

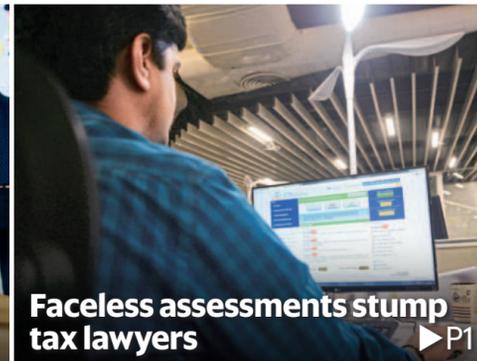
Friday, August 2, 2024

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This is a public announcement for information purposes only and is not a prospectus announcement and does not constitute an invitation or offer to acquire, purchase or subscribe to securities. Not for release, publication or distribution directly or indirectly, outside India. Initial public offer of Equity Shares (as defined below) on the main board of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges") in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").

OLA ELECTRIC

OLA ELECTRIC MOBILITY LIMITED



(Please scan the QR code to view the RHP)

Our Company was incorporated as 'Ola Electric Mobility Private Limited' at Bengaluru, Karnataka as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated February 3, 2017, issued by the Registrar of Companies, Central Registration Centre. Subsequently, our Company was converted to a public limited company and the name of our Company changed to 'Ola Electric Mobility Limited' pursuant to a Shareholders' resolution dated October 5, 2023 and a fresh certificate of incorporation dated November 17, 2023 was issued by the Registrar of Companies, Karnataka at Bengaluru ("RoC"). For further details, see "History and Certain Corporate Matters - Brief History of our Company" on page 227 of the red herring prospectus dated July 26, 2024 filed with the RoC on July 27, 2024 ("RHP" or "Red Herring Prospectus").

Registered Office: Regent Insignia, #414, 3rd Floor, 4th Block, 17th Main, 100 Feet Road, Koramangala, Bengaluru 560 034, Karnataka, India; Tel: +91 80 3544 0050; Website: www.olaelectric.com; Contact person: Pramendra Tomar, Company Secretary and Compliance Officer; E-mail: ipo@olaelectric.com; Corporate Identity Number: U74999KA2017PLC099619

OUR PROMOTER: BHAVISH AGGARWAL

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF OLA ELECTRIC MOBILITY LIMITED (OUR "COMPANY" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹ 55,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 84,941,997 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AGGREGATING UP TO ₹ 55.00 MILLION (CONSTITUTING UP TO [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HERINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●] % AND [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

DETAILS OF THE OFFER FOR SALE

The details of the Top 10 selling shareholders are as below:			
NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*
Bhavish Aggarwal	Promoter Selling Shareholder	Up to 37,915,211 equity shares of face value of ₹ 10 each aggregating up to ₹ [●] million	Negligible*
Indus Trust	Promoter Group Selling Shareholder	Up to 4,178,996 equity shares of face value of ₹ 10 each aggregating up to ₹ [●] million	Nil*
Alpha Wave Ventures II, LP	Investor Selling Shareholder	Up to 3,782,883 equity shares of face value of ₹ 10 each aggregating up to ₹ [●] million	62.38
Alpine Opportunity Fund VI, L.P.	Investor Selling Shareholder	Up to 630,336 equity shares of face value of ₹ 10 each aggregating up to ₹ [●] million	111.51
Internet Fund III Pte Ltd	Investor Selling Shareholder	Up to 6,360,891 equity shares of face value of ₹ 10 each aggregating up to ₹ [●] million	11.70
MacRitchie Investments Pte. Ltd.	Investor Selling Shareholder	Up to 1,354,978 equity shares of face value of ₹ 10 each aggregating up to ₹ [●] million	75.11
Matrix Partners India Investments III, LLC	Investor Selling Shareholder	Up to 3,727,534 equity shares of face value of ₹ 10 each aggregating up to ₹ [●] million	8.22
SVF II Ostrich (DE) LLC	Investor Selling Shareholder	Up to 23,857,268 equity shares of face value of ₹ 10 each aggregating up to ₹ [●] million	51.37
Tekne Private Ventures XV, Ltd.	Investor Selling Shareholder	Up to 975,581 equity shares of face value of ₹ 10 each aggregating up to ₹ [●] million	113.12
Ashna Advisors LLP	Investor Selling Shareholder	Up to 601,828 equity shares of face value of ₹ 10 each aggregating up to ₹ [●] million	71.15

*As certified by B.B. & Associates, Chartered Accountants, by their certificate dated July 26, 2024. *Calculated on a fully diluted basis.

*The average cost of acquisition per Equity Share for Bhavish Aggarwal is below ₹ 0.01.

*The average cost of acquisition per Equity Share for Indus Trust is Nil since 728 equity shares of face value of ₹ 10 each were acquired by way of gift on January 18, 2019 and 141,958,544 equity shares of face value of ₹ 10 each were acquired pursuant to a bonus issue by our Company on December 23, 2021.

For further details, see "The Offer" beginning on page 79 of the RHP.

We are a pure EV player in India building vertically integrated technology and manufacturing capabilities for EVs and EV components. We manufacture EVs and certain core EV components at the Ola Futurefactory. We have delivered seven products and additionally announced four new products. We operate a direct-to-customer omnichannel distribution network across India, comprising 870 experience centres and 431 service centres as at March 31, 2024, and our Ola Electric website.

The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations.
 QIB Portion: Not less than 75% of the Net Offer | Non-Institutional Portion: Not more than 15% of the Net Offer | Retail Portion: Not more than 10% of the Net Offer
 Employee Reservation Portion: Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 55 million

PRICE BAND: ₹ 72 TO ₹ 76 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH

THE FLOOR PRICE AND THE CAP PRICE ARE 7.2 TIMES AND 7.6 TIMES THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY
 BIDS CAN BE MADE FOR A MINIMUM OF 195 EQUITY SHARES AND IN MULTIPLES OF 195 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH THEREAFTER
 A DISCOUNT OF ₹ 7 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION

SINCE COMPANY HAS INCURRED LOSS IN FINANCIAL YEAR 2023 BASED ON RESTATED IND AS SUMMARY STATEMENTS, THE BASIC AND DILUTED EPS IS NEGATIVE, AND HENCE, THE PRICE TO EARNINGS RATIO IS NOT ASCERTAINABLE

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated July 27, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Offer Price" section on page 146 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in the "Basis for Offer Price" section on page 146 of the RHP and provided below in this advertisement.

In making an investment decision, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS

For details refer to section titled "Risk Factors" on page 29 of the RHP

1. **Losses and negative cash flow from operating activities in the past:** We have incurred losses and negative cash flows from operating activities since our inception, including in Fiscals 2024, 2023 and 2022 as set forth in the following table:

Amount in ₹ million

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Loss Before Tax	(15,844.00)	(14,720.79)	(7,841.50)
Net cash used in Operating Activities	(6,330.87)	(15,072.71)	(8,849.54)

Our Material Subsidiaries, OET and OCT have continuously incurred losses since its inception.

2. **Limited operating history:** Incorporated in 2017, we delivered our first electric vehicle ("EV") scooter in December 2021. As we have a limited operating history in manufacturing EVs, there is a limited historical basis on which we can make judgments regarding our ability to develop, manufacture, and deliver EVs or their components or our future results of operations, including our ability to achieve profitability in the future. If we fail to address any or all of the risks and challenges pertaining to EV industry, our business may be materially and adversely affected.

3. **Majority portion of our Objects are towards investment into research and development purposes:** We intend to utilize ₹ 16,000 million out of the Net Proceeds for investment into research and development purposes of our Company, which constitutes a significant portion of the Net Proceeds which we propose to raise pursuant to the Offer. We cannot assure you that such investment into research and development will proceed as planned and result in creation of tangible assets or achieve results as anticipated.

4. **Risk associated with investment in research and development and technology:** We have heavily invested in and plan to continue investing in R&D and technology, including developing our cell manufacturing capabilities through the BIC. There is no assurance that we will realise returns on such investments. The following table sets forth our R&D spend, which comprises intangible assets under development and research costs.

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(in ₹ million, except as stated otherwise)		
Additions to intangible assets under development ⁽¹⁾ (A)	3,061.65	4,216.29	1,601.50
Additions to intangible assets under development as a % of total spend on research and product development (%) (D = A/C)	79.50%	83.05%	91.08%
Research cost ⁽²⁾ (B)	789.41	860.82	156.90
Research cost as a % of total spend on research and product development (%) (E = B/C)	20.50%	16.95%	8.92%
Total spend towards research and product development (C = A+B)	3,851.06	5,077.11	1,758.40
Research and product development as a % of revenue from operations (%)	7.69	19.30	47.09

Notes:

(1) Intangible assets under development are capitalised expenses in the Restated Consolidated Financial Information.

(2) Expenditure on research activities are recognised in the statement of profit and loss of the Restated Consolidated Financial Information. For further details see, "Restated Consolidated Financial Information - Notes forming part of the Restated Consolidated Financial Information - Note 29: Other Expenses" on page 308 of the RHP.

5. **Supply and Pricing risk:** While we manufacture certain EV components, others are sourced from third-party domestic and foreign suppliers. In Fiscals 2024, 2023 and 2022, imported supplies comprised 37.03%, 31.11% and 29.76% of the cost of materials consumed, while domestic supplies comprised 62.97%, 68.89% and 70.24% of the cost of materials consumed. Our Company can experience disruptions in the supply or an increase in prices of components and raw materials, which could result in an increase in the price and impact the delivery timelines.

6. **Ineligibility/ elimination of Government incentives/ subsidiaries:** We benefit from certain government incentives such as the FAME Phase II subsidies, subsidies from the government of Tamil Nadu and goods and services tax reimbursements. Any reduction or elimination of government incentives such as the Electricity Mobility Promotion Scheme, 2024, Automobile PLI Scheme, Cell PLI Scheme, subsidies from the governments, and GST reimbursement or the ineligibility of any of our electric vehicles for such subsidy would increase the retail price of our electric vehicles and could adversely affect customer demand for our electric vehicles and affect our ability to achieve profitability.

7. **Risk related to sourcing of raw materials from China:** We plan to continue to source raw materials from suppliers in China for the purpose of cell manufacturing. We may be exposed to the possibility of product supply disruption and increased costs in the event of changes in the policies, rules and regulations of the Indian or Chinese government, including as a result of any political tensions, which could result in trade tariffs, increased freight charges or prices of cathode active material and anode active material, or a complete halt on imports from China.

8. **Performance and quality related risk:** We design and develop new EV products and certain core EV components in-house, such as the motor and drivetrain, battery packs, electronics and software. We import cells from foreign cell manufacturing companies, and plastic parts, electronic child parts and metal parts from other domestic and foreign suppliers. We cannot guarantee that the components or raw materials sourced will be free from defects or quality issues.

9. **Risks associated to Ola Gigafactory:** We intend to utilize ₹ 12,276.41 million of the Net Proceeds to fund our capital expenditure requirements to expand the Ola Gigafactory's manufacturing capacity. We have also relied on the D&B Report, which provides certain risks like risks in relation to obtaining required approvals from governmental authorities in a timely

manner, technological risk, time and cost overrun in relation to Phase 1(b) and Phase 2 etc. We may experience cost overruns and face significant delays in completing the remaining phases of the Ola Gigafactory.

The Ola Gigafactory will be expanded in phases as set out below:

Sl. No.	Phase	Cumulative capacity*	Expected date of completion and operationalisation*
1.	Phase 1(b)	5 GWh	February 28, 2025
2.	Phase 2	6.40 GWh	April 30, 2025
3.	Further phases	20 GWh	Quarter 2 of Calendar Year 2026

*In terms of the D&B Report

10. **Intellectual property rights risk:** We regard our trademarks, service marks, patents, domain names, trade secrets, proprietary technologies, and similar intellectual property as critical to our success. We have 88 registered patents and 217 patent applications pending in India under the Patents Act, 1970, as of July 24, 2024. We may not be able to protect our intellectual property rights and prevent the unauthorised use of our intellectual property, which could harm our business and competitive position. Further, we do not own the trademark for our brand name 'Ola'.

11. **Product concentration risk:** We derive our revenue solely from the sale of limited electric vehicle scooter models. If our electric vehicle scooters are not well-received by the market, our business could be adversely affected. The following table provides a breakdown of the revenue contribution of each of our EV scooter models in the past three Fiscals:

	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue contribution (₹ million)	Revenue contribution as a percentage of revenue from operations (%)	Revenue contribution (₹ million)	Revenue contribution as a percentage of revenue from operations (%)	Revenue contribution (₹ million)	Revenue contribution as a percentage of revenue from operations (%)
Ola S1 Pro (Gen 1)	16,869.67	33.67%	15,305.84	58.18%	3,177.29	85.09%
Ola S1 Pro (Gen 2)	13,001.22	25.95%	-	-	-	-
Ola S1	1,342.84	2.68%	7,724.05	29.36%	-	-
Ola S1 Air	9,482.67	18.93%	-	-	-	-
Ola S1 X+	5,339.42	10.66%	-	-	-	-

12. **Full warranty cycle has not been completed:** We are yet to complete a full warranty cycle in respect of our EVs. We could, in the future, become subject to warranty claims, resulting in significant expenses, which would in turn materially and adversely affect our financial condition, results of operations, and prospects. In addition, if we are able to increase our sales volumes and expand our product line, in line with our business strategy, we could experience an increase in the number of warranty claims and be required to increase our warranty provisions.

13. **Failure to achieve the Cell PLI Scheme Capacity:** Under the Cell PLI Scheme, we are required to manufacture cells as per the committed capacity specified in our bid and the Programme Agreement. Accordingly, we are required to achieve 1 GWh capacity in the first year in Fiscal 2024 which we achieved on March 22, 2024, 5 GWh capacity in the second year, 10 GWh capacity in the third year and 20 GWh capacity by the fourth year. Pursuant to the Programme Agreement, in the case where we fail to achieve the agreed upon capacity, which is assessed on a quarterly basis, the Government of India has the right to deduct twice the shortfall in the committed capacity from the total subsidy payable to us.

14. **Competition Risk:** In the competitive market in which we operate in, our competitors may be able to source raw materials at lower prices or manufacture their EVs in a more cost-efficient manner. In order to remain competitive in the market, we may be compelled to reduce the prices of our EVs. Such reduction in pricing may in turn adversely impact our ability to achieve profitability as well as our business, prospects and results of operations.

15. **Inadequate access to public charger guns:** Demand for our EVs will depend in part upon the availability of a public charging infrastructure, as EV users must rely on public charging infrastructure to charge their vehicles while travelling. Inadequate access to public charger guns could cause customers to face difficulties in recharging their EVs, particularly during long distance travels. To the extent we are unable to meet customer expectations or experience difficulties in providing our charging solutions, our reputation and business, prospects, financial condition, results of operations, and cash flows may be materially and adversely affected.

16. **Driving range on a single charge of our electric vehicles declines over time:** The driving range of our EVs on a single charge declines principally as a function of usage, time, and charging patterns. According to the Redseer Report, a single battery charge provides a range of 70-115 km on average (for lithium-ion batteries) for E2Ws. Since we only commenced delivery of our first scooter model, the Ola S1 Pro, in December 2021, we are unable to accurately assess the actual deterioration of battery life in the long term. Such battery deterioration and the related decrease in range may negatively influence potential customer decisions whether to purchase our EVs, which may harm our ability to market and sell our EVs

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17. Since the Company has incurred loss in the Financial Year 2024, the basic and diluted EPS is negative and hence, the Price to Earnings ratio is not ascertainable.

18. Weighted Average Return on Net Worth for Financial Year ended 2024, 2023 and 2022 is (63.62)%

19. The average cost of acquisition per Equity Share acquired by the Promoter and Selling Shareholders, as on the date of the Red Herring Prospectus is:

Table with 3 columns: Name of the Promoter / Selling Shareholders, Number of Equity Shares held, Average cost of acquisition per Equity Share (in ₹)*. Rows include Promoter (also the Promoter Selling Shareholder) and Investor Selling Shareholders.

As certified by B.B. & Associates, Chartered Accountants pursuant to their certificate dated July 26, 2024.

The average cost of acquisition per Equity Share for Bhavish Aggarwal is below ₹0.01.

* The average cost of acquisition per Equity Share is Nil since 728 equity shares of face value of ₹ 10 each were acquired by way of gift on January 18, 2019 and 141,958,544 equity shares of face value of ₹ 10 each were acquired pursuant to a bonus issue by our Company on December 23, 2021.

20. Weighted average cost of acquisition of all shares transacted in three years, eighteen months and one year immediately preceding the Red Herring Prospectus is as follows:

Table with 4 columns: Period, Weighted Average Cost of Acquisition (in ₹), Cap Price is 'X' times the Weighted Average Cost of Acquisition, Range of acquisition price: Lowest Price - Highest Price (in ₹). Rows include Last one year, Last 18 months, Last three years.

** Acquisition price of Equity Shares acquired pursuant to bonus, gifts and ESOPs is Nil

21. WACA, Floor Price and Cap Price

Table with 4 columns: Past Transactions, Weighted average cost of acquisition (in ₹)*, Floor Price (in times), Cap Price (in times). Rows include WACA of Equity Shares that were issued by the Company (primary transactions) and WACA of Equity Shares that were acquired or sold by way of secondary transactions.

*As certified by B.B. & Associates, Chartered Accountants, by way of their certificate dated July 26, 2024.

22. The 8 BRLMs associated with the issue have handled 80 public issues in the past three years out of which 21 issues closed below the issue price on listing date.

Table with 3 columns: Name of the BRLMs, Total Issues, Issues closed below IPO Price on listing date. Rows include Kotak Mahindra Capital Company Limited*, Citigroup Global Markets India Private Limited*, BofA Securities India Limited*, Goldman Sachs (India) Securities Private Limited*, Axis Capital Limited*, ICICI Securities Limited*, SBI Capital Markets Limited*, BOB Capital Markets Limited*, Common Issues handled by the BRLMs, Total.

*Issues handled where there were no common BRLMs

BID / OFFER PERIOD

(*) The UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

An indicative timetable in respect of the Offer is set out below:

Submission of Bids (other than Bids from Anchor Investors):

Table with 2 columns: Bid/ Offer Period (except the Bid/ Offer Closing Date), Bid/ Offer Closing Date*. Rows include Submission and Revision in Bids, Submission of Electronic Applications (Online ASBA through 3-in-1 accounts), Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate ASBA applications made through UPI), Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications), Submission of Physical Applications (Bank ASBA), Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and Non-Institutional Investors).

BID/OFFER OPENS TODAY

BID/OFFER CLOSES ON TUESDAY, AUGUST 6, 2024^(*)

Modification/ Revision/cancellation of Bids

Table with 2 columns: Modification/ Revision/cancellation of Bids, Bid/ Offer Closing Date. Rows include Upward Revision of Bids by QIBs and Non-Institutional Bidders categories*, Upward or downward Revision of Bids or cancellation of Bids by RIBs.

* UPI mandate end time and date shall be at 5.00 pm on Bid/Offer Closing Date.

* QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

Post Offer Schedule:

Table with 2 columns: Event, Indicative Date. Rows include Bid/ Offer Closing Date, Finalisation of Basis of Allotment with the Designated Stock Exchange, Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account, Credit of the Equity Shares to demat accounts of Allottees, Commencement of trading of the Equity Shares on the Stock Exchanges.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least one additional Working Day after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company, may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Banks, as applicable.

This is an Offer in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. This Offer is being made through the Book Building Process in compliance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs" and such portion the "QIB Portion") provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Net Offer shall be available for allocation to NIBs of which (a) one third portion shall be reserved for Bidders with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-thirds of the portion shall be reserved for Bidders with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of NIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received above the Offer Price and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders ("RIBs") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts and UPI ID (in case of UPI Bidders using the UPI Mechanism), in which the Bid Amount will be blocked by the SCSBs or under the UPI Mechanism, as applicable to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion of the Offer through the ASBA process. For details, see "Offer Procedure" beginning on page 403 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (for UPI Bidders bidding through UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID and UPI ID available (for UPI Bidders bidding through the UPI Mechanism) in the Depository database. Otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes notification dated February 13, 2020 and read with press releases dated June 25, 2021, read with press release dated September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, investors are requested to see "History and Certain Corporate Matters" beginning on page 227 of the RHP. The Memorandum of Association of our Company is a material document in relation to the Offer. For further details, see "Material Contracts and Documents for Inspection" beginning on page 432 of the RHP.

LIABILITY OF THE MEMBERS OF OUR COMPANY: Limited by shares. AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 83,184,998,850 divided into 4,796,626,443 Equity Shares of face value of ₹10 each, 438,162,753 Series A CCPS, 142,544,269 Series A1 CCPS, 847,075,656 Series B CCPS, 240,823,765 Series C CCPS, 45,044,769 Series C1 CCPS, 150,000,000 Series D CCPS, and 1,658,222,230 Series E CCPS. The issued, subscribed and paid-up Equity share capital of our Company is ₹ 36,870,722,580 divided into 3,687,072,258 Equity Shares of face value of ₹ 10 each. For details of the capital structure of our Company, see "Capital Structure" beginning on page 95 of the RHP.

NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The names of the initial signatories of the Memorandum of Association of our Company along with their allotment are: Allotment of 9,999 equity shares of face value of ₹ 10 each to ANI Technologies Private Limited and one Equity Share to Ola Fleet Technologies Private Limited (nominee of ANI Technologies Private Limited). For details of the share capital history and capital structure of our Company see "Capital Structure" beginning on page 95 of the RHP.

LISTING: The Equity Shares to be Allotted through the RHP are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters each dated February 20, 2024. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A signed copy of the RHP has been delivered and a copy of the Prospectus shall be delivered to the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the RHP up to the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 432 of the RHP.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities stated in the Offer Document. The investors are advised to refer to page 368 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the RHP has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to the page 373 of the RHP for the full text of the disclaimer clause of BSE.

DISCLAIMER CLAUSE OF NSE (the Designated Stock Exchange): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 373 of the RHP for the full text of the disclaimer clause of NSE.

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the investors is invited to "Risk Factors" beginning on page 29 of the RHP.

ASBA* Simple, Safe, Smart way of Application!!!

*Applications Supported by Blocked Amount ("ASBA") is a better way of applying to offers by simply blocking the fund in the bank account. For further details, check section on ASBA. Mandatory in public issues. No cheque will be accepted.



UPI

UNIFIED PAYMENTS INTERFACE

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Bidders in the Retail Portion; (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in the Bid Cum Application Form and abridged prospectus and also please refer to the section "Offer Procedure" on page 403 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. The Bid Cum Application Form and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and together with BSE, the "Stock Exchanges" and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sbiweb/other/OtherAction.do?doRecognisedPF=yes&intmid=35 and https://www.sebi.gov.in/sbiweb/other/OtherAction.do?doRecognisedPF=yes&intmid=43, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. Axis Bank Limited and ICICI Bank Limited have been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Offer related queries, please contact the Book Running Lead Managers ("BRLMs") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail ID: ipo.upi@npci.org.in.

UPI-Now available in ASBA for Retail Individual Investors and Non Institutional Investor applying in public issues where the application amount is up to ₹ 500,000, applying through Registered Brokers, Syndicate, CDPs & RTAs. Retail Individual Investors and Non-Institutional Investors also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021, CBDT Circular No. 7 of 2022 dated March 30, 2022 read with the press release dated March 28, 2023.

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Bidders in the Retail Portion; (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in the Bid Cum Application Form and abridged prospectus and also please refer to the section "Offer Procedure" on page 403 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. The Bid Cum Application Form and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and together with BSE, the "Stock Exchanges" and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sbiweb/other/OtherAction.do?doRecognisedPF=yes&intmid=35 and https://www.sebi.gov.in/sbiweb/other/OtherAction.do?doRecognisedPF=yes&intmid=43, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. Axis Bank Limited and ICICI Bank Limited have been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Offer related queries, please contact the Book Running Lead Managers ("BRLMs") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail ID: ipo.upi@npci.org.in.

BOOK RUNNING LEAD MANAGERS

Kotak Investment Banking logo and contact details for Kotak Mahindra Capital Company Limited.

Citi logo and contact details for Citigroup Global Markets India Private Limited.

BofA SECURITIES logo and contact details for BofA Securities India Limited.

Goldman Sachs logo and contact details for Goldman Sachs (India) Securities Private Limited.

AXIS CAPITAL logo and contact details for Axis Capital Limited.

ICICI Securities logo and contact details for ICICI Securities Limited.

BOOK RUNNING LEAD MANAGERS

SBICAPS Complete Investment Banking Solutions logo and contact details for SBI Capital Markets Limited.

BOBCAPS TRUST | INNOVATION | EXCELLENCE logo and contact details for BOB Capital Markets Limited.

REGISTRAR TO THE OFFER

LINK Intime logo and contact details for Link Intime India Private Limited.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Pramendra Tomar contact details for Pramendra Tomar, Company Secretary & Compliance Officer.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 29 of the RHP before applying in the Offer. A copy of the RHP shall be available on the website of SEBI at www.sebi.gov.in and shall be available on the websites of the BRLMs, Kotak Mahindra Capital Company Limited at https://investmentbank.kotak.com, Citigroup Global Markets India Private Limited at www.online.citibank.com, BofA Securities India Limited at https://business.bofa.com/bofas-india, Goldman Sachs (India) Securities Private Limited at www.goldmansachs.com, Axis Capital Limited at www.axiscapital.co.in, ICICI Securities Limited at www.icicisecurities.com, SBI Capital Markets Limited at www.sbicap.com and BOB Capital Markets Limited at www.bobcaps.in and for National Stock Exchange of India Limited at www.nseindia.com and www.oiaelectric.com and the websites of the Stock Exchanges, for BSE Limited at www.bseindia.com and for National Stock Exchange of India Limited at www.nseindia.com.

AVAILABILITY OF THE ABRIDGED PROSPECTUS: A copy of the abridged prospectus shall be available on the website of the Company, the BRLMs and the Registrar to the offer at www.oiaelectric.com, https://investmentbank.kotak.com, www.online.citibank.com, www.rhtm/citigroupglobalscreen1.htm, https://business.bofa.com/bofas-india, www.goldmansachs.com, www.axiscapital.co.in, www.icicisecurities.com, www.sbicap.com, www.bobcaps.in and www.linkintime.co.in.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of our Company, OLA ELECTRIC MOBILITY LIMITED: Tel: +91 80 3544 0050; BRLMs: Kotak Mahindra Capital Company Limited, Tel: +91 22 4336 0000; Citigroup Global Markets India Private Limited, Tel: +91 22 6175 9999; BofA Securities India Limited, Tel: +91 22 6632 8000; Goldman Sachs (India) Securities Private Limited, Tel: +91 22 6616 9000; Axis Capital Limited, Tel: +91 22 4325 2183; ICICI Securities Limited, Tel: +91 22 6807 7100; SBI Capital Markets Limited, Tel: +91 22 4006 9807 and BOB Capital Markets Limited, Tel: +91 22 6138 9353 and Syndicate Members: Kotak Securities Limited, Tel: +91 22 6218 5410; Investec Capital Services (India) Private Limited, Tel: +91 22 6849 7465 and SBICAP Securities Limited, Tel: +91 22 4227 3446 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, SCSBs, Designated RTA Locations and Designated CDP Locations for participating in the Offer. Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

OLA ELECTRIC MOBILITY LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offer of its Equity Shares and has filed the RHP with the RoC. The RHP shall be available on the website of the SEBI at www.sebi.gov.in as well as on the websites of the Stock Exchanges i.e. BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, on the website of the Company at www.oiaelectric.com and the BRLMs i.e. Kotak Mahindra Capital Company Limited at https://investmentbank.kotak.com, Citigroup Global Markets India Private Limited at www.online.citibank.com, BofA Securities India Limited at https://business.bofa.com/bofas-india, Goldman Sachs (India) Securities Private Limited at www.goldmansachs.com, Axis Capital Limited at www.axiscapital.co.in, ICICI Securities Limited at www.icicisecurities.com, SBI Capital Markets Limited at www.sbicap.com and BOB Capital Markets Limited at www.bobcaps.in. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risks, please see the section titled "Risk Factors" beginning on page 29 of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision but can only rely on the information included in the RHP. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States solely to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside the United States in "offshore transactions", as defined in, and in reliance on Regulation S of the U.S. Securities Act and the applicable laws of each jurisdiction where such offers and sales are made.

SUB-SYNDICATE MEMBERS: Amrampal Capital & Finance Services Limited, Amrampal Capital & Finance Services Limited, Anand Rathi Share & Stock Brokers Limited, Anand Share Consultancy, ANS Pvt Limited, Ashwani Dandia & Co, Asit C Mehta Investment Intermediates Limited, Axis Securities Limited, Centrum Wealth Management Ltd, Choice Equity Broking Private Limited, Dalal & Broacha Stock Broking Private Limited, DB(International) Stock Brokers Ltd, Eureka Stock & Share Broking Services Ltd, Finwizar Technology private Limited, G Raj & Co. (Consultants) Limited, Globe Capital Market Limited, HDFC Securities Limited, IIFL Securities Limited, Jhaveri Securities, JM Financial Services Limited, Jobanputra Fiscal Services Private Limited, Kalpataru Multiplier Limited, Kantilal Chhaganlal Sec Pvt Ltd, Keynote Capitals Limited, KJM Capital Market Services Limited, Lakshminshree Investment & Securities Pvt Limited, LKP Securities Limited, Inventure Growth & Securities Ltd, Marwadi Shares & Finance, Motilal Oswal Financial Services Limited, Motilal Oswal Securities Limited, Niramal Bang Securities Pvt Limited, Nuvama Wealth and Investment Limited (Edelweiss Broking Limited), Patel Wealth Advisors Pvt Limited, Prabhudas Lilladher Private Limited, Pravin Raital Share & Stock Brokers Limited, RR Equity Brokers Private Limited, Sharekhan Limited, SMC Global Securities Limited, Systematix Shares and Stocks (India) Limited, Tanna Financial Services, Trade Bulls Securities (P) Ltd, Way2wealth brokers Pvt Ltd and Yes Securities (India) Limited.

PUBLIC OFFER ACCOUNT BANK: Axis Bank Limited. | REFUND BANK AND ESCROW COLLECTION BANK: ICICI Bank Limited. | SPONSOR BANKS: Axis Bank Limited and ICICI Bank Limited. | UPI: UPI Bidders can also Bid through UPI Mechanism.

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Bengaluru, Karnataka Date: August 1, 2024

For OLA ELECTRIC MOBILITY LIMITED On behalf of the Board of Directors Sd/- Pramendra Tomar Company Secretary & Compliance Officer

Friday, August 2, 2024

mint

Think Ahead. Think Growth.

mint primer

Landslides: Why they are more frequent & lethal

BY SUMANT BANERJI

The landslide in Wayanad in Kerala that has killed over 200 people is one of the biggest natural disasters to have struck the country in recent times. *Mint* looks at the spate of landslides in recent times, why they are on the rise and how, if at all, they can be mitigated.

Landslide-prone states in India

Number of landslides from 1998 to 2022



PRANAY BHARDWAJ/MINT

1 Why is India so prone to landslides?

With the highest mountain range on the planet—the Himalayas that were formed due to the collision of Indian and Eurasian plates—India is among four countries with the highest landslide risks where the annual loss of life per 100 sq km is more than one. The other three countries are Colombia, Tajikistan and Nepal. Around 0.42 million sq. km or 12.6% of land area is prone to landslide hazard in India. Out of this, 0.18 million sq. km is in the Northeast Himalayas; 0.14 million sq. km in Northwest Himalayas; 0.09 million sq. km in Western Ghats and Konkan hills; and 0.01 million sq. km in Eastern Ghats of Aruku area in Andhra Pradesh.

2 What are the main causes of landslides?

The slow northward movement of the Indian plate towards China by about 5 cm every year causes continuous stress on mountain rocks rendering them friable, weak and prone to landslides and earthquakes. The Himalayas are prone to landslides of every kind—big and small, quick and creeping, ancient and new. The onset of the Southwest monsoon is the biggest trigger for landslides throughout the Himalayan range. The increase in frequency and severity is due to urbanization—cutting of trees and forests has changed the topography of the hills, loosened the soil and worsened the climate extremes of recent times.

3 What is the economic impact of landslides?

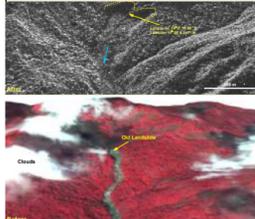
Each year landslides cause economic losses worth billions of rupees. The Geological Survey of India estimates loss due to landslides at 1-2% of gross national product in India. The biggest impact is on farm output as landslides damage crops and forests. They also collapse highways and bridges, cutting off regions and impacting tourism.

4 Is Kerala a hotspot for such calamities?

As per a risk assessment conducted by scientists on the basis of nearly 81,000 landslides recorded between 1998 and 2022 covering 147 districts in 17 states and 2 union territories, Kerala witnessed 6,039 landslides and was the worst-hit among non-Himalayan states. It accounts for the highest number of districts—four—in the top 10 most landslide prone districts in the country, ahead of Uttarakhand, Sikkim and J&K. Expansive agriculture by deforestation, and rising intensity of rains are cited as factors.

5 How can these be mitigated?

We can't prevent landslides entirely but steps can be taken to reduce their severity. Landslides are more frequent due to extreme weather events, environmental degradation and other human activity. There is an urgent need to protect and restore the flora and fauna of these regions which will also help in somewhat reversing the effects of climate change. We can also use technologies like artificial intelligence to identify landslide-prone zones and fence off areas where human habitation or activity can be barred.



Isro has released satellite images of Wayanad landslide.

QUICK EDIT

Virtual bravado

Billionaire Elon Musk has offered to leap into the ring for a slugfest, again, this time to take on Venezuelan President Nicolas Maduro, who dared him on television to an anytime-anywhere match. "I accept," Musk replied to an X user who posted a video clip of Maduro challenging him. "Elon Musk. Whoever messes with me, dries up. Whoever messes with Venezuela dries up... You want to fight? Let's have it... Just say where," the post translates Maduro as having said. Maduro reportedly even instructed security agencies in Venezuela to facilitate Musk's entry, while Musk has linked Maduro's continuation as president to the fight's outcome. "If I win, he resigns as dictator of Venezuela. If he wins, I give him a free ride to Mars," he posted. This exchange comes amid Maduro's controversial election win that many democracy activists (and Musk) have decried. The owner of X had once had a similar public exchange with Facebook's Mark Zuckerberg, who he dared to a caged punch-up that never took place. Businessmen play-acting on social media is one thing, though, while national leaders doing it is odd. But then, the bravado of a duel has long fed the Western imagination.

MINT METRIC

by Bibek Debroy

A thief snorted in disgust,
A Telegana hotel was completely bust.
Finding nothing to steal
He left ₹20 as his seal.
Leaving money for thieves is a must.

QUOTE OF THE DAY

India remains committed to supporting WHO in its work to strengthen traditional medicine systems globally for achieving universal health coverage and serving the entire humanity.

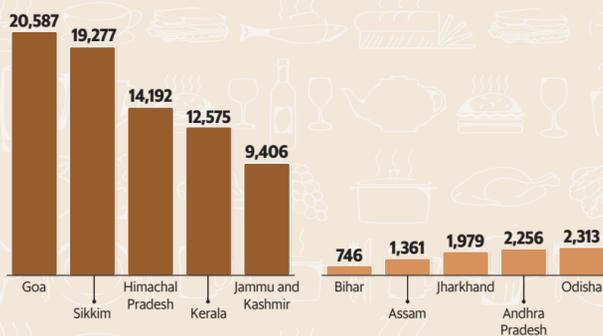
ARINDAM BAGCHI
INDIA'S PERMANENT REPRESENTATIVE TO UN



mint Data Bites

WHICH STATES HAVE THE HIGHEST NUMBER OF RESTAURANTS IN INDIA?

Number of FSSAI-registered food businesses per million people



Data: Shuja Asrar, Design: Satish Kumar
Population as per 2011 census
Source: Food Safety and Standards Authority of India

Top 5

Bottom 5



Data recap: Ola IPO, Sebi F&O move, pulses

CURATED BY PAYAL BHATTACHARYA

Every Friday, Plain Facts publishes a compilation of data-based insights, complete with easy-to-read charts, to help you delve deeper into the stories reported by *Mint* in the week gone by. Top executives and early investors in Ola Electric Mobility are poised to reap significant gains as the company prepares to be listed on the stock exchanges. Meanwhile, the Securities and Exchange Board of India (Sebi) is concerned about the rapid growth in derivatives trading.

IPO Bonanza

Shares owned by top five executives of Ola Electric

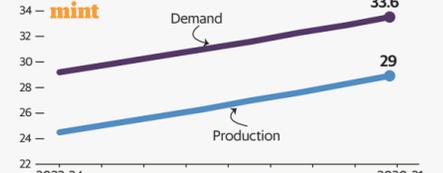
	No. of shares (in million)	Value (in ₹ crore)
Bhavish Aggarwal (CEO, founder)	1,377.66	9,919
Suvonil Chatterjee (CT&PO)	20.94	151
N. Balachandar (SVP and chief people officer, OLA group)	4.88	35
Anshul Khandelwal (CMO, Ola Group)	4.86	35
Vishal Chaturvedi (business head-asset management, Play ops)	4.86	35

Value of shares are calculated based on ₹72 apiece. Source: DRHP filings, Mint research

OLA ELECTRIC'S initial public offering (IPO) today is expected to deliver a bonanza for its top executives and early investors, *Mint* reported. The company is set to become the first homegrown electric vehicle manufacturer to list on the bourses. The top 10 executives are sitting on a potential cash value of ₹10,260 crore, based on the lower end of the ₹72-76 price band. Founder Bhavish Aggarwal stands to gain the most, with his stake valued at nearly \$1.2 billion.

Pulses Puzzle

Pulses estimates for India (million tonnes)



Source: Directorate of Pulses Development, ministry of agriculture and farmers welfare; Unified Portal for Agriculture Statistics

IN BUDGET 2024-25, the Centre reiterated its aim to make India self-sufficient in pulses production. The government had earlier set a target of ending pulses imports by December 2027. However, it faces several challenges, with the import of pulses having grown in FY24. India imported 7-9% of its annual requirement for pulses from 2014-15 to 2022-23, but this rose to 16% in FY24 as weak and uneven rainfall reduced production, an analysis by *hindiindia.com* showed.

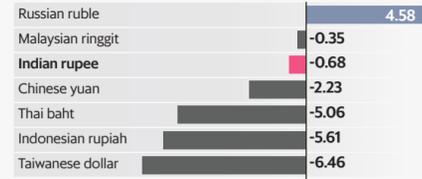
32.72%

UltraTech Deal

STAKE IN India Cements that the Aditya-Birla group-owned UltraTech Cement is set to acquire. The deal has been approved by the board of directors of UltraTech for ₹3,954 crore at ₹390 per share. This is the second time in the past two months that UltraTech has invested in India Cements, having acquired 22.77% equity of the company in June. With the latest investment, UltraTech Cement will become the majority shareholder with a 55.49% stake.

Global Rupee?

Change (%) in value of major emerging market currencies against US dollar in 2024

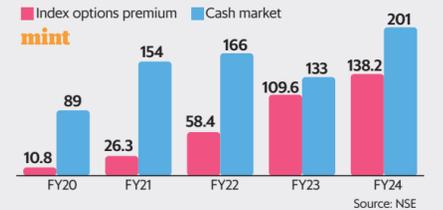


Latest data as of 29 July. Source: Bloomberg, Mint calculations

THE BUDGET reiterated the government's ambition of making the rupee a global currency, but experts warned that this would be a complex, long-term process, *Mint* reported. The Reserve Bank of India (RBI) launched a mechanism to allow trade settlement in rupees in July 2022, and advanced it by December 2023 with the first rupee payment for oil from the UAE. Stability in the rupee this year could prove helpful but several steps will be needed to achieve the ambitious goal.

Derivatives Crackdown

Turnover (in ₹ trillion)



Source: NSE

THE MARKET regulator expressed concern over the rapid growth in derivatives trading, with Sebi chairperson Madhabi Puri Buch remarking that the "tail had grown bigger than the dog". This was followed by the release of a consultative paper aiming to curb excessive retail speculation in derivatives, including futures and options. While index options volumes have surged almost 13-fold since FY20, 85% of index derivatives traders on NSE incurred a net trading loss.

100%

Gaming Gamble

THAT'S THE percentage of foreign direct investment (FDI) the government is considering for the online gaming industry, *Mint* reported, quoting sources. The government is mulling allowing FDI without the need for official approval. However, the proposal will exclude betting and gambling games. While 100% FDI in online gaming was not prohibited, regulatory uncertainties made it challenging for companies to obtain approvals.

Cashing In

Value of shares sold by promoters in BSE 500 firms (in ₹ crore), quarterly

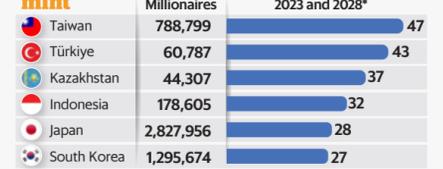


Valuation based on quarterly closing prices. Source: Capitaline, Mint analysis

IN THE first quarter of FY25, promoters of India's top 500 companies sold shares worth ₹61,840 crore, a *Mint* analysis showed. This marks the most aggressive selling spree by promoters in the past nine months, as they capitalise on the ongoing bull market. This trend has been growing over the past year, with previous quarterly sales totalling ₹59,291 crore, ₹24,264 crore and ₹21,858 crore. Most offloading was in banking, pharmaceuticals, technology and construction.

Rising Millionaires

Top 6 countries, by projected growth



*Based on the forecast for 2028 for 36 countries given by Global Wealth Report. Source: Global Wealth Report 2024, UBS

AMID THE debate over income inequality, several countries are expected to see a rapid rise in millionaires, with Taiwan and Türkiye topping the list, per the Global Wealth Report 2024 by UBS. Japan and South Korea are the only countries with at least one million millionaires.

Follow our data stories on the "In Charts" and "Plain Facts" pages on the *Mint* website.



PARAS JAIN/MINT

TOP FIVE FANTASY FILMS

- 1 POOR THINGS**
Platform: Disney+ Hotstar
Language: English
- 2 GHOSTBUSTERS: FROZEN EMPIRE**
Platform: Netflix
Language: English
- 3 IF**
Platform: Prime Video, rental
Language: English
- 4 DAMSEL**
Platform: Netflix
Language: English
- 5 WONKA**
Platform: JioCinema
Language: English

TOP FIVE GUJARATI MOVIES

- 1 KAMTHAAN**
Platform: ShemarooMe
Cast: Hitu Kanodia, Darshan Jariwala
- 2 FAKT MAHILAO MAATE**
Platform: ShemarooMe
Cast: Yash Soni, Deeksha Joshi
- 3 HURRY OM HURRY**
Platform: Prime Video
Cast: Siddharth Randeria, Raunaq Kamdar
- 4 FULEKU**
Platform: Prime Video
Cast: Amit Das, Anang Desai
- 5 CHHELLO SHOW**
Platform: Netflix
Cast: Bhavin Rabari, Bhavesh Shirmali



Friday, August 2, 2024

mint

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Capital gains tax on property: Before 2001 and after ▶ P13



AI firms will soon exhaust most of the internet's data ▶ P12

SENSEX 81,867.56 ↑ 126.22 NIFTY 25,010.9 ↑ 59.75 DOLLAR ₹83.72 ↔ ₹0.00 EURO ₹90.24 ↑ ₹0.41 OIL \$81.77 ↑ \$1.54 POUND ₹106.80 ↑ ₹0.64

Nifty shines at 25,000: Your burning questions, answered

The Nifty 50 blasted through the 25,000 barrier on Thursday, climbing the last 1,000 points with breathtaking speed, in 24 sessions. That's left investors both exhilarated and cautious. It's a testament to India's economic might and investor confidence, but there are also concerns about high valuations and global uncertainties. **Ram Sahgal** and **Dipti Sharma** piece together answers to some key questions on what's fuelled the rally, and whether we need to fret over an asset bubble. (Data and charts by **Niti Kiran** and **Mayur Bhalerao**.)

Also see page 4

Q1. HOW EXACTLY IS NIFTY DOING?

After a period of ups and downs, the market seems to be finding its footing, with volatility taking a backseat. The India Vix was down 2.3% on Thursday, and fell almost 7% in July. Moreover, the benchmark index has stolen the show, outshining key peer indices this year.

Market volatility appears to have largely eased



Nifty outperforms global peers



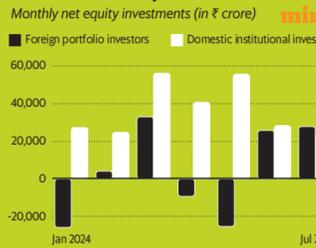
Q2. WHAT HAS DRIVEN THIS RALLY?

What's kept the momentum going is strong flows from domestic investors even when foreign flows were erratic. But now, even foreign flows have turned positive for the last two months. Thursday's rally came on global cues as US Fed's rate cut hint and tech sector revival ignited investor sentiment. "This gave the India market the impetus to finally breach and stay above 25,000," said Andrew Holland, CEO of Avendus Capital Public Markets Alternate Strategies LLP. He added that liquidity is also playing its part in the Indian market.

Nifty has defied gravity, soaring to new heights with impressive returns

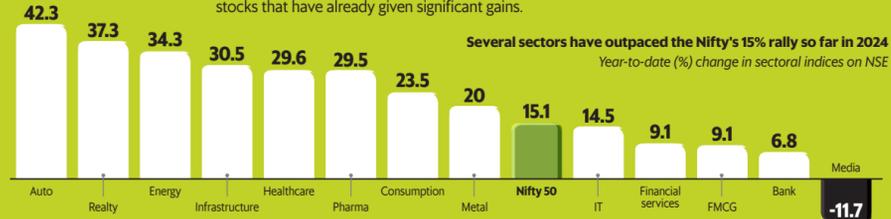


Both domestic and foreign investors have fuelled the recent rally



Q3. WHICH SECTORS ARE HOT AND WHICH ARE NOT?

Auto, realty, and energy are the top-performing sectors in 2024. Shankar Sharma, founder, GQuant Investech, said, "I've been focused on identifying opportunities with reasonable multiples and more immediate earnings rather than earnings that will happen over several years, as is the case with many defence and solar firms." A churn is important to sectors such as small-cap retail, technology and communications, he said, cautioning against keeping one's entire investment in stocks that have already given significant gains.



Sources: Bloomberg, Kotak AMC, Mint calculations

Startup street set to create new founder millionaires

Ranjani Raghavan & Sneha Shah

MUMBAI

Bhavish Aggarwal, Supam Maheshwari and Kunal Bahl will soon join the club of founders who listed their startups in India, cementing the potential of startup founders to create immense wealth not just for themselves, but for their investors and their Esop-wielding employees as well. The three founders will list their companies this month—electric two-wheeler maker Ola Electric, baby products retailer FirstCry, and Unicommerce (a SaaS company that helps businesses in their post-purchase journey), respectively—effectively getting access to greater liquidity through their shares. They will be followed by one more big listing, of food delivery company Swiggy, later this year. Aggarwal, especially, will join an exclusive club of

TURN TO PAGE 6

Will lower-value Ola Electric IPO be a hit? ▶ P4
Ola Electric: It'll have to go strictly by a road-map ▶ P14

DON'T MISS



Tata Motors CNG cars speed up in Q1, electrics shift to slow lane

Tata Motors, India's largest electric passenger vehicle (PV) maker, saw CNG vehicles pulling ahead of their electric peers at a faster pace as the leading alternative fuel of the company in the first quarter (April-June) of FY25. ▶ P6

Byju's not cooperating, says resolution professional

The appeals court hearing a plea against the insolvency process initiated against Byju's has deferred the formation of a Committee of Creditors, even as it was informed that the edtech company and its founder were being uncooperative. ▶ P3

Lenders brace for extended low-cost deposit crunch

Indian banks, grappling with a deposit crunch even after offering higher interest rates in some categories to lure savings, appear to be resigned to a new normal. As of 28 June, bank deposits were up 11.1% y-o-y, lower than the 17.4% growth in credit. ▶ P5

WB warns India against jogaad, says capital deepening needed

The time for jogaad may be over, the World Bank advised India in its annual World Development Report, advocating instead for "capital deepening". It said in sustaining economic growth, middle-income countries such as India are at a crossroads. ▶ P2

Microfinance leader UK push for new Tata Steel assets

Shayan Ghosh
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MUMBAI



Udaya Kumar Hebbar, managing director, CreditAccess Grameen.

Loan stress reared its head at CreditAccess Grameen in the June quarter, as India's largest non-bank micro-lender joined some of its peers navigating a similar landscape. According to Udaya Kumar Hebbar, managing director, collections were delayed due to a combination of movement restrictions during the general elections, and more borrowers turning untraceable as they moved to cities. Stress owing to migration was visible in states such as Rajasthan, Gujarat and Madhya Pradesh, Hebbar said. Earlier, Kotak Mahindra Bank and Ujjivan Small Finance Bank, too, had flagged stress pockets in their microfinance businesses. Drought and heatwaves took

TURN TO PAGE 6

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NEW DELHI



T. V. Narendran, managing director, Tata Steel.

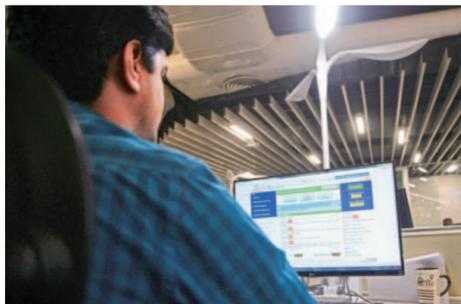
The new Labour government in the UK is willing to offer a bigger grant to Tata Steel if the company builds more downstream assets to employ some of the workers rendered jobless by the shuttering of its ageing blast furnaces. The company is holding similar discussions with the Dutch government, where the country's parliament has agreed to provide fiscal aid to the steelmaker to fund a similar transition at its IJmuiden-based mill, managing director T. V. Narendran said. The Keir Starmer-led government in the UK has told Tata Steel that there's more money on the table if the Indian steelmaker decides to invest in

setting up new downstream assets at Port Talbot steelworks, Narendran said. This will be in addition to the £500 million in grants promised by the previous Rishi Sunak-led Tory government to help fund Tata Steel's £1.25-billion transition to electric arc furnace

TURN TO PAGE 6

Faceless assessments stump tax lawyers

Neha Joshi
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MUMBAI



It is hard to communicate complex tax matters merely over audio, lawyers practising tax cases say.

Out with prejudice and bias, in with speed and transparency - That was the idea behind India's faceless tax assessments, which drew a virtual curtain between taxmen and assessees in 2020. Four years hence, tax lawyers feel the system has made communication harder, with more cases now landing up in court. It is hard to communicate complex tax matters merely over audio, and many cases which are not fully understood by the assessing officers end up in court, lawyers practising such cases said. "Being unable to sight the adjudicating officer during the hearing requires the representative to explain each issue in detail in the absence of visual cues on how the author-

ity is perceiving the submissions," said Abbas Jaorawala, head of direct tax at Khaitan Legal Associates (KLA). Under the faceless assessment scheme (FAS), tax cases are randomly allotted to officers, a contrast from previous days when cases were allotted based on the area of taxpayers' residence. The procedure issued by the Central Board of Direct Taxes for FAS requires the officers to ensure their identity and location are not revealed to the taxpayers. An email sent to a CBDT spokesperson remained unanswered. S. R. Patnaik, head taxation partner at Cyril Amarchand Mangaldas (CAM) said that

since no individual officer is personally responsible for assessment, taxpayers worry whether the issue was adequately explained, whether the officer properly understood the issues, whether any further clarification should be provided, whether the taxpayers' written submissions are being looked into and whether adequate opportunity was granted to the taxpayer during the proceedings. A lawyer narrated a case concerning a disputed amount of ₹17 crore. During the hearing, the assessing officer seemed to have agreed to the lawyer's submissions and did not pose any question. However, when the order came out, the amount of ₹17 crore was added to the tax amount, which prompted the lawyer to move court. In another instance, the

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MINT SHORTS
Govt scheme to provide cashless treatment to road crash victims

New Delhi: The government has formulated a scheme to provide cashless treatment to victims of road accidents caused by the use of motor vehicle and initiated implementation on a pilot basis in Chandigarh and Assam. Parliament was told on Thursday. Union minister Nitin Gadkari said eligible victims are administered health benefit packages relating to trauma and polytrauma care at empanelled hospitals under Ayushman Bharat Pradhan Mantri-Jan Arogya Yojana, up to a maximum of ₹1.5 lakh for a maximum period of seven days from the date of accident. **PTI**

July's power consumption rises 3.5% to 145.4 bn units


New Delhi: India's power consumption rose a meagre 3.5% to 145.4 billion units (BU) in July compared to the year-ago period as rainfall brought down temperatures from the scorching heat. In July 2023, power consumption stood at 140.4 BU. The highest supply in a day (peak power demand met) also rose to 226.63GW in July 2024 against 208.95 GW in the year-ago month. **PTI**

Centre to monitor prices of 16 more food items to stabilize rates

New Delhi: Union food and consumer affairs minister Pralhad Joshi announced that the government will collect and monitor daily wholesale and retail prices of 16 more essential food commodities from Thursday to help it make policy interventions to stabilise rates. The department of consumer affairs has already been monitoring daily prices of 22 essential food commodities from 550 centres across 34 states and UTs. **PTI**

India tea production declines to 142.39 million kg in June


Kolkata: Tea production in the month of June declined to 142.39 million kilogrammes as compared to 145.16 million kg the similar period of 2023. According to the latest data of Tea Board, production at the gardens of North India increased marginally to 117.56 million kilogrammes in June from 116.78 million kg in the similar previous period. **PTI**

2023 Act has no provision for surveillance: MoS Telecom

New Delhi: The Telecommunications Act, 2023 has no provision for telecom surveillance, Parliament was informed on Thursday. Minister of state for communications, Pemmasani Chandra Sekhar said the Centre has prescribed practices and procedures under the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, to protect personal data of users. **PTI**

NMDC's iron ore production falls 11% to 2.17 MT in July

New Delhi: India's largest iron ore miner NMDC on Thursday reported an 11% year-on-year fall in production at 2.17 million tonnes in July. It had produced 2.44 MT of iron ore in the corresponding month of the previous fiscal year. Sales in the reporting month rose to 3.06 MT from 2.91 MT a year ago. The NMDC's cumulative iron ore output in the April-July period dropped to 11.36 MT from 13.15 MT in the corresponding period of the previous fiscal. **PTI**

World Bank warns India against jogaad, says capital deepening needed

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NEW DELHI

The time for 'jogaad' may be over, the World Bank advised India in its annual World Development Report, advocating instead for "capital deepening".

It said in sustaining economic growth, middle-income countries such as India find themselves at a crossroads. Low-income countries can reap growth dividends from building physical capital and attaining basic levels of education.

Consider India in the 1980s,

where capital deepening was key to improving growth—in the absence of capital, enterprises and families made use of technologies that were neither new to the country or new to the world.

"The Indian term jogaad became synonymous for tinkering with limited capital, often in ways that were illegal. But jogaad with scarce capital can only take a country so far—capital deepening is urgently needed at low levels of development."

Middle-income countries, including India, must navigate a complex set of challenges to ascend to high-income status,



The World Bank says the path to high-income status in the 2020s will differ from the past, with the need for policy updates. **AFP**

the World Bank asserted in its latest report.

The *World Development Report 2024: Economic*

Growth in Middle-Income Countries outlines the critical steps needed, such as engineering a steady energy transi-

tion, maintaining competitive markets, and promoting economic equality.

India, currently classified as a lower-middle-income country, is striving to achieve developed economy status by 2047 under PM Narendra Modi.

The report emphasizes the need for large middle-income nations like China, India, and Indonesia to grow while transitioning their energy systems away from coal. This shift is essential for supporting new job creation, fostering innovation, and enhancing production and trade.

The report highlighted the disruptive nature of decarbon-

ization for carbon-intensive industries and regions.

"Just as coal, oil, and natural gas have shaped economic geography, the low-carbon transition is altering patterns of comparative advantage and the drivers of growth and structural transformation in middle-income countries. This implies that the path to high-income status in the 2020s will most likely differ from that of the past, with the potential need for updating policies," the World Bank said in the report.

India has set ambitious targets, including achieving 500 GW of non-fossil fuel energy

capacity by 2030 and reaching net-zero emission target by 2070. However, the country remains heavily dependent on fossil fuels, with government data indicating a 2.44% increase in fossil fuel-based power generation capacity to 243.22 GW in FY24. In contrast, non-fossil fuel capacity, mainly from renewable sources, rose by 10.79% to 190.57 GW during the same period.

The World Bank report has urged countries like Brazil, China, India, and the Philippines to prioritize regulatory adjustments that enable a transition from imitation to innovation.

CORRECTIONS AND CLARIFICATIONS

A1 August, Page 11 'News in numbers' item should have said that 70% of the 60 million people who had opted for the new tax regime had filed their income tax returns so far.

Mint welcomes comments, suggestions or complaints about errors. Readers can alert the newsroom to any errors in the paper by emailing us, with your full name and address to feedback@livemint.com.

It is our policy to promptly respond to all complaints. Readers dissatisfied with the response or concerned about Mint's journalistic integrity may write directly to the editor by sending an email to asktheditor@livemint.com

Centre allows states, UTs to buy rice directly from FCI

Govt wants to clear stocks of grain amid expectations of a bumper post-monsoon harvest

Dhirendra Kumar
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NEW DELHI

The government on Thursday allowed states and union territories that do not produce enough grain to meet their requirements to buy cheaper rice directly from the Food Corporation of India (FCI) without having to go through electronic auctions.

In addition, the sale of cheap atta and rice under the government's 'Bharat' brand, which was slated to run till 30 June will continue after that date.

The move comes against the backdrop of huge stocks of grain lying in government godowns and expectations of a bumper harvest as a result of extensive monsoon season sowing.

This decision to allow purchase of rice directly from the FCI follows tepid demand for grains sold under the Open Market Sale Scheme (OMSS). It is expected to benefit Karnataka, which was stopped from buying rice directly from FCI as well as under OMSS by the Union government last year.

Under OMSS, the government fixes the price of rice and wheat and sells them to bulk buyers such as states and private millers through e-auctions. Under the new plan the FCI will sell rice to state governments at ₹2,800 per quintal from next month as against ₹2,900 earlier.



This decision to allow purchase of rice directly from the FCI follows tepid demand for grains sold under the Open Market Sale Scheme (OMSS). **BLOOMBERG**

"The decision in this regard is taken to reduce the huge surplus of stocks before the new procurement season begins," said Pralhad Joshi, the Union minister for consumer affairs, food and public distribution.

On 25 June, *Mint* reported that the government is considering allowing such a move.

As of 26 July, the combined sown area of key crops—including paddy, pulses, oilseeds, and sugarcane—reached 81.1 million hectares (MH), or 74% of the normal sown area, marking a 2.2% increase compared to the previous year.

Paddy was sown across 21.5 MH,

compared to the normal sown area of 40.15 MH. The area under pulses, such as tur, urad, and moong, saw a significant rise of 14% to 10.2 MH year-on-year, which is expected to boost pulses production in the 2024-25 season.

"If the states/UTs want to procure more than the stipulated 5 kg of free grain per individual, then they can procure that at the same price at ₹2,800 per quintal instead of earlier ₹2,900 per quintal," the minister said.

Currently, the FCI holds 45.57 MT of grain, comprising 32.68 MT of rice stocks and 12.89 MT of grain receivable

from millers, against a buffer requirement of 10.25 MT for 1 October.

The government aims to reduce this surplus of rice stocks before the start of the new procurement season for 2024-25 that usually starts from 1 October.

Last year, the Karnataka government, which is ruled by the Congress party, requested 0.22 MT of rice from the FCI to distribute to all BPL families in the state, providing 10 kg per family per month under the Anna Bhagya scheme.

Although the FCI initially agreed to supply the requested amount, the Union food ministry later cancelled the allocation.

During the last fiscal year, the government's initiative to sell rice to bulk buyers such as rice millers through weekly e-auctions saw a limited response from the traders because of high prices. Only 0.19 MT of rice was sold through the OMSS to bulk buyers at a price of ₹2,900 per quintal.

Usually, the government procures about 12.5-15 MT of surplus rice each year, which is then distributed through the Public Distribution System (PDS), other welfare schemes, and the OMSS, which is controlled by the government.

However, over the past two years, the government has found it difficult to find buyers due to the high prices set under the OMSS.

₹2,800
per quintal is the price of rice to be sold by FCI

0.19 mt
of rice was sold via the OMSS to bulk buyers

More time to reply to breathalyzer rules

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NEW DELHI

The ministry of consumer affairs has decided to extend the last date for submission of comments on the proposed new draft rules for breath analyzers, commonly known as breathalyzers.

Originally set for 26 July, the new deadline is now 16 August, as stated in a government order. The consumer affairs ministry had notified new draft rules on 27 June.

As per the new draft rules, these analyzers must follow standardized testing procedures, ensuring consistent and reliable results across different devices. The standardization is aimed at enhancing public confidence in the fairness and accuracy of enforcement actions.

"Breath analyzers are used in various fields, including law enforcement, where they

measure blood alcohol concentration (BAC) in drivers to enforce drunk driving laws and detect drugs and other substances," the government notification said.

Breathalyzers measure breath alcohol content with the driver having to breathe into it.

This is significant given that cases of drunken driving are on the rise, leading to an increase in road fatalities.

According to data from the ministry of road transport and highways, cases of drunken driving increased from 9,150 in 2021 to 10,080 in 2022. This rise contributed to an increase in road fatalities from 3,314 in 2021 to 4,201 in 2022.

Breathalyzers need to be verified and stamped according to the Legal Metrology Act, 2009, to ensure their accuracy, it said. This will protect people from wrongful penalties due to faulty equipment and maintain the integrity of legal and workplace policies.

Manufacturing sector growth eases

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NEW DELHI

India's manufacturing activity fell slightly in July, amid slower increases in new orders and output. Manufacturing activity had recovered in June after hitting a three-month-low in May.

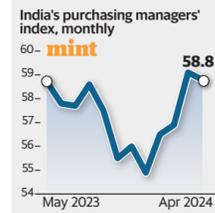
The HSBC final India Manufacturing Purchasing Managers Index (PMI), compiled by S&P Global, stood at 58.1 in July, after clocking 58.3 in June, 57.5 in May, and 58.8 in April. The index is based on responses to questionnaires sent to around 400 manufacturers.

The July reading was slightly lower than the flash projection of 58.5 released last month. However, the index has remained above both its long-term average and the 50-point mark, which separates contraction from expansion, for nearly three years.

"India's manufacturing sector continued to post impressive growth in July, despite slightly softer increases in new orders and output. Key positive developments in the latest results included one of the fastest expansions in international sales for over 13 years and another robust round of job

Slight fall

Manufacturing activity in June improved from May's three-month low



A reading above 50 denotes expansion, while one below 50 indicates contraction. Source: S&P Global, HSBC



Buoyant demand created a ripple effect across the manufacturing industry. **MINT**

creation," the report said. "That said, buoyant demand also exerted pressure on prices. Input costs rose at one of the quickest rates in nearly two years, contributing to the steepest increase in selling prices since October 2013," it added.

The report said buoyant demand created a ripple effect across the manufacturing industry, mainly through a substantial increase in new work intakes. Despite slowing since June,

the pace of sales growth remained sharp as production volumes were raised substantially at the start of the second fiscal quarter, it added.

"India's headline manufacturing PMI showed a marginal slowdown in the pace of expansion in July, but with most components remaining at robust levels, the small drop is no cause for concern," said Pranjal Bhandari, chief India economist at HSBC. "New export orders remain a

bright spot... The continuous increase in the output price index, driven by input and labour cost pressure, may signal further inflationary pressure in the economy," Bhandari added.

The Reserve Bank of India (RBI) has raised its FY25 GDP growth forecast from 7% to 7.2% on the back of improved rural and urban demand and predictions of a normal monsoon.

The monsoon predictions bode well for agricultural output growth, with the government's robust capital expenditure, strong investment demand, and upbeat consumer and business sentiment making the Indian economy resilient, the report said. However, geopolitical tensions and the divergence of monetary policies of major central banks have raised uncertainty.

The RBI's Monetary Policy Committee kept the benchmark rate at 6.25% at its meeting in June. Retail inflation, which spiked to a four-month high of 5.08% in June, presents a challenge to policymakers reducing interest rates. The rise in June was due to higher food inflation, which accounts for nearly 40% of the consumer price basket.



Byju's, founder not cooperating, says IRP

IRP not to appoint CoC until appeals court passes final orders on 2 Aug

Priyanka Gawande & Sowmya Ramasubramanian
MUMBAI/BENGALURU

The appeals court hearing a plea against the insolvency process initiated against Byju's has deferred the formation of a Committee of Creditors, even as it was informed that the edtech company and its founder were being uncooperative.

The National Company Law Appellate Tribunal (NCLAT) took an oral undertaking from the counsel representing the interim resolution professional (IRP) appointed in the case that the CoC would not be formed until the appeals court passes its final orders on 2 August.

The creation of the committee would effectively result in handing over the company's management to its creditors. The resolution professional is responsible for gathering information from Byju's creditors and overseeing the company's operations while the bankruptcy hearings are on.

Appearing for the resolution professional, advocate Pooja Mahajan informed the NCLAT bench that the edtech firm was not cooperating and that its founder and chief executive Byju Raveendran had refused to share details of bank accounts and other data. She added that Raveendran had told the resolution professional the details could not be provided until the appeals forum passes a final order.

Further, Arun Kathalia, senior counsel for Byju's, argued that the resolution professional should be inclined in a 'resolution' for the company, but that wasn't the case.

A bench of Justices Sharad Kumar Sharma and Jatindranath Swain was hear-



Byju's founder and chief executive Byju Raveendran.

ing a plea filed by Raveendran challenging National Company Law Tribunal's order initiating insolvency proceedings against the edtech company over ₹158 crore owed to the Board of Control for Cricket in India.

Raveendran has also sought a stay on the formation of the CoC. On Tuesday, when Byju's announced a likely settlement with BCCI with Riju Raveendran, the founder's younger brother, coming to the rescue, US lender Glas Trust Inc. vehemently opposed it, questioning the source of the funds.

Glas Trust has filed an insolvency application against Byju's over claims on a ₹8,000 crore guarantee given to Byju's US arm.

Senior counsel Mukul Rohatgi, arguing for Glas, on Thursday questioned the settlement details, adding that Byju Raveen-

dran was living in Dubai and his younger brother Riju Raveendran in London.

Rohatgi also cited a US court judgement stating that Riju Raveendran, a suspended director of Byju's, had been ordered to pay a fine of \$10,000 until he helps locate \$533 million that has allegedly been hidden from the company's US lenders.

Earlier, Riju Raveendran through his counsel informed the appeals court that he proposed to settle Byju's dues to BCCI from his personal funds. He said he had got ₹3,600 crore by selling his shares in Byju's parent company, Think and Learn Pvt. Ltd, between May 2015 and January 2022.



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TROUBLED WATERS

THE creation of the CoC would result in handing over the firm's management to its creditors

BYJU Raveendran had refused to share bank accounts details and other data, the IRP said

Manipal's Pai to invest in \$250-mn fund

Priyamvada C.
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BENGALURU

Manipal group chairman Ranjan Pai is likely to invest in the \$200-\$250 million fund of Trident Growth Partners, an investment firm founded by former Premji Invest partner

Atul Gupta, two people familiar with the matter told *Mint*.

Trident's first-ever fund has already received commitments from various other investors. "The discussions are still in a preliminary stage and not much has been decided yet," a person cited above said.

The fund will focus on growth-stage companies and

invest across multiple sectors, including consumer, financial services, enterprise software and tech, industrial and manufacturing, and healthcare.

While Gupta did not respond to *Mint's* request for comment, Ranjan Pai declined to comment.

Besides Gupta, Rajesh Ramiah and Pravan Malhotra are also part of the founding team

of Trident.

Gupta, who announced the fund in July, brings a wealth of experience in overseeing some of India's most renowned startups. Gupta contributed to the growth of startups such as Lenskart, Policybazaar, Mynta, Flipkart, Purple and FirstCry.

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

ITC Limited

Extract of Unaudited Standalone and Consolidated Financial Results for the Quarter ended 30th June, 2024

(₹ in Crores)

Sl. No.	Particulars	Standalone			Consolidated		
		3 Months ended 30.06.2024	Twelve Months ended 31.03.2024	Corresponding 3 Months ended 30.06.2023	3 Months ended 30.06.2024	Twelve Months ended 31.03.2024	Corresponding 3 Months ended 30.06.2023
1	Total Income from Operations	18921.01	73643.57	17704.23	20724.48	79568.33	19361.78
2	Net Profit / (Loss) for the period (before tax and Exceptional items)	6554.74	26323.34	6545.59	6941.09	27147.45	6949.50
3	Net Profit / (Loss) for the period before tax (after Exceptional items)	6551.70	26315.77	6545.59	6938.05	27139.88	6949.50
4	Net Profit / (Loss) for the period after tax (after Exceptional items)	4917.45	20421.97	4902.74	5176.99	20751.36	5189.61
5	Total Comprehensive Income for the period (Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax))	4769.90	22703.03	5325.70	4943.05	23707.02	5810.48
6	Equity Share Capital	1248.47	1248.47	1243.95	1248.47	1248.47	1243.95
7	Reserves (excluding Revaluation Reserve)		70984.83			73258.53	
8	Earnings Per Share (of ₹ 1/- each) (not annualised):						
	1. Basic (₹):	3.94	16.39	3.94	4.08	16.42	4.11
	2. Diluted (₹):	3.93	16.35	3.93	4.07	16.38	4.10

Note:

a) The above is an extract of the detailed format of the Statements of Unaudited Standalone and Consolidated Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Unaudited Financial Results and this extract were reviewed by the Audit Committee, and approved by the Board of Directors of the Company at its meeting held on 1st August, 2024. The full format of the Statements of Unaudited Standalone and Consolidated Financial Results are available on the Company's website (www.itcportal.com) and on the websites of the National Stock Exchange of India Limited (www.nseindia.com), BSE Limited (www.bseindia.com) and The Calcutta Stock Exchange Limited (www.cse-india.com).

b) The Shareholders of the Company at the Meeting held on 6th June, 2024 approved with requisite majority, the Scheme of Arrangement amongst ITC Limited and ITC Hotels Limited (ITC HL) and their respective shareholders and creditors under Sections 230 to 232 read with the other applicable provisions of the Companies Act, 2013 for demerger of the Company's Hotels Business into ITC HL (Scheme).

The Company has filed the petition with the Hon'ble National Company Law Tribunal, Kolkata Bench, seeking its sanction to the Scheme. Further, expenses aggregating ₹ 3.04 Crores incurred during the quarter (twelve months ended 31.03.2024 - ₹ 7.57 Crores) in relation to the said demerger has been disclosed as 'Exceptional Items'.

c) The Limited Review, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been completed and the related Reports have been forwarded to the Stock Exchanges. These Reports do not have any impact on the above 'Results and Notes' for the Quarter ended 30th June, 2024 which needs to be explained.

d) Figures for the corresponding previous periods are re-arranged, wherever necessary, to conform to the figures of the current period.

Registered Office:
Virginia House, 37 J. L. Nehru Road,
Kolkata 700 071, India

Dated: 1st August, 2024
Place: Kolkata, India

For and on behalf of the Board

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Director & Chief Financial Officer
(DIN: 01804345)

Sd/-
Chairman & Managing Director
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HT THE WEEK THAT WAS

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VIT, VELLORE
02nd AUGUST 2024 - FRIDAY
Time : 10.00 AM

CHIEF GUEST

PROF. ANIL D. SAHASRABUDHE
Chairman of National Educational Technology Forum (NETF),
National Board of Accreditation (NBA) and
Executive Committee - National Assessment and Accreditation Council (NAAC)

GUEST OF HONOUR

SHRI. T.R. PARASURAMAN
Chairman, ASSOCHAM Karnataka State Development Council and
Senior Executive Advisor, Toyota Industries Engine India Pvt. Ltd.

DR. G. VISWANATHAN
Founder & Chancellor
will preside.

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Q1 Consol. Revenue Up 7%
Q1 Consol. Net Profit Up 7.8%

IT'S FIZZIN' AMAZIN'!

(₹ in crores, except ratios)

S. No.	Particulars	Quarter ended (30/06/2024)	Corresponding quarter ended (30/06/2023)	Previous year ended (31/03/2024)
1	Revenue from operations	3,349.11	3,130.47	12,404.01
2	Net Profit for the period / year (before tax, exceptional items and share of (loss) / profit of joint venture)	642.65	593.56	2,359.25
3	Net Profit for the period / year before tax (after exceptional items and share of (loss) / profit of joint venture)	642.45	593.36	2,358.74
4	Net Profit for the period / year after tax and share of (loss) / profit of joint venture	494.35	456.61	1,811.31
5	Net Profit for the period / year after tax (after non controlling interest and share of (loss) / profit of joint venture)	500.12	463.88	1,842.68
6	Total Comprehensive Income for the period (comprising profit for the period / year (after tax) and other comprehensive income (after tax))	487.06	443.15	1,750.82
7	Paid-up equity share capital (Face Value of ₹ 1 each)	177.23	177.20	177.20
8	Reserves (excluding Revaluation/capital Reserve)	10,084.84	9,227.08	9,586.58
9	Securities Premium Account	547.68	534.15	534.39
10	Net worth	10,262.07	9,404.28	9,763.78
11	Outstanding Debt	1,304.09	1,394.78	1,365.09
12	Debt Equity Ratio	0.13	0.15	0.14
13	Earnings per share (Face value of ₹ 1 each) (not annualised)			
	(a) Basic	2.82	2.62	10.40
	(b) Diluted	2.82	2.61	10.38
14	Debt Service Coverage Ratio	17.65	21.07	17.39
15	Interest Service Coverage Ratio	24.02	29.39	23.21
16	Other Equity	10,187.36	9,254.00	9,689.10

Notes:
1. Additional information on standalone financial results is as follows:

Particulars	Quarter ended (30/06/2024)	Corresponding quarter ended (30/06/2023)	Previous year ended (31/03/2024)
Revenue from operations	2,514.16	2,347.38	9,135.60
Profit before tax	526.96	494.75	1,966.70
Profit after tax	405.39	377.67	1,509.21

2. The above is an extract of the detailed format of unaudited consolidated financial results for the quarter ended 30 June 2024 filed with the stock exchanges under Regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the standalone and consolidated financial results for the quarter ended 30 June 2024 are available on the Stock Exchange websites (www.nseindia.com) and www.bseindia.com) and Company's website (www.dabur.com).

For and on behalf of Board of Directors
Mohit Burman
Chairman

Place: New Delhi
Date: 01 August 2024
DIN: 00021963

S&P BSE Sensex			Nifty 50			Nifty 500			Nifty Next 50			Nifty 100			S&P BSE Mid-cap			S&P BSE Small Cap		
CLOSE	PERCENT CHANGE		CLOSE	PERCENT CHANGE		CLOSE	PERCENT CHANGE													
81,867.55	0.15		25,010.90	0.24		23,506.60	-0.10		74,294.65	-0.66		26,057.80	0.12		48,247.70	-0.80		54,945.66	-0.70	
PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN	
81,741.34	81,949.68		24,951.15	25,030.95		23,530.80	23,608.85		74,788.10	74,936.70		26,025.60	26,101.10		48,634.46	48,792.75		55,332.24	55,622.61	
HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW	
82,129.49	81,700.21		25,078.30	24,956.40		23,637.75	23,429.55		75,057.30	73,921.30		26,145.60	25,983.65		48,840.75	48,046.78		55,673.54	54,718.65	

MINT SHORTS

Factories struggled in July as demand waned, PMIs show

Manufacturers across Europe and Asia turned in a weak performance last month as factories grappled with tepid demand, surveys showed on Thursday. It was a broad-based downturn in the euro zone while a slump in China's manufacturing activity suppressed its Asian neighbours. British factories bucked the trend and recorded their best month for two years, with output and hiring rising. HCOB's final euro zone manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, held at June's 45.8 in July. It has been below the 50 mark separating growth from contraction for over two years. An index measuring output, which feeds into a composite PMI due on Monday that is seen as a good gauge of economic health, dropped to a seven-month low of 45.6. The Federal Reserve on Wednesday flagged a possible start to interest rate cuts as soon as September if the US economy follows its expected path.

REUTERS



US policymakers face pressure to unwind elevated rates even as inflation holds above pre-pandemic levels AP

CEOs are discussing the Fed on earnings calls at a record pace

The Federal Reserve is a hot topic this week for global investors trying to time interest-rate cuts. It's also—unusually—a prominent feature on Corporate America's post-earnings conference calls. As data flash mixed signals about US growth, market participants are struggling to figure out the path for Fed rate cuts beyond the September meeting. US policymakers face pressure to unwind elevated rates even as inflation holds above pre-pandemic levels and threatens to stifle consumer spending. The words "Federal Reserve" were on track to be mentioned about 380 times on second-quarter calls with analysts, according to a Bloomberg analysis of transcripts of S&P 500 and Stoxx 600 companies. That would be the highest tally ever in the database's records going back to 2001, if the current pace holds. The central bank's impact on economic growth is "a huge factor" for Corporate America right now, said Neil Birrell, chief investment officer at Premier Miton Investors.

BLOOMBERG

Will lower-value Ola IPO be a hit?

Manish Joshi

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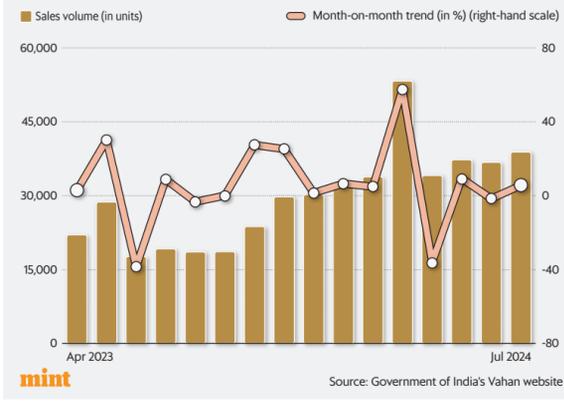
Ola Electric Mobility Ltd's proposed public issue opens on Friday at a scaled-down valuation. The initial public offering (IPO) pricing values India's largest electric scooter maker at \$4 billion, about 25% discount to the valuation based on the last private funding round in September. In fact, the valuation is also sharply lower from as much as \$7 billion that news reports had said the company's founder was initially aiming at, but had received investor pushback. "Cut in IPO valuation to \$4 billion eases valuation risk at 6.8 times FY24 sales versus global EV peers at 3-8 times CY23," according to Incred Research Services. This makes Ola's valuation closer to the higher end of global peer range.

That said, investors need to evaluate the drop in valuation in the context of continuing policy uncertainties in the sector and the relative valuation gap with Hero MotoCorp Ltd.

For Ola, policy uncertainty is a key worry. Currently, there is a subsidy of up to ₹10,000 for electric two-wheeler

Speed bumps

Ola's June 2023 and April 2024 sales fell sharply after changes in subsidy



Source: Government of India's Vahan website

PRANAY BHARDWAJ/MINT

scooter as per EMPS 2024 till September. If the subsidy is not extended, there might again be a sudden drop in sales as was seen twice in the past, once in June 2023 and then April onwards.

Recall that in May 2023, adjustments were made to the incentives provided under the Faster Adoption and

Manufacturing of Hybrid and Electric Vehicles (FAME II) programme, reducing them to ₹10,000 per kilowatt-hour (kwh) and capping them at 15% of an electric two-wheeler's ex-factory price (earlier it was ₹15,000 per kwh with the cap at 40% of ex-showroom price). Ola's retail sales volume, as per

Vahan, in May 2023 were 28,742 vehicles and it took six months to regain this level after sales dropped sharply in June 2023. Ola's sales peaked in March at 53,320 units as FAME II expired and was replaced by Electric Mobility Promotion Scheme (EMPS) in April. Even after four months, sales are still at 38,887 units for July, much lower than

Ola's post-issue valuation works out to a market capitalization (mcap) of ₹33,500 crore at the upper end of the price band of ₹72-76. The company is undisputed leader in electric two-wheeler sales in India with market share of 49% based on Q1FY25 retail sales data. Ather Energy, the next pure-play EV competitor is far behind at 7%. Hero MotoCorp can be

viewed as a proxy play on Ather, given its 40% stake in the latter. Agreed, Hero is the traditional motorcycle company, but still, the valuation premium is wide. Ola's mcap works out to 7x FY24 sales from scooters, excluding trading sales, service revenue, and government incentives. The same figure for Hero, excluding spare part, is 3.5x.

Ola's average selling price for FY24 was ₹1.4 lakh, but gross margin per vehicle was only ₹10,000 even after adjusting the material cost for the sale of traded goods. The corresponding numbers for Hero are ₹56,000 and ₹20,000, respectively. Ola is making net losses as it is still a new company.

Sure, some of the huge gap in valuation can be owing to Ola's own battery cell manufacturing capacity. Indeed, a part of Tesla's success is attributed to it having its own battery cell manufacturing. Ola's prospectus reveals that almost one-third of the production cost of EV is in the form of battery. Ola is the first company to commence operations of cell manufacturing in India on a large scale with 1.4 GWH completed and expected to reach 5 GWH capacity by February.

Notwithstanding this benefit of lower battery cost, investors have to consider that any reduction in policy support could further delay the path to profitability. That would be a tough choice to make.

ON A TIGHTROPE

THE IPO values Ola at \$4 billion, a 25% discount from the last private funding round in September

INVESTORS need to evaluate the drop in valuation in the context of policy uncertainties

Godrej Properties has to make room for either capex or debt

Harsha Jethmalani

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Godrej Properties Ltd has started FY25 on a strong note with pre-sales or bookings in the June quarter rising 283% year-on-year to ₹8,637 crore, aided by the sale of 8.99 million square feet (msf) of area. This is the company's highest-ever Q1 quarterly sales.

A spate of new project launches worth ₹8,600 crore spanning 9.8 msf in markets such as Bengaluru and National Capital Region (NCR), gave pre-sales a boost in the quarter (Q1FY25).

The management is upbeat on demand for housing units sus-

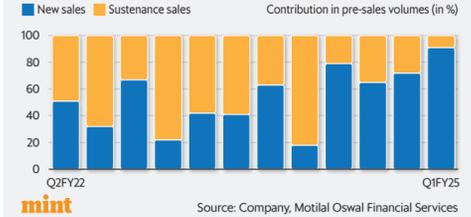
taining and is confident of achieving FY25 guidance of ₹27,000 crore for pre-sales and ₹30,000 crore for launches.

Godrej Properties aims to launch 22 msf of projects/phases in FY25. Here, its diversification efforts are seen working in its favour as they reduce geographical concentration risk unlike some of its peers.

Five big regions—Ahmedabad, Mumbai, Pune, Bengaluru, and NCR—account for 10-24% of the development pipeline and this is likely to ensure steady growth for the company even if it faces a slowdown in any market, said a Nuvama Research report on 31 July.

A shot in the arm

New project launches drove a substantial chunk of Godrej Properties' pre-sales volumes in Q1FY25



Source: Company, Motilal Oswal Financial Services

PRANAY BHARDWAJ/MINT

Q1FY25 collections were softer sequentially at ₹3,010 crore, but the management is confident of meeting its ₹15,000

crore target in FY25. On the business development front, it added two new projects with ₹3,000 crore gross develop-

ment value. The management has guided for ₹20,000 crore business development in FY25.

Some four points for investors are Godrej's patchy operating cash flows and higher net debt, given its elevated land acquisition spending. Its net debt in Q1FY25 rose to ₹7,430 crore and net debt-to-equity ratio was at 0.71 times. Plus, average borrowing cost also rose to 7.9%. So, there are concerns on its free cash flow outlook.

The management is comfortable with net-debt-to-equity ratio of 0.5-1.1 times. The focus will be on generating higher operating cash flows, which will help in paring debt, the manage-

ment said. But the company would need to invest in buying land parcels to drive pre-sales growth to meet FY25 target. In that case, striking a balance between maintaining net debt and land capital expenditure can be a challenge.

Still the Godrej Properties stock has rallied by 55% so far in 2024, in the backdrop of improving pre-sales lately. "Despite the marked improvement in performance, the stock performance has been ahead of business performance, with implied valuations of 14x EV/Ebitda trading at a premium to the peer set," said Kotak Institutional Equities on 1 August.

MCX plans to launch 10 gm gold futures contract soon

Ram Sahgal

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The Multi Commodity Exchange of India (MCX) plans to launch a 10-gram gold futures contract—considered the benchmark for investors and traders—after testing its new integrated commodity market platform.

The gold denomination contract launch will be announced "very soon," along with other new products, a senior official of the exchange said. "We are looking forward to launch some of our approved contracts, i.e. gold 10 gm con-

tract, which will be a monthly cycle, and two agri contracts—crude sunflower oil and cottonseed wash oil," Manoj Jain, COO of MCX, said on an analyst call after its quarterly results on Monday.

Jain attributed the delay in the launch of the 10-gm gold futures contract, despite getting approval from the Securities and Exchange Board of India (Sebi) months ago, to the testing of its new technology platform system developed by software giant Tata Consultancy Services.

"System testing was the reason we were slightly delayed. We are hopeful you will get to know of the launch very soon,"



Gold traders use the 10-gm price as standard. ISTOCKPHOTO

he added. Gold traders and individual investors consider the 10-gm price the standard for the yellow metal and expect the contract to be more popular among retail traders than the existing guinea futures contract (8 gm) and the petal contract (1 gm).

"Individual investors and small jewellers aren't kicked about either guinea or the petal contracts, but they could take to the proposed 10 gm in a more meaningful way as it's the standard price quote," said Amit Modak, CEO of PNG Gadgil & Sons, which hedges its gold price risk on the exchange. Small jewellers typically trade gold of 100-150 gm daily. Individual investors can punt or take delivery of the 10-gm contract through brokers who offer stocks and commodities

under a single roof. "This will be more popular among smaller traders and individuals than the other two small-sized contracts," said Kumar Jain, owner of UT Zaveri, a retail jeweller in Mumbai's Zaveri Bazaar gold market.

Jain explained that everybody considers 10 gm to be the measure for gold prices rather than the 1 gm or 8 gm. MCX runs the country's largest commodity derivatives segment with an almost 98% market share in commodity futures in the June quarter. It was trailed by NCDEX, a National Stock Exchange-led agri-derivatives exchange.

FirstCry IPO may reward top execs, investors

Priyamvada C

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BENGALURU

Top executives and investors at FirstCry, which will list on 13 August, are expected to book big returns in their company's upcoming initial public offer (IPO), an analysis of their draft red herring prospectus (DRHP) by Mint showed.

The price band of Brainbees Solutions Ltd, which runs an omnichannel children's clothing enterprises under the FirstCry brand, has been fixed in the range of ₹440 to ₹465 per equity share of the face value of ₹2. The company has sought a value of \$2.9 billion and the IPO comprises a fresh issue of ₹1,666 crore, and an offer-for-

First come, first served

FirstCry shares owned by the company's top executives

Executive	Share value* (in ₹ crore)	Number of shares acquired (in million)
SUPAM MAHESHWARI (CEO, founder)	1,271.3	28.9
AMITAVA SAHA (Co-founder, FirstCry, CEO, XpressBees)	424.9	9.7
PRASHANT JADHAV (Co-founder and CTO)	308.7	7.0
SANKET HATTIMTATUR (Co-founder and chief of staff)	123.1	2.8

*Share value calculated based on ₹440 apiece. Source: Red Herring Prospectus

SATISH KUMAR/MINT

sale (OFS) of up to 54 million shares. FirstCry's top executives are sitting on a stockpile value of ₹2,227 crore of which the founding team comprising

Supam Maheshwari (CEO), Amitava Saha (former COO), Sanket Hattimatur (chief of staff) and Prashant Jadhav (CTO) alone are worth ₹2,127 crore. The values have been

calculated based on the lower end of the price band.

The rest of the executives were granted stock options over the years, through the company's employee stock ownership plan (Esop) policy.

FirstCry has a vesting period of 4 years with an exercise life of 10 years. Senior employees such as Ajoy Kumar Kar (VP operations) will make ₹4.5 crore, Amitabh Sadasiv (store operations manager) ₹1.32 crore, Anirudh Chaturvedi (CPO) ₹1.93 crore. Arpit Agarwal (VP-merchandising), Megha Arora (AVP-home brands & imports) and Shwetank Gupta (VP-Stockists Business) cumulatively are sitting on a stock pile worth ₹8.89 crore.

Several investors including Mahindra & Mahindra Ltd, Schrodgers Capital, NewQuest and SVF Frog (Cayman) Ltd are expected to make windfall gains from the IPO. Mahindra's average cost of acquiring FirstCry's shares was ₹77.96 and Schrodgers' ₹145.26. NewQuest and SVF's average acquisition cost was ₹133.69 and ₹154.40 apiece, respectively. "Seeing FirstCry and other new age startups filing papers for an IPO has given renewed hope to the startup ecosystem after a rather lacklustre few years for startups in the public markets," said Natasha Treasurywala, partner at Desai & Diwanji. She added that investors are looking at IPOs of sustainable business models with slow but steady growth trajectory to be far more attractive than immediate profitability.

Nifty shines at 25,000: Your burning questions, answered

Continued from page 1

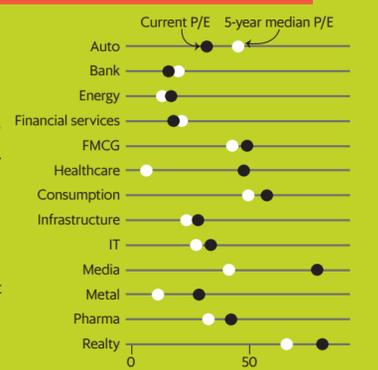
Q4. HOLD ON, BUT COULD THIS BE AN ASSET BUBBLE BUILDING UP?

Nifty's surge raises fears of a bubble, but experts remain calm. "From a valuation perspective, even though we aren't cheap, there is no asset bubble and no need to panic," said A. Balasubramanian, chief executive officer of Aditya Birla Sun Life Asset Management Co. Strong economic fundamentals are driving this rally, as are low interest rates and steady inflation that have enabled earnings growth.

Q5. WHAT ARE THE NEXT MARKET TRIGGERS? SHOULD I BOOK PROFITS?

Market momentum is driven by specific labels and themes. Hereon, Aashish P. Somaiyaa, chief executive officer of WhiteOak Capital Asset Management, expects rotation among sectoral and market capitalization-based preferences on the basis of relative value and a focus on picking stocks based on fundamentals rather than any sectoral or thematic bias. "Outside of this, key triggers to watch will be US economic performance and policy response and geopolitics," he added.

Now that the market has rallied about 27% in the past one year, Nilesh Shah, managing director, Kotak Mahindra Asset Management Co, said, "It's time to take some money off the table if you're overweight on equities. So, from overweight, you get to neutral-weight."



Q6. WHAT COULD PUT BRAKES TO THIS RALLY?

Indian equities rallied on the 'Goldilocks' scenario and expectations of policy continuity, but valuations are high. "Going forward, one can expect bouts of consolidation given that the macro triggers—the elections and budget—have already passed and focus will shift to earnings delivery," said Ashish Gupta, chief investment officer, Axis Mutual Fund. After three years of 20%-plus earnings growth, a slowdown is visible in Q1 and growth is likely to be less than 15% this year, he said. The Nifty 50 ended the day 0.2% up, at 25,010.9 points.

Country	Index	P/E ratio
US*	S&P 500	19.9
India	Nifty	19.8
Japan	Nikkei	19.2
Taiwan	Taiex	16.4
Indonesia	Jakarta Comp	12.5
France	CAC 40	12.4
Germany	Dax	11.7
Britain	FTSE 100	11.6
China	CSI 300	10.7
South Korea	Kospi	8.5
Hong Kong	Hang Seng	8
Brazil	Ibovespa	7.1

*As of 31 July



To read the full story, scan the QR code.



Maruti, Hyundai July sales skid on weak demand

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Leading carmakers Maruti Suzuki and Hyundai on Thursday reported a dip in wholesales in July as companies reduced vehicle dispatches to dealers amid moderation in demand.

Maruti Suzuki India said its total domestic passenger vehicle sales stood at 137,463 units in July against 152,126 units in the year-ago month, down 9.64%. The company's sales of mini segment cars, comprising Alto and S-Presso, were higher at 9,960 units last month compared to 9,590 units in the year-ago period.

However, sales of compact cars consisting of Baleno, Celerio, Dzire, Ignis, Swift and WagonR were lower at 58,682 units compared to 67,102 units in July 2023. Similarly, utility vehicles Brezza, Ertiga, Fronx, Grand Vitara, Invicto, Jimny and XL6 also clocked lower sales at 56,302 last month against 62,049 units in the same period last year, the company said. Rival Hyundai Motor India said its domestic dispatch of vehicles to dealers saw a dip of 3% to 49,013 units last month from 50,701 units in the year-ago period. Tata Motors said its total domestic sales dipped 11% and stood at 70,161 units last month as against 78,844 units in the year-ago period.

Mahindra & Mahindra however reported a 15% increase in passenger vehicle sales in the domestic market to 41,623 units last month against 36,205 units in the year-ago period. Kia India said its domestic sales rose 2.5% year on year to 20,507 units in July as compared with 20,002 units sold in July 2023. In the two-wheeler space, Bajaj Auto said its total domestic sales (including commercial vehicles) rose 18% to 2,10,997 units in the last month compared to 1,79,263 units sold in the same month last year. TVS Motor Company said its domestic two-wheeler sales grew 8% to 2,54,250 units in July over 2,35,230 units in the year-ago period.

Margin pressure pushing banks to go slow on lending

Over the past 3 months, incremental credit offtake has lagged deposit growth, a report said

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Indian banks, grappling with a deepening deposit crunch, now expect the slowdown to trickle down to credit growth as well, forcing a normalization in lending.

While the Reserve Bank of India (RBI) has been warning against unprecedented growth in certain lending buckets, banks have been reluctant to slow down given the strong demand for credit and healthy portfolio quality.

However, the pressure on margins owing to the cumulative impact of elevated deposit rates for a prolonged period and consistently falling share of low-cost deposits is now pushing banks to go slower on lending to align credit growth with the pace of the rise in deposits.

Axis Bank Ltd's chief executive Amitabh Chaudhry said during the company's recent earnings call that credit growth is now expected to converge with the level of deposit growth—of about 13%—in 2024-25.

Sequential loan growth for banks that have reported first-quarter results so far was in the range of 0.7-5.4%. In comparison, deposit growth was a mixed bag, with several banks seeing a contraction of up to 2% while a few others saw a growth of as much as 5.4%.

CareEdge Ratings said in a report that credit and deposit inflows over the past three and six months showed that incremental credit offtake has lagged deposit



The proportion of current and savings account deposits at banks has shrunk and bankers say this situation may persist for some time.

growth. The credit-to-deposit ratio from January is about 70%, and from March, about 54%, CareEdge stated, adding that bank credit offtake could "face challenges and is likely to be tepid for the year".

To be sure, deposit growth still trails credit growth amid a structural shift in savings habits in favour of higher-yielding options. As of 12 July, bank deposits were up 11.3% year-on-year (y-o-y), up from a 11.1% rise in the preceding fortnight. But growth in loans had slowed to 14% from 17.4% as of June-end. A robust CASA ratio is crucial for banks and signifies access to funds at lower cost—essential

to offer competitive loan rates while maintaining healthy interest margins.

The share of low-cost current and savings accounts (CASA) deposits for most banks that have declared their fiscal first-quarter results has fallen by up to six percentage points y-o-y, and by three percentage points sequentially, to 29-43% as of 30 June. One percentage point equals 100 basis points (bps). State Bank of India managing director Ashwini Kumar Tewari said last week that though the system-level CASA ratio is about 40%, the actual share of low-cost deposits with banks is just over 30%,

considering the sweep facilities (where funds are automatically transferred from one account to another) and high savings rates on certain deposits.

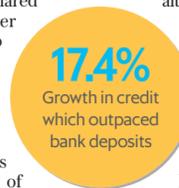
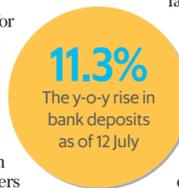
This, he added, puts pressure on banks to meet their funding requirements. While current account deposits do not offer interest, lenders have increased rates on certain high-value savings accounts and fixed deposits. As a result, the cost of deposits for banks increased by 4-5 bps on-year to 4.8-6.5% in the June quarter, impacting margins.

RBI governor Shaktikanta Das recently said that slower growth in deposits, the worst in about two decades, relative to credit expansion could "expose the system to structural liquidity issues".

"The current regulatory concerns stem from the fact that there could be structural changes happening which banks need to recognize and, accordingly, devise their strategies," Das said, adding that this necessitates continuous improvement in credit underwriting standards and risk pricing.

Das said the increased reliance on alternative funding sources such as short-term borrowings and certificates of deposit makes banks more sensitive to interest rate fluctuations and complicates liquidity risk management. As of 28 June, bank deposits were up 11.1% y-o-y, lower than the 17.4% growth in credit.

A significant portion of the deposit growth was driven by time or fixed deposits, reflecting customers' preference for higher-yielding investments.



Cognizant beats Q1 estimates, signals challenges ahead

Jas Bardia
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BENGALURU

Cognizant Technology Solutions Corp. reported better-than-expected growth for the June quarter, fuelled by improving business from financial institutions and healthcare companies, but signalled that the market for technology services remains challenging.

The company's management, in a post-earnings call, maintained a muted commentary, raising questions if Cognizant can maintain its growth, also because of its biggest headcount decline in a three-month period.

"Although the demand environment remains challenging and clients' discretionary spending behaviour is unchanged from recent quarters..." chief executive officer Ravi Kumar S. said in a post-earnings interaction with analysts.

Nasdaq-listed Cognizant reported a 1.9% sequential rise in revenue in the April-June quarter at \$4.85 billion. On a yearly basis, however, its revenue declined by 0.74%. Still, its performance edged past the median expectations of 25 analysts polled by Bloomberg, who had projected \$4.8 billion in revenue.

Teaneck, New Jersey-headquartered Cognizant follows

Sector trends		
Financials of top IT firms as of the three months ended June 2024.		
	Revenue (\$ bn)	Q-o-q change (in %)
TCS	7.51	1.9
Infosys	4.71	3.3
Cognizant*	4.85	1.9
HCLTech	3.36	-1.9

*Cognizant follows a January-December financial calendar, whereas Indian IT services companies follow a April-March financial calendar. Source: Company filings

January-December as its accounting year.

Financial institutions fuelled as much as 69% of the company's \$90 million incremental revenue for the June quarter. Cognizant's largest cash cow, its health sciences business, added \$45 million in

incremental revenue, giving the company \$1.46 billion in revenue.

Together, these two verticals account for 60% of Cognizant's overall revenue.

The information technology company had narrowed its growth outlook in the previous quarter. It now expects to end 2024 with \$19.3-19.5 billion in revenue. Bengaluru-based Infosys Ltd, on the basis of its constant currency guidance, expects to end the year with \$19.3 billion in revenue as well.

Adani Enterprises to transfer Adani Wilmar stake to its shareholders

Nehal Chaliawala
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MUMBAI

Adani Enterprises (AEL) will transfer its stake in Adani Wilmar (AWL) to its shareholders, the company said Thursday, in a move that will end its joint venture with the Wilmar Group and simplify the group's shareholding structure.

Shareholders will receive

251 shares of Adani Wilmar for every 500 Adani Enterprises shares they hold.

"The food FMCG business has become self-sustained, performing well and poised for further growth under AWL. For AEL, this arrangement will not only unlock the value for shareholders but also allow focused strategy for sustainable growth in its incubating businesses," Adani Enterprises said in a press statement.

Adani Enterprises holds a 43.94% stake in Adani Wilmar through Adani Commodities LLP. Post the restructuring, the shareholders of Adani Enterprises will directly own Adani Wilmar shares.

The Adani Group flagship firm on Thursday reported a more than two-fold surge in its consolidated net profit for the April-June quarter at ₹1,458 crore. Revenue from operations grew 13% on-year to

₹26,067 crore. Earnings before interest, tax, depreciation, and amortization (Ebitda) during the June quarter rose 48% to ₹4,300 crore.

"Adani Enterprises Ltd is further expanding its position as India's leading business incubator and a global model in infrastructure development," said Gautam Adani, the chair of the Adani Group. "The substantial growth in

our Ebitda, driven by the exceptional performance of the ANIL ecosystem, our airport operations and our road construction business, underscores our commitment to operational excellence and sustainable value creation.

The combination of best-in-class management practices, state-of-the-art technologies, high ratings and fully-funded growth strategies, ensures that AEL continues to set new

national and international benchmarks," he said. Adani New Industries Ltd is an internal division of AEL.

The company's solar manufacturing business saw a 125% year-on-year (y-o-y) growth in sales to 1,379 megawatts. While exports doubled y-o-y, domestic sales grew 2.5 times.

The AdaniConnex data center business saw 89% completion of construction of its Noida centre, 94% completion

in Hyderabad and 20% and 38% for its two units in Pune.

Adani Airports added 8 new routes, 6 new airlines and 13 new flights during the quarter.

The roads business saw highest-ever 730 lane-km construction done during the quarter. Ganga Expressway construction crossed the half-way mark while three out of ten under construction projects were more than 80% completed during the quarter.



Escorts Kubota Limited

Extract of Standalone And Consolidated Unaudited Financial Results for the quarter ended June 30, 2024

Sl. No.	Particulars	₹ In Crores							
		Standalone Results				Consolidated Results			
		3 Months ended		Year ended		3 Months ended		Year ended	
		June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024	June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
1	Total revenue from operations	2,292.54	2,082.47	2,327.74	8,776.74	2,309.95	2,093.53	2,355.17	8,849.62
2	Net Profit for the period (before Tax and exceptional Items)	388.06	323.72	378.61	1,389.80	391.28	332.67	386.34	1,401.02
3	Net Profit for the period before tax (after exceptional Items)	388.06	323.72	378.61	1,389.80	391.28	332.67	386.34	1,401.02
4	Net Profit for the period after tax (after exceptional Items)	289.55	242.07	282.81	1,037.15	293.13	251.89	289.89	1,049.08
5	Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)]	290.75	241.90	283.37	1,037.17	294.25	251.56	290.32	1,049.74
6	Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax) after non-controlling interest]	290.75	241.90	283.37	1,037.17	294.22	251.57	290.33	1,049.77
7	Equity Share Capital	110.50	110.50	110.50	110.50	110.50	110.50	110.50	110.50
8	Other Equity				9,103.26				9,065.80
9	Earnings Per Share of ₹ 10 each:	not annualised	not annualised	not annualised		not annualised	not annualised	not annualised	
	(1) Basic (₹)	26.69	22.33	23.18	92.79	27.02	23.23	26.76	96.80
	(2) Diluted (₹)	26.66	22.29	23.16	92.64	26.99	23.20	26.73	96.64

Notes:
1 The above standalone and consolidated financial results for the quarter ended June 30, 2024 were reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on August 01, 2024.
2 The figures for the quarter ended March 31, 2024 are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the year ended March 31, 2024.
3 The above is an extract of the detailed format of quarter ended financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the same are available on the Stock Exchanges websites www.bseindia.com and www.nseindia.com and on the Company's website www.escortskubota.com.

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CIN - L74899HR1944PLC039088

For Escorts Kubota Limited

Nikhil Nanda
(Chairman and Managing Director)

Place : Faridabad
Date : 01/08/2024

WBD sport network to not rely on cricket

Varuni Khosla
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NEW DELHI

Warner Bros Discovery (WBD) is building a sports network without relying on marquee cricketing events, as it aims to reach a wider audience and avoid the high cost and commoditization associated with major cricket leagues.

It has announced a three-year agreement with MotoGP until 2026 with Dorna Sports, the exclusive media rights holder of the event globally, and offers a variety of sports content like boxing, wrestling, and badminton in its bid to carve an identity that is distinct from channels that mainly broadcast cricket.

The American media and entertainment company will continue to focus on niche sports through its Eurosport channel, even as it diversifies sports content beyond the select cricket events that its broadcasts, Arjun Nohwar, managing director, South Asia, Warner Bros Discovery, told *Mint* in an interview.

The channel launched in India in 2017, and is a linear sports channel, or one that is not available digitally on an over-the-top (OTT) platform for live sports. "Our goal in broadcasting sports is to reach a larger audience and airing cricket will make us just another channel... We want the channel to stand for something fans want," Nohwar said.



Scan the QR code to read an extended version of this story.

Tata Motors CNG cars speed ahead, EVs shift to slow lane

Net profit jumps 73.8% to ₹5,566 crore in June quarter; revenue rises 5.7% to ₹1,08,048 crore

Alisha Sachdev
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NEW DELHI

Tata Motors, India's largest electric passenger vehicle (PV) maker, saw CNG vehicles pulling ahead of their electric peers at a faster pace as the leading alternative fuel of the company in the first quarter (April-June) of FY25.

This happened in the backdrop of the company reeling from the effects of a pull-back of government subsidies on electric four-wheelers sold to commercial fleets, with subdued electric passenger vehicle demand making things worse.

Electric vehicle (EV) sales for Tata Motors were down 14% year-on-year (y-o-y) to 16,379 units for the quarter ended June. In July, EV sales dropped even more, 21% y-o-y.

Further, conventional passenger vehicles (PVs) also saw a 6% y-o-y fall in sales in Q1, even as the company announced impressive revenue and profit growth for the quarter on the back of sales of its luxury car unit, Jaguar Land Rover.

"FAME-II incentives not being there in the first quarter and July does impact fleet sales and that amounts to a substantial portion of our portfolio, so it's quite logical there's been an impact of that," group chief financial officer P.B. Balaji said in a post-earnings conference call on Thursday, in response to a question on why the company's EV sales were lagging.

Sales to fleet customers like Uber and BluSmart account for 20% of Tata Motors' total EV volumes, Balaji added.

While EVs accounted for 12% of the company's total PV sales in the April-June quarter, remaining stagnant at the levels seen in the previous quarter, CNG models have strengthened their posi-



Tata Motors has reported a 14% drop in electric vehicle sales for the June quarter and a 21% decline in July, indicating a slowdown in the EV segment. REUTERS

tion as the company's leading alternative fuel portfolio. Sales of CNG cars comprised 22% of Tata Motors' total sales in Q1, up from 16% in the March quarter.

The electric four-wheeler segment has been kept outside the demand-subsidy framework since 31 March, with the

recent months both in India and globally.

"Fleet sales would have also gotten impacted due to subsidy removal," said Kale. "We are getting into interesting times, as many other competitors are slated to launch their EV products in the next 8-12 months, and demand trends

enough and more noise is there to get the buzz back in the market. We remain confident from here on for the overall demand, along with the FAME incentives likely to come in the coming months, we should expect fleet to build back as well," he added.

Tata Motors reported a 73.8% y-o-y surge in its net profit to ₹5,566 crore on a 5.7% y-o-y revenue growth to ₹1,08,048 crore in Q1FY25, the company said on Thursday.

Jaguar Land Rover, the automaker's British luxury car subsidiary, saw sales increase by 5.4% with improved EBIT (earnings before interest and taxes) margins, and the CV business saw revenue growth of 5.1%.

The passenger vehicle segment, on the other hand, faced challenges leading to a 7.7% revenue decline, even though its Ebitda (earnings before interest, tax, depreciation and amortization) margin improved to 5.8%. Overall, the company benefited from robust JLR sales, optimized product mix, and reduced raw material costs.

"JLR earnings were positive at the EBIT margin level as a superior mix of Range Rover and Range Rover Sport, and lower contribution from Jaguars (lowest contribution in the quarter at around 8%) resulted in a strong 4% quarter-on-quarter (q-o-q) jump in average selling price (ASP), along expected lines," Kale said.

He added that the India CV margins also improved as Tata Motors' q-o-q dip was lower than what was seen at Ashok Leyland. "India PV results were disappointing as weaker mix q-o-q led to lower than estimated margins and ASPs," he added.

Balaji said buyers for its CNG and EV products don't often overlap and come with different segments with different needs.

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

NOT SO ELECTRIC

REMOVAL of subsidies for e-4Ws sold to commercial fleets has worsened the situation

ELECTRIC four-wheelers accounted for 20% of Tata Motors' electric vehicle sales

CNG vehicles are outperforming EVs in Tata Motors' portfolio, in a shift in consumer likes

THE carmaker's overall performance is positive due to strong CV sales and that of its arm JLR

expiry of the FAME-II scheme, which offered incentives to fleet customers on the purchase of EVs.

Industry experts told *Mint* that retail demand for EVs remains a challenge. Jay Kale, senior vice president at equity research and brokerage firm Elara Capital, said EV volumes have been muted in

will be keenly monitored for the category."

"We're signalling that we do expect (demand) to recover from here on, and particularly with the festive demand coming up, we should expect to see that back," Balaji said. "There's enough launch activities also planned, so

weaker mix q-o-q led to lower than estimated margins and ASPs," he added.

Balaji said buyers for its CNG and EV products don't often overlap and come with different segments with different needs.

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

MOVES

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

Achal Lohade	Appointed as Executive Director Institutional equities at Nuvama Wealth
Aditya Goenka	Appointed as MD and Head Corporate and Structured Finance India at HSBC India
Amit Chopra	Appointed as Chief Executive Officer - India, South Asia and Middle East at Cotecna Inspection
Ankit Gadia	Appointed as Chief Financial Officer at Elasticrun
Bikram Sherawat	Appointed as President and COO at OnMobile
CR Srinivasan	Appointed as Chief Executive Officer at Sify Digital Services
Cyrus Pithawalla	Appointed as Head Construction at Poonawalla Group
Gagan Sehgal	Appointed as Deputy CEO at Lal's Group
Gurpreet Singh	Appointed as Head HR at Wiom
Kumar Bansal	Appointed as Chief Digital Officer at Mankind Pharma
Mahima Kaul	Appointed as Public Policy Director India at Netflix
Monojit Mukherjee	Appointed as Director External Affairs India and Neighbouring Countries at Bacardi
Nandadeep Jayakar	Appointed as SVP & Business Head Footlocker India at Metro Brands
Nitesh Aggarwal	Appointed as Chief Strategy Officer at Tech Mahindra
Prakhar Kasar	Appointed as Chief Executive Officer at Hero Vired
Ritesh Kumar	Appointed as Chief Executive Officer at Eastman Exports
Souvik Maitra	Appointed as Executive Director Strategy & Transformation at Deloitte

Source: Accord India, executive search worldwide



From left: Supam Maheshwari, Kunal Bahl, and Bhavish Aggarwal.

Startup IPOs set to turn more founders into millionaires

FROM PAGE 1

startup billionaires, which includes Deepinder Goyal of Zomato and Falguni Nayar of Nykaa. Aggarwal's stake in Ola Electric is worth at least ₹9,900 crore (\$1.1 billion), as per *Mint's* analysis of data from its red herring prospectus.

In addition, Aggarwal owns stakes in Ola Cabs and Krutrim AI, both unicorns (startups with valuation of a billion dollars or more).

To be sure, many other Indian startup founders are billionaires by virtue of their private holdings. These include broking business Zerodha's Nithin and Nikhil Kamath; Zoho's Vembu sibilings Sridhar and Radha; and Sachin and Binny Bansal, who burst into the billionaire club after they cashed out their stakes in Flipkart.

However, unlike privately held companies, listed companies provide greater liquidity to their founders.

Maheshwari and Bahl will also be sitting on hundreds of millions. Maheshwari sold ₹300 crore worth of FirstCry shares this January, and his balance 5.94% stake will be worth at least ₹1,271 crore (\$151 million) at ₹440 apiece, on the lower end of the price band.

Other co-founders of FirstCry also own stakes that will

make them millionaires—Amitava Saha (₹424 crore), Prashant Jadhav (₹308 crore) and Sanket Hattimattur (₹123 crore). Further, more than 30 employees, including Maheshwari, will offload over 7.5 million shares in the offer for sale.

Maheshwari told *Mint* that young entrepreneurs will take inspiration from the several startups that have gone public. "It is also a ratification of venture capitalists and private equity investors; that they can put their money to use in this country," he said.

Bahl, who has seen teething troubles while building e-commerce platform Snapdeal, is not selling any part of his stake in the OFS, but the Unicommerce listing will unlock the potential to liquidate his stake in future.

In an interview with *Mint*, Bahl, who owns stake in Unicommerce through Snapdeal (now called Ace Vector) as well as through Titan Capital, called the listing a "poignant moment".

To be sure, startups have created wealth for a rising number of employees, too, who are able to cash their employee stock options or Esops for shares and create generational wealth.

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

request for personal hearing not approved, increasing challenges to these orders in courts.

"Taxpayers cannot physically file submissions, but they have to ensure the same is taken into account before passing any order. This can be problematic if the taxpayer faces an adverse outcome due to their advocates' poor drafting, as there is no room to furnish clarifications," said Bansal. This, he said, leads to writ petitions in courts on the grounds of violation of principles of natural justice. Bansal suggested assessing officers permit physical submissions or hearings depending on the complexity involved.

However, a senior official with direct knowledge of the process had a different take. "The faceless assessment and appeal scheme with dynamic jurisdiction is meant for inter-

CA Grameen flags rise in stress

FROM PAGE 1

mid-June this year.

"We observed different kinds of stress; at some places, it was migration in search of jobs and in some, it was a case of borrowers being overleveraged. These are transitory in nature and should return to normalcy in the next two to three months," Hebbar said.

When people migrate to cities, it becomes harder to track them and recover loans, Hebbar said. "They may come back later, but they would have turned non-performing assets (NPAs) by the time they return, and it is a common phenomenon in villages that during summer, people go to cities and after the rains, they return to the villages," he said.

CA Grameen's problem is not an isolated one. Private lender Kotak Mahindra Bank has seen delinquencies and collection setbacks in parts of Tamil Nadu, Madhya Pradesh, Maharashtra, Uttar Pradesh and Rajasthan. Manish Kothari, head of commercial banking at



CA Grameen's gross bad loan ratio, was 1.13% in June. MINT

Kotak Mahindra Bank said these are areas which may have been affected as the monsoons were erratic last year with floods and pockets of drought.

"Then, of course, there has been an impact of (the) heatwave in the first quarter of this year and some degree of restricted movement of people during the course of election and hence, some of the northern states were hit largely because of that. Pockets of Tamil Nadu, Maharashtra, Madhya Pradesh were

(impacted) because of monsoon as well," Kothari told analysts on 20 July.

Another lender, Ujjivan Small Finance Bank, recently reduced its loan growth guidance for FY25 to 20%, from 25% earlier. This was reported to be on the back of stress in certain areas.

CA Grameen's gross bad loan ratio, measured as loans that are overdue by more than 90 days, was at 1.13% as on 30 June, up from 0.94% as on 31 March. "We provide for loans as NPA at 60 days, as against 90 days by the industry norms. Because we recognize early, our credit cost is comparatively higher," Hebbar said.

Experts said many borrowers have become over-leveraged due to a mushrooming of unregulated lenders. While the regulator has issued guidelines that monthly loan repayments should not exceed half of the overall household income, unregulated entities would not be as compliant.

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

UK ready for bigger grants to create assets, jobs: Tata Steel

FROM PAGE 1

(EAF) based steelmaking.

"Obviously, the expectation is that if they give us more money and we put up something more, then if not save jobs, we'll create some more jobs," Narendran said in an interview.

The new British government has agreed that shutting the blast furnaces was inevitable, as the old assets were not only financially unviable to run but also posed a safety risk, he said.

Progress in discussions with the UK government could help calm the nerves of Tata Steel investors amid speculation that the Labour party could go back on the £500 million grant promised by the Tories after months of negotiations. Saving jobs at Port Talbot was one of the poll promises of the Labour party.

"I think people acknowledge that saving the blast furnace is not the main point. The point



Progress in talks with UK could help calm the nerves of Tata Steel investors. MINT

is, can you create a sustainable business? Can you save some more jobs?" Narendran said. "The government is aligned (with us) on that subject, but still working with us to see what they can do to help us."

Jonathan Reynolds, the UK government's business secretary, did not respond to *Mint's* emails seeking comment.

Across the English Channel in the Netherlands, Tata Steel is expecting even more fiscal aid

from the government that in the UK as the cost of transition would be higher there, Narendran said. In the Netherlands, Tata Steel will be installing a Direct Reduced Iron (DRI) plant and an EAF to cut down on emissions caused by its two blast furnaces.

The company expects the Dutch government to fund 40-60% of the transition cost, which is in line with what other European governments are offering steelmakers, according to Narendran.

"Fundamentally, there should be enough support to make it a viable business case," he said.

"If you look at the UK, the £1.25 billion project had no business case. But because the government is giving us £500 million, effectively, the cost for us is £750 million, so there's a business case. In the Netherlands, it will be the same thing."

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

Tax lawyers say faceless assessment falters before complexity

FROM PAGE 1

assessing officer was proceeding to make additions towards alleged disproportionate loans granted by the assessee company to another group entity. After furnishing detailed submissions in a video-conferencing to show that no such loan was ever granted, a detailed walk-through was carried out for the assessing officer. While the taxpayer expected a favourable outcome based on such interaction and explanation, the final order turned out adverse.

Faceless assessments were expected to reduce tax litigation; however, according to Prateek Bansal, taxation partner at White & Brief-Advocates & Solicitors, there had been various instances where taxpayers' submission was not considered on merit, and a

request for personal hearing not approved, increasing challenges to these orders in courts.

"Taxpayers cannot physically file submissions, but they have to ensure the same is taken into account before passing any order. This can be problematic if the taxpayer faces an adverse outcome due to their advocates' poor drafting, as there is no room to furnish clarifications," said Bansal. This, he said, leads to writ petitions in courts on the grounds of violation of principles of natural justice. Bansal suggested assessing officers permit physical submissions or hearings depending on the complexity involved.

However, a senior official with direct knowledge of the process had a different take. "The faceless assessment and appeal scheme with dynamic jurisdiction is meant for inter-



Tax experts say there have been various instances where taxpayers' submissions were not considered on merit. ISTOCKPHOTO

action between the assessee or her representative and the tax authority without a human interface. It is meant for ensuring fair, just, efficient, accountable and transparent assessment and appeal process. The proceedings are also

video-recorded. In the faceless assessment and appeal ecosystem, the identity of the officials has to be masked and hence, their face cannot be shown. How can we have a faceless assessment scheme if the faces of officers are to be shown?"

the official said on the condition of anonymity.

"Even in cases where personal hearings are allowed—for example in cases of international taxation—the assessment officers do not give any indication of their assessment of the case to the assessee. These are communicated as per the procedure. In faceless assessment and appeals, too, if the officers want any information or explanation, they will ask for it. There is no case for doubts about whether the officer has understood an explanation given by the taxpayer or representative," the official added.

In many cases, a physical hearing is not granted, even if it is opted for by the taxpayer, Patnaik of CAM pointed out, suggesting CBDT make it mandatory whenever the taxpayers' request. In virtual cases, if officers are not satis-

fied with the taxpayers' responses, they should be mandated to issue show cause notice so that taxpayers can decide how to present their cases to the satisfaction of the concerned tax officers, said Patnaik.

Sandeep Puri, partner, Price Waterhouse & Co LLP, said CBDT should consider face-to-face hearings for large taxpayers so that complex issues can be explained in detail to the officer. "Where face-to-face hearings cannot be allowed, at least two video-conferences may be allowed, the first to explain positions in detail and a second one to clarify any further doubt or question raised by the officer," Puri suggested.

(With inputs from Gireesh Chandra Prasad)

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



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E-Tender Notice		
Tender ID	Work Description	Last Date
92151	Supply of spares for Ice cream cone machine at Dudhmsagar Dairy, Mehsana.	23/08/2024
92154	Supply & installation of telescopic belt conveyor at Cattle Feed Plant-Ubkhah.	29/08/2024
92156	Supply & installation of Electronic Weigh Bridge.	29/08/2024
92364	Re-tender: Puff panels and other ancillaries for Sweet section (Kaju Katti) at Dudhmotsagar Dairy, Dharuhera.	17/08/2024
92406	Re-tender: Annual maintain rate contract for Air conditioners.	12/08/2024

E-Tender Website: tender.nprocure.com
For details refer tender document available on e-tender website. We regularly publish e-tender on above website.
Date: 02/08/2024 I/C Managing Director

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सार्वजनिक सूचना

निम्नलिखित भूमि यमुना एक्सप्रेसवे औद्योगिक विकास प्राधिकरण द्वारा अपनी सहमति के आधार पर काश्तकारों से क्रय किया जाना प्रस्तावित है:- ग्राम चकजलालाबाद के सैक्टर 24ए व 22ई व ग्राम चकवीरमपुर के सैक्टर 32 के अन्तर्गत आने वाले खसरा नम्बरान

क्रमांक	सैक्टर/ग्राम का नाम	खाता संख्या	खसरा संख्या	खसरे का कुल क्षेत्रफल (हे० में)	खातेदार का नाम व पता	तहसील से प्राप्त रिपोर्ट के आधार पर काश्तकार का हिस्सा	काश्तकार का विक्रय हेतु क्षेत्रफल (हे० में)
1.	24ए चकजलालाबाद	11	120	0.3790 0.0630	जगदीश, राजेन्द्र, रौदास व विजना पुत्रगण होशियार सिंह निवासी रौनीजा, तहसील जेवर जनपद गौतमबुद्धनगर।	1/4 1/4	0.0948 0.0158
2.	24ए चकजलालाबाद	11	127	0.0630	कुमरपाल पुत्र ज्ञानी सिंह नि० ग्राम रौनीजा।	1/4	0.0157
3.	22ई चकजलालाबाद	06	82/2 85/2 84/3स	0.1050 0.1520 0.2820	गुरुदत्त पुत्र सूखा निवासी रौनीजा, तहसील जेवर, जनपद गौतमबुद्धनगर।	1/4 1/4 1/4	0.0263 0.0380 0.0705
4.	चकवीरमपुर	172 119 120	63 66 145	0.2210 0.5230 0.0290	अशोक पुत्र नैपाल सिंह व किरन देई पत्नी नैपाल सिंह नि० ग्राम चकवीरमपुर, हाल निवासी मुफतिवाडा शिकारपुर, बुलंदशहर।	2/2210 3/5230 72/290	0.0002 0.0003 0.0072

उपरोक्त भूमि क्रय किये जाने में यदि किसी व्यक्ति को कोई आपत्ति है तो वह लिखित रूप में 15 दिन के अन्दर अधोहस्ताक्षरी को अपनी आपत्ति प्रस्तुत कर सकता है।

डिप्टी कलेक्टर
यमुना एक्सप्रेसवे प्राधिकरण

यमुना एक्सप्रेसवे औद्योगिक विकास प्राधिकरण के अधिसूचित क्षेत्र में प्राधिकरण द्वारा स्वीकृत मास्टर प्लान के अतिरिक्त प्लानिंग/हाउसिंग/कॉलोनी या किसी भी प्रकार का अन्य निर्माण पूरी तरह से अवैध है। सामान्यजन इस प्रकार की खरीदफरोख्त से पूर्णतः सचेत रहें तथा कॉलोनाइजर के भ्रामक विज्ञापनों से बचें। अधिक जानकारी के लिए प्राधिकरण की वेबसाइट www.yamunaexpresswayauthority.com देखें।

Bharti Hexacom Limited

(CIN: L74899DL1995PLC067527)
Registered Office : Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070, India
Tel.: + 91-11-4666 6100, Fax.: + 91-11-4166 6137
Email id: bhartihexacom@bharti.in, Website: www.bhartihexacom.in

INFORMATION REGARDING 29th ANNUAL GENERAL MEETING OF BHARTI HEXACOM LIMITED

Members are informed that the 29th Annual General Meeting ('AGM') of Bharti Hexacom Limited (the 'Company') will be held through video conferencing ('VC')/other audio visual means ('OAVM') on Friday, August 30, 2024 at 3:30 P.M. (IST) in compliance with applicable provisions of the Companies Act, 2013, read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with applicable circulars issued by the Ministry of Corporate Affairs and SEBI, to transact the businesses set forth in the notice of the AGM ('Notice').

In accordance with the applicable circulars, the Notice and Annual Report covering, inter-alia, the audited financial statements for financial year 2023-24, will be sent in electronic mode only to those members whose e-mail addresses are registered with the Company/Depository Participants ('DPs'). The Notice and the Annual Report will also be available on the website of the Company (www.bhartihexacom.in), on the website of KFin Technologies Limited ('KFin') (<https://evoting.kfintech.com>) and on the website of National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com).

Mode of casting vote(s) and attending AGM

The Company will provide the facility of remote e-voting and e-voting at the AGM to its Members to cast their vote on all resolutions set out in the Notice. Further, the Members can join and participate at the AGM through VC/OAVM facility only. The detailed instructions in connection with the remote e-voting and e-voting facility and procedure for joining the AGM, shall be provided in the Notice. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

Manner of registering/updating e-mail address and other details

Since, the entire shareholding of the company is in dematerialized form, all the members are advised to register/update their e-mail addresses with their respective depository participant(s) (DPs). The e-mail address registered with the DPs will be used for sending the Notice and Annual Report.

Further, the members are requested to notify any change in address or bank account details with their respective DPs to receive the dividend on time. We urge shareholders to utilize the ECS for receiving dividends.

This advertisement is being issued for the benefit of all the members of the Company.

For Bharti Hexacom Limited

Sd/-
Richa Gupta Rohatgi
Company Secretary
& Compliance Officer

Place : New Delhi
Date : August 01, 2024

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RELIABLE VENTURES INDIA LIMITED

CIN : L22354MP1992PLC007295

REGD. OFFICE : A-6, RELIABLE HOUSE, KOH-E-FIZA, BHOPAL, MP-462001

Tel.No.: 0755-4902458, Email : reliablegroup@gmail.com

Website : noorussabahpalace.com

STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30-06-2024

S. No.	PARTICULARS	(Rs. In Lacs)		
		Quarter ended 30-06-2024	3 Months ended 30.06.2024	Quarter ended 30.06.2024
		Audited	Audited	Audited
1	Total Income from Operations	10.86	10.86	40.49
2	Net Profit/(Loss) for the period (before Tax Exceptional and/or Extraordinary Items)	-42.72	(42.72)	(39.72)
3	Net Profit/(Loss) for the period before Tax (after Exceptional and/or Extraordinary Items)	-42.72	(42.72)	(41.57)
4	Net Profit/(Loss) for the period after Tax (after Exceptional and/or Extraordinary Items)	-42.61	(42.61)	(41.57)
5	Total Comprehensive Income for the period [comprising profit/(loss) for the period (after tax) and other comprehensive income (after tax)]	-42.61	-42.61	(8.95)
6	Equity Share Capital	1,101.29	1,101.29	1,101.29
7	Reserves (excluding Revaluation Reserve) as shown in the audited balance sheet of the previous year	-	-	-
8	Earning Per Share (of Rs. 10/- each for continuing and discontinued operations) -			
	1. Basic :	-0.39	-0.39	(0.08)
	2. Diluted :	-0.39	-0.39	(0.08)

Notes :

- The above Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in its meeting held on 31-07-2024.
- This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other accounting practices and policies to the extent applicable.
- The company has only one business and geographical segment viz. hotel operation in India, hence no further disclosures are required to be made as per Indian Accounting Standard-108 on "Operational Segments".
- The above is an extract of detailed unaudited financial results filed with the Mumbai Stock Exchange Ltd. Under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the results is available on the Website of BSE "www.bseindia.com" and Company Website "www.noorussabahpalace.com"

For Reliable Ventures India Limited

Sd/-

(GOPINATH PANCHENA)

Director and Member of Audit Committee

Bhopal : 31-07-2024

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Source: Similarweb (23rd Jul'24)

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FIRST: Will OTTs pivot to pay-per-view?

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BUSINESS LOUNGE: Meet JSW Sport's Parth Jindal

RBI picks bidders for IDBI Bank stake sale

Reuters
feedback@livemint.com
MUMBAI/NEW DELHI

The Reserve Bank of India (RBI) has finished its review of potential buyers for a majority stake in IDBI Bank, approving Fairfax Financial Holdings, Emirates NBD and Kotak Mahindra Bank as bidders, three people aware of the matter said on Thursday.

The government, which owns 45.48% in IDBI Bank and state-owned Life Insurance Corp of India (LIC) which holds 49.24%, together plan to sell 60.7% of the lender.

The people did not wish to be identified as the discussions are not public. The finance ministry, RBI, Fairfax Financial Holdings, Emirates NBD and Kotak Mahindra Bank did not immediately reply to Reuters' emails seeking comments.

The bidders are talking to the Indian government and will get access to IDBI Bank's private data after evaluation, one of the people said. Reuters had earlier reported interested buyers included Emirates NBD and Canadian billionaire Prem Watsa. Fairfax India Holdings is backed by Canadian billionaire Prem Watsa and invests in public as well as private equity securities and debt instruments in India. Emirates NBD Group offers financial services with operations in UAE, India and Saudi Arabia, among others. The government would likely open bids for the lender before the end of this fiscal, Tuhin Kanta Pandey, the country's secretary responsible for the stake sale, said last week.

ITC profit in June qtr flat at ₹4,917 crore

A Bloomberg poll of 19 analysts had estimated ₹5,160 crore in net profit

Suneera Tandon
suneera.t@hivive.com
NEW DELHI

ITC Ltd on Thursday missed Street estimates, with a mere 0.30% rise in standalone net profit in the June quarter, on account of higher expenses.

Net profit at the maker of Gold Flake cigarettes and Bingo chips stood at ₹4,917.45 crore in the three months through June, slightly higher than ₹4,902.74 crore a year earlier.

A Bloomberg poll of 19 analysts had estimated ₹5,160 crore in net profit.

Revenue from operations grew 7.2% to ₹18,219.74 crore, from ₹16,995.49 crore a year earlier. Revenue for the quarter exceeded Street estimates of ₹17,200 crore.

The company said moderating inflation, improving agri terms of trade, expectations of normal monsoons and the government's thrust on public infrastructure and the rural sector will bolster consumption demand, building on the green shoots of recovery that are visible in rural markets.

"While private consumption expenditure remains relatively subdued, the Indian economy continues to be extremely resilient amidst a global growth slowdown, on the back of multi-dimensional and purposeful policy interventions by the government, with sustained public expenditure in creating physical, digital, agri and rural infrastructure. India continues to be acknowledged as one of the fastest-growing major economies in the world with significant headroom for growth over the medium and long term," the company said in its earnings release Thursday.

The Union budget 2024-25 provides a strong impetus to set in motion a virtuous cycle of investment and employment while ensuring macro-economic stability and



The company said moderating inflation, improving agri-terms of trade, normal monsoon and government's thrust on public infra, rural sector will boost demand.

enabling inclusive growth.

Several far-sighted proposals address crucial areas such as employment and employability, MSMEs, climate emergency and next-generation agriculture. The nine priority areas, together with the road map

avorable mixed to decline in the operating profit margin during the quarter. Cigarette business and FMCG business fared well with 6-7% revenue growth and better margins, while agri and paperboard, paper and packaging saw dip in the profitability,

SLOW & STEADY

REVENUE from operations grew 7.2% to ₹18,219.74 crore, from ₹16,995.49 crore a year earlier

THE Union budget gives an impetus to set in motion a cycle of investment and employment

FMCG revenue (excluding cigarettes) grew 6.3% to ₹5,491.03 crore

impacting overall margins of the company. Cigarette business volume growth is likely to sustain with no increase in tax in the recent budget, while outlook for FMCG business is improving. Valuation continues to trade at a discount compared to large peers, which makes it a preferred pick in the space," Kaushtubh Pawaskar, deputy vice president-research, Sharekhan by BNP Paribas, said.

FMCG revenue (excluding cigarettes) grew 6.3% to ₹5,491.03 crore, driven by staples, snacks, dairy, personal wash, fragrances, homecare and agarbatti.

Tata Play drops Sony channels from 10 mn subscribers' plans

Gaurav Laghate
gaurav.laghate@livemint.com
MUMBAI

Tata Play, India's largest direct-to-home (DTH) television service provider, has decided to remove all TV channels of Sony Pictures Networks India (SPNI) from the plans of nearly 10 million subscribers.

The removal began with one million subscribers on Thursday and will continue for the next 10 days, Harit Nagpal, its managing director and chief executive, told Mint.

The DTH operator said it was doing so because of the channels' low viewership, but SPNI termed the move "arbitrary" and "retaliatory".

Nagpal said that while 40-50% of Tata Play's customers subscribe to Sony channels, only 25% actually watch them, according to viewership data.

He said, "Without return path data, it's challenging to identify the 75% of subscribers who pay but don't watch these channels. As a customer-centric company, we decided to remove these channels to reduce the monthly DTH bills of these subscribers."

"Those who want to continue watching Sony channels can subscribe again via our app or call centre, or by sending a text message. The reactivation is almost instantaneous."

He acknowledged that the removal would hit the company's revenues but emphasized that would ensure that only viewers who wanted these channels would pay for them. An SPNI spokesperson said in response to Mint's queries, "SPNI has recently become aware of Tata Play's decision to remove Sony channels from nearly 10 million subscribers' bouquets. This decision appears to have been made without notifying SPNI or considering subscriber preferences. We believe this is retaliation for exercising our audit rights on Tata Play's subscriber management system, where we've noted and communicated several discrepancies over the past years."

The spokesperson added that Tata Play's claim of low viewership was misleading. "We are confident that our loyal viewers, who appreciate



Tata Play's MD and CEO Harit Nagpal said the removal began on Thursday and will continue for the next 10 days.

diverse and high-quality content, will continue to find our channels through other platforms nationwide. Our commitment to delivering top-notch entertainment remains unwavering, ensuring our audience never miss their favourite shows and channels, despite Tata Play's actions," the spokesperson said.

A Tata Play spokesperson said in response, "Tata Play submits detailed statements from its SMS (subscriber management system) for the 7th, 14th, 21st and 28th of every month to broadcasters. Our SMS is also regularly audited by authorized auditors of the TRAI and never have any discrepancies been found by any of these audits."

This isn't the first time Tata Play has removed channels from subscribers' plans to reduce their bills, but it's the first time it has targeted a specific broadcaster. In March 2022, Tata Play voluntarily downgraded the subscription plans of nearly half its subscribers.

Tata Play said it was doing so because of the channels' low viewership but Sony termed the move 'arbitrary'

Tata Play's subscriber management system, where we've noted and communicated several discrepancies over the past years."

The spokesperson added that Tata Play's claim of low viewership was misleading. "We are confident that our loyal viewers, who appreciate

Canara HSBC Life Insurance Company Limited
139, Sector - 44, Gurugram-122003, Haryana (India)
Tel: 0124-4535500, Email: procurement@canarahlife.com
NOTICE INVITING BIDS/OFFERS
Open Tender is invited against RFP for Empanelment of RCU Verification Services dated 2-August-2024. This tender has been uploaded on <https://www.canarahlife.com/tenders-notices.html>, website of Canara HSBC Life Insurance Company Ltd. All prospective bidders are advised to visit the aforesaid website for downloading the RFP.

Indian Railway Catering and Tourism Corporation Limited
(A Government of India Enterprise - Mini Ratna Category-I)
CIN : L74899DL1999GO101707
Registered & Corporate Office: 11th Floor, B-148, Statesman House, Barakhamba Road, New Delhi-110001
Tel.: 011-23311263-64, Fax: 011-23311259 Website: www.irctc.com e-mail: investors@irctc.com
INTIMATION REGARDING 25TH ANNUAL GENERAL MEETING TO BE HELD THROUGH VIDEO CONFERRING ("VC")/ OTHER AUDIO-VISUAL MEANS ("OAVM").

NOTICE is hereby given that the Twenty Fifth (25th) Annual General Meeting ("AGM") of the Members of Indian Railway Catering and Tourism Corporation Limited ("The Company") will be held on **Friday, August 30, 2024 at 12:30 P.M. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")** to transact the business as set out in the Notice convening the 25th AGM, in compliance with MCA Circular dated September 25, 2023, SEBI Circular No. SEBI/HO/CFD/POD-2/PI/CIR/2023/167 dated October 7, 2023 and other notifications in force and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations").

In compliance with aforesaid Circulars of MCA & SEBI, electronic copies of the Notice of the 25th AGM and the Annual Report for the financial year 2023-24 will be sent only to those members whose e-mail addresses are registered with the Company/ Registrar and Share Transfer Agent (RTA)/ Depository Participant(s). The aforesaid documents will also be available on the Company's website at www.irctc.com and on the website of the Stock Exchanges, viz., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and National Securities Depository Limited ("NSDL") (agency for providing the remote e-voting facility and e-voting system during AGM) at <https://www.evoting.nsdl.com>. A member can request for the physical copy of the Annual Report for the FY 2023-24 by sending a requisition at investors@irctc.com.

Manner of casting vote through e-voting:
Members may note that the Company will be availing e-voting services of NSDL to enable its members to cast their vote on resolutions set forth in the Notice of the 25th AGM. The Company has fixed **Friday, August 23, 2024** as the "cut-off date" for determining the eligibility of the members to vote by remote e-voting or e-voting during the AGM.

Members may also note that the remote e-voting period shall commence on **Tuesday, August 27, 2024 (9:00 A.M.) (IST)** and end on **Thursday, August 29, 2024 (5:00 P.M.) (IST)**. Additionally, the Company will be providing e-voting system for casting votes during the AGM.

Record Date, Dividend and Tax on Dividend:
Members may further note that the Board of Directors of the Company at their meeting held on May 28, 2024 has recommended a **final dividend of ₹4.00/- per share** on the face value of ₹2/- per share, subject to approval of the Shareholders at the 25th AGM. The "Record date" for the purpose of determining the members eligible to receive dividend for financial year 2023-24 is **Friday, August 23, 2024**. The Final Dividend will be paid through various online transfer modes to the members who have updated their bank account details. For Members, who have not updated the bank account details, dividend warrants/demand drafts / cheques will be sent to the registered addresses in due course.

Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, August 24, 2024 to Friday, August 30, 2024** (both days inclusive) for the purpose of Annual General Meeting and for payment of final dividend for financial year 2023-24, if declared at the AGM. In accordance with Finance Act, 2020, payment of dividend will be subject to **deduction of tax at source (TDS)** at applicable rates. In order to enable us to determine the appropriate TDS rate, members are requested to submit the relevant documents in accordance with the provisions of the Act. A detailed notice regarding "Communication w.r.t. Tax Deducted at Source (TDS) on Final Dividend for the Financial Year 2023-24" is hosted at the website of the Company, www.irctc.com. For more details, please refer to the Notes to the Notice of 25th AGM.

Manner of registering KYC details including email addresses, bank details for receiving Dividend electronically, if declared in the AGM:

SEBI vide its Circular dated November 17, 2023, read with circulars dated November 3, 2021, December, 14 2021 ("SOP Circular") introduced common and simplified norms for processing investor's services requests by RTAs and norms for furnishing PAN, complete address, email address, mobile number, specimen signature, bank details and Nomination ("KYC details").

Members are requested to follow the below mentioned procedure for registration/ update of their KYC details.

- In case of Physical Holding
- Members holding physical shares are requested to register/update their email addresses and bank account details by sending a duly signed request letter in **Form ISR-1** along with supporting documents to the RTA of the Company i.e. Alankit Assignments Limited, **Alankit House, 4E/2 Jhandewalan Extension, Near Jhandewalan Metro Station, New Delhi - 110055**, or scanned copy on email at kycupdate@alankit.com through their registered mail ID and provide the following details/documents:
 - for registering email address:
 - Folio No., b) Name of shareholder, c) Email ID, d) Mobile No.e) Copy of PAN card (self-attested), f) Copy of Address Proof (self-attested) g) Copy of share certificate (front and back).
 - for updating Bank Account details:
 - Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number, d) MICR Code Number, e) IFSC Code, and f) Copy of the cancelled cheque/Passbook bearing the name of the first shareholder.
 - Members may please note the documents for KYC updation may be sent through self-attested and dated hard copies to the above mentioned address of RTA or through electronic mode, provided that these are sent through E-mail id of the holder registered with RTA and all documents should be self-attested by the Shareholder and in case of joint holders, by first joint holder.

In case, Demat Holding

Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

In case of any queries/grievances, Members may refer to the "Frequently Asked Questions (FAQs) for Members and participation in AGM and remote e-Voting user manual for Members" available at the download section of <http://www.evoting.nsdl.com> or call at the toll free no.: 022-4886 7000 and 022-2499 7000. Members may also write an email to company at investors@irctc.com.

By order of the Board of Directors of IRCTC Ltd.

Place : New Delhi
Dated : 01.08.2024
Sd/-
(Suman Kalra)
Company Secretary and Compliance Officer

CENTRAL RAILWAY
OPEN E-TENDER NOTICE NO. DY.CE (C) NGP/03 of 2024
Name of Work: Track linking & yard remodeling work of Ajni & Nagpur yard (Phase-II) and balance track linking work in various yards between Wardha - Nagpur section in connection with Wardha - Nagpur 3rd & 4th line. **Approx. Cost:** ₹31.00 Crore **Completion Period:** 15 Months **Validity of offer:** 90 days from date of opening of the tender. **Bid Security:** ₹17,00,200.00 **Cost of Tender:** Nil **Availability of Tender Documents:** Tender document for the above work is available on website www.ireps.gov.in **Date & Time of Submission & Opening of Tender:** The e-tender duly completed in all respect should be uploaded electronically upto 15.00 hrs. on 29.08.2024 on the above mentioned website and will be opened after 15.00 hrs. **Important Note for tenderers:** a) Prospective Tenderer/s are advised that before tendering their offer electronically, they should refer to the Tender details regarding terms and conditions, eligibility criteria etc. b) All intending Tenderers need to first register with IREPS website www.ireps.gov.in For any additional information/clarification contact on above address on any working day between 10.00 hrs to 18.00 hrs. contact No 8828110273 (M).
Dy. Chief Engineer (C)/ NGP
खरलाक व विकेटक सामान क साथ यात्रा करना दैनिकी अस्था है **NGP-194**

CENTRAL RAILWAY
OPEN E-TENDER NOTICE NO. DY.CE (C) NGP/04 of 2024
Name of Work: Repairs & Renovation of Dy. CE(C)NGP office, building & premises at Ajni. **Approx. Cost:** 1.61 Crore. **Completion Period:** 9 Months. **Validity of offer:** 60 days from date of opening of the tender. **Bid Security:** ₹2,30,800.00 **Cost of Tender:** Nil. **Availability of Tender Documents:** Tender document for the above work is available on website www.ireps.gov.in **Date & Time of Submission & Opening of Tender:** The e-tender duly completed in all respect should be uploaded electronically upto 15.00 hrs. on 30.08.2024 on the above mentioned website and will be opened after 15.00 hrs. **Important Note for tenderers:** a) Prospective Tenderer/s are advised that before tendering their offer electronically, they should refer to the Tender details regarding terms and conditions, eligibility criteria etc. b) All intending Tenderers need to first register with IREPS website www.ireps.gov.in For any additional information/clarification contact on above address on any working day between 10.00 hrs to 18.00 hrs. contact No 8828110273 (M).
Dy. Chief Engineer (C), Nagpur
खरलाक व विकेटक सामान क साथ यात्रा करना दैनिकी अस्था है **NGP-193**

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SMC GLOBAL SECURITIES LIMITED
CIN: L74899DL1994PLC063609
Regd. Office : 11/6B, Shanti Chamber, Pusa Road, New Delhi-110005
Helpline Number: 011-66075200

PUBLICATION NOTICE OF NON-ASSOCIATION & IMPERSONATION

This Public Notice is issued on behalf of SMC Global Securities Limited (SMC), a duly registered stock broker with SEBI. Recently, it has come to our notice that a whole lot of community has been formed who impersonate as SMC, claiming to be our core management to propagate their malicious agenda of scamming unaware customers. They also include other unknown persons like Devansh Baniya, Shivangi Aggarwal, Kavya Ambani, Ritu Vohra through various social media platforms viz. WhatsApp groups/links/Channels, Telegram Channels, Facebook, Instagram channels, etc. ("platforms") falsely impersonating as representatives of SMC or being affiliated with SMC. They are misusing the Name, Trademark & SEBI Regn No. of SMC and the name of Mr. Mahesh C. Gupta Vice CMD, SMC Group, Dr. D.K Aggarwal CMD-SMC Capitals Ltd. and SMC Investments & Advisors Ltd. and Mr. Ajay Garg, Director & CEO, SMC Global Securities Ltd. in various investment and advisory textual/ graphic/audio/video clips by the creation of fraudulent WhatsApp & Telegram Groups with the intent of scamming. Please note, the SMC's management and our internal research experts' photos have been misused; they are not affiliated with any social media platform that provides financial advice. The Scammers are providing unregistered and unregulated fake websites, unregulated trading platforms & mobile applications which resemble or impersonate website/applications of SMC and luring to join/create institutional account to get guaranteed high returns and deceiving public to invest the money, claiming to facilitate pre-IPO subscriptions with false promises of assured profits and offering illegal trading services etc. The details of Fake WhatsApp groups/Telegram channels/Facebook posts/Instagram post etc. including but not limited, are as follows;

WhatsApp Groups:

S.No	Fake Whatsapp Group Name	S.No	Fake Whatsapp Group Name
1	B-B SMC Global Securities Stock pull up group	21	C1 SMC Global Securities Internal Trading Group
2	SMC Stock Learning Group -VIP-011	22	SMC Global Securities 39/ 11
3	SMC Global Securities A52/ B28/ B10/ 30A	23	B7- SMC Global Securities Stock Pull up Group
4	D152- SMC Stock Boost Group	24	B2 SMC Global Securities Internal Trading Group
5	906/ 119/A041/A41 SMC Global Securities Official Stock Community	25	SMC Global Securities 2/3/6/7/11/15/18/19/21/22/ 26/31/36/37/38/42/46/47/50/52/54
6	A041/ A41 SMC Global Securities Official Stock Community	26	01/B2/B3 01/B5/ F2/110/ F-E/ H12/11J2/ L6/11/ E-D/12/ Kaj k liye bolo 01/ H4/ Y7 SMC Global Securities Stock Pull up Group
7	Accel Student Group F91	27	600246195- Group in 01 SMC Global Securities Stock Pull up Group
8	D1 SMC Securities Exchange Group	28	SMC Stock Learning Group -031
9	SMC Stock Investment Compass 209/ 263/250/268/240	29	SMC Global Securities Club-333
10	SMC Global Securities Club 333	30	252 SMC Stock Boost
11	SMC Stock Investment Compass 235/ 205/265/204	31	H110 -/ H110- SMC Stock Boost Group
12	SMC Global Securities Club 308/ 383	32	B3/C3/C5/D4/D5/E4/F4/F5/G3/G4 SMC Global Securities Internal Trading Group
13	T9- SMC Global Securities Stock Pull up Group	33	SMC Securities 03/08/12/16/27/30/31/32/40/51/86/88
14	A1- SMC Securities Exchange Group	34	C101 SMC Stock Booster
15	C6- SMC Global Securities Stock Pull up Group	35	SMC Capital Customer Care-A58/ C61
16	E38/ D157- SMC Stock Boost Group	36	C103/ F02- SMC Stock Boost Group
17	SMC Global Securities Club 333		
18	SMC Global Securities 10/14/35/44/25/15/4/17		
19	B-8 SMC Global Securities Stock Pull up Group		
20	SMC Securities 13/ 17/ 07/11		

Mobile Applications:

S.No	App	S.No	App
1	com.rs.smc-1.0.9.apk	8	SMC EasyInvest APK for Android V 2.4
2	SMCEasyTrade	9	SMC Ace: Stock, Demat, IPO, MF apk 1.0.84 for Android
3	SMC ACE for iOS	10	SMC ACE 1.0.9.apk
4	SMC EasyInvest 2.4 SMC Global Securities Ltd	11	SMC Global Securities Ltd Apps
5	SMCEasyTrade APK 3.4 SMC Global Securities Ltd	12	SMC Ace: Stock Trading App Version 1.0.81
6	SMCEasyTrade 2.0.6 SMC Global Securities Ltd	13	SMCEasyTrade apk Updated On Jul 09, 2024 App Version 6.0.35
7	SMC Ace: Stock, Demat, IPO, MF apk		

Web Links:

S.No	App	App
1	https://smceasytrade.en.softonic.com/android	SMCEasyTrade APK
2	https://www.idplayer.net/apps/smc-ace-stock-trading-app-on-pc.html	SMC Ace: Stock Trading App
3	https://www.idplayer.net/downloads/smc-ace-stock-trading-app-apk.html?gclid	SMC Ace: Stock Trading App

WhatsApp Admin:

S.No	Number	S.No	Number	S.No	Number	S.No	Number	S.No	Number
1	995694389	9	9355875271	17	9601717652	25	9843058142	33	7995065442
2	9621974798	10	9601023155	18	9109662768	26	8585898997	34	8401198208
3	7709341726	11	8489798398	19	8420254092	27	8939613463	35	7674863571
4	9560471893	12	9601601463	20	7044286082	28	8174528732	36	9661531605
5	1/562/542-4796	13	44 7506000000	21	8961403149	29	9601330181	37	9601196353
6	1/747/321-9713	14	9601120860	22	44 7763975023	30	8624941574		
7	9460834508	15	9601281557	23	8420448572	31	8734029771		
8	9951156061	16	9601547957	24	9585208402	32	9384141790		

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Meta has run hundreds of ads for Cocaine, Opioids and other drugs

Instagram and Facebook are still running ads for illegal drugs, months after the *WSJ* revealed they were under federal investigation for the practice

Salvador Rodriguez
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Meta Platforms is running ads on Facebook and Instagram that steer users to online marketplaces for illegal drugs, months after *The Wall Street Journal* first reported that the social-media giant was facing a federal investigation over the practice.

The company has continued to collect revenue from ads that violate its policies, which ban promoting the sale of illicit or recreational drugs. A review by *The Wall Street Journal* in July found dozens of ads marketing illegal substances such as cocaine and prescription opioids, including as recently as Friday. A separate analysis over recent months by an industry watchdog group found hundreds of such ads.

The ads show photos of prescription drug bottles, piles of pills or bricks of cocaine. "Place your orders," said one of the ads the *Journal* found in July. It also included a photo of a razorblade and a yellow powder arranged to spell out "DMT," a psychedelic drug.

The *Journal* reported in March that federal authorities are investigating Meta for its role in the illicit sale of drugs. The nonprofit Tech Transparency Project, which investigates online platforms, reviewed Meta's ad library from March to June

and found more than 450 illicit drug ads on Facebook and Instagram.

"You don't need the dark web anymore when you can just buy a Facebook ad to sell dangerous drugs or even scam people at a scale that wouldn't have been possible through the dark web," said Katie Paul, director of the Tech Transparency Project.

Meta uses artificial-intelligence tools to moderate content, but the company's tools haven't managed to stop such drug ads, which often redirect users to other platforms where they can make purchases. The use of photos to showcase the drugs available appears to make it possible for the ads to bypass Meta's content-moderation systems. Meta

has also had layoffs that led to work force reductions for its content moderation teams.

Meta works with law enforcement to combat this type of activity, a spokesman for the company said.

"Our systems are designed to proactively detect and enforce against violating content, and we reject hundreds of thousands of ads for violating our drug policies," the spokesman said. "We continue to invest resources and further improve our enforcement on this kind of content. Our hearts go out to those suffering from the tragic consequences of this epidemic—it requires all of us to work together to stop it."

When users click on the Facebook pages or Instagram accounts associ-



Meta uses AI tools to moderate content, but the company's tools haven't managed to stop drug ads. REUTERS

ated with the ads, those pages often include additional, nonsponsored photos or posts of drug-related content. Some of the accounts use names that make it clear they are for the transaction of drugs, such as the ad for DMT, which was posted by an account called "DMT Vapes and Notes."

Users who click the links in the ads are typically taken to private group chats on the app Telegram, which isn't a Meta property. When accessed, these group chats typically show a stream of posts from

dealers that include photos of the drugs they offer, menus with prices and instructions for placing orders, according to the *Journal*'s review and the Tech Transparency Project analysis.

Telegram representatives didn't respond to messages seeking comment about the practice.

Some of the private chats will include posts that say "TD" or "Touchdown" to indicate a successful shipment to a customer delivered via a shipping service. In some cases, the ads link to private group chats on

Meta's WhatsApp encrypted messaging service, according to the Tech Transparency Project report.

Meta disabled many of the drug ads spotted by the *Journal* within 48 hours of when they went live, the company spokesman said.

All of the ads have now been removed for violating Meta's policies, and after being contacted, the company has also banned the users who created the ads from its platform. Additionally, the company said it is using insights about new adversarial tactics garnered from

investigating these ads to fan out and do additional sweeps.

Section 230

Lawmakers have been discussing the need to hold technology companies responsible for what third parties post on their platforms. Efforts to do so have been complicated by Section 230 of the Communications Decency Act, which says online platforms aren't liable for what third parties post, with a few exceptions. The Supreme Court left core elements of Section 230 unchanged after deciding on two cases involving the law in 2023.

The Justice Department in the past has tried to extend the reach of federal drug laws in a way that holds internet platforms culpable when companies use it to break the law. In 2011, Google agreed to pay \$500 million for allowing

online Canadian pharmacies to place ads targeting U.S. consumers, resulting in the unlawful importation of prescription drugs in the U.S.

At a Senate hearing in January, a number of parents said they think Meta and other social-media companies are responsible for the deaths of their children, including because of illegal drug sales on social platforms that led to overdoses from fentanyl, a synthetic opioid.

Chief Executive Mark Zuckerberg apologized at the hearing.

"I'm sorry for everything you have

all been through," Zuckerberg said. "No one should go through the things that your families have suffered, and this is why we invest so much...to make sure no one has to go through the things your families have had to suffer."

Elijah's death

Mikayla Brown, 34 years old, is among the parents who think Meta is responsible for the drug-overdose death of her child.

Her son Elijah Ott, a 15-year-old sophomore in California who loved to skateboard and cook Cajun pasta with his mother, died last September. After his death,

Brown said she found messages on his phone showing how he connected with an Instagram account selling illegal drugs and sought to purchase marijuana oil and a pharmaceutical similar to Xanax.

In his autopsy, Ott tested positive for the Xanax-like pharmaceutical and a larger amount of fentanyl, which was determined to be the cause of his death. Brown said she thinks the drug purchased by her son was laced with fentanyl.

A review by the *Journal* showed those accounts remained live on Instagram months later. Meta disabled the accounts associated with the dealer after being contacted by the *Journal*.

"Because of this app, my child does not get to live," Brown said.

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Era of rapidly rising food prices is over

Jesse Newman & Heather Haddon

Food companies are working on fixes for consumers fed up with high prices, while trying to protect some of the biggest profits earned in years.

Restaurant chains this summer are promoting a flurry of deals to keep registers ringing. Food manufacturers are hiking prices at a slower pace, rolling out more discounts and introducing new products, such as "Star Wars"-themed Oreos and Super Mario-shaped mac and cheese.

The companies' moves aim to lure people back to brands that consumers have ditched as prices skyrocketed. It also means the era of rapidly rising food prices is over.

"We had 3% inflation this year," said Kraft Heinz Chief Executive Carlos Abrams-Rivera on Wednesday. "We're only pricing 1%."

Americans in the past two years spent more of their income on food than they have in three decades. Food prices have become a hot-button issue on the campaign trail as U.S. presidential candidates and other politicians debate economic issues ahead of November elections.

Domino's Pizza CEO Russell Weiner said restaurants ultimately didn't have the ability to increase prices as much as they thought they could.

"In retrospect the pricing power wasn't there," Weiner said in a recent interview. Domino's, he said, raised prices less than competitors and slower than the overall rate of restaurant inflation.

Food company fortunes
Last fiscal year, each of the 10 largest U.S. restaurant chains by market value posted a profit that met or surpassed 2019 levels, according to a *Wall Street Journal* analysis of company filings. For a number of chains including Chipotle Mexican Grill and Darden Restaurants' Olive Garden, restaurant-level profit margins reflecting operating costs as a percentage of sales matched or exceeded 2019 levels, filings show.

Big food manufacturers booked similar results. Between 2019 and 2023, annual net profit for the snack



McDonald's kicked off limited-time \$5 meal deals in June. AFP

giant Hershey and Mondelez International rose 62% and 28%, respectively. General Mills and Kraft Heinz posted 48% increases. Gross margins for many food makers are at or near prepandemic levels.

Food companies' earnings have grown in tandem with the broader economy, with quarterly profits last year hitting records, according to Commerce Department data.

"We are coming off a period where companies have enjoyed incredible pricing power," said Lydia Boussoir, senior economist at the consulting firm EY-Parthenon.

Food executives in recent years have said they increased prices to cover their rapidly escalating costs for labor, ingredients and transportation. Over time, those prices helped offset the companies' higher expenses.

More recently, food companies have benefited from declines in some of those costs as well as from efforts to become more efficient. Many restaurant chains have made gains through technology including kiosks that help process orders without a human at a register.

Food makers have scaled back costly measures they took to keep shelves stocked during the pandemic, such as relying on emergency suppliers and third-party manufacturers. They are also stepping up delayed programs to improve plant operations, investing for instance in automation, said Robert Moskow, a TD Cowen analyst.

Food price politics
Many consumers and politi-

cians have said they are angry about growing corporate profits while household budgets don't go as far as they used to.

Moderators opened June's presidential debate with a question about sharply higher costs for groceries and housing. The Biden administration has criticized tactics including shrinkflation, through which companies reduce the size of products but not prices.

Food executives have said they haven't gouged consumers and are working to keep prices as low as possible. They have said they need to maintain their profit margins to fund new products and that a number of expenses, such as those for labor and cocoa, surged in recent years and have remained high. Some chains, such as Olive

Garden, stress that they are raising their prices below inflation. Consumers will eventually adjust to higher prices, executives said.

Still, more than 70% of consumers believe that restaurants, supermarkets and food manufacturers are overcharging, according to a survey this year conducted by economists at the University of Illinois and Purdue University.

"No doubt they all took advantage of the situation to widen margins," said Rick Dunphy, a retired bond salesman from Duxbury, Mass. Dunphy said he and his wife are cutting back on going to restaurants and opting more often for lower-cost store-brand condiments, cereal, cookies and crackers.

McDonald's kicked off limited-time \$5 meal deals in June, and Inspire Brands' Sonic sought to one-up its burger competitors by launching a permanent \$1.99 menu in July.

McDonald's said Monday that the \$5 meal was starting to woo back customers, but that it needed to do more to make its meals affordable. Joe Erlinger, McDonald's U.S. president, said franchisees' gross margins were at a 20-year high and could afford to invest in value now. In an internal message Monday, he urged them to do more to back affordable options.

"In order to do better for our customers, we must acknowledge where we are falling short," Erlinger said in the email, a copy which was viewed by the *Journal*.

Starbucks on Tuesday said it would pump up promotions to try to get lapsed customers to return to its cafes, and pay for them through more-efficient operations.

Big food makers are leaning into lower prices to help lift stubborn sales volumes. The snack giant Mondelez said Tuesday that it plans to offer discounts and smaller, less-expensive packs of goods including Oreo, Chips Ahoy and Ritz crackers.

Today, 60% to 70% of Mondelez's products cost more than \$4 each, said CEO Dirk Van de Put in June. Three years ago the same portion of products cost less than \$3 each.

General Mills said in June that it plans to increase its investment in coupons by more than 20% in the first half of its current fiscal year. The company is also working to improve the taste of some of its biggest brands—making Pillsbury biscuits flakier, Annie's mac and cheese cheesier and Betty Crocker fudge brownies fudgier.

Some food executives and analysts have warned that wooing consumers back will be a slow process or require more investments than companies anticipate.

"It's not one of these events where we sprinkle a little money on the consumer, and they forget that they ever experienced runaway inflation," Conagra Brands CEO Sean Connolly said in July.

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Bank of England cuts rates from 16-yr high

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LONDON

The Bank of England (BoE) cut interest rates from a 16-year high on Thursday after a narrow vote in favour from policymakers divided over whether inflation pressures had eased sufficiently.

Governor Andrew Bailey—who led the 5-4 decision to lower rates by a quarter-point to 5%—said the BoE's Monetary Policy Committee would move cautiously going forward.

"We need to make sure make

sure inflation stays low, and be careful not to cut interest rates too quickly or by too much," he said in a statement alongside the decision.

Thursday's decision was in line with the forecast in a *Reuters* poll of economists but financial markets had only seen just over a 60% chance of a cut.

Rates have been on hold for almost a full year—the longest period rates have been left unchanged at the peak of a BoE tightening

cycle since 2001—and this is the first cut in rates since March 2020, at the start of the covid-19 pandemic.

In June the BoE voted 7-2 to keep rates on hold, and minutes of the most recent meeting showed the decision to cut rates had been "finely balanced" for some members - echoing the language used previously when rates were kept unchanged.

None of the policymakers

who changed their vote at this meeting—governor Andrew Bailey and deputy governors Sarah Breeden and Clare Lombardelli—had spoken publicly about monetary policy since the BoE's last meeting in June.

Speaking opportunities had been limited by an election campaign which ended on 4 July, which brought the Labour Party to power with a large majority.

British consumer price inflation returned to the BoE's 2% target in May and stayed there in June, down from a 41-year high of 11.1% struck in October 2022.

Why the Fed risks falling behind

Aaron Back
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Investors seem to have gotten very comfortable with the Federal Reserve's likely path ahead, including a rate cut in September and a couple more thereafter. What could go wrong now? Actually a lot.

The Fed tried not to tip its hand too much following its meeting on Wednesday with a statement saying risks between inflation and unemployment "continue to move into better balance." At his regular press conference, Fed Chair Jerome Powell continued to insist that future moves will be fully dependent on incoming data.

But markets appear to have made up their minds. Fed funds futures are now pricing in a 100% chance that the Fed will cut rates by at least 0.25 percentage point at the next meeting in September, including a 15% chance of a half-point cut, according to the CME Group's FedWatch tool.

What is more, markets see the Fed most likely cutting by a quarter point at each of their three remaining meetings this year, in September, November and December, with a 74% chance that the target range for rates at the end of the year will be at or below 4.50% to 4.75%, from the current range of 5.25% to 5.5%.

Investors fully embraced this scenario on Wednesday as stocks and bonds both rallied.



Federal Reserve chair Jerome Powell continued to insist that future moves will be fully dependent on incoming data. AFP

But there are risks of complacency in two directions.

First and foremost, investors might be getting too optimistic about the outlook for rate cuts, much as they were toward the end of last year before unexpectedly firm inflation readings in early 2024 pushed back their expectations. It is unclear what might

cause an inflation rebound this time around, but geopolitical factors are a clear candidate. The breakout of a wider war in the Middle East, for instance, could send energy prices soaring and cause broader price pressures by disrupting global supply chains.

Perhaps the bigger risk, however, is that the Fed acts

too slowly to react as signs of an economic slowdown build. Anecdotes from Corporate America this earnings season have tended to suggest that things could be a bit worse on the ground than aggregate, backward-looking economic data so far suggest. McDonald's Chief Executive Chris Kempczinski, for instance, said Monday that pressures on consumers have "deepened and broadened" over the course of this year.

This risk is exacerbated by the cadence of the Fed's calendar for the remainder of the year, with no meetings in August or October. So if, for example, labor-market readings start coming in weaker for

historical standards. At his press conference, Powell repeatedly characterized the cooling of the labor market to this point as a process of normalization from its overheated state earlier rather than anything worrisome. But he also conceded that, "I would not like to see material further cooling in the labor market."

What should worry investors most is that the Fed hasn't left itself enough time to respond adequately should that material further cooling come about. This helps explain why futures markets imply some chance of a 50-basis point cut at one of the Fed's remaining meetings this year. If that happens, the Fed might regret not having fired the starting gun in July.

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NEWS NUMBERS

\$5.9 bn

PHONE-RELATED revenues reported in the June quarter by Qualcomm, the world's leading seller of smartphone processors, up 12% from a year earlier

₹2,127 cr

THE TOTAL value of stocks owned by the founding team of IPO-bound FirstCry, based on the lower end of the price band at ₹440 per equity share

\$10,000

THE FINE Riju Ravindran, a suspended director of Byju's, must pay every day until he helps locate the \$533 million missing from the firm, according to a US court

0.51 mn

THE NUMBER of credit cards added by the banking sector in June, down 33% from 0.76 million in May and 45% from 0.93 million in the year-ago period

\$1 tn

THE PROJECTED annual costs of dementia by 2050, as per medical journal Lancet. It is the seventh-leading global cause of death among older people.

HOWINDIALIVES.COM

Dabur: Exports hit by spice taint issue

Dabur India, which sells hair care products and beverages, said on Thursday that the recent controversy surrounding contaminated spice samples from India has hurt the exports of its Badshah Masala brand during the June quarter. The increased scrutiny faced by Indian spice companies in international markets has contributed to this challenge.

In 2022, the company acquired a 51% stake in Badshah Masala Pvt. Ltd. On Thursday, the company declared its June quarter results. Badshah reported a 15% rise in sales value year-on-year (y-o-y). However, the company faced issues for the brand in the overseas markets.

For the three months ended 30 June, the company reported a 8% growth in consolidated net profit at ₹500 crore. Domestic FMCG business posted a volume growth of 5.2% for the quarter. Revenue was up 7% y-o-y to ₹3,349 crore in the June quarter.

SUNEERA TANDON



Nasscom asserted that agencies must honour the circulars issued by the government

Nasscom slams tax notice to Infosys

After Infosys was slapped with a ₹32,403 crore GST notice, apex IT body Nasscom on Thursday said the latest tax demand reflects a lack of understanding of the industry's operating model and sheds light on sector-wide issues wherein multiple companies are facing avoidable litigation and uncertainty.

In a detailed statement issued just a day after Infosys' BSE filing on GST 'pre-show cause' notice of ₹32,403 crore, Nasscom asserted that government circulars issued based on recommendations of the GST Council must be honoured in enforcement mechanisms so that notices do not create uncertainty and negatively impact perceptions on India's ease of doing business.

"Recent media reports of a GST demand of over ₹32,403 crore reflects a lack of understanding of the industry's operating model. This is an industry-wide issue, and multiple companies are facing avoidable litigation, uncertainty, and concerns from investors and customers," Nasscom said without naming Infosys.

GAVL to acquire 100% stake in GTFL

Diversified food and agri-business conglomerate Godrej Agrovet (GAVL) on Thursday said it has signed an agreement with Tyson India Holdings—an affiliate of Tyson Foods Inc—to buy the latter's 49% stake in Godrej Tyson Foods Ltd (GTFL).

Following the completion of the transaction, GAVL will now hold 100% stake in GTFL, further consolidating its business, GAVL said in a statement.

In 2008, GAVL had entered into a joint venture with the Tyson Foods Inc. affiliate to manufacture and market processed poultry and vegetarian products. GTFL is also engaged in the sale of live poultry birds in the market.

"Our partnership with Tyson Foods has been very enriching. Enabling us to leverage their capabilities in vertically integrated poultry processing and product development, it enabled us to modernize the way high quality poultry products are developed, produced and distributed in our country," GAVL managing director Balram Singh Yadav said.

PTI

Shooter Swapnil Kusale wins India's third Olympic bronze

Indian shooter Swapnil Kusale kept his composure to stage a remarkable comeback and help the country claim its first ever Olympic bronze in the 50m rifle 3 positions event of the ongoing Games here on Thursday. Kusale shot an aggregate of 451.4 in the eight-shooter final to finish third after being placed sixth at one stage. It took the country's overall tally to three, all bronze, at the Paris Games.

All three medals have come in shooting events, which is also a first in India's Olympic history. Kusale, whose father and brother are teachers in a district school and his mother the sarpanch of Kambalwadi village near Kolhapur in Maharashtra, finished behind China's Yukun Liu (463.6) and Ukraine's Serhiy Kulish (461.3).

The last time a 50m rifle shooter made it to the Olympic finals was in 2012 London when Joydeep Karmakar finished fourth in 50m rifle prone event, which has been discontinued at the Olympics.

PTI



Swapnil Kusale won India's first ever Olympic bronze in the 50m rifle 3 positions event.

REUTERS

MONSOON MAYHEM



Relief agencies carry out search and rescue operations after a cloudburst triggered flash floods at Rampur area in Shimla district of Himachal Pradesh on Thursday. At least 5 people died and 50 were reported missing in rain-related incidents in the state, according to officials. Separately, media reports estimated that the death toll in the landslides that occurred in Kerala's Wayanad early on Tuesday could cross 300.

PTI

GST collections for July 2024 at ₹1.82 trillion, up 10.3% y-o-y

Net GST receipts rose 14.4% despite refunds being 19.4% lower compared to a year ago

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The central and state governments have collected ₹1.82 trillion in goods and services tax (GST) in July, marking a 10.3% year-on-year increase, according to finance ministry data. GST receipts also rose compared to ₹1.74 trillion in June 2024.

While July's GST collections fell short of the record ₹2.1 trillion in April, experts said they were in line with the robust GST revenue receipts, and is likely to further increase as the festive season approaches. July's GST figures represent sales from June 2024, which is typically a slower month before the onset of the festivities.

"A 10%-plus growth in collections for this year vis-a-vis the last year aligns well with expectations and depicts signs of stability and maturity of GST implementation in India. With festivities coming

up in the next few months, the collections should witness a further increase," said Abhishek Jain, indirect tax head and partner, KPMG India.

At net level, which includes refunds of ₹16,283 crore, GST collection rose by 14.4% for the month, despite refunds being 19.4% lower compared to a year ago. Producer states Maharashtra, Uttar Pradesh, Karnataka and Tamil Nadu were largest collectors by value.

"There seems to be a wide divergence in collections growth compared with the same month last year across states even among large manufacturing and consuming states. While Maharashtra, Gujarat and Karnataka have shown 11-13% a growth, Tamil Nadu, Andhra Pradesh, and Uttar Pradesh are in the range of 7% to 5%. This divergence should be

further evaluated based on sectoral data for these states," said M.S. Mani, partner, Deloitte India.

However, the highest growth was observed from Nagaland, Manipur, Andaman and Nicobar, and Ladakh, albeit on a low base. "The surge in tax collections from Nagaland, Manipur, Andaman and Nicobar, and Ladakh suggests heightened economic activity and consumption in these developing regions of India," said Saurabh Agarwal, tax partner,

EY. "Further, a potential stagnant or decline in collections during August (compared to July) is anticipated due to the monsoon season's impact on overall economic momentum," he added.

In April-July, gross GST collection was at ₹7.38 trillion, up 10.2% from ₹6.70 trillion a year ago.

The govt expects central GST revenue, including cess, to reach ₹10.62 tn in FY25, higher than the FY24 revised estimates of ₹9.56 tn

'Above-normal rains in most regions'



In August, rainfall is expected to be normal at 94-106% of the long-period average.

AFP

India is expected to receive normal to above-normal rains in August and September, thanks to developing La Nina conditions, in a boost to the country's agriculture and overall economy.

In August, monsoon rains are expected

to be normal at 94-106% of the long-period average, Mrutyunjay Mohapatra, director general of meteorology, Indian Meteorological Department (IMD), said in a press conference on Thursday.

The long-term average for August is 254.9mm based on the average of 1971-2020, and for the August-September period, it is 422.8mm.

While most regions will experience above-normal rainfall in the coming months, certain areas, including Ladakh, parts of the northeastern states, and Saurashtra and Kutch, are likely to receive below-normal precipitation.

In the first two weeks of August, the Punjab-Haryana-Uttar Pradesh-Bihar-West Bengal belt is set to benefit from consistent showers, offering relief to cultivators who faced below-normal rainfall in the Gangetic plains in July.

MANAS PIMPALKHARE



The demand generated made the Adani Energy Solution QIP the largest in energy space.

BLOOMBERG

Druckenmiller bets on Adani Power arm

Billionaire Stanley Druckenmiller's family office-led investment firms have made their maiden bet on Adani group, seeking shares of the conglomerate's power transmission unit in an institutional sale that was oversubscribed six-times and fetching demand of over ₹50,000 crore against an issue size of \$1 billion.

Duquesne Family Office and two other US-based long-only funds—Driehaus Capital Management and Jennison Associates—invested in the qualified institutional placement (QIP) of Adani Energy Solutions Ltd, people with direct knowledge of the matter said.

The ₹8,340 crore (\$1 billion) issue saw over 120 investors seek shares in the firm that is into power transmission, distribution and smart metering business.

People cited earlier said the issue marked the debut of highly prestigious long-only investors Duquesne Family Office, Driehaus Capital Management and Jennison Associates which are known for their strong performance.

The demand generated made the Adani Energy Solution Ltd QIP the largest in the energy space.

PTI

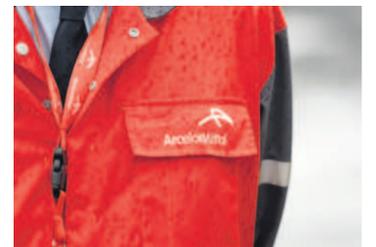
Zomato launches new 'District' app

Food delivery giant Zomato launched a new app 'District' on Thursday, targeting an expanding 'going out' segment, including movies, shopping, and staycations, as part of its efforts to broaden its services beyond traditional food delivery. The launch comes amid a staggering rise in the company's fiscal first-quarter (Q1FY25) net profit.

Currently, Zomato's dining-out business, which allows customers to discover restaurants for dining, boasts an annualized gross order value exceeding \$500 million and is profitable.

Zomato's net profit surged to ₹253 crore in the June quarter, from ₹2 crore a year ago, driven by higher gross order value (GOV) across its food delivery, quick commerce, and going-out verticals. The quick commerce vertical led the growth with a 130% rise in GOV, while the food delivery and going-out verticals grew by 27% and 106%, respectively.

PRIYAMVADA C



The sales of the company in the April-June period dropped to \$16,249 million.

REUTERS

ArcelorMittal's Q2 net income falls 73%

ArcelorMittal, the world's leading integrated steel and mining company, on Thursday reported a 72.9% drop in net income at \$504 million for the second quarter ended June 30, 2024.

The company had posted a net income of \$1,860 million in the corresponding period of the previous fiscal. The net income is attributable to equity holders of the parent company. The sales of the company in the April-June period dropped to \$16,249 million over \$18,606 million in the year-ago period, ArcelorMittal said in a statement. The company said that exports from China left the steel market in an unsustainable position.

According to ArcelorMittal CEO Aditya Mittal, financially, the firm's performance in the April-June period was broadly similar to the preceding quarter, reflecting continued subdued economic sentiment.

PTI

'Health-tech, travel apps deceive users'

Health-tech apps had the highest number of deceptive practices that manipulate users to make unintended purchases, followed by travel booking and fintech apps, a study by the Advertising Standards Council of India (ASCI) showed.

An average of about three deceptive patterns were found in each app, according to the report of the study published on Thursday. Over 12,000 screens from apps across nine industries were analysed.

The common 'dark patterns' include privacy deception, prevalent in 79% of the apps, along with interface interference and drip pricing. Interface interference highlights certain parts of the interface and hides others, misdirecting users into taking an action. In drip pricing, additional fees are introduced gradually via the purchase process, making the final price higher than originally quoted.

VARUNI KHOSLA

'MTNL lacks fund to pay bond interest'

State-run MTNL has insufficient funds to pay interest for 7.78% MTNL Bond Serie VII-C which was raised against Sovereign Guaranteed Bonds and is due on 10 August, the company said in a regulatory filing on Thursday.

As per the structured payment mechanism of the tripartite agreement signed among MTNL, Department of Telecommunications (DoT) and Beacon Trusteeship, the state-run telecom firm has to fund the semi-annual interest into the escrow account with adequate amount 10 days before the due date. "...it is informed that due to insufficient funds, MTNL could not fund the ESCROW account with the adequate amount," MTNL filing said.

According to the filing, the sovereign guarantee will be invoked by the debenture trustee in case of any default made by MTNL in payment of principal and interest on the bonds and the government of India is obliged to make the payment to MTNL for the same.

PTI



AI FIRMS WILL SOON EXHAUST MOST OF THE INTERNET'S DATA

Can they create more?

The Economist

In 2006 fei-fei li, then at the University of Illinois, now at Stanford University, saw how mining the internet might help to transform AI research. Linguistic research had identified 80,000 "noun synonym sets", or synsets: groups of synonyms that described the same sort of thing. The billions of images on the internet, Dr Li reckoned, must offer hundreds of examples of each synset. Assemble enough of them and you would have an AI training resource far beyond anything the field had ever seen. "A lot of people are paying attention to models," she said. "Let's pay attention to data." The result was ImageNet.

IN THIS SERIES ON AI

The internet provided not only the images, but also the resources for labelling them. Once search engines had delivered pictures of what they took to be dogs, cats, chairs or whatever, these images were inspected and annotated by humans recruited through Mechanical Turk, a crowdsourcing service provided by Amazon which allows people to earn money by doing mundane tasks. The result was a database of millions of curated, verified images. It was through using parts of ImageNet for its training that, in 2012, a program called AlexNet demonstrated the remarkable potential of "deep learning"—that is to say, of neural networks with many more layers than had previously been used. This was the beginning of the AI boom, and of a labelling industry designed to provide it with training data.

The later development of large language models (LLMs) also depended on internet data, but in a different way. The classic training exercise for an LLM is not predicting what word best describes the contents of an image; it is predicting what a word cut from a piece of text is, on the basis of the other words around it.

In this sort of training there is no need for labelled and curated data; the system can blank out words, take guesses and grade its answers in a process known as "self-supervised training". There is, though, a need for copious data. The more text the system is given to train on, the better it gets. Given that the internet offers hundreds of trillions of words of text, it became to LLMs what aeons of carbon randomly deposited in sediments have been to modern industry: something to be refined into miraculous fuel.

Common Crawl, an archive of much of the open internet including 50bn web pages, became widely used in AI research. Newer models supplemented it with data from more and more sources, such as Books3, a widely used compilation of thousands of books. But the machines' appetites for text have grown at a rate the internet cannot match. Epoch AI, a research firm, estimates that, by 2028, the stock of high-quality textual data on the internet will all have been used. In the industry this is known as the "data wall". How to deal with this wall is one of AI's great looming questions, and perhaps the one most likely to slow its progress.

One approach is to focus on data quality rather than quantity. AI labs do not simply train their models on the entire internet. They filter and sequence data to maximise how much their models learn. Naveen Rao of Data-bricks, an AI firm, says that this is the "main differentiator" between AI models on the market. "True information" about the world obviously matters; so does lots of "reasoning". That makes academic textbooks, for example, especially valuable. But setting the balance between data sources remains something of a dark art. What is more, the ordering in which the system encounters different types of data matters too. Lump all the data on one topic, like maths, at the end of the training process, and your model may become specialised at maths but forget some other concepts.

These considerations can get even more complex when the data are not just on different subjects but in different forms. In part because of the lack of new textual data, leading models like OpenAI's GPT-4o and Google's Gemini are now let loose on image, video and audio files as well as text during their self-supervised learning. Training on video is hardest given how dense with data points video files are. Current models typically look at a subset of frames to simplify things.

Whatever models are used, ownership is



Given that the internet offers hundreds of trillions of words of text, it became to LLMs what aeons of carbon randomly deposited in sediments have been to modern industry: something to be refined into miraculous fuel. ISTOCKPHOTO

increasingly recognised as an issue. The material used in training LLMs is often copyrighted and used without consent from, or payment to, the rights holders. Some AI models peep behind paywalls. Model creators claim this sort of thing falls under the "fair use" exemption in American copyright law. AI models should be allowed to read copyrighted material when they learn, just as humans can, they say. But as Benedict Evans, a technology analyst, has put it, "a difference in scale" can lead to "a difference in principle".

Different rights holders are taking different tactics. Getty Images has sued Stability AI, an image-generation firm, for unauthorised use of its image store. The *New York Times* has sued OpenAI and Microsoft for copyright infringement of millions of articles. Other papers have struck deals to license their content. News Corp, owner of the *Wall Street Journal*, signed a deal worth \$250m over five years. (The *Economist* has not taken a position on its

AI startups are keenly watching what types of questions users ask their models, and then collecting data to tune their models on those topics.

relationship with AI firms.) Other sources of text and video are doing the same. Stack Overflow, a coding help-site, Reddit, a social-media site, and X (formerly Twitter) are now charging for access to their content for training. The situation differs between jurisdictions. Japan and Israel have a permissive stance to promote their AI industries. The European Union has no generic "fair use" concept, so could prove stricter. Where markets are set up, different types of data will command different prices: models will need access to timely information from the real world to stay up to date.

Model capabilities can also be improved when the version produced by self-supervised learning, known as the pre-trained version, is refined through additional data in post-training. "Supervised fine-tuning", for example, involves feeding a model question-and-answer pairs collected or handcrafted by humans. This teaches models what good answers look like. "Reinforcement-learning from human feedback" (rlhf), on the other hand, tells them if the answer satisfied the questioner (a subtly different matter).

In rlhf users give a model feedback on the quality of its outputs, which are then used to tweak the model's parameters, or "weights". User interactions with chatbots,

such as a thumbs-up or -down, are especially useful for rlhf. This creates what techies call a "data flywheel", in which more users lead to more data which feeds back into tuning a better model. AI startups are keenly watching what types of questions users ask their models, and then collecting data to tune their models on those topics.

SCALE IT UP

As pre-training data on the internet dry up, post-training is more important. Labelling companies such as Scale AI and Surge AI earn hundreds of millions of dollars a year collecting post-training data. Scale recently raised \$1bn on a \$14bn valuation. Things have moved on from the Mechanical Turk days: the best labellers earn up to \$100 an hour. But, though post-training helps produce better models and is sufficient for many commercial applications, it is ultimately incremental.

Rather than pushing the data wall back bit by bit, another solution would be to jump over it entirely. One approach is to use synthetic data, which are machine-created and therefore limitless. AlphaGo Zero, a model produced by DeepMind, a Google subsidiary, is a good example. The company's first successful Go-playing model had been trained using data on millions of moves from amateur games. AlphaGo Zero used no pre-existing data. Instead it learned Go by playing 4.9m matches against itself over three days, noting the winning strategies. That "reinforcement learning" taught it how to respond to its opponent's moves by simulating a large number of possible responses and choosing the one with the best chance of winning.

A similar approach could be used for LLMs writing, say, a maths proof, step-by-step. An LLM might build up an answer by first generating many first steps. A separate "helper" AI, trained on data from human experts to judge quality, would identify which was best and worth building on. Such AI-produced feedback is a form of synthetic data, and can be used to further train the first model.

Eventually you might have a higher-quality answer than if the LLM answered in one go, and an improved LLM to boot. This ability to improve the quality of output by taking more time to think is like the slower, deliberative "system 2" thinking in humans, as described in a recent talk by Andrej Karpathy, a co-founder of OpenAI.

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SHORT
STORY

WHAT

The material used in training LLMs is often copyrighted and used without consent from, or payment to, the rights holders. Some AI models peep behind paywalls.

SO

The *New York Times* has sued OpenAI and Microsoft for copyright infringement of millions of articles. Other papers have struck deals to license their content.

MOREOVER

The situation differs between jurisdictions. Japan and Israel have a permissive stance to promote their AI industries. The EU has no generic "fair use" concept, so could prove stricter.

Currently, LLMs employ "system 1" thinking, generating a response without deliberation, similar to a human's reflexive response.

The difficulty is extending the approach to settings like health care or education. In gaming, there is a clear definition of winning and it is easier to collect data on whether a move is advantageous. Elsewhere it is trickier. Data on what is a "good" decision are typically collected from experts. But that is costly, takes time and is only a patchy solution. And how do you know if a particular expert is correct?

It is clear that access to more data—whether culled from specialist sources, generated synthetically or provided by human experts—is key to maintaining rapid progress in AI. Like oilfields, the most accessible data reserves have been depleted. The challenge now is to find new ones—or sustainable alternatives.

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Meta's Ad strength gives AI spending some cover

Dan Gallagher
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Meta Platforms is hardly the only big tech company with no plans to put the brakes on its blowout artificial-intelligence spending. It might be the only one where that news was already priced in.

The parent company of Facebook and Instagram used its second-quarter report on Wednesday to announce plans to make between \$37 billion and \$40 billion in capital expenditures this year. That is up from the prior range of \$35 billion to \$40 billion that the company gave three months ago—essentially a 3% raise at the midpoint.

Either one is a tidy sum given Meta's size—at least relative to its other megacap tech peers. An outlay of \$37 billion would represent 23% of what Wall Street projects for Meta's total revenue this year. Amazon.com, Microsoft and Google parent Alphabet are projected to devote between 10% and 20% of their revenue to capex over the same period, according to consensus estimates from FactSet. And for good measure, Meta also said Wednesday that it expects "significant capital expenditures growth" in 2025. Three months ago the company simply said capex "will continue to increase" in the next year.

It was basically the same message on that front that Microsoft and Google broadcast in their recent reports. But Meta's stock jumped more than 7% in after-hours trading following its Wednesday afternoon release, compared with respective drops of 1% and 5% for Microsoft and Alphabet following their results. Meta's revenue beat Wall Street's consensus estimate by a slightly wider margin than those other two. It also helps that the stock had already experienced sticker shock from AI spending plans broadcast in the last earnings season. Meta is the only one of the six trillion-dollar tech megacaps to have seen its shares lose ground between its March

quarter report and the latest one.

Meta's turbulent record over the past few years shows that its investors are willing to roll with expensive ambitions as long as the core business holds up and other costs are held down. That is proving to be the case now. Advertising revenue grew 22% year over year to \$38.3 billion, which was \$3 billion higher than what Wall Street expected. Operating income of \$14.8 billion also beat analysts' estimates, despite a loss of nearly \$4.5 billion in the Reality Labs division that houses the company's VR and metaverse efforts.

The company is also keeping to the lessons of its "year of efficiency." Headcount grew by 1,470 in the June period, but remains 19% below the company's peak in late 2022. Revenue per employee is up 51% from that time.

Still, investors are getting antsy about the expensive race to build generative-AI services. It is a boon for Nvidia: The AI chip star's stock jumped more than 3% in after-hours trading Wednesday following Meta's results and surging nearly

THE WALL STREET JOURNAL

13% in the regular session following Microsoft's report. Capex questions from analysts dominated both earnings calls, and Meta Chief Executive Officer Mark Zuckerberg maintained his previously stated view that Meta's direct payoff from genAI services isn't close at hand. "I don't think that anyone should be surprised that I would expect that that will be years," he said on Wednesday's call.

Years are something the 40-year-old centibillionaire has. And years it might take, given the still tight supply of Nvidia's most powerful chips. Zuckerberg showed up on stage with Nvidia CEO Jensen Huang at a conference on Monday, with the two joking about the 600,000 GPU chips Meta has already bought from the company.

Huang is laughing all the way to the bank now. Zuckerberg eventually needs to ensure that his company's AI spending doesn't become a punchline.

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Capital gains tax: Guide for pre- vs post-2001 property

Decoding real estate tax changes in budget; key scenarios explained and how they stack up

Aprajita Sharma
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For real estate owners, especially those with long-held properties, the Union Budget 2024 has introduced significant changes that have been met with surprise and confusion. The overhaul of capital gains tax rules, particularly the removal of indexation benefits, has left many scrambling to understand the new tax landscape.

The updated provisions impose a 12.5% tax on long-term capital gains (LTCG), while short-term gains continue to be taxed according to slab rates. However, the elimination of indexation, which previously helped reduce tax liabilities on older properties, has created a challenging situation for property owners.

As the impact of the Union Budget becomes clearer, experts are advising homeowners to reassess their financial strategies, particularly regarding the deductions still available for the cost of acquisition.

Sample this: Consider Mr. A, who bought a house on 15 October, 1990, for ₹15 lakh. He spent around ₹2.5 lakh on repairs in 2000 and an additional ₹3 lakh in 2010. Mr. A needs to determine which of these expenses can be added to the cost of acquisition when selling his house. Notably, the initial stamp duty, costs for improvements, and brokerage or legal fees paid during the purchase can all be included in the cost of acquisition (CoA).

"The cost of acquisition is the basic price agreed to be paid to the seller and includes stamp duty, registration fee and transfer fees (if applicable). Expenses such as brokerage and legal fees, if these were directly connected with the transaction of purchase of the property, also form part of it. The goods and services tax (GST) on purchase of under-construction property can also be added to it," said chartered accountant (CA) Nitesh Buddhadev, founder of Nimit Consultancy, **Pre-2001: Cost of acquisition**

Chartered accountants were confident that stamp duty can be included in the CoA, but last week's discussions on social media platform X cast doubt on its applicability following the Budget 2024.

The debate grew so intense that the Income Tax Department had to step in with a clarification, confirming that, for all properties purchased before 1 April 2001, stamp duty will indeed be part of the cost of acquisition, though it must meet certain conditions.

"An issue has been raised as to what would be the cost of acquisition as on 1 April 2001 for properties (land, building or both) purchased prior to 1 April 2001. It shall be: i) The cost of acquisition of the asset to the assessee; or ii) The fair market value (not exceeding the stamp duty value, wherever available) of such asset as on 1 April 2001."

"Taxpayers can choose either option according to Section 55(2)(b) of the Income Tax Act, 1961," the tax department added.

Applying this rule, A's cost of acquisition includes the purchase price (₹15 lakh), and brokerage and legal fees (₹15,000), stamp duty (₹75,000), and the cost of improvements made in 2000 (₹3 lakh). Improvements made in 2000 will be excluded.

"Any repair or improvement done

Know your capital gains tax

The new rules are now in effect. Mint outlines two scenarios to help you navigate these changes effectively.

Mr A buys a property before 1 April 2001		Mr B buys a property after 1 April 2001	
15 October 1990	Date of purchase	15 October 2005	
A ₹15 lakh	Cost of purchase	A ₹50 lakh	
B ₹75,000	Stamp duty	B ₹2.5 lakh	
C ₹15,000	Brokerage/legal fees	C ₹50,000	
D ₹2.5 lakh in 2000*	Cost of improvement (CoI)	D ₹2.5 lakh	
E ₹3 lakh in 2010	Cost of improvement (CoI)**	E Interest on housing loan (₹40 lakh @ 8.5% for 15 years)^	E ₹30.90 lakh
₹15.9 lakh	Actual CoA (A+B+C)	F CoA (A+B+C+D+E)	F ₹86.40 lakh
	E to be added later		Mr B sells it in FY25 after 23 July 2024

As on 1 April 2001:		Mr A sells it in FY25 after 23 July 2024	
Fair market value (FMV)	₹22 lakh	G Sales value	₹2.5 crore
Stamp duty	₹20 lakh	H Brokerage/legal fees	₹2.5 lakh
F Cost of acquisition	₹20 lakh	Long-term capital gains	G-H-F
i) Choose the higher of actual CoA or FMV as on 1 April 2001 ii) If FMV, it should not be more than stamp duty			₹1.61 crore
G CoA for tax calculation	₹23 lakh	LTCG tax @ 12.5%	₹20.13 lakh
F+E			
H Sales value	₹2 crore		
I Brokerage/legal fees	₹2 lakh		
Long-term capital gains	₹1.75 crore		
H+I-G			
LTCG tax @ 12.5%	₹21.87 lakh		

*Cost of improvement done before 1 April 2001 will not be considered in tax calculations

Source: Nimit Consultancy

before 1 April 2001 will not be included in the total cost," said Buddhadev.

Therefore, the CoA at this stage will stand at ₹15.9 lakh. The next step is to engage a registered property valuer to determine the property's fair market value, or FMV as of April 1, 2001. In this example, the FMV is estimated at ₹22 lakh. However, income tax rules specify that the FMV can't exceed the stamp duty value (as per circle rate), which is ₹20 lakh in this case.

However, income tax rules specify that the FMV can't exceed the stamp duty value, which is ₹20 lakh in this case. Therefore, ₹20 lakh will be considered as the cost of acquisition. Adding the ₹3 lakh spent on improvements, the total CoA for tax calculation purposes is ₹23 lakh.

If Mr. A sells his property for ₹2 crore after 23 July 2024, he will need to deduct the cost of acquisition of ₹23 lakh from the sale price, resulting in net amount of ₹1.77 crore.

Additionally, he can deduct brokerage or legal fees associated with the sale, which are typically around 1% of the sale price, amounting to ₹2 lakh in this case. After these deductions, the total capital gains will be ₹1.75 crore. At a rate of 12.5%, long-term capital gains tax payable will be ₹21.87 lakh.

Navigating post-2001 acquisitions
The process is more straightforward for properties purchased after 1 April 2001, focusing on the actual purchase price, as well as associated fees

and improvement costs. However, complications can arise when loans are involved, particularly concerning the interest paid.

In these cases, the concept of FMV doesn't apply. The CoA is simply sum of purchase price, associated fees, and improvement costs. Sample this, Mr B buys a house on 15 October 2005, for ₹50 lakh with ₹10 lakh down payment and a ₹40 lakh loan at 8.5% interest over 15 years. He spent ₹2.5 lakh in improvement costs in 2010, paid ₹2.5 lakh in stamp duty, and ₹50,000 in brokerage and legal fees. The interest on loan, assuming it was not claimed as deduction under Section 24B or Chapter VIA will amount to ₹30.9 lakh. So, total CoA becomes ₹86.4 lakh.

If Mr B sells the property for ₹2.5 crore in the ongoing fiscal year but after 23 July 2024, he must deduct the CoA of ₹86.4 lakh and brokerage and legal fees of ₹2.5 lakh paid during the sale. This will result in capital gains of ₹1.61 crore. At a 12.5% tax rate, the LTCG tax payable will stand at ₹20.13 lakh.

The treatment of interest in the cost of acquisition is also complex. The Finance Act, 2023, introduced a proviso to Section 48(ii), effective April 1, 2024, stating that "interest claimed under Section 24 or Chapter VIA shall not be considered part of the cost of acquisition or the improvement of the capital asset."
CA Naveen Wadhwa, vice president

Homeowners must reassess their financial strategies based on deductions for the cost of acquisition

at Taxmann, explained: "The proviso has been introduced as an anti-abuse measure to curtail double deduction, as the taxpayers used to claim it under Section 24 or Chapter VIA, and also include it in the cost of acquisition when selling a property."

However, a key question remains: Can interest not claimed under Section 24 or Chapter VIA be included in the cost of acquisition? While some tax experts said it can be, CA Balwant Jain disagreed.

Jain explained that interest can be included in the cost of acquisition only up to the point of obtaining possession of the house. After possession, the interest can only be deducted under Section 24 or Chapter VIA, according to the broader accounting principles. These principles indicate that interest paid after the commercial production of an asset is considered revenue expenditure and cannot logically be added to the asset's cost.

"This inconsistency between the commercial principles and section 48 may lead to litigation," he added. While calculating the cost of acquisition (CoA) might appear straightforward, it is wise to consult an experienced CA, particularly when interest payments are involved.



WHAT'S THE FOREX RATE?

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



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FOREX RATES (₹/\$)

Bank/travel aggregator	Wire transfer*		Buy forex	
	Inward	Outward	Forex/travel card	Cash
SBI	83.32	84.17	84.34	84.65
Bank of Baroda	83.31	84.14	84.55	84.95
Canara Bank	83.39	84.10	84.31	NA
IndusInd Bank^	81.70	85.23	86.02	86.32
Kotak Bank	82.25	85.16	85.56	86.13
HDFC	82.42	85.06	85.31	85.89
ICICI	81.85	85.28	85.30	86.89
Axis Bank	82.07	85.62	NA	85.88
Yes Bank	82.27	85.18	86.10	86.10
Thomas Cook	81.90	85.36	84.19	85.58

Note: Data collected from website of respective entities as on 31 Jul 2024; Rate mentioned in the table denotes INR/USD. The rate is as mentioned on the website of the Bank/TA and may vary according to different amount slab; *Wire Transfer/TT Buying is Inward Rem to receive Forex & Wire Transfer/TT Selling is Outward Rem to send forex; ^effective as on 30 Jul 2024

Compiled by BankBazaar.com

Maximize returns with strategic asset allocation for key life goals

Harshad Chetanwala

How to diversify my investment portfolio to align with long-term financial goals. At 40, my monthly income is ₹3 lakh, and expenses is ₹1.5 lakh. I invest ₹1 lakh per month in small, mid, and large-cap index funds through systematic investment plans (SIPs). Portfolio includes ₹2.85 crore in mutual funds, ₹80 lakh in equities, ₹52 lakh in EPF, ₹18 lakh in PPF, and ₹20 lakh in NPS. I wish to retire at 55, besides spending ₹3 crore on children's international schooling in 8-10 years from now, as well as set aside ₹15 lakh for charity, post-retirement. I seek advice on the optimal asset allocation, cost-effective international diversification and risk management. I also need your guidance on how often to review and rebalance my portfolio.

—Name withheld on request

Your present portfolio looks good and will help you reach your goals comfortably. Your Children's education and your retirement are both long term goals, as they are 10-15 years away. Therefore, your plan of investing in equity mutual funds will work well for you.

If we assume 10% an annual growth rate from your equity portfolio, at the end of 10 years you will be at around ₹11.40 crore, with a monthly investment of ₹1 lakh as you have mentioned in your query. This ensures your children's education expenses goal of ₹3



ASK MINT RETIREMENT

crore can be easily achieved from this investment. If you use this amount for their education, then the remaining ₹8.40 crore will continue to remain invested for your retirement.

As your current expenses are ₹1.5 lakh per month, after 15 years with inflation of 6% p.a. you would need approximately ₹3.60 lakh to maintain similar style at retirement. Some of the current expenses, such as children's education fees, and expenses related to them, will not exist at retirement. However, medical and health insurance-related costs would instead get added post retirement.

While there does exist some buffer, if we assume the same amount for post-retirement, then you may need a corpus of ₹8.75 crore to take care of your monthly expenses post retirement for next 30 years from 55 years onward.

While you do have a good amount already in PPF, EPF and NPS, it will also be avail-

able for your retirement years. The equity-based investment could also reach close to ₹14.40 crore when you reach 55, which can comfortably take care of your retirement along with PF and pension investments.

Looking at the current portfolio you have nearly 80% equity-based investments, and as you have long-term goals, this should not bother you much. Reviewing the portfolio every six months can help you build it more efficiently.

If there's ever a need to rebalance the portfolio, it is better to make new investments in asset classes or avenues where the allocation has reduced, instead of exiting and reinvesting the amount as it may attract capital gains and other tax liabilities.

—Harshad Chetanwala is a certified financial planner and the co-founder of MyWealth-Growth.com

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

WHY THE BUDGET'S SHARE BUYBACK TAX HIKE COULD SPELL DOOM FOR INVESTORS



POWER POINT
KAVITHA MENON

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

Companies reward shareholders by way of payment of dividends or via share buybacks. Both are done from tax-paid reserves or profits of the company. Such payments not only reward shareholders, but are also used as tools of wealth distribution and efficient allocation of capital.

For example, a company that's in a mature business might not find viable opportunities to deploy all its cash earnings and may decide to return the same to shareholders, who can then allocate these funds in better investments.

When slab taxation for dividends was introduced, it was met with feeble protests from the industry and investor community. Slab taxation of dividends means that for every ₹100 earned and distributed by a company, the company first pays ₹25 as corporate tax, and the shareholder pays an additional tax of anywhere between 10% and 37.5% on the tax-paid distributed profit. A clear case of double taxation.

To those in the highest tax bracket, effective taxation could be as high as 53.125%. A handful of taxation experts did call out this double taxation and were hoping for a rationalisation of the same in this budget. Instead, the finance minister introduced another whammy by introducing tax on the buy back proceeds. Such buy back proceeds will be deemed dividends and fully taxed in the hands of investors with no deductions, including cost of acquisition of shares. (see chart)

As a result of the disproportionately high taxes on buy backs, retail shareholders will skip these issues, if at all corporates still choose to have them. Only institutional investors such as mutual funds and foreign institutional investors (FIIs), who pay no tax or near-zero tax, will participate.

A stake sale by a promoter will attract capital gains for the promoter, but the triggered buy back will result in slab rate tax for retail shareholders. The unfairness is palpable.

In developed markets, buybacks are extensively used to create value for shareholders and improve financial ratios. Large companies in the US routinely buy back stocks to reward shareholders. However, considering the tax on buybacks in India, it looks unlikely that companies will choose this path for distribution of accumulated profits.

The other side effect of the taxes is that companies with mature businesses will prefer to hoard cash despite having no avenues to deploy, thereby resulting in suboptimal capital decisions. Also, it results in an inequitable distribution of wealth, as smaller shareholders will no longer have access to company profits. They

Death knell

After the budget 2024, buyback proceeds will be taxed at a slab rate at par with dividend income.

	Buyback (₹)	Sale in the market (₹)
Purchase price	50	50
Buyback price	120#	-
CMP as on sale date	-	100
Gains on sale/buyback	120^	50
Tax payable*	39.6	6.25
Set off against cap gains @12.5% on ₹50**	6.25	-
Post tax gain/loss	36.65	43.75

* Assumed slab rate of 33%
Assuming the buyback price is generally higher than market price
^ Can set off against other trades
CMP: Current market price
** The entire amount becomes taxable

can only hope for an increase in the price of their holdings to sell them in the market.

Many family-owned businesses, or small and medium business enterprises choose the corporate structure for compliance and business compulsions. Banks and overseas customers insist on signing contracts with corporate entities only and therefore, even smaller business owners have no choice but to move to this structure. Also, small business owners put large amounts of their per-

sonal assets into the company capital and often need to draw out profits for personal expenses. Imagine their plight if they are unable to withdraw accumulated profits from their own businesses without paying the government twice over in taxes.

Compared to them, shareholders of listed firms can at least have an exit option in the form of sale of shares on the exchanges.

Over and above the tax paid on distribution, corporate investors also pay taxes on the sale of their shareholding in the form of capital gains tax. However, given the booming stock market, no one seems to be complaining.

What will happen when the earnings slow down and the markets are no longer exuberant? The growing tribe of equity investors will then feel the pinch of excessively high taxes.

Clearly, new age entrepreneurs who aren't into the game of selling their stakes, will prefer the limited liability partnership (LLP) structure, which allows for a lot more flexibility in capital allocation.

However those stuck in a company structure will find the going very tough. This is far removed from a fair tax and ease of business, and the ministry of finance must urgently rationalise the double taxation of dividends and buy back taxes. I would expect the finance minister to get rid of dividend tax, and tax buy backs like any other equity sale.

Kavitha Menon is RIA and founder of Probitus Wealth.



OUR VIEW



Ola Electric: It'll have to go strictly by a road-map

The electric scooter maker has been a success and boasts of its own gigafactory, but going public will mean far greater accountability. Weakly explained shifts in strategy won't do

India's transition to clean energy has been short of climate-action heroes, so it's natural for investor interest to chase Bhavish Aggarwal-led Ola Electric, which leads the local market for electric scooters, selling four out of every ten rolling onto Indian streets. This startup had a dream ascent to unicorn status, as it zipped past older rivals, fuelled by a perfect storm of factors: an acceleration in demand for electric vehicles (EVs), a receptive audience for an aggressive sales pitch and government support by way of a price subsidy. For B-schools, Ola serves as a splendid case study of brand extension: from taxi services to EVs. And Ola Electric is now set to go public with an equity offer that places its value at around ₹33,500 crore. Large as this may seem, it's only 40% of what the company was earlier looking at, reportedly, and also a steep drop from its last funding round, which valued it at \$5.4 billion. Naturally, too, Ola's ramp-up to this stage invites closer scrutiny.

While Aggarwal has averred that Ola Electric's valuation was cut to make its share issue more attractive for investors, there's a trail of signs that point to a less-than-smooth ride thus far. Take the scope of Ola's market ambition, a key determinant of what value it could foreseeably create for shareholders. On Independence Day, Ola plans to reveal details of an electric motorcycle on its launch pad. Scroll back to 15 August 2022, though, and it was India's four-wheeler market being served notice of Ola's entry. "Indian carmakers are conservative, thinking that we only want small cars or maybe mid-sized cars," Aggarwal had then said at a livestream titled 'Mission 2022,' "Global automakers think that the Indian market is not ready for world-class tech and hence sell their

hand-me-down tech in India... We deserve a car that defines our new destiny." With this review of a market gap, he promised an electric car that would be the fastest made in India, with a pedal thrust taking it to 100kmph in under four seconds, a range of over 500km per charge, an all-glass roof and advanced digital tech. Its launch? 2024. Or so it said on the screen at the end of that spiel. Today, Ola's IPO papers make no mention of any electric car. According to Aggarwal, the company never formally communicated any timeline for what was showcased as an "aspiration product," and its shift in priority is part of a broader strategy to build a robust EV ecosystem. The company recently set up a gigafactory in Tamil Nadu, a unit that makes lithium-ion cells to power EVs.

Although battery making success could give Ola an edge in the EV transition, the awkward car episode means it can expect hard questions from investors just to assess the realism of its business strategy. Some of its practices have been under a cloud too. As *Mint* recently reported, some of its market share was on account of scooters sold to its own group entity. It also has an employee attrition rate that's higher than it should be at this stage of a startup. Earlier, its scooter safety record had attracted criticism. Although such problems can be overcome, it's clear that its management must take extra care in adapting to the discipline that a publicly listed company demands. Investors will expect strategic clarity, with no sudden swings in market focus. An entrepreneurial culture may place a premium on 'flexibility,' with startup lore full of quick reversals and alternative paths, but a widely held corporation must hunker down on what investors have been led to expect. Unexplained re-routing won't do.

MY VIEW | TECH WHISPERS

SearchGPT is a smaller threat to Google than its own challenges

Google's search business is so lucrative that it faces the risk of a financial hit if it pivots fully to AI



JASPREET BINDRA

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Arguably the best business model ever invented, other than the illegal one of peddling drugs, is search. This is a \$200 billion plus market today, with gross margins estimated at 60%, growing at 10% every year and projected at \$371 billion by 2031. As we all know, one player dominates this lucrative market: Google, with a highly enviable 90%-plus market share. No one has been able to get anywhere close, with even mighty Microsoft's Bing a light year behind at No. 2 with a 3.7% share. Besides the acclaimed superiority of Google's search algorithms and its effective use of AI, another big reason is network effects and the fact that Google has now become a verb. What you need, you 'google'.

No wonder that every tech company on Earth is trying to get a piece of the action, but has so far only managed to gather crumbs left behind by Google. Despite onslaughts by Microsoft and Yahoo, and pretenders like DuckDuckGo and Wolfram Alpha, Google has never really been under any threat. Until now, that is, with a new technology which threatens to upset its cosy world. The technology is Generative AI, and it is perhaps the first credible threat to Google's throne.

This was apparent when ChatGPT was launched by OpenAI. Suddenly, we had another way of finding information and content out there, but a way that

seemed more intuitive, warm and human than the cold 'ten blue links' of Google's search results. GenAI is built on language, much like we humans are, and its powerful Transformer algorithms (the 'T' in GPT) parse the vast troves of language on the internet to give us answers by probabilistically providing the next set of words to any word or prompt we give it. This is how we humans learn and think with language, but it is this very human quality of making up stuff as it goes along—and being optimized for believability and not facts—that make Large Language Models (LLMs) of GenAI not very conducive to the factual precision we expect of search. Thus, while GenAI has been out there for a couple of years, it has not been a credible danger to Google's search engine so far.

This hasn't stopped people trying. Bing immediately incorporated OpenAI's GPT4 into its search results and renamed it Copilot, a startup called Perplexity has made waves with its robust competition (see: bit.ly/3Sr9fKy), and even Google incorporated its own LLM Gemini into its search results. However, the hallucinatory and probabilistic nature of GenAI often led to disastrous results, with Google's GenAI-based search confidently making Barack Obama African, for example.

Last week saw the biggest onslaught on Google's monopoly yet, the launch of SearchGPT by OpenAI. OpenAI seems to have learnt from the mistakes of others. It is being careful, releasing a prototype for 10,000 users so as to learn and improve results before a wider launch. It has struck deals with content producers like *Wall Street Journal*, Vox Media and Associated Press, both to get quality content and send traffic back to publishers "by prominently citing and linking to them in searches." Publishers also have a way to "manage how they appear in OpenAI search features," as per OpenAI. This partnership-led approach by the world's hottest GenAI company is perhaps the most credible threat that Google has seen so far.

My view is slightly different, though: the biggest threat to Google Search is Google itself. The first reason is what Clayton Christensen called the "innovator's dilemma." The Transformer was invented at Google's lab, but it was OpenAI that took it forward. Google saw GenAI and LLMs as being too reputationally dangerous, and a direct threat to its lucrative advertising-led search business model. The risk of launching something that would cannibalize its own business was too great, and so it demurred—the classic innovator's dilemma. Secondly, Google's dominant position has made it complacent. The Google interface is a bad user experience, with advertiser links disguised as actual results dominating its first page, although users want the best possible result rather than advertised results. Google is optimized for the advertiser, not the consumer. The third reason is what usually happens to a wildly successful company with a monopoly grip: bloated structures slow down decision making, its leadership grows tentative and global regulators begin circling around and slowing down innovation.

Thus, while SearchGPT and Perplexity will launch frontal attacks on its search empire, the biggest threat to Google is Google itself.

QUICK READ

We recently saw the biggest onslaught on Google's monopoly yet with the launch of SearchGPT by OpenAI, which seems to have learnt from the mistakes of others in this high-stakes pursuit.

The biggest threat to Google Search is Google itself, as it faces an 'innovator's dilemma': If it uses AI for a superior user experience, its advertising model could be adversely impacted.

10 YEARS AGO



JUST A THOUGHT

Any society that fails to harness the energy and creativity of its women is at a huge disadvantage in the modern world.

TIAN WEI

THEIR VIEW

Women's labour participation: Lower for longer in UP

VIDYA MAHAMBARE & VIVEK JADHAV



are, respectively, professor of economics and director (research) at Great Lakes Institute of Management, and assistant professor of economics, Institute of Management Technology, Ghaziabad.

The state of Uttar Pradesh is deceptively large. Working-age women (20-59 years) in the state—about 57 million in 2021—outnumber the entire population of countries like Canada, Australia, Malaysia, and South Korea. The state has more women aged 20-29 than the combined population of Norway, Finland and Denmark. Given the vast size of UP, it makes sense to look at the state separately from the rest of India in the ongoing debate around low women's employment. Data from the Periodic Labour Force Survey shows that in 2022-23, only about 19.8% of young adult women (20-29 years) in UP were either employed or looking for work—known as the labour force participation rate (LFPR)—compared to 33.2% in the rest of India. In urban UP, only 16.3% of young adult women were labour-force participants, while in the rest of urban India, the proportion was close to 30%.

This gap is worrisome, since UP is a young state demographically. In 2021, around 37%

of working-age women were in the young adult category, compared to only 31% in the rest of India. Similarly, the proportion of teenagers set to enter the working-age population over this decade is larger in UP.

India's average total fertility rate (TFR) being 2, UP's TFR at 2.4 is still above the replacement rate of 2.1, according to the latest National Family Health Survey. The TFR indicates the number of children per woman of childbearing age. So, UP will witness a demographic expansion for longer than relatively prosperous states like Tamil Nadu and Gujarat.

In the age group of 30-59, the gap in women's LFPR between UP and the rest of India is narrower. However, in urban UP, women's LFPR in this age group at 17.4% in 2022-23 was only about half of that across the rest of India.

UP is urbanizing fast. As per news reports, the state government expects around 40% of its population to live in urban areas in five years, from around 30% currently. State policies must ensure that women can participate in urbanization and benefit from it.

It is difficult to disentangle supply and demand factors behind low women's labour participation. The supply-side explanation includes social and gender norms around

marriage, housework, care work and restrictions in terms of mobility. Demand-side determinants include a lack of job opportunities, especially near homes and in sectors where women traditionally work.

When average education levels are lower, low-skilled manufacturing sectors are considered conducive for women to take up paid work. Currently, the share of manufacturing in UP's state economy is only 12%. When Tamil Nadu had a similar per-person real income back in the early 2000s as UP has today, the share of manufacturing in Tamil Nadu's state economy was around 20%.

The UP government expects manufacturing to be a major driver of economic growth and job creation. The state has the highest number of 'smart cities' under development and the construction of several industrial corridors is underway.

But there is a catch. Since UP is landlocked, manufacturing exports rely on ports in other

states for shipping. Goods must be transported by rail or road for long distances, increasing transportation costs. Port development along industrial corridors would help, but until these new ports are operational and integrated into the state's transportation network, UP will face higher export costs than states with direct access to coastal ports.

The Niti Aayog's report on Export Preparedness Index 2022 highlights that, although UP is performing well on export growth, it suffers from infrastructure gaps,

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India's labour force survey shows that less than a fifth of young adult women in Uttar Pradesh were either employed or looking for work in 2022-23, compared to 33.2% in the rest of India.

The state has a higher birth rate than the national average, and while its manufacturing sector could create jobs, social factors are also at play that go against raising women's employment.

power shortages, low foreign direct investment and low manufacturing value addition. Streamlining land acquisition and simplifying regulatory processes would cut delays and lower costs.

Even as manufacturing expands in UP, the ability of women to take up jobs depends on several other factors. One of the main factors is the income-status norm. When the income of their menfolk increases, many Indian

women drop out of paid work. In India, in general, culturally, women are 'required' to take up paid work only if they need to support their families. 'Not required to work' is seen as a mark of high status and it also reduces the exposure of women to 'outsiders.'

Also, Indian women continue to be mainly responsible for childcare, elderly care and household work. Commuting poses another challenge in terms of modes of transport, time taken and safety while commuting.

As the state develops, men's income will rise first and the status-income effect would come into play. There is some evidence in 2022-23 data that in urban UP, women's LFPR does not rise among higher consumption deciles as it does in the rest of India.

Men's incomes also increase faster because they can migrate to other states for work. Women's migration for work remains low and temporary. According to the *Migration in India 2020-21* report, only 0.7% of total female migration was for employment. Men sending remittances back home also lowers the pressure on women to take up paid work to support their families.

There are no easy ways to raise earning opportunities for Indian women. As the data shows, the task is especially difficult for India's largest state.



GUEST VIEW

MINT CURATOR

The budget's tax bravery paid off but taxation could be improved

Asset markets shrugged off the capital gains hike but three tax policy tweaks could help boost investment at little fiscal cost



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The Indian government's decision to increase capital gains tax on listed stocks overnight by 2.5% for long-term gains and 5% for short-term gains was a brave one. Consider the context. India had been one of the best performing capital markets in the world. The *Economic Survey* had specifically called out challenges in sustaining overseas investor interest in a competitive global marketplace. The call, thus, had to be taken judiciously: will an overnight rate increase cause a crisis of confidence and lead to a pullback of global funds, or will the market still view the 12.5% and 20% tax rates as fair and take this in its stride? In the event, the government was proven right. The market fell as an immediate reaction, but then it recovered and even gave a thumbs-up by rallying smartly. The finance minister and ministry officials handled the narrative deftly, calling it a "rationalization of rates in response to industry representations."

Having successfully managed this change, it is an opportune time to think about whether there are still any small kinks to be ironed out in the manner the law has currently been proposed. This piece argues for three changes, which stay true to the core principles that the government has enunciated in this budget and could be considered for the final version of the law.

Convertible instruments: The first relates to the treatment of convertible instruments. Under the current proposals, unlisted debentures take the character of debt and are therefore treated as short-term assets, subject to maximum marginal tax rates on transfer. It is fair to treat debt and its returns as normal income. After all, interest income is taxed at full rates. One could legitimately say that gains on transfers of debt are no different. They ought to be taxed similarly.

A problem, however, arises where unlisted debentures are convertible. This is because globally, these instruments are used in the capital structure of entities for specific commercial purposes—such as providing senior treatment to pure equity—but in essence, the convertibility ensures that the returns profile is that of equity. The Reserve Bank of India recognizes this principle and treats compulsorily convertible instruments as equity. The Centre's FDI policy also accords the same treatment. Accounting norms similarly view these instruments as capital. Thus, the first tweak. Where a debt instrument, even if unlisted, is convertible, it is essential that tax law recognizes its equity nature and places it in the same bucket as shares for taxation purposes as well. This will be conceptually fair and allow investors, funds and corporations to continue using this instrument the way it is normally used, without having to structure it artificially merely because the tax law does not recognize the true nature of such instruments.

This tweak will sharpen the distinction between debt and equity treatment and lead to the conceptually appropriate outcome.

Buyback of shares: The second conceptual change that the budget for 2024-25 has made which calls for a similar tweak relates to buybacks. The government has taken a clear call that a buyback is akin to distribution of profits and should be taxed as dividend. This leads to the inequity that the cost of shares bought back is not immediately allowed as a direct offset, but instead becomes available as a capital loss for future set-offs against capital gains if and when they arise. I do not argue that this inequity be removed. However, it is important to recognize that a buyback is not always a distribution of profits. Indian company law, for example, permits companies to buy back one class of shares from proceeds of another class of shares. Likewise, if the company has surplus cash because of over-capitalization, a buy-back can be a means to simply return capital.

Accordingly, the tweak this provision would need is to bring in the concept of accumulated profits while reckoning the tax treatment of buybacks. To the extent the company has accumulated profits, it is fair that the proceeds thereof be treated and taxed as dividend. However, if that is

not the case, then the balance ought to be treated as capital gains. This would achieve the government's objective of recognizing buybacks as distribution of profits and also align Indian tax norms with those already operating in the context of capital reduction.

Sovereign/pension fund exemption: Today and till March 2025, a beneficial tax regime is accorded to specified investments made by notified pension and sovereign funds in India. The logic for this is that investments by this class of investors are long-term, patient and good for nation building. In fact, contrary to tradition, even in the February vote-on-account, this exemption was extended by a year to March 2025. Extending it further would be in consonance with the broad principle behind a slight pull-back of government spending and accompanying expectations of the private investor community.

These three tweaks will further the message that this budget has laid out—one of policy consistency and outcome predictability, which are fundamental principles that investors look for while forming a view on which geographies to allocate capital to. These changes will not cause any material revenue loss to the nation, while they would encourage a virtuous investing cycle.

QUICK READ

While the budget did well to raise tax rates on capital gains without hurting the stock market, a few other policy tweaks would help. Convertible debt, for example, would be better taxed as equity.

Share buy-backs that are not profit distribution shouldn't be treated as such and India should extend its special regime for long-term funds. These changes could raise India's investment appeal.

Crypto in politics: It could end up fuelling the speculative fire

Trump's Bitcoin embrace suits his campaign but should worry us



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Former US President Donald Trump has taken a pronounced pro-crypto stance

Financial bubbles are inherently political. John Law's doomed pumping of Mississippi Company stock in 18th-century France came with the state's blessing. Deregulation also helped fuel Japan's 1980s market boom. More recently, Sam Bankman-Fried (SBF), the frizzy-haired mogul jailed for his role in cryptocurrency exchange FTX's collapse, was accused by prosecutors of using over \$100 million in stolen money to fund lobbying efforts. When the good times roll, politicians rarely want to stand in the way.

Which is why nobody should be surprised or relaxed about crypto's political comeback after its last boom-and-bust cycle, with Donald Trump leading the charge. With SBF's sentencing in the rear-view mirror and with new Bitcoin exchange-traded funds helping propel the digital asset to new highs, Trump has raised more than \$4 million in crypto donations and sold almost 200,000 baseball-card-style NFTs depicting him as "America's Superhero." At a crypto event on Saturday, under the slogan "Make Bitcoin Great Again," Trump vowed to fire top securities regulator Gary Gensler in favour of a more pro-crypto watchdog.

It's the ultimate grift, in a way. When Trump was president, he rightly worried about the volatile price and destabilizing geopolitical impact of crypto, whose lack of intrinsic value is still a deterrent for many investors. But this is the campaign trail. Bigging up Bitcoin and selling tacky NFTs is a way of doubling down on crypto's largely male user base as a key demographic for Trump and running mate J.D. Vance, who has mocked "childless cat ladies." It's also a way of angling for dollars: Talk of friendlier regulation or replacing Gensler (whose term isn't up until 2026) is cheap from Trump's point of view, while the prize of support down the line from pro-crypto political action committees (PACs) is anything but—they have already raised \$170 million this cycle.

And lobbying is really what this is about. Forget tales of a people's army of crypto donors, or of high-minded principles like SBF's beloved "effective altruism"; serious PAC money is being kicked in by venture-capital firms like Andreessen Horowitz and exchanges like Coinbase, and comes at a time when the \$2.6 trillion crypto market is pushing back against legislative proposals aimed at combating illicit finance that would squeeze profits.

This goes beyond Trump or the Republican Party: Pro-crypto PACs are sometimes choosing friendly Democrats to

support in crowded primary races.

This renewed sloshing of crypto into politics should worry voters and regulators. Crypto advocates have for the past decade preached not in favour of good regulation but less of it: lax oversight tends to impose high costs on punters lower down the ladder when the market inevitably turns and exposes fraud, rug-pulls and financial crime. FTX was hardly unique: Its one-time nemesis Binance last year pleaded guilty to anti-money laundering and sanctions violations, agreeing to pay over \$4 billion in fines and its billionaire founder is currently serving time in jail. Total fines issued to crypto actors by the US Securities and Exchange Commission (SEC) reached a cumulative \$2.9 billion in 2023, according to Cornerstone Research. The clean-up isn't over.

Some have argued that the SEC goes too far in defining what is and isn't a security in decentralized finance. But caution is still warranted on the path to new rules in a world where volatile and scammy digital coins are a dime a dozen and lobbyists thrive. This isn't just an issue for US politics. In the UK, former government ministers have joined crypto startups and called for pro-crypto policies. In France, where President Emmanuel Macron has balanced the need for tough rules with the opportunity to attract fintech investment, a former lawmaker is being probed for influence-peddling linked to crypto promotions, which he has denied.

We shouldn't overstate the role of crypto in politics either. There are bigger industries out there with deeper pockets also exerting pressure. Even if some politicians' talk of a Bitcoin strategic reserve seems like an incredibly risky suggestion for an asset that didn't even exist before 2008, there's no denying that institutions like pension funds are more comfortable owning it.

Still, given a choice between less or more crypto in politics, the former clearly looks preferable. When John Law went into exile, he left behind a trail of ruined speculators and a country that would eventually slide into revolution. If another Bitcoin bust takes place, we may look back on Trump's electoral conversion as the moment more speculative fuel was poured onto the fire.

MY VIEW | PEN DRIVE

The Olympics showing India should be talking about

SHALINI UMACHANDRAN



is editor of Mint Lounge.

I rarely feel sorry for the cricket team, but last weekend, I did. We regularly send "the boys" out to play in an unflatteringly glaucous shade of blue—this year, accentuated with bright orange—covered with digitally printed sponsor names that overshadow their own. Yet, no one bemoans the way they look, feels disgraced by their uniforms, or expresses toe-curling shame about their appearance. They represent India and its interests on a global stage too; surely their jerseys require more design input. If not their practical playing jerseys, maybe their off-field navy India blazers could be hand-woven and made to shine with a touch of embroidery?

Instead, it seems all our demands for top-quality clothing and showy fabric are reserved for the Olympic contingent of athletes, who looked perfectly presentable in white, saffron and green, carrying off the colours of the flag with pride. India's team uniforms for the opening ceremony of the

Paris Olympics seemed neither grand nor glamorous to a country that's grown used to the shimmering parades of billionaire and celebrity weddings. The saris and kurtas with jackets that the team wore were practical and relaxed, and didn't make a statement—and unfortunately, we now expect flash-bang from everything, on an endless scroll. While the scandal of mildly crumpled kurtas was being disguised as concern for sportspersons and pride in India's now creased image, this misdirected rage actually indicates how little we care for athletes.

We spent two days grumbling about how they looked during the opening ceremony, rather than cheering the fact that this is the second-largest contingent in the history of Independent India, with a large squad of shooters and track-and-field participants; 47 of the 117 athletes are women, and they include some of our best medal hopes, from P.V. Sindhu (badminton) and Nikhat Zareen (boxing) to debutants Jyothi Yarraji (track and field, hurdles) and Parul Chaudhary (track and field, steeplechase), as *Mint Lounge* reported in our Olympics special last weekend.

The Indian athletes who participated in the ceremony on the Seine last Friday had

spent most of their lives in preparation for that moment, pushing through the kinds of challenges that armchair commentators, myself included, cannot imagine. Hockey's Sumit Kumar Walmiki, for instance, has often talked about his childhood—as a nine-year-old, he'd clean a *dhaaba* every morning before school and hockey practice to bring home a package of food that the family ate for the day. Just a few months ago, as we all saw, Vinesh Phogat and other wrestlers spent days in protest, were manhandled by

the police and were reprimanded as "indisciplined" for calling out sexual harassment and demanding action against it. After the trauma of those weeks, Phogat had to drop down a weight category to qualify for the Olympics, and in effect, learn to master her sport again to represent India. Yet, when Sindhu (who like Phogat is at her third Olympics), flag-bearer for the team, posted a

photograph of herself in the orange-and-green bordered sari and wrote that carrying the Indian flag was "one of the greatest honors of my life," a number of comments that followed were about her clothing. There's a streak of misogyny that's hard to ignore when people—male or female—pick on what she wore, rather than what she said.

Could the Indian Olympic team have been better dressed? Could the show of sporting strength also have been a parade of India's textile history? Maybe. After all, a few other countries managed it. But these gaps are symptoms of the inconsistency and unpredictability of sports administration in India. Their interest in sport, like ours, can be desultory or keen, depending on the issue, the game and the people involved. Teams from other countries have been cheerfully unboxing high performance gear at the #olympicvillage for their followers on

QUICK READ

We spent two days grumbling about how they looked during the opening ceremony rather than cheering India's team and asking if they had what they needed to deliver their best.

Grace demands that we talk about their trials, tribulations and performances, instead of picking on the way they looked. Alas, we're too easily driven to focus on the trivial instead of the real.

Instagram. Instead of worrying about ceremonial uniforms, it might be pertinent to find out if Indian athletes have the gear in which they'll be able to perform their best. Could the critics, instead, have asked questions—before the team reached Paris—about the support they got as they trained, recovered from injury, sought sponsors, went through selection processes and prepared for these contests? Self-righteous outrage and solidarity, unfortunately, are rarely expressed at such volume when athletes complain about lack of funding, poor quality equipment, badly-maintained training facilities, politics in selection, corruption and sexual harassment. We don't think about what sportspersons really need, but more about their image on a stage.

Indian athletes don't need this defence, or any other, for they fight far greater battles everyday just to keep playing. But when they were celebrating their moment at the Olympics opening ceremony, the gracious thing for us to do might have been to cheer for them, their spirit and their accomplishments, instead of picking on the way they looked. Viscose or handloom, woven or printed—we are so easily distracted into focusing on the trivial instead of the real.



A light roadster that's the life of the party

The new Royal Enfield Guerrilla 450 has the same engine as the larger Himalayan but its speed and agility make it better suited to tarmac

Rishad Saam Mehta

We're all looking to declare independence from the mundane commute from Point A to Point B, and Royal Enfield has given this thought a physical form with its newest motorcycle, recently launched in sunny Barcelona. The Guerrilla 450 is a roadster that embodies the pure pursuit of fun, and announces Royal Enfield's entry into the modern street-oriented motorcycle segment.

It has the same Sherpa 450 engine that does work in the Himalayan, but they are definitely not clones. The Himalayan is a motorcycle you would take to Nepal or Nubra or on a trip that involves negotiating dirt, gravel, mud and ruts. The Guerrilla is what you want for tarmac therapy. It's got a smaller fuel tank—11 litres compared to the Himalayan's 17—and it is lighter. Shaving off even more weight is the fact that it doesn't have a metal frame around the fuel tank. All this gives the Guerrilla a kerb weight of 185kg, which is 11kg lighter than the Himalayan.

Since the Sherpa 450 engine features a ride-by-wire throttle, the Guerrilla's throttle response has been sharpened. Two teeth have been dropped from the rear sprocket—it has 45 teeth as compared to the Himalayan's 47. All this means quicker acceleration, which is what you want in a roadster. (There is also an Eco-throttle mode that dials down the acceleration a bit and trickles in a little less petrol in the interest of fuel economy.)

These are all the facts and figures—what does it feel like on the road? For the media ride, Royal Enfield had planned a rapturous route through the Catalonian countryside, a mix of motorway straights and twisty tarmac through the hills. It is on the latter that the motorcycle really won my heart.

At first glance, I wasn't taken in by the colour of the motorcycle assigned to me. Called Yellow Ribbon, the two-tone colour scheme of yellow and black with purple decal didn't grow on me. I preferred the Brava Blue, a simple blue and black two-tone with the logo in black. Redemption came quickly though—within 10 minutes of riding my Yellow Ribbon Guerrilla, I was convinced that true beauty lies in character and demeanour.

This motorcycle made short work of motorway traffic, effortlessly accelerating to 110kph. When I squeezed some more speed out of the 40hp engine, it went to 125kph without a whimper. It was only beyond that the vibrations set in. But then, this is a single-cylinder engine with a long stroke and at relatively high rpm, vibrations do become noticeable. Royal Enfield's engine design department has gone a long way in reducing vibrations, yet at very high speeds they set in.

IN THE SADDLE

For my 6ft, the seat's ride height at 780mm was quite comfortable. The triangular geometry of the handlebars, the seat and the



footpegs made for a comfortable stance. It was not too laid back or too aggressive. This is the result of miles of testing that Royal Enfield puts into mule bikes before the specifications are set in stone. Tiny tweaks over tens of thousands of test miles by a team of riders of varying weight, height and riding styles is what makes the ergonomics of these new Royal Enfields good.

I have always found the Sherpa engine to be butter smooth and with the more aggressive throttle map on this one, a flick of the wrist is all it needs to surge ahead enthusiastically, at times even without shifting down a gear. It was on the

curvaceous hill roads that I carried mad speeds into corners, with minimal braking and leaning the motorcycle at angles that I did not think I could. Also helping to keep the rear wheel from locking up if I went down a gear too many was the assist-and-slipper clutch. David, the Spaniard who was leading us, has ridden motorcycles on this route all his life and I went into each corner following his line and this motorcycle was my perfect partner in crime.

The Guerrilla rides on 17-inch wheels that are shod with wide profile Ceat tubeless tyres; 120/70 at the front and 160/60 at the rear. These profiles play a large part in the thrill of carving

up curvy roads.

To be honest, I couldn't gauge the suspension's shock-absorbing qualities because the Spanish roads we rode on were unblemished. Hopefully, the rear suspension has enough pliability to handle the not-so-smooth sections that are an integral part of riding in India.

The instrument cluster on the top-end variant I was riding and the mid-level variant sport the TFT tripper dash that is nearly the same as the Himalayan. Sadly, like the Himalayan, the joystick toggle switch operated by the left thumb has the same fiddly feel. It is just too sensitive, which makes it difficult to toggle between modes with a gloved thumb. The base model gets the semi-digital twin pod cluster that is found on the Super Meteor.

The Guerrilla 450 is available in three variants, ranging from ₹2.39 lakh to ₹2.54 lakh. The claimed fuel efficiency is 29.5 kpl. However, my fuel gauge started indicating low fuel after 155km of hard riding in normal mode. I had started with a full tank (11 litres) and at low fuel indication I estimated that there were still about 5 litres left so that gave me a fuel economy figure of 25.8 kpl.

The Guerrilla goes up against the likes of the Triumph Speed 400 and Scrambler 400X, the Bajaj Dominar 400 and the Hero Maverick 440 which is positioned with in the same segment with the same purpose—roadsters. Its cousin, the Himalayan, will be considered by some as a rival too. So, with the Guerrilla, Royal Enfield is entering a crowded club. It's got the looks, the affordability and a pleasant personality. There is every chance that it'll be the life of the party rather than a wallflower.

Rishad Saam Mehta is a Mumbai-based author and travel writer.

Write to us at businessoflife@livemint.com



A work by Kiran Sherkhane

For the weekend Of art, poetry and a classic film

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

DELHI

LIFE, AS IT HAPPENS

Till 4 August

The Art Quirious gallery is presenting an exhibition of six contemporary artists—Ratna Vira, Ashok Juttu, Kiran Sherkhane, Naina Redhu, Raj Chowdhury and Ravi Kattakuri—all focusing on the complexities of human emotions and experiences through their work. The paintings highlight personal experiences through figurative imagery, with hints of Surrealism.

Noon to 8pm. Travancore House, 10A, KG Marg, Mandi House. For details, visit Theartquirious.com

MUMBAI

MOVIES UNDER THE STARS: PSYCHO

2 August

Watch the screening of Alfred Hitchcock's 1960 psychological thriller loosely based on the real-life killings of convicted Wisconsin murderer and grave robber Ed Gein. The 109-minute black-and-white film, which stars Anthony Perkins, Vera Miles, John Gavin and Janet Leigh, won an Edgar Allan Poe Award (for Best Motion Picture) and a Golden Globe (Best Supporting Actress—Motion Picture, awarded to Leigh).

6:30pm. Little Theatre, NCPA Marg, Nariman Point. For details, visit www.ncpamumbai.com



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A still from 'Psycho'

BENGALURU

BENGALURU POETRY FESTIVAL

3 & 4 August

Over 50 poets, artistes and musicians will participate in the eighth edition of the poetry festival, organised by bookstore and events space Atta Galatta. The two-day event will include poetry performances, discussions about the connection between poetry and music, and workshops on poetry writing. Among the highlights will be performances by singer-songwriter Kavish Seth and Vipul Rikh; sessions with singers Shankar Mahadevan and Ila Arun, where they will talk about their journey in the music industry; and Kannada poet Jayant Kaikini's solo reading.

9:30am-8pm. Grand Mercure Bengaluru Gopalan Mall, Old Madras Road. For details, visit in.bookmyshow.com

Copenhagen offers tourists rewards for 'green' fun

Copenhagen is offering free food, ice cream and cruise tours to tourists who get involved in eco-friendly activities

AP

Tourists visiting Copenhagen this summer are encouraged to participate in unusual kinds of vacation fun, including plucking floating trash from the Danish capital's waterways, cycling to museums instead of going by car, or volunteering at an urban garden.

All these activities are part of a new, four-week pilot project called CopenPay that rewards tourists for "climate-friendly actions."

"We must turn tourism from being an environmental burden into a force for positive change," said Mikkel Aarø-Hansen, CEO of tourist board Wonderful Copenhagen, which runs the scheme.

"We want visitors to make conscious, green choices and hopefully end up getting even better experiences while they visit," Aarø-Hansen said in a statement earlier this month.

Among the more than 20 attractions participating in the project is the envi-

ronmental non-profit organization GreenKayak which offers water tours for tourist volunteers. They can paddle through Copenhagen's 17th-century waterways aboard green-colored kayaks, plucking floating trash from the water. One main sailing lane heads out to the Baltic Sea.

"When you are in the ocean, you get invested in the ocean. So, I hope that will keep inspiring people to not leave trash in the ocean," Elisabeth Friis Larsen, a spokeswoman for GreenKayak, told AP.

Elsewhere, tourists can trim flower beds, harvest coriander or feed chickens at Oens Have urban garden, then stay for a complimentary lunch. Or get free ice cream if they cycle or take public transport to the country's National Museum instead of going by taxi or rental car to reduce emissions.

Visitors to SMK, Denmark's National Gallery, can attend workshops where they're taught how to transform plastic waste into jellyfish sculptures.

"The whole idea was that people should bring their own plastic waste. And out of that, the children will build a jellyfish," explained workshop leader, artist Susanne Brigitte Lund.

Copenhagen's climate-friendly vacationers' project—which began on 15 July and is set to wrap up on 11 August—comes as the world's top destinations are grap-



The Nyhavn harbor area in Copenhagen; and (right) SMK, National Gallery of Denmark..

pling with the burdens of mass tourism. Copenhagen also gets its fair share of tourists with more than 12 million overnight stays last year.

Amid demonstrations and protestors firing water pistols at visitors in Spain, Barcelona City Hall announced last month that it would not renew any tourist apart-

ment licenses after they expire in 2028.

Italy's Venice recently extended a pilot programme charging day trippers a five-euro (\$5.45) entrance fee to the fragile lagoon city. And the town of Fujikawaguchiko recently constructed a large black screen to block the view of Japan's iconic Mount Fuji. The reason:



INSTAGRAM

misbehaving foreign tourists.

On a recent busy summer weekend, tourists thronged Copenhagen's historic Nyhavn harbor area, as sightseeing ferries squeezed down its narrow waterway, packed with smartphone-snapping passengers.

Tourist Fiona Veira from northwest

Spain said the CopenPay scheme is a "really good idea," but only if visitors have the time. "It depends how long you're going to stay in the city. But if you're here for more than two days then yeah," she said. "It's also a really nice way of seeing, interacting with the city."

Veira was aware of the city's climate-supporting programs, but did not participate in any of them because she was visiting Copenhagen for one day only and didn't have enough time.

Many others, however, admit to leaving their green principles at home, once summer holidays come around.

"I think about it when I'm at home, but when I travel, I do think about convenience more," said Caroline Kranefuss from Boston.

University of Copenhagen researcher Berit Charlotte Kaae said the CopenPay scheme is interesting because it "puts some action to the concept of sustainability."

"It's interesting to give this hands-on experience," she said. But in order to address the true environmental problems of mass tourism, tourism authorities must look to the source—transportation.

"We need to work more on aviation fuels, maybe better train service, to avoid the short distance flights," she said.

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