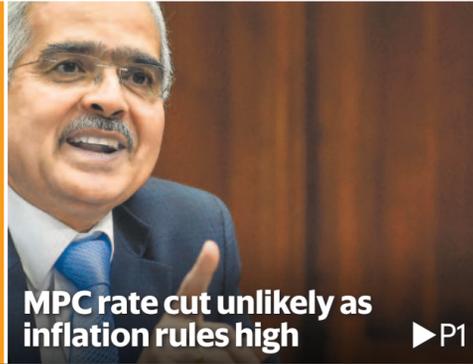


Monday, August 5, 2024

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MPC rate cut unlikely as inflation rules high ▶ P1



Gloom over Street as FPI mood sours ▶ P1

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Aster DM, Care Hospitals set for merger in September ▶P1



Zomato delivers an investor delight in June quarter ▶P4



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निविदा सूचना

दस्तावेज क्रमांक: 21

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1	2024_UAD_361044 31-07-2024	झोन क्र. 12 वाई क्र. 65 के अंतर्गत आने वाली बैराठी कॉलोनी में बेकलाइनों में ओपन नाली के स्थान पर ड्रेनेज लाइन डालने बाबद। (द्वितीय बार निविदा आमंत्रण)	1. 12 माह 2. 1,69,03,180/-	1. ₹12,500/- 2. ₹ 84,600/-	21-08-2024 (शाम 05:30 बजे तक)
2	2024_UAD_361045 31-07-2024	झोन क्र. 02 वाई क्र. 70 के अंतर्गत जी.एन.टी मार्केट स्थित नाले को आर.सी.सी. नाले का निर्माण करना। (द्वितीय बार निविदा आमंत्रण)	1. 12 माह 2. ₹6,62,62,005/-	1. ₹20,000/- 2. ₹ 3,31,400/-	21-08-2024 (शाम 05:30 बजे तक)

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- LAST DATE OF SUBMISSION : 22/08/2024 at 03.00 PM
- ISSUED TO :
- DURATION OF CONTRACT : 12 months
- BID SECURITY : **Rs. 1,00,000/**
- NAME OF THE WORK : HIRING OF CARS (Ciaz, Etios, SX4, Desire, Innova, etc)
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The Economist

Monday, August 5, 2024

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Think Ahead. Think Growth.

mint primer

West Asia is on the boil: What it means for India

BY SHWETA SINGH

The killing of Hamas leader Ismail Haniyeh in Tehran and Hezbollah commander Fuad Shukur in Beirut have heightened fears of a regional war in West Asia. While Israel remains on the brink, a tight-lipped Iran needs to be carefully watched. *Mint* explains.



Rockets fired from southern Lebanon are intercepted by Israel's Iron Dome air defence system over the Upper Galilee region in northern Israel, on 4 Aug. AFP

1 What caused the spike in tensions?

The killing this week of Hamas leader Ismail Haniyeh in Tehran hours after the assassination of Hezbollah commander Fuad Shukur in Beirut has caused this escalation. Haniyeh's killing is seen by Iran as a violation of its sovereignty and the principles that underpin global order. While Iran attributes the killing to Israel, it remains silent and is on the brink. On the other hand, Israel has covertly triggered Iran, and directly called for an all-out war on the Hezbollah with the killing of Shukur, who it claims was responsible for the rocket that killed 12 youths in the occupied Golan Heights.

BLOOMBERG

2 What should we expect from Iran now?

Iran remains tight lipped in its response. It has galvanised the "axis of resistance" in the wake of the perceived humiliation, and the direct attack on its state sovereignty (the Hamas chief was killed in Tehran). The axis, built over the years with an aim to resist Israel and the US in West Asia, includes not only the Hamas, but also the Hezbollah movement in Lebanon, the Houthis in Yemen and Shi'ite armed groups in Iraq and Syria. What remains to be seen is whether this will provoke an all-out regional war that could see the direct involvement of Iran, or whether it would stop short of restoring balance.

3 What is the likely end-game in this conflict?

It will shrink the narrow window for talks on de-escalation and prisoner exchange. There may be strikes, and counter strikes. And we might see a restoration of balance, if Iran actually builds a nuclear weapon. In any case, the war will bolster US presence in the region, and see a re-opening of battle fronts in the sea lanes and the war expanding to Lebanon.

4 Will the crisis hit global trade further?

The escalation will hit global trade across channels, causing higher oil prices, increased inflation, squeezed household incomes. It will ofcourse hit economic growth particularly in oil importing economies. Any disruption in strategic waterways connecting the Persian Gulf with the Gulf of Oman and the Arabian Sea will impact global energy security and maritime trade. That would directly hit economies. The situation remains fluid with very high stakes for global trade, energy security and maritime stability.

5 What could this mean for India?

India faces a hard dilemma. Its shares a close strategic partnership with Israel. But it has refrained from banning Hamas. Iran and Israel are critical to India's economic stakes in the region and beyond. The escalation can impact initiatives like the India Middle East Europe Economic Corridor, the 10-year India-Iran MOU for development of Chabahar port, and the I2U2, comprising India-Israel-UAE and the US. *Shweta Singh is associate professor, department of international relations, South Asian University.*

QUICK EDIT

Infy's odd GST bill

Taxation should never be like reading tea leaves. But the storm in a teacup over a goods and services tax (GST) demand of about ₹32,400 crore made of Infosys (now being relooked) suggests a system full of riddles. As reported, services were availed by Infosys from its overseas branches. By one interpretation of India's GST rules, this would have required "reverse charge" tax payments on these imports by the company. Hence the tax bill. However, the services Infosys bought went into its software exports, which are tax-free and thus eligible for input tax credits. So, if the company could anyway claim the tax back, why should it apply in the first place? A reverse charge mechanism does exist under GST. But its applicability in this case is unclear. On its part, Infosys has denied any evasion, arguing that GST simply isn't applicable on stuff bought from its own foreign units. The case is being examined by the Directorate General of GST Intelligence. Should some quirk or technicality mean it still owes money, then it's the rules that would need sorting out. Such tax riddles create uncertainty for businesses. It would be best if tax authorities clarify what exactly the law says.

MINT METRIC

by Bibek Debroy

In Australia, scientists create a fly
That eats human poop on the sly.
Plus it devours waste.
We need these post haste,
Lab to commercial must strike bull's eye.

QUOTE OF THE DAY

Earlier, those who fled the country, their cases used to remain pending for years. But now, after being declared fugitive, the trial will go on in their absence and they will be punished as well.

AMIT SHAH
MINISTER OF HOME AFFAIRS



THE WEEK AHEAD

5-9 AUG **Q1 EARNINGS**
Bharti Airtel, ONGC, Marico and TVS Motor among companies set to report their Q1 earnings.

7 AUG **SMARTPHONE LAUNCHES**
OnePlus and Vivo to launch their Open Apex edition and V40 series respectively.

5 AUG **PMI SERVICES DATA**
PMI services data for July to be released.

7 AUG **PARIS OLYMPICS**
Silver medallist weightlifter Mirabai Chanu to be in action in the women's 49 kg category competition.

5 AUG **INDIGO PREMIUM SERVICES**
IndiGo likely to unveil its premium services such as business class and loyalty programme.

7 AUG **THACKERAY, PAWAR PLEAS**
Who is the real Shiv Sena and NCP? SC to hear petitions by Uddhav Thackeray, Sharad Pawar factions.

6 AUG **IPO ALERT**
IPOs of FirstCry and Snapdeal-backed Unicommerce to open for subscription.

8 AUG **MONETARY POLICY**
Reserve Bank of India's interest rate-setting committee to announce monetary policy review.



Google's acquisition failure: The big picture

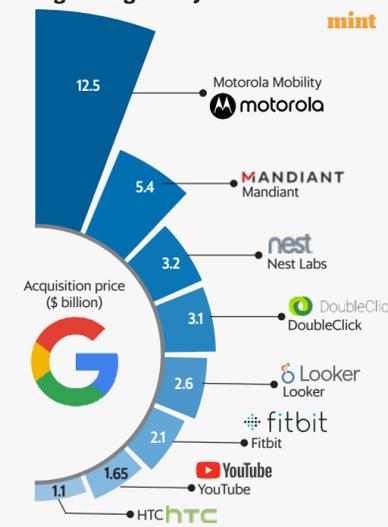
BY HOWINDIALIVES.COM

Two weeks ago, the tech industry was abuzz with the news of Alphabet, Google's parent, trying to acquire cloud security startup Wiz for around \$23 billion. It was to be Alphabet's largest acquisition, 85% more than the amount it paid for Motorola Mobility in 2011, and four times more than it paid for Mandiant, another cybersecurity firm, in March 2022. For Wiz, the price was almost twice its most-recent valuation. However, Wiz turned down the offer, and the deal collapsed. The drama highlighted not only the strategic interests of Google, but also some of the big issues facing the tech industry.

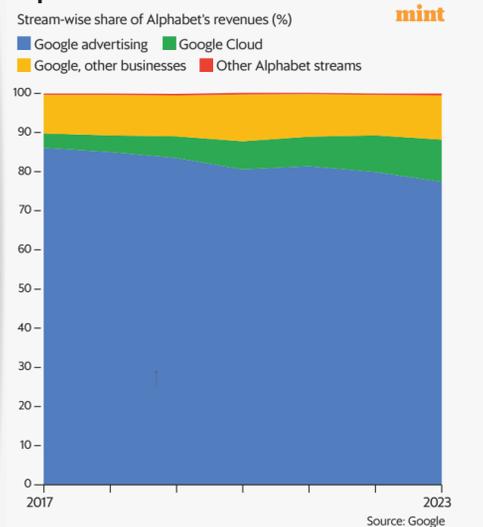
Over the past few years, Google, which gets most of its revenues from advertising, has been trying to strengthen its other revenue streams. As a result, the share of its cloud business in its total revenues increased from 3.7% in 2017 to 10.8% in 2023. It's one of the top three players in the cloud market. But with an 11% share, it trails Amazon, whose AWS has a 31% share and Microsoft, whose Azure has 25%, according to Synergy Research Group. Acquiring Wiz would have helped Google in two ways. It would have given it an additional revenue stream. Wiz, which is only four years old, reported an annual revenue of \$350 million in 2023. It would have also helped Google in the cloud infrastructure business, as customers increasingly prefer dealing with fewer vendors. According to Capgemini, three out of four companies were already pursuing vendor consolidation in 2022. The trend is only expected to strengthen.



At \$23 bn, Wiz would have been Google's largest buy



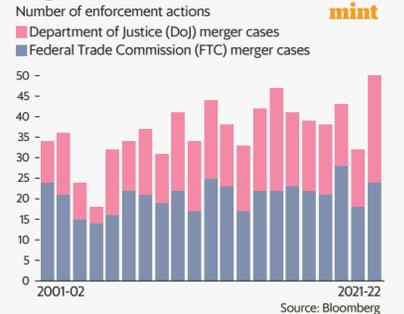
Google Cloud brings in 11% of Alphabet's revenues



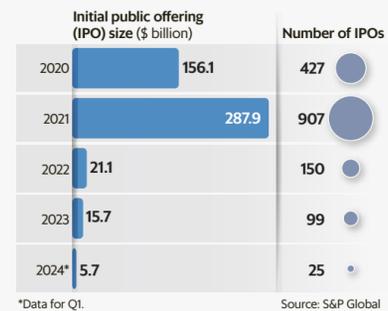
Monopoly Woes

WHILE VENDOR consolidation has been pushing IT firms to acquire startups that offer complementary products, a counter-push has been coming from governments through their anti-competition agencies. When the early news about Google's intention to buy Wiz came out, there were questions about it getting the deal approved by regulators. Google is already facing two anti-trust trials: one accusing it of illegally monopolising the advertising technology market and another of monopolising the search engine market. There has been a pushback against mergers, too. Last December, *Bloomberg* reported that merger enforcement activity in the US was the highest in 2021-22 (for which the latest data was available) since pre-merger antitrust reviews started in 1976, with 24 cases filed by the Federal Trade Commission and 26 by the Department of Justice. While firms have won many of these cases, notably Microsoft's acquisition of Activision Blizzard, anti-trust questions loom large in M&A deals.

Merger action by US antitrust bodies surged in 2021-22



US IPO activity has been muted since 2021



Exit Options

ONE REASON the startup ecosystem was watching the Alphabet-Wiz deal with interest was the potential fillip it could provide to M&A deals. According to a June report by consulting firm PwC, the number of M&A deals fell by 25% in the first half of 2024, compared to the year-ago period, a downward trend that began in 2022. "The daunting combination of high interest rates, current valuations and political uncertainty has been a showstopper for many deals," it said. After turning down Alphabet's offer, Wiz CEO Assaf Rappaport said in a memo to the company staff that it would pursue an IPO. IPOs, another key exit option for investors, have also been down in the past few quarters, both in the US and globally. According to S&P Global, US companies launched 25 IPOs in the first quarter of 2024, up from 23 during the same period in 2023 but far lower compared to 357 in Q1 2021. The IPO market has been slow since 2021.

Cloud Opportunity

WIZ'S CONFIDENCE, despite the muted IPO market, comes from the health of the segment it operates in—cloud security. In just over two years, it hit an annual recurring revenue of \$100 million, and counts 25% of Fortune 100 firms among its clients, a reason why Alphabet was willing to pay a huge premium over its previous valuation. Wiz can now anchor that to command a better price. It's supported by demand for cloud security. As per Gartner, cloud security spending has been outpacing other security products and services in 2022 and 2023, and is likely to do so in 2024, too. That is driven by growing cloud adoption. By 2028, cloud computing will shift from being a tech disruptor to a necessary component to maintain business competitiveness, Gartner said. Cybersecurity risks are growing. The collapse of the deal is a sign of the potential of the cloud security market.

Cloud is the fastest growing segment in the security space



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PARAS JAIN/MINT

PEANUTS by Charles M. Schulz



Monday, August 5, 2024

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Ciimate change is coming for your sambar ▶P10



Sharekhan's Gaurav Dua backs switch to large-cap stocks ▶P4



Your moment to #LiveItUp has arrived!



Rate cut unlikely as inflation yet to cool

RBI keeps focus on prices as UK cuts rate, US weighs it: Poll

Gopika Gopakumar
gopika.g@htlive.com
MUMBAI

The Reserve Bank of India's rate-setting panel may keep the benchmark interest rate unchanged for the ninth consecutive time on Thursday, at a time lower rates gain favour among global central banks.

All 15 economists and treasury heads polled by *Mint* expect the six-member Monetary Policy Committee (MPC) to hold the repo rate at 6.5%, while 12 of them see the committee keeping the policy stance unchanged at "withdrawal of accommodation". The MPC will meet from 6 to 8 August.

At the last MPC meeting in June, four members voted to keep the repo

LONGER WAIT



Shaktikanta Das, governor, Reserve Bank of India. PTI

rate unchanged, while two members—Ashima Goyal and Jayanth R. Varma—voted to reduce the benchmark rate by 25 basis points and

change the stance from withdrawal of accommodation to neutral.

TURN TO PAGE 6

Aster DM, Care set for merger in Sep

Ranjani Raghavan & Varun Sood

MUMBAI

Bengaluru-based Aster DM Healthcare and Hyderabad-based Care Hospitals plan to join hands next month in a marriage blessed by private equity giant Blackstone, two people aware of the matter said.

While Aster DM promoter Azad Moopen will be executive chairman of the new entity which may be called Aster DM Quality Care Pvt. Ltd, a working group of professionals from both companies will run what will be India's third-largest hospital chain, the people said.

The deal marks the growing healthcare ambitions of Blackstone, which owns large stakes in both companies. Once the merger closes, the new entity will have close to 9,900 beds,



Aster DM chairman Azad Moopen is likely to head the merged healthcare entity.

just behind Apollo Hospitals Enterprises and Manipal Health Enterprises.

Aster DM and Quality Care have signed a term sheet for the merger and due diligence is under way, the people cited above said on the condition of anonymity. The two companies have arrived at a share

TURN TO PAGE 6

Bad weather ahead for market as FPI mood sours

Ram Sahgal
ram.sahgal@livemint.com
MUMBAI

Indian stocks may face choppy weather this week after foreign investors' sentiment darkened across cash and derivatives on Friday, tracking weak global cues.

Apart from selling a provisional ₹3,310 crore worth of shares on Friday, FPIs purchased an additional 330,936 index put contracts (Nifty and Bank Nifty) overnight, taking their net total put contracts held to 473,635. Additionally, they cut their net cumulative bullish index futures positions by 21,170 contracts to 145,109 from 166,279 contracts on Thursday.

Tracking the 1.8% fall in the S&P 500 and the 5.8% fall in the

TURN TO PAGE 6

DON'T MISS

BLOOMBERG



Esop bounty at startups in years leading up to public listing

A big chunk of Indian firms showered stock options on their key executives in the years before public listing to keep them engaged and motivated, a Deloitte study found. The study considered 60 IPOs, including top 20 IPOs by issue size in FY22, FY23 and FY24. >P3

India to invite global bids to trade in its oil reserves

State-run Indian Strategic Petroleum Reserves Ltd (ISPRL) is set to move to the next phase of commercializing its reserves as it scouts for a strategic partner for trading in crude from its reserves, said two people in the know of the developments. >P2

Why 95% of employees want a job change after appraisals

Everyone wants a new job, but there simply aren't enough of those going around. That's the key takeaway from the *Mint+Shine* study for April-June that says a whopping 95% of employees studied are looking for a job change post-appraisals. >P7

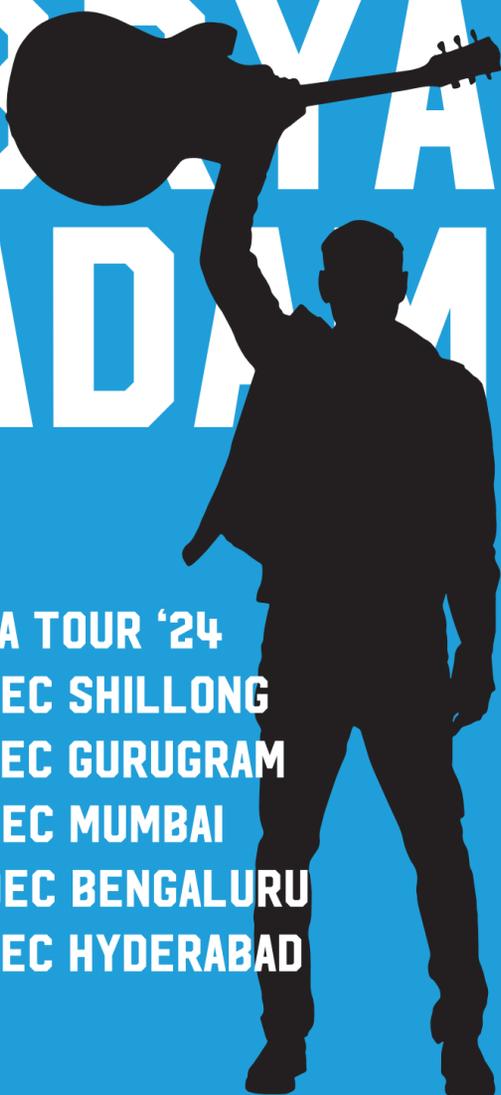
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STRAIGHT FORWARD SHASHI SHEKHAR

Respond to this column at feedback@livemint.com

THE CARAVAN OF DEMOCRACY ROLLS IN JAMMU-KASHMIR

On 26 July, Ruchi, a resident of Sabha Nagar village in Badaun district, Uttar Pradesh, was a bubbly, young wife with a million dreams in her eyes.

Lance Naik Mohit Rathore had last called Ruchi on 26 July. He had ended the call with the promise to call her the next day.

The number of soldiers martyred in Jammu and Kashmir since Independence surpasses India's losses in the five wars she has fought.

The question assumes significance as we complete the fifth anniversary of the abrogation of Article 370 and the division of Jammu and Kashmir from Ladakh.

Answers to these queries aren't difficult. Before assuming the second term, Prime Minister Modi was determined to abrogate Article 370.

A confidant of PM Modi and Union home minister Amit Shah, G. C. Murmu, was appointed the first lieutenant governor to establish order all around.

The Jammu terror attacks reflect ISI's frustration and a change in tactics

Kashmiris, too, have lapped up these changes.

In a democracy success cannot be measured solely on the basis of which party won or lost, but by vote share in an election.

Jubilation this side of the border was anathema to the ISI and the military headquarters in Rawalpindi.

The Jammu incidents are a reflection of their frustration and a change in tactics. Now terrorists lay ambushes, use equipment that doesn't use GPS and escape using dirt tracks through thick forests.

This vortex of violence has been unleashed with such cold calculation. State assembly elections are due in three months.

Shashi Shekhar is editor-in-chief, Hindustan. Views are personal.

India to invite global bids to trade in its oil reserves

Estimated reserves of crude oil & petroleum products in India now cover 74 days of imports

Rituraj Baruah rituraj.baruah@livemint.com NEW DELHI

State-run Indian Strategic Petroleum Reserves Ltd (ISPRL) is set to move to the next phase of commercializing its reserves as it scouts for a strategic partner for trading in crude from its reserves.

The discussions are in the initial phase and ISPRL, a subsidiary of the Oil Industry Development Board, will soon carry out a survey on the feasibility of trading in its reserves.

The development comes three years after the government allowed ISPRL to rent and trade half its capacity.

The Union cabinet in July 2021 allowed ISPRL to undertake partial commercial activities with the crude stored in caverns under Phase-I of the SPR (strategic petroleum reserve) programme by allowing it to use 30% of SPR capacity for renting and 20% for trading.

"ISPRL is allowed to trade up to 20% of the capacity. Although, so far trading has not taken a concrete shape, ISPRL will carry out a study and seek EoIs (expressions of interest) for strategic partner for trading," said one of the two people mentioned above.



ISPRL, a subsidiary of the Oil Industry Development Board, will soon carry out a survey on the feasibility of trading in its reserves.

mechanism is yet to be finalized. The strategic partner would be a technology partner, the person added.

As part of the commercialization mandate, ISPRL has already leased out 300,000 metric tonnes of crude to state-run Hindustan Petroleum Corporation Ltd (HPCL) for three years in a strategic petroleum reserve in Vizag, Andhra Pradesh.

Another person said that work on trading is expected to gain momentum once the renting or leasing of capacities

is completed. Queries sent to ISPRL remained unanswered till press time.

In April, ISPRL invited bids for constructing 2.5 million tonnes of underground storage at Padur in Karnataka, according to the tender document.

ISPRL had in the first phase built a strategic reserves in underground unlined rock caverns for storing 5.33 million tonnes of crude at three loca-

tions -- Visakhapatnam (1.33 mt) in Andhra Pradesh, and Mangalore (1.5 mt) and Padur (2.5 mt) in Karnataka.

According to a parliamentary committee review of India's crude oil import policy, the storage capacity accounts for 9.5 days of national demand for FY20.

Currently, the estimated reserves of crude oil and petroleum products in India, stored by both private and public companies, including those created under phase-I of the SPR programme cover 74 days of imports.

The report of the standing committee on petroleum and natural gas presented in Parliament in December 2023 noted that the release or sale of strategic crude oil is carried out through an inter-ministerial empowered committee chaired by the secretary to the ministry of petroleum and natural gas.

The release of commercial stock through leasing, renting or sale or purchase of crude oil is handled by a committee of ISPRL directors.

Strategic petroleum reserves can be used in times of supply disruption or emergency such as war.

The Abu Dhabi National Oil Company of the UAE joined Phase-I of India's SPR programme and has stored 5.86 million barrels of its crude in Mangalore. It has signed a MoU to explore storing crude oil at ISPRL's facility at Padu.



Govt to slash debt-GDP ratio annually until it's down to 50%

Rhik Kundu & Subhash Narayan NEW DELHI

The Union government plans to aggressively achieve a 1 percentage point reduction in its debt-to-GDP ratio annually from 2024-25 till it is down to a more sustainable 50%.

It then aims to further shrink the ratio, used to gauge a country's ability to repay its debt, by 0.5 percentage points annually, two people aware of the matter said.

"Reducing the debt to GDP is a long-term objective of the central government. We have done a lot of simulations on this. We will be able to reduce the debt to GDP every year by about 1 percentage point till we reach the 50% mark. Though this is ambitious, it is doable," the first person mentioned above said.

"Once we reach 50%, we can work towards reducing the debt to GDP by 0.5 percentage point every year as we don't want to constrain growth," the person added.



As per MoS finance, Pankaj Chaudhary, gov't debt will rise to 56.8% of GDP in FY25.

Government debt will escalate to ₹185.27 trillion, or 56.8% of GDP, during the financial year 2024-25 (FY25), according to budget estimates, up from ₹93.26 trillion, or 49.3% of GDP, in 2018-19, minister of state for finance Pankaj Chaudhary told the Lok Sabha last week.

The ratio stood at 52.3% in 2019-20, 61.4% in 2020-21, 58.8% in 2021-22, 57.9% in 2022-23, and 58.2% in 2023-24.

The increase in debt was due to higher spending on infrastructure and social schemes aimed at stimulating

economic growth. The onset of the pandemic in 2019-20 worsened the situation, pushing the debt to ₹121.86 trillion, or 61.4% of GDP, in FY21.

The Centre resorted to extensive borrowing to fund relief measures and stimulus packages, a necessary response to the economic fallout of the pandemic, which further pushed up the debt.

"Once the debt falls considerably, we will not be in a debt trap. We will also be on a declining path in the fiscal deficit front," said the person mentioned above.

"At that level, further compression of the deficit (fiscal deficit) may affect growth, so we have to make the trade-off carefully," the person added.

"The Centre intends to have enough focus and enough space that if another crisis of the proportion we saw four years ago were to come back, there should be enough space available for fiscal policy to respond. The goal is to bring the total debt to a more sustainable level," said the second person mentioned above, who didn't want to be named.

Govt to add 3k medical seats

Priyanka Sharma priyanka.sharma@livemint.com NEW DELHI

Facing flak over the National Eligibility cum Entrance Test (NEET) scandal, the Centre plans to increase the number of undergraduate (UG) medical seats by 3,000 for the coming academic session (2024-25), taking the total to over 115,000 seats.

NEET, the entrance tests to medical schools, were hit by scandals over leaks of the exam papers this year.

The plan approved by the National Medical Commission (NMC)—India's apex medical education regulator—also includes approval for setting up 28 new private medical colleges. The UG session 2024-25 will commence in September.

Last year, NMC's Medical Assessment and Rating Board (MARB) invited online applications for undergraduate and postgraduate courses, for which 1,845 applications were received. Out of these, 113 were received for establishment of new medical college, 58 for the increase of seats in existing medical institution, 1,010 for starting of new postgraduate course, and 665 for more seats in existing postgraduate



NEET, the entrance tests to medical schools, were hit by scandals over leaks of the exam papers this year.

courses. "MARB is dealing with the application assessment process, and results are still going on. The board is dealing with the first appeal at NMC and following which second appeals would be held in the health ministry. However overall, approx. 3000 more undergraduate seats will be added to this academic session," said an official aware of the matter.

review of appeal process concludes.

"NMC has not approved all the applications for new colleges, otherwise the number of seats would be over 10,000. It filters and monitors the application very closely and hence the commission has approved about 25% of new medical colleges out of 113 applications," said the official.

Queries sent to the health ministry spokesperson were unanswered till press time.

The plan cleared by the NMC also includes approval for setting up 28 new private medical colleges

Govt plans crackdown on substandard helmets to reduce road deaths

Dhirendra Kumar dhirendra.kumar@livemint.com NEW DELHI

The Centre is planning a nationwide crackdown on poor-quality driving helmets, a leading cause of road deaths and head injuries, two people aware of the development said.

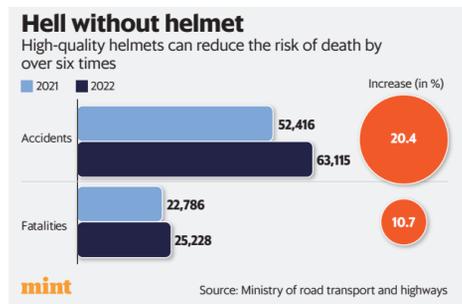
India has the highest number of two-wheelers in the world, and some of the most dangerous roads, making for a dangerous mix for cyclists, and scooter and motorcycle drivers as well as pillion riders.

The union consumer affairs ministry in a communication to

states, reviewed by Mint, directed district magistrates to crack down on vendors selling helmets without the ISI certification. The ISI mark is a standards-compliance mark for industrial products in India.

Data from the ministry of road transport and highways reveals that with 63,115 accidents and 25,228 deaths, two-wheelers accounted for the highest number of road accidents and fatalities in 2022.

This represents a 20.4% increase in accidents and a



10.7% rise in fatalities from the previous year's 22,786 deaths. "It has been observed that sub-standard quality helmets without the mandatory BIS certification are being sold on the roadside, resulting in the

loss of many lives in road accidents," the first person said citing the contents of the letter written to all district magistrates.

"There is an urgent need to take strict action against manufacturers operating without a BIS license or using fake ISI marks, as well as retailers selling these products to unaware consumers, violating the law," this person added.

According to Prince Singhal, road safety expert and founder of Community Against Drunken Driving (CADD), helmet use is a crucial measure to prevent injuries and save lives. High-quality helmets can

reduce the risk of death by over six times and mitigate the risk of brain injury by up to 74%.

Community Against Drunken Driving (CADD) is a non-profit organization dedicated to preventing drunk driving and promoting road safety.

"Alarming, almost 50% of helmets currently in use are sub-standard. Civil society organizations should be involved to authenticate the existing helmets and discard them, if necessary," Singhal said.

As per the second person, all district magistrates have been directed to personally launch a special campaign against man-

ufacturers and retailers of sub-standard helmets to protect consumers and ensure their safety.

The letter emphasized, the second person said, the importance of enforcing the quality control order and laws in the district, suggesting that this initiative could also be integrated with the road safety campaign.

"The government's mandate for certified helmets for all two-wheeler riders is a step in the right direction. Manufacturers should also provide two standard-quality helmets (one for the rider and one for the pillion) with each two-wheeler sold," Singhal said.

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m THE MONDAY QUIZ

- 1) WHICH** global chip-maker plans to cut its workforce by 15%, affecting 15,000 workers?
- 2) FORMER** Mother Dairy CIO, Annie Mathew, has taken on role of VP of IT at which organization?
- 3) WHICH** tech service provider had a cyber attack, impacting over 300 cooperative & regional rural banks?
- 4) WHICH** Indian IT services firm announced a deal worth \$3 million with a Malaysian bank?
- 5) WHO** has been appointed as CEO & MD of Prodapt Solutions, an IT services provider?

Startups boost Esops leading up to listing

The Indian market has been showing a secular upward trend

Sneha Shah & Devina Sengupta

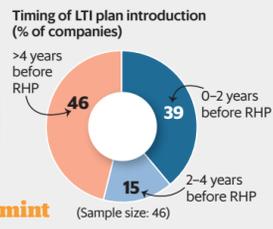
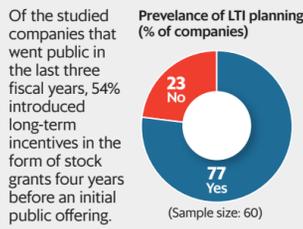
A big chunk of Indian companies showered stock options on their key executives in the years before public listing to keep them engaged and motivated, a Deloitte study found. Of the companies that went public in the last three fiscal years, 54% introduced long-term incentives (LTIs) in the form of stock grants four years before an initial public offering (IPO), said the study, titled Unveiling India's Pre-IPO Long-Term Incentives (LTI) Trends.

"For early-stage companies, as well as PE-backed companies, it is as much about wealth creation as it is about purely retention for both employees and shareholders. Also, in all three cases, liquidity invariably comes through only when there is some form of cash inflow for the shareholders; so, there is a strong element of performance being driven through these plans," said Dinkar Pawan, director at Deloitte, who focuses on executive performance and rewards.

The study considered 60 IPOs, including the top 20 IPOs by issue size in FY22, FY23 and FY24. Deloitte noted that there are three types of pre-IPO LTI practices. First, new-age tech-companies or high growth start-ups that grant stock to their employees much prior to listing (in most cases, since inception). Second, private equity-backed companies that grant stock to their employees to motivate them to drive a successful listing. Third, promoter-backed companies that make stock grants only when they are in close range of filing their IPO documents.

Stock grants are now percolating down the hierarchy. "New-age tech companies are beginning to reconsider their stock grant strategy at a junior management level. There are signs that even promoter

Hint of listing



LTI: Long-term incentive

Source: Deloitte

group led companies are opening to the idea of early stock grants with curtailed eligibility," Pawan said. The study found out that founder CEOs in tech-product/e-commerce companies received an equity grant that was worth 150x of that made to other CEOs. The Indian market has been showing a secular upward trend, prompting many startups to firm up their listing plans. The deepening of the domestic institutional investors' base has led to Nifty 50 gaining 15% year to date to close at

dra Capital Co.

While the Esop pool in promoter-led companies such as Mankind Pharma and Unicommerce was concentrated among the top CXOs, in some companies such as Swiggy and Zomato, it was more widely spread to include the mid-management too.

Mankind Pharma's offer documents show it had allotted 46,698 equity shares under Esop to 10 of its key CXOs. In Unicommerce, the Esop pool is of 10% which is concentrated between the top 30 employees of the company, CEO Kapil Makhija said.

"We have a large Esop pool of around 10% of the equity and it is spread across 30 employees. We are glad that the IPO will help these employees come closer to realizing their Esops," he said. Unicommerce's IPO will open on 6 August.

The research also shows the median LTI pool approved by shareholders is 3% of share capital, with translates to ₹237 crore at issue price. E-commerce/tech products tend to have a bigger Esop pool (7.5%). A quarter of the pre-IPO grants were made in favour of CEOs. Founder CEOs in tech-product/e-commerce companies received an equity grant that was worth 150x that of the grant made to other CEOs.

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India Inflection AIF hits first close at ₹1,000 crore

Aman Rawat
aman.rawat@livemint.com
NEW DELHI



India Inflection Opportunity Trust's chief investment officer Madhu Lunawat.

India Inflection Opportunity Trust (IIOT), managed by Pantomath Capital Management, has announced the launch of Bharat Value Fund, its second Category-II Alternative Investment Fund (AIF).

The fund has a targeted corpus of ₹2,000 crore, including a base amount of ₹1,000 crore and a green shoe option of ₹1,000 crore. The fund has already received commitments of over ₹1,000 crore, hitting the green shoe option in the first close itself. With this, the fund's assets under management (AUM) has crossed \$250 million.

The Bharat Value Fund aims to fill the gap in the mid-market core economy segment by backing Indian entrepreneurs with sustainable growth visions. It is supported by sovereign funds, global investment firms, and leading Indian family offices.

Launched in April 2024, the fund aims to capitalize on the pre-IPO investment opportunities in Indian enterprises in the growth stage. It will target companies that promote the 'Made in India' ethos, focusing on import substitution, supporting exports and supporting India's rural consumption.

"Bharat Value Fund is designed to capitalize on the massive demographic opportunities in the mid-market segment that the Indian economy presents. We are confident that BVF will deliver robust returns and become a cornerstone of our investors' portfolios, helping them achieve long-term growth and financial success," said Madhu

Lunawat, chief investment officer of India Inflection Opportunity Trust.

Lunawat has been investing in environmentally responsible businesses and impactful societal contributions. Pantomath's portfolio includes companies engaged in domestic consumption, water treatment for rural households and import substitution products.

The firm claims that IIOT's inaugural scheme, the India Inflection Opportunity Fund (IIOF), has achieved stellar performance backed by significant milestones since its launch. The maiden fund had a corpus of ₹500 crore, and was deployed within eight months of its final closure.

The maiden fund made a total of 12 investments, with eight of these in the last eight months.

It claims that one of the first fund's notable successes includes a 10x valuation exit, with proceeds distributed to investors during the draw-down phase itself. It also claims that to date, the first fund has returned over 60% of the invested amount to its investors.

GLOSSARY

Sparsity: In machine learning, sparsity refers to a large percentage of data within a dataset with zero or near-zero value. Data sparsity or sparsity can enhance storage and computational efficiency, thereby improving the model. On the flip side, however, too much sparsity can lead to increased complexity of the model.



Metacrimes: Metacrimes are criminal activities that happen within the metaverse, a collective virtual space that includes the sum of all virtual worlds, augmented reality (AR) and the internet. The potential for new criminal activities increases as the metaverse continues to

evolve. While many metacrimes mirror traditional crimes, others are unique to the digital realm.

GameFi: A portmanteau of gaming and finance, GameFi is a burgeoning industry that merges blockchain technology with interactive gaming experiences. It involves the concept of play-to-earn (P2E) where players can earn digital assets or cryptocurrency through in-game activity. GameFi offers new economic opportunities for players and developers alike.

Device driver: In the context of a computer system, a device driver is a specialized program that offers an interface for communication between the operating system and the hardware. It essentially translates the language of the hardware into a language that the operating system can understand, and vice versa.

THE MONDAY QUIZ ANSWERS:
1) Intel 2) Ashoka University 3) C-Edge Technologies
4) Aurionpro Solutions 5) Manish Vyas

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CLOSE	1-WEEK CHANGE (%)																			
80981.95	-0.43		24717.70	-0.47		23259.45	-0.14		73328.15	-0.10		25771.90	-0.27		47675.23	-0.07		54629.29	0.62	
1-MONTH CHANGE (%)	3-MONTH CHANGE (%)		1-MONTH CHANGE (%)	3-MONTH CHANGE (%)		1-MONTH CHANGE (%)	3-MONTH CHANGE (%)		1-MONTH CHANGE (%)	3-MONTH CHANGE (%)		1-MONTH CHANGE (%)	3-MONTH CHANGE (%)		1-MONTH CHANGE (%)	3-MONTH CHANGE (%)		1-MONTH CHANGE (%)	3-MONTH CHANGE (%)	
1.94	8.54		2.46	9.14		2.56	10.32		2.12	11.09		2.59	9.48		2.74	12.17		3.10	15.13	
6-MONTH CHANGE (%)	1-YEAR CHANGE (%)		6-MONTH CHANGE (%)	1-YEAR CHANGE (%)		6-MONTH CHANGE (%)	1-YEAR CHANGE (%)		6-MONTH CHANGE (%)	1-YEAR CHANGE (%)		6-MONTH CHANGE (%)	1-YEAR CHANGE (%)		6-MONTH CHANGE (%)	1-YEAR CHANGE (%)		6-MONTH CHANGE (%)	1-YEAR CHANGE (%)	
12.34	23.11		13.10	26.59		16.82	37.96		31.08	64.24		16.09	32.52		22.47	59.31		19.15	57.16	

MINT SHORTS

China's economy keeps gliding on just one engine

China's economy has leaned on industrial production to keep growing this year, and data in the coming week will provide clues on how strong that support remains. Export figures due on Wednesday may show some strengthening in July, underscoring how trade has been a rare bright spot. Shipping volume from China's ports in the first half was 8.5% higher than 2023, according to NCFI. Exports—from cars to steel to consumer goods—soared. The picture looks less clear going forward. Manufacturing survey data has been shaky, with a decline in overall activity at factories. Most concerning was one measure—the Caixin index, with a relatively higher weighting of private firms and exporters—which contracted unexpectedly for the first time in nine months. Later in the week, inflation figures are set to remain soft, with producer prices contracting for the 22nd straight month.

BLOOMBERG



The Bank of Japan's decision to raise rates to 0.25% sent a wave of volatility through the market.

Investors take long-term view as rate hike whipsaws Japan

This past week's rate hike in Japan hammered the benchmark index the most in eight years. Despite the turmoil, some investors still have faith in the long-term outlook for the country's stocks. The Bank of Japan's decision on Wednesday to raise rates to 0.25% sent a wave of volatility through the market, with the Topix jumping 1.5% on the day, only to plunge on both Thursday and Friday. The BOJ's move, coupled with signals from the US Federal Reserve that it will cut rates, strengthened the yen. A weak currency had been a major factor in supporting the shares of Japan's exporters. Still, as the country normalizes after years of negative interest rates, corporate pricing power and higher pay for workers will spur economic growth that will support the market, according to investors and analysts at Hang Seng Investment Management Ltd, Goldman Sachs Group Inc. and T. Rowe Price Group Inc. "The long-term underlying fundamentals remain fair," said Wilfred Sit, director and chief investment officer at Hang Seng Investment Management Ltd. "Looking into next year, the Japanese economy can show more signs of a gradual recovery."

BLOOMBERG

Zomato's delivery delights mkts

Manish Joshi

feedback@livemint.com

Zomato Ltd is known for its quick delivery, but investors in its shares seem equally fast or even faster in rewarding the online food delivery company's financial performance. At least, that's the impression one gets going by the 12% surge in the stock on Friday reacting to the positive surprises in June quarter results (Q1FY25).

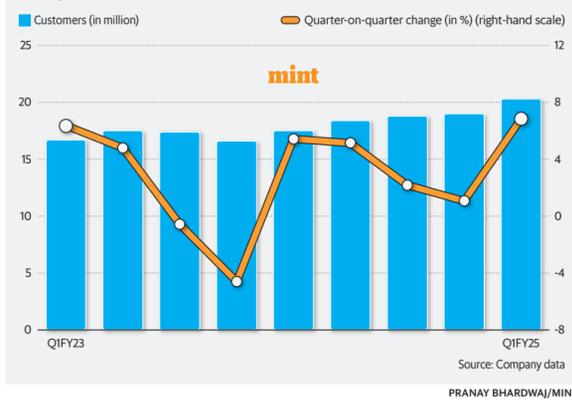
This time around, the strong customer addition of the food delivery segment, which is already profitable at the adjusted Ebitda (excluding Esop) level, is commendable.

Before Q1, the segment's sequential growth in average monthly transacting customers had been tapering for the past four quarters with growth at 1% in Q4FY24. In Q1, sequential growth has bounced back to 7% to 20.3 million, contributing to the 10% jump in the gross order value (GOV). This suggests that performance could be better even if the take rate from restaurants tapers out.

Adjusted revenue (including net delivery charges and platform fees) as a percentage of GOV has been flat year-on-year as commission from res-

Zooming ahead

Zomato's customer additions growth in Q1FY25 was the strongest in the past nine quarters, at least



Source: Company data

PRANAY BHARDWAJ/MINT

taurants plateaued and growth was largely owing to the hike in platform fee and ad revenue. The rebound in customer base growth rate should help Zomato's management to achieve its guidance of at least 20% GOV growth in future and Ebitda margin target of 4-5%. In Q1, GOV growth and Ebitda margin

was 27% and 3.4%, respectively.

Coming to the quick commerce arm Blinkit, which had seen early signs of adjusted Ebitda breakeven in Q4FY24, the GOV growth of the business was almost in tandem with the number of orders in Q1. The sequential GOV growth was 22% at ₹4,923 crore and cus-

tomers base was up 19%. The business reported a small loss of ₹3 crore at adjusted Ebitda level.

Zomato management confirmed the view shared by Avenue Supermarkets Ltd's management that the value focused large retail player is not losing out especially in staples category where price sensitivity is high. Blinkit is also not gaining business of kirana stores offering personalized service with credit facility.

"The value focused items available in these formats are hard to replicate in our business, especially in categories like staples, where price sensitivity is higher and we don't have the ability to sell open SKUs that brick and mortar can," said Zomato. Notably, Blinkit's adjusted Ebitda loss is lower sequentially despite higher operating cost due to the addition of 113 new stores. The company is on track to reach its target of 1,000 stores by FY25 and has reached 639 already. The GOV throughput of the top 50 stores is at ₹18 lakh a day, which leaves room for productivity improvement as the remaining stores are at ₹10 lakh.

Meanwhile, noting analysts' concerns on the rise in Esop cost, the management reiterated that the expected increase in combined employee cost (including cash expense and non-cash Esop charge) as a percentage of adjusted revenue will continue trending down in FY25 and beyond. It has already come off to 12% in FY24 from 29% in FY22 and is seen at 6-8% in FY26.

Despite the strong growth and improving profitability, a few brokerages like Macquarie are concerned about the quick commerce space getting crowded. They worry about the increased competition from Jio Mart as it is planning to offer 30-minute delivery. Rivals like Zepto are also catching up fast given that it saw five-fold year-on-year growth in revenue to ₹10,000 crore in FY24.

Even as Zomato's rapid rise in revenue continues, it is being valued at more than 10 years revenue based on Bloomberg consensus for FY25. But companies are generally valued on Ebitda or net profit multiple, which for Zomato, works out to 200x FY25 estimates. That's pricey.

INVESTOR APPETITE

ZOMATO's stock surged 12% on Friday reacting mainly to the food delivery biz performance

DESPITE the strong growth, a few brokerages worry about crowding in quick commerce

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

Fratelli Vineyards to list in India, eyes ₹650-cr business by '28

Varuni Khosla

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NEW DELHI

Fratelli Vineyards, India's second-largest wine brand with a 35% share in the domestic market, is set to debut on the stock exchanges this week, months after a share-swap transaction with a listed sister firm.

The company aims to become a ₹650-crore enterprise by 2028.

Gaurav Sekhri, managing director of both Fratelli Wines and Tinna Trade India, which is facilitating the listing through a reverse share swap, spoke exclusively with *Mint*.

In March this year, BSE-listed Tinna Trade, a farm commodity trader, acquired a 100% stake in Fratelli Wines Pvt Ltd through a share-swap deal.

Wine consumption is growing, albeit at a slow pace, in India, driven by rising discretionary income, Sekhri said, at a time the European wine industry is being seriously challenged by geopolitical tensions.

The reduced wine consumption in Europe has meant that European producers are eager to access the Indian market. "There is currently a glut of wine in Europe, with many vineyards being uprooted and supply chains being disrupted. Additionally,



Gaurav Sekhri, MD of Fratelli Wines and Tinna Trade India.

due to global unrest and the ongoing war, there are no wine sales to Russia. So, we think the wine industry in India needs protection, especially amidst ongoing

Free Trade Agreement (FTA) negotiations," he said.

He said that some Indian wines are of far superior quality at the same price points as imp-

ported wines. Yet, new imported wines will likely cause a risk to the entire industry as Indian consumers may prefer imported wines over Indian ones due to perceptions of quality. "We need the continuous support of the government," he said.

India's per capita consumption of wine is still very low, but has changed dramatically from, say, about a decade ago. Then, according to Sekhri, as much as 80% of India's wine consumption happened out of big cities. Today, that number is 65%. Consumption is growing in cities like Lucknow, Kanpur, Nagpur, and Vijayawada, too, which were earlier not considered conventional

wine-drinking pockets.

"Part of the reason is still that wine is not inexpensive. But we see good growth for our business from these markets as well as Delhi, Mumbai, Bengaluru, and states like Andhra Pradesh, etc., But even a slight increase in consumption in the seven metros in India is good enough to grow the entire industry," he said.

The promoter family owns about 57% of the business. It also has partners from Italy, the Secci brothers, Andrea and Alessio, who own a substantial minority stake. The remaining shares are with friends.

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

'Time to readjust portfolio to large-cap'

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MUMBAI

Rising risks of a hard landing in the US, likely unwinding of the yen carry trade, with Bank of Japan raising rates by 25 bps for the second time in 17 years, and escalating geopolitical tensions have tilted the risk-reward in favour of large caps, believes Gaurav Dua, senior vice-president, head-capital markets strategy at Sharekhan By BNP Paribas. Large cap IT services, pharma and select consumer stocks are sectors to be invested in, Dua said in an interview with *Mint*. Edited excerpts:

The budget has been harsh on markets in terms of tax. Now global cues seem to be playing spoilsport... Your comment?

The changes in taxation have got quickly absorbed by the markets and it is back to fundamentals now. The immediate triggers are quarterly earnings, progress of monsoons and global cues. Globally, the unwinding of yen carry trade, weak employment data in the US, and rising tensions in the Middle East are concerns rising on the horizon.

What is your advice to retail investors at this time?

It is time to readjust the portfolios as risk-reward looks better in case of large-cap stocks now. Also, as a tactical call, investors can take



some profits from infra (including defence and railways) and capital goods space in favour of IT services, pharma and select consumer stocks.

Any change in your market target for FY25?

We do not believe that the budget would result in any change in earning estimates and hence have an impact on expectations of returns from markets in fundamental basis.

What sectors will you focus on post-budget?

There has been sign of revival in consumer demand as indicated by commentary from leading consumer staple companies. We believe that some of the government proposals, like more cash in the hands of consumers and rural allocation of ₹2.66 trillion, would further add to recovery and select consumer stocks can lead the rally over the next one year or so. We are also increasing exposure to IT services and select pharma

stocks. How has the results season panned out so far? Seeing stress and buoyancy in any sectors?

The quarterly results are largely in line with expectations. The management commentary from the IT services companies on demand outlook is encouraging.

Which sectors are you the most bullish and most bearish on?

The structural growth in capital goods, infrastructure and engineering remains intact though the valuation in some cases is not comforting any more. Hence, the outperformance from these sectors might not sustain over the next 6 to 12 months. On the other hand, we believe that the IT services, pharma and some consumer stocks could

outperform from here.

On debt what's the view given the inflows by inclusion in JP Morgan GBI index?

We have already seen close to ₹1.5 trillion inflows in Indian government bonds in the run up to inclusion from June 2024. That could be one of the reasons for easing of bond yields by 30-40 basis points in the past couple quarters.

Your view on rupee and bond yields. Are you expecting a rate cut by the Federal Reserve and by Reserve Bank of India?

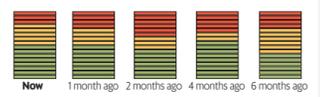
RBI would wait for an interest rate cut to happen in US before cutting rates. The rate differential is already quite narrow and a hasty decision to cut rates by RBI could adversely impact the exchange rate. So we are building rate cut expectations only from early next calendar year.

Given the removal of indexation benefit on property and gold, do you believe incremental flows could follow into the market?

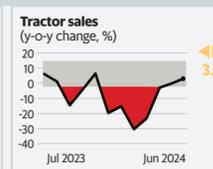
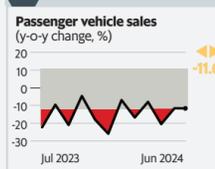
Removal of indexation could affect real estate from investors in the immediate term but the end user demand is not likely to get impacted. Also, the duty cut on gold has actually bought down domestic prices and is positive for the demand.

MINT MACRO TRACKER

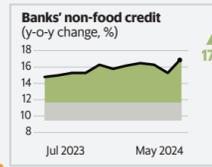
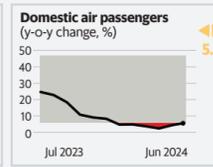
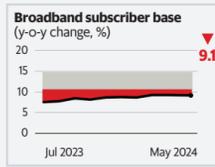
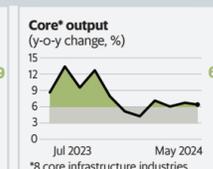
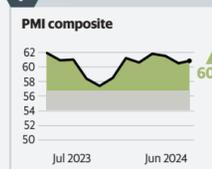
Launched in October 2018, Mint's macro tracker provides a monthly comprehensive report on the state of the economy, based on trends in 16 high-frequency indicators. For each indicator, the value in each month is assigned a colour-coding (red, amber and green) to denote where it lies relative to the five-year average (worse, in line, or better). As of June 2024, three of the 16 indicators were in red, eight in green, and five in amber—marginal improvement from six months ago. Here's a glimpse of how each indicator fared.



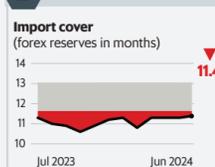
CONSUMER ECONOMY



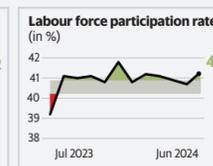
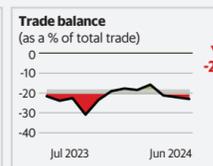
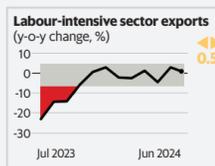
PRODUCER ECONOMY



EXTERNAL SECTOR



EASE OF LIVING



For each indicator, an average band (shown in grey) is constructed around the five-year average value. The size of the grey band rises with volatility. Values falling above this band are in green, those falling below are red, and those within this band are coded amber (the red/green coding is reversed for inflation). While calculating the five-year average, data for some indicators for April-May 2020 and 2021 have been removed to eliminate lockdown-induced skews in the trend. All data as of 4 August 2024.

Source: Centre for Monitoring Indian Economy, Bloomberg, Mint calculations

Data: Payal Bhattacharya; Graphics: Paras Jain



DGGI drops tax notice of ₹3,898 cr: Infosys

Karnataka GST officials had raised a ₹32,403 cr demand for unpaid taxes

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Infosys Ltd. said that the Directorate General of GST Intelligence (DGGI) has withdrawn tax demand of ₹3,898 crore for the financial year ended March 2018, in a partial relief for India's second-largest software company.

The move comes after a government official earlier told *Mint* that the Centre was looking at an early resolution of the ongoing tax battle, which started after Karnataka GST officials raised a ₹32,403 crore notice for unpaid taxes for services availed by the firm from its overseas branches for five years between July 2017 and March 2022.

"The company has now received a communication from DGGI closing the pre-show cause notice proceedings for the financial year 2017-2018. The GST amount as per the pre-show cause notice for this period was ₹3,898 crore," Infosys informed the stock exchanges on Saturday. Infosys added that it has responded to the pre-show cause notice issued by the DGGI from July 2017 to March 2022.

As per the company's financials, this amount of ₹3,898 crore would have made up 24% of the company's ₹16,029 crore net profit for the year ended March 2018.

DGGI's move to drop the tax demand for the first of the five years still leaves the dispute over the remainder ₹28,505 crore unresolved. It is unclear if DGGI, the GST investigative arm, has issued a notice or intimation to Infosys about the remaining amount it alleged the latter has evaded. An email sent to Infosys remained unanswered till press time.

Mint could not independently ascertain how the DGGI arrived at ₹32,403 crore in unpaid tax, which is more than a third of Infosys's ₹89,494 crore in total profit over five years till March 2022.

The controversy stems from the Karnataka state GST authorities, a reference to the zonal body of the DGGI, sending a pre-show cause notice to Infosys on 30 July, for alleged evasion of ₹32,403 crore in integrated GST for services by its foreign branches from July 2017 to March 2022. The Karnataka DGGI office said the company had set up branch offices abroad and included the expenses incurred by these branches as part of its export invoices from India.

The DGGI said that each of these branches are a "distinct person," adding that the company had not paid tax as a recipient of services from the import of services from these branches. On Thursday, Infosys informed stock exchanges said the Karnataka GST authorities had withdrawn the pre-show cause notice and directed it to respond to the DGGI's central authority.

The company had received pre-show cause notices from both the central and state offices of the DGGI.



Infosys has responded to the pre-show cause notice issued by the DGGI for the period July 2017 to March 2022.

A person with direct knowledge of the matter told *Mint* that the government was willing to accept Infosys's plea that GST does not apply to the services the firm gets from its offshore branches, potentially paving the way for an early closure of the matter. IT industry body National Association of Software and Service Companies (Nasscom) came out in support of Infosys.

"Recent media reports of a GST demand of over ₹320 billion reflects a lack of understanding of industry's operating model. This is an industry-wide issue, and multiple companies are facing avoidable litigation, uncertainty, concerns from investors and customers. The issue at hand involves the applicability of GST through the reverse charge mechanism (RCM). The GST enforcement authorities have been issuing notices for remittance by the Indian head office to its foreign branches for cases where there is no service between the head office and the foreign branch for this RCM, ignoring that this is not a case of 'import of service' by the head office from the branch," read Nasscom's statement.

The administrator of Reliance Capital, which is undergoing bankruptcy proceedings, has filed an affidavit in the National Company Law Tribunal (NCLT) accusing IndusInd International Holdings Ltd (IIHL) of contempt of court for allegedly failing to meet the terms of the resolution plan, asset out in the tribunal's 23 July order.

Mint has seen a copy of the petition filed by the administrator. Essentially, the NCLT had directed IIHL to deposit ₹2,500 crore equity component into a designated escrow account of the Committee of Creditors (CoC) in compliance with the resolution plan by 31 July, while granting extension on the implementation of the plan by IIHL to 10 August.

The NCLT had in February approved IIHL's ₹9,861-crore

'New quality norms costly for telcos'

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NEW DELHI

India's telecom service providers on Sunday said they were disappointed with the regulator's new quality of service (QoS) norms, as the compliance burden and associated costs will increase substantially without commensurate benefits to consumers.

The Cellular Operators Association of India (COAI) said the rules should consider the practical challenges of getting permissions and electromagnetic interference that degrade quality of service.

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

MINT Q1 EARNINGS TRACKER

The combined revenue of the companies that have declared their June-quarter financial results so far has risen 8.9% year-on-year, while net profits have surged 0.8%, a *Mint* analysis showed. Excluding the companies in the banking, financial services and insurance (BFSI) sectors, the topline grew 5.2%, while profits were down 10.8%. The analysis covered 993 BSE-listed companies (including 173 banking and financial services firms) that had declared their results by Friday and whose data was available on Capitaline's database. Watch this space for updates every week as more companies announce their results in the ongoing results season.

Q1 FY25 results so far, BSE-listed firms			Upcoming key results this week	
	Total: 993 companies	Excl. BFSI: 820 companies		
Aggregate revenue	₹12.8 tn (▲ 8.9%)	₹16.5 tn (▲ 5.2%)	Bharti Airtel	Monday, 5 August
Aggregate net profit	₹2.3 tn (▲ 0.8%)	₹1.39 tn (▼ 10.8%)	Oil & Natural Gas Corp	Monday, 5 August
			Eicher Motors	Thursday, 8 August
			Page Industries	Thursday, 8 August
			ABB India	Thursday, 8 August

Figures in brackets denote year-on-year change for the same set of companies. BFSI: Banks, financial services, and insurance.

Year-on-year change in aggregate results (%)		Number of companies: 993
	Revenue	Profit
Q1 FY24	7.6	50.1
Q2 FY24	4.8	51.6
Q3 FY24	9.3	39.0
Q4 FY24	10.6	13.8
Q1 FY25	8.9	0.8

Analysis by Mayur Bhalariao Standalone data used. Source: Capitaline, Mint calculations

RCap accuses IIHL of contempt of court

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MUMBAI

The administrator of Reliance Capital, which is undergoing bankruptcy proceedings, has filed an affidavit in the National Company Law Tribunal (NCLT) accusing IndusInd International Holdings Ltd (IIHL) of contempt of court for allegedly failing to meet the terms of the resolution plan, asset out in the tribunal's 23 July order.

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The NCLT had in February approved IIHL's ₹9,861-crore



IIHL has refuted the charges. It said the NCLT order needed IIHL to deposit monies in escrow account designated by the COC.

resolution plan for Reliance Capital which was mandated to be implemented by 27 May.

Under the approved resolution plan, IIHL was to deposit the initial equity amount of ₹250 crore in a domestic escrow account and ₹2,500 crore in an offshore escrow account of the CoC by 31 July. Subsequently, just as the deadline was nearing, last week IIHL filed an interlocutory application before the NCLT, seeking

modification of the tribunal's order. The administrator has opposed granting any relief to IIHL. The matter is listed for hearing today.

The administrator's affidavit showed that instead of complying with the tribunal's order, IIHL has now gone on to file a compliance affidavit wherein it has been stated that the ₹250 crore have been deposited in the IIHL's promoter's accounts including Ashok Hinduja,

Shom Hinduja and Harsha Hinduja.

IIHL, on its part, refuted charges of contempt of court. In a statement, it said, "IIHL reiterates and confirms that it has completed its obligation of deposit of entire equity capital contribution of ₹2,500 crore and ₹250 crore." IIHL is seeking more clarity from NCLT, the Hinduja said. They said the NCLT order required IIHL to deposit monies in escrow account designated by the COC and not one "operated" or controlled by COC. "Despite this, COC communicated through Administrator, details of bank account of Vistra—operated and controlled by COC—in complete defiance of NCLT Order. COC has also not provided any escrow arrangement terms and details till date. This left IIHL with no choice but to deposit monies in its own account," said IIHL.

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

Ninth Episode of Crafting Bharat Podcast Series Explore the intricacies of the Indian startup ecosystem

Advertisement

Aditya Sharma, Co-Founder & Director of The Souled Store discusses his entrepreneurial journey, building a D2C apparel brand around pop culture and upcoming trends.

The start-up ecosystem of India has grown tremendously in the last decade. India has emerged as a predominant player in the global startup ecosystem and is a home to various successful startups and innovative entrepreneurs.

The "Crafting Bharat - A Startup Podcast Series" powered by AWS, and an initiative by NewsReach, in association with VCCircle, unlocks the secrets behind these successful entrepreneurs' journeys aiming to equip aspiring entrepreneurs and business enthusiasts with invaluable insights. The podcast series is hosted by Gautam Srinivasan, famed for hosting a diverse range of TV and digital programs, currently consulting editor at CNBC (India), CNN-News18, Forbes India, and The Economic Times.

Digital adoption has made shopping online effortless, and a zestful and passionate entrepreneur, Aditya Sharma, Co-Founder & Director of The Souled Store, is putting the 'pop' in pop culture. In the Crafting Bharat Podcast Series, Sharma talks about his entrepreneurial journey, building a D2C apparel brand around pop culture

and upcoming trends.

Explore the tales of Indian startup founders' transformation from dreams to reality, navigating challenges to seize opportunities through the Crafting Bharat Podcast Series.

Edited Excerpts:

Segment 1: The Incubator

How confident were you of a product-market fit considering India was a very nascent market for such options?

The only way to get official merchandise in India was either to call a relative who is abroad to get it for us or to buy fake merchandise from the street side. We saw the gap and knew that there definitely was a demand because people wanted it. There is a very low barrier to entry to start an apparel brand in India as it requires very less capital.

Dealing with challenges of ecosystem peer pressure and an urge to grow fast. How did you handle this phase?

When we raised our first round of funding, I wouldn't call it pressure but more like responsibility to use the funding at the right place. We had a



Aditya Sharma, Co-Founder & Director of The Souled Store discusses his entrepreneurial journey, building a D2C apparel brand around pop culture and upcoming trends with host Gautam Srinivasan.

lot of cash in the bank, so we decided to increase the marketing spend which in turn increased our revenue. We burned cash in the short term but eventually it helped us in the long term. We did two things with the cash, one we increased the marketing and branding spend and second, we started hiring aggressively. To cut the long story short, we wanted to achieve the growth in 2 years which would have ideally taken us 5 years to achieve. After 2 rounds of funding and making the same mistake of achieving fast we established that the business would take its time to grow, we need to make sure we're not

Throughout the journey, there will be moments when you feel like giving up, but stay persistent and keep going.

burning cash, is profitable and at the same time if your product is good then your success is going to be a little delayed but it will come for sure.

What was the reasoning behind going physical considering most of your revenue still comes from the website and mobile app?

We did real-life AB testing with the store. The store was 500 sq ft in size, which was a lot of cost to us back during that time. To our surprise the store worked well. Unfortunately, the pandemic hit, and we had to slow down but we managed to pick up the pace and reached 23

offline stores. There was no pressure from the investors, but we wanted to give the offline channel a shot. The Indian audience loves to shop online but there is a great chunk of the audience who wants to shop offline to get the touch and feel of the products.

Segment 2: The Accelerator

From a cost-benefit perspective for a startup, what are the do's and don'ts of working with influencers and celebrities to drive brand popularity?

I would say that be true to yourself and the brand. What we've seen through our journey is that whenever we try to do something for views it never works out. Our brand endorsement with Hardik Pandya aligned with the brand because the type of apparels he wears is like what we sell, and he genuinely loves our products. If we would have done this with someone else from the Indian cricket team whose vibe doesn't align with our brand, it won't work as effectively.

As you evolve beyond Superheroes and Sitcoms, what's the next pop culture phenomenon that you are look-

ing to tap into at The Souled Store?

The next pop culture phenomenon we aim to tap is Anime. We've been working heavily to get a Japanese brand like Attack on Titan. We are trying to get these brands to India and generally Japanese brands have very strict requirements. It's a matter of them understanding that there's a huge market here in India and we want to be the first ones to bring it to India.

The Indian startup ecosystem has not only disrupted the traditional market but also created new markets and opportunities, showcasing India's potential for innovation and entrepreneurship.

Stay tuned to the Crafting Bharat Podcast Series as we bring you these inspirational entrepreneurs for insightful and candid discussion with Gautam Srinivasan.

Scan the QR Code to Watch the full episode



Aster DM, Care Hospitals set for merger in Sep

FROM PAGE 1

swap ratio of 50:50, though a definitive agreement is yet to be signed, the people said.

Spokespersons for TPG, Blackstone and Aster DM declined to comment.

Publicly-listed Aster DM Healthcare, which had a market value of \$2.27 billion at the close of trading on Friday, may be valued at a premium to its current market cap, while Quality Care, which also owns KIMS Hospitals apart from its India and Bangladesh assets, is likely to be valued over \$2 billion, one of the two people cited above said. One of the sticking points is the nature of the discount that Quality Care might take or the kind of premium that Aster DM might need to be assigned.

The Moopen family that owns around 42% of Aster DM will continue to own a lower stake in the new entity, along with Blackstone, TPG and some other investors. An open offer is likely to be launched after the merger is announced.

The merger will allow Care Hospitals operator Quality Care Pvt. Ltd to become a listed entity through Aster DM, satisfying a key goal of Care shareholders.

VCCircle first reported on 22 July that Quality Care and Aster DM Healthcare were in talks to merge.

Multiple routes to the merger are being discussed, the people cited above said. One path could see both Aster DM Healthcare and Quality Care acquiring 5% stake in each other's entities. The larger transaction is a merger,



Aster DM had a market value of \$2.27 billion at the close of trading on Friday.

the people cited above said. "Eventually, it will be a stock swap, which will be filed with the National Company Law Tribunal," the second person said.

Mint first reported on 11 December 2023 that Blackstone and TPG-backed Quality Care had submitted a non-binding bid to merge with Aster DM Healthcare. Other private equity investors had also presented their own proposals. The Care proposal

pitched a merger in a partnership model at the time, as the Moopen family wished to stay invested.

"The Moopens are not exiting," the first person cited above said, who added that

there was no cash deal currently being considered. The complications in this deal are a consequence of multiple entities that need to be combined to the satisfaction of all shareholders. Blackstone holds a 74% stake in Quality Care, which runs Care Hospitals.

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Virmani for JVs with Chinese companies to slash imports

Niti Aayog member's comments follow Economic Survey batting for FDI from China

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Government economists are increasingly joining calls for the Centre to be more open-minded about receiving foreign direct investment (FDI) from China. The belief is that money from our eastern neighbour can help deepen India's contribution to world trade amid a rejig taking place in global supply chains.

Without naming China, NITI Aayog member Arvind Virmani said India should explore setting up factories in joint ventures (JVs) with companies from countries that export heavily to India, in order to start manufacturing such products locally and cut down on their imports.

"We don't need to mention the country; everybody knows that virtually, there's over-dependence on one country for manufacturing, which is kind of taking over global manufacturing for everyone," Virmani, who is a former chief economic adviser to the government of India and executive director of the IMF, said. "So, every country in the world is talking about de-risking and decoupling. I think of it as de-monopolisation. Monopolies are not good for the consumer."

For such JVs, only those products could be considered that India doesn't produce locally now or in the near future, or cannot be imported from a country other than the monopolising trade partner, Virmani said.

China is the biggest source of imports for India with consignments touching \$102 billion in FY24, accounting for 15% of overall imports, followed by Russia, UAE, the US and Saudi Arabia.



Arvind Virmani, member, Niti Aayog.

Experts said India could welcome investments from China and get value from its participation in the economy, but a transparent and consistent policy would be key to getting foreign capital.

"China welcomed foreign investments and offered all the wherewithal to make the country an export hub,"

investors prefer policy consistency, coherence and transparency. Over-regulation may be avoided," Dhar said.

Pointing towards the success stories of other East and South East Asian countries, Virmani said these countries attracted FDI at an early stage in their development because the anchor

TAMING THE DRAGON

CHINA is the biggest source of imports for India with FY24 consignments touching \$102 billion

IT accounted for 15% of overall imports, followed by Russia, UAE, the US and Saudi Arabia

EXPERTS said India could welcome investments from China and get value from its participation

BUT, a transparent and consistent policy would be key to getting foreign capital

said Biswajit Dhar, Distinguished Professor at the Council for Social Development, adding that global investors would be interested in their bottom line.

"It would be desirable for India to clearly spell out the strategy on Chinese investments into India because

investor not only brings in technology, but also a host of other factors critical for success such as management skills, risk capital and demand.

Once such anchor investors come with capital, all you have to do is set up that system and start exporting and, of course, meeting domestic demand,

Virmani said. He added that the proposition of JVs would apply to any country that is currently monopolising trade with India for select products.

"Monopolies are not good for the consumer," he said. "Just imagine if one country controlled 50% of the manufactured exports of the world, it would be a total disaster. One little incident, the whole economy of the world would shut down."

Virmani's comments come after the 2023-24 Economic Survey proposed that FDI from China may be looked at in a more favourable light and that nations like Mexico, Vietnam, Taiwan and Korea, which were direct beneficiaries of America's trade diversion from China, had also displayed a concomitant rise in Chinese FDI, Mint reported on 23 July.

After the border tensions with China in 2020, India amended its FDI policy, making prior approval from the Centre mandatory for investments from countries that share a land border with India.

Mint reported on 7 June 2023 that less than a quarter of the 435 proposals India received from China since April 2020 was cleared.

"If we judge import dependence on some products will continue and there are no alternatives possible in the next 10-15 years, then it is better to attract those companies exporting to India to set up manufacturing here," said Virmani. "Of course, attracting them doesn't mean giving them incentives. It means just making sure that they come here and produce and replace those imports."

The government, Virmani said, can consider many ways of doing it, one of which could be setting up JVs with Indian companies.

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



Dollar debt will outperform others, says Goldman. REUTERS

Dollar path divides Goldman, Fidelity over EM bonds

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Goldman Sachs Group Inc. says emerging-market investors should favour dollar-denominated bonds over local-currency ones. Fidelity International says the opposite.

Goldman argues that dollar debt will outperform as potential US election volatility bolsters the greenback and leads to policy changes that could hurt developing-nation assets. Fidelity says local-currency assets will perform better as the Federal Reserve starts to cut interest rates.

The clash between two of the largest global fund management firms mirrors the growing uncertainties that lie ahead for investors due to the tumultuous US presidential vote in November, and the debate over how fast the Fed will ease monetary policy.

"Total returns of emerging-market dollar bonds are likely to prove more resilient than local-currency EM bonds as we move through the remainder of the year," said Kamakshya Trivedi, head of global foreign-exchange and interest rates at Goldman Sachs in London.

"Even a benign macro markets outlook and Fed cuts are likely to increasingly take a back-seat to the US elections—which may potentially reset the policy landscape in a way that is unfriendly to EM local-currency assets," he said.

Emerging-market dollar bonds have outpaced their local-currency peers this year, returning about 4% versus 1%, according to Bloomberg indexes. While both gauges have seen similar returns from price appreciation and coupon payments, the local bonds have been dragged down by a currency loss of 3.3%.

For its part, Fidelity says local bonds are likely to beat their dollar-based peers as Fed rate cuts weigh on the dollar. Another positive is that elections in some of the largest emerging countries that were an earlier source of concern, have been successfully navigated. "With the Fed soon to commence its easing cycle, the stars are aligning for EM rates and FX to perform better," said George Elstathopoulos, a portfolio manager at Fidelity in Singapore. "EM local election-risk premia has subsided now that index heavyweights such as Indonesia, India, Mexico have already gone through their election cycles."

MPC unlikely to cut interest rates

FROM PAGE 1

"The RBI will be critically targeting the 4% levels for CPI inflation," said Indranil Pan, chief economist, Yes Bank. "Thus, there is no need to follow the Fed, especially as the RBI numbers indicate that inflation will be lower in Q2 and be in the handle of 4% or even lower. But, Q3 and Q4 are expected to see increases in inflation levels in India."

Last week, the US Federal Reserve signalled the possibility of a September cut, while Bank of England lowered rates for the first time in four years.

"The concern on food inflation may also sustain as a) spatial distribution of rainfall is not good, b) vegetables have been on the higher side in June and July 2024, c) rice sowing is below last year's level d) month-on-month growth in protein-rich food items has been high," Pan added.

Since June, food price pressures halted the disinflationary trend in the headline rate in June. Consumer price index-based inflation spiked to 5.1%, higher than the May headline of 4.8%, owing to the sharp rise in perishable food prices following the heatwave and the slow start



RBI may keep FY25 inflation target unchanged at 4.5%. PTI

to monsoon. While the number is likely to reverse from July owing to the base effect, economists expect retail inflation to miss RBI's inflation target for the second quarter at 3.8%. That said, RBI will keep the FY25 inflation target unchanged at 4.5%, they said.

"As far as CPI inflation is concerned, we think there could be some upside risks to RBI's forecast of 4.5% average for FY25, particularly after the July telecom tariff hike, but it is not clear to us whether the RBI will revise its CPI forecast higher at this stage," said Kaushik Das, chief India economist, Deut-

sche Bank. "Our own CPI inflation forecast for FY25 is slightly higher at 4.6% average, factoring in the telecom tariff hike and other risks, particularly related to food inflation."

The MPC will also take comfort from the Union budget for maintaining its commitment to fiscal consolidation. The government lowered its fiscal deficit target for FY25 to 4.9% of gross domestic product (GDP) from 5.1%, as announced in the interim budget. Since June, bond yields have gone down by 15 basis points and liquidity has turned surplus.

While RBI governor Shaktikanta Das had categorically stated in the last MPC meeting that the committee will not be guided by Fed action, economists believe that emerging market central banks such as RBI will not be able to completely ignore the Fed action.

"A softer Fed will spill over to the reaction function of EM central banks, including that of RBI and could influence the timing of the first rate cut by the RBI," said Madhavi Arora, lead economist at Emkay Global Financial Services.

"Besides, the RBI has no merit in keeping rates higher and attracting global carry trades at a time when they are already managing a problem of plenty with FX management and surplus liquidity management, amid FPI flows and domestic money market dynamics," Arora said.

That said, most economists expect RBI to start the rate cut cycle only in December. "We continue to expect the window for a rate cut to open only in December 2024, but see the risks that the first cut will be delayed into 2025," said Barclays in a report.

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

Bad weather ahead for market as foreign investor mood sours

FROM PAGE 1

Nikkei 225, the Nifty and the Sensex, which closed over a percent lower on Friday, could remain under pressure at opening this week, market experts said.

"Global reverberations are bound to be felt by us, as our markets are on high altitude in terms of valuations and expectations," said Nirmal Jain, founder of IIFL Group.

Jain said Indian retail investors should remain "conservative," avoid "leverage" and "dabbling" in derivatives against the "current backdrop of heightening volatility".

While Nifty has risen 13% from 21,884.5 on 4 June, the election results' day, to 24,717.7 on Friday, its trailing price-to-earnings multiple has jumped to 23.09 times from 20.81 times over the same period.

Unemployment in the US surged to a near three-year high of 4.3% in July from 4.1% in the preceding month, raising concerns that the US Fed will have to ease rates at a faster clip to avoid a hard landing. The Bank of Japan, on the other

Sour sentiment

FPIs purchased 330,936 index put contracts (Nifty and Bank Nifty) overnight Friday.

FPI position in derivatives (No. of contracts outstanding)



SARVESH KUMAR SHARMA/MINT

hand, raised its short-term policy rate to 0.25%, the highest in 17 years, in a bid to reduce mounting public debt. Also, escalating Middle East tensions could cast a shadow.

"This hike by BoJ is adding to the negative foreign portfolio investors (FPI) sentiment here, as it means that people who borrowed cheap in Japan to invest in risky high-yielding shares of emerging markets would have to unwind these trades," said Andrew Holland, CEO, Avendus Capital Public Markets Alternate Strategies.

Nifty options expiring on 8 August (coming Thursday) show that option sellers expect the index to trade over a 2.54% range from 24,700 this week. The support lies at 24,386, while resistance is at 25,014.

Increased FPI selling could also pressure retail investors who use short-term loans from brokers to buy shares.

While secondary market activity for retail investors on NSE was not available for the current month, the margin trade funding (MTF) book outstanding at brokers' end was at a record ₹74,180.8 crore.

MTF allows investors to meet any shortfall while purchasing shares by borrowing short term from brokers who charge interest from clients in the form of cash or shares.

This book is already under pressure, with NSE removing over 1,000 stocks as collateral for margin funding. A pullback in markets due to weak global cues could also result in trades being unwound by some retail investors, feels Rajesh Palviya, SVP, derivatives & technical research head at Axis Securities.

MPC MAY NOT CHANGE RATES; TIME FOR RBI TO STEP UP LIQUIDITY SUPPORT

EXPERT VIEW
SIDDHARTH SANYAL

Respond to this column at [feedback@livemint.com](#)

Globally, monetary policy is at an interesting crossroads. In contrast to rising interest rates during 2022 and 2023, central banks of several developed and emerging economies have lowered policy rates of late (e.g., UK, euro zone, Canada, Sweden, Switzerland, China, Brazil), some have even hiked (e.g., Japan, Russia, Indonesia, Egypt), while a large number of countries maintained status quo during 2024 (e.g., US, Norway, Australia, New Zealand, India, South Africa).

For an overwhelmingly large number of central banks which have kept policy rates unaltered, the next move is widely believed to be towards easing, albeit with considerable uncertainties and divergence in expectations about timing, pace and quantum of

such rate cuts. Despite challenging global headwinds, India's broad macro backdrop remains enviably resilient with decent growth, moderate inflation, lower fiscal and current account deficits, strong FDI inflows and a stable rupee. Such favourable macro situation imposes no pressure whatsoever on monetary policy in either direction, and, thus, offers a wider spectrum of choices and discretion for the central bank.

Indeed, two of the external members of the monetary policy committee (MPC) strongly argued and voted in favour of a rate cut (and a "neutral" stance) in June. However, communication from the RBI top management has categorically highlighted the central bank's commitment to steadfastly focus on the last mile of disinflation and, thus, their bias to err on the side of caution as regards to rate action.

Against that backdrop, one expects the status quo on the repo rate to continue in the August meeting with no change in the voting pattern. This meeting is the last one for the three external MPC members, including two members who voted for a cut in June. Three new external members will join the MPC beginning October.

In sync with the policy stance of "withdrawal of accommodation", RBI absorbed large quantum of liquidity from the banking

system since the summer of 2022—banking system liquidity, which was at an average daily surplus of ₹4.6 trillion during April-June of 2022, turned into an average daily deficit of ₹0.6 trillion during the similar period of 2024.

Growth in reserve money—the measure of primary liquidity infusion by the central bank into the banking system—also fell sharply during this period. Against the cumulative annual growth rate (CAGR) of over 15% during five years up to mid-2022, reserve money recorded a CAGR of merely around 7% over the next two years till date. The deceleration in reserve money was noticeable from May 2022, but accentuated even sharply since the next summer, reflecting the effects of withdrawal of ₹2000 banknotes by RBI in May 2023.

Growth in deposits in the Indian banking system lagged credit growth now for an unusually long 28 straight months. CAGR of bank credit over this period, at around 14.5%, was in fact softer than average bank credit growth rate of around 16.5% for the 20 years prior to this phase. However, systemic liquidity pressure accentuated as CAGR of deposits since April 2022, at about 11%, was way lower than its long-term trend (say, that of about 14.5% in the previous 20 years), underscoring the need for larger quantum of primary liquidity support from the RBI.

The recent trend of BoP surplus with capital inflows materially exceeding current account deficit continues to offer the RBI room for faster reserve money growth via purchase of foreign exchange. Against a complicated global macro and geopolitical backdrop, a faster accumulation of forex reserves should be seen as a prudent step for rainy days, especially given the recent inclusion of Indian government bonds into global bond indices. Also, the use of variable rate reverse repos (VRRR) will likely pre-empt the possibility of any sudden fall in the call money rate.

In sum, there may not be any rate action from the MPC in August (and a few more months), while one sees merit in changing the monetary policy stance to "neutral". More importantly, one feels that the case for stepping up the pace and quantum of primary liquidity infusion by the RBI has become materially stronger in recent months.

The author is chief economist & head of research in Bandhan Bank. The author thanks Sudarshan Bhattacharjee and Gaurav Mukherjee for assistance. Views are personal.



Vancomycin is available under various brand names in India and required to be sold only under the prescription of a doctor. MINT

Vancomycin linked to adverse effects, government warns

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NEW DELHI

The Indian Pharmacopoeia Commission (IPC), a statutory body under the ministry of health and family welfare, has found vancomycin injection showing a serious adverse effect called drug reaction eosinophilia and systemic symptoms (DRESS) syndrome.

Vancomycin is a glycopeptide antibiotic medication used to treat bacterial and skin infections.

Vancomycin is available under various brand names in India and required to be sold only under the prescription of a doctor. The drug is manufactured and marketed by multiple companies in India. AstraZeneca Pharma India Ltd, for instance, markets the drug as Vancomycin CP.

"Vancomycin is used for treatment of serious infection due to Gram-positive cocci including methicillin-resistant staphylococcal infections,

brain abscess, staphylococcal meningitis and septicemia," said IPC, linking the drug reaction with eosinophilia and systemic symptoms (DRESS) syndrome.

DRESS presents clinically as an extensive mucocutaneous rash, accompanied by fever, lymphadenopathy, hepatitis, hematologic abnormalities with eosinophilia and atypical lymphocytes.

"Healthcare professionals, patients or consumers are advised to closely monitor the possibility of the above ADR associated with the use of above suspected drug. If such a reaction is encountered, please report to the IPC," it said.

"When we see adverse reactions are due to the use of drugs, it should be reported to the government. IPC examines its frequency and at what percentage adverse reaction a drug is causing," said one of the state drug controllers requesting anonymity.

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

Why people want a job change

The fact that so many employees are looking for new jobs is the outcome of a muted appraisal season

Devina Sengupta & Tanay Sukumar
MUMBAI/NEW DELHI

Everyone wants a new job, but there simply aren't enough of those going around. That's the key takeaway from the Mint+Shine study for April-June that says a whopping 95% of employees studied are looking for a job change post-appraisals.

That also means competition for the few openings that are there is rather stiff. "The competitive job market presents challenges for candidates seeking new opportunities," said Akhil Gupta, CEO of Shine.com. "After appraisals, many look for job changes, highlighting the need for clearer performance metrics."

The study—Talent Insights Report—looked into the data of 3,000 job seekers and employers in April-June. A

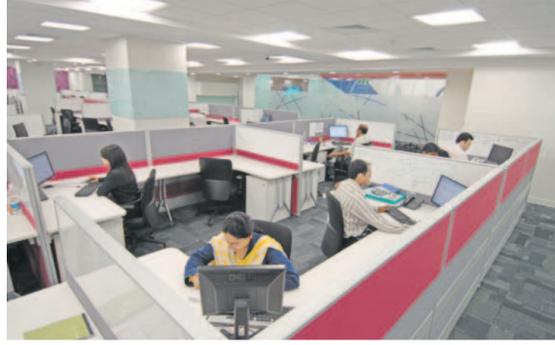
staggering 78% candidates said they find the job market very competitive with limited opportunities.

Of course, the fact that so many are looking for new jobs is the outcome of a muted appraisal season.

As per the study, 89% seek clearer performance metrics in appraisals. About 32% say compensation/benefits are the most important factor in keeping them in the same organisation after appraisals.

To be sure, the fear of losing top talent is pushing companies across sectors to make changes in their compensation and benefits programs.

Law firm Shardul Amarchand Mangaldas & Co has revised its compensation and benefits structure in July to incentivise high performance, the company said. "We maintain our unparalleled and objective variable compensation policy of up to 200% of



As per the study, 89% seek clearer performance metrics in appraisals. HT

the eligible variable compensation," said the company's spokesperson in response to Mint's queries. "As a result, our super performers will earn at the highest end of the market."

The law firm has brought in policies such as work from anywhere (two weeks annually), caregiver leave (up to three weeks), paternity leave (increased

to three weeks), additional childcare leave, health check-ups, and sabbatical policies for associates and partners.

The changes come on the back of a fierce talent war in India's top law firms. The demand for partners specialising in mergers and acquisitions, private equity, disputes, and competition law is high.

Niren Srivastava, brokerage firm Motilal Oswal Financial Services' CHRO, told Mint that "in a competitive and a price sensitive labour market, attrition is going to be a reality".

The brokerage firm lists out that while compensation remains a key element, benefits programs are a strong hook to attract job seekers.

Motilal Oswal has rolled out health and life insurance coverage for its employees' household help.

"Top quartile performers in sales and research, niche skills like data science and tech research, specialist roles in fund management, and wealth advisory and sales are always in accelerated demand and important to retain," Srivastava added.

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Shriram Finance to convert personal loans to small-biz credit

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In an effort to slow down the growth in personal loans in line with regulatory guidance and focus on the MSME segment, Shriram Finance is working towards converting personal loans to small business loans.

A majority of the NBFC's personal loan customers are existing two-wheeler customers, who in turn are small businessmen or self-employed professionals such as plumbers

and electricians. The company is trying to establish the purpose the funds are being borrowed for, and whether the borrower is a business owner and whether the business is registered.

"If it's not, we are trying to get them registered under UDYAM and then classify them as small-ticket business loans, which again will be a PSL (priority sector lending) asset. It will help us make money more comfortably, so we are working on this," MD and CEO Y.S. Chakravarti told Mint.

The Udyam Registration

Portal (URP), operated by the ministry of micro, small and medium enterprises, facilitates online registration for MSMEs and generation of unique registration number for lenders and other ecosystem players to identify small businesses by.

Chakravarti expects the pace of growth for small business loans to be faster than personal loans in another 2-4 quarters.

The caution on growth in personal loans has stemmed from the regulatory warnings around unprecedented growth in certain segments of unsecured loans.

Personal loans for the NBFC grew 12.7% year-on-year but fell 0.6% sequentially to ₹8,925 cr in the June quarter

MSME loans rose 43.7% y-o-y and 9.8% sequentially to ₹28,802 crore as of June 30,

accounting for 12.3% of total loans.

"So we wanted a relook at our entire portfolio. Though 90% of my personal loans are to existing customers, we still wanted to have a look. We have actually tightened the approval process, which has reduced the acceptance levels," he said.

Shriram Finance has an internal target to maintain unsecured loans below 5% of assets under management (AUM). Currently, unsecured loans account for 3.7-3.8% of the total portfolio. The move to revisit the portfolio was also to

show "intent" to the regulator, discuss it with them and then grow the book.

"But the growth also looks high because the base is very small. So we will definitely grow this portfolio. I'm not going to leave this segment because it's a good high-yielding product which I'm lending largely to my existing customers," Chakravarti said, adding that the segment should grow around 15-20% in FY25 whereas gold loans are likely to grow at 25-30%.

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

K'taka entertainment cess worries multiplexes, OTTs

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The recent passage of the Karnataka Cine and Cultural Activists (Welfare) Bill, 2024, has left theatre owners and OTT players operating in the southern state worried.

The law levies a 2% cess on movie tickets and OTT subscriptions to support film workers and cultural activists. While this additional levy may seem nominal, multiplexes and streaming platforms warn that any extra burden on the industry, which is already struggling with declining footfalls at the cinemas and stagnating subscription revenues, will increase prices for viewers, further hurting the business.

Also, there is apprehension that Karnataka's decision may set off a domino effect, prompting other states to enact similar legislations, hurting cinemas and streaming platforms.

Industry players see the move as unnecessary at a time when the theatrical business is struggling, with few films finding favour with the audiences.

"Any extra burden on the business is extremely disheartening. The government is looking to earn more but this move comes at a time that the industry is going through a terrible phase. It's a bad sign and we haven't been able to make any representation on the same," said Amit Sharma, managing director, Miraj Entertainment, which operates multiplex theatres. Calling it an irrational scheme, independent distributor and exhibitor Akshay Rathi said that the entertainment industry is often a soft and easy target and while a 2% cess is not huge, it could open up a Pandora's box for a sector not robust at this time. "What we instead need is policies that generate more employment for the segment and help treat it like the means of soft power it is," Rathi said.

The new Karnataka legislation stipulates that this cess will be applied on cinema tickets



The law levies a 2% cess on movie tickets and OTT subscriptions to support film workers and cultural activists. HT

and subscription fees, and must be paid based on the revenue generated within the state. Additionally, it requires companies to deposit the cess by the 9th of every month. This initiative is designed to provide financial aid to cine and cultural activists, thereby enhancing the welfare of individuals working in Karnataka's cultural industries, the state government has said.

"Karnataka has a 14% market share in India's box office market of ₹12,000 crore and a cess of 2%, will mean an impact of ₹35 crore outgo for the industry.

Within India's subscription revenue market of ₹10,000 crore, Karnataka has a market share of approximately 10%, which would mean an outgo of ₹20 crore. The increased cess will be passed on to the consumer eventually for both cinema and OTT business," Karan Taurani, senior vice-president at Elara Capital Ltd said.

"The Karnataka government's Bill to levy a 2% cess on cinema and OTT subscriptions is a significant move to generate additional revenue. While there have been similar cess impositions, such as the entertainment tax on movie tickets, this is one of the first instances of targeting digital platforms," said Nilesh Tribhuvan, man-

aging partner at law firm White & Brief - Advocates & Solicitors.

This cess could increase subscription costs, potentially impacting consumer choices and platform revenues. Given state governments' financial pressures, it's plausible that other states might follow suit, making this a broader trend in the regulatory landscape, Tribhuvan added.

Ameet Datta, partner at legal firm Saikrishna & Associates, pointed out that in the pre-GST era, there have been precedents of imposing a cess on

entertainment mediums, such as Kerala in 2013. Kerala's cess on cinema tickets to fund a cultural works welfare fund was upheld because states could impose entertainment tax

under entry 62 of the State List in the Constitution. This changed with the introduction of GST. In the 2015 Madhya Pradesh case, the SC struck down a law levying a tax on DTH services. "If implemented, the new law will lead to confusion due to a lack of clarity on how and what aspects of OTT or television channel services revenue the cess will be levied on, considering these services already ensure the payment of GST and operate pan-nationally," Datta emphasized.

Industry players see the move as unnecessary at a time when the theatrical business is struggling

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E-Tender Notice No.: NGP-ELECT-TRD-2024-25-02R, dated 01-08-2024
Name of work: Provision of Foot patrolling of OHE section and Non-Power block work of TRD depot during Track machine work of Engineering Department over the NGP Division for period of two years. Estimated Cost of work: Rs. 56,33,600/- Earnest Money Deposit: Rs. 1,12,700/- Last date & Time for submission of tender: 28-08-2024 at 15:00 Hours. Details on Railway website www.ireps.gov.in
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E-TENDER FOR THE FOLLOWING WORKS ARE INVITED:-
NIT No.: CE(PJ)WBSETCL/200 MVA Trf./24-25/04 Date: 05.08.2024 Procurement of 200 MVA, 220/132/33 KV, 3 Phase Auto Transformer.
NIT No.: CE(PJ)WBSETCL/315 MVA Trf./24-25/05 Date: 05.08.2024 Procurement of 315 MVA, 400/220/33 KV, 3 Phase Auto Transformer.
Bid documents can be downloaded from 05.08.2024, 12:00 Noon and bids shall be submitted online up to 04:00 P.M., 02.09.2024. Visit the following websites: www.wbtenders.gov.in, www.wbsetcl.in for details. ICA- T13312(3)/2024

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Narayan Singh Sapoot Marg, Shivaji Market, Indore (M.P.)
Date: 02.08.2024
Notice Inviting Tender
Indore Municipal Corporation, Indore invites online bids from eligible bidders through www.mptenders.gov.in for "Operation and Maintenance of Gantry and FOB as detailed in RFP against Advertisement Rights for a License Period of 5 years". The successful bidder will be having rights to display advertisement on the media structures as per the detailed conditions mentioned in the RFP document.
Sr. No. Name of Work Cost of Tender Form Earnest Money Deposit
1 Operation and Maintenance of Gantry and FOB as detailed in RFP against Advertisement Rights for a License Period of 5 years ₹10,000/- ₹10 Lakh
Key Dates:-
S.No. Description of Particulars Date & Time
1. Last date for Purchase of Tender 03-09-2024 till 17:30 Hrs.
2. Pre-Bid Meeting 13-08-2024 at 15:00 Hrs.
3. Last Date for Submission of Tender (Online) 03-09-2024 till 17:30 Hrs.
4. Technical Bid Opening (Online) 04-09-2024 at 15:00 Hrs.
Tender Document and other details shall be available on:- Website- www.mptenders.gov.in
Amendment to NIT, if any would be published on website only. Deputy Commissioner (Market) Indore Municipal Corporation, Indore

मध्यप्रदेश पुलिस आवास एवं अधोसंरचना विकास निगम
कार्यालय परियोजना वंशी संभाग क्रमांक - 01, कार्यालय भवन 1558, गोरखपुर थाने के पीछे, ऋषि कोटेज, रतन कॉलोनी, कटंगा, जबलपुर (म.प्र.), पिनकोड- 482002, फोन नं. : 0761-4927201
E-mail : mpphcjabalpur@gmail.com
निविदा प्रेस विज्ञापित
मध्यप्रदेश पुलिस आवास एवं अधोसंरचना विकास निगम, जबलपुर संभाग क्रमांक-01 के अंतर्गत जिला-जबलपुर में मुख्यमंत्री पुलिस आवास योजना के अंतर्गत 30 आरक्षक (जी+2) आवास गृह थाना परिसर हनुमानताल, जबलपुर में निर्माण कार्य हेतु निविदा आमंत्रण सूचना क्रमांक-04 वर्ष 2024-25 (ऑनलाइन निविदा क्रमांक-2024_MPPHC_361669_1) एवं 96 आरक्षक बहुमंजिला (पी+6) आवास गृहों का निर्माण कार्य थाना परिसर धमापूर, जबलपुर हेतु निविदा आमंत्रण सूचना क्रमांक- 05 वर्ष 2024-25 (ऑनलाइन निविदा क्रमांक- 2024_MPPHC_361670_1) पृथक-पृथक आमंत्रित की जाती है। निविदा प्रपत्र दिनांक 30.08.2024 तक खरीद कर सायं 05:00 बजे तक सबमिट किये जा सकते हैं जिसकी विस्तृत निविदा सूचना एवं अन्य विवरण Portal : <https://www.mptenders.gov.in> पर देखे जा सकते हैं एवं निविदा से संबंधित समस्त आवश्यक संशोधन उक्त वेबसाइट पर ही किए जावेंगे पृथक से समाचार पत्रों में प्रकाशन नहीं किया जावेगा।
म.प्र. माध्यम/115710/2024 परियोजना वंशी

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The following State Governments have offered to sell stock by way of auction, for an aggregate amount of ₹23,700/- crore (Face Value).
Sr. No. State/UT Amount to be raised (₹ cr) Additional borrowing (Green shoe) option (₹ cr) Tenure (in years) Type of auction
1. Assam 1,000 - 15 Yield Basis
2. Chattisgarh 500 - Reissue of 6.94% Chhattisgarh SDL 2029 issued on March 24, 2021 Price Basis
3. Haryana 1,000 - 12 Yield Basis
4. Himachal Pradesh 500 - 09 Yield Basis
5. Jammu and Kashmir 500 - 21 Yield Basis
6. Kerala 1,000 - 16 Yield Basis
7. Madhya Pradesh 2,500 - 35 Yield Basis
8. Maharashtra 1,500 - 10 Yield Basis
9. Punjab 1,500 - 15 Yield Basis
10. Tamil Nadu 1,500 - 20 Yield Basis
11. Telangana 1,500 - 25 Yield Basis
Total 23,700
Reissue of 7.34% Punjab SGS 2035 issued on July 31, 2024 Price Basis
The auction will be conducted on Reserve Bank of India Core Banking Solution (E-Kuber) in multiple-price format on August 06, 2024 (Tuesday). Individual investors can also place bids as per the non-competitive scheme through the Retail Direct portal (<https://rbidirect.org.in>). For further details please refer to RBI press release dated August 02, 2024 (Friday) on RBI website www.rbi.org.in
"Don't get cheated by E-mails/SMSs/Calls promising you money"

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What Bill Ackman got wrong with his bungled IPO

One of the world's most celebrated investors might have gotten a warmer welcome if the deal was better for all

Jason Zweig
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On Wall Street, every bad idea starts out as a good idea. And, given enough time, Wall Street will turn every bad idea into a terrible idea.

Even one of the world's most celebrated investors wasn't able to buck that cold, hard truth. This week, Bill Ackman, the hedge-fund billionaire who has 1.4 million followers on X, had to pull the plug on his new fund before it could launch its initial public offering.

That's because he'd organized his proposed Pershing Square USA, or PSUS, as a closed-end fund. PSUS would have largely mirrored the holdings in his main hedge fund.

What's a closed-end fund? The idea dates back at least to the 19th century. Like a mutual fund or exchange-traded fund, it's a basket of stocks or bonds. Unlike a mutual fund, its shares trade on an exchange, so the market price is determined not only by asset value but also by supply and demand.

The upside of a closed-end fund is that it can be a solid vehicle for long-term investing. The downside is that it can carry huge fees and be hard to sell at a fair price.

Ackman, who has styled himself as a crusader for the investing public, could have tried using his new vehicle to shatter the status quo on fees. Instead, it would have cemented the status quo.

The fund's 2% annual management fee, which Ackman was going to waive for the first year, would have been competitive at a hedge fund—but far more costly than at market-tracking ETFs.

Then there was the load, or sales charge, of 1.5% for individual investors and somewhat lower for institutions—an irksome cost of admission that people no longer have to pay on most other assets.

Once upon a time, many closed-end funds were a good deal—and they could have been again if Ackman had broken the mold.



Hedge-fund billionaire Bill Ackman pulled the plug on his new fund before it could launch its IPO because he'd organized his proposed Pershing Square USA, or PSUS, as a closed-end fund.

REUTERS

Annual expenses at closed-end funds average 2.83%, according to Morningstar. That borders on legal larceny when you can buy stock or bond index funds with expenses of 0.05% or less.

It's also three to five times higher than closed-end funds charged decades ago, before they got junked up with extra fees and the high financing costs that come from borrowing gobs of money.

Fat fees don't just reduce your return. They make your fund harder to sell for a fair price.

If demand is high, closed-end shares can trade at a premium, or more than the sum of their parts known as net asset value. Usually, they trade at a discount, or less than what the portfolio is worth. The lower a fund's return and the higher its expenses, the deeper the discount will tend to go.

According to the Investment Company Institute, more than 80% of closed-end funds recently traded at discounts. Stock funds were trading at almost 10% less than their net asset

value; bond funds, about 9% below their NAV.

Typically, a closed-end fund doesn't issue new shares after its IPO; nor does it redeem, or buy your shares back. Instead, you have to buy from, or sell to, another investor. That means new buyers don't increase the fund's capital, and sellers don't decrease it.

All this makes such a fund the anti-ARK: Unlike the ETFs run by celebrity manager Cathie Wood, the structure of a closed-end fund deters buy-high-sell-low behavior. Investors can't swamp such a fund with new money when markets are booming and bargains are disappearing. Nor can they yank money during a market panic when the manager would like to have extra cash to buy cheap assets.

That's why the firms that run them call closed-end funds "evergreen assets," or permanent capital.

Over the decades, a few great investors have used that structure to

enrich their shareholders rather than to fill their own pockets.

From 1967 through 1984, the Gemini closed-end fund, run by the brilliant stock picker John Neff, returned an average of 12.2% annually, stomping the 8.6% annualized total return of the S&P 500. (Gemini did use leverage, but prudently.)

Between early 1974 and late 2021, Central Securities, a mostly unleveraged closed-end fund then run by Wilmot Kidd, grew at an annual average of 14.5%, nearly 3 percentage points better than the market.

The world's oldest closed-end fund, London-listed F&C (formerly Foreign & Colonial) Investment Trust, has performed reasonably well since it launched in 1868, when its annual fees were well under 0.5%; last year its expenses were still under 1%. Those examples suggest to me that Ackman missed an opportunity to innovate.

It was institutions, not individual investors, that balked at the potential

discount on his fund.

What if Ackman instead had bypassed the investment bankers and their 1.5% sales load, offering the fund directly to individuals only, commission-free? And what if he'd set a reasonable management fee of, say, 0.5%?

Such an innovative, self-underwritten deal is likely feasible, several securities lawyers say, but would have been more expensive for Ackman than a conventional IPO.

Over the 10 years through March 31, the return on Ackman's main hedge fund averaged 13.1%, only a whisker better than the S&P 500's 12.9%. Despite some missteps, though, Ackman has built a stellar long-term track record, and he committed to lock up \$500 million of his firm's own money in the fund for at least a decade.

In a press release, Ackman said the proposed fund was stymied by the concerns of big investors that it would have traded at a discount. His firm will "re-evaluate" the fund's structure, he said.

I hope that re-evaluation will be more positive than the actions of two major stock exchanges. In the past few weeks, the New York Stock Exchange and Cboe Global Markets' BZX Exchange separately proposed rule changes that would eliminate the requirement for closed-end funds to hold annual meetings for shareholders.

Good luck trying to get a lousy fund to hire a new manager if you can't even vote your disapproval without somehow convening a special meeting.

Boaz Weinstein, founder of Saba Capital Management, an activist hedge-fund manager that seeks to narrow the discounts on closed-end funds, calls the exchanges' rule proposals "some of the most shocking disenfranchisement efforts against closed-end fund shareholders in over 100 years."

This antiquated vehicle could yet become a rejuvenated mechanism for long-term investment. What a shame that charging a fair price for good management is the last resort instead of the first.

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On August 1st Intel declared a net loss of \$1.6bn and its sales were down by 1%, year on year.

REUTERS

What is going wrong for Intel?

The Economist

The market reaction was brutal. On August 1st Intel released a dismal set of results. The semiconductor giant's sales were down by 1%, year on year, and the company declared a net loss of \$1.6bn, compared with a profit of \$1.5bn in the same period in 2023. "Our costs are too high, our margins are too low," wrote Pat Gelsinger, its chief executive, in a note to employees. As a consequence, Intel plans to slash 15,000 jobs and to suspend dividends, which it has paid since 1992. Since the results were published its share price has plunged by nearly 30%.

Ever since he took office, Mr Gelsinger has sought to restore Intel to its earlier glory; the Biden administration, keen to return chipmaking to America's shores, touts Intel as a national champion. But the latest earnings are a reminder of just how woefully the firm lags behind the likes of Nvidia and TSMC, and how long it can take to catch up in an industry that operates on lengthy investment time-scales. It carries a warning to governments, too, that picking winners will not be easy.

For decades Intel dominated global chipmaking. Through the 1990s and early 2000s it cornered the market for personal computers (PCs) thanks to the so-called "Wintel" alliance with Microsoft, a software giant. Yet a series of missteps led to its falling behind. Its focus on PCs caused it to miss the boom in demand for mobile-phone chips. Even as many of its rivals moved to a "fabless" model, in which chip designers outsource their manufacturing to foundries like TSMC, a Taiwanese producer, Intel continued to build its own chips.

In the mid-2010s repeated manufacturing slip-ups delayed the launch of its processors, leading to a steady loss of share to AMD, an American chip designer, in its core business of central processing units. Crucially, Intel has also been largely absent from the rapidly growing market for specialist artificial-intelligence (AI) chips, which is dominated by Nvidia, now the world's most valuable semiconductor firm.

Mr Gelsinger is all too aware of this. Soon after he became

chief executive in February 2021, he laid the groundwork for separating design and manufacturing into two distinct businesses. That allowed the product side to choose the best foundry for its needs, and Intel's factories to become available to other chip designers. Mr Gelsinger wants Intel's manufacturing to progress rapidly, leapfrogging the other foundries. He has said that Intel will become the world's second-largest foundry by 2030, behind only TSMC.

Intel, then, is trying to catch up on two fronts: as a fabless designer competing with Nvidia and AMD; and as a foundry taking on TSMC. The first task looks forbidding. The company is miles behind when it comes to designing AI chips. This year it expects to sell \$500m of its Gaudi AI chips. Nvidia sells \$20bn of its AI chips each quarter.

What is more, success in the market for AI chips is about more than the chips themselves. Nvidia sells networking gear that ties together hundreds or thousands of its processors. It also has CUDA, a software platform, which allows customers to fine-tune the chips. Having underinvested in AI, it will be difficult for Intel to catch up, notes Alan Priestley of Gartner, a research firm.

When it comes to growing its foundry business, its second task, Intel is making big investments. It plans to spend \$100bn over the next five years building new plants and expanding its existing ones in America. To fund its ambitions amid stagnant growth, it is tapping into creative sources of capital. In August 2022 Brookfield, a big infrastructure investor, agreed to chip in up to 49% of the cost of a new \$30bn facility in America. In June this year Apollo, a private-equity firm, put up \$1bn for a similar share of the company's chip factory in Ireland. Intel has also benefited from \$8.5bn in grants and up to \$1bn in loans from the American government.

The problem, though, is that with revenue from the foundry business still low, and with demand for its core products barely growing, Intel will need to keep finding new sources of capital—or require yet more handouts. The company and the government alike have a hard slog ahead.

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Euro zone's big growth laggard has a lot of cheery consumers

Bloomberg
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Some of the euro zone's most upbeat consumers can be found in one of the region's most sickly economies—Germany.

That mismatch was on display on Tuesday when the country was revealed as the only big member of the currency area to have suffered falling output during the second quarter. Survey data for July released concurrently showed yet another improvement in German consumer confidence.

Sentiment in Europe's biggest economy, according to a

gauge compiled by the European Commission (EC), is now just shy of the level it was at in February 2022, when a slump took hold after Russia's invasion of Ukraine. Neither France nor Italy are anywhere close to that threshold.

The divergence between increasingly cheery consumers and the stop-start path for the country's economy, which has seen quarterly growth for less than half of Chancellor Olaf Scholz's time in office, can partly be explained by rising pay.

"The development of real wages has played into this," said Christiane von Berg, chief economist at credit insurer



In Germany, GfK sees better income prospects and brighter purchasing power as key drivers of a sentiment upgrade.

2024, German workers saw a historic real wage gain—the highest since the data series began in 2008.

Other German sentiment indicators also improved in July. The country's index of services confidence rose while it slumped in nearly all euro-area nations.

GfK, whose own consumption climate index last month showed an uptick in Germany too, sees better income prospects and slightly brighter purchasing power as key drivers of an upgrade in sentiment.

Other more fleeting factors than wages may also be at play. One could be the impact of the UEFA European Football

Championship, which Germany hosted for a month starting on 14 June.

Thousands of fans from all over the continent travelled to the nation, and Berlin alone expected the event to spur visits by 2.5 million sporting enthusiasts. The German team reached the quarter final before losing to Spain.

"It is highly likely that the euphoria triggered by the European football championship in Germany in large parts of the population plays a role," Rolf Buerkl of the Nuremberg Institute for Market Decisions said. "It remains to be seen whether this effect is sustainable."

Warren Buffett's Berkshire Hathaway slashes stake in Apple

Karen Langley
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Warren Buffett's Berkshire Hathaway has been in selling mode.

The famed investor's Omaha, Neb., company revealed Saturday that it sold nearly half its Apple shares in the second quarter, slashing its mammoth position in the iPhone maker after significant sales earlier in the year.

Berkshire sold a net \$75.5 billion in stocks in the three months through June, helping boost its cash hoard to a record \$276.94 billion, including cash equivalents, the company's financial statements show.

The disclosures come after Berkshire in recent days methodically trimmed its investment in Bank of America, its second-largest stock posi-

tion after Apple.

The stock sales and mountain of cash show the challenge Buffett has encountered finding good investments that are priced low enough to make a solid return likely. The stock market has grown more expensive: The S&P 500 recently traded at nearly 21 times its projected earnings over the next 12 months, above a 20-year average of only 16 times, according to FactSet. Buffett spoke about the difficulty of deploying the cash at Berkshire's annual meeting in May.

"We'd love to spend it, but we won't spend it unless we think we're doing something that has very little risk and can make us a lot of money," he said.

Berkshire sold about \$3.8 billion worth of Bank of America stock over the 12 trading days through Thursday, according to filings with the Securities and Exchange Commission, leaving it with a 12.15% stake in the bank that would have been worth more than \$35 billion at Friday's close.

Bank of America shares had rallied in recent months, rising 75% from a low in late October to the time Berkshire began selling in July.

"He doesn't seem to be in love with banks," said James Shanahan, a senior equity research analyst at Edward Jones. "There's been a lot of selling activity among bank holdings in recent years." A quarterly filing released



Warren Buffett's Berkshire sold a net \$75.5 billion in stocks in the second quarter, helping boost its cash hoard.

REUTERS

Saturday showed Berkshire sold about 49% of its Apple stock in the second quarter, leaving it with a position worth \$84.2 billion at the end of June.

That was after cutting the investment 13% in the first quarter. Buffett praised Apple

from the stage of Berkshire's annual meeting in May, calling it "an even better business" than American Express and Coca-Cola, two other big holdings. He suggested an expectation that tax rates might rise played into the call to take some profits

on the position, which has gained enormous value as Apple's stock soared in recent years. Apple shares have risen 14% in 2024.

Buffett's reputation as one of the greatest stock pickers of all time means his moves carry significant weight with many investors.

Macrae Sykes, a portfolio manager at Gabelli Funds, holds Berkshire and Bank of America shares in an exchange-traded fund. He said the fact that Buffett's company was selling the bank's stock gives him pause.

"He's one of the world's foremost investors and obviously has an incredible history of allocating in financial services," Sykes said. "Something like this is important to pay attention to and check our research."

Berkshire invested in Bank

of America in 2011 in the aftermath of the financial crisis, offering a vote of confidence at a time when investors were questioning the bank's health. It became the bank's largest shareholder in 2017 and held that position after Thursday's sales.

Buffett's company has sold other bank holdings in recent years, exiting positions in JPMorgan Chase and in Wells Fargo.

Berkshire, which owns businesses including insurer Geico, railroad BNSF Railway and sportswear maker Brooks Running, posted net income of \$30.3 billion, or \$21.122 a class A share equivalent, for the second quarter. That compared with net income of \$35.9 billion, or \$24.775 a share, in the year-earlier period.

Operating earnings, which exclude some investment

results, rose to \$11.6 billion, from \$10 billion a year earlier. Increases in insurance underwriting and insurance investment income pushed operating earnings higher for the quarter.

Buffett has said that operating earnings are the better measure of the company's performance. Berkshire is required by accounting rules to include unrealized gains and losses from its giant investment portfolio when it reports net income, so short-term fluctuations in the stock market influence those results. Berkshire spent \$345 million buying back shares in the second quarter, down from \$2.6 billion repurchasing stock in the first quarter. Berkshire's Class A shares are up 18% in 2024, outpacing the S&P 500's 12% gain.

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NEWS NUMBERS

3,000

THE NUMBER of additional medical seats planned by the Centre, taking the total to over 115,000 seats, even as it faces flak over the entrance exam scandal

₹3,898 cr

THE SIZE of tax demand on Infosys withdrawn by Directorate General of GST Intelligence, days after Karnataka GST officials raised a ₹32,403 crore tax notice

₹1,600 cr

THE AMOUNT Adani-owned Ambuja Cements is expected to invest in Bihar to establish a 6 million tonnes per annum cement grinding unit

₹1,800 cr

THE AMOUNT leading real estate company, House of Abhinandan Lodha, is planning to invest to buy land as well as for construction purposes in FY25

108

THE NUMBER of countries classified as 'middle-income' at 2023-end, representing 75% of the world's population, or 6 billion people, according to the World Bank

HOWINDIALIVES.COM

Kerala grapples with relief efforts

As rescue operations in landslide-hit areas of Wayanad district continued for the sixth day on Sunday, authorities intensified efforts to recover bodies and also prepared a mass grave for unidentified remains, amid discussions in the state on donations to the chief minister's distress relief fund and whether to classify the natural calamity as a 'national disaster'.

On Sunday, more personnel and equipment were deployed in areas where the likelihood of finding bodies is high, and a drone-based Intelligent Buried Object Detection System was used to identify locations where bodies might be buried deep under boulders or logs.

According to State Revenue Minister K Rajan, till date 221 bodies and 166 body parts have been recovered. He said that the number of missing persons has gone down to 180 from the earlier 206 after authorities were able to get in touch with some of them over phone. **PTI**



The total live storage capacity of the 150 monitored reservoirs is 178.784 bcm. **PTI**

Water levels at 51% of main reservoirs

Despite heavy rain across the country, the average water level in India's 150 main reservoirs remains less than last year but more than the last decade's level, according to official data. According to the Central Water Commission (CWC), significant variations in water storage levels across different regions of the country reflect both positive and concerning trends. The total live storage capacity of the 150 monitored reservoirs was 178.784 billion cubic metres (bcm), which was about 69.35% of the estimated 257.812 bcm created nationwide.

According to a CWC report, the live storage available in these reservoirs stood at 91.496 bcm, or 51% of their total capacity. This is 94% of the storage levels recorded during the same period last year and 107% of the normal storage based on the last decade's average.

In comparison to the previous week, as per the 25 July bulletin, the live storage available in these reservoirs was 69.27 bcm, which was 39% of the total live storage capacity.

Last year, the live storage during the same period was 83.987 bcm, and the normal storage was 72.411 bcm. **PTI**

HP flashfloods: 13 dead, 40 missing

The death toll due to flash floods triggered by cloudbursts in three districts of Himachal Pradesh has increased to 13 with the recovery of four bodies from Mandi and Shimla districts on Sunday. Over 40 people are still missing after a series of cloudbursts occurred in Kullu's Nirmand, Sainj and Malana, Mandi's Padhar and Shimla's Rampur subdivision on the night of July 31 and wreaked havoc.

Rescuers have intensified the search operation by deploying more machinery, sniffer dog squad, drones and other equipment, the officials said.

Even as the rescue operations are still underway, locals claimed that there is no electricity in three villages—Samej, Dhara Sarda and Kushwa located on the border of Shimla and Kullu—since the tragedy struck.

According to the officials, 410 rescuers from teams of the Army, NDRF, SDRF, ITBP, CISF, Himachal Pradesh Police and home guards are involved in the hunt. **PTI**

At least 73 killed as clashes rock Bangladesh, curfew imposed

At least 73 people were killed and hundreds injured in clashes in Bangladesh on Sunday, as police fired tear gas and rubber bullets to disperse tens of thousands of protesters calling for Prime Minister Sheikh Hasina to resign. The government declared an indefinite nationwide curfew starting at 6 p.m. (1200 GMT) on Sunday, the first time it has taken such a step during the current protests that began last month. It also announced a three-day general holiday starting from Monday.

The unrest, which has prompted the government to shut down internet services, is Hasina's biggest test in her 20-year regime after she won a fourth straight term in elections that were boycotted by the opposition Bangladesh Nationalist Party. Critics of Hasina, along with human rights groups, have accused her government of using excessive force against protesters, a charge she and her ministers deny. Demonstrators blocked major highways on Sunday as student protesters launched a non-cooperation program to press for the government's resignation, and violence spread nationwide. **REUTERS**



The government has also announced a three-day general holiday starting from Monday. **REUTERS**

NATURE'S FURY



People gather near damaged vehicles after a sudden cloudburst in Jammu and Kashmir's Ganderbal district. The incident damaged a road, leading to the closure of the arterial Srinagar-Leh national highway, officials said on Sunday. **PTI**

Israeli strikes hit Gaza schools, hospital facility after talks fail

Gaza health officials said at least 44 Palestinians were killed in the airstrike on Sunday

Reuters
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CAIRO

An Israeli airstrike hit two schools in Gaza City on Sunday, killing at least 25 people, the Palestinian official news agency said, while the Israeli military said it struck a Hamas military compound embedded in the schools.

An Israeli air strike hit a tent camp inside a hospital in central Gaza earlier in the day. Gaza health officials said at least 44 Palestinians were killed on Sunday, the day after a round of talks in Cairo ended without result.

Footage circulated on Palestinian media showed bodies scattered inside the yard of one of two blast-wrecked schools as residents rushed to carry casualties, including children, and loaded them into ambulance vehicles that took them to at least two nearby hospitals.

The Palestinian officials news agency Wafa and Hamas media said dozens were wounded in addition to the 25 fatalities in the schools of Hassan Salama and Al-Nasser, which housed Palestinian displaced families. They said the strike destroyed several structures inside the facilities.

The Israeli military said it struck militants inside a Hamas command embedded within the schools, accusing Hamas of operating from within civilian property. Hamas denies using civilian institutions for military purposes.

The Hamas-run government media office said Israel had struck 172 designated shelters, mostly schools, housing thousands of displaced families since 7 October.

Earlier in the day, an Israeli strike inside the Al-Aqsa Hospital compound started a fire, and wounded at least 18 people as well as killing five, medical authorities said.

The Israeli military said it struck a militant who "conducted terror activities" and that secondary explosions were identified, indicating weapons were present in the area.

The hospital compound is in Deir Al-Balah, an area crowded with thousands of people displaced by fighting in other parts of the enclave.

Elsewhere in Deir Al-Balah, three Palestinians were killed when an Israeli missile struck a house. Separate Israeli strikes killed eight others inside their home in Jabalia camp in northern Gaza City and three inside a car.

Israeli army spokesperson posted orders on X, asking residents of the affected districts to head towards the humanitarian zone

placed by fighting in other parts of the enclave. Elsewhere in Deir Al-Balah, three Palestinians were killed when an Israeli missile struck a house. Separate Israeli strikes killed eight others inside their home in Jabalia camp in northern Gaza City and three inside a car.

Sreejesh shines, India in semifinals



India's goalkeeper P. R. Sreejesh (left) celebrates with teammates after winning. **AP**

A battle-hardened P.R. Sreejesh gave a big fillip to the Indian hockey team's aspirations of winning a second consecutive Olympic medal with his splendid shootout saves in a 4-2 victory over Great Britain that earned his side a place in the semifinals

of the Paris Games here Sunday.

Playing most of the match without key defender Amit Rohidas, who was shown a red card for hitting a rival player with his stick, the team did extremely well to hold Great Britain to 1-1 in regulation time.

Great Britain dominated possession and played with man-to-man marking, not allowing India to attack much.

In the absence of Rohidas, Manpreet Singh, who plays in mid-field, was asked to man the defence. Reduced to 10 men on the pitch, India could not play scoop balls, a strategy that worked for the side in previous matches, but it managed to escape without getting hurt.

It all boiled down to how Sreejesh would perform and the veteran goalkeeper did not disappoint, blocking the third and fourth attempts by Connor Williamson and Phillip Ropper after the score was tied 2-2 in the shootout. **PTI**



Far-right protests in England turned into riots over the weekend. **AFP**

UK police make at least 100 arrests

At least 100 people have been arrested after far-right protests descended into rioting this weekend in England and Northern Ireland, with police warning that the violence may not be over. Disturbances have broken out in towns and cities including Blackpool, Belfast and Bristol since Friday night, with a number of police officers attacked and injured. The riots represent one of the biggest challenges facing the Labour government, as it struggles to rein in the unrest.

Home secretary Yvette Cooper pledged the government's "full backing" for the police in dealing with the unrest. "Anyone who gets involved in criminal disorder and violent thuggery on our streets will have to pay the price," she said in a video posted to X.

Tensions have risen since an attack on a Taylor Swift-themed dance party left three young girls dead in Southport on Monday. Fuelled by an online misinformation campaign, the attack was seized upon by far-right protesters, some of whom took to the street chanting anti-immigration slogans. Around 300 people were involved in disturbances in the Walton area of Liverpool on Saturday night, according to Merseyside Police. **BLOOMBERG**

ShareChat secures ₹134 cr, cuts 5% staff

Home-grown social media firm Mohalla Tech, which owns ShareChat platform, on Sunday said it has raised ₹134 crore, or \$16 million, through debt bonds from Singapore-based investment firm EDBI.

With this fresh fundraise the company has expanded its ongoing convertible debentures round to \$65 million.

"ShareChat expands its convertible debentures round to \$65 million, as Singapore-based EDBI joins the round," the company said in a statement. In April this year, ShareChat raised \$49 million via convertible debentures in the funding round led by existing investors Lightspeed, Temasek, Alkeon Capital, Moore Strategic Ventures, and HarbourVest, amongst others.

The company has also retrenched 5% of its staff after mid-year performance review of the employees. **PTI**



SBI chairman Dinesh K. Khara is set to step down following the end of his term later this month. **PTI**

SBI earns ₹16 tn PAT in 4 yrs under Khara

State Bank of India's profit after tax (PAT) for the past four years has surpassed the cumulative profit earned over the previous 64 years, according to chairman Dinesh Kumar Khara. "In the last four years, we have earned a net profit of ₹1.63 trillion. The same for the 64 years before that was ₹1.45 trillion," Khara said at the Q1 earnings press meet, responding to a question on his proudest achievement during his term. When Khara assumed office, the annual profit for the public sector lender was around ₹14,000 crore. This has now risen to a PAT of ₹17,000 crore per quarter, he added.

Khara, who has been at the helm of SBI since October 2020, is set to step down at the end of his term later this month. "My ambition was to see SBI generating ₹1 trillion PAT. In FY24, we were about ₹80,000 crore. With the trajectory which we are following this year, I believe it is likely to be a reality." **ANSHIKA KAYASTHA**

River Mobility in expansion mode

Bengaluru-headquartered electric vehicle startup River Mobility Pvt. Ltd backed by marquee investors Yamaha Motor Corp, Mitsui & Company Ltd, aims to open 100 showrooms by March 2026, a top official said.

The company under its expansion drive inaugurated its first store in Chennai and plans to open 15 more stores by November and 50 stores by March 2025 chief executive officer, co-founder Aravind Mani said here.

"We are very excited about the Chennai store. We have a lot of people from Tamil Nadu working in our facility (located outside Bengaluru). Chennai is a big EV market. The first store in Chennai is also the company owned operated store," Mani told PTI. Elaborating about the expansion plans, he said the firm would open more retail showrooms in Chennai over the next one year and the second store in Tamil Nadu would come up in Coimbatore. **PTI**

Mcap of 8 of top-10 cos falls by ₹1.28 tn

Eight of the top-10 most valued firms together lost ₹1,28,913.5 crore in market valuation last week, with IT majors Tata Consultancy Services (TCS) and Infosys emerging as the biggest laggards, amid weak trend in equities. The valuation of TCS tumbled ₹37,971.83 crore to ₹15,49,626.88 crore, the most among the top-10 firms.

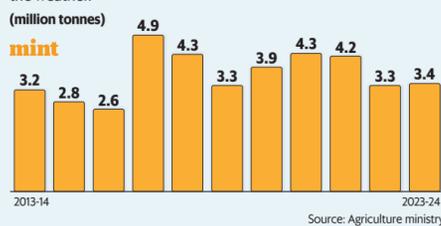
The market capitalization (mcap) of Infosys tanked ₹23,811.88 crore to ₹7,56,717.85 crore. ITC's mcap dropped by ₹16,619.51 crore to ₹6,11,423.11 crore and that of State Bank of India fell by ₹13,431.54 crore to ₹20,28,695.57 crore.

Last week, the BSE benchmark declined by 350.77 points or 0.43%. In the ranking of the most valued firms, Reliance Industries retained the number one rank followed by TCS, HDFC Bank, Bharti Airtel, ICICI Bank, State Bank of India, Infosys, LIC, Hindustan Unilever and ITC. **PTI**



Travails of tur

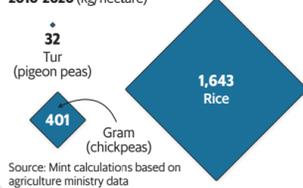
Production of tur has fluctuated over the years depending on the weather.



Tur vs other crops

The average yield of tur is much lower when compared to other crops.

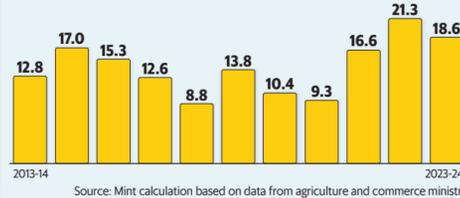
Productivity gains between 1950-1960 and 2010-2020 (kg/hectare)



Chronic dependence

In the last two years, India imported 1.7 million tonnes of pigeon peas.

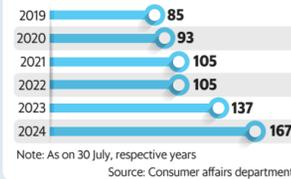
Tur imports as a share of domestic consumption (in %)



Soaring prices

Following production losses, retail tur prices rose nearly 60% between July 2022 and July 2024.

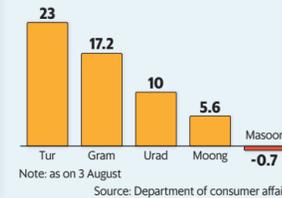
All-India average retail price of tur dal (in ₹/kg)



Pinching pulses

In India's basket of pulses, tur saw the highest inflation.

Annual increase in retail prices (in %)



SATISH KUMAR/MINT

CLIMATE CRISIS IS COMING FOR YOUR SAMBAR

Tur dal, a vital ingredient in kitchens from south to north, is facing an existential crisis

Sayantana Bera
sayantan.bera@livemint.com
NEW DELHI

Taiyamma, 35, runs a hole-in-the-wall eatery in Raichur town of Karnataka. The menu is simple: fluffy dumplings made of rice and black gram—locally known as *paddu*—served at breakfast, sambar-rice for lunch and *mirchi bajjis* (chilli fritters) as an evening snack. She has been helming this micro-business for five years now, paying for the upkeep of three children and their education. Taiyamma's husband, a driver in a neighbouring state capital, earns just enough to repay monthly loan instalments on a newly acquired pick-up van.

Lately, running the eatery has not been easy. Basic items like vegetables and pulses have turned expensive. But Taiyamma does not want to hike prices, fearing she may lose customers. She still makes a decent amount every day, about ₹1,400 or so, after paying for rent, the cost of groceries and two helping hands. But serving sambar-rice is bleeding her, she says.

Sambar, a flavourful stew prepared using assorted spices, chunky pieces of vegetables and tur dal (pigeon peas), is a staple in southern Indian cuisine. As tur prices climbed to a steep ₹180 per kg, Taiyamma can ill-afford to serve sambar for lunch. Anyone else would have raised prices or taken it off the menu. But not her.

"Many workers (casual wage earners) depend on my sambar-rice for lunch (served for ₹40 a plate). If I stop, they may just skip lunch. I have figured out a way for now—use the profits from the evening *bajjis* to cover the costs of sambar," Taiyamma says over the phone. She has reduced the use of tur dal at her home kitchen replacing it with a cheaper pulse (masoor or lentils, available at half the price). But at the eatery, she does not want to cut corners. The reputation of her nascent business is at stake.

For now, Taiyamma has managed to ward off a minor crisis. But when it comes to tur dal and its outsized importance in Indian kitchens, the next few months appear bleak. The past appears like a roller coaster ride. And its future, mired in uncertainty.

Tur is the second most consumed legume in India after gram (chickpeas) and a staple in kitchens across the country. Not just sambar and pappu (a popular dish prepared with tomatoes and clarified butter), tur dal is also key to *dal tadka*, a ubiquitous dish from north India.

CROP OF NEGLECT

For consecutive years in 2022 and 2023, tur production was hit by wayward rains in major growing regions. While Karnataka suffered a crippling drought, excess rains (in different growth stages) damaged the crop in Maharashtra. This came on top of steadily declining acreage (over the past several decades) in states like Uttar Pradesh, Madhya Pradesh, and Andhra Pradesh where farmers moved away from tur and towards more remunerative crops like rice, soybean and cotton.

Following the production losses, retail tur prices rose by a staggering 60% between July 2022 and July 2024. Over the past decade, the production of tur fluctuated widely as weather and rainfall turned erratic; prolonged dry spells were interspersed with intense and untimely rains. In comparison, crops like rice, wheat and chickpeas appear steadier, though not immune to climate risks.

Tur is mostly grown by small and marginal farmers, often without any assured irrigation. Data from the agriculture ministry shows that less than a tenth of the area is irrigated. Its woes are accentuated by another factor: the many months it takes to harvest the crop. Most crops grown in the Kharif (summer) season are planted in June-July and harvested by end-October. But tur takes longer,

between 150-240 days to mature, depending on the variety planted. Because it stays on the field for five to eight months, the crop is exposed to more weather risks.

If this wasn't enough of a worry, the average yield of tur is much lower when compared to cereals and pulses like gram. For instance, in the decades between 1950-60 and 2010-20, the productivity of tur rose from 743kg per hectare to 775kg or a mere 32kg increase in 70 years! In comparison, chickpea yields rose by 40kg, and rice yields by an impressive 1,643kg.

The introduction of new technologies (green revolution), research varieties, access to irrigation and assured prices changed the fortunes of crops like rice and wheat. But this revolution escaped pulses like tur.

In a brief conversation over the phone, Gajanan Amdabadkar, a tur grower from Washim district in Maharashtra, referred multiple times to 'global warming' and its impact on agriculture. He is also irked by inadequate state support to domestic growers. "In good harvest years, farmers suffer because prices crash. When production is lower due to weather and pest attacks, there is no relief. India is importing poor quality tur from Africa but what are we doing to encourage and protect our own farmers?" he asks.

Chamarasa Patil, a grower and farm union leader from Raichur, Karnataka, says farmers are switching to crops like jowar (sorghum), cotton and sunflower because long-duration tur varieties are not economically viable.

So, it's a no-brainer why farmers are reluctant to grow tur. The legume is prone to weather risks, it takes a long time to harvest and yields less. The fall out? The tur dal in your sambar may have been grown in distant East Africa or closer home in Myanmar. Worse, it may not even be tur but a cheaper replacement—yellow lentils grown in Canada.

SURGING IMPORTS

In 2023-24, Indian farmers harvested an estimated 24.5 million tonnes (mt) of pulses. The bulk of it came from the winter harvest of gram (11.6mt or 47% share in production). Winter crops are exposed to fewer weather risks compared to rain-fed Kharif crops like tur. At 3.4mt, tur ranks second in the pulses pool. But 2023-24 was the second consecutive year of a crippled harvest—a 19% drop compared to the average production between 2016-17 and 2021-22 (4.2mt). As a result, in the past two years, India ended up importing 1.7mt of pigeon peas, most of it from Mozambique and Myanmar.

An analysis of trade data shows that dependence on tur imports (as a share of annual domestic consumption) shot up from 9% in 2020-21 to 21% in 2022-23. This rising dependence is a consequence of both increasing climate risks as well as India's inability to offer farmers a suitable shorter duration and climate-resilient variety.

In the ongoing Kharif season, the area under tur is higher compared to last year and the crop is healthy so far. But the story does not end here since harvest is a long time away, says Satish Upadhyay, a Mumbai-based importer, and secretary of India Pulses and Grains Association, a trade lobby. Excess rains during flowering in September and pest attacks may lead to a lower harvest.

Because the new crop is four-six months away, India may end up importing 9-9.5 lakh tonnes of tur in 2024-25, Upadhyay adds. That would be a record—the previous high was 890,000 tonnes in 2022-23.

mint SHORT STORY

WHAT

Tur is the second most consumed legume in India after gram and a staple in kitchens. But for two consecutive years, its production was hit by wayward rains.

SO

Following the production losses, retail tur prices rose nearly 60% between July 2022 and July 2024. Its average yield is also lower when compared to other crops.

NOW

Farmers are reluctant to grow tur. India is importing from countries like Myanmar and Mozambique but the pulses import bill will shoot up. The international supply chain isn't reliable either.

In addition, India could also import about 200,000 tonnes of *peela masoor* (yellow lentils), an inferior substitute for tur, from the US and Canada.

Recently, unscrupulous traders from Mozambique exploited India's growing dependence on imported tur by demanding ransoms for containers leaving the port. But in the long-term, India faces a much bigger threat—it risks pulses going the oilseeds way.

Over half of the edible oils consumed in India are now sourced via imports, most of it is cheap palm oil from south-east Asia. In the 12 months to November 2023, India spent a staggering \$17 billion to pay for edible oil imports. In comparison, the pulses import bill was lower but still at a seven-year high of \$3.7 billion in 2023-24.

To be sure, the government took several steps to bridge the supply gap in tur and other pulses. These include raising minimum support prices (MSP) to encourage domestic growers, creating a buffer stock to tame local prices during shortages, and supply agreements with Mozambique, Malawi and Myanmar for tur and urad (black gram).

But as the recent crisis shows, depending on duty-free imports is a double-edged sword. It can tame retail prices for a while, but as farmers move away from pulses (both due to production risks and influx of cheaper imports), dependence on imports can increase manifold in the future.

While it is easier to meet domestic edible oil via imports due to a large global market with ample supplies (palm, soybean, and sunflower oils), pulses are a different ball game. India is the largest producer and consumer of pulses in the world. So, higher demand from India usually leads to a spike in global prices.

Countries like Mozambique, Canada and Australia grow pulses primarily to export to India. The supply chain is not reliable, and at times when India is particularly vulnerable, it risks being exploited by petty traders in distant shores—as seen recently in Mozambique.

Indian diets are peculiar. A certain variety of legume in short supply is not easily substituted by another. For instance, sambar has to be made only with tur, the *besan* (chickpea flour) used to make fritters comes from gram, while the famous dal makhani is prepared using urad dal (black gram). One variety of edible oil is more easily replaced by another, but that's not the case with dals.



TARUN KUMAR SAHU/MINT



A Mumbai couple's journey from bankruptcy to financial freedom

How Unny Radhakrishnan and Bindhu conquered financial hardship to build a secure future with expert help

Jash Kriplani
jash.kriplani@livemint.com

Unny Radhakrishnan and Bindhu Unny's journey from the brink of bankruptcy to financial stability is a tale of resilience and reinvention.

In the late '90s, they were idealistic young professionals driven by a passion for social impact, only to end up being financially broke.

Forced to rebuild from scratch, the Mumbai-based couple, now in their early 50s, navigated corporate comebacks and personal sacrifices to stand as a testament to the power of perseverance and being financially savvy. Today, they believe that true wealth lies not just in earning, but in managing what you have.

Early life
With a shared passion for making a difference, both Unny and Bindhu embarked on their careers. In 1997, Unny joined a corporate firm committed to social impact, drawn by its mission to change the world.

Unny describes this period as transformative, aiding his personal growth. However, the company faced significant difficulties, resulting in unpaid salaries for almost two years, leading to his personal bankruptcy.

"From 1997 to 2003, I worked for a company dedicated to making a significant social impact. We operated on modest salaries, aligning with the company's mission to make a difference," Unny said.

"However, towards the end, it came to a grinding halt with no salaries for two years. But being in our early 30s, we were thinking about changing the world and we just continued, till it became a livelihood issue," Unny recalled.

Bindhu, determined to support the family during the trying times, took up work as a features writer.

Fortunately, Unny's background in marketing and early experience as a programmer helped him secure a senior position at one of India's first digital marketing agencies in 2003.

According to Unny, this role was pivotal in restarting their lives, with advance payments from the company allowing them to clear household bills and cover rent, bringing the much-needed relief.

At this point in time, their first priority was to achieve financial stability. To ensure his finances were in order, even if he decided to return to unconventional career options, Unny sought guidance from a financial advisor. Subsequently, in 2011, he approached Ladder7 Wealth Planners, recommended by a colleague.

Portfolio mix
Initially, neither Unny nor Bindhu had any experience with investing or financial planning. They primarily

Turning the tide

An unconventional career choice in the early 2000s had pushed the family to the brink of bankruptcy

Name: **UNNY RADHAKRISHNAN, 53**
Work: India CEO of global marketing and technology services company
Wife: Bindhu Unny, 51
Work: Remotely working as editor for US-based university
City: Mumbai
Children: No kids

What's your asset allocation?



Note: All equities via mutual funds; nominal exposure to gold via sovereign gold bonds, plan to build that up

What is the allocation of your equity mutual funds?



What is the allocation of your debt mutual funds?



How many mutual funds have you invested in?

I have **23** mutual funds in my name, **4** are in my wife's name.

What made you start your financial planning journey?

Faced personal bankruptcy in early 2000s because of an unconventional career move.
Wanted to ensure that changes in career don't lead to such situation in future.

How much do you save from your monthly income?

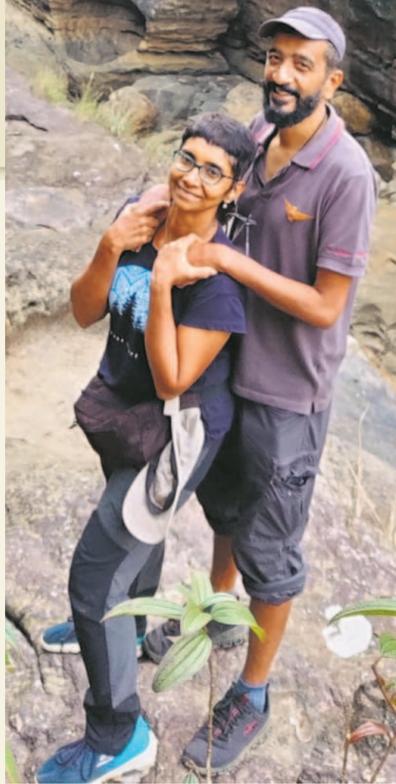
We focus on moderate spending and maintain a savings rate of **65-70%**.

How has your portfolio performed?

It has delivered **15%** annualized returns over 5 years.

Do you have any loans?

Had a home loan, but repaid it quickly within 5 years of disbursement



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What are your financial goals?

We travel 3-4 times annually, mostly within India.
Partially withdraw from arbitrage, low-duration funds for these trips.

What about retirement?

Reached **75%** of our retirement goal; on track with our ongoing SIPs.

What about post-retirement plans?

We are not sure right now. We both love to travel and blog.

What about your insurance?

I have a term life cover of **₹50 lakh**.
Have accumulated sufficient assets, so don't need additional cover.
I have accident cover of **₹50 lakh**. Wife has **₹25 lakh** cover.

What about health cover?

My wife and I each have separate health policies of **₹10 lakh**.

PRANAY BHARDWAJ/MINT

parked their savings in bank accounts, and occasionally purchased mutual funds with minimal understanding of how it would impact their finances in the long run.

Cut to 2024, the couple has built a diversified investment portfolio with a balanced mix of both equity and debt with nearly 70% of their investments in equity, and the remaining

primarily in debt. Around 40% of their equity mutual funds are now allocated to large-cap funds, around 20% to large- and mid-cap funds, and another 20% to flexi-cap funds. About 10% is invested in international funds, with the remaining equity exposure spread across various fund categories.

Over the past five years, their port-

folio has delivered annualized returns of around 15%.

On the other hand, their debt portfolio includes 20% in debt mutual funds, around 10% in Unny's employees' provident fund account, as well as public provident fund (PPF) investments for both Unny and Bindhu.

Out of the debt mutual funds, 36% is allocated to corporate bond funds,

27% to low-duration funds, 20% to short-term funds, 12% to arbitrage funds, and 3% to equity savings funds.

Bindhu works remotely as a developmental editor for a US-based university on a contractual basis. Since she does not enjoy the benefits of an employer provident fund, she fills the gap by investing in PPF.

The couple has also started investing in sovereign gold bonds (SGBs), albeit with nominal holdings, but plans to gradually increase this exposure. Unny has 23 mutual funds in his name, while Bindhu has four.

Financial goals

In 2018, Unny took a break from his corporate career to re-enter the social sector as planned. "I consulted my advisor about making the switch, and he said I was in a position to do it, even with a reduced salary," Unny said.

However, in 2020, he returned to corporate life, seizing the opportunity to join as the chief executive officer of a global marketing and technology services company's Indian operations. Unny and Bindhu enjoy travelling, and blogging about their experiences. "We take three to four trips annually," he said. They cover travel expenses by withdrawing from arbitrage and low-duration funds as required.

Early in their lives, the couple had decided not to have children, so they don't need to plan for education or wedding-related expenses. The couple is on their way to reaching their retirement corpus, having achieved 75% of their target. They have not yet made any specific plans for retirement, but both Unny and Bindhu are passionate about travel and writing, and are certain they will continue to pursue these hobbies after retiring.

Spending habits

The couple maintains a high savings rate of 65-70% and has no outstanding loans. According to Unny, experiencing a financial crisis early in their lives taught them to be moderate in their spending habits. "We repaid our home loan within five years." "Our belief is that getting wealth is not just about earning it, but it is also about how you manage it," Unny added.

Insurance

Unny said he has a term life insurance of ₹50 lakh and has accumulated sufficient assets to forego additional cover. Unny and Bindhu have separate health insurance policies of ₹10 lakh each. Unny has personal accident coverage of ₹50 lakh and Bindhu has a ₹25 lakh accident policy.



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

HOW ARE SUPPLY DYNAMICS DRIVING THE MARKET BOOM?

Even as newspaper headlines celebrate equity mutual fund inflows surpassing ₹45,000 crore in June, with systematic investment plans (SIPs) exceeding ₹21,000 crore (growing 9x in the last 10 years), we should remain cognizant that like any true market, equities have two sides to the equation—demand and supply. As demand remained strong and price (valuations) moved up, supply has picked up. June witnessed company promoters and private equity (PE) firms selling stakes worth ₹60,000 crore. Frontline indices have also been hitting record highs and market capitalization has surpassed \$5 trillion.

Market multiples have expanded, primarily due to the growing domestic demand for equities. Inflows from SIPs and equity contributions from pension schemes such as Employees' Provident Fund (EPFO) and National Pension System (NPS), and insurance are estimated to grow by ₹3.3 trillion (\$40 billion) annually.

The less frequently discussed factor is the "supply" side of the market. Adam Smith's proverbial invisible hand responds to an increase in demand and price with an increase in supply. This is now visible in the Indian market as well. The multiples at which companies are now trading are attracting more private companies to list, prompting strategic investors to take profits, and encouraging both local and multinational promoters to divest.

In the last 15 months, promoters sold ₹1.86 trillion and PEs ₹1.15 trillion, in addition to ₹1.8 trillion of initial public offerings (IPOs) and qualified institutional placements (QIP); aggregating to ₹4.84 trillion, outpacing the ₹3 trillion net inflows into MFs.

The supply is only set to accelerate. Upcoming quarter's IPO volumes are 3X of QIFY25, with an IPO pipeline of ₹93,000 crore. The IPO count doubled in FY24 to 76, and 15 firms went public in QIFY25. Shares locked in from the 91 IPOs, are up by an

average of 79% since listing and should find their way to the market. Notably, nearly two-thirds of IPO funds were for stake sales by PEs and promoters, with only 6% allocated for capex.

High market multiples are prompting stake sale by promoters with nearly a dozen subsidiaries of MNCs in India trading at around 4x of their parents' trade at the home market. In fact, many MNC promoters trimmed stakes. British American Tobacco's divestment of ITC shares, Whirlpool and Timken are a few examples. Other MNCs are also seeing the opportunity to capitalize on valuation disparities, with Hyundai planning a large \$3-billion IPO and LG contemplating a similar move.

With over 100 firms trading at over 50X their earnings, Indian promoters are also pruning stakes. In June alone, promoters of 20 firms sold up to 20% stakes, raising ₹40,000 crore. PEs have reaped the most benefit from rising equities, selling shares worth ₹1.15 trillion, in addition to stakes offered in IPOs. This brisk pace of exits mirrors the decline in net foreign direct investment (FDI) with annual FDI outflows rising from ₹2.25 trillion in 2022-23 to ₹3.4 trillion in FY24. PE funds still hold an additional ₹2.7 trillion worth of stakes in listed firms of which ₹2.2 trillion is of over 3-year vintage. Similar vintage investments in private companies are estimated to be worth over ₹7.4 trillion, ensuring sales from them is only likely to accelerate in the coming year.

Since April 2023, the aggregate supply response to increased retail equity flow amounted to ₹4.84 trillion, including ₹1.86 trillion promoter stake sale, ₹1.15 trillion PE divestments, ₹80,000 crore via IPOs and ₹1.03 lakh through QIPs. This figure is nearly 158% of the net flow to equity mutual funds.

Robust financial markets play a pivotal role in mobilizing capital and contribute significantly to a country's economic growth. A growing equity culture promises to solidify this as a dependable source of growth capital. However, it is imperative to acknowledge the dichotomy of interests: while some seek to acquire capital or invest, others aim to divest at opportune valuations. In the grand tapestry of the market, every thread has its place, and every player, their role. It is, after all, the essence of fair play.

Ashish Gupta is CIO of Axis Asset Management Co. Ltd

What a personal loan costs you

Personal loans are a way to use tomorrow's income today, and the process involved is simple. But you must note that the interest rates are much higher than, say, for a car loan. This is because personal loans are unsecured loans. This means that the loan is not backed by any asset. The loan amount and interest rate depend on parameters such as your income, existing credit, repayment capacity, and others. As personal loans come with high interest rates, continuous default will put you on a downward spiral. Here are some of the lowest personal loan interest rates offered by various banks.

Loan amount: ₹1 lakh; tenure: 5 years

Lender	Interest rate (%)	EMI (₹)	Processing fee
Union Bank of India	9.30-13.40	2,090-2,296	Up to 1%; Nil for women professionals
Bank of Maharashtra	10.00-12.80	2,125-2,265	1% + GST
Indian Bank	10.00-11.40	2,125-2,194	1% (Max ₹10,000); Nil for Govt/PSU Employees
Federal Bank	10.49-17.99	2,149-2,539	Up to 3%
Punjab & Sind Bank	10.75-13.50	2,162-2,301	0.50% to 1% + GST
HDFC Bank	10.75-24.00	2,162-2,877	Up to ₹4,999
ICICI Bank	10.80-16.15	2,164-2,440	Up to 2%
Bank of India	10.85-14.85	2,167-2,371	Min ₹1,000 and Max ₹10,000
Indian Overseas Bank	10.85-13.00	2,167-2,275	0.40% to 0.75% of loan amount
Karnataka Bank	10.93-13.43	2,171-2,297	0.25% (Min ₹250)
Canara Bank	10.95-16.25	2,172-2,445	charges are 0.50% (Min ₹1,000 + GST and Max ₹5,000) + GST*
UCO Bank	10.95-13.95	2,172-2,324	1% (Min ₹750)
IDFC First Bank	10.99-23.99	2,174-2,876	2.00%
IDBI Bank	11.00-15.50	2,174-2,405	1% (Min ₹2,500) + taxes
Axis Bank	11.25-22.00	2,187-2,649	Up to 2% + GST

Data as on 31 July 2024, as per banks' websites. The EMI range is indicative and calculated on the basis of interest rate range. In an actual situation, it may include other fees and charges. The interest rates are for salaried individuals and pensioners for unsecured personal loan. Actual applicable interest rate may vary based on the credit profile, loan amount, tenure, company you work for and as per bank's discretion. *shall be collected till 31 July 2024

PRANAY BHARDWAJ/MINT

MyMoneyMantra.com & bank websites

Climate crisis is coming for your sambar

FROM PAGE 10

Unlike in oilseeds, India cannot import its way out of the pulse crisis.

HOPE FLOATS

Pulses are a low-cost source of plant protein for a vast majority of Indians. Lower availability and high prices can impact nutritional security. Between 2014-15 and 2022-23, total production of pulses increased from 17.1mt to 27mt (largely due to higher production of chickpeas). But clearly, demand outpaced supplies.

Government data shows that the annual per capita availability of pulses fell from 25.7kg in 1956 to 19.6kg in 2022. During this period, cereal availability rose from 132kg to 168kg.

"We are dal-chawal and dal-roli eaters," says Jeet Singh Sandhu, former deputy director general at the Indian Council of Agricultural Research, the apex farm research body. "Production of pulses has stagnated for want of a technical breakthrough. Research projects were taken up but there is no continuity. We need a targeted programme and nationwide efforts to bring the crop back to the farm." In 2016, the Indian Agri-



Government data shows that the annual per capita availability of pulses fell from 25.7kg in 1956 to 19.6kg in 2022. BLOOMBERG

cultural Research Institute (IARI) in Pusa, Delhi, showcased a new shorter duration and high-yielding pigeonpea variety which promised to end India's dal woes. Arun Jaitley, then finance minister, visited Pusa to see this wonder variety and congratulate scientists. The agriculture ministry said that the new 'Pusa Arhar-16' would reach farmers' fields by next year. It never did. The variety disappeared into thin air.

WHAT HAPPENED?

According to Aditya Pratap, who heads the All India

Coordinated Research Project (AICRP) on Kharif pulses (at the Indian Institute of Pulses Research, Kanpur), Pusa Arhar 16 was discontinued because it was a 'determinate' variety—flowering in a single flush in its lifespan—and therefore, more susceptible to pests. A pest attack during a single episode of flowering could wipe out an entire season's harvest.

Tur plants are usually 'indeterminate', meaning they keep growing and flowering, and left to themselves, can turn into perennial trees. "We have forced it to be an annual crop which

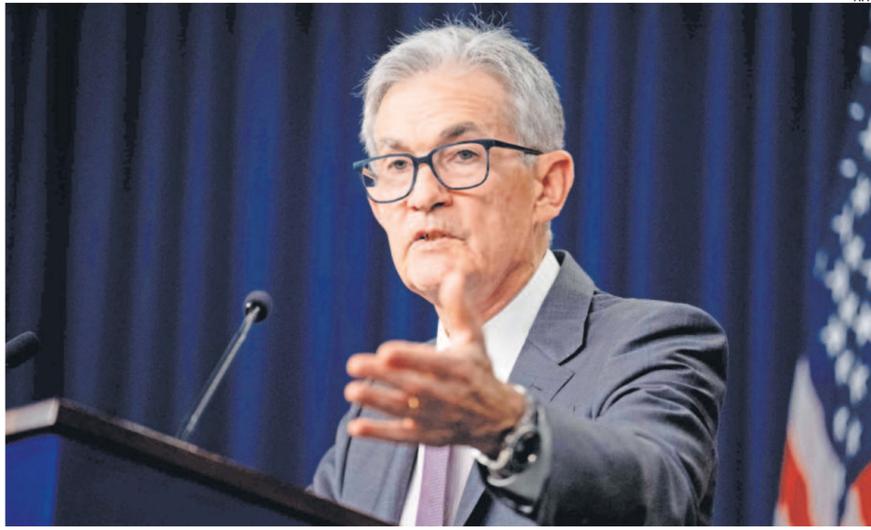
affected its physiology. The crop is also highly sensitive to fluctuations in temperature, sunlight, and moisture. So production often fluctuates with adverse weather," Pratap explains.

There's more. The crop is susceptible to a notorious pest named 'maruca', a pod borer. Because it is difficult to manually spray pesticides on tur plants which grow up to six feet tall, the pest often decimates the crop. But Pratap is hopeful that science and ongoing research on hybrid varieties will be able to find a solution.

The future of sambar rests on that hope.



OUR VIEW



Central bank rate calls: To each its own, please

Monetary policy observers in India are watching out for a pivot by the US Federal Reserve in anticipation of a rate cut here. Fed actions should inform but not drive RBI's policy calls

There is more than one way to skin a cat," goes an old English proverb, which means that there are many ways to accomplish the same task. In central bank-speak, the equivalent would perhaps be: "There is more than one way to effect a soft-landing," that holy grail of central banks the world over. For, going by their actions, especially in recent times, there is no single path to getting there. Take the US Federal Reserve that as recently as 31 July opted to stay put (for the eighth time in a row) and keep the Fed funds rate, at which banks borrow in the inter-bank market, at a 23-year high of 5.25-5.50%. Meanwhile, just the day before, the Bank of England (BoE) cut its policy interest rate—its first cut in more than four years—to 5%.

That's not all. While the decision of the US Federal Open Market Committee was unanimous, the BoE's monetary policy committee (MPC) had its dissenters. It finally voted by a 5-4 majority for a 25-basis-points cut from its 16-year high rate of 5.25%, with governor Andrew Bailey saying that it would move ahead cautiously, which suggests that the next rate cut would take a while. In contrast, Fed Chair Jerome Powell is on record that the US central bank must gain greater confidence in inflation moving towards its 2% target before easing policy. Asked whether a September rate cut is a reasonable expectation, Powell told reporters that "we have made no decisions about future meetings. That includes the September meeting." In subsequent remarks, however, Powell seemed more open to the idea of a rate cut, saying, "The broad sense of the committee is that the economy is moving closer to the

point at which it will be appropriate to reduce our policy rate." This is more in tune with his testimony before the US Senate's banking committee in early July, when he admitted that "in the light of the progress made both in lowering inflation and in cooling the labour market over the past two years, elevated inflation is not the only risk [the US economy] faces," tacitly suggesting that a policy pivot by the Federal Reserve, or a rate cut, might not be all that distant.

Where does all this leave the Reserve Bank of India's MPC when it meets later this week? On the face of it, it leaves RBI with the luxury of time. India's central bank may claim its policy decisions are driven by domestic considerations, and not by the Fed's moves. However, past experience of uncanny in-step pronouncements by RBI and the US Fed would suggest otherwise. This is hardly surprising. As the central bank of the world's most powerful economy, the Fed's actions have a bearing not just on our own monetary policy but on that of central banks globally. Relative rates influence capital flows and therefore exchange rates, sometimes posing challenges for the rupee's managed float. But that's no reason to follow the Fed blindly. When it comes to the growth-inflation trade-off, we are at a different inflection point compared to the US. In India, all indications are that inflation will remain high over the medium term while economic growth stays at relatively strong levels. In the US, inflation and employment are both trending down. So we need to keep a sharp eye on inflation in India even as the US could perhaps shift gears. It is one thing to be informed by the Fed's decision, but quite another to be driven by it.

THEIR VIEW

Delays in justice delivery should not get to hold the country back

An overhaul is needed to ease the burden on courts and shore up confidence in India's justice system



VIJAY L. KELKAR & PRADEEP S. MEHTA are, respectively, vice president of Pune International Centre and secretary general of CUTS International.

Delays in justice delivery are among the biggest barriers in India to making it easier to do business and improving people's ease of living. In a recent response, Union law minister Arjun Ram Meghwal informed Parliament that more than 50 million cases are pending in various courts across India, of which nearly 90% are in district and subordinate courts. This backlog not only burdens the judicial system, but also denies timely justice to millions of citizens, and the cost of it is borne not just by the economy, but by all of us.

What the minister didn't say was that another 50 million cases are pending in our tribunals, revenue boards, consumer courts, information commissions, etc. There are several reasons for this dismal state of affairs. Let us analyse what the government and judiciary must do to salvage the situation.

In a majority of the cases, governments, both the Union and of states, are the main litigant. Fortunately, the Union minister has announced that a draft National Litigation Policy is to be formally adopted that will endeavour to bind all government parties to reduce litigation. A few states already have litigation policies, while Karnataka has a litigation law in place.

Governments can and should ensure the availability of adequate infrastruc-

ture and staff, including running courts and tribunals with minimal breaks on a shift system, for the disposal of pending cases before they pile up any further.

Governments should also support and establish alternate dispute settlement systems in association with the judiciary and quasi-judicial bodies, such as conciliation mechanisms, lok adalats, grameen nyayalays, etc, to reduce the burden on Indian courts and tribunals. This should be accompanied by disincentives to deter frivolous litigants.

The tricky reform involves judge selection. Judges today are appointed to the apex and high courts by a collegium system that seems to keep doors largely closed. There are reports of judges being appointed in an opaque manner from among 350 'judicial families' in India. Favouritism has also been alleged in some cases. This was sought to be addressed by the National Judicial Appointments Commission Act (NJAC), but that was struck down by the apex court, as it was found to go against the independence of the judiciary.

Globally, judges are never the sole authority of appointing other judges. If at all they are involved in appointments, there are checks and balances. In India, the government was peeved with the NJAC Act being struck down, and judicial appointments have been delayed. The Act should be revived by Parliament, which is the supreme authority in the country, to reflect the will of the people. Better compensation should be offered to attract judges and a gender balance should be assured. It is mandatory for consumer courts, for example, to appoint one lady member along with a retired bureaucrat and district judge.

In the case of lower courts, judges come from a state judicial service, while members of tribunals and adjudicatory commissions are appointed from among retired judges and bureaucrats. Here too, shortages and favouritism are problems. Most retirees seem to take it easy while discharging their duties and often don't even meet their duty time

requirements. This adds to delays. There is no effective supervision.

The judiciary has privileges that are exclusive to it. For example, the colonial system of court vacations in summers and winters. After independence, we thankfully did drop the colonial legacy of wigs being worn, but did not drop the generous vacations that Raj-era judges took. This is in addition to casual and annual leave for judges. Like any other public institution, even our courts should work every day, except on public holidays. The argument that judging is highly stressful does not hold merit, as doctors, police officers and others work for significantly longer periods under conditions of stress.

Frequent adjournments only add to delays. The rule of three adjournments at most is practised more in the breach. In a few cases, when judges got strict with this rule, lawyers agitated against it in various ways: boycotting courts, complaining against judges or even going on strike (which is illegal). The Supreme Court in *Harish Uppal vs. Union of India (2003)* categorically states that lawyers must not engage in strikes or abstain from court work under any circumstance.

There is no court management system being followed in India. In developed countries, judges call the lawyers of both sides to agree on timelines right at the case-admission stage, so that cases are resolved within a pre-determined time frame as far as possible.

Now with advanced technology, cases can be disposed of swiftly. The covid period has shown that cases can be heard and decided virtually. This would also help ease India's court infrastructure problem to an extent.

Comprehensive reforms in the justice delivery system are necessary to not just lighten the load on Indian courts, but also restore public confidence. In a country as diverse and populous as India, timely and efficient justice is essential to maintain social order and uphold democratic principles.

10 YEARS AGO



JUST A THOUGHT

Justice is the first virtue of social institutions, as truth is of systems of thought.

JOHN RAWLS

MY VIEW | MODERN TIMES

'Baby Reindeer' and the new compassion for frail men

MANU JOSEPH



is a journalist, novelist, and the creator of the Netflix series, 'Decoupled'

In the hit Netflix show *Baby Reindeer*, a young man is stalked by a large older woman. She is very good at adoration. She tells him beautiful things. She calls him "Baby Reindeer." At first, he is flattered by her interest, but soon realizes that she is unhinged. Netflix has told us right at the start that it is "a captivating true story." All this actually happened, according to the writer and creator of the show, Richard Gadd, who also plays the lead, but as Donny Dunn. So, early into the drama, things are already very tense because you believe there was such a man and there was such a woman, who is called Martha in the show, and that she grew obsessed with him and sent him hundreds of emails and thousands of messages, and eventually did worse.

Baby Reindeer, I could tell, counted on me to feel for the man. But, at first and very often later, I was moved more by Martha, a woman filled with fierce love in a world that just could not love her back. Yes, Martha is a menacing stalker, but I wanted Donny to be

made of sterner stuff. That's what my world would expect of me as a man, and I expected that of Donny. But then, the gambit of the show had worked. Millions of people felt strongly for Donny. No other way could the show have been the big hit it has been, especially in the West. And it occurred to me how modern such sympathy is for fragile men. And this is where modernity is headed: towards a deeper compassion for men in situations that are traditionally terrifying for women.

But then, I come from a country where the bar for misery is so high that I could only see how lucky he was. He was playing the role of a bad comedian doomed to fail, a loser who had no hope, but in my eyes, he appeared to have a very good life in the heart of London. His lifestyle would probably put him in the top 1% of India. He even had a lovely ex-girlfriend who let him stay in her mother's flat. Forget me, imagine a Palestinian watching the show (somehow); you think he is going to feel sorry for Donny? To feel the trauma of Donny, your humanity is not as important as the per capita income of your nation.

In Britain, where *Baby Reindeer* is set, a writer can assume there will be no contempt for a weak man who is being destroyed by the attention of a resolute woman. But maybe the

writer, Gadd, sensed that there would be some emotional dinosaurs even in the West who would need something more powerful to feel for the man. So he escalates his trauma, or what he seems to consider trauma.

In a lonely alley, Martha pushes Donny against the wall and grabs his crotch. He freezes, shocked. He feels humiliated, and walks away. He is actually shattered. The show is from a world where there is no distinction between what happens to women and men. In the more antiquated world all around, it is not easy to comprehend how an adult hero can be molested by a woman and ruined by the experience.

Consider this moment in Larry David's series, *Curb Your Enthusiasm*. There is a young man who has claimed that when he was 17, a beautiful 37-year-old actress had "taken advantage of" him. "That's the trauma?" jeers David, accusing him of being a fraud.

Donny, as though fearing the gaze of the ancient among us, explains why he feels so

traumatized. Before Martha stormed into his life, a man had taken advantage of him. A successful TV writer who had befriended him and promised to take his career far, had plied him with drugs and assaulted him. Donny says that the event decisively propelled him towards homosexuality.

Modernity may lead to deeper compassion for men in situations that are usually terrifying for women

Psychoanalysis is a modern thing, though not as modern as compassion for men assailed by women. You would never encounter psychoanalysis in the great epics, or Shakespeare, or even in the classics of Dickens' times. But after Sigmund Freud promoted the idea that things can be hidden not only in chests and lockers but also inside your head, and that they can be found, there was a revolution in reading the mind, most of it as spurious as reading the palm.

But another trait of modern compassion is that a man is granted the right to interpret his frailty and feelings, and his whole personality, as effects of powerful causes. In the modern world, no one questions anyone's trauma. So the person who finally does is from a more

familiar world—Fiona Harvey, who says the character Martha is based on her. She appeared on Piers Morgan's show and said that the writer Richard Gadd has made up the whole thing, and that he may not have been sexually assaulted at all, that it was probably "conceived in his mind." She denied that she ever stalked him to the extent he claimed; that she sent him only "a handful" of emails and very few messages. And that she never assaulted his transgender lover, as shown in the show. She suggested that she may have shown some interest in Gadd, but he made up the horror of it all. She has sued Netflix, claiming about \$170 million in damages.

Gadd has since named Harvey as his stalker, claiming that she "often attempted to touch me in inappropriate (and sometimes sexual) ways." He has also said that his work is a "fictionalized retelling of my emotional journey through several extremely traumatic real experiences." Yet, it is promoted as a true story. In a true story, how a story is told can be dramatized, but key events can't be made up.

The identity of the woman who Gadd felt stalked by is out, but Gadd has not revealed the name of the man who assaulted him. That is odd, because the defining quality of our modern times is that even men can reveal their rapists.



THEIR VIEW

MINT CURATOR

A four-point action plan for our investment charter to consider

India must track trends, lower costs, make it easier to do business and vet proposals as it vies for foreign investment inflows



AJAY SRIVASTAVA & R.V. ANURADHA are, respectively, founder of Global Trade Research Initiative, and a partner, Clarus Law Associates.

Prime Minister Narendra Modi called for the creation of an "investment-friendly charter" during the ninth Governing Council Meeting of the Niti Aayog on 27 July. This charter will outline policies, programmes and processes to attract more investments. Despite India's potential, foreign direct investment (FDI) data shows that the country has not fully capitalized on its opportunities. Strategic reforms are needed to enhance India's appeal among global investors.

Drawing from successful investment models in China and Vietnam and feedback from various firms, we propose that an "investment-friendly charter" should consider a four-step plan to make India a top global investment destination.

Use FDI data insights: India attracted \$44.4 billion of FDI in 2023-24, only 1.1% of its GDP. In 2022, India was the world's seventh largest FDI recipient with \$49.4 billion, but it lagged significantly behind countries like China (\$189.1 billion), Brazil (\$86.1 billion), Australia (\$61.6 billion) and Canada (\$52.6 billion).

Data reveals that India's FDI predominantly comes from Singapore and Mauritius, which accounted for 49% of cumulative FDI from April 2001 to March 2024. Most of this was disproportionately directed at trading, services, malls and real estate development. This raises the concern that a chunk of FDI inflows might have been merely to exploit India's double tax avoidance agreements (DTAAs) and reduce tax liabilities.

While manufacturing attracted an estimated 30% of India's FDI, significant sectors like electronics and technology remain underfunded, with telecom receiving only \$713 million in 2022-23 and \$282 million in 2023-24. Foreign investments in food processing are also disappointing from the perspective of what India needs. An FDI trend assessment is necessary to help ensure that it contributes to the country's economic development.

Reduce the cost disadvantage of firms ready to relocate to India: The country must offer a more competitive cost base to attract businesses looking to shift from China or other locations.

In India, raw material costs are higher for non-traditional production, given the high import dependence of local units and high tariffs. China's advantage stems from lower costs due to large-scale domestic production and efficient supply chains, while Vietnam offers competitive costs with low or zero tariffs on imports. Moreover, the cost of industrial electricity in India ranges from \$0.08 to \$0.10 per kWh, higher than China's \$0.06 to \$0.08 and Vietnam's \$0.08 to \$0.09 per kWh.

Infrastructure and logistics in India, despite significant investment, still lag in efficiency. China's advanced infrastructure as well as efficient transport networks and Vietnam's notable investments



in ports and roads give them an advantage. And then credit is expensive in India, with lending rates around 9-10%. Chinese rates are lower, at 4-5%, and Vietnam's are moderate at 7-8%.

Enhance the ease of doing business: This has several key dimensions. First, it's essential to identify priority sectors where India's manufacturing and export capabilities are weak—such as electronics, computers, telecom, precision equipment and factory machinery. The Centre's production-linked incentive (PLI) scheme needs to be recast, so as to play a supporting role for higher value addition and deep manufacturing in these sectors.

Second, we must invite top global firms as anchor manufacturers. This can drive technological innovation and improve productivity across sectors. Suzuki's entry to our automobile sector in the 1980s significantly boosted the industry's overall productivity. Similarly, smartphone makers like Samsung and Apple may be beneficial to the 'India story' as local value addition goes up.

Third, the government must coordinate effectively with lead investors. Direct communication between investors and senior government officials will help, especially if dedicated officers are assigned to projects for assistance. Prompt government responses would prevent disputes and build investor confidence.

Another important step is to provide ready-to-manufacture space. This can be done by establishing operation-ready industrial zones with pre-approved permissions, allowing investors to start production quickly. The budget's proposal to create 100 "plug and play" industrial zones is a significant

move in this direction. Additionally, we must ensure quick factory-to-ship movement through dedicated freight corridors and strategically located industrial zones near ports.

India also needs to assure global investors a degree of policy predictability, with arbitrary changes kept to a minimum. Last but not least, efficient dispute resolution systems are vital to minimize protracted legal battles.

Create a framework to evaluate FDI proposals: Foreign investments must align with our national interests and protect the country's strategic autonomy. FDI should be incentivized in industries that can boost exports and enhance Indian technological capabilities, such as electronics, telecom and precision machinery.

It is important to protect micro, small and medium enterprises from any adverse impact of FDI, so that employment and economic diversity do not suffer. The framework must also include strict checks to prevent risks to national security, particularly in fields like defence, telecom and infrastructure, which must be safeguarded. FDI scrutiny through a national-security lens has been growing across the US, EU, Australia, Japan and elsewhere, where robust frameworks for it have been put in place. India's FDI scrutiny also needs to go beyond investment from countries with which the country shares a land border. It will help preserve India's strategic autonomy in key sectors.

This comprehensive approach will not only boost our FDI inflows, but also contribute to sustainable economic development.

These are the authors' personal views.

Trump's puzzling proposal: A US federal reserve for Bitcoin

State holdings of crypto are not absurd but keep politics out of it



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Donald Trump's pro-Bitcoin utterances have enthused crypto fans

Which financial assets a central bank should buy and sell is hardly a novel question. Historically, the US Federal Reserve has focused on shorter-term Treasury securities, but quantitative easing had the Fed buying mortgage securities and quality commercial paper in vast quantities. Central banks often hold gold and foreign currencies.

Separately, the US government maintains reserves of critical commodities, such as its Strategic Petroleum Reserve. The Treasury also holds forex reserves and SDRs, and many foreign governments go further and have extensive sovereign wealth funds that include equities, natural resources (Canada has its own strategic reserve for maple syrup) and other assets.

Enter Bitcoin. Senator Cynthia Lummis of Wyoming has introduced a bill to have the Treasury create a \$67 billion stockpile of the cryptocurrency and Republican presidential candidate Donald Trump supports the idea, saying it would be "a permanent national asset to benefit all Americans." The bill may not be a serious piece of legislation—it's unlikely to pass—but it raises a big question: Under what circumstances can governmental purchases of cryptocurrency be justified?

It is not a hypothetical. Jersey City's pension fund plans to invest in Bitcoin, as Wisconsin already has. It may well be that these plans are pandering to crypto holders and putting taxpayers' money at unacceptable risk. Yet, if respectable private entities are investing in Bitcoin, as indeed is the case with current financial ETFs, the "separation of state and Bitcoin" is unlikely to last forever.

To see one version of the case for government purchases of Bitcoin, consider Argentina, where past hyperinflation has made both dollars and Bitcoin very popular. Inflation rates are declining under President Javier Milei, but Argentina's currency future will probably still feature both currencies. Milei even suggested as much recently.

El Salvador is another case in point. The country already is fully dollarized, and President Nayib Bukele has been taking steps to encourage crypto use and investment. So far his intended crypto revolution has not taken off, but the country does offer highly favourable terms for crypto users and investors. If crypto rises in importance, some of that financial activity may take place in El Salvador, if only for regulatory reasons.

In short, there might be a number of governments that use dollars and crypto as

a significant part of their natural monetary base, along with the domestic currency (if it still exists). In fact, the more dollarization spreads, the more the demand for crypto and Bitcoin may rise.

Many countries are aware of the advantages to using the dollar, but they may also come to see crypto as a useful tool that weakens the ability of the US government to apply financial sanctions. The end result may be more dollarization—but with crypto as a complementary back-up financial system. Crypto also could give those countries more elastic money supplies, in case they find Fed policy too tight for their economy.

To get back to domestic US concerns: If crypto and the dollar are complements internationally, the US government might want to encourage crypto as a way to expand the reach of the dollar. The dollar truly would become further entrenched as the global reserve currency, boosting possible levels of US consumption.

To continue this line of reasoning, it's useful to ask what Washington could do to encourage the use of crypto. If the Fed or Treasury bought and held a modest amount of Bitcoin, as they might a lower-tier foreign currency, that would help legitimize the asset in the eyes of global financial markets. The longer-run effect could be to boost the demand for American dollars as well.

Even in this scenario, the case for government crypto purchases is not ironclad. One caveat is that the government might buy so much crypto that it becomes a major force in setting its price. Crypto-holding voters could then push the government to boost or maintain their portfolio values, much as homeowners often support zoning regulations or the mortgage deduction. Crypto markets would become politicized.

There is also the worry that too tight a government embrace might make crypto innovators hesitant and too conservative. It is not always good for innovation to have government as a major customer. That's a reason to might hope that any public-sector investment in Bitcoin is modest. No matter what, the separation of government and crypto will eventually come to an end. My suggestion is that any change be made slowly, modestly and as far removed from politics as possible.

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THEIR VIEW

Digital rupee: It needn't be just an e-payments also ran

AMAR PATNAIK



is a member of the Rajya Sabha from Odisha, an advocate and a former CAG bureaucrat.

At present, 134 countries and currency unions, representing 98% of global GDP, are exploring central bank digital currencies (CBDCs). India has been at the forefront. The Reserve Bank of India (RBI) launched a CBDC pilot project for a 'digital rupee'. As part of its test run, it launched two kinds of CBDC in late 2022: a CBDC-W (wholesale) for settlement of secondary market transactions and a CBDC-R (retail) to be used as a digital version of fiat money. This is a sovereign currency. While money transferred through digital platforms such as UPI is a liability of commercial banks, the digital rupee is a direct liability of RBI, which has been rolling it out in phases. Additional functionalities and features, such as offline operability, interoperability with digital payment solutions (like UPI), and inclusion of non-bank payment operators have also been introduced recently.

Benefits of CBDC: RBI's motives include financial inclusion, a boost for digital payments systems and efficiency in cross-border

transfers. CBDCs allow payments outside the commercial banking sector and enhance resilience in payment systems. On RBI's Financial Inclusion Index, India had a score of 64.2 in March 2024, up from 56.4 two years earlier. As the digital rupee offers India's unbanked population a safe, easy and bank-less digital payments solution, this score is expected to rise. Yet, while a CBDC has been positively correlated with financial inclusion, a digital divide and income inequality may continue to be pain points.

As a CBDC is also a step towards cost-effective and transparent cross-border payments, it could be particularly helpful for India, which is the world's largest recipient of remittances (\$120 billion in 2023 by World Bank data). India can leverage its digital rupee to enable payments for international trade, investments and remittances through global CBDC networks. At least 18 such link-up projects are in the works. Project Euro, Project Agora and Project Bridge among them, aimed at creating common infrastructure and promoting CBDC interoperability.

India's government has rightly held back from engaging in such projects so far, until a global regulatory framework is in place. At the G20 summit held last year, G20 leaders,

led by India, endorsed the International Monetary Fund and the Financial Stability Board recommendations of a coordinated international regulatory framework.

CBDCs can also promote competition in the digital payments ecosystem, boosting innovation. Additionally, the inclusion of non-banking financial institutions encourages the development of novel fintech products that meet unmet user needs.

Challenges for effective CBDC implementation: Consumer adoption of India's retail CBDC remains low, even though there was a slight uptake with the circulation of digital rupee recorded at ₹234 crore at the end of 2023-24. Transactions only picked up after RBI introduced interoperability with the UPI system. But still, the volume of e-rupee transactions remains significantly lower than UPI, debit and credit card transactions in the country, which stood at ₹149.5 trillion in 2022. The principal reason for the digital rupee's slow uptake is the evident public sat-

isfaction with our extant online payment system, UPI, which is performing well. The retail CBDC has failed to provide any significant value addition that could motivate retail users to switch over from the UPI ecosystem, to which most users are habituated.

A similar trend can be seen across the globe for CBDCs. In 2020, the Sand Dollar was introduced by the Bahamas as the world's first fully-functional CBDC. However, its adoption rate has remained low, with circulation only reaching 0.19% of the total currency by September 2023. The reasons for this include the low priority given to helping people adapt to it and a general lack of trust in public institutions, apart from privacy concerns and scepticism over the reliability and authenticity of the Sand Dollar.

In China, similar problems arose as in India. China's CBDC, e-CNY, has only seen limited adoption. Users were unwilling to switch from existing online payment solutions that are offered by private platforms

such as Alipay and WeChat, which enjoy user habituation. The digital yuan achieved 1.8 trillion yuan (or \$249.3 billion) worth of transactions in 2023, but only accounted for 0.16% of China's total money supply. What little momentum China's e-CNY gained was largely due to Beijing's promotions, which included lottery wins and 'red packages' as new year's gifts for users.

Way forward: The digital rupee can put India at the global forefront of digital-payments innovation. However, RBI needs to address privacy and security risks associated with it in order to ensure large-scale user adoption. Uniform regulatory standards are required for security, privacy, anonymity and grievance redressal. CBDCs also require strong cyber-security practices and protocols. Also, given the success of UPI in India, RBI would have to promote interoperability and increased functionality if people are to start using its e-rupee. Without any added incentive for users, it is likely that its adoption rate will remain low. Importantly, for India to leverage a significant CBDC benefit, of letting users make low-cost and quick cross-border payments and remittances, the country would need international cooperation, for which we would need to join global CBDC projects.

India's CBDC can be rescued from low adoption by joining global projects for cross-border remittances



Is it okay to burn bridges with the office manager?

Unlike the previous generations, young employees are open to talk about toxic workplaces, and not afraid to quit on bad terms

Geetika Sachdev

Tanya Mehta worked at an organisation she considered unhealthy for six years without a whisper. Her inherent belief that getting another job was too difficult led her to stay mum. Plus, she had bills to pay.

"I would shudder at the thought of team meetings because my boss would find every opportunity to put me down," says Mehta, 38, a former sales professional. "While other team members would leave the office by 7pm, I would unnecessarily be assigned more work at the last minute so that I had no choice but to stay back."

Mehta's parents, too, always advised her to listen to the boss and never answer back. Eventually, her friends gave her the strength to speak up and also quit her job. Today, she works as an independent consultant.

"On my last day, I had an exit interview with the HR (human resources) department. While I was initially hesitant, I gathered the courage to tell her about everything that disturbed my mental health," Mehta recalls. "It wasn't met with a positive response but, by then, I knew, I was ready to burn bridges, if need be."

There are several reasons an employee quits their job—from landing better opportunities, to having a bad boss or not getting the recognition they deserve. But there's one advice that has been passed down for generations in the workplace: Don't burn bridges with your superiors.

The term has its origin in the 1800s, when it was a common military practice to burn bridges over rivers, preventing the enemy from getting any further. Over the years, "burning bridges" assumed a negative connotation in the workplace, projecting severed ties with an employer as to be bad news for the career.

Today, things are different. As workers become more vocal about toxic job environments, they are willing to let go of the burden of staying quiet, even if it is likely to impact their career. For them, it's more important to share the truth, whether it is related to an unethical behaviour (like being in breach of a signed contract) or instances of bullying or sexual harassment, and part ways, drawing boundaries with those who they believe have caused them harm or stress.

WHAT WORKERS WANT

"I am unwilling to let a bad boss cause physical or mental health issues. While there's always a conscious effort to not make any situation ugly, sometimes it's bound to happen if the other party doesn't respect your opinion," says Anant Kanaujia, a young business development associate from Hyderabad. "I'd rather lose a job, but I won't deal with toxicity."

While traditional wisdom dictated that burning bridges wasn't a wise decision, it also meant employees were allowing bad behaviour for a



long time, which eventually led them to quit the organisation, raised in secure environments, who prioritise well-being over money. Their empowerment stems partly from older generations, who endured hardships due to a heavily regulated economy and limited private sector options, valuing financial stability and avoiding burning bridges, Chakara explains.

"That's not the case with the new-age workforce, raised in secure environments, who prioritise well-being over money. Their empowerment stems partly from older generations, who endured hardships due to a heavily regulated economy and limited private sector options, valuing financial stability and avoiding burning bridges, Chakara explains.

"The situation has flipped as the older generation is now economically secure and guiding their children to make the right choices. Also, with a supportive economy, including neoliberal policies, more private players, rising entrepreneurs, and an evolving gig economy, ample opportunities exist," says Sumagna Bhowmik, assistant professor (organisational behaviour), K J Somaiya Institute of Management in Mumbai. "This allows the new generation to advocate for change."

Employers, too, are beginning to understand the grievances of their employees in an attempt to retain them. "The cost of hiring and training employees is high. Thus, they'd want their hires to stay in the company. Most organisations have an HR department or a committee to deal with complaints," says Sudipta Sengupta, founder and chief executive of Delhi-based health information and fact-checking platform The Healthy Indian Project.

MAKING AN EXIT

► Try and be assertive about what's non-negotiable for you before taking the decision to quit. This gives a chance to your organization to address the situation. If things continue to be toxic, then quit

► Discuss your situation with superiors in the office in person, if you have the opportunity. Doing it on an audio or video call is not the best solution

► Don't bad mouth the company to your colleagues or publicly on social media

► Be professional and complete your work, even if you're on notice. Make a gradual transition and be as cooperative as you can

► Remember that it's okay to stand up for yourself, even if you are burning bridges with a particular company. One well thought through decision is not going to ruin your entire career.

—By executive coach Neelima Chakara, and Sudipta Sengupta, CEO of The Healthy Indian Project

Dr Bhowmik agrees. In progressive organisations, clear policies safeguard employees from such situations. When individuals report toxic behaviours, many companies offer support. "Some companies may choose to ignore the situation but it will cost them big in the long run. Over time, it also damages an organisation's performance," adds Dr Bhowmik.

Speaking up and setting boundaries is critical to earn respect, says Chakara. Thus, it's important for individuals to be assertive about what's non-negotiable for them. "Sharing how you feel when quitting does not help anyone. It does not help the affected employee, deprives the manager of a chance to pivot, and does not allow the organisation to solve the problem," says Chakara. "Tolerating things that affect your peace of mind lowers self-esteem."

GOOD TIMING

While Sengupta does not undermine the significance of employee activism, he believes that it should only happen when there is something fundamentally wrong in a company. In other cases, giving up diplomacy and protesting every instance of disagreement with superiors is not an intelligent move in an individual's career.

Raising concerns over an issue that is troubling an employee should happen in a constructive manner, says Sengupta. Calling out the organisation or peers on a public platform is a big no-no. "Be firm but polite, be persistent yet respectful. Follow the right channel and if nothing works out, you can always move to a new job. Bad mouthing a company after quitting or while serving a notice can be detrimental," he adds. "A graceful exit is always a good move."

Write to us at businessoflife@livemint.com



Micro-learning: The secret to rapid skilling

Short, targeted lessons can help employees acquire new skills quickly

Mayank Kumar

As the global workforce faces a reskilling crisis, India stands poised to capitalise on its demographic dividend.

But to truly turbocharge our teams and stay ahead in an ever-evolving professional landscape, we need a learning approach that's as agile and adaptable as our workforce. That's where comes in micro-learning, a powerful tool for delivering short, targeted lessons that help employees quickly acquire and apply new skills. Here's how micro-learning can help you unlock your team's full potential and drive growth in today's fast-paced business environment.

Traditional learning methods, such as lengthy workshops or training sessions, can be time-consuming, costly and ineffective in promoting knowledge retention. In contrast, micro-learning offers a modern solution—short, focused lessons that are easier to digest and more effective for retaining information.

KEY SKILLS FOR FUTURE DEVELOPMENT

Digital literacy: Understanding basic and advanced digital tools and platforms is essential in today's technology-driven world. According to LinkedIn Learning's 2023 Workplace Report, 65% of senior leaders say that digital transformation is a top priority. Companies should focus on training employees in GenAI, software applications, cybersecurity basics, and digital collaboration tools to improve overall efficiency and security. For example, proficiency in platforms like Microsoft Teams or Slack can improve communication, while understanding cybersecurity basics can prevent costly data breaches.

Communication skills: Effective communication is crucial for team success and organisational efficiency. Training in public speaking, presentation skills, and interpersonal communication can help employees convey ideas more clearly and collaborate more effectively.

For example, enhancing presentation skills can lead to more persuasive pitches and successful client engagements, while better interpersonal communication improves team dynamics and reduces misunderstandings.

Emotional intelligence: Emotional intelligence (EQ) is increasingly recognised as a critical workplace skill. Training programs focusing on self-awareness, empathy, and relationship management help employees manage their emotions and understand and influence others. This leads to better teamwork, leadership, and conflict resolution.

Adaptability and resilience: The ability to adapt to change and recover from setbacks is one of the most crucial skills. Techniques such as mindfulness, stress management, and adaptive thinking can help employees stay productive under pressure.

By focusing on key micro-skills, companies can create an environment where continuous development is the norm.

Mayank Kumar is co-founder and managing director of upGrad.

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Leadership in flow cuts stress, results in work-life balance

For Columbia professor Hitendra Wadhwa, leadership is about doing the inner work in order to have outer impact

George Skaria

Hitendra Wadhwa is an adjunct professor at Columbia Business School in New York and founder of Mentora Institute, a leadership development organisation. With an MBA and a Ph.D. from MIT's Sloan School of Management in the US, Wadhwa has coached dozens of Fortune 100 C-suite executives and is the author of the 2022 book, *Inner Mastery, Outer Impact: How Your Five Core Energies Hold The Key To Success*.

Wadhwa was recently in India to finalise a partnership with Mumbai-based Shilputsi Consultants to bring his work into the country. He spoke to *Mint* about his research and approach. *Edited excerpts:*

Many leadership models have been developed over the years. How is yours different?

There are five ways in which I have sought to advance the discipline of leader-

ship to challenge the current models, to respond to the challenges that today's leaders face.

Traditional models have had a western, behavioural and outer kind of focus. What I am seeking to do is to recognise that there is a unique wisdom in the cultures of the East which are more in the inner and spiritual life, with a more integrative approach to life. When you bring that into alignment with Western sensibilities, you get something more complete, effective and adaptive for today's time.

What are those five differences? The first is that leadership should not be seen as something that a chosen few get to do. It is an inner choice. It is not that we should be trying to advance our career so that we can maximise our moments of leadership, but we should be seeking to advance our character so that we can maximise our leadership in a moment.

The second shift is when we think about what it means to be the best for yourself and others. Traditionally, people try to find their answers by selecting a certain set of behaviours or competencies. For example, you have to be assertive, be a visionary or be decisive. But I find that for every one of those behaviours, the opposite is also true. You have to be not just decisive but also patient; not just assertive but also agreeable; not just visionary, but also pragmatic. So, you have to be every-



thing and the complete opposite. That's the problem with taking a very outward Western behavioural approach as opposed to that approach to leadership based your inner core. The space within you from your best self, arises where you are beyond ego, attachments and insecurities. That is what great leaders do.

The third shift is that this inner core can be approached and expressed not through behaviours but through energies and I

have this model of five energies—purpose, wisdom, growth, love and self-realisation.

Fourth, these energies can be translated into simple actions. In our research, I found 25 actions to be present in any situation of breakthrough performance, where leadership is being practised in exemplary ways.

Fifth, typically we have been learning on the sidelines by training people in workshops or classes whatever. Then, we

are meant to unleash them back in the workplace. But most people actually are not able to practise what they may have learnt: When real pressure comes, one may continue to assert one's point of view and not listen to the other person. So how do you close that gap? What we have found is that it's important to focus on "learning in the flow" of work as opposed to learning on the side.

In the past you have alluded to the fact that this model leads to better work-life balance, but some people say work-life balance is an oxymoron.

At the core of this model is the honouring of the human quest for fulfilment, meaning and purpose. When we engage in "leadership in flow", there is inner mastery and outer impact. We are, by definition, happy, resilient and committed to what we're doing. As a result, it has a positive impact on our emotions and in our ability to diminish stress. That's one way in which we find there is work-life balance. The second way in which this model helps is that it actually invites us to look at all aspects of our life through that same one unified lens of bringing out the best in ourselves and others in all situations.

You have said that great leaders like Mahatma Gandhi exhibit the leadership in flow, but they were able to do this because they were leading mass movements. In the case of business

leaders, isn't it different since corporations are structured organisations?

That is one way to think about it. On the other hand, today, more organisations are recognising that they are living in a space where there is a lot of dependency and collaboration with partner organisations, government and the community. So, in some ways, these boundaries are starting to become more fluid because organisations are realising that they cannot just be so focused on self-gain.

There have been many great academics, such as Michael Porter and C.K. Prahalad who turned entrepreneurs. While Porter succeeded, Prahalad failed. What's your future?

Jim Collins once reflected on how Peter Drucker told him that one can either be a successful thought leader, or can build a really successful consulting business. So, I agree with you that this is a challenge for most thought leaders. In our case at Mentora, I was blessed to have had a previous career at McKinsey. Also, while I did my PhD, I did go out and do other things that helped me build a network.

George Skaria is a columnist and co-author of *Beyond Three Generations: The Definitive Guide To Building Enduring Indian Family Businesses*.

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