



**Challenge is to Provide Clarity on Ties with China: Niti VC**

ECONOMY >> 4

**L&T Profit Surges 10% in Q1 on Strong Order Book**

BRANDS & COMPANIES >> 16

**Jobs, Real Wages in Rural India Critical for Recovery, Says HUL**

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**CAPITAL GAINS FROM BUDGET – THE LONG AND SHORT OF IT**

A day after FM Nirmala Sitharaman's seventh budget, ET talks to policymakers and takes a deeper dive into proposals and related issues – from jobs & skilling push to disinvestment, taxes and the China conundrum

## Foreign Investors may Get a Taste of Ease of Doing Biz

More parity between FDI and FPI likely; FEMA may see changes to boost investments in India

**Banikinkar Pattanayak & Deepshikha Sikarwar**

New Delhi: India could take steps to create a simpler regime for overseas investment by diluting the rigid distinction between foreign portfolio investment (FPI) and foreign direct investment (FDI), economic affairs secretary Ajay Seth told ET in a post-budget interview.

Similarly, norms could be revisited to help Indian industrialists whose overseas investments are greater than those in the country to invest at home more easily. This proposed revamp will include changes to the Foreign Exchange Management Act



**MORE REPORTS**  
PAGES 2, 4, 5, 6, 10, 12, 13, 15

(FEMA), he said. Currently, a single FPI is allowed to hold up to 10% of a company's stock. In case of FDI, investment up to 100% is allowed in most sectors. "What if an investor were to say I had come via the stock market route but want to be an FDI (play-

**Watertight Regulations >> 14**  
**Simpler Regime: Malhotra >> 4**

**AFTER LTCG, ANGEL TAX MOVES**  
**Startups could See Jump in Investments from Family Offices**

Family offices of millionaires are likely to increase capital allocation to new-age companies, following the budget

proposals to bring parity on LTCG tax across all financial assets and abolish the angel tax. **Digbijay Mishra & Pranav Mukul report. >> 6**

**'NEED TO DEFINE TOP 500 FIRMS'**  
**Companies Seek More Clarity on Internship Scheme**

Companies are seeking more clarity on the internship scheme, especially on the definition of the "top 500 companies."

Experts and HR heads also said hiring 10 million interns over 5 years may be a tall order for 500 firms. **Prachi Verma & Sreeradha D Basu report. >> 15**

**HOPE OF TAX RELIEF**

## Ahoy! Wider Safe Harbour for GCCs in Sea of Disputes

Clearing fog around transfer pricing may lead sector to \$120 b by 2030

**Beena Parmar & Dia Rekhi**

Bengaluru | Chennai: Finance minister Nirmala Sitharaman's proposal to provide certainty in international taxation and "reduce litigation" for global IT firms operating in India can further spur the massive expansion of global capability centres (GCCs), said legal and tax experts.

The budget's fine print shows the Centre aims to "expand the scope of safe harbour rules and streamline transfer pricing assessment procedure." Industry experts see the proposal clearing the way for a near three-fold expansion of captive units to a \$120-billion sector by 2030. Transfer pricing refers to valuation of products or services provided by a local unit to its parent or sister concerns abroad. Safe harbour provision offers conditional relief in transfer pricing.

**Call for Wider Scope, Lower TP Margin >> 14**

**EASING CASH FLOW FOR LOSS-MAKING FIRMS**

### TDS Lock-in Relief for Some Cos

Loss-making startups may gain as the budget proposes no TDS lock-in on buying goods over ₹50 lakh, reports **Pranav Mukul. >> 6**



**Stormy Waters**

**17-24%** transfer pricing margin  
**14-15%** industry demand  
Litigation in thousands as GCCs dispute tax

**Up to ₹ 200 cr** transactions entail safe harbour benefits  
Most units do not qualify

**PURE POLITICS**

### Armyman, Militant Killed in Kashmir's Latest Infiltration Bid

Infiltration attempts have been reported from three districts of north Kashmir along the Line of Control, reports **Hakeem Irfan Rashid**. On Wednesday, an Army personnel and an infiltrator were killed in an ongoing operation in Kupwara district. >> 3

**Modi Visit Gives Russia Missiles Order a Push >> 3**

**HC Upholds ED Probe Against 2 Witnesses in PMLA Case >> 2**

**SUITS & SAYINGS**

### A Change of Gear

Wheels, and not only on cars, are turning at an auto major. Meanwhile, among the Big 4, a consultant pulls off a surprise. Read more on >> **PAGE 16**



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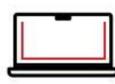
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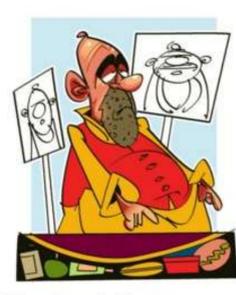
Getting to Understand

Unlike the old circular Parliament House where anyone who lost his way would eventually find the right path, the new one continues to be a bhuul-bhulaiya (maze) for many. The issue has become further complicated due to new restrictions on people's movements, with several no-go areas. During this session, a few foreign visitors and outside staff accompanying them lost their way a few times and had to make enquiries. But in the process they got to see some artefacts and wall engravings.



Good Equations Come to Rescue

New to the job and still familiarising himself to cooperatives ministry's working, junior minister Murlidhar Mohol faced difficulties when some Opposition MPs deviated from the listed question and asked supplementaries about their state. His good equations with some came to his rescue as he said he will get the details and share it with them. A few of them were seen smiling at his predicament. Officials from his ministry were prompt in sending him details through the Rajya Sabha staff.



Protest Over Protest

As YSRCP held a demonstration at Jantar Mantar on Wednesday, a small protest nearby created a buzz. Just a few meters away from the YSRCP protest site, a 'tribal protest' was being held by the husband of a lady Shanthi, who claims that YSRCP Rajya Sabha MP Vijay Sai Reddy is the father of her son. Coincidentally, the husband was demanding a paternity test on Reddy on Wednesday.

MONSOON FURY IN UPPER HOUSE

Sitharaman, Kharge Spar Over 'Injustice' to Oppn-ruled States

Oppn-ruled states haven't received any funds, says LoP; Outrageous allegation, says FM

A deliberate attempt by Cong to give an impression that nothing has been given to 'our state'... I challenge Cong that for all budget speeches they have delivered, in each of those have they named all the states? **NIRMALA SITHARAMAN** Finance Minister



Plates of two states have pakoras and jalebis but other states have nothing. There is nothing for Tamil Nadu, Kerala, Karnataka, Maharashtra, Punjab, Haryana, Rajasthan, Chhattisgarh or Delhi or even Odisha **MALLIKARJUN KHARGE** Leader of Opposition in Rajya Sabha

Our Political Bureau

New Delhi: Leader of Opposition in Rajya Sabha Mallikarjun Kharge on Wednesday sparred with finance minister Nirmala Sitharaman in the House over the budget, with the former alleging that Opposition-ruled states have not received any funds, a charge Sitharaman dismissed. She said while allocations have been made, it is not possible to name each state in a speech. Soon after the Upper House met, Chairman Jagdeep Dhankhar called upon Kharge to speak. "There is nothing in the budget for states and their

plates are empty. The plates of two states have pakoras and jalebis but the other states have nothing. There is nothing for Tamil Nadu, Kerala, Karnataka, Maharashtra, Punjab, Haryana, Rajasthan, Chhattisgarh or Delhi or even Odisha. All funds have been given to keep some people happy and to save their seat (power)," he said. "The states where the Opposition parties won and people rejected them have got nothing. If there is no balance, how will development take place? We condemn this. All Opposition parties condemn this," Kharge said. But when Sitharaman, who was present in the House, got up to speak,

the Opposition walked out. At this, Dhankhar lamented that the LoP has "under a ploy and strategy" misused the opportunity given to him by the chair and caused this disruption "as a weapon". However, Sitharaman continued with her response and maintained that in a budget speech one does not get an opportunity to name every state. "This is a deliberate attempt by Congress to give an impression to the people that nothing has been given to our state... I challenge the Congress party that for all the budget speeches

that they have delivered, in each of those speeches have they named all the states? This is an outrageous allegation," she said. The FM said between the Vote on Account presented in February and the budget, Maharashtra had not been named but the Union cabinet had approved a ₹76,000 crore project for building a port at VadHAVAN (in Palghar district). When Trinamool MPs joined the Opposition protest and shouted that "injustice" has been done to West Bengal in the budget, Sitharaman said the state government has not implemented several central schemes and cited the example of Ayushman Bharat.

PARLIAMENTARIANS DISCUSS BUDGETARY PROPOSALS

Copy Cong Manifesto A Bit More: PC in RS; BJP MP: A Visionary Budget

Sena MP Deora calls for review of decision to increase long-term capital gains tax

Our Political Bureau

New Delhi: Initiating a discussion on the budget in the Rajya Sabha on Wednesday, senior Congress leader and former finance minister P Chidambaram pushed forward five demands from finance minister Nirmala Sitharaman. Chidambaram demanded that a minimum wage of ₹400 per day be fixed in the country. He also demanded a legally guaranteed MSP and that interests on unpaid education loans be written off till March 2024. He demanded abolition of the Agnipath Scheme and scrapping of NEET. The former finance minister said that if some states want NEET, they can have it but let others scrap it. Chidambaram raised serious concerns about the Indian economy and lamented that the budget has presented a rosy picture while ignoring facts. He also expressed his reservation on the newly introduced employee-linked incentives to encourage new jobs. "It is an inspiring idea, but it does not inspire confidence that you will be able to place 290 lakh people under the ELLI scheme as described," he said. Raising questions on the recent RBI report claiming 4.67 crore jobs were created in 2023-24, he cited an example of UP where 50 lakh applications came for 60,000 police posts. "This indicates a deeper job crisis," he said. Chidambaram also criticised the government on federalism and said that there was a mention of Bihar and Andhra Pradesh in the budget but no mention of other states. "The finance minister comes from Tamil Nadu. Earlier, she used to quote Tamil poets in her budget speeches. But there was no mention of Tamil or Tamil Nadu in the entire speech this time. Barring Andhra Pradesh and Bihar, no other states were mentioned," he said. He also highlighted how the central go-

**Congress Suggestions**  
Minimum wage of ₹400 per day  
Write off interests on unpaid education loans till March 2024  
Legally guaranteed MSP  
Abolition of Agnipath Scheme  
Scrapping of NEET; if some states want NEET, they can have it but let others scrap it

The finance minister comes from Tamil Nadu. Earlier, she used to quote Tamil poets in her budget speeches. But there was no mention of Tamil or Tamil Nadu in the entire speech this time. Barring Andhra Pradesh and Bihar, no other states were mentioned **P CHIDAMBARAM** Former Finance Minister



Budget is really good and everyone has welcomed it. The Opposition is trying to mislead by saying that it is a budget for only two states **KIREN RIJJU** Union Parliamentary Affairs Minister

Budget Only for 2 States: Oppn in LS; BJP's Biplab Calls it Modi's Guarantee

Selja: I am glad you have conceded defeat even before (state) polls

Our Political Bureau

New Delhi: The Opposition members in the Lok Sabha on Wednesday criticised the government over the budget even as the ruling side came out hailing the proposals. Congress MP Kumari Selja, who opened the Lok Sabha debate on the budget, questioned the viability of the proposed employment-linked incentives to private sector employees. "Did the government hold any pre-budget discussions with the industry and corporates and did you have any assurance that they (firms) will indeed recruit more employees based on this proposal? What is the guarantee that those companies, who may give some jobs as per this proposal, will not lay off the same employees after the specified period of government incentives," Selja asked, with the finance minister present in the House. Selja said she was pleased that the FM had read Congress' manifesto for the budget. She criticised the government for not paying heed to farmer' demand for legal guarantee on MSP, not scrapping the Agnipath scheme, not committing to a caste survey or on filling up job vacancies, including for SC and STs, in government departments and alleged the budget had neglected the aspirations of the non-BJP/ NDA-ruled states. She cautioned Nitish Kumar and N Chandrababu Naidu not to take BJP for granted. Alleging neglect of poll-bound states of Haryana, Maharashtra and Jharkhand, Selja quipped, "I am glad you have conceded defeat even before elections." BJP's Biplab Deb defended the budget proposals and claimed it will lead to overall development and economic progress besides generating many jobs. Kumar said budgetary proposals for apprenticeship and incentives-linked jobs are examples of Modi government's concern for the welfare of the youth. "This budget is Modi's guarantee for the progress and welfare of our youth, women, farmers and all sections of society."

Inflated claims of ruling party remind me of that garage mechanic who said I could not fix your car brakes, so I made the horn louder. The brakes of the Indian economy have fallen off but the horn of BJP has become louder **SHASHI THAROOR** Congress MP

DMK's Dayanidhi Maran suggested that the PM should emulate Tamil Nadu CM MK Stalin's model of inclusive government. "The PM is not working for the people who voted for his party but only for the parties which are supporting him," Maran said. Abhishek Banerjee (Trinamool) dubbed the Modi government as "creaky, shaky and vulnerable" that will explode soon as he alleged the budget looked after the interests of only two states, ignoring the rest.

LAUNDERING PROBE AGAINST EX-CBI CHIEF, QURESHI

HC Upholds ED Probe Against 2 Witnesses Who Turned Accused

Delhi court says 'we find that proceedings under PMLA have been rightly initiated'

Our Political Bureau

New Delhi: The Delhi High Court has dismissed a plea filed by two witnesses-turned-accused in a money laundering case allegedly involving former CBI director AP Singh, meat exporter Moin Qureshi and others. It held that ED "rightly" proceeded under the PMLA against the duo. A division bench last week also dismissed pleas filed by Satish Babu Sana and Pradeep Koneru challenging their prosecution by ED and constitutional validity of Section 50 of Prevention of Money Laundering Act (PMLA) through which the agency is empowered to summon an individual for questioning. Holding that the two are "involved in money laundering", HC held, "We find that proceedings under PMLA have been rightly initiated against them. The petitioners have challenged their summoning, which in our opinion is just and proper to unearth the roots of the money trail."

The order reads: "Satish Babu Sana and Pradeep Koneru have, thus, prima facie committed offence of money laundering... by directly or indirectly indulging in, knowingly assisting, knowingly a party and actually involved in all or any process or activity connected with the proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming it as untainted property." The duo was granted interim protection by HC in 2019 via which HC had stayed their summoning by the trial court. Dismissing their pleas, HC last week ordered that the interim stay (given in 2019) shall continue for two weeks. In his plea, Sana had argued that "summoning, arrest and prosecution of petitioner under section 50 of PMLA, after arraying him as a witness premised upon his earlier statement recorded under section 50 of PMLA, is illegal and against the provisions of law". Finding no force in their contention, HC, referring to a leading judgement (of 2022) of the Supreme Co-



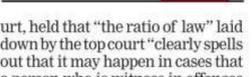
IN 2017, CBI AND ED launched a probe against former CBI director AP Singh, meat exporter Moin Qureshi and others on charges of abuse of official position and corruption

QURESHI ALLEGEDLY PAID bribes to several govt servants and exercised his influence to obtain clean chit from probe agencies for several accused

SATISH BABU SANA AND Pradeep Koneru had admitted paying money to Qureshi for obtaining illegal favours from govt servants after using his influence

UNTIL 2017, KONERU and Sana were prosecution witnesses number 26 and 27 in ED's supplementary charge sheet

IN 2019, THE TWO were turned accused



IN RUNUP TO SERIES OF ASSEMBLY ELECTIONS

Farmers Meet Rahul to Gain Oppn Support for their 'MSP Legal Guarantee' Demand

Our Political Bureau

New Delhi: A delegation of farmers, accompanied by Congress MPs from Haryana and Punjab, met Lok Sabha's Leader of Opposition Rahul Gandhi in Parliament House on Wednesday and expressed unhappiness about the budget not announcing legal guarantee on minimum support price (MSP) for their products. After the meeting, which came in the run-up to a series of polls in states such as Haryana, some farmer representatives said they would stick to their decision to mobilise another protest, including a march to New Delhi. Gandhi said the INDIA bloc leaders will discuss and raise the issue of farmers' demand for legal guarantee on MSP. "Legal guarantee of MSP is the right of farmers. India will ensure that they get this right," he later said in a post on X. Congress leaders said the delegation also had representatives from Maharashtra and Karnataka.



Rahul Gandhi with farmer leaders - ANI

Legal guarantee of MSP is the right of farmers. India will ensure that they get this right **RAHUL GANDHI** Lok Sabha's Leader of Opposition

Earlier, there was some confusion as some members of the delegation were not reportedly permitted entry into the high-security Parliament House but later they were allowed, even though Gandhi had said he could visit them outside Parliament House.

Bihar Assembly Makes Paper Leak Non-bailable Offence

Imprisonment of 3-10 years, penalty of ₹10 lakh-₹1 cr proposed

Kumar Anshuman

New Delhi: The legislative assembly of Bihar, a state which has been at the centre of yet another paper leak controversy, on Wednesday passed a bill aimed at curbing leaks of question papers of competitive and recruitment examinations. The Bihar Public Examinations (Prevention of Unfair Means) Bill, 2024, was introduced by parliamentary affairs minister Vijay Kumar Chaudhary and passed with voice vote amid a walkout by the opposition. The Opposition demanded that the state government put the 75% quota in government services and educational institutes in the ninth schedule of the Constitution. Chaudhary replied that a request had already been made to the Centre in this regard. Not convinced by his replies, the Opposition members walked out of the assembly. "We are trying to conduct free and fa-

'SEPARATE JOINT ENTRANCE-MEDICAL BE STARTED AGAIN' NEET-UG Biggest Edu Scam: Bengal Resolution

KOLKATA: West Bengal assembly passed a resolution on NEET-UG after discussion on Wednesday. Ruling Trinamool tabled a resolution on NEET-UG issue on Tuesday. Calling it the biggest education scam, the ruling Trinamool government proposed that a separate Joint Entrance-Medical, which was earlier conducted by the state government, be started again. - ops

ir examinations and this is a big step in that direction," Bihar deputy chief minister Samrat Choudhary told ET. "It is unfortunate that the Opposition staged a walkout on such an important matter. It clearly shows their intention of helping the criminals." The provisions in the new bill will make paper leak or related malpractices in competitive and recruitment examinations of the state go-

Some Opposition Parties Support Jagan's Protest

Our Political Bureau

New Delhi: YSRCP chief YS Jagan Mohan Reddy staged a day-long protest against "post-poll violence" in Andhra Pradesh at Jantar Mantar here and received support from INDIA bloc parties and AIADMK. Reddy demanded imposition of President's rule in the state. He alleged that violence had been perpetrated by the ruling TDP cadres. Reddy had invited all political parties to highlight the attacks. SP chief Akhilesh Yadav, Shiv Sena (UBT) leaders Sanjay Raut and Priyanka Chaturvedi, Trinamool's Nadimul Haq and AIADMK's M Thambidurai were among those who condemned the alleged attacks. In response, TDP MPs held a press conference and accused Jagan Reddy of 'diversion politics'.

INDIA Bloc MPs Protest in Parl Against 'Budget Discrimination'

Raise matter in both Houses during Question Hour; stage walk out

Our Political Bureau

New Delhi: INDIA bloc MPs staged a protest outside the Parliament House on Wednesday morning, alleging discrimination in the budget against the states ruled by the parties of the Opposition alliance. They later raised the issue briefly in both the Houses during Question Hour and staged a walkout before returning to join the budget discussion. The protest was planned by the INDIA bloc floor leaders on Tuesday evening, when it was also decided that the chief ministers of the grouping would boycott the upcoming NITI Aayog governing council meeting to be chaired by Prime Minister Narendra Modi on July 27. Before the commencement of the sitting of Houses, Opposition MPs carrying placards gathered at the main entrance of the Parliament House and raised slogans alleging "discrimination" and demanding the go-



Opposition MPs stage a protest on Parliament premises on Wednesday - PTI

BOYCOTT DECISION TAKEN Oppn CMs to boycott NITI meeting 'due to budget discrimination' Sanya Raut, Supriya Sule and Sanjay Singh, participated in the protest. "This is an anti-people budget full of injustice. There is nothing in the budget for the welfare of the people," said Kharge. Speaker Om Birla disapproved of MPs gathering at the main entrance and said he had received many letters from other MPs, saying such protests caused them inconvenience in entering Parliament. Before Opposition MPs walked out, parliamentary affairs minister Kiren Rijju said such a protest was against the Opposition commitment to constructive cooperation made at all-party meeting.

ORDER FOR 120 40N6 MISSILES WAS PLACED FOLLOWING BALAKOT AIRSTRIKE IN 2019

# After PM's Visit, Russia Expedites Supply of Super Long-range Surface-to-Air Missiles

India pushes Moscow to supply the remaining two S-400 systems; 40N6 missiles are designed to strike airborne posts, bombers and hypersonic cruise and ballistic missiles

Dipanjn Roy Chaudhury

**New Delhi:** Close on the heels of PM Narendra Modi's Moscow trip for the annual summit, Russia is supplying 120 super long-range Surface-to-Air missiles to India that will give the country's military an edge over Pakistan.

The order was placed following the Balakot air strike when it was felt that India required such long-range missiles to have an edge over Pakistan. Subsequently, an order was placed

with Russia for supplies of long range Surface-to-Air missiles, ET has reliably gathered.

The Balakot air strike happened on February 26, 2019. The Balakot air strike piloted Mirage 2000 fighter jets that crossed the Line of Control (LoC) and incinerated the Jaish-e-Mohammed terror camp in Balakot, Pakistan. The air strike was piloted in response to the Pulwama attack.

The supply of missiles may have been delayed till now for multiple factors, including the Covid pandemic and subsequently the Ukraine conflict

**DELAYING FACTORS**

The delivery of missiles and other defence items was delayed primarily due to the Covid pandemic and the subsequent Ukraine conflict

flict. The PM's Moscow visit gave the political push to certain pending defence supplies, including remaining two S-400 systems from Russia, it has been learnt.

The Surface-to-Air missiles being supplied are considered among the best in the world and have a range of about 400 kms, sources told ET. Russia has been responding to India's requests on defence requirements during critical junctures and requirement of this missile is crucial for maintaining an edge over Pakistan, an expert explained.

## India Successfully Tests Missile Shield Against 5,000-km Ballistic Missiles

**New Delhi:** India on Wednesday successfully flight-tested the second phase of its ballistic missile defence system, demonstrating home-grown capabilities to defend against hostile missiles having a range of 5,000 km.

The flight test fully met all the trial objectives validating complete network centric warfare weapon system, the defence ministry said. The missile was tested at the integrated test range in Odisha's Chandipur. —PTI



# After Kupwara, 10 J&K Districts Gripped by Terror Violence

Soldier and terrorist Killed in Kupwara encounter during search ops

Hakeem Irfan Rashid

**Srinagar:** After a recent spike in violence in seven out of ten districts in Jammu division, infiltration attempts have been reported from three districts of north Kashmir along the Line of Control.

A fresh incident took place in Kupwara district where an Army personnel and an infiltrator were killed in an ongoing operation on Wednesday.

The Army officials said that following a specific intelligence input, Army and police launched a joint search operation in the Kowat area of Kupwara during

which they came in contact with the infiltrators. This led to intense exchange of fire in which an infiltrator was killed and a Non-Commissioned Officer Naik Dilwar Khan was injured. Khan later succumbed to his injuries.

"Based on specific input regarding presence of terrorists in general area Kowat, Kupwara, a joint search operation was launched by Indian Army and J&K Police on days leading upto to July 23," Srinagar based Chinara Corps of the Army informed. On July 24, suspicious movement was observed and challenged by troops in response to which infiltrators opened indiscriminate fire. "In the en-

ing firefight, one terrorist has been eliminated and an NCO injured. Operation is in progress," they said. Later, the injured NCO succumbed to injuries. "All ranks of the Chinara Corps salute the supreme sacrifice of our braveheart Nk (Gnr) Dilwar Khan who laid down his life in the line of duty," read the Army's statement.

Over the past few weeks, operations were conducted in Baramulla and Bandipora districts of northern Kashmir against infiltrators. In Jammu, infiltration attempts, attacks and recovery of weapons were reported from Kathua, Samba, Udhampur, Doda, Reasi,



I believe that in the coming months, situation will return to normal. Some people cannot digest peace, and they will be dealt with

**MANOJ SINHA**  
Jammu & Kashmir Lieutenant Governor

Rajouri and Poonch districts. The Army and BSF officials have maintained that despite the fresh ceasefire agreement between India and Pakistan from February 2021, several infiltration attempts have been made across the LoC.

Meanwhile, J&K LG Manoj Sinha on Wednesday said that some people cannot digest peace and prosperity prevailing in the Union territory but assured that the situation would be normal in a few months. Sinha, speaking on the sidelines of a function here in Srinagar, said "some people work to foment trouble in the UT" but they will be dealt with as has happened in the past.

## Dhaka Objects to Mamata's Comments

**New Delhi:** The Bangladesh government has strongly objected to Mamta Banerjee's comments on the situation in Bangladesh with the High Commission of India.

The Bangladesh government has alleged that Banerjee's tweet was provocative and contained inaccurate information on Bangladesh's internal issues.

Furthermore, the Bangladesh government stated that it is attempting to restore normalcy, and such claims (especially regarding the deaths of students) by the West Bengal CM are misleading. Bangladesh also stated that this type of speech, particularly the assurance of providing asylum to the people, may incite many people, particularly terrorists and miscreants, to take advantage of the anpuncement.—OPB



After meeting Education Minister Dharmendra Pradhan, Assam CM Himanta Biswa Sarma said IIM-Guwahati will commence courses from the next academic year.—OPB

## Gadkari May Attend Iran President's Swearing-in

**New Delhi:** Road, transport and highways minister Nitin Gadkari is likely to represent India at the Iran President-elect Masoud Pezeshkian's swearing-in ceremony on July 30, displaying New Delhi's commitment to the partnership marked by the recent 10-year-deal on the Chabahar Port.

India has been deputing senior ministers and leaders to Iran on important occasions in the backdrop of the nature of the partnership. Earlier this year, Vice-President Jagdeep Dhankar represented

India at Iran's former president Ebrahim Raisi's funeral. Raisi played a key role in the bilateral pact that will allow India operations of the Chabahar Port for 10 years. India had played a role in Iran's Brics membership last year.

Five presidents and ten parliament speakers from different countries will attend Pezeshkian's inauguration. The election in Iran was necessitated following Raisi's death in a helicopter crash. Raisi had plans to visit India this year.—OPB

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This reduction will supercharge gold and silver jewellery production and exports, creating lakhs of job opportunities in the sector.
- Withdrawal of 2% Equalization Levy on Sales of Rough Diamond**  
This move solidifies India's leadership in the diamond industry and ensures raw materials at competitive prices.
- Safe Harbour Rule on Rough Diamond Sales at SNZs**  
Grants India 360-degree leadership in diamond exports, positioning us as a globally competitive rough trading centre.

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**KENYA RE GROUP MD CONDUCTS INTENSIVE MARKET ENGAGEMENTS IN INDIA**

Dr. Hillary Maina Wachinga - GMD

Kenya Reinsurance Corporation Limited (Kenya Re) Group Managing Director (GMD), Dr. Hillary Maina Wachinga, paid a courtesy call to the Indian insurance market from 9<sup>th</sup> to 15<sup>th</sup> June 2024. He was accompanied by the Manager in charge of the International Business, Ms. Alice Mbutu.

During the visit, the Kenya Re duo visited major cedants and reinsurance brokers in a bid to reaffirm the Corporation's unwavering commitment to the Indian insurance industry. The Corporation has had a longstanding business relationship with the fast-growing Indian insurance market being a reinsurance security to some of the major cedants in the country. The business relationship dates back to 1971 when JB Boda, a major reinsurance broker, placed the Corporation's first retrocessions program. The Kenya Re GMD, Dr. Wachinga, updated the various companies on the just released financial results of Kenya Re, where he highlighted Kenya Re's positive recognition as the most profitable reinsurance company in East and Central Africa. He thanked the market for being part of the Corporation's success story and urged them to continue supporting the Corporation with additional business.

Dr. Wachinga shared detailed insights on the Indian market claims settled by the Corporation. From year 2023 to mid-June 2024, the Corporation settled Indian Facultative claims amounting to USD2.5 million. The claims settlement signifies Kenya Re's dedication to a thriving partnership with the Indian market.

During the visit, Dr. Wachinga assured clients in the Indian insurance market that the Corporation is a solid financial security that is dedicated to processing and payment of fully supported claims. He expressed his optimism in Kenya Re's renewed service excellence promise on quick turnaround times for claims matters which has continued to realize great value for customers. He went further to give an assurance to the Indian market that processing of fully supported claims that are within premium payment warranty (PPW) and as per signed contract, are settled on priority. He updated the market on the revised retrocession programme for year 2024.

With a A rated leader and other high rated reinsurers on the retro program, Kenya Re is targeting to write more business in diverse markets. The Corporation has improved its business environment which is expected to result in improved credit rating score.

Dr. Wachinga made a solid pitch for more profitable business for the Indian market and gave a reciprocal assurance of Kenya Re's enhanced customer centricity by delivering quality reinsurance services. In the medium term, Kenya Re intends to set up a branch office at India's Gift city to serve the entire Asia and Middle East regions. The objective is to get closer to its clients and manage relationships better.

Kenya Reinsurance Corporation | KenyaReinsurance  
@Kenya\_Re | www.kenyare.co.ke

**ET Q&A** **SUMAN BERY**  
VICE CHAIRMAN, NITI AAYOG

## Challenge is to Provide More Clarity to Our Relationships with China

India will not find it easier to cut itself off from the Chinese economy as China remains an important trading partner and unfortunately, an important part of India's competitiveness, NITI Aayog vice chairman Suman Bery said in an interview with Yogima Seth & Vinay Pandey. Edited excerpts:

**One of the big thrust of the budget is job creation for youth. Is the fiscal support for the job schemes enough to propel employment creation?**

The aspiration of youth is to be in better paying jobs which means higher productivity jobs. India being such a vast and varied labour market, there is much to be done to match skills and opportunities. The estimate that only 50% of graduates are immediately employable creates a case for intervention and hence the cash-linked employment incentive schemes in the budget. By giving youth cash incentives, you will encourage them to invest in themselves. At the same time the budget is also incentivising the employer, assisting them to expand employment. As this takes off, I think money will not be a problem.

**The fiscal consolidation has been sharper than expected. Do you think it should have been a bit less to support growth?**

I think it is both substantive and symbolic. The desired transfer of leadership from government-led capex to private sector-led capex would be easier if bond rates come down as a result of lower government borrowing. The symbolic aspect in this budget, is to establish credibility. The FM has provided guidance about what would happen after we reach the fiscal deficit of 4.5%, namely that it will be based on declining ratio of debt to GDP. In time that could have an impact on our sovereign credit rating. So

**THE DESIRED TRANSFER OF LEADERSHIP FROM GOVT-LED CAPEX TO PRIVATE SECTOR-LED CAPEX WOULD BE EASIER IF BOND RATES COME DOWN**

net. I think the gains via these two channels outweigh the Keynesian effect of sharp fiscal consolidation.

**The budget is banking heavily on states for reforms related to land and labor. Do you think it is doable given the current political scenario?**

These are both state subjects. Investors look for a better investment climate. If they find a more benign environment in one state over another then they will gravitate towards that. I think the primary mechanism and role of the centre is to nudge states in that direction. I agree that both agriculture and labor reforms, as they were framed, are politically difficult. In this budget, the focus is in a lot of



FILE PHOTO

places is also on technology. Policies, of course, matter and matter hugely.

**Do you think there is a case for easing Chinese investments in India as has been talked about in the survey?**

I doubt we will find it easier to cut ourselves off from the Chinese economy than the Americans are finding. The challenge is to provide more clarity to our relationships with China. China remains an important trading partner and unfortunately, an important part of our competitiveness, particularly as we get into green technologies. As we create domestic capacity, we need to figure out whether you are creating capabilities that can follow the technology curve. If you cannot track all that's happening in terms of scale, then you are trapping yourself into obsolete technology. It is important to maintain competitive pressure while developing domestic capacity. We should not be satisfied to be a backwater in terms of technology. A lot depends on domestic competition, openness.

**Every budget has a couple of flash points. In this one, obviously, it's capital gains tax. What is your sense of it?**

The Budget gave away revenue to the middle class, as part of the review of the change in the deductions, and it had to be made up somewhere. So they made it up from the capital gains tax. Whether capital

gains should be taxed at all has already been a topic in economics. I think that it is one way of making the tax system slightly more progressive, if you know the benefits or who will be hurt or affected by the rise. Assessment shows most of the people who will be affected are probably in the 30% income bracket.

**Is there a case for us to differentiate between the more volatile part of inflation and core inflation?**

To anchor inflation expectations, the target has to be one that reflects the lived reality of the average citizen and in India this reflects prices of food and fuel. This does not prevent the Monetary Policy Committee (MPC) from choosing another indicator to set the policy rate. This is done by the US Federal Reserve for example, answer even from the most erudite economists. Some will say you

**TO ANCHOR INFLATION EXPECTATIONS, THE TARGET HAS TO REFLECT THE LIVED REALITY OF THE AVERAGE CITIZEN AND IN INDIA THIS IS REFLECTED IN FOOD, FUEL PRICES**

cannot, some will say, yes, you can through indirect suppression of demand, when you suppress demand, food demand is also suppressed. But in a country, like India, do you want to suppress food demand because there is inflation? If you don't want to do it, then what do you do, then you have a PDS. We already have a PDS. We have free food. Is that fully reflected in our measurement of food inflation? Probably not. So probably, there's an overestimation.

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**ET Q&A** **SANJAY MALHOTRA**  
REVENUE SECRETARY

## Capital Gains Tax Rejig Aims At Simpler Regime

Removal of indexation and introduction of lower capital gains tax rate is aimed at simplification, said revenue secretary Sanjay Malhotra. In an interview to Anuradha Shukla & Deepshikha Sikarwar. He also pointed out that the government is looking at simplifying the direct taxes law and rationalising the number of slabs under customs duty. Edited excerpts:

**FM has spoken about an overhaul of the Income Tax Act. What is the exercise aimed at?**

She has made it clear in her speech that the purpose is to make it simple and lucid. It is not easy to read for the common man, even tax practitioners. There are a number of provisions, exceptions and in some cases provisions related to one subject are scattered across various chapters. Some provisions are obsolete and redundant or related to past periods. There are provisions which are more procedural in nature that could perhaps go in rules. The overall exercise is to look into these and try to make it easy to read and understand. Tax policy change is not the purpose of the exercise.

**The budget has removed the Angel tax. What about past cases under the provision?**

These will be treated as the law existed on that date.

**The budget has rolled out changes to capital gains tax regime. Certain concerns have been raised on removal of indexation benefits in case of property.**

There was a valid request from the industries associated with these assets as well as the general public to simplify and rationalise these provisions. The



AMRENDRA JHA

**FEWER CUSTOMS DUTY RATE CATEGORIES WILL REDUCE CLASSIFICATION DISPUTES, LOWER LITIGATION**

exercise is largely aimed at simplification. Yes, there is an increase in some of the asset classes, but it is very marginal. Capital gains tax of 10% going up to 12.5% for shares effectively means that your post tax returns are reduced by 2.5%. It is a very minor change.

As for indexation, while it is being pointed out that the indexation has been removed, drastic reduction in rate is not being highlighted. My request to the investors in real estate is to kindly do their calculations. Vast majority of the cases they stand to gain because of the reduction. Gains in real estate are more than 9% to 11% per annum. If that is the case for them they stand to benefit. Besides, tax kicks in only if the gains are not reinvested in a house. If you sell a house and you buy a house using only the gains, there is no taxation. Why should there be indexation for one class and not for another as inflation is felt by all asset classes. I think it is a move in the right direction.

**What is the objective behind the customs duty rate review? How many rates are we looking at?**

The objective basically is to have fewer rate categories which will reduce classification disputes, which will lower litigation and provide certainty. A single would be the simplest, but that is not something on the cards. We have multiple rates that go in double digit rates. The idea is to bring this number down. I cannot give a number (of slabs) now, but the idea should be to move to reasonably 3-4 or 5 rates.

**Industry was expecting clarity on framework regarding pillar 1 and pillar 2. What is the thinking on this?**

We are working on it. So far Amount A and Amount B of pillar one is concerned, you are aware that we have reservations on that. Unless our concerns are met, we are not in a position to move ahead.

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'PROOF' OF FULFILLING CRITERIA SPECIFIED IN AGREEMENTS

## Imports Under FTAs Made Easy with Self-certification

Move comes after call for easier process amid fears of Chinese imports flowing in through other nations

Kirtika Suneja & Anuradha Shukla

New Delhi: In a move to make imports easier under free trade agreements (FTA), the government has proposed to accept self-certification to prove the origin of such goods. At present, a certificate of origin is issued for meeting the source criteria of imports which is crucial for customs clearance and determine the duties that have to be paid.

An amendment in the Customs Act in Budget FY25 aims to replace the word "certificate" with "proof". The proof of origin means a certificate or declaration issued in accordance with a trade agreement certifying or declaring, as the case may be, that the goods fulfil the country of origin criteria and other requirements specified in the said agreement, according to the Budget documents.

"The idea is basically to align this with FTAs as we now also accept self-certification. It is basically to

enable self-certification," revenue secretary Sanjay Malhotra told ET, explaining the rationale behind the move.

Amendment in section 28DA of the Customs Act will enable the acceptance of different types of proof of origin provided in trade agreements to align the provision with new trade agreements which provide for self-certification.

"After our issues with China, the certificates of origin were under tight scrutiny. Now, that has been changed to proof which will promote ease of doing business," said a person aware of the change.

The simplification in the norms comes after industry, especially the electronics sector, sought an easier declaration process and fears that Chinese imports were making their way into the country through other countries, especially the ones India has FTAs with. "Allowing the acceptance of self declaration and other forms of proof of origin will help quicker clearance of cargo leading to ease of doing business," said Bipin Sapra, partner, EY India.

As per the amendment, the Issuing Authority means an authority or person designated for the purposes of issuing proof of origin under a trade agreement.

India's overall goods imports in FY24 were \$675.4 billion as against \$437.11 billion in FY23.

### WOONG MORE PLAYERS VCC Model to Fire up Ship Leasing in Gift City

The proposed variable capital company structure to facilitate leasing in the budget will provide a fillip to the Centre's planned ship owning and leasing entity as well as ship owning and leasing companies in Gujarat International Finance Tec-City, a top official said. "Measures announced in the budget will allow companies to take advantage of the GIFT International Financial Services Centre (IFSC) dispensation," the official told ET. Ship leasing was defined as a financial product by the IFSC Authority in January 2022. Later in 2023, ship brokering, and voyage charter-related services were allowed from IFSC. According to a PwC report, a deemed foreign jurisdiction, liberal policies, and tax benefits are the key benefits accrued with leasing ships from IFSC.

### Ratings Agencies Give Budget A Thumbs Up

Global rating agencies Fitch Ratings and Moody's gave a thumbs up to India's budget 2024-25, saying it reflects a clear policy continuity, particularly on the capital spending front. Fitch Ratings said the budget demonstrates a "firm commitment to deficit reduction", having revised the fiscal deficit target to 4.9% of GDP as compared to 5.1% in the interim budget.

### BUDGET AT A GLANCE

#### Fillip for Solar Manufacturing with Duty Exemption on Machinery

India's solar modules and cells capacity, which has begun strengthening due to government's support to local manufacturing, will be catalyzed through the latest Budget announcement of exemption of production machinery from import duty. The machines earlier attracted a 7.5% customs duty. India aims to have 500 GW renewable energy capacity by 2030 where solar will play a significant role. The government has so far announced schemes like production linked incentives for solar panels, import duty on panels and cells, and list of models and manufacturers for panels, to boost domestic production. India's solar modules manufacturing capacity is currently over 50 GW, while cells making capacity is 6 GW.

### Budget Outlay of ₹400 cr for Japan Mega Expo Next Yr

The government has earmarked ₹400 cr in the budget for India's participation in the World Expo 2025 to be held in Osaka, Japan from April 13- October 13, next year. An India pavilion will be set up at the event and the estimated expenditure to be incurred in 2024-25 is ₹300 crore and ₹100 crore in 2025-26.

### Tea Workers to Get Health, Edu Support

Education and health for tea workers received a budget boost with the Pradhan Mantri Cha Shramik Protsahan Yojana (PMCSPY) being finalised and approved for the implementation in FY25-26.



**On the Table**  
Transit-oriented development plans for 14 cities with population over 3 million  
**MANIKA BATRA (29):** Gold, singles and team, 2018 Commonwealth Games; Bronze, mixed doubles, 2018 Asian Games  
First Indian woman to break into top 25 in world rankings when she reached No. 24

## Fiscal Health Prescription Boosts Chances of India Rating Upgrade



Guest Column  
Sanjay Nayar

As the fine print of the budget sinks in, one thing can be said for sure: The big picture painted by Finance minister Nirmala Sitharaman is that of promise, confidence, participation and commitment towards economic growth aimed at social equity. The first budget of the Narendra Modi 3.0 government was

**PROJECTING CONFIDENCE** Big picture highlights focus on growth aimed at social equity, policy continuity and encouraging pvt sector to create more jobs

tabled in the parliament amidst heightened expectations. The bold budget focusses on unleashing the entrepreneurial spirit, introducing big-bang moves to leverage India's favourable demography into a dividend that would play a pivotal in economic growth. Though the budget does not provide giveaways, it remains highly people-centric. The FM and her team took advantage of stable macro fundamentals such as robust tax collections in the fiscal 2023-24 and expectation of a similar trend in the current financial year, along with a handsome dividend of over ₹2 lakh crore from the RBI to keep the fiscal deficit at 4.9% of the GDP this year.

The glide path talks of bringing it further down to 4.5% in 2025-26, lending credibility of a stable balance sheet for

global and domestic stakeholders, including rating agencies. A big deliverable of this move could be in the form of an

India rating upgrade. One of the major highlights of this budget is its focus on job creation. In fact,

### PEOPLE-CENTRIC BUDGET DOESN'T RESORT TO GIVEAWAYS



the setting was visible in the Economic Survey. The survey made it clear that we need to add about 7.9 million jobs every year at least till 2030 in the non-farm sector. The budget makes the decisive move by unveiling an ambitious internship scheme that would make over 40 million people skilled and employable with the government spending over ₹2 lakh crore in the next five years. Job creation not only leads to higher national income, it is a key catalyst of social equity and sustainable growth.

Of course, the responsibility has been cast on the private sector to skill our youth and create more jobs. We all look forward to more jobs coming up as the manufacturing segment starts gaining traction from domestic and global investors who will focus on catering to the

Indian and global markets.

The startup ecosystem and MSMEs have also received a helping hand from the government through the abolition of the angel tax and more credit being made available to small entrepreneurs. The angel tax was a sore spot for investors funding startups, with promoters spending considerable time on tax issues rather than core business ideas. The move has been welcomed alike by all promoters and investors. Similarly, the simplification of various taxes will ease the burden on industry and continue the efforts being made to reduce the cost of doing business in India.

The bold budget provides continuity with a positive change for harnessing growth across all sectors of the economy. The author is president of Assocham

**ET Q&A** TV SOMANATHAN  
FINANCE SECRETARY

# There's a Nudge for Industry to Opt for Less Automation, Use More Labour

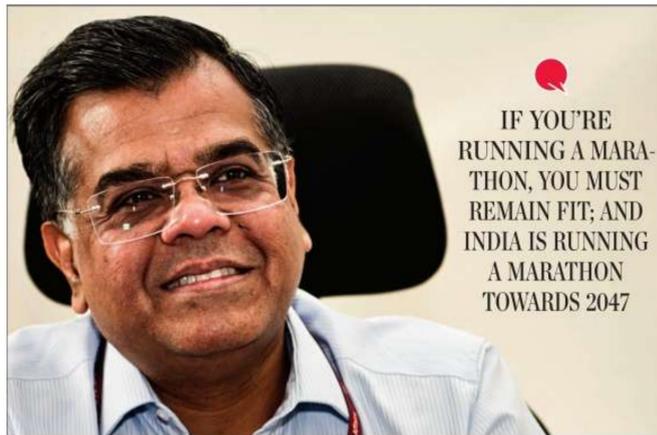
The jobs schemes announced in the budget are meant to nudge industry towards more labour-intensive choices, finance secretary TV Somanathan said in an interview to Anuradha Shukla and Deepshikha Sikarwar. Edited excerpts:

**What is the big vision behind this budget? How does it help the country move closer to the Viksit Bharat goal?**

First, the theme is continuity. There is a continued focus on capital investment, fiscal prudence, and macroeconomic stability. If you're running a marathon, you must remain fit, and India is running a marathon towards 2047. The incremental change which has come is a strong focus on employment directly through fiscal incentives, indirectly, through encouragement of MSMEs, which are employment-intensive, and through an improvement of skills. Skilling will provide the way to match the rising demands for labour in industry. We maintain a strong focus on innovation, research and development, and self-sufficiency in high technology areas through investments in space, nuclear, alternative energy sources and new technologies.

**After production-linked incentive schemes, now we have employment-linked incentive schemes. Will these schemes address the pressing issue of job creation?**

We have given a strong incentive for employment. Does it mean that because of this alone a company will create jobs? Obviously not, no company will hire a person because the government is giving a subsidy. But will a tax deduction or a fiscal incentive lead to higher spending on something? Both the claims of industry and the empirical evidence are that it will. In every industry, there are, at the margins, opportunities for greater automation or less automation, greater mechanisation or less even in high-tech industries. At the margin, when you make labour cheaper through a fiscal incentive, you may change the levels of employment which a company would undertake. Second, in scheme C, we have a much higher incentive for those who create more than 1,000



**IF YOU'RE RUNNING A MARATHON, YOU MUST REMAIN FIT; AND INDIA IS RUNNING A MARATHON TOWARDS 2047**

jobs. Now, if somebody is seeking to relocate to India, this is an important incentive that helps them to make that decision to come and employ many Indians. Then, we give that subsidy to employers for four years. Incentives do matter. Can an incentive alone solve the problem? Obviously not. But it can help increase the employment intensity of whatever growth is happening. This is a fiscal incentive to promote the hiring of previously unemployed first-timers. There is a barrier to entry for a first timer because he has no experience on his CV and this is helping to break that barrier through certain physical incentives.

**Is there a nudge there for industry to opt for less automation?**

There definitely is a nudge. Industry has to make its own optimal choices. But yes, there is a nudge at the margin: less use of technology and more use of labour. We are a capital-scarce, labour-abundant country. But we are not doing it through any kind of compulsion. We are giving incentives there for industries to make their own decisions.

**The survey spoke about allowing China to make in India to supply to the world. The budget proposes streamlining FDI. Will this be the guiding principle?**

On FDI, we must strike a careful balance between growth and national security. Growth is good but national security is paramount. We must strike that balance. If something can be done for growth without compromising national security, then it should be done.

**ON FDI, WE MUST STRIKE A BALANCE BETWEEN GROWTH AND NATIONAL SECURITY. GROWTH IS GOOD BUT NATIONAL SECURITY IS PARAMOUNT**

**The budget talks about the shift in the fiscal framework to debt. What is the kind of targets we are looking at?**

It signals a change in approach to a dynamic fiscal deficit target rather than a static target. It also signals that we want to get the debt-to-GDP ratio down. How far, how fast, is something we are not stating at this moment. We have some calculations and there have been some exercises done. It signals an approach where we don't say that for India for all time to come, the figure is X. That X needs to change based on our nominal

growth, prevailing interest rates, prevailing inflation rates. What's the sustainable level of deficits for a fast-growing economy versus a slow-growing one? The sustainable level of deficit for a high-interest economy versus a low-interest economy is different. In one respect, we have a great advantage over the developed countries because our nominal growth is much higher so we can sustain a higher deficit. But our interest payments as a ratio of receipts are higher than in developed countries. This balance needs to be struck. The aim is clear. We want to get the debt-to-GDP ratio down. The instrument is the deficit, so we must calculate deficit targets in a manner that it comes down.

**The budget also talks about next-gen reforms. What are these reforms and how do you get the states on board?**

The approach is to bring states on board through a combination of consultation, persuasion and some incentivisation through fiscal means such as through the capital expenditure loans.

**What is the status of NPS and the OPS report?**

The committee has made considerable progress. We have had extensive discussions with the staff associations, and with all the state governments. From the staff side, it has been our observation that they have a few core concerns with the existing system. One is that the staff are uncomfortable with a pension that will fluctuate based on market valuations and market forces and could generate very random results on a particular date of retirement. They want some clarity on what the pension benefit will be. The second is that whatever they receive as a pension, there must be some element of inflation compensation there, otherwise its real value would be indeterminate and will be eroded. There is a third concern, which is not for all employees but for those who perhaps do not have a full career. Can there be some minimum (pension) which will help them to maintain a minimum level of income. So, these three concerns seem to be the most important. We are clear about one thing that there can be no return to the old pension system, which will be fiscally disastrous for those citizens of the country who are not government servants.

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# Fuelling India's Ride to Developed Economy Stop

**BIG HIGHLIGHT** Reducing tax rate for foreign cos positions nation as an attractive investment spot



**Guest Column**  
Kaushik Shaparia

The budget underscores the government's steadfast commitment to growth without compromising on fiscal discipline. The overarching message is clear: progress for all segments of society through equal opportunity. This blueprint addresses critical sectors such as manufacturing, services, agriculture, and startups, while providing targeted support for women and job seekers. An unwavering resolve to elevate India to a 'developed economy' status by 2047.

Setting a fiscal deficit target of 4.9% for FY25, a 20-basis points differential from previous projections, and aiming for 4.5% by the end of FY26, should help reduce cost of capital in the economy on a structural basis. One could say the undertone was clear even during the pandemic. A strict adherence to a path of fiscal consolidation thereby strengthening India's case for a sovereign rating upgrade in the coming years, making it a prime destination for long-term capital inflows.

A notable highlight in the current budget is the reduction of the corporate tax rate for foreign companies from 40% to 35%, aligning it more closely with domestic rates. This further enhances India's appeal for ease of doing business and is a significant step towards positioning the country as an attractive investment desti-

nation. The abolition of the angel tax is another groundbreaking reform. This measure breathes new life into our burgeoning startup ecosystem, making India an even more enticing hub for private capital and fostering innovation and entrepreneurship.

The government's emphasis on capital expenditure is a cornerstone of its economic strategy. Allocating ₹11.1 lakh crore for FY25 aligns with the Economic Survey's findings that India is amidst a private capex upcycle, propelled primarily by government initiatives. This budget provides a clear signal to the private sector on the need to contribute significantly to the development agenda.

Investment in education, employment, and skilling underscores the government's commitment to holistic development. The allocation of nearly ₹1.5 lakh crore for these sectors, alongside a new scheme to skill 2 million youth and an enhanced model skilling loan scheme, prepare India towards becoming a global manufacturing powerhouse.

The budget also introduces pivotal changes to capital gains taxation, with LTCG increasing to 12.5% and STCG on select assets rising to 20%. These adjustments are designed to foster a more patient and mature investment climate, aligning with long-term economic goals.

In an era marked by global uncertainties, this budget propels India towards growth while maintaining robust economic fundamentals. The strategic initiatives outlined will not only spur immediate economic benefits but also bolster India's global standing and credit ratings. This forward-thinking approach sets a promising trajectory for India's economic future, ensuring we remain on the path to becoming a developed economy by 2047.

The author is CEO, Deutsche Bank Group, India



ZAHID

**BUDGET SIGNALS A CHANGE IN APPROACH TO A DYNAMIC FISCAL DEFICIT TARGET RATHER THAN A STATIC TARGET. IT ALSO SIGNALS THAT WE WANT TO GET THE DEBT-TO-GDP RATIO DOWN**

# In Final Stage of Identifying IDBI Bidders: Pandey

**CALIBRATED STRATEGY** DIPAM secretary says govt won't work with a 'big-bang target' for disinvestment

**Banikinkar Pattanayak**

**New Delhi:** Authorities are at an "advanced stage" of wrapping up the process to identify "fit and proper" buyers for a majority stake in IDBI Bank and the strategic sale of the state-run lender is expected to be concluded this fiscal. Tuhin Kanta Pandey, secretary, Department of Investment and Public Asset Management (DIPAM), said on Tuesday.

In a post-budget interview to ET, Pandey said the government will follow a "calibrated disinvestment strategy" without any specific "big-bang target" and ensure state-run firms, whether they are disinvestment candidates or not, continue to create value for themselves.

The government, which owns a 45.48% stake in IDBI Bank, is looking to divest 30.48%. State-run Life Insurance Corporation of India, another shareholder of the bank with 49.24%, plans to sell 30.24%.

At Wednesday's share price on the BSE, the sale of 30.48% stake in IDBI Bank could fetch the government over ₹31,700 crore.

DIPAM had last year declared that the IDBI Bank strategic sale has drawn interests from multiple players but didn't name them. Once the potential bidders are declared fit and proper by the Reserve Bank of India, they will be allowed to enter the virtual data room for exclusive details about the state-run lender to start their due diligence. The share purchase agree-

ment and related issues will also have to be sorted out before the government invites the financial bids from the bidders. "All these things take a consider-



AMRENDRA JHA

able amount of time but we hope to conclude the transaction this fiscal," said Pandey.

**VALUE CREATION APPROACH** He said the government has, in recent years, sought greater account-

**OF LATE, THE GOVT HAS SOUGHT GREATER ACCOUNTABILITY FROM PSUs, LEADING TO SPIKE IN THEIR PROFITABILITY**

ability from state-run firms—the way a majority shareholder would demand from a company. This has contributed to the spike in their profitability and stock market performance, he said.

There will be greater focus on the growth strategy of central public sector enterprises (CPSEs). "Their performance is being watched more carefully, in terms of profitability, return on capital, completion of projects, capex planning, regular dividend, etc.," he said.

Another decision is that wherever buybacks are possible, the CPSEs can explore it, he said. Buyback is essentially the repurchase by a company of its shares from the existing shareholders that reduces the number of its shares in the open market.

For CPSEs, buyback is a tool for the government to disinvest its stake and to make proper utilisation of idle cash left with them.

In a rare move, the interim budget for FY25 clubbed the disinvestment and asset monetisation targets, instead of declaring them separately.

**ET Q&A** **AJAY SETH**  
SECRETARY, DEPARTMENT OF ECONOMIC AFFAIRS

# Reforms to Allow Development without Taking Land Away

Employment remains the overwhelming theme but the budget is more than that, economic affairs secretary Ajay Seth told Banikinkar Pattanayak and Deepshikha Sikarwar in an interview. The planned land measures are a major reform area and under the approach being considered, ownership of the land will not be snatched away and yet the land will be available for development, he said. Edited excerpts:

**The central theme of the full budget seems to be employment. Do you think this would be able to address the issue of job creation?** Yes, employment is a major focus area but the budget is also beyond that. It announces a package of five schemes, which will contribute towards generating more employment and of better quality. There are schemes which are more immediate. There are also schemes that are more for the medium term and to make youth ready for jobs. And then there is the scheme that will give people exposure for more private jobs in the real sectors.

**The budget speaks about firming up an economic policy framework to pursue next-generation reforms. What would it entail and when would you come out with this?**

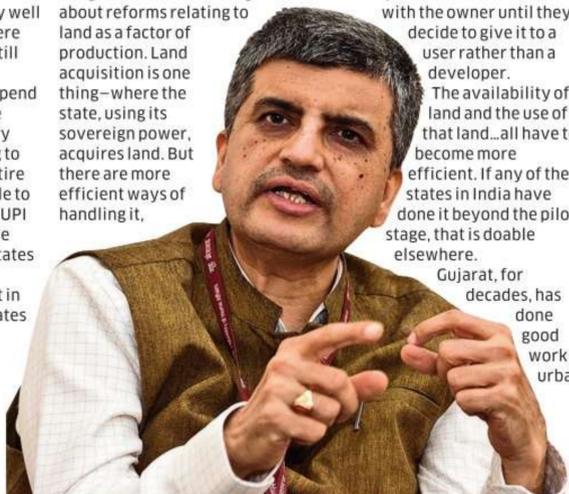
The policy framework will essentially present the overarching approach to economic development. It will set the scope of the reforms from a longer-term perspective to boost job opportunities and sustain high growth. We hope to come out with it before the next budget (in February 2025). We are not developing a sectoral policy, but an economic framework to determine how the policies for different sectors of the economy should be decided over the next decade or so. And states will be taken on board. We will come out with a draft, have consultations, etc. We will undertake a significantly large exercise to put

**FOR FISCAL HEALTH, OUR APPROACH WOULD BE TO REDUCE THE STOCK OF DEBT IN PROPORTION TO GDP INSTEAD OF LOOKING AT PUTTING A LIMIT ON THE FLOW OF DEBT**

such a framework in place. As far as reforms are concerned, the budget gives a significant amount of ideas about land reforms, both in rural and urban areas. When it comes to urban land, there are states which have done reasonably well or very well in firming up policies, but there are others where rigidities still exist today. The rural land reform will depend on how fast Agri Stack can be rolled out. When land registry and farm registry are talking to each other and when that entire information is made available to service providers, that's the UPI moment for rural land and the farming community. Many states have put in place decent IT systems for farm records but in the urban areas, very few states have built good systems.

**Would you make land acquisition easier for companies to set up units?**

See, reforms around land in our country were generally thought of as land with the tiller. So, let's not get into it. I am talking about reforms relating to land as a factor of production. Land acquisition is one thing—where the state, using its sovereign power, acquires land. But there are more efficient ways of handling it.



and some of the states have shown it. There is something called "town planning" where the government can be a facilitator. Under this method, hundreds of acres of land have been developed where land remains with the owner until they decide to give it to a user rather than a developer.

The availability of land and the use of that land... all have to become more efficient. If any of the states in India have done it beyond the pilot stage, that is doable elsewhere.

Gujarat, for decades, has done good work in urban

areas. They have done their infrastructure through town planning skills. Haryana followed a different model wherein a developer acquired the large pieces of land and then the government or urban development authorities provided trunk infrastructure.

**RURAL LAND REFORM WILL STREAMLINE REGISTRY DATA - THAT'LL BE THE UPI MOMENT FOR RURAL LAND AND FARMING COMMUNITY**

**The budget talks about heightened focus on the reduction in debt ratio from FY27. Does it mean you would be announcing a debt reduction target annually?** We are talking about an approach where, instead of looking at putting a limit on the flow (net accretion) of debt, we would be looking at reducing the stock of debt in proportion to GDP. And, as long as

we are in a position to bring down the debt ratio, we will be in a position to serve the twin objectives of debt sustainability and building buffers to meet any exigency. It is not a shift from the fiscal consolidation path. We are saying it is a different approach. Rather than targeting a particular deficit number annually, one will keep on reducing the debt ratio. An economy that is growing at a faster pace has the ability to sustain a larger amount of debt.

**Given the fiscal discipline, what kind of response are you looking for from rating agencies?**

The government has followed the path of fiscal prudence while at the same time meeting all priority and essential expenditure commitments. We do expect it should be seen in a very positive manner by the credit rating agencies. Please see the fiscal consolidation track record over the past four budgets after the pandemic. We gave a commitment to bring down the fiscal deficit to 4.5% by FY26 and we will lower it below that.

# LTCCG Tax Parity may Bring More Family Offices to the Startupland

Likely to increase capital allocation to startups on abolition of angel tax, tax parity as well as valuation reset

Digbijay Mishra & Pranav Mukul

**Bengaluru | New Delhi:** Family offices of millionaires are likely to increase capital allocation to new-age companies, following the budget proposals to bring parity on long-term capital gains (LTCG) tax across all financial assets and abolish the angel tax.

Family offices—about 300 now compared with around 45 in 2018 as per a PwC report—have increased their investment activity in startups over the past year and the budget announcements will give a major boost to it, a senior executive at a top family office fund said. Removal of angel tax will also help these investors come in startups at an early stage, industry executives said.

In her budget on Tuesday, finance minister Nirmala Sitharaman said LTCG will be levied at a uniform 12.5% for all financial assets—it was 20% previously for the stocks of unlisted companies, which most startups are. “This would be a significant attraction going forward to invest in private companies... the disparity between listed and unlisted stocks was a hurdle and now a lot more domestic capital is available to back tech companies with sustainable models,” the executive said.

ET reported on July 24 that this particular change is especially significant given the increase in exits by early-stage investors through secondary stake sales—a growing trend when primary capital funding is still constrained. “There will be an incentive now on

such exits over a period of time, which is typically six to eight years,” the executive said.

Several top internet industry executives—founders and top executives—run family offices that invest in venture funds as well as directly in companies. Premji Invest of Wipro founder Azim Premji is among the first family offices to have started

investing in new-age firms. It is now one of the largest in this space. Ranjan Pai’s Claypond Capital, the Manyavar Family Office and Zerodha founder Nikhil Kamath’s investment vehicle are among several that have accelerated the pace of capital allocation in startups.

This in part was led by a valuation reset that occurred in the industry after the 2021 funding euphoria.

Companies like FirstCry, Oyo, Aakash Institute and Bluestone have raised significant capital during the course of this year. “Among Indian family offices, fintech is a key attraction that raised a total funding of \$853.6 million in FY23. Indian family offices are also setting up offices abroad to tap global investment opportunities,” the PwC report said.

“The reduction in LTCG in case of unlisted securities may encourage domestic investors to allocate more capital into the startup ecosystem which can help improve the domestic funding scenario,” Amarjeet Mahkija, partner and leader – startups at PwC India said on Wednesday.



## Looking Out

**Premji Invest—the family office of Wipro founder Azim Premji—is among the first family offices to have started investing in new-age firms**

**Ranjan Pai’s Claypond Capital, Zerodha’s Nikhil Kamath, Manyavar Family Office have increased the pace of capital allocation in startups**

SIDDHARTH

# Agri Stack to Cover Six Crore Farmers by End of the Year

AS YOU SOW... Database is ‘Aadhaar Plus’ for Indian agriculture ecosystem, says official



## LEADING WAY

**Use cases for the Agri Stack include availing the Kisan credit card in which loans can be acquired in 15 minutes**

**Farmer IDs will be activated only when the farmer registers on the farmer registry**

**During a recent pilot in Beed in Maharashtra and Farrukhabad in UP – camps were held where farmers who visited got their IDs created**

ANNA ANCHER, Harvesters

**RAJEEV CHAWLA**  
strategic advisor at the Union agriculture and farmer welfare ministry

**We already know 100 million farmers who avail the PM Kisan scheme. We have created farmer IDs for them in advance but have not activated them**

“Buoyed by the success of the pilot project, our government, in partnership with the states, will facilitate the implementation of DPI (digital public infrastructure) in agriculture for coverage of farmers and their lands in three years.”

A digital crop survey for Kharif using DPI will be taken up in 400 districts in the current fiscal, she said. The details of 60 million farmers and their lands will be brought into the farmer and land registries this fiscal. Also, issuance of Jan Samarth-based Kisan credit cards will be enabled in five states.

In last year’s budget, it had been said that in agriculture, geo-referencing has been completed for 75% of the villages in the country. A digital crop survey has been launched on a pilot basis in 12 states. In addition, support registries such as crop registries, an agri data exchange, a consent manager, a sand box, and a UFSI have also been developed.

“Agriculture knowledge is highly local and contextual. We have hundreds of agriculture research institutes, coordination institutes, people working in the seeds sector, fertilizer sector, and many others who create knowledge,” Pramod Varma, former architect of Aadhaar, told ET. “Unfortunately, they don’t translate to the last mile, to the farmer, in a usable way.”

Local language and technology barriers don’t let farmers access the vast agriculture knowledge, which remains highly fragmented and currently not leverageable, he said. “So, the commitment by the government to build agri DPIs via a set of electronic registries and open networks facilitating knowledge and commerce exchange at the fingertips of the farmer, is commendable,” Varma said.

“There are another 50 million people for whom we will create farmer IDs on the fly with the help of their Aadhaar,” Chawla said.

Finance minister Nirmala Sitharaman in her budget speech on Tuesday had said,

Suraksha P

**Bengaluru:** Agri Stack—a database of farmers in India with details like their agriculture landholding, GPS coordinates of each plot and crops grown on them—will cover 60 million farmers by the end of this financial year, an agriculture ministry official said.

A unique farmer identification number, or ID, will be provided to each farmer and the database will have linkages to the government benefits availed by farmers. A Unified Farmer Service Interface (UFSI) will be the application programming interface or the service layer to provide data to others.

“Agri Stack is ‘Aadhaar plus’ for the Indian agriculture ecosystem,” Rajeev Chawla, strategic advisor at the Union agriculture and farmer welfare ministry, told ET.

He said 60 million farmer IDs will be given by the end of this financial year. “We already know 100 million farmers who avail the PM Kisan scheme. We have created farmer IDs for them in advance but have not activated them,” he said.

Use cases for the Agri Stack include availing the Kisan credit card in which loans can be acquired in 15 minutes. Chawla said the farmer IDs will be activated only when the farmer will register on the farmer registry. During a recent pilot in two

**PRAMOD VARMA**  
former architect of Aadhaar

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districts – Beed in Maharashtra and Farrukhabad in Uttar Pradesh – camps were held where farmers who visited got their IDs created.

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Finance minister Nirmala Sitharaman in her budget speech on Tuesday had said,

# Space Sector to Fly Higher on ₹1k-crore VC Fund Fuel

**New Delhi:** Union finance minister Nirmala Sitharaman announced an initiative aimed at transforming India’s space sector in Union Budget 2024-25 on Tuesday. The government will establish a ₹1,000 crore venture capital fund dedicated to expanding the country’s space economy, to increase its size fivefold over the next decade. The venture capital fund is expected to attract additional investments from private sectors, further stimulating growth in the space economy.

This move aligns with the broader objective of boosting India’s global presence in the space industry.

Siddharth Mody, Partner at JSA Advocates and Solicitors, lauded the initiative, noting its potential impact on the industry, said, “The announcement of a ₹1,000 crore venture capital fund dedicated to the space economy marks a significant commitment by the Centre to advance India’s burgeoning space sector. With space economy expected to grow from \$ 8.4 billion to \$ 44 billion by 2033, this initiative is a timely boost.” —Agencies

# I-T Breather to Help Loss-making Firms Conserve Working Capital

Cos can get a certificate to avoid withholding tax while purchasing goods above ₹50 lakh

Pranav Mukul

**New Delhi:** A key amendment to the Income Tax Act proposed in the budget could help loss-making companies with high cash burn, including startups, conserve working capital, tax experts and lawyers said.

This comes at a time when several consumer internet companies and larger startups in India are aiming to achieve profitability amid a slowdown in risk capital funding.

Under Section 194Q of the Income Tax Act, 0.1% of the payment made by a company—exceeding ₹50 lakh—towards purchase of any goods is to be withheld as tax deducted at source (TDS).

If the company is loss-making, it can claim a refund of this tax, since the actual tax liability is lower than

## A Close Look

The government has proposed to include Section 194Q under the ambit of Section 197

Startups and other loss-making cos can now apply for a certificate to avoid withholding tax while purchasing goods valued in excess of ₹50 lakh

This should help loss-making startups in managing their cash flows better and remove the requirement of obtaining refunds from the (I-T) dept

**Prabhat Lath,** partner, Price Waterhouse & Co



SIDDHARTH

tups have to manage their working capital for this 0.1% of TDS on high turnover,” Kumal Savani, partner at law firm Cyril Amarchand Mangaldas, told ET. “While the withholding tax rate is just 0.1%, it turns out to be a sizable sum on high turnover, which is blocked until refund is claimed by filing the income tax return.”

Separately, under Section 197 of the Income Tax Act, any company can obtain a certificate from an income tax officer for deduction of tax at a lower or nil rate under spe-

cific provisions.

Through amendments announced in the budget, the government has proposed to include Section 194Q under the ambit of Section 197. This means startups and other loss-making companies can now apply for a certificate to avoid withholding tax while purchasing goods valued in excess of ₹50 lakh.

“The amendment allowing the issue of lower or nil tax-withholding certificates in respect of transactions related to purchase and sale of goods is a welcome move. This should significantly help loss-making startups in managing their cash flows better and remove the requirement of obtaining refunds from the (income tax) department,” said Prabhat Lath, partner, Price Waterhouse & Co LLP.

The explanatory memorandum to the Finance Bill stated that the government received representations indicating instances where the taxpayers are incurring losses due to tax deducted under Section 194Q as a result of their funds getting blocked. This also resulted in additional compliance on part of the seller liable for collecting the tax on behalf of the startup.

# Payment Firms are in a Fix as UPI, RuPay Incentives Dry Up

SPOT OF BOTHER Budget cuts allocation for UPI, RuPay small value payments to ₹1,441 cr

Pratik Bhakta

**Bengaluru:** Payment companies and the government’s difference over charges on Unified Payments Interface based payments could continue to remain a thorny issue after the budget’s reduced preliminary allocation of ₹1,441 crore to incentivise digital payments done via RuPay debit cards and UPI.

This amount is much lower than the initial plan to allocate ₹3,500 crore that was mentioned in the interim budget presented by the

finance minister in February. “The incentive scheme for the promotion of RuPay debit cards and low-value BHIM-UPI transactions (person to merchant) has now been reduced from interim budget ₹3,500 crore to ₹1,441 crore in this year’s Union Budget. This amount was approximately double at ₹2,485 crore in last year’s budget. This can have a significant impact on the fintech and banking industry for promoting digital payments,” said Mihir Gandhi, partner, payments transformation, PwC India.

However, payment companies remain hopeful. “Last time also they had made a lower allocation and later they had scaled it up, so hopefully something similar will happen this year too,” said a chief executive at a payments firm.

Multiple other founders of payment startups, which operate in this space, said they were trying to get clarification from the finance ministry, the Reserve Bank of India and the National Payments Corporation of India on how the reduced budgetary allo-

cation will impact their business. To promote digital payments the central government has made low value UPI and RuPay debit card payments at zero cost. Payment transactions above ₹2,000 attract an MDR or merchant discount

## In Limbo

The incentive scheme for the promotion of RuPay debit cards and low-value BHIM-UPI transactions (person to merchant) has been reduced

Founders of payment startups are trying to get clarification from the ministry, RBI and NPCI on how reduced budgetary allocation will impact their biz



SIDDHARTH

rate of above 1%. “Majority of the transactions done via UPI are small value payments, so effectively there is a massive revenue loss for banks and for payment companies,” said one of the founders ET spoke with.

ET had written on February 22 that the payments industry had asked for around ₹4,500 crore as subsidy support for the zero MDR regime to compensate for the revenue loss they incurred. ET wrote on July 18, that the payment companies had also asked for an assured share of this amount.

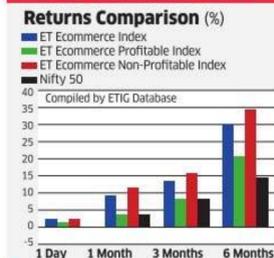
Currently, UPI records around 13 billion transactions on a monthly basis and settles around ₹20 lakh crore worth of transactions. The payments industry has said that given UPI has become mainstream now, there is a need to relook into the zero MDR regime on this payment scheme.

**A FINTECH FOUNDER...**  
Majority of the transactions done via UPI are small value payments, so effectively there is a massive revenue loss for banks and for payment companies

## BEYOND BUDGET

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### ET Ecommerce Tracker



**12**  
Regional languages Google-backed edtech startup Adda247 provides courses in

**Tech Buzz**  
**Google Shelves Plan To Remove Chrome Cookies**

**LONDON:** Google is dropping plans to eliminate cookies from its Chrome web browser, making a sudden U-turn on four years of work to phase out a technology that helps businesses track users online. The company had been working on retiring third-party cookies, which are snippets of code that log user information, as part of an effort to overhaul user privacy options on Chrome. —AP

**Cred Money to Help Track A/Cs, Debit Payments**

**BENGALURU:** Fintech firm Cred is launching a new offering called ‘Cred Money’ for users to manage bank accounts and track debit payments. Cred Money would allow users to have a unified view of all their bank accounts and their balances. It will also allow users to track transactions across multiple bank accounts and get insights into their spending behaviour, as well as make payments via UPI, it said. —Our Bureau

# IT Flags S’pore’s New Skilled Visa Framework

Industry raises concerns about narrow criteria under the new points-based framework

Annappurna Roy

**New Delhi:** The IT industry has raised concerns with the Indian government around Singapore’s new framework for skilled worker visas, saying it could hinder ease of doing business due to the existing skills shortage.

The industry has flagged the narrow criteria under the points-based framework, where only eight Indian universities are eligible for points and all nationalities are given equal weightage for diversity assessment, which may not reflect the on-ground realities, industry body Nasscom told ET. It also seeks to expand which roles are listed as being in a ‘shortage’.

The new framework is set to be implemented in September for visa revalidations. Starting September 1, those applying for visa re-



ISTOCK

newals will have to earn at least 40 points under the new Complementarity Assessment Framework (COMPASS), on top of meeting the qualifying salary, to get an Employment Pass (EP) to work in Singapore. Shivendra Singh, vice president-

**NARROW ROUTE**  
Starting Sept 1, those applying for visa renewals will have to earn at least 40 points under the new framework

global trade development at Nasscom, said that the shortage of digital talent in Singapore is well known and hence critical skills need to be brought in on non-immigrant visas including the EP. “When the tech industry faces challenges globally, our government has been extremely supportive of our issues,” Singh said. “We have been raising the Singapore challenge with them and request the Singapore government to kind-

ly consider, given the resolution will enhance our industry presence in Singapore and create a win-win partnership for value addition to Singapore’s economic growth story.”

For instance, under the qualifications pillar of COMPASS, IIT Delhi and IIT Bombay graduates can earn 20 points while those from specific faculties of five other IITs and IISc get 10 points.

Given that the IT industry is an employer of choice and recruits from other prestigious universities and colleges, there is a need to expand the list to be truly representative, Singh said. Further, under the diversity criteria, 20 points can be gained only if not more than 5% of PMET (professionals, managers, executives and technicians) employees in a candidate’s company are of their particular nationality.



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## Moving Towards a Less Taxing Future

Harmonised capital gains tax will push growth

The decision to harmonise capital gains tax across asset classes has a positive effect in three areas. One, it lowers arbitrage among asset classes, such as equities, real estate and gold for household savings. Two, it addresses the differential in effective tax rates on labour and capital. And, three, it allows government tax revenue to grow without unduly affecting economic productivity. All these have long-term effects on economic growth and redistribution by influencing behavioural changes towards work, savings and risk-taking. The move also lowers the likelihood of asset price bubbles by encouraging freer capital movement. The markets have, thus, taken the changes announced in the budget in their stride, and the anticipated turbulence was weak and short-lived. Further steps to harmonise the tax treatment of capital gains are likely to be met with less anxiety by investors.

GoI has, thus, achieved two breakthroughs with the budget announcement. There is a messaging success with the Centre signalling its intent to reduce tax arbitrage. It also addresses the chronic challenges of a complicated tax administration. The move on capital gains tax is part of a broader effort to simplify tax rules to plug revenue leakage over interpretation. The first budget of the new government has rightly taken the opportunity to lay out a course of simplification that assures taxpayers of low and stable tax rates.

Financialisation of household savings has an impact on macroeconomic stability in a resource- and energy-deficient economy such as India. Investments in physical assets like gold and houses, in effect, export some of India's savings. Financial markets are more efficient in capital allocation and policymakers are moving in the right direction when physical assets lose their tax-advantaged appeal. Alongside formalisation of the real economy, taxes have a large contribution to expanding the role of the financial sector. This budget nudges the expanding pool of taxpayers to the right pathways for wealth creation.

## Cultivating Wealth, Not Dependency

Whenever we hear the word 'agriculture' in the context of the annual budget, we also hear the words 'payouts' and 'subsidy'. On Tuesday, Nirmala Sitharaman's focus on productivity and resilience in the agriculture sector got us sitting up. It was not just about politically cultivating an electorate — of cultivators — but about setting pathways for sustained higher incomes for the farm sector.

Acknowledging that higher incomes require ensuring that agriculturalists adapt and use the fruits of science and better techniques and processes is critical, especially to mitigate impacts of climate change. The plan to release 109 new high-yielding and climate-resilient varieties of 32 field and horticulture crops for cultivation opens up new trajectories for increasing yields and incomes, while bettering conditions all around. The proposed use of digital public infrastructure for a digital crop survey in 400 districts will help identify the most suitable crops for cultivation. Encouragement for high-value produce — such as vegetable production and encouraging self-sufficiency in oilseeds — is about crop diversification, market access and higher incomes. Expanding natural farming is another progressive step forward.

The allocation for agriculture, ₹1.52 lakh cr, accounts for 3% of the budget, and is 6% more compared to last year. Rather than the quantum, GoI's budget should be judged for utilisation and achievement of goals it sets out, as well as the outcomes of these policies. To this end, GoI must undertake an impact assessment of schemes and measures, including the PM-Kisan Samman Nidhi and fertiliser subsidies, to understand their utility. The lens through which this must be measured is the twin goals of productivity and resilience.

## JUST IN JEST

Dress allowance for black robes... But why black robes in the first place?

## Why Lawyers Want To Look Hot in July

This week, Delhi High Court provided much joy to Delhi's public prosecutors when it issued directives to improve their 'working conditions'. If the FM's job was to make the country happy — or, at least, not unhappy — in her budget speech, the high court was to do the same for lawyers in the Capital. But one thing seems exceedingly odd to us all over again. No, not so much that the court recognised the need for adequate professional attire for public prosecutors by ordering an annual dress allowance of ₹10,000, but that these lot still prefer wearing those long black robes with a sticky white collar as if they ply their legal trade not in the tropics but in the Inns of Court in autumn.

'Given the formal attire required in court, it is appropriate to grant a dress allowance to public prosecutors,' the court order read. What it didn't read was why they like wearing black (heat-absorbing) robes and starched collars from some foreign period drama during Cornwallis' time, and not just formal professional clothes like any other profession? The public prosecutors like to 'fancy dress', we suppose, in accessories that have their origins in the black mourning robes that English lawyers wore after the death of the earlier King Charles in 1685. Why don't they take the ₹10k dress allowance but wear something less mournful and 17th c?

The budget summons jobs as growth warrior, but rival inflation will need to be overwhelmed

# Keep Kaam & Carry On

## Beware the Jobberwork



Abheek Barua

Of the multiple challenges facing the economy, creation of productive well-paying jobs vies for a spot at the top of the list. This is inextricably linked to a skill shortage and structural problems in the labour market that discourages labour-intensive production.

Main thrust of the budget is the attempt to alter the lopsided mix of labour and capital in Indian industry. Thus, we have a slew of employment-linked incentives (ELIs) that hopes to encourage labour-intensive production. The budget estimates that these measures will help create 8 mn skilled workers a year. To put this in perspective, the Economic Survey estimates the annual addition to the workforce at roughly the same number on the basis of current demographic trends.

There is a parallel effort to improve skilling. Of the many initiatives announced, highlight is the internship programme in India's top 500 companies. This 'shopfloor' training could help align specific needs of companies to skill supply. Similar models have worked well in other economies like Germany.

Economists often tend to look at fiscal policy in terms of what components of overall expenditure it expects to drive. One could argue that while GoI's investment spending has done the heavy lifting in the past, there is a pivot this time towards consumption. Change in I-T slabs, along with the direct benefit transfer to first-time workers, is likely to spur consumption, particularly for small-ticket items, by increasing disposable incomes in the near term.

The addition of disposable income for individuals is relatively small, aimed at lower middle class 'neo-consumers'. The immediate beneficiary would be small-ticket FMCG products. But were the mass job creation strategy to succeed, this could broaden the consumer base for a range of products and reignite consumer demand.

Capex has, however, not been compromised. Allocation towards asset creation remains unchanged at the interim budget's estimate of ₹1.1 lakh cr. Quite predictably, the budget has had to make overtures towards the states run by BJP's coalition partners. Both Bihar and Andhra Pradesh have had their fair share of allocation either directly or through soft loans from multilateral agencies that the Centre will help service.

For those wondering how all this adds up to a sharply reduced fiscal deficit target of 4.9% for 2024-25 vs 5.6% in 2023-24, the answer partly lies in the additional ₹1.5 lakh cr (0.5% of GDP) that RBI and some PSUs paid out that has been used to close the fiscal gap. Besides, the money given to the 'coalition states' are not bunched up this year and will be transferred through interest-free loans and special grants over a few years.

Ditto for the allocation of ₹2 lakh cr for employment incentives and skill formation that will be staggered over the coming years.

Some questions remain. Did FM over-compress the fiscal deficit? Could the dividend bonanza have been used for slightly higher allocation for say, rural development, keeping the fiscal deficit at the 5.1% target of the interim budget?

Mixed success of the PLI scheme should be a reminder that fiscal incentives only go so far in producing the desired outcome. Labour laws (largely the domain of states) remain unfriendly, and even with fiscal support, firms might be wary of taking on more workers.

Will the new skill initiatives compensate for gaps in our education system, starting with primary education, which have held formal non-farm job creation back? How much freedom does technology offer in changing the input mix in production processes in an age where AI and automation are on the rise?

Besides, will companies hire workers at the desired pace when the business environment, particularly for manufacturing, looks murky? The Economic Survey has pointed to the overcapacity in manufacturing in China that threatens to make life difficult for manufacturers elsewhere. Hard decisions need to be taken on how much Indian industry needs to plug into China's supply chain to ramp up growth.

How does this align with our security concerns? Add to this the threat from the US that wants to revive domestic manufacturing through fiscal measures (subsidies for key sectors like semiconductors and green tech) and tariffs.

To be fair, the finance ministry can't tackle all these problems on its own. Its job is to allocate funds and leave outcomes of its allocations to other stakeholders — other ministries, industry and households. A somewhat fractious debate played out in the media on whether a certain level of growth was adequate to absorb India's supply of able-bodied workers. The FM must be given full credit for not getting blindsided by some of the conflicting claims made in this spat. She has recognised the realities of India's job market, and done her best to set things right.

The writer is chief economist, HDFC Bank



Poonam Gupta

## Rejig Inflation Targeting?

In September, India will complete 8 years since it implemented inflation targeting (IT). Consistent with the experience of other countries, here, too, IT has been credited with improved outcomes: gentler and less volatile headline inflation, anchored inflationary expectations, improved communication and transparency, enhanced transmission of monetary policy, greater independence of the central bank, better coordination with fiscal authorities, and smooth conduct of exchange rate and reserve management policies in response to external shocks.

RBI has remained as committed to a 'multiple indicators' approach as it was before IT's formal adoption. A text analysis of its statements shows that the monetary policy committee considers a range of factors before arriving at a decision, such as drivers of inflation, dynamics of food and core inflation, liquidity situation, global economic environment and risk appetite, output gap, capacity utilisation, inflationary expectations, exchange rate, employment and fiscal deficit.

Despite this apparent successful run, there are periodic calls to make changes in the IT framework. One such proposal is that instead of CPI headline, which includes demand-induced volatile food prices, core inflation or WPI inflation should be targeted. In the most direct official statement to this effect, the latest Economic Survey has proposed that 'India's inflation targeting framework should consider targeting core inflation, excluding food'.

Arguments in favour include: Monetary policy is ineffective in combating supply-driven food inflation. Food inflation is higher than core inflation, resulting in tighter monetary policy. Food prices are volatile, necessitating frequent policy changes. Counter-arguments include: Core inflation impacts both core inflation and overall inflationary expectations. Ignoring it can unanchor inflationary expectations and undo past successes of IT.

WPI is a poor substitute. It consists of wholesale prices, not retail prices, and of only manufacturing (64% weight) and commodities, while excluding services altogether.

Food price inflation has not been higher than core inflation. It has been more volatile than core inflation but less volatile than WPI inflation. Defying some earlier scepticism, IT has not made RBI overly hawkish or reactive to every small deviation in inflation rate from its target of 4%, or to every spike in food inflation.

Since September 2016, RBI has changed the key policy rate 17 times, majority of them during two turbulent years. The first time in 2019-20 when policy rate was eased five times by a cumulative 185 bps to respond to a sharp growth slowdown. And again in 2022-23 when the policy rate was increased six times by a cumulative 210 bps in response to accelerated inflation emanating from global shocks. During the remaining six years, policy rate was changed only six times, about once every year.

But what if food prices become even more volatile during the coming years, due to climate change-induced heatwave conditions and erratic rain patterns?

The answer lies in updating the CPI headline basket. The current basket accords a weight of 45.8% to food. The basket was calculated in 2011-12 and has not been revised since then, even though per-capita incomes have nearly doubled meanwhile.

To project the correct weight of food in India's consumption basket, we estimated the relationship between the share of food and per-capita income across countries, and a similar relationship for Indian states. The estimates robustly confirm that the share of food in consumption declines as income levels increase. While a Bangladeshi spends 45% on food, a Vietnamese spends 33%, a Brazilian 24%, and a South Korean only 14%. Similar dispersion is seen across Indian states (as of 2011-12).

The estimated weight of food for India at today's per-capita income would be less than 40%, instead of the current 45.8%. And it would decline to below 30% in a decade from now. This correction itself should ameliorate the concerns on account of food inflation being a part of the inflation target.

Does it mean that India needs no review or revision of its IT framework at all? Not really. In fact, it would be useful to conduct an independent review around issues such as: Is a 4% target inflation still appropriate? Should India make its tolerance band of 2-6% narrower? Or should it move from targeting an inflation level within a band to just targeting a narrower band of, say, 4-6% with no explicit point target?

The writer is DG, NCAER



Fighting the good fight

The CPI headline basket has not been revised since 2011-12, even though per-capita incomes have nearly doubled meanwhile

## LETTER FROM WASHINGTON

# DC Back to Its Old India Ways?



Seema Sirahi

Much water has flowed down the Potomac since the hug between Narendra Modi and Vladimir Putin. America is deep in the throes of election politics — Donald Trump's escape from near-death, Joe Biden's exit and Kamala Harris' entry into the presidential race are dominating the headlines. Tempers have calmed somewhat but all is not well in the realm. Washington remains angry with the timing and optics of Modi's visit. India went to Russia when Nato came to America to show unity against Putin. Moscow's message to Nato was a hospital attack while Modi was on Russian soil. The date, the attack and the extra hospitality for Modi was Kremlin Craft at work to cause maximum diplomatic strain.

A barrage of biting US comments followed, with NSA Jake Sullivan going so far as to declare that Russia would 'side with China over India any day of the week'. The Americans seem convinced as do some Indian analysts, but GoI is not and may never be in the manner that Washington desires. Compare it to America's abiding relations with Pakistan. Indian diplomacy will continue to try to make room in Moscow if only to keep hope alive. It ultimately should be in the US interest to have an open channel to Russia. But one-dimensional views of DC's Russia hawks and the need to sound values-based take precedence. Republicans and Dems in Capitol

Hill are also unhappy. 'The hits [from India] keep on coming,' said one, calling the episode a setback for the relationship. 'We brought Europe together to prioritise the China threat and what was India doing?' India 'got played just to thumb its nose at us'. Not quite as simple but complexity is not popular.

Some perspective and recent history are useful. Modi has visited Washington three times in five years and Moscow once in five, and his personal/political investment in the US relationship is obvious. The Indian side was livid that Eric Garcetti, the US ambassador, temporarily abandoned Instagram and foodie outings for a meditation on 'strategic autonomy'. MEA refrained from official commenting but is fuming in private. Garcetti's tendency to overstep — Delhi hasn't forgotten the fiasco around the Republic Day invitation — is a constant irritation. It's been more than two weeks since

the Modi hug, Sullivan and Ajit Doval have talked. It seems the White House wants to focus on making progress, not continued acrimony. How about an easier pathway for Biden to attend this year's Quad summit? Long travel for him is pretty much ruled out. Can Quad meet in New York during the UN General Assembly in September? Will Modi oblige? Quad foreign ministers are supposed to sort it out when they meet next week.

On the bilateral front, those who pay attention saw that the India-Russia joint statement was low on substance. No defence sales, no logistics agreement even though the Russians wanted it, and no movement on the pending S-400s. One US insider called it a 'nothing burger becoming a Big Mac' because of optics. Compare it, for example, with what came out of the last India-US ICET (Initiative on Critical and Emerging Technology) meeting in June for substance.

Also note the extent to which India is diversifying in the defence sector to reduce dependence. Germany and Spain are competing to co-produce six conventional submarines — field trials were completed last month. In the old days, India would have leased from the Russians. Remember that the Indian sub fleet was designed by the Soviets, so this is a significant pivot. Stockholm International Peace Research Institute (Sipri)'s latest report noted that while Russia

remained India's largest arms supplier at 36%, it was the first five-year period when Russian deliveries accounted for less than half the total. The US and France made for 46%.

But delivery? GE Aerospace is 10 months behind schedule to supply F404 engines for Tejas Mk1A jets. The last of India's MiG-21s should have been replaced by now, but it can't. GE pleads supply chain problems, but that's not cutting it in Delhi. Some think it's political. 'Not a single engine has come, and India is paying. MoU was signed. It's a serious problem,' an insider told me. 'Why should I trust the Americans?' The French are better.

Questions about US reliability are back with a bang in Delhi. Many remember the 1999 Kargil War when the US, which controls GPS, denied the Indian military data for the area even though Bill Clinton was officially on India's side. Two decades later, India has its own system — NavIC — with seven satellites. There are too many such examples — from sanctions on India to timeless courting of Pakistan. The China-Pakistan dual threat for India is largely a result of US policy.

It didn't escape Delhi's notice that Antony Blinken and former acting deputy secretary Victoria Nuland welcomed Pakistan's army chief to the State Department. There was no outrage when the ISI got carte blanche to tap any citizen's phone. And there's no worthwhile US cooperation on anti-India terror groups.

While Delhi and Washington can and will work out the latest wrinkle, there is a desperate need for deeper expertise on India in DC just as there's a dire need for MEA to understand that US policy is made in many places, not just at the State Department.



THE SPEAKING TREE

## Religion and Neuroscience

NARAYANI GANESH

It is no longer considered unscientific for scientists also to study matters related to faith, religion and spirituality. Nature magazine reports that around 85% of the world's population identifies as religious. These beliefs are said to improve 'health and well-being, social cohesion, empathetic and altruistic behaviour'. Conversely, beliefs are also known to cause 'amplified conflict, polarisation and oppression'.

Spiritual practices such as yoga, meditation, chanting and prayer are known to impact neural activity in positive ways, including helping in pain and addiction management. Consumption of psychedelic drugs, magic mushrooms and engaging in virtual reality may all impact neural activity in similar ways to that of spiritual practitioners. But while spiritual practices have no harmful side effects and the positive take-aways are more long-lasting, substance use and reliance on virtual reality may produce harmful side effects, and their shelf life in the brain expires the moment the chemical effect wanes.

Interestingly, the Mind and Life Institute, set up by HH The Dalai Lama in 1991, seeks to bring about collaborative research and discussion on the links between spiritual practices and brain function. For scientists to dismiss spiritual tools or for believers to scoff at science is no longer an acceptable or rational position. There needs to be a meeting ground for common benefit.

## STEP UP TO THE PLATE

### Quique Dacosta Restaurante Dénia, Spain

Quique Dacosta, owner of the 3 Michelin-star restaurant bearing his name, was destined to be a chef. He started cooking at 14, working in a local pizzeria and studying French cookbooks. In 1986, he began working at the restaurant in Dénia, the Mediterranean port city in eastern Spain, which he now owns. Today, his cooking pays homage to fish, seafood and rice dishes. Dacosta has always been influenced by art and architecture, and his food reflects his love for both. Earlier this year, Dacosta launched a 4-course menu. Act 1 is inspired by the local



area and includes bites of Valencian ratatouille, mackerel and tomato salad.

Act 2 is inspired by the sea and features delicacies, such as corals of nori seaweed and rice and red tuna belly. Traditions are behind Act 3, where guests enjoy the sang amb ceba — a traditional Valencian dish usually made with chicken or pork solidified blood — duck pickled onion in beet, and Elche pomegranate. The final act, 'Sweet Beauty', features cortex of carob, morels and Mediterranean pine.

Don't forget to choose your wine from a 1,500-strong handwritten menu card. ¡Buen provecho!

## Chat Room

### Profligacy Nipped In the Budget

Appropos the Union budget coverage, 'Fiscally Fit & on the Jobs Hunt' (Jul 24), this is a bold budget by GoI, in view of longer-term fiscal prudence. With no easy giveaways, the budget focuses on a longer, more sustainable path of job creation through manufacturing in the country and strengthens the role of MSMEs. Skilling the youth, formalising job creation, continued infrastructure spending and urban development, along with the climate of enhanced local capex spending, will encourage the private sector to join in new ventures. The key to unlocking the full potential will be execution on the ground and simplification of a plethora of taxes and compliances as promised. Overall, the budget is bold and purposeful to boost the job market.

ANANDAMBAL SUBRAMANIAM Navi Mumbai



Well? Shall we fly or not?

# Performance Highlights Q1 FY25

Consolidated total income: ₹ **31,480 crore** ↑ **35%**

Consolidated profit after tax: ₹ **2,138 crore** ↑ **10%**

BAJAJ FINSERV LIMITED	Consolidated Results				(₹ In Crore)
	Particulars	Q1 FY25	Q1 FY24	% Change	FY24
	Total income	31,480	23,280	35%	1,10,383
	Profit before tax	5,968	5,125	16%	21,375
	Profit after tax (attributable to owners of the Company)	2,138	1,943	10%	8,148

BAJAJ FINANCE LIMITED	Consolidated Results				(₹ In Crore)
	Particulars	Q1 FY25	Q1 FY24	% Change	FY24
	Total income	16,102	12,500	29%	54,983
	Profit after tax	3,912	3,437	14%	14,451
	Net NPA	0.38%	0.31%		0.37%
	Return on average equity (annualised)	19.9%	24.5%		22.0%
	Assets under management	3,54,192	2,70,097	31%	3,30,615

BAJAJ HOUSING FINANCE LIMITED	Standalone Results				(₹ In Crore)
	Particulars	Q1 FY25	Q1 FY24	% Change	FY24
	Total income	2,209	1,765	25%	7,618
	Profit after tax	483	462	5%	1,731
	Assets under management	97,071	74,124	31%	91,370

BAJAJ ALLIANZ GENERAL INSURANCE CO. LTD.	Standalone Results				(₹ In Crore)
	Particulars	Q1 FY25	Q1 FY24	% Change	FY24
	Gross written premium	4,761	3,834	24%	20,630
	Profit after tax	576	415	39%	1,550
	Combined ratio	103.7%	100.7%		99.9%
	Return on average equity (annualised)	21.3%	17.2%		15.2%
	Assets under management	31,651	28,611	11%	31,196

BAJAJ ALLIANZ LIFE INSURANCE CO. LTD.	Standalone Results				(₹ In Crore)
	Particulars	Q1 FY25	Q1 FY24	% Change	FY24
	Gross written premium	5,018	4,058	24%	23,043
	New business premium	2,541	2,159	18%	11,494
	Net new business value	104	94	11%	1,061
	Shareholders' profit after tax	97	155		563
	Assets under management	1,16,966	95,317	23%	1,09,829

Extension of Duty Sought to Boost Investments in Electronics Mfg

Concessions extended till Mar '26 for TV, microwave, LED light and CCTV camera gear

Writankar Mukherjee
Kolkata: Consumer electronic manufacturing in the country may get more investments with the budget proposing to extend custom duty exemption or concession on several key components used in televisions, microwave ovens, LED lights, CCTV cameras, washing machines and fans till March 2026.

and components for manufacturing of microphones, digital camera, digital video recorder, security cameras, e-reader, and LED lights.
The budget also proposed to extend concession duty for all inputs used in the manufacturing of LED drivers for LED lights, and moulds, tools and dies used in manufacturing of electronic products and its components till March 2026.

Duty Date

Most of duty concessions on key components were to expire after Sept 30
Components covered: Open cell TV panel, magnetron (in microwave ovens), BLDC motors (washing machines & fans), parts of microphones, digital & security cameras, and LED lights



Govt pushing local production of electronics goods
Focus now on production of components

The budget also brought down the duty on specific parts for use in manufacturing of connectors and oxygen-free copper used in manufacturing of resistors from 5% and 7.5% to nil. The industry, however, said this may not lead to much value addition since they are a small part of the total input cost for most electronic products.

ports PCBAs valued at almost \$6 billion across sectors whereas there is enough local capacity present for domestic production. "This duty increase will only help in import substitution and deepen local manufacturing," he said.

Oil Cos Profitable, ₹15kcr Equity Infusion Plan Dropped

Indian Oil, Bharat Petroleum and Hindustan Petroleum have reported combined net profit of ₹80,986 crore in FY24

Our Bureau
New Delhi: The government dropped its plan to infuse ₹15,000 crore equity in Indian Oil, Bharat Petroleum and Hindustan Petroleum, as the state-run oil marketing companies have turned profitable and do not require external support.

projects. The government, however, didn't make the investment last year and the proposed amount was cut by half and pushed to this fiscal year in the interim budget. "Oil marketing companies are cash-rich and largely self-sufficient," said Gaurav Modia, India energy leader at EY. "They are expected to contribute significantly to the government's national capex spend plan, particularly towards an atmanirbhar and greener economy."

80,986 crore in 2023-24 compared with Rs 1,138 crore in the previous fiscal year. From the very beginning, oil companies were not excited about receiving equity from the government as they could easily borrow for green projects from the market at competitive rates, multiple industry executives had previously told ET. These companies, instead, wanted the government to compensate them for the losses incurred by selling petrol and diesel at below market rates in 2022 when the global prices had skyrocketed. The government, however, didn't want to compensate

them for losses on fuels that are officially deregulated. In the budget, the government allocated Rs 332 crore for 'Mission Anveshan' or research in the petroleum sector, and another Rs 388 crore for appraisal of areas in India's extended continental shelf. The allocation for appraisal of continental shelf would help the country's bid to acquire more data on exploration potential. An industry executive, however, said the amount was not too significant given the enormous expenses involved in such tasks.

Focus on Budget Homes, Infra Bodes Well for Realty Sector

Mumbai: The government's focus on affordable housing, infrastructure development and urban planning is expected to provide a boost to the real estate sector, industry experts said.

Plans to formulate policies for rental housing, land record digitisation, transfer-oriented development of cities with a population of over 3 million and development of industrial parks will also benefit the sector, they said. The decision to support construction of 30 million additional homes under the Pradhan Mantri Awas Yojna, with an allocation of Rs 10 lakh crore towards 10 million homes in urban areas and the potential reinstatement of interest subsidies, is expected to support the affordable housing segment. The proposed development of investment-ready industrial parks in or near 100 cities, along with sanctioning 12 industrial parks under the National Industrial Corridor Development Programme, will likely encourage industrial growth, create jobs and attract investments, experts said.

PRICE STABILISATION FUND Increased Outlay of ₹10k cr Win-Win For Farmers & Consumers

Rise in allocation due to merging of 2 funds

Shambhavi Anand
New Delhi: The record budget allocation of ₹10,000 crore for price stabilisation will be used to augment procurement of pulses, onions and other essential food items by the Department of Consumer Affairs for keeping a check on food prices, while the agriculture ministry will also tap the fund for enhancing cultivation and reducing post-harvest losses of these commodities, said a senior government official. A token amount of ₹1 lakh was set aside for the purpose in the FY24 budget.

Stabilising Prices
Record ₹10k cr budget allocation to be used for procurement of pulses, onions by Dept of Consumer Affairs
Higher allocation is also due to merging of two existing funds - price stabilisation fund (PSF) and price support scheme (PSS) and price support scheme (PSS)

The merged fund will be used for the benefit of farmers as well as consumers, said the official cited above. Food inflation rose from 3.8% in FY22 to 6.6% in FY23, and further to 7.5% in FY24 due to higher prices of pulses, vegetables (onion, tomato, potato) and cereals, causing worry for the government which had to face voter flak during the general election earlier this year. In June, Reserve Bank of India governor Shaktikanta Das had said there is a need for close monitoring of food price uncertainties and their potential spillover effects on headline inflation.

"We procure pulses as they are available in the market. For instance, we bought summer moong beyond our target this time," the official said. The government intends to have a buffer of 3.2 million metric tonnes for the three major pulses. Earlier, cooperation minister Amit Shah had urged farmers to cultivate pulses on a large scale, promising them unlimited procurement at either MSP or market price, whichever is higher. The Centre has resolved to make India self-sufficient in production of pulses by 2027.

BUDGET 2024 DECODED

But Govt Didn't Make Investment Last Year, & Proposed Amount Was Cut by Half

Fund Facts
Proposal in Feb interim budget on capital infusion in state oil cos scrapped

₹30,000 cr allocated in last year's budget for infusion

But Govt Didn't Make Investment Last Year, & Proposed Amount Was Cut by Half

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I, Seema Makin W/o Novy Ram R/o C-51A, Bali Nagar, Ramesh Nagar, New Delhi-110031 declare that Seema Makin & Sima Chawla both are one & same person.

I, Sulochana, Mother of No.14855463M Sep Jayabhaye Vishnukant Vinayak, R/o- Jijamata Colony, CIDCO New Nanded, Kautha, Nanded, Maharashtra- 431603, have changed my name from Sulochana to Sulochana Vinayak Jaybhaye, vide affidavit dated 24/07/2024 before Notary Public Delhi.

I, Arun S/o Ram Gopal R/o A-3/25 Dal Mill Road, Uttam Nagar, New Delhi-110059 have changed my name from Arun to Arun Kumar for all purposes.

IT is notified for the information that my Original MA (History) Degree Certificate, issued by JNU, of year, July, 1986, M.Phil in History, issued by JNU, of year, July, 1989, PhD in History, issued by JNU, issued by JNU, of year, March, 1988 & BA Degree in History Hons. issued by Lady Shri Ram College, New Delhi of year July, 1984 has been actually lost. Name: Nandini Sinha Kapur, R/o 30, Poorvi Marg, Vasant Vihar, New Delhi - 110057, Mobile 9810791956.

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I, Deepak Kumar Tuli S/o Harish Kumar Tuli R/o Plot No. 18/19, Flat No-2A, Second Floor, Kamla Park, Dharampura, Najafgarh, New Delhi-110043, Declare that Name of Mine has been Wrongly Written as Deepak Tuli in 10th Class Marksheet and Certificates, The Actual Name of Mine is Deepak Kumar Tuli.

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 <b>PDS Limited</b> Global   Collaborative   Digital   Ethical		<b>Extract of Unaudited Consolidated Financial Results for the quarter ended June 30, 2024</b> (All amounts in ₹ lakhs unless otherwise stated)			
Sr. No.	Particulars	Quarter Ended			Year Ended
		30 June 2024 (Unaudited)	31 March 2024 (Unaudited)	30 June 2023 (Unaudited)	31 March 2024 (Audited)
1	Revenue from operations	262,105.55	321,517.98	211,493.61	1,037,264.96
2	Other income	1,957.72	575.76	479.08	3,467.45
3	Total income	264,063.27	322,093.74	211,972.69	1,040,732.41
4	Total operating expense	260,406.32	315,579.09	209,258.88	1,018,110.65
5	Earnings before interest and tax	6,958.39	9,297.97	5,052.74	33,321.29
6	Net profit for the period/year before tax (before exceptional items and share of profit/loss from associates and joint ventures)	3,656.95	6,514.65	2,713.81	22,621.76
7	Net profit for the period/year before tax (after exceptional items and share of profit/loss from associates and joint ventures)	3,576.02	6,973.52	2,832.47	23,239.57
8	Net profit for the period/year after tax (after exceptional items and share of profit/loss from associates and joint ventures)	3,119.79	6,538.71	2,333.58	20,268.08
9	Total comprehensive income for the period/year (comprising profit/(loss) for the period (after tax) and other comprehensive income (after tax))	437.45	11,135.28	3,035.52	27,348.21
10	Paid up equity share capital (face value of ₹2 each)	2636.39*	2634.73*	2,620.69*	2634.73*
11	Other Equity				
12	Earnings/(loss) per share (in ₹) (face value of ₹ 2 each) - (not annualised)				
	Basic	1.51	3.48	1.44	10.98
	Diluted	1.49	3.41	1.42	10.77

\* Net issue of fresh capital & treasury shares during quarter ended 30 June 2024 is 83,002 shares (30 June 2023- 239,250 shares).

**Notes:**  
 a) The Financial Results of the Company/Group for the quarter ended 30 June 2024, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 24 July 2024 and have been reviewed by the Statutory Auditors.  
 b) The financial performance of the company on standalone basis for the quarter ended 30 June 2024 are (₹ in lakhs):

Particulars	Quarter Ended			Year Ended
	30 June 2024 (Unaudited)	31 March 2024 (Unaudited)	30 June 2023 (Unaudited)	31 March 2024 (Audited)
Turnover	9,593.41	19,373.28	13,205.78	62,541.97
Profit before tax	5,057.15	3,951.15	525.29	8,185.13
Profit After tax	4,941.31	4,123.82	388.70	7,907.96
Total comprehensive income	4,947.70	4,110.46	388.41	7,894.60

c) The above is an extract of detailed format of financial results filed with the stock exchange under Regulation 33 of the SEBI (Listing Obligations and Disclosures requirements) Regulation 2015. The full format of the unaudited financial results of the Group and the Company for the quarter ended 30 June 2024 are available on the Company's website (www.pdsdtd.com) and on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com)

For and on behalf of the Board of Directors  
**PDS Limited**

Deepak Kumar Seth  
 Chairman  
 DIN: 00003021

Place: Mumbai  
 Date: 24 July 2024

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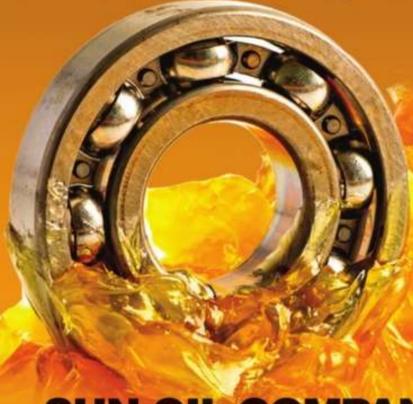
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The highly anticipated 25th edition of Gifts World Expo is set to premiere in the capital, promising an unprecedented experience for both exhibitors and visitors. This milestone edition, organised by MEX Exhibitions Pvt. Ltd., will be held at Pragati Maidan, New Delhi, from July 25 to 27, 2024. The expo is renowned as India's largest and most comprehensive trade show dedicated to gifting and promotional solutions.

Continuing the legacy of 24 successful editions, Gifts World Expo Delhi 2024 strives to provide unmatched gift-sourcing opportunities and networking solutions. The expo showcases products not just from renowned top brands but also top-quality products and exceptional solutions from startups and smaller brands, giving you a perfect blend to choose from. It also has knowledge sessions spread across 3 days on 'Trends & Technology' shaping the gifting industry and much more.

The expo is backed by prominent sponsors and collaborators. Pinnacle Enterprises is the title sponsor, CGAI is the supporting association, Mutha Impex is the registration sponsor, and Power Plus & Castillo is the lanyard sponsor. The show features an extensive range of products, classified into categories such as 'Corporate Gifts', 'Celebration Gifts', and 'Festive Gifts'. Professionals from various sectors, including corporates, IT, FMCG, MNCs, pharma, hospitality, and many more, will find their sourcing needs adequately addressed.

Gifts World Expo serves as a platform for showcasing trends and innovations in the

gifting industry. It covers a wide spectrum of gifting categories, including 'Customised Gifts & Promotional Products'; 'Beauty, Health & Wellness Gifts'; 'Gourmet Hampers'; 'Custom Branding Machinery'; 'Electronic Gadgets & Home Appliances'; etc. With over 600 exhibitors representing more than 3500 brands and showcasing over 30,000 products, the show caters to buyers with diverse budgets and preferences. Leading brands such as Adidas, Levi's, Jack & Jones, True Cook, Bugatti, UCB, Tommy Hilfinger, Luxor, and many more will be at the event.

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## 25|26|27

### JULY, 2024

Bharat Mandapam (Pragati Maidan) New Delhi, India  
 Hall No : 2,3,4 & 5



30,000+

No. of Products

3500+

No. of Brands

600+

No. of Exhibitors

SCAN TO REGISTER



### WHAT'S ON DISPLAY

- BEAUTY, HEALTH & WELLNESS GIFTS
- ELECTRONIC GADGETS & HOME APPLIANCES
- CUSTOMIZED GIFTS & PROMOTIONAL PRODUCTS
- HOUSEWARES & KITCHEN APPLIANCES
- CUSTOM BRANDING MACHINERY
- PREMIUM GIFTS / GOLD & SILVER GIFTS
- HANDICRAFTS, HOME DECOR & FURNISHINGS
- LIFESTYLE PRODUCTS
- STATIONERY & OFFICE SUPPLIES
- INNOVATIVE GIFTING BOXES
- GOURMET HAMPERS
- AWARDS & REWARDS

SHOW TIMINGS

25-26 JULY  
10 AM - 6:30 PM

27 JULY  
10 AM - 5:30 PM

Entry Fee:

₹500

Organiser:

MEX Exhibitions Pvt. Ltd.

Supporting Association 

Visitors Entry From Gate No 4 Bharat Mandapam & Gate No 10 (Metro Station Gate)

Visitors Car Parking available at Bhairon Mandir Parking on Pay & Park Basis subject to availability

FOR ANY QUERY: +91-11-46464848 | [www.giftsworldexpo.com](http://www.giftsworldexpo.com) | [info@mexexhibits.com](mailto:info@mexexhibits.com)

This is a B2B trade exhibition | No Retail Sales at the Show | Infants in arms & Children below 18 years are not permitted

Private Sector Activity Hits 3-Month High of 61.4 in July

Job creation pace fastest in 18 years; new orders rise sharply

Our Bureau

New Delhi: Private sector activity in India rose to a three-month high of 61.4 in July from 60.9 in the previous month, the HSBC Flash India Composite Output Index showed Wednesday.

Business Activities Surge

The flash PMI records 75-85% of the total 800 Purchasing Managers Index survey responses by services and manufacturing firms received every month



Favourable market conditions and new business gains underpinned the upturn in private sector activity

READING ON THE INDEX REMAINED ABOVE THE 50-MARK, WHICH SEPARATES EXPANSION FROM CONTRACTION FOR 36TH CONSECUTIVE MONTH

Manufacturing PMI was at a three-month high of 58.5 in July from 58.3 in June, signalling a historically strong improvement in the health of the sector. The HSBC Flash India Services PMI Business Activity Index was 61.1 in July as against 60.5 in June. "The Flash Composite Output Index signalled continued robust growth in India's private sector. The rise in output in July was led by a further increase in business activity in the manufacturing sector while the pace of expansion in services output also accelerated and remained well above its long-run average," said Pranjal Bhandari, chief India economist at HSBC.

KERALA WATER AUTHORITY e-Tender Notice

1) REBUILD RRI Providing underground sewerage networks and allied works for the newly constructed SMDL STP at Elankulam. 2) RRI Providing underground sewerage networks and allied works for the newly constructed SMDL STP at Elankulam-Sewerage Work. 2) (J)M/CVSS to Puffencuz, Thiruvananthapuram, and Puthika panchayaths-Construction of 17MLD WTP at Choochy, Sump and Pump house, 9m dia Well cum Pump house at Ramanganal and allied works.

BIHAR STATE MILK CO-OPERATIVE FEDERATION LTD.

BIHAR STATE MILK CO-OPERATIVE FEDERATION LTD. Dairy Development Complex, Post - B.V. Vardaha, Patna-800014. Website - www.sudha.coop Email - confed.patna@gmail.com

Jharkhand Council of Educational Research & Training (JCERT), Ranchi

TENDER NOTICE FOR PRINTING AND SUPPLY OF ATLAS, DICTIONARY, GRAMMAR AND GENERAL KNOWLEDGE BOOKS. Bid No: JCERT/NPPI10-07/2024/2664

Table with 6 columns: Sl. No., Activity, Start Date, Time, End Date, Time. Includes details for online availability, pre-bid meeting, and submission of bids.

Interested eligible bidders may view and download bid documents from the websites http://jharkhandtenders.gov.in.

PR 330307 Jharkhand Council of Educational Research and Training(24-25)#D

POSTGRADUATE INSTITUTE OF MEDICAL EDUCATION & RESEARCH CHANDIGARH

E-Tender Notice No. P/IEP/24-25/G/01. Tender documents are invited for purchase of various items against tender No. 1-5 from the Manufacturers or their sole authorized distributors/agents.

झारखण्ड औद्योगिक क्षेत्र विकास प्राधिकार (सँची प्रक्षेत्र)

जियाडा भवन नामक औद्योगिक क्षेत्र, लोवाडीह, सँची -834010 (झारखण्ड) Phone : 0651-2460408, Telfax:2460125, Website-www.jiada.co.in, email-riada.rnc@gmail.com

पत्रांक-359 दिनांक-23.07.2024 नामक औद्योगिक क्षेत्र में नवनिर्मित IT TOWER में उपलब्ध भवन/तल को किराया में आवंटन हेतु आम सूचना

एवं द्वारा सूचित किया जाता है कि नामक औद्योगिक क्षेत्र, लोवाडीह, सँची में नवनिर्मित वातानुकूलित आइटो टावर पर किराया हेतु भवन/तल उपलब्ध है। यह भवन/तल प्राधिकार द्वारा निर्धारित न्यूनतम किराया जमा राशि पर उच्चतम राशि उद्धृत करनेवाले व्यक्ति/संस्थान/उपेक्षी को IT Company/Call Centre/Corporate कम्पनियों से संबंधित को किराया पर दिया जा सकता है। इस निविदा में किसी भी सरकारी या गैर-सरकारी प्रतिष्ठाण/एजेन्सी अथवा स्वच्छ छवि वाले व्यक्ति द्वारा माग लिया जा सकता है।

Table with 4 columns: Sl.No., Particulars, Area (in sq.ft.), In ground floor. Lists details for 1st, 2nd, 3rd, 4th, and 5th floors.

(2) अग्रज की राशि - निविदादाता द्वारा उद्धृत किये जानेवाले मासिक किराया की तीन गुणा राशि (Bank Draft)। (3) जमानत की राशि - 50000/- रु का Bank Draft (Refundable) का न्यूनतम JHARKHAND INDUSTRIAL AREA DEVELOPMENT AUTHORITY, RANCHI REGION payable at Ranchi के नाम से होगा।

(4) न्यूनतम मासिक किराया (प्रति वर्गफुट)-55.00 रु प्रति वर्गफुट + 18% GST (5) विहित आवेदन प्रपत्र प्राधिकार की Website-www.jiada.co.in पर उपलब्ध है। आवश्यक शर्तें-

1- भवन/तल को किराया पर लेने हेतु माग लेने वाले निविदादाता को विहित प्रपत्र में आवेदन भरकर मुहरबद्ध लिफाफा में प्राधिकार के कार्यालय में जमा करना होगा। 2- आवेदन पत्र में संबंधित कॉलम में किराया हेतु कर्मांकित भवन/तल के समने मासिक किराया अंकित करना होगा जो प्राधिकार द्वारा निर्धारित मासिक किराया से कम नहीं होगा।

RBI Dividend Helped Cut Deficit by 0.2%, up Spending by 0.2% of GDP

Fiscal deficit will be lower by ₹72,000 cr in 2024-25 only because of this dividend

Gayatri Nayak

Mumbai: North Block has used the bumper ₹2.3-lakh-crore dividend from its money manager, the Reserve Bank of India (RBI), to simultaneously lower its fiscal borrowing and fund developmental projects, an analysis of budgetary statistics showed.

"The Union budget has judicially utilised the fiscal space created by the RBI dividend to support twin aims of fiscal consolidation and growth support," said Gaura Sengupta, chief economist, IDFC First Bank. To put the numbers in perspective, the RBI dividend created fiscal space of 0.4% of GDP. Out of this, expenditure was increased (over interim budget) by 0.2% of GDP.



an increase in subsidies (over interim budget) by 0.1% of GDP and transfer of resources to state governments by 0.1% of GDP.

Capital expenditure was retained at interim budget levels (Rs 1.1 lakh crore). "The remaining fiscal space was used to reduce the fiscal deficit by 0.2% of GDP to 4.9% of GDP," explained Sengupta.

Put simply, in absolute terms, the fiscal deficit will be lower by Rs 72,000 crore in 2024-25 only because of the RBI dividend. This places the government's goal of achieving a 4.5% of GDP deficit by fiscal

2025-26 within reach, according to Moody's Ratings. The fiscal deficit is pegged at 4.9% of GDP for FY 2024-25, lower than the 5.1% of GDP announced in the interim budget.

Although the RBI dividend turned out to be a sweetener in managing the fiscal balance, there is no certainty if this trend would continue in the next fiscal as well.

"While a stronger than expected dividend payout from the Reserve Bank of India has provided additional fiscal space, future dividends will depend on market conditions," said Gene Fang, associate managing director, Moody's Ratings.



BUDGET 2024 DECODED

NORTH WESTERN RAILWAY

E-Tender Notice. On behalf of the President of India invites E-Tender for the following work up to 15.00 Hrs. on the mentioned date. Tender No: 1. DRM-S&T-05-2024-25 2. DRM-S&T-06-2024-25

EAST CENTRAL RAILWAY

OPEN E-TENDER NOTICE (Construction Department). Open E-Tender is invited on Behalf of the President of India for the end mentioned work.

EAST CENTRAL RAILWAY

OPEN E-TENDER NOTICE (Construction Department). Open E-Tender is invited on Behalf of the President of India for the end mentioned work.

SOUTH EAST CENTRAL RAILWAY

TENDER NOTICE FOR APPOINTMENT OF STBA. Tender Notice No: Com/Com/STBA (NSG-4/NSG-5)/24/P1. Dated 12.07.2024

Budget Widens Ambit of Transfer Pricing

Move enhances power of officers to pick domestic cases

Anuradha Shukla

New Delhi: The budget has proposed to widen the transfer pricing provision, extending it to even some domestic transactions. It has also enhanced the power of the transfer pricing officers, who will now be able to pick specified domestic cases for a closer look.

"The direct impact of this change would be on new manufacturing entities availing of the concessional tax regime. The Indian transfer pricing regulations require all international transactions and certain categories of specified domestic related-party transactions to be referred to transfer pricing officers for scrutiny."

"This is a clarificatory amendment as some of the provisions were already there," revenue secretary Sanjay Malhotra told ET.

After this amendment, the officers will be empowered to pick up such cases for scrutiny on their own. "The provisions are intended to permit transfer pricing officers to assess unreported domestic related-party transac-

tions during transfer pricing assessments," said Amit Agarwal, partner-transfer pricing, Nanga Andersen. Experts said the proposed change would help in avoiding any unwanted dispute between taxpayers and tax authorities during audits and in bringing the provisions in respect of international transactions and specified domestic transactions at par.

"The legislation has built-in provisions to discourage abuse of the beneficial tax regime due to overstating profits in the tax exempt, tax incentivised unit and company by 'closely connected persons' which result in more than ordinary profits," said Fatema Hunaid, partner, Grant Thornton Bharat.

"We expect the impacted companies to be even more judicious while interpreting the phrase 'closely connected persons' and be cautious in upfront identifying and reporting such transactions as SDTs (specified domestic transactions) proactively to avoid adjustments and penalties, especially where profitability is higher than the industry peers," Hunaid added.

Jindal Steel Q1 Net Falls 21% to ₹1.3k cr

Our Bureau

Mumbai: Jindal Steel & Power's consolidated net profit slipped by about 21% year-on-year to ₹1,338 crore during the June quarter, from ₹1,692 crore a year ago.

Higher tax expenses at ₹21.1 crore, up nearly seven times from ₹7.45 crore a year ago, weighed on the alloy manufacturer's earnings. Consolidated sales volume for the quarter stood at 2.09 million tonnes, up nearly 14% YoY while production remained flat at 2.05 million tonnes, on YoY and

sequential bases. The consumption of finished steel in India rose 12% YoY to 35.2 million tonnes in April-June, driven by strong domestic demand, the company said in its investor presentation.

Imports, though, surged 32% in the same period. "Higher imports from China and FTA countries kept flat product prices in check in the domestic markets," the company said. Higher sales volume and a higher share of value-added products, though, helped the company's consolidated gross revenue rise 9% to ₹15,788 crore. Adjusted operating profit for the quarter rose 5% YoY to ₹2,831 crore.

India Weighing Industry's Call for Lifting Restrictions on Chinese FDI

Country may grant visas to experts for setting up plants; no decision yet

Our Bureau

New Delhi: The government is holding discussions on industry's calls for easing restrictions imposed on Chinese investment into the country as also granting visas to experts for setting up plants, but is yet to take a final decision, top government sources said.

"There is an ongoing discussion on this. But no decision has been taken in this regard," said an official. Industry has sought relaxation in the visa regime for experts—including those from China—on a par with the one proposed for companies in the sectors under



In her budget speech, the FM has alluded to revamp of the foreign investment regime

production-linked incentive (PLI) schemes. There also have been calls to ease restrictions imposed on FDI from countries that share land borders with India amid decline in overseas investment into

Monsoon Watch



FLASH FLOOD WARNING. Low to moderate flash flood over Gujarat, Konkarn, Goa, Saurashtra, Kutch

Low to moderate flash flood risk over Vidarbha, Madhya

Table with 2 columns: Region, Rainfall Deficiency. Shows percentages for East & NE, Northwest, Central, South Peninsula, and Country as a whole.



Isolated extremely heavy rainfall very likely to continue over Gujarat State, Konkarn & Goa, Madhya Maharashtra during next 2 days and heavy to very heavy rainfall thereafter

Very heavy rainfall likely to continue over Central India during next 2 days and heavy rainfall during subsequent 3 days.

ESIC Adds 2.3 M Jobs in May

Our Bureau

New Delhi: The Employees' State Insurance Corporation (ESIC) registered 2.30 million new members in May this year, an increase of 13.9% from a year ago and 39.9% from the earlier month, the ministry of labour and employment said.

As per the provisional payroll data released on Wednesday, around 20,110 new establishments were brought under the social security ambit of the ESIC scheme in May compared with 18,490 establishments added in April.

"Out of the total 2.30 million employees added during the month, 1.11 million employees or 48.37% of the total registrations belong to the age group of up to 25 years," it said.

Also, a gender-wise analysis of the payroll data indicates that net enrolment of female members has been 0.44 million in May, while 60 transgender employees got registered under the ESIC scheme in the month, which attests to the commitment of ESIC to deliver its benefits to all.

The payroll data is provisional since data generation is a continuous exercise, it said. ESIC is one of the two main statutory social security organisations under the ministry of labour and employment, the other being the EPFO.



Advertisement for sharpex lawn mowers, highlighting features like eco-friendly chipper, shredder and snake catcher.

India, UK Launch Technology Security Initiative led by NSAs

Dipanjana Roy Chaudhury

New Delhi: The Prime Ministers of India and the United Kingdom are launching a new "Technology Security Initiative" (TSI) to elevate the strategic partnership between the two countries to the next level. This was announced during visit of UK Foreign

Secretary David Lammy. The TSI will be coordinated by the National Security Advisors (NSAs) of both countries through existing and new dialogues. The NSAs will set the priority areas and identify interdependencies for cooperation on critical and emerging tech that will, in turn, help build meaningful technology value chain partnerships between two countries, officials said.

The progress made on the initiative will be reviewed on a half-yearly basis at Deputy NSA level. "We will also set up a bilateral mechanism led by India's Ministry of External Affairs and the UK government for promotion of trade in critical and emerging technologies, including resolution of relevant licensing or regulatory issues," an official said.



**BUDGET 2024 DECODED**

## Capital Gains, You & Tax

The government in the budget proposed a revamp of the capital gains structure for financial securities. It rationalised long-term and short-term capital gain tax rates and tenures for shares – listed and unlisted – and other products. A look at the new capital gains tax structure with regard to different categories of mutual funds.

– Prashant Mahesh

Long-term capital gains	CAPITAL GAINS			
	Holding period (months)		Tax (%)	
	Old	New	Old	New
Unlisted Shares (STT not paid)	24	24	20	12.5
Shares (STT paid)	12	12	10	12.5
Listed bonds / debentures	12	12	10	12.5
Units of REIT / InvIT	36	12	10	12.5
Short-term capital gains				
Equity shares	12	12	15	20
Unlisted debentures	36	Deemed short term	20	Tax slab rate

Source : PWC India

**TAXATION FOR MUTUAL FUNDS**

Mutual Fund Scheme Category	Holding Period	STCG Tax	LTCG Tax
<b>Equity oriented MF (&gt;=65% Domestic equity Shares)</b>			
Investments redeemed after July 23, 2024	>12 months	20%	12.5%
<b>Specified MF / Debt oriented MF (&gt;=65% SEBI Regulated Debt and Money Market)</b>			
Investments before 1 April 2023			
Redeemed between 1 April 2024 and 22 July 2024	>36 months	Tax slab rate	20%*
Redeemed on or after 23 July 2024	>24 months		12.5%
Investments after 1 April 2023 - Redeemed any time	Not applicable		Tax slab rate
<b>Hybrid MF (&gt;=35% and &lt;65% domestic equity)</b>			
Redeemed between 1 April 2024 and 22 July 2024	>36 months	Tax slab rate	20%*
Redeemed on or after 23 July 2024	>24 months		12.5%
<b>Other MFs (gold and silver ETFs/FoF, Domestic FOFs with &gt;35% Equity Funds, International Funds / FOFs, Multi Asset Allocation Funds with Domestic Equity in 35-65%)</b>			
Investments before 1 April 2023			
Redeemed between 1 April 2024 and 22 July 2024	>36 months	Tax slab rate	20%*
Redeemed on or after 23 July 2024	>24 months		12.5%
Investments after 1 April 2023			
Redeemed between 1 April 2024 and 22 July 2024	Not applicable		Slab rate
Redeemed between 23 July 2024 to 31 March 2025	Not applicable		Slab rate
Redeemed on or after 1 April 2025	> 24 months		12.5%

\* with indexation

Source: Edelweiss Mutual Fund



**EQUITY, GOLD OR BOTH? A TOPPING OF WALL ST?**

## What Investors Can do with ₹20 Lakh

As equities hover around record levels, a big question recording on investors' minds is where to invest. ET spoke to three top wealth managers for their portfolio recommendations for an investible sum of ₹20 lakh. All three of them still recommend a majority allocation of 60-70% to equities and the rest to debt and gold. – Prashant Mahesh

Wealth Manager	ASHISH SHANKER	RAHUL JAIN	FEROZE AZEEZ
Designation	CEO, Motilal Oswal Private Wealth	President & Head, Nuvama Wealth	Deputy CEO, Anand Rathi Wealth
Equity Allocation	50%+plus, 10% international equity (₹12 lakh)	60% (₹12 lakh)	70% (₹14 lakh)
How to Allocate	Lump sum (if have a time frame of 5 years)	Using systematic transfer plan (STP) for 6 months	Either lump sum or SIP, based-on availability of funds
Where to Allocate	Equal mix of Flexicap and Multicap schemes	50% in large-cap, 35% in mid-cap and 15% in small-cap	70 to 80% in equity, 20-30% in debt and 5-10% in gold
In Rupee Terms this Means	₹10 lakh equally divided between Flexicap and Multicap funds, plus ₹2 lakh into international equity	₹12 lakh in equity of which ₹6 lakh in large-cap, ₹4.1 lakh in mid-cap and ₹1.9 lakh in small-cap	₹14 lakh into equity with a time frame of 5 years and above of which ₹7 lakh in large-cap, ₹4.2 lakh in mid-cap and ₹2.8 lakh in small-cap
Schemes Where Investors can Put Money In	HDFC Flexicap, PPFAS Flexicap Fund, Mirae Asset Multicap, Motilal Oswal Multicap, ICICI Prudential Opportunities, ABSL Frontline Equity, and Motilal Oswal S&P 500 Index fund for international equity	Schemes are recommended to investors on the basis of their risk profile, financial goals and investment horizons assuming a minimum of 5 years	ICICI Pru Dividend Yield, HDFC Flexicap, ICICI Pru Focused Equity, Kotak Multicap, DSP Equity Opportunities, HDFC Smallcap
Debt Allocation	20-30% (₹4 lakh to ₹6 lakh)	30% (₹6 lakh)	20-30% (₹4 lakh to ₹6 lakh)
Where To Allocate	<ul style="list-style-type: none"> <li>Use multi-asset funds, with low allocation to equity (₹4 lakh)</li> <li>DSP Multi Asset Fund, Whiteoak Multi Asset Fund</li> <li>10% (₹2 lakh) in arbitrage fund –Kotak Arbitrage Fund and Invesco India Arbitrage fund</li> </ul>	<ul style="list-style-type: none"> <li>₹1.8 lakh in corporate FD (mix of AAA and AA) and ₹1.2 lakh in bank FD</li> <li>₹3 lakh in a mix of AA and AAA NCD/Zero Coupon Bonds</li> </ul>	Invest in Arbitrage Funds – Kotak Equity Arbitrage, SBI Arbitrage Opportunities Fund
GOLD	<ul style="list-style-type: none"> <li>10% (₹2 lakh)</li> <li>In gold ETF (Nippon Gold Bees)</li> </ul>	<ul style="list-style-type: none"> <li>10% (₹2 lakh)</li> <li>in Gold ETF</li> </ul>	<ul style="list-style-type: none"> <li>5-10% (₹1 to ₹2 lakh)</li> <li>Gold ETF / gold funds for short term investors and Sovereign gold bonds (SGB) for long-term investors</li> </ul>

**FRESH SLIPPAGES UP 20% ON YEAR, MOST FROM RETAIL**

## Axis Bank Net Up 4% in Q1 as Provisions Double

Our Bureau

Mumbai: Axis Bank, India's third-biggest private lender by market value, Wednesday reported a marginal 4% rise in its June quarter net profit to ₹6,035 crore as provisions doubled. Analysts polled by Bloomberg estimated a net profit of ₹6,510 crore. The lender had reported profits of ₹5,797 crore in the same quarter a year ago.

Net interest income, or the bank's core income, rose 12% on year to ₹13,448 crore. Net interest margin was flat at 4.05%.

Asset quality for the lender deteriorated sequentially, rising 11 basis points. For the June quarter, gross non-performing asset (GNPA) ratio stood at 1.54%. Last year, the GNPA ratio was

at 1.96% while in the March 2024 quarter, it was 1.43%. Net NPA ratio stood at 0.34%.

"Our net NPA is up three basis points quarter on quarter. The three basis-point increase is due to seasonality in the first and third quarters within the retail agri business. One has to build in seasonality," said Puneet Sharma, chief financial officer, Axis Bank. Fresh slippages during the June quarter rose 20% on year to ₹4,793 crore out of which ₹4,200 crore came from the retail segment.

**SEBI STUDY FOR FY23 76% OF THEM UNDER 30**

## 7 of 10 Individual Intraday Traders Lost Money: Sebi

Our Bureau

Mumbai: Seven out of 10 individual intraday traders in cash segment made losses in the financial year ending March 2023, a study done by the Securities and Exchange Board of India (Sebi) revealed.

The regulator said there has been a surge of over 300% in the number of individuals participating in intraday trading in equity cash segment in FY23 compared to FY19. It said one in three individuals who trade in cash segment, trades intraday. The study showed 76% of these

traders in intraday segment were under the age of 30 years. The share of traders less than 30 years of age grew to 48% in FY23 from 18% in FY19.

It said proportion of loss-makers increased to 80% for traders with very frequent (more than 500 trades in a year) trading activity. "Over and above the trading losses incurred, loss makers expended an additional 57% of their trading losses as trading costs in FY23, while profit makers spent 19% of their trading profits as trading costs in FY23," the market watchdog said.

### D-Street Diary

**HDFC Bank Hikes Deposit Rates**

Mumbai: HDFC Bank Wednesday raised deposit rates for two tenures – 35 and 55 months – pointing to the intensifying deposit-mobilisation war in local banking. HDFC Bank will offer 7.35% for 35 months and 7.4% for 55 months with effect from July 24, shows disclosures made by the bank on its website. Senior citizens will earn 50 basis points higher rate of interest. The new rates are 20 basis points higher than what the bank offered prior to the revision. Previously, the bank offered an interest of 7.15% for 35 months and 7.2% for 55 months.

**RBL Bank Block Deal Likely Today**

Mumbai: EQT AB is likely to sell its entire 7.9% stake in RBL Bank on Thursday through open market transaction. The deal is estimated at around ₹1,081 crore (\$129 million) at the floor price. IIFL Securities is the sole book runner for the deal. According to the term sheet, Maple II BV, an entity of EQT AB, is offering to sell 4.78 crore shares of the bank at a floor price of ₹226 per share, a 5% discount to Wednesday's closing price of ₹237.95. As of June 30, 2024, EQT held a 7.89% in the bank. In Nov 2020, RBL Bank raised ₹999 crore from Baring Private Equity Asia in fresh capital through a preferential allotment of shares. In 2022, EQT AB acquired Hong Kong-based Baring Private Equity Asia.

**Suraksha Diagnostic Files for IPO**

Mumbai: OrbiMed-backed Suraksha Diagnostic has filed the draft red herring prospectus (DRHP) with capital markets regulator Sebi to float an initial public offering (IPO). The size of the proposed IPO would be around ₹850 crore, sources said. According to the DRHP, the IPO of the Kolkata-headquartered company consists of an Offer for Sale (OFS) of up to 19,189,330 equity shares by the shareholders. The OFS comprises up to 10,660,737 equity shares by OrbiMed Asia II Mauritius; up to 2,132,148 equity shares each by the promoter shareholders Somnath Chatterjee, Ritu Mittal and Satish Kumar Verma, and the individual selling shareholders, Munna Lal Kejriwal and Santosh Kumar Kejriwal offering up to 799,556 and 1,332,593 equity shares, respectively. – Our Bureau

### RBI Asks Banks to Track Local Fund Transfers



Our Bureau

Mumbai: To prevent instances of money laundering and fraud, the Reserve Bank of India (RBI) on Wednesday asked banks and all payment system operators to keep a trail of domestic fund transfers by customers.

The regulator has asked remitter banks to keep a record of the names and addresses of beneficiaries of all cash pay-out services. For cash pay-in services, remitting banks and business correspondents (BCs) will have to register the customer based on a verified cell phone number and a self-certified 'Officially Valid Document (OVD)' as set out in the KYC rules.

Every transaction by a remitter will have to be validated by an Additional Factor of Authentication (AFA). "Remitting banks and their BCs shall conform to provisions of the Income Tax Act, 1961, pertaining to cash deposits," the RBI said. It also said that the remitter bank will need to include remitter details as part of the IMPS and NEFT transaction message.

The transaction message will have to include an identifier to identify the fund transfer as a cash-based remittance.

The regulator said that the need to bring in these rules arose after the significant increase in the availability of banking outlets, developments in payment systems for funds transfers, and ease in fulfilling KYC requirements.

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**L&T Infra Investment Partners Advisory Private Limited**  
(For and on behalf of L&T Infra Investment Partners in the capacity of Investment Manager of L&T Infra Investment Partners)

Corporate Office: Brindavan, Plot No. 177, CST Road, Vidyanagar Marg, New Mercedes Showroom, Kalina, Santacruz (East), Mumbai - 400098.

**Notice for Sale of OCDs under Swiss challenge method**

Regen Infrastructure & Services Pvt Ltd ("RISPL") is a company incorporated under the provisions of Companies Act, 2013, having its registered office at 1st Floor New No. 1 Shenoy Nagar, Sivanandam, Chennai – 600030, Tamil Nadu, India. RISPL is primarily involved in the business of providing operation & maintenance services to wind turbine customers by entering into long term contracts. It also provides infrastructure for power evacuation through pooling substations.

L&T Infra Investment Partners Advisory Pvt Ltd ("LTIA") the investment manager of L&T Infra Investment Partners, a SEBI registered Category-I Alternate Investment Fund hereby invites proposal from NBFCs / FIs / Corporates / AIFs etc. for acquisition of its outstanding Optionally Convertible Debentures ("OCDs") of the RISPL on 100% cash basis under Swiss Challenge Method. The sale of the OCDs is on basis of "As is where is", "As is what is", "Whatever there is" and "No Recourse".

Name of issuer	Principal Outstanding as on 30.06.2024	Total Outstanding as on 30.06.2024	Highest Bid received	Starting Price for counter Bid under Swiss Challenge method
Regen Infrastructure & Services Pvt. Ltd.	70.14	129.30	40.75	42.79

The interested parties shall, on or before July 31st, 2024 by 6.00 p.m., submit their Expression of Interest ("EOI") to participate in the counter-bidding, post which further details as to timelines for conducting due diligence, bid submission, etc. will be provided or the interested parties may also directly submit the counter-bids. If no EOI is received before the cut-off time, the base bid will be declared as the successful bid for the purpose of this Swiss challenge process.

**The broad terms of the offer are as follows:-**

- The sale of OCDs shall be on 100% Cash basis.
- The sale is under Swiss Challenge method based on the bid offer in hand, and only counter bids are expected. Starting price for counter bid under Swiss challenge is marked at Rs. 42.79 Cr. The highest counter bid received, will be treated as challenger bid. The bidder who has submitted base bid offer will be invited to match the challenger bid. If the base bidder either matches the challenger bid or bids higher than the challenger bid, such bid will become the Successful Bid; else, the challenger bid will be declared as Successful bid as per Swiss Challenge method guidelines.
- Interested NBFCs / FIs / Corporates / AIFs etc. ("Bidders") to submit an EOI to participate in the counter-bidding or submit the counter-bid, by sending an e-mail to [veritas.team@ltps.com](mailto:veritas.team@ltps.com) on or before July 31st, 2024 by 6:00 p.m.
- Preliminary Information Memorandum ("PIM") will be shared with the Bidders who express their interest in acquiring the above OCDs, subject to execution of a Non-disclosure Agreement, in the format prescribed by LTIA. The PIM will contain brief details of the above account. Such information will be furnished on the basis of data available with LTIA and shall not be deemed to be a representation by LTIA about quality of assets. The Bidders shall conduct their own due diligence, investigation, analysis and independent verification.
- Due diligence / independent verification shall be undertaken by the participating Bidders at their own costs. By virtue of submission of the offer, it shall be deemed that the participating Bidders have conducted their own independent due diligence, investigation, analysis and independent verification in all aspects covering the liabilities, legal proceedings, encumbrances and any other dues etc., to their complete satisfaction.
- Detailed Process Note for the Bid Submission, timelines, Earnest Money Deposit amount shall be shared with the participants once the EOI is received by us from their end.
- Conditional and contingent offers shall be liable to be disqualified by LTIA.
- The participating Bidders shall not be entitled to withdraw or cancel its offer once submitted.
- Evaluation of the bids shall be at the sole discretion of LTIA.
- LTIA reserves the right to modify, alter the terms and conditions of sale and also reserves its right to reject any or all the bids, withdraw the OCDs from sale, defer or cancel the sale, in totality at any stage, without assigning any reason whatsoever, if in the view of LTIA, the process is not viable or it would prejudicially affect the interest of LTIA owing to any reason. All decisions of LTIA in regard to the sale process shall be final and conclusive. No claim for compensation on account of rejection of bids and / or rescinding / cancellation of sale process shall be entertained.
- Cut-off date for calculation of Principal Outstanding Amount and Total Outstanding Amount would be June 30, 2024. Hence, any payments received till that date will remain with LTIA.
- The sale of OCDs is subject to approval of the competent authority of LTIA. LTIA also reserves the right to reject any offer without assigning any reasons thereto.
- The highest bidder, on being accepted / confirmed as the Successful bidder by the competent authority of LTIA, would have to pay the entire purchase consideration within 2 days or as may be extended by LTIA in its own discretion and also execute all documents, as may be required, within the time period specified in the communication of acceptance / confirmation given by LTIA.
- The Successful bidder shall be solely and absolutely responsible for completion of all statutory, regulatory and other compliance and all costs and expenses towards stamp duty and registration charges towards transfer of OCDs shall be borne by the successful bidder.
- In case of any further clarification, you may contact the following official:

Name of the official	Contact details
Mr. Ashwini Sharma	+91 98339 21210
Mr. Jigar Jain	+91 91671 45959

Place: Mumbai  
Date: July 25th, 2024

Sd/-  
Authorized Officer  
**L&T Infra Investment Partners Advisory Pvt Ltd**  
(for and on behalf L&T Infra Investment Partners)

**SLAPS ₹1-CR PENALTY FOR NOT SEEKING NOD**  
**IRDAI Orders Care Health to Buy Back Esops Given to Saluja**

Our Bureau

Mumbai: Insurance regulator IRDAI has directed Care Health Insurance, earlier known as Religare Health Insurance, to buy back the 7.57 million shares that were allotted to Rashmi Saluja, the non-executive director and chairperson of Religare Enterprises, and levied a ₹1-crore penalty for failing to obtain approval for such remuneration.

The Insurance Regulatory and Development Authority of India (IRDAI) said Saluja's dual role as executive chairperson of Religare Enterprises does not exempt her from regulatory compliance. It said the issuance of stock options to her breached the IRDAI Act of 1999 and related guidelines.

According to the IRDAI order, Care Health must repurchase the 7.57 million shares allotted to Saluja at ₹15.32 each and cancel any unexercised or unvested options immediately. Any further grant of stock options to her is prohibited.

The company must confirm compliance within 15 days and pay a ₹1-crore penalty within 45 days, charging it to shareholders' accounts, as per the order.

In 2019, IRDAI permitted Saluja's appointment as director in Care Health and Religare Investment, and in 2022, approved her role in Care Health and Religare Insurance Broking. However, in 2021, the regulator rejected the insurer's request to grant stock options (Esops) to Saluja. Despite this, Care issued 22.7 million Esops to Saluja, of which she exercised 7.57 million by October 2023. In May this year, IRDAI issued a show-cause notice on the matter.

Care Health said Saluja was granted Esops in her capacity as the executive chairperson of Religare Enterprises and not as a non-executive director of Care Health. IRDAI did not accept this explanation, deeming it a defiance of the regulations.

This regulatory action follows a show-cause notice issued amid a dispute over Religare Enterprises' control between its board, subsidiary Care Health Insurance, and Dabur promoters the Burman family.

The Burman family, the largest shareholder of Religare Enterprises, has claimed that 22.7 million options were illegally issued to Saluja and demanded their cancellation.

**PREMIUMISATION DRIVE** Co taps key strategy even as most segments post low revenue growth

# HUL Needs Rural Spark, Lower Input Costs to Drive Volume Push

Kiran Somvanshi

Mumbai: Announcing its June quarter results after the close of the market session on the budget day, FMCG bellwether HUL posted a subdued performance, with a 1.6% increase in revenue and a 2.7% increase in net profit.

The operating profit margin stood at 23.8% — 20 basis points higher than the year-ago level. One basis point is a hundredth of a percentage point.

HUL closed 1.8% lower on Wednesday. Incidentally, the silver lining has been the underlying volume growth at 4% — the highest in the past five quarters — aided by the spending on advertising and promotion. The company spent nearly 11% of its revenues on advertising. It took price corrections especially in fabric wash and household care products — passing on the benefit accruing from the softening of commodity prices.

While the revenues of the home care, beauty & wellbeing and food & refreshment segments grew in low single-digits, that of per-

## Subdued June

HUL: Q1FY25 Standalone Performance Snapshot

Parameters	₹ cr	YoY % Chg
Net Sales	15,166	1.6
Home Care Revenues	5,675	4.6
Beauty & Wellbeing Revenues	3,199	3.1
Personal Care Revenues	2,386	-4.5
Food & Refreshment Revenues	3,850	1.4
Operating Profit	3,606	2.4
Home Care Profit	1,109	11.9
Beauty & Wellbeing Profit	1,006	-1.9
Personal Care Profit	418	-6.3
Food & Refreshment Profit	736	8.1
Operating Profit Margin*	24	20 bps
Net Profit	2,538	2.7

\*(% of net sales)



## Earnings Review

sonal care declined by 4.5% due to price cuts.

In terms of profitability, the home care and food & refreshments segments posted an increase in their segmental margins while the beauty and personal care portfolio faced

a decline. The food and refreshment category was impacted by a harsh summer season.

HUL is driving premiumisation across its portfolio in terms of leading trends, leveraging technology and delivering new formats and benefits. During the quarter, the company

re-launched brands such as Vim, Lux and Lifebuoy with superior formulations. In fact, the contribution of its premium portfolio has increased by 300 bps over the last three years. It has reshaped its portfolio in certain high-growth categories. These include Rin liquid detergent, Vaseline's first overnight serum in lotion, Lux body wash, and international cuisine in the form of Hellmann's mayonnaise.

With the rural demand gradually improving, the company expects to drive volume-led growth going ahead. In case the commodity prices remain at the current levels, price increases may not be needed. The operating margins are expected to be maintained at the current levels — facilitated by cost savings and productivity programmes.

The stock has gained 5.5% in the past year and is trading slightly lower than its 52-week high. A good monsoon and input cost inflation are factors to watch out for in the case of the FMCG industry. While a good monsoon augurs well for spurring rural demand, benign commodity prices would ensure minimal price increases. However, climate change and geo-political conditions don't render the scenario easy.

**NARROWING ARBITRAGE** Move can help arrest outflows from deposits into realty, other fin assets and make savers think of bank safety, they say

# Bankers Hope Tax Changes Make FDs More Attractive

Joel Rebello

Mumbai: The increase in short-term and long-term equity capital gains taxes and discontinuation of indexation benefits for property sales have reduced the regulatory arbitrage that other investments held over deposits, potentially drawing more future savers to traditional banking instruments.

Bankers expect more term deposits now with the disappearance of the arbitrage, likely helping lenders that are struggling to raise liabilities in line with asset expansion.

"Even if it does not lead to inflows into deposits, I think it will arrest any further outflows as savers will look at this avenue more closely," said Sanjay Mudaliar, executive director at Bank of Baroda. "Increase in government spending is also a big positive for banks because it could lead to higher inflows into bank deposits. So, all in all, the budget has been positive for banks because it has not aggravated the deposit challenge. Of course, banks will have to step up efficiencies to make full use of these measures," he added.

Shivaji Thapliyal, head of research at Yes Securities said that the government's move is indirectly positive for banks and negative for physical as-



In her budget speech on Tuesday, finance minister Nirmala Sitharaman proposed to hike the short-term capital gains tax on all listed equity instruments to 20% from 15%. Long-term capital gains on listed equity instruments and specified financial and non-financial assets have been hiked to 12.5% from 10%. Moreover, the indexation benefit has also been removed from all the assets for computing long-term capital gains which will disallow any inflation adjustment, increasing the tax outgo.

Shivaji Thapliyal, head of research at Yes Securities said that the government's move is indirectly positive for banks and negative for physical as-

sets and equity investments.

"These steps are, therefore, positive for banks from an incremental deposit accretion perspective. Household savings that will be incrementally created will tend to flow into bank deposits as opposed to real estate, gold, stocks and equity mutual funds, ceteris paribus. The impact, however, is not expected to be dramatic," Thapliyal said in a note after the budget.

The government's move comes even as banks are facing the worst deposit crunch in almost two decades, widening the gap between banking credit and deposits. At the end of June, bank deposits were growing at 11.1% year-on-year, much slower than the systemic credit growth of 17.4%, according to RBI data.

Bankers said that they do not expect any material change due to the government's move but are hoping for some change in savers' mindset post this move. "Interest on deposits continues to be taxed at the highest bracket and also the interest on savings accounts exceeding ₹10,000 that does not change. But yes, in the long term we can expect savers to choose the safety of fixed deposits as the tax arbitrage is now come down," said the executive director of a large public sector bank.

## Budget Does Not Singe ITC with Tax Hike, Shares Top ₹500-Mark

Our Bureau

Mumbai: ITC shares crossed the ₹500 mark for the first time on Wednesday after the budget left tobacco taxation unchanged. Analysts recommend buying the stock on any dip for a short-term return of up to 15%.

After the budget, global brokerage Jefferies upgraded the stock from hold to buy and raised the target price to ₹585 from ₹435, citing ITC's clear advantage. The stock, which surged 17% in the past month compared to a 3.6% gain in the Sensex, ended at ₹494 on Wednesday, up 0.4%.

"Having moved up swiftly recently, there is a possibility of consolidation or a minor dip in the next week or so, which could be an opportunity to enter near the support levels around ₹465-470," said Nagaraj Shetti, senior technical analyst at HDFC Securities. "The next upside resistance to watch is around ₹550 in the next 1-2 months."



ITC has emerged from its 11-month slumber. In the past month, trading volume has steadily increased, culminating in a massive surge in the previous three sessions.

"Considering the broader structure, any decline toward ₹480-460 should be seen as a buying opportunity," said Sameer Chavan, chief analyst-technical & derivatives, Angel One. "On the flipside, we wouldn't be surprised to see this stock continue its move into uncharted territory in the coming weeks."

Jefferies echoed this sentiment, stating that "no news is great news". Its report highlighted that the unchanged tobacco taxes are a big relief for ITC, allowing the company to focus on volumes with minimal price hikes.

## Watertight Regulations

From Page 1

In her budget speech on July 23, finance minister Nirmala Sitharaman said FDI and overseas investment rules will be simplified. Seth acknowledged that the extant regulations do not make for smooth sailing for these categories of investors and that needs to be addressed.

"There are now eight schedules of FEMA regulations, and they have served their purpose. But at the moment, there are watertight regulations (which don't allow easy flow of investment under one schedule to another)," Seth said, adding that administrative convenience should not override the broader economic interest.

FDI is restricted only in strategic or sensitive sectors and there is not much room for further relaxation. Therefore, the government is now turning its attention to the substantive issues of easing restrictive regulations to woo foreign investors.

Gross FDI inflows into the country have moderated in recent years. Having scaled a peak of almost \$85 billion in FY22, inflows have eased for a second straight year through FY24 to touch \$71 billion.

## Call for Wider Scope, Lower TP Margin

From Page 1

"Introducing safe harbour rules with applicable margin rates and aligning with global trends will reassure investors of a stable tax regime in India," said Hiral Mukhopadhyay, counsel at law firm Khaitan & Co, adding that it would also significantly reduce "the volume of litigation currently being pursued by IT/ITES firms against the Income Tax Department on transfer pricing issues."

Typically, GCCs are India-registered entities providing services to their global parents. These being cross-border related party transactions, they attract strict transfer pricing provisions under tax laws.

Industry experts said that under prevailing cross-border taxation, the 17-24% transfer pricing margin is significantly impacting revenues and business operations of multinational companies. They want applicable rates under safe harbour in line with global trends, at 14-15%. Additionally, lobby body Nasscom is of the view that the threshold of units to qualify for safe harbour should be raised from a turnover of up to ₹200 crore to a turnover of up to ₹2,000 crore.

"Currently, GCCs have three options—one, opt for safe harbours, which is not feasible. Second option is to go through regular assessments, which is time-consuming,

and third is to make APAs (advance pricing agreements), which also take four to five years to conclude," said Ashish Aggarwal, vice-president, public policy, Nasscom.

In a May report, Nasscom identified transfer pricing as the top regulatory consideration for GCCs, which now bring in nearly a fifth of India's \$250-billion IT services revenues. The Economic Survey, released Monday, said that as of March 2023, India houses around 1,600 GCCs which employ 32 lakh people.

Citing consulting firm WizaMetric's study, the survey said such captive units are estimated to have a revenue share of about 3.5% of India's GDP by 2030. In fact, the share of business by GCCs has grown in services exports, it added.

Meanwhile, the budget also proposed to enable a transfer pricing officer (TPO) to deal with specified domestic transactions that haven't been referred to by the assessing officer. While it aims to empower the TPO, the change will raise the compliance burden on taxpayers.

Dhruv Janssen-Sanghavi, founder of Janssen-Sanghavi & Associates, said, "Generally, expansion of a safe harbour is a good thing. But it remains to be seen whether it comes with any strings attached. The scope of expansion of the powers of the assessing officer in the determination of the arm's length price is rather narrow and may increase litigation."

Even though the government is yet to discuss the blueprint of its proposed modifications with stakeholders, the promise to review has raised hopes for GCCs and other foreign-owned units in India.

"This should lead to better predictability for us and acceptance globally," the head of a large global

## Govt Focus on Fiscal Health Spurs FPI Flows Into Gsecs

₹2 LAKH-CR LEVEL FPIs' FAR bond holdings top key mark as Centre commits to rein in fiscal deficit, reduce borrowings

Bhaskar Dutta and Rozebud Gonsalves

Mumbai: The Centre's commitment to fiscal consolidation in the budget seems to have spurred foreign investors to step up purchases of government bonds, with overseas investment in such debt well poised to head past the \$2 billion-per-month flow that was expected after inclusion in a JP Morgan index.

Aggregate holdings of foreign portfolio investors (FPI) in index-eligible fully accessible route (FAR) government bonds increased by ₹1,963.7 crore to ₹1,914.9 crore on Tuesday, following the

presentation of the FY25 budget. On Wednesday, the FPI holdings of FAR bonds rose further, with the total holdings crossing the ₹2 lakh crore mark, according to data published by the Clearing Corporation of India (CCL) at the end of trading hours on Wednesday.

Counting June 28 — the day that inclusion of Indian bonds in a JP Morgan index commenced — FPI investment in the FAR category has risen by ₹1,383.73 crore, or around \$1.8 billion, the data showed.

"Investors, both domestic and international, have taken a positive view of the budget outcome including the government's commitment to fiscal consolidation, and



expect debt investment inflows to continue. The July investments by FPIs are likely to exceed \$2 billion and may continue at a higher pace going forward as well," said Parul

Mittal Sinha, head-financial markets, India and South Asia at Standard Chartered Bank.

After receiving a fiscal windfall in the form of a huge surplus dividend transfer from the Reserve Bank of India, the Centre said on Wednesday that it is aiming for a fiscal deficit target of 4.9% of GDP in FY25, lower than the 5.1% target spelt out in the interim budget in February. The government also reduced its gross and net market borrowing for FY25 by ₹12,000 crore to ₹14.01 lakh crore, and ₹11.63 lakh crore, respectively.

Yield on the 10-year benchmark government bond, which closed at 6.96% on Wednesday, has eased 22 basis points so far in 2024, even as

global markets have witnessed considerable volatility. While the steady foreign flows have kept sovereign bond yields anchored, treasury executives do not see much more room for a fall in long-term yields till the RBI shows signs of cutting interest rates.

"Overall, the commitment to fiscal consolidation is a positive for the market but I do not see the yield on the 10-year bond falling below 6.95% till we have some clarity on the RBI turning towards easier monetary policy. On the upper end, the 10-year yield should be contained at 7.01%," said Vikas Jain, head of India trading, fixed-income, currencies and commodities at Bank of America.

## Changes in Taxation for Mutual Funds

Mutual funds are becoming the popular route for retail investors to participate in the capital markets with assets under management of the industry crossing ₹60 lakh crore. The Union Budget 2024-25 has changed capital gains taxes on financial assets.



### WHAT IS THE TAX REGIME FOR EQUITY-ORIENTED MF SCHEMES?

As per income tax laws, any gain from the sale of units in an equity-oriented mutual fund scheme that invests at least 65% of its corpus in domestic equity will be taxed as short-term capital gain (STCG) if sold before a year of purchase and as long-term capital gains (LTCG) if sold beyond a year of purchase.

### WHAT ARE THE CHANGES IN THE BUDGET?

As per the new proposals, equity investors shall enjoy an additional ₹25,000 as tax-free income in a financial year as LTCG up to ₹1.25 lakh will be exempt, up from the earlier limit of ₹1 lakh. For gains above ₹1.25 lakh in a financial year from equity-oriented MFs, investors will have to pay LTCG tax at 12.5% from 10% earlier. For sales before a year of purchase, they have to pay STCG tax at 20% compared to 15% earlier.

### WHAT FUNDS ARE COVERED UNDER EQUITY TAXATION?

Funds where the equity holding is more than 65% of the total portfolio are classified as equity funds for taxation. All equity schemes, arbitrage funds, balanced funds (which typically have 65-75% equity and 25-35% debt) and equity savings funds (equity, debt and arbitrage) are classified as equity-oriented funds from a taxation perspective.

### WHAT ARE THE CHANGES FOR DEBT MFs?

There is no change proposed in the budget for debt-oriented schemes. Investors will have to pay capital gains tax on these schemes in line with their income slabs irrespective of the holding period.

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**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

### IS THE INDEXATION FACILITY AVAILABLE FOR ANY MF SCHEME NOW?

According to the budget proposals, no indexation facility will be available for any mutual fund scheme. Earlier, some schemes that held 35-65% in equity, in categories like multi-asset and equity hybrid could get indexation benefits. Now such investors who hold these schemes for 24 months and above, will have to pay LTCG tax at 12.5%, while if they sell before 24 months they will pay STCG tax in line with their slab rate.

### HOW ABOUT GOLD/SILVER FUNDS, FOFs AND INTERNATIONAL EQUITY SCHEMES?

Fund of Funds (mutual funds which invest in other funds), international funds (funds that have more than 35% exposure to international equities) and gold/silver funds were earlier treated as debt instruments and taxed at slab rates. The budget has removed this anomaly. Now, any investments made in these schemes after July 23 and held for 24 months and above will be charged LTCG tax of 12.5%, while a holding period of less than 24 months will attract STCG tax in line with the slab rate.

## Heavy Jewellery Orders Up

From Page 1

Higher prices had also fuelled a sharp increase in gold smuggling cases.

"We have cancelled leaves of our *karigars* (gold artisans) for the next seven days to meet the sudden surge in demand," said Kumar Jain, owner of Umedmal Tilokchand Zaveri, a retailer based in Mumbai's jewellery hub Zaveri Bazaar.

Gold prices decreased from Rs 72,609 per 10 gm on Tuesday to Rs 69,194 per 10 gm on Wednesday. This drop of Rs 3,415 per 10 gm followed the government cutting duty on gold imports from 15% to 6% in the budget.

Reinvigorated jewellers are also sending messages to customers and using social media platforms to make them aware of the price change. Jewellers are expecting a demand rise of 20% this quarter, with the first major purchase coming in for the Raksha Bandhan festival in the second week of August.

In the June quarter, gold demand fell by 15% as higher prices deterred potential buyers.

"We are flooded with enquiries from our customers. The first tranche of demand is coming for Raksha Bandhan, which is the beginning of the festive season demand that continues till Diwali. Also, there are a few marriages in August for which the orders are being placed now," said Rajiv Popley, director of Popley & Sons, a jeweller based in Bandra, Mumbai.

Jewellers at Zaveri Bazaar noted heavy customer footfalls on Wednesday. "There is a lot of pent-up demand in the market and customers have now come out to fulfil it. They want to take advantage of the reduced import duty as there is fear in the

market that the government might again increase the duty if there is a sharp rise in demand," said a senior gold trader.

The Centre had raised customs duty on gold in July 2022 after the trade deficit widened. Since

India depends on gold imports to meet domestic demand, any increase in consumption of the yellow metal impacts the trade deficit if exports don't go up in tandem. Such an instance may force the government to increase customs duty on gold once again. India imports 800-850 tonnes of gold annually.

### HIGHER STORE FOOTFALLS

Suvankar Sen, managing director and CEO of listed jewellery firm Senco Gold & Diamonds, said customers have been placing orders for heavy jewellery since last evening.

"As of now, we have seen a 15% surge in demand for gold jewellery compared to the last few months. The demand is for heavy jewellery. However, we are expecting that footfalls for lightweight jewellery, which we christen as regular purchase, will increase over the weekend. We have already come out with advance booking facilities for our customers which will continue till Durga Puja."

Meanwhile, demand in South India, which consumes 40% of the country's gold, too is witnessing high demand since last evening. "Footfalls have increased at our stores, and we are expecting a 15-20% increase in demand. The demand is for heavy as well as lightweight jewellery. This quarter will be a good one for all the jewellers," said Baby George, CEO of Joy Alukkas.

At Kalyan Jewellers, executive director Ramesh Kalyanaram said that they have been flooded with enquiries from customers since Wednesday morning about the latest gold rates and seasonal offers.

# Budget Thrust on Employment Will Get Job Done in Medium to Long Term

Industry voices see move boosting sentiment, manufacturing sector could see quicker response

Sreeradha D Basu

**Bengaluru:** The budget proposals to facilitate employment and skilling have boosted sentiment but are likely to translate into sizeable numbers only in the medium to long term, rather than triggering any major turnaround in the job market in the near future, said economists and hiring experts.

Some sectors like manufacturing will be clear beneficiaries, but the budget is designed as more of a medium-term play, they said, adding that its focus is on capability-building and making people employable, which will lead to more jobs in the future. "On the one hand, there is unemployment. On the other, there are employers struggling with labour shortages because they can't get people with the right skills," said Sachchidanand Shukla, group chief economist, Larsen & Toubro. "These policies are to create a pool of skilled people and also nudge employment — more a five-year agenda to enhance employability and address skill and labour shortages."

Shukla said the proposals were a "very broad positive step" that's good for the economy and would indirectly address the consumption demand. "But expectations that there will be an immediate payoff is not right," he said.

"The government has to take the lead; businesses will follow," Shukla said. "The budget is also trying to create a future pool for manufacturing. That will buy some insurance against disturbances in the future."

## Transforming Indian Workforce

**Focus on capability-building and making people employable, will lead to more jobs in future**

**On one hand, there is unemployment & while employers are struggling with labour shortages**

**Budget trying to create a future pool for manufacturing. Govt has taken lead; businesses will follow**

**Thrust on formal job creation an area of immediate need, with only 20% formal work in India**

**Financial services, infra, retail may see quicker job creation due to immediate govt initiatives**



re when AI may impact services and white-collar jobs."

### SOME SECTORS MAY BENEFIT MORE

Low-end sectors such as textiles, leather, basic chemicals, basic machine tools and garments might see a quicker response but overall recovery would take some time, said Abheek Barua, chief economist, HDFC Bank. "Labour market rigidities persist, technologies can be inflexible, skill building is not like flipping a switch," he said.

The budget focused on formal jobs creation and that's an area of immediate need, with only 20% formal work in India, said Ajit Isaac, chairman of business services provider Quess Corp. In certain sectors, like manufacturing, the

movement will be faster, while it'll take longer structurally to add formal jobs in sectors such as hospitality and retail, he said. "The schemes on EPFO (Employees' Provident Fund Organisation) support, employment-led skilling programmes, contribution to first-time formal employees will assist job creation across all segments, i.e., banking, ITES, retail, telecom and manufacturing," Isaac said. CIEL HR Services chief executive Aditya Narayan Mishra said the budget will have a positive impact on the job market in the short term. The capex push will drive growth in demand in the construction, engineering and manufacturing sectors, while the sops given for fresher hiring and policy-level support for skilling will give a temporary boost to the job market across sectors.

## INTERNSHIP SCHEME

# Cos Seek Clarity on 'Top 500'; Experts Fear ₹5k Stipend may Become a Norm

Prachi Verma & Sreeradha D Basu

**New Delhi/Bengaluru:** Companies are seeking more clarity on the internship scheme announced in the budget, especially on the definition of the "top 500 companies". Experts and HR heads told ET that hiring 10 million interns over five years may be a tall order for just the top 500 companies and more firms should be included.

"Definition of the top 500 companies is missing. Fine print says 10% cost of internship can be routed through CSR spend which is good for employers. We are not sure whether it is applicable for only listed companies or others too," said Amit Sharma, business HR head at International Tractors Ltd.

Mayank Kumar, managing director of edtech startup Upgrad applauded the initiatives but feels that more companies should be included in the internship scheme. "Each company is expected to offer 20,000 internships over five years. This is a challenging task even for large BFSI or FMCG employers with 20-30,000+ employees," Kumar said.

"We (Upgrad) could drive more collective efforts by expanding the base of companies participating. We would love to onboard such interns and train them," he said.

An HR head at a renewable and power company, who didn't wish to be named, said internship stipends may get skewed. "This may have a negative impact as firms may start looking at capping internship allowances to ₹5,000," the person said.

Some like Sunil C, country manager, Adecco India, say the initiative presents a unique opportunity to bridge the gap between academic learning and industry needs. "This programme incentivises participation by providing interns stipends and ensures students gain practical skills while being financially supported. However, implementation poses a big challenge. The emphasis should also be on scaling up government processes to ensure incentives are released on time," he said.

Another takeaway of the budget-direct benefit transfer of a month's salary up to ₹15,000 in 3 instalments to first-time employees, as registered in the EPFO—is beneficial but tedious, say experts. "The process to file online for the reimbursement (up to ₹15,000) is both complicated and tedious," said an expert.



**Initiative a unique opportunity to bridge the gap between academic learning and industry needs**

The benefit to "first-time employees", earning salary up to ₹1 lakh per month, is capped at ₹15,000 per employee. The benefit would be provided as direct transfer to the employee. "This will reduce the burden on the employers seeking to recruit fresh employees," said Sharma. Teresa John, economist and deputy head of research at equity research firm Nirmal Bang Institutional Equities does not see a feasibility issue among companies. "Companies should not have a problem with onboarding interns, whose training costs and partial internship costs will come out of their CSR funds," said John. Companies are required to spend a minimum of 2% of their net profits over the preceding three years as part of CSR activities. Experts and company/HR heads are waiting for more clarity in the coming days on the employment schemes announced in the budget. "Maybe the government will come up with further notifications and allow many companies to come forward voluntarily as well," said John.



**Mahatma Phule Renewable Energy and Infrastructure Technology Limited**  
Subsidiary of MPBCDC (Govt. of MH Undertaking)

**RFP- MAHAPREIT** invites Request for Proposal (RFP) for Consortium of Technology provider, Executor, Management and Funds for Thane Municipal Corporation Urban Renewal Plans CONTEMF. Interested Agencies/ Developers may submit their documents on or before 23/08/2024 up to 04:00 PM. Details of the RFP can be viewed at <https://mahapreit.in>

Executive Director

## Labour Min to Meet 20 Ministries Tomorrow on Jobs Creation

Yogima Seth

**New Delhi:** The labour and employment ministry has convened a meeting on Friday with 20 ministries, directly and indirectly related to employment generation, to push employment creation and firm up ways to track employment data in a regular and formalised manner. A government official told ET that labour minister Mansukh Mandaviya will chair the meeting, which is being held after the announcement of three employment-

linked incentive schemes in the budget. The minister is expected to take stock of steps taken by each ministry or department to focus on employment generation and promotion of decent work behaviour as well as female participation at workplaces, said the official, who did not wish to be identified. Besides, each ministry is likely to present the employment generation potential across the sectors under its charge as well as the impact of emerging transformations (tech and non-tech). Secretaries of the ministries of agricul-

ture, road transport and highways, commerce and industry, health, skills development and entrepreneurship, and departments of financial services and expenditure, among others, are expected to attend the meeting to deliberate on employment generation-related measures. The plan is to collate jobs-related data at a disaggregated sectoral level to get a holistic view of emerging trends and challenges to job creation, demand and supply matching, employability, data and trends on employment from employer and employee side that will aid in policy-making.

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A TIMES INTERNET INITIATIVE

**NCL** Northern Coalfields Limited  
(A Miniratna Company)  
(A Subsidiary of Coal India Limited)

No. NCL/SGR/Mktg./E-Auction/24-25/1199 Date: 22.07.2024

**NOTICE REGARDING SALE OF "Coal" THROUGH CIL E-Auction Scheme 2022 FOR THE MONTH OF July 2024**

"Northern Coalfields Limited, Singrauli, MP proposes sale of "Coal" through CIL E-Auction Scheme 2022 wherein any Indian Buyer (viz. individual, partnership firm, companies etc.) can participate and obtain coal through the process of electronic bidding. For detailed notification and terms & condition of e-Auction to be held on "30.07.2024" for the month of "July 2024" kindly visit NCL website i.e. [www.nclcil.in](http://www.nclcil.in), M/s CMPDI Ltd. website i.e. <http://www.coaleauction.co.in>, notice board of Marketing & Sales, Department, NCL Singrauli, MP".

R-32 General Manager (M&S), NCL, Singrauli

**INVITATION FOR EXPRESSION OF INTEREST FOR ASSIGNMENT OF DEBT OF REGEN INFRASTRUCTURE AND SERVICES PRIVATE LIMITED**

Regen Infrastructure and Services Private Limited ("RISPL") is a company incorporated under the provisions of the Companies Act, 2013, having its registered office at 1st Floor New No.1 Shenoy Nagar, Sivanandam, Chennai-600030, Tamil Nadu, India. RISPL is primarily involved in the business activity of providing O&M services to wind turbine customers by entering into long term contracts. It also provides the infrastructure for power evacuation through owned pooling substations.

An NBFC had advanced credit facilities to RISPL, which were subsequently assigned to Arcil-CPS-I-Trust with Asset Reconstruction Company (India) Limited as the trustee ("Arcil"). Now, Arcil as a secured creditor of RISPL has decided to assign its debt and is conducting a process for the assignment of its debt in RISPL on an "as is where is", "as is what is" "whatever there is" and "without recourse" basis under "Swiss Challenge Method", based on an existing offer in hand, which offeror will have the right to match the highest bid, as stated in bid process document and subject to applicable law and regulatory guidelines. The entities interested to participate in the said Swiss Challenge process to acquire Arcil's portion in RISPL debt shall submit their bids to Arcil in such form and manner as may be specified by Arcil and in accordance with the timelines specified below:

Sr. No.	Activity	Indicative Date
1.	Advertisement Date / Expression of Interest ("EOI") start date	July 25 2024
2.	Last Date of Submission of EOI along with other documents*	July 31, 2024-before 6 pm
3.	Last date for accessing data room for due diligence by eligible bidders (eligible participants who have submitted EOI along with all required documents to the satisfaction of Arcil)	August 11, 2024 - before 6 pm
4.	Submission of binding bids by email (Password Protected only) along with the EMD	August 16, 2024 - before 12 pm
5.	Opening of binding bids	August 16, 2024 - 3 pm onwards
6.	Date of Swiss Challenge (through E-Auction platform. Timings will be shared separately)	August 19, 2024
7.	Exercise of right of first refusal ("ROFR") by Anchor Bidder	August 20, 2024
8.	Declaration of Successful Bidder	As may be mutually agreed between the Lenders in discussions with the Successful Bidder
9.	Execution of Assignment Agreement	

\*For detailed terms and conditions for the Swiss Challenge process along with the relevant formats and bid process document, interested bidders to contact/mark both the persons whose details are mentioned herein below:  
Contact details for process related queries only: Deep Jobanputra (deep.jobanputra@arcil.co.in); Shreeta Chimmuley (shreeta.chimmuley@arcil.co.in)  
In case no EOI is received as per the timelines provided hereinabove, the Anchor bidder shall be declared the successful bidder on August 01, 2024.  
Please note that assignment of debt shall be subject to the terms and conditions as stated in the bid process document.

Sd/

For Asset Reconstruction Company (India) Limited  
As trustee of Arcil-CPS-I-Trust

## Performance Highlights Q1 FY25

### Consolidated profit after tax ↑ 14%

Consolidated Results				(₹ In Crore)
Particulars	Q1 FY25	Q1 FY24	FY24	
Total income	148	119	1,713	
Share of profits of associates	1,540	1,360	5,955	
Profit before tax	1,618	1,434	7,493	
Profit after tax	1,610	1,416	7,267	

Standalone Results				(₹ In Crore)
Particulars	Q1 FY25	Q1 FY24	FY24	
Total income	139	114	3,176	
Profit before tax	90	73	3,021	
Profit after tax	66	55	2,896	
Investments (at cost)	12,680	10,711	12,559	
Investments (at market value)	2,13,060	1,57,823	2,10,707	

**BAJAJ HOLDINGS & INVESTMENT LIMITED** | CIN: L65100PN1945PLC004656 | Website: [www.bhil.in](http://www.bhil.in)  
Registered Office: C/o Bajaj Auto Limited Complex, Mumbai - Pune Road, Akurdi, Pune - 411 035  
Corporate Office: 6th Floor, Bajaj Finserv Corporate Office, Off Pune - Ahmednagar Road, Viman Nagar, Pune - 411 014

This is an abridged representation of the unaudited financial results of Q1 FY25 and is not for the purpose of legal compliance. As required by regulations, the results have been prepared as per Indian Accounting Standards (Ind AS).

# 'America is seeing both partisan animosity and lowered trust in social institutions – Kamala Harris could enthuse undecided voters now'

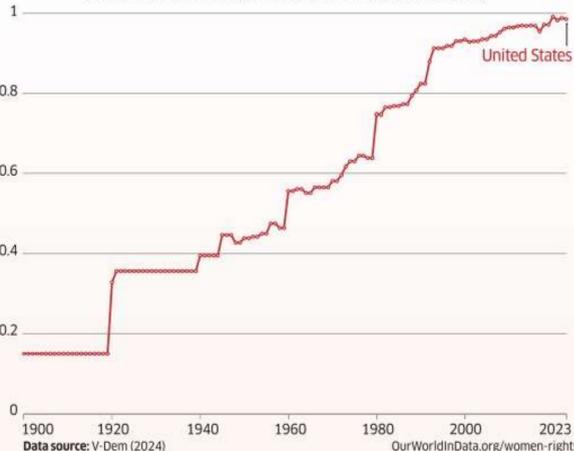
James Druckman is Martin Brewer Anderson Professor of Political Science at the University of Rochester. Speaking to Srijana Mitra Das, he discusses major gaps – and some points of unity – in US politics:



**Q. What is the core of your research?**  
A. I'm interested in the extent of polarisation across different divides in the United States and the consequences of these. Polarisation has diverse manifestations — for example, Democrats and Republicans have sharply differing ideological positions while another kind is where partisans really dislike one another and increasingly display their animus. A third example is trust in institutions — at the turn of the century, for instance, Republicans and Democrats had similar levels of trust in science. Now, we see a large divide over that. There are growing gaps related to many key institutions which govern society. My research looks at how types of polarisation have changed over time — and what that implies for politics.

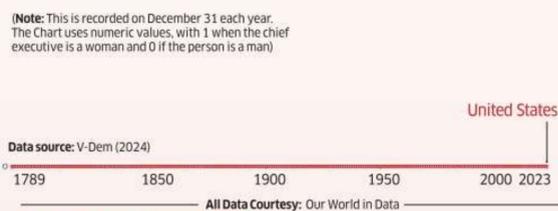
## I. Women's Political Participation Index, 1900 to 2023

(Based on expert estimates and index by V-Dem, this captures the extent to which women are represented in the legislature and have an equal share of political power. It ranges from 0 to 1 being most equal)



## II. Gender of the Chief Executive, 1789 to 2023

(The chief executive is the head of government or the head of state, whoever has more power)



**The Common Woman's Times:** Driven by social movements, the US has strengthened women's political empowerment (Chart I) — it may soon elect its first woman President, after centuries of men pacing the Oval Office

states. An important factor is what will make these people turn out. A major challenge Joe Biden faced was a lack of enthusiasm and concern that some classic Democrat constituencies weren't going to show up — with Kamala Harris, there could be greater enthusiasm now.

Other factors include positions taken on particular issues — the Republicans will likely focus on immigration while the Democrats will place very strong emphasis on abortion rights. The demographics of candidates will also matter — Kamala Harris could be the first woman President, the second African-American one and the first President of Asian descent.

**Q. You write about partisan hostility alongside the erosion of democratic norms in the US — can you elaborate?**

A. The US has a written Constitution with many unspoken things — an example is the role of the Supreme Court which is very vague. Over time, people's

The pandemic was a public health crisis — but it increased polarisation as both sides dug in on vaccines and science

expectations of how politicians should behave have grown but there's nothing legally binding about that. Even Congress respecting Supreme Court decisions or not allocating electoral districts to partisan advantage are norms we expect politicians to abide by — but there's nothing illegal about not abiding. So, we're seeing increasing violations there. Also, laws are made by Congress but the President can issue orders which override these — we've seen an uptick by Democrats and Republicans doing this to make policy. In some sense, that is a violation of norms. So, we're seeing an increase in animosity and different types of polarisation, with rising violations of norms, including the peaceful transition of power, which we did not have with January 6 occurring. Both dynamics are taking place but establishing a link is not that simple, given the other ongoing transitions in the US, including technological, demographic and economic change.

**Q. Is such polarisation, akin practically to tribalism, normal in the US?**

A. Looking over the long arc of American history, we actually don't know much in this regard prior to World War II. There was fairly intense partisanship then too, with the beginnings of mass media and partisan outlets and hostility over who people voted for. So, it's not clear partisanship was any less intense. In Congress, before WWII, there was a huge divide between how Republicans and Democrats voted. An interim period came with less divides in Congress and lower tribalism among voters — this increased since the 1980s-90s.

When Covid hit, many thought there might be a decline in polarisation, which did happen during 9/11 or the killing of Osama bin Laden, but this only strengthened. So, this is quite an unprecedented time in modern American history.

**Q. Did the pandemic cause political changes as well?**

A. Yes. On paper, it was a public health crisis. However, politics did get into this — it increased animosity because both sides dug in with different positions on business closures, vaccine mandates and scientific advice. Those signals have continued even after the pandemic. Now, people on the right are much less likely to get other vaccines while people on the left are open to this. We've also seen a growing divide on trust in science, both during and after the pandemic.

*Views expressed are personal*

## NEED TO BE WATCHFUL OF MONSOON AND ITS IMPACT: MD

# Jobs, Real Wages in Rural India Critical for Recovery: HUL



## Under Watch

**HUL sales volume**  
Up 3% YoY in Q1, FY25  
Corporate market share up 200 basis points since 2021

After a period of unprecedented inflation, commodities have been mostly deflationary in the quarter and their prices have been range-bound

ROHIT JAWA, MD, Hindustan Unilever

## ANALYSTS

HUL could win market share in personal wash given its recent disruption in soaps

Market volume recovery over past two years slow on sustained high prices & erratic weather: Jawa

## Sagar Malviya

**Mumbai:** Hindustan Unilever (HUL) managing director Rohit Jawa said market volume recovery has been gradual in the past two years and much slower than the company would have liked, blaming it on the impact of sustained high inflation combined with erratic weather patterns. Even as rural areas outpaced urban areas in the past few months, they continue to lag over a two-year compound annual growth rate (CAGR), he said.

"There are a few critical factors that could impact the state of recovery. India was hit by one of its worst heatwaves this year, with many parts of the country experiencing record high temperatures," Jawa told investors on Wednesday. "This was followed by rainfall deficit in June and July, we need to be watchful on how the entire monsoon season pans out and the overall impact on agriculture. The employment levels, real wages and food

inflation in rural India could also have a bearing on the pace of recovery and we continue to be watchful of that." Over the past decade, sales of branded daily needs goods have increasingly relied on rural India, where purchase behaviour is largely linked to farm output.

HUL's sales volume, or the number of products it sold, increased 3% year-on-year in the first quarter of this financial year. The company's performance is considered a proxy for broader consumer sentiment in India.

The country's biggest consumer products company said it has gained 200 basis points (2 percentage points) of share since 2021 despite resurgence of local and regional players. Over the past two years, most consumer goods companies increased prices to offset rising raw material prices as well as supply chain and energy costs. That started with the Covid-19 pandemic and was exacerbated by Russia's invasion of Ukraine. However, in the past year, soap and tea have become cheaper due to falling commodity prices in these two categories.

"After a period of unprecedented inflation, commodities have been mostly deflationary in the quarter and their prices have been range-bound," said Jawa.

Growth in coming quarters will be driven by volume or higher offtake of products rather than price hikes as commodity prices have softened, said the maker of Rin and Dove.

# L&T Profit Surges 10% in Q1 on Strong Order Book

## Our Bureau

**Mumbai:** Engineering and construction major Larsen & Toubro on Wednesday reported a 10% increase in consolidated net profit for the quarter ended June 30, helped by an increase in orders and revenue.

Net profit rose to ₹3,444 crore from ₹3,116 crore in the first quarter of last fiscal year. Net profit attributable to the owners of the company rose 12% to ₹2,786 crore.

Revenue from operations increased 15% to ₹55,120 crore from ₹47,882 crore. "We ticked most of the boxes. I think there's growth in the order book, revenue, and Ebitda being stable, overall profits have also moved up, and we continue to do well on the working capital front," chief financial officer R Shankar Raman said.

"We have achieved steady growth across all financial parameters in Q1 FY25, despite the geopolitical situation across the globe," MD SN Subrahmanyam said, adding that amid various transformational shifts happening worldwide, the company is well-positioned to grasp these opportunities with its expertise in traditional projects and manufacturing business and tech-driven new-age businesses.

As part of its transition to a new energy business, L&T said it is repurposing its energy power business to CarbonLite Solutions under the energy projects segment.

"It's a little more than just a nomenclature change, because we are trying to migrate from carbon-heavy energy to carbon-lite energy to green energy," said Shankar Raman. The transition in-

volves moving towards carbon-lite projects in the area of carbon capture equipment, carbon capture projects, biofuel equipment, or bio-fuel projects, gas-to-energy projects, etc., he said. "We want to build away from thermal and move into more sustainable solutions."

During the quarter, energy projects segment secured orders valued at ₹5,792 crore, up 21%, with receipt of high-value orders in the domestic offshore vertical of the hydrocarbon business. International orders constituted 22% of order inflows during the quarter.

L&T sees a very encouraging order prospect pipeline going ahead, Shankar Raman said. "If you were to size that opportunity, it indicates a prospect pipeline size of over ₹9 trillion (or ₹9 lakh crore) and roughly about 60% of this ₹9 trillion is domestic opportunity, and about 40% is in overseas markets."

## SUITS & SAYINGS

ET's roundup of the wackiest whispers in corporate corridors

## Rough Road

If the pace at which circulators are flying off the chief's table announcing new roles or change of guard is any indication, this auto major seems to be undergoing some sort of a churn. Apparently, the management is not happy with how some of the recent changes have impacted the company's performance, and hence the solution of, well, more changes. Insiders say the top boss, usually calm and relaxed in internal meetings, has become snappy of late. Unnerved, many have started looking out.

## Fine Gesture

In the dog-eat-dog world of consulting, when you move on, you tend to take your client with you. So when someone breaks that norm, it gets noticed across the board. A restructuring adviser who was the interim CFO of a fintech and part of a global insolvency & climate change group was recently poached by a Big 4 from a rival. But the partners' actions have left the folks at his ex-firm perplexed. In a first such instance, the partner resigned from all mandates of the erstwhile firm, including the coveted cases of personal insolvencies. The practice in industry is to carry the mandate to the new firm. For some folks, ethics matter.

Privy to the whispers in power corridors or juicy tips on India Inc? Do share with us at [etsuits.sayings@gmail.com](mailto:etsuits.sayings@gmail.com)

# Delhi HC Junks DRI Proceedings in Forex Case against Munjal

Also sets aside order summoning Hero chairman in the case

## Our Bureau

**New Delhi:** The Delhi High Court on Wednesday quashed proceedings against Hero MotoCorp chairman Pawan Munjal in connection with a foreign currency case registered by the Directorate of Revenue Intelligence in 2022.

Justice Manoj Kumar Ohri "allowed" Munjal's appeal seeking quashing of all proceedings pending before the additional chief metropolitan magistrate of the Patiala House Court. It also set aside an additional chief metropolitan magistrate's order in July last year summoning Munjal in the case. Details of the high court order weren't available at the time of filing this report.

The decision is seen as a huge relief for Munjal as it will also have

vea bearing on the industrialist's petition against a money-laundering case filed by the Enforcement Directorate based on DRI's findings.

The DRI had filed a complaint for "carrying, attempting to export and illicit export of prohibited items, that is, foreign currency" against Munjal, event management company Salt Experiences & Management (SEMPL), individuals identified as Amit Bali, Hemant Dahiya, KR Raman and others.

In its case, the ED alleged that SEMPL "illegally exported foreign currency equivalent to about ₹54 crore to various countries during the period 2014-2015 to 2018-2019 which was ultimately used for the personal expenses of PK Munjal".

The agency claimed that forex of about ₹14 crore was drawn from authorised dealers by the event management firm in the name of various staff and handed to Munjal's relationship manager, who carried the forex in cash/card secretly for his personal expenditure on trips.

# Nissan Plans to Roll Out 5 SUVs in Big Sales Push

## Sharmista Mukherjee

**New Delhi:** Japanese automaker Nissan, which along with alliance partner Renault recently announced fresh investments of ₹5,300 crore in India, has fired up plans to introduce nearly half a dozen sport-utility vehicles (SUVs) in the country over the next two years as part of its strategy to boost sales threefold, said a senior company official.

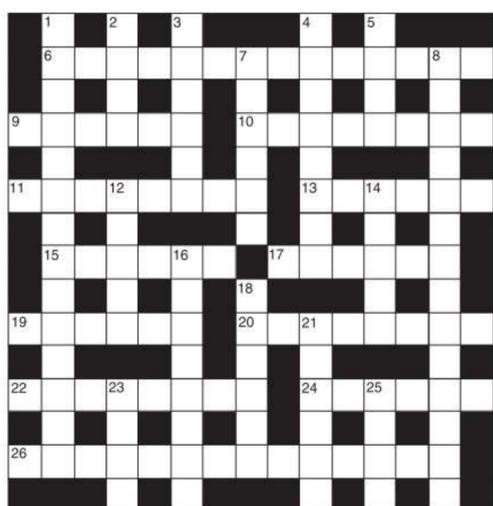
The first model will be the X-Trail SUV, which will be

imported as a completely-built unit (CBU). Two more SUVs—a five-seater and a seven-seater—will follow soon after to challenge Hyundai Creta, Maruti Suzuki Grand Vitara and Toyota Hyryder, among others.

India would be the sole production hub for half of the five new models, which also includes an affordable electric vehicle, said Frank Torres, divisional vice-president AMIEO region business transformation & president, Nissan Motor India Operations.

## Crossword

9034



## DOWN

- Be persuaded to act sensibly with reform of relations on set (6,2,6)
- Painter William is insignificant after losing power (4)
- Extremists in disguise detect authoritarian figure (6)
- Condition after fallout at the top? (8)
- Beginning has to be understood (4)
- This person's present in force? (6)
- A bachelor upset when following a French mobile accessory is not friendly (14)
- Considerable military officer (5)
- North American has to move up and down for very wealthy sort (5)
- One plotting gets protection around flipping hostility (8)
- Asian national in a fine African country mostly (6)
- Cut out levy on goods (6)
- Some hobnobbed old Greek coin (4)
- Something stitched has to appear by the sound of it (4)

## ACROSS

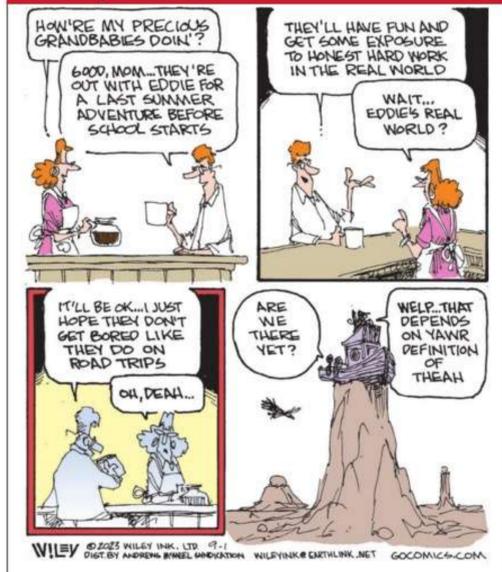
- Awfully beguiling heat inspiring European among most important types? (2,3,3,6)
- Have a later retirement than normal? (4,2)
- Dandy to enter followed by flier (8)
- Enlivens a Northern Ireland friend close to Christmas (8)
- Article found in cloak is food for a reception? (6)
- Mind what one aims to achieve (6)
- Graduate shifting boom to find woody plant (6)
- That fellow introducing new series showing farmyard enclosure? (3,3)
- Supply and endorse information from consumers, say (8)
- Surprise regarding cracked shin (8)
- Temporary worker lacking in formality (6)
- Closely following distraught Noel's emotions about start of affair (2,8,4)

## SOLUTION TO No 9033

- ACROSS: 1 Exercise book. 8 Loster. 9 Caustic. 11 Mortadella. 12 Lima. 14 Wisteria. 16 Laurel. 17 Era. 19 Lock-up. 21 Crotchet. 24 Envy. 25 Slow motion. 27 Setting. 28 Errands. 29 Personal best.
- DOWN: 1 Embarks. 2 Extraneous. 3 Carnegie. 4 Sickle. 5 Blub. 6 Outlier. 7 Slum-dwellers. 10 Charlitanism. 13 Eastbourne. 15 Arc. 18 A raw deal. 20 Cuvette. 22 Hairnet. 23 Flagon. 26 Bids.

©The Daily Mail

## NON-SEQUITUR



## HIDATO

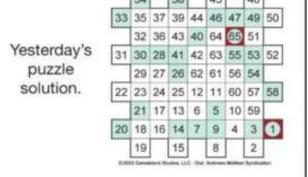
FIND THE PATH - SOLVE THE PUZZLE

Complete the grid so that numbers 1-58 connect horizontally, vertically or diagonally.



www.hidato.com

Difficulty: ★★☆☆



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## 7 LITTLE WORDS

Find the 7 words to match the 7 clues. The numbers in parentheses represent the number of letters in each solution. Each letter combination can be used only once, but all letter combinations will be necessary to complete the puzzle.

CLUES	SOLUTIONS
1 creative mix of ingredients (10)	_____
2 firm in one's purpose (8)	_____
3 utterly astounded (10)	_____
4 deep pinkish red (6)	_____
5 short theater production (7)	_____
6 provoking anger (11)	_____
7 newspaper's apology (10)	_____

CONC	YLET	GOB	ON	KED
LUTE	IAT	ON	INF	TRAC
UR	RE	RISE	SMAC	RESO
CE	TI	OCTI	ING	PLA

Yesterday's Answers: 1. BUDS 2. CALRISSIAN 3. HUNG 4. JOURNEYING 5. BRAWLED 6. WANDYVC 7. COWLED

**Royal green**  
UK's King Charles has put solar panels at Windsor Castle and plans to convert the family's luxury cars to run on biofuel



## A secret buyer buys a ditched superyacht

The Alfa Nero, abandoned in the Caribbean in 2022 and costing over \$100,000 a month to maintain, finds a new owner for \$40 million

The Alfa Nero superyacht, which has been abandoned in the Caribbean for more than two years, has a new owner.

The 267-foot vessel, complete with a baby grand piano and a swimming pool that turns into a helipad, sold for \$40 million last week, said Ronald Sanders, Antigua and Barbuda's ambassador to the US. He declined to name the buyer, citing a confidentiality agreement.

The sale marks the latest attempt to end the years-long Alfa Nero saga. A Russian oligarch had abandoned the luxury yacht in Antigua in March 2022, after being sanctioned by the US. Then, tech billionaire and former Google CEO Eric Schmidt tried to buy it at an auction, only to give up when the sale became a legal quagmire.



Meanwhile, the vessel sat in Antigua's Falmouth Harbour, being tended to by a skeleton crew and costing over \$100,000 a month to maintain.

The new owner will pay \$40 million to take possession of the yacht, but the amount is far less than the \$67.6 million that Schmidt had offered last year.

### Whose yacht is it anyway?

Sanctioned Russian fertiliser billionaire **Andrey Guryev** had originally bought the yacht in 2014 for \$120 million, the US Treasury Department said — but Guryev has denied it. His daughter, Yulia Guryeva-Motlokhov, later stepped forward to claim ownership of the yacht, triggering a legal dispute.

"It's not worth \$40 million, it's worth way more," said Richard Higgins, a broker with Northrop & Johnson who represented the undisclosed buyer. "They needed to get the boat sold."

Higgins said the new owner is European and will likely put the Alfa Nero on the charter market. Sanders added that the new owner "is not included in the sanctions list of any country or institution".

The latest attempt to sell the Alfa Nero was brokered through a private contract, port manager Darwin Telemaque said. He also declined to name the buyer.

Telemaque expects the proceeds will cover the millions of dollars in port fees the Alfa Nero has racked up. "I am very happy that the ship is no longer the responsibility of the people and the government of Antigua and Barbuda," he added.



### No way out

The Alfa Nero is among more than a dozen superyachts pinned down in ports around the globe after Russia's full-scale invasion of Ukraine in 2022 brought a series of economic sanctions against Russian oligarchs. Many of the vessels have been stuck in limbo amid costly legal disputes and racking up maintenance costs.

The Phi superyacht has been moored in London since 2022, while other vessels are stuck in Italy and Spain. There's also the Amadea, a 348-foot ship with a lobster tank and hand-painted clouds on the dining-room ceiling, which was seized from its alleged oligarch owner in Fiji and now sits in California. Last month, a New York court denied the US government's request to sell the Amadea, *Voice of America* reported.

— Bloomberg

## A look at the empowering journey of a global citizen

In 'Finely Crafted Journeys' by ZOYA from the House of TATA, Radhika Gupta, MD and CEO of Edelweiss Mutual Fund, shares her experiences from the world of finance

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ZOYA from the House of TATA presents 'Finely Crafted Journeys' — insights from iconic women whose passion and dedication to their craft have created something distinctive for the world and deepened their connection with themselves.

ZOYA's muse is Radhika Gupta, MD and CEO of Edelweiss Mutual Fund. Known for her insightful contributions to investment and asset management, her journey in the financial realm has been marked by significant accomplishments and strategic leadership.

### Tell us about your journey.

I grew up as a global citizen across four continents and earned a joint degree in business and computer science from the University of Pennsylvania, US. After dabbling in tech and consulting at Microsoft and McKinsey, I found my calling in managing money — first on Wall Street, then as an entrepreneur in India, and now building Edelweiss Mutual Fund.

### What do you enjoy most about your craft?

I describe my profession as a beautiful golden triangle — a product that fulfils the financial dreams of every Indian, a craft that has given me the



Radhika Gupta in timeless pieces by ZOYA

opportunity to build a big and sustainable business and an industry that is contributing to making Indian capital markets more self-sufficient. It's a unique trio, and I am so lucky to do what I do.

### How has your journey renewed your connection with yourself?

In building this business, I travel across 30+ cities in India, meeting investors and partners every week. My journey has allowed me to find magic on the stage and with public speaking.

discover the immense diversity of India and also find my self-confidence.

### ZOYA and you...

To me, ZOYA is a brand that celebrates the best of Indian heritage, from a group that stands for trust and quality. These two qualities speak to me because that is what we seek to build with the Edelweiss Mutual Fund. And personally, as the daughter of someone who represented India, paying a tribute to our heritage has been a way of life since I was a little girl.

## 'Kamala IS brat': Pop world backs Harris

The entertainment world has coalesced rapidly around Kamala Harris, with actors and musicians throwing their support behind the Democratic frontrunner.

Janelle Monae, John Legend and Charli XCX have publicly backed Harris, along with Hollywood endorsements from George Clooney, Viola Davis, Julia Louis-Dreyfus

and Robert De Niro. Even Beyoncé — who strictly guards her music — has reportedly approved Harris's campaign to use her song 'Freedom'.

It helps that Harris is malleable; plenty of videos show her dancing with comedy bordering on slapstick.



Kamala Harris (left) has found approval from the likes of Charli XCX and Beyoncé (right)

British artist Charli XCX, in particular, has seen her album *Brat* become core to Harris's online campaign. "Kamala IS brat," the 31-year-old pop star posted, a sign-off of the Harris campaign quickly embraced.

### Women's candidate

Katy Perry, whose anthem 'Roar' was played on

Hillary Clinton's 2016 campaign, pushed her latest single 'Woman's World' while backing Harris. She posted a montage clip of Harris with a remix of her song.

Cardi B reminded fans she had already said Harris should replace Joe Biden, after initially backing Bernie Sanders. Shortly after President Biden announced his withdrawal, the rapper reposted her video.

— AFP

# Sports World Play

## VITALS

**Nita Ambani Unanimously Re-elected as IOC Member**  
Nita Ambani, founder and chairperson of Reliance Foundation, has been unanimously re-elected as a member of the International Olympic Committee (IOC) from India at the global olympic body's 142nd session in Paris. "I am deeply honoured to be re-elected... This re-election is not just a personal milestone but also a recognition of India's growing influence in the global sporting arena. I share this moment of joy and pride with every Indian and look forward to continuing our efforts to strengthen the Olympic Movement in India and around the world," said Ambani, on her re-election ahead of the Paris Olympics 2024. She was first elected in 2016 during the Rio Olympic Games.

**Olympic Football: Argentina 2-1 Morocco**  
A fan invasion in the opening match of the Olympic football tournament between Argentina and Morocco on Wednesday caused chaos, with Argentina eventually beaten 2-1 following a VAR review after play was suspended with the score tied at 2-2. Argentina's Cristian Medina scored deep in injury time to salvage what looked like a 2-2 draw, but the decision ruling out the goal was delivered about two hours after play was suspended when the teams re-emerged on to the pitch to finish the match in an empty stadium. Reuters

**The Canadian women's football team assistant coach, Jasmine Mander, and analyst, Joseph Lombardi, have been kicked out of the Olympic squad after New Zealand said its team had their training session disrupted by a drone flown by a staff member of their Group A opponents, the Canadian Olympic Committee (COC) said on Wednesday. Head coach Bev Priestman has also removed herself from coaching the team against New Zealand. Reuters**

**In the first scandal of the Games, a video emerged showing the mistreatment of a horse by one of Britain's most decorated Olympians, dressage specialist Charlotte Dujardin, who has been suspended. The video showed the three-time Olympic champion walking alongside a horse and repeatedly whipping the animal while apparently training a young rider. AFP**

**Men's tennis No. 1 Jannik Sinner withdrew from the Paris Olympics on Wednesday, days before it begins, after falling ill with tonsillitis. The Italian said he was "sad and disappointed" to drop out, adding that he had started feeling unwell on Monday after a practice week in Monaco. AFP**

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## HIGH ON GAMES

Paris buzzes with anticipation ahead of the Olympics



Boria Majumdar

There is an unmistakable buzz in Paris. The French capital has become a global melting pot with athletes and fans from across the world converging here. The anticipation is palpable, especially for the opening ceremony, which promises to be different and inclusive.

"An estimated 3,00,000 people are expected to be there around the Eiffel Tower and the Seine to watch the delegations come down the river," says Christian Klau, Corporate Affairs Director of the IOC.

Fans are particularly excited about the Champions Park, a new addition that will see athletes celebrating their medals and achievements with fans. "I did not get tickets to some of the events because they are either sold out and too expensive. But I plan to spend a lot of time in the Champions Park because it is open to the public and a number of athletes will come here," says a Jamaican fan, who has flown in from London having saved up for the last two years.

The airport arrivals have been handled well by the organisers. Once you reach the Charles de Gaulle (CDG) airport, it doesn't take more than 30 minutes to clear immigration and collect luggage. Surprisingly, language

hasn't been an issue so far. While there is decent branding in the airport, the commute from CDG to the city could have been better done up. Having said that, once you are in the city its Olympics everywhere.

The athletes too are satisfied with what they have in the village. "The best part is we have been told there are baking classes for us if we want. Chefs will teach us how to bake in an attempt to help us relieve stress," says an Indian athlete.

While only a few have taken up the offer so far, the consensus is that the six restaurants set up to serve for dining are top-notch. The Main Press Centre is fully functional. The volunteers speak reasonable English and are efficient in their job. Transportation, a perennial concern, could certainly be improved. However, with 48 hours until the opening ceremony, there is time to smooth out any wrinkles.

Undoubtedly, the highlight was the torch relay. The flame has reached Paris and will make its way to the Olympic Stadium on the 26th. Abhinav Bindra, who took part in the relay and ran with the torch around 4:00pm Paris time, said, "The Olympic torch is a symbol of peace and unity. To be able to do this is always an honour and a privilege. I hope this will be one of the best Games ever and the Indian contingent will have an excellent Olympics." The

event, which was held in Genville, saw an outpouring of fan enthusiasm, with families and children lining the streets to cheer on the runners.

However, there is room for improvement in the organisers' communication. For example, Airline staff both in India and in Dubai and Abu Dhabi are unaware that the media accreditation cards also serve as the visa for Paris. Almost every journalist coming in from India has had an issue with airline officials and immigration staff, leading to questioning and inconvenience.

Better communication from the French embassy and a directive to the airlines and to immigration officials could ease travel hassles. Another issue is the accreditation validation booth at CDG, which closes at 8pm. This has caused a lot of trouble for journalists coming in. Without a validated accreditation, access to transport is unavailable, leaving expensive taxis as the only option.

The greatest global sporting spectacle, the Olympic Games, is finally here. With 24 hours left for the opening ceremony, all eyes are on Paris. After the Covid-affected Olympics Games in Tokyo three years ago, it is a massive relief to see a return to normal. Now to seeing PV Sindhu and Sharath Kamal walk into the stadium carrying the tri-colour and the best Indian campaign of all time with India touching the coveted double digit medal haul.

## Cyclist Sisters Defy Taliban To Fulfil Olympic Dream

Orooj Hakimi & Emma Batha

When Afghan cyclists Yulduz and Fariba Hashimi used to train on the dusty roads at home, men would hurl stones and insults, but their years of hard graft have now paid off, winning the sisters a place at the Paris Olympics.

The Hashimi siblings are the first cyclists — male or female — to represent Afghanistan at the Games. But taking part is about more than chasing medals.

"I want to represent the 20 million Afghan women

who lack even the most basic rights," Yulduz, 24, told Reuters by video call from Switzerland, where the sisters now live. "I hope to be their voice and show the world the conditions Afghan women face and how, despite these challenges, they can achieve great feats."

The Paris Games are the first summer Olympics since the Taliban seized the country in August 2021.

The administration has since imposed harsh restrictions on girls and women, banning them from education, jobs and sport.

With all eyes on Paris, the sisters want to "present a new image of Afghanistan and Afghan women."



Sisters Yulduz Hashimi (L) and Fariba Hashimi (R)

en to the world".

The six-person team — three women, three men — was announced in June: the gender-equal squad a clear message to Kabul. They will compete in the red, green and black of Afghanistan's tri-colour flag, which the Taliban have replaced.

The team was drawn up following talks between the International Olympic Committee (IOC) and senior figures from Afghanistan's National Olympic Committee living in exile.

Yulduz will compete in the women's triathlon on Saturday.

On Aug 4, both sisters will line up with the world's top cyclists near the Eiffel Tower for the women's road race — a gruelling 158-km (98-mile) route with multiple climbs.

### FROM FEAR TO FREEDOM

The sisters were invited to join Afghanistan's national women's cycling team in 2020.

But fears for the safety of women cyclists grew as the Taliban swept through the country in 2021.

By that time, Yulduz was studying literature at university and Fariba was hoping to study medicine.

The sisters fled after the fall of Kabul with the help of Italian former world champion cyclist Alessandra Cappellotto.

They settled in northern Italy, where they resumed their training on the twisty mountain roads of the Little Dolomites. Cappellotto arranged everything from language lessons to contracts with an Italian cycling team.

Reuters

## Don't Do Anything Strange in Preparation Ahead of Olympics, Gopi's Advise to Shuttlers

Amanpreet Singh

India's chief national coach Pallela Gopichand on Wednesday advised the country's shuttlers not to experiment much in their preparation ahead of the Paris Olympics.

India will be represented by seven players across four out of five categories in the badminton competition at the Games. Led by two-time Olympic medalist Sindhu (women's singles), the squad has HS Prannoy and Lakshya Sen (men's singles), Satwiksairaj Rankireddy and Chirag Shetty (men's doubles), and Ashwini Ponnappa and Tanisha Crasto (women's doubles).

"I think the generic message to all the athletes would be to treat it like another match and it's important that you don't do any strange things for preparation; keep it simple and treat it like another game, get the prepara-



tion right and the matches will take care of themselves," Gopichand said. Talking about Sindhu (silver in Rio and bronze in Tokyo), who has not looked at her imperious best since sustaining a stress fracture on her left ankle during the Commonwealth Games in 2022, Gopichand said, "I do believe that she has a bright chance.

She has drawn against the Chinese duo of Xi Bing Jiao and Chen Yu Fei and she has done well against both these players in the past. And, I do expect she will deliver at this Games again."

The chief coach has also pinned high hopes on world No. 3 men's doubles pair of Satwiksairaj Rankireddy and Chirag Shetty.

"The Olympic Games is going to be very tough but we have had good preparation. Mathias Boe has been there as (men's doubles) coach. They (Satwik and Chirag) have been training in Hyderabad and here also we have had good training in the morning with the Chinese Taipei team. We have a couple of sessions more before they get on to the matches, but, overall, happy with their preparations.



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