

Tuesday, July 23, 2024

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'India to grow 6.5-7%, pvt sector must take baton' ▶ P1



Qatar fund chases personal assets of Byju Raveendran ▶ P1



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Tuesday, July 23, 2024

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Think Ahead. Think Growth.

mint primer

Hints on budget proposals from the eco survey

BY N. MADHAVAN

The economic survey, the government's most comprehensive annual analysis of the economy, is critical to shaping policy. Looking through the survey's prism, *Mint* pieces together what the Union budget 2024-25 may have in store—from a focus on jobs to pushing green growth.

Sustaining growth

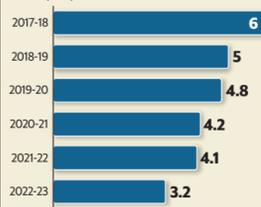
The economic survey pegs FY25 GDP growth at 6.5% to 7% Year-on-year growth in real GDP, annual (in %)



Source: Economic Survey 2024

Good show

Unemployment in the country has declined sharply in the last six years Unemployment rate in age group 15 years and above (in %)



Source: PLFS 2022-23 PRANAY BHARDWAJ/MINT

1 What does it suggest for sustained growth?

The economic survey 'conservatively' pegs 2024-25 economic growth at 6.5 to 7%. To sustain this pace, it suggests areas of focus—job and skill creation; easing of bottlenecks faced by medium, small and micro enterprises (MSMEs); tapping the full potential of agriculture; managing the green transition; tackling inequality; and deepening the corporate bond markets. It says there's a need to change the reforms approach from a focus on the supply side to a "bottom-up approach" for strong, sustainable and inclusive growth. Expect the finance minister to include most of these suggestions in the budget.

2 What is a bottom-up growth strategy?

The survey said reforms pursued in the last decade have generated moderate to high growth. To sustain this growth "for nearly a generation up to 2047", it has suggested a different approach to reforms—a six-pronged bottom-up strategy. This comprises: boosting private investment; growth and expansion of MSMEs; recognizing agriculture as an engine of growth and removal of all policy impediments; securing the financing for green transition; bridging the education-employment gap; and building the capacity required for accelerating and sustaining India's progress. This approach will accelerate growth and do so equitably.

HT



3 What does the survey say about inflation?

While complimenting policy makers for tackling inflation effectively vis-a-vis other economies, the survey suggests ways to handle food inflation which typically spikes seasonally. It calls for creating modern storage and processing facilities for fruit and vegetables. The budget could see proposals towards this effort. It calls for higher production of pulses and edible oil.

4 Are there any ideas on job creation?

The survey claims labour market indicators have improved significantly in the last six years with the unemployment rate dropping to 3.2% in 2022-23. The agro processing sector and care economy (creche and elderly care) are cited as promising candidates for sustainable jobs. The survey also laid the responsibility of creating jobs on the private sector, pointing out that corporate profitability is at a 15-year high. It remains to be seen how the finance minister approaches this particular problem.

5 How will India make a green transition?

Despite being the fastest growing large economy, India's annual per capita emission is just a third of the global average. Having committed to net zero carbon emission by 2070, it has become imperative that its high growth rate is environmentally sustainable. The survey said it is not easy to ensure stable clean energy production at a reasonable cost because this needs battery storage technologies and access to critical minerals. The budget may see allocations for this as India balances its development needs with a low carbon pathway.

QUICK EDIT

Harris's poll pitch

The US presidential race was thrown open by President Joe Biden's decision to step aside and endorse Vice-President Kamala Harris as the Democratic party's candidate against Donald Trump. This brightens the ruling party's odds of retaining the White House, but her being a woman—and "of colour" too—makes some folks wonder if her candidacy will do anything to stop Trump from cruising to victory. Should Harris win the ticket on the logic of party unity, as is likely, she'll need to scramble a rousing campaign, Obama-style. What she wants America to imagine—"What can be, unburdened by what has been"—hints of progress on self-evident liberal values, but she must make it explicit. She could pitch liberty as America's great strength and attraction for immigrants, highlight the value of a multicultural society and explain how a buzzy free market for diverse ideas acts as a fount of innovation. Harris could also advocate US openness as an assurer of its global leadership in the face of China's rise. An open US is sure to elicit greater global support. Drawbridges going up in line with geo-rivalry reflects a loss of confidence in what gave the world an "American Century."

MINT METRIC

by Bibek Debroy

To most people's surprise,
Hawai chappals are a treasured prize,
At rupees one lakh a pair.
In Saudi Arabia they are beyond compare.
How marketing tends to glamorize.

QUOTE OF THE DAY

The Indian economy is on a strong wicket and stable footing, demonstrating resilience in the face of geopolitical challenges.

V. ANANTHA NAGESWARAN
CHIEF ECONOMIC ADVISER



mint Budget'24 Quiz

Answer correctly daily and get a chance to win an iPhone 15 and Boat Smart Watches

TODAY'S QUESTION

Which Finance Minister presented the 1986 Union Budget famously termed the 'Carrot and Stick Budget' for its strategy of rewarding and penalizing to reform economic practices?

- A. Yashwantrao B. Chavan
- B. V.P. Singh
- C. R. Venkataraman
- D. Rajiv Gandhi



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Why the Union budget can do only so much

BY HOWINDIALIVES.COM

The annual Budget day is touted as the biggest event in India's economic calendar. It's the day when the central government outlines how, and how much, it plans to earn and spend in the new financial year. However, in the grand scheme of things, the financial import of this annual budget is limited simply because the amount of surplus funds at the government's disposal is limited.

Think of it from a lower middle-class household's perspective. On the one hand, it has two earning members. On the other hand, there are day-to-day expenses, schoolgoing children and a home loan. A scooter, a new fridge, more clothes would be nice. As would be funding the education of their house help's two daughters. But there's hardly a surplus.

That's pretty much the government's predicament.

On the income side, of every ₹100 it earned in 2023-24, about ₹61 came from taxes, which it can increase only so much. Another ₹32.3 came from loans, where it is already stretched. The balance ₹6.7 came from the companies it owns. It can sell those assets, but those are relatively modest one-time gains and those assets will run out.

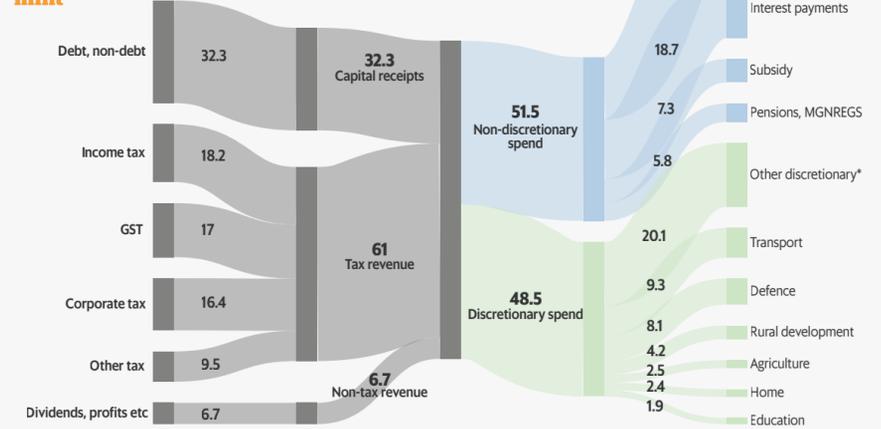
On the expenditure side, of every ₹100, as much as ₹51.5 is already claimed—by states as their share of tax revenues, by borrowers and by expenses it can't cut back on. Technically, the remaining ₹48.5 is available to it, but there are so many committed expenses in critical areas like education, rural development and defence. Its hands are tied.



Of every ₹100 it earns, the Centre has no spending say in ₹51.5

The graphic shows how the Centre earns ₹100 of revenue and how it spends it. Of that ₹100, it is committed to ₹51.5 of spending by transfers to states, servicing its loans or meeting other non-negotiable commitments. Even of the remaining ₹48.5, a large part is effectively tied in salaries, running expenses and programmes, leaving it with little to make a difference on scale.

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*Includes spending on health, urban development, energy and external affairs, among others. Data for 2023-24 used. Source: Budget documents

Income: With Limits

LET'S DIVE into each of those sides in some detail. Can the government not dramatically increase its tax revenue, which is 61% of its revenue flow? It can't. Broadly, there are two categories of taxes. The first category is direct taxes, which are paid on income earned. Thus, companies pay corporate tax and individuals pay income tax. Increasing tax rates is one option, but this will be unpopular and spur financial engineering to save taxes. The other option is to increase the number of taxpayers. But India is an inherently poor country. As per the government's 2022-23 consumption data, on average, 95% Indians spent less than ₹21,000 per month in urban areas (or ₹2.5 lakh per year) and ₹10,501 in rural areas (or ₹1.26 lakh per year). That limits the scope of increasing the number of taxpayers from the current 80 million.

The second category of taxes is indirect taxes. This is what everyone pays when they buy soap or fuel or an airline ticket. This is where the ubiquitous GST (goods and services tax) sits. In general, direct taxes are a better form of taxation, as indirect taxes like GST don't discriminate between the rich and the poor. In 2023-24, direct taxes accounted for about 57% of total tax revenues and indirect taxes 43%. Raising more revenues from indirect taxes has its own challenges. Once again, raising rates will be unpopular and reduce consumption. The government has been trying to bring more of the informal economy within the GST ambit, and it has made gains, but such upsides will be limited. Thus, the best case scenario remains for the economy to grow fast, boosting the incomes of households and companies, resulting in more spending and capacity creation, and leading to higher tax collections.

Expenditure: Without Limits

GIVEN THE low and limited tax base, it's crucial for the Centre to tap non-tax sources of income. This is principally the sale of companies owned by it. While its stated position has been to exit sectors where it is no longer required in a shepherding role, it has slowed down on that front. Thus, its share of non-tax revenues has dropped from about 13% in 2013-14 to 7% in 2023-24.

Still, a pop there won't fill the gap between tax revenues and total expenses. That gap is principally filled by borrowing—₹17.6 trillion in 2023-24, or about one-third of the budget. It has to borrow big, such are the demands of a big government and a developing economy.

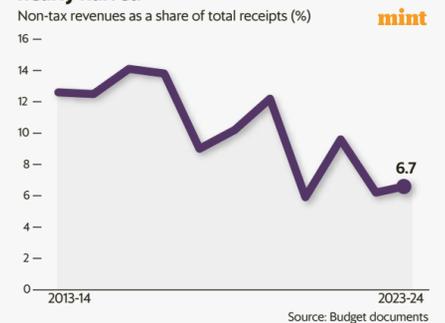
But in the first chart, paying interest, and other such non-negotiables, eats up nearly half its budget. That leaves it with less to spend in sectors that matter—for example, education, health and urban development—and even less to pursue a big idea.

Borrowing per se is not bad. The purpose behind it matters. Borrowing to cover current expenses is a bad idea. It's another thing to borrow to create productive capacity like better schools, more hospitals and infrastructure, which in turn enables people to get better jobs and earn more.

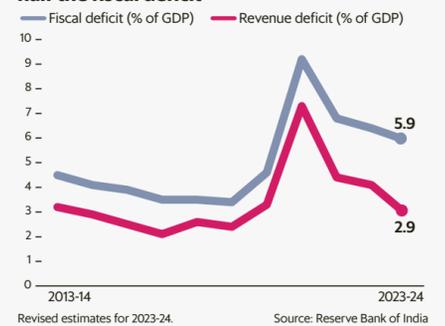
The gap between own revenues and total spending is referred to as the fiscal deficit. And nearly half of this is accounted for by revenue deficit (which is essentially the shortfall in running expenses). That leaves less space to create for the future. And it adds to interest burden. That is why, fund-wise, the Centre can't go big in the budget. What it can do is give a sense of its economic thinking, the execution of which is a round-the-term exercise—though also constrained by funds.

www.howindialives.com is a database and search engine for public data.

Share of non-tax revenues has nearly halved



Running spends still account for half the fiscal deficit



PARAS JAIN/MINT

PEANUTS by Charles M. Schulz



Tuesday, July 23, 2024

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India's recipe for growth, in 12 charts ▶P7



Kalyani, Hiremath families may enter into truce talks ▶P11

SENSEX 80,502.06 ↓ 102.59 NIFTY 24,509.25 ↓ 21.65 DOLLAR ₹83.66 ↔ 0.00 EURO ₹91.14 ↓ ₹0.10 OIL \$82.15 ↓ \$1.22 POUND ₹108.18 ↓ ₹0.20

Pvt sector must take the baton: Economic Survey

Conservative growth estimate at 6.5-7% in FY25; firms urged to raise hiring, wages

Gireesh Chandra Prasad & Subhash Narayan

NEW DELHI

The Indian economy may grow at a conservative 6.5-7% this fiscal year driven mainly by the domestic market, the Economic Survey 2023-24 said on Monday, calling on the private sector to take the baton on investments. The survey, prepared by chief economic adviser in the finance ministry V. Anantha Nageswaran and his team, also suggested that sustained economic expansion of 7% or more is possible with reforms aimed at adding more productive jobs, unlocking the potential of the farm sector and skilling the workforce.

The survey, tabled in Parliament by finance minister Nirmala Sitharaman, made a strong case for the private sector to scale up investments and focus on job creation, at a time technology and generative artificial intelligence are disrupting the labour market. It also expressed concern that hiring and wage growth among private companies have not kept pace with their improved financial performance, cautioning that their investments



GET SET, GO

PATH SETTING

FOR growth, survey says, Centre, states, pvt sector pact is key
REFORMS in jobs, farming, and skilling to aid 7% growth
GEOPOLITICAL uncertainties marked as growth challenge

were skewed towards dwellings and structures rather than towards machinery, equipment and creation of intellectual property rights. This, the survey noted, was not a healthy mix, and can delay India's quest to become a manufacturing hub and create high-quality formal jobs.

The message from the North Block to the industry is loud and clear. "Employment is about dignity, self-worth, self-esteem, self-respect, and standing in the family and community, not just about the income it brings. That is why it is in the enlightened self-interest of the Indian corporate sector, swimming

in excess profits, to take its responsibility to create jobs seriously," Nageswaran said in the preface to the survey.

The emphasis on employment comes in the context of the opposition criticizing the government on job creation, one of the issues in this year's national polls in which the ruling Bharatiya Janata Party lost absolute majority in Lok Sabha.

The survey said that though the Indian economy suffered the shocks of high corporate indebtedness and the pandemic, it was not structurally impaired to fail at creating jobs. To tackle India's development challenges, a tripartite compact is needed among the Centre, the states and the private sector, the survey said.

"Public investment has sustained capital formation in the last several years, even as the private

FDI from China can help India up value addition >P2
Food should be removed from inflation targeting >P2
Retail mkt trade surge: A call for greater oversight? >P4
AI's impact on workers can be barrier to economic growth >P6

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Qatar fund chases personal assets of Byju Raveendran

Ranjani Raghavan & Varun Sood

MUMBAI/NEW DELHI

The wealth fund of Qatar has moved an Indian court to compel Byju Raveendran to disclose his personal assets, in a fresh headache for the edtech founder who was separated from his sinking startup just a week ago.

Qatar Investment Authority (QIA), one of the largest external investors in India, also asked the Karnataka High Court to prevent Raveendran from selling, pledging or transferring his assets. In a court filing seen by *Mint*, the investor sought to claim Raveendran's personal assets up to \$235.19 million.

Apart from investing in the company in 2019 and 2022, QIA had also lent around \$250 million to Raveendran in March 2022, which the math tutor turned entrepreneur ploughed back into Byju's in its last funding round at a peak valuation of \$2.2 billion.

In its petition, QIA asked the court to "pass an order of injunction restraining Respondent No.1 (Byju Raveendran) including his servants, agents, and assigns from,



Byju Raveendran, founder, Byju's. BLOOMBERG

in any manner dealing/parting with, selling, charging, pledging, transferring, disposing of, alienating, or encumbering, or in any manner creating any right, title or interest in any of their assets...".

The Qatar fund's action, the latest in a series of measures by investors and debtors against Byju's, is also a rare instance of an investor demanding details of a founder's personal assets. Raveendran's assets are not fully known; however, in his personal capacity, he owns a minority stake in Aakash Education Services, the test prep unit seen as the Byju's group's crown jewel.

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BUDGET SPECIAL

INDIA RISING
BUDGET 2024

For live coverage of today's Union budget, log on to our website www.livemint.com. Also, watch out for a special *Mint* edition tomorrow, where we dissect key budget announcements with insights on what the proposals mean for your taxes, investments, and consumption. The edition will also feature voices and analyses from the industry and sectoral experts.

DON'T MISS

RBI deputy governor flags risks after global Microsoft outage

Reserve Bank of India deputy governor M. Rajeshwar Rao on Monday flagged the risks around cybersecurity and growing dependency of financial services companies on outsourcing arrangements, days after a global Microsoft Windows outage. >P11

Mamaearth distributors say firm burdening them with inventory

Distributors of Honasa Consumer Ltd (Mamaearth) have raised concerns over excessive inventory that the personal care company has dispatched to the market and delays in replacing damaged, unsold and expired stock. >P12

Lightbox plans \$100-mn fund for mature startups

Venture capital firm Lightbox is evaluating a continuation fund with a size of at least \$100 million as it looks to back some of its mature portfolio companies such as Rebel Foods, Zeno Health, Furlenco and PayMate, a top executive at the firm told *Mint*. >P9

Budget day: Tax hopes run high

By Shuja Asrar

shuja.asrar@livemint.com

Ahead of the Union Budget to be unveiled today, *Mint* conducted an online survey of its users to gauge their mood and expectations from the annual exercise this year. The respondents expressed strong views on income tax slabs, welfare measures, and sops for big businesses. Here's what we found.

Large majority of respondents favours tax relaxations

Responses (in %) to the following questions

■ Yes ■ No ■ Can't say/Maybe

Should the government provide any relaxations in the income tax slabs this year?



Should the Budget increase the exemption limit of ₹1.5 lakh under Section 80C of the Income Tax Act?



Opinion divided on the question of populist budget, tougher policies

■ Yes ■ No ■ Can't say/Maybe

Is it fine for a Budget to be a populist one in the current circumstances?



Do you expect the Budget to make any tough policy decisions now that the elections are over?



Number of respondents: 701. The survey was conducted online on *Mint*'s website over six days last week.

Source: Budget Expectations Survey 2024, *Mint*

SATISH KUMAR/MINT

FII's share purchases at four-month high in July

Ram Sahgal

Ahead of the Union budget, share purchases by foreign institutional investors (FIIs) hit a four-month high in July. With seven trading sessions remaining, net purchases could rise to a seven-month high since December's inflow of ₹66,135 crore, the highest in any month recorded by NSDL.

Net FII inflow stood at ₹32,596 crore through Friday, while Monday's figure was still awaited. Coupled with their bullish derivatives positions, FIIs are headed into the event with strong bullish sentiment, said analysts.

Along with the cash purchases, NSE data shows that FIIs were net long index futures (Nifty and Bank Nifty) with 358,020 contracts.

STORY ON P8

Stage set for airport privatization 3.0

Anu Sharma
anu.sharma@livemint.com
NEW DELHI

The Centre has begun planning for the next phase of airport development under public-private partnerships (PPPs), two officials aware of the development said. The development is in line with the required infrastructure push to the world's fastest growing aviation market.

"We have initiated internal discussions and we hope to move on the matter in such a way that we can invite preliminary bids for the airports under the next phase of PPP before the end of the current financial year," one of the officials said on the condition of anonymity.

So far, the civil aviation ministry is looking to continue its



Economic Survey has underscored the need to add airports, and to expand or upgrade existing ones over the next five years. MINT

earlier strategy of clubbing a major airport with a minor airport, which was also part of the draft plan strategized under the previous government of the national democratic alliance (NDA).

However, the airports to be considered in the new phase will be relooked at. "We will be

reassessing the airports that will be part of this round. We have not taken a decision as yet on that," the second official cited above said, also requesting to not be named.

The new government's renewed focus on airport development is also visible in the Economic Survey 2024-

2025, which was tabled on Monday in the Parliament.

"The number of airports in India has more than doubled since 2014," the survey noted. "However, there is need to augment this capacity by adding more airports as well as expansion/upgradation of existing airports in the next five years."

Further, the survey noted that the Indian market still has untapped potential despite impressive growth in the past decade. "At around 0.13 air trips per capita, the current passenger air traffic is a fraction of India's potential," the survey noted.

"A PPP push is essential for airport development in India as it helps address funding gaps, brings in private sector efficiency and expertise, and

TURN TO PAGE 12

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Remove food from inflation targeting: Economic Survey

Shayan Ghosh
shayan.g@livemint.com
MUMBAI



Food is currently assigned a 46% weightage in the headline CPI basket.

India's inflation targeting framework should consider excluding food inflation, the 2023-24 economic survey said on Monday, suggesting that the difficulties faced by the poor because of high food prices can be eased through direct benefit transfers or coupons.

As part of its inflation-targeting mechanism, the government had in March 2021 retained RBI's flexible inflation target in the 2-6% band for the five years through March 2026. Under the framework that was first introduced in 2016, RBI targets headline inflation as measured by the consumer price index (CPI).

"Higher food prices are, more often, not demand-induced but supply-induced," the survey said. "Short-run monetary policy tools are meant to counteract price pressures arising out of excess aggregate demand growth."

Food inflation has remained a concern for the RBI and governor Shaktikanta Das said on 7 June that the monetary policy committee "remains vigilant to any upside risks to inflation, particularly from food inflation, which could possibly derail the path of disinflation."

Das said that CPI headline inflation softened further during March-April, though persistent food inflation pressures offset the gains of disinflation in core and deflation in the fuel groups. The concern is borne out by data. In June, headline inflation was at 5.1%, but food inflation was at 9.4%. However,

Survey says issues faced by the poor due to high food prices can be eased via direct benefit transfers or coupons

core inflation – headline inflation stripped off food and fuel – stood at 3.1% in the same period.

According to the survey, food makes up a very high portion of the consumer price index in developing countries and when central banks in developing countries target headline inflation, they effectively target food prices.

Food is currently assigned a 46% weightage in the headline CPI basket. "So, when food prices rise, inflation targets come under threat.

Therefore, the central bank appeals to the government to bring down the increase in the prices of food products," the survey said.

Experts do not see the RBI getting on board with the suggestion to exclude food inflation from the framework. "...The central bank is unlikely to see merit in this. Sustained rise in food inflation tends to influence inflationary expectations, which has kept policymakers cautious for (a) good part of this year and FY24," said Radhika Rao, executive director and senior economist, DBS Bank

'China FDI can boost India's exports, value addition'

Choosing FDI to benefit from China-plus-one looks more advantageous than relying on trade

Shouvik Das & Manas Pimpalkhare
NEW DELHI

At a time of intense scrutiny of Chinese investments in India, the latest Economic Survey has proposed to turn the issue on its head, suggesting India consider foreign direct investments from the northern neighbour to boost exports, cashing in on the China-plus-one strategy playing out globally.

Hosting Chinese component manufacturers in India could increase domestic value addition, particularly in electronics, though the same approach can be extended to other sectors, the survey said.

"It is imperative that India finds the right balance between importing goods from China and importing capital (FDI) from China... Choosing FDI as a strategy to benefit from the China-plus-one approach appears more advantageous than relying on trade. This is because China is India's top import partner, and the trade deficit with China has been growing. As the US and Europe shift their immediate sourcing away from China, it is more effective to have Chinese companies invest in India and then export the products to these markets rather than importing from China, adding minimal value, and then re-exporting them," the survey stated.

The survey also offered examples of Brazil and Turkey, which are emerging markets and developing economies trying the same solution. However, for India, such a move presents complexities, given the kind of geopolitical relations that the two nations share—which the survey called the Chinese conundrum.

Addressing this conundrum assumes importance today, given the balance of supply chains. Globally, China dominates critical supply chains in many



The survey comes amid intense scrutiny of Chinese investments in India. BLOOMBERG

fields. For instance, over three-fourths of the world's lithium, a key ingredient in batteries, is processed by China.

Much like the rest of the world, India's dependence on China has increased. Commerce ministry data shows India's imports from China rose 6.5% to ₹8.42 trillion in FY24, up from ₹7.9 trillion in FY23.

security interests" will be key to reducing imports from China, and building domestic value addition in industrial supply chain via China-driven FDI.

"This idea can only be successful if India is confident enough to attract Chinese companies who will want to invest and provide jobs. Fixing the domestic business climate will go hand-in-hand

INDIA'S DEPENDENCE ON CHINA

MUCH like the rest of the world, India's dependence on China has increased

GOVT data shows India's imports from China rose 6.5% to ₹8.42 tn in FY24, from ₹7.9 tn in FY23

EXPERTS, however, highlighted that a blanket investment strategy may not be the magic solution

THEY say conducive domestic business without diluting national security can reduce imports

Industry consultants and experts, however, highlighted that a blanket investment strategy may not be the magic solution.

Sankalp Gurjar, assistant professor of geopolitics at Pune's Gokhale Institute of Politics and Economics, said that promoting "conductive domestic business conditions without diluting national

with foreign and strategic policy concerns," Gurjar said.

Pankaj Mohindroo, chairman of electronics industry body India Cellular and Electronics Association (ICEA), added that a simplified FDI approach may not work, given the complex relations between the two countries.

"China has built itself based on trade

relations with multiple geographies, and not just through investments. For India, the right way forward in order to improve domestic value addition in the electronics supply chain would be to enable automatic FDI from China-based ventures up to 49%, which is a suggestion that has been floated to the Centre by the industry already," he said.

The move comes at a time when the Centre is said to be considering how Chinese investments in Indian companies are playing out. On Friday, a senior government official told *Mint* that the Union IT ministry is trying to understand how to handle investments from enterprises based in China.

Biswajit Dhar, vice-president and distinguished professor at Council for Social Development, said that such a move could be of massive significance for Chinese entities, given the sheer size and volume of India's overall market.

Dhar added that the proposal is a clear move to acknowledge that India's supply chain cannot be developed in a silo. "There are nearly no businesses that can survive independently from China and its impact. A siloed environment is not the way in which economies can be built, and deglobalization and decoupling of economies is largely counterproductive. Such a step is imperative, if the value in India's manufacturing ecosystem is to be increased," he said.

The proposal comes against the backdrop of Press Note 3—which restricted FDIs from nations that share India's land borders, which includes China, based solely on case-wise government approval.

The approach outlined in Monday's Economic Survey takes a considerably different stance, where sectors including electronics manufacturing may now be able to field direct investments from China's component supply chain companies.

showik.das@livemint.com



Youth unemployment dropped from 17.8% in 2017-18 to 10% in 2022-23.

'7.85 million non-farm jobs needed annually till 2030'

Devina Sengupta & Alka Jain

MUMBAI/NEW DELHI

The first Economic Survey tabled by the Modi government 3.0 in Parliament on Monday revealed that the Indian economy needs to add 7.85 million employment opportunities annually in the non-farm sector until 2030.

The survey suggested that the youth unemployment rate has decreased from 17.8% in 2017-18 to 10% in 2022-23, accompanied by a rise in youth participation in the labour force. However, only 4.4% of the young workforce is skilled.

"The unemployment rate has decreased through the years, accompanied by increased participation among youth and females. It is good to see that rural India has played a significant role in boosting female participation, contributing to a notable increase in women transitioning to self-employment," said Rumki Majumdar, economist, Deloitte India.

The decline in the annual youth unemployment rate accompanied by greater youth participation in the labour force indicates better utilization of this dynamic resource, the survey read. Employment recovery is noticeable in both urban and rural areas, even under the stringent current weekly status (CWS) criteria.

"Indian labour market indicators have improved in the last six years, as per the Periodic Labour Force Survey data, with the unemployment rate declining to 3.2% in 2022-23. Rising youth and female participation in the workforce presents an opportunity to tap the demographic and gender dividend," the survey highlighted.

Quarterly PLFS reports offer a more current view of urban employment. As of March 2024, the urban unemployment rate for people aged 15 and above had dropped to 6.7%, down from 6.8% in the same quarter the previous year. This is also evident in the increasing Worker Population Ratio (WPR) and Labour Force Participation Rate (LFPR). India's workforce was estimated at nearly 565 million in 2022-23.

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'Over half of all Indian graduates are unemployable'

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The government aims to shrink unemployment numbers, increase apprenticeship, and create jobs.

About one in two graduates straight out of Indian colleges is not employable, the economic survey for 2023-24 has found.

This startling data comes at a time when the government is aiming to shrink unemployment numbers, increase apprenticeship programmes and create jobs in services and manufacturing.

"Estimates show that about 51.25% of the youth is deemed employable. In other words, about one in two are not yet readily employable, straight out of college.

However, it must be noted that the percentage has improved from around 34% to 51.3% in the last decade," survey the survey.

It said the economy needs to generate an average of

by 2029-30," the survey said, while flagging concerns over effective social security measures for them.

"While the gig economy may open up employment opportunities for various sections of workers, including youth, persons with disabilities, and women, a significant issue in the Indian context and globally has been the creation of effective social security initiatives for gig and platform workers," the survey noted.

"The Code on Social Security (2020) marks a significant advancement by expanding the scope of social security benefits to encompass gig and platform workers."

The survey also pointed to challenges faced by appren-

ticeship programmes as a reason for India's gap in skillsets.

"There exist significant challenges in the Indian apprenticeship ecosystem, such as lack of coordination between education institutions and industry, inadequate infrastructure, gaps in the regulatory framework," the survey said.

"Besides, the negative perception of vocational training as being inferior to academic education is one of the biggest challenges."

"The apprenticeship framework thus needs to be re-calibrated to provide flexibility and negotiability in work hours, compensation, and disengagement," it added.

Survey says gig workers can form 6.7% of non-agri workforce, or 4.1% of total livelihood by 2029-30

nearly 7.85 million jobs annually until 2030 to cater to the rising demand for workforce, especially because of the production-linked incentive schemes that are meant to boost domestic manufacturing.

The survey also highlighted

the role gig workers can play in improving employment as their numbers are expected to grow to 23.5 million by 2029-30.

"Gig workers are expected to form 6.7% of the non-agricultural workforce, or 4.1% of the total livelihood in India,

'Farmers should move to high-value agriculture to increase income'

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NEW DELHI

Smallholder farmers cannot increase their income by producing rice, wheat, millets, pulses and oilseeds along—they should move to high-value agriculture like fruit and vegetables, fisheries, poultry and dairy farming, said the Economic Survey released on Monday.

The survey also said the growing significance of allied sectors such as animal husbandry, dairying and fisheries suggests that more emphasis should be placed on tapping

into the potential of these areas to boost farmers' incomes.

The agriculture sector, which has grown at an average rate of 4.18% over the last five years, remains critical for economic growth.

The survey emphasized the need to increase investment in technology, improve production methods, develop marketing infrastructure and reduce post-harvest losses to foster growth in this vital sector.

Highlighting China's success, where farmers' income doubled in just six years between 1978 and 1984, the



The agriculture sector, which has grown at an average of 4.18% in the last five years, remains critical for economic growth.

survey suggested increasing farmers' income through crop diversification.

It emphasized the need to enhance investment in technology, improve production

methods, develop marketing infrastructure, and reduce post-harvest losses.

In 2022-23, India's food grain production hit an all-time high of 329.7 million tonnes, and oilseed production reached 41.4 million tonnes.

In 2023-24, food grain production was slightly lower at 328.8 million tonnes, primarily because of poor and delayed monsoon. Production of other crops, such as nutri cereals and oilseeds, increased marginally.

The survey suggested that promoting Farmer Producer Organizations, e-National Agriculture Market (e-NAM)

and allowing cooperatives to participate in agri-marketing could lead to better price discovery.

E-NAM refers to a pan-India electronic trading portal that networks the existing Agricultural Produce and Livestock Market Committees (APMCs) to create a unified national market for agricultural commodities.

As per commerce ministry data, export of agricultural and processed food products contracted by 3% in the current fiscal year, decreasing from \$6 billion in April-June 2023 to \$5.8 billion in April-June 2024.

The decrease in agri-exports draws significance given that the sector witnessed marginal decline when most of the commodities such as non-Basmati white rice, wheat, broken rice, sugar and onion, were banned for more than a year. Onion export was partially relaxed on 25 April.

The Economic Survey is an annual report or comprehensive review of the Indian economy during the fiscal year ended. It is prepared by the economics division of the finance ministry's department of economic affairs under the guidance of the India's chief economic advisor (CEA).

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Surge in retail market trade: A call for greater oversight?

Retail activity through direct trading, indirect trading via MFs has jumped in last few years

Dipti Sharma & Ankit Gohel
MUMBAI/NEW DELHI

While India's financial sector shows promising growth, the Economic Survey 2023-24, released on Monday, cautioned that certain areas need focused attention. Amidst the ongoing regulatory oversight, the survey highlighted that the significant increase in retail investors in the stock market calls for careful consideration. "This is crucial because the possibility of overconfidence leading to speculation and the expectation of even greater returns, which might not align with the real market conditions, is a serious concern," the survey said.

As per a Securities and Exchange Board of India (Sebi) study, more than 90% of retail traders venturing into the futures and options (F&O) markets are making losses, which is worrisome, said market expert Ajay Bagga.

He noted that retail participation in the stock markets through well-regulated, well-managed and diversified mutual funds is a positive development. By December 2023, Indian households owned more of the Indian markets than foreign portfolio investors (FPIs), a significant achievement. With increasing household savings going into investments and speculation, regulators need to determine when to intervene and what measures to take, he added.

So, what is likely driving active retail participation is derivatives trading. "Derivatives trading holds the potential for outsized gains. Thus, it caters to humans' gambling instincts and can augment income if profitable," the survey said.

The capital markets have seen a surge in retail activity through direct



The Economic Survey highlighted that the significant increase in retail investors in the stock market calls for careful consideration. REUTERS

trading and indirect trading via mutual funds over the last few years. In FY24, individual investors accounted for almost 36% of the equity cash segment turnover. The number of demat accounts with both depositories increased from 114.5 million in FY23 to

returns from derivatives trading. The survey said, "A significant stock correction could see losses that are more considerable for retail investors participating in capital markets through derivatives."

Bagga said classifying F&O income

hit sentiment, he explained.

While there is talk about an increase in lot sizes, limiting expiry days and increased margin requirements to create a retail-restrictive environment in the derivatives segment, there may be more to this, warned Nirav Karkera, head of research at Fisdom.

"It wouldn't be much of a surprise if this subject features in the Budget speech and even attracts some retail-restrictive policy," he remarked. Considering how the idea is not to do away with the segment but simply protect retail investor interest, the likelihood of straightforward penalization through elevated taxation seems to be pretty much off the table, he explained. Kranthi Bathini, director of equity strategy at WealthMills Securities, noted that the Sebi panel's pending decision on various topics, including whether to increase the minimum lot size, is a key factor to watch.

Deepak Jasani, head of retail research at HDFC Securities, suggests that the capital markets regulator might introduce curbs on F&O trades gradually. Instead of implementing all seven-odd curbs that were discussed at the panel meeting at once, they could probably introduce two at a time, monitor market reactions, and, if the markets react very negatively, potentially roll back one or two.

What finance minister Nirmala Sitharaman might consider is raising the securities transaction tax on specific trades, such as options generally or on high-frequency trades, while reducing it for cash trades in the budget, said Jasani.

Apart from the surge in retail participation, the survey highlights privacy concerns, cybersecurity risks and the growing digital divide as issues needing attention.

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Borrowings largely being directed to capital outlay

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The Union budget is witnessing a significant shift, with tax buoyancy contributing to a sharp reduction in the revenue deficit, while a major part of borrowings is directed towards capital expenditure (capex), according to the Economic Survey 2023-24 released on Monday.

The survey, an independent assessment by the chief economic adviser and his team in the finance ministry, noted that a larger share of the fiscal deficit being allocated for capital outlay indicates an improvement in the productivity of borrowed resources.

The survey highlighted that the Centre's revenue deficit—the gap between revenue spending and tax and non-tax revenue receipts—has declined from 7.3% in FY21 to a provisional estimate of 2.6% in FY24. The fiscal deficit, or the gap between total spending and receipts met through borrowing, has decreased from 9.2% in FY21 to 5.6% in FY24.

The revenue deficit, which accounted for 70% of the fiscal deficit in FY19, has reduced to 46.3% in the just-concluded financial year. Conversely, the share of capital outlay in the fiscal deficit has increased from 43% in FY19 to 47.6% in FY24.

"This suggests that the productivity of borrowed resources has improved," the survey said.

The survey also pointed out that tax revenue collection is growing faster than the economic growth rate, resulting



The favourable fiscal performance in 2023 has emerged as the cornerstone of India's macroeconomic stability. BLOOMBERG

in a revenue buoyancy of 1.4%, which has helped reduce the revenue deficit. In the just-concluded financial year, direct tax receipts increased by 15.8% and indirect taxes by 10.6% compared to the previous year.

"The increased contribution of direct taxes to gross tax revenue over the years aligns with the government's effort to enhance progressivity in taxation," the survey noted.

Direct taxes are considered progressive as they rely on the taxpayer's ability to pay, while indirect taxes are

seen as regressive since they can affect both the rich and the poor equally. An increased share of direct taxes in gross tax revenue helps make the overall tax collection more progressive.

India has also aimed to keep indirect taxes progressive by creating different slabs, with mass-use items falling in the lower tax slabs or being exempted, while luxury items are placed in the highest slabs.

The Economic Survey also

noted the improvement in the efficiency of direct tax collection. "The efficiency of tax collection has increased over time, reflected in the cost of collection of direct taxes declining from 0.66% of gross collections in FY20 to 0.51% in FY23," it said.

Despite the global trend of widening fiscal deficits and increasing debt burdens, India has remained committed to fiscal consolidation, the survey observed.

The favourable fiscal performance in 2023 has emerged as the cornerstone of India's macroeconomic stability. The fiscal deficit of the Union government has been reduced from 6.4% of gross domestic product (GDP) in FY23 to 5.6% of GDP in FY24. State governments have also continued to improve their finances in FY24, it added.

According to the survey, the combined debt of the Centre and states, which increased slightly in FY24 due to a spike in interest rates, is likely to resume its declining trend in light of increased prospects of monetary policy easing and the government's continued commitment to fiscal consolidation.

Subsidy spending drops sharply India's trade to improve amid easing global challenges

Puja Das & Dharendra Kumar
NEW DELHI

India's expenditure on major subsidies declined 22.1% in 2023-24 due to the significant reductions in welfare spending on fertilizers and food, the Economic Survey said, prescribing better targeting of discounted nutrients to farmers.

While the Union government's spending on fertilizer subsidies fell 24.6% in FY24, the expenditure on food subsidies declined 22.4%, as per the Economic Survey tabled in Parliament on Monday.

Additional food subsidies instituted to protect vulnerable sections of the population also have been gradually decreasing, it said.

The Economic Survey added that farmers should move to high-value produce such as fruits and vegetables, fisheries, poultry and dairy rather than depend on traditional stock such as rice, wheat, millets and pulses.

It said the government should use the 'AgriStack' dig-



The expenditure on fertilizer subsidies fell 24.6% in FY24. MINT

ital system to ensure that a fixed quantity of subsidized nutrients is sold to farmers identified based on parameters such as land ownership and the cropping pattern of a particular district.

"AgriStack is now fairly well deployed in the major states and can provide the right tool through which the fertiliser subsidy may be better targeted. This will ensure that subsidised fertilisers are sold to only those identified as farmers or authorised by the farmer," it said.

The Economic Survey also pitched for direct transfer of fertilizer subsidies to farmers through e-RUPI, a digital payment mechanism.

Spending on fertilizer subsidies fell as global prices dropped to levels seen before the Russia-Ukraine conflict, according to the Economic Survey.

Prices of fertilizers had risen steeply in FY23 due to the war, prompting a higher outlay for subsidy.

In the interim budget for 2024-25 presented in February, the government allocated ₹1.64 trillion as fertilizer subsidy, as against revised estimates of ₹1.89 trillion for the preceding financial year. India subsidizes water, electricity and fertilizers for farmers.

The survey also suggested revising subsidy policies to support all major nutrients (nitrogen, phosphorus and potassium) by incentivizing farmers to use a more balanced approach.

Read an extended version of this story at livemint.com. puja.das@livemint.com

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Amid geopolitical headwinds and sticky inflation, India's exports remained strong in the financial year 2023-24, the Economic Survey asserted, adding that trading in goods is expected to improve this year and the next.

Though merchandise exports moderated owing to lower demand from major trading partners, India performed well in the export of services, lowering the overall trade deficit from \$121.6 billion in 2022-23 to \$78.1 billion in 2023-24, as per the Economic Survey presented on Monday.

Despite persistent global challenges, India's overall exports in 2023-24 grew 0.23% while overall imports declined 4.9% despite robust domestic demand. "The adverse trade environment in 2023 is expected to ease somewhat this



India has set a target of \$800 billion in exports for FY25. MINT

year and next, boosting goods trade in 2024 and 2025," the Economic Survey said.

Factors such as lower prices of imported commodities, including crude oil, helped narrow India's trade deficit in 2023-24, while a moderation in merchandise imports and rising services exports improved India's current account deficit, the survey said.

Among services exports, software, or IT services, boosted overall exports, while

business services exports also have been rising as India emerges as a hub for global capability centres, the survey said.

As per the commerce ministry's latest trade data, India's merchandise trade deficit, which widened to a seven-month high in May, narrowed slightly in June owing to fewer imports.

The merchandise trade deficit stood at \$20.98 billion in June against \$23.78 billion in May, beating analysts' expectations in a Reuters poll that had predicted a deficit of \$21.5 billion.

India has set a target of \$800 billion in exports, encompassing both goods and services, for fiscal year 2024-25.

Since the covid-19 pandemic, the global economy has been hurt by several factors such as the Russia-Ukraine and Israel-Palestine conflicts and the Red Sea crisis, leading to supply dislocations in several commodities and a considerable rise in inflation.



The number of people living in poverty more than halved from FY14 to FY23, the survey said, citing a report by the Niti Aayog. MINT

Health reforms set to reduce poverty, boost productivity

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The share of Indians living in multidimensional poverty has significantly declined from 29.2% in FY14 to 11.3% in FY23, according to the government's economic survey for 2023-24 released on Monday.

The number of people living in poverty more than halved, with notable improvements in Bihar, Madhya Pradesh, Uttar Pradesh, Odisha and Rajasthan, it said citing a report by the Niti Aayog. In total, 248.2

extensive coverage provided by Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PM-JAY) is expected to reduce healthcare costs, influencing credit behaviour such as loan delinquency.

Citing a 2022 study published by the Indian School of Business, the economic survey said: "Comparing the border regions of states that did not implement the programme with contiguous areas in states implementing the programme...hypothesises that PM-JAY's extensive coverage would lead to decreased financial strain

due to healthcare costs, influencing credit behaviour like loan delinquency rates."

Besides, implementation of the PM-JAY has been found to correlate with a significant reduction in non-performing assets (NPAs) in microfinance loans.

Launched in 2018, the AB PM-JAY provides health cover of ₹5 lakh per family per year to over 107 million poor and vulnerable families in India for secondary and tertiary hospitalization. Till 8 July 2024, around 347 million Ayushman Bharat cards had been generated, and 73 million hospital admissions were covered by the scheme. Nearly half of the beneficiaries were female.

Banks well-positioned to finance investment demand

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MUMBAI

India's banking and financial sector is now in a position to finance the growing investment demand on the back of cleaner balance sheets and strong capital buffers, the Economic Survey 2024 said.

According to the survey, loans to small businesses and the services sector have continued to grow in double digits, and housing loans have surged as a result of rising demand. However, credit off-take by large industries has grown at a slower but stable pace.

"These larger industries seem to be tapping the corporate bond market," the survey said. It added that corporate bond issuances were up by 70.5% in FY24, with private

placement remaining the preferred channel for corporates. Historically, corporate loans have far outstripped aggregate retail loans from banks, especially because of their larger ticket sizes.

That changed about four years ago, when retail loans surpassed credit to corporates for the first time in November 2020.

Loans to industries stood at ₹37 trillion at the end of May 2024, up 9.4% from the same period last year.

Loans to large industries grew 7.1% year-on-year to ₹26.5 trillion. In comparison, retail loans grew 28.7% year-on-year to ₹54.6 trillion as of the end of May.

The survey also expressed hope that improved balance sheets would help the private sector cater to strong investment demand. However, it



Loans to small businesses and the services sector have continued to grow in double digits, according to the survey. MINT

cautioned that after good growth in the past three years, private capital formation may turn slightly cautious because of fears of cheaper imports from countries that have excess capacity.

Experts have reiterated that the current investment cycle is being led by government capi-

tal expenditure (capex), with private capex yet to take off. In the interim budget announced in February, the government earmarked ₹11.1 trillion for capex, or 11.1% higher than the 2023 outlay. The full budget on Tuesday is expected to boost this.

Private capex has been lack-

lustre of late. Mint reported on 1 July that the value of new project announcements plunged to a multi-year low in the June quarter, with economists largely attributing it to the seven-phase general election.

Companies announced new projects worth ₹59,931 crore across the country during the quarter, the lowest in over a decade and down 92% year-on-year, showed provisional data from the project-tracking database of the Centre for Monitoring Indian Economy.

The Economic Survey also highlighted the role of the Reserve Bank of India (RBI) in keeping a keen eye on the banking and financial system. "The RBI remains proactive in

undertaking regulatory action. In a measure to regulate the exuberant growth in the unsecured lending category and preserve financial stability, the RBI tightened norms around this portfolio," it said.

Historically, corporate loans have far outstripped aggregate retail loans from banks

In November 2023, the RBI raised the risk weights assigned to unsecured consumer credit such as personal loans and credit card dues. Risk weights determine how much capital will be consumed for

that specific loan and are based on the risk perception of various loan categories.

The higher the perceived risk, the higher the risk weight.

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Tech, engg jobs to be driven by GCCs

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NEW DELHI

A ramp-up in the number of global capability centres (GCCs) is serving India well, creating jobs at a time when IT services companies, India's largest mass recruiter of fresher tech talent, are witnessing a slowdown, the 2024 Economic Survey said. This will be key to driving higher contribution of GCCs to the Indian economy, with the Centre set to offer further support in the form of partnerships with foreign ventures, simplifying business, and "emphasizing data security", said the survey released on Monday. GCCs are offshore units set up by multinational companies to take on a range of key technology-driven tasks. Citing data from consultancy firm PricewaterhouseCoopers (PwC), the survey stated that by 2028, India may have 2,100 companies operating GCCs—up 31% from 2023. This could double the revenue earned by GCCs in India to \$90 billion by 2028. The number of people employed by GCCs is also expected to more than double to 3.4 million in 2028 from around 1.6 million in 2023. "As more global players eye India to set up their GCC operations, the government has a crucial role in facilitating their entry. Government support for identifying new business models for partnerships, simplifying the entry process, and emphasizing trust and data security, among others, will further encourage the location of GCCs in India," the survey said. For an extended version of this story, go to [livemint.com](#).

AI's impact on workers can be a barrier to economic growth

The Economic Survey places the onus of creation of employment on the private sector

Gulveen Aulakh & Aman Gupta
NEW DELHI

The Economic Survey on Monday highlighted the adverse impact that artificial intelligence can cast on India's working class which in turn can add to the barriers to sustained growth for the Indian economy. The survey, presented by finance minister Nirmala Sitharaman in the Lok Sabha, puts the spotlight on the private sector to come up with ways to augment labour with the help of AI rather than displace jobs. "The advent of Artificial Intelligence casts a huge pall of uncertainty as to its impact on workers across all skill levels—low, semi and high," the survey said, noting it as one of the potential shocks that can further structurally impair employment generation and create barriers and hurdles to sustained high growth rates for India in the coming years and decades. The other shocks can be climate change and global warming, the survey said, while also noting the larger shocks that came from high corporate indebtedness and the covid pandemic which had throttled job creation. The Economic Survey also noted that, with artificial intelligence impacting several areas of economic activity, the labour market will need to adapt and steer technological choices towards collective welfare. "Overcoming these requires a grand alliance of union and state governments and the private sector," the survey highlighted. "The corporate sector has a responsibility, as much to itself as it is to society, to think harder about ways AI will augment labour rather than displace workers," it added. In his comments at the press conference, chief economic adviser V. Anantha



Chief economic adviser V. Anantha Nageswaran said India needed to create about 8 million jobs every year.

Nageswaran said that India needed to create about 8 million jobs every year and in that context corporate India had to make sure that the deployment of technology does not hurt the labour share of income and the capital share of income. This, he said, was a medium-term challenge.

deployment of technology and deployment of labour because without labour income and without labour employment, that is no demand growth, which means it comes back to hurt the country's top line and bottom line as well," he said. The CEA called out the IT sector say-

Monetary Fund published in June 2024 that talk of profound concerns stemming from Generative Artificial Intelligence or GenAI's impact on massive labour disruptions and inequality, the survey said that it would be in the 'self interest' of corporate India to seriously create jobs even as they invest in AI across sectors.

FROM THE SURVEY

THE labour market needs to adapt and steer technological choices towards collective welfare

CORPORATE India must ensure that technology does not hurt the labour share of income, says CEA

HE battled for the sector to strike the right balance between technology and labour

IT would be in the interest of corporate India to create jobs even as they invest in AI, the survey said

"India may have a slight short term negative impact followed by a medium term positive impact, therefore it is necessary for the Indian corporate sector both information technology and all IT sector to find the right balance between

ing that many of the major IT companies in the world were pushing back their net zero commitments because of the AI, and data centre deployments. Pointing to findings from the Staff Discussion Note of the International

"... employment is about dignity, self-worth, self-esteem, self-respect, and standing in the family and community, not just about the income it brings. That is why it is in the enlightened self-interest of the Indian corporate sector, swimming in excess profits, to take its responsibility to create jobs seriously. Of course, it must find people with the right attitude and skills," it added. [gulveen.aulakh@livemint.com](#) For an extended version of this story, go to [livemint.com](#).

India's green mobility goals face complex hurdles

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In its commitment to green mobility, underscored by the Economic Survey 2024, the Indian government calls for a multifaceted approach to shift from traditional fossil fuels to electric vehicles (EVs). India has pledged to reduce its greenhouse gas emissions by 33-35% from 2005 levels by 2030, increase non-fossil-fuel-based electricity to 40%, and increase forest cover to absorb more carbon dioxide.

Achieving these targets necessitates a delicate balance between policy alignment, technological advancement, and addressing economic and environmental implications, the survey said.

According to the survey, it is crucial to align India's electric mobility policy "with the optimal energy mix of traditional and renewable sources". Ensuring grid stability, developing affordable storage technologies, and evaluating the role of nuclear energy are pivotal to making electric mobility pervasive. However, these advancements come with significant challenges.

India's dependence on critical-mineral imports, particularly from China, poses a substantial risk to its green mobility ambitions. These minerals are essential for manufacturing EVs and other renewable-energy technologies. The opportunity cost of land and capital, the potential impairment of bank balance sheets owing to stranded assets, and the fiscal



The Economic Survey batted for a multifaceted approach to green mobility. BLOOMBERG

implications of transitioning from fossil fuels to EVs are other critical factors that need thorough examination, it said.

The survey also highlighted the substantial environmental and monetary costs associated with the life-cycle of renewable-energy infrastructure, such as solar panels and wind turbines, which require significant land and periodic replacements and could thus create enormous waste problems.

The transition to EVs is likely to affect various sectors, including the freight revenues of Indian Railways, which rely heavily on transporting coal. The phasing out of coal-fired plants and the shift from internal combustion engine vehicles to EVs will also affect tax revenues from the sale of petrol and diesel, posing additional economic challenges to both the union and state governments, the Economic Survey said.

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

Private sector must step up, says survey

FROM PAGE 1

sector shed its balance sheet blues and began investing in FY22. Now, it has to receive the baton from the public sector and sustain the investment momentum in the economy. The signs are encouraging," the survey said. Former chief statistician Pronab Sen attributed the private sector's subdued job creation potential to automation, stating the government could frame policies to address this. Sen said the growth rate projected in the survey was consistent with the projections by the International Monetary Fund and the World Bank. "In the longer run, the economic growth rate of a country is determined by the investment rate. A growth rate of 6.5-7% is what our investment rate justifies," Sen said. In the last three financial years, gross fixed capital formation or investments in fixed assets have remained at 33.3-33.5% of gross domestic product. The survey identified geopolitical uncertainties, protectionism, climate change-related concerns and any possible corrections in the financial market as factors that may negatively impact India's growth prospects, but noted that market expectations for growth are on the higher side. It also said there has to be heavy lifting on the domestic front. D.K. Srivastava, EY's chief policy adviser, said a medium-to long-term growth of 6.5-7% will require a real investment rate of about 35% to 36% and correspondingly, a real saving rate of 33% to 34% would be required. "This appears to be feasible given the current saving and



Chief economic adviser V. Anantha Nageswaran. PTI

investment rates. However, the growth needs to be sustained at this rate over the next two to three decades, which would be facilitated by suitable policy interventions," said Srivastava. The survey also pointed out that the government continues to stick to the fiscal glide path, and that the fiscal deficit of the central government is expected to drop to 4.5% of GDP or lower by FY26. The Union budget is witnessing a significant shift, with tax buoyancy contributing to a

The world cannot completely look past China, even as it pursues China-plus-one strategy, the survey said

sharply reduction in the revenue deficit, while a major part of borrowings is directed towards capital expenditure, indicating an improvement in the productivity of borrowed resources. Easing compliance burden is another key reform proposed by the survey. The survey also suggested that foreign direct investment (FDI) from China may be looked at in a more favourable light, stating nations like Mexico, Vietnam, Taiwan and Korea, which were direct beneficiaries of America's trade diversion from China, had also displayed a concomitant rise in Chinese FDI. The world cannot completely look past China, even as it pursues China-plus-one strategy, the survey said. "India faces two choices to benefit from China-plus-one strategy: it can integrate into China's supply chain or promote FDI from China. Among these choices, focusing on FDI from China seems more promising for boosting India's exports to the US, similar to how East Asian economies did in the past," it said. [gireesh.p@livemint.com](#) [Rhik Kundu and Gulveen Aulakh contributed to this story.](#)

to dropt to 4.5% of GDP or lower by FY26. The Union budget is witnessing a significant shift, with tax buoyancy contributing to a

Export of carbon credits can make emissions cut dearer

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The sale of carbon credits to overseas entities in voluntary carbon markets (VCM) could make India's emissions reduction more expensive and difficult, the Economic Survey 2023-24 said, adding that India "may not subsidize the transition of other countries".

VCMs comprise trading in carbon credits by entities of their own volition to meet their internal emissions reduction targets. The survey noted that there is uncertainty regarding accounting standards when credits are sold internationally and then redeemed by a foreign entity. It is not clear if such credits can simultaneously be claimed by the country where they were generated for their emission reduction target, it noted. "If this is not, then with India's ambitious NDC and net zero announcement, carbon credits sold to foreign entities will make India's emissions



The survey noted that there is uncertainty over accounting standards. AP

reduction more expensive and difficult," the survey noted. NDC stands for nationally determined contributions, which are commitments made by countries to reduce their greenhouse gas emissions. Articles 6.2 and 6.4 of the Paris Agreement of 2015, which are yet to be implemented, lay out the guidelines for voluntary bilateral trade of carbon credits between countries. They propose adjustment of credits by the nation of origin to avoid double counting. "The principles are clear, there cannot be double count-

ing. Otherwise, it defeats the purpose," said Deeptho Roy, partner at law firm Shardul Amarchand Mangaldas & Co.

What this means is that when an Indian entity sells carbon credits accrued by it to a foreign entity, the benefits of such credits will accrue to the ledger of the foreign country and not India.

So, even as the Indian government incentivizes investments in renewable energy and low-emission technologies through tax breaks and subsidies, the benefits of the carbon credits thus generated could accrue to other nations.

To be sure, the entity selling the credits will benefit from the fee it receives from the buyer.

Trading of credits in the international VCM by Indian entities is taking off, led by the export of international renewable energy certificates (I-REC). About 7.8 million I-RECs were issued in India in 2023 of which 4.5 million were redeemed, according to Evident I-REC registry data published by S&P Global in a recent report. For an extended version of this story, go to [livemint.com](#).

Survey flags mental health challenges

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The Economic Survey 2024 on Monday flagged the rise in mental health issues among Indians and suggested that investments in the area promise greater returns.

"In the Indian context, the estimated return on investment in the implementation of the Mental Health Care Act, 2017, by the government to be 6.5 times," the survey said.

The Economic Survey 2023-24, presented by Union finance minister Nirmala Sitharaman, said individuals aged 25-44 years are the most affected by mental illnesses that affect their quality of life and constrain the realisation of their potential. "At an aggregate economic level, mental health disorders are associated with significant productivity losses due to absenteeism, decreased productivity, disability, increased healthcare costs, etc.," it said. Quoting the National Mental Health Survey (NMHS) 2015-19 data, the Economic Survey said 10.6% of adults suffered from mental health disorders in India, while the treatment gap for such disorders ranged between 70% and 92% for different disorders. Besides, NMHS says the prevalence of mental morbidity was higher in metro regions at 13.5% compared with 6.9% in rural and 4.3% in urban non-metros. The Survey said the second NMHS is in process. "Apart from mental health impacting economic development, there is also evidence of poverty affecting the risk of mental health via stressful living conditions, financial instability and a lack of opportunities for upward mobility, which contribute to heightened psychological distress." For an extended version of this story, go to [livemint.com](#).

'Need balanced path to climate change, diversified energy transition'

Puja Das & Rituraj Baruah
NEW DELHI

Calling for a more balanced approach to climate change, the Economic Survey 2023-24 said there is a need for nearer-term goals for human welfare, rather than just one larger, longer-term target for global climate management. It has also suggested a diversified approach for energy transition with the integration of renewables, alongside exploring nuclear energy and biofuels, wherein thermal power would provide the base-load to support large scale deployment of renewables. Further, it noted that the

present global narrative on climate change—by calling it a climate emergency—shifts focus from critical developmental problems and can cause panic. The statement gains significance given that India has refused to give in to pressure from developed economies to stop fossil fuel usage, while at the same time setting up an ambitious net-zero target aimed at achieving the Paris Agreement commitment of preventing a global temperature increase of 1.5 degree Celsius.

Describing the current global strategies for climate change as flawed and not universally applicable, the survey



The Economic Survey noted that the global narrative on climate change, by calling it a climate emergency, can cause panic. AP

asks all developing countries to look at the climate change problem from a 'local lens'. Mirroring the country's stand in international deliber-

ations, the survey states that a 'one-size-fits-all' approach will not work, and developing countries must be free to choose their pathways since

they are tasked with balancing developmental goals with meaningful climate action. The survey points out that adopting the practices of the West could prove to be disastrous for India where culture, economy, and societal norms are already intertwined with the environment.

Stressing on the need for affordability and accessibility of financial resources for green transition, it said that so far India has relied on its resources and developed economies

should mobilize funds towards developing countries in line with the objectives of the UNFCCC and the Paris Agreement.

"Lack of access to adequate and affordable financial resources remains a significant constraint for developing countries in implementing their climate commitments," it said. "India's current economic survey has highlighted that the 'pace of energy transition' would also need to factor in a better climate-resilient

AN INDIAN VIEW

THE survey points out that adopting the practices of the West could be disastrous for India

IT says the culture, economy and social norms in India are already intertwined with nature

energy system with three 'A's in mind—alternative energy resource planning, affordability, and accessibility," said Manisha Mukherjee, executive director-sustainability & ESG solutions, Nangia Andersen LLP. "Given the economic survey's emphasis on growth and development-aligned climate actions, we can expect incentives that boost domestic manufacturing to be a key pillar of the budget's climate-related announcements," said Vaibhav Chaturvedi, senior fellow, Council on Energy, Environment and Water (CEEW). [puja.das@livemint.com](#) For an extended version of this story, go to [livemint.com](#).



INDIA'S RECIPE FOR GROWTH, IN 12 CHARTS

The broth for growth and change has several ingredients. Here's what six of those look like

BY HOWINDIALIVES.COM



Union finance minister Nirmala Sitharaman at the halwa ceremony, at North Block in New Delhi on 16 July. The ceremony marks the final stage of the Budget preparation process.

NEW JOBS, NEW SKILLS

One of the biggest priorities the Survey identifies is job creation, for both new workforce entrants and those leaving agriculture. It forecasts a need to create 7.8-8.1 million jobs a year, or about 103 million jobs by 2036 (Chart 1a). Additionally, focus has to be on skills that make the youth employable directly. In this context, the Survey notes an across-the-board jump in the share of youth aged 15-24 years who have received formal vocational education. However, this share remains in low single-digits, though youth who have received such training from informal sources comprise an additional 16.6% (Chart 1b).



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Chart 1a: About 8 million new non-agri jobs need to be created

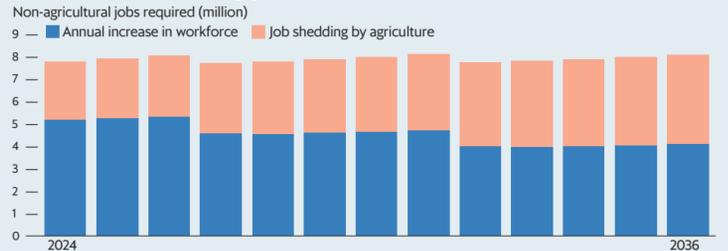
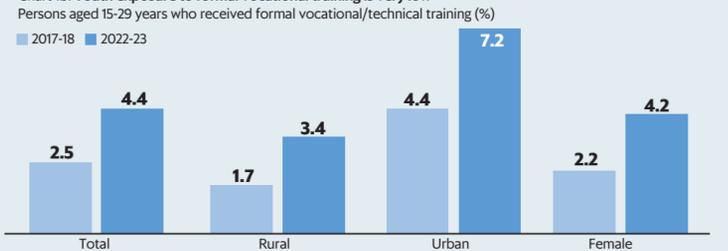


Chart 1b: Youth exposure to formal vocational training is very low



AGRICULTURAL ALTERNATIVES

Increasing productivity in agriculture is critical to improve livelihoods. The Survey emphasizes the need to move to high-value agriculture such as fruits and vegetables, dairy and animal husbandry. Between 2014-15 and 2022-23, the livestock sector grew at a compound rate of 7.4% per annum, boosting production of milk, eggs and fish (Chart 2a). Another thrust area identified by the Survey is food processing, which grew at a compound rate of 5.4% in this period, though with swings. The sector is a major employer and exporter. "It is an important industry because it has strong linkages with the agriculture sector and can employ surplus workforce released from the agriculture sector," says the Survey (Chart 2b).

Chart 2a: Milk, eggs and fish reflect the growth in the livestock sector

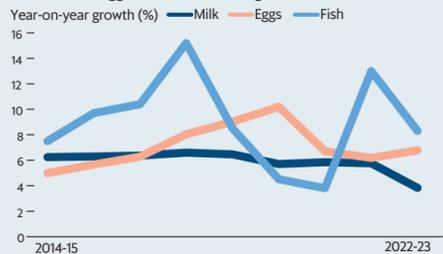
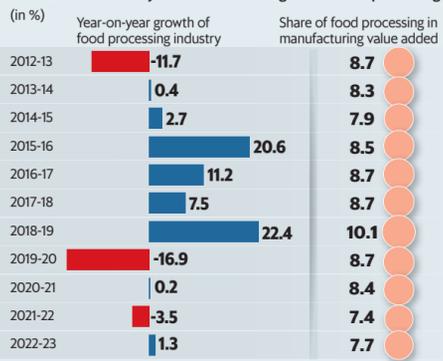


Chart 2b: The last few years have not been great for food processing



SUPPORTING SMES

Small and medium enterprises (SMEs) account for close to three-fourths of non-agricultural employment. Any plan for economic revival and job creation has to focus on ensuring the health of the sector. Schemes such as the Credit Guarantee Fund Trust for SMEs aims to enable greater credit flow to the sector by offering collateral free loans of up to ₹5 crore "with a guaranteed coverage of up to 85%" (Charts 3a, 3b).

However, major shocks over the last decade, such as the transition to the goods and services tax (GST), demonetization and covid-19, have seriously affected the sector. The survey calls for ensuring MSMEs are bankable, a focus on employment-intensive MSME sectors, a collaboration between government, industry and academia to increase skills in the labour force, and providing faster clearances to MSME.

Conditions for collateral-free loans to SMEs have improved

Credit Guarantee Fund Trust for SMEs

Micro enterprises Small enterprises

Chart 3a: Number of guarantees (in million)

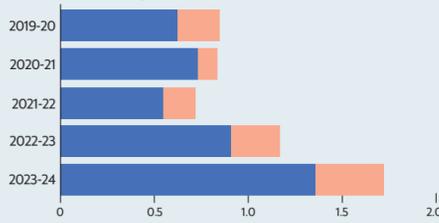
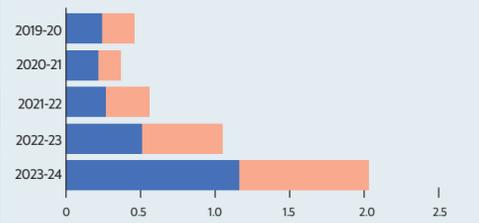


Chart 3b: Guarantee amount approved (₹ trillion)

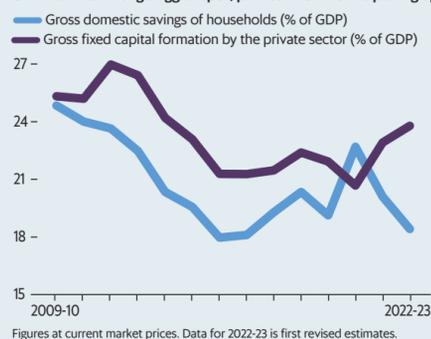


KICKSTARTING PRIVATE INVESTMENT

When the Indian economy was growing in excess of 8% between 2003 and 2012, private investment—setting up of new capacity by Indian companies—was one of the driving forces. It, however, declined from 27% of GDP in 2011-12 to 20.7% in 2020-21. Private corporate investments remain critical for India's growth story, and it has shown signs of revival in the last two years (Chart 4a and 4b).

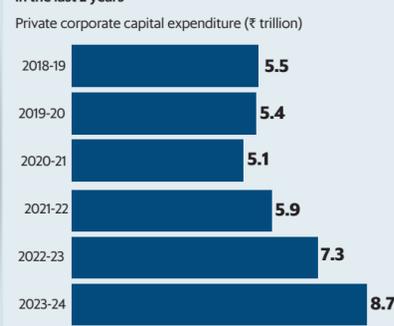
However, household savings—which provide funds for private investments to take place—shrank from 23.6% of GDP in 2011-12 to 18.4% of GDP in 2022-23. Even lately, as private investment has recovered, household savings continues to decline. The question now is will there be enough savings to fuel growth through private investment?

Chart 4a: After a long sluggish spell, private investment is picking up



Figures at current market prices. Data for 2022-23 is first revised estimates.

Chart 4b: Companies have invested in new capacity in the last 2 years



FIRING UP TRADE

Foreign trade will be an important pillar of India's growth story. In China's high-octane growth earlier this century, exports were a critical piece to make it a factory to the world. The world was a much more open place for trade then. As India tries to create its own growth streak, the world is turning relatively insular, the Survey points out.

The share of global imports impacted by protectionist measures put in place across the world increased from 3.7% in 2015 to 9.4% in 2022 (Chart 5a). As it is, India's goods exports declined in 2023-24, as developed countries like the US consumed less. As India looks to crank up its goods exports, with the Survey showcasing successes in toys, defence and smartphones, a silver lining is that during October 2022 and October 2023, countries resorted to fewer interventions (Chart 5b).

Chart 5a: The world is turning more insular in foreign trade



Chart 5b: In the past year, trade interventions have reduced



GREEN TRANSITIONS

India's economic growth is going to coincide with a need and clamour across the world to reduce emissions of greenhouse gases. India's ambitious target of achieving 'net-zero'—where its emissions are counter-balanced by measures that remove those gases—by 2070 would require an investment of \$10.1 trillion in three sectors, namely power, mobility and industrial (Chart 6a).

Traditional sources of financing like banks can meet only around two-thirds of the investment required. The government has to finance \$8 billion every year till 2030 to bridge the funding gap (Chart 6b). A substantial portion of that gap (40%) has to be filled by overseas concessional finance. A study commissioned by India's central bank estimates green financing at 2.5% of GDP till 2030. India has committed to reduce greenhouse gas emissions by 33-35% from 2005 levels by 2030.

Chart 6a: Just 3 sectors need \$10 trillion investment for net-zero by 2070

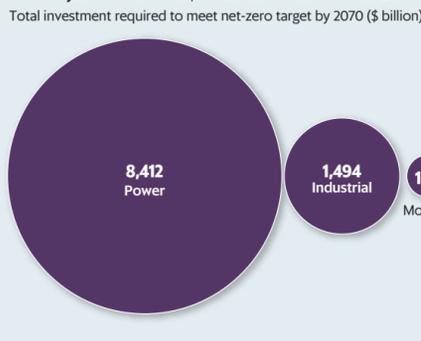
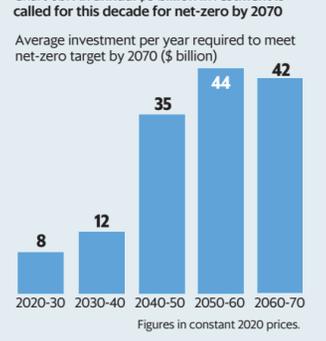


Chart 6b: An annual \$8 billion investment is called for this decade for net-zero by 2070



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								
80,502.08	-0.13	24,509.25	-0.09	22,942.65	0.39	72,265.95	1.28	25,490.40	0.16	46,849.45	1.27	52,916.50	0.83
PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN								
80,604.65	80,408.90	24,530.90	24,445.75	22,853.60	22,761.50	71,353.00	71,092.10	25,450.85	25,357.25	46,260.03	46,066.72	52,481.80	52,130.95
HIGH	LOW	HIGH	LOW	HIGH	LOW								
80,800.92	80,100.65	24,595.20	24,362.30	23,001.05	22,667.75	72,352.00	70,696.30	25,567.90	25,275.10	46,941.59	45,832.28	53,051.54	51,703.06

MINT SHORTS

Hedge funds slash short yen bets by most in over 13 years

Hedge funds pared bets against the yen in spectacular fashion after a suspected double-whammy market intervention from Japanese authorities to bolster the currency. Leveraged funds reduced net short positions on the yen by 38,025 contracts during the week to July 16th—the most since March 2011, Commodity Futures Trading Commission data showed. While they're still bearish to the tune of a net 76,588 contracts, the shift coincides with an improvement in sentiment for the yen, which has last week rebounded to the highest level versus the dollar since early June. Hedge funds pulled back during what was a turbulent trading week, with Japan estimated to have spent ¥5.64 trillion (\$35.8 billion) over two sessions to lift the yen from near its weakest levels since the 1980s. The yen's recent advance also reflects support from firming wagers of a Federal Reserve interest rate cut in September.

BLOOMBERG



The disappointing data comes less than two weeks after Taiwan's total goods exports rose 23.5% in June. BLOOMBERG

Taiwan's June export orders rise 3.1%, missing estimate

Taiwan's export orders rose just 3.1% in June from a year earlier, less than half the growth seen in May and short of the 12.3% pace expected, amid a plunge in business with Japan. Orders from Japan slumped 9.2%, the ministry of economic affairs said, a possible sign that the weak yen is leading buyers in the country to cut back. Orders from the ASEAN region were up just 0.2% after double-digit gains in the first five months of the year. The disappointing data comes less than two weeks after Taiwan reported total goods exports rose 23.5% in June, with shipments of certain high-tech products jumping more than four-fold. But the latest data may add to concern about prospects for the export-dependent economy, where the benchmark Taixet closed 2.7% lower on Monday, completing the biggest four-day decline since 2022. Taiwan Semiconductor Manufacturing Co. dropped for a fourth day amid concerns about the tech outlook and geopolitics.

BLOOMBERG

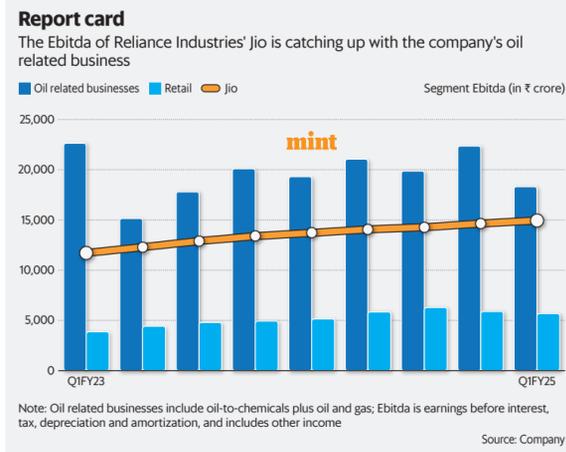
Jio remains the jewel in RIL's crown

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Shares of Reliance Industries Ltd (RIL) fell over 3% on Monday. The culprit? Disappointing June quarter (Q1FY25) results that had no positive surprises. Consolidated Ebitda (excluding other income) was down 9% quarter-on-quarter at ₹38,765 crore. While this dip was largely anticipated, the real let-down came from its retail arm, Reliance Retail Ventures Ltd (RRVL), where growth momentum slowed significantly.

RRVL's revenue growth stood at 7% year-on-year (y-o-y) in Q1, even as the average area operated in terms of square feet increased by 18%. This implies that RRVL's revenue per square foot dropped. In comparison, Avenue Supermarts Ltd, which operates the DMart supermarket chain, saw 18% y-o-y revenue growth in Q1 and an increase in revenue per square foot.

RRVL's store count of almost 19,000 stores is nearly 50x that of DMart. However, in terms of total square feet under operation, RRVL is about five times DMart's size, as the latter's average store size is relatively larger.



Given this context, the valuation assigned to RRVL compared to DMart appears steeply discounted, which seems unwarranted. Based on FY26 estimates, most brokerages have valued RRVL at an EV/Ebitda multiple of 30x-35x, whereas it is 50x for DMart. EV is enterprise value. This suggests there is scope for an upside surprise in terms of RRVL's relative valuation, but much depends on the revenue trajectory in the coming quarters. As such, the retail sector faces a new challenge—quick commerce. Until recently, competition from quick commerce was dismissed as companies in the

sector were making losses. However, Zomato Ltd's Blinkit is on the verge of becoming profitable at the adjusted Ebitda level. Zepto, a leading quick commerce player, has grown its revenue to ₹10,000 crore in FY24 from ₹2,000 crore in FY23. RRVL has a presence in quick commerce via Dunzo, but has struggled to make a mark.

Meanwhile, Q1FY25 standalone numbers show that RIL's traditional refining business remains vulnerable to global cyclicality. The Ebitda of oil-to-chemicals fluctuated in a wide range of ₹12,000-20,000 crore over the last eight quarters, with Q1FY25's Ebitda close to the lower end at ₹13,093 crore, down 14% y-o-y. This decline is due to the 30% drop in benchmark Singapore gross refining margin for gasoline and weak petrochemical spreads. Higher volume growth in oil and gas production business offset some of this drag.

This leaves us with RIL's telecom venture—Jio—which stands out as the jewel in the crown for RIL. In Q1FY25, the mobile subscriber addition growth

rate moderated to about 2% quarter-on-quarter, while the average revenue per user (Arpu) was flat at ₹180. The Arpu is set to rise after the recent average tariff hike of 20%. The tariff hike could boost revenue and Ebitda by ₹20,000 crore annually, taking the estimated Ebitda from the mobile business to ₹70,000 crore from FY26.

Apart from the tariff hike, faster 5G data speeds could lead to higher data consumption as more customers upgrade to 5G network. This should boost Arpu further even if overall subscriber additions stay muted. Despite Monday's fall, RIL's shares have gained about 16% so far in 2024. Going ahead, investors will keep an eye on the retail business, focusing on improving profitability and gaining traction in new energy business. These two areas have potential for positive surprises in terms of the sum-of-the-parts valuation of the company.

In the near term, potential announcements on retail or telecom business IPOs at RIL's annual general meeting could offer further cues to investors.

MIXED RESULTS

RIL's consolidated Ebitda (excluding other income) was down 9% q-o-q at ₹38,765 crore

THE real letdown came from the firm's retail arm where growth momentum slowed significantly

After windfall Q1 profit, Kotak Mahindra Bank pins hope on RBI

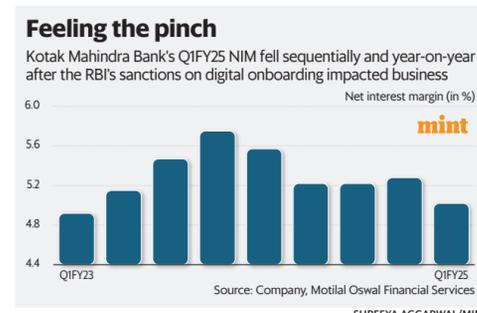
Prithvi Durai
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Kotak Mahindra Bank Ltd's reported profit jumped sharply during the first quarter of FY25 (Q1FY25), thanks to its insurance arm stake sale. Standalone net profit rose as much as 81% year-on-year (y-o-y) to ₹6,250 crore, aided by an exceptional gain after the bank divested 70% stake in Kotak General Insurance to Zurich Insurance. Excluding the stake-sale gains, the bank's net profit stood at ₹3,520 crore. Investors weren't impressed. On Monday, Kotak's shares fell close to 4%. Also, the pressure on

net interest margin (NIM) was evident. In Q1FY25, Kotak's NIM fell 26 basis points (bps) sequentially to 5.02% because the Reserve Bank of India (RBI) ban clogged the bank's unsecured loan pipeline and its digital deposit mobilisation.

In April, RBI barred Kotak from acquiring customers via its digital and mobile banking channels as well as onboarding new credit card customers. This move was due to deficiencies found in the bank's IT systems.

Further, the pressure on getting deposits, particularly low-cost deposits, was felt by Kotak, too. Its current account and savings account (Casa) deposit ratio



has been declining. At June-end, Kotak's Casa ratio declined 210 bps sequentially to 43.4%, marking a multi-quarter low.

Expressing concern about Casa, the bank's MD and CEO Ashok Vaswani said Casa deposit mobilisation is their "num-

ber one focus". Kotak's asset quality ratios were stable sequentially. The management also flagged worries in some unsecured credit card lending businesses, which could pressure margin.

"The need for adequate liquidity and slower unsecured growth could further affect NIM; we cut NIM for FY25E by 5bps to 4.59%," said a report by Prabhudas Lilladher.

Hereon, Kotak's performance would hinge on several factors, the most important being the lifting of RBI's embargo on the bank to onboard clients digitally. "Amid heightened competition for deposits, we remain watchful

on the pace of deposit accretion for the bank and the impact on margins over coming quarters," said Motilal Oswal Financial Services analysts. They say that the ban's removal is critical to deliver sustainable growth and earnings.

A lot depends upon when RBI lifts the embargo, which the management said RBI has assured them that it will not wait for every single thing before it does so. "They want us to demonstrate ongoing progress," Vaswani said in the earnings call.

Meanwhile, a subdued earnings outlook may cap significant gains in the stock, which has fallen about 8% so far in 2024.

FY24 IPO count up 66%, fundraise 24%

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BENGALURU

The number of initial public offers (IPOs) increased by 66% in FY24, rising from 164 in FY23 to 272 in FY24, while the amount raised grew by 24%, from ₹54,773 crore in FY23 to ₹67,995 crore in FY24. This has underlined that despite heightened geopolitical risks, rising interest rates, and volatile commodity prices, Indian capital markets were among the best-performing in emerging markets in FY24.



The IPOs nos rose from 164 in FY23 to 272 in FY24. ISTOCKPHOTO

The survey points out that the SME platforms saw heightened activities during FY24, with the number of IPOs/FPOs (follow-on public offers) of SMEs increasing by 1.6 times, from 125 in FY23 to 196 in FY24. The corresponding funds raised more than doubled, rising from ₹2,333 crore in FY23 to ₹6,095 crore in FY24.

The survey, citing the E&Y Global IPO Trends report, emphasised that Indian exchanges led the world in IPO listings. India's share steadily increased, reaching 17% in 2023, up from 6% in 2021 and 11% in 2022.

Reflecting buoyant market conditions, the survey said that qualified institutional placements (QIPs) emerged as a critical equity fundraising mechanism for corporates during FY24.

Resource mobilisation through rights issues more than doubled to ₹15,110 crore during FY24, compared to ₹6,751 crore in the previous year, the survey pointed out.

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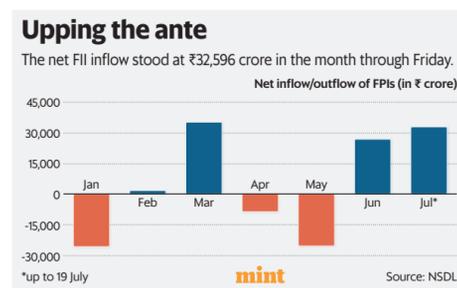
Ahead of the Union budget, foreign institutional investor (FIIs) share purchases have hit a four-month high so far in July. With seven trading sessions remaining, net purchases could rise to a seven-month high since December's inflow of ₹66,135 crore, the highest in any month recorded by NSDL.

The net FII inflow stood at ₹32,596 crore in the month through Friday. Monday's figure was awaited. Coupled with their bullish derivatives posi-

tions, they are headed into the event with strong bullish sentiment, said analysts.

Along with the cash purchases, NSE data shows that they were net long index futures (Nifty and Bank Nifty) 358,020 contracts.

"Their (FII) sentiment has improved since the election results and those that were holding back have recently started deploying incremental funds to sectors such as IT and healthcare, which coincides with the budget," said Jyotivardhan Jaipuria, founder & MD, Valentis Advisors, adding that early bird results of IT companies were better than expected.



For instance, TCS' Q1 revenues at ₹12,040 crore beat Bloomberg estimates of ₹11,959 crore while Infosys raised its revenue growth guidance for FY25 to 3-4% from 1-3%.

Indeed, depository data shows FIIs net purchased in the IT and healthcare sectors worth a combined ₹5,143 crore in the fortnight through 15 July.

Sebi paper eyes quick resolution of intermediary violations

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Markets regulator, Securities and Exchange Board of India (Sebi), is moving towards a significant overhaul in how it handles minor violations by market intermediaries, such as stock brokers and investment advisers. This proposed change is not only a major shift in domestic regulatory practices but also aligns with global standards for efficient market oversight, as per experts.

On 16 July, Sebi released a consultation paper proposing the inclusion of summary proceedings for certain violations of securities laws by intermediaries. This proposal aims to

introduce legal changes in the Sebi (Intermediaries) Regulations to enable the regulator to act more swiftly in protecting investor interests. The new provisions are designed to expedite resolution times, potentially concluding cases within 50 days—a substantial reduction from the current timelines.

The summary proceeding is a legal mechanism designed for the swift resolution of cases without the need for a full trial. This approach, previously part of Sebi's regulations before their repeal in 2008, is now being reintroduced to address obvious or admitted violations more efficiently. According to the consultation paper, summary proceedings are intended to provide uniform treatment



This proposed change also aligns with global standards for efficient market oversight, as per experts. REUTERS

for similar violations and streamline the enforcement process, which can currently be cumbersome.

Under the new proposal, Sebi plans to use summary proceedings for cases such as

expulsion of members by stock exchanges or clearing corporations, termination of depository agreements, and non-payment of registration fees, among others. Violators will have 21 days to respond to the

allegations, with Sebi aiming to issue a final order within an additional 21 days. Notably, this process will not include personal hearings.

Senior securities lawyer Chirag M. Shah views the proposed changes as a strategic move to reduce Sebi's adjudication time, thereby freeing up resources for more critical matters.

This sentiment is echoed by advocate Deepak Dhane, founder of law firm Corporate Pleaders, who highlights the current two-step process as inefficient. The existing procedure involves issuing a show-cause notice and providing an opportunity for personal hearings, which can extend over several months. Dhane believes that the new provisions would

significantly streamline this process, making it faster and more efficient.

"These provisions may not be applicable to cases where the facts and/or alleged contraventions are disputed by an intermediary. The proposed summary procedure *prima facie* does not talk about providing inspection or hearing to the intermediary (as is mentioned in the existing procedures), which may be necessary in cases where contraventions are not admitted and are disputed by an intermediary," he added.

Nilesh Tribhuvann, managing partner at White & Brief Advocates and Solicitors, supports Sebi's proposal, noting its alignment with international regulatory practices.

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



MINT SHORTS

HR Tech platform Umwelt.AI bags seed funding from Upekkha

Gurugram: HR technology platform Umwelt.AI has raised \$125,000 in seed funding from Upekkha, an AI SaaS fund and Accelerator. Umwelt.AI leverages AI and data science to enhance employee experiences. The platform offers an AI-powered people analytics and employee experience solutions. Umwelt.AI said it proactively measures indicators such as mood, engagement, and risk of attrition, allowing companies to address issues before they escalate. The startup claims that through predictive analytics it reduced attrition rates, leading to cost savings and improved talent retention among clients.

NITESH KUMAR

Flexible workspace provider Incuspaze raises \$8 million



BLOOMBERG

Gurugram: Flexible workspace provider Incuspaze has raised \$8 million (about ₹70 crore) in a funding round led by the India Infection Opportunity Fund (IIOF) and some other financial institutions. With the latest infusion, Incuspaze aims to expand its network of workspaces and enhance technological infrastructure. Established in 2016, Incuspaze has presence in 44 locations across 18 cities with a total portfolio of 3 million sq. ft. Launched in 2022, IIOF is a category-2 Alternate Investment Fund (AIF), with a fund size of ₹500 crore.

NITESH KUMAR

PE/VC investment rises 8% to \$31.5 billion in Jan-Jun: Report

Mumbai: Private equity funds and venture capital funds investments have risen 8% year-on-year to \$31.5 billion in the first half of 2024, a report said. The amount of funds invested is 30% higher than the July-December 2023 period, the report by industry lobby grouping IVCA and consultancy firm EY said. From a volume perspective, the number of deals increased to 654 during the six months from 441 in the preceding six months and 439 transactions in the year-ago period. Pure play PE/VC investments (excluding real estate and infrastructure sectors) at \$18.6 billion in H1 2024 were 20% higher compared to \$15.5 billion in the year-ago period. There were 69 large deals of over \$100 million each totalling \$22.6 billion in the first half of 2024, against 61 large deals aggregating to \$18.1 billion in the preceding six months. The first half of the fiscal recorded \$6.7 billion of funds raised by 45 funds, which was 34% lower than the year-ago period, the report said.

PTI

iNurture seeks funds to stave off crisis

The two-decade-old edtech firm has failed to pay salaries to its employees

Samiksha Goel
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One of India's earliest edtech companies, iNurture, is in talks with Dubai-based Kimera Investment to raise capital to stave off a potential crisis that could leave about 500 employees and thousands of students stranded, two people aware of the matter said.

iNurture, which partners with universities to offer specialised courses and skill-development programs, is facing a shortage of funds and has failed to pay salaries to its employees and faculty, according to employees and faculty members.

As a result, teachers have either quit or stopped teaching, leaving students who have enrolled for iNurture courses across universities stranded.

This comes amid a prolonged funding crisis in the edtech sector that's afflicted giants such as Byju's and Unacademy as well as Kota's test-prep coaching industry.

"The delay in funding has affected our payments in the last few months. This has created some disruptions in a few universities," Ashwin Ajila, founder and chief executive of iNurture, said in response to Mint's queries. "We do have a placement team, which needs to be increased once the funding is in place," he added.

The 19-year-old company, which typically collaborates with tier-2 universities to address the problem of employability, has raised a total \$63 million from Bertelsmann India Investments, Ascent Capital, and Vetureeast, among other investors. It last raised a \$15 million Series C round in a combination of debt and equity from ADM Capital in 2022, when it was valued at about \$60 million. According to the two people cited earlier, iNurture has been in talks with UAE-based Kimera Investment, an



According to Tracxn, funding in India's edtech sector plummeted to about \$712 million in 2023 from \$2.9 billion in 2022.

MINT

existing investor, to raise ₹25 crore. It is also looking to dissolve its partnership with iNurture Galileo and secure ₹20 crore to pay salaries. iNurture Galileo is a joint venture between Galileo Global Education and iNurture Education Solutions.

"The Kimera investment has been

A HARD LESSON

THE edtech is in talks with UAE-based Kimera Investment, an existing investor, to raise ₹25 crore

AS a result of the crisis, the teachers have quit or stopped teaching, leaving the students stranded

IT is looking to dissolve partnership with iNurture Galileo and secure ₹20 crore to pay salaries

delayed by some time but we are confident based on their commitments that we will close the deal by month-end," said Ajila. "As for iNurture Galileo, the agreements have been signed and we will receive the funds by next week."

On Mint's query about delayed salaries, Ajila said the company plans to clear all

dues by 15 August. Kimera, Bertelsmann and Ascent Capital and some of iNurture's partner universities that Mint reached out to on Friday did not respond to queries. iNurture's crisis is emblematic of the meltdown in the rest of the tech ecosystem. A prolonged funding winter has triggered a salary crunch that has extended to Kota, Rajasthan, India's test-prep hub. According to research platform Tracxn, funding in India's edtech sector slumped to about \$712 million in 2023 from \$2.9 billion in 2022. Edtech giants including Unacademy and Byju's, once India's most valuable startup, have struggled despite their rapid growth during the pandemic. Both the firms have struggled with cash flow issues, leading to layoffs and shrinking operations. Byju's was admitted into insolvency by the National Company Law Tribunal last week.

Lightbox plans \$100-mn fund for mature startups

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Venture capital firm Lightbox is evaluating a continuation fund with a size of at least \$100 million as it looks to back some of its mature portfolio companies such as Rebel Foods, Zeno Health, Furlenco and PayMate, a top executive at the firm told Mint. With this, it joins a growing list of investors such as India Quotient, Multiples PE, Kae Capital and Westbridge Capital that have explored similar options, as Mint reported in May.

Typically, continuation funds are created to provide an exit for limited partners (LPs) while allowing investment firms to remain invested in high-performing portfolio companies. These funds support trophy assets that need more time beyond the typical fund cycle to reach their full potential. They also reduce the early risk factor

for new investors as they know the assets they will be backing, in contrast to traditional funds that must scout for new opportunities. Lightbox's continuation fund may also invest in other startups such as Amaha, Rooter and Cityflo. "We are in discussions with various individual and institutional investors to explore how to best address liquidity options for Lightbox...the option to create a mix of mature and emerging businesses in a continuation vehicle is definitely one for us to consider," Sandeep Murthy, Lightbox's partner and managing director, told Mint in an



Lightbox partner and MD Murthy. SANDEEP MURTHY/LINKEDIN

emailed statement. The firm is still in early stages of discussions, and the size of the fund will largely depend on the deal structures, Murthy said. It will invest in companies that demonstrate a clear path to liquidity, as well as early-stage businesses that can provide longer-term value creation, he added.

While such vehicles have been more prominent in overseas markets, there is a growing appetite for them in India, driven by the uptick in secondary markets and several investors at the end of their fund's life cycle looking to get liquidity. Examples of such vehicles include Chrys Capital's \$700-million continuation fund for its stake in the National Stock Exchange in April, Samara Capital's \$150-million continuation fund that was raised last year, and venture capital firm Blume Ventures's ₹200-crore fund. Murthy said, "This has been driven by the desire of GPs to retain the further upside in the portfolio while providing existing LPs with liquidity."

The firm is still in early stages of discussions, and the size of the fund will largely depend on the deal structures

Young India's questions on budget 2024 answered

In conversation with a few students, Founder & CEO of StockGro, Ajay Lakhota, decodes how the budget affects the common man

The union budget is a roadmap for the economy for the year to come. It outlines the government's economic policies and the sectors which are going to become areas of focus. This can have a significant impact on your stock investments as you need to align your portfolio with the government's priority areas. The announcement of the budget can also cause some volatility in stock markets which investors need to be prepared for.

Owing to the elections, India will witness two budgets this year. In an exclusive conversation with students, Ajay Lakhota, Founder, StockGro, discussed the budget and its impact on the common man with Ishaan Agarwal and Sandeep Yadav of National Institutes of Technology (NIT) Allahabad and Devika Deevasan of Indian Institute of Technology (IIT) Madras.

the economy like defence, healthcare, agriculture and so on. So if a budget allocates more money to agri-infra across the next couple of years, we can understand that the throughput of the agricultural sector will increase. This makes it a good time to invest in this sector.

Why do we have two budgets this year?

This year is unique because it has been an election year. When the government presents a budget, it is for the whole year. But in election years, if the same government is not re-elected,

all the initiatives would have to be re-evaluated. The new government will change the budget and reallocate funds to different sectors. For this reason, a provisional budget was created which

was valid till the election happened. Now that the election is done and the NDA is back in power, the government will set up a full year's budget from here onwards.

The budget always manages to shake up the stock market. Why does that happen?

The stock market is very deeply ingrained in the financial system. So, when the new budget comes in, it affects the taxes and incentives given to specific sectors. Government spending could increase on a specific sector, implying higher revenues and a likely increase in profits as well. This will result in an uptick in stock prices. But the opposite is also true. For example, if taxes on tobacco increase, the profits for the



sector will go down and this will cause share prices to come down as well.

Did you know that the street has very specific expectations from every budget? If the budget is not popular, you will see that the street reflects the sentiment through a correction in the stock markets. If the budget is a very popular budget, then you will suddenly see the stock market going up once the budget is announced.

How can the common man benefit from this year's budget?

If there is optimisation in direct taxes, which is the tax you pay directly on your income, your savings will increase. This is because you are not paying

as much in taxes as you used to. The increased savings will probably lead to more spending. This helps to improve the GDP. On the other hand, increased allocation on financial inclusion and insurance sectors is going to reduce your healthcare spends, which also increases your disposable income. Again, the additional money is either spent or invested.

Interestingly, if there is a reduction in capital gains taxes, more people will start investing in mutual funds as against fixed deposits where you pay 30% taxes on the interest. If the same logic is extended to the start-up ecosystem, if long term capital gains reduce, a lot of start-ups will start setting up their

headquarters in India. Right now, they go and register their headquarters in Singapore or in the US due to just one reason - reducing their capital gains tax burden.

Defence and railways are always among the most talked about sectors post-budget. Do you think these will outperform this year as well?

Defence and railways were outperforming in the last few quarters because the interim budget gave both sectors a huge impetus. The government has come back with the same agenda. So, the kind of subsidies and the tax benefits which were given to defence and railways should continue even after this

budget. My view is that both the sectors will outperform the market for the next couple of quarters at least. In addition to these, I feel banking and finance should take centre stage, because whenever the economy is growing very fast, the first sector to grow is the banking and finance sector.

How can newbies like us start making decent profits from this budget?

First, try to understand where the government is spending. Second, it is important to know what kind of stimulus is being provided to different sectors. Third, look at what kind of tax benefits are being extended to some sectors. Once you understand this, take

this is also the sector which provides more and more livelihood to the bottom of the pyramid. So, I am bullish on the banking and infrastructure sector. But while that is happening, engineering services will also benefit from the additional spending. Therefore, personally, I will add the top two stocks in the engineering, banking and financial services sector. And, finally, I will retain railways and defence stocks in my portfolio.

Any final tips on how to make the most of this budget season with StockGro? Can you just share a stock tip before the budget?

Do not go after stock tips or fall prey to WhatsApp / Telegram groups, where you are recommended stocks that will double in a month. You will most probably end up losing money. You must follow only what Securities and Exchange Board of India (SEBI) registered advisors suggest as they invest their time in doing extensive research to understand the market, sectors and stocks. I am personally very bullish on infrastructure, banking, railways and defence. So Indian Railway Catering and Tourism Corporation (IRCTC), Vihaan Networks Ltd (VNL), Hindustan Aeronautics Limited (HAL), Larsen & Toubro Limited (L&T), ICICI Bank and Axis Bank remain my personal picks. But you must do your research and only select based on your own risk appetite.



Scan to learn investing with StockGro

Created by Mint Brand Studio

India sends queries for Reliance & Disney deal

Reuters
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NEW DELHI

India's antitrust body has asked Reliance Industries and Walt Disney around 100 questions linked to their \$8.5 billion India media assets merger, including details on sports rights as it heightens its scrutiny of the deal, two sources told Reuters.

Antitrust experts had warned that the Reliance and Disney deal, which was announced in February, could face intense scrutiny as it will create India's biggest entertainment player with 120 TV channels and two streaming services. The companies will also together own lucrative rights for cricket, India's most popular sport.

In a confidential submission to the Competition Commission of India (CCI) in May, the companies said their merger would not hurt the competition, and argued that cricket rights will expire in 2027 and 2028 and allow bidding by rivals, and advertisers can target cricket-watching consumers on many rival platforms including YouTube, Reuters reported in May.

The CCI has now sought more details via two sets of questions, including why YouTube, which mostly has free and user-generated content, should be treated in the same market as subscription streaming services like Netflix and Disney, two sources familiar with the matter said.

Reliance and Disney have responded to the CCI questions and argued YouTube too has its own licensed, paid content as well as a wide reach, said the sources, who declined to be named.

Altimetrik to triple India IT team post TPG's investment

The US-based company targets \$1 billion revenue in three years after TPG took a 60% stake

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MUMBAI

US-based company Altimetrik plans to triple its engineering team in India as it targets \$1 billion in revenue over the next three years, fuelled by investment from global private equity firm TPG Capital. "From an engineering talent perspective, we are open to go where the engineering capability is and India's got the greatest pool of engineers," Raj Sundaresan, chief executive officer of Altimetrik, told Mint. "It will be remiss if we don't take advantage of the talent pool here."

This comes at a time when tech hiring in India is slowing. Many IT firms and startups are downsizing or tightening their purse strings, offering low compensation and hikes.

"We're talking 3x from a revenue perspective in the next three years, that will be very proportionate, if not larger, to our employee growth," he added.

India currently has approximately 5,000 engineers working at Altimetrik, accounting for nearly 80% of the company's global tech workforce of about 6,200 employees.

Sundaresan also said that the company will continue growing its teams "proportionately" in other engineering centres in the US, Canada, Uruguay, Mexico, Poland, and Portugal, among others. "...a majority (of new talent) will come out of India centres because anything to do with digital business modernisation and AI, the talent is prime here. And we're doubling down and investing to ensure that we grow our talent," he added.

The update on Altimetrik's hiring plans follows the acquisition of a major



Raj Sundaresan, chief executive officer of Altimetrik, said that India's got the greatest pool of engineers.

ity stake of about 60% in the company by TPG Capital, a US-based private equity firm, valuing it at about \$1.5 billion.

Altimetrik's hiring mandate is sizable given the current hiring slowdown, said Anshuman Das, co-founder and CEO of Indian hiring firm, Careernet.

"Areas like technical support, operations are people intensive functions. It is best to run these functions from India remotely for all locations across the world. Moreover, India also offers cutting-edge research and development (R&D) and product innovation at scale, which is the core of any company. These are some of the advantages which no other country can offer or replicate easily," he added.

Das believes that with the multilingual talent in India, it is extremely cost- and scale-advantageous for any company to build its maximum headcount

out of the country.

TPG's investment, through its Asian private equity platform, will accelerate Altimetrik's efforts towards clocking \$1 billion in revenue in the next three years, Sundaresan said.

Altimetrik last reported \$113 million in operating revenue in financial year 2022.

As the firm charts its roadmap to the milestone, it plans to continue growing further in the US, the country with its highest client base, along with adopting new plans to expand in other geographies. And in addition to expanding its tech team, Altimetrik has more on the cards for India.

Founded in 2012 by Indian-American entrepreneur Raj Vattikuti, Altimetrik is a pure-play digital enablement company that provides business solutions to companies and helps them transform

into a digital business. Sundaresan, the current chief, joined the company, five years later, in 2017.

The TPG-backed firm partners with clients mainly in financial services, pharmaceuticals and auto manufacturing. It now plans to target companies in the insurance sector.

"We already have three or four clients in that vertical, but we're going to double down in that area because it's prime for digital business enablement. Modernization is also crucial since the majority of insurance clients are on legacy platforms, which hinder their ability to innovate quickly," said Sundaresan.

Altimetrik, which has a presence in 14 countries, anticipates a shift in its revenue mix from the US versus other regions from the current 75-25 to 60-40 over the next three years. This change is expected as the company intensifies its growth efforts in the UK, Europe and APAC regions.

For India, Altimetrik also plans to target the growing number of global capability centers or GCCs as a major client segment, along with its core focus areas in finance, pharma and auto manufacturing.

"We've identified a great opportunity within India with the GCCs. Many GCCs in India are doing significant work for clients headquartered elsewhere. We aim to target these centres by starting with support for the GCCs here, then establishing and building relationships with their headquarters," Sundaresan, who was on an India visit earlier this month, added.

According to reports, the country currently hosts over 1,580 GCCs and a talent base of over 1.66 million. The company also plans to pursue inorganic growth through mergers and acquisitions in growth verticals and geographies, including India.

'Tax benefits can push bank deposits'

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MUMBAI

The government needs to explore options such as tax benefits to encourage individuals to keep more money in bank deposits, said Ashwini Kumar Tewari, managing director of State Bank of India, adding to the chorus on India's worst deposit crunch in two decades.

"We have to think through various things, what are the options. Taxation benefits could be given... Some alignment could be done with investments linked to deposits," Tewari said at a BFSI summit organised by CareEdge Ratings on Monday. "There could be talk about SLR, etc. Can (banks) get some dispensations there? Because

banks continue to fund almost 90% of economic activity and as long as that is the case, bank deposits are really important," he said.

SLR, or the statutory liquidity ratio, is the minimum percentage of deposits that a bank has to maintain as cash, gold or securities, which would have an impact on its lending rates.

Banks are struggling to attract deposits, leading to highest credit-deposit ratio in the system in 20 years

Indian banks have been struggling to attract deposits even as customers have been borrowing heavily, leading to the highest credit-deposit ratio in the banking system in at least 20

years. Last week, Reserve Bank of India governor Shaktikanta Das warned that this could "potentially expose the system to structural liquidity issues".

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

5,000
No. of engineers from India working at Altimetrik

80%
India's share of company's global tech workforce

Reserve Bank of India
New Delhi

Notice Inviting E-Tender

Tender No. RBI/New Delhi/Estate/3/24-25/ET/236

Design, Supply, Installation, Testing and Commissioning of Intelligent Analog Addressable Fire Alarm system for the Bank's Main Office Building and Annex Building at RBI New Delhi

E-tender is invited for "Design, Supply, Installation, Testing and commissioning of Intelligent Analog Addressable Fire Alarm system for the Bank's Main Office Building and Annex Building at RBI New Delhi." For full details of the tender, please visit our website www.rbi.org.in or www.mssteccommerce.com or contact us at Estate Department, Reserve Bank of India, 6, Sansad Marg, New Delhi - 110001. The last date of submission of e-tender form is August 28, 2024 upto 14.00 Hours.

NOTE - Corrigendum, if any, issued on above advertisement, will be published only on the Bank's website.

Regional Director
New Delhi

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NOTICE
(for the attention of Equity Shareholders of the Company)

Sub: Transfer of unpaid/unclaimed dividend & Equity shares to Investor Education and Protection Fund (IEPF)

In terms of Section 124(5) of the Companies Act, 2013 ("Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") if dividend remains unpaid/unclaimed for a period of seven (7) years or more, the same shall be liable to be transferred by the Company to the IEPF account. Further, in terms of Section 124(6) of the Act and IEPF rules, the Company is also required to transfer the shares, in respect of which dividend remains unpaid or unclaimed for a period of seven (7) consecutive years or more, to the IEPF Account.

The Company has communicated individually to the concerned shareholders, on their latest available address, whose shares are liable to be transferred to Demat Account of IEPF Authority under the IEPF Rules, for taking appropriate action(s). The list of such shareholders, whose shares are liable for transfer to the IEPF, is placed on the website of the Company i.e. <https://www.htmedia.in/> under 'Investor relations' section.

The concerned shareholders holding shares in physical form, and whose shares are liable to be transferred to IEPF Authority, may note that the Company would be issuing new share certificate(s) in lieu of the original share certificate(s) held by them for dematerialization, followed by transfer of shares to IEPF Authority as per the IEPF Rules. Upon such issue, the original certificate(s) which stands registered in their name will automatically stand cancelled and be deemed non-negotiable. In case of shares held in demat form, the Company will inform the respective Depository by way of corporate action for transfer of shares to IEPF Authority. The shareholders may please note that the details uploaded by the Company on its website viz. <https://www.htmedia.in/> will be considered as, and shall be deemed to be, adequate notice in respect of issue of new certificate(s) by the Company for the purpose of transfer of shares to IEPF Authority pursuant to the IEPF Rules.

The concerned shareholders are requested/advised to claim the unpaid/unclaimed dividend amount(s) on or before **October 26, 2024**, failing which the Company shall proceed to transfer the liable dividend and Equity shares to IEPF Authority without any further notice. The concerned shareholders may still claim the dividend and Equity shares from IEPF Authority by submitting an online application in E-Form IEPF-5, available on the website www.iepf.gov.in and following the procedure laid down under the Act and the IEPF Rules.

Kindly note that unpaid/unclaimed dividend for financial years upto 2015-2016 and shares in respect thereof, have already been transferred to IEPF, and the same can be claimed back from IEPF Authority, following the procedure laid down under the said IEPF Rules.

For any queries in respect of the above, shareholders may contact the Company's Registrar and Transfer Agent at KFin Technologies Ltd., Unit: HT Media Limited, Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddy, Telangana, India - 500032. Toll Free No.: 1800-309-4001; Email: einward.ris@kfinetech.com; Website: www.kfinetech.com.

For HT Media Limited
(Manhar Kapoor)
Date: 22 July, 2024
Place: New Delhi
Group General Counsel and Company Secretary

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/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 websites for any changes/amendments & corrigendum etc.

A) Fresh-Tender Work:

Sr. No.	Job No.	Name of the Work	Tender Amount (Rs. Lacs)
1.	09/DGM/SM(WC-1)/2024-25	M/o Road (C/o Internal C.C. road and drain and culvert in S, V, Y & Z-Block in Sector-12), Noida.	218.48
2.	09/DGM/SM(WC-8)/ET/2024-25	M/o Village (P/L CC Pavement and R/o drain in front of Pillar No. 110 Main Gate in Village Salarpur), Noida.	144.89
3.	04/DGM/SM(WC-10)/ET/2024-25	C/o Drain on 45.00 mtr wide road from Metro line toward Pusta Facility Plot side in Sector-147), Noida.	191.25
4.	06/DGM/SM(WC-10)/ET/2024-25	C/o RCC Drain and repairing of drain including providing and placing of drain cover from Golf Course towards Dairy Gujaron ki on 45.00 mtr wide road between Sector-155 & 151A, Noida.	147.42
5.	01/DGM/SM(WC-6)/2024-25	Resurfacing of road (P/L DBM and BC work on 45.00 mtr. wide road Vedvan Park T-Point to Elite Society Sector-78), Noida.	192.55
6.	04/DGM/SM(WC-6)/2024-25	M/o Road (Remodelling of footpath between Sector-73 and Sector-122), Noida.	137.39
7.	05/DGM/SM(WC-6)/2024-25	Strengthening of road (P/L BC layer on Internal road Sector-119), Noida.	195.03

The above tenders can be uploaded by dated **06.08.2024** up to **5.00 PM**. Pre-qualification shall be opened/downloaded on dated **07.08.2024** at **11.00 AM**.

Dy. General Manager (Civil) NOIDA
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Kalyanis, Hiremaths may enter truce talks

Families of Baba Kalyani and his sister are fighting over division of assets

Anirudh Laskar
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MUMBAI

The two business families of Bharat Forge's managing director Baba Kalyani and his sister Sugandha Hiremath are likely to resolve their bitter ongoing dispute over multi-billion dollar assets controlled by the Kalyani family trust through a court-monitored mediation.

A Pune civil court on Monday asked the two families to settle their disputes via a mediation process after Sugandha's children asked for it, soon after filing a rejoinder, alleging Baba Kalyani of "perjury" and claiming that most of the current businesses under the Kalyani Group have been built with the help of assets that were originally created by Baba Kalyani and Sugandha's grandfather A.N. Kalyani over five decades ago.

On Monday, Sameer Hiremath and his sister Pallavi Swadi requested the court to allow mediation with their uncle.

Baba Kalyani's counsel Amit Agashe opposed to hold truce talks with Hiremaths, but later the court accepted the Hiremath siblings' request for mediation.

As per the mediation rules, the two families may be given 60 days to settle their disputes through a mediation that will be monitored by a special court-appointed committee, said a person aware of the dispute.

Mint has reviewed a copy of the documents filed by the Hiremath family against the Kalyanis.

In response to an affidavit filed on 6 May by Baba Kalyani's family, Sugandha's children Sameer Hiremath and Pallavi Swadi, on Monday, produced a document that revealed the existence of a trust by the name "ANK HUF".

Earlier, Baba Kalyani, who ranked as the 55th richest Indian, above Ajay Piramal and Pawan Munjal of Hero Moto-



Baba Kalyani, chairman and MD of Bharat Forge. A Pune civil court on Monday asked the two families to settle their disputes via a mediation process.

Corp, as per Forbes in 2023, had denied the existence of any such trust and had argued that the Hiremath sibling can neither claim rights in the wealth of any Kalyani Family HUF or demand any partition of such trust since the Hiremaths and Kalyanis do not have any common "male" ancestor.

WAR OVER WEALTH

KALYANI and his sister Sugandha Hiremath have been feuding over multi-billion dollar assets.

THE Hiremaths said the Kalyani Group and family have many listed, unlisted firms

THE Kalyani Group firms alone have a market capitalization of about ₹91,000 crore

The Kalyani family had said this after Sameer and Pallavi had approached the Pune civil court seeking partition of Kalyani family HUF. Baba Kalyani, in May, had filed a reply to the court denying the very existence of any family HUF.

During the court hearing, the Hiremaths said that the Kalyani Group and

family have several listed and unlisted companies under their flagship, with the Kalyani Group firms alone having a market capitalization of about ₹91,000 crore, of which ₹43,000 crore is the value of the shares held by the promoters, which are predominantly associated with the Kalyanis.

The two families, which were earlier fighting over ownership of shares in Hiremath-promoted pharmaceuticals firm Hikal Ltd, have expanded their dispute to include assets of Kalyani Group companies including Bharat Forge, Kalyani Steel,

BF Investments, BF Utilities, Kalyani Investments, and Automotive Axles.

The siblings denied Baba Kalyani's earlier claims that he has built industries and companies with his own personal investments.

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

RBI's Rao flags risks post global outage

Anshika Kayastha
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MUMBAI

Reserve Bank of India deputy governor M. Rajeshwar Rao on Monday flagged the risks around cybersecurity and growing dependency of financial services companies on outsourcing arrangements, days after a global Microsoft Windows outage disrupted the operations of industries worldwide, including airlines, banks, and hospitals.

"The first issue I would like to discuss is the issue of third-party dependence and outsourcing arrangements in regulated entities (REs), because last Friday essentially reflects the kind of risks I am talking about," Rao said at the BFSI summit organized by CareEdge Ratings, referring to the Microsoft outage on 19 July.

Rao acknowledged that third-party dependencies and digital outsourcing have become integral to the operations of financial services entities to enhance efficiency, reduce costs, and improve customer experience, but warned



Microsoft estimated that 8.5 million computers worldwide were affected due to the outage on 19 July.

that the arrangements pose several concerns such as selection of the outsourcing partner or lending service providers (LSPs) and their reliability, security, and regulatory compliance.

"For example, while digital lending guidelines mandate that REs should ensure that LSPs engaged by them have suitable grievance redressal mechanism on their website or apps, a recent study undertaken by us found that not all LSPs or apps have the kind of mechanisms we thought they would," he said, adding that

poorly managed third-party relationships can lead to not only customer dissatisfaction and reputational damage, but may also invite regulatory and supervisory actions.

Rao flagged cybersecurity as another critical area for financial institutions, including the ability to assess and ensure the preparedness of third-party service providers to protect their digital assets and customer information.

Dependency on third parties can also create vendor lock-in situations, where reliance on a single vendor for critical servi-

ces or lack of vendor diversification can increase dependency risks and limit the entities' flexibility to adapt to changing market conditions or technological advancements.

Microsoft estimated that 8.5 million computers worldwide were affected due to the outage on 19 July, triggered after cybersecurity software company CrowdStrike rolled out a routine update. The outage caused severe disruptions, including crashing IT systems and derailing air services, news channels and stock exchanges, among others.

Rao also highlighted shortfalls in customer conduct and transparency by financial entities, saying that it is one area where on-ground actions have "fallen short of expectations", which can have significant repercussions on customers' trust and satisfaction. "However, we continue to observe instances of slow response times to customer queries and complaints, lengthy wait times on customer service hotlines and delayed email responses, contributing to customer dissatisfaction," he said.

Eureka Forbes set to expand distribution

Suneera Tandon
suneera.t@htlvtive.com
MUMBAI

Eureka Forbes Ltd is set to expand distribution network and launch new products, as the water purifier maker overhauls its portfolio, a top official at the Advent-backed home appliances company said.

Over the last two years, the company has trimmed its portfolio, reduced costs and lowered headcount after years of stagnant market share.

"We would aim to at least double the distribution. We are present in over 22,000

outlets (general trade). The game of penetration expansion is more to do with general trade. We have a modern trade presence in over 3,000 outlets," Pratik Pota,

managing director and chief executive officer, Eureka Forbes Ltd, said in an interview with *Mint* at the company's head-office in Mumbai.

Modern trade refers to large-format retail stores vending products of different brands, while general trade refers to traditional retail

sector, which includes standalone stores selling electronics and home appliances, as well as neighbourhood shops.

In 2021, global private equity firm Advent International acquired a majority stake in Eureka Forbes from Shapoorji Pallonji Group. The transaction then valued Eureka Forbes at ₹4,400 crore.

It sells water purifiers under the Aquaguard brand, apart from vacuum cleaners and air purifiers.

Pota was hired in July 2022 to transform the legacy business that had seen market share dwindle amid greater competition.

"While the business had foundational capabilities, it clearly needed reinvention and needed to be turned around. It wasn't a mere 'turn it around, get growth back or margin improvement'. It was a chance to completely reinterpret, reimagine, rethink the business," Pota said.

As part of the overhaul, Pota hired a new team and launched new products, both on the premium and lower end of the water purifier market.

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Corporate Identity Number: L74140DL1991PLC046369
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Corporate Office: Plot No. 3A, Sector 126, Noida - 201304, UP, India
Website: www.hcltech.com; E-mail ID: investors@hcltech.com
Telephone: +91 11 26436336 Fax: +91 120 4680330

NOTICE FOR CONVENING THE 32nd ANNUAL GENERAL MEETING TO BE HELD THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM")

Notice is hereby given that the 32nd Annual General Meeting ("AGM") of the members of HCL Technologies Limited ("Company") will be held on Tuesday, 13th day of August, 2024 at 11.00 A.M. (IST) through VCOAVM to transact the businesses, as set out in the AGM Notice.

Pursuant to the General Circular No. 09/2023 dated September 25, 2023 and other circulars issued by the Ministry of Corporate Affairs ("MCA Circulars"), companies are allowed to convene their AGMs through VCOAVM, without the physical presence of the members at a common venue. In compliance with the MCA Circulars and the relevant provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, the AGM of the members of the Company will be held through VCOAVM.

The MCA Circulars read with the Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/PoD-2/PI/CIR/2023/167 dated October 7, 2023 ("SEBI Circular"), dispensed the requirement of sending the physical copies of the AGM Notice and Annual Report to the members.

Accordingly, the AGM Notice setting out the businesses to be transacted at the meeting and the Annual Report (2023-24) of the Company have been dispatched electronically on Monday, July 22, 2024 to all the members whose e-mail addresses were registered with the registered with the Company and the Depositories.

Members may note that the AGM Notice and the Annual Report (2023-24) are also available on the website of the Company at www.hcltech.com, websites of the Stock Exchanges i.e. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") at www.bseindia.com and www.nseindia.com, respectively as well as on the website of National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com, the agency appointed for facilitating e-voting (including remote e-voting) for the AGM.

E-voting (including remote e-voting)

In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility to its members to enable them to cast their votes electronically on the resolutions set forth in the AGM Notice. The members holding shares either in physical form or in electronic mode as on Tuesday, August 6, 2024 ("Cut-off date") and who are otherwise not barred to cast their vote, are entitled to cast their vote electronically.

Any person, who acquires shares of the Company and becomes a member of the Company after the completion of dispatch of the AGM Notice and holds shares on the Cut-off date may obtain a login ID and password to cast his/her vote and for attending the AGM, by sending a request at evoting@nsdl.co.in. The detailed procedure for e-voting (including remote e-voting) is given in the AGM Notice.

The remote e-voting facility will be available during the following voting period:

Date and time of commencement of remote e-voting
From 09:00 A.M. (IST) on Friday, August 09, 2024

Date and time of end of remote e-voting
At 05:00 P.M. (IST) on Monday, August 12, 2024

The remote e-voting module will be disabled by NSDL and no remote e-voting will be allowed thereafter. Once the vote on the resolution(s) is cast by the member during above mentioned remote e-voting period, however, he / she may attend the AGM through VCOAVM. Further, the members who will be present in the AGM through VCOAVM and who have not cast their votes during the remote e-voting period and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

In case of any queries/grievances relating to e-voting (including remote e-voting) or joining the AGM through VCOAVM, please refer the Frequently Asked Questions ("FAQs") for members and e-voting user manual for members available at the download section of www.evoting.nsdl.com or call at +91 22 48867000 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Senior Manager, NSDL, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, e-mail IDs- pallavi@nsdl.co.in.

For HCL Technologies Limited
Manish Anand
Company Secretary
F-5022

Date: July, 22, 2024
Place: Noida (U.P.)

भारतीय रिज़र्व बैंक सर्विसेज बोर्ड, मुंबई
RESERVE BANK OF INDIA SERVICES BOARD, MUMBAI
www.rbi.org.in Advt. No. 2/2024-25

Applications are invited for recruitment to the following posts in the Reserve Bank of India:

Sr. No.	Posts	Vacancies
Panel Year (PY) - 2024		
1	Officers in Grade 'B' (DR) - General	66
2	Officers in Grade 'B' (DR) - Department of Economic and Policy Research (DEPR)	21
3	Officers in Grade 'B' (DR) - Department of Statistics and Information Management (DSIM)	07

2. For all other details such as eligibility criteria, reservation of vacancies, scheme of selection, submission of online application and other instructions, please refer to the detailed advertisement to be published on the Bank's website (www.rbi.org.in) on July 25, 2024 and in the Employment News/Rozgar Samachar issue dated July 27, 2024 / subsequent issue. Candidates can apply for the aforementioned posts only by online mode through the Bank's website (www.rbi.org.in).

3. Important Dates:

Website Link Open - For Online Registration of Applications and Payment of Application Fees/Intimation Charges	July 25 to August 16, 2024 (till 06.00 PM)
Phase-I - Online Examination of Grade 'B' (DR) - General	September 08, 2024
Phase-I - Online Examination of Grade 'B' (DR) - DEPR (Paper-I and II) / DSIM (Paper-I)	September 14, 2024
Phase-II - Online Examination of Grade 'B' (DR) - General	October 19, 2024
Phase-II - Online / Written Examination for Grade 'B' (DR) - DEPR (Paper-I and II) / DSIM (Paper-II and III)	October 26, 2024

NOTE: Corrigendum, if any, issued on the above advertisement, will be published only on the Bank's website (www.rbi.org.in). (Hindi version of this advertisement will be available in Navbharat Times, Hindustan, Dainik Bhaskar, Amar Ujala, Dainik Jagran.)

भारतीय रिज़र्व बैंक सर्विसेज बोर्ड, मुंबई
RESERVE BANK OF INDIA SERVICES BOARD, MUMBAI
www.rbi.org.in Advt. No. 01/2024-25

Applications are invited for lateral recruitment to the following post on regular basis:

Sr. No.	Post	Vacancy
1	Chief Archivist in Grade 'D' in the Reserve Bank of India Archives	01

For all other details such as age, qualification, selection procedure, remuneration, mode of application and other instructions, please refer to the detailed advertisement published on July 22, 2024 on the Bank's website (www.rbi.org.in) and in the Employment News/Rozgar Samachar issue dated July 27, 2024/subsequent issue.

IMPORTANT DATE:

Last date for receipt of application: Completed application should reach the Board's Office on or before **6.00 PM on August 12, 2024.**

NOTE: Corrigendum, if any, issued on the above advertisement will be published only on the Bank's website (www.rbi.org.in). (Hindi version of this advertisement will be available in Dainik Jagran, Dainik Bhaskar and Navbharat Times)

HPCL LNG LIMITED
(100% Subsidiary of HPCL)
Corporate Office: Priyadarshini Building, A Wing, Fifth Floor, Sion-Trombay Road, Mumbai, Maharashtra-400 022.
Registered Office: HPCL Regional Office, Petroleum House, Behind Memnagar Fire Station Navrangpura, Ahmedabad-380 009.

HPCL LNG Limited (HPCLNG), a 100% subsidiary of Hindustan Petroleum Corporation Limited (HPCL), invites application for Chhara LNG Terminal, Gujarat, for following positions-

Sr. No.	Positions	Vacancies
1	Group Manager - Safety	1
2	Senior Officer - Shipping	1
3	Senior Officer - Material	1
4	Officer - Shipping	2

Corporate Office, Mumbai

1	Manager - Operation	1
---	---------------------	---

Application Start Date: 23rd July 2024
Application End Date: 12th August 2024

For application and detailed advertisement, please visit on our website <https://www.hpclng.in> under Careers section. Candidates meeting the requisite eligibility criteria may apply online only.
Corrigendum, if any will be posted on the website only.
CIN NO: U40101GJ2013G0077228

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

E-TENDER NOTICE

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

A) Fresh Tender Work:-

SL No.	Job No.	Name of the Work	Tender Amount (in Lacs)
1	01/DGM (E/M)/Sr.M (E/M)-IV/2024-25	Supply and Installation of Rain Curtain type Fountain at Noida Enter Gate Sector-14A Noida.	107.47

The above tenders can be uploaded by dated **05.08.2024** up to **5.00 PM**. Pre-qualification shall be opened / downloaded on dated **06.08.2024** at **11.00 AM**.

B) Re-Tender Work:-

SL No.	Job No.	Name of the Work	Tender Amount (in Lacs)
1	11/DGM/Sr. M.(E&M)-II 2024-25/ET	Providing octagonal poles for Street light on 12 Mtr. road, 18 Mtr. road in Internal roads of Sector-55, Noida.	134.66
2	06/DGM (E&M)/S.M./E/M-III/24-25	Construction of 33/11KV Sub-station in sector-78, Noida	1061.63

The above tenders can be uploaded by dated **29.07.2024** up to **5.00 PM**. Pre-qualification shall be opened / downloaded on dated **30.07.2024** at **11.00 AM**.

Dy. General Manager (E&M)
NOIDA

CLEAN, GREEN, SAFE & SECURE NOIDA

SOLAR ENERGY CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)
6th Floor, Plate-B, NBCC Office Block Tower-2, East Kidwai Nagar, New Delhi - 110023 (An ISO Certified Company)
CIN No. U40106DL2011GO225263

Notification No: 01/2024

Solar Energy Corporation of India Limited (hereinafter referred to as SECI) is a MINIRATNA Category-I schedule 'A' CPSE under the Administrative jurisdiction of the Ministry of New & Renewable Energy. SECI is exclusively dedicated to the development of the RE sector in India and its scope of activities covers all renewable energy sources. SECI invites committed, result oriented and experienced professionals looking for exciting career opportunities in renewable energy sector. Eligible candidates are requested to apply for the following vacancies to be filled on regular basis through ONLINE mode:

Sl. No.	Position/ Grade	Pay scale in (IDA)	No. of posts
1.	Additional General Manager (Information Technology) (E-7 Grade)	₹ 100000-260000/-	01 (UR)
2.	Additional General Manager (Human Resource & Administration) (E-7 Grade)	₹ 100000-260000/-	01 (UR)
3.	Deputy General Manager (Human Resource & Administration) (E-6 Grade)	₹ 90000-240000/-	01 (UR)
4.	Deputy General Manager (Project Monitoring) (E-6 Grade)	₹ 90000-240000/-	01 (UR)
5.	Deputy General Manager (Corporate Planning) (E-6 Grade)	₹ 90000-240000/-	01 (UR)
6.	Manager (Contracts & Procurement) (E-4 Grade)	₹ 70000-200000/-	01 (UR)
7.	Manager (Market Operations) (E-4 Grade)	₹ 70000-200000/-	02 (UR)
8.	Deputy Manager (Project - Civil) (E-3 Grade)	₹ 60000-180000/-	01 (SC)
9.	Deputy Manager (IT - ERP) (E-3 Grade)	₹ 60000-180000/-	01 (UR)
10.	Deputy Manager (PMC- Electrical) (E-3 Grade)	₹ 60000-180000/-	01(OBC-NCL)
11.	Dy Manager (Project - Electrical) (E-3 Grade)	₹ 60000-180000/-	02 (01-OBC-NCL, 01-UR)
12.	Senior Engineer (Information Technology) (E-2 Grade)	₹ 50000-160000/-	02 (01-OBC-NCL, 01-UR)
13.	Executive Assistant (E-1 Grade)	₹ 40000-140000/-	02 (UR)

Reservation/ Relaxation/ Concession to candidates belonging to OBC (NCL)/ SC/ ST/ PwBD/ EWS/ Ex-SM category shall be as per Government of India directives.

For details of qualification, experience, compensation package, reservation and relaxation etc, please visit our website www.seci.co.in 'Career' section. Any further addendum/corrigendum/updates will only be uploaded on our website www.seci.co.in under the section 'career'.

ON-LINE REGISTRATION OPENS ON 29.07.2024 (11:00 A.M.) AND WILL BE CLOSED ON 28.08.2024 (5:00 P.M.)

Govt making plans for next phase of privatizing airports

FROM PAGE 1

speeds up the modernization of airports," Pragna Priyadarshini, Vice President at Primus Partners said. "Private partnerships ensure better operational performance and support the overall growth of the aviation sector."

Queries sent to the civil aviation ministry remained unanswered until press time.

Currently, only 14 out of the more than 135 airports in the country are operated under the PPP mode, as per government data. These airports are generally leased for a specific time period, usually 50 years, and as per the terms and conditions of the bid documents.

This will be the third phase of airport privatization. The first phase—in the mid-2000s—saw privatization of airports in Delhi and Mumbai, and construction of greenfield airports in Bengaluru and Hyderabad. The second phase saw privatization in 2019 of six Airports Authority of India (AAI) airports in Ahmedabad, Jaipur, Thiruvananthapuram, Mangaluru, Lucknow and Guwahati.

As part of the plan discussed under Modi 2.0, the AAI was looking for operation, management and development under PPP mode for around 11 airports that includes Bhubaneswar, Tiruchy, Raipur, Amritsar and Varanasi. These were to be clubbed with loss-making airports such as Kangra, Kushinagar, Gaya, Hubballi, Aurangabad, and Tirupati.

As per Niti Aayog-developed National Monetisation Pipeline, 25 AAI airports have



Only 14 of the over 135 airports in India are operated under the PPP mode. MINT

been earmarked for leasing over the years 2022 to 2025. Apart from the above six profitable airports, the others are Calicut, Coimbatore, Nagpur, Patna, Madurai, Surat, Ranchi, Jodhpur, Chennai, Vijayawada, Vadodara, Bhopal, Tirupati, Hubli, Imphal, Agartala, Udaipur, Dehradun and Rajahmundry.

"Nine of the top 14 airports (in terms of passenger handled) in India are already operating under the PPP model and the traffic at these airports recovered to 108.4% of the pre-covid traffic in FY2024," said Vinay Kumar G., vice president & corporate ratings, Icria Ltd.

Kumar added that the next top 15 airports are majorly operated by AAI (with 11 operated by AAI alone) currently and have witnessed traffic recovery to 113.6% of the pre-covid traffic in FY24, which are potential candidates for monetization.

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

Under National Monetisation Pipeline, 25 AAI airports are earmarked for leasing over 2022 to 2025

Mamaearth distributors wary

Distributors claim they are struggling with inventory, stuck with goods worth at least ₹50 cr; firm refutes claims

Suneera Tandon
suneera.t@htlive.com
MUMBAI

Distributors of Honasa Consumer Ltd (Mamaearth) have raised concerns over excessive inventory that the personal care company has dispatched to the market and delays in replacing damaged, unsold and expired stock.

Goods worth ₹50-100 crore are stuck, according to the All India Consumer Products Distributors Federation (AICPDF). The inventory pile-up comes as Honasa, which started out as an online personal care company, builds its presence in physical outlets. Honasa gets a third of its business from retail stores.

Honasa refuted the association's claims. The company sells beauty and personal care products under Mamaearth, Dr Sheth's, Aqualogica and BBlunt brands. However, the issue of excessive stocks is restricted to Mamaearth, its largest brand.

The federation claimed distributors



As of March, Honasa's products were available in 188,377 retail outlets. MINT

are saddled with 90 days' worth of stocks or goods. Fast-moving consumer goods (FMCG) companies typically supply stocks for 20-30 days or 45 days at the most. Fresh orders are placed in response to how quickly products move from retail stores. Distributors then replenish the stock with retail outlets.

The issue has been on for several

months, said an executive at the federation.

"Once goods have been billed to the distributor, the liability is of the distributor. Distributors have done their job of product placement. However, offtake of products has not matched expectations," Dhairyashil Patil, national president of the AICPDF, told *Mint*.

In a statement on Monday, the federation highlighted the "high risk" of stock expiry at warehouses and retail outlets, along with "substantial" volumes of unsold inventory returned by retailers. It claimed Honasa has delayed replacing damaged, unsold, and expired stock. Patil said some products have been lying with them for over a year and could be nearing expiry.

In response to a query by *Mint*, a company spokesperson refuted the federation's claims, asserting that the statement contained errors and discrepancies.

"Honasa Consumer Ltd is dedicated to building distribution as a core strength for its business. We aim to achieve this by establishing enduring relationships with the right distribution partners, built on trust and mutual benefit," the spokesperson said. "We have been leveraging technology solutions for tracking inventory, sales, promotions, etc., to ensure transparent and efficient processes

across the value chain. We are committed to fostering strong, long-term partnerships with all our distributors and will keep working on addressing any concerns which come in the way."

Patil said the federation has raised the issue with the company several times.

"We have asked them to replace old stock with fresh stock. A lot of inventory is still sitting with retailers," he said. Some 200-300 distributors are affected by the issue, said Patil.

To be sure, Honasa has stepped up efforts to reach more offline outlets—a major sales channel for companies in the FMCG space. Small mom-and-pop stores still account for the bulk of FMCG sales in India.

As of March, Honasa's products were available in 188,377 retail outlets. The company started selling goods through physical stores four years ago.

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

90 Days worth of stocks distributors are saddled with

Qatar wealth fund goes after Byju Raveendran's personal assets

FROM PAGE 1

"If the party has issued a personal guarantee, then in case of default, lenders can enforce a personal guarantee by initiating legal proceedings. A personal guarantee can be of a continuing type of a specific guarantee," said Jidesh Kumar, managing partner, Kings Stubbs & Kasiva, a law firm.

However, it is not clear from the QIA filing whether Raveendran did offer a personal guarantee. The last known high-profile case where a personal guarantee was invoked by a

lender was in the case of Kingfisher Airlines founder Vijay Mallaya. Generally, banks demand personal guarantees in clearing large loans.

Qatar Investment Authority has sought relief under Section 9 of the Arbitration and Conciliation Act, 1996. Respondents include Raveendran and his Singapore investment entity Byju's Investments, which is controlled by Raveendran and his family.

In 2022, QIA had lent \$250 million to Raveendran against his shares in Think & Learn Pvt. Ltd, which he invested in the

edtech business at a valuation of \$22 billion. At the time, Raveendran had pointed to the steep valuation to claim that Byju's was not affected by the onset of a funding winter.

This transaction was initially part of an \$800 million round announced in March 2022 from equity investors such as Vitruvian Partners, Oxshott Capital Partners and Sumeru Ventures. Investments

from Oxshott and Sumeru never materialized. Of the \$800 million, Raveendran said he had raised \$350 million in his personal capacity to invest in the company.

Of this \$350 million, \$250 million came from QIA and \$100 million from IIFL Holdings.

QIA and Raveendran did not respond to requests for comments on Monday. In October 2022, Byju's said

it had raised \$250 million including from QIA, though it did not offer a break-up. Earlier, QIA had led a \$150 million investment in Byju's in July 2019.

QIA's current stake may prove to be worthless, after Byju's attempted to raise a \$200 million rights issue in January 2024, at a \$25 million pre-money valuation. This would have wiped out any investor that did not participate in the funding round because of the throwaway nature of the valuation of this round. Investors in Byju's came in at a

higher valuation and if they choose not to participate in future rounds at a discounted valuation, then they risk severe dilution in their stakes.

As a result, at least four investors—Sofina, Prosus, Peak XV and General Atlantic—have challenged the legality of the rights issue at the National Company Law Tribunal, and have petitioned the court to also oust the management citing suppression of minority rights and misgovernance by founders.

[ranjani.raghavan@live-mint.com](#)

M.P. POWER GENERATING COMPANY LIMITED
Office of The Addl. C.E. (P&W), Shree Singaji Thermal Power Project, Dongalia Distt. Khandwa (M.P.)
E-mail ID : sepnw.sstpp1@gmail.com, Website : mppgcl.mp.gov.in, Phone : 9407033933
No. 515-1700/SSTPP/MPPGCL/P&W/4063 Date : 07.07.2023

NOTICE INVITING E-TENDER

Tender Particulars/Tender Number	Estimated Cost (Rs.) (including GST)	Tender Cost & EMD in Rs.	Last Date and Time for closing of Online Submission
Procurement for Upgradation, Supply & installation of Siemens make PLC & SCADA software along with supply of Industrial PCs for Wagon Tippler-I&II, Stacker Reclaimer and CHP control room at 2X600 MW, PH-I, CHP, SSTPP, Dongalia. (Tender No. 2024_MPPGC_352161)	67.21 Lakhs	2000/- & 1,34,400/-	05.08.2023 up to 15:30

For extension & other details, the bidders are requested to please visit e-portal of GoMP at [www.mptenders.gov.in](#)
M.P. Madhyam/115492/2024 // SAVE ELECTRICITY // SE (P&W)

RELIABLE VENTURES INDIA LIMITED
Regd. Off: "Reliable House", A-6, Koh-e-fiza, Indore Road, Bhopal - 462001 (M.P.)

COMPANY NOTICE
In terms of the Reg.47 of SEBI (LODR) Regulation 2015, Notice is hereby given that the Board of Directors of the Company shall meet on **Wednesday, the 31st Day of July, 2024 at 4.30 P.M.** to consider, inter-alia, and approve financial results of the company for the 1st quarter ended 30th, June, 2024.

The Notice is also available on the website of the Company i.e. ["Nourusabhapalace.com"](#) and BSE website [www.bseindia.com](#).

For Reliable Ventures India Limited
Place : Bhopal Sd/-
Date : 19/07/2024 Director

ग्रेटर नौएडा औद्योगिक विकास प्राधिकरण
प्लॉट नं. 01, नालेज पार्क-IV, ग्रेटर नौएडा, गौतमबुद्ध नगर, उत्तर प्रदेश-201308
वेबसाइट: [www.greaternoidaauthority.in](#) ई-मेल: [authority@gnida.in](#)

पत्रांक: वरि.ई./ई-निविदा सेल/2024/521ए दिनांक: 22 जुलाई, 2024

ई-निविदा आमंत्रण सूचना

महाप्रबंधक (अभियन्त्रण) ग्रेटर नौएडा औद्योगिक विकास प्राधिकरण द्वारा मुख्य कार्यपालक अधिकारी, ग्रेटर नौएडा की ओर से ई-निविदा आमंत्रण सूचना संख्या-वरि. प्र./ई-निविदा सेल/2024/521 दिनांक 22.07.2024 के माध्यम से उल्लेखित क्रम संख्या-01 से 04 तक के कार्य की ई-निविदाये आमंत्रित जाती है। समस्त नियम व शर्तें ग्रेटर नौएडा प्राधिकरण की वेबसाइट: [www.greaternoidaauthority.in](#) पर ई-निविदा लिंक एवं ई-पोर्टल [https://etender.up.nic.in](#) पर उपलब्ध है किसी परिवर्तन, संशोधन व अतिरिक्त सूचनाओं के लिए उक्त वेबसाईट देखते रहें।

क्र. सं.	कार्य का नाम/वर्क सर्किल	अनुमानित लागत निर्माण कार्य।
1.	ग्राम-बोडाकी में ईरीगेशन कैनाल के ऊपर कवर्ट का निर्माण कार्य। (वर्क सर्किल-6)	₹. 13.68 लाख
2.	सैक्टर ईटा-2 में 24 मी. चौड़ी सड़क की रिफर्मेसिंग का कार्य। (वर्क सर्किल-6)	₹. 59.75 लाख
3.	सैक्टर-लेम्बडा-01 व 02 (ग्राम मकोडा एवं थापखेडा क्षेत्र) की 60 मीटर चौड़ी पेट्रिकेरियल रोड का निर्माण कार्य। (वर्क सर्किल-6)	₹. 1644.67 लाख
4.	जलापूर्ति एवं सीवर का कार्य। (सीवर लाईन का अनुसंधान) ग्रेटर नौएडा में विभिन्न व्यास की विभिन्न स्थानों पर सीवर लाईन बिछाये जाने का कार्य। (वर्क सर्किल-सीवर)	₹. 420.81 लाख

क्रम सं.-1 एवं 02 पर अंकित कार्य दिनांक-24.07.2024 से 05.08.2024 को 5.00 बजे तक अपलोड किया जा सकता है। प्राप्त ई-निविदाओं की प्री-क्वलिफिकेशन दिनांक 07.08.2024 को 11.00 बजे खोली जाएगी एवं क्रम सं. 03, 04 पर अंकित कार्य दिनांक 24.07.2024 से 07.08.2024 को 5.00 बजे तक अपलोड किया जा सकता है। प्राप्त ई-निविदाओं की प्री-क्वलिफिकेशन दिनांक 09.08.2024 को 11.00 बजे खोली जाएगी।

वरिष्ठ प्रबंधक (ई-निविदा सेल)
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Extract of Un-audited Consolidated Financial Results for the quarter ended June 30, 2024
(INR in Lakhs except earnings per share data)

Particulars	Quarter Ended			Year ended
	30.06.2024 Un-audited	31.03.2024 Audited (Refer note 5)	30.06.2023 Un-audited	
Revenue from Operations	10,427	11,800	9,017	41,456
Profit for the period (before tax and exceptional)	223	941	260	1,270
Profit for the period before tax (after exceptional)	223	941	260	1,270
Profit for the period after tax (after exceptional)	69	606	102	574
Total Comprehensive Income for the period [Comprising Profit for the period after tax and Other Comprehensive Income (after tax)]	102	681	136	708
Paid-up Equity Share Capital (Face Value - INR 2/- per share)	1,164	1,164	1,164	1,164
Other Equity excluding Revaluation Reserves as per the balance sheet				(1,049)
Earnings per share (of INR 2/- each) Basic & Diluted	(not annualised) 0.12	(not annualised) 1.04	(not annualised) 0.18	0.99

Notes:

- The above is an extract of the detailed format of Quarterly Financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchange websites ([www.bseindia.com](#) and [www.nseindia.com](#)) and on the Company's website "[www.digicontent.co.in](#)".
- The above un-audited consolidated financial results for the quarter ended June 30, 2024 were reviewed and recommended by the Audit Committee and were approved by the Board of Directors at their respective meetings held on July 22, 2024. The Statutory Auditors of the Company have conducted "Limited Review" of these results in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and have issued an unmodified review opinion.
- The consolidated financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- Additional Information on Standalone financial results is as follows:-

Particulars	Quarter Ended			Year ended
	30.06.2024 Un-audited	31.03.2024 Audited (Refer note 5)	30.06.2023 Un-audited	
Revenue from Operations	30	36	36	158
(Loss) Before Tax	(389)	(402)	(362)	(1,497)
(Loss) After Tax	(389)	(402)	(362)	(1,497)
Total Comprehensive (Loss)	(389)	(402)	(360)	(1,493)

5. The figures of the quarter ended March 31, 2024 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto December 31, 2023, being the end of the third quarter of the financial year, which were subjected to limited review.

For and on behalf of the Board of Directors
Praveen Someshwar
Director
(duly authorised by Board of Directors)
(DIN: 01802656)

Place: New Delhi
Date: July 22, 2024

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HT FIRST VOICE. LAST WORD.



Joe Biden has given Democrats a second chance to win the White House

If they are not to squander it, they must have a proper contest

The Economist

It will later come to be seen as inevitable, perhaps, but President Joe Biden's decision not to stand for re-election had America and the world on the rack for three and a half agonising weeks. Now that he has given way, much rests on how his party handles the search for someone to replace him. After surviving an attempted assassination and basking in a triumphant convention, Donald Trump remains the strong favourite to become America's 47th president. Thanks to Mr Biden's withdrawal, he is still beatable.

Unfortunately, persuading a stubborn old man to back down was the easy part. The Democratic convention begins on August 19th. To maximise their chances, Democrats now need to tread a difficult line between acting fast, preserving their unity and finding the best possible candidate. Some party elders appear to have decided to focus on speed by endorsing Mr Biden's vice-president, Kamala Harris. That is not in the Democratic Party's best interest, nor even Ms Harris's. She has not yet demonstrated that she is a strong candidate. The more she appears to have been foisted on her party, the harder she will find it to win.

After a lifetime of refusing to take no for an answer, Mr Biden fought to the bitter end. However, despite numerous television appearances, he could not dispel the image of a stumbling and befuddled old man unfit to serve a second full term. Polling suggested that he was behind in all the places he needed to win on November 5th. Even supposedly safe states, like Virginia and Maine, were



Some party elders appear to have decided to focus on speed by endorsing Mr Biden's vice-president, Kamala Harris. AFP

in danger of going Republican. As governors, senators and congressmen saw Mr Biden dragging down their own chances of remaining in office, the party began to rise up against him.

The president's parting letter spoke of his own achievements, and they are many, including climate policy, a strong economy and his support for Ukraine. His time in office was more worthy of being remembered for all that than for clinging grimly to power even at the cost of a Trump victory. Now that he has shown leadership, if belatedly, he has one last duty, which is to help his party find a replacement who can win.

Mr Biden's first task is to help the party avoid a row about what to do next. He has already endorsed Ms

Harris, as have Bill and Hillary Clinton, a former president and secretary of state. Nancy Pelosi, a former speaker, and Barack Obama, another president, have not but may do so. Crucially, both have leaned towards an open process. If senior figures resist, there could be a destructive power struggle over how to proceed. Having already wasted so much time, Democrats have little to spare.

Because a divided party will struggle to win the election, some therefore want Ms Harris to go forward uncontested. She has the name-recognition, the experience of working in the White House and, it seems, the backing of some senior Democrats. She would also be the first woman to serve as America's president—and the first of African and Asian descent.

Many in the party feel that to pass her over would not only be wrong in principle, but would also drive away black and female voters.

In fact, the coronation of a candidate whom Republicans have already started to call Mr Biden's "enabler in chief" would be second best. A genuine race would bring scrutiny, valuable attention from the news media and, crucially, legitimacy. Handled right, that could enhance party unity and enthuse the thousands of foot soldiers who must sell their new nominee to voters and who may already resent how Mr Biden's deteriorating health was hidden from them. That could also invigorate the down-ballot races.

Ms Harris would have something to gain from such a competition, too.

She would begin as the overwhelming favourite, but she would then be recognised as having achieved the nomination by virtue of her own political skills. That would serve her well in the campaign and with voters.

Ideally, Democrats would hold a brief and open competition between their best and brightest. After Mr Biden's decision to withdraw, the 4,700 or so delegates to the convention are free to vote for whomever they choose to become their party's candidate. There is no shortage of contenders: Governors Gretchen Whitmer of Michigan, Jared Polis of Colorado, Andy Beshear of Kentucky and Josh Shapiro of Pennsylvania are impressive. From the cabinet, Gina Raimondo and Pete Buttigieg are worth a look. In the Senate, Mark Kelly and Raphael Warnock—the first an astronaut, the second a preacher—would make an interesting contrast with Mr Trump.

The Democrats' problem is not lack of talent: it is how to choose between all of it in the short time they have left. Some of these candidates may be tempted to sit out this election, in the belief that it would boost their chances in 2028. If Democrats mean what they say about the stakes in this election, that would be reprehensibly cynical. Finding the balance between speed, unity and legitimacy will be hard, but in the past Democrats have too often succumbed to pragmatism and deference, both of which favour Ms Harris. To impose her so soon after concealing Mr Biden's infirmities would not serve them or America well.

Time is short. Mr Biden has given Democrats a second chance to win a race that looked beyond their grasp. They must not waste it.

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Security for Taiwan is vital to the chip industry—and to all the tech companies that use those chips. BLOOMBERG

Chips and Taiwan are a new cloud for tech earnings

Dan Gallagher
feedback@livemint.com

Chip politics are no longer just the chip industry's problem.

Investors got a sharp reminder last week of just how politicized the semiconductor industry has become—especially ahead of a U.S. presidential election. First came a report that the Biden administration is considering more severe trade restrictions to keep advanced chip manufacturing tools out of the hands of Chinese companies.

Then *Bloomberg Businessweek* ran an interview with Donald Trump in which the former president and current Republican nominee raised doubts about whether the U.S. under his administration would defend Taiwan from China unless the island democracy starts paying for U.S. protection.

The news poured more than a splash of cold water on what has been a red-hot sector. Chip stocks crashed Wednesday following the initial reports and kept falling. The PHLX Semiconductor Index closed Friday with a weekly loss of nearly 9%. The index had been up 40% for the year to date ahead of the damaging reports after having surged 65% this past year—its best annual performance since 2009.

Semiconductor investors have long been factoring in the growing risk of lost sales to China due to export restrictions. But Trump's comments about Taiwan add a whole new element of risk: The island is a major hub for manufacturing the world's most advanced semiconductors and less-advanced but vital ones that go into products such as thermostats, cars and medical devices.

This isn't just about Taiwan Semiconductor Manufacturing, the chip-making giant better known as TSMC that produces key processors for companies such as Nvidia, AMD and Apple. The island is also home to many other suppliers of key components used in final chip products. During a speech at a conference in Taipei in June, Nvidia Chief Executive Officer Jensen Huang praised Taiwan as "the unsung hero" of the computer

industry, showing a slide of more than 100 companies he described as "treasured partners" to the artificial-intelligence chip star.

Hence, Trump's comments "throwing gasoline on an already raging China restriction issue that had the chip stocks in turmoil already," independent semiconductor analyst Robert Maire wrote in an email. Whatever the intent behind them, they may have raised the odds of an attempt at forced "reunification" by China by creating doubt about America's response.

Military action against Taiwan wouldn't just hit chip companies but also the many, many businesses that use those chips. It isn't a small list: Chips sit at the heart of the cloud computing services offered by Microsoft, Google and Amazon as well as the iPhones sold by Apple and the EVs sold by Tesla, whose CEO is now one of Trump's largest backers.

Armed conflict between mainland China and Taiwan is hardly a foregone conclusion, even if

THE WALL STREET JOURNAL. Trump wins in November.

But investors who mostly have been trading on AI hype need to factor a new element of risk into their models—especially since political rhetoric will only grow louder ahead of the election. U.S. policy toward China is a major issue for both parties, and the question of defending Taiwan will very likely arise again.

This comes as investors are also grappling with how to value the AI opportunity, especially as coming tech-earnings reports will likely continue to feature more AI investments than actual revenue.

Risks there still aren't fully baked in. The Nasdaq Composite Index has come down a bit from the record high it hit earlier this month, but it still up 18% for the year, which is more than double the Dow's return. And the six megacap tech giants—Apple, Microsoft, Nvidia, Amazon, Google-parent Alphabet and Meta Platforms—have added a collective \$3.7 trillion in market value in that time. That is an awfully big bet on a sector that no longer has the luxury of staying out of the political fray.

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Nvidia preparing version of new flagship AI chip for China

Reuters
feedback@livemint.com
SINGAPORE

Nvidia is working on a version of its new flagship AI chips for the China market that would be compatible with current US export controls, four people familiar with the matter said.

The AI chip giant in March unveiled its "Blackwell" chip series, which is due to be mass-produced later in the year. The new processors combine two squares of silicon the size of the company's previous offering. Within the series, the B200 is 30 times speedier than its predecessor at some tasks like serving up answers from chatbots. Nvidia will work with Inspur, one of its

major distributor partners in China, on the launch and distribution of the chip which is tentatively named the "B20", two of the sources said. Shipments of the "B20" are planned to start in the second quarter of 2025, a separate person told Reuters.

The people declined to be identified as Nvidia has yet to make a public announcement. A spokesperson for Nvidia declined to comment. Inspur did not respond to requests for comment.

Washington tightened its controls on exports of cutting-edge semiconductors to China in 2023, seeking to prevent breakthroughs in supercomputing that would aid China's military. Since then, Nvidia has developed three chips



The new version of Nvidia's AI chips would be compatible with current US export controls. REUTERS

tailored specifically for the Chinese market.

The advent of tighter export US controls has helped Chinese technology giant Huawei and startups like Tencent-

backed Enflame make some inroads into the domestic market for advanced AI processors.

A version of a chip from Nvidia's Blackwell series for

the Chinese market would boost the US firm's efforts to fend off those challenges.

China accounted for around 17% of Nvidia's revenue in the year to end-January in the wake of US sanctions, sliding from 26% two years earlier.

Nvidia's most advanced chip for the China market, the H20, initially got off to a weak start when deliveries began this year and the US firm priced it below a rival chip from Huawei, Reuters reported in May.

But sales are now growing rapidly, two of the people said. Nvidia is on track to sell over 1 million of its H20 chips in

China this year, worth upwards of \$12 billion, according to an estimate from research group SemiAnalysis.

Expectations are high that the US will continue to keep up the pressure on semiconductors related export controls.

The US wants the Netherlands and Japan to further restrict chip-making equipment to China, sources have said.

The Biden administration also has preliminary plans to place guardrails around the most advanced AI Models, the core software of artificial intelligence systems like ChatGPT, people have said.

The US tightened its controls on semiconductors exports to China in 2023 to prevent breakthroughs in supercomputing

Boeing's most relatable problem: finding a parking spot

Sharon Terlep
feedback@livemint.com

Boeing has a parking problem.

Parts shortages and other issues have left the jet maker with about 200 fully or mostly finished airplanes sitting in airfields, outside plants and—in one location—an employee parking lot.

Some of the planes are awaiting interiors; others need engines. Dozens more are awaiting delivery to China.

Unable to fly, the planes aren't delivering much-needed cash as the jet maker burns through more than \$1 billion a month. And they present a host of logistical challenges.

Planes sitting around too long may need software or other updates. Moving unfinished jets is tricky, especially if the part they are missing is the engine, as is the case with a handful of 777 freighters.

"It kind of begs the question: When are you going to deliver these things," said Ron Epstein, an aerospace analyst at Bank of America. "They can only sit around so long before you have to do something with them."

The predicament comes as the jet maker grapples with production slowdowns and regulatory scrutiny in the wake of January's near catastrophe on an Alaska Airlines flight.

Those problems have little to do with the parking overflow—in fact, they may be helping. Because Boeing is building planes more slowly as it works to improve quality, fewer planes are piling up than if its factories were operating at full speed.

Boeing has delivered 175 planes through June of this year, compared with 266 through the first half of 2023.

This isn't the most dire parking predicament Boeing has faced in recent years. Following the grounding of Boeing's bestselling 737 MAX due to crashes in 2018 and 2019, the company had about 450 of those planes stashed in its facilities.

At another point, it had more than 100 787s parked, which presents a space conundrum given the planes' size.

This week, Boeing executives head to the Farnborough International Airshow where the jet maker's commercial unit will forgo the customary flight demonstrations and have a smaller-than-usual presence. The company said the shift is so it can focus on safety and quality improvements and meeting order demands. On July 31, Boeing will disclose its financial results for the quarter ended June 30.



Boeing has delivered 175 planes through June of this year, compared with 266 through the first half of 2023. AFP

Boeing said it is making progress clearing out parked planes. "As we have delivered hundreds of 737s and dozens of 787s from inventory in recent years, we have reduced the parking space needed at several sites," the company said.

The company says it hasn't become so tight on space that

it has to stop or slow production—what is referred to in the aerospace industry as being "jiglocked."

Supplier shortages, lingering from the supply-chain crisis born amid the pandemic, have saddled the company with planes short of parts.

Those include more than 20 wide-body 787s sitting outside

a Boeing factory in North Charleston, S.C., according to AIR, an aerospace-industry research company in Seattle. Shipments of the model have slowed as Boeing grapples with a shortage of cabin seating, which has begun to improve.

Seat suppliers industrywide haven't been able to keep up with demand for cabin seating, especially for premium offerings, amid material shortages and certification delays. Boeing also has been short on a temperature-regulating part called a heat exchanger.

To ease the backup, Boeing flew a dozen or so 787s to its site in San Antonio, where it previously stored planes.

Flying is less of an option when it comes to a handful

of 777 freighter jets in Everett, Wash., that are awaiting engines. The engine maker, GE Aerospace, has struggled with supplier shortages on the model.

Boeing has delivered two freighters this year through May. But the engines have started rolling in.

Boeing delivered five of the planes in June, and the company says it has enough engines for near-term deliveries.

Those freighters sit on an already crowded campus. Roughly 30 777X jets—a much-delayed, more fuel-efficient version of the 777 model—are stationed there. Boeing on Saturday said it conducted its first flight certification test on a 777X, according to AIR.

Also at Everett are around 10 to 15 787s awaiting inspections

to ensure the planes are built to specification. The company added that step several years ago after employees raised concerns about potential production issues.

"This creates constraints; it creates costs," AIR's Michel Merluzeau said. "There is a cost and an operational penalty. It's something you really want to avoid as much as possible; they're stuck in a bad place."

Today, more than half of the parked planes are single-aisle 737 MAX's still awaiting delivery, some of which are now several years old.

Many of the undelivered 737 jets are destined for China, one of Boeing's biggest markets. Boeing in January made its first delivery of the MAX jets to China after more than four years. The deliveries had been frozen by Beijing since the two crashes of the 737 MAX.

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NEWS NUMBERS

100
THE APPROXIMATE number of queries the CCI sent to Reliance Industries and Walt Disney regarding their \$8.5 billion merger of Indian media assets

51.25%
THE PERCENTAGE of Indian graduates deemed employable straight out of college, up from 34% 10 years ago, according to the Economic Survey

23%
THE PERCENTAGE of Indians who are technically overweight with a body mass index over 25, according to an analysis in the Lancet

3.4 mn
THE NUMBER of people global capability centres are projected to employ by 2028, up from 1.6 million in 2023, as the number of GCCs grows by 31% to 2100 by that year

\$50 mn
THE AMOUNT the Democratic Party has raised in campaign funds since President Joe Biden announced his decision to withdraw from the 2024 presidential race

UCO Bank Q1 net profit jumps 147%

State-owned UCO Bank on Monday reported a 147% year-on-year jump in net profit to ₹551 crore in the April-June quarter. The lender's bottomline in the corresponding period a year ago stood at ₹223 crore.

Operating profit in the reporting quarter was ₹1,321 crore, registering a growth of 9.81% over the year-earlier period.

The Kolkata-based bank's total business grew 11.46% on-year to ₹4,61,408 crore, while gross advances increased 17.64% to ₹1,93,253 crore, it said in a statement. Total deposits rose 7.39% year-on-year to ₹2,68,155 crore in the three months ended June. Advances in retail, agriculture and MSME (RAM) sectors were up 18.65% at ₹1,01,986 crore, it said.

The bank also managed to reduce its gross non-performing assets (NPA) in April-June by 116 basis points to 3.32%, while net NPA declined by 40 basis points to 0.78%. **PTI**



The Bank's total income during the first quarter grew to ₹7,568 crore up 21.54% on-year. **MINT**

Indian Overseas Bank profit up 26%

Public sector Indian Overseas Bank on Monday reported a 26.60% rise in its net profits for the April-June 2024 quarter at ₹633 crore. The bank had registered a net profit of ₹500 crore during the corresponding quarter of last year. Total income during the quarter under review grew to ₹7,568 crore up by 21.54% from ₹6,227 crore registered in the same quarter of last year.

Total business of the bank during the quarter under review grew by 16.04% to ₹5,28,773 crore from ₹4,55,664 crore registered in the same period of last year. For the first quarter the net interest margin stood at 3.06% while the provision coverage ratio improved to 96.96% registering an improvement of 293 basis points.

The non-interest income grew by 28.64% year-on-year to ₹1,033 crore in Q1 of FY25 as against ₹803 crore in Q1 of last fiscal. The interest income grew by 20.48% year-on-year to ₹6,535 crore during the quarter under review.

Briefing reporters, the bank's managing director and CEO Ajay Kumar Srivastava said the increase in net profit is because the net income has increased. **PTI**

Reliance and Wipro weigh on markets

Indian shares closed marginally lower on Monday, dragged by Reliance Industries and Wipro after the companies posted weaker-than-expected quarterly results, with volatility rising a day ahead of the budget.

The Nifty 50 fell 0.09% to 24,509.25, while the Sensex shed 0.13% to 80,502.08. The volatility index spiked to a six-week high of 15.63 during the session before settling at 15.44.

Investors waited ahead of the union budget today, amid concerns over possible tweaks in capital gains tax, according to analysts.

If the long-term capital tax on equities were to be raised, the rationale for these changes may be to create an even playing field between asset classes, Neelkanth Mishra, chief economist at Axis Bank said.

In India, gains on listed shares are taxed at 10% if stocks are held for 12 months, and at 15% if held for less than 12 months. But other asset classes such as debt have higher long-term capital gains tax of 20%. **REUTERS**

India seeks licences for Pacific deep-sea mineral exploration

India will apply for licences to explore for deep-sea minerals in the Pacific Ocean as it competes to secure supplies of minerals critical for energy transition technologies, a top government scientist told Reuters.

The UN-backed International Seabed Authority (ISA) has issued 31 deep-sea exploration licences, including two for India in the Indian Ocean, but is yet to allow mining because the 36-member body is still working on regulations. The 36-member ISA council is meeting in Jamaica this month to negotiate the latest draft of a mining code.

M. Ravichandran, the top scientist at ministry of Earth sciences, said his ministry will work closely with India's mining industry as it readies to apply next year for exploration of seabed minerals in the Pacific.

India plans to focus on the Clarion-Clipperton Zone, a vast plain between Hawaii and Mexico known to hold large volumes of polymetallic nodules containing minerals used in electric vehicles and solar panels including manganese, nickel, copper, and cobalt. **REUTERS**



The UN-backed ISA has issued 31 deep-sea exploration licences, including two for India in the Indian Ocean. **BLOOMBERG**

READY FOR B-DAY



Union finance minister Nirmala Sitharaman and minister of state for finance Pankaj Chaudhary (both seated) with the team that gave the final touches to Union Budget 2024, in New Delhi on Monday. **MINT**

Parliament must serve nation, not political interest: PM Modi

PM accuses Opposition of disruptions, calls for unified effort towards development

Smriti Kak Ramachandran
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NEW DELHI

Prime Minister Narendra Modi on Monday urged parliamentarians from across the political divide to rise above party politics and work for the nation, underlining that the Parliament is meant for "desha" (country) and not "dala" (party).

The PM also accused the Opposition of causing disruptions, dubbing it as "negative politics" and said, "...muzzling of the elected government and its Prime Minister has no place in democratic traditions. For 2.5 hours, an attempt was made to suppress the voice of the Prime Minister. The people of the country have sent us for the country and not for the party. This Parliament is for the country, not for the party..." he said.

He was referring to the disruptions during his reply to the motion of thanks to the President's

address last month.

In his customary address at the start of the monsoon session that began on Monday, the PM said there is a need to "rise up above party politics and commit to the nation by making use of the dignified platform of Parliament..." and added, "...this House is not meant for political parties, this House is meant for the country. It is not meant to serve the Parliamentarians but 140 crore citizens of India."

Urging lawmakers to set aside differences, he said till 2029, the only priority must be the country and the realisation of the dream to make India developed by 2047. "The electorate has spoken, and now all political parties must fight together for the country for the next five years. Go to the

battlefields of election in January 2029. Till then, the only priority should be the country, its poor, farmers, women and the youth", he said.

The PM's statement comes at a time when the Opposition is gearing up to take on the government over a host of issues, from paper leaks and

Modi urged lawmakers to set aside differences till 2029, with the only priority to realize the dream of making India developed by 2047

irregularities in the conduct of premier entrance examinations to the controversies over issues like the decision to withdraw the order prohibiting government employees to

participate in activities of the Rashtriya Swayam-sevak Sangh, the ideological fount of the BJP.

The Opposition also condemned Uttar Pradesh and Uttarakhand governments for issuing directives to traders along *Kanwar Yatra* route to specify names, which were stayed by the apex court.

Govt issues discom incentive guidelines

Union minister Pralhad Joshi on Monday said the ministry of new and renewable energy (MNRE) has issued guidelines to provide ₹4,950 crore incentive to discoms under the PM-Surya Ghar: Muft Bijli Yojana. Criteria for incentivising Discoms include achievement of installation of additional grid-connected rooftop solar capacity beyond the baseline level, the new and renewable energy minister said in a post on X.

"₹4,950 crore incentives to Discoms under @PMSuryaGhar. The guidelines have been issued for effective disbursement of incentives," he said. The scheme guidelines for implementation of incentives to Discoms were notified by the MNRE last week on July 18, an official statement said.

The scheme has an outlay of ₹75,021 crore and will be implemented till FY27, the ministry of new and renewable energy said. **PTI**



The move aims to ensure structural stability of airport buildings and associated infrastructure. **MINT**

Airport operators to conduct audit

The government on Monday said all airport operators have been directed to carry out a third party audit of structural stability of airport buildings and associated infrastructure.

Besides, they will conduct a thorough evaluation of all civil, electrical and technical aspects of the buildings before the onset of monsoon every year. The directives came in the wake of roof collapse incidents at three airports last month. During heavy rain, forecourt canopy collapsed at Terminal ID of the Delhi airport on 28 June. Also, the kerb area canopy made of tensile fabric, a non-structural element, was damaged at Jabalpur and Rajkot airports on 27 and 29 June, respectively.

In 2023-24, an amount of ₹795.72 crore has been spent on repair and maintenance (R&M) works at 121 airports of the Airports Authority of India (AAI), as per official data submitted to the Rajya Sabha on Monday. **PTI**

Sidbi project gets \$215.6 mn funding

Small Industries Development Bank of India (Sidbi) on Monday said the Green Climate Fund (GCF) has approved a \$215.6 million loan facility for one of its projects.

The funding is for implementing Financing Mitigation and Adaptation Projects (FMAP) in Indian small businesses, as per an official statement.

It will support Indian micro, small and medium enterprises (MSMEs) to adopt low-emission and climate-resilient technologies, thereby contributing to the net-zero targets of the country.

The funding consists of a \$200 million facility for concessional loans, while the remaining \$15.6 million is grant support from GCF, which will be utilized to build the capacity of various stakeholders, including MSMEs and PFIs, to understand the various low-emission and climate-resilient technologies. **PTI**

Jakson Green gets ₹296 cr credit boost

Jakson Green on Monday said the company has secured a credit facility of ₹296 crore from UAE-based First Abu Dhabi Bank. In a statement, the company said it will use the proceeds for the expansion of its international business beginning with investment in Uzbekistan.

"Jakson Green has secured a credit facility of ₹296 crore from First Abu Dhabi Bank. This financing will fuel the company's international expansion, with Uzbekistan serving as the first beneficiary for its upcoming solar photovoltaic (PV) and battery storage project," it said.

The credit facility marks a significant milestone for its entry into Uzbekistan's renewable energy sector, as the company actively looks to expand its global reach in the Middle East, Africa, Commonwealth of Independent States (CIS) and Europe, the statement said.

Jakson Green is the renewable energy arm of Jakson Group. **PTI**



HDB Financial Services is in talks with a group of global and local banks to finalize the term. **MINT**

HDFC Bank unit to borrow \$300 mn

A unit of HDFC Bank Ltd, India's largest private sector lender, is planning to borrow as much as \$300 million, according to people familiar with the matter, as tighter rules by the nation's central bank restrict domestic avenues. HDB Financial Services Ltd is in talks with a group of global and local banks to finalize the terms, said the people, who asked not to be identified because the discussions are private.

Non-banking finance companies are increasingly tapping credit market overseas after the Reserve Bank of India limited domestic funding sources for them. Manappuram Finance Ltd, Muthoot Finance Ltd and Piramal Capital & Housing Finance Ltd are among shadow financiers who have borrowed overseas this year. HDB Financial offers a range of secured and unsecured consumer loans. The debt's tenor may range from three to five years, with the pricing linked to the secured overnight financing rate, the people said. The funds will be raised under the central bank's external commercial borrowing route, which caps the interest rate at 500 basis points over the benchmark rate. HDB Financial did not respond to Bloomberg's request for comment. **BLOOMBERG**



'Allow health premium deduction as key tax benefit in new regime'

Aprajita Sharma
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Taxpayers are looking forward to potential changes in the slab rates and higher deduction in old tax regime in budget 2024. But, Ranjeet Kumar Agarwal, president of the Institute of Chartered Accountants of India, is of the view that the old tax regime may be phased out gradually. Agarwal is also against offering tax benefits to promote retirement savings but advocates for medical insurance to be a tax-deductible expense in the new exemption-free tax regime. In an interview with *Mint*, Agarwal discussed strategies to increase the number of taxpayers in India. *Edited excerpts:*

How has the adoption of new tax regime been? What is the way forward for the old regime?

The default (new) regime, which offers concessional tax rates on the total income, without deductions and exemptions, will make both tax compliance and tax administration simpler. It will also ensure consistency and certainty. The default tax regime is the way forward and the old scheme may be discontinued in a phased manner.

What are some of the common tax avoidance practices for which the I-T department has started sending notices to taxpayers?

Examples include non-reporting or under-reporting income auto-populated in Form 26AS/AIS and a mismatch of income in the income tax return and taxable income statement. **Holding period for capital gains differs for different investment products. Why is this so?**

The holding period is more than 36 months for an investment to be treated as a long-term capital asset and be eligible for indexation benefit and concessional rate of tax under Section 112. However, to give sector-specific benefits, the holding period for being treated as a long-term capital asset has been reduced for certain assets. For example, to promote the real estate sector and make it more attractive for investment, the period of holding for land and building was reduced to 24 months. It was reduced to 12 months to incentivise investment in listed securities and units of

Budget 2024: The tax landscape

Analysing tax regimes, ITR filing, expanding tax base, and CA job prospects

Should we expect changes in the old tax regime?
▶ New tax regime is the way forward; old one likely to be phased out.

Should tax deductions be allowed in the new tax regime?
▶ Allow deductions for medical insurance premiums.

How to increase number of taxpayers?
Make ITR filing mandatory for those who:
▶ Buy immovable assets of over ₹30 lakh.
▶ Deposit over ₹50 lakh in bank accounts.

Any suggestion for taxpayers?
▶ Don't depend on AIS alone for tax filing.
AIS - Annual information statement

What's new at ICAI?
▶ Launched a ChatGPT feature to simplify the learning process.
▶ Next campus hiring likely in August.

Campus hiring in November 2023
▶ Participating companies: 140
▶ Jobs offered: 2,717
▶ Highest domestic salary: ₹29 lakh p.a.
▶ Average domestic salary: ₹13.24 lakh p.a.



Increasing social benefits for taxpayers and simplifying income tax return filing would enhance voluntary tax compliance

Ranjeet Kumar Agarwal, president, ICAI

an equity-oriented fund. In this case, even though indexation benefit is not available, taxpayers are entitled to a concessional rate of tax at 10% on the capital gains exceeding ₹1 lakh.

A major concern if the old tax regime is removed is the lack of incentives for retirement planning and insurance. Should tax benefits be provided for these?

Investment for retirement is essential for every person and it should not depend on the availability of tax ben-

efits. Since the tax regime has provided incentives for investment and insurance for all these years, there is a tendency to consider the current tax benefits while deciding whether to invest or not. With the default tax regime offering concessional rates without deductions for investments and insurance, there will be a gradual change in people's mindset - investing for future benefits rather than tax concessions. However, considering the impor-

ance of medical insurance to individuals and the high cost in the absence of subsidised healthcare facilities to all taxpayers, ICAI has suggested that medical premiums should be allowed as a deduction under the default tax regime as well.

How can we increase the number of people who pay income tax?

Increasing social benefits for taxpayers would increase voluntary tax compliance. Currently, filing tax returns has been made mandatory for certain people even if their income is below the basic exemption limit, including people who deposit over ₹1

crore in one or more current accounts, spend more than ₹2 lakh on foreign travel or more than ₹1 lakh on electricity, have an aggregate tax deducted at source (TDS) and tax credited at source (TCS) of ₹25,000 or more, a total business turnover of more than ₹60 lakh, or gross receipts of more than ₹10 lakh from a profes-

sion. As a way forward, more such criteria may be specified. For example, people who buy immovable property exceeding, say, ₹30 lakh could be required to file returns irrespective of whether their total income is below the basic exemption limit. Also, the thresholds for existing criteria could be reduced.

Making it easier to file returns would also help increase the taxpayer base. Earlier, many individuals didn't file returns even though they had taxable income as they found it difficult to gather information about their different sources of income. Because of this, the forms are now pre-filled. The consolidation of scattered tax-related information into a single, easily accessible location has played a pivotal role in encouraging more individuals to voluntarily file returns.

Can a person depend entirely on the Annual Information Statement (AIS) to match with his ITR before filing?

Taxpayers prepare their returns on the basis of bank statements, interest certificates, investment proof for which a deduction is available, books of accounts, balance sheets and profit and loss accounts (if applicable), Form 16/16A and AIS. They do not and should not depend on AIS alone. **What can CA aspirants and those who recently cleared their exams and are looking for jobs expect from ICAI?**

Earlier this month, we launched ChatGPT to simplify the CA preparation process. It stores question banks of the past 75 years to help students easily find specific questions and their recurrence over the years. We conduct campus placement drives for newly qualified CAs twice a year. The next one is expected in August. The most recent one, in November 2023, offered 2,717 jobs at 140 participating organisations. The average domestic salary came in at ₹13.24 lakh a year and the highest was ₹29 lakh a year.



POWER POINT

VIKASH KUMAR JAIN

We welcome your views and comments at
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AI, BLOCKCHAIN TO AID IN RECOVERING UNCLAIMED ASSETS

Asset recovery is undergoing a transformative phase, driven by cutting-edge technologies including artificial intelligence (AI) and blockchain. As India grapples with immense volumes of unclaimed assets, the role of these technologies in investment, money recovery and asset management can't be overstated. The assets, including uncollected shares, dividends, mutual funds, and more, pose a substantial burden that is made worse by problems like insufficient knowledge, out-of-date information and ineffective administrative procedures. Notwithstanding these obstacles, nascent technologies have prospects for expediting detection and retrieval of these misplaced assets. This is not just futuristic, it is a reality of the present that is changing the financial environment.

Current landscape: The field of asset recovery is dynamic and complex, and has changed significantly over time. Asset recovery in India has always included laborious court disputes, voluminous documentation, and manual methods. The existing procedures are frequently cumbersome and ineffective, which makes it difficult for people and organisations to recover misplaced assets. AI's arrival is destined to completely transform the asset recovery process. By doing so, fraud and mistakes can be drastically decreased, guaranteeing that assets are properly recorded and quickly returned to their original owners.

Understanding unclaimed assets: With large sums of money inactive in the form of unclaimed bank accounts, insurance policies, investments, and other financial instruments, asset recovery has become important. Traditional investment/money recovery approaches confront many obstacles as the financial landscape becomes increasingly complex. Various factors contribute to these assets going unclaimed, including shareholders

forgetting to update contact information or losing track of investments when their lives change and heirs not knowing what rights they have. However, new developments in blockchain technology and AI provide creative ways to improve and expedite the asset recovery procedure.

Technological innovations: By offering an unchangeable, transparent ledger systems that can safely automate asset transactions and trace ownership, blockchain technology presents a game-changing alternative. Blockchain guarantees transparency in the context of unclaimed assets at every stage of the transaction, from the first share issuance to the declaration and dividend distribution. The defining feature of blockchain technology, smart contracts, can reduce administrative costs and guarantee regulatory compliance by automating the process of identifying rightful owners and transferring assets based on predetermined criteria. AI can speed up recovery by increasing asset identification efficiency and accuracy through the use of machine learning techniques.

Role of organisations and advisors: Recovering lost money requires the assistance of financial advisors and companies that specialise in unclaimed asset management. In addition to providing end-to-end support services, including managing paperwork, facilitating legal documentation, and liaising with regulatory bodies, these businesses also educate clients on the importance of maintaining contact details to ensure a smooth and efficient claims process. Financial advisors are also crucial in helping clients plan forward financially. Advisors emphasising the importance of account consolidation and routinely updating personal information lessen the risk of unclaimed assets. It's also critical that they understand how to use blockchain technology to manage unclaimed assets and interpret AI-driven data.

Addressing systemic issues: Indian unclaimed asset percentage is high due to factors like population mobility, complex legislation and inadequate financial awareness. To recover unclaimed money requires India to adopt a comprehensive strategy that includes technology, education, and regulatory reform, opportunities to speed up asset recovery, boost transparency, and streamline asset management processes. Using blockchain and AI to recover investment/money ensures compliance and transparency, enhancing efficiency. In T will benefit asset holders since advisors may use technology to speed up recovery processes and minimise human error. Allow innovation to be the engine of change as we navigate the complex financial landscape. Collaboratively, we can unlock the wealth of unclaimed assets, enriching people's lives and propelling India's economy.

Vikash Kumar Jain is co-founder and director, Share Samadhan.

Blockchain and AI will ensure compliance and transparency, enhancing efficiency

Investors note 'stocks can go down too' in return to hedging

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Hedging is back as investors fret over concerns about everything from the US presidential election to second-quarter earnings, interest rate and economic growth.

The Cboe Volatility Index, a gauge of options prices, surged most in over a year last week as stocks sank with growing calls for Joseph Biden to quit the presidential race. Now that he has done so and thrown US politics into uncharted territory, futures on the gauge have slipped after climbing as much as 1.8% in Asian trading. Octo-

ber contracts, which measure swings around the vote, rose even more and were still up by 1:19 p.m. in Hong Kong. Should vice president Kamala Harris become the Democratic nominee, risk pricing is likely to look similar to what it was before Biden's debate against Donald Trump, according to Stuart Kaiser, head, US equity trading strategy, at Citigroup Global Markets.

"Policy continuity means she is the closest proxy for Biden among the alternatives so volatility pricing will look very similar," Kaiser said. "Perhaps with a bit more risk premium given the late change



and recent events on Trump-GOP side of things."

After shunning protection against selloff that never happened in first half of the year, traders are switching modes.

They're also watching if technology company earnings can support still-lofty valuations—Tesla Inc. and Google's parent Alphabet Inc. will report this week—while chatter on when

the US Fed will start lowering interest rates will remain in focus. With increased chances of Trump winning the presi-

dency baked in, positioning in the rates market is shifting to gauge chances of a rate cut at the month end, or a bigger one in September. Some froth has come out of the stock market as earnings ramp up. Some biggest tech companies have positive call skew—when bullish options are expensive than bearish ones—according to

Scott Nations, president of volatility and options index developer Nations Indexes. That's a sharp change from earlier this month, when 7 of the top 10 stocks in the S&P 500 did, he said. "It seems investors figured out that stocks can go down, too, and want protection."

After shunning protection against selloff that never took place in H1 of the year, traders are switching modes

The VIX was at its highest since April last week. Cost of options on the gauge hit 3-month high. Over 170,000 August calls betting VIX would go to 21 traded, at highest level since October.

Check how your NPS investments are faring

There are very few retirement products that help you accumulate a retirement nest egg and one such product is the National Pension System (NPS). It is a market-linked, defined-contribution product that needs you to invest regularly in the funds of your choice. The returns are based on the performance of the fund that you choose. There are eleven pension fund managers to choose from and one of the ways to do that is by tracking the returns. Here is a breakdown of the performance of different funds—equity fund, government bond fund and corporate bond fund—of the private sector NPS. This NPS table show returns for pension fund managers who have completed at least 1 year

Fund Manager	Returns (in %)			Tier-1 account								
	1 year	3 years	5 years	Equity fund			Government bond fund			Corporate debt fund		
Aditya Birla Sun Life Pension	34.09	19.11	18.58	9.17	6.98	6.98	7.96	6.27	7.46			
Axis Pension Fund	35.07	NA	NA	9.30	NA	NA	7.66	NA	NA			
HDFC Pension	34.36	18.97	18.99	9.44	6.76	6.99	8.15	6.43	7.70			
ICICI Pru. Pension Fund	38.82	20.74	19.64	9.11	6.56	6.67	7.88	6.15	7.17			
Kotak Mahindra Pension	36.57	20.31	19.44	9.46	6.94	6.90	7.89	6.10	6.66			
LIC Pension Fund	34.53	19.72	18.56	9.16	6.77	6.81	7.65	6.03	7.26			
Max Life Pension Fund	36.39	NA	NA	9.04	NA	NA	7.31	NA	NA			
SBI Pension Funds	32.94	18.88	17.75	9.37	6.77	6.87	7.84	6.10	7.33			
Tata Pension	42.31	NA	NA	9.01	NA	NA	7.92	NA	NA			
UTI Retirement	40.64	20.78	19.56	9.52	7.07	6.86	7.73	5.99	7.02			

Nifty 200 Total Return			CCIL All Sovereign Bond-TRI			CCIL Bond Broad-TRI		
37.53	20.12	19.53	9.18	6.66	6.44	7.56	6.18	7.73

Benchmark index

NRI tax: Is it mandatory to file form IOF?

Harshal Bhuta

I am an NRI (non-resident Indian) living in the United Kingdom. I have NRO (non-resident ordinary) deposits with some banks in India. I want to avail lower taxation benefit under Double Tax Avoidance Agreement (DTAA) on interest income on NRO deposits. My tax consultant advised me to file form IOF before filing tax return. Is it mandatory?
—Name withheld on request

To claim treaty benefits under a particular DTAA, you need to possess a 'Certificate of Tax Residence' (TRC) from the country in which you reside. Apart from TRC, you are also required provide form IOF for claiming benefits under the corresponding DTAA.

Information that are required to be furnished online under form IOF pertain to the status of the taxpayer, nationality, tax identification number in home country, cov-



ASK MINT TAXATION

erage of period for tax residency in the home country, and taxpayer's address in the home country. However, if all these data are captured in your TRC itself, you are not obligated to submit form IOF online.

I shifted to US for a job 2 years ago. I stopped contribution to PPF account after I moved. I'm confused if I'm

eligible for new tax regime. I earn NRO interest income in India and continue to pay EMIs on a house property that I had bought in India before I left.
—Name withheld on request

The new tax regime has become the default tax regime vide Finance Act 2023. For individuals, it is applicable whether the taxpayer is a resident or a non-resident. As an NRI, you can continue your PPF till maturity. However, since you are no longer con-

tributing to it, you are not eligible for deduction (up to Rs 1,50,000) under Section 80C. Therefore, you can explore option for the new tax regime.

As for your property, if it qualifies as a self-occupied property, then bear in mind that under the new tax regime you will no longer be able to claim any deduction for the interest on the housing loan you pay. On the other hand, if you have let out that property or it qualifies as a deemed let-out property, and the computation of 'income from house property' results in a loss, then you will no longer be able to set-off this loss against the interest income, under the new tax regime.

Harshal Bhuta is a partner at chartered accountancy firm P.R. Bhuta & Co.

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



OUR VIEW



GUEST VIEW

A rebuilt path to take a company private could favour all investors

Businesses need a delisting route that's fair to all and can't be held to ransom by extractive groups



VIVEK GUPTA
is partner and leader of M&A, FS Tax, Deloitte.

UK, the failure rate of delisting has been high in India. Typically, it takes a premium of 25-40% over the stock's market price globally, but investors here are seen to demand about twice the ticker price. Multinationals and Indian founders have thus had little success in going private, leaving all shareholders worse off, as delisting in these cases could create more value for principals and also give public owners a better deal than they would get otherwise.

The core reason for this is the fact that the current mechanism lets a small group of shareholders to effectively hold unreasonable sway over the final outcome. In many situations, retail investors would be happy to exit, voting in favour of it and making a reasonable offer, only to find the process stymied by a special interest group bent on an extractive price. In terms of impact, therefore, a mechanism that ostensibly protects minority shareholders often ends up compromising their interests.

That apart, this is also a time when India is competing with virtually every developed market in the world to attract businesses to its capital markets. Deal data over the years presents a story of value-driving delisting attempts having hit a pricing wall. A 2018 report by the Securities and Exchange Board of India (Sebi) analysing data from 2015 to 2018 revealed that 53% of companies that voluntarily delisted through reverse book-building were delisted at an average premium of 125%. Examples abound of discovered prices being at odds with the company's fundamentals, with some of them even at three times the guidance price, which itself is at a premium to the prevailing market price.

In August 2023, a sub-group of Sebi's Primary Market Advisory Committee recommended some critical amendments to the delisting framework, one of which was the introduction of a fixed price framework as an alternative to the reverse book-building route. Of course, this approach would come with reasonable rule-based protections, with rules

on the pricing methodology, minimum float, levels of trading, a majority vote among minority shareholders and more. This is on the lines of regimes that exist in most other markets.

At present, Regulation 37 of India's delisting rulebook allows a fixed price exit only in specific circumstances. It is perhaps time for regulators to evaluate whether we need a more balanced framework that is less susceptible to misuse and allows businesses to go private in line with global norms.

For one, it will assure all investors greater predictability of outcomes. Second, it will offer public shareholders a better shot at equity monetization. Third, in the long run, it will encourage businesses to enlist on Indian bourses. Remember, India is competing with several other markets. Fourth, it will send a message to shareholders seeking to misuse legal provisions that the law frowns upon *mala fide* behaviour.

It is heartening to note that at its recent Board meeting, Sebi formally brought fixed price delistings into its regulations. This is in line with the thinking enunciated above.

Historically, reverse book building may have been considered a regulatory safety valve designed to protect the rights of minority shareholders, but India has evolved since then. Evolution has occurred in governance norms and protective devices across various laws.

The principle that the voices of minority shareholders need to be well represented when corporate decisions of this nature are taken is well accepted. It is heartening to see Sebi consider a more predictable regime for the process by which a company can be taken private without minority interests being compromised. Effecting such a reform would show the world that India is a jurisdiction that effectively balances the rights and responsibilities of various stakeholders in the ecosystem, and in a fair and transparent manner, without compromising its competitiveness or the ease of doing business.

Economic Survey: Viksit path can be smoothed

Its straight talk on a private-investment revival and India's climate challenge is refreshing. Although it underplays the job anxiety, it's a crisp attempt at laying out a development path

The *Economic Survey* for 2023-24 placed before Parliament on Monday is forthright on some aspects. Its straight talk on the need for private companies to use the profits they've piled up, thanks partly to a tax cut, to invest in India is an example. The hypocrisy of the rich world in expecting us to start phasing out fossil fuels at this juncture of the economy's emergence is also squarely dealt with, especially the "Alice in Wonderland" air around some global plans. Of near-term relevance is its pointed reminder that job generation is a task for India's private sector, which must take up the investment baton from the government. While corporate profits have multiplied since the 2019 tax rate cut, private money has been invested too slowly, especially in machinery, intellectual property and the like. Although the survey paints a stable and bright picture of the economy overall, and spies signs of a revival in private capex, it also seems to bear some anxiety over the Centre having to prematurely rein back capital spending to reduce its fiscal deficit.

Written by the Centre's chief economic adviser V. Anantha Nageswaran and his team, the survey's macro outline of India's economy is along expected lines. Growth is projected at 6.5-7% in 2024-25 on the high base of an 8.2% expansion logged in 2023-24. In the context of a troubled global economy, this pace is impressive. Yet, unless rapid growth also creates good jobs in large volumes, it could lose popular appeal as a tracker of success. By the survey's estimates, almost 7.9 million new non-farm jobs are needed each year. The survey blames the past deficiency on shocks that played havoc with the labour market, citing both the earlier banking crisis and the covid pandemic. Contro-

versally, it denies any structural ailment a role. While trends were disrupted by those shocks, evidence exists of job creation being a problem in need of durable solutions, even if official data that classifies employment widely can be cited to contest it. As for that other pain, inflation, though it's not yet down to our 4% target, it seems to be easing. There is space to quibble over the survey's take on the economy's external position, but with the current account deficit under 1% of GDP and foreign debt low, it is broadly stable despite global difficulties.

Expectedly, too, the survey calls for farm reforms and lighter regulation of businesses. Less predictably, it flags artificial intelligence (AI) as a significant concern. What it stands out for, though, is its chapters on climate action in the quest for a Viksit Bharat. It takes a good hard look at what the world may be getting wrong and makes a case for India not to over-prioritize carbon control in a way that would sacrifice the imperative of growth. It minces no words in calling out the West on its unfair expectations of burden sharing. "It would be a comedy if it were not real and tragic," it notes of developing countries facing carbon barriers even as AI amps up energy-use hugely in the West. Still, while pointing out that India has been reducing the carbon intensity of its GDP growth, the survey offers a detailed analysis of India's energy flow and a brief note on carbon markets to go with a broad framework for a green transition. This part of the survey also bats for autonomy in India's approach to carbon neutrality by 2070. "That market economics must not follow a universally-designed golden mean and must adapt to local conditions," the survey observes, is now well accepted. The details, though, as its climate analysis suggests, still need plenty of debate.

Much conversation in the world of business is about listing companies for public trading on the stock market, not about delisting or taking them private. And yet, if value creation is the overarching aim, the delisting framework is a vital element.

The history of delisting in India has been chequered. The basic framework revolves around the principle of reverse book building. Via this process, a firm can exit if public shareholders agree to tender shares at a price that would take the acquirer's shareholding to at least 90%. In case such a price is found, the delisting succeeds. If not, it fails. The only exception to this mechanism is via a court-approved scheme of arrangement, with attendant conditions.

Reverse book-building has evident advantages. In a country where the regulatory framework has evolved to protect minority investors from excesses of the powerful, giving the former a direct say is an obvious choice. Under this regime, public shareholders state the price at which they would be willing to tender their shares. And unless the 90% threshold is reached at that offer price, the company cannot go private. Conceptually, therefore, the interests of the minority seems fully protected.

The experience of taking businesses off the stock market, however, tells an entirely different story. Compared with developed markets such as the US and

10 YEARS AGO



JUST A THOUGHT

Economic growth without investment in human development is unsustainable—and unethical.

AMARTYA SEN

GUEST VIEW

Sebi should create a special code for corrupt journalists

TRISHA SHREYASHI & AKARSH TRIPATHI



are, respectively, an advocate and columnist, and a lawyer specializing in securities litigation.

Rises in global banking, markets and economies remind us of the value of responsible financial and business journalism. Market efficiency relies on the quality, veracity and fairness of reporting. The importance of it was underscored by an order issued on 11 June by the Securities and Exchange Board of India (Sebi).

Reiterating 'informational symmetry' as a fundamental working principle behind the fair functioning of markets, Sebi banned a television anchor Pradeep Pandya, formerly associated with *CNBC Awaaz*, from the securities markets for five years and fined him ₹1 crore. This penalty was imposed for his alleged involvement in front-running. The anchor allegedly used material non-public information to benefit from stock trades before it was broadcast. Sebi found that wrongful gains were made by a few who had advance access to that information.

"When TV anchors engage in sharing material non-public information, as noted in this case, it not only breaches ethical stan-

dards but also distorts market dynamics... This erosion of trust can lead to a significant loss of confidence among investors, who may feel that the markets are rigged against them," Sebi's order stated.

The market regulator's crackdown on unethical financial reporting practices is not the first of its kind. In 2022, it had passed an order against another *CNBC Awaaz* news anchor, Hemant Ghai, and his wife for wrongfully profiting from information that was not yet in the public domain. In this case, he allegedly bought stocks in his wife's and mother's names before airing the news so as to profit from an anticipated rise in prices.

These cases highlight glaring ethical and legal issues in the realm of Indian financial journalism.

We need specific regulations: The current framework governing financial journalists comprises Sebi (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations of 2003, or PFUTPR for short, and the Sebi (Research Analysts) Regulations of 2014 (RA regulations). As these two sets of rules were primarily designed to govern market intermediaries and research analysts, they did not take into account the nuanced roles and potential conflicts-of-interest of others like financial

reporters/journalists. This lack of specificity has given rise to regulatory gaps and enforcement challenges.

The scope of PFUTPR's prohibition of front-running by financial journalists and other non-intermediaries was broadened by the Supreme Court's pronouncement in *Sebi vs Shri Kanaiyalal Baldevbhai Patel and Ors*, and a Sebi report of 8 August 2018 on 'fair market conduct.' The provisions of personal trading and compensation under RA regulations, although applicable, do not encompass all scenarios unique to the position and influence of financial journalists. Biased reporting that stems from vested interests or indirect favours extended to journalists in the form of gifts and privileged access cannot be said to be covered by the existing framework, which is restricted to financial *quid pro quo* deals.

Even though Sebi in the past has used the PFUTPR to address similar instances, these measures are often reactive and fail to withstand questions of law at the time of enforce-

ment. Many such orders have been overturned by the Securities Appellate Tribunal (SAT), as witnessed in Hemant Ghai's case.

We need more than a stop-gap solution to prevent non-market intermediaries from indulging in practices that violate market norms. We need a dedicated framework that

Front-running and other such violations would be kept under a better vigil by a dedicated set of rules

will comprehensively address the ethical and legal challenges posed by cases of journalists making use of privileged data.

Balance transparency and journalistic freedom: Drafting a new set of rules will also present its own challenges. For instance, Sebi's conventional approach of 'disclose or abstain,' which requires journalists to either refrain from covering companies in which they have a financial interest or disclose it to their audience, may not be pragmatic. Imagine a scenario where a journalist is required to disclose his positions and personal financial interests, including those of family members, within the constraints of a live one-hour broadcast. It is essentially unfeasible.

Sebi's effort to create a dedicated framework should align with its ongoing efforts to tackle challenges posed by 'finfluencers' who operate online. Inspiration may be drawn from established codes such as the Editors' Code of Practice by the UK's press self-regulatory panel, as well as anti-fraud provisions like Section 10(b) of the US Securities Exchange Act of 1934. Principles established in US cases such as *David Carpenter vs US* (1987) and *Zweig vs Hearst Corp* (1979) also offer valuable insights.

A mandatory internal disclosure system could be established, for instance, under which financial journalists must report their and their family's personal interests to their editors or an internal compliance officer. Journalists could also be prohibited from trading in securities they cover within a specified 'blackout period,' such as 30 before and five days after reports go public.

To address operational challenges, the framework could allow for exceptions where full disclosure is impractical, provided there are clear justifications and prior approval from a regulatory body. A journalist might be permitted to disclose a conflict of interest after a broadcast if immediate disclosure is not feasible. Such flexibility would ensure that a journalist's work is not hindered.



THEIR VIEW

IMF reform: Time for the US and China to bridge their differences

What should be done to fix the Fund is clear but real progress will depend on cooperation between Washington and Beijing



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In July 1944, exactly 80 years ago, representatives of 44 countries met in an obscure New Hampshire village to negotiate the Bretton Woods Agreement that established the International Monetary Fund (IMF). For many, reaching the ripe old age of 80 would be cause for celebration. For the IMF, the anniversary only highlights the urgency of reform.

Some necessary reforms are straightforward and widely agreed, raising the question of why they haven't been adopted. First, the IMF should provide its members with regular annual allocations of its in-house financial instrument, special drawing rights (SDRs). This would provide an alternative to the US dollar as a source of global liquidity, while also addressing the problem of chronic global imbalances.

Second, the IMF needs to do better at organizing debt restructurings for low-income countries. Its latest attempt, the rather grandly named Common Framework for Debt Treatments, has fallen short. The Fund needs to push harder for cooperation from China's government and financial institutions, which are unfamiliar with the responsibilities of a sovereign creditor. It should support reforms to speed up restructurings and endorse initiatives to crack down on holdout creditors.

In terms of its surveillance of countries' policies, the IMF needs to address its perceived lack of even-handedness; whereas emerging and developing countries are held to demanding standards, high-income countries like the US are let off the hook. It needs to reinvent its analysis of the cross-border spillovers of large-country policies, a process the US has managed to squelch.

As for its lending policies, the IMF needs to decouple loan size from an anachronistic quota system and reduce the punitive interest rates charged middle-income countries.

To ensure the best possible leadership, the managing director should be selected through a competitive process, where candidates submit statements and sit for interviews, after which shareholder governments vote. The victor should be the most qualified individual and not just the most qualified European, as has historically been the case.

Most of all, the IMF must acknowledge that it can't be everything for everyone. Under recent managing directors, it has broadened its agenda from its core mandate, preserving economic and financial stability, to encompass gender equity, climate change, and other non-traditional issues. These are not topics about which the IMF's macro-economists have expertise. The IMF's own internal watchdog, the Independent Evaluation Office, has rightly warned that venturing into these areas can overstretch the Fund's human and management resources.



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Admittedly, the IMF can't ignore climate change, since climate events affect economic and financial stability. Women's education, labour force participation and childcare arrangements belong on its agenda insofar as they have implications for economic growth and hence for debt sustainability. Fundamentally, however, gender-related policies and climate-change adaptation are economic-development issues. They require long-term investments. As such, they fall mainly within the bailiwick of the World Bank, the IMF's sister institution across 19th Street in Washington.

An advantage of an agenda focused on the IMF's core mandate is that national governments are more likely to give the Fund's management and staff the freedom of action needed to move quickly in response to developments threatening economic and financial stability.

The IMF lacks the independence of national central banks. Currently, decision-making is slow by the standards of financial crises, which move fast. Decisions must be approved by an executive board of political appointees who in turn answer to their governments.

But central-bank independence is viable only because central bankers have a narrow mandate focused on price stability, against which their actions can be judged. For a quarter-century, observers have argued that a more independent,

fleet-footed IMF would be better. But the more the institution dilutes its agenda, the more such independence resembles a pipe-dream.

The other factor underpinning the viability of central-bank independence is that monetary policymakers at the national level are accountable to legitimate political actors, generally parliaments and ministers. The legitimacy of IMF accountability is more dubious, given the institution's governance structure.

For antiquated reasons, the US (and only the US) possesses a veto over consequential IMF decisions. Europe is over-represented in the institution, while China is underrepresented. Until these imbalances are corrected, the Fund's governance will remain under a shadow. This not only makes the prospect of operational independence even more remote; it also stands in the way of virtually all meaningful reforms, including the straightforward changes listed above.

Sketching a reform agenda for the IMF is easy. Implementing it is hard. Real reform will require the US to give up its veto in the institution. It will require China to assume more responsibility for global stability and the problems of other economies. And it will require the US and China to work together. For two countries that haven't shown much ability to cooperate, IMF reform would be a good place to start.

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MINT CURATOR

India needs to reverse the rise in recent years of its tariff walls

Import barriers risk the loss of a rare global value chain opportunity



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India Inc should take a clear stance against creeping protectionism
ISTOCKPHOTO

Now that a jobs crisis is weakening its hold on power in India, how serious is the BJP government about reviving Indian factories? We will know in the budget, which offers it a chance to remedy a disastrous lurch toward protectionism. Without fixing that folly, the country could miss an opportunity to join key global supply chains. A large home market will keep assembly lines busy—but crucial parts will be made by Chinese and Vietnamese labour. What could easily be a \$100 billion-plus boost to annual factory production by the end of the decade might fail to materialize.

Trouble began in 2018 with New Delhi's "calibrated departure" from more than two decades of greater trade openness, and an increase in import duties on mobile phones to 20% from 15%. Soon it was the turn of components: In 2020, the tariff on printed circuit board assembly and display units was raised by 11 percentage points. A downward spiral in China-India relations didn't help. The administration made it mandatory for Chinese firms to obtain permission before investing in India. Visas for Chinese engineers started taking four to five months to process. On paper, the idea was to prevent opportunistic acquisitions of vulnerable firms during the pandemic and promote local industry. However, the measures haven't had the intended effect. Quite the opposite, in fact.

Yes, India manufactured \$102 billion of electronics last year, led by mobile phones, up from \$60 billion in 2018. But that's mostly just putting together the finished goods. From lithium batteries to the precision machine work needed in phone casings and the fabrication required for display units, most actual value is being added in China, South Korea, Japan or Vietnam.

According to a recent report by the Confederation of Indian Industry (CII), it would be 8% to 10% more expensive to make flexible printed circuit boards—the kind that can fit into tight spots—locally. No wonder then that even with booming smartphone exports, India is becoming a larger net importer of electronics. The government's answer to this cost disadvantage has been to offer a 4% to 6% subsidy on domestic production. But as CII noted in its report, the fiscal support is "grossly inadequate" to offset the gap with China and Vietnam. "Industry players are seeking a low tariff regime," it said.

There has been talk about becoming self-reliant in semiconductor production. What Indian policymakers should pay more attention to is less capital-intensive production. Taken together, circuit boards, cameras, displays,

batteries and enclosures account for more than two-fifths of a smartphone's production cost. Yet, little domestic capacity has come up to make these at home because of a faulty trade policy.

Most of the stuff that goes into making electronic components can be imported duty-free into China and Vietnam from free-trade partners, whereas a 10% to 15% tariff is India's norm. Expecting import barriers to encourage domestic production is an outdated idea. All it does is keep the country out of global supply chains that require free movement of goods—and people—across a seamless international network of factories. Make it too onerous for Chinese firms to invest (or their engineers to visit), and the production base they could help move from China would stay where it is. Which is why India had an \$83 billion goods trade deficit with China last year, up from \$55 billion in 2018.

India's jobs crisis has assumed alarming proportions. Young graduates are nine times more likely to be unemployed than those who can't read or write. Even outside New Delhi, politicians are panicking and pandering to populist causes. Karnataka invited a huge backlash by trying to introduce a law to reserve half or more of private-sector jobs in the state for locals.

Just as India Inc is now raising its voice to keep internal markets free, it should also have insisted on more external openness when autarky crept back into trade policy years ago. Back then, however, captains of industry joined the chorus around the slogan of self-reliance even as the promised revival in manufacturing and factory jobs continued to elude.

An unexpected loss of parliamentary majority for the ruling party has come as a wake-up call. According to media reports, the budget could tweak the government's industrial policy. Its five-year, \$24 billion production-linked incentive scheme might be supplemented with subsidies for firms that hit employment targets. Yet, no amount of additional fiscal resources will help in the presence of high tariff walls. The ongoing shift in global supply chains, triggered by covid disruptions and the estrangement between Beijing and Washington, is a once-in-a-generation opportunity. But it won't last forever. It's time for a course correction.

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GUEST VIEW

Let's usher in an Amrit Kaal for trade and investment

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Trade was a major feeder of growth for several emerging market economies in East Asia when they clocked 7-8% annual growth rates in the 90s and 2000s. Similarly, as India charts its Amrit Kaal ambitions, trade will be a crucial key to unlocking growth, albeit in the changed geopolitical context of our times. Several encouraging trends in India's external sector are likely to buffer the country in a possibly volatile global environment.

First, India's services exports continue to carve new niches, offering a promising outlook for the country's economic future. The growth of global capability centres (GCCs), Indian arms of foreign firms employing specialists across STEM fields who provide back-end but high-value-added services, is a significant indicator of India's technological advancement. The number of GCCs operating in India has increased from 1,000 in 2016 to 1,600 in 2023 and is expected to reach around 2,100 by 2028, according to some estimates. India's service exports have

always maintained a steady record of 14% growth annually (between 1993 and 2022), more than double the world services export growth of 6.8% over the same period. The robust growth is now accompanied by a change in the quality of services export growth as well (from business process outsourcing or BPOs in the early 1990s to the GCCs of the day). The growth of GCCs also bodes well for productivity growth in the country through the diffusion of processes and technology.

Second, India's strong external position with adequate reserves (covering more than 10 months of imports) and low levels of external debt (at 18.7% of gross domestic product) provide a solid foundation for India's economic stability. This robust position reduces our susceptibility to external shocks. Further, as the *Economic Survey 2023-24* points out, a competitive rupee continues to work in favour of India's balance of payments. In this context, comfortable reserves and low external debt provide adequate backing for trade to grow under a competitive currency.

Third, there is a concerted push for trade diversification. For instance, after a gap of a decade, the new wave of India's trade engagements now focuses on gaining access

to Western and African markets, with the latest editions to our free trade agreement (FTA) basket being the India-Mauritius and India-European Free Trade Association agreements. Further, the share of the top 10 countries in India's merchandise exports has been declining, from a high of 56.6% in 1999-00 to 48.4% in 2023-24, reducing the risk of over-dependence on a few destinations and signalling enhanced regional diversification of exports.

Factors such as a fall in demand from major trade partners, a rise in trade costs, commodity price volatility and trade policy changes by India's partners could pose risks to our external sector. To address these weaknesses, the government has kept a sustained policy focus on trade facilitation, so as to stabilize trade costs. Various initiatives, such as the National Logistics Policy, PM GatiShakti, goods and services tax (GST) implementation, and digital reforms such as the Unified Logistics Interface Platform and Logistics Data Bank have helped improve

India's rank on the World Bank's Logistics Performance Index (LPI) by six places from No. 44 in 2018 to No. 38 in 2023 out of 139 countries. With regard to sea trade, Indian ports' 'median turn around time' (tinyurl.com/yxy5p5s2) has reached 0.9 days, lower than that for the US (1.5 days), Australia (1.7 days) and Singapore (1.0 day).

Similarly, after the rollout of GST, trucks do not have to wait for hours at state borders, and they benefit from reduced travel time by up to 30%. Trucks now travel on average 300-325km daily, compared to 225km before GST.

The government has also taken a multipronged approach to developing competencies in merchandise trade. For instance, while schemes such as District as Export Hubs provide an impetus to labour-intensive exports from rural regions, the production-linked incentive (PLI) scheme aids growth in niche and technology-intensive sectors. These schemes also help catalyse India's participation in global value chains

(GVCs). As the survey notes, India's sectoral composition of GVC-related trade has been changing, with medium and high-tech manufacturing and higher value-added services driving participation.

Another area of policy focus is investment facilitation through deregulation and liberalization. The government has established a liberal and transparent policy for foreign direct investment (FDI), with most sectors open to FDI through the automatic route.

The story of India's stable external sector is one of competitive services, strong fundamentals (by way of reserves, minimal external debt and a relatively stable rupee) and diversified trade. Simultaneously, policy levers aim to bridge weaknesses by facilitating trade and investment and incentivising competence-creation in merchandise trade. That our export ambitions are set in a world fraught with political and economic fault-lines, however, can't be overlooked. Rising protectionism and GVC re-alignment have been the norm since the start of a US-China trade war in 2018. India's trade policies, therefore, must respond to geopolitical changes by eliminating measures and procedures that hinder Indian producers from enhancing their competitiveness.

These are the authors' personal views.

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