revenue if it violates the agreement.

The closing of the investigation marks a brief respite between the EU and Apple, which have long been at loggerheads over how the Cupertino, California-based firm toes the regulatory line in Brussels.

Earlier this year, the company challenged a €1.8 billion (\$2 billion) EU fine it was hit with for thwarting fair competition from music-stream-



The commitments remain binding for 10 years and Apple risks fine of as much as 10% of global annual revenue for violation. REUTERS

ing rivals, including Spotify Technology SA. This fine came after it was previously handed a record €13 billion tax bill in a dispute with EU regulators over Irish state aid.

The firm has also been forced to overhaul its iOS, Safari and App Store offerings in the EU in order to step in line with the bloc's Digital Markets Act—a regulation

against which it has filed a raft of legal challenges.

Apple's digital wallet allows consumers to store virtual debit and credit cards on iPhones, as well as ticket bookings. Its offer to the EU would allow third-party developers access to Apple's payment technology in order to help them create alternative mobile wallets, the commission said Thursday.

In response to the settlement, Apple said it is rolling out access to its payments chip in Europe while also allowing contactless transactions for car and home keys,

corporate badges, loyalty cards, and event tickets.

Since its debut a decade ago, Apple Pay has grown to become the most dominant and widely used digital wallets on the market.

Apple has overhauled iOS, Safari and App Store offerings in EU to step in line with the Digital Markets Act

Across Europe, consumers now turn to the app to quickly tap and pay for everything from public transportation to groceries to restaurant bills.

This new commitment, then, could spark a seismic change for the payments industry, which has long craved the ability to use Apple's near field communications technology in their own digital wallets.

TCS sails to higher Q1 revenue on BSNL deal

FROM PAGE 1

growth in the five years barring the pandemic-hit June quarter of 2020-21. While analysts found the company's overall quarterly financial performance resilient, they also underlined the signs of caution.

"TCS does have multiple growth drivers across a broader base, beyond BSNL, for its overall revenue growth. Taking the overall market environment into account, TCS' overall Q1FY25 performance has been decent," said Chirajeet Sengupta, managing partner at industrial research firm Everest Group. "The encouraging bit is that there are no immediate indicators of the overall market demand falling further, and the weakness in the major markets for the industry is likely close to bottoming out," he added. "This should help the overall revenue growth for the entire industry, going forward."

Sengupta, however, exercised caution in terms of how TCS is shaping up for the rest of the year. "A recovery in market sentiment and discretionary deals will not be sharp. The uncertainties added on by the UK election results, as well as the upcoming US elections, will further affect market recovery," he added.

On headcount terms, TCS hired 11,000 freshers during the June quarter, and ended the period with a net addition of 5,452 employees. This comes after the previous fiscal year saw one of the worst headcount declines—both for TCS as well as the entire industry—in the past two decades.

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

Why retail investors' options rush has regulators worried

Retail investors have been net buyers of index options over the past four fiscals to 2023-24

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The high risks involved in options trading haven't deterred individual investors from dabbling in the market despite regulators expressing concerns over their excessive participation in an instrument with a low scope for profitability.

Retail investors have been net buyers of index options over the past four fiscal years through 2023-24, when their volumes surged five-fold, shows a *Mint* analysis of data from NSE. The exchange commands 90% of the market share in such instruments.

Option buyers face limited risks, unlike option sellers, whose risks are unlimited. Besides, index options cost a fraction of futures, and option contracts expire four out of five days in a week on NSE.

"Index options are a cheap instrument (relative to futures) and you have an expiry almost every day of week, which is why retail participants have latched on to it," said Deepak Shenoy, founder of portfolio management service firm, Capitalmind.

For instance, to trade a Nifty futures contract a retail investor would need to place a margin of around ₹1.5 lakh with the clearing corporation, while a buyer of a Nifty 24300 call option contract expiring on 11 July would pay just ₹1,675.

Also, Nifty Midcap Select options expire on Mondays, the Fintifty on Tuesdays, Bank Nifty on Wednesdays, and Nifty on Thursdays.

The trend of retail investors buying options became more pronounced during the pandemic lockdowns as individuals with more time on their



hands took to trading in the stock markets.

This has left both the Securities and Exchange Board of India and the Reserve Bank of India worried about excessive retail participation in options trading given the potential high risks involved.

Shenoy suggested that rather than

WORRYING INTEREST

INDEX options are a cheaper than futures and expire almost every day, attracting retail investors

SEBI and RBI are worried about excessive retail participation in options trading

SEBI would do well to increase the lot size of index options to prevent any systemic risk

RETAIL investors net purchased up to ₹500 billion of index options between FY21 and FY24

between ₹160 billion and ₹500 billion of index options between financial years 2020-21 and 2023-24, NSE data show.

In the current fiscal year through May, they have net purchased ₹110 billion of index options.

The number of active individual investors participating on NSE's equity

would have participated in the index options segment.

But option buyers generally lose money, as the probability of options turning profitable is low, say analysts. "Retail tends to buy cheap out-of-the-money options whose chance of becoming in-the-money are pretty low," said Palviya, senior vice president and head—technical and derivatives research, at Axis Securities.

"More often than not, they are unaware of options pricing terminology like delta and theta, which reveal the probability of the position yielding profit to them," he added.

NSE data show that the counterparty to retail traders tends to be proprietary traders, who are brokers trading on their own account.

In 2023-24, proprietary traders net sold index options worth ₹245 billion, exchange data show.

In FY25 (Apr-May), they net sold index options worth ₹48 billion.



The trend of retail investors buying options became more pronounced during the pandemic lockdowns as people with time on their hands took to stock trading. AFP

India plans 300 airports by '47

FROM PAGE 1

dynamic factors. This is a preliminary assessment and the numbers can change later if the scenario changes due to any reason," a second official said.

At Mandavi in Gujarat, Sultanpur in Uttar Pradesh, Tura in Meghalaya and Chhindwara in Madhya Pradesh, existing airstrips can be converted to airports for small aircraft operations, the draft said, citing a preliminary assessment. Greenfield airports could come up at Kota in Rajasthan, Parandur in Tamil Nadu, Kottayam in Kerala, Puri in Odisha, Purandar in Maharashtra, and Car Nicobar and Minicoy in Andaman and Nicobar islands.

Queries sent to an AAI spokesperson remained unanswered until press time.

The plan to increase operational airports to 300 by 2047 looks ambitious, but the focus on improving connectivity to tier-II and -III cities through schemes such as UDAN (*Ude desh ka aam nagrik*) and making major Indian airports international hubs may support the



As per AAI's study, India may see more than 3 billion air passengers by 2047. MINT

plan, said Vinay Kumar G, vice-president & sector head corporate ratings. "The under-penetration of air travel in India, rising income levels and improving connectivity to new destinations in the domestic and international segments will be key growth drivers for the industry," Kumar said.

The AAI preliminary assessment also outlined the airport connectivity situation in the US and China, which have a far bigger air travel market, and have seen higher propensity for air travel as incomes rose. For

example, China recorded 0.47 trip per capita per annum in 2019 when its per capita income was at \$10,144 and for the US, it was registered as 1.2-1.3 trip per capita per annum when its GDP per capita per annum was recorded at \$20,000 at current prices.

Estimating a per capita income of \$18,000-20,000 on current prices by 2047 for India, the study has estimated 1 trip per capita per annum, expecting over 3 billion passengers by 2047.

Separately, the airports operator has done feasibility studies for greenfield airports, and spotted sites, including Sonepur in Bihar and Koppal in Karnataka, while feasibility reports are also to be made for Wayanad in Kerala and Anantpur in Andhra Pradesh.

"It is crucial to balance this ambitious expansion with holistic development of ground transportation infrastructure," Pragna Priyadarshini, vice-president at Primus Partners, a consultancy.

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

Hyundai IPO likely to inspire multinationals to list in India

FROM PAGE 1

MNCs potentially considering listing will continue, driven by factors including a greater ease of doing business and untapped consumption potential in the world's most populous nation.

Mint spoke with lawyers and investment bankers who also alluded to the rise in MNCs evaluating such options. Besides South Korea's Hyundai, which is preparing for a record ₹25,000 crore initial public offering, LG Electronics and Italy's component maker Carraro are looking at similar moves, according to media reports.

However, this is not the first time an MNC has listed in the country. Previous examples include Japanese automaker Suzuki Motor Corporation (unit Maruti Suzuki India Ltd), British consumer goods company Unilever (Hindustan Unilever Ltd), Swiss food and beverage maker Nestle (Nestle



Hyundai is preparing for a ₹25,000 crore initial public offering in India. BLOOMBERG

India Ltd), and Colgate-Palmolive (India) Ltd, the unit of US oral hygiene company Colgate-Palmolive.

A strong brand recall with Indian consumers, lower cost of capital as opposed to transferring funds from overseas markets, and lower taxes on capital gains after listing for future monetization are crucial benefits for foreign companies to consider listing in the country, said Siddharth

Shah, a senior partner at Khaitan & Co.

The Indian markets offer much better valuation than other overseas markets, Shah said. Sood also alluded to the uptick in valuations.

"We have seen Indian-listed subsidiaries of foreign parents generally trading at almost three times the valuation of the parent," he said, adding that this has encouraged global groups to unlock value in India and ride the "growth story".

Essentially, different markets have varying dynamics and growth drivers. At times, subsidiary valuations may not get fully reflected in the parent valuation and listing would help unlock this, said BNP Paribas' Ganeshan Murugaiyan. This could also be a useful currency for funding growth capex or as an acquisition tool in the domestic market, he said.

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

Why RBI's data on jobs growth has left economists baffled

FROM PAGE 1

as per the KLEMS data. It is a bit hard to reconcile," said Madan Sabnavis, chief economist, Bank of Baroda. "But I understand from the methodology that RBI has used the PLFS (Periodic Labour Force Survey) data for extrapolations."

The addition of jobs also does not match recent government data showing weak consumption growth, he added. "The only explanation could be that because of inflation, people were only spending on food and the real consumption part has declined."

RBI released its employment data days after Citi Research said in a 4 July report that given India's demographic dividend, even a 7% GDP growth might not be enough to meet the country's job requirement over the next decade, under

reasonable assumptions. India issued a rebuttal on 8 July, on the same day the RBI report was released, stating that the Citi report had failed to account for the "comprehensive and positive employment data available from official sources such as the Periodic Labour Force Survey (PLFS) and the Reserve Bank of India's KLEMS data".

KLEMS refers to the RBI database that measures capital (K), labour, energy, material, and services to gauge productivity at the industry level.

Despite the apparent surge in employment, economists are not too enthused with the quality of jobs being created, given that employment in lower-pay brackets such as agriculture and trade has seen better growth.

Sabnavis pointed out that growth in India's real gross



Despite the apparent surge in employment, economists are not too enthused with the quality of jobs being created. MINT

domestic product (GDP) had declined in recent years—from about ₹43 trillion during FY2014-19 to about ₹33 trillion between FY19 and FY24. "However, the KLEMS data shows that job creation has gone up substantially in the same period. It could mean that we are creating jobs in very

low-productivity areas," he said.

RBI's KLEMS data show that even as the pandemic resulted in a sharp drop in global employment rates, India witnessed an increase, with as much as 15% more people finding a job in 2020-21—the peak of covid-19 curfews—than in

2018-19. "Prior to covid-19, jobs in agriculture were shrinking, signalling rising urbanization and reducing overemployment within this sector, a sign of equitable development. But since covid-19, this trend has reversed, sparking concerns around a prolonged K-shaped recovery," said Debopam Chaudhuri, chief economist at Piramal Enterprises Ltd.

According to Chaudhuri, India's agriculture and allied sectors absorbed a vast number of displaced urban workers—mainly from small businesses—who chose to migrate back to their rural homes due to the pandemic and lockdowns in 2020-21.

However, owing to the nature of these jobs, Chaudhuri said, value addition to the Indian economy took a severe hit, reflected in the labour productivity—value added per employed person per year—estimates provided in the KLEMS database.

Spokespersons of the ministries of finance, labour and employment, and RBI did not respond to emailed queries.

Mint also reached out to the secretary of the ministry of labour and employment but did not receive a response.

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Devina Sengupta contributed to this report.

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

MOVES

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

Amar Kaul	Appointed as Managing Director & CEO at CG Power
Ankit Mehrotra	Appointed as Chief Financial Officer at Tata Cliq
Ashmita Pillay	Appointed as Head- Corporate Communications at Marico
Dr. Arjun Singh	Appointed as Chief Human Resources Officer - Solar PV Business at Reliance Industries
Guneet Nidhan Singh	Appointed as MD & Business Head Wealth management at Julius Baer
Gurmeet Chahal	Appointed as CEO Quesst GTS at Quesst Corp
Gurpratap S. Boparai	Appointed as CEO Manufacturing Business at Suzlon Energy
Himanshu Dhaddha	Appointed as Chief Financial Officer at InOrbit Malls
Karan Abhishek Singh	Appointed as Chief Executive Officer at Zee Media Corporation
Khairav Duggal	Appointed as Chief Executive Officer at Chupps
PB Sunil Kumar	Appointed as ED & Chief Executive officer at Greaves Finance
Piyush Prasad	Appointed as Business Development Lead India at Royal Enfield
Rahul Prasad	Appointed as Vice President Human Resources at USV
Rajeev Chauhan	Appointed as Head- Electric Passenger Vehicle Business at BYD
Reena Wahi	Appointed as Partner and Head of People, Performance and Culture at KPMG India
Sanjeev Kumar Sharma	Appointed as Chief Financial Officer at M3M India
Sankha Bhowmick	Appointed as Group CHRO at WhiteOak Capital
Satheesh K V	Appointed as Chief People Officer at Acko
Sujoy Bose	Appointed as CEO Investment Management at Everstone Capital
Sumeet Sahnii	Appointed as President & Chief Distribution Officer - Agency & Alliances at India First Life
Tushar Vikram	Appointed as Country Head and CEO at Mashreq
Varun Gupta	Appointed as President & Chief Distribution Officer - Bancassurance at India First Life

Source: Accord India, executive search worldwide



If Elon Musk becomes a presidential adviser, he could talk US' China-basher-in-chief into moderating his stance. REUTERS

The EV trade war between China and the West heats up

FROM PAGE 1

looks likelier than not to return to the White House after America's presidential election in November. If the car boss becomes a presidential adviser, as some are speculating, he could talk America's China-basher-in-chief into moderating his stance.

There is a less conspiratorial explanation for Tesla's run of good fortune. The treatment of Mr Musk's firm illustrates the awkward spot China's government finds itself in. On the one hand, it must appear tough on hostile foreign powers accusing Chinese companies of flooding markets with subsidised products. On the other, as China's economy slows, it is trying to signal that it remains open to foreign investment. In this context, a crackdown on one of the most prominent outside investors would send the wrong message.

The Chinese government may thus opt for a more calibrated counterstrike. One likely outcome is for it to make greater use of America's weapon of choice—export restrictions. China has already curbed exports of gallium and germanium, two minerals whose production Chinese firms control and which are crucial to all manner of electronics, including those in electric cars.

China could also update its list of controlled exports in areas where Western firms rely on Chinese IP

December lidar, a radar-like laser technology used in autonomous-vehicle sensors, appeared on that list alongside innovations in gene editing and synthetic biology.

Expect more such laser focus.

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Dabur's digital-first brands hit ₹100 cr in sales in FY24

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MUMBAI

Dabur India's digital-first brands, or brands it has launched online, grossed a turnover of more than ₹100 crore last fiscal year, the company said in its annual report.

In FY24, the company rolled out 14 new products in line with its strategy to expand both its premium portfolio and total addressable market.

"These launches also marked Dabur's entry into several emerging and growing categories like mosquito repellent liquid vaporizers, cooling hair oils, gel toothpastes, teas, and shower gels. Our digital-first brands have grossed a collective turnover of over ₹100 crore," the company said in its annual report released Wednesday evening.

To be sure, several large consumer companies have launched digital-first brands addressing niche consumer needs as well as competing with new-age brands that are gaining foothold online. This is especially true in categories such as beauty and personal care as well as packaged foods.

In FY24, the maker of Real drinks and Vatika shampoo reported revenues of ₹12,404 crore, with a net profit of ₹1,843 crore. It sells products under the home and personal care (HPC) categories, apart from food and beverages and healthcare products. Its brands include Meswak toothpaste, Dabur honey, Amla hair oil, and Real fruit drinks.



In FY24, the company rolled out 14 new products. MINT

Commenting on demand trends in the year gone by, the company said the domestic FMCG sector witnessed a period of subdued growth.

"FY2023-24 opened strong but became challenging as the year progressed. Despite softening inflation and a general improvement in consumer sentiments, the domestic fast-moving consumer goods (FMCG) sector witnessed a period of subdued growth during the year. The household consumption trends reflected a reduction in bulk purchases by consumers to manage expenses, allowing for discretionary spending on smaller categories. Low wage growth in rural India also resulted in downtrading by consumers. Climate change marked by uneven weather patterns such as unseasonal rainfall, delayed and contracted winter also impacted our seasonal portfolio," Mohit Burman, chairman, Dabur India, said.

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

In FY24, the company reported a revenue of ₹12,404 crore with a net profit of ₹1,843 crore

PepsiCo is focusing on building infrastructure and scaling up its brands to meet a rising demand in the country

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MUMBAI

For food and beverage company PepsiCo, India remains a "massive opportunity" over the next decade, prompting the international giant to invest in its brands and infrastructure in the country to serve more drinks and chips to consumers.

"We continue to see a lot of growth in many parts of our AMESA region, in particular, India is a big growth space for us and it is an investment area for sure," Ramon Laguarta, chairman and chief executive officer (CEO) of PepsiCo, said during an investor call Thursday. AMESA stands for Africa, Middle East, and South Asia Region.

"The opportunity is massive if you take a decade perspective," Laguarta said. "We're putting infrastructure on the ground and investing in the brands to make sure that we build the scale to capture what is going to be a high-demand market for many, many years." Earlier this year, PepsiCo India



Ramon Laguarta, chairman and CEO of PepsiCo. BLOOMBERG

announced an investment of ₹1,266 crore to establish a flavour-manufacturing facility in Ujjain, Madhya Pradesh. The facility it set to be operational in the first quarter of 2026.

The company announced its second-quarter and year-to-date 2024 results on Thursday. PepsiCo beat

street estimates, but demand for snacks and beverages slipped in North America. The company had lowered its revenue forecast for the full year.

In the 12 weeks ended 15 June, PepsiCo's convenience foods unit volume grew 1% in the AMESA region, primarily driven by double-digit growth in

India and low-single-digit growth in South Africa. But that was partially offset by a double-digit decline in the Middle East and a low-single digit decline in Pakistan.

PepsiCo's beverage unit volume grew 2%, helped primarily by double-digit growth in India, but partially offset by a high-single-digit decline in Pakistan, a low-single-digit decline in the Middle East and a mid-single-digit decline in Nigeria, it said.

For the second quarter, developing and emerging markets such as Egypt and Poland each delivered double-digit organic revenue growth, while India and Brazil delivered high-single-digit growth. Thailand and Pakistan each delivered mid-single-digit growth, while Mexico and South Africa delivered low-single-digit growth, the company said.

Laguarta's comments come as several large consumer companies have promised hefty investments in India in

recent years. Companies want to capitalize on demand emerging from a growing consuming class and a young population.

Earlier this year, John Murphy, president and chief financial officer of Coca-Cola Co., said the beverage major would reinvest a "significant portion" of its capital investment increase to build capacity for its India business.

In India, PepsiCo competes with Coca-Cola, ITC, Bikaji and Haldirman's. It sells its portfolio of beverages as well as chips under the Lay's brand and oats under Quaker. Its bottling operations (beverages) are managed by its local bottling partner, Varun Beverages.

PepsiCo India had reported a profit of ₹255 crore in FY23 against ₹27.8 crore in the year before, according to filings with the Registrar of Companies. The company's FY23 earnings grew 28.5% to ₹8,128 crore on higher sales of both food and beverages.

₹1,266 cr
Amount PepsiCo will invest in a facility in Ujjain

Kalki lone star shining as Indian films struggle in overseas markets

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NEW DELHI

Box office collections for the Indian film industry from overseas markets such as the US, the UK, Canada and the UAE have been at an all-time low over the past few months, mirroring the trend seen in the domestic market.

With few big releases during the Lok Sabha 2024 election, coupled with the inability of smaller titles to pull in big crowds, footfalls at theatres, even overseas, have remained

low, except for a few titles.

Also, trade experts say audiences across the Indian diaspora have moved away from Hindi films to southern language cinema, as evident in the box-office numbers of *Kalki*, the first big hit in months.

The Prabhas, Amitabh Bachchan and Deepika Padukone-starrer had earned \$16 million (₹133.50 crore) in North America and Canada, £1.28 million (₹13.68 crore) in the UK and A\$2.73 million (₹15.36 crore) in Australia by its second week. Meanwhile, in the domestic market, it earned ₹530 crore.

In contrast, the only Hindi film that found favour with the overseas viewers this year has been *Tabu*, Kareena Kapoor Khan and Kriti Sanon-starrer *Crew* that earned around ₹50 crore abroad upon its release in March and around ₹90 crore in the domestic market.

"The trend across the world is that the whole habit of going to the theatre has come down because it is prohibitively

expensive, plus audiences don't feel that anything great is on offer too often," said Yusuf Shaikh, business head of feature films at production and distribution firm Percept Pictures.

Trade experts like Shaikh said only tentpole movies like *Kalki*, and earlier *Rocky Aur Rani Kii Prem Kahaani*, have found an audience overseas. Also, a lot depends on when there are holidays or long

weekends in foreign markets.

Young Indians studying abroad have also been deterred by high ticket prices. Also, with film studios slashing promotional budgets by 60-70%, there are hardly any efforts made to create buzz and hype around new releases in the domestic or overseas markets.

In contrast, southern language films, especially those in Malayalam, have brought in better returns from overseas territories for filmmakers over the past few months.

Malayalam hits such as Fahadh Faasil-starrer *Aav-*

esham and Prithviraj Sukumaran's *Aadujeevitham: The Goat Life* each grossed about ₹160 crore worldwide earlier this year, of which ₹95 crore and ₹85 crore, respectively, were their domestic collections.

"Malayalam films are doing extraordinarily well in markets like the US, the UK and the Gulf and taking better openings than Hindi (movies) in many cases. Bollywood—that was the most popular choice abroad—has seen a definite slump in business unless a really big star is in the picture," said independent trade analyst Sreedhar Pillai.

Kalki had earned \$16 mn in North America and Canada, £1.28 mn in the UK by its second week

Mumbai sees record luxury home sales

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BENGALURU

Luxury homes in Mumbai, India's most expensive real estate market, clocked record sales of ₹12,300 crore in the first half of 2024, driven by rising demand for high-end properties, with Worli accounting for more than a third of the purchases.

In comparison, about ₹11,400 crore of luxury homes—priced ₹10 crore and above—were sold in the first half of last year, according to a joint report by property advisory India Sotheby's International Realty and data analytics firm CRE Matrix. About ₹3,500 crore of the sales came from the secondary or resale market, up 38% from levels in H1 2023.

While south Mumbai's Worli accounted for 37% of the value of luxury home sales, there was a significant increase in this category in suburban Gore-



The city clocked record sales of ₹12,300 cr in H1 2024. MINT

gaon East, driven primarily by the Oberoi Elysian project. Other micro-markets that contributed to sales in a big way are Mahalakshmi, Prabhadevi, Mumbai Central, Malabar Hill, Bandra West, Lower Parel, Tardeo and Byculla.

Luxury homes in Goregaon East valued at about ₹881 crore—an over 15-fold increase—were sold in the first

half of the year, making it one of the top 10 contributors among the city's micro-markets.

There's been a resurgence in the luxury residential real estate market in top cities such as Gurugram, Mumbai and Bengaluru as buyers upgrade homes, prompting developers

to launch higher-priced homes. The report did not mention the value of luxury home sales in Gurugram and Bengaluru.

According to Abhishek Kiran Gupta, co-founder and chief executive officer of CRE Matrix, Mumbai has registered half-yearly sales of about ₹7,100 crore in the luxury housing segment since 2019.

"The city has achieved the highest ever half-yearly sales value in the luxury residential space in 2024. This is a clear indication that the demand for

luxury housing is growing and high net worth individuals and startup founders are driving the segment to new heights," Gupta said.

Buyer preferences have shifted towards larger apartments over the past two years. The 2,000 sq ft to 4,000 sq. ft

segment has emerged as the biggest contributor and remains the sweet spot in terms of size preferences in luxury homes, according to the report.

Builders including Macro-tech Developers, Oberoi Realty Ltd, and K Raheja Corp Homes have actively introduced luxury residential projects in Mumbai. Some of the biggest sale transactions in recent months were in projects such as Lodha Malabar in Malabar Hill and Oberoi Realty's 360 West in Worli.

About ₹11,400 crore worth of luxury homes were sold in Mumbai in the first half of last year

New leagues beckon retired cricketers

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NEW DELHI

Several retired cricketers are earning bigger paychecks than they did in their last Indian Premier League (IPL) season, thanks to a slew of new leagues for senior players.

Well-known players who still have some cricket left in them have bagged substantial packages—₹1-2 crore a season—from established tournaments such as the Legends League Cricket (LLC), which has now completed four seasons across formats.

Gautam Gambhir, a former team India captain who was paid ₹2.8 crore in his last IPL season, received a ₹3.75 crore package from LLC. Irfan Pathan earned ₹50 lakh in his last IPL season and ₹1.65 crore in LLC. Other players who have received pay hikes after



Gautam Gambhir, who was paid ₹2.8 crore in his last IPL season, received a ₹3.75 crore package from LLC. AFP

retiring include South Africa's Hashim Amla (₹1.2 crore vs ₹1 crore in his last IPL season), New Zealand's Martin Guptill (₹1.61 crore vs ₹1 crore), and Australia's Aaron Finch (₹2 crore vs ₹1.5 crore).

Yusuf Pathan and Robin Uthappa have only had to take small pay cuts. Pathan, who earned ₹1.9 crore in his last IPL

Recent additions to the league include Amla and Guptill.

"Eight of the players we engaged during earlier seasons—including Irfan Pathan, Hashim Amla, Gautam Gambhir, Martin Guptill, Harbhajan Singh, Aaron Finch—were offered higher salaries than their last active-cricket paychecks," said Raman Raheja, chief executive and co-founder of the Legends League Cricket.

"A lot of the players get the recognition back as many fans track where each of them are. When they get into coaching, they are often forgotten by the public, but when they play cricket after retirement, there is again some interest in them," added Raheja, who had previously founded the World Kabaddi League.

Gambhir was recently appointed coach of the Indian men's cricket team.

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

PIMPRI CHINCHWAD MUNICIPAL CORPORATION

CIVIL HO

TENDER NOTICE No:- CIVIL/GARDEN AND SPORT/100/1/2023-2024 (Second Call)

Offers by way of e-tendering (Percentage) are invited by the Joint City Engineer, Civil Pimpri Chinchwad Municipal Corporation from contractors in e-tendering system for following works.

- 1) The contractor shall quote his Percentage offer on the Cost of work excluding Royalty and material testing charges as mentioned below.
- 2) The offer for work shall be exclusive of GST. The GST at the applicable rate shall be paid separately by PCMC for work
- 3) Regarding the Royalty, the policy that the corporation determines will be binding on you.

Sr. No	Name of work	Estimated cost put to the Tender (Rs) (4+6)	Cost of Work excluding Material testing charges (Rs)	Royalty (Rs)	Material Testing Charges (Rs)	Earnest money (Rs)	Security Deposit (Rs)	Time limit in calendar Months	Cost of Tender Document + With GST (Non Refundable) (Rs.)
1	2	3	4	5	6	7	8	9	10
1	Development of Biodiversity Park At Talwade	745,355,279	745,236,009	14,778,771	119,270	3,726,776	37,267,770	18	74,704

Time table for the tenders shall be as follows:

Online sale of tenders	-:	Date :- 12/07/2024 to Date : 05/08/2024
Last date of submission of tenders	-:	Date :- 05/08/2024 up to 3.00 pm
Date of opening of tenders	-:	Date :- 07/08/2024 at 3.00 pm

The Municipal Commissioner PCMC reserves the right to accept or reject any tender partially or completely without any reason thereof. The details of above works, such as Security Deposit, Earnest Money Deposit, Terms & Conditions of the Tender and Schedule of works, are available on web site <http://mahatenders.gov.in>. In case of any technical problem related to the tender document, the same can be referred to the NIC email support at eproc@nic.in or on telephone numbers 0120-4200462, 0120-4001002, 0120-4001005, 0120-627787

Sd/-

(Manoj Sethia)

Joint City Engineer

Pimpri Chinchwad Municipal Corporation,
Pimpri-411 018.

ADVT No. -57
ENGG/CIVIL GARDEN & SPORT/16/251/2024
Date: 11/7/2024

New Okhla Industrial Development Authority
Administrative Building, Sector-6, Noida G.B. Nagar, (U.P.)
Website: www.noidaauthorityonline.com

E-TENDER NOTICE

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

Sr. No.	Job Number	Name of Work	Amount (Rs)	Publishing
(1)	09/SPE/PE(PH-I)/E-T/2024-25	Supply of Labour for Fogging and Antilawa Work, Noida	78,53,527.44	1st Time

The above tenders can be uploaded From dated 12.07.2024 to 25.07.2024 upto 5.00 PM. The Pre-Qualification shall be opened / downloaded on dated 26.07.2024 at 11.00 AM.

Dy. GM/Sr. Project Engineer (Public Health)

Noida.

CLEAN, GREEN, SAFE & SECURE NOIDA

NEW OKHLA INDUSTRIAL DEVELOPMENT AUTHORITY
Main Administrative Building, Sector-6, Noida, G.B. Nagar (U.P.)
Website : www.noidaauthorityonline.in

E-TENDER NOTICE

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

S. No.	Job No./Work Name	Amount (Rs. in Lacs)
1	04/D(H)/DD(H)-III/2024-25, M/o RSP (45 mtr wide road) in sector-142 with two year maintenance.	155.64

Which can be uploaded by date 24.07.2024 up to 5.00 PM. Pre-qualification shall be opened / downloaded on date 25.07.2024 at 11.00 AM.

Director (Hort.)

NOIDA

CLEAN, GREEN, SAFE & SECURE NOIDA

It's time for AI to start making money for businesses. Can it?

Alibaba leans into AI to draw shoppers beyond China

In some industries, CIOs are looking for ways AI can boost not just efficiency but also add actual dollars

Isabelle Bousquette
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Corporate technology leaders across industries have been spending big on generative artificial intelligence over the past year. Now, they're looking for returns to go beyond efficiency gains to actual dollars and cents, even as many admit it isn't clear if and when they'll start seeing them.

A survey released today by professional-services firm KPMG shows that revenue generation has overtaken productivity as the primary gauge businesses use to measure AI's return on investment. KPMG surveyed 100 U.S.-based C-suite and business leaders representing organizations with an annual revenue of \$1 billion or more.

The shift in focus comes amid a period of AI-generated turbulence within IT organizations worldwide, marked by hiring slowdowns in some areas, shifting C-suite dynamics and investment in a technology that many CIOs are finding to be a heavy lift to implement.

Organizations are expected to spend \$38.8 billion on generative AI in 2024, according to market research firm International Data Corp.

CIOs have extolled AI's efficiency savings, such as a 20% boost in productivity for software developers that use an AI coding tool. But as companies increasingly move from pilot to production with the pricey technology, they're putting a bigger and bigger spotlight on where it will have a financial impact.

"I really want to start driving use of AI at scale," said Luke Gee, head of analytics and AI at TD Bank. "I think



A survey by KPMG shows that revenue generation has overtaken productivity as the primary gauge businesses use to measure AI's return on investment.

now is the time."

For technology companies that can either integrate generative AI into their products and services or offer stand-alone AI products, the trajectory is simpler. "Because we sell software with AI in it, it by definition is driving revenue," said Aaron Levie, chief executive of cloud company Box.

For companies in other sectors, measuring the increase in revenue due to AI investments is a little tougher and might take longer.

"Usually you need a couple years for a new technology to bake," Levie said. He added that for these

types of companies, revenue from AI use cases could start showing up in earnings reports next year or the year after.

That revenue may come in the form of more dollars spent by customers as a direct or indirect result of AI investments that improve customer experience, CIOs say. And as a result, they're looking to AI tools

that drive a better, more personalized experience or that can better equip salespeople and customer service to engage with customers.

Generative AI's ability to supercharge sales and service workers is one of the primary ways companies

IKEA Retail, according to Chief Data and Analytics Officer Francesco Marzoni, putting AI-powered experiences in front of customers is a priority. On the IKEA app, the company introduced an experience called IKEA Kreativ that lets users capture visuals of their rooms, delete existing furniture and then visualize what IKEA furniture would look like in that space.

Marzoni said he's now working to enhance that experience with generative AI-powered features that supply personalized recommendations based on information about users' lifestyle and style preferences. For example, he said, if a user has two kids and a cat, generative AI can present child-friendly furniture or kitchen surfaces that aren't susceptible to cat scratches.

Better digital experiences will drive increased revenue, Marzoni said. On the initial version of Kreativ, customers who engaged with the experience were four times more likely to make a purchase than those who simply used the app, and seven times more likely to make a purchase than those who only went on the website.

Kathy Kay, executive vice president and CIO of financial-services firm Principal Financial Group, said the types of generative AI tools that will drive revenue and business growth are harder to get right and also take longer to drive returns than those that provide quick efficiency boosts.

Kay said she's developing tools in this category that will be differentiating. She declined to be more specific on what they were, but said she's planning to start deploying them in months rather than years.

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Raffaele Huang &
Kimberley Kao

SINGAPORE

China's e-commerce juggernaut Alibaba Group is reigniting a yearlong effort to expand overseas as it seeks to offset a weakened grip on online retail at home. This time, it's adding artificial intelligence to the mix.

Alibaba's family of generative AI models and new teams focused on AI applications are beginning to support the company's drive to expand well beyond China, including by helping small sellers overcome language barriers and take on more complex tasks like negotiating refunds, said Zhang Kaifu, head of AI development at Alibaba's international e-commerce unit.

For China-based merchants that haven't sold overseas before and may speak only Chinese, "going to our platform may make the most sense, because we have AI and other services" to promote both, he said in an interview.

The technology "can play a particularly big role in cross-border e-commerce" for smaller-scale businesses, he said.

Hangzhou-based Alibaba has been facing slowing growth amid fierce domestic competition, a weakened Chinese economy and changing consumer appetites. International e-commerce, while a smaller component of the company's overall revenue compared with its main Chinese retail operation, has been its fastest-growing division for five quarters running, expanding 45% from the year-earlier period, against Alibaba's overall 7% growth in the quarter ended March.

Zhang, an engineer by training, was tasked a few months after OpenAI launched ChatGPT in late 2022 to head up a team of more than 100 engineers and others to develop generative AI tools for the overseas e-commerce business.

"My main work for the first year was about identifying the use cases of AI," Zhang said. Internal tests showed that some were able to help merchants increase orders by up to 30%, including by helping sellers communicate in foreign languages, he said.

Today, around half a million merchants use Alibaba's AI tools to create marketing materials, select merchandise and interact with customers, Zhang said. Sellers also use the tools, which are built on Alibaba's Tongyi Qianwen model, to negotiate refunds and returns for faulty products, or to handle customer disputes of bank charges, he said.

Most merchants on Alibaba's global e-commerce platforms are small sellers lacking staff and expertise to handle complex services,



Alibaba has been facing slowing growth amid fierce domestic competition.

he added. The growth of Alibaba's overseas e-commerce business has been helped by shopping site AliExpress's profit last year to launch a new service allowing sellers to ship products to Alibaba and leave sales in the hands of the company, similar to Temu's model and Amazon.com's "Sold by Amazon" program. The service, known as Choice, has since become the main engine of AliExpress, contributing more than 70% of orders.

The unit still faces a host of challenges. Higher marketing expenses for international expansion was partly the cause of a plunge in Alibaba's profit in the quarter ended March, said Zerlina Zeng, an analyst at CreditSights. The company will likely continue to spend more on AI and marketing to win back market share, which will weigh on profit margin in the coming quarters, she added.

Across e-commerce, Zeng said, "we don't expect material [AI] monetization over the next six to 12 months."

And AI or not, Alibaba's overseas e-commerce unit continues to face competition

from the likes of other fast-growing rivals already popular in the U.S. and other overseas markets.

Xing Guangzhi, a merchant in the southern Chinese city of Liuzhou, said he has used Alibaba's AI tools for the past three months to help generate descriptions for the food containers he sells on AliExpress.

The technology seems to have made his products more visible to buyers and boosted sales slightly, though he still receives twice as many orders from selling on Temu, he said.

"I'm not sure how much of a role AI can play," Xing said. "The sales figure is still the number one factor we consider."

Alibaba's Zhang said the question of when new AI technologies can become truly productive remains one of the biggest concerns across industries seeking to tap AI to boost business.

"For us, the increase in cost efficiency made me believe that AI is really useful," he said. "And I think that down the road, the investment will be justified."

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Apple's Vision Pro won't cross 500,000 sales this year: IDC

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Apple Inc.'s biggest new product in years is not expected to shake off its slow sales start until the release of a cheaper model next year.

The \$3,500 Vision Pro mixed-reality headset has yet to sell 100,000 units in a quarter since its launch in the US in February, and it faces a 75% drop in domestic sales in the current quarter, according to market tracker IDC.

The gadget's international launch at the end of June will offset weakness in the US. A more affordable edition—which IDC estimates would cost roughly half as much—should rekindle interest in 2025, but sales may not rise meaningfully over the coming year, IDC said.

"The Vision Pro's success, regardless of its price, will ultimately depend on the available



The \$3,500 Vision Pro mixed-reality headset faces a 75% drop in domestic sales in the current quarter, according to IDC.

content," said Francisco Jeronimo, vice president at IDC. "As Apple expands the product to international markets, it's crucial that local content is also made available."

The early response to Apple's headset has been mixed. Many reviewers and early adopters have praised its advanced technology. However, some of Apple's biggest fans are now returning the

device. Its weight and paucity of tailored apps and video content are among the chief reasons people are turning away from the gadget. The Vision Pro made no tangible improvement to Apple's quarterly earnings after its debut.

The unimpressive start has spurred a rethink among the management, with Apple planning a more budget-friendly version of the device.

Amazon could face probe over UK grocery code breaches

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LONDON

Britain's grocery regulator on Thursday threatened Amazon with a formal investigation if it does not improve its compliance with an industry code designed to protect suppliers.

The Groceries Code Adjudicator (GCA) said its 2024 annual survey found that less than half of respondents directly supplying Amazon believed the US giant "consistently" or "mostly" complied with the Groceries Supply Code of Practice (GSCOP).

The code aims to ensure Britain's 14 largest grocery retailers, including market leader Tesco, Sainsbury's and Marks & Spencer, treat suppliers fairly. Amazon has been subject to it since 2022.

It restricts firms from making changes to supply contracts



Amazon's perceived code compliance score fell to 47% from 59% in 2023.

at short notice and also requires retailers to give an appropriate period of notice if they no longer want to use a supplier and provide reasons for ending the contract.

Amazon's perceived code compliance score fell to 47% from 59% in 2023, with the company retaining its position in last place some 41 percentage points behind Iceland on 88% in 13th place. "We are very disappointed by these results and

we are committed to improving them," an Amazon spokesperson said.

The GCA said it had told Amazon to take "swift and comprehensive action" to demonstrably comply with the Code. The regulator is monitoring changes that Amazon is making and their impact to determine whether they are sufficient. "I will not hesitate to launch a formal investigation if appropriate and necessary to ensure Amazon is treating its suppliers fairly and lawfully," said Mark White, the GCA. Ultimately, the GCA can impose financial penalties of up to 1% of a large retailer's UK turnover.

The Amazon spokesperson said it had made several improvements for grocery suppliers since last year's results, with clearer explanations for cost price increase decisions, minimum periods for de-listing, and launching an upgrade for handling invoice disputes.

Behind the latest shift in Jerome Powell's rate-cut framework

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It didn't move markets, but during two days of congressional testimony this week, Fed Chair Jerome Powell made the beginning of a pivot on interest rates that might prove more durable than one that sparked a big market rally at the end of last year.

Around December, Powell and several colleagues signaled they could begin the process of dialing interest rates down as soon as the middle of the year if inflation, which cooled notably in the second half of last year, continued on that path. When Powell testified on Capitol Hill in March, he allowed that the Fed was "not far" from achieving the confidence it needed to cut rates.

That case for reducing rates, it turned out, had been built on a rickety foundation. When

inflation turned up in the first quarter and the economy showed solid growth, the justification for lower rates crumbled.

But when Powell returned to Capitol Hill this week, he began laying the groundwork for rate cuts on what could prove to be a stronger footing. He pointed to how a cooling labor market means a potential source of ongoing, high inflation has diminished. And he suggested that any further softening in the job market might be unnecessary and unwelcome.

Striking the balance between ensuring inflation comes back to the Fed's 2% goal while preventing a sharp rise in layoffs "is the No. 1 thing that just does keep me awake at night," Powell said on Wednesday. "Trying to make decisions that give that the

best chance to happen—that is the thing that I think about in the wee hours."

On Tuesday, Powell said that the labor market was "not a source of broad inflationary pressures for the economy," a revealing observation given the extent to which Fed officials feared over the last two years that overheating labor markets might sustain high inflation.

Instead, Powell said that high inflation had been caused by the collision between very strong demand and supply chains that were already messed up by the pandemic. Inflation fell last year even though the economy grew solidly because labor- and product-market bottlenecks eased. "I think we know more now about where this [inflation] came from because we can see what made it go



US Fed Chair Jerome Powell said achieving lower inflation without a significant slowdown is 'the No. 1 thing' him up at night.

away," he said Wednesday. Inflation fell to 2.6% in May, according to the Fed's preferred gauge, down from 4% a year earlier but still above the Fed's 2% target. The Labor Department is set to report Thursday on inflation for June as measured by a different yardstick, the

consumer-price index. Powell's testimony this week probably didn't make a big splash with investors because he didn't suggest a rate cut was possible at the Fed's meeting later this month and because market participants had already begun to expect the

central bank could start cutting rates at their subsequent meeting in September.

Still, for veteran observers of the central bank, the latest comments were notable because they indicate the bar for reducing rates may be lower than it was just a few months ago.

"The tide has turned," said former Fed governor Laurence Meyer in a note to clients on Wednesday. Powell was careful to avoid pre-committing to coming moves by dropping calendar-based hints, having been burned by disappointing inflation readings earlier this year. But his comments suggest he thinks "inflation is back on track" while the labor market "is on the edge of an unwanted

slowdown," Meyer said.

The Fed raised rates at the fastest pace in 40 years in 2022 and 2023 to combat inflation. Officials have held their benchmark rate between 5.25% and 5.5%, their highest level in more than two decades, since last July.

Officials are trying to balance the risk of moving too slowly to reduce rates with the risk of moving too soon. Lowering rates too soon could allow inflation to settle out above the Fed's target. While layoffs are low, they tend to rise rapidly as the economy weakens, which argues against keeping rates too high.

The unemployment rate has climbed this year to 4.1% in June from 3.7% at the end of

last year, largely because hiring has slowed and it is taking new workers or those re-entering the workforce longer to find work. That's less concerning, for now, because layoffs are still low.

It's possible that immigration, which has boosted the supply of workers over the last two years, declines in the months to come, leading the unemployment rate to go back down.

Fed officials including Powell, however, have signaled that they're on higher alert for signs that the unemployment rate continues to climb for worrisome reasons. "The job is not done on inflation. We have more work to do there," Powell said. "But at the same time, we need to be mindful of where the labor market is, and we have seen considerable softening in the labor market."

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NEWS NUMBERS

\$112 bn

THE VALUATION at which Reliance Jio, backed by Mukesh Ambani's Reliance Industries could go public next year, according to brokerage firm Jefferies

₹12.3K cr

THE TOTAL value of luxury homes sold in Mumbai in the first half of 2024, up from ₹11,400 crore during the same period last year, according to a report

12.1%

THE ATTRITION rate at Tata Consultancy Services, India's top IT services company, at the end Q1FY25, down from 12.5% at the end of the March quarter

394,000

THE NUMBER of vehicles German auto major BMW is recalling in the US due to faulty airbag inflators that could potentially cause serious or fatal injuries

\$5 mn

THE AMOUNT Planet Marathi OTT, a video streaming platform, has raised from American private equity firm A&M Capital to fund growth

HOWINDIALIVES.COM

Vi seeks waiver of ₹24.7K cr from DoT

Debt-ridden Vodafone Idea has reached out to the Department of Telecom (DoT) to seek waiver on a financial bank guarantee worth ₹24,747 crore for spectrum payment due in September 2025, according to people aware about the development.

Vodafone Idea (Vi) needs to securitize the annual instalment one year before the due date of the payment. "Vodafone Idea has reached out to DoT seeking waiver for financial bank guarantee (FBG) worth Rs 24,747 crore which it has to pay in September 2025. The FBG needs to be deposited one year before the due date as per spectrum auction rules," a person, who did not wish to be identified, told PTI.

An email query sent to Vodafone Idea elicited no response. The payments are for frequencies that Vi purchased in auctions that were conducted before 2022. Vi in 2022 opted for a four-year moratorium to pay for the spectrum allowed under a government relief package. PTI



Ethane is in talks with a group of foreign banks for a \$500 million loan to refinance debt. ISTOCKPHOTO

RIL unit to borrow from foreign banks

A unit of Reliance Industries Ltd (RIL) is planning to borrow at least \$500 million to refinance debt, in what could be the company's first offshore loan this year.

It is in talks with a group of foreign banks for a loan of 12-15 years, people familiar with the matter said, asking not to be identified as the discussions are private. The funds would be raised for Ethane Crystal LLC, a subsidiary of Reliance Ethane Holding Pte., the group's business of buying ships to transport ethane, they said.

In 2016, Reliance Ethane had raised a loan of \$372 million with a 12-year tenor to purchase six new ethane carriers. A longer repayment period will potentially help billionaire Mukesh Ambani's conglomerate to improve its cost competitiveness. Ethane business is one of the factors that contributed to its profitability in the March quarter.

The proposed fundraising comes as India's ethane demand hit a record high earlier this year. The country is seeking to boost its petrochemical capacity to keep pace with growing consumption of plastics. BLOOMBERG

Tech sector needs 1 million engineers

India's technology sector will need more than 1 million engineers with advanced skills in artificial intelligence and other capabilities over the next 2-3 years, an industry body estimates, a demand that won't be met unless the government significantly beefs up education and training in the country.

The sector will need to reskill more than half of its existing workforce to take up jobs in fields such as AI, big data analytics and cyber-security, said Sangeeta Gupta, senior vice president and chief strategy officer at the National Association of Software and Service Companies, based in Bengaluru. New college graduates will only be able to fill a quarter of the advanced tech jobs needed, she said.

"Employability of the workforce is a huge challenge and will require a fair amount of work," Gupta said in an interview Monday. "The industry can't do with a one-time upskilling, it has to be a continuous journey amid a fast changing digital landscape." BLOOMBERG

DLF's Rajiv Singh richest realty entrepreneur: GROHE-Hurun

Realty major DLF chairman Rajiv Singh is the richest real estate entrepreneur having wealth of ₹1,24,420 crore, followed by Macrotech Developers founder Mangal Prabhat Lodha, according to GROHE-Hurun list. Gautam Adani, who otherwise is India's second richest person, has been ranked third on the list of real estate tycoon in the GROHE-Hurun list released on Thursday.

Hurun Report released the '2024 GROHE-Hurun India Real Estate 100', ranking India's most successful real estate companies by value. It has also presented a list of the wealthiest real estate entrepreneurs in the country. Value and wealth calculations are a snapshot of 31 May 2024.

Macrotech Developers' founder Mangal Prabhat Lodha and family stood at second position with wealth of ₹91,700 crore. "Gautam Adani and family secured the third position with a wealth of ₹56,500 crore, marking a 62% rise since 2023. Known for his strategic acumen and vision, Gautam Adani has steered Adani Realty into the top 10 in this year's list," Hurun said. PTI



DLF chairman Rajiv Singh. MINT

HISTORIC DOCKING



The San Fernando cargo ship arrives at Vizhinjam International Seaport in Thiruvananthapuram on Thursday. The Chinese vessel is the first such 'mothership' to arrive at India's largest transshipment port, where large containers are transferred to other ships and later transported to other ports in the country and abroad. The San Fernando will offload 1,900 containers at Vizhinjam seaport. PTI

India's population to double China's by 2085: UN report

It will peak at 1.7 bn in 2061 from the current 1.45 bn, before declining to 1.5 bn by 2021

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By 2085, India's population is projected to reach 1.61 billion, twice that of China's 806 million, and by 2021, hit 1.5 billion, while China's population declines further to 633 million, underscoring India's substantial demographic advantage, according to estimates released by United Nations on Thursday.

In 2100, India and China will be followed in the rankings by Pakistan (511 million), Nigeria (477 million), Democratic Republic of the Congo (431 million), and the US (421 million), with the last being one of the 62 countries in the world where immigration rather than excess of births over deaths or increase in life expectancy is expected to be the major driver of population growth, according to the biennial World Population Prospects, released by the UN Department of Economic and Social

Affairs Population Division. The US's current population is 345 million.

The report puts India's current population at 1.451 billion, nine million more than what this number was believed to be two years ago. Although in the realm of projection, these are the most authoritative estimates of India's population due to the absence of a decadal census after 2011. The 2021 census has been postponed indefinitely, first because of covid, and then for reasons never really disclosed.

The marginal upward revision in India's population, unlike what demographic alarmists and scaremongers like to claim, is not a sign of an imminent population explosion. While India is expected to be the most populous country in the world

throughout this century, the latest WPP projections do not see any major change in India's larger demographic transition trajectory.

India's population will reach around 1.692 billion by 2054 before peaking in 2061 at 1.701 billion, according to the report. Interestingly, an aging

China is set to lose around half of its population within 75 years. The median age of Indian population is at 28.4 years, against China's 39.6 years and US's 38.3 years at present. By 2100 these numbers will be 47.8 years, 60.7 years, and 45.3 years, respectively. India's demographic challenge is not preventing population growth, which is more a result of past momentum, but effectively utilising the limited window for exploiting its demographic dividend, the report said.

While an ageing China is set to lose half of its population in 75 years, India's upward revision is not a sign of an imminent population explosion

DRDO awards 7 projects to pvt cos



DRDO awarded projects to develop key military assets.

Premier defence research organization DRDO has awarded seven new projects to private entities to develop key military assets including underwater launched unmanned aerial vehicle and long-range remotely operated systems. The projects were cleared under

the defence ministry's Technology Development Fund scheme to boost domestic defence manufacturing.

The project for underwater-launched unmanned aerial vehicles is aimed at developing versatile marine battlefield accessories which can be deployed in multiple combat roles, officials said.

The objective is part of a larger framework of intelligence, surveillance and reconnaissance (ISR) and maritime domain awareness (MDA), they said.

The project has been awarded to Sagar Defence Engineering Pvt Ltd, Pune, according to the defence ministry.

The other projects are development of ice detection sensor for aircraft, manufacturing of radar signal processor, long-range remotely-operated vehicles for detection and neutralization of underwater objects, the ministry said.

The work has been awarded to a start-up, IROV Technologies Pvt Ltd, Kochi. PTI



Red Sea crisis is likely to impact the margins of the industry over the next few quarters. MINT

Auto parts industry margin hit, says Icr

The Red Sea crisis is likely to impact the margins of the auto component industry over the next few quarters amid higher container rates and shipping time, credit ratings agency Icr said on Thursday, projecting a moderate growth for the industry this fiscal.

Close to two-thirds of the auto component exports are made to North America and Europe, and one-third of the imports is made from these regions, as per the ratings agency.

"The disruption along the Red Sea route has resulted in a surge in container rates by 2-3 times in year-to-date this calendar year compared to CY23, while shipping time has also increased by around two weeks," Icr said.

The operating margins are set for a year-on-year improvement of around 50 basis-points in FY25, benefitting from better operating leverage, higher content per vehicle, and value additions, while remaining exposed to any sharp volatility in commodity prices and foreign exchange rates, it said.

Also, the industry's liquidity position, according to ICRA, remains comfortable, especially across tier-1 players supported by stable cash flows and earnings. PTI

Vedanta to raise up to ₹1,000 crore

Mining conglomerate Vedanta Ltd on Thursday said it plans to raise up to ₹1,000 crore through the issuance of debentures. In a regulatory filing the company said, its directors have approved the allotment of 1,00,000 non-convertible debentures (NCDs) aggregating to ₹1,000 crore on a private placement basis.

"The duly constituted committee of directors of the company has approved the allotment of 1,00,000 secured, rated, listed, redeemable, non-convertible debentures (NCDs) of face value ₹1 lakh each aggregating to ₹1,000 crore on a private placement basis, the filing said.

Vedanta Ltd, a subsidiary of Vedanta Resources Ltd, is one of the world's leading natural resources companies spanning across India, South Africa, Namibia, Liberia, UAE, Korea, Taiwan and Japan. PTI



The ₹44.68 crore IPO is a combination of fresh issue and offer for sale. MINT

Ambey Labs shares jump 30% on debut

Shares of Ambey Laboratories on Thursday made a remarkable debut closing with a premium of 30% on the NSE SME, against the issue price of ₹68.

The stock of the conglomerate was listed at ₹85, reflecting gains of 25% from the issue price. Later, the stock settled at ₹89.25 apiece, up by 5%—its upper circuit limit—on the exchange.

At the market close, the company's market valuation stood at ₹222.65 crore. In volume terms, 2.23 million shares of the company were traded on the bourse, during the day.

On Monday, the IPO of Ambey Laboratories received more than 173.18 times subscription on the final day of the offer amid encouraging participation from institutional investors.

The ₹44.68 crore IPO is a combination of a fresh issue of 6.25 million shares aggregating to ₹42.55 crore and an offer for sale of 312,000 shares aggregating to ₹2.12 crore. PTI

Delhi increases PUC certificate charges

The Delhi government has increased the pollution under control (PUC) certificate charges for petrol, CNG and diesel vehicles after a gap of about 13 years, transport minister Kailash Gahlot said on Thursday. The charges for petrol, CNG or LPG (including bio fuel) two and three wheelers has been increased from ₹60 to ₹80 and for four wheelers from ₹80 to ₹110, he said in a statement.

Gahlot said the charges of PUC certificates for diesel vehicles has been revised from ₹100 to ₹140. The new rates will be effective as soon as it is notified by the government, he said.

The Delhi government is committed to maintaining the city's air quality and ensuring that all vehicles meet the required pollution standards. It was a long-pending demand of the Delhi Petrol Dealers Association to keep up with the rising costs of pollution checking services, the minister said. PTI

Karnataka urged to hold gig worker bill

The Industry body IAMAI has urged the Karnataka government to put on "hold" legislative process around its draft bill on platform-based gig workers to give sufficient time for thorough consultations, as it flagged several "concerns" that can potentially "negatively impact" ease of business in the state.

Among the various pain points, IAMAI has highlighted the possibility of dual levy coming into play on social security, and rued lack of clarity on how the proposed welfare fee contribution from aggregators to support social security of gig workers will be utilized.

Other concerns in the draft bill pertain to "overly harsh" clauses for offences, "unrealistic expectations and obligations from aggregators" and "significant legal complexities" on account of planned inclusion of gig workers' dispute redressal under the Industrial Disputes Act. PTI



DEXIT: IS IT TIME FOR YOU TO LEAVE DELHI?

A hostile climate is testing the limits of human endurance in the National Capital Region

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It is peak summer and a North Indian town is baking in the sweltering heat, which is worsened by high humidity, beyond the level the human body can tolerate. Desperate for relief, the residents head for a nearby lake that night and submerge themselves in the water to cool down. That proves to be a bad idea as the water is warm, well above body temperature. By morning, nearly all the residents are dead, their lifeless bodies floating on the surface.

This apocalyptic incident portrayed above isn't real. It is a fictional one and is the opening scene in the cli-fi (climate fiction) novel *The Ministry for the Future*, by author Kim Stanley Robinson. The book, published in 2020, narrates how 'The Great Indian Heatwave' pushed the world to stop dragging its feet and find a way out of the climate crisis.

But truth is stranger than fiction. The incident described above takes place after 2025 when air temperatures have crossed 38 degrees Celsius. This summer, however, 38 degrees would have been considered balmy by millions across north and eastern India, as they often experienced temperatures that were at least 10 degrees higher. The National capital Delhi recorded day temperatures nearing 50 degrees Celsius and experienced warm nights through May and June. Public hospitals set up heat treatment wards, where patients reporting high fever were dunked in tubs filled with ice. Government health facilities reported 58 heatwave-related deaths (till the third week of June). Delhi water minister Atishi Marlena sat on an indefinite fast, demanding more water from the Yamuna River from neighbouring Haryana.

Incredibly, after the heat wave in the capital, the pendulum swung to the other extreme. On the morning of 28 June, following a spell of heavy rainfall, parts of the city went under the water. A weather station in the heart of Delhi reported 3.6 times the entire month's rain in just a few hours. A canopy of Terminal 1 of the Delhi airport collapsed, killing a cab driver. Ten more died in other parts of the city. Overnight, the city's priorities shifted from managing the heat wave and quenching the thirst of its parched residents to unblocking sewers and draining the flood waters.

SEASONS FROM HELL

The first half of 2024 has been an ordeal for the 21 million residents of Delhi and the larger National Capital Region (NCR, encompassing parts of neighbouring Rajasthan, Haryana and Uttar Pradesh), which is home to another 50 million. The second half of the year promises to be no better, with the Met department predicting excess rains in July. Indeed, the second half of India's four-month-long (June-September) monsoon is expected to be wetter than the first. For Delhi NCR, that simply means there may be more flooding.

Unfortunately, things do not get better thereafter. After the frying pan and the flood, will come the gas chamber. By the end of October, Delhi's infamous winter smog will set in and the air will turn unbearably. Every year, an estimated 12,000 deaths in Delhi can be attributed to air pollution. The mortality level is the highest in the country, and more than a third of the total deaths estimated for 10 Indian cities, according to a study published in *Lancet Planetary Health*, a journal, earlier this month.

"Delhi sees three seasons now: a heat wave, followed by floods, followed by smoke (pollution)...Some of my scientist friends have voted with their feet and left the city. Of course, it does not figure in my retirement plans," said Krishna AchutaRao, professor at the Centre for Atmospheric Sciences at IIT, Delhi.



People wade through a waterlogged road near Sarai Kale Khan area in New Delhi after heavy rain on 28 June.

To be sure, a few people clued into the changing ecology of Delhi have begun moving away. Himanshu Thakkar, a resident of north-west Delhi and a water sector expert, now spends less than four months in the city. "The crisis around air, water and temperature is interconnected ecologically, but we keep discussing them in silos, as and when they appear. We look at environment-friendly policies as an obstacle to development and cities as avenues for income generation." His son, however, clings on. "As he was born in this city, he is unwilling to move."

HIGH DEFINITION THRESHOLD

Delhi is forecast to become the world's most populous urban conglomeration, overtaking Tokyo by 2028, according to the United Nations. What has happened so far this year may only be a trailer of what is to come. In less than a decade, the prerequisites of a healthy life—clean air, potable water, and bearable temperatures—could be out of the reach of a large chunk of its residents.

Currently, global average temperatures are about 1.2 degrees higher than the pre-industrial period (1850-1900). And over the past year average temperatures have already breached 1.5 degrees. The future will witness more intense rains and extended heatwaves.

"Our research shows that in a 2-degree Celsius warmer world, maximum temperatures may not rise dramatically from current levels, but the duration and spread of heatwaves will increase. Which means heat waves could stretch up to 45-60 days without a break," AchutaRao adds.

One of the hurdles in recognising the

magnitude of the problem before the Delhi NCR today is the slight dissociation from reality when it comes to recognising a heat wave. The India Meteorological Department (IMD) has a strict definition of what constitutes a heat wave. In the plains, if the maximum daytime temperature crosses 40 degrees, if it is at least 4.5 degrees higher than the normal temperature, and if these conditions are met on two consecutive days, a heatwave is declared. This method, however, undercounts the actual number of heatwave days in a season. And here is the kicker: even going by this method, Delhi recorded 21 heatwave days in separate spells between April and June.

Additionally, the IMD does not yet consider 'real feel' temperature, an indicator that factors in humidity in addition to the air temperature. According to a recent report, a real feel temperature of 50 degrees Celsius or more was recorded on 10 of the 12 days between 15-26 June, but seven of them were not notified as heatwave days because the maximum air temperature did not meet the IMD's definition.

The current definition fails to capture the real impact of heatwaves and prepare cities to deal with other facets such as warm nights and high humidity, says a report by the Delhi-based International Forum for Environment, Sustainability and Technology (iForest).

Defining a new threshold to notify heat waves based on both humidity and nighttime temperatures is therefore critical to capture the reality on the ground. Robinson's cli-fi novel may have been off the mark with the temperature it cited, but it did emphasize the dangers of sustained heat and humidity on life as we know it. The human body's normal internal temperature is around 37 degrees. When the external temperature rises, the body cools down by sweating. But high humidity

mint SHORT STORY
WHAT

For its 21 mn residents, India's capital has turned into a hostile environment for most part of the year. Delhi's seasons are moving from distressing heat to floods to resembling a gas chamber.

WHY

A warmer world has contributed to extreme climate events. Delhi is particularly vulnerable as it is situated in a semi-arid area surrounded by an intensive land use ecosystem.

SO

Delhi needs to increase its green cover, rethink its urban design, and curb pollution sources. States which are a part of NCR will have to join hands to adapt to a rapidly warming world.

interferes with this process. At night when temperatures drop, the body normally recuperates and repairs itself. But warm nights extend the physiological stress into the next day. Prolonged exposure eventually leads to heat stroke as internal organs fail, leading to death in some cases.

A POPULATED DESERT

Delhi has a distinct geographical disadvantage given that it is a semi-arid

area situated at the heart of an intensive land-use ecosystem, Chandra Bhushan, environmental expert and founder-chief executive of iForest, told *Mint*.

The overexploited lands in the 150km radius around Delhi span densely populated satellite towns (including Ghaziabad, Faridabad, Noida and Gurgaon) and intensive ground-water-based farming spread across western Uttar Pradesh, Haryana and Punjab. Besides, there are several industrial hubs in the neighbourhood, such as Dharuhera, Bhiwadi and Manesar. These exert pressure on the city's resources impacting its water availability and air quality (when farm fires in the early winter months add to the city's pollution load).

The load from its neighbourhood accentuates Delhi's own problems, where a concrete jungle contributes to both intense heat as well as flooding amid short bursts of intense rainfall. The concrete absorbs heat during the day and radiates it through the night, creating the dreaded heat island effect. To put that in context, Churu, a desert town in Rajasthan, cools faster at night than Delhi.

Being a melting pot of adverse environmental factors, the city leaves its residents with about 60-80 days of liveable conditions in a year (between February and April). The rest of the year is very hostile, Bhushan pointed out.

"Despite being the seat of power, Delhi has not acted on its ability to bring NCR state governments together to find a solution. Meanwhile, water TDS (total dissolved solids) levels in central Delhi (Connaught Place) now resemble seawater. In future, people and businesses may move out of Delhi due to significant productivity losses," he added.

Bhushan believes Delhi can learn from

compact European cities, which are better designed and have a great public transport system. "Do not build a skyscraper the moment you spot a vacant piece of land. And create new tier-2 and tier-3 cities (beyond the NCR), which can take the load off the capital."

NOT ENOUGH

To be sure, Delhi has taken multiple steps over the past two decades to improve its air quality—though most of these were following the orders of the Supreme Court and the National Green Tribunal. These include mandating the use of CNG as a fuel for public transport, setting emission norms for thermal power plants in the vicinity, shutting down

power plants within the city, and phasing out old vehicles. Yet, every year, the authorities fall back on a Graded Response Action Plan (GRAP) when the air turns poisonous—using water sprinklers and vacuum cleaners to suppress and remove pollutants, limiting the use of personal vehicles, and restricting dust-generating construction activities and open

burning of solid waste and biomass. Are these long-term steps cleaning the air? As per the World Air Quality Report 2023 (published by IQAir, a global air quality information platform), Delhi's average PM 2.5 concentration (population weighted), at 92.7 micrograms per cubic metre, was the worst among major cities globally. PM 2.5 is defined as fine particulate matter that can penetrate the lungs and enter the human body through the bloodstream, affecting major organs. Exposure to PM 2.5 causes cardiovascular and respiratory diseases and can lead to stroke, lung



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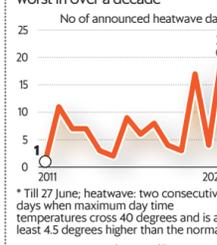
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Endurance mission The changing seasons of Delhi



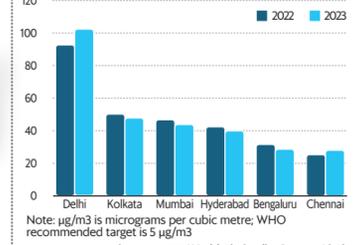
Too hot to handle

In Delhi, this year has been the worst in over a decade



What we breathe

Among Indian metros, Delhi has the worst air quality





Unpacking Aditi Insurance's ₹10,000-for-₹1 crore plan

The insurance product comes with myriad caveats that policyholders need to be aware of

Aprajita Sharma
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When hospitalization becomes a bureaucratic battlefield, patients are the ones who suffer. Traditionally, they face the hassle of pre-authorization from insurance companies and delays during discharge as hospitals wait for insurers to verify medical bills. Hospitals accuse insurers of unnecessary claim rejections, while insurers blame hospitals for conducting avoidable tests. Now, imagine a world where your healthcare provider and insurer are one and the same. This could become a reality thanks to Bengaluru-based private healthcare provider Narayana Health. By establishing Narayana Health Insurance as a subsidiary, they've launched Aditi Insurance—a hospital-owned insurance product exclusively covering treatments within its hospital network. While coverage outside this network is limited, the plan aims to provide comprehensive care without the usual bureaucratic hurdles. Currently a pilot project, Aditi Insurance is available in five districts in Karnataka: Mysuru, Chamraj Nagar, Coorg, Mandya and Hassan, with plans for a nationwide roll-out in the coming months.

Mint brings you the lowdown.
₹1 crore coverage at ₹10,000: The real cost
Narayana Health markets Aditi Insurance as offering ₹1 crore coverage for a premium of ₹10,000. However, the actual premium may vary based on age, risk profile and whether the plan covers an individual, multiple individuals or a family.

According to the company's premium illustration table, a family of four (with the oldest member aged 45) would pay ₹13,819 and ₹14,107 for Plan 1 and Plan 2, respectively. For individual coverage of each family member, the premium rises to ₹20,454 and ₹20,898, respectively.

"While no similar product is available in the market, we can compare it with ₹5 lakh base premium, along with a super top-up plan totalling ₹1 crore coverage. Such a combination is available in the market in the range of ₹10,000-16,000," said Ayush Dubey, co-founder and head of research at beshak.org.

The headline ₹1 crore coverage applies only to surgical treatments, while non-surgical medical treatments are capped at ₹5 lakh. Both plans have a daily deductible of ₹2,000 for non-surgical treatments, with Plan 2 offering no deductible on surgical procedures. For instance, if a patient incurs ₹2 lakh in surgical costs over a five-day hospitalization, Plan 1 requires the policyholder to pay ₹10,000 out of pocket, whereas Plan 2 covers the full amount.

Eligibility and benefits
Most insurance plans impose a waiting period of 15-30 days during which no coverage is provided, except in cases of accidental hospitalization. Additionally, specific diseases often come with their own waiting periods, and pre-existing conditions typically require a waiting period of two-three years.

Aditi Insurance, offered by Narayana Health, stands out with its zero waiting period for all diseases, including specific illnesses. Also, this plan is open to anyone willing to undergo a mandatory, free pre-policy medical checkup. However, for pre-existing conditions identi-

All about Aditi Insurance

India's first hospital-owned insurance is restrictive but makes the plan affordable for the missing middle

Two variants

Plan 1: Daily deductible of ₹2,000 on all claims

Plan 2: Daily deductible of ₹2,000 only on non-surgical claims

Currently available in 5 districts
Mysore, Chamraj Nagar, Coorg, Mandya, Hassan

Narayana Health network
21 hospitals and clinics across India

Mint take: The coverage is limited due to deductibles and co-pay features. Opt for it only if you can't afford a comprehensive plan.

Pros

- ▶ ₹1 crore coverage for surgeries at a cheaper premium
- ▶ ₹5 lakh coverage for non-surgical treatment
- ▶ FASTER claims settlement
- ▶ NO waiting period for specific illnesses*
- ▶ Free annual health checkups
- ▶ CONSUMABLES are covered (except for robotic surgeries)
- ▶ AVOIDS conflict of interest between hospitals and insurers

*Except pre-existing disease as diagnosed in pre-policy medical checkups

Cons

- ▶ PRE-POLICY medical checkup mandatory
- ▶ NON-NETWORK coverage allowed in specific cases**
- ▶ DAILY deductible of ₹2,000 when hospitalized #
- ▶ COVERAGE only for the general ward
- ▶ ONLY 280 daycare treatments covered
- ▶ DOMICILIARY hospitalization and OPD treatment not covered

** Intimate the insurer soon to avoid 10% co-pay
No deductible for surgical treatment in Plan 2

fied during the checkup or self-declared, there could be a waiting period of up to three years, depending on the assessed risk.

Coverage limitations and exclusions
Aditi Insurance restricts daycare treatment coverage to 280 specified treatments, compared to the more extensive coverage provided by comprehensive health plans.

Most comprehensive health insurance plans usually cover all daycare treatments, while some cover around 500 treatments. However, Aditi Insurance has listed only 280 treatments," as per Dubey of beshak.org.

Another key limitation is room type coverage—only general ward stays are fully covered. If a policyholder opts for a higher category room, the insurer will only cover a prorated portion of the total expenses based on general ward rates, according to the company's policy document.

Coverage at non-network health providers will only be considered in emergency cases, when treatment is unavailable at a Narayana Health facility, or if the insured person is in a location where the Narayana Health network is not accessible due to travel or relocation.

However, a 10% co-payment will be required in all scenarios if the policy-

holder fails to notify the insurance company 48 hours prior to admission or within 24 hours after admission, as applicable. This means the policyholder must cover 10% of the medical bill if they do not inform the insurer within the stipulated time.

Is Aditi Insurance right for you?
It is generally recommended to purchase a comprehensive health plan without restrictions or room rent limits. While Aditi Insurance has several restrictions, limited features and room rent limits, it offers notable advantages such as zero waiting periods, free annual health checkups, consumables coverage and higher coverage for surgical treatments. These positives can be beneficial for policyholders.

"Dr Devi Shetty, founder of Narayana Health, has made the plan affordable for the missing middle who may not be eligible for Ayushman Bharat but cannot afford other plans either," said Hari Radhakrishnan, an expert member of the Insurance Brokers Association of India. The premium is notably lower than similar products from traditional health insurers, he said.

The future
The success of Aditi Insurance could pave the way for more hospitals to offer similar plans.

Radhakrishnan explained that, unlike traditional insurance companies, hospital-owned insurance companies can control both costs and treatment outcomes, thereby avoiding inherent conflicts of interest between insurers and providers. He noted that while policyholders might have limited choices for hospitalization within network hospitals (unless referrals to other tie-up hospitals are allowed), they benefit from lower premiums.

"The success of this product depends largely on (1) scale and (2) delivery of the quality patient outcomes. If that can be achieved, it can be disruptive for the traditional insurance companies," he added.

In the US, models like this have found success with companies such as Kaiser Permanente and Blue Cross Blue Shield.

Mint take
Aditi Insurance from Narayana Health Insurance is a pilot project targeting the middle-class population. Among the positives, it offers higher coverage of ₹1 crore for surgical procedures while maintaining a base premium at ₹5 lakh, which is typically not possible in low-premium plans. However, coverage outside the Narayana network is severely limited. A comprehensive plan with fewer restrictions, albeit at a higher premium, could make it more appealing to a larger audience, providing the scale needed for hospital-owned insurance plans to gain popularity.

WHAT'S THE FOREX RATE?

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



Bank/travel aggregator	FOREX RATES (₹/\$)			
	Wire transfer*		Buy forex	
	Inward	Outward	Forex/travel card	Cash
SBI	83.10	83.95	84.12	84.40
Bank of Baroda	83.06	83.89	84.30	84.70
Canara Bank	83.17	83.88	84.09	NA
IndusInd Bank	81.99	84.99	85.78	86.08
Kotak Bank	82.04	84.95	85.35	85.92
HDFC	82.19	84.82	85.07	85.65
ICICI	81.65	85.08	85.10	86.68
Axis Bank	81.54	86.02	85.25	86.45
Yes Bank	82.04	84.95	85.86	85.86
Thomas Cook	81.66	85.12	83.95	85.34

Note: Data collected from website of respective entities as on 10 Jul 2024. Rate mentioned in the table denotes INR/USD. The rate is as mentioned on the website of the Bank/TA and it may vary according to different amount slab; *Wire Transfer/TT Buying is Inward Rem to receive Forex & Wire Transfer/TT Selling is Outward Rem to send forex

Compiled by BankBazaar.com

Wetland, gas chamber, frying pan: Is it time to leave Delhi?

FROM PAGE 10

cancer and chronic obstructive pulmonary disease (COPD).

In comparison, Beijing, China's capital, seems to have done a better job with a PM2.5 reading of 34.1. But even that level is not good enough. The World Health Organization recommends cities have an annual average PM2.5 target of 5 micrograms per cubic metre.

Delhi's annual PM2.5 reading of 102.1 (non-population weighted) in 2023 was not only 20 times the recommended level but two to three times that of other major Indian cities such as Bengaluru (28.6), Chennai (28), Hyderabad (39.9), Mumbai (43.8) and Kolkata (47.8).

The IQAir report noted that northern India and Delhi struggle with smoke from crop burning, vehicle emissions, coal, waste and biomass burning for heat and cooking. Annual crop stubble fires add to Delhi experiencing emergency-level air-quality days in winter.

Delhi environment minister Gopal Rai did not respond to queries from *Mint* on the deteriorating quality of life for residents.

REMEDIAL OPTIONS

While part of the environmental crisis Delhi is facing is due to global climate factors beyond its control, the city is paying the price for its own mistakes. Unplanned growth and construction in low-lying areas have contributed to repeated flooding, as they have in other cities as well. Buildings have glass



Commuters move through a waterlogged road near the Pragati Maidan Tunnel after heavy rainfall, in New Delhi, on 28 June.

facades, which trap heat, as these designs were blindly copied from the West (and its temperate climate), instead of following designs that help reduce energy usage.

Delhi uses about 900 million gallons of water every day, of which 80% goes back to the sewers. "About 600 million gallons could be treated for reuse. Installing aerated devices in water taps can reduce household level water flows by 60%," Manu Bhatnagar, urban planner and principal director at Indian National Trust for Art and Cultural Heritage, Delhi, told *Mint*.

Similarly, expanding the green belt on its western flank, from where the hot desert winds enter the city, can insulate it, besides rearranging the isohyets (lines of equal rainfall). Areas along the Yamuna River receive about 700 mm of rainfall annually. As one moves towards the west, rainfall reduces to 400 mm. Planting trees along the western corridor can bring in more rainfall, which, travelling on

soft ground towards the Yamuna, will recharge the groundwater.

According to the India State Forest report, Delhi's green cover increased from a tenth of its geographical area to an impressive 23% by 2021. "But the green cover is not indicative of how dense tree canopies are. Things are changing fast on the ground. About 1,100 trees were butchered recently in Delhi's ridge area without any authorization. In the Najafgarh jheel area, trees are being cut for a road widening project," Bhatnagar adds. The more things change, it appears, the more they stay the same, or in this case, deteriorate.

Kim Robinson dedicated 'Ministry of Future' to Frederic Jameson, a philosopher and literary critic who once famously wrote that "it is easier to imagine the end of the world than to imagine the end of capitalism." On the first count, Delhi isn't leaving much to the imagination on where it's headed. The end.

F&O TRADING: DO RETAIL INVESTORS REALLY NEED SEBI'S BIG BROTHER OVERSIGHT?



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

Working committee on futures and options (F&O) trading has made three key recommendations to the Securities and Exchange Board of India (Sebi) to curb "excessive speculation" in the derivatives market in India, according to a report by *Moneycontrol*. These include raising contract sizes fivefold, increasing margins closer to expiry and limiting the number of expiry dates to one per week per exchange.

Retail participation in F&Os has ballooned recently, with option volumes spiking considerably since the introduction of "weekly" expiries (they used to be once a month earlier). Also, a Sebi study showed that over 90% of retail investors lost money in the derivatives market. Exchange data reveals that retail investors account for 34% of option premium turnover, with India becoming the world's largest options trading market by number of contracts traded.

Anecdotally, people borrow money to trade options, driven by "get rich quick" videos on social media that promise even small

traders life-altering wealth through options, if they follow a strategy and pay a small fee.

Given this context, does it make sense to curtail retail trading in options? And will these measures change anything meaningfully?

I have two thoughts. First, the derivatives market has a layer of systemic risk, as the exchanges stand guarantee for settlement. Indeed, they maintain a large amount as margins (roughly 10% of notional size), and have a little bit of their own capital as a guarantee fund. But with options trading hitting premium turnover levels of about ₹50,000 crore a day with a notional value to premium ratio of 500-plus, a really big black swan move (10% lower or upper circuit) could easily wipe out the margin of many option sellers.

Retail traders and larger players also sell options in large quantities, and the systemic risk of extreme blow-ups increases with higher option participation.

Second, retail investors don't really need "protection" from overtrading. We should educate them, but beyond that, acting like a big brother by refusing people the opportunity in a fair market is plain wrong.

The markets are not gambling dens or "dabba" centres, where the game is rigged against you. The markets are where you can build odds in your favour, and there are many traders that started really small and grew to become rich.

We don't need our people to be hand-held at every step, and if you look carefully, not many retail investors are complaining; it's the larger, more established players, and that has included me. Are we being overprotective?



Enhancing market stability

That said, increasing lot sizes or bumping up margins might be a good idea to reduce the impact of the systemic risk that the burgeoning market involves. Value-at-risk (VAR) is used to calculate margins, but it's a mathematical slave of the recent past, which hasn't seen much volatility. If volatility goes up slowly, VAR works. If it's "quantum", i.e., jumps up very sharply and suddenly, there won't be enough time for traders to react, until circuits are hit and

no further reaction is possible.

This happened in 2009, when the markets went up way too fast, a 20% market circuit was reached and trading halted for the day. In today's times, a repeat of that event could trigger substantially larger losses. Higher margins or higher lot sizes keep player capital reasonably high.

Reducing the number of expiries in the week reduces the "zero-days-to-expiry" rush, which creates incredible open-interest intraday, building more systemic risk. This might still help keep the system stable while not disallowing players from trading at all.

Yet, I don't worry about retail participation being too much, per se. Even in 2003, retail investors were 37% of the option premium turnover—not much different from today.

India's been a retail-dominated market for over 20 years. Importantly, in recent times, retail investors have protected our markets from steep falls, even as foreign investors exited in droves after the Ukraine war. And in the sense that the market has risen substantially, they've won their profits. We shouldn't write them off as uninformed traders; that is an elitist argument. Instead, we should strive to keep systemic risk down and increase oversight within the system.

Deepak Shenoj is founder and CEO, Capitalmind, a Sebi-registered portfolio manager. The views expressed are personal.



OUR VIEW



REUTERS

Media's meta-anxiety: Will the truth prevail?

As India mulls a law to assure news publishers a fair slice of Big Tech's ad revenues, we must grapple with Meta's Canada blackout. With truth at stake, we need just outcomes

As *Mint* reported this week, India is weighing a new law aimed at fair compensation for news publishers from Big Tech platforms carrying their content. If enacted, Google and Meta would need to comply. From a news point of view, the rise of Google's search tool and Meta's social media services (Facebook, WhatsApp and Instagram) has been a mixed blessing, with content reach and visibility clearly amplified, but with this much looking bleaker the closer one looks. At one level, attention spans have been put at the mercy of thumb swipes on handy gadgets, which has given the optics of every event such power that details of fact often seem like a lost cause. If the future of this planet can pivot on a stumble by a leader, as US poll-watchers fear, or even on a hug going viral on the internet, as Cold War II trackers wonder, then this optical turn is a serious cause for anxiety. At another level, online eyeballs have been affixed by a few winner-takes-all platforms that might possibly be addictive. While this has enriched Big Tech with advertising revenue, creators of quality content have been starved of funds needed to invest in the pursuit of truth—our last line of defence against the risk of an optical takeover by AI-led deepfakery. Truth-focused publishers deserve a larger slice of Big Tech's ad-revenue pie than the raw deal they get today. And since truth is a self-evident matter of public interest, a legislative remedy suggests itself.

In 2021, Australia armed local news outlets with a legal code that enabled them to strike better payment bargains with Big Tech platforms conveying their content. Canberra's move is being studied by India's government in response to calls for a more equitable equation

here too. In 2022, Canberra said over 30 patents had been signed by local media with Google and Meta. Last year, transfers from the duo were placed at about \$130 million, but Meta jolted recipients this year by saying it wouldn't renew such contracts. This has cast the idea's success in doubt, making public interest look weak in its clash with market forces. Canada's case has shown how unevenly they stack up. Last June, Ottawa passed the country's Online News Act aimed at "fairness in the Canadian digital-news marketplace," and while Google committed some \$75 million a year to a state-run fund for local media, Meta did not budge. Instead, the social-media monopoly evidently ran a market test. It opted for a blackout of local news on its platforms, betting that news was too thin a sliver of their content-feed to matter. Facebook and Instagram barred news website links last August, forcing Canadian users to share local news by posting screen-shots. A recent study of the impact gave Meta a reason to gloat. Its user base held steady and revenues rose, while media outlets lost audiences.

Canada's case is a reminder that it's not easy to regulate the social media market. But it also showed people how hard it gets to identify fake news when people's access to trusted websites is hobbled. The cause of truth took a blow. No wonder a media lobby wants to sue Meta for 'abuse of dominance.' Any monopoly with such outsize influence over popular perceptions could potentially wreak havoc. Given that concentrated power is a sign of market failure, public interest in the fact-focused media's quest for truth must prevail over the dictates of data demand and supply. As an AI-led blur of reality looms on the internet, how exactly to ensure as much is the policy puzzle we must crack.

THEIR VIEW

Data kept shrouded in secrecy entails economic risks

PUJA MEHRA



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

An important person in the government requested me to write about how the subsidy from Union budgets for second-class AC train seats in India has grown since 2014, given that these fares haven't been adjusted for rising fuel costs. I haven't managed to figure out if there is a subsidy on these fares, let alone how fast it may be growing. Happy to be corrected, but it seems that the outgo towards this subsidy and the figures needed for computing it are not being reported in the Union Budget.

When India's railway and Union budgets were merged, officials had informally told reporters that presentations of separate railway budgets bred populism. Railway ministers made a big deal of announcing new stations and trains, skewing attention and resources to their home states and constituencies. The spotlight this pageantry put on passenger-train services made raising fares politically difficult, they said. Scrapping the separate rail budget was supposed to free fares of political compulsions. The worry

now is if this 'reform' may instead have increased opacity and reduced scrutiny of budgetary details.

From this month, the Central government has stopped publishing the details of revenue collections from the goods and services tax (GST). Beat reporters covering the finance ministry were informally informed that tax collections rising month after month made this data politically inconvenient. The clampdown is entirely unnecessary. The government finds itself in a spot only because all along it highlighted the absolute collection numbers, one month after another. This helped obfuscate the broader reality, which is that India's GST has not been the revenue-raising success it is made out to be. GST collections, net of refunds, are still lower than the revenues raised from all the taxes replaced by GST (6.1% of GDP in fiscal year 2023-24 versus 6.3% of GDP in 2016-17.)

Transparency often spells trouble for an administration. Questions begin to be asked, accountability goes up, narratives can't easily be divorced from ground reality. Governments don't like answering uncomfortable questions and display an inherent weakness for opacity. Where possible, inconvenient information tends to get suppressed, and the default response of all governments—at the

Centre and states—to politically uncomfortable developments is to clamp up. Regulators, too, aren't terribly uninhibited about disclosing information.

Central government officials complain that states are not transparently publishing power-subsidy figures, and that there are discrepancies between the figures they report to the finance ministry when seeking its nod for borrowing from markets and the data they state in their publicly available records.

During the pandemic, the country's failure to transparently publish the number of deaths due to covid made the world take note. Researchers tried to second guess covid's impact, such as by collating numbers from obituaries published in news dailies.

In 2016, the Reserve Bank of India published details of the cancelled notes that were being returned to it in the first few days after demonetization, but quit its daily disclosures soon, as soon

as it became inescapable that a large number of these notes would be returned, exposing deep flaws in the design and execution of the note-ban, which imposed needless and unjust hardships and losses on people. The data was published at the close of the central bank's accounts, by when crucial state assembly elections had concluded.

The government's first Budget for its third term is being readied. To be presented on 23 July, this budget will be scrutinized more intensely than usual for the government's commitment to fiscal consolidation. The

Union Budget will be read for signs of any fall-out of the ruling party's setback in this year's Lok Sabha elections on its spending approach.

The temptation would be to go populist and couch that in typical budgetary bureaucratism, an old finance ministry habit that former Chief Economic Adviser, Arvind Subramanian, described in his book, *Of Counsel: The challenges of the Modi-Jaitley economy*,

invoking Paul Simon: "Just as there are more than fifty ways of leaving a lover, there are as many ways of meeting deficit targets. Governments hedge, fudge and make use of creative accounting."

All the same, the budget may be a good place to institute safeguards. Populist fiscal handouts, or 'revdis,' tucked away should be teased out. The long-run costs and benefits and fiscal implications could help decide whether a government scheme is a freebie, demerit subsidy or a sound way of supporting a fragile segment of the economy. A fiscal council would be capable of doing all this, but may end up unearthing inconvenient truths, complicating 'headline management' as well as policy choices. Which probably explains why the central government has so far refused to implement the 15th Finance Commission's recommendation of setting up such an institution.

It's a good sign, of course, even if a handful of individuals in the government are growing wary of the risks of opacity creeping into the Budget, and worrying that this might be leading to policy gaps and mistakes. It's why concerns are being expressed over second AC passenger train fares. What are they going to do about this risk, though? We'll see on budget day, 23 July.

MY VIEW | FARM TRUTHS

The unorganized sector needs a revival to tackle unemployment

It's necessary not just to lift incomes and demand across the economy but also address joblessness



HIMANSHU

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The release of the Annual Survey of Unincorporated Sector Enterprises (ASUSE) by the National Statistical Office (NSO) fills an important data gap in our understanding of what is happening in the unorganized sector. The NSO released two reports of the ASUSE: for 2021-22 and 2022-23. It used to be done every five years (one in 2015-16 followed the 2010-11 survey), but is now an annual survey. While the 2021-22 survey was covid-impacted and less likely to be accurate, the 2022-23 survey is the first post-pandemic one.

The unorganized sector is a significant part of the Indian economy, much more for the employment it accounts for than its contribution to GDP. The two reports offer a look at trends that may help us make sense of two economic shocks, demonetization and the GST rollout, both of which were seen to have hit the unorganized sector much harder than the formal sector.

Preliminary estimates from the ASUSE 2022-23 confirm the apprehension that the informal sector has not kept pace with the rest of the economy. As in previous surveys, it covers all activities barring agriculture and construction. Total informal enterprises rose a bit to 65 million from 63.4 million in 2015-16. Around 85% are own-account-enterprises (OAEs), with the rest using some hired workers. Between 2015-16 and 2022-23, informal busi-

nesses with hired workers declined, while OAEs grew. The net impact of this is that the total number of workers in the unorganized sector has fallen from 111.3 million in 2015-16 to 110 million in 2022-23. These workers represent almost half of all the non-farm, non-construction workers in our economy.

The informal sector's contribution to national income has also dropped. While gross value added (GVA) by the sector increased at 7% per annum in real terms between 2010-11 and 2015-16, it actually declined at 0.5% per annum between 2015-16 and 2022-23. GVA per enterprise increased at 5% per annum between 2010-11 and 2015-16, but declined at 0.85% per year between 2015-16 and 2022-23. A similar trend is seen in GVA per worker, with the former period reporting an increase and the latter a decline.

Most of these enterprises are barely generating any income. In 2022-23, GVA per enterprise was ₹238,168 with OAEs reporting only ₹27,073 per unit. That means 85% of unorganized-sector enterprises were generating around ₹10,000 per month. The situation for hired workers was no better. Average emoluments for hired workers in informal enterprises that had such recruits was ₹124,842 per annum, or around ₹10,000 per month. Again, we

saw significantly higher growth in emoluments between 2010-11 and 2015-16, but a real decline in emoluments per worker between 2015-16 and 2022-23.

These trends from ASUSE surveys are not surprising, given that data from many other sources has also suggested that the unorganized sector has not seen any growth in its size either in terms of the number of establishments or count of workers employed.

So is the case with incomes being generated by the sector. These have seen a real decline on almost all relevant indicators, be it GVA or the earnings of hired workers. In fact, these confirm the trend of a decline in the real earnings of regular workers observed in the NSO's employment surveys and a decline in real wages recorded by the labour bureau. Several other indicators of the operational and economic characteristics of enterprises also suggest very low or no improvement in conditions. Only 6% reported using computers, marginally higher than the 5% who reported using them back in 2015-16.

The sector's situation in terms of access to capital in general and credit in particular also suggests that these small businesses remain outside the purview of most government schemes.

Estimates from the ASUSE confirm the fear of a growing segregation in the economy, with growth largely driven by the large formal sector, while the informal sector lags behind. While demonetization and GST may have contributed to their woes, along with the pandemic, their under-performance is also a result of medium- and long-term policy choices that worsened their prospects. A revival of this sector is necessary not just to improve incomes and demand in the economy, but also for any strategy to create employment. More importantly, for sustainable economic growth, we must correct the prevailing imbalance in how its rewards are being distributed across the economy. Don't overlook the informal sector.

QUICK READ

Freshly released survey data on India's unorganized sector confirms that demonetization and GST hit informal enterprises hard. Remedial steps must be taken to aid their recovery.

Reviving the informal sector is critical not only because we must boost incomes and spur demand all across, it would also generate jobs and help address the effects of uneven economic growth.

10 YEARS AGO



JUST A THOUGHT

The goal is to turn data into information, and information into insight.

CARLY FIORINA



THEIR VIEW

MINT CURATOR

Climate shocks, India's K-shaped inflation and interest rate easing

Shocks like climate change and the pandemic aren't just driving up variance in growth but also making price levels diverge



PRANJUL BHANDARI
is chief India and Indonesia economist at HSBC

While India's 'K-shaped' growth recovery debate has been raging for a while, many may have missed similar dynamics playing out in inflation. In fact, the same shocks that are driving up the variance in growth, like the pandemic and climate change, and hurting some groups more than others, are also likely driving the variance in prices.

This is best shown with an example, like the recent heat waves that engulfed large parts of the country for a few months this year. It can be argued that the resulting crop damage and livestock mortality led to K-shaped inflation. And this is visible across all different slices of price data.

One, even as core inflation (which is the cost of all goods and services that households buy, except food and fuel) is falling, food inflation is on the rise. Let's dig into core inflation more. Some new drivers seem to be keeping core inflation low.

During the last bout of core disinflation in 2012, the main driver was a weakness in growth. This time, the dominant driver seems to be imported disinflation from China.

Furthermore, previously, past inflation was a driver of future inflation. If inflation was high, it would remain high for a long time. Now, the belief that the Reserve Bank of India's (RBI) efforts will bring inflation down to the 4% target has played a role in driving down core prices. In other words, inflation targeting seems to have had some of the desired results.

Food inflation, however, remains a big worry. It has, in our view, been stoked by the changing nature of weather events. In the past, El Niño came with low rainfall. But now, it is not just about rains, but also high temperatures. This has not just increased the price of vegetables, wheat and pulses, but is also hurting the production of eggs, meat and milk.

Two, food inflation is elevated, but not as widespread as in previous shocks. Where imports of food were possible (as with oilseeds), prices did not go up much. Our diffusion index, which picks up the proportion of items where food inflation is elevated, has been lower than past trends. On the margin, this is good news. Rapid inflation across many more food items would have been harder to solve.

Three, urban inflation is falling, but rural inflation remains high and sticky. Much of this is driven by a wide difference between food and fuel prices. In fact, food inflation dynamics seem mysterious. One would think rural food inflation should be lower than urban food inflation, given that rural India grows the food.

There are two hypotheses as to why rural food prices remain much higher. One, with incomes hurt, farmers are making more of an effort to sell



food to urban procurers where returns are higher, leaving less supply for rural areas. Two, a higher proportion of food was imported this time around, with port-to-fork infrastructure likely to be more efficient in urban India.

Diverging fuel inflation dynamics are more straightforward. The government cut prices of petrol, diesel and LPG. With all three consumed more in urban India, urban energy inflation fell more quickly than rural inflation.

Four, goods inflation is rising, while services inflation is falling, looking like a perfect K. It is worth noting that India is among the world's few large economies where services inflation did not take off post-pandemic. Again, it all seems to be interlinked. Supply shocks like the heatwave that kept incomes weak likely led to a situation where incomes across certain groups were just about enough to afford the 'necessary' goods. Demand for services, which tend to rise mostly when incomes do, remained weak, keeping a lid on prices.

Five, input prices are rising faster than output prices. Rising food, oil and industrial metal prices have stoked input price inflation this year. But corporates, facing weak demand from some groups, such as rural Indians, are not raising prices. Instead, they are taking a hit to their margins.

All of these recent K-shaped inflation dynamics have, in one way or another, been triggered by climate events. But other supply side shocks, like the pandemic and global commodity price shocks,

can have similar K-shaped growth and inflation consequences. Such supply-side shocks that impact incomes and inflation variously for different groups are becoming more frequent. And this will likely complicate policy-making.

For instance, should RBI, ruminating its next move, worry about the 5 percentage-point wedge between food and core inflation, or should it take solace that headline inflation is the closest to its target in several months?

There are no simple answers. Eventually, RBI may have to focus on the expected direction of change in the short run. June was brutal, with rains 11% below normal levels. But July rains are forecast to be above average as El Niño abates and its contrasting weather phenomenon, La Niña, associated with stronger rains and lower temperatures, picks up. If this progresses well, reservoirs fill back up and sowing rises, eventually food inflation will soften.

RBI may find a little bit of room to ease later in the year, even if medium-term pressures they do not perform. Indian cricketers who become public icons have an especially charmed place in the team. Some can carry on as captain in one format of the game or another, as they wish, and then expect to turn coach or selector. This is so for a number of CEOs who keep getting extensions well past the normal retirement age and then move on to become directors on boards.

Meanwhile the government, too, may need to be more sensitive to the impact of policy changes across different groups already reeling from supply-side shocks. Reforms may need careful explaining and planning.

Welcome to a world of unexpected shocks with K-shaped consequences.

QUICK READ

Not just economic growth, even inflation is showing K-shaped dynamics. Core and food inflation are on divergent paths, for example, even as price levels of goods and services diverge.

This will complicate monetary policy. As an inflation-targeting central bank, RBI would need to focus on the immediate path ahead and may find some room to ease policy later this year

AI bots aren't ready to displace central bankers. Not yet, that is

The idea isn't absurd but policy will stay in human hands for now



DANIEL MOSS
is a Bloomberg Opinion columnist covering Asian economies.

Central bankers are not born as chronic worriers, but they quickly acquire the trait. They are now spending considerable time fretting about artificial intelligence (AI): Its ability to play havoc with prices, jobs and the security of banking. As gut-wrenching as the meltdown of 2008 was, imagine if a rogue machine turbocharged a market rout.

It's not quite a doomsday scenario where AI runs amok and destroys the Earth, said Eddie Yue of the Hong Kong Monetary Authority at a recent conference. But there are plenty of dangers emerging, he added. Yue's counterpart in Singapore warned of the potential for fraud and cyber attacks. American and UK officials are fearful that algorithms will be used to curtail lending to minorities. While acknowledging the benefits of rapid technological advances to the overall economy, most are wary.

One thing the lords of finance shouldn't stress about is dilution of their power. Sure, the legions of PhD economists that staff central banks may thin. New algorithms that sift real-time data on everything from car sales to foot traffic at malls will rightly push analysts to think about how their roles will transform. But rather than make the folks who set interest rates redundant, AI could make them mightier citizens.

The Bank for International Settlements declared as much, saying that the most basic of tasks, deciding borrowing costs, will still be done by mortals. HAL, the computer that assumes divine-like qualities in the film *2001: A Space Odyssey*, isn't coming for the Federal Open Market Committee (FOMC) and its global peers. "The ways we organize ourselves and our societies are that we like to hold human beings accountable," Cecilia Skingsley, head of the Innovation Hub at the BIS, told reporters last month. "You know, changing politicians, possibly changing central-bank governors from time to time."

She may be low-balling it. The importance of US Federal Reserve Chair Jerome Powell and his cohort may only grow. As retailers develop applications to keep ever closer tabs on competitors and broader markets, the price of milk in Denmark, for example, may fluctuate during a press conference by Powell, argues Lars Christensen, an associate professor at Copenhagen Business School. When Opec raises or cuts oil production, that's very quickly reflected in the price of gasoline at the roadside. Why shouldn't the same apply to basic food staples, asks Christensen, cofounder of Paice, a consulting firm specializing in AI and data analysis.



Algorithm-set monetary policy does have some serious advocates
ISTOCKPHOTO

"In many high-income countries, we already have electronic price tags," he told me. "You might as well plug them into an algorithm. I don't think my example of standing in a supermarket watching the price of milk change on the screen as Powell announces rates is unrealistic. For practical reasons, we might change the price only when the supermarket closes or you might have a mechanism that says the price can't be increased while the customer is in the store. The concept is there."

Utterances from a generation ago can be resurrected to provide bond-market signals, thanks to a ChatGPT-based language model. JPMorgan Chase built a program that uses speech dating back decades to detect the evolution of policy signals. The bank's economists discovered that when the model showed a rise in inflation concern among Fed speakers between meetings, the following FOMC statement had grown more hawkish. The opposite is also true. Turn that into a trading strategy and the opportunities for a payday are plenty. Initially tracking the Fed, European Central Bank and Bank of England, JPMorgan expanded the method to 10 major developed-market central banks.

There's always room for nuance and considered opinion. Sometimes the signals are not especially clear. For example, how do you interpret the Reserve Bank of Australia's phrase *du jour*, "We aren't ruling anything in or out"? A career Bundesbank policymaker might be less inclined to ease than, say, someone from the Bank of France. Bank of Japan Governor Kazuo Ueda can veer off on tangents. His predecessor delighted in surprising investors.

AI works best when complementing human judgement. In some arenas, there's no substitute for experience. Machines helping reduce tax evasion in Turkey perform a public service, for example. Still, nobody would consider the country a gold standard for performance: Inflation is a stratospheric 72%. There needs to be a combination of electrons and brain waves.

The employment mandate of central bankers themselves is unlikely to disappear. If Donald Trump wins this year's US presidential election, he's pledged not to re-appoint Powell, who may not even want a third term. It's safe to say HAL won't make the shortlist. Not yet. ©BLOOMBERG

MY VIEW | PEN DRIVE

Adam Smith's 'invisible hand' is a star cricket player

MADAN SABNAVIS



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

The Western Express highway in Mumbai towards the airport was choked with traffic at around 6.30pm on 4 July. The road in the other direction was cordoned off, with traffic held up for 20-25 minutes. The reason was that the victorious Indian T20 cricket team was going from the airport to a stadium in South Mumbai. Two buses ferrying the cricketers went past, tailed by police vehicles. None of the players bothered to look out as road-side crowds waved frantically to catch the attention of these VIPs.

Welcome to the quirky world of cricket capitalism, where the market decides what can be done. The rules are set by an invisible hand, and if fans of the game think something is okay, it must be okay. The way cricket works as an industry in India offers parallels with the corporate sector. For instance, the ₹25 crore performance payout by the government for the World Cup winning team is like the disproportionate

bonuses (and stock-option benefits) that CEOs get when their companies do well. Shareholder approval is all it takes.

The recently concluded Indian Premier League (IPL) championship saw cricketers being bid for and their services bought for the season. A couple of international players went for above ₹20 crore. This startled some people, but it is what the market dictates; if there is a buyer at any price, no matter how high, it is justified.

The same holds for regular payments made to players in our cricket team. There are different grades of cricketers. Those in 'A' category get more than those in B or C. This pecking order is also seen across companies, where management graduates and engineers get more than others. This is the fixed component for both sets. And victories in a match or tournament, or high profits for a company, lead to bonuses or performance linked incentives. While it is a team game, its rewards vary disproportionately, just like in companies where top-rated employees get bigger bonuses.

The underlying principles at work are also similar. There are asymmetric practices, especially for the top management. When a company does not perform, there

are no claw backs, but managers may lose their variable pay (sometimes just a part of it). For Indian cricketers too, failure to win the one-day international World Cup last year did not reduce their pay. Financially speaking, the asymmetry remains: It's heads they win, tails nobody loses.

Given the rather opaque process of cricket team selection, two human resources-related issues stand out that are glaring in the corporate world too. The first is that top players are rarely asked to leave even if they do not perform. Indian cricketers who become public icons have an especially charmed place in the team. Some can carry on as captain in one format of the game or another, as they wish, and then expect to turn coach or selector. This is so for a number of CEOs who keep getting extensions well past the normal retirement age and then move on to become directors on boards.

The second is the concept of layoffs, which companies experience. Even when a company is doing well, cost rationalization exercises are undertaken, with some of the staff asked to leave. Rarely does the top management fall in this category, of course. The same holds in a different manner for the cricket team. As only 11 players can be in the playing team, and star cricketers cannot be asked to step aside even if their playing form is poor, junior players find themselves left out. There are examples of good players who cross the age of 35 and retire from the game without playing for India.

Then there are the commentators or critics, who keep creating hype around players that keeps them in the limelight. One will never know if it is part of the plan to keep an under-performing star in the team on the reasoning that it's just a temporary loss of form. Not to forget the advertising contracts which may be left worth-

Cricket rewards mirror the corporate world's and even team selection seems guided by market forces. Increasingly, at play is the 'invisible hand' that Adam Smith wrote about.

less if a star is dropped. This holds in the corporate world too; analysts and reporters will praise top leaders for bringing about a transformation, but almost never criticize them when the company keeps failing.

And finally, annual reports and investor presentations have messages from corporate top bosses that curiously read the same regardless of their performance. Usually, these refer to the economy, often deemed inhospitable, what with global turmoil and high interest rates, etc. Against these challenging conditions, the company is said to have struggled to eke out returns for shareholders. Similar language is used when our team loses. Unfavourable weather conditions are cited, as also some unfortunate decisions by umpires or some silly shots that cost them the match.

Free-market capitalism has taken over Indian cricket, which resembles the corporate world more than ever. Interestingly, the same goes for games like soccer in Europe and basketball in the US, among other sports. We can conclude that once a sport becomes commercial, it cannot escape the invisible hand of Adam Smith's coinage playing a great big role in the background. These are the author's personal views.



A statement car that announces your arrival

The stylish Mercedes Maybach GLS 600 comes with a lot of pomp and flash, while offering some quiet time and fun in a noisy city

Renuka Kirpalani

It's a car in which you could imagine actor Ranveer Singh arriving for a public event or singer Guru Randhawa filming one of his songs. It's a statement car but more than stately, it's kind of hip. The Mercedes Maybach GLS 600 comes with a lot of flash and pomp—its massive proportions, the flashy chrome all over and the gazillion Maybach badges and logos all around the car shout its owner's arrival.

And when they step out, an innovative retractable side step unfurls to ensure they can step onto terra firma in style.

The off-road assist feature, Free Driving Mode, brings out the inner child, making you dance down the road. This feature bounces the car up and down to help free it when it's stuck in soft sand or tough terrain, but one can't resist having fun with it. There are several technologically advanced elements in the car that make it luxurious as well as cool.

For the 2024 version, there are changes to the exterior. The chrome grille that stares at you like a flashing grin has been tweaked ever so slightly with thicker outlines. The bumper is redone, and where the air intakes were earlier, you get a multitude of logos made in plastic. These seem amiss because they do not look Maybach-level.

It comes in three colours, but if you want to stand out from the crowd you can get dual-tone paint options and a choice of upping the wheel size and alloy design. At the rear are new signature tail lamps and the Maybach tailpipes.

Inside, there aren't too many changes, though. You now get a wider choice of interior trims. The open-pore wood in my car and the Nappa leather bordered with contrast double stitch look rich. The cabin feels luxurious as well. The steering wheel and aircon vents are new, and the MBUX system is now the latest with a fingerprint sensor, gesture commands and new graphics that are crisp and clean.

The screen works well and is easy to see, and the graphics quality can be truly experienced when you pull up the Energiser package menu. This combines sounds, visuals, ambient light, and even massages to transport you to your happy place, be it a forest, a club vibe or, on a hot sweltering day like mine, into some summer rain.

While it may sound quite unnecessary, when you experience it, you feel tranquil or energised, depending on your choice.

The Maybach GLS 600 also gets Level 2 ADAS (advanced driver-assistance system). Apart from this, the feature list remains as extensive as before, with 11.6" rear screens, 590 W Burmester sound system, massage functions for all seats, 43.5 degrees of recline with leg rest for the rear, among other safety and luxury features. There is also an armrest-based tablet controller for rear passengers, blinds, and wireless charging—it would be easier to list what you don't get instead of what you do.

You can also opt for the bench seat, but the executive seats with the fixed central console are really the boss seats.



If you opt for the refrigerator, be warned that the fan and cooling system eats a lot into the boot space. Honestly, it might be easier to just put a cooler in the boot.

A MOMENT OF SILENCE

The Maybach GLS is huge, and it's a big step up into the cabin, which is why the retractable side

step extends as you open the door. Once the doors close, it tucks itself away. I'm being driven in the midst of thick traffic, with horns blaring on a weekday morning, and inside, I feel like it's all far away in the distance.

The city infrastructure upgrade has destroyed the roads around me, but the Maybach makes me feel like the work is complete and there is smooth tarmac beneath my wheels.

In Maybach mode, all the responses are softened. Acceleration and gear shifts are smoother, the suspension is more pliant, and it is all done to ensure that passengers are cosseted and carried in the smoothest manner possible. Loads of technology ensure the cabin is ultra hushed, and sensors work to read the road ahead and prepare for the bumps and potholes.

The cabin is ultra hushed, and sensors work to read the road ahead, preparing the car for bumps and potholes

Reclined at 43.5 degrees, leg rest up, fully stretched out, and massage function activated with the Forest mode on the Energiser package, I feel like I am a million miles away from the thick of Monday morning traffic in the city. It is truly a world of first-class travel. While it is hugely tempting to just lay there basking in luxury, the petrolhead in me wants to get behind the wheel.

BEHIND THE WHEEL

The first thing I do is switch from Maybach Mode and toggle it to Sport mode, step on the gas and the 2.8-tonne luxury liner shoots off the line with way more energy than I expected.

It took me around 4.7 seconds to 100, and that's quick. The 4.4 L V8 is smooth and strong, delivering power from the get go. The 9-speed gearbox works well, keeping up the reputation of refined luxury and shifting smoothly and seamlessly. But when you plunge your foot to the floor, it takes a breath before dropping down the gears. You can circumvent that pause if you are in a spirited mood, with the paddle shifters.

The steering is light, letting you tuck into traffic gaps with ease, and while it's not quick, it does give you enough fight back around corners. It handles remarkably well for its size and weight. When you are in the twisties, Maybach has added another funky feature to keep you hugging the curves. Switch to Curve mode and the car will lean into corners to counter the roll, much like a racing bike offering loads of confidence behind the wheel. However, the Maybach GLS 600 4 Matic is most comfortable cruising silently on a highway, ferrying its passengers in on a cloud of comfort. Yes, it is 4 Matic and has off-road modes and assistance, but I doubt most owners in India will venture anywhere on the road in this car.

The new Maybach GLS 600 comes at ₹39 lakh more than before, with a starting price of ₹3.35 crore.

What you get for all that money is a car that will transport you to places literally and figuratively (with the many mood settings it has), in utmost luxury, cutting edge technology and, of course, the ability to announce your arrival with loads of style and attitude.

Renuka Kirpalani is consulting editor, Autocar India.

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Talat Mahmood (left) received the Padma Bhushan Award from President R. Venkataraman in 1992.

For the weekend Of music, art and textiles

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

DELHI

100 YEARS OF TALAT MAHMOOD

15 July

Enjoy an evening of Talat Mahmood's greatest hits at this music and dance event that celebrates his 100th birth anniversary. Ghazal singer Amrish Mishra will present the late artist's popular songs like "Zindagi Dene Waale Sun" and "Tasveer Banaata Hoon", followed by a Book Talk with Sahar Zaman, Mahmood's granddaughter and author of *Talat Mahmood: The Definitive Biography*, and a performance by Moving Souls dance academy.

7pm. Kamani Auditorium, 1, Copernicus Marg, Mandi House. For details, call 9810149436.



The Yali show

MUMBAI

YALI

Till 4 August

This design show documents the many identities of India through the prism of handspun and handwoven textiles. It uses "process, materiality and skill as a foundation to understand the journey of handspun and handwoven between two principal design movements in post-colonial India: The Bauhaus Movement and The Festivals of India-Vishwakarma Exhibitions", reads the curatorial note. On display are double Ikat, telia rumal sari, a silk Venkatgiri sari with *jandani* parrots in gold zari, mulberry silk shirts and Ajrakh trousers in Gajji silk.

11am-7pm (Mondays closed). 47-A, Khotachi Wadi, Girgaum. For details, visit Baromarket.in.

BENGALURU

FROM THE DEPTH OF THE MOULD:

THE MAKING OF THE ARTIST MEERA MUKHERJEE

12 July

Historian Tapati Guha-Thakurta will present a talk on her recently published book, *From the Depth of the Mould: Meera Mukherjee (1923-1998), A Centenary Tribute*. Mukherjee was one of the most prolific sculptors of late 20th century India, and conducted a three-year countrywide study of traditional metal crafting communities and techniques in the 1960s.

6pm. Mazumdar-Shaw Auditorium, Museum of Art & Photography, Kasturba Road. For details, visit Map-india.org.

The delightful multicultural flavours of Seychelles

From fruit chutneys to samosas and spice-laden curries, the island's cuisine draws heavily from Indian dishes

Arzoo Dina

An old plantation-style bungalow houses the popular Marie Antoinette Restaurant in Mahé, the largest island in Seychelles. Set on a lush hillside, overlooking the capital city of Victoria, this family-run place is believed to be an institution. It's one of the oldest restaurants on the islands, dating back to the 1970s, offering a taste of Creole cuisine and showcasing the traditional dishes of the archipelago. Hot, balmy weather and the lack of air conditioning notwithstanding, I relish unassuming plates, from a refreshingly tangy mango salad to octopus curry, rice, smoked fish and breadfruit croquettes.

Seychelles boasts of a strong culinary repertoire, with flavours spanning Indian, African, French and Chinese influences, that have combined over the years to make up Creole, or more definitively, Seychellois Creole cuisine.

The first settlers to inhabit the islands

were the French, who arrived at the turn of the 18th century. Later, Indians brought with them a love for piquant curries and lentils, the Chinese influenced the cuisine with rice and noodles, while the Africans introduced ingredients like cassava, plantain, breadfruit and coconut milk, that has led to the birth of Creole cuisine as it is known today. Visit any local Creole restaurant and you'll find a smattering of staples like spice-laden curries, fragrant lentils and rice, fruit chutneys, samosas, pork noodles, *rougail saucisse* (sausage stew) and vegetable fritters.

The Creole curry, for instance, is quite similar to its Indian cousin, featuring spices like cumin, turmeric, nutmeg and, in some cases, saffron as well. Chutneys are made fresh every day and are unlike the ones we know and relish in India.

For instance, most chutneys feature grated fruit, which are then marinated in spices or oil, rather than being ground into a thick paste like the Indian version. Papaya chutney, or *pawpaw satini* as it is locally called, can be paired with curries on the side, and other popular options include coconut, aubergine or pumpkin chutney. If you're up for it, try sampling local delicacies such as shark chutney that is not for the faint of heart. It is made as a specialty dish by just a handful of restaurants, including Marie Antoinette.



A selection of dishes showcasing Creole cuisine (above); and an octopus preparation.

To get a true sense of the flavours of the island nation, take a stroll through Victoria's Sir Selwyn-Clarke Market, which offers a vibrant display of exotic fruits, vegetables and other local produce. The area around the market is a maze of narrow winding lanes, packed with artsy shops, boutiques, and stores selling everything from spices to souvenirs. Make a pit

stop at any of the local vendors where you can enjoy a quick meal of fish and chips or *ladob banan* (banana in coconut milk) that's flavoured with spices.

At Maison Marengo, a family-run Creole restaurant housed in a colonial-era home in Mahé, the sounds of the ocean and salty sea breeze make for a perfect company. Here, I savour a meal of mildly-



spiced chicken curry, piping hot aubergine fritters, blackened tuna steak, prawn kebabs and cassava pudding with coconut ice cream.

Coco Rouge and Cafe des Arts on Praslin Island are other popular joints frequented by locals.

A trip to Seychelles would be incomplete without a visit to La Plaine St. André, an iconic heritage site that is also home to the Takamaka Rum Distillery, which is the only commercial producer and exporter of rum on the islands. After a guided tour, head to the food truck and rum shack on the premises to enjoy boozy drinks paired

with classic Creole grills and bar bites.

While most tourists like to stay within the confines of their luxury resorts and enjoy an all-inclusive experience, especially sticking to the hotel buffet, the islands are best experienced through local culinary gems. Born and brought up in Mahé, well-known chef Colvin Beaudoin is hoping to change the notion that most resorts skew towards the Western, globally evolved palate. There is a lot more to Creole cuisine than curries and tangy salads, he says. His fine dining restaurant, Maison Des Épices, at the newly-opened Waldorf Astoria Seychelles Platte Island, offers a fusion of modern Creole food, where the menu is anchored in flavours from his childhood. Some dishes that he has given his signature twist include the classic salted fish, lobster *plo* (pulao) with pumpkin chutney, grilled reef fish, turmeric toast and an assortment of condiments such as breadfruit and coconut sauce, curry leaf pesto, and papaya and tamarind sauce.

So, if you book that holiday to Seychelles, it would be worth your while to explore the many culinary charms it has to offer. Beyond the seafood-heavy fare, the island country has a vast range of dishes to savour and a surprising number of vegetarian options as well.

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