

Wednesday, August 7, 2024

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Wednesday, August 7, 2024

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Think Ahead. Think Growth.

mint primer

Look east: New threats from the Bangladesh coup

BY SHWETA SINGH

What do violent protests, large-scale political violence, and the exit of prime minister Sheikh Hasina, mean for India, and relations with its eastern neighbour? The next few days may demand more patient diplomacy. *Mint* explains.



Protestors gather around the residence of Bangladesh's prime minister in Dhaka on 5 August. PTI

1 What triggered the political violence?

Bangladesh's first PM Sheikh Mujibur Rehman introduced a 30% quota in government jobs for freedom fighters after the 1971 liberation war. This was scrapped in 2018 by his daughter, Prime Minister Sheikh Hasina. It was reinstated by a court in June this year—to be scrapped again by the Supreme Court in July. In response to the protests, Hasina deployed the might of the state, calling protesting students 'Razakars'—those who sided with Pakistan during the liberation war. The quota was the trigger for violence, with anger already simmering against authoritarian streaks in Hasina's regime. AFP

2 What are the broad implications for India?

India was the first to respond to a request by Hasina as she made an emergency exit from Dhaka, and landed at Hindon airport near Delhi. Amid a growing Chinese footprint in Asia, Bangladesh is key to India's Neighbourhood First and Look East policies. It holds the key to its maritime and security architecture in the Bay of Bengal region. The regime change has potential implications in three core areas: connectivity, trade and infrastructure projects; counter-terrorism and violent extremism; and protection of religious minorities. In the long term, India will have to navigate its interests carefully.

3 Who are the new faces in Bangladesh?

An interim government is likely to have Bangladesh Nationalist Party (BNP) and Jamaat-e-Islami as key members. The army's role still remains to be seen. India's proximity to Awami League and Hasina means engaging with BNP and Jamaat will need patient diplomacy. Jamaat-e-Islami has not only pro-Pakistan leanings but also a radical extremist ideology.



BNP chairperson Khaleda Zia.

4 How would the China-Pakistan factor play?

China will look at the political turmoil as an opportunity to ruffle Indian feathers. Pakistan will see Jamaat-e-Islami as spearheading its interests in Bangladesh, and also fan anti-India sentiment in the country, which works for both Pakistan and China. India will closely watch the Teesta river project, where it has competing interests with China, and any signs of violent extremism and radicalization, which pose a risk to India's internal security. Further, there's no Hasina now to guard India's interests.

5 Whither India-Bangladesh ties?

India needs to watch the interim government formation. While the Awami League has been a trusted ally, India will now have to engage with BNP, Jamaat-e-Islami and the military. Notably, India has stood behind Hasina in the wake of criticism by the US and UK. However, these two powers, as also the wider western world, share both of India's concerns—a rising China and the threats from violent extremism. *Shweta Singh is associate professor, department of international relations, South Asian University.*

QUICK EDIT

Google's monopoly

With countries around the world trying to rein in Big Tech, the latest antitrust ruling in the US against Google marks a big victory for regulators—the last big one having come when the US Justice Department took Microsoft to court in 1998. On Monday, US District Judge Amit Mehta ruled that Google had violated antitrust laws through an illegal monopoly in the search engine market. Google spent billions of dollars (\$26.3 billion in 2021 alone) to secure its position as the default search engine on various devices and platforms, tilting the playing field against other players. Two other cases against Google are on the cards, including an anti-trust lawsuit related to online advertising. Free-market advocates who insist markets can fix their own flaws often argue that judicial intervention is needless, given how technological innovation tends to overthrow monopolies. Right now, AI chatbots are seen as a threat to Google's search dominance. There is some truth to this, but we mustn't depend solely on upheavals of technology to keep tech markets open and competitive, given the winner-takes-all dynamics of digital fields. By the time chatbots displace Google Search, it may be too late.

MINT METRIC

by Bibek Debroy

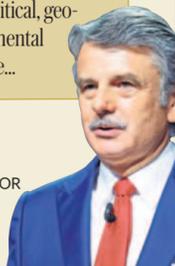
Amar Chavan ordered a mobile, The shipment rendered him immobile.

Six teacups is what he got. Online shopping and its blot Often causes a rise in bile.

QUOTE OF THE DAY

With a young, intelligent, thriving workforce, the nation is well-positioned to leverage its advantages. I am also convinced that India can benefit from major shifts in the geo-political, geo-economic, environmental and social landscape...

RALF SPETH
CHAIRMAN, TVS MOTOR



MINT NEWSLETTERS



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COMPANY OUTSIDER

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Track the business of companies with Sundeep Khanna, who brings with him over three decades of reporting on India Inc. With crisp insights on the goings-on in the corporate world, 'Company Outsider' is essential reading for CEOs and all those who aspire to the C-suite.





Dreams of rural youth outpace opportunities

BY PRAGYA SRIVASTAVA

Every few months, the news of hundreds of youth applying for a handful of jobs rocks India as a grim reminder of the demand-supply mismatch in the labour market. For a fast-growing country like India, aspirations of the youth are key to unlocking the potential for development and prosperity. But the dreams of India's rural youth may be outpacing what's currently on offer in the job market, a new survey suggests. India's rural labour market is still dominated by agriculture, and regular wage or salaried jobs are uncommon, as per the government's Periodic Labour Force Surveys. However, rural youth overwhelmingly hope for a salaried job, according to the survey with 5,169 respondents, jointly conducted by Development Intelligence Unit (DIU), Global Development Incubator (GDI) and Transforming Rural India (TRI).

Among the previously-employed rural youth (18-35 years) looking to re-enter the paid workforce, 73% men and 77% women prefer salaried jobs, the survey found. Running a small manufacturing or retail trading firm is a distant second, with 17% men and 13% women showing inclination. The trend is similar for those who have never worked but are seeking jobs, with the exception of a higher share (one in four) of women preferring self-employment. Since the youth prefer salaried employment and show desire to find opportunities in or around their village, it's important to bring the economy to the people and create opportunities for aspirational migration, the report said.

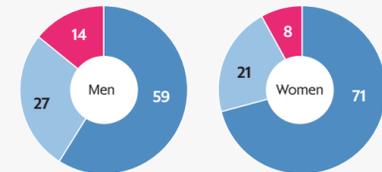


Salaried employment is minuscule in rural India; agriculture is the biggest employer

Percentage distribution of workers in rural areas, 2022-23

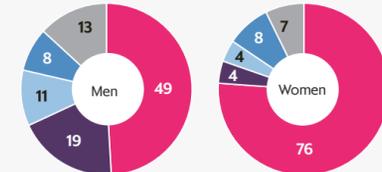
By employment type (in %)

Self-employed Casual labour Regular wage/salaried



By broad industry division (in %)

Agriculture Construction Trade, hotels and restaurants Manufacturing Others



Source: Periodic Labour Force Survey, July 2022-June 2023 (ministry of statistics and programme implementation)

But a large majority of rural youth want salaried jobs, suggests new survey

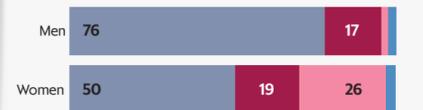
Share (%) of respondents, by job type preference

Salaried job Running a small business# Self-employment Joining family business

Among those who worked earlier and are looking to re-enter the workforce*



Among those who have never worked for pay but are seeking a job**



The survey had 5,169 respondents aged 18-35 in rural India (unemployed, underemployed, out of school/education/ skilling) Sub-sample: *218 men, 565 women, **373 men, 1,083 women. #In manufacturing or retail trading.

Source: "State of Rural Youth Employment" report 2024, DIU, GDI, and TRI

Farm Alarm

FOR ANY developing economy, a shift from agricultural jobs to manufacturing and services is crucial. Over the years, the structural shift has happened, with the share of the non-farm sector between 1983 and 2019 rising by 20 percentage points, the 'State of Working India 2023' report by Azim Premji University noted. However, the shift may not have yielded the desired results: the exit from agriculture led to an increased share in construction for men, while it meant an exit from the workforce altogether for women. Furthermore, the rural youth engaged in farming do not find it aspirational because of low productivity, low profits, lack of sizeable land, and adverse weather events. Two in three young farmers want to opt out of farming due to low productivity and low profit, according to the new survey. Limited access to markets, high input costs, and debt traps for small farmers are some other factors that have made agriculture unrewarding.

Over 60% farmers want to quit agriculture due to low productivity, profit

Share (%) of respondents who work as farmers and saw the following as challenges

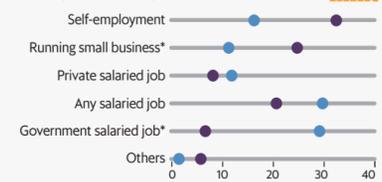


Based on a sub-sample of 794 men and 378 women who are engaged in farming. Source: "State of Rural Youth Employment" report 2024, DIU, GDI, and TRI, Mint calculations

Older women prefer self-employment; younger ones seek more salaried jobs

Job preferences (share in %) among women respondents who have never worked for pay but are seeking a job

18-25 years 26-35 years



Based on a sub-sample of 424 women in 18-25 years age group and 649 women in 26-35 years age group.

*In manufacturing or retail trading.

Source: "State of Rural Youth Employment" report 2024, DIU, GDI, and TRI

Women's Woes

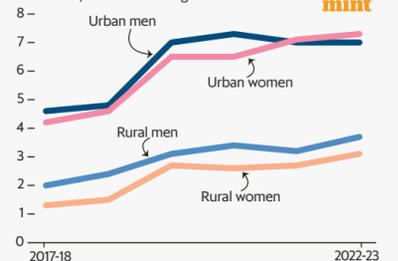
WHILE THE rural youth clearly show an inclination towards salaried jobs, one in four women first-time job-seekers in the older age bracket (26-35 years) also showed preference for self-employment and running a small business. This is in contrast with younger women (18-25 years), who aspire for salaried jobs, with a high inclination towards government jobs. In general, rural youth in the 18-25 age group showed greater preference for government salaried jobs than the older ones. However, the shift in women's preference with age is more related to gender barriers. "This could be indicative of women preferring self-employment due to increasing social and domestic duties as they grow older, manifesting as an increasing preference for self-employment with flexible working hours and the ability to work from home," the report noted. Self-employment and agriculture are often considered fallback options for those who can neither find desirable jobs, nor can afford to remain unemployed.

Skill Drill

WHILE THERE is no doubt that economic growth has not kept pace with youth aspirations, critics also cite the lack of adequate skilling to meet labour market needs. Several policymakers have suggested filling the skill gap to make people more employable or creating opportunities that suit the needs of potential candidates. Over the years, the government has launched several schemes such as Pradhan Mantri Kaushal Vikas Yojana, for free short-duration skill training; and Pradhan Mantri Mudra Yojana, a scheme to facilitate loans for small businesses and self-employment opportunities, to bridge the gap. The efforts have resulted in a higher share of the population receiving formal vocational or technical training in 2022-23 compared to five years ago. However, the level of such training among rural youth remains far lower than that for urban youth, signalling that more effective policies are needed to offer rural youth increased chances of becoming a part of a fast-changing India.

More rural youth are training for a job now, but it's still less than urban areas

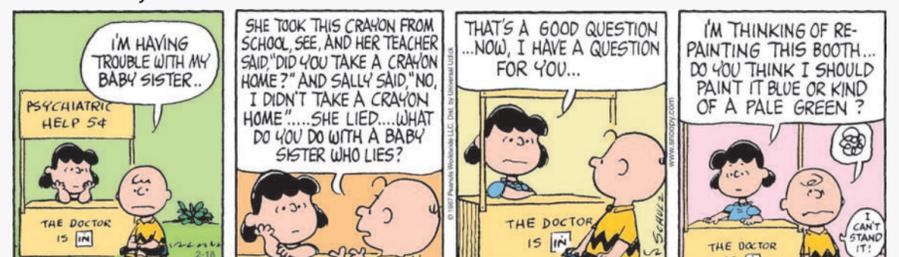
Share (%) of persons aged 15-29 years who received formal vocational/technical training



Source: Periodic Labour Force Survey annual reports

PARAS JAIN/MINT

PEANUTS by Charles M. Schulz



Wednesday, August 7, 2024

mint

livemint.com



Trump 2.0: What's in store for Indian businesses? ▶ P12



GenAI to transform banking: Deutsche Bank CTO ▶ P3

SENSEX 78,593.06 ↓ 166.34 NIFTY 23,992.55 ↓ 63.05 DOLLAR ₹83.96 ↓ ₹0.11 EURO ₹91.63 ↑ ₹0.20 OIL \$75.48 ↓ \$1.81 POUND ₹106.72 ↑ ₹0.13

Dhaka crisis casts a cloud

Political upheaval in Bangladesh could disrupt trade and business ties, but some sectors could benefit

Rhik Kundu, Dharendra Kumar & Suneera Tandon

NEW DELHI

Bangladesh's political turmoil could unleash repercussions on India's exports to, trade with, and infrastructure projects under way in the neighbouring country, adding to security concerns amid civil unrest.

Shares of Indian textile makers, however, surged on Tuesday on expectations that they might benefit from the impact on Bangladesh, a global textile hub.

India, which shares a 4,096 km border with Bangladesh, the longest with any of its neighbours, has a strategic interest in a stable administration in Dhaka, particularly in the context of insurgency and China's attempts for greater influence in the region.

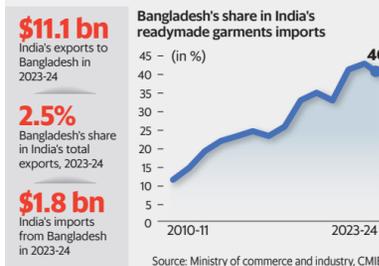
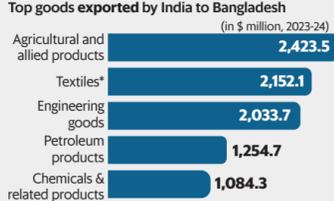
Sheikh Hasina, who resigned as Bangladesh's prime minister and fled to India on Monday following unrelenting protests over job reservations, was seen as having close ties with New Delhi. India has been a keen partner in Bangladesh's development journey, which has also provided opportunities for companies back home. "As Bangladesh experiences political turmoil, it is essential for all political factions to protect

TIES IN THE EAST

India, which shares a 4,096 km border with Bangladesh, has a strategic interest in a stable administration in Dhaka, particularly in the context of insurgency and China's attempts for greater influence in the region.



*Excludes readymade garments



garment and other factories and keep supply lines open across the border to sustain trade and economic activity," said Ajay Srivastava, founder of economic think tank Global Trade Research Initiative.

A senior government official said the crisis could hinder India's

plans to boost exports to the neighbouring country.

"If the situation worsens, which is highly possible, Bangladesh may stop importing Indian goods and seek other countries to meet their domestic needs," the official said, declining to be identified.

Other experts said India faces

losses in multiple trade segments due to the Bangladesh crisis, which could turn into opportunities for competitors such as Vietnam and China.

"India will need to create strategies to compete with these countries and seize any potential market share," said Biswajit Dhar,

economist and a retired professor at the Centre for Economic Studies and Planning at Delhi's Jawaharlal Nehru University.

"Bangladesh is one of the major destinations for Indian goods. After covid-19, Bangladesh was among the top five export destinations. However, trade has declined slightly after the export ban on rice and wheat. Despite this, it remains one of India's best trade partners," Dhar said.

In recent years, Bangladesh's economic challenges have hurt bilateral trade with India.

India's exports to Bangladesh, which amounted to \$16.2 billion in 2021-22, fell to \$11.1 billion in 2023-24, declining by about 31.5%. Imports from Bangladesh have been relatively stable, increasing from \$1.9 billion in FY22 to \$2 billion the following year, before sliding back to \$1.8 billion in FY24.

"Bangladesh has been facing a severe dollar shortage, which has limited its ability to import goods, including from India. The rising inflation in the country has also reduced domestic demand, leading to lower consumption of both local and imported products," Srivastava said.

He, however, added that India's exports of electricity, onions, and other agricultural produce may not be significantly affected.

Brokers put harsh curbs on margin trading

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The surge in market volatility induced by global cues has spooked top brokers in India, with firms such as Angel One, IIFL Securities and Geojit Financial Services taking steps to reduce any potential risk.

After assessing the spike in volatility across markets such as Japan, South Korea and the US, Angel One has temporarily stopped financing fresh share purchases effective Tuesday under the so-called margin trading facility (MTF).

On the other hand, IIFL Securities and Geojit Financial Services have doubled margins for clients using MTF.

Mint has seen an email sent by Angel One to a client citing market volatility for virtually halting the facility. "Due to market volatility, there will be 100% margin for Margin Product effective 06-Aug-2024 till further notice to safeguard clients' interest..."

A company spokesperson declined to elaborate as the listed company is in a silent period until 9 August.

MTF is an industry-wide practice. Shares worth ₹75,548.5 crore were financed

DON'T MISS



BGMI maker Krafton sees India as potential top market

Krafton, the maker of BGMI and distributor of PUBG, is looking at India as its biggest investment, global CEO C.H. Kim said. After investing \$170 million already, it has earmarked another \$150 million to invest in Indian gaming and content firms. >P6

Centre to widen income criteria for urban housing scheme

The government is expected to come out with fresh guidelines and new income slabs for middle income groups to qualify for assistance in building houses in urban areas under the Pradhan Mantri Awas Yojana (Urban) scheme, two persons said. >P2

Physical NEET counselling may be scrapped to check fraud

The National Medical Commission (NMC) plans to mandate medical colleges to conduct online counselling for admissions to eliminate the practice of students with low ranks securing admissions by paying hefty donation fees to colleges. >P2

IFC, 2 others invest \$275 million in Fourth Partner Energy

Renewable energy company Fourth Partner Energy has secured funding of \$275 million from a consortium of the World Bank's International Financial Corporation, the Asian Development Bank and the German Investment Corporation. >P3



Lower eligibility criteria, zero networth requirement and easier fee regulations are among the proposals made by Sebi. P11

Sebi eases entry barriers for RIAs, research analysts

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India's financial services landscape may see the entry of more professionals offering credible investment advice and researching on stocks, with the market regulator proposing to relax some of the severe restrictions which have stunted the sector so far.

Lower eligibility criteria, zero networth requirement and easier fee regulations are among a wide set of proposals that the market regulator hopes will attract more individuals to be registered investment advisors (RIA) and research analysts (RAs). The measures, proposed in a consultation paper released on Tuesday, aimed to encourage formal routes to financial information and check the rise of unregulated financial influencers on social media.

Currently, aspirants for RIAs and RAs must have at least a post-graduate degree; this may be lowered to graduation, the Securities and Exchange Board of India (Sebi) proposed. Besides, these professionals must now renew their National Institute of Securities Market (NISM) certification every three years; in future, they may

have to secure additional certification only for the changes that have happened in the last three years.

The regulator also proposed to scrap the requirement of prior experience to be an RIA or an RA, since key executives of asset management companies who also handle retail money do not face any such requirement.

Significantly, Sebi proposed removing the networth requirement for RIAs and RAs as their services are fee-based and they do not manage clients' funds and securities. However, they will be expected to maintain a deposit lien market to a stock exchange that recognizes them. The deposit amount will be based on the number of clients handled by RIAs and RAs—₹1 lakh for up to 150 clients, ₹2 lakh for 150-300 clients, ₹5 lakh for 300-1,000 clients and ₹10 lakh for more than 1,000 clients.

RIAs and RAs presently charge fees under two modes—assets under advice (AUA) mode (limit of 2.5% of AUA per annum per family of client) and fixed fee mode (limit of ₹1,25,000 per annum per family of client). If they

Centre to restore indexation in property in relief for taxpayers

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The government is set to introduce some flexibility in computing capital gains tax on immovable property by amending the Finance Bill 2024 presented last month, in what would come as a relief to taxpayers and to the real estate industry.

Finance minister Nirmala Sitharaman is expected to propose amendments to the provisions of the Bill on Wednesday in Parliament in order to offer the tax relief, a person with knowledge of the development said.

The plan is to allow those selling assets bought before 23 July 2024 to compute capital gains obligation in either the earlier or the new tax schemes, whichever suits them. This restores the indexation benefit available on sale of property.

"In the case of transfer of a long-term capital asset such as



Nirmala Sitharaman, Union finance minister. MINT

land or building acquired prior to 23 July, 2024, the taxpayer can compute his tax either at 12.5% without indexation—the new scheme—or at 20% with indexation, the old scheme, and pay such tax that is lower of the two," said the person cited earlier on the condition of anonymity.

This is a roll back of the withdrawal of the indexation benefit, explained Amit Singhania, managing partner at

Aarete Law Offices.

"If the tax payable under the new regime (without indexation benefit) at the rate of 12.5% exceeds the tax payable under the old regime (with indexation benefit) at the rate of 20% then, such excess shall be ignored," said Singhania.

An email sent to the finance ministry on Tuesday seeking comments for the story remained unanswered at the time of publishing.

Indexation benefit refers to adjusting the purchase price of an asset for inflation while computing the capital gains tax. This helps reduce the tax burden on the seller. The indexed purchase price is calculated using a cost inflation index (CII).

Niranjan Hiranandani, chairman of Hiranandani Group and Naredco, applauded the move, calling it a significant step forward. "By enabling taxpayers to choose

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Mauritius scripts plan to set up office in GIFT City

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Seven years after losing the tax edge that had made it India's second-biggest source of capital, Mauritius is eyeing a comeback, this time through the GIFT City route.

The island nation's International Financial Centre (IFC) is considering opening an office in Gujarat International Finance Tec-City (GIFT City), a top Mauritius minister said.

A large Mauritius delegation currently visiting India will meet officials of the International Financial Services Centres Authority (IFSCA) to discuss areas of collaboration, including equivalence between the two. This would mean easier compliance and tax norms for GIFT City-based entities operating in Mauritius.

"It will be a win-win situation. This is the type of rela-



Mauritius' IFC is considering an office at GIFT City. BLOOMBERG

tionship we want to establish with GIFT City," said Soomiludh Bholah, the African nation's minister for financial services and good governance, who is leading the delegation on his second India visit this year. A collaboration could help entities in the two jurisdictions to move capital between them easily.

A key objective of the GIFT City collaboration is to attract capital from India to Africa, Bholah said. The island nation

also wants to attract services like financing of immovable assets in Africa, intellectual property management and reinsurance from India.

The new business avenues are intended to compensate for the loss of direct investment from Mauritius to India.

In 2017, India and Mauritius dropped a tax provision that exempted Mauritius-based entities from capital gains taxes in India. Around the same time, New Delhi also introduced General Anti-Avoidance Rules that compelled investors to show why they situated themselves in beneficial tax jurisdictions like Mauritius besides the tax benefit.

The developments led to a plunge in foreign direct investment (FDI) from the island nation, which had become a hub for financial flows from what was once an agriculture-and-tourism

TURN TO PAGE 6

Want the bad news first? Meet India's reverse influencers

Pratishtha Bagai & Suneera Tandon
MUMBAI/NEW DELHI

The march of the de-influencers, or reverse influencers, is getting stronger and noisier. As the name suggests, these are people who post negative reviews of branded products on social media for consumers' benefit, potentially hitting companies' sales.

Despite the potential consequences of calling out big brands publicly, people such as Adithya Nataraj (alias learnwithadithya), Deepak Thakran (deepakthakranfitness), Darshit Singh (darshitoncam), and Revant Himatsingka (Food-

pharmer), continue to stick their necks out. And their tribe is increasing.

Experts say the industry is set to see a spike in both critical reviews as well as regulations aimed at keeping claims made by brands in check, as consumers increasingly switch to branded products.

Companies don't like it one bit, and have taken recourse to legal action several times. And regulators are tightening guidelines for both products and also to ensure that negative reviews are unbiased.

A study by influencer marketing and intelligence platform Qoruz revealed that de-influencing trends drive 66.17% more engagement than content from regular influen-



Darshit Singh (darshitoncam) is among de-influencers calling out big brands publicly despite its potential consequences.

cers. The report also highlighted that the higher consumption of "critical" and "alternative content" is suggestive of the audience's craving for authenticity and transparency in influencer communications.

"De-influencers call out products that don't live up to the hype, and people love them for that honesty," said

Praanesh Bhuvaneshwar, chief executive officer of Qoruz, adding that this trend is a game changer for brands.

Shankar Prasad, founder of Plum Goodness, which sells beauty and skin care products, said that there's no substitute to transparency, consistency across touch-points and, over time, humility and openness to suggestions. "Hence, no matter where the feedback comes from, the brand is clear about what the right thing to do is," he said.

Another executive at a larger packaged foods company, speaking on the condition of anonymity, said influencers' growth poses a challenge to companies and can threaten businesses; however,

companies have to learn better to deal with them. He said they also need to ensure transparency with their labelling and nutrition information.

According to Qoruz's Bhuvaneshwar, brands have started to realize that consumers want transparency, and some brands are already tweaking their messages, redesigning packaging, and even changing up their products to better meet new expectations. "It's not just about selling anymore, it's about building trust and having genuine conversations with customers," he said.

Darshit Singh, a Gurugram-based food de-influencer who has over 27,500 followers on

TURN TO PAGE 6



The recent landslides in Wayanad left around 400 dead or missing.

NDMA to offer help to Kerala, send team to Wayanad

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The National Disaster Management Authority (NDMA) will provide technical support to Kerala and is preparing to send a team to assess the loss and damage in Wayanad, where landslides triggered by rain have left some 400 people dead or missing. The NDMA will send the team in about a week's time. It will guide the state disaster management authority to tackle the situation, an official said. As per the Kerala State Electricity Board, as many as 302 houses have been scrubbed out in the disaster zone. A government statement on Monday said 352 houses had been wiped out and 122 others damaged. The official death toll clocked 226 and the number of missing people 180. Unofficial estimates on the 30 July landslides indicated the death toll alone had crossed 400.

"A team at the Central level has just been formed to assess loss and damage and perhaps in the next one week once the relief and rescue operations are over, it will visit the district (Wayanad). Everything will be done by the state government of Kerala. We will only provide technical assistance to the state. It's a fluid situation, but there will be an assessment," said Krishna S. Vatsa, a member of the NDMA on the sidelines of an event on climate change on Tuesday.

Union environment minister Bhubender Yadav on Monday blamed the Kerala government for the Wayanad disaster, saying it allowed illegal settlements and mining in the fragile region.

Kerala forest minister A.K. Saseendran condemned Yadav's statement. "To say that this disaster was caused by Kerala's wrong actions raises the suspicion that the Centre may be planning to deny the rightful financial assistance to the state. Kerala has collectively demanded that this tragedy be declared as a 'national disaster'. The Union environment minister's stand to not help the state at this time will be seen as injustice to the people of the state," Saseendran said.

Centre to broaden income criteria for urban housing aid

Widening of the income slab for MIGs and increasing central assistance for EWS proposed

Rituraj Baruah, Subhash Narayan
NEW DELHI

The government is expected to come out with fresh guidelines and new income slabs for middle income groups (MIGs) to qualify for assistance in building houses in urban areas under the Pradhan Mantri Awas Yojana (Urban) scheme, two persons aware of the development said.

According to one of them, a Cabinet note has been moved proposing widening of the income slab for MIGs and increasing the central assistance of ₹1.5 lakh per house for the economically weaker section (EWS) category.

Currently, people with an annual income of ₹6-12 lakh are considered to be in the MIG-1 category and those with ₹12-18 lakh annual income are under MIG-2 category, under the housing scheme.

The cabinet is expected to approve the revised framework for the PMAY 2.0 soon so that the scheme is notified and announced this month itself and rolled out for implementation immediately thereafter, the second person quoted above said.

To be sure, the changes are yet to be approved by the Cabinet.

The first person said that it would include enlarging the eligibility criteria for middle income group. "The idea is to provide housing to more people who have so far not been covered under the scheme."



The idea is to provide housing to more people who have so far not been covered under the scheme.

Benefits under credit-linked subsidy for MIG were given for acquisition or construction of 160-sq metre houses (including re-purchase) for MIG 1 buyers, and up to 200-sq metre carpet area homes for MIG 2 buyers with interest subsidies of 4% and 3% respectively on loans of up to ₹9 lakh and ₹12 lakh.

The first person said that under PMAY 2.0, the maximum loan amount on which interest subsidy is offered may be raised beyond ₹12 lakh because of the high cost of building houses in certain urban areas. PMAY 2.0 would bring back the credit linked subsidy scheme (CLSS) which was discontinued under PMAY-U at the end of FY22. Under PMAY 2.0, houses would be constructed for 10 million urban poor and middle class populations with an estimated investment of ₹10 trillion, out of which the central assistance would be ₹2.20 trillion over a five-year period. In addition, 20 million additional houses are proposed to be made avail-

able in rural areas under the scheme.

The houses under the scheme have been divided into those for EWS, lower income and middle income families. The categorization may continue under PMAY 2.0 as well.

Under PMAY-U, a total of 11.8 million houses, with a total investment of ₹8.07 trillion including Central assistance of ₹2 trillion, have been sanctioned by the ministry of housing and urban affairs so far, out of which 11.4 million houses have been grounded and 8.5 million completed or delivered.

Minister of state for housing and urban affairs Tokhan Sahu told Parliament that no funds have been released under CLSS for MIG from the ministry after March 2021 and that the CLSS vertical for EWS and LIG categories was up to March 2022. Under CLSS, 2.5 million beneficiaries including 600,000 from the MIG category had availed interest subsidies amounting to ₹58,868 crore.

The Union cabinet on 10 June approved the construction of 30 million additional rural and urban homes to meet the housing requirements arising out of an increase in the number of eligible families.

Queries sent to the ministries of housing and urban affairs and finance were unanswered at press time.

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10 mn
Urban poor, middle class to get houses under PMAY 2.0

20 mn
Additional rural houses proposed under the scheme

Meal costs up on rising vegetable prices

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The cost of a vegetarian thali rose 11%, and that of a non-vegetarian thali 6% in July compared with the previous month, rating agency Crisil said on Tuesday.

The surge in the cost of a vegetarian meal is due to rising vegetable prices, particularly of tomatoes, according to the Roti Rice Rate for July, an estimate of the cost of home-cooked meals by Crisil Market Intelligence and Analysis.

The cost of preparing a vegetarian thali in July rose to ₹32.60 from ₹29.60 in June, and that of a non-vegetarian thali to ₹61.40 from ₹58, the report said. Both costs for July 2024 were lower than those for July 2023, when a vegetarian thali cost ₹34.10 and a non-vegetarian thali ₹67.80.

"The average cost of preparing a thali at home is calculated based on input prices prevailing in north, south, east and west India. The monthly change reflects the impact on the common man's expenditure," the report said.

The price of tomatoes rose in July after scanty rainfall



The rise in the cost of vegetarian thali is mainly driven by the recent surge in tomato prices.

across the country led to a sharp cut in supply for the second consecutive year. "7% out of the 11% rise in the cost of the veg thali can be attributed to the open market and sell tomatoes at a subsidized price in some regions in July. Mint reported on 29 July that the government had launched a subsidy initiative to allow tomatoes to be sold in the retail market for ₹60 per kilogram as prices soared. The price of tomatoes was in the range of ₹80-100

Cost of a veg thali rose 11%, non-veg thali 6% in July from the previous month, says rating agency Crisil

Scattered rain was not the only reason for the lower output of tomatoes. Crisil said tomato crops in key states of Andhra Pradesh and

Karnataka were lacklustre due to the heatwave across the country during May this year. Ultimately, the union government had to intervene in

the open market and sell tomatoes at a subsidized price in some regions in July. Mint reported on 29 July that the government had launched a subsidy initiative to allow tomatoes to be sold in the retail market for ₹60 per kilogram as prices soared. The price of tomatoes was in the range of ₹80-100

over the last month.

Price fluctuations of other key ingredients in a vegetarian thali also pushed the price of the meal, as per Crisil. Prices of onions and potatoes rose 20% and 16% respectively in July compared with the previous month, further contributing to the higher cost of the veg thali, the Crisil report said.

The cost of a non-vegetarian thali rose at a slower rate than that of a vegetarian thali, as per Crisil, due to the stable price of broiler chickens, which accounts for more than half the cost of a non-vegetarian thali.

The cost of vegetarian and non-vegetarian meals in July has fallen marginally compared with the year-ago period. Incidentally, a fall in the price of broiler meat in July compared with the year-ago period pulled down the cost of a non-vegetarian home-cooked meal.

The rising cost of home-cooked meals shows that inflation in India is fuelled by food price hikes. Food inflation rose 8.4% year-on-year in June, as much as 50 basis points higher than the 7.9% rise in May year-on-year, as per the Reserve Bank of India's State of the Economy report in July.

NMC plans to scrap physical counselling to check fraudsters

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NEW DELHI

The National Medical Commission (NMC) is planning to do away with 'physical counselling' of students aspiring to get into medical colleges, a practice that has been misused.

The regulator plans to mandate medical colleges to conduct online counselling for admissions to eliminate the practice of students with low ranks securing admissions by paying hefty donation fees to colleges.

Sections 14 and 15 of the NMC Act, 2019 empowers the NMC to regulate the manner of conducting counselling for admission to MBBS and post-grad medical seats in all the medical institutions.

"The plan is to make the counselling process for admission against medical seats more streamlined and efficient without the involvement of agents. Therefore, it has been decided that from academic year 2024-25, all the counselling will happen in the online mode in support with the State and



The aim is to make counselling against medical seats more streamlined and efficient.

Central government counselling agencies to avoid manual interference," said an official aware of the matter.

Whenever NEET UG & PG exams take place, many unscrupulous 'agents' gather outside the examination centre. They fetch the data of students from their own sources and make underhand offers to get them admission in medical colleges.

"No admission will take place through physical counselling. This will cut the demand of huge donations and admissions of students with

low rank. Most of the time, students also reach out to these agents fearing that they will not get admission," the official added.

The UG and PG medical counselling process is planned to start on 15 August and September respectively.

The medical education regulator has also directed medical colleges to declare the total number of undergraduate and postgraduate seats on the official website of NMC.

"Earlier, there used to be confusion on the number of seats medical colleges used to have. There have been instances of fake allotment of seat for MBBS course was issued under the alleged signature of Secretary, NMC. Due to this, students and parents used to fall into the traps of miscreants," the official said.

Also, the plan involves holding a centralized national-level counselling for private medical colleges, rather than a different one conducted for each state. This in turn will also help save the applicants the pressure of applying to multiple colleges by paying a minimum fee of ₹2 lakh each.

MINT SHORTS

India stands out on growth and external fronts: S&P

New Delhi: S&P Global Ratings on Tuesday said India stands out both on growth and external fronts among South Asian countries, and the trajectory of government's fiscal deficit will decide on the direction of sovereign ratings. S&P sees a lot of promise in India's economic growth even though the global economic growth outlook is challenging. PTI

Retail inflation for industrial workers eases to 3.67% in June

New Delhi: Retail inflation for industrial workers eased

to 3.67% in June, down from 3.86% in the year-ago period, the ministry of labour & employment said on Tuesday. The Consumer Price Index-Industrial Workers (CPI-IW) for June 2024 moderated against the 5.57% annual rise reported in June 2023. The All-India CPI-IW for June 2024 increased by 1.5 points compared with the previous month and stood at 141.4 points. RHIK KUNDU

NHAI aims to monetize assets worth up to \$2.4 bn this fiscal

New Delhi: The National Highways Authority of India (NHAI) on Tuesday said it plans to monetize up to \$2.4 billion worth of road projects in the current fiscal year ending March, through an infrastructure investment trust route, as it looks to reduce its massive debt. The NHAI, with outstanding debt of ₹3.2 trillion (\$38 billion), is betting on leveraging assets through infrastructure investment trusts, or InvITs, to repay loans. REUTERS

Coking coal import consortium plan shelved



New Delhi: India has abandoned a plan to form a consortium of state-run firms for joint negotiations to import coking coal, a key raw material for steel, due to differences among mills over the grades they need, said two sources. India, the world's second-biggest crude steel producer, imports about 85% of annual coking coal consumption of around 70 million tonnes. REUTERS

India exported \$122.7 mn of non-basmati rice in Apr-May

New Delhi: India has exported non-basmati white rice worth \$122.7 million during April-May this fiscal, and the government is closely monitoring its production, availability and export scenario to assess suitable policy intervention, Parliament was informed on Tuesday. PTI

India imported 1.86 mn tonnes of urea from China

New Delhi: India imported 1.86 million tonnes of urea and 2.25 million tonnes of phosphatic and potassic (P&K) fertilisers from China during 2023-24, minister of state for chemicals & fertilisers, Anupriya Patel, told Parliament on Tuesday. As per government data, the country imported a total of 7 million tonnes of urea and 10 million tonnes of P&K fertilisers in 2023-24. PTI

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MINT SHORTS

CCI seeks tech major Apple's reply on investigation report

New Delhi: Fair trade watchdog Competition Commission of India (CCI) has sought a reply from Apple on the investigation report which has found that the technology major allegedly violated competition norms with respect to its App Store, according to people aware of the matter. They said the supplementary investigation report by the regulator's director general (DG) has concluded that Apple allegedly abused its market dominance in the relevant market, violating various provisions of Section 4 of the competition law. PTI

Nazara's Absolute Sports acquires DeltiasGaming.com



Gurugram: Absolute Sports, a subsidiary of Nazara Technologies and the parent company of Sportskeeda.com, Pro-FootballNetwork.com, and SoapCentral.com, on Tuesday signed an agreement to acquire all the assets of DeltiasGaming.com, a gaming and esports content platform in US. The transaction is for an all-cash consideration of \$900,000 (or ₹7.5 crore). DeltiasGaming had revenue of \$575,000 for the twelve-months ending June 2024. NITESH KUMAR

Punch raises \$7 mn from Stellaris, Susquehanna, Prime and others

Gurugram: Punch, a platform by stock broker Market Pulse Securities, has raised \$7 million from Stellaris Venture Partners, Susquehanna Asia VC, Prime Venture Partners, Innoven Capital, and angel investors like Kunal Shah (Cred), Vatsal Singhal (UltraHuman), and Nitish Mittersain (Nazara). The platform aims to facilitate responsible trading behaviour via product innovations such as intuitive safety tools. NITESH KUMAR

Space-tech startup EtherealX bags \$5 million from YourNest, others

Gurugram: EtherealX, a startup that designs, develops, and builds next generation launch vehicles and spacecraft, raised \$5 million seed funding. The round was led by YourNest and saw BIG Global Investments JSC, BlueHill Capital, Campus Fund, and Golden Sparrow Ventures, Karan Bhagat & Yatin Shah from IIFL Wealth, Kiran Shetty, and Akhilesh Agarwal participating. Lead investor YourNest Venture invested \$1.5 million. NITESH KUMAR

IFC, 2 others invest \$275 million in FPEL

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NEW DELHI

C&I-focused renewable energy company Fourth Partner Energy Ltd (FPEL) has secured a funding of \$275 million from a consortium of World Bank's International Financial Corporation (IFC), Asian Development Bank and the German Investment Corporation, DEG.

In a statement, the company said that the equity infusion would help FPEL's business expansion plans and help it reach the target of 3.5 gigawatt (GW) renewable energy asset portfolio by 2026. Out of the \$275 million, IFC is investing \$125 million, while ADB is infusing \$100 million and Germany's DEG is putting in \$50 million to complete this round of fundraising.

In April, Mint reported that a consortium including IFC and ADB may invest around



FPEL targets 3.5 gigawatt renewable energy asset portfolio by 2026. BLOOMBERG

\$250 million in the renewable energy company. FPEL has an installed base of 1.5 GW of green assets and is set to commission the first phase of its maiden 575 megawatt (MW) wind-solar hybrid project under the ISTS (Inter State Transmission System) route, in Karnataka, later this quarter.

Vivek Subramanian, co-founder and ED, FPEL said, "Our investors and lenders keep coming back as financiers because FPEL prioritises commercial viability and robust returns, while focusing on scaling the business. We welcome IFC, ADB and DEG as new partners to join our existing high quality equity investor base comprising of Norfund and TPG. Fourth Partner Energy is now poised to transform the region's clean energy landscape and assist more businesses in reaching their RE100 goals in a just, equitable manner."

Imad N. Fakhoury, IFC's Regional Director for South Asia noted that reducing the energy sector's carbon footprint is critical for realizing India's green ambitions. "Our investment will help FPEL to expand its renewable energy offerings and increase the supply of affordable, clean energy for commercial and industrial consumers across the country. Strategic investments in distributed generation through corporate PPAs are creating a new asset class, key to diversifying India's energy mix," the IFC Regional Director said. India's renewables sector is expected to attract an annual investment of \$25 billion by 2030, and the commercial and industrial (C&I) consumer space has been attracting significant investments.

Speaking to reporters on Tuesday, Vivek Subramanian, Co-founder of FPEL said that about 90% of shares of the company is owned by the investors.

FPEL is set to commission the first phase of its maiden 575 MW wind-solar hybrid project later this quarter

and the commercial and industrial (C&I) consumer space has been attracting significant investments. Speaking to reporters on Tuesday, Vivek Subramanian, Co-founder of FPEL said that about 90% of shares of the company is owned by the investors.

Redbus to enter EV financing space

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MUMBAI

MakeMyTrip-owned Redbus is expanding its lending business. Traditionally a bus aggregator, Redbus recently began offering working capital loans to bus operators and is now eyeing the EV financing space.

"Some conversations are on, but it is something that will take maybe another 3-6 months for this to become commercially available," Prakash Sangam, CEO, told Mint in an interview.

Founded in 2006, Redbus connects bus operators with travellers through its online platform, providing services like ticket booking, schedule management, and real-time tracking. Travel-tech unicorn MakeMyTrip acquired Redbus as part of the former's acquisition of Ilibo group in 2016.



Redbus also began offering working capital loans to bus operators.

Redbus has partnered with non-banking financial companies (NBFCs) to offer working capital loans to bus operators in the June quarter. "We are able to provide that information, of course, on the consent of the operator, which gives some confidence to the lending partner," he said.

While the offering is expected to scale up quickly, it may not contribute significantly to the business as the ticket size is

smaller, Sangam said. "We are lending for working capital loans not for revenues but for the ecosystem development to happen. Capital is a constraint for growth of our supply, so we can make supply grow faster by giving them access to easier and cheaper working capital," he said.

From a lending standpoint, the larger opportunity for the company to grow revenues is in electric vehicles (EVs).

"Today, there is no problem getting financing for buses. But the moment the switch-over happens to EVs, there is a lack of models in terms of how to lend to EVs, because none of the lenders know the economics behind an EV... There is a lot of reluctance when it comes to lending to EVs," said Sangam.

"There are 35,000 buses today in the Redbus network and the market is expanding at a rate of about 10% every year. Every year about 3,000-3,500 buses are being added and out of the 35,000 buses that we have, less than 300 buses are electric today," he said.

Even if 10% of the market goes electric, that means 3,500 buses and the EV bus system doesn't exist, he said, adding that each bus costs a couple of crores, it is a million-dollar opportunity there with just 10% of the market.

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

GenAI to transform banking: Deutsche Bank CTO Leukert

Bank to create a foundation of AI-enabled services that can be adapted across use-cases.

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Banking is at an inflection point, similar to the shift that came with the advent of the internet, according to Bernd Leukert, chief technology, data and innovation officer, and board member at Deutsche Bank.

Just as e-commerce transformed physical interactions, generative artificial intelligence (GenAI) is set to revolutionize banking for customers.

"This advancement will drive unprecedented digitalization in banking, creating a more tailored and efficient service than ever before," he said in an interview during a recent visit to Bengaluru.

The impact of AI, particularly GenAI, on various industries, especially banking, will be "profound and transformative," Leukert insists. But he adds that user experiences need to be streamlined into a unified approach.

Leukert calls this the "Concept of One." He cites the example of Apple, which provides a single, consistent way for users to download and access a diversity of apps in the App Store—from weather forecasting to mobile banking. This uniformity, he explains, simplifies user interaction, despite the underlying complexity of the services offered.

"In the realm of AI-enabled services, the aim is to create a foundational level of service that can be adapted and improved across multiple use-cases," Leukert adds.

For instance, AI can handle the processing of a variety of documents, whether for customers or internal use. This includes automating tasks related to mortgage applications or managing insolvency notifications, Leukert said. AI's ability to understand and act upon diverse documents raises operational



Bernd Leukert, chief technology, data and innovation officer, and board member at Deutsche Bank. LINKEDIN/BERND LEUKERT

efficiency and accuracy. Another application of AI is in software development, where it can make code more robust through auto-completion and error correction, he underscores. This speeds up coding by reducing syntax errors and suggesting completions, although human over-

using a credit limit with minimal human intervention. This improves service efficiency and also enhances the customer experience, he said.

Finally, AI's role in content analysis and recommendation is invaluable, he says. By processing vast amounts of data—from financial trends to geopoliti-

managing the complexity of AI integration and maintaining transparency in AI-driven decisions are critical concerns, he affirms. Addressing these issues is essential to maximise the benefits of AI while safeguarding user trust and operational integrity.

"We adhere to a crucial principle: We always have humans in the loop. We ensure that all content generated by large language models (LLMs) is reviewed and approved by a human before being released," says Leukert.

Additionally, he says, Deutsche Bank implements stringent governance and control measures, particularly in banking, which may slow down deployment but ensures safety and compliance. Even prototypes must pass these controls before being used productively. AI tools like chatbots are tested rigorously internally before external release.

Deutsche Bank, according to Leukert, began with a strategy based on "future technology forecasts" 4-5 years ago. "It's now paying off," he says.

Leveraging the cloud, the bank uses infrastructure- and platform-as-a-service (SaaS) "where we monitor the vendors who supply the service for us, as opposed to outsourcing, where you own the service and have vendors delivering according to your SLAs (service level agreements)," he said.

The idea is that "Deutsche Bank should focus on banking and not on running data centres and keeping data centres up to date with the latest technology infrastructure." This ensures that all applications that are relevant internally but more important that customers are leveraging the latest hardware and software, he adds.

Deutsche Bank partners with Google for its banking applications and Microsoft for end-user services to ensure resilience and financial stability.

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

Tiwary steps down as Amazon India head

Sowmya Ramasubramanian & Anubhav Mukherjee

BENGALURU/NEW DELHI

Manish Tiwary, country manager for Amazon India, has stepped down to pursue other opportunities, ending an eight-year association with the global e-commerce major.

Tiwary joined Amazon India in 2016 and spent four years as vice president before being elevated to country manager in 2020.

He led the consumer and seller services vertical for four years. Before joining Amazon, he served as the managing director of Unilever's Gulf business.

Tiwary will remain with the company until October, the firm said in a statement on Tuesday, and Amit Agarwal, vice president of India and emerging markets, will work closely with the team once he leaves.

The company said, "India is an important priority for Amazon. We are excited by the momentum and business results we have already achieved, and we are even more optimistic about the significant opportunities ahead to innovate on behalf of our customers and digitally transform lives and livelihoods."

Amazon's India arm continues to face stiff competition from Walmart-owned Flipkart and tier 2-focused Meesho in India's growing e-commerce market.

The market is currently valued at \$70 billion and is forecast to grow to \$325 billion by 2030, driven by increasing internet penetration and smartphone users.

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Key Financial Highlights - Q1 FY25

- Loan Book

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₹ 26,830 Cr # | +27%
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Credit Cost NNPA PCR
- Profit after Tax

₹901 Cr^ | +25%^
- Digital First

97% Customers Onboarded Digitally | 167+ Services on Digital Channels
- Retail Focused NBFC

Retail + SME Book 85%+ | Loans < ₹1 Cr Ticket Size 99%+



790+ Branches

AAA Domestic Rating by all leading rating agencies

BBB- Int'l Rating by S&P Global, Fitch Ratings

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S&P BSE Sensex			Nifty 50			Nifty 500			Nifty Next 50			Nifty 100			S&P BSE Mid-cap			S&P BSE Small Cap		
CLOSE	PERCENT CHANGE		CLOSE	PERCENT CHANGE		CLOSE	PERCENT CHANGE													
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PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN	
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HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW	
79,852.08	78,496.57		24,382.60	23,960.40		22,910.75	22,406.05		72,456.65	70,081.00		25,427.35	24,905.30		46,871.00	45,528.91		53,498.52	51,933.80	

MINT SHORTS

Dollar's fall gives Asian central banks space for rate cuts

The global market selloff may have a silver lining for Asian central banks if sustained weakness in the dollar gives them leeway to ease monetary policy. Asian currencies shot up to a five-month peak against the greenback this week, amid tectonic shifts in global markets due to a range of concerns—not least worries that US rate setters have been too slow to ease policy. Malaysia's ringgit and the long-beleaguered Chinese yuan were some of the beneficiaries of the turmoil, even though they gave up some of their gains on Tuesday. Exchange-rate weakness is one reason central banks have been wary of lowering interest rates, even though price pressures across emerging Asia have largely been lower than in most major advanced economies. Meantime, higher US yields have discouraged global funds from investing in Asia. That might all be about to change as mounting bets on Fed rate cuts shift the balance in favor of the region. **BLOOMBERG**



The BoE found some "shortcomings" in banks but nothing serious enough to prevent resolution in a crisis. **REUTERS**

BoE finds top UK lenders can survive crisis without bailouts

Britain's top eight banks including HSBC, Barclays, Lloyds and NatWest could be wound down in a crisis without the immediate need for taxpayer cash, the Bank of England said on Tuesday following its second 'resolvability' check of the lenders. Being able to "resolve" or close down an ailing bank without destabilising the financial system or calling on taxpayers was a core lesson from the global financial crisis of 2007-09, when many lenders had to be rescued with public money. "Our assessment gives further reassurance that if a major UK bank were to fail today it could enter resolution safely: remaining open and continuing to provide vital banking services, with shareholders and investors—not public funds—first in line to bear the costs of failure," the BoE said in a statement. The BoE said that its assessment of banks found some "shortcomings" or areas for "further enhancement", but none serious enough to hamper the resolution of a lender in a crisis. **REUTERS**

Ola Electric draws \$1.8 bn in IPO bids

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BENGALURU

Ola Electric's IPO drew \$1.8 billion in bids as the share sale closed on Tuesday, as investors piled into the first stock offering by a pure-play electric vehicle maker in India.



The firm's IPO is India's biggest so far this year. **BLOOMBERG**

The SoftBank-backed company's \$734 million IPO, also India's biggest so far this year, received bids for 1.99 billion shares, about 4.3 times the number of shares on offer, exchange data showed.

The IPO has let investors bet on a clean energy push by Prime Minister Narendra Modi's government, and is set to give the company a valuation of about \$4 billion, a term sheet showed last week.

The targeted valuation is about 25% lower than Ola Electric's last funding round in 2023, due to a correction in valuation of global tech companies as well as the company's aim to attract participants to the stock offering.

The portion of the IPO allocated for institutional investors including foreign investors, banks and mutual funds was oversubscribed 5.3 times, while retail investors bid for 3.9 times the shares on offer for them, exchange data showed.

Ola Electric is the biggest player in a country where adoption of clean vehicles is low, but rising. The company had 46% of the e-scooter market as of 30 June despite slashing sales goals last year. Still, some analysts have

expressed concerns over rising costs and the path to profitability at Ola Electric.

The loss-making company is still in its investment phase, and needs a lot of capital, particularly in its battery cell manufacturing unit, which would take time to ramp up, said Narendra Solanki of Anand Rathi Shares and Stock Brokers.

In the year to March 2024, Ola Electric's losses widened 8%, despite a 90% jump in revenue, due to rising raw material costs.

Ola Electric, founded in 2017, plans to invest about \$150 million of its IPO proceeds into the cell manufacturing unit, which the company pegs its profitability on, according to the company's prospectus.

The IPO subscription is lower compared to the last five IPOs, including drugmaker Encure Pharma, which were oversubscribed between 20 and 80 times.

The company did not respond to Reuters' request for comment.

Britannia volume a bright spot

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A key striking feature of Britannia Industries Ltd's June quarter results is its high single-digit volume growth, estimated at 8% year-on-year (y-o-y), a multi-quarter high. However, pricing was weak, so revenue growth has lagged volume growth yet again. Britannia's consolidated operating revenue increased by 4% y-o-y in the three months ended 30 June (Q1FY25) to ₹4,130 crore as pricing declined. Other operating revenue surged as much as 195% to ₹120 crore, mainly owing to the incentive received from the company's Ranjangaon plant, which has now qualified as an ultramega plant. Thus, total operating revenue growth was 6% in Q1.

Britannia said its biscuit market share is rebounding after the challenges seen in FY24. This is driven by distribution expansion, consistent brand investments and appropriate pricing actions. Plus, the rural markets are looking a shade better, with their share growing at a faster clip than urban markets. As such, Britannia has a higher share in urban than in rural. In Q1, the



company's adjacent businesses, such as cakes, rusks and bread performed well. Cakes clocked sequential volume growth and rusks recorded a healthy double-digit volume growth despite a harsh summer. The company introduced the Pure Magic Stars and Golmaal variants in the last quarter. Driving effi-

ciencies and distribution, Britannia's direct reach is at 2.82 million outlets, and 30,000 rural distributors. Coming to profitability, a relatively slower pace of annual increase in total raw material costs meant gross profit margin rose 147 basis points (bps) y-o-y to 43.4%. One basis point is one-hun-

dreth of a percentage point. But higher other expenses and employee costs meant Ebitda margin expansion was curbed to 56bps to 17.7%. Q1 Ebitda margin missed some analysts' expectations and is also lower compared to FY24 when the measure had expanded 154bps to 18.9%.

To be sure, margin prospects are not particularly exciting. The outlook for milk, flour, cocoa and sugar prices is inflationary. Britannia may take slight price increases to offset this. "The company is operating at a peak margin; we do not see any margin catalysts in the near-term," said a 5 August report by Motilal Oswal Financial Services. They estimate Ebitda margin of 19-19.5% for FY25/FY26. "Packaged food companies have outperformed personal care companies over the last two years since they have maintained positive volume growth despite steep price increase," the brokerage said, adding it does not foresee such growth divergence ahead. It is encouraging that Britannia's management said in the Q1FY25 earni-

ngs call that volume growth is now coming close to double digits. "Towards the end of the last quarter, we were almost at double-digit volume growth," management said. The rural demand recovery augurs well for Britannia and helps boost market share gains.

However, investors seem to be factoring in the brighter picture adequately. Britannia's shares have risen by 10% so far in 2024, but returns over the past year are higher at 22%, making valuations pricey. Nomura Global Markets Research values Britannia at a price-to-earnings multiple of 50 times on twelve months ended September 2026 forecasted earnings per share (EPS), which is in line with its five-year trading average. The brokerage has projected an EPS CAGR of 11% over FY24-27, arriving at a target price of ₹5,800 apiece. "Britannia trades at two-standard deviation above its five-year trading multiple," wrote analyst Mihir P. Shah in a 6 August Nomura report. On Tuesday, Britannia shares closed at ₹5,854.50 on the NSE.

GROWTH PATH

RURAL demand recovery augurs well, and helps Britannia boost market share gains

VOLUME growth recovery may continue ahead, but margin could be range-bound

Rich valuation could hit Amara Raja's connection with investors

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The June quarter (Q1FY25) earnings of battery maker Amara Raja Energy & Mobility Ltd failed to recharge investor sentiment. The stock is down 9% since the results were announced on Saturday, while Nifty 500 index is down 3.5%.

A disappointment for the Street was the 90-basis-points sequential contraction in the standalone Ebitda margin to 13.7%. While the reading was better than that of rival Exide Industries Ltd, it fell short of analysts' estimates. An unfavorable product mix and rise in

raw material costs weighed on Amara Raja's gross margin and hurt profitability.

As for volumes, year-on-year (y-o-y) original equipment manufacturer (OEM) volumes grew 6% in the four-wheeler segment, replacement rose 11%, and exports jumped 45%. In the two-wheeler segment, y-o-y OEM volume rose 25% and replacement was up 18%.

On the flipside, industrial volume fell 5%, led by subdued performance of its telecom segment owing to a high base. These misses caused some brokerages to downgrade their earnings forecasts. Motilal Oswal Financial Services Ltd cut its FY25 and



FY26 earnings per share estimates by 10% and 16% to factor in the rise in commodity prices. For now, Amara Raja's core

business, manufacturing lead-acid batteries, is expected to be steady. However, the industry's gradual shift to lithium-ion bat-

teries poses a long-term threat. The company is investing in building lithium-ion capacity to meet the growing demand, mainly from electric vehicles. It plans ₹9,500 crore capital expenditure (capex) over 10 years to raise its lithium-ion cell manufacturing capacity to 16 GWh.

To scale the business, Amara Raja formed a tech partnership with Gotion InoBat Batteries EnergyX Slovakia in June, which boosted the stock to a new 52-week high that month. The company has Ather Energy as one of its OEM anchor clients.

In FY25, Amara Raja is looking to invest ₹1,000-1,500 crore as capex for lead-acid batteries

and new energy projects. The company is debt-free, but may need short-term debt this year. It also has plans for long-term financing, management said in the earnings call. This could be a dampener for the stock, especially as the new lithium-ion factories will take time to become fully operational, and because the low margins of this business could dilute returns.

Even so, the 80% jump in Amara Raja's stock this year suggests that the market is focused on positives. The stock trades at 24 times estimated FY26 earnings, Bloomberg data showed. Amid these challenges, the valuation doesn't seem justified.

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

Brokers put harsh curbs on margin trading **Suzlon to buy 76% stake in Renom**

FROM PAGE 1

by brokers as of 2 August, NSE data shows. A client, who puts up a margin of 20-40%, pays 12-18% interest to the broker to fund her shortfall. The tenor of the facility extends from a few weeks to a couple of months, say brokers.

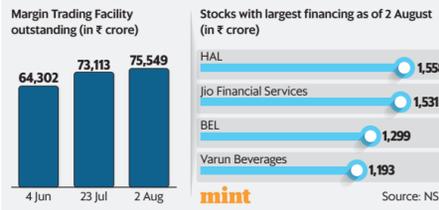
Part of risk management, the margin paid is calculated as per a Sebi formula consisting of value at risk margin (VAR) plus three to five times the extreme loss margin (ELM) stipulated for each stock.

VAR provides for a worst-case loss in a portfolio of assets if an unforeseen event occurs. ELM is an additional margin to provide for losses beyond those predicted by VAR.

Meanwhile, IIFL Finance has begun increasing margins in

Rising leverage

The recent spike in volatility in stock markets has driven some brokers to raise margins for financing share purchases and some to virtually stop the facility.



phases effective 1 August. A company spokesperson said that as per exchange directions in July, over a thousand stocks were to become ineligible for being pledged as margin effective 1 August.

"Amid the rise in volatility, we have increased the margin

on the ineligible stocks to 40% from 20% earlier to give clients with large positions time to substitute the collateral," the spokesperson said, adding that the shortfall is met by IIFL so that it can be placed with the exchange's clearing corporation.

"By November, we will be charging 100% margin on these stocks," the spokesperson added.

Geojit Financial Services, too, has increased the margin to around 40% from 20% ahead of Monday's steep market fall, said Satish Menon, the company's executive director (business).

"This is a risk management practice followed by brokers, especially during periods of high volatility," Menon said. "It was done ahead of the 4 June election results, which saw Vix rise by almost 28% to 26.75 and even in the run up to the budget on 23 July as a matter of abundant caution." A 40% margin reduces the leverage to 2.5 times from five times earlier.

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NEW DELHI

Suzlon Energy board on Tuesday said it will acquire a 76% stake in Renom Energy Services for ₹660 crore in two tranches from Sanjay Ghodawat Group (SGG).

Renom is the largest multi-brand operations and maintenance service provider in the country with assets of 1,782 MW in wind, 148 MW in solar, and 572 MW in BOP under maintenance across customer segments, it stated.

This strategic acquisition will help unlock Renom's core potential and position it from a place of strength to become a leading independent service provider and the custodian of multi-brand renewable energy assets, it pointed out.

Sebi crackdown may bring operational challenges for AMCs

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MUMBAI

Markets watchdog, the Securities and Exchange Board of India (Sebi), is ratcheting up pressure on asset management companies (AMCs) as it tightens the noose on potential market abuses.

Sebi has imposed stringent new rules forcing AMCs to bolster surveillance and internal controls. This move comes amid growing concerns over activities such as front-running and insider trading within the mutual fund industry. The aim

is to create a level playing field while safeguarding investor interests.

While industry experts applaud the intent, they also warn of potential unintended consequences.

Sebi issued a circular on Monday amending the Mutual Funds Regulations, requiring AMCs to establish an institutional mechanism.

"This mechanism shall consist of enhanced surveillance systems, internal control procedures, and escalation processes, enabling the identification, monitoring, and addressing of specific types of misconduct, including front-



The move comes amid growing concerns over activities such as front-running and insider trading within the MF industry **REUTERS**

running, insider trading, and misuse of sensitive information," the circular states. Feroze Azeem, deputy chief executive, Anand Rathi Wealth

Ltd, said that this move by Sebi is intended to keep AMCs vigilant against unscrupulous activities. "AMCs must have systems in place to stop any

potential market abuse, and the senior management of these AMCs are directly responsible for making sure these systems work well," he said, adding that Sebi is attempting to make investment world safer for everyone involved.

"Stock exchanges, depositories, and Amfi (Association of Mutual Funds in India) is expected working together to share data, which helps keep this kind of scenario under check. Sebi's regular reviews and updates show their dedication to keeping the market secure and trustworthy, boosting investor confidence," he said.

Experts acknowledge that while these measures might initially increase operational costs, they are expected to create a level playing field for all market participants in the long run.

The circular mandates that the chief executive officer (CEO) or managing director, along with the chief compliance officer of the AMC, will be responsible for implementing the mechanism. AMCs must establish an alert-based surveillance system, an escalation process, a whistleblower policy, and conduct periodic reviews.

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#RememberingBauji



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Shri O. P. Jindal

7th August 1930 - 31st March 2005
Founder and Visionary, O. P. Jindal Group



Remembering Bauji Today... and Every Day...



BGMI maker says India could turn No.1 market

South Korea's Krafton Inc. plans to invest \$150 million more in India

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BENGALURU

Krafton Inc., a South Korea-headquartered gaming firm, is looking at India as its biggest investment bet around the world. Having invested \$170 million already, the maker of Battlegrounds Mobile India (BGMI) and distributor of PlayerUnknown's Battlegrounds (PUBG) globally has earmarked another \$150 million to invest in Indian gaming and content firms—through partnerships, acquisitions and even a startup incubation model.

During his ongoing fourth visit to India, and speaking to the press for the first time here, C. H. Kim, global chief executive of Krafton, said the company sees India as a crucial market. "Globally, India is already the fourth- or fifth-highest contributing market for Krafton. In the future, India has the potential to become the biggest market for Krafton thanks to its unique position of the sheer size of the market, as well as an increasing amount of interest in e-sports in the country," Kim said in an interview.

Kim added that the total \$170 million invested by Krafton so far in India "is higher than what the company has invested anywhere around the world".

The company has invested in Indian companies such as e-sports firm Nodwin Gaming—a subsidiary of the publicly-listed Nazara Technologies, audio streaming platform Kuku FM, and content platform Pratilipi in a bid to diversify its offerings beyond gaming.

Krafton, listed publicly in South Korea, reported a net revenue of \$483.2 million between January and March—claiming it to be a quarterly record. Prior to this, it had reported net annual revenue of \$1.39 billion for calendar year 2023.

Over 60% of its net revenue is derived from mobile platforms, of which BGMI is a



C. H. Kim, global chief executive, Krafton

key contributor from India. In its earnings call on 8 February, the company had said that the sales upturn was "mainly driven by the popularity of BGMI"—signalling India as a key market for the firm.

The PUBG network is one of the world's most-played action and competitive game platforms. In June this year, market researcher Statista ranked PUBG as the sixth most-streamed game globally, with

was finally reinstated in May last year.

Touching upon India's regulatory approach, Kim said that while India's stance "has been encouraging", there's more work to do. "E-Sports can have a constructive impact on mental health. While we are conscious about adding filters such as permissible hours of gaming, what e-sports in an overall sense would benefit from is to be taken seriously as an industry, and that will only happen when individuals get a deeper understanding of the impact that e-sports can have—including commercially," he added.

Sean Hyunil Sohn, Krafton's chief executive for the India market, said faster movement in policy terms, such as with India's animation, visual effects, gaming and comics policy, "could further boost the sector and make it a monetizable economy." "This, in turn, will only boost India's prospect," Sohn said.

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

TARGET LOCKED

INDIA is Krafton's 4th or 5th largest market due to its sheer size and rise in e-sports interest

INVESTMENT in companies such as Nodwin Gaming shows Krafton wants to diversify in India

BGMI's popularity in India makes it a key market for Krafton as mobile games is a key revenue source

nearly 2.5 million hours of streaming viewed by e-sports enthusiasts globally every week in June.

Yet, the popular battle royale game has seen a topsy-turvy journey in India. After facing suspensions by the ministry of electronics and information technology (MeitY) on grounds of data localization, the game

Dhaka crisis casts a cloud over India

FROM PAGE 1

"India's exports to Bangladesh are highly diversified, covering agriculture, textiles, machinery, electronics, auto parts, iron and steel, electricity and plastics. Notably, most of these exports to Bangladesh are subject to full tariffs and are outside the South Asian Free Trade Area (Safta) agreement," Srivastava said.

In contrast, Bangladesh's exports to India are concentrated in a few categories such as textiles and garments. These items benefit from zero tariffs under a South Asian free trade agreement.

The unrest in Bangladesh could also exacerbate already weakening demand for India's engineering exports. The total value of such exports from India to Bangladesh in the June quarter fell 8.2% from a year ago to \$542.1 million.

"Recently, Bangladesh has seen a significant reduction in imports of industrial raw materials and capital machinery. The weak demand for consumer goods has affected factory production levels and worsened supply chain disruptions, complicating the economic landscape," said Arun Kumar Garodia, chairman of the Engineering Export Promotion Council of India.

"The ongoing political uncertainty may further worsen the situation and impact engineering exports." Also at stake are connectivity projects between the two countries.

Train services connecting India and Bangladesh, including freight, have been suspended, resulting in a complete stop of movement of people and goods between the two countries.

Indian Railways is connected to the Bangladesh railway network through five interchange points, which have been impacted by the turmoil in the neighbouring



The unrest in Bangladesh could also exacerbate already weakening demand for India's engineering exports.

country. The fate of another rail connection between Agartala and Bangladesh also hangs in the balance.

Plans to develop rail and road interconnection points connecting Nepal, India and Bangladesh and Bhutan-India, with linkage projects going all the way up to Bangladesh's Chittogram port, now stare at an uncertain future.

Also facing uncertainty is a ₹950 crore contract won by Indian Railways' exports arm, RITES Ltd, in May to supply 200 broad gauge passenger carriages to Bangladesh Railway.

Meanwhile, the world's longest ferry service connecting Varanasi with Dibrugarh in Assam via Bangladesh remains suspended.

An official with India's ministry of ports, shipping and waterways said the situation is being evaluated.

Last year, Indian Prime Minister Narendra Modi and Hasina jointly inaugurated the India-Bangladesh Friendship Pipeline, a cross-border energy pipeline with a capacity to transport 1 million tonnes per annum of high-speed diesel.

While Assam-based Numal-

igarh Refinery Ltd has been supplying petroleum products to Bangladesh since 2015, Adani Power Ltd supplies 1,496 MW of power from its plant in Godda, Jharkhand to the northern neighbour.

"Adani Power has a (power purchase agreement) with Bangladesh power distribution utility, Bangladesh Power Development Board (BPDB), to meet their power requirement," a spokesperson for Adani Power said in a statement.

"In its normal course of business, BPDB is scheduling the power supply to meet their demand and as per that schedule, Adani Power continues to supply power to the Bangladesh power utility without any disruption."

An official with another power generating company, speaking on the condition of anonymity, said power supplies from India to Bangladesh are unlikely to be affected given the demand in the neighbouring country.

"We have a very strong business, strong fundamentals in Bangladesh; we have been in that country for 20 years," Saugata Gupta, MD & CEO, Marico Ltd said during the

Bangladesh's exports to India are concentrated in a few categories such as textiles and garments

company's post earnings call Monday. In FY24, Bangladesh fetched 44% of its international business. Marico sells a range of products including Nihar oil, Parachute oil, Set Wet hair gel and Saffola edible oils in the country.

A Dabur India spokesperson said the company is closely monitoring the situation. The consumer goods company draws 1% of its consolidated revenue from the country.

Bangladesh is a major textile hub catering to an international clientele, benefiting in recent years also from a global policy to not rely purely on China for manufacturing. Several experts believe that the current turmoil in Bangladesh could present an opportunity for India's textile and apparel segment.

Rahul Mehta, chief mentor, Clothing Manufacturers Association of India (CMAI), said the industry is waiting to see how long the unrest sustains. It could benefit Indian manufacturers if companies face prolonged factory closures and disruption to daily life, he said. "Unless there is a long-term instability in the country, I don't see the business being impacted to such a great extent. If the riots continue and factories shut down, orders cancelled, then people would have reacted seriously. This may cause a temporary setback to the garment industry worldwide. It all depends on how long these conditions continue," he further said.

"Even if companies shift their orders from Bangladesh, whether the Indian garment industry would be able to take advantage of that or not is a moot question," he added.

With inputs from Rituraj Baruah and Subhash Narayan.



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Sebi eases entry barriers for RIAs, research analysts

FROM PAGE 1

wish to change the mode, the same can be effected only after 12 months since the last change of mode. Sebi proposed to do away with this method and give flexibility to RIAs and RAs to charge fees without a minimum period restriction.

Sebi has permitted individuals and partnership firms to seek registration for providing services as both RIAs and RAs, subject to compliance with rules and regulations. The paper proposed to demarcate the scope of investment advice of an RIA to a specific product belonging to an asset class falling within the regulatory purview of Sebi or other financial regulators.

Sebi also proposed that RIAs and RAs using artificial intelligence tools for servicing clients will be required to disclose the extent of use of these tools to their clients. Additionally, the responsibility of data security and compliance with regulations would lie solely with RIAs and RAs.

Sebi said only those who provide research services "for consideration", which means any form of economic benefit, will be considered research analysts. The research services by an RA shall be corroborated by a research report containing relevant data.

Sebi has also proposed to exempt proxy advisors (PA) from the ambit of the Research Analyst Administration and Supervisory Body (RAASB) as the nature of services of PA is different from RA. A PA will now be under the supervision of Sebi directly.

The maximum fees that an RA can charge is proposed to be brought at par with RIAs;



Individuals and partnerships can seek registration to give RIA, RA services.

that is, ₹1.25,000 per year per family for individual clients.

The limit on fees chargeable by RAs will not apply in the case of non-individual clients, including clients who are qualified institutional buyers, accredited investors, and to institutional investors seeking recommendation of PA.

Harsh Roongta, founder of FeeOnly Investment Advisors Llp, said on the face of it, the Sebi paper appears to be very positive. "This is going to be a

big boost to the profession, and entry barriers have been dismantled. A clear segregation between the 'one to one' and 'one to many' services in the field, removal of net worth requirements on non-individual RIAs, allowing part-time RIAs, allowing dual registrations as RIA and RA are the centrepiece of the consultation paper," he said.

Suresh Sadagopan, a registered IA, said lowering the eligibility criteria is welcome and allows more people to come in. "Doing away with net-worth requirement is also a welcome provision as this was a huge stumbling block for those who wanted to transition from Individual to corporate IAs," he said.

Min's queries to Nataraj

Mauritius considering plans to set up operations in GIFT City

FROM PAGE 1

focused economy. Financial services now make up more than an eighth of the Mauritian economy, as per data from the FSC. India-bound investments account for more than half of the global business capital flowing through Mauritius.

Mauritius now allows a variable capital company (VCC) structure for investment vehicles, a model already popular in Singapore. Under this structure, investors can set up multiple sub-funds under an umbrella entity. The sub-funds will have individual legal and tax identities and will not have any cross-liabilities. This reduces the compliance and cost burden on the investors, who need not seek fresh registrations for each new fund. Mauritius is now looking to extend the VCC structure to wealth management and



Soomilduth Bholah, minister for financial services and good governance, Mauritius.

family offices. The key beneficiaries will be those looking to invest in Africa. Mauritius is part of the African Union, and investors can benefit from the various bilateral pacts the island nation has with African countries.

The VCC structure will substantially enhance the attractiveness of Mauritius as an

investment holding jurisdiction, said Punit Shah, partner, Dhruva Advisors, who advises domestic as well as multinational companies on international transactions and taxation matters.

"It will boost Mauritius' comparative position vis-a-vis Singapore for foreign direct investment (FDI) into India, especially considering its cost competitiveness and the fact that both jurisdictions are almost at par so far as tax treatment of Indian capital gains is concerned," he said. "Mauritius will also become attractive for floating regulated fund structures with differentiated returns, for outbound investments from India."

Mauritius is also working on its reputation, after being seen as a tax haven hosting opaque financial structures used to launder money.

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

Indexation benefit to be back

FROM PAGE 1

the lower tax burden between the new and old schemes, the amendment is poised to drive investment and enhance sales across housing segments," said Hiranandani. "We are grateful for the finance minister's forward-thinking approach in implementing these beneficial measures."

In the budget presented in Parliament on 23 July, the government had proposed to amend the capital gains tax structure, but the removal of the indexation benefit led to calls from investors for its restoration, saying the lower tax rate proposed in the bill without indexation may not benefit the sellers in all circumstances.

Separately, the amendments to the finance bill, however, propose to take away the benefit of neutralisation of foreign exchange fluctuation for foreign investors along with the increase in tax rate from 10% to 12.5%, showed the notice of amendments pro-



People who sell property acquired before 23 July 2024 can choose between the old and new tax schemes.

posed to the bill, a copy of which was seen by *Mint*. The finance bill had initially proposed to allow neutralisation of foreign exchange fluctuations for foreign investors while computing capital gains.

The Centre is proposing as many as 45 amendments to the finance bill. The changes come after it held extensive consultations with the industry after the budget announcements.

Sitharaman, who moved the finance bill for passage in Lok Sabha on Tuesday, is expected

to give her reply to the discussion on the bill on Wednesday. Some opposition members of the House sought tax relief for the middle class during the discussion on Tuesday.

Simplifying and rationalising the tax regime is a priority for the Centre. The finance minister had in her budget speech announced a comprehensive review of the Income Tax Act, which is expected to be completed in six months.

Madhurima Nandy in Bengaluru contributed to this story.

Want the bad news first? Meet India's reverse influencers

FROM PAGE 1

his Instagram handle @darshitocam, has gained the trust of an audience that takes his recommendations seriously.

"If I am recommending something, a lot of people believe me, so a lot of brands want to take the risk of collaborating with me even if they know that I will be honest in my review," he said.

Singh has a day job as a content marketing executive, and so is able to pursue his social media career of reviewing popular food joints for their hygiene, quality and taste as a side gig.

Nataraj and Thakran create health and fitness-related content, highlighting "what is wrong" with packaged products based on the ingredients on the back of their labels.

and Thakran did not receive a response till press time.

In the past, companies such as Mamaearth, Dabur India and Mondelez, have sent legal notices to influencers to take down posts that were critical of their products. Queries sent to Mamaearth, Dabur and Mondelez went unanswered till press time.

Then, last year, Mondelez took legal action against health content-related de-influencer Revant Himatsingka alias Foodpharmer, who boasts 2.7 million followers on Instagram. Himatsingka's post against Bournvita, the company's health food drink brand, went viral, but he suspended the video after receiving a legal notice from Mondelez.

"Earlier, I would delete my video when companies used to send me legal notices," Himat-



Revant Himatsingka creates content as a de-influencer.

singka, who has received six legal notices so far, told *Mint*. "Now, I try to fight back as I understand they don't have factual grounds and are only trying to shut me up...I just want brands to be scared as well."

Mondelez eventually dismissed claims made by Himat-

singka. Email queries sent to the company remained unanswered. While it's hard to ascertain whether Himatsingka's posts had a bearing on sales of health food drinks over the past year, different regulators have moved to curb sales of the "health drinks" category.

On 10 April, the commerce and industry ministry's Department for Promotion of Industry and Internal Trade (DPIIT) advised e-commerce platforms to remove drinks and beverages categorized as health drinks from their platforms, citing a lack of standards and definition of health drinks under India's food laws.

Meanwhile, the Advertising Standards Council of India, an advertising watchdog, is of the view that influencers who speak of health or financial benefits should disclose their

qualifications. "Influencers, whether promoting or dissuading consumers about products, must adhere to the highest standards of accuracy and truthfulness," said Manisha Kapoor, secretary general of ASCI. "Any claim made should be factual and substantiated."

Kapoor added that an influencer paid to speak against a competitor's brand could be violating the ASCI Code, especially s/he does so without adequate disclosures and makes disparaging statements.

"Ensuring transparency and integrity in influencer marketing is crucial for maintaining consumer trust," she said. "In addition, influencers who

speak of health or financial benefits are required to disclose their qualifications."

Marketing experts say regulatory action and content created by de-influencers run parallelly as regulators and industry bodies

toughen stand on packaged consumer goods companies. "The regulators' moves are hand in glove as there is increased visibility among consumers after de-influencers highlight things that these brands are doing, and because there is heightened awareness, these regulators have to take action," said Karthik Iyer, a marketing consultant.

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Vedanta will continue to cut costs to improve margins

Helped by cost reductions, the firm's net profit surged 54% to ₹5,095 crore in June quarter

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Vedanta Ltd's cost reduction efforts, which saw it post a robust profit during the June quarter, will continue to bear fruit, helping the mining and resources major further improve margins, the company's top management said on Tuesday.

One of the factors helping a structural reduction in costs will be the company's use of renewable energy for its zinc and aluminium businesses, executive director Arun Misra said. Using renewable energy will also help decouple the company from volatility in coal prices, he added.

During the April-June quarter, cost reduction helped the company clock a 54% year-on-year (y-o-y) growth in its consolidated net profit at ₹5,095 crore. The consolidated revenue grew 6% during this period to ₹35,239 crore.

"Our performance was primarily driven by structural cost reduction," Misra said during a post-earnings call on Tuesday. "Almost half of our gain in profit was from cost reduction."

Among the company's cost reduction measures was backward integration in its aluminium business, Misra said.

The country's largest producer of the silvery-white metal added 1.5 million tonnes (mt) of fresh annual alumina production capacity at its 2 million tonnes per annum (mtpa) Lanjigarh refinery at the start of the quarter, reducing its reliance on imports. Alumina is an intermediate in the production of aluminium that is produced from bauxite ore.

Similarly, at subsidiary Hindustan Zinc, the company modified its equipment to be able to use cheaper domestic coal, which has higher ash content, according to Misra. The efforts aided the



The company added 1.5 million tonnes of fresh annual alumina capacity at its 2mtpa Lanjigarh refinery in April-June, reducing its reliance on imports. REUTERS

company's margins, with its earnings before interest, tax, depreciation and amortization (Ebitda) growing 56% y-o-y to ₹9,420 crore. Ebitda margin expanded 865 basis points to 26.7%.

One hundred basis points make one percentage point.

"The company has done a great job by

statement.

During the quarter, Vedanta raised about ₹8,500 crore (\$1 billion) through a qualified institutional placement (QIP). The funds are to be utilized to pare debt further, which could help the company post one of the best debt to Ebitda ratio in the metals and mining industry.

"The sale of ESL is not for deleveraging or out of need. It is for portfolio reprioritization. We will wait for the right offer," said Goel.

The company's demerger plan—which will see it split into six separately listed entities—is progressing as planned. The company got the requisite nod from 75% of its lenders for the demerger during the quarter and has now approached the National Company Law Tribunal for further approvals.

"I am also pleased to share that we are on track with our demerger into industry-leading, focused entities with sharper investment propositions," Agarwal said in his post on X.

better position itself to manage capex," Centrum's Kothari said.

"Disciplined growth. Operational excellence. Exploring opportunities along the value chain. And an unwavering commitment to sustainability," Navin Agarwal, vice-chairman of Vedanta, wrote in a post on X.

"A foundation based on these has resulted in a great quarter and has set us on a path to a transformative FY25," he added.

While the company is paring its debt, its London-based unlisted parent Vedanta Resources too has managed to reduce debt by about \$650 million during the quarter, Goel said. Vedanta Resources has now pared about \$4.4 billion of net debt over the last nine quarters, he said.

Vedanta is still exploring legal options for resuming operations at its shuttered Thoothukudi-based Sterlite Copper plant. In February, the Supreme Court upheld the closure of the plant, dismissing an appeal to reopen it. The plant was shut in 2018 following violent protests over allegations of pollution.

Meanwhile, the company is in no hurry to sell its ESL Ltd steel unit, which has been on the block for more than a year now.

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To stay 'relevant' in India, Jeep eyes sub-₹25 lakh segment

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Jeep's sales in India have been impacted by the discontinuation of its petrol engine, but export volumes are rising. REUTERS

Jeep is aiming to bolster its position in the competitive Indian SUV market with offerings in the sub-₹25 lakh segment, which has the highest sales volumes in the country.

The brand, part of the multinational automotive giant Stellantis, has struggled in its eight-plus years in India—its models like the Compass and Meridian have made little headway, largely due to their relatively high prices, and the lack of a 'mass-market' product. Now, it may be set to change that.

"If we want to stay relevant in India, we have to play in the sub-₹25 lakh market for SUVs", Shailesh Hazela, managing director and chief executive, Stellantis India, said in an interview.

"It (the plan) is on the drawing board. We are taking the time to understand what works, how we integrate, and how we can achieve our objective," Hazela said.

"It is at the top of the leadership's mind," he said.

Jeep could be planning a more affordable variant of its Compass SUV and an upgrade of its 7-seater SUV Meridian, in order to attract a broader customer base.

While Jeep's sales in India have been impacted by the discontinuation of its petrol engine, export volumes are rising, with the Meridian being sold in markets like Japan and Australia. Notably, 40% of Jeep's volumes come from exports.

Stellantis is also betting on its French brand, Citroen, to strengthen its presence in India. Citroen's upcoming launch of the Basalt, an SUV coupe, will compete against

upcoming mid-sized and premium SUVs from Tata and MG

Motor India.

Shishir Mishra, brand director at Citroen India, said the brand plans to more than double its dealerships from 85 to 200 by the end of 2024.

"The expansion will target tier-2 and tier-3 towns and deepen our presence in existing tier-1 markets," Mishra said.

"We have the confidence of our existing dealers to expand with us. We are opening Stellantis brand houses that will include both Jeep and Citroen for operational efficiencies. We're also introducing smaller format showrooms to reduce initial investment and help dealers reach breakeven faster," he said.

Citroen, which launched in India in 2021, currently has a portfolio of five products. Stellantis has invested ₹11,000 crore in India, establishing extensive export operations to Europe for engines and transmissions, in addition to vehicle manufacturing.

Hazela also highlighted the importance of local engineering for Citroen in India.

"The first learning we did for Citroen in India is to engineer our products locally. We didn't have a legacy in India and we

wanted to become mass market. Our learning is that you can become irrelevant very soon if you increase the price. We didn't want to have the perception that a feature-rich brand is out of reach. We needed to make our cars affordable by integrating local solutions and local costs with local engineering. This long-term approach is what we follow in all our endeavours. We don't just

copy-paste policies from Europe. Stellantis' culture encourages us to do what matters and do what is right," Hazela said, responding to a question on why some of the brand's products have some notable feature exclusions, such as a sunroof, or a start-stop key, or electronic seat adjustment controls.

"We are taking the right actions and constantly evolving based on customer feedback. We are a young brand focused on action. It's too early to draw conclusions about our performance. We are in investment mode and committed to further investments in the country," Mishra said, explaining that Citroen will continue to invest in India and isn't seeking immediate profitability in the country.

Jeep could be planning a more affordable variant of its Compass SUV and an upgrade of its 7-seater Meridian

RCap seeks quick execution of resolution

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Reliance Capital's administrator has filed a fresh interlocutory application with the National Company Law Tribunal (NCLT), asking it to direct IndusInd International Holdings Ltd (IIHL) to implement its resolution plan for the company by 10 August.

"It is imperative that the NCLT takes notice and directs IIHL to comply with the 23 July order, which the company has failed to comply with and has been employing delaying tactics in terms of implementation of the plan," the administrator said in the petition filed on Monday.

Mint has reviewed a copy of the petition.

The administrator said Reliance Capital's debt stood at ₹26,000 crore when it was admitted into insolvency on 6 December 2021, and



Reliance Capital has filed a fresh interlocutory application with the NCLT. MINT

implementation of the resolution plan for the company is important not only for its lenders but also for the banking sector at large.

The NCLT is likely to take up the matter on Wednesday, a lawyer aware of the matter said on condition of anonymity. The tribunal approved IIHL's

₹9,861 crore resolution plan for Reliance Capital in February for implementation by 27 May. However, IIHL sought an extension, citing various reasons, and was given time till 10 August.

However, IIHL failed to provide the commitment letters enclosing the term sheets issued by Barclays Banks and 360 One for an aggregate loan amount of ₹7,300 crore, saying they were highly confidential.

IIHL undertook to provide the letters to the committee of creditors (CoC) in a sealed envelope upon the tribunal's instructions.

The Reliance Capital administrator alleged that the undertaking was a deliberate and wilful act of disobedience that was contrary to the letter and spirit

of the NCLT's 23 July order.

The NCLT had directed IIHL to deposit ₹2,500 crore in a designated escrow account of the CoC by 31 July, while extending the implementation of the resolution plan by IIHL to 10 August.

"Instead of protecting the creditors and providing comfort and security by depositing the said amounts in CoC-designated accounts, IIHL deposited those monies into its own accounts, not only not designated by CoC but also not within its control and deemed that this is satisfactory compliance with the order. IIHL appears to be trying to hoodwink the CoC and this NCLT.

IIHL cannot be the judge of its compliance under the July order," the administrator said in the petition.

The NCLT had directed IIHL to deposit ₹2,500 cr in a designated escrow account of the CoC by 31 July

'Nxtra, Indus Towers merger unlikely'

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Bharti Airtel is unlikely to merge its data centre business—Nxtra—with tower provider Indus Towers, as the firm would prefer flexibility by keeping assets unbundled, top executives of the telecom operator said in a post-earnings call on Tuesday.

Bharti Airtel is the largest shareholder in the Gurugram-based Indus Towers.

Managing director (MD) and chief executive Gopal Vittal said that Airtel had stated that it would dilute its holdings in Nxtra at some stage, but it's not going in the direction of merging the assets at the moment.

"It has many considerations, the go-to-market capability that it brings, the quality of the management and the teams that actually understand the space, much of it needs to be



Bharti Airtel MD and chief executive Gopal Vittal. MINT

addressed. So, it's highly speculative for me to comment on," Vittal said in response to a question on whether Nxtra would be merged with Indus Towers.

He added that with Vodafone Idea raising equity and debt to fund network expansion, the receivables for Indus have improved and industry stability had also improved,

which was different from a few quarters ago when Airtel raised its shareholding in Indus.

"As of now, Nxtra is an independent company within the portfolio, as a subsidiary. We've always mentioned that data centres will be something that we will dilute and this is an asset that we could look at once we believe the timing is right.

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

What is the destination of that dilution is a question that we will come to at that stage. So right now, it's too premature to even go down that path," Vittal added.

Noting that Indus Towers had two or three large clients, referring to telcos, while data centre firms had a mix of clients including hyperscalers and enterprises, that have varied cycles of sales and delivery, joint MD Harjeet Kohli said that the necessity of the combination had to be ascertained. "It's always good to keep assets a little more flexibly unbundled. It always helps both delivery as also any times when cycles to the markets are not running in favor," he added. Airtel will broadly spend ₹5,000 crore on data centres over the next few years, Vittal said, which is similar to the capex it had outlined in 2021 for three years.

GIFT GUJARAT INTERNATIONAL FINANCE TEC-CITY COMPANY LIMITED (GIFTCL)

E-Tender Notice for Invitation to Bid for Selection of Contractor for Works on Item Rate Basis

Gujarat International Finance Tec-City Company Limited invite bids from reputed, qualified, experienced and financially sound Contractor for the following Works:

Name of Works	Estimated Cost	Duration	Online availability of Bid Document	Last Date of Online Bid Submission	Last Date of Physical Bid Submission
Streetscape development work at Block-41 in DTA area of GIFT City	Rs.2.31 Cr (Including GST)	12 (Twelve) calendar months	7th August 2024 to 4th September 2024 up to 17:00 hrs	5th September 2024 up to 15:00 hrs	6th September 2024 up to 15:00 hrs

(RFP Reference No.: GIFT/ENG/CW/WC/2024/03)

Bid document may be downloaded online from website at <https://tender.nprocure.com>

Tender fee of Bid document is Rs.10,000/- payable in the form of Demand Draft / Banker's Cheque / Pay Order in favor of "Gujarat International Finance Tec-City Company Limited" payable at Ahmedabad. For further details and updates please log on to our Website www.giftgujarat.in

Contact Person: Sr. VP (Civil) Sd/- Managing Director & Group CEO
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Gujarat International Finance Tec-City Company Limited (GIFTCL)
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Why are filmmakers miffed with the CBFC?

India's censor board is facing criticism for delays in clearing movies

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The Central Board of Film Certification (CBFC) is once again getting flak from filmmakers for taking unusually long to clear films.

While Tamil actor Vishal raised bribery allegations against the body in 2023, the team of John Abraham-starrer *Vedaa* has complained of an inordinate delay in setting up a revising committee as directed by the examining committee.

The film's theatrical release is scheduled for 15 August.

Though trade experts and filmmakers agree that the board has made the application and certification process easy, they claim the body is understaffed to handle the huge volume of content. For example, each version of a multilingual film needs to be certified separately, requiring more hands and time.

Filmmakers say delays in certification leave them with less time, often very close to the release date, to market and promote their films. "The time has come for the body to recognize that with changing narratives, it needs a certain volume of people to watch and approve the volume of content that is made, especially at a time when we need to resurrect the theatrical segment with a regular supply of films," said Monisha Advani, producer at Emmy Entertainment, co-producers of *Vedaa*.

Advani said the revising committee was extremely punctilious and did not wish to make changes to the film. However, because of the prolonged process, the movie's team had to address the concerns of partners, including distributors and exhibitors, as to why promotional material had not been released weeks before the theatrical release date. CBFC chairman Praseon Joshi did not



The team of John Abraham-starrer *Vedaa* has complained of an inordinate delay in setting up a revising committee.

respond to *Mint's* queries, and emails sent to the official CBFC email ID also remained unanswered.

A film producer said there was an urgent need for the censor board to keep up with the number of films getting made, especially since it is a process that

of anonymity. To be sure, filmmakers like the one mentioned above also add that given the frequent outrage over films nowadays, the censor board is often at a loss when it comes to passing content.

Nobody wants to take a call to avoid getting blamed later, leading to delays when scenes or dialogues are found to be sensitive.

That said, producers often come with incomplete paperwork. A film must be brought to the censor board at least 60 days before the theatrical release.

"The CBFC is dealing with a certain amount of red tapism because every step takes long. But hiring people for the job is not a joke, and budgets are limited. It's a terribly compliance-heavy process," said Yusuf Shaikh, business head of feature films at production and distribution firm Percept Pictures.

TARDY PACE
TAMIL actor Vishal had raised bribery allegations against the censor board in 2023

FILMMAKERS say certification delays leave them with less time to market and promote their films

FREQUENT outrage over films leaves the censor board hesitant to pass content

filmmakers pay for. "One understands, though, that nowadays films are made and released in multiple languages, so each language has to be watched and certified separately. A lot of producers are also sending OTT content their way to avoid controversies later and to secure a satellite TV release for the film over time," the producer said on the condition

Glenmorangie cheers for India-UK FTA

Varuni Khosla
varuni.k@livemint.com
NEW DELHI

Single malt whisky producer The Glenmorangie Company supports the upcoming free trade agreement (FTA) between India and the UK, which will give British companies greater access to Indian consumers, Caspar McRae, its president and chief executive, told *Mint* during a recent visit to India.

"Our position is that we're supportive of working with the Indian government on a free trade agreement that allows better, more consistent access to the market. Of course, it is down to every state to set the rules, though," he said.

Whisky was a hotly debated subject when India and the UK began negotiating on an FTA in January 2022, as many Indian associations were against such an agreement. India, however, is expected to allow the import of Scotch whisky in both barrels and bottles.

Glenmorangie is therefore increasing its focus on India, which it expects to become its



Globally, the single malt industry has been struggling to keep pace with the growing demand for its product. @THEGLENMORANGIE/X

second-biggest market in the next five years as the high-end segment has been growing at 20% a year, McRae said.

Glenmorangie is owned by luxury conglomerate Moët Hennessy Louis Vuitton, founded by French businessman Bernard Arnault.

McRae said, "Very broadly, when we look at how the world drinks single-malt Scotch whisky, it's almost exactly a three-way split between the Americas, Europe and Africa, and Asia, but there's no doubt that in the past few years one of

the most exciting markets for us has been India. The Indian love affair with single malt whisky and whisky in general is long-established. Almost 80% of all spirits consumed in India are whisky."

India's single malt market was worth an estimated €390 million or about ₹3,600 crore, he said.

"India's got a fantastic, dynamic economy which is performing very well. You also have 900 million people in the middle class, making it the second-biggest in the

world. And GDP is growing at more than 8%, which is increasingly rare in the world at the moment," he added.

Demand shot up dramatically during the pandemic, and Indian malts such as Amrut, Paul John, Indri and Gianchand became household names among the affluent.

According to the Confederation of Indian Alcoholic Beverage Companies (CIABC), which represents the interests of these companies, about 675,000 cases of single malt whisky were sold in India in 2023, and more than half of these were produced in the country. That represented 16% growth over 2022, during which 577,000 cases were sold.

"We've seen the adoption of Indian whiskies and Japanese whiskies here. It's a fiercely competitive market. There is a lot of tension between rivals to make sure the pricing is effective. There are also some difficulties and challenges in navigating the Indian legislative environment. It's a market with great complexity," McRae said.

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

JSW MG launches EV charging platform

Naman Suri
naman.suri@livemint.com
NEW DELHI

JSW MG Motors on Tuesday introduced a platform to locate electric vehicle charging stations across the country, a move it hopes will reduce range anxiety among its electric car users. The company said it will partner charging service providers like Adani Total Energies, BPCL and Chargezone for the new platform.

"...With initiatives such as our unified charging platform, battery second-life project, EV education and the

MG-Jio ICP, we are empowering the industry as well as our customers with smarter, more sustainable choices," Gaurav Gupta, chief growth officer,

like a connectivity platform with Jio and an EV education platform.

India's upcoming FAME-III scheme is expected to support

A key reason for the slow EV transition in India is range anxiety and the limited number of public chargers

A key reason for the slow transition towards EVs in India is range anxiety and the limited number of public chargers.

JSW MG Motors also announced other initiatives

charging networks. FAME is short for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India.

Also, officials at the heavy industries ministry are discussing a national charging policy.

The ministry also continues to hold talks with key

stakeholders, including the Prime Minister's Office, to chalk out an action plan for a charging infrastructure, seeking feedback on whether they need to be installed along highways or in cities, the standards they need to follow, and the type of output required.

JSW MG Motors launched the platform, in addition to a series of EV innovations at DriEV Bharat event. Other innovations include project REVIVE, focused on repurposing EV batteries, EPPEDIA, an EV educational platform and MG-Jio ICP, a technology stack.

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Top cos eye legal options over SC ruling

The apex court has upheld the rights of states to collect tax on mining activities and held that royalty paid to states on minerals does not qualify as tax

Naman Suri & Nehal Chaliwala

NEW DELHI/MUMBAI

Top Indian metal and mining companies, such as Tata Steel and Hindustan Zinc Ltd (HZL), are waiting to see how things unfold following the recent Supreme Court judgment that allowed states to tax minerals mined in their jurisdiction on top of central levies.

However, they are not averse to taking legal recourse if things get uncomfortable, their top executives told *Mint*.

Tata Steel will explore legal options regarding any dues that may arise if the Supreme Court rules that its judgment will be applicable retrospectively, while HZL will also move the courts if any "immoderate" demands are raised.

On 25 July, a nine-judge constitution bench of the Supreme Court

upheld the rights of states to collect tax on mining activities and held that royalty paid to states on minerals does not qualify as tax. The apex court reserved its verdict on the retrospective applicability of the rule.

"If the government [levies] anything which is not in the Constitution, then we can go to court; but if it is (levying) something in line with the Supreme Court [judgment], it will be for everyone," said Sandeep Modi, CFO of HZL, adding that there is no material impact on the company from retrospective taxation.

To be sure, solicitor general Tushar Mehta said in the Supreme Court last Tuesday that such a verdict if applied retrospectively could impose a financial burden of ₹70,000-80,000 crore on public sector units (PSUs).

Tata Steel has even noted contingent liabilities of ₹17,347 crore in its financial statements pending clarity on the matter, the company said in a regulatory disclosure on Friday.

"There's no demand [raised



Tata Steel plans to move court if mining tax is made applicable retrospectively.

REUTERS

against us). So, it's not necessary that we have to pay that amount. But we have to fight that now. So, there'll be a lot of litigation," T. V. Narendran, Tata Steel's managing director, told *Mint* during a post-earnings call.

The company had in FY06

received demands amounting to ₹129 crore in terms of state levies on its mines in Odisha, and had challenged the constitutional validity of the levies in the high court of Odisha. The high court had held that the state does not have the authority to levy taxes on minerals. This judg-

ment was challenged by the state of Odisha in the apex court.

Industry experts believe that if the ruling is made retrospective, it would be difficult for companies to pass on the liability to end users. In some cases, the state taxes payable would be higher than the net worth of concerned companies, which could lead to bankruptcy.

At the same time, executives of Tata Steel and HZL said that even when levied prospectively, these costs would have a cascading effect on the industry and trickle down to consumers.

"Most of these corporate entities are now sincerely hoping that the SC should levy this only prospectively," said S. R. Patnaik, partner (head-taxation) at law firm Cyril Amarchand Mangaldas.

"If the SC decides this levy to be

made retrospectively, it cannot be presumed to be unconstitutional because the SC is merely interpreting the constitution and according to its decision, the present constitution requires that the beneficiaries should be liable to pay royalty retrospectively," he added.

While companies are seeking legal counsel, experts are not very hopeful. "As far as it concerns demands already made by the states, there is hardly any legal recourse for companies. In fact, some companies have already provisioned for it," said Aakash Bajaj, partner at law firm Khaitan & Co. Bajaj represented

Lafarge India in the company's dispute with the state of Rajasthan over dues similar to the Tata Steel-Odisha case, and several other cases over the years on which the Supreme Court announced its judgment last month.

"However, if states take an adventurous interpretation of the judgment and now raise demands, that can be challenged in the courts," he added.

Experts also fear that there could be an incidence of goods and services tax (GST) on the royalties being charged by states after the Supreme Court ruled that royalties are not a tax.

"There are also questions relating to the demand for payment of GST on royalty, which had been stayed (we act on such matters in Karnataka) on the ground that royalty was a tax. If the judgment is made retrospective, demands for arrears of GST may arise," said Aditya Narayan, managing partner at Saakshya Law.

There could be prolonged litigation and economic uncertainty, and the episode might even deter investments and strain companies financially, experts said.

naman.suri@livemint.com
Neha.Joshi.in.Mumbai contributed to this story.

EXPERTS TAKE

EXPERTS say if ruling is retrospective, it would be difficult for firms to pass on liability to end users.

SOME fear that there could be an incidence of GST on the royalties being charged by states.

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E-TENDER NOTICE

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

Sr. No.	Job Number	Name of Work	Amount (Rs)	Publishing
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Earnest Money Deposit: Rs. 2,07,300.00/- (Two Lakhs, Seven Thousand and Three Hundred Rupees only). **Last date & Time for submission of tender:** 23.08.2024 at 15:00 Hours. **Website address:** The relevant details about this E-Tender & for online participation in E-tendering are available on Railway website www.ireps.gov.in

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NOTICE OF THE 29th ANNUAL GENERAL MEETING AND REMOTE E-VOTING INFORMATION

In compliance with applicable provisions of the Companies Act, 2013 ('Act') and rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with General Circular No. 20/2020 dated May 05, 2020, read with subsequent circulars issued from time to time, the latest one being General Circular No. 09/2023 dated September 25, 2023 ('MCA Circulars') & SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and subsequent circulars issued from time to time, the latest one being SEBI/HO/CFD/CFD-POD-2/P/CIR/2023/167 dated October 7, 2023 ('SEBI Circulars') (MCA Circulars and SEBI Circulars collectively referred as 'Circulars'), NOTICE is hereby given that the **Twenty-Ninth (29th) Annual General Meeting ('AGM')** of the Members of **Jubilant FoodWorks Limited ('Company')** will be held on **Thursday, August 29, 2024 at 11:00 a.m. (IST)** through Video Conferencing/Other Audio Visual Means ('VC/OAVM'), without the physical presence of the Members at the AGM, to transact the business(es) as set out in the Notice convening the 29th AGM ('AGM Notice'). Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

In compliance with the Circulars, AGM Notice along with the Integrated Annual Report for FY 2023-24 ('Integrated Annual Report') has been sent only through electronic mode to those Members whose email IDs are registered with the Company/Registrar and Transfer Agent ('RTA')/Depository Participant ('DP'). The emailing of AGM Notice to all members has been completed on August 06, 2024.

The aforesaid documents are also available on the Company's website at <https://www.jubilantfoodworks.com/investors/reports-presentations>, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, National Stock Exchange of India Limited at www.nseindia.com and on the website of National Securities Depository Limited ('NSDL') at www.evoting.nsdl.com.

Members whose email IDs are already registered with the Company/RTA/DP, may follow the instructions for remote e-Voting as well as e-Voting at AGM as provided in the AGM Notice.

Members who have not registered their email IDs, are requested to register the same for receiving all communications including Integrated Annual Report, Notices etc. from the Company electronically as per process mentioned below:

- Members holding equity shares of the Company in demat form are requested to approach their respective DP and follow the process advised by DP.
- Members holding equity shares of the Company in physical form may register/update the details in prescribed Form ISR-1 and other relevant forms with Company's RTA, Link Intime India Pvt. Ltd. at delhi@linkintime.co.in. Members may download the prescribed Forms from the Company's website at <https://www.jubilantfoodworks.com/investors-shareholder-information-investor-forms>.

In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, read with MCA Circulars, the Members will be provided with the facility to cast their vote electronically, through the remote e-Voting facility (prior AGM) and e-Voting facility (at the AGM), on all the resolutions set forth in AGM Notice. The facility of casting votes will be provided by NSDL. Facility for e-Voting at the AGM will be made available to those Members who are present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-Voting. The Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM. All the Members are informed that:

- The voting rights of Member(s) shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. Thursday, August 22, 2024. Any person who is a member of the Company as on cut-off date is eligible to cast vote electronically through remote e-Voting or e-Voting at the AGM on all the resolutions set forth in the AGM Notice.
- Any person who acquires shares of the Company and becomes member of the Company after the Company sends the AGM Notice and holding shares as on cut-off date i.e. Thursday, August 22, 2024, may obtain the User ID and password by sending an email to evoting@nsdl.co.in or investor@jubifood.com by mentioning their Folio No./DP ID and Client ID for casting their vote. However, if a person is already registered with NSDL for remote e-Voting then existing User ID and password can be used for casting the votes.
- Remote e-Voting facility will be available during the following period:

Commencement of remote e-voting	Monday, August 26, 2024, (09:00 a.m. IST)
End of remote e-voting	Wednesday, August 28, 2024 (05:00 p.m. IST)

The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

- During this period, Members holding shares either in physical form or in dematerialized form may cast their vote by remote e-Voting before the AGM.
- The Members will be provided with the facility for e-Voting at the AGM and those Members participating at the AGM, who have not already cast their vote by remote e-Voting before the AGM, will be eligible to vote at the AGM.
- The Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- Detailed process and manner of remote e-Voting, e-Voting at the AGM and instructions for attending the AGM through VC/OAVM is provided in the AGM Notice and also available on the Company's website at <https://www.jubilantfoodworks.com/company-reports/aggm-notices> and on the website of NSDL at www.evoting.nsdl.com.
- Members may send a request to evoting@nsdl.co.in for procuring User id and password for e-Voting by providing documents as mentioned in the AGM Notice.
- In case of any queries related to e-Voting, please refer the Frequently Asked Questions and e-Voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 022-48867000 and 022-24997000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in who will also address the grievances connected with the voting by electronic means.
- The Board of Directors of the Company has appointed Mr. Rupesh Agarwal, Managing Partner, (Membership No. ACS 16302), failing him, Mr. Lakhjan Gupta, Partner, (Membership No. FCS 12682) of M/s. Chandrasekaran Associates, Practicing Company Secretaries, as scrutineer to scrutinize the process for remote e-Voting and e-Voting at the AGM in a fair and transparent manner.
- The Results shall be declared within stipulated time under applicable laws and the same, along with the consolidated Scrutinizer's Report, shall be placed on the website of the Company (www.jubilantfoodworks.com), NSDL (www.evoting.nsdl.com), and shall be communicated to BSE Limited and National Stock Exchange of India Limited.

For Jubilant FoodWorks Limited
Sd/-
Date: 06.08.2024
Place: Noida
(Mona Aggarwal)
Company Secretary

INDORE MUNICIPAL CORPORATION, INDORE
Palika Plaza Phase -II, 1st Floor, Indore. E-mail: rddc_imc@yahoo.co.in

PROJECT CELL

NIT No.: 05/Project Cell/2024-25 **NOTICE INVITING TENDERS (NIT)** Date: 05.08.2024

Indore Municipal Corporation invites online proposals for "Consultancy Services for Project Management (PMC) for the Development of Master Plan Roads under Special Assistance Scheme and other Major Roads in Indore." RFP documents can be downloaded and purchased from Gov. MP Online Tendering Portal <https://mptenders.gov.in>

S. No.	Online Tender No.	Name of Work	Completion Period Estimated Cost of Work	Cost of Tender Form (₹)	Earnest money deposit (₹)	Last date for Submission of Tender
1	2024_UAD_361965_1	Consultancy Services for Project Management (P M C) for the Development of Master Plan Roads under Special Assistance Scheme and other Major Roads in Indore (Package-1)	3 Years/ ₹ 100.00 CR	₹ 15,000/-	₹ 2,00,000/-	05.09.2024
2	2024_UAD_361968_1	Consultancy Services for Project Management (P M C) for the Development of Master Plan Roads under Special Assistance Scheme and other Major Roads in Indore (Package-2)	3 Years/ ₹ 100.00 CR	₹ 15,000/-	₹ 2,00,000/-	05.09.2024
3	2024_UAD_361970_1	Consultancy Services for Project Management (P M C) for the Development of Master Plan Roads under Special Assistance Scheme and other Major Roads in Indore (Package-3)	3 Years/ ₹ 100.00 CR	₹ 15,000/-	₹ 2,00,000/-	05.09.2024
4	2024_UAD_361974_1	Consultancy Services for Project Management (P M C) for the Development of Master Plan Roads under Special Assistance Scheme and other Major Roads in Indore (Package-4)	3 Years/ ₹ 100.00 CR	₹ 15,000/-	₹ 2,00,000/-	05.09.2024

Note: (1) One consultant shall be awarded One Package only.
(2) The Tenders shall be opened in chronological order of Package 1, 2, 3 & 4. Only one Package shall be awarded to a single bidder. If a bidder found Rank-1 in one bid, then its financial bid for next packages shall not be opened.
(3) Amendment to NIT, if any would be published on website only.
(4) GST will be paid extra as applicable as per govt. circulars to the contractor. All other taxes will be paid by the consultant only.

Superintending Engineer (Project Cell)
Indore Municipal Corporation, Indore

Chart a course to clarity!

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A volatility storm is buffeting markets. When will it clear?

Jon Sindreu
feedback@livemint.com

This week's stock-market roller coaster appears to be driven by a reversal in speculative trades, rather than the popping of a bubble or an omen of economic disaster. But that doesn't mean we are in the clear.

Japan's Nikkei 225 index rose 10.2% Tuesday, undoing more than half the damage caused on Monday, when it recorded its worst one-day drop since the 1987 flash crash. Stocks also rose in European morning trading, albeit much less dramatically.

The lightning-fast rebound mirrors the pattern observed Monday in the Cboe Volatility Index, or Vix—a measure of the expected volatility of the S&P 500, known as Wall Street's "fear gauge." In the early morning, the Vix hit 65.73, the third highest mark since records started in 1992, following the 2008 global financial crisis and the 2020 Covid-19 crash. By the market close, however, the Vix had fallen to 38.57, closer to a regular bad day.

The difference between the index's intraday high and close was the largest ever. The Vix's peak was also a record when compared with the maximum level of actual volatility recorded by the S&P 500 during the day. The rout has been far more virulent

contracts that form the basis for the Vix than among the actual S&P 500 stocks that they track. Such a decoupling suggests that options are leading the rest of the market: The tail is wagging the dog.

In periods of calm, investors get rewarded for betting against volatility through products like the Vix. The "volpocalypse" rout in February 2018, when the short-volatility retail trackers came unstuck, was followed by a short-lived rebound and then a second correction in mid-March. Figures from the Commodity Futures Trading Commission suggest that there may yet be bets against the Vix waiting to unwind. Net hedge fund positioning against the yen is even more stretched, amounting to about \$6 billion by the end of last week, though this is still a big fall from \$14 billion in July. To cover against losses from the unraveling Japanese carry trade, investors tend to buy the yen, which is up 11% against the U.S. dollar since the end of June.

For most investors, weathering the initial flash crash will be relatively easy, especially with Asian and European markets already appearing to return to normal on Tuesday. Keeping a cool head if a second wave hits might be harder.

Eventually, bad news scares investors and volatility skyrockets. When traders rush to cover losses, they sell the most overbought assets, which in turn generates volatility. Automatic sell orders, as well as momentum and "risk parity" strategies, further fuel the feedback loop. Options aren't behind all volatility suppression. In the case of the Japanese yen, the assumption that the Bank of Japan would keep borrowing costs permanently low fueled a mammoth "carry trade." For years, investors borrowed at rock-bottom Japanese rates to buy higher-yielding assets, including



S&P 500 has fallen 8.5% from its record high in just 14 days. AFP

U.S. tech stocks. When officials in Tokyo decided last week to tighten monetary policy for the first time in 17 years, a global whiplash ensued.

A crash driven by complex market undercurrents is the most benign kind of crash because it doesn't reflect a deeper economic problem. "Black Monday" in 1987 ended up being a blip, and even the 1998 Russian crisis that took down Long-Term Capital Management didn't keep equities down for long.

The S&P 500 has fallen 8.5% from its record high in just 14 days. An analysis by Bespoke Investment Group shows that such rapid selloffs are rare, but tend to be followed by strongly positive returns in the subsequent weeks and months. The Covid selloff in 2020 was an exception, though in time the market did stage a powerful rebound.

Still, the road ahead could be bumpy. Volatility traders often stress that it takes time to clear bad trades from the system, and the historical record bears this out. On average, a volatility spike leads to four or five weeks of patchy equity trading, and a higher trading range for the Vix. The "volpocalypse" rout in February 2018, when the short-volatility retail trackers came unstuck, was followed by a short-lived rebound and then a second correction in mid-March.

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Market selloff upends Federal Reserve's rate-cut calculus

A further slowdown in the labor market could lead to a larger half-point rate cut next month

Nick Timiraos
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Monday's market rout increases both the risks of recession and a more harrowing financial-market accident. But for Federal Reserve officials who laid the groundwork last week to cut rates by a quarter-percentage point at their meeting next month, the outlook would likely need to deteriorate further in the coming weeks to compel a bigger response.

Fed officials don't meet again until Sept. 17-18. There, they could debate whether to kick off their widely anticipated sequence of rate cuts with a larger reduction of a half-percentage point, or 50 basis points, if last month's weak-across-the-board employment report is indicative of a new, worrisome trend.

But slashing policy rates before then, in between scheduled policy meetings, would be very unusual. Those moves are generally reserved for notable deteriorations in market functioning that go well beyond an equity-market swoon.

"They have a really high bar for that," said Steven Blitz, chief U.S. economist at GlobalData TS Lombard. "I think what they would rather do is go out and say, 'If things continue the way they are, 50 basis points in September is on the table.'"

At a news conference last week, Fed Chair Jerome Powell suggested officials were on track to lower rates by a quarter-percentage point next month. That was before the Labor Department reported on Friday that U.S. hiring cooled and the unemployment rate rose by more than expected in July, which fueled bets on a super-size half-point cut.

Then on Monday, a stampede to exit popular investment strategies that borrowed cheap Japanese yen to buy stocks accelerated a market downdraft in Asia. That led some panicked investors to speculate about the Fed cutting in between scheduled policy meetings. The unwinding of those so-called carry trades began last month but gathered speed after the Bank of Japan raised interest rates last week.



US Federal Reserve chair Jerome Powell.

REUTERS

Still, the Fed will not "want to respond too quickly to something happening over a few days' time, when it could reflect positioning or other developments in markets that could later be unwound," said Matthew Luzzetti, chief U.S. economist at Deutsche Bank.

There are reasons to think the increase in the unemployment rate, which climbed to 4.3% in July from 4.1% in June, had been driven by less concerning factors, said San Francisco Fed President Mary Daly on Monday. For example, it

reflected an increase in temporary as opposed to permanent layoffs.

The Fed "is prepared to do what the economy needs when we are clear what that is, and there's many more pieces of information that come out between now and when we next meet," she said during a question-and-answer session in Hawaii.

The S&P 500 fell 3%, or 160.23 points, the largest one-day decline since September 2022. But bond investors, who at one point bet big on rate cuts, changed their minds later in

the day. The policy-sensitive 2-year Treasury yield fell by 0.22 point early Monday and then reversed course, ending the day at 3.880%, virtually flat. (Yields fall when bond prices rise.)

A report on service-sector business conditions on Monday also calmed nerves about a rapid economic slowdown when the Institute for Supply Management reported its index rose 2.6 points to 51.4 in July. A reading above 50 indicates expansion.

The market moves suggested there wasn't a big flight to safety occurring, as often happens when investors grow more worried about deteriorating economic fundamentals, analysts said. Conditions instead suggest more technical drivers of a selloff that deepened late last week, including the unwind of crowded trades in Japanese stocks and large technology companies.

Lofty stock prices and steady income and job growth have been critical engines of an economic expansion whose resilience has baffled economists. A sustained down-

turn in the stock market could shift the outlook for the U.S. economy if it leads companies to slash investment plans or lay off workers. But it could take days or weeks to judge how any selloff reshapes the outlook.

Even though the Fed doesn't meet for six more weeks, Powell has an opportunity to weigh in on the evolving outlook later this month. Powell has often used a widely watched speech at the beginning of a Fed conference in late August as a venue to frame the central bank's broad outlook. That conference, in the iconic Grand Teton Mountains of Wyoming, is set to begin on Aug. 23, and economic and market developments over the next three weeks could shape any remarks.

Last week, "the whole Fed committee was working on the assumption that the economy is going to look in September the way it did last week, and you could do the usual slow shuffle" to cut rates, said Blitz. "The markets are speaking to the Fed. They're telling the Fed, 'You're too tight, and no, you can't presume that everything is going to roll along merrily while you take your time to cut.'"

The Fed raised its benchmark federal-funds rate most recently in July 2023 to a range between 5.25% and 5.5% to combat rising prices. Inflation has slowed notably over the past year.

The latest market reaction is notable because just a few months ago, some investors feared that the Fed might not have raised rates to a sufficiently high level to subdue inflation. Officials have been reluctant to lower rates before they see more evidence that price pressures won't reignite.

Expectations of slower economic growth, cooler inflation and Fed rate cuts could begin to help rate-sensitive parts of the economy over the coming months. The average 30-year fixed-rate mortgage dropped to 6.34% on Monday, according to Mortgage News Daily, down from 6.81% one week ago and the lowest since April 2023, when worries about potential regional-bank insolvencies led to a bond-market rally.

Borrowing costs often ease in anticipation of future rate cuts. As a result, rate reductions in between scheduled policy meetings are reserved for times when financial markets face more acute strains from a rapidly deteriorating outlook or when the Fed wants the element of surprise to deliver its own signal. Since Powell became Fed chair in February 2018, the central bank has cut rates in between policy meetings twice, with both occurring in March 2020 as the Covid-19 pandemic spread.

Outside of that episode, rate cuts in between meetings have occurred during the following periods:

In October 1998, the Fed cut rates just weeks after an initial reduction to prevent a market meltdown after the implosion of Long-Term Capital Management, a large hedge fund. In January 2001, a monthlong downturn in technology stocks was followed by worsening economic data, leading to a surprise half-point cut. The Fed had cut rates by 1 percentage point through the fall of 2007, but economic deterioration and a massive trading loss at a French investment bank prompted the Fed to slash rates by 0.75-point in January 2008, one week before a scheduled policy meeting.

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BOJ under fire for rate-hike timing after market meltdown

Bloomberg
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The Bank of Japan's monetary policy tightening last week has triggered a wave of criticism after it appears to have helped set off a historic plunge in Japanese stocks and contributed to global market turmoil—likely putting any plans for further interest-rate hikes on ice.

"The BOJ needs to be humble about economic data and the markets," said Nobuyasu Atago, chief economist at Rakuten Securities Economic Research Institute and a former BOJ official. "The fact that the BOJ raised interest rates in the face of poor economic statistics shows that it did not pay attention to data." Governor Kazuo Ueda last week repeatedly stressed the

BOJ decided to increase rates based on economic and inflation data showing that developments were in line with previous expectations. He also said rates would keep rising as long as that trend held. But the worst equity selloff in decades now has analysts beginning to think the central bank pulled the trigger too early. Many are changing expectations. "It was a poorly timed inter-

est-rate hike," said Mari Iwashita, chief market economist at Daiwa Securities Co. "The BOJ will have to wait and see whether the US economy will enter a recession or a soft landing before it can make the next move. At the very least, a September, October rate hike is now off the table." The BOJ's 31 July decision helped the yen rebound from near a multi-decade low,

something that had weighed on Japanese consumers' purchasing power. But now the currency's rapid surge—it's up about 8% against the dollar in the past week—is hammering earnings prospects for exporters, causing equities to tumble. And that's in a context in which the BOJ has ended its program of purchasing exchange-traded funds, a tool

that officials might otherwise have deployed to keep stocks from free-falling.

Until the market downturn the past few sessions, most economists had expected another BOJ rate hike by the end of the year, following hawkish language from Ueda. Last week, 68% in a Bloomberg survey had expected the policy rate to hit 0.5% by year-end, from the current 0.25%.

Google's antitrust loss set to reshape search and mobile industries

Miles Kruppa
feedback@livemint.com

End of paid search engine placement would affect companies including Microsoft, Apple and Samsung. Google's loss in a historic U.S. antitrust trial is reverberating across Silicon Valley, where the ruling is likely to affect not just the search giant but also its largest collaborators and competitors.

Google parent Alphabet's deals to get its search engine in front of users by paying to be the default on browsers and mobile phones have been declared illegal by a federal judge.

If Google doesn't successfully appeal Monday's ruling, the landscape will change for a search industry long dominated by one company and for partners that have shared in its plentiful advertising sales. Google's planned appeal could take years. The company's head of global affairs, Kent Walker, told employees

he expects U.S. District Judge Amit Mehta to rule next on potential remedies to Google's behavior—which he had found to be monopolistic—a process that should take at least a few months.

Walker on Monday said Mehta's decision "recognizes that Google offers the best search engine, but concludes that we shouldn't be allowed to make it easily available."

Here's what the ruling could mean for some of the biggest companies in the tech industry.

Google now faces a range of potential consequences—almost all of which would reduce the number of search queries it handles.

The most extreme possibility, pushed by some antitrust activists, would force Google to sell its Chrome browser or Android mobile software businesses, ending its ability to directly integrate search into both.

Herbert Hovenkamp, a professor at the University of Pennsylvania's Carey Law

School and Wharton business school, said Mehta's ruling suggests he is more likely to put an end to Google's practice of paying to be the default search engine on devices and browsers from companies like Apple and Samsung.

"That would effectively leave each device or browser maker to select its own default search engine, or to impose a choice screen," Hovenkamp said. A "choice screen" refers to a menu that prompts users to select between several search engines.

Google predicted in 2020 that if it wasn't the default search engine on Apple's Safari browser and iOS devices, it would lose between 60% and 80% of queries on iPhones and iPads, resulting in net revenue losses of up to \$32.7 billion, according to Mehta's decision. That figure accounts for the money Google would save by not paying Apple.

The analysis assumed Google would be replaced by another search engine. If users are given a choice screen and most select Google, it might save more money in payments



If Google is no longer the default search engine on phones and browsers, more people could turn to AI as an alternative.

MINT

to Apple, Samsung and others than it loses in search advertising, analysts said.

Microsoft Long an also-ran in online search, Microsoft's Bing would be the most likely beneficiary if fewer people search on Google.

Microsoft repeatedly tried and failed to convince Apple to make Bing its default search engine, according to court documents and testimony.

At one point, it proposed giving 100% of its search ad

revenue on iPhones and iPads to Apple, or even selling it to Bing. But Apple executives concluded the 36% share of revenue they received from Google was more beneficial, partly because that company's search advertising business was more robust.

If Mehta forbids Google from paying to be a default search engine, Microsoft might become the most attractive replacement for Apple and Samsung. Even if the outcome is users being

forced to choose search providers, it could benefit Microsoft. An increase of just a few percentage points in market share would be a big deal for Bing, which has struggled to crack 4% for many years, according to Statcounter data.

Microsoft Chief Financial Officer Amy Hood said on a conference call with analysts last year her company would get about \$2 billion in ad revenue for every percentage point Bing gains in market share.

Apple and Samsung Mehta's ruling threatens the billions of dollars the two biggest mobile phone makers collect from Google.

In 2022, Google paid Apple about \$20 billion for the default placement on its Safari browser and iOS-run mobile devices.

It also pays Samsung an undisclosed amount to be the default search engine on that company's phones. Samsung gets 80% of its on-device

search revenue from queries through a Google search feature on home screens and Chrome, the pre-installed browser, according to Mehta's ruling. Instead of turning to Bing or making users choose, either company could create their own search engine. Building the technical infrastructure to match Google would cost Apple as much as \$20 billion, according to a 2020 internal Google estimate cited in Mehta's ruling.

OpenAI The uptake of generative AI sparked by the debut of OpenAI's ChatGPT in late 2022 has caused many to question whether traditional internet search engines will become a dying breed.

People can get answers from ChatGPT and other AI applications, including one from Google, that they have traditionally turned to search engines for. In addition, OpenAI in July debuted an

early version of a search engine it said would become part of ChatGPT, further threatening to disrupt a landscape long dominated by Google. If Google is no longer the default search engine on phones and browsers, more people could turn to AI as they seek alternatives. OpenAI has also secured a prime position for ChatGPT in a revamped version of Apple's voice assistant Siri, an arrangement that could siphon search traffic from Google. The iPhone maker has said it also plans to make Google's Gemini chatbot available through the service, called Apple Intelligence. Mehta sounded a note of caution in his ruling on the potential for companies like OpenAI to compete with Google. "AI has not supplanted the traditional ingredients that define general search," he wrote. News Corp, owner of The Wall Street Journal, has a content-licensing partnership with OpenAI.

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NEWS NUMBERS

2,000
THE NUMBER of executives the State Bank of India is deploying as relationship managers to strengthen its wealth management unit, as per the chairman

\$1.7 bn
THE TOTAL value of two computing infrastructure projects in the United Kingdom that its new government has dropped to prioritize other fiscal plans

10
THE NUMBER of days for which Kiran Gems, a leading diamond manufacturer, will pause operations due to declining demand for polished diamonds globally

\$275 mn
THE AMOUNT raised by Fourth Partner Energy, a renewable energy firm, from three investors including the World Bank's IFC, ADB and Germany's DEG

1.1%
THE GROWTH in inflation-adjusted real wages recorded by Japan in June 2024, rising for the first time in 27 months, according to its labour ministry

HOWINDIALIVES.COM

PB Fintech records ₹60 cr profit in Q1

PB Fintech, the parent company of PolicyBazaar, Paisabazaar and PB Partners, on 6 August, reported a third consecutive quarter of profits in quarter one of financial year 2025. The firm recorded a net profit of ₹60 crore, turning in the green, from a loss of ₹12 crore in the same period last year. To be sure, PB Fintech had reported a net profit of ₹38 crore and ₹60 crore, respectively in Q3 and Q4 of FY24. Moreover, PBFintech's revenue rose to ₹1,010 crore, up 52% from ₹666 crore in the same quarter in the last financial year. This comes as the company's premium from online business grew by 62% year on year led by a spike of about 78% in health and life insurance segment. PB Fintech's total insurance premium for the quarter amounted to ₹4,871 crore, with its renewals and trial Annual Recurring Revenue at ₹559 crore, up from ₹418 crore last year in the same quarter.

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The organization aims to remove the trust deficit and enhance transparency within the sector. MINT

Gold industry to form new body

The Indian gold industry on Tuesday announced the formation of the Indian Association for Gold Excellence and Standards, a self-regulatory organization supported by the World Gold Council. The organization aims to remove the trust deficit and enhance transparency within the sector. The framework for Indian Association for Gold Excellence and Standards will be independently governed and professionally managed. It will be released soon, after which memberships will be announced. The organization is expected to become operational by December this year or January 2025, World Gold Council regional chief executive officer, India, Sachin Jain told PTT. Indian Association for Gold Excellence and Standards will be formed by national industry associations, including the Indian Bullion and Jewellers Association (IBJA), All India Gems and Jewellery Council of India (GJC) and Gem and Jewellery Export Promotion Council (GJEPC).

PTI

Electric vehicle sales rose 55.2% to 179,000 units in July: FADA

Electric vehicle sales registered a 55.2% on-year growth at 179,038 units in July driven by a massive 96% jump in e-two-wheeler sales, automobile dealers' body Federation of Automobile Dealers' Association (FADA) said on Tuesday. The total electric vehicles sales for July 2023 were at 116,221 units, according to the monthly sales data from the Federation of Automobile Dealers' Association. The electric two-wheelers sales during the previous month stood at 107,016 units, up 95.94%, from 54,616 units sold in July last year, while the electric three-wheeler sales grew 18.18% at 63,667 units, from 58,873 units year earlier, as per the Federation of Automobile Dealers' Association. The commercial vehicle sales during the reporting month was also on an upward trajectory, growing two-fold on a year-on-year basis to 816 units, from 364 commercial vehicles sold in July 2023, it stated. Passenger vehicles, however, declined 2.92% at 7,541 units in July, as against 7,768 units in the same month of last year, according to the data. PTT



The total electric vehicles sales for July 2023 were at 116,221 units, according to the monthly sales data from FADA. REUTERS

Shree Cement's net profit down 51.3%

Bangur family promoted Shree Cement Ltd on Tuesday reported a decline of 51.31% in its consolidated net profit to ₹278.45 crore for the first quarter ended June 2024. The company had posted a net profit of ₹571.94 crore in the April-June period a year ago, according to a regulatory filing from Shree Cement Ltd (SCL). However, its revenue from operations was up 1.73% to ₹5,123.96 crore during the quarter under review, as against ₹5,036.65 crore in the corresponding period of the preceding fiscal. Total expenses of SCL increased 10.05% to ₹4,957.24 crore in the June quarter. PTT

Nobel winner Yunus ready to lead after Bangladesh PM flees

Microfinance pioneer Yunus, 84, is credited with lifting millions out of poverty

AFP
feedback@livemint.com
DHAKA

Bangladesh Nobel winner Muhammad Yunus said on Tuesday he is ready to head a caretaker government, a day after the military took control as mass protests forced longtime ruler Sheikh Hasina to flee. Microfinance pioneer Yunus, 84, is credited with lifting millions out of poverty—earning the enmity of ousted Hasina and the wide respect of millions of Bangladeshis. "If action is needed in Bangladesh, for my country and for the courage of my people, then I will take it," he told AFP in a statement, also calling for "free elections", after student leaders called for him to lead an interim government. Hasina, 76, had been in power since 2009 but was accused of rigging elections in January and then watched millions of people take to the streets

over the past month demanding she quit. Hundreds of people were killed as security forces sought to quell the unrest but the protests grew and Hasina finally fled aboard a helicopter on Monday after the military turned against her. Army chief general Waker-Uz-Zaman announced Monday the military would form an interim government, saying it was "time to stop the violence". The president dissolved Parliament on Tuesday, a key demand of the student leaders and the major opposition Bangladesh National Party (BNP), which has demanded elections within three months. "In Dr Yunus, we trust," Asif Mahmud, a key leader of the Students Against Discrimination

(SAD) group, wrote on Facebook. The military on Tuesday reshuffled several top generals, demoting some seen as close to Hasina, and sacking Ziaul Ahsan, a commander of the feared and US-sanctioned Rapid Action Battalion paramilitary force. Ex-prime minister and BNP chairperson Khaleda Zia, 78, was also released from years of house arrest, a presidential statement and her party said. Streets in the capital were largely peaceful on Tuesday—with traffic resuming, shops opening and international flights resuming at Dhaka's airport—but government offices were mainly closed a day after chaotic violence in which at least 122 people were killed.

Hundreds of people were killed as security forces sought to quell the unrest but the protests grew and Hasina finally fled on Monday

IATA flags concerns over GST notices

Global airlines' grouping IATA on Tuesday raised concerns over show cause notices issued to some foreign airlines operating to India with respect to Goods and Services Tax (GST), saying the issue can dampen and risk the country's strong aviation potential. Urging the government to resolve the matter, the International Air Transport Association (IATA) said it is disappointed that the Directorate General of GST Intelligence (DGGI) has proceeded to issue show cause notices to some foreign airlines operating to India despite a number of representations made by the industry on this matter. IATA represents more than 330 airlines, including Indian carriers, and its members account for more than 80% of the global air traffic. As many as 10 foreign airlines are under the scanner of DGGI and the carriers received notices since October 2023. PTT



Shares of Infosys briefly trimmed gains to about 0.3% after the news. MINT

Govt won't relax tax demand on Infosys

The Union government is not considering any relaxation in the tax demand it sent to Infosys last month, according to the people familiar with the matter. The tax demand is in accordance to the good and services tax rules and the country's second-largest IT services firm has sought ten days to submit its response after meeting tax officials, they said. Shares of Infosys, which were up 1.6% before the news amid a broader market rebound, briefly trimmed gains to about 0.3% after the news. They were last up 1.2%. India sent a tax demand of over ₹32,000 crore to Infosys, related to services received by the company from its overseas branches between July 2017 to 2021-22. This amounted to 85% of its revenue for the quarter ended 30 June. The company had previously said it paid all its dues and is in compliance with central and state regulations. REUTERS

Tata Power logs 31% rise in net profit

Tata Power on Tuesday said it has logged 31% rise in consolidated net profit at ₹1,189 crore, compared to the year-ago period, on back of operational efficiency. "At ₹1,189 crore, growing 31% year-on-year, the company reported its highest ever and 19th consecutive quarter of PAT growth on the back of strong operational performance and execution excellence across all its businesses of generation, transmission and distribution, and renewables," Tata Power said in a statement. According to the statement, these businesses contributed 84% of the PAT (net profit) in QIFY25, compared to 72% in the same period in FY24. The statement showed that the consolidated net profit before exceptional items was ₹906 crore in the quarter ended 30 June 2023. The company has recorded a capex investment of ₹4,000 crore in QIFY25. PTT

PROMOTING A SUSTAINABLE HANDLOOM REVIVAL: QUALITY ABOVE QUANTITY



Respond to this column at feedback@livemint.com

The textiles sector is the largest employment provider in our country after agriculture. The textiles sector provides employment to more than 45 million people. The handloom sector in particular derives its importance from the fact that it provides employment to 3.5 million weavers and workers, mainly in rural and semi-rural areas. Out of 3.5 million, 2.5 million are women, which makes the handloom sector a major source of economic empowerment of women. Also, 70% of weavers and workers belong to SC, ST and OBC categories, making handloom sector an instrument of social empowerment. We are celebrating 10th National Handloom Day on 7 August, 2024. As all are aware, the Swadeshi movement was launched at

a meeting held on 7 August 1905, at Town Hall, Kolkata. The movement, as part of our freedom struggle, had aimed to revive domestic products and production processes. To commemorate this historic occasion and to celebrate our handloom tradition, Prime Minister Narendra Modi declared 7th August as National Handloom Day in 2015. This event seeks to honour the handloom workers of India and provide impetus to the handloom sector. The Prime Minister on 28 July 2024 highlighted the importance of the handloom sector in providing economic empowerment to rural women. He also drew attention to new startup enterprises which are using modern technology to encourage handloom products and sustainable fashion. He also urged citizens to popularize local handloom products and share them on social media with the hashtag #MyProductMyPride. In the past few years, India's handloom sector has emerged as a beacon of sustainability and slow fashion. Today, I want to emphasize the importance of prioritizing quality over quantity as we celebrate the resurgence of handloom and urge the people of India to maintain sustainable momentum in the handloom sector. Handloom weaving is a heritage craft that embodies the principles of slow, sustainable and ethical fashion. With consistent government efforts over the past decade, there has been a noticeable transition from fast fashion to locally

produced goods. Prime Minister Modi proudly wears Indian handloom fabrics and promotes them globally, and credit for its success goes to him to a large extent. It's time for more people to join the movement. Beyond promoting sustainability, the handloom sector offers significant opportunities to empower women and marginalized communities, providing them with economic prospects and instilling pride in their craftsmanship. I acknowledge the vital role women play as spinners, dyers and weavers, in uplifting the sector, applauding their invaluable contributions. I fully recognize and respect the contributions of traditional communities and especially women across the country, without whom the handloom sector would face great disadvantage. Treating them with dignity and respect is imperative to sustain and enhance their contributions. Moreover, many women-led cooperatives and self-help groups have emerged within the handloom sector. These organizations not only provide training and resources but also offer a support network that fosters solidarity and collective bargaining power. By coming together,

women SHGs can negotiate better prices for their products, access larger markets, and advocate for fair wages and working conditions. Educational programs and initiatives aimed at improving weaving skills, design innovation, and entrepreneurial abilities further empower women. By mastering new techniques and exploring modern designs, women weavers can create high-quality products that appeal to contemporary markets, ensuring the sustainability of their craft. Enhancing handlooms through value addition by embroidery and printing breathes new life into traditional textiles, creating unique and highly desirable products. To commemorate National Handloom Day this year, I urge everyone to take two pledges today; one to take selfie in handloom product and share on social media; Secondly to take a pledge to incorporate handlooms into their wardrobes and daily lives. It is crucial to prioritize quality, consistency, and technology in the handloom industry. Handloom weaving can become more fascinating by introducing innovative materials and processes. Everyone should support regional craftspeople and traditional weaving communities and be mindful of their clothing purchases, which affect us, the people who made them, and the planet. The author is Union minister of textiles.



TRUMP 2.0: WHAT'S IN STORE FOR INDIAN BUSINESSES?

If Donald Trump wins, his second stint as US president will be as unpredictable as the first

N. Madhavan
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CHENNAI

I am a tariff man," Donald Trump wrote on social media platform Twitter, now known as X, in April 2018. Back then, he was the president of the US. "When people or countries come in to raid the great wealth of our nation, I want them to pay for the privilege of doing so," he said in the post.

Trump had just started a trade war with China and imposed tariffs on the imports from major trading partners. The move effectively dismantled the multilateral trading system that was in place and made the World Trade Organization (WTO), which deals with the global rules of trade between nations, look meek if not irrelevant.

Six years on, as the Republican presidential nominee for the 2024 elections, he is set to burnish his 'tariff man' image yet again, going by his campaign statements. In fact, this time, he is threatening to impose even more tariffs and engage in an even bigger trade war with China.

Tariffs are not the only reason why the world, including India, is looking at the forthcoming US presidential elections with a certain amount of nervousness. The Republican presidential nominee has called for a weaker dollar and promised mass deportation of undocumented migrants. If implemented, these measures will have a far-reaching impact across the world. There are geo-political fears as well. Experts fear that he could deepen the cold war with China and accelerate the world's division into various blocs.

The big question: Will the fragile global supply chain, which is yet to recover fully from the aftershocks of the covid-19 pandemic, survive a Trump 2.0? And what does Trump as president mean for India?

THE CHANCES

In the last 45 days, Trump's chances of winning the election have brightened. Late June, a disastrous presidential debate exposed president Joe Biden's health issues. Mid-July, Trump escaped an assassination attempt while addressing an election rally in Pennsylvania. The sympathy that it created for the former president saw him pulling ahead in the race.

Democrats have since convinced Biden to step aside and vice-president Kamala Harris has become their presumptive nominee. If recent opinion polls are to be believed, she has even managed to reduce the gap with Trump.

"It is hard to assess Trump as he is disruptive and unpredictable," says Ajay Bisaria, a former diplomat. Unlike in 2016, Trump today has total control over the Republican Party. He has either won over or vanquished party seniors who challenged him on various policy issues earlier. If he wins, Republicans could control both the Senate and House of Representatives, Bisaria said. That will give him enormous power to frame policies and he could become belligerent, he added.

"There is also another view. While he may campaign from an extreme right-wing position, he will govern more as a centre-right politician," Bisaria further said.

MIXED BAG FOR INDIA

Either way, some believe that India need not be apprehensive. "Our relationship with the US was good during Trump's first stint as president. We were even quite close to a trade deal," said Sanjeev Sanyal, economist and member, the economic advisory council to the prime minister of India.

"Indian companies will see both opportunities and challenges. We will have to be ready for both," felt R. Dinesh, executive chairman, TVS Supply Chain Solutions, and immediate past-president, Confederation of Indian Industry (CII).

What riles Trump the most is the US trade deficit, excess of imports over exports (see chart). It is highest for China at \$367 billion in 2022, the period for which latest figures are available. India's is relatively lower at \$46 billion. Trump blames it on predatory trade practices.

To strike back, he has been talking of imposing a flat additional 10% tariff on imports and over 60% on those from China.

"It is not clear if the 10% tariff on imports will be selective or across the board. India may see tariffs on steel and aluminium going up," says Dhruva Jaishankar, executive director at Observer Research Foundation (ORF) America, a think tank.

Higher tariff on Indian exports will make some products uncompetitive while in the case of others, the margins could be hit. US merchandise imports from India in calendar year 2022 stood at \$85.5 billion.

A sharp increase in tariff on Chinese exports will impact India as well. Dumping of Chinese goods in India and other markets will see an exponential increase

Merchandise exports to India were at \$47.2 billion, leaving the US with a merchandise trade deficit of \$38.3 billion. The overall trade deficit, both merchandise and services, in 2022 stood at \$45.6 billion.

A sharp increase in tariff on Chinese exports will have a dual impact on India. Dumping of Chinese goods in India and other markets will see an exponential increase. "We need to be ready to fortify our defences and impose anti-dumping duties quickly. This is one area where we have been slow. By the time investigation is done and the anti-dumping duty is imposed, the damage is done," said a corporate executive whose industry is presently battling massive Chinese dumping. He did not want to be identified. "Indian exports will also be hurt as China will dump in our export markets, too, at very low prices," he added.

So, what are the positives R. Dinesh talks about?

Some sectors like textile could do well. "A higher duty on Chinese apparels will see more volumes coming India's way. It will help us increase our share in US apparel imports which is just 7% now," hoped Prabhu Damodaran, convenor of Coimbatore-based Indian Textpreneurs Association.

A US-China trade war will also accelerate the shift in manufacturing capacity away from China. "Some of that capacity can find its way into India," said Vivek Mishra, fellow-Americas, ORF.

However, this shift would be limited—in the past, China had found ways to beat US tariffs. For instance, Chinese companies have set up facilities to export semi-finished products into Mexico. These products are finished in the country and then routed to the US taking advantage of the North American Free Trade Agreement (NAFTA). The agreement, signed by Canada, Mexico and the US, established a free-trade zone and has been in place since 1994.

This explains why the US trade deficit with Mexico, which was \$81.5 billion in 2018, has risen sharply to \$132 billion in 2022. "Mexico could face the bulk of Trump's ire when it comes to tariffs," Mishra added.

DID TARIFFS WORK?

Trump believes that higher tariffs will penalize countries that adopt unfair trade practices, result in manufacturing returning to the US and create more jobs. But those opposed to this idea have said that tariffs will do little more than becoming, in effect, a tax hike.

A study by Peterson Institute for International Economics, a non-partisan think-tank, has said that Trump's tariff hike during his presidency increased US household spending by \$1,700 a year. A 2023 study by the US International Trade Commission, an independent federal agency that provides analysis to the White House and the Congress, said that the US importers bore nearly the full cost of the tariff hike. This has led many to warn that a steep hike in tariffs could cause inflation to spike again.

The tariffs also did not result in manufacturing moving back to the US. A study by St Louis Federal Reserve economists has said that more jobs were lost in the US manufacturing sector than those that were created.

Higher tariffs did pressurize China to come to the table and negotiate a new trade deal. In January 2020, phase-1 of a new trade deal was signed by the US and China. The US reduced some tariffs while China committed to increase purchase of US goods and agricultural products by \$200 billion. That did not happen, and phase-2 agreement was never reached.

Some experts said that the tariffs worked more politically than economically for Trump. People in the US' industrial belt, those who were hurt by the shift in manufacturing to China over the last few decades, identified themselves with Trump.

WEAKER DOLLAR

Trump and his advisors have been stressing the need for a weaker dollar. "They blame a strong dollar for making US manufacturing uncompetitive and hope that a weak greenback will bring manufacturing back into the US," said Jaishankar. A strong dollar typically makes exports costly, and imports cheaper.

Weakening of the dollar will impact all major economies of the world. India will be hit too. A weaker dollar will hurt Indian exports, both merchandise and services. It will also reduce the return investors make from their investment in the Indian equity and debt markets. That could trigger a flight of capital.

But weakening the dollar is easier said than done. Selling dollars and buying foreign currency will be costly. The US government can get the Federal Reserve (Fed) to print more dollars (it will increase the supply of dollars) or cut interest rates (outflow of capital from the US will increase supply of dollars). Both measures will fuel inflation, something the Fed will not be keen to attempt.

The other option, experts said, is to introduce capital controls. That will cause the stock market to fall, something Trump is not comfortable with. Some have pointed out that the dollar's value will decline on its own once the interest rates fall in the US.

mint SHORT STORY

WHAT

Donald trump is the Republican presidential nominee for the 2024 US elections. He is threatening to impose even more tariffs and engage in an even bigger trade war with China.

AND

Trump has called for a weaker dollar—he believes that a strong dollar has made US manufacturing uncompetitive. A weaker dollar will hit the global economy and Indian exports.

BUT

A US-China trade war will accelerate the shift in manufacturing capacity away from China. A higher duty on Chinese apparels will see more volumes coming India's way.

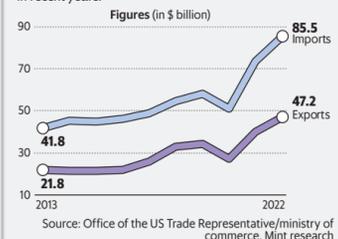
SORE POINT

Large trade deficit that the US runs with its trading partners angers Trump.



Figures for calendar year 2022
Source: Office of the US Trade Representative

Widening gap
US merchandise trade deficit with India has risen sharply in recent years.



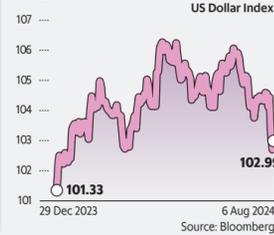
Apparel advantage?

India's apparel export market share could rise if the US imposes higher tariff on China.



Greenback moves

The US dollar index has gained 1.6% so far in 2024.



necks can limit deportation to a maximum of 30,000 people a month. And costs will be astronomical.

"Mass deportation is just a statement of intent. What will effectively happen on the ground will be more practical," said Bisaria. "For Indians, H1B visas and Green Cards could become difficult," Jaishankar added.

The H-1B programme allows employers in the US to hire non-immigrant workers in specialty occupations. These visas are widely used by Indian IT services companies with operations in the US. A Green Card allows one to live and work permanently in the US.

THE UNKNOWN

Another area of concern is climate change and the funding needed to mitigate it.

"A Trump administration will not put enough resources for tackling climate change, disaster management and shift to clean energy," said ORF's Mishra. "India and the US will traverse different paths," he added.

Nonetheless, Trump can potentially do the world some good. If he can stop the Russia-Ukraine war, as he has been promising, it will ease tensions around the

world and aid global economic growth.

During his presidency, he came close to easing tensions in the Middle East and almost got Israel and Saudi Arabia to normalize relations. Any such thing is good news for the India-Middle East-Europe Economic Corridor, a project aimed at boosting connectivity and economic integration between Asia, the Persian Gulf and Europe.

Meanwhile, in recent years, India's foreign policy has evolved. "Earlier, we were not sure what we wanted and, therefore, we could not articulate it well. We were also inflexible in our approach," said Sanyal. That has changed. "Today, India has clearly articulated what it wants. We want to protect our energy supplies at the right price, ensure trade and investment flows remain unaffected, ensure there are no unfair practices that affect the domestic industry or our ability to export and ensure defence preparedness. We are not non-aligned but multi-aligned, depending on the issue," he added.

This approach can help India deal with a VUCA (volatility, uncertainty, complexity, and ambiguity) world and a possible Trump 2.0 regime.



Republican presidential nominee and former US president Donald Trump during a campaign rally in Atlanta, Georgia, on 3 August.

AFP



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SARVESH KUMAR SHARMA/MINT



From profit to penalty: The perils of trading in your employer's stock



EXPERT VIEW
ROHIT SARIN

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Employees without knowledge of Sebi regulations can inadvertently find themselves penalized for violations

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MUMBAI

A profit of ₹1,878 turned into a penalty of ₹1 lakh. This harsh reality encapsulates the high-stakes world of insider trading. Sudhir Bapusabheb Devkar, an IT department employee at Mindtree, found himself on the wrong side of the law when a seemingly harmless trade in his employer's stock spiralled into a financial nightmare. His case serves as a stark reminder of the complex and often misunderstood regulations surrounding insider trading. Devkar's dream of supplementing his income through day trading was shattered when he was penalized ₹1 lakh for trading in his employer's stock without proper disclosure.

"I have always worked in the area of engineering and technology and have never had any knowledge of any areas of finance concerning the company," Devkar said in response to an order by markets regulator Securities and Exchange Board of India (Sebi), dated 29 June 2022. "These provisions were not widely publicized for a layman like me to know that such a provision exists."

Despite his plea, Sebi imposed the minimum penalty of ₹1 lakh for the offence.

According to Abhishek Dadoo, a partner at Khaitan and Co., these rules are designed to prevent those with unpublished price-sensitive information (UPSI) from short-changing unsuspecting investors. However, this incident illustrates how individuals without knowledge of these regulations can inadvertently find themselves penalized.

In August 2020, Sebi had sent a letter to Mindtree requesting a list of individuals subject to its insider trading regulations. This inquiry revealed Devkar had traded Mindtree stock on three separate occasions without disclosure. At that time, employees had to report trades exceeding ₹10 lakh in their employer's shares within two trading days. Sebi has since updated its regulations, replacing "employees" with "designated persons."

Who are 'designated persons'? If you work for a listed company, the first step is to determine whether you are classified as a 'designated person.' In large companies like Reliance Industries Ltd or Infosys Ltd, it is chal-

Insider trading rules for employees

Check with your company if you are classified as a designated person

Steps to check your status

1. Is your company listed (or about to get listed)?
2. Does your company deal with listed companies?*
3. Check with HR if you're a 'designated person'

Yes	No
Needs to disclose before trades	Need not disclose before trades^

*Unless in possession of UPSI
^CA firm, law firms, investment banking etc



When can they trade?

Cannot trade from the end of the quarter to 48 hr after declaring financial results

Window close	Date of result announcement	Window opens
March 31	May 15	May 17
June 30	August 14	August 16
September 30	November 14	November 16
December 31	February 15	February 17

Other conditions

- ▶ NEED to get pre-clearance from compliance team
- ▶ IMMEDIATE relatives subject to same regulations
- ▶ NO contra trades for 6 months

Can still trade if

- ▶ TRANSACTION happened between insiders with the same UPSI
- ▶ THROUGH block deal with people in possession of UPSI
- ▶ STOCK options when exercise price was pre determined
- ▶ WHEN conducted using 'trading plan'

What is UPSI?

Information not available to the public that can affect share price

Can be information related to:

Financial results, dividends, change in capital structure, mergers, de-mergers, delisting, expansion of business, changes in key managements.

Source: Khaitan & Co.

Trading plan

Some people always have UPSI. For them, a trading plan is the way to go

- ▶ TRADE has to be 120 days after the plan was disclosed
- ▶ CANNOT have multiple trading plan in same timeframe
- ▶ TRADING plan is irrevocable (if within defined price limits)

What needs to be mentioned?

- ▶ NUMBER of securities or value of trade
- ▶ NATURE of trade
- ▶ DATE or time (not exceeding 5 consecutive trading days)

Disclosure requirements

If trade is >₹10 lakh in any quarter, needs to be disclosed within 2 trading days

Can they invest in MFs, PMSes?

Can invest in MFs, AIFs
If PMS invests in stock, needs prior approval

What's a designated person?

It's not possible to keep a tab on all employees, so only 'designated persons' are kept on close watchlist



- ▶ WORKING in finance, legal, and marketing, risk management, corporate strategy etc
- ▶ ANYONE based on role and which the company thinks has access to UPSI
- ▶ CEO and two levels below

must declare they do not possess any UPSI. Top executives like CEOs or promoters, who have constant access to UPSI, may use a trading plan. Additionally, designated persons must disclose any trades exceeding ₹10 lakh within two days. Stock exchanges have surveillance mechanisms to detect and report suspicious trades to Sebi.

"If you are an employee and trading in the stocks without disclosure, then the onus is on them to prove their innocence. If the trade was carried by an outsider, the burden is on the complainant to prove that the person is guilty," Dadoo explained.

The regulations also cover trades by immediate relatives, such as parents and spouses. There are two categories: those financially dependent on the designated person and those who are not. Dadoo advises that financially dependent relatives should avoid trading in the company's stock to prevent complications. For non-dependent relatives, caution is still recommended if there is potential UPSI.

Do relatives come under the purview?

Dadoo said the regulations extend to trading by immediate relatives, such as parents and spouses. These relatives fall into two categories: those who are financially dependent on the designated person and those who are not.

He advised that financially dependent relatives should avoid trading in the company's stock to prevent any potential complications. For non-dependent relatives, the situation is more complex. To avoid unnecessary issues, Dadoo recommends that they also refrain from trading in the company's stock if there is potential UPSI with the employee.

Safer investment alternatives
Experts suggest investing through mutual funds to stay on the safe side of Prohibition of Insider Trading Regulations.

The key rule is to determine whether you have control over the underlying securities of the fund. Alternative investment funds are treated similarly to mutual funds since both are pooled investment vehicles, and unitholders do not influence the fund manager's choices. Conversely, portfolio management services (PMS) are akin to holding shares in a personal account, as investors can override the fund manager's decisions. If a PMS fund manager purchases stock in your employer's company, you could be held accountable.

lenging to monitor every employee.

Thus, Sebi mandates that only select employees, designated by their role, function and access to UPSI, are bound by strict disclosure norms. The board of directors identifies these 'designated persons,' typically employees two levels below the chief executive officer (CEO) and others with significant access to UPSI.

"Every company can decide who they want as a designated person," Dadoo said. "On a lighter note, some-

times an employee carrying tea can have as much UPSI as someone in admin or day-to-day operations."

Trading restrictions

Designated employees, along with promoters, directors and others covered under the regulations, can only trade in their company's stock when the trading window is open. They and their immediate relatives are prohibited from trading when the window is closed, from the end of every quarter until 48 hours after the financial

results are announced.

Exceptions are made for trades between insiders with the same UPSI. Stock options with predetermined exercise prices, and preapproved trading plans (see graphic). Companies may require preclearance for trades above a certain threshold—Infosys, for example, sets this at ₹5 lakh. Preclearance expires after seven days, and contra-trades are forbidden for the next six months.

To seek preclearance, applicants

PRANAY BHARDWAJ/MINT

Compare your bank FD rates

Bank fixed deposits (FDs) continue to be popular investment products not just among senior citizens, who are looking for guaranteed income, but also among investors who can't stomach risk. But overexposure to FDs is not good, and you need to assess your asset allocation and goals to decide how much money you should park in them. For instance, saving for your child's higher education that's 15 years away through FDs may not be effective as the post-tax interest rate of an FD may not give you a real return (return that's above the rate of inflation). But if you plan to take a holiday in two years, an FD can help. Before choosing an FD, you should compare the interest rates on offer. Here is a list of banks that offer the highest FD rates for deposits up to ₹1 crore over various tenures.

Interest rates (%) for fixed deposits up to ₹1 crore					
	6 months to < 1 year	1 to < 2 years	2 to < 3 years	3 to < 5 years	5 years and above
DCB Bank	6.20-7.25	7.10-8.05	7.50-7.55	7.40-7.75	7.25-7.65
Axis Bank	5.75-6.00	6.70-7.20	7.10	7.10	7.00
HDFC Bank	4.50-6.00	6.60-7.25	7.00-7.35	7.00-7.40	7.00
IndusInd Bank	5.00-6.50	7.75	7.25-7.75	7.25	7.00-7.25
IDFC First Bank	4.50-5.75	6.50-7.75	7.25-7.50	7.00-7.25	7.00
RBL Bank	4.75-6.05	7.50-8.10	7.50-8.00	7.10-7.50	7.00-7.10
YES Bank	5.00-6.35	7.25-8.00	7.25	7.25	7.00-7.25
ICICI Bank	4.75-6.00	6.70-7.20	7.00-7.20	7.00	6.90-7.00
Canara Bank	6.15-6.25	6.85-7.25	6.85	6.80	6.70
Dhanlaxmi Bank	5.00	6.75-7.25	6.50-6.75	6.50-7.25	6.60-7.25
Federal Bank	5.00-6.00	6.80-7.25	7.05-7.25	7.00	6.60
Bank of Baroda	5.60-7.15	6.85-7.25	7.15	6.50-7.15	6.50
Bank of Maharashtra	5.25-6.90	6.50-7.15	6.50-7.25	6.50	6.50
Central Bank of India	6.00-6.25	6.85-7.30	6.50-7.00	6.50	6.50
Indian Overseas Bank	5.75	7.10-7.30	6.80	6.50	6.50
State Bank of India	6.25-6.50	6.80-7.25	7.00	6.75	6.50
Union Bank of India	5.00-6.35	6.60-7.25	6.40-6.60	6.50-6.70	6.50

Data taken from respective bank's website as on 1 August 2024. Only main entity of the merged banks are taken. Banks which merged with its main entity are removed from the table. The list of 15 banks is based on highest fixed deposit rates available for 5 years and above. Source: www.BankBazaar.com

Property sold at loss: Expert advice on tax filing, investments

Mahesh Nayak
feedback@livemint.com

My 36-year-old son is receiving ₹43 lakh from the sale of a flat we owned jointly. I had bought the flat for ₹43.50 lakh 10 years ago, so there is no capital gain as it sold for less than the purchase price. Do we need to declare a capital loss when filing our income tax returns? My son plans to invest the amount now, and use it for future expenses in three to five years. I assume there's no need to invest in a capital gains scheme since there is no gain from the sale. Am I right? Please advise. —Sridhar PS

Any capital gain or loss arising on the transfer of a capital asset is taxable in the hands of the person who had actually provided the funds for the investment. Therefore, even if the property is held jointly between your son and you, for tax purposes, the capital gains or loss is to be disclosed in the hands of the person who had actually paid for the property, in the same proportion in which investment was made.

You will not need to invest in a capital gains account scheme, as it is required to be done only in a scenario where one has earned capital gains on sale of a property, wishes to claim an exemption of the gains by investing the capital gains in a new residential



ASK MINT
PROPERTY SALE

property, and has not been able to invest in the residential property by the due date of filing the income tax return for the year in which the property was sold. This is due to the reason that section 54 allows an individual a period of two to three years after the date of transfer to purchase or construct a residential property respectively. Therefore, in the case of a loss on sale of a residential property, as is the case here, there is no question of claiming any exemption of capital gains, and no need to invest in any particular asset, including in capital gains account scheme.

In case you sold the property before 23 July 2024, your capital loss would need to be computed by considering the indexed cost of acquisition of

the property. If the property is sold on or after 23 July 2024, indexation would not be available to compute the capital gains or loss, as proposed in the Budget 2024.

You would also need to consider the stamp duty value of the property sold in computing your capital gains or loss. If the stamp duty value of the property on the date of sale exceeds the actual sale price on sale of the property, the stamp duty value would be deemed to be the consideration for computing the capital gains arising on sale of the property.

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

NAVIGATE STORMS WITH A DIVERSIFIED PORTFOLIO

Investing is akin to setting sail on a vast financial ocean, where the investor is the captain. The key to mastering market uncertainty and achieving resilience lies in the art of diversification. Imagine your portfolio as a fleet of ships carrying different types of cargo, navigating diverse investment waters. This journey unveils its benefits such as risk mitigation and potential return enhancements, while emphasizing the importance of adapting strategies.

In this financial voyage, diversification serves as a shield against unpredictable waves of market volatility. Traditionally, it involves creating a diverse fleet of investments across stocks, bonds, real estate and cash deposits. But it also encompasses geographic diversification. By spreading investment across countries and regions, you can safeguard your portfolio against country-specific risks. Just as a well-balanced fleet navigates rough waters more effectively, a diversified portfolio helps soften the impact of challenges faced by individual countries or regions.

An essential aspect of a diversified portfolio is the correlation between asset classes, geographies and economies. Correlation measures how two investment vehicles move in relation to each other. Assets that are poorly correlated do not move in tandem; when one may be experiencing a downturn, the other might be on an upward trajectory or remain stable. This principle is fundamental to diversification's effectiveness. By including assets that have low or negative correlation, you create a buffer against market volatility. For instance, while equities in emerging markets might suffer due to regional instability, bonds from developed economies could be unaffected or even appreciate. Similarly, commodities such as gold often have an inverse correlation with stocks and can serve as a hedge during economic downturn. By selecting assets that behave differently under various economic scenarios, investors can mitigate risk and achieve a more balanced and resilient portfolio performance.

Tailoring diversification strategies to individual investor profiles is essential

As you navigate through market storms, diversification brings stability and consistency to your investment performance. While it doesn't eliminate all risks, it reduces their impact, equipping you with the resilience to withstand market fluctuations. Consider this scenario: You hold investments in Indian and international markets. Now, imagine the Indian market undergoes a period of fluctuation. In such times, your international investments could behave in a contrasting manner, often serving to balance or even enhance overall health of your portfolio. This exemplifies the remarkable benefit of geographical diversifications.

Crafting a diversified portfolio begins with understanding your risk tolerance, investment horizon, and financial objectives. This serves as a map for your investment journey. A mosaic of investments is created, incorporating a mix of asset classes and geographic regions. Within these asset classes, diversifying by industry, region and bond types further reduces sector-specific risks. Exploring alternative investments like private equity, infrastructure and commodities can add extra layers of diversification.

Tailoring diversification strategies to individual investor profiles is essential. Conservative investors might lean towards lower-risk assets, while moderate ones balance growth and safety. Aggressive investors, pursuing higher growth, may accept greater risks for potentially larger returns. Ensuring your diversification approach aligns with your investment style is key to balancing your financial goals and risk appetite. Considering the costs and tax implications of investments is also important, as they can affect your returns.

In conclusion, mastering the art of diversification is critical in the world of investments. By strategically spreading your investments across asset classes and regions, you minimize risks and also maximize return potential. Diversification serves as a compass through the fog of market uncertainties, guiding you towards a prosperous financial future. Remember, diversification is not a one-time strategy; it's a continuous journey that demands regular review and adjustment. As global financial markets evolve, so should your strategy. By embracing the multifaceted nature of diversification across asset classes and geographic regions, you can navigate market uncertainty with greater confidence and resilience.

Rohit Sarin is co-founder of Client Associates. To read an extended version of this story, go to livemint.com.

'Usually profitable to buy S&P post 5% drop'

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Buying US stocks after a slump of the scale witnessed over the past month has usually been profitable, according to a Goldman Sachs Group Inc. analysis of four decades of data.

Since 1980, the S&P 500 Index has generated a median return of 6% in the three months that followed a 5% decline from a recent high, according to the Goldman strategy team led by David Kostin. The benchmark has slumped 8.5% from its mid-July peak.

"Corrections of 10% have also been attractive buying opportunities more often than not," although the track record is not as strong as after a smaller drop, Kostin wrote in a note. Returns after a 5% decline have been positive in

84% of episodes, the research shows.

A semblance of calm returned to global markets on Tuesday, with some of the worst-hit indexes rebounding from a slump driven by concern over a US recession and extreme valuations in the technology sector. Quantitative strategists at JPMorgan Chase & Co. said institutional investors had bought the dip Monday, with about \$14 billion purchased during market hours and \$6.7 billion sold at the close.

Kostin's team stops short of giving a recommendation from the findings, but cautions that the outlook for the benchmark index following a slump of 10% has been "markedly different" when it has taken place in an environment of resilient economic growth than when it has happened as part of a correction ahead of a recession.



OUR VIEW



Shockwaves from Japan offer investors a lesson

In an intricately webbed world, retail investors found their assets hit by panic across oceans. It's not Chaos Theory but a sharp reminder not to time the market. Stick to investment basics

When Indian equity investors wound up for the weekend last Friday, the path ahead seemed clear and bright. By the time they got back on Monday, though, the mood had darkened. Panic seemed to have taken hold, not just in India but around the world, leaving many in a scramble to identify what had hit their stocks. Markets had tumbled across the world, with the strongest shockwaves coming from Japan, whose Nikkei index crashed more than 12%. In India, the S&P BSE Sensex ended nearly 3% down, while mid- and small-cap indices suffered bigger losses. Market capitalization to the tune of ₹15 trillion was wiped out in a single day, even as the volatility index shot up 60%. Like Chaos Theory, at first it looked as if a little flap in the US over a fast-weakening jobs market—and hence recession risk—had triggered a market quake in Japan, with tremors felt everywhere else. The web of causes and effects that shook stock indices, however, isn't all that hard to explain. It serves as a reminder, all the same, that we inhabit a world that is far too financialized, interlinked and complex for us to track closely enough.

It's a sign of the times that the hardest impact of US payroll data was on the other side of the globe. It was taken as a doom signal for the yen carry trade, which involves cheap loans taken in Japanese currency to invest in high-yielding assets elsewhere. The Bank of Japan (BoJ) had just raised its policy rate to 0.25% after having held it close to zero for decades, and if the US Federal Reserve were pushed into a big rate cut to fend off an economic slump, that game of yield arbitrage would end up in a pincer squeeze of rates. A rising yen brought on by the

BoJ's rate hike would've worsened losses for Japanese investors, who had invested enormous sums globally and risked getting that much less back upon conversion into their own money. A sudden unwinding of rate-gap-reliant bets followed. Meanwhile, a stronger yen rattled Japanese stock prices directly too. After all, Japan's big businesses are mostly export champions and their run of competitive exports and large profits on the back of a weak yen was suddenly drawing to an end. Rarely have we seen such a drastic re-rating of prospective earnings. As blue chips crumbled, knock-on effects kicked in. Large lumps of Japanese money invested in foreign markets began being withdrawn. Coupled with worries of US woes causing a global slowdown, it was enough to spook traders everywhere.

Some of it was probably an over-reaction. But let's face it. Even if hindsight offers some clarity on Monday's shake-up, it's all but impossible for retail investors to stay clued into such financial dynamics. This episode, therefore, holds forth an important lesson: Don't try to time the market. Past trends could be a poor guide to its future trajectory. Regardless of India's economy doing well, global gloom could outlast a short investment horizon. To ride out price volatility, it's advisable to make gradual investments and average out one's overall returns. Mutual funds offer a good way to do so. If held for long, they hold the promise of inflation-beating gains. As for stock pickers, wisdom lies in sticking to the straight and narrow. Invest in businesses that generate earnings and whose shares are priced reasonably, and then stay invested for dividend income year after year. In stock markets, short-cuts don't work. It's best to go by the basics.

MY VIEW | ECO SQUARE

The Economic Survey has big gaps and odd arguments

LEENA SRIVASTAVA



is an independent expert on climate change and clean energy.

The *Economic Survey* of 2023-24 has a distinct tone of defensiveness. While it has done well in identifying the multitude of challenges facing the country, it has not fully addressed the deep underlying causes that have led to India's vulnerability, especially in the face of growing nationalism and climate change.

The government's chief economic advisor has rightly pointed towards the need to adopt an all-hands-on-deck approach and emphasized the importance of government-private-sector-civil society partnerships. However, there is little to reassure other research and academic think-tanks or other civil society organizations on their fear of punitive action should they challenge the policies or approaches of the government and private sector from a sustainability perspective. A productive partnership with this sector would start with an appreciation of their important role as critics and conscience-keepers when other actors are focused mainly on economic prerogatives.

Recognizing the sustained role that agriculture must play in food and nutritional security as well as in employment generation, the survey notes the challenge of crop productivity, albeit primarily in the context of land-holding sizes and emphasizing the need for land consolidation. Merely talking about this without addressing the resultant incremental need for livelihood opportunities—beyond the need for 8 million additional jobs already identified—that such consolidation would require rings hollow. And linking farm productivity to holding sizes while overlooking the issue of land degradation smacks of a biased approach. India lost 30 million hectares of land to degradation in the period 2015-19. According to the ministry of environment, forest and climate change (2020), 32% of the land in India is considered degraded and 25% of it is undergoing desertification. Surely, addressing the underlying causes for this should be prioritized and taken up in mission mode? Many pages of the survey are devoted to the issue of livestock, their feed demands and irrelevant comparisons with the West.

The survey seems to blame erratic monsoons and stresses the need for temporally and spatially well-distributed rainfall. While this may not be under the control of the

human species, a strategy on (i) rapidly and significantly enhancing water storage capacities—integrating climate resilience efforts—across the country to meet spatial and temporal water security objectives, and (ii) measures to enhance water-use efficiency, supported by adequate budget outlays, would have been reassuring.

The survey's most confounding discussion is on climate change and the energy transition. In some parts, the survey appears to condone relative inaction by developed countries. No doubt, constructively engaging with climate imperatives is a deeply uncomfortable task, one whose successes and failures lie squarely on the shoulders of governments across the world. While civil society globally is exerting pressure on the fossil-fuel industry to decarbonize, India's case reveals how demand reticence—on the part of governments in particular—is encouraging further fossil energy supplies. By highlighting the vulnerabilities of being dependent on a small set of countries for

energy resources of the future, the survey has also spotlighted our complete lack of preparedness and foresight to deal with a problem that has been in the making for decades, with its impacts becoming more tangible by the year. Using selective quotes from literature, the survey highlights historical experiences with the time needed for an energy transition, but it does not say why 2024 should be taken as a starting point when India had developed its National Action Plan on Climate Change in 2008 and ratified the Paris Agreement in 2016. We must, in this context, recall our goal of energy self-sufficiency following the two oil price shocks of the 1970s and the establishment of a renewable energy programme back in 1981.

Yes, renewable energy sources need fiscal subsidies to be viable. But in the same chapter, the survey also recognizes continuing subsidies to fossil energy sources. The CEA, while presenting the survey, stated that India cannot jeopardize energy security in

the name of an energy transition. One can only hope that an honest exercise to assess the trade-off between human and energy (fossil-based) security would be undertaken.

The survey makes no meaningful reference to extreme-event exposure or climate-related disasters that the country is already facing. India continues to witness record temperatures, cloud bursts resulting in floods, receding glaciers, extreme droughts, forest fires and their consequences in terms of lost lives, infrastructure degradation and wasted opportunities. In 2022, extreme weather events claimed 3,026 lives, affected 1.96 million hectares of crop area, damaged 423,249 houses and killed over 69,899 animals. In 2021, India suffered an income loss of an estimated \$159 billion in the service, manufacturing, agriculture and construction sectors due to extreme heat (Climate Transparency Report, 2022). These casualties and damages are likely to go up.

A profound statement in the *Economic Survey* reads as follows: "Economic policies have to be crafted in such a manner that they do not address issues narrowly or incompletely while rendering problems in other areas more intractable." We need to give effect to this wisdom—systemically, for sure, and temporally too.

MY VIEW | ON THE OTHER HAND

India's self-certified middle class might finally be getting the joke

Indexation removal on taxes may at last make the well-off realize that they must foot India's bills



VIVEK KAUL is the author of 'Bad Money'.

Middle class' is a term used rather loosely by individuals wanting to project that they are not as well-off as others think they are. And it has been used extensively on social media since the Narendra Modi government decided to remove indexation benefits available on long-term capital gains made on the sale of property.

We have been told by rich mutual fund agents, chartered accountants and registered investment advisors in the business of managing other people's money that this is an anti-middle class move. Many of those complaining about the move have been supporters of the Modi government, making their discontent on social media funnier, given how they now feel that their support has counted for nothing.

Now, before getting into further details, let me make a couple of points. First, the government shouldn't be incentivizing one kind of income over another, and all income should be taxed the same way. Removing indexation benefits is a move towards that.

Second, more than 10 million flats in India have been bought and kept locked for investment purposes. It's these flat owners who will be hurt by the government's decision. And anyone who can afford to buy a flat and keep it locked isn't really middle-class, despite the lack of a proper definition of the term.

So, that leaves us with another ques-

tion: What about the well-to-do who have supported the Modi government and, as they have been saying on social media lately, gotten nothing material in return?

Well, let me tell you a small story. In late July, I was part of two tourist tours, one in Oxford and another in Edinburgh. As we went around, the guides showed us several old buildings with many sealed windows. This was because in the 17th and 18th century, the government came up with a unique 'windows tax' based on the number of windows in a house. The logic being that the bigger the house, the more windows it would have, and having more windows became a symbol of prosperity, and hence the tax. This led a lot of people to simply seal off their windows in order to pay less or no tax.

What's the point of this story? There are three things that make a government a government: the right to legal violence, the right to create money out of thin air and the right to tax. And when a government wants money, it will tax anything and everything. So, the removal of indexation benefits should hardly come as a surprise.

In 2018-19, before the pandemic broke out, the total expenditure of the central government and state governments stood at 26.7% of gross domestic product (GDP). This jumped to 32% in 2020-21 and was at 30.6% in 2023-24. With the private part of the economy not doing well, governments have had to spend more. In fact, as the *Economic Survey* of 2022-23 had pointed out, more than 300 direct benefit transfer schemes are run by the central government and more than 2,000 by state governments.

While politicians may not admit it publicly, they know that a large section of the population is struggling in the aftermath of the pandemic. Through such schemes, they have been trying to do the right thing, along with trying to address this important vote bank.

Also, thanks to technology, the deliv-

ery of such schemes has improved considerably. As Raghuram G. Rajan and Rohit Lamba write in *Breaking the Mould: Reimagining India's Economic Future*: "Ironically, as technological advances have improved delivery of targeted benefits... the top leadership in the state or national capital can now identify themselves with the delivery of a specific benefit such as cash transfers, toilets, food grains, gas cylinders or education loans, and directly build a personal rapport with the voter." And all this costs money. A lot of it.

The total expenditure of the central and state governments has gone up over the years. Also, there is pressure to bring down overall government debt. And given that the central government shares a good proportion of the taxes it collects with state governments, there is great pressure on it to collect more tax money in general.

What hasn't helped is the fact that in September 2019, the central government cut the corporate income tax rate in the hope that it will incentivize companies to invest more. In 2018-19, the corporation tax collected stood at 3.5% of GDP. In 2023-24, it stood at 3.1% of GDP, despite corporations earning higher profits. It's expected to be at 3.1% even in 2024-25. Now, such a narrative-focused government cannot reverse this move, given the uncomfortable questions that would arise.

Hence, among other things, the government will have to try and collect higher taxes on income. In 2018-19, these collections stood at 2.4% of GDP, jumping to 3.5% in 2023-24, and are seen rising further to 3.6% in 2024-25. Taxing capital gains at higher rates will help improve tax collections.

So, that leaves us with the well-to-do trying to pass themselves off as middle class and getting angry about the removal of indexation benefits. The joke has always been on them because someone's got to foot the government's bills. It's just that they might finally be getting around to realizing it.

10 YEARS AGO



JUST A THOUGHT

The rich are those who play to win. The middle class plays not to lose.

ROBERT KIYOSAKI



GUEST VIEW

MINT CURATOR

China's new reform agenda may create opportunities for India

China and India shouldn't see each other as a threat but as a potentially useful partner with a shared dream of development



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Recently, the International Monetary Fund raised its economic growth forecast for China and India. Both Asian countries are at a critical stage of development. China wants to develop well for itself, and hopes India will develop well too. In a world where countries are interdependent, China, India and the world share a common future. The recent Third Plenary Session of the 20th Central Committee of the Communist Party of China (CPC) provided a window to foresee Chinese modernization. I would like to share some key words with our Indian friends.

Reform: Reform and opening-up hold the key to the destiny of China. The Plenary meeting laid out a pathway to deepen reforms comprehensively to advance Chinese modernization. It put forth more than 300 important reforms covering various fields such as the Chinese economy, politics, culture, society and ecological conservation. We will build a high-standard socialist market economy, foster a fairer and more dynamic market environment, and unleash internal driving forces, including the creativity of society. China's reform project also aims to inject positive energy into the global economy that is facing uncertainty.

Development: The Indian media worries about China's so-called "economic slowdown." In fact, the Chinese economy has maintained a positive recovery, with GDP growth of 5% in the first half of 2024. President Xi Jinping put forward the notion of "new quality productive forces." China has developed many competitive industries, such as high-end equipment, new-energy vehicles and photovoltaics. We have nurtured over 140,000 specialized and sophisticated small and medium-sized enterprises that produce novel and unique products. We will promote high-end, intelligent and green development in manufacturing, which will foster new growth drivers and strengths.

Opening up: China is committed to opening up, and has adhered to it since the late 1970s. Momentous changes unseen in a century are accelerating and external uncertainties are mounting. However, China's door will never be closed. It will only open wider. We will actively align with high-standard international economic and trade rules, steadily expand institutional opening-up, further relax market access, foster a world-class business environment that is market-oriented, law-based and internationalized, and develop new mechanisms for a higher-standard open economy.

We implemented unilateral visa-free policies for several countries and will provide further conveniences to foreign travellers in terms of accommodation, medical services and payments. China remains an attractive destination for foreign investment. In the first half of 2024, China attracted nearly 500 billion yuan in foreign invest-

ment. We are willing to share large opportunities with Indian and other foreign enterprises.

Peace: China pursues an independent foreign policy and aims to promote a shared future for mankind. We will pursue the Global Development Initiative, Global Security Initiative and the Global Civilization Initiative. We will resolutely safeguard China's sovereignty, security and development interests. Last month, President Xi Jinping addressed the Conference Marking the 70th Anniversary of the Five Principles of Peaceful Coexistence, reiterating China's resolve to open a path of peaceful development. In this spirit, China is ready to work with India for a better future for all humanity.

Education: Along with science and technology, education and talent development are part of a strategic plan to underpin Chinese modernization. China has built the world's largest education system. On average, our new entrants to the labour market received more than 14 years of education. And the Chinese population with higher education has reached 250 million. China has strengthened basic research and original innovation, achieved major breakthroughs in core technologies, and has joined the ranks of innovative countries.

Last month, I was invited to the inauguration of the new campus of Nalanda University. Indian Prime Minister Narendra Modi stated that India

encourages learning, research and innovation. China and India could tap the potential for mutual cooperation in education. We would welcome more Indian students to study in China.

Ecology: Chinese modernization values harmony between humanity and nature. China accounts for a quarter of the world's newly added green area since 2000. The country has the world's biggest clean-power generation system. Our installed capacity for hydropower, wind power and solar photovoltaic power each tops the world. This has made major contributions to the world's green transition and hence climate action. We will make concerted efforts to cut carbon emissions, reduce pollution, pursue green development and boost economic growth, and will work together with other countries for a clean and beautiful world.

Chinese modernization is a pioneering cause. Under the leadership of the CPC, we are confident of realizing our reform targets and creating more economic opportunities for the rest of the world. We are willing to work with India to implement an important consensus between our two countries' leaders that "China and India are not each other's threat, but cooperation partners and development opportunities," bring China-India relations back on their track of steady and sound enhancement, and realize our shared dream of development and revitalization.

Weak jobs data in the US may call for a big rate cut by the Fed

US joblessness rising faster than expected has changed the outlook



JONATHAN LEVIN
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A sharp rise in US unemployment has set off recession fears.

In markets and economics, you sometimes have to hold two thoughts in your head simultaneously—an important lesson now that the US unemployment rate has surged to its highest in nearly three years. First, the labour market probably isn't quite as imperilled as the main figure suggests. Second, the speed at which it's cooling ratchets up risks, and the Federal Reserve should entertain the possibility that it'll need to cut rates by 0.5 percentage point in September.

A report showed that the joblessness rate rose to 4.3% in July from 4.1% the previous month, exceeding economists' estimates. That's still relatively low, but the speed of its rise over the past four months is a worry. A rule developed by Claudia Sahm shows that historically, the economy is already in a recession once the three-month average of the unemployment rate rises at least a half percentage point above its low in the past 12 months. That has happened.

The US labour market is cooling down at a pace that must leave monetary policymakers uncertain as to where things will stand in September, when they meet next. Non-farm payrolls still rose by 114,000 last month, but jobs need to grow by a modest amount just to keep pace with population and labour force growth. The payrolls figure was down from a revised 179,000 a month earlier.

In an economy in which labour market weakness tends to snowball, Fed policymakers surely must be on high alert after the latest statistics. Even modest upticks in unemployment can lead to reduced consumption, which can lead to weakness elsewhere in the economy. That's in part the intuition of the Sahm Rule, and it demands that policymakers always act in a forward-looking manner.

Having said that, there's probably some overreaction in the market following the report. The S&P 500 Index fell and the yield on 10-year Treasury notes dropped 16 basis points to 3.82%. These are pre-recessionary market dynamics, though there's nothing in the numbers that come close to confirming a downturn. Let's keep things in context: The US GDP grew at an annualized pace of 2.8% in the second quarter.

Additionally, there are—as always—plenty of conflicting narratives and sources of potential noise under the surface in the labour market data itself.

The weak data comes at a time when Hurricane Beryl struck Texas during the reference period. In its report, the Bureau of Labor Statistics wrote that it had "no discernible effect" on the data, but there was

a large increase in the number of people reporting that they didn't work due to bad weather. There was also a large increase in temporary layoffs, but less movement in permanent layoffs, as Burning Glass Institute Director of Economic Research Guy Berger pointed out on X. Given the hurricane impact, that seems like an important point. In previous months, the uptick in unemployment had come from an increase in labour supply; job market entrants and re-entrants who don't immediately find work raise the unemployment rate.

As for the Sahm Rule, even Claudia herself has repeatedly emphasized that it's not a law of nature and that this time could be different. "That comes off of historical experience; that doesn't necessarily tell us where we are right at this moment," she told Bloomberg Radio's Tom Keene and Damian Sassower last week. Still, she was concerned about "way too much momentum in the unemployment rate."

Personally, I had been pounding the table for a rate cut earlier this week, much like my Bloomberg Opinion colleague Bill Dudley, the president of the Federal Reserve Bank of New York from 2009 to 2018. Even though I didn't see an imminent downturn, I simply thought it was the better risk-management move. Having missed that opportunity, policymakers may have to hurry to ease rates when they meet again in September if further data confirms the recent trend.

Despite their inaction last week, policymakers are clearly aware of the risks and just needed a bit more convincing. In his press conference, Fed Chair Jerome Powell was asked explicitly, by Jean Yung of *MNI Market News*, about the possibility of a 50-basis-point cut. Although he reflexively pushed back at the notion, he wisely edited himself in real time to leave the door open. "I don't want to be really specific about what we're going to do, but that's not something we're thinking about right now," Powell said, before adding: "Of course, we haven't made any decisions at all as of today."

Nor is it likely that they have made any decisions after the latest jobs report. But fortunately, they have a lot of monetary policy firepower at their disposal with rates at a two-decade high of 5.25%-5.5%. They should prepare to use it. ©BLOOMBERG

MY VIEW | EX MACHINA

Filmmaking will change unrecognizably thanks to AI

RAHUL MATTHAN



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In a post on X (formerly Twitter), Agrim Gupta pointed out that artificial intelligence (AI) systems today are capable of generating 10 times more pixels every two years. Based on his analysis of the rate at which AI-generated video is improving, he concluded that if things continue at this pace, we will have AI-generated TV shows by 2029 and full AI-generated movies by 2031. Services like Sora and Kling have already begun to show us what this might look like. It seems like it is just a matter of time before we will have no need for human actors.

Last year, the screen actors guild in the US went on strike, protesting against the increased use of Generative AI in the film industry. They were concerned that given the rate at which AI is becoming more-and-more deeply integrated with various aspects of filmmaking as a process, it would fundamentally shift the way in which we tell stories through the medium of cinema.

Fears like these are not new. When power looms made textile production faster and

cheaper, gangs of out-of-work handloom workers were so incensed that they went about smashing the machines that had displaced them. When banks mechanized the dispensation of cash by introducing automated teller machines, bank workers who were being replaced had similar concerns, though they raised them without resorting to the same level of violence.

Every generation of technology has given rise to similar concerns among the existing workforce—worryes that the skills they have amassed over the course of their lives will soon no longer be relevant. And that, as a result, they will become redundant.

There seems little doubt that Generative AI will have a similar effect on filmmaking. Given that today's AI systems have already ingested every genre, character and plotline that has ever been created, it will be relatively trivial for these systems to come up with exciting new scripts far quicker and with greater creative diversity than human script-writers are capable of. When taken together with Agrim's predictions about the rate at which AI-based video generation will advance, it seems inevitable that the process of making a movie could very soon require fewer (and eventually none) of the people who are currently integral to the creative

process. This could reach a point where we, heaven forbid, will no longer need any human actors performing cinema roles.

The film industry has reacted to this with consternation. Even though it is probable that people in this field do not fully understand all that AI can do to their industry, they know enough to understand that it will fundamentally change the way films are made.

But if this change is inevitable, rather than trying to prevent it from happening, the film industry would do well to embrace it. Instead of protesting every time AI is incorporated into another aspect of their creative workflow, they would be far better off learning how to work with AI, so that they can use it as a new tool to augment their own creativity.

While it might seem as if AI will let anyone become a screenwriter, what is more likely to happen is that it will start being used by those skilled at the art, as they find it offers them a powerful new tool to generate better scripts. Directors and cinematographers

who embrace AI-based video-generation tools will be able to create new types of visual content and new forms of entertainment that cannot be generated by using existing cameras and visual-effects technology.

Actors who embrace AI will be able to augment their performance in ways that were previously not possible. For example, they could use AI to generate visualizations of the scenes they have to perform, so that they can better understand what they have to do. In other ways too, they could use AI enablers to extend their performance beyond what is humanly possible.

Beyond all this, for creative studios that are truly willing to embrace the full potential of AI, this technology will usher in new ways of visual storytelling that will change the way we entertain ourselves. To those who understand all it has to offer, it presents an opportunity to create entirely new forms of content that are as hard for us to imagine as user-generated content would have been as recently as the turn of the century.

Studios that acquire a good grasp of how best to harness the power of AI will be able to create believable characters and storylines and use it to generate scripts on the fly. By leveraging AI's ability to generate visual content quickly with a few commands, or 'prompts,' it will be possible for the world's entertainers to produce interactive creative experiences through which viewers could participate more directly in their own entertainment.

This might take the form of completely immersive experiences—choose-your-own-adventures that have different endings each time you participate. Perhaps this might come to use some sort of a real-time voting mechanism that will capture the feedback of a global audience and then use this data to shape plot developments, so that each entertainment experience is different from the ones that came before it. Or maybe AI will allow us to craft powerful interactive multi-player experiences in which the viewer is as much a member of the audience as an active part of the world in which the story is set and being told.

What is most likely, however, is that whatever we end up with as entertainment of the AI age will not be what we would ever have imagined.

Generative AI could transform entertainment and storytelling in ways that are unimaginable for us right now



Tap that icon: 10 Chrome extensions to work better

From dark mode tools to taking good screenshots, here's a look at some extensions that can help keep track of your productivity goals

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A few days back, I stumbled upon an interesting extension for Google Chrome. Mobi Reader made my life easier by letting me read Mobi (a file extension used to store e-books) documents directly in Chrome or in a separate popup window. Citing books and going back to different pages for reference is now less of a hassle.

Chrome Extensions are not new. They were introduced to Chrome in 2009 and today there are over 200,000 extensions available on the Chrome Web Store, covering a wide range of use cases, from productivity tools to just-for-fun games. Extensions are small software programs that extend the browser's usability further by adding new features. But they are an interesting way to find the innovative work that many web developers do behind the scenes. More importantly, they are perfect for users who don't want to rely on multiple devices – an ebook reader, a smartphone or another tablet – to finish their tasks.

For instance, one of my all-time favourite extensions is Save to Pocket, which I've been using for years to save articles and web pages that I want to revisit later. Like Pocket, many of these extensions that follow also work on the likes of Apple Safari and can be synced with your mobile device.

Here's a look at 10 interesting extensions that can help you manage your work and tasks better.

DARK READER: Many of us prefer reading web pages in dark mode, especially when browsing in low-light situations. Once installed, Dark Reader lets you toggle between dark mode and light mode for every website, by inverting bright colors, making them high contrast and easy to read at night. The toggle button works instantly without any delay. You can also adjust the contrast, brightness, sepia filter, dark mode, and font settings with Dark Reader. Another fun alternative to Dark Reader is an extension called Dark Mode.

NOISLI: Remember when the pandemic lockdowns meant many of us were working from home? The one thing many users missed was the familiar noise of a working environment. On the other hand, there were some who wanted calm or focused sounds to get those tasks done. Noisli gives the user customizable background sounds to help focus while they work or study. You can choose from a variety of curated playlists – be it for productivity, relaxing, a noise blocker or random noises. The extension also has a timer to help you finish work in sessions. Some features on



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► Look for ratings and number of users on the extension's Chrome Web Store page.

► See if the extension has a featured badge. Featured extensions follow best practices and meet a high standard of user experience and design.

► Check out user reviews to understand if there are any paid features or add-ons.

TOGGL TRACK:

Toggl Track adds a timer into any web tool you're using and allows you to track how much time you spend on a particular task. Think of it as a productivity time tracker. Toggl Track works with more than 120 web tools – be it Notion, Gmail, Google Drive, Trello, and Evernote, among others. A similar extension is RescueTime.



GHOSTERY:

This privacy-focused extension lets you block trackers and unwanted ads. It also removes those nagging cookie pop-ups that, as many of us will agree, hamper your user experience on a web page. Apart from its blocking capabilities, Ghostery also gives you detailed information on any website you visit, including the number of trackers, type and the company running them.



HTTPS EVERYWHERE:

This extension automatically redirects you to the HTTPS version of a website, ensuring that your browsing is safe and encrypted. According to the American company Cloudflare, websites using HTTPS are more trustworthy for users. Another interesting alternative to HTTPS Everywhere is Smart HTTPS.



GOFULLPAGE:

How many times have you struggled to get a complete screenshot of a webpage? GoFullPage is a cool extension that lets you capture a composite screenshot of the page you are on with a single click. Once you install the extension and tap the icon, GoFullPage screenshots every part of the page you are currently on and gives you a composite image at the end. It also lets you download the screenshot in PDF or PNG formats.



SCREENINITY:

A privacy-focused screen recorder, Screenity lets you record any tab you are on and annotate with text, shapes, arrows etc. You can also edit the videos. Screenity can also record your microphone or internal audio. Once done, you can download the file in mp4, gif, and webm formats. A useful tool for creating tutorials, presentations, or recording web-based content.



Noisli require paid add-ons. Another alternative to Noisli is Noiseplayer.

MIGHTYTEXT: Simple and easy to use, MightyText lets you send and receive SMS text messages on your PC and Mac with your phone number. MightyText works on Android. All you need to do is install the app on your phone, link your Google account and complete the setup. Once done, you need to sign in to MightyText on your desktop browser with the same Google account and the extension is good to go. This is a great tool for people who still believe in the usefulness of traditional text messaging.



ONETAB: I'm guilty of having one too many tabs open at any given time. It's a minimalist worker's nightmare. Not only can too many open tabs feel cluttered but sometimes you might end up closing an important tab mistakenly. OneTab helps you



organize and manage your tabs more effectively. Click on the OneTab icon and it compiles all your open tabs under a single tab with all the links. This also helps your browser work more smoothly. You can also export your tab lists as a web page or a file and import them. This is handy for transferring tab sessions between multiple devices or browsers.

EPUB READER: Like the Mobi Reader, EPub Reader lets you access epub (e-book file format for viewing online or offline documents) files on Chrome. You can right click on any ePub link and then choose the 'view ePub' item from the context menu. Alternatively, you can open the popup window and then add the epub link in the top section of the window to view the document. For offline files, you can simply drag and drop the file to the designated area in the popup window to load the ePub document. You can also change the font style and size of the epub file with this extension to fit your reading preference.



REVIEW | NIKON Z6 III

A worthy upgrade for most smartphone camera users

Nikon Z6 III works well as a straight-shooting semi-pro camera but it won't appeal to professional photographers

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By now, it's perhaps futile to speak about the impact of smartphones on digital cameras. The proliferation of smartphones has happened in line with the advancement of increasingly compact lenses and sensors, and algorithm-supported image processing. In such a world, the role of standalone digital cameras has become more niche and targeted. Interestingly enough, on the same breath, the market for full-frame, interchangeable-lens, mirrorless cameras has continued to increase in India. With refinements to its body, intuitive ergonomics and a crisp overall package, the Nikon Z6 III, priced at ₹2,47,990, is one of the most well-heeled semi-professional cameras that you can buy today.

Important context: for most casual buyers, the need for a camera such as the Nikon Z6 III arises out of discretion. Today, hobbies are no longer what they

used to be—thanks in no small part to dwindling attention spans. As a result, if you're looking to purchase a camera, it is most likely a passive hobby for you. In such a world, the key challenge is to convince buyers that the Nikon Z6 III will beckon you to use it more often than not. The Nikon Z6 III's biggest win is that it gives you a simplified usage experience. If you're keen on rebuilding your long-lost hobbies, the Z6 III's fully-automatic shooting mode gives you an almost point-and-shoot photography experience.

What aids the camera is in-body image stabilisation—a common feature for cameras at this price bracket, but one that's still often reserved for flagship models, and not mid-range ones. This lets you shoot without needing a tripod, be it late evenings or at the crack of dawn.

At such times, the fully-automatic mode gives you the ability to shoot 20-megapixel photographs with mostly-excellent dynamic range and depth of colours. For technical context, Nikon has equipped the Z6 III with a new, partially-stacked image sensor, and the camera is capable of shooting 14 frames per second (fps) with the mechanical shutter. Even with the electronic shutter, you get great rolling shutter performance. The full-frame sensor uses its full width to shoot 4K videos at 60 fps, and if you're okay with cropping into the sensor, losing some depth for addi-



The Z6 III has a great fully-automatic shooting mode.



NIKON

tional resolution or frame rates, you can even push it up to 4K video at 120 fps, or an impressive 6K at 60 fps.

What does this mean? Simply put, in most situations, the Nikon Z6 III is a versatile camera that produces inherently great photographs. Even if you're shooting in the widely-standardised 'JPEG' format, you'll get results with great detailing in colour tones, depth of details in shadows, and contrast. In the real world, this translates to excellent photographs even in the

most contrasting of situations—such as a sunny day out at the beach, the setting sun at a hill station, or a splendour of colours in the upcoming four months of the festive season.

The videography credentials also set the Nikon Z6 III apart. The quality of videos exceeds the overall standard of videos

that most content creators want, even for YouTube. Natively-shot 60 fps content at 4K resolution captures ample depth of colours for you to consider this as a professional camera that will be good enough for at least half a decade, or maybe even more.

The Z6 III also manages body heat very well, which means that you can easily shoot for two hours without needing to stop—even at 42-degree Celsius ambient temperature and 70% humidity in the middle of a mango orchard.

The camera also gets a new electronic viewfinder (EVF). With a 5.76-million-dot resolution, the EVF does well in absolutely any situation that you throw at it. This is also one area where, at least on paper, the Z6 III edges ahead of its rivals from Canon and Sony.

What does the Z6 III do wrong? For one, if you are a professional video producer, you will notice some trade-off in dynamic range, which translates to lesser details of colours, shades and shadows especially in high-contrast scenes. You

will also realise that Nikon is yet to match Sony's LUT (light and colour) profiles and their tonal accuracies—although the Z6 III makes up for this with great rolling shutter performance. The latter simply means that if you are shooting sporting events, you won't end up with blurred images that miss acute moments of movement.

The Z6 III's wireless smartphone connectivity platform, called 'SnapBridge', continues to remain more or less the same as what it was nearly a decade ago—which is unfortunate. The simplest connectivity medium is through the 'AP Wi-Fi' mode—where you follow on-screen instructions both on the camera and the SnapBridge app, to sync the camera with your phone.

Transferring photographs and videos from the camera to your phone works simply enough once the connection is up and running, but reconnecting a day later isn't as straightforward. In a world where smartphones have simplified user interfaces to a great extent, it's time that camera-makers take the smartphone world more seriously.

If you are a professional, you'll likely want to look at Sony's a7R range, or Nikon's Z8/Z9 series, for better dynamic range, LUT profiles and faster shutters. For everyone else, the Z6 III could prove to be strategically key to Nikon's ambition of crossing ₹1,000 crore in annual revenue this fiscal.



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AI TRACKER

New AI tool can decode DNA sequences

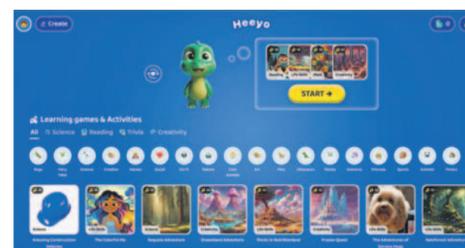
GROVER is a new large language model that is trained on human DNA

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NEW MODEL CAN 'SPEAK DNA'

Scientists have created a new AI model that can decode human DNA as a form of text and draw out contextual information. GROVER is a new large language model trained on human DNA that can extract important information out of DNA sequences, such as identifying gene promoters or protein binding sites. To train GROVER, the team at the Biotechnology Center (BIOTEC) of Dresden University of Technology in Germany, first created a 'DNA dictionary'. The researchers believe tools like GROVER could help transform genomics and personalized medicine. The findings on this new tool were published recently in the journal *Nature Machine Intelligence*.

A CHATBOT FOR CHILDREN



Heeyo, an AI chatbot designed for children, announced seed funding by OpenAI Startup Fund, Amazon Alexa Fund, Pear VC, Charge Ventures, and others earlier this month. In a blog post, Xiaoyin Qu, founder and CEO of Heeyo, said that children can choose or design their own Heeyo friend to talk to. Each AI speaks 20 languages and is trained by child psychologists to interact with kids in safe and fun ways. Qu said in the post. According to Qu, Heeyo aims to fill a gap left behind by the likes of ChatGPT, Character AI, and Claude, which do not serve children under the age of 13. Heeyo's AI friends can accompany children through a host of expert-designed learning activities. The chatbot is now available on iOS and Android phones and tablets.

ZOOM DOCS ARE HERE

Zoom Video Communications, the company behind the popular Zoom video conferencing tool, announced the rollout of Zoom Docs on 6 August. The AI-first collaborative docs solution is available on Zoom Workplace and can convert meeting outcomes and summaries into actionable documents with the help of Zoom's AI Companion. According to Zoom, Zoom Docs can summarize meetings and create content like business plans and project briefs. It also has translation, tracking and revision features.