

Thursday, August 8, 2024

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(Please scan this QR code to view the Red Herring Prospectus)

BRAINBEES SOLUTIONS LIMITED

Our Company was incorporated on May 17, 2010 as a private limited company under the Companies Act 1956, with the name "Brainbees Solutions Private Limited" at Pune, Maharashtra, India pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Pune (the "RoC"). Upon the conversion of our Company to a public limited company pursuant to a resolution passed by our Board on August 31, 2023 and a special resolution passed by our Shareholders at the extra-ordinary general meeting on September 5, 2023, the name of our Company was changed to "Brainbees Solutions Limited". A fresh certificate of incorporation dated November 2, 2023 was issued by the RoC consequent to our Company's conversion into a public limited company. For details of changes in the registered office of our Company, see "History and Certain Corporate Matters – Changes in the registered office" on page 311 of the Red Herring Prospectus dated July 30, 2024 and to be read with the Corrigendum to the RHP dated July 31, 2024, ("RHP" or "Red Herring Prospectus") filed with the RoC.

Corporate Identity Number: U51100PN2010PLC136340
Registered and Corporate Office: Rajashree Business Park, Survey No. 338, Next to Sohrab Hall, Tadiwala Road, Pune - 411 001, Maharashtra, India; Tel: (+91) 84829 89157
Contact Person: Neelam Jethani, Company Secretary and Compliance Officer; E-mail: companysecretary@firstcry.com; Website: www.firstcry.com

OUR COMPANY DOES NOT HAVE AN IDENTIFIABLE PROMOTER

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH (THE "EQUITY SHARES") OF BRAINBEES SOLUTIONS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING TO ₹[●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF [●] EQUITY SHARES OF FACE VALUE ₹2 EACH AGGREGATING UP TO ₹16,660.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 54,359,733 EQUITY SHARES OF FACE VALUE ₹2 EACH AGGREGATING TO ₹[●] MILLION (THE "OFFER FOR SALE").

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH, AGGREGATING UP TO ₹30.00 MILLION (CONSTITUTING UP TO [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●] % AND [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

DETAILS OF THE 10 LARGEST SELLING SHAREHOLDERS, OFFER FOR SALE AND THE WEIGHTED AVERAGE COST OF ACQUISITION

Name of Selling Shareholder	Type	Number of equity shares offered	Weighted average cost of acquisition per Equity Share ⁽¹⁾ (in ₹)	Name of Selling Shareholder	Type	Number of equity shares offered	Weighted average cost of acquisition per Equity Share ⁽¹⁾ (in ₹)
SVF Frog (Cayman) Ltd	Corporate Selling Shareholder	20,318,050	154.40	Apricot Investments Limited	Corporate Selling Shareholder	2,523,280	280.87
Mahindra & Mahindra Limited	Corporate Selling Shareholder	2,806,174	77.96	Satyadhama Investments and Trading Company Private Limited	Corporate Selling Shareholder	197,777	196.38
PI Opportunities Fund- 1	Corporate Selling Shareholder	8,601,292	280.87	Schroders Capital Private Equity Asia Mauritius II Limited	Corporate Selling Shareholder	3,802,210	145.26
TPG Growth V SF Markets Pte. Ltd.	Corporate Selling Shareholder	3,899,525	280.87	Sage Investment Trust	Corporate Selling Shareholder	52,516	280.87
NewQuest Asia Investments III Limited	Corporate Selling Shareholder	4,141,043	133.69	Pratithi Investment Trust	Corporate Selling Shareholder	224,712	312.48

⁽¹⁾As certified by Bansal & Co LLP, Chartered Accountants, bearing firm registration number 001113/N/N500079, by way of their certificate dated July 30, 2024. For a complete list of all Selling Shareholders and their weighted average cost of acquisition per Equity Share on a fully diluted basis, see "Summary of the Offer Document – Weighted average cost of acquisition of equity shares by the Selling Shareholders" on page 81 of the RHP.

We sell Mothers', Babies' and Kids' products through our online platform in India, United Arab Emirates and Kingdom of Saudi Arabia, and also through company-owned stores, franchisee-owned stores and general trade retail distribution in India.

The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations
QIB Portion: Not less than 75% of the Net Offer | Non-Institutional Portion: Not more than 15% of the Net Offer | Retail Portion: Not more than 10% of the Net Offer
Employee Reservation Portion: Up to [●] Equity Shares aggregating up to ₹ 30.00 Million

PRICE BAND: ₹ 440 TO ₹ 465 PER EQUITY SHARE OF FACE VALUE OF ₹2 EACH.

THE FLOOR PRICE AND THE CAP PRICE ARE 220 TIMES AND 232.50 TIMES THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY.

BIDS CAN BE MADE FOR A MINIMUM OF 32 EQUITY SHARES AND IN MULTIPLES OF 32 EQUITY SHARES THEREAFTER.

A DISCOUNT OF ₹ 44 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION.

In accordance with the recommendation of the Independent Directors of our Company, pursuant to their resolution dated July 31, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for Offer Price' section on page 222 of the RHP.

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

In relation to Price Band, potential investors should only refer to this price band advertisement for the Offer and should not rely on any media articles/ reports in relation to the valuation of our Company as these are not endorsed, published or confirmed either by our Company or by the BRLMs.

RISKS TO INVESTORS

For details refer to section titled "Risk Factors" on page 83 of the RHP

Financials Risk:

- Negative Cash Flows:** We have had negative net cash flows in the past. The following table sets forth our cash flow for the periods indicated as per our Restated Consolidated Financial Statements:

(₹ in million)

Particulars	For the year ended March 31,		
	2024	2023	2022
Net cash used in operating activities	(420.73)	(3,989.89)	(1,317.26)
Net cash (used) in/generated from investing activities	629.44	3,040.89	(4,905.81)
Net cash (used) in/generated from financing activities	814.74	(506.18)	6,443.76
Net increase/(decrease) in cash and cash equivalents	1,023.45	(1,455.18)	220.69

- Losses incurred in past periods:** We have incurred loss of ₹(3,215.07) million, ₹(4,860.56) million and ₹(786.85) million for the Financial Year 2024, 2023 and 2022 respectively. If we continue to incur losses, our business and the value of the Equity Shares could be adversely affected.
- Risk related to the objects of the offer:** We face various inter-related risks concerning usage, receipt and deployment of the Offer Proceeds in relation to the objects of the Offer, some of which are outline below:
 - We are yet to identify the exact locations or properties for the setting up our new modern stores and warehouses in India and the Kingdom of Saudi Arabia, for which we intend to utilize the amount from Net Proceeds;
 - A portion of the Net Proceeds will be invested in our Subsidiaries, Globalbees Brands, Digital Age and Firstcry Trading Company, which have incurred losses and certain newly established businesses. We cannot assure you that our investments will enhance their profitability or yield intended results.
 - The Net Proceeds will be deployed over a long period of time and any delay may impact our operations and profitability.
- Market Risk:** The Offer Price of our Equity Shares, our pre-Offer market capitalization to revenue from operations for FY 2024 and our price-to-earnings (P/E) ratio at Offer price may not be indicative of the market price of our Equity Shares after the Offer.

Period	Ratio vis-à-vis Floor Price of ₹ 440	Ratio vis-à-vis Cap Price of ₹ 465
	(In multiples, unless otherwise specified)	
Market capitalization to Revenue from operations (for FY 2024)	3.28	3.47
Price-to-earnings ratio	N.A	N.A

Notes:

- Market capitalization = Number of shares outstanding as on date of RHP * Floor price or Cap price, as applicable
- Since the Company has incurred loss in the Financial Year 2024, the basic and diluted EPS is negative and hence, the Price to Earnings ratio is not ascertainable

Business and Operational Risks:

- Risk relating to retaining existing customer and acquiring new customers:** If we fail to acquire new customers or experience a decline in engagement with our existing customers, we may not be able to increase our revenues or achieve profitability. Our GMV generated from our Annual Unique Transacting Customers ('AUTC') for Financial Years 2024, 2023 and 2022 was ₹91,211.28 million ₹72,576.34 million and ₹57,994.63 million respectively. The tables below sets forth the details of our advertising and sales promotion expenses as a percentage of our revenue from operations and our GMV generated from our new customers and existing customers as a percentage of GMV from AUTC:

Period	For the year ended March 31,		
	2024	2023	2022
Advertising and sales promotion expenses*	7.44%	7.39%	11.19%

*Includes payments made to third-party websites, search engines and social media influencers.

Period	For the year ended March 31,		
	2024	2023	2022
GMV from new customers	27.77%	27.02%	29.76%
GMV from existing customers	72.23%	72.98%	70.24%

- Risk relating to third-party brands and SKUs:** If we fail to retain our relationships with third-party brands, or attract new relationships, our business, results of operations, financial condition and cash flows will be adversely affected. Set forth below is the number of brands added on our FirstCry platform (in India, UAE and KSA), brands associated with us on our FirstCry platform, and SKUs offered by us on our platform:

Particulars	As at/for the financial year ended March 31,		
	2024	2023	2022
Brands added on our FirstCry platform (in India, UAE and KSA)	1,125	2,250	2,235
Brands associated with us on our FirstCry platform	7,580	7,035	6,287
SKUs offered (in million)	1.65	1.29	1.27

- Dependency on the online commerce industry in India:** Our business depends on the growth of the online commerce industry in India and our ability to effectively respond to changing customer behavior on digital platforms. Details of our GMV from Online business in India as a percentage to total GMV in India is provided hereunder:

Particulars	For the year ended March 31,		
	2024	2023	2022
GMV from Online business in India (as % of total GMV in India)	76.91%	77.36%	81.58%

Continued on next page...

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Other Risks:

- Our Company will not receive any proceeds from the Offer for Sale amounting to ₹23,918.28 million (calculated at floor price).
- The five Book Running Lead Managers associated with the Offer have handled 55 public issues in the past three Financial Years, out of which 12 issues closed below the issue price on the listing date:

Name of the BRLMs	Total Public Issues	Issues closed below the IPO Price on listing date
Kotak Mahindra Capital Company Limited*	15	3
Morgan Stanley India Company Private Limited*	1	-
BofA Securities India Limited*	-	-
JM Financial Limited*	29	8
Aventus Capital Private Limited*	-	-
Common Issues of above BRLMs	10	1
Total	55	12

*Issues handled where there were no common BRLMs.

- Weighted average cost of acquisition of all shares transacted in the three years, 18 months and one year preceding the date of the Red Herring Prospectus:

Period preceding the date of Red Herring Prospectus	Weighted average cost of acquisition (in ₹)	Cap Price is 'x' times the weighted average cost of acquisition	Range of acquisition price: lowest price – highest price (in ₹)**
Last one year	407.42	1.14	243.72 - 524.15
Last 18 months	407.42	1.14	243.72 - 524.15
Last three years	237.09	1.96	2.00 - 524.15

** As certified by Bansal & Co LLP, Chartered Accountants, bearing firm registration number 001113N/N500079, by way of their certificate dated July 30, 2024.

- Since the Company has incurred loss in the Financial Year 2024, the basic and diluted EPS is negative and hence, the Price to Earnings ratio is not ascertainable.
- Weighted Average Return on Net Worth for Financial Year ended 2024, 2023 and 2022 is (8.92)%.

BID/OFFER PERIOD

BID/OFFER CLOSING TODAY⁽¹⁾

¹ UPI mandate and time end date shall be at 5:00 pm on the Bid/Offer Closing Date.

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

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

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
Bid/Offer Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RILs, other than QIBs, Non-Institutional Investors and Eligible Employees Bidding in the Employee Reservation Portion.	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and Non-Institutional Investors)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Investors categories*	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 4.00 p.m. IST on Bid/Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RILs and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 5.00 p.m. IST on Bid/Offer Closing Date

*UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

#QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/ withdraw their Bids.

Bid / Offer Period

Event	Indicative Date
Bid/Offer Opened On	Tuesday, August 6, 2024
Bid/Offer Closes On⁽¹⁾	Thursday, August 8, 2024
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about Friday, August 9, 2024
Initiation of refunds (if any, for Anchor Investors)/unlocking of funds from ASBA Account	On or about Monday, August 12, 2024
Credit of Equity Shares to depository accounts of allottees	On or about Monday, August 12, 2024
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Tuesday, August 13, 2024

⁽¹⁾UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

ASBA[#] Simple, Safe, Smart way of Application!!!

Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA.

Mandatory in public issues. No cheque will be accepted.

UPI UPI-Now available in ASBA for Retail Individual Investors and Non - Institutional Investor applying for amount upto ₹ 5,00,000/-, applying through Registered Brokers, DPs and RTAs. UPI Bidder also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020, issued by the Central Board of Direct Taxes and the subsequent press releases, including press releases dated June 25, 2021 and September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

ASBA has to be availed by all the investors except anchor investors. UPI may be availed by (i) Retail Individual Investors in the Retail Portion; (ii) Non-Institutional Investors with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Offer Procedure" on page 603 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the websites of the Stock Exchanges and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. HDFC Bank Limited and Kotak Mahindra Bank Limited have been appointed as Sponsor Banks for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2018 as amended. For Offer related queries, please contact the BRLMs on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.upi@npci.org.in.

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

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

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process, in compliance with Regulation 8(2) of the SEBI ICDR Regulations, wherein at least 75% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Category"), provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Category (excluding the Anchor Investor Portion) ("Net QIB Category"). Further, 5% of the Net QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Category shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation to non-institutional investors ("Non-Institutional Investors" or "NILs") (the "Non-Institutional Category") of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. The allocation to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XII of the SEBI ICDR Regulations. Further, not more than 10% of the Offer shall be available for allocation to retail individual investors ("Retail Individual Investors" or "RILs") (the "Retail Category") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer through the Application Supported by Block Amount ("ASBA") process, and shall provide details of their respective bank account (including UPI ID for UPI Bidders (defined hereinafter)) in which the Bid Amount will be blocked by the SCSBs or the Sponsor Bank(s), as the case may be. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, specific attention is invited to "Offer Procedure" on page 603 of the RHP.

Bidders/ Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders bidding through the UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI Mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unlocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay

resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

Contents of the Memorandum of Association of our Company as regards its objects: For information on the main objects of our Company, please see the section "History and Certain Corporate Matters" on page 311 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, please see the section titled "Material Contracts and Documents for Inspection" on page 159 of the RHP.

Liability of the members of our Company: Limited by shares

Amount of share capital of our Company and Capital Structure: As on the date of the RHP, the authorised share capital of the Company is ₹ 1,104,910,000 divided into 552,455,000 Equity Shares of face value ₹ 2 each and ₹ 99,820,030 divided into 49,910,015 Preference Shares of face value of ₹ 2 each, 155,000 Series A CCPS of ₹ 2 each, 866,165 Series B CCPS of ₹ 2 each, 21,856,650 Series C CCPS of ₹ 2 each, 438,100 Series C1 CCPS of ₹ 2 each, 77,900 Series C2 CCPS of ₹ 2 each, 12,217,950 Series D1 CCPS of ₹ 2 each, 14,197,750 Series D2 CCPS of ₹ 2 each, 30,500 Option 1 CCPS of ₹ 2 each and 70,000 Option 2 CCPS of ₹ 2 each. The issued, subscribed and paid-up share capital of the Company is ₹ 966,698,940 divided into 483,349,470 Equity Shares of face value ₹ 2 each. For details, please see the section titled "Capital Structure" on page 159 of the RHP.

Names of signatories to the Memorandum of Association of our Company and the number of Equity Shares subscribed by them: The initial signatories to the Memorandum of Association of our Company are Supam Maheshwari and Sampada Maheshwari who subscribed to 1,000 equity shares of face value of ₹ 10 each and 9,000 equity shares of face value of ₹ 10 each. For details of the share capital history of our Company, please see the section titled "Capital Structure" on page 159 of the RHP.

Listing: The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters each dated May 16, 2024. For the purpose of the Offer, NSE is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus has been filed and the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 650 of the RHP.

Disclaimer Clause of the Securities and Exchange Board of India ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 582 of the RHP for the full text of the disclaimer clause of SEBI.

Disclaimer Clause of NSE (Designated Stock Exchange): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 584 of the RHP for the full text of the Disclaimer Clause of NSE.

Disclaimer Clause of BSE: It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the Red Herring Prospectus. The investors are advised to refer to page 584 of the Red Herring Prospectus for the full text of the Disclaimer Clause of BSE.

General Risk: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 83 of the RHP.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
					Neelam Jethani Rajashree Business Park, Survey No. 338 Next to Sohrahb Hall, Tadiwala Road Pune - 411 001, Maharashtra, India Tel: (+91) 84829 89157 E-mail: companssecretary@frstcry.com
Kotak Mahindra Capital Company Limited 1 st Floor, 27 BKC, Plot No. C-27 'G' Block, Bandra Kurla Complex Bandra (East), Mumbai - 400 051 Maharashtra, India Tel: (+91 22) 4336 0000 E-mail: brainbees ipo@kotak.com Website: https://investmentbank.kotak.com Investor grievance e-mail: kmccrdressal@kotak.com Contact person: Ganesh Rane SEBI registration no.: INM000008704	Morgan Stanley India Company Private Limited 18 th Tower 2, One World Centre Plot 841, Senapati Bapat Marg Mumbai - 400 013, Maharashtra, India Tel: (+91 22) 6118 1000 E-mail: frstcryipo@morganstanley.com Website: www.morganstanley.com Investor grievance e-mail: investors_india@morganstanley.com Contact person: Homi Joshi SEBI registration no.: INM00001123	BofA Securities India Limited Ground Floor, "A" Wing, One BKC, "G" Block Bandra Kurla Complex, Bandra (East) Mumbai - 400 051, Maharashtra, India Tel: (+91 22) 6632 8000 E-mail: dg.brainbees_ipo@bofa.com Website: https://business.bofa.com/bofas-india Investor grievance e-mail: dg_india_merchantbanking@bofa.com Contact person: Aparajit Varadhan SEBI registration no.: INM000011625	JM Financial Limited 7 th Floor, Energy, Appasaheb Marathe Marg Prabhadevi, Mumbai - 400 025 Maharashtra, India Tel: (+91 22) 6630 3030/ 3262 E-mail: frstcry_ipo@jmf.com Website: www.jmf.com Investor grievance e-mail: grievance.bd@jmf.com Contact person: Prachee Dhuri SEBI registration no.: INM000010361	Aventus Capital Private Limited Platina Building, 9 th Floor 901, Plot No C-59, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India Tel: (+91 22) 6648 0050 E-mail: frstcry_ipo@avendus.com Website: http://www.avendus.com Investor grievance e-mail: investorgrievance@avendus.com Contact person: Sarthak Sawra / Shantanu Chale SEBI registration no.: INM000011021	Link Intime India Private Limited C-101, 1 st Floor, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai - 400 083, Maharashtra, India Tel: +91 810 811 4949 E-mail: brainbees.ipo@linkintime.co.in Website: www.linkintime.co.in Investor grievance e-mail: brainbees.ipo@linkintime.co.in Contact person: Shanti Gopalkrishnan SEBI registration no.: INR000004058

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the section titled "Risk Factors" on page 83 of the RHP, before applying in the Offer. A copy of the RHP is available on website of SEBI at www.sebi.gov.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of the Company at www.frstcry.com and www.investmentbank.kotak.com, <https://business.bofa.com/bofas-india>, www.jmf.com and <http://www.avendus.com>, respectively.

Availability of the Abridged Prospectus: A copy of the abridged prospectus shall be available on the website of the Company, the BRLMs and the Registrar to the Offer at www.frstcry.com, <https://investmentbank.kotak.com>, <https://business.bofa.com/bofas-india>, <http://www.jmf.com> and <http://www.avendus.com> and <http://www.linkintime.co.in>, respectively.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid cum Application Forms can be obtained from the Registered Office of BRAINBEES SOLUTIONS LIMITED, Tel: (+91) 84829 89157; BRLMs : Kotak Mahindra Capital Company Limited, Tel: (+91 22) 4336 0000; Morgan Stanley India Company Private Limited, Tel: (+91 22) 6118 1000; BofA Securities India Limited, Tel: (+91 22) 6632 8000; JM Financial Limited, Tel: (+91 22) 6630 3030/ 3262 and Aventus Capital Private Limited, Tel: (+91 22) 6648 0050; Syndicate Member: JM Financial Securities Limited, Tel: (+91 22) 6136 3400; Kotak Securities Limited, Tel: (+91 22) 6218 5410 and Spark Institutional Equities Private Limited, Tel: (+91 22) 6885 4503 and at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-Syndicate Members: Almond Global Securities Ltd, Anand Rathi Share & Stock Brokers Ltd, Asit C. Mehta Investment Intermediates Ltd, Axis Capital Limited, Bajaj Financial Services Ltd, Centrum Wealth Management Ltd, Dalal & Broacha Stock Broking Private Limited, Eureka Stock & Share Brokers Ltd, Finwizard Technology Pvt Limited, Globe Capital Market Limited, HDFC Securities Limited, ICICI Securities Limited, IDBI Capital Markets and Securities Ltd, IIFL Securities Ltd, Jobanputra Fiscal Services Private Limited, Kantilal Chhaganlal Centurium P. Ltd, Keynote Capital Limited, KJMC Capital Market Services Limited, LKP Securities Limited, Motilal Oswal Financial Services Limited, NuVama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited), Prabhudas Lilladher P. Ltd, Pravin Ratilal Share & Stock Brokers Limited, Religare Broking Ltd, RR Equity Brokers Private Limited, SBICap Securities Limited, Sharekhan Ltd, SMC Global Securities Ltd, Systematix Shares and Stock Brokers Ltd, Tradeblus Securities Limited and YES Securities (India) Limited

Escrow Collection Bank and Refund Bank: HDFC Bank Limited
Public Offer Account Bank: Kotak Mahindra Bank Limited • **Sponsor Banks:** HDFC Bank Limited and Kotak Mahindra Bank Limited
All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For BRAINBEES SOLUTIONS LIMITED
On behalf of the Board of Directors
Sd/-
Neelam Jethani
Company Secretary and Compliance Officer

Place: Pune
Date: August 7, 2024

BRAINBEES SOLUTIONS LIMITED is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its Equity Shares and has filed the RHP with RoC on July 30, 2024. The RHP is available on the website of SEBI at www.sebi.gov.in, as well as on the websites of the Stock Exchanges i.e. BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, on the website of the Company at www.frstcry.com and on the websites of the BRLMs, i.e. Kotak Mahindra Capital Company Limited, Morgan Stanley India Company Private Limited, BofA Securities India Limited, JM Financial Limited and Aventus Capital Private Limited at <https://investmentbank.kotak.com>, <http://www.morganstanley.com>, <https://business.bofa.com/bofas-india>, <http://www.jmf.com> and <http://www.avendus.com>, respectively. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" on page 83 of the RHP. Potential Bidders should not rely on the DRHP filed with SEBI for making any investment decision and instead should place reliance on the RHP.

This announcement does not constitute an invitation or offer of securities for sale in any jurisdiction. The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) within the United States solely to persons who are "reasonably believed to be" qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) pursuant to Section 4(a) of the U.S. Securities Act, and (b) outside the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. There will be no public offering of securities in the United States.

Thursday, August 8, 2024

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CXO hiring jumps 15%; most hires in sales, marketing ▶ P1



Reliance aims to be green energy leader ▶ P5

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY. THIS IS NOT A PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES. NOT FOR RELEASE, PUBLICATION AND DISTRIBUTION, DIRECTLY OR INDIRECTLY, OUTSIDE INDIA. THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF THE STOCK EXCHANGES IN COMPLIANCE WITH CHAPTER II OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS")



UNICOMMERCE ESOLUTIONS LIMITED



(Please scan this QR code to view the RHP)

Our Company was originally incorporated as 'Unicommerce eSolutions Private Limited' at New Delhi as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated February 2, 2012, issued by the Registrar of Companies, Delhi and Haryana ("RoC"). Our Company was converted from a private limited company to a public limited company pursuant to a special resolution passed by our Shareholders on December 19, 2023, and the name of our Company was changed to 'Unicommerce eSolutions Limited'. A fresh certificate of incorporation dated December 26, 2023 consequent upon change of name on conversion to a public limited company was issued by the RoC. For further details on the changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 181 of the red herring prospectus of our Company dated July 30, 2024 filed with the RoC ("Red Herring Prospectus" or "RHP").

Registered Office: Mezzanine Floor, A-83, Okhla Industrial Area, Ph-II, New Delhi 110 020, India; Corporate Office: Landmark House, Plot Number 65, 6th and 7th Floor, Sector 44, Gurgaon, 122 003, Haryana, India; Tel: +91 9311749240; Website: www.unicommerce.com; Contact Person: Monish Pal, Compliance Officer; E-mail: complianceofficer@unicommerce.com, Corporate Identity Number: U74140DL2012PLC230932

ACEVECTOR LIMITED (FORMERLY KNOWN AS SNAPDEAL LIMITED), STARFISH PTE. LTD., KUNAL BAHL AND ROHIT KUMAR BANSAL ARE THE PROMOTERS OF OUR COMPANY

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1 EACH ("EQUITY SHARES") OF UNICOMMERCE ESOLUTIONS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE AGGREGATING UP TO ₹[●] MILLION (THE "OFFER"), THROUGH AN OFFER FOR SALE OF UP TO 25,608,512 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION ("OFFER FOR SALE").

BY THE SELLING SHAREHOLDERS (AS DEFINED BELOW), COMPRISING UP TO 9,438,272 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY ACEVECTOR LIMITED (FORMERLY KNOWN AS SNAPDEAL LIMITED) ("PROMOTER SELLING SHAREHOLDER"), AND UP TO 16,170,240 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY SB INVESTMENT HOLDINGS (UK) LIMITED* ("INVESTOR SELLING SHAREHOLDER") (THE PROMOTER SELLING SHAREHOLDER AND THE INVESTOR SELLING SHAREHOLDER TOGETHER REFERRED TO AS THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES")

*The Equity Shares being offered by SB Investment Holdings (UK) Limited include 32,340,480 Equity Shares which have resulted upon conversion of 9,858 Series A Preference Shares and 2,775 Series B Preference Shares held by SB Investment Holdings (UK) Limited in the ratio of 2,560:1, i.e., 2,560 Equity Shares for one Preference Share.

THE FACE VALUE OF EQUITY SHARES IS ₹1 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS, AN ENGLISH NATIONAL DAILY NEWSPAPER AND ALL EDITIONS OF JANSATTA, A HINDI NATIONAL DAILY NEWSPAPER WITH WIDE CIRCULATION (HINDI ALSO BEING THE REGIONAL LANGUAGE OF DELHI AND HARYANA, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND THE WEIGHTED AVERAGE COST OF ACQUISITION

NAME OF THE SELLING SHAREHOLDERS	Type	NUMBER OF SHARES OFFERED/AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹ PER EQUITY SHARE)*
AceVector Limited (formerly known as Snapdeal Limited)	Promoter Selling Shareholder	Up to 9,438,272 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	23.52
SB Investment Holdings (UK) Limited	Investor Selling Shareholder	Up to 16,170,240 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	30.87

*For notes please refer cover page of the RHP.

We provide e-commerce enablement Software-as-a-Service ("SaaS") platform in the transaction processing or nerve centre layer that enables end-to-end management of e-commerce operations for brands, sellers and logistics service provider firms.

The Offer is being made through the Book Building Process pursuant to Regulation 6(2) of the SEBI ICDR Regulations.

QIB Portion: Not less than 75% of the Net Offer | Non-Institutional Portion: Not more than 15% of the Net Offer | Retail Portion: Not more than 10% of the Net Offer.

One of the Corporate Promoter of the Company has transferred certain Equity Shares through secondary sale at a price of Rs. 95.95 per Equity Share on May 22, 2024 and June 11, 2024. For further details, please see next page of this ad and "Capital Structure - Secondary transactions of Equity Shares" on page 88 of the RHP.

PRICE BAND: ₹102 TO ₹108 PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH.

THE FLOOR PRICE IS 102 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 108 TIMES THE FACE VALUE OF THE EQUITY SHARES.

THE PRICE TO EARNINGS RATIO ("P/E") BASED ON DILUTED EPS FOR FINANCIAL YEAR ENDED 2024 FOR THE COMPANY AT THE UPPER END OF THE PRICE BAND IS AS HIGH AS 93.10 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 87.93 TIMES AS COMPARED TO THE NIFTY P/E RATIO OF 23.03 TIMES (AS ON JULY 25, 2024).

BIDS CAN BE MADE FOR A MINIMUM OF 138 EQUITY SHARES AND IN MULTIPLES OF 138 EQUITY SHARES THEREAFTER.

ASBA[#]

Simple, Safe, Smart way of Application!!!

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

In accordance with the recommendation of the Committee of Independent Directors of our Company, pursuant to their resolution dated July 31, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Offer Price" section of the RHP vis-à-vis the weighted average cost of acquisition of primary and secondary transaction(s) disclosed in the "Basis for Offer Price" section on page 107 of the RHP.

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ON THE INFORMATION INCLUDED IN THE RED HERRING PROSPECTUS AND THE TERMS OF THE OFFER, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE OFFER AVAILABLE IN ANY MANNER.

In relation to price band, potential Investors should only refer to the price band advertisement for the Offer and should not rely on any media articles/ reports in relation to the valuation of the Company as these are not endorsed, published or confirmed either by the Company or by the BRLMs.

RISK TO INVESTORS - (For details refer to section titled "Risk Factors" on page 29 of the RHP)

- Technology related risks:** We provide a comprehensive suite of products. If we fail to develop and innovate our technology-based expertise in a timely and effective manner, our brand, competitive edge and market share may lose or may face resistance from our existing or potential clients. We may experience disruptions, outages, and other performance problems with our technology infrastructure due to a variety of factors, including introductions of new functionality, human or software errors, capacity constraints and denial-of-service attacks, which may reduce the quality of our products or interfere with our clients' use of our products, leading to reduction in demand, decrease in revenues, and increase in our costs.
- Risk associated with maintaining existing clients or attracting new clients:** Our business is subscription based, and clients are not obligated to renew and may not renew their subscriptions. If we fail to attract new clients and maintain and expand new and existing client relationships, our revenue from subscriptions may grow slower than expected, may not grow at all, or may decline. Further, a portion of our business is attributable to certain large clients. The contribution by our top 10 clients to our revenue from contract with customers has decreased from Fiscal 2023 to Fiscal 2024.
- Competition risk:** Some of our competitors have made or could make acquisitions of businesses that allow them to offer more competitive and comprehensive solutions, accelerate the adoption of new technologies that better address client needs, or develop and expand their product offerings more quickly than we do. Our inability to anticipate or effectively react to competitive challenges, could materially and adversely affect our business, financial performance, cash flows and prospects.
- Absence of listed industry peers in India or abroad:** There are no direct listed companies in India or internationally with whom our business model can be compared that matches the size and scale of our business operations. Our competitive position and any valuation exercise undertaken for the purposes of the Offer may not be based on a benchmark with our industry peers in India or abroad.
- Dependency on dropship volumes of our clients:** A portion of our e-commerce business is dependent on the dropship volumes of our clients. If our clients are able to develop their own system to manage their dropship operations, increase utilisation of their in-house services, or reduce their allocation of dropship volumes to us, our business, financial performance, cash flows and growth prospects would be materially and adversely affected.
- High employee benefits expense related risk:** Employee benefits expense constitute the largest portion of our total expense. Our employee benefits expense as a percentage of our revenue from contract with customers and as a percentage of total expenses were as follows:

Particulars	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Contribution by our top 10 clients to our revenue from contract with customers (amount in ₹ million)	283.56	289.04	189.44
Contribution by our top 10 clients to our revenue from contract with customers (in %)	27.38%	32.10%	32.09%

While we have witnessed an increase in number of clients in the last three fiscals, we cannot assure a similar account growth rate or at all.

- Ecommerce industry related risk:** Our revenues are based on transaction volumes on e-commerce platforms and are typically a function of the growth of online sales of our clients. Our business, results of operations, financial condition, cash flows and prospects will suffer to the extent the ecommerce industry in India, in particular our ecommerce enterprises and clients, do not use of the internet as a medium of commerce in India do not continue to grow.

Particulars	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Employee benefits expense as % of revenue from contract with customers	62.71%	68.87%	71.79%
Employee benefits expense as a % of total expense	70.64%	73.74%	77.83%

Our high employee benefits expense may make us less competitive, and any further increase in our employee benefit expense may reduce our profitability.

- Our Company will not receive any proceeds from the Offer. The Selling Shareholders shall be entitled to proceeds from the Offer for Sale.

Continued on next page...

...continued from previous page.

9. Our market capitalization to revenue multiple and price to earnings ratio may not be indicative of the market price of the Equity Shares on listing or thereafter.

Table with 3 columns: Particulars, Price to earnings ratio (Diluted basis), Market capitalisation to revenue from contract with customers#

Note: Financial information for our Company is derived from the Restated Financial Information for Fiscal 2024. # Market capitalisation has been computed as floor price or cap price, as the case may be, x number of shares outstanding as on the date of the Red Herring Prospectus.

10. Highest average cost of acquisition of Equity Shares for the Selling Shareholders in the Offer is ₹ 30.87, and Offer Price at the upper end of the price band is ₹108.

11. The weighted average return on net worth for our Company for FY 24, 23 and 22 is 18.98%, 12.48% and 14.53%, respectively. The weighted average return on net worth for last three fiscals is 16.07%.

12. Details of weighted average cost of acquisition ("WACA") of all Equity Shares transacted in last three years, eighteen months and one year immediately preceding the date of the RHP.

a) Equity Shares

Table with 4 columns: Period, Weighted Average Cost of Acquisition (in ₹)**^, Cap Price/upper end of Price Band is 'x' times the Weighted Average Cost of Acquisition^, Range of acquisition price: Lowest Price - Highest Price (in ₹)^#

**Acquisition price of Equity Shares issued pursuant to bonus issue of Equity Shares is Nil.

^Adjusted for sub-division of equity shares from face value of ₹10 each to face value of ₹1 each and bonus issue of Equity Shares in the ratio of 255 Equity Shares for one Equity Share held.

*As certified by B.B & Associates, Chartered Accountants pursuant to the certificate dated July 31, 2024.

b) Preference shares

Table with 4 columns: Period, Weighted Average Cost of Acquisition (in ₹)**, Cap Price/upper end of Price Band is 'x' times the Weighted Average Cost of Acquisition^, Range of acquisition price: Lowest Price - Highest Price (in ₹)**

**Pursuant to the sub-division and the bonus issue of Equity Shares, appropriate adjustments to the conversion ratio of outstanding Preference Shares was made and the conversion ratio was accordingly adjusted to 2,560:1, i.e., 2,560 Equity Shares for every Preference Share held.

^As certified by B.B & Associates, Chartered Accountants pursuant to the certificate dated July 31, 2024.

13. Weighted average cost of acquisition compared to floor price and cap price:

Table with 4 columns: Type of past transactions, WACA (in ₹)*, Floor Price (i.e. ₹ 102), Cap Price (i.e. ₹ 108)

As certified by B.B & Associates, Chartered Accountants, by way of their certificate dated July 31, 2024.

14. The two BRLMs associated with the Offer have handled 33 public issues in the past three years, out of which 9 issues closed below the offer price on listing date.

Table with 3 columns: Name of the BRLMs, Total issues, Issues closed below IPO price

*Issues handled where there were no common BRLMs.

Set out below are the details of the transfer by one of our corporate promoter, AceVector on May 22, 2024 and June 11, 2024:

Table with 6 columns: Date of the Transfer, Name of the transferor, Name of the trans-feree, Nature of transaction, Number of Equity Shares transferred, Transfer price per Equity Share (in ₹), Total consideration (in ₹)

BID/OFFER SCHEDULE

CLOSES TODAY*

*UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

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

Table with 2 columns: Event, Indicative Date

Table with 2 columns: Event, Indicative Date

*UPI mandate end time shall be 5:00 p.m. on the Bid/ Offer Closing Date.

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

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



UPI-Now available in ASBA for Retail Individual Bidders and Non Institutional Bidders applying in public issues where the application amount is up to ₹500,000, applying through Registered Brokers, Syndicate, CDPs & RTAs.

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by UPI Bidders. For details on the ASBA and UPI process, please refer to the details given in the Bid Cum Application Form and abridged prospectus and also please refer to the section "Offer Procedure" on page 327 of the RHP.

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").

Bidders/Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders using the UPI Mechanism) are correctly filled in the Bid cum Application Form.

is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021 and CBDR circular no. 7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023 and any subsequent press releases in this regard.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of the Company, please see the section "History and Certain Corporate Matters" on page 181 of the RHP.

AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of the Company is Equity share capital of ₹150,000,000 comprising 150,000,000 Equity Shares (having face value of ₹1 each).

NAMES OF SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The initial signatories to the Memorandum of Association are Ankit Pruthi and Karun Singla who subscribed to 5,000 Equity Shares each bearing face value of ₹10.

LISTING: The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on Stock Exchanges. Our Company has received an "in-principle" approval from BSE and NSE for the listing of the Equity Shares pursuant to letters both dated June 26, 2024.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the Offer documents and the does not constitute approval of either the Offer or the specified securities or the Offer document.

DISCLAIMER CLAUSE OF NSE (DESIGNATED STOCK EXCHANGE): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document.

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment.

Table with 3 columns: BOOK RUNNING LEAD MANAGERS, REGISTRAR TO THE OFFER, COMPLIANCE OFFICER

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 29 of the RHP, before applying in the Offer.

AVAILABILITY OF THE ABRIDGED PROSPECTUS: A copy of the abridged prospectus shall be available on the website of the Company, the BRLMs and the Registrar to the Offer at www.unicommercesolutions.com.

UNIONCOMMERCE SOLUTIONS LIMITED is proposing, subject to, receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offer of its Equity Shares and has filed the RHP dated July 30, 2024 with the RoC.

This announcement does not constitute an invitation or offer of securities for sale in any jurisdiction. The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act").

Adfactors

Thursday, August 8, 2024

mint

Think Ahead. Think Growth.

mint primer

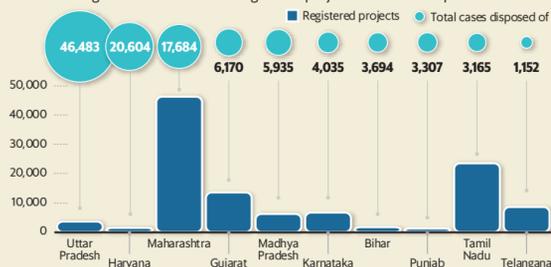
Regulating real estate: Tips from Maharashtra

BY MADHURIMA NANDY

The Maharashtra Real Estate Regulatory Authority (MahaRERA) has issued several orders to protect homebuyers. These aim to spur transparency and disclosures among builders and property agents. Other states could also incorporate some of them. *Mint* explains:

Tightening the screws

States with highest number of RERA-registered projects and cases disposed of*



*Data as of 31 July 2024. One registered project can have multiple cases. Source: Anarock Research SARVESH KUMAR SHARMA/MINT

1 What do the new orders state?

The Real Estate (Regulation and Development) Act 2016 aims to regulate transactions, so that projects are completed and handed over in time. MahaRERA has now issued more orders for developers—on delivery dates, maintenance of bank accounts, parking space and complaint redressal. It kept the registration of 1,750 lapsed projects under suspension due to delays. Senior citizen housing project guidelines have also been issued. And the registration of 20,000 property agents has been suspended for a year. It also issued a framework for third-party monitoring of construction quality.

BLOOMBERG

2 Why are these important?

Buying a home is the biggest investment a person makes in their lifetime. However, homebuyers have been victims of delays and unkept promises by developers. The slew of new orders from MahaRERA addresses many of these challenges. For instance, it has noted that developers have not handed over amenities years after delivering the homes in many cases. In a first, all the details and exact delivery dates of amenities will be included in the sale agreement. MahaRERA will also start a project grading system, with legal, technical and financial details, so that homebuyers can make informed decisions.

3 How has the industry responded?

The Confederation of Real Estate Developers Association of India has expressed support, saying this will boost trust and confidence among buyers. The orders will also strengthen the integrity of the projects and the real estate assets, making them more attractive for investments. Developers would aim to set higher standards for buyers.

4 How do other states compare?

MahaRERA continues to lead, with over 46,000 projects having been registered since its launch in May 2017. Uttar Pradesh RERA, which has received most consumer complaints, leads in complaint resolution. MahaRERA has been the most active among states in introducing new regulations. For instance, MahaRERA last year made it compulsory to include a unique QR code for a project and the RERA registration number in all project marketing and advertising material. UP RERA implemented the same this year.

5 How has RERA fared so far?

RERA brought in many changes by mandating project registration, delivery timelines and even transparency in transactions. But it remains work in progress. There are several instances where a RERA has issued orders for recovery of interest penalty or refund and compensation in favour of homebuyers, but builders have not complied with them. The execution of recovery orders has been dismal. As a result, homebuyers have had to reach out to other grievance redressal tribunals and forums.

QUICK EDIT

Vexation relief

Faced with vocal vexation over the removal of indexation benefits for capital gains tax on property sales, the government has amended its budget proposal to restore them. For any property bought before 23 July, the day the budget was presented, people will now have the option of paying long-term capital gains tax at the time of its sale either at the new rate of 12.5% without inflation adjustment via indexation, or at the old rate of 20% with the same gain-reduction formula that prevailed before. The move will offer relief to countless homeowners who were fearing a tax bill inflated by the rupee's loss of purchasing power down the years. Their objection was justified, as they would have assumed no change in the tax regime when they bought property. Retrospective changes are always upsetting. For real estate acquired from 23 July onwards, however, the lowered tax rate of 12.5% without indexation would apply. Since it works prospectively, as should be the case with all taxes, nobody can now claim to be left short-changed. Of course, it's another matter that India's economy is yet to achieve the sort of price stability needed to stop inflation from warping long-term value calculations.

MINT METRIC

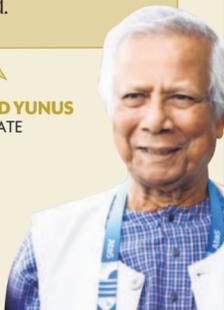
by Bibek Debroy

Lice in a passenger's hair
Caused a flight to divert mid-air.
In Phoenix an American Airlines flight
Was apparently quite a sight.
As emergency landings go, an event rare.

QUOTE OF THE DAY

Be calm and get ready to build the country. If we take the path of violence everything will be destroyed.

MUHAMMAD YUNUS
NOBEL LAUREATE



MINT PODCASTS



AI APPRECIATION DAY?

Mint's Leslie D'Monte and Jayanth N. Kolla, co-founder of Convergence Catalyst, dive into Karnataka's controversial bill mandating job quotas for Kannadigas. They also question the relevance of AI Appreciation Day, sharing a humorous Google I/O mishap that highlights their doubts.



TECH IN OLYMPICS

Technology's evolution is astounding, and the Paris Olympics 2024 is a prime example, blending top athletes with cutting-edge tech. This year, Yusuf Dikec, a 51-year-old Turkish air pistol shooter, clinched a silver medal with pure skills, sparking a debate on tech's role in sports. Don't miss it!



NRI RETURN GUIDE

Join host Sashind Ningthoukhongjam as he talks with guest Sagar Soman, an NRI tax expert, about the financial challenges NRIs face when moving back to India. They cover managing foreign assets, converting accounts under the Foreign Exchange Management Act, and understanding RNOR tax status.





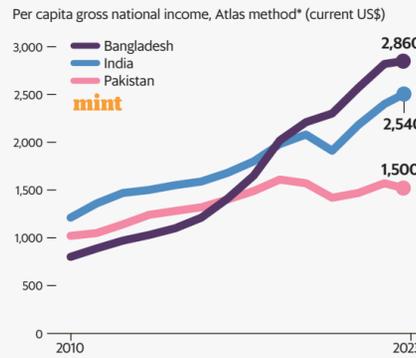
Bangladesh's economic rise and the new crisis

BY PAYAL BHATTACHARYA

Born in 1971, Bangladesh, a nation grappling with poverty, a myriad of socio-economic challenges and several coup attempts, scripted a remarkable feat in just about four decades when it emerged as the world's second-largest garments exporter largely under the leadership of former prime minister Sheikh Hasina. But as Hasina retained power, election after election, Bangladesh saw democratic backsliding, signs of economic stagnation. Discontent grew among a large part of the population. This culminated in a massive protest that forced her to resign after 15 years and flee the country earlier this week. Bangladesh capitalized on the availability of labour to produce garments at cheaper rates and became an exporting hub, with the sector making up about 85% of its total exports. The country became a champion of an exports-led growth story. A smaller and younger country than India and Pakistan, Bangladesh left both behind in terms of per capita income. It also managed to reduce its poverty rate from 11.8% in 2010 to 5% in 2022, based on the World Bank's \$2.15-a-day poverty line. The country recently started experiencing the limitations of that very exports-led growth story. Exports as a percentage of GDP peaked in the early 2010s and has been on a downward trend since then. The country in recent years also faced economic stagnation, soaring inflation, shrinking dollar reserves, and rising unemployment, among other issues.

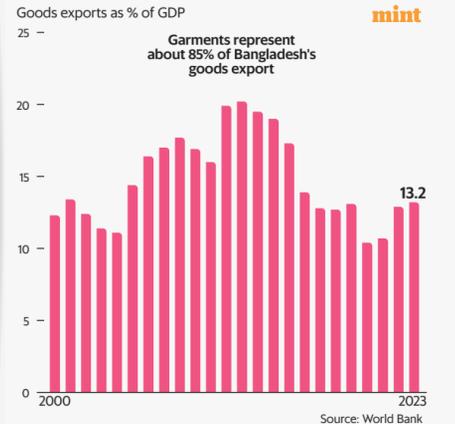


Bangladesh's ascent left Pakistan behind in 2016, India in 2018 in per capita income



*A method used by the World Bank to compare gross national incomes (GNI) of economies. It uses a three-year moving average for exchange rates and also adjusts for differences in inflation rates to convert the local currency to US dollar.

But the garments-led export story started slowing down in recent years

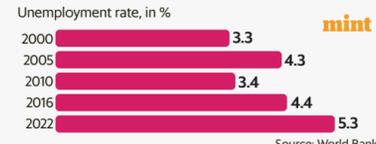


Source: World Bank

Political Pivot

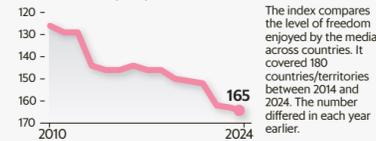
HASINA, THE daughter of Bangladesh's founding leader Sheikh Mujibur Rahman, had been in power since 2009, a period that also marked the country's economic transformation and political stability. But Bangladesh's economic turnaround met with mass political unrest as her governance began appearing dictatorial and elections were seen internationally as a mere formality. At the core of the turmoil is the country's jobs crisis: first, protests took place against the 30% reservation granted by the government to the families of freedom fighters, then over accountability for the violence and excessive use of force during the agitations even as the country's Supreme Court cut the quota to just 5% and opened 93% for merit. At the same time, Hasina's victory in the national elections earlier this year for the fourth consecutive term but with a voter turnout of just about 40% (the turnout in 2018 crossed 80%) added to the crisis. Moreover, she was accused of heavy crackdown on the opposition ahead of polls, leading to fears of turning the country into a one-party rule. The democratic backsliding was visible in the World Press Freedom Index. In May, Bangladesh was categorized as a "crisis" country by the Global Expression Report.

Rising unemployment, sliding civic freedoms set stage for crisis



Source: World Bank

Bangladesh's rank (inverse scale) on the World Press Freedom Index, yearly



Source: Reporters Without Borders

For Better or Worse?

AMID THE political chaos, the country has taken steps to bring normalcy after Hasina left. Nobel Prize winner and Hasina's long-term critic, Muhammad Yunus, has been chosen to run an interim government until fresh elections are held. Yunus is celebrated for his work in microfinance that helped alleviate poverty in the country. However, the fate of Bangladesh is currently shrouded in uncertainty, with several Indian companies such as Emami, Marico, Dabur, and VIP set to face disruptions. Global garments companies such as H&M, Zara, and Levi Strauss are also likely to be impacted.

While it is not clear if the political turmoil will lead to long-term impact or only short-term disruptions, the story of Bangladesh shows that economic progress is only one part of democracy; civil liberties and equitable opportunities for all citizens, particularly in a country with remarkable demographic dividend, are essential, too, for ensuring sustainable progress and stability.

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YouGov BRAND DASHBOARD

How Indian consumers rate various brands

This monthly dashboard captures how leading brands in new-age sectors are perceived by urban Indian consumers. The sector in focus this month is **entertainment**. The numbers represent "Future Consideration" metric*, i.e. the percentage of respondents in a daily online poll who showed interest in using each brand in its respective category.

Category	Brand	Share (%)	Change (pts)
SOCIAL MEDIA	Instagram	60.5	+1.4
	Facebook	52.1	-1.5
	X	25.3	-0.1
	WOSH	5.7	+1
	moj	5.7	-0.3
VIDEO STREAMING	YouTube	61	+1.7
	NETFLIX	40.2	+1.4
	Disney+ hotstar	38.9	-1.1
	prime video	37.1	+1.9
	MXPLAYER	14.9	-0.5
AUDIO STREAMING	Spotify	31.8	+1.2
	amazon music	18.1	+0.9
	JioSaavn	12.7	-0.7
	gaana	9.2	+0.2
	Google Play Music	8.4	0

Respondents could select multiple options. The data is based on YouGov's proprietary brand tracking solution, BrandIndex. **Future Consideration* is one of the 16 metrics captured by the BrandIndex surveys. The data relies on ~4,400 interviews on average over a period of three months. The poll covered 180 cities. The survey period was May-July 2024; the comparison is with February-April 2024.

SARVESH KUMAR SHARMA/MINT

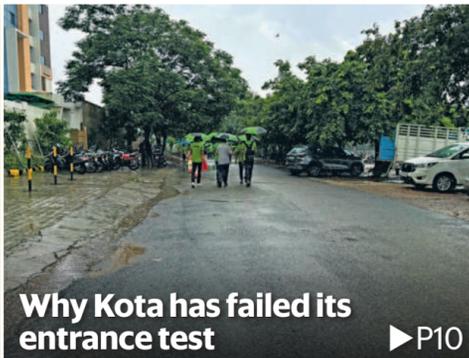
PEANUTS by Charles M. Schulz



Thursday, August 8, 2024

mint

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Why Kota has failed its entrance test ▶ P10



How Sebi's new rules could boost advisory sector ▶ P11

SENSEX 79,468.01 ↑ 874.93 NIFTY 24,297.50 ↑ 304.94 DOLLAR ₹83.95 ↔ ₹0.00 EURO ₹91.61 ↑ ₹0.01 OIL \$78.07 ↑ \$2.59 POUND ₹106.69 ↑ ₹0.02

Bears retreat for now, worries stay

Short-covering rally yet to attract fresh buying by FIIs

Ram Sahgal
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MUMBAI

After three gut-wrenching days for investors, stocks rebounded and a sense of calm returned, even as worries remain if Wednesday's rally, led by short-covering, will tempt foreign investors back to the market.

A day earlier, the value of bearish bets over bullish ones had hit a record, following unpleasant data from the US and an unexpected rate hike in Japan. This indicates Wednesday's rally, sparked by Tokyo's assurance that it won't raise interest rates when markets are unstable, was led by bears covering their short bets.

On Tuesday, the value of market-wide call option open interest (OI) — open buy-sell positions — exceeded that of put options by ₹5.9 trillion, a record high. The previous such record was ₹5.49 trillion on 4 June, when the Bharatiya Janata Party's failure to win a simple majority in the Lok Sabha polls spooked investors.

Bond yields plunged and stocks rose across markets after Wednesday's soothing words from the Bank of Japan, with the Nifty gaining 1.27% to close above the 24,000 mark at

SHORT CIRCUIT

Wednesday's recovery was driven by heavy short-covering, as the value of bearish over bullish derivatives bets hit a record on Tuesday.

Marketwide value of options' open positions as of Tuesday (in ₹ trillion)



Cumulative net open positions (no of contracts) across categories

772,854 | 244,007 | 526,769

Proprietary* | Retail/HNI | FII

2,078

DII

*Indicates net sell
Data as of Tuesday
Source: NSE

JITTERY MARKET

AS Nifty fell 4%, option sellers sold more calls than puts

ON Wednesday, BoJ said it won't up rates in an unstable market

BOJ move led bears to rush to cover short bets, fuelling a rally

SARVESH KUMAR SHARMA/MINT

24,297.5, while the Sensex rallied 1.11% to 79,468.01. Fear gauge India Vix closed 13.72% lower at 16.17. However, BoJ's intent on higher rates, worries over the US economy and war clouds over the Middle East continue to trouble investors.

The calm has been restored for the very near term, market experts said,

warning that any blow-up in the Middle East could undermine a sustained recovery.

"Record high negative options bets created on Tuesday meant that a sliver of good news would result in a bout of short-covering," said Rohit

TURN TO PAGE 6

Stress shows up in unsecured loans, just as RBI feared

Gopika Gopakumar
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NEW DELHI

India's central bank's prognosis on rising stress in the unsecured segment is beginning to show up on the books of lenders, sending them scurrying to increase provisions and take other measures.

In the first quarter of FY25, several lenders saw a spike in bad loans in both personal loans and credit card portfolios. For instance, IndusInd Bank's non-performing assets (NPAs) on credit cards jumped to ₹334 crore in the June quarter from ₹268 crore at the end of the March quarter.

Sumanth Kathpalia, CEO of IndusInd Bank said during its Q1 earnings call that some stress will be seen in the card business in the next two quarters. "If you look at the 60-plus and 30-plus DPDs, the 30-plus looks 7% right now. So, it's not looking completely good. You will see some flows which will happen on the card business," said Kathpalia, adding that things are under control. DPD refers to days past due, the period when a repayment crosses its due date.

Until the first quarter, the



Shaktikanta Das, governor, Reserve Bank of India. ▶ P11

management sounded cautious on growing the unsecured loan book, while denying any signs of build-up in stress in the portfolio. But the tone change in management commentary was apparent during the Q1 earnings call.

The story is similar for Kotak Mahindra Bank as well. "We have seen a certain level of stress in certain pockets on consumer, retail unsecured assets, particularly at the low-ticket levels, and in certain segments where the customer has got overleveraged," said Ashok Vaswani, CEO, Kotak Mahindra Bank during the Q1 earnings call, adding that the

TURN TO PAGE 6

CXO hiring jumps 15%; most hires in sales, mktg

Devina Sengupta
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MUMBAI

Sales and marketing leaders have emerged as the most hunted by India Inc. as companies across sectors look to strengthen their senior leadership at a time of rising competition. At the same time, hiring at middle and junior levels has quietened a fair bit.

A study by search firm Accord India, shared exclusively with *Mint*, pegs the growth in leadership hiring in the first six months of this year at 15% year-on-year. In January-June, 474 top-deck recruitments happened compared to 411 in the same period last year. Business head and chief operating officer (COO) appointments increased by 13%, while chief executive officer (CEO) hiring increased by 8%.

According to Sonal Agrawal, managing partner of Accord India, the spurt has come on the back of overall growth, new projects and expansion plans of companies, as well as leadership upgrades as companies evolve.

"For example, the increased number of initial public offerings (IPOs) caused an uptick in

TURN TO PAGE 6

DON'T MISS



Lok Sabha clears Finance Bill with relief on property sale

The Lok Sabha on Wednesday cleared the tax proposals presented in the Union budget for FY25 along with amendments proposed by finance minister Sitharaman, including restoration of inflation adjustment benefit in taxing gains from property sales. >P2

Tata Motors aims EV prices same as rivals' regular cars

Tata Motors is taking the fight to rivals camps by matching its EV prices with the prices of their competing conventional vehicles. The move is being seen as a strategy to boost the pull of the company's electric offerings amid a recent industry-wide slump in EV sales. >P6

'NARCL aims to acquire ₹2 tn stressed assets by FY26'

The government-backed bad bank, National Asset Reconstruction Co. Ltd (NARCL), aims to take over ₹2 trillion worth of banks' non-performing assets by FY26 after having achieved the ₹1 trillion mark in FY24, a senior finance ministry official told *Mint*. >P2

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*Terms and conditions apply. The model, equipment and possible vehicle configurations illustrated in this advertisement may differ from the vehicles supplied in the Indian market.

MINT SHORTS

NMC to start face authentication of medical faculty for attendance

New Delhi: Faculty staff at medical colleges may have to mark attendance with face recognition, according to a National Medical Commission (NMC) plan. This follows instances of fake thumb impressions being used to mark attendance by 'ghost faculty' to reach a mandatory attendance of 75%. NMC said absenteeism is affecting the quality of medical education and proposed strict action against anyone found to be gaming the system. **PRIYANKA SHARMA**

Govt to allow up to 35% bio-bitumen mixing: Gadkari



New Delhi: Union road transport minister Nitin Gadkari on Wednesday said the government will allow mixing of lignin up to 35% in petroleum-based bitumen, a large part of which is imported from other countries. Bitumen is a black substance produced through the distillation of crude oil and is widely used for making roads and roofs. The foreign exchange saving is expected to be ₹10,000 crore and a patent has been already submitted, the minister said. **PTI**

Consultation paper on spectrum allocation for satcom soon: Trai

New Delhi: Telecom regulator Trai will begin, in a month, the consultation process for deciding the terms, conditions and other modalities for administrative allocation of spectrum for satellite-based telecom services. India's satellite communications sector is "flourishing" and has the potential to propel the country to new heights, Trai chairman Anil Kumar Lahoti said. **PTI**

No proposal to increase time limit to switch pension scheme



New Delhi: There is no proposal to increase the time limit for Central government employees to switch from National Pension System to the old pension scheme, the government said on Wednesday. The NPS, introduced for employees in 2003, is mandatory for all new recruits in the central government service from January 1, 2004 (except the armed forces), Union minister of state for personnel, Jitendra Singh, said in a written reply to Lok Sabha. **PTI**

Opposition parties want Waqf Bill to be sent for scrutiny

New Delhi: Opposition parties on Wednesday demanded that the Waqf (Amendment) Bill be sent to Parliament's standing committee for scrutiny after it is introduced, with the government telling the Business Advisory Committee that it will take a call after assessing the sense of Lok Sabha. The government said at the committee's meeting that it will not press for discussion on the Bill and its passage following its introduction in Lok Sabha on Thursday. **PTI**

Steel prices dip to the lowest in 3 years due to Chinese oversupply

New Delhi: Steel prices in India have slipped to the lowest in over three years, hurt by a global supply glut caused by excess Chinese production, analysts said. Steel prices have failed to recover after the general elections, and continued the downtrend, hurting profitability of domestic steelmakers. Meanwhile, downstream industries that are consumers of steel, like real estate, automobiles and infrastructure, will continue to benefit from the lower input costs, they said. **NAMAN SURI & NEHAL CHALIAWALA**

Bad bank aims to buy ₹2 tn of stressed assets by FY26

As of July, the govt-backed NARCL acquired 18 accounts with outstanding loans of ₹62k cr

Subhash Narayan & Rhik Kundu
NEW DELHI

The government-backed bad bank, National Asset Reconstruction Company Ltd (NARCL), aims to take over ₹2 trillion worth of banks' stressed or non-performing assets (NPAs) by FY26 after having achieved the ₹1-trillion mark in FY24, a senior finance ministry official told *Mint*. As of July 2024, the NARCL had acquired 18 accounts with outstanding loans of ₹62,000 crore, while resolution plans have been approved for two accounts worth almost ₹33,000 crore, said Vivek Joshi, secretary of the finance ministry's department of financial services.

Bad banks are asset reconstruction companies that buy bad loans from commercial banks, manage them, sell them in the market and recover the money to liquidate the transferred assets.

"The Swiss challenge process is completed for an account worth ₹591 crore, and the process (the Swiss challenge) has been initiated for six accounts worth about ₹30,000 crore," Joshi said.

"Due diligence is underway for 13 accounts worth about ₹36,000 crore," he added.

The Swiss Challenge method allows private players and state-backed companies to accept contracts from the



The plan to form a bad bank to clean up banks' balance sheets was announced in the Union budget 2021-22 for taking up large loans of over ₹500 crore.

government through the process of bidding.

Under this process, auctioneers invite counter-bids, following a bid, to select the best one. The original bidder has the right of first refusal to match the best counterproposal.

The method is used by many states like Karnataka, Andhra Pradesh, Rajasthan, Madhya Pradesh, Bihar, Punjab and Gujarat for roads and housing projects.

The plan to form a bad bank to clean up banks' balance sheets was announced in the Union budget 2021-22 for taking up large loans of

over ₹500 crore.

However, the formation of bad banks suffered delays after the Reserve Bank of India said it was unhappy with the proposed structure, which prompted lenders to present a revised proposal to the regulator.

Under the new structure approved by the regulator, the NARCL will acquire and aggregate the bad loan accounts from banks, while India Debt Resolution Co. Ltd (IDRCL), another entity, will handle the resolution process under an exclusive arrangement.

Joshi said the central government

will not recapitalise NARCL during 2024-25.

"It has already been recapitalised by the government (earlier). So, there are no plans to increase their capital (through government recapitalisation) in FY25," he added.

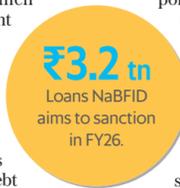
At present, NARCL is in the process of resolving distressed loans related to several entities including Jaypee Infrastructure, Meenakshi Energy, Mittal Corporation, Rainbow Papers, Helios Photo, SSA International, Zion Panvel Tollway and Consolidated Construction, Coastal Energren, Rolta, McNally Bharat Engineering, Pioneer SAS Power, and Pink City Expressway, Haridwar Highway, SEW Krishnagar Baharampur Highways, Dharani Sugars, Madurai Tuticorin Expressway and Seya.

Speaking about the National Bank for Financing Infrastructure and Development (NaBFID), a specialized development finance institution supporting the infrastructure sector, Joshi said the government-backed entity is targeting to sanction loans worth ₹3.2 trillion in FY26.

He added that against a target of ₹2 trillion in FY25, NaBFID has already sanctioned ₹1.09 trillion by July 2024.

NaBFID has raised ₹25,516 crore during FY24 from the market to fund its operations.

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Pan masala makers to come under new tax penalty regime

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NEW DELHI



The CBIC set 1 October as the date for implementing the penalty regime.

Makers of pan masala will face a new penalty regime, the Central Board of Indirect Taxes and Customs (CBIC) said, moving against an industry that is known for tax evasion.

The CBIC set 1 October 2024 as the date for implementing the penalty regime for the pan masala industry for any violation in registering their machinery.

A penalty of ₹1 lakh per machine has been imposed to deter tax evasion. The authorities want to keep a close check on the actual production capacity of the unit and the quantity reported in the tax returns so that there is no underreporting of the quantity of products sent to the market.

As per the amendment to the law introduced earlier this year, a producer of items like pan masala and gutka who are

subject to a special regime of registration of machines will be liable to a penalty of ₹1 lakh for every machine used that is not registered.

Penalty of ₹1 lakh per machine has been imposed for the pan masala industry in order to deter tax evasion

The provision was introduced as the government found that this sector is prone to tax evasion.

CBIC also said in an order that head offices of businesses that procure services for their different branches and distribute the applicable tax credits among those branches—called input service dis-

tributors—will have the new regime effective from 1 April 2025.

The Finance Act, passed on 15 February this year had amended the Central GST Act to streamline the way businesses distribute the tax credit for services purchased at the head office level, among their units in different states. Under GST law, units in different states require different GST registration.

The head office procuring services on behalf of the branches, receives the invoice and distributes the credit for the taxes paid, among its different branches and are called the input service distributor.

The law was amended as recommended by the GST Council last year to clarify and streamline the distribution of tax credits within the organisation.

The Council had last July recommended the procedures for distributing the tax credit for the services purchased from a third party, that is attributable to both the head office and branch office or exclusively to one or more branch offices.

Lok Sabha clears Finance Bill

Gireesh Chandra Prasad
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NEW DELHI



Proposed amendments included restoration of inflation adjustment benefit in taxing gains from property sales.

The Lok Sabha on Wednesday cleared the tax proposals presented in the Union budget for FY25 along with amendments proposed by finance minister Nirmala Sitharaman, including restoration of inflation adjustment benefit in taxing gains from property sales.

Sitharaman said that amendments are brought to the Finance Bill as the National Democratic Alliance (NDA) government follows the practice of broad-based consultation across India after presenting the Union budget so that the budget reflects the aspirations of the common man.

The minister proposed in her reply to the discussion on the Finance Bill in the House that when long-term capital asset of land or building acquired before 23 July is sold, tax payers can compute the applicable tax on capital gains under the new scheme at 12.5% without indexation as well as under the old scheme at 20% with indexation and can pay the tax which is lower of the two.

"Not only are we coming up with an option, but also are

saying—calculate the tax under both the options and tell us whichever is the lower and pay that," Sitharaman said.

Indexation refers to adjusting the purchase price of an asset for inflation while computing the capital gain. This helps to lower the amount on which tax is applied.

While seeking to remove the indexation benefit when the budget was presented last month—an exercise in simplification of the capital gains tax structure—the government had also pro-

posed to lower the tax rate on such property transactions.

This invited mixed reactions about the combined impact on the tax obligation. If a seller uses the funds to buy another property within a specified time, there is no tax liability.

The minister explained that the logic of proposing changes to the regime of capital gains tax in the Finance Bill last month was to have more uniformity in the treatment of asset classes for ease of computation and record keeping.

Accident-prone railways rushes Kavach installation on 10,000 locos

Subhash Narayan
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NEW DELHI

Indian Railways is rolling out tenders for equipping 10,000 locomotives with Kavach 4.0, the latest version of the indigenous automatic train safety system.

The Railways will finalize tenders for a Kavach rollout on 9,000 km of its network soon that would complete the exercise of installing automatic train protection (ATP) systems at stations as well as locos.

A spate of railway accidents in the past couple of months has reinforced the need for a

faster rollout of a train protection system that would at least check human error and signal-crossing that often results in accidents.

Railway minister Ashwini Vaishnaw said that Kavach 4.0, approved by the RDSO (Research Designs and Standards Organisation), the standards-setting organisation of Railways, will be rolled out across the rail network starting from October this year covering 10,000 locos in the first phase, which will take two years to complete.

Railways has about 15,000 locos and about 5,000 EMU, DMU etc, all of which will be



A spate of accidents in the past couple of months has reinforced the need for a faster rollout of a train protection system.

equipped with Kavach. The minister said another tender for 10,000 locos may be issued once the first phase of the

project is completed so that all locos are equipped with the system in the next four years, much before the network and

stations are fitted with Kavach systems. Since the approval of Kavach system in 2021, the version 3.2 is being installed on Railway networks and has so far covered 1,561 km of its network. Vaishnaw informed that, this process would be fast tracked as domestic production capacity for the system is set to rise in coming years with the addition of two more suppliers to the existing three, while three more would come up for its production in coming months.

"We expect to cover about 5,000-5,500 km of Railway network with Kavach from next year onwards with pace

getting faster in coming years with expansion of its production base and installation capabilities," the Rail minister said.

Indian railway has a network size of 70,000 km and government wants to cover entire network with Kavach in about a decade much faster than what other global Railways took to complete the system rollout.

Vaishnaw said that Kavach 4.0 has been tested for all climatic and geographical conditions across the country including on mountainous terrain, desert areas, humid area, jungle etc and would become a universal system for

the railways for next few years before Railways looks at putting in place an even advanced version 6.0 of the ATP with moving block technology that would even replace the need for having signalling stations along the railway network.

The system is already operational on some stretches of Delhi - Mumbai and Delhi-Kolkata route. It will now be rolled out on Kolkata-Chennai and Mumbai-Chennai routes on priority so that the golden quadrilateral of Railway network, also the busiest network, gets this safety feature first.

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MINT SHORTS

Flexible work app Instawork bags Y Combinator-backed Able Jobs

Gurugram: Flexible work app Instawork acquired Y Combinator and Elevation Capital-backed startup, Able Jobs, to strengthen its product suite. This marks the San Francisco-based firm's first acquisition in India. Instawork aims to leverage Able Jobs's product innovations to enhance its own capabilities and explore new segments. The acquisition will also help Instawork build a product from India for the global market and benefit from Able Jobs's expertise, the firm said in a statement. **NITESH KUMAR**

Anicut Capital invests ₹60 cr in engineering firm BlueBinaries



Gurugram: Anicut Capital invested ₹60 crore in BlueBinaries Engineering and Solutions, an engineering and technology services firm for the mobility industry. Founded in 2017, it has customer base in Europe, UK, US and Apac. The company focuses on accelerating the development of Software Defined Vehicles (SDVs) with E/E Architecture design and development services and Digital technologies like Cloud, Devops, AI/ML, CyberSecurity and IOT solutions for its customers. **NITESH KUMAR**

SigTuple raked in \$4 million from Sidbi Ventures and others

Gurugram: SigTuple raised ₹33 crore (\$4 million) led by Sidbi Venture Capital, with participation from existing investors including Endiya Partners, and a few strategic leaders from the Healthcare sector. The firm will use this capital for geographical expansion, expand its product portfolio and support regulatory clearances. **NITESH KUMAR**

Karma Primary secures \$1.3 mn in series A round from UBS Optimus

Gurugram: Digital healthcare startup Karma Primary Healthcare secured funding from UBS Optimus Foundation as part of its Series A funding round. This investment brings the total Series A funding to ₹11 crore (about \$1.3 million). As per the company, the capital will be strategically deployed to enhance Karma's technological capabilities; extend value-added services; and expand the team as it builds-out a patient-centric care model for rural patients in India. **NITESH KUMAR**

PB Fintech to focus on minority investments

The company reported its third consecutive quarterly profit in Q1, FY25

Mansi Verma
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MUMBAI

PB Fintech, the owner of Policybazaar and Paisabazaar, plans to move away from taking a majority stake when acquiring companies following the exit of the founder of MyLoanCare, which it bought in 2021.

PB Fintech will now focus on minority investments, with exceptions for strategically crucial deals, co-founder Yashish Dahiya said.

"In hindsight, the mistake we made was we took too much equity. We took 70% stake. That's a weak spot for us. The right percentage would have been 22-30%. Because if you go beyond 50%, it's not really the founder's company anymore," Dahiya said on an earnings call.

PB Fintech acquired Gurugram-based loan marketplace MyLoanCare for ₹40.41 crore in December 2021. Gaurav Gupta, the founder, left the company earlier this year, leaving the reins in the hands of the parent entity, highlighting the potential challenges in integrating the acquired businesses.

Established in 2013, MyLoanCare allowed customers to compare various loan products and interest rates, similar to what PB Fintech's Paisabazaar does. According to his LinkedIn profile, Gupta called it quits as the CEO of MyLoanCare in January, after running the company for over a decade.

"It was essentially that the founder said it's your company, and so you should run it, and he (the founder) left. Running the company was not our purpose for investing. We always wanted it to be a founder-run company. And I think that is really the mistake that we made early on," Dahiya said.

The investment in MyLoanCare Ven-



PB Fintech co-founder Yashish Dahiya.

tures Private Ltd amounting to ₹44.62 crore has been impaired to the extent of the share in the net assets of MyLoanCare Ventures, the company said in a statement on Tuesday.

"This impairment takes into account the current state of affairs and other rele-

and sustainability of the investee company improve," the company added.

This comes when Paisabazaar's loan disbursal fell 11% quarter on quarter to ₹3,140 crore in Q1 from ₹3,542 crore, as the firm sold 134,000 credit cards compared with 140,000 in the previous quarter. The company, however, continues to be adjusted Ebitda (earnings before interest, taxes, depreciation, and amortization) positive since December 2022, it said.

PB Fintech reported a third consecutive quarter of profit in the first quarter of FY25. Net profit was ₹60 crore compared with a loss of ₹12 crore in the same period last year.

Revenue rose 52% to ₹1,010 crore from ₹666 crore a year earlier. The firm's premium from its online business grew 62% year on year, led by a spike of about 78% in the health and life insurance segment.

LESSON LEARNED

DAHIYA plans to move away from taking a majority stake when acquiring companies

MYLOANCARE founder exited the firm earlier this year after PB Fintech took 70% stake in 2021

DAHIYA believes that the right acquisition percentage would have been 22-30%

vant factors, including excessive cash burn, prevailing liquidity issues, and significant uncertainty regarding future business plans. The company continues to explore various options in the best interests of stakeholders and will re-evaluate this position if and when the underlying assumptions regarding the survival

Softbank errs on the side of caution after Q1 profit

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BENGALURU

Softbank Group struck a cautious note for future investments even as it swung to a profit in the April-June quarter aided by gains in some of its tech stocks which helped offset its other losses.

"Since a very tough time last year when we had shifted to the offence mode, we are back in the investment mode. But at the same time, we are very selective and very careful in discussions with the investment committee to make sure that we carefully select the investee companies for vision fund II," SoftBank finance chief Yoshimitsu Goto said in the earnings call.

While the two Vision Funds cumulatively made investment gains of \$218 million, Softbank's Vision Fund 2 made a loss of \$21.9 billion. Overall, Softbank Group reported a first-quarter profit of ₹10.5 billion from ₹316.2 billion in the same period a year earlier. Its net sales grew 9.3% to ₹1.7 trillion.

The vision funds also generated liquidity of about \$0.8 billion in the first quarter from some of its investments through full exits in companies including SenseTime and Paytm and partial exits from other portfolio companies. The investment firm also plans to buy back about \$3.4 billion in shares as it faces increased pressure from investors including Elliott Management to improve its stock price, as per several media reports.

The Japanese technology



SoftBank stands to benefit from several IPO-bound firms from its vision funds. REUTERS

investor is also systematically shedding its stake in China's Alibaba. "Four years ago, we were concentrated on China, namely Alibaba. But now we are looking at Europe more than any other regions to mitigate the risk of China-centric position," Goto said, adding that the group's share has been reducing over the last three years.

The company also stands to benefit from several growth-stage IPO bound companies from its vision funds. Some of its Indian portfolio companies that are looking to go public include FirstCry, Unicommerce, Swiggy, Ola Electric and Ola across the two funds. Its other most valued investments include Flipkart and Lenskart.

Softbank is particularly bullish about AI and is keen on building a robust pipeline of firms that are built on this technology. Some of its investments in AI over the last year include Perplexity, AlphaSense, Wiz and Tractable.

Softbank Group plans to buy back about \$3.4 bn in shares as it faces more pressure to improve stock price

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Website: www.hpthreads.com E-mail: info@hpthreads.com									
Tel : +91 11 41540471/72/73, Fax: +91 11 49073410									
EXTRACT OF UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 th JUNE, 2024									
(in Lakh, unless otherwise stated)									
Sl. No.	Particulars	STANDALONE RESULTS				CONSOLIDATED RESULTS			
		Quarter ended 30-06-2024 (Unaudited)	Quarter ended 31-03-2024 (Audited)	Quarter ended 30-06-2023 (Unaudited)	Year ended 31-03-2024 (Audited)	Quarter ended 30-06-2024 (Unaudited)	Quarter ended 31-03-2024 (Audited)	Quarter ended 30-06-2023 (Unaudited)	Year ended 31-03-2024 (Audited)
1.	Total Income from Operations	2563	1968	2664	9536	2563	1968	2664	9536
2.	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	25	(272)	(119)	(418)	25	(273)	(120)	(420)
3.	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	25	(272)	(119)	(418)	25	(273)	(120)	(420)
4.	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	47	(226)	(92)	92	47	(227)	(93)	90
5.	Total Comprehensive Income for the period (Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax))	47	(240)	(93)	78	47	(241)	(94)	76
6.	Paid-up equity share capital (Face Value of Rs. 10 each)	392	392	392	392	392	392	392	392
7.	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year	-	-	-	986	-	-	-	983
8.	Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations)								
	(a) Basic (in Rs.)	1.20	(5.78)	(2.36)	2.35	1.20	(5.78)	(2.36)	2.35
	(b) Diluted (in Rs.)	1.20	(5.78)	(2.36)	2.35	1.20	(5.78)	(2.36)	2.35

Notes:
1. The above financial results of H.P. Cotton Textile Mills Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 07, 2024.
2. The above is an extract of the detailed format of unaudited Financial Results for the quarter ended June 30, 2024 filed with the Stock Exchange under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the financial results for the quarter ended June 30, 2024 is available on the Stock Exchange website (www.bseindia.com) and the company's website (www.hpthreads.com).

For H.P. Cotton Textile Mills Ltd.
RaghavKumar Agarwal
Whole-Time Director, CEO & CFO
DIN: 02836610

Place: New Delhi
Date: August 07, 2024

SULA VINEYARDS LIMITED				
Registered Office Address: 901, Solaris One, N S Phadke Marg, Andheri (E), Mumbai 400069, Maharashtra, India				
Tel: 022-6128 0606/607 Email: info@sulavines.com CIN: L15549MH2003PLC139352				
EXTRACT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2024				
Amount in INR crore, unless otherwise stated				
Sr. No.	Particulars	Quarter ended 30 June 2024 (Unaudited)	Year ended 31 March 2024 (Audited)	Quarter ended 30 June 2023 (Unaudited)
1	Total Income	129.70	616.37	118.16
2	Net Profit before tax	19.49	125.78	19.04
3	Net Profit after tax	14.63	93.31	13.68
4	Total Comprehensive Income	14.07	92.65	12.33
5	Equity Share Capital (Face value of INR 2 each)	16.88	16.88	16.88
6	Reserves excluding revaluation reserve (i.e. Other Equity)	-	533.12	-
7	Earnings per equity share of face value INR 2 each (Not annualised for the quarters)			
	Basic (in INR)	1.73	11.06	1.62
	Diluted (in INR)	1.73	11.05	1.62

Notes:
1. Additional information on standalone financial results for the quarter ended 30 June 2024

Sr. No.	Particulars	Quarter ended 30 June 2024 (Unaudited)	Year ended 31 March 2024 (Audited)	Quarter ended 30 June 2023 (Unaudited)
1	Total Income	127.48	598.93	117.35
2	Net Profit before tax	19.43	127.16	21.74
3	Net Profit after tax	14.57	94.69	16.38
4	Total Comprehensive Income	14.14	94.05	15.23

2. The above is an extract of the detailed format of the financial results filed with the Stock Exchange under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of financial results for the quarter ended June 30, 2024 is available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and on the website of the Company (www.sulavineyards.com)
3. The above unaudited Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 7 August 2024.

For and on behalf of the Board of Directors
Rajeev Samant
CEO and Managing Director

Place: Mumbai
Date: 07 August 2024

Chart a course to clarity!

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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													
79,468.01	1.11		24,297.50	1.27		22,848.90	1.81		72,401.25	3.01		25,349.00	1.64		46,830.57	2.63		53,278.93	2.39	
PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN	
78,593.07	79,565.40		23,992.55	24,289.40		22,443.30	22,773.45		70,282.45	71,577.65		24,940.75	25,286.20		45,630.29	46,493.12		52,034.81	52,751.08	
HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW	
79,639.20	79,106.20		24,337.70	24,184.90		22,870.85	22,650.80		72,491.05	71,077.35		25,373.60	25,171.65		46,876.94	46,114.67		53,338.70	52,331.24	

MINT SHORTS

Foreign inflows into Asian equities slow sharply in July

Foreign investment in Asian equities slowed in July amid increased market volatility and heavy selling in technology stocks, compounded by weak economic data and disappointing corporate earnings that dampened risk sentiment. Fears of a second Donald Trump presidency also sparked concerns that his administration might impose new tariffs on exports from the region, similar to measures taken during his previous term. According to data by LSEG, foreigners bought just \$459 million worth of regional equities in July, down from \$7.16 billion of inflows in the previous month. "Global investors tend to reduce their emerging market portfolios during times of stress," said Jason Lui, the head of equity and derivative strategy for Asia Pacific at BNP Paribas. "The recent headwind on AI/semiconductor stocks globally may also dampen the risk appetite on Korea and Taiwan equities in the near-term."

REUTERS



South Korea logged a net \$12.3 billion current account surplus in June, the most since September 2017. BLOOMBERG

AI demand lifts South Korea's surplus to six-year high

South Korea's current account recorded the biggest surplus in more than six years, boosted by global demand for chips used in artificial intelligence and other technology exports that have underpinned the nation's economic growth. South Korea logged a net \$12.3 billion current account surplus in June, the most since September 2017, with semiconductors and communications devices leading the export growth while imports of raw materials and capital goods fell, according to balance of payments data by the Bank of Korea. Net assets in the financial account also rose by \$12.2 billion, the most since October 2020. South Korean policymakers pointed to strong export momentum when they made the case for a calm response to a global market rout in recent days. The nation's central bank kept its benchmark interest rate at what it considers a restrictive level last month on confidence that the economy remains on a solid path with top firms posting better-than-expected earnings.

BLOOMBERG

Airtel's Q1: Data up, Arpu stuck

Manish Joshi
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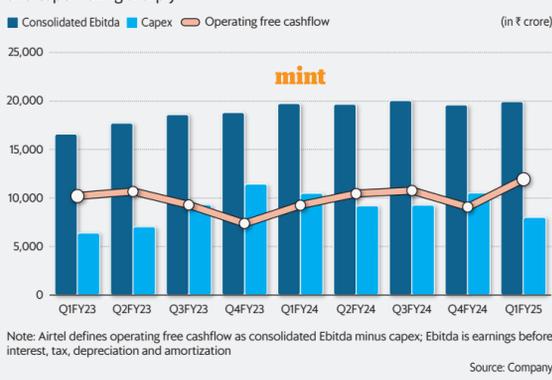
Bharti Airtel Ltd's June quarter (Q1FY25) results confirm the trend seen in rival telecom company Reliance Jio Infocomm Ltd. Both reported a healthy sequential growth in data usage per customer without much of a positive impact on average revenue per user (Arpu). As subscriber growth has flattened out and voice minutes are bundled with data, their focus moves onto driving the data consumption to boost Arpu.

While Jio has reported 6% quarter-on-quarter (QoQ) growth in average data usage per customer at 30GB, including fibre-to-the-home, it was 5% for Airtel at 23.7GB. Pricing per GB of data works out to less than ₹10 per GB if Arpu is divided by the average data consumption, one of the lowest in the world and likely to stay below ₹10 even after the recent tariff hike. For like-to-like comparison, only 4G/5G users of Airtel are considered as 2G users don't consume significant data. The higher data consumption of Jio users could also be owing to the free streaming of the ICC Men's T20 World Cup on Jio Cinema.

Despite the rise in data usage, the

Cash calling

Airtel's operating free cashflow spiked in Q1FY25 with Ebitda remaining steady and capex falling sharply



Note: Airtel defines operating free cashflow as consolidated Ebitda minus capex; Ebitda is earnings before interest, tax, depreciation and amortization

companies can only come from the monetization of 5G.

Airtel's India operations were steady last quarter. Arpu and the number of subscribers were up about 1% each, leading to revenue growth of 2.3% QoQ to ₹24,917 crore. The company's operational efficiency continues to improve as network operation costs fell by 1% to ₹5,256 crore. This was despite the rolling out of an additional 6,300 towers and 15,500 mobile broadband stations during the quarter. Profit before tax (PBT) was flat at ₹2,125 crore. The African business continued its weak showing due to currency devaluation. Its PAT (profit after tax, including associate companies) before exceptional items fell sequentially to ₹402 crore.

The management clarified in the earnings call that they would like to hold onto the robust operating cash generation in view of the industry's capital-intensive nature. It may also consider repaying high-cost debt before rewarding shareholders in a big way. Its consolidated net debt is ₹2 trillion. The annual free cashflow generation (Ebitda

minus capex) is likely to be at least ₹40,000 crore for FY25 after factoring in the recent tariff hike. Thus, Airtel could soon see a rapid fall in its enterprise value (EV). EV is market capitalization plus net debt. The Airtel stock is quoting at EV/Ebitda of 12x based on Bloomberg consensus FY25 estimate. Simply put, even if this multiple remains

constant, debt repayment would mean the substitution of debt with higher market capitalization. Ebitda stands for earnings before interest, taxes, depreciation and amortization.

In the long run, Airtel aims to lift Arpu of the mobile business in India to ₹300 from ₹211 now. Kotak Institutional Equities estimates that for every ₹10 increase in Arpu, the impact on Airtel's consolidated Ebitda is ₹2,800 crore. This means the potential increase in consolidated Ebitda could be about ₹25,000 crore at an Arpu of ₹300. In this backdrop, higher Arpu and 5G monetization will remain the key driver for the stock, which has gained about 40% so far in 2024.

NEED TO STEP UP

DESPITE increased data consumption, Arpu remained relatively flat for Airtel in Q1

FUTURE growth in Arpu is expected to come from the monetization of 5G services

ONGC investors need faster production ramp-up from KG basin

Ashish Agrawal
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Oil and Natural Gas Corp. Ltd's (ONGC's) standalone Ebitda of ₹18,600 crore for the June quarter (Q1FY25) was above analysts' estimates but 4.3% lower year-on-year. While production volumes were lower last quarter, ONGC aims to increase output by 19% to 47 million tonnes of oil equivalent (mtoe) by FY27.

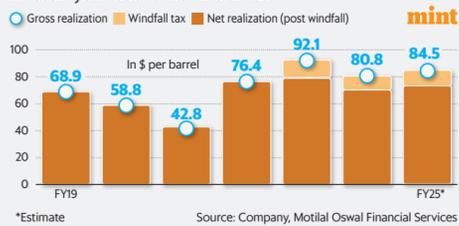
This should be aided by higher production from the KG basin 98/2 block, where the ramp-up has been slow. Oil production from the block is currently 12,000 barrels per day

(bpd). This is projected to rise to 30,000 bpd by Q3FY25 and 45,000 bpd by the end of FY25. Gas output is expected to rise from 1.6 million metric standard cubic metres per day (mmscmd) to 6 mmscmd by the end of FY25.

KG 98/2 should contribute more to profit since oil output from the block won't attract the windfall tax and gas prices are expected to be higher over the next few years. Hemang Khanna, an analyst at Nomura Financial Advisory and Securities (India), also expects ONGC to benefit from higher oil and gas volumes in the coming years; favourable cess and royalty structures; and a

Upside capped

ONGC's realization gains from higher oil prices has been limited in recent years due to the windfall tax



rising share of gas volumes with premium pricing from the end of FY25. "We conservatively build in oil volume growth of 4% and gas volume growth of 6% over FY24-26F," Khanna wrote in a report dated 6 August. The development of this block

should help address the decline in production from about 65 mtoe in FY19 to 52 mtoe in FY24 (including ONGC's share in joint ventures and ONGC Videsh Ltd).

The company is also developing other fields. Overall capex guidance for FY25 and FY26 stands at ₹32,000-33,000 crore, slightly lower than the ₹35,000 crore spent in FY24.

In Q1FY25, ONGC's net realization after the windfall tax was \$73 per barrel, marginally lower than in the previous quarter. The windfall tax, introduced in July 2022, caps the upside from increases in oil prices to counter the impact of volatility in crude.

For instance, Brent crude oil prices averaged \$100 in 2022 and fell to \$82 in 2023. Crude rose to almost \$90 in April 2024, but is now around \$82.

The government has also allowed 20% higher prices for gas produced from difficult fields, a move that should be finalised by the end of FY25. The company expects about 25% of its gas production to be eligible for this premium.

ONGC's stock is up nearly 90% over the past year owing to a strong outlook on volume improvement and profitability. From here, investors will keep a close eye on the production ramp-up from KG 98/2.

Rupee slips to record low due to \$ demand

Reuters
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MUMBAI

The rupee weakened to yet another all-time low on Wednesday, hurt by the continued unwinding of carry trades and on dollar demand from local importers.

The rupee fell to its record low of 83.9725 to the dollar before closing at 83.9550, its weakest closing level ever.

The currency has hit record lows for four straight sessions, prompting intervention from the central bank as well as instructions to select large banks to avoid excessive speculation against the rupee.

The Reserve Bank of India likely sold dollars on Wednesday, helping limit losses, traders said. "A run up to 84 (on USD/INR) may create slight panic in the market which is likely why RBI is not allowing it to jump higher," a forex trader at a private bank said.

The local currency has been hit by investors exiting carry trades that used the Chinese yuan and the Japanese yen to fund long bets on the rupee. This has likely led to persistently strong bids on the dollar-rupee pair in the non-deliverable forwards market, a Singapore-based fund manager said. The fund manager expects the rupee to stay under pressure in the near-term but said the RBI is unlikely to allow sharp declines.

Adani flagship co plans to raise \$1.2 bn

Bloomberg
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Billionaire Gautam Adani's flagship firm is considering raising around ₹10,000 crore (\$1.2 billion) to ₹12,000 crore through a share sale, according to people familiar with the matter, a move that would follow a separate recent fundraising deal at his power transmission unit.

Adani Enterprises Ltd may seek to raise funds through a so-called qualified institutional placement, or QIP, the people said, asking not to be identified because the matter is private. The port-to-power conglomerate is working with



Adani group chairperson Gautam Adani. AFP

banks on a share sale that could take place as early as September, the people said.

Adani group is seeking institutional investors including

from the US as part of its efforts to expand its shareholder base and draw more research analysts to cover the firm, one of the people said. IFR had earlier reported on the fundraising plan.

Deliberations are ongoing and details of the fundraising including size and timing may change, the people said. An Adani group representative couldn't immediately comment when reached by phone.

Adani Enterprises in May approved raising as much as

₹16,600 crore through methods including a share sale to institutions in one or more tranches.

The transaction would follow Adani Energy Solutions Ltd's ₹8,370 crore share sale to institutional investors last week. Adani Energy's offering saw demand of about six times the base deal size with interest from utility-focused US investors entering India for the first time, as well as sovereign wealth funds and insurers.

The move would follow Adani Energy Solutions Ltd's share sale to institutional investors last week

Mixed reactions to Sebi move on ODIs

Neha Joshi
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MUMBAI

The capital markets regulator's proposal to increase disclosures to address the regulatory arbitrage for foreign investments in Indian markets has led to mixed reactions.

The Securities and Exchange Board of India (Sebi) on Tuesday proposed to harmonize disclosure requirements of foreign portfolio investments (FPIs) by extending the same to subscribers of offshore derivative instruments (ODI) or Participatory Notes (P-notes) and sub-funds of FPI.

ODIs are investment vehicles used by overseas investors for getting exposure in Indian



ODIs are investment vehicles used by overseas investors for getting exposure in Indian equities or equity derivatives.

equities or equity derivatives. To be clear, the ODI issuer remains the owner of the underlying securities, and economic benefits of these holdings are transferred to ODI subscriber. Presently, FPI regulations state that ODIs can be issued by Category I FPIs to eligible per-

sons after compliance with KYC norms. Further FPI Master Circular of 30 May provides additional conditions like reporting of suspicious transactions, periodic review of systems, investment limits and monthly ODI reporting, etc. These disclosure require-

ments of Sebi are not applicable to ODI subscribers, which enabled a foreign investor to potentially get around the granular disclosure obligations through ODI route. Sebi said in its consultation paper.

It mentioned the potential regulatory arbitrage which exists between investments made via ODIs or FPIs with segregated portfolios. Sebi apprehended possible misuse of FPI route for circumventing regulatory requirements after noting the concentrated equity portfolios of FPIs recently.

Sebi elaborated that as of July 2024, 35 FPIs hold investments through multiple segregated portfolios with different sub-funds/share-classes.

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MPC NEEDS TO WEIGH SLOW GROWTH IN GLOBAL MARKETS



Respond to this column at feedback@livemint.com

The macro backdrop for August monetary policy committee (MPC) meeting remains constructive with lower global commodity prices, expectations of more monetary policy easing in the developed markets, resilient domestic growth, and a fiscally conservative budget. However, the indirect effects of the possible slowing down of global growth momentum and widespread turbulence in global asset markets would have to be carefully weighed by the committee.

Disinflationary trends are gradually getting entrenched globally with global commodity prices declining -6% between the June and August RBI MPC meetings. Expectation of monetary policy easing in the developed world is gathering pace but in our view, domestic inflation trajectory is likely to be the dominant factor in determining the tone and outcome of the August MPC meeting as the balance of risks will likely remain towards inflation control.

The headline CPI, which was consistently declining in 2024, deviated from that trend in June and went above the 5% mark as strong heatwaves pushed up vegetable prices. The July headline CPI would benefit from favourable base effects but could still be -3.8%YY, this is -50bps higher than our initial estimate.

The cumulative upside surprise in inflation over June and July might prompt the Reserve Bank of India (RBI) to marginally revise higher its average CPI forecast for FY25 from the 4.5% mentioned during the June policy. However, the monsoon is progressing well, and vegetable prices have started reversing from their summer peaks. This could imply that the RBI would not feel the need to revise its 9-12 months ahead quarterly inflation forecasts.

We do not expect the MPC to change the "withdrawal of accommodation" stance or policy rate in the August meeting as it would "look through" both the recent short-term spike in vegetable prices and the favourable base effect-led decline in headline inflation in July/August.

The cautious policy stance of "withdrawal of accommodation" is also likely to continue in an uncertain environment where the RBI might want to refrain from providing strong forward guidance through stance change. However, comments around the following issues could potentially affect the market's expectation about the future policy path.

If the RBI raises the FY25 average CPI forecast then it could push back rate cut expectations, though much will also depend on the CPI forecast trajectory too. A strong reiteration of the RBI's commitment to durably align the headline CPI to its medium-term target of 4% would imply that the RBI might be patient to start embarking on a rate-easing journey.

A new RBI paper has recently updated the estimates for neutral rate to 1.4-1.9%, compared to 0.8-1.0% earlier. While neutral rate is a theoretical construct and not an explicit target for monetary policy, any signs of the MPC's views on the impact of the revised neutral rate on their decision making, would be closely watched.

RBI's assessment of the financial stability parameters could indicate the need and space to persist with the current policy stance.

Our growth-inflation forecast trajectory suggests that the RBI could hold on to policy rates for now with the first repo rate cut deferred till April 2025. This along with RBI's neutral rate estimate reaffirms our view of a shallow rate cut cycle (-50bps) unless there is a sharper disinflation in India following global cues.

Dr Samiran Chakraborty, is MD and chief economist, India, Citigroup Global Markets India. For an extended version of this story, go to livemint.com

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



RIL aims to be a green leader

The conglomerate plans to expand retail biz, bolster investments to strengthen Jio network, digital capabilities

Anirudh Laskar
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MUMBAI

Billionsaire Mukesh Ambani-promoted Reliance Industries Ltd (RIL), India's most valuable firm, on Wednesday laid out its plan to be one of the world leaders in new energy, boost its retail business and bolster investments to strengthen Jio's network and digital capabilities in the coming years.

"Reliance has consolidated its balance sheet after the previous round of capex and is ready for the next level of growth," Ambani, the RIL chairman, said in the company's annual report.

Ambani, with a net worth of more than \$109 billion, was ranked Asia's second-richest man by the Bloomberg Billionaires Index in June.

Addressing RIL's shareholders in its annual report for FY24, he said, "Our new energy and new materials business is poised to become one of the largest providers of green energy globally, as well as a prime contributor towards India's 2070 net zero target."

Ambani said the company's ambitious renewable energy project—the Dhirubhai Ambani Green Energy Giga Complex—in Jamnagar, Gujarat, is



Mukesh Ambani said Reliance has consolidated its balance sheet after the previous round of capex and is ready for the next level of growth. REUTERS

progressing rapidly as RIL works towards its goal of attaining net carbon zero by 2035. Ambani's net-zero target entails a faster transition than his closest rival and Asia's richest businessman Gautam Adani.

Adani has set a target to become net zero by 2050 for five of its key portfolio companies—Adani Green Energy, Adani Energy Solutions, Adani Ports & SEZ, ACC and Ambuja Cements.

Ambani, who has pitched his younger son Anant's name as the upcoming leader for the group's green energy business, said, "We are also exploring multiple technologies for capture and recycling of carbon."

RIL said it signed an agreement last year with the Maharashtra government for 100 KTPA green hydrogen production, with total projected investment of ₹15,000 crore. The

group has already committed billions of dollars towards green energy investments in Gujarat. Elaborating on its green energy roadmap, RIL said that by 2025 it will establish 20GW solar capacity for captive needs of round-the-clock power and intermittent energy for green hydrogen.

By 2025, RIL will commence transition from grey to green hydrogen and industrialise sodium ion cell production at a megawatt level. By 2026, Jamnagar PV factory will be scaled to 20GW in a phased manner and a comprehensive battery giga factory is planned to be established. By 2027, RIL will expand its cell-to-pack manufacturing facility to 50GW annually, and by 2030, the company will establish and enable 100GW of renewable energy.

"The company will also invest in enhancing the value chain, partnerships and future technologies, including upstream and downstream projects," RIL said in the annual report.

The firm will manufacture battery chemicals and components, focus on energy storage system, and build an electrolyser and hydrogen value chain. India's dependence on fossil

fuels-based energy increases its import bills and results in a foreign exchange drainage.

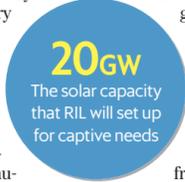
"India needs to solve this problem to maintain its growth trajectory and reach \$32 trillion GDP by 2047," said RIL.

In the coming years, RIL will develop supply chain locally and reduce the reliance on imports.

Ambani said RIL's new energy business will play a "pivotal role in the global movement" for adoption of cleaner fuels as the group aims to sell affordable clean energy to the public through the facilities that will be installed in the coming years.

While transitioning from fossil fuels to renewables, the company is maximizing its sustainable materials and chemicals as part of its portfolio, it said.

While doing so, RIL aims to be one of the world's leading new energy and new materials company over a period of 15 years, and in line with its initial commitment to invest ₹75,000 crore in clean energy, RIL has drawn internal targets for enhancing solar capacity for its captive needs, establishing giga factories, and enabling 100GW of renewable energy by 2030.



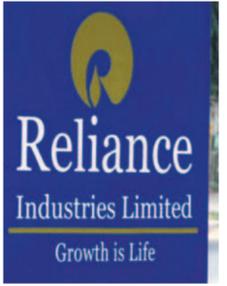
FY24 was tough for RIL's lifestyle firms

Varuni Khosla
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NEW DELHI

Reliance Industries Ltd-controlled international and Indian lifestyle brands had a tough financial year that ended in March, with a majority of its businesses reporting a weak performance, according to the company's annual report released on Wednesday.

Some companies, led by Reliance Brands Ltd (RBL) that owns more than 50 international fashion labels, faced challenges. Despite an increase in total revenue by 13% to ₹2,303 crore in FY24, RBL's losses widened by 55% to ₹288.4 crore from ₹185.16 crore in FY23. The increase in sales did not translate into profitability for brands like Diesel Fashion India and Paul & Shark which RBL controls. RBL began operations in 2007 and has a portfolio of brand partnerships comprising Dune, Hamleys, Pottery Barn, Tory Burch and West Elm.

Reliance has a controlling stake in about 50 international brands which are either in the luxury domain or the affordable or entry segment. It also works with over half a dozen



A majority of RIL lifestyle firms posted a weak performance last fiscal year. REUTERS

fashion designers like Rahul Mishra, Manish Malhotra, Anamika Khanna, Abraham & Thakore, Abu Jani, Sandeep Khosla and Ritu Kumar.

After a very strong FY22, when India came out of the pandemic and shoppers stamped out to buy fashion and luxury goods, a consumption slowdown in 2023 meant reduced discretionary spending. Most of Reliance's designer brands reported losses in the year gone by. While designer duo Abu Jani and Sandeep Khosla showed profitability, other brands under its portfolio struggled, reflecting a challenging environment in the luxury fashion sector.

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NOTICE OF 18th ANNUAL GENERAL MEETING ('AGM') OF INDUS TOWERS LIMITED AND E-VOTING INFORMATION

Notice is hereby given that:

- The 18th AGM of the Members of Indus Towers Limited ('Company') will be held through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') on Thursday, August 29, 2024 at 03:30 P.M. (IST) to transact the businesses set out in the Notice of 18th AGM ('Notice'), in compliance with the applicable provisions of Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 08, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 02/2022 dated May 05, 2022, General Circular No. 10/2022 dated December 28, 2022, General Circular No. 09/2023 dated September 25, 2023 and other applicable circulars issued by Ministry of Corporate Affairs ('MCA Circulars') and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/JP/2021/11 dated January 15, 2021 Circular No. SEBI/HO/CFD/CMD2/CIR/JP/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/4 dated January 5, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by the Securities and Exchange Board of India ('SEBI Circulars').
- In accordance with the MCA Circulars and the SEBI Circulars, the Notice and Integrated Report & Financial Statements 2023-2024 ('Integrated Report') have been sent through electronic mode to those Members whose email ids are registered with the Company/ Depository Participants (DPs). A hard copy of the full Integrated Report shall be sent to those members who will request for same. The Notice and the Integrated Report are also available on the website of the Company at <https://www.industowers.com>, on the website of National Securities Depository Limited (NSDL), at www.evoting.nsdl.com and on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The dispatch of Notice and Integrated Report through e-mails has been completed on August 07, 2024.
- The Members holding shares either in physical mode or in dematerialized form, as on Thursday August 22, 2024 ('Cut-off Date') may cast their votes electronically on the Ordinary and Special Businesses as set out in the Notice through remote e-voting or e-voting at the AGM. The remote e-voting shall commence on Monday, August 26, 2024 at 09:00 A.M. (IST) and end on Wednesday, August 28, 2024 at 05:00 P.M. (IST). The remote e-voting shall not be allowed beyond 05:00 P.M. (IST) on Wednesday, August 28, 2024. Once a vote on a resolution is casted by the Member, it cannot be modified subsequently. A person whose name is recorded in the Register of Members or Register of Beneficial Owners as on the Cut-off Date shall only be entitled to avail the facility of remote e-voting at the AGM.
- The Members may please note that the facility for e-voting will also be made available during AGM and those members present in the AGM through VC/OAVM and who have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM. The Members who have casted their vote by remote e-voting may also attend the AGM through VC/OAVM but will not be able to vote again during the AGM.
- A person who becomes a Member of the Company after the Notice has been sent electronically and holds shares as on the Cut-off Date i.e. Thursday, August 22, 2024 may obtain User ID and password by sending a request at evoting@nsdl.co.in. However, if a person is already registered with NSDL for e-voting, then the existing User ID and password can be used by them for casting their votes.
- The manner of voting electronically is provided in the Notice. The details are also available on the website of the Company at www.industowers.com and on the website of NSDL at www.evoting.nsdl.com.
- Members who have not yet registered their email addresses and consequently have not received the Notice and the Integrated Report, are requested to get their e-mail addresses and mobile numbers registered by following the guidelines mentioned in the Notice.
- The Members holding shares in physical mode are hereby notified that in terms of the SEBI Circular number: SEBI/HO/MIRSD/MIRSD-POD-1/P/CIR/2023/37 dated March 16, 2023, all holders of physical securities can register e-mail ID/ contact details through submitting the requisite Form ISR-1 along with the supporting documents. Form ISR-1 is available on the link <https://ris.kfintech.com/clientservices/isc/default.aspx> and detailed FAQs on the same are also available on the link: <https://ris.kfintech.com/faq.html>.
- The Members holding securities held in electronic mode are requested to register/ update their email ids with their respective DP(s), where the DEMATA/c is being held.
- Procedure for joining the AGM and e-voting process, have been provided in detail in the Notice and is also available on the website of the Company at www.industowers.com and on the website of NSDL at www.evoting.nsdl.com.
- The result of e-voting will be declared within 2 (two) working days or 3 (three) days, whichever is earlier, from conclusion of the AGM and will be placed on the website of the Company at www.industowers.com and on the website of NSDL at www.evoting@nsdl.co.in. The result will simultaneously be communicated to the Stock Exchange(s).
- In case of any queries, the Members may refer the Frequently Asked Questions (FAQs) for the Shareholders and e-voting user manual for the Shareholders, available at download section on the website of NSDL at www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.co.in.

For Indus Towers Limited
Sd/-
Place: Gurugram Samridhi Rodhe
Date: August 07, 2024 Company Secretary & Compliance Officer

EMPOWERING LIVES, FUELLING A SUSTAINABLE FUTURE

HIGHEST EVER CNG VOLUME
2.98 mmscmd

PAT
₹ 329.78*
cr.

PBT
₹ 443.30*
cr.

EPS
₹ 4.79*

REVENUE
₹ 4653.38*
cr.

GUJARAT GAS

*Standalone Figures

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30th JUNE 2024 (₹ in Crores)

Sr. No.	Particulars	Standalone		Consolidated			
		Quarter ended		Quarter ended	Year ended		
		30-06-2024	30-06-2023	30-06-2024	30-06-2023	31-03-2024	
		Un-audited	Audited	Un-audited	Audited		
1	Total income from operations	4,653.38	3,947.55	16,400.72	4,653.38	3,947.55	16,399.08
2	Net Profit for the period (before Tax, Exceptional items)	443.30	289.36	1,480.52	443.30	289.36	1,478.88
3	Net Profit for the period before Tax (after Exceptional items)	443.30	289.36	1,536.21	443.30	289.36	1,534.57
4	Net Profit for the period after Tax (after Exceptional items)	329.78	215.09	1,142.77	330.71	215.95	1,143.70
5	Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)]	332.08	216.14	1,151.43	332.99	216.97	1,152.31
6	Equity Share Capital (Face value of ₹ 2/- each)	137.68	137.68	137.68	137.68	137.68	137.68
7	Reserves (excluding Revaluation Reserve as shown in the Balance Sheet)			7,551.58			7,584.80
8	Earnings Per Share in ₹ (Face Value of ₹ 2/- each) (not annualised for quarter)						
	Basic (₹)	4.79	3.12	16.60	4.80	3.14	16.61
	Diluted (₹)	4.79	3.12	16.60	4.80	3.14	16.61

- Note:**
- The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 and read together with the Companies (Indian Accounting Standards - Ind AS) Rules issued thereafter and other accounting principles generally accepted in India. These financial results are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time along with other relevant rules issued thereunder.
 - The above is an extract of the detailed format of quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015 (as amended). The full format of the same is available on the Stock Exchange websites. (www.nseindia.com and www.bseindia.com) and also on Company's website www.gujaratgas.com.
 - The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 6th August, 2024 at Gandhinagar, Gujarat.
 - Previous period figures have been reclassified / regrouped wherever considered necessary to conform to the current period figures.

For and on behalf of Board of Directors
Gujarat Gas Limited
Milind Torawane, IAS
Managing Director

GUJARAT GAS LIMITED
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District: Gandhinagar, Gujarat. Tel: +91-79-26462980 Fax: +91-79-26466249 Website: www.gujaratgas.com
Email: investors@gujaratgas.com | CIN : L40200GJ2012SGC069118



Unsecured folio stress showing in lenders' books

FROM PAGE 1

bank is maintaining sharp focus on these segments.

"Credit cost at the bank increased to 55 bps annualized and the increase is largely due to losses in unsecured retail book in lower-ticket segment and select geography for micro-credit business," Vaswani said.

Experts credited the Reserve Bank of India (RBI) for spotting trouble early.

In a note on 7 August, Suresh Ganapathy, MD, head-financial services research, Macquarie Capital Securities, said, "(RBI) had clearly seen stress in unsecured segment, over-leveraging of consumers, even warned all banks and NBFCs many times and finally had to act on increasing RWAs. Look now what has happened." RWAs refer to risk-weighted assets, which are assigned to each loan category depending on the perceived risk of defaulting.

"While most management teams are downplaying it as a temporary issue, a closer look at the past year's data paints a different picture," said Ashutosh Mishra, head-research, institutional equities at Ashika Stock Broking. "It's crucial to monitor this closely as signs of over-leveraging are evident, as pointed out by various monitoring and regulatory agencies."

RBI had been cautioning banks on increased lending to the unsecured segment since March 2023. Personal loans grew as demand for credit increased in the post-covid era, led by segments such as



Kotak Mahindra has also 'seen a certain level of stress.' MINT

small-ticket loans, gold loan and credit cards. These segments had seen a growth of 33% on average for the past couple of years, more than double the 12-14% growth in credit, according to data from RBI.

Sensing a potential build-up of stress, RBI announced an increase in risk weights on unsecured lending and exposure to NBFCs in November last year, which made banks set aside larger amounts of capital on such assets.

The central bank's financial stability report in June showed that delinquency levels among borrowers with personal loans below ₹50,000 remain high, driven mainly by NBFC fintech lenders and small finance banks.

Little more than half the borrowers in this segment have three live loans at the time of origination and more than one-third of the borrowers have availed more than three loans in the last six months, the report said.

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

RBI had been cautioning banks on increased lending to the unsecured segment since March 2023

Tata Motors aims EV prices same as rivals' regular cars

Steady fall in battery prices, cost optimization, localization efforts may help trim prices

Alisha Sachdev
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NEW DELHI

Tata Motors Ltd, the country's biggest passenger electric vehicle (EV) maker, is taking the EV fight to rivals' camps by matching its EV prices with the prices of their competing conventional vehicles. The move is being seen as a strategy to boost the pull of the company's electric offerings amid a recent industry-wide slump in EV sales.

The aggressive pricing is being driven by a relentless decrease in battery prices and Tata Motors' own cost optimization and localization efforts, along with the generous help of a lower GST (goods and services tax) tag on the cars compared to internal combustion engine (ICE) models.

Its latest offering, the electric Curvv coupe SUV, is set to be the first salvo in this plan to offer a host of cars on an electric platform to move up the premium SUV curve, after having launched in a more affordable range earlier. Its cheapest EV, the Tiago EV, starts at ₹8 lakh.

The Curvv EV, launched on Wednesday, will be available in two battery pack options—45kWh and 55kWh—the latter being the company's largest battery yet in an EV. Prices for the e-SUV start at ₹17.49 lakh and go up to ₹21.99 lakh (ex-showroom).

While Tata Motors says its objective is to position the cars as a compelling alternative to similarly priced ICE vehicles in the mid-SUV segment like the Hyundai Creta, industry experts point to the possibility of the model cannibalizing sales of its own sibling in the portfolio, the compact SUV Nexon EV, even though the company clarifies the two models have "different buyer profiles". (Tata uses on-road pricing of petrol automatic transmission models for comparison with its EVs; mid-sized



Shailesh Chandra, MD of Tata Motors Passenger Vehicles at the launch of the Curvv EV in Mumbai on Wednesday. REUTERS

SUVs attract an effective GST of 43%, while EVs attract a flat 5% GST irrespective of their size.)

However, Tata stops shy of calling the Curvv EV pricing "strategic" while emphasizing how it lies in the ballpark of

you would think that this is strategic pricing, it is not," Shailesh Chandra, managing director of Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, said at the launch of the Curvv EV.

of the battery back through localization efforts has brought down the pack-level battery cost. This can later on be horizontally deployed," he added.

Tata Motors will also launch an ICE version of the Curvv coupe, which will be built on its new ATLAS platform. It is yet to announce prices for the petrol and diesel-powered models. The Curvv SUV will further enhance the company's footprint in the SUV market, where its Punch & Nexon EVs are the best-selling models. "We thought bringing in an SUV coupe in the crowded mid-SUV space will be clutter-breaking," Chandra said.

While price is one barrier, buyers have been staying away from EVs due to inadequate charging infrastructure and charge anxiety, Chandra added.

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

POWERING UP

TATA Motors' aim is to position its EVs as an alternative to similarly priced mid-SUV ICE cars

THE co emphasized how Curvv EV price lies in the ballpark for a gasoline-powered automatic

EXPERTS point to the possibility of the model cannibalizing sales of its own sibling, the Nexon EV

TATA will also launch an ICE version of the Curvv coupe, which will be built on its new ATLAS platform

the pricing for a gasoline-powered automatic. To be sure, many ICE models in the category are available much below the ₹17.49 lakh price tag for the Curvv EV.

"I would not say we have deliberately kept our prices lower than ICE because

Chandra said the pricing for the SUV was normal considering the margin profile the company wants to earn.

"This has been possible because cell prices have come down, we have used cell tech which along with our constant effort of bringing down the non-cell cost

clutter-breaking," Chandra said.

While price is one barrier, buyers have been staying away from EVs due to inadequate charging infrastructure and charge anxiety, Chandra added.

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

CXO hiring up 15% in H1; sales roles lead

FROM PAGE 1

hiring of CFOs with fundraising, listing, investor relations and listed company experience," Agrawal said.

So far this year, companies such as Igigo, Emcure Pharma, Go Digit, Aadhar Housing Finance and Indegene have gone public and others such as Unicommerce, Ola Electric and FirstCry are in the process of listing.

Other search firms that look at CXO recruitment, too, say this has been one of their best years, with Korn Ferry pointing to a 15-20% increase in leadership hiring in the BFSI (banking, financial services and insurance) sector in H1 of 2024.

"Among all profiles, independent directors and CEOs are at the top, followed by CXOs in marketing, risk and compliance," said Monica Agrawal, managing director-financial services, Asia Pacific India lead—board and CEO services, for executive search firm Korn Ferry. The need for marketing leaders who understand how to build brands with younger clientele is very high among fintech firms, she added.

Over the past couple of years,

Hiring leaders

Increased business activity, new projects, and the wave of IPOs are fuelling leadership hiring.



Source: Accord India; data represents industry leadership movements across various sectors collated and analyzed by Accord.

SATISH KUMAR/MINT

there has been a surge in demand for independent directors. The demand for specialist directors is especially strong from medium- and small-scale enterprises and mid-tier firms willing to pay more for their expertise.

Another search firm, Michael Page, said its business saw a 27% uptick in leadership hiring in H1, with heads of sales and leads in tech-oriented global capability centres (GCCs) being most in demand.

"Startups who have raised Series A funding are looking out for tech and engineering heads while those who are on

their C and D rounds want sales experts, having already built a robust tech product," said Pranshu Upadhyay, regional director and India head—technology hiring, for Michael Page.

A ramp-up in the number of GCCs is serving India well, creating jobs at a time when information technology IT services companies, India's largest mass recruiter of fresher tech talent, are witnessing a slowdown, the 2024 Economic Survey said.

Citing data from audit and consulting firm PwC, the survey stated that by 2028, India may have 2,100 companies operating GCCs—up 31% from 2023. This could double the revenue earned by GCCs in India to \$90 billion by 2028. The number of people employed by GCCs is also expected to more than double to 3.4 million in 2028 from around 1.6 million in 2023, the survey noted, citing PwC.

Hiring in the GCCs come at a time when the IT sector is yet to shrug off its macro-sluggishness. Headhunters noted that

for all these positions, the compensation is above ₹1.5 crore, over which the executive gets stocks, long-term incentives and bonuses.

Meanwhile, the average compensation of a CEO has jumped 40% from pre-covid levels to ₹13.8 crore in 2024, according to the Deloitte India Executive Performance and Rewards Survey, released this April.

CEOs who earn ₹20 crore or more have doubled in number over the past four years in the survey base of 400 companies comprising both listed and unlisted companies across sectors. In contrast, the average salary of junior executives is estimated to have grown at about half that rate over the same period.

To be sure, the shift towards hiring more leaders comes at a time when overall recruitment for the middle and junior levels is facing a quiet time. Companies across sectors have eased their campus intakes, adopting digital technology and bracing for the impact of artificial intelligence on job roles.

The demand for specialist directors is especially strong from medium- and small-scale enterprises

Malpani Group plans to expand Imagicaa with new theme parks

Gaurav Laghate
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MUMBAI

Sangamner, Maharashtra-based Malpani Group, a ₹3,000-crore diversified business house with interests in renewable energy, FMCG, amusement and water parks, real estate, and hotels, has outlined an aggressive expansion plan for Imagicaa world Entertainment.

The group acquired Imagicaa world in June 2022 after lenders decided to auction off the company owned by Bollywood film producer Manmohan Shetty's Adlabs Entertainment.

The new owners aim to add one theme park every year for the next five years, said Jai Malpani, managing director of Imagicaa world Entertainment, a listed company.

"We plan to add one new park every year for the next 5-8 years. These will include a mix of tier-1 and tier-2 cities. tier-1 will feature large parks, while tier-2 will have smaller parks, combining water and amusement features," Malpani told



Jai Malpani, managing director, Imagicaa world Entertainment.

June 2022 that an out-of-court settlement was reached with the lenders.

Since the acquisition, the company has invested an additional ₹25 crore in existing parks to add new slides and attractions, and will continue to innovate. The privately held group has also consolidated its existing water parks—Wet'n'Joy and Sai Teerth—under the Imagicaa brand this fiscal year, along with Surat's Amaazia Water Park, which it acquired from the Rajgreen Group of Companies.

"We now own 74% of Imagicaa world Entertainment. From two parks—one amusement and one water park in Khopoli, near the Mumbai-Pune highway—the company now has seven operational parks, one Novotel hotel, and an 11-acre land parcel at the Sabarmati riverfront in Ahmedabad for developing a new park. We are also building a park in Indore, Madhya Pradesh," Malpani added. "The capital expenditure for the Indore park is projected to be under ₹200 crore."

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

Holland said that simmering tensions in the Middle East made it hard to predict any duration for the continuation of the recovery, but that markets could rally for a couple of more sessions.

"The BoJ comments spurred the short-covering and calmed markets," said Andrew Holland, CEO, Avendus Capital Public Markets Alternate Strategies.

The short-covering was visible in the weekly 24,000 and 24,200 call strikes expiring on Thursday. The 24,000 call witnessed OI falling by 94,321 contracts to 67,953 contracts, which drove up its price 125% to ₹349.4 a share (25 shares make one contract). The 24,200 call expiring on Thursday witnessed OI plunging by 90,657 contracts to 98,779 contracts which catapulted its price 167% to ₹175 a share.

The call selling was led by proprietary traders whose cumulative net short on index calls (Nifty and Bank Nifty) stood at 772,854 contracts on Tuesday. Retail/HNI, FIIs and DIIs were net long index calls.

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

Local language web shows are still playing catch-up with Hindi

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NEW DELHI

Despite rising interest and investments in non-Hindi web originals in the country, local-language shows still have a long way to go in terms of viewership, shows a recent report.

B&B: *Buji and Bhairava* (Telugu) and *Inspector Rishi* (Tamil)—the most-watched regional-language shows—clocked in a viewership of 4.9 million each, against the 28.2 million of the most-watched Hindi show, *Panchayat-Season 3*, in the first six months of 2024, accord-

ing to research conducted by media consulting firm Ormax Media.

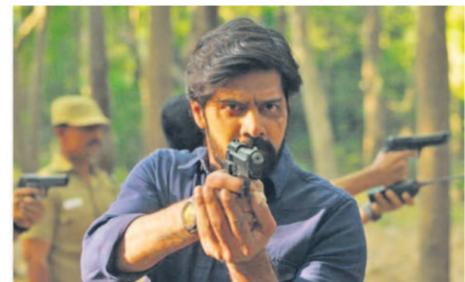
Entertainment industry experts say audiences in vernacular markets are still more lured by cinema and television, and unlike Hindi, there are no established franchises with returning seasons.

"Regional-language originals are in a stage of market development. India's first Hindi web series was released 10 years ago on YouTube, giving Hindi a head start in the OTT space. This has helped Hindi content consumed digitally build a substantially engaged audience over the years," said

Namit Sharma, chief executive of digital media company Arré Studio.

"By sheer audience size and market opportunity, Hindi is spoken by over 40% of the Indian population, compared with, say, Telugu, which is spoken by only 6.7%. Regional-language originals have the unique advantage of picking up and learning from Hindi counterparts," he added.

Partho Dasgupta, managing partner at Thoth Advisors and ex-CEO of BARC India, agreed that the audience base for Telugu and Tamil originals is smaller than that of Hindi, and Hindi shows such as *Pancha-*



Inspector Rishi clocked in a viewership of 4.9 million in the first half of 2024 against 28.2 million of Panchayat-Season 3. @ANDYVERMAUT/X

jayat have the advantage of being an established franchise. "That said, the multilingual model should break out, as it

has with theatrical films. Whether dubbed or made (in a non-Hindi language), the strategy should start paying

off," Dasgupta said.

Some experts point out that several regional OTT platforms have resorted to making low-cost web originals, which has definitely resulted in slow content uptake.

Ujjwal Mahajan, co-founder of Chaupal, a platform specializing in Punjabi, Haryana and Bhojpuri content, said the service is making an attempt to up production standards and has observed that with quality content, the

uptake improves.

"There is a film and TV culture in the regional markets, because initially, there was no

OTT specifically catering to them. National and international platforms don't cater to regional languages; it's just a part of their overall offering with engagement. Now that you have platforms coming up with content made exclusively in one language, the trend and culture are changing," Mahajan said.



Nifty tanked 4% from previous close on Tuesday. MINT

Bear retreat lifts market, but may not tempt FIIs enough

FROM PAGE 1

Srivastava, founder, IndiaCharts. "This is what exactly happened with BoJ's dovish comments on rate hikes on Wednesday."

On Wednesday, foreign institutional investors (FIIs) sold a provisional ₹3,314.76 crore of shares, while domestic institutions net purchased ₹3,801.21 crore.

On 31 July, BoJ had raised its short-term policy rate to 0.25%, only the second hike in 17 years, sending the Nikkei crashing 12.4% on Monday. Fears of an unwinding yen carry trade whipped stocks worldwide, worsened by worries of a hard landing in the US.

The Nifty tanked 4% from a closing record high of 25,010.9 on 1 August to 23,992.6 on Tuesday. This culminated in option sellers writing or selling more calls than puts on Tuesday, a bearish sign. However, the BoJ's dovish comments have caused some of these bearish bets to be covered, added Srivastava.

Sellers write more calls than puts assuming markets won't rise above a certain level, and that they would get to pocket the premium paid by the call buyers. But, if their premise goes wrong, they rush to cover the shorts which involves buying back what they sold earlier. This powers a rally, subsequently leading to fresh buying.

"The BoJ comments spurred the short-covering and calmed markets," said Andrew Holland, CEO, Avendus Capital Public Markets Alternate Strategies.

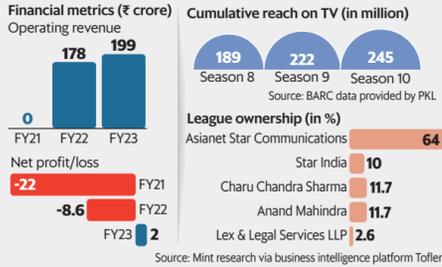
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Pro Kabaddi League at a glance

In FY23, PKL's cumulative reach was at 245 mn, up 10% over 222 mn in the ninth season



Kabaddi League becomes profitable after 10 seasons

Varuni Khosla
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NEW DELHI

The Pro Kabaddi League, a tournament for the native contact sport backed by broadcaster Disney Star, has become profitable after 10 seasons, making it the largest outside of cricket's Indian Premier League.

Mashal Sports Private Ltd, a subsidiary of Disney Star that owns the league, posted a profit of ₹2 crore in FY23, according to company filings with the ministry of corporate affairs accessed via business intelligence platform Tofler.

Mashal Sports turned profitable after consistent losses till FY22. That year, it had a net loss of ₹8.6 crore. In FY21, the loss was ₹22 crore.

Disney Star picked up the media rights of PKL for five years at the base price of ₹900 crore in 2021 as the sole bidder. Last year, at the central level, the franchise-based league had sponsors such as Dream11, Roff, UltraTech

Cements and Patanjali. The 12 teams also had marquee brands as principal sponsors.

According to the filings, viewership in season nine rose on streaming platform Disney+ Hotstar in terms of both unique viewers—a 43% increase—and overall watch time, which climbed 24% from season eight.

Other than Star's 74% stake in Mashal, industrialist Anand Mahindra and sports commentator Charu Sharma own 11.7%

each, while the remainder is with law firm Lex & Legal Services.

Anupam Goswami, CEO of Mashal Sports and league commissioner, told *Mint* the company is the largest

league outside of the Indian Premier League. He said there has been growth in viewership, citing data from the Broadcast Audience Research Council (BARC) India. In season 10, its most recently concluded one, PKL had a cumulative reach of 245 million viewers, growing 10% over the ninth season's 222 million.

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

BT set to expand hub in India

Having doubled its headcount in India, the group now aims to scale up presence in core engineering, data and AI

Guilveen Aulakh
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NEW DELHI

BT Group, the UK's fixed and mobile communications service provider, is expanding its AI and 5G R&D teams in India as global telcos seek use-cases to monetise their investments in new-age networks, chief digital and innovation officer Harmeen Mehta said.

"We are in India because of the amazing tech skills that we find there. A large part of our data and AI teams have been based here—we started building them in India at least three years back, when I took over. We accelerated that quite a lot and made India as one of the biggest data and AI hubs," Mehta told *Mint* in an exclusive conversation.

Having doubled its headcount in India over the past three years, BT intends to scale up its presence in core engineering, data and AI.

"We are looking at actually the digital part, helping the operations team



According to CDIO Harmeen Mehta, India has amazing tech skills. BLOOMBERG

accelerate both our efficacy and efficiency in the ops part using AI as well," Mehta said. Given that both the digital and the operations teams sit in India, the country is a very valuable hub for BT, she said.

With new quality-of-service norms for mobile and broadband usage on the anvil, Mehta said India should focus more on ensuring better broad-

band services because the segment would drive growth in the coming years as more homes get connected with fibre and the nation becomes more digital even though it's a mobile-first country.

"It's one of the fastest-growing nations in the world and as it becomes much more of a digital nation, the need for ultrahigh speed broadband is

going to be far more so. I think for telcos to accelerate that would be very much in their interest," she said.

Mehta said with rising convergence of services, networks will be needed increasingly for creating seamless connectivity inside and outside the home. Monetisation of 5G investments continues to be a challenge the world over. Telcos have spent billions on building 5G networks but have been unable to recoup these investments for lack of premium use-cases. With 5G becoming the default network globally, use-cases that can be charged a premium may begin to come about. According to Mehta, unless you have the big use-cases, you can't really sell them at a premium.

"The more we concentrate on developing more and more use-cases and differentiation, the easier it will become to monetise," she said.

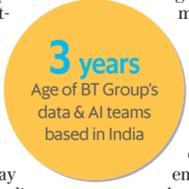
The senior executive said AI-based 5G use-cases were coming up in a big

manner globally as adoption by industries was rising, as opposed to a couple of years ago when telcos had pinned their hopes on private 5G, which had taken off much slower. "The biggest shift I'm seeing in the industry, it's becoming less about it being a new technology, but much more about what can you do with it... the new rise in gaming and probably a lot more happening around

both AR (augmented reality), VR (virtual reality) and other things that you can do on top of 5G. I think as the world evolves and with the use of AI, and as that gets embedded in both handsets

and use-cases and almost everything you do, I think the adoption will probably accelerate a bit," she said.

She also pointed to the evolution of chipsets on handsets that are picking up the larger compute load, which when coupled with the adoption of cloud, was putting much more pressure on networks to ensure that the quality of services remains steady.



India's lifestyle market heads to \$210 bn, Gen Z leads the charge

Suneera Tandon
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NEW DELHI

India's fashionistas are having a moment. The domestic lifestyle market, comprising apparel, beauty, accessories, and footwear, is poised to balloon to \$210 billion by 2028, according to a joint report by Bain & Company and Myntira. Currently valued at \$130 billion and projected to expand at a compound annual growth rate (CAGR) of 10-12%, this translates to a potential windfall of \$80 billion in incremental spending, driven by a confluence of factors.

Leading the charge are India's digital-savvy Gen Z shoppers, born between 1997 and 2012. These fashion-forward consumers, numbering around 60 million, are heavily influenced by the latest trends and social media influencers. Their insatiable appetite for new looks is reflected in their purchase frequency—eight to nine times a year compared to the national average of five to six. Currently, Gen Z accounts for 20-25% of the online lifestyle market, valued at around

\$4 billion in gross merchandise value. While they transact more frequently, their individual order values tend to be lower.

Nandita Sinha, CEO of Myntira, emphasized the influence of Gen Z on fashion trends. "They are very, very exposed to what's happening across the globe in terms of trends and styles. They want to have a new look every time they step out, and that's driving

the frequency of purchase. They also make up almost 20-25% of the overall e-lifestyle category today," said Sinha.

India's online lifestyle market, currently estimated at \$16-17 billion, is likely to surge to \$40-45 billion by 2028. Fashion remains the undisputed king of e-commerce, constituting a 75% share. Accessories and women's apparel are projected to witness the fastest

growth within this segment. The report highlights the significance of online shoppers in the lifestyle category. In 2023, over 175 million customers across India shopped for lifestyle products online, averaging six to seven transactions annually. For 40-45% of first-time e-commerce shoppers, lifestyle is their initial purchase, making it a crucial gateway category for e-retail.

"These online shoppers are visiting more platforms and visiting them more often; these shoppers are also completing purchases over a shorter dura-

tion. Deeply entrenched shoppers (defined as those who spend greater than ₹50,000 annually on a platform) visit their preferred platform at least once a day on average, and purchase over 25 times per annum versus the market average of six to seven," the report noted.

The trend towards organized retail will be another significant contributor. While 66% of overall lifestyle market is unorganized offline retail, the organized segment is projected to grow 15-20% annually till 2028. For an extended version of this story, go to [livemint.com](#)

CORPORATE BUZZ

Mint Media Marketing Initiative

POWERGRID TO COLLABORATE WITH AIIMS FOR UNDERPRIVILEGED PATIENTS



RK Tyagi, CMD, POWERGRID, met M Srinivas, Director, AIIMS, Delhi in the presence of other Senior Officials of POWERGRID, AK Mishra, ED (NR-I), A Nagaraju, ED (ESMD) and Vikram Singh Bhal, ED (CC-CMG). Discussions were held to collaborate in CSR support for AIIMS to provide better service

to the poor and underprivileged through automation and facilities provision. POWERGRID as a responsible corporate citizen has made a 300-bed Vishram Sadan at AIIMS, Delhi for providing a comfortable and cost-effective stay to the patients and their relatives during treatment.

RAILTEL PARTNERS WITH CYLUS



RailTel and Cylus announced a collaboration to strengthen the cybersecurity framework of Indian Railways infrastructure. RailTel partnered with Cylus to integrate and deploy CylusOneTM, Cylus' rail-specific cybersecurity solution.

SCOPE HOLDS WORKSHOP FOR CLIMATE ACTION



A workshop on "The Role of Climate Co-Benefit Methodologies for Strengthening Climate Action by Indian PSEs", organised by SCOPE with GIZ was inaugurated by SK Gupta, Chairman, SCOPE & CMD, GAIL (India) Ltd.

CM CELEBRATES 'HARELI TIHAR'



CM Vishnu Deo Sai celebrated 'Hareli Tihar' at his residence on Aug 4. He extended his greetings to the people of the state and addressed those present, stating that his Govt's top priority is to bring prosperity to farmers.

INTERNATIONAL CONFERENCE HELD



Sri Aurobindo College (Evening), University of Delhi, in collaboration with Let's Do It India Foundation, organised an International Conference on "Exploring India-New Zealand Partnership for a Sustainable Future" on Friday, August 2.

PHDCCI APPOINTS NEW CEO & SECRETARY GENERAL

PHDCCI announced Dr Ranjeet Mehta as its new CEO and Secretary General. Dr Mehta, a Harvard Business School-certified leader and Fellow of the US Govt's International Visitors Leadership Program, holds a PhD in Management and has over 34 years of global corporate leadership experience.

PEERLESS GROUP BEGINS TRANSFORMATION JOURNEY

Peerless Group embarked on a transformation journey to achieve long-term success. Significant progress has been made since then. Before Covid, their annual revenue and profit growth rates were 4% and -11%. Since the transformation began, these have increased to 16% and 18%. Their consumer-facing business revenue share rose from 51% to 68%, and profit share from 17% to 34%.



Tata Power-DDL steered a training program on "Best Practices in Smart Metering" for senior officials from SENELEC, Senegal in line with its vision of capacity building in various fields of the power distribution sector.



VIT held its 39th annual convocation on August 2. Prof Anil D Sahasrabudhe was the Chief Guest of the event, and TR Parasuraman was the guest of honour. Dr G Viswanathan, Founder and Chancellor of VIT, presided over the event.



NERCTC was honoured with the 14th Platinum Global Sustainability Award 2024 for its NRETS Project. This accolade, presented by the EEP, was part of the 15th World Renewable Energy Technology Congress held in New Delhi on August 2.

New Okhla Industrial Development Authority
Administrative Building, Sector - 6, Noida - 201301 (U.P.)
Website : [www.noidaauthorityonline.in](#)

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.

S. No.	Job Number	Name of Work	Amount (Lac)	Publishing Time
(1)	09/SPE/PE(PH-II)/JET/2023-24	Proposal for Empanelment of Agencies for Carrying Out Dog Sterilization and Immunization of Stray Dogs in NOIDA	Rs. 116.10	14th Time

The above tenders can be uploaded From dated 08.08.2024 to 14.08.2024 upto 5.00 PM. Pre-qualification shall be opened/downloaded on dated 16.08.2024 at 11.00 AM.

Office: Sector-94, Noida
General Manager (Public Health) Noida
CLEAN, GREEN, SAFE & SECURE NOIDA

CENTRAL RAILWAY
E-TENDER NOTICE
E-TENDER NOTICE No. NGP/1/2024/T/18R14 Date: 06.08.2024. Sr. Divisional Electrical Engineer (General) Central Railway, 2nd Floor, DRM Building, Kingsway Road, Nagpur-440001 for and on behalf of President of India invites E-Tender through website [www.ireps.gov.in](#) for the following work: Name of work: Provision of Roof Top ON grid Solar Power Plant of various capacity at Residential buildings of various location, (i.e. AMF, BZU, PAR, BPQ, TAE, MJKN, MJRI, WRR, HGT, BUX, WR, AQ & NGP) over NGP division. Tender cost of work in Rs.: 2,07,66,468.86 (Two Crore Seven lakh Sixty Six thousand Four Hundred Sixty Eight and Eighty Six paise only). Bid security Rs.: 2,53,800/-. Cost of tender form Rs.: Nil. Completion period: 12 months. The offer will remain open for 60 days. Date & time for submission of tender: 02.09.2024 up to 11:00 Hrs Date & time of opening of tender: 02.09.2024 up to 11:15 Hrs. Web site particulars: [www.ireps.gov.in](#). Detailed tender notice is placed on notice board in the office of Sr. DEE (G) NGP 2nd floor DRM office building Nagpur. Further any other correction and corrigendum, if any, to be seen on web site only.
Divisional Electrical Engineer (General), CR, Nagpur
DE/205
अनाधिकृत रूप से ले लाने को पार करना दंडनीय अपराध है

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Muhammad Yunus to take oath as interim Bangladesh PM today

Nobel laureate asks his people to stay calm and get ready to rebuild the nation after weeks of violence

AP
feedback@livemint.com
DHAKA, BANGLADESH

Bangladesh's incoming interim leader Nobel laureate Muhammad Yunus on Wednesday asked his people to stay calm and get ready to rebuild the nation after weeks of violence that left hundreds killed, following an uprising that forced former Prime Minister Sheikh Hasina to step down and flee to neighbouring India.

Yunus was on his way home from Paris on Wednesday.

In his first statement since he was named as the head of an interim government, Yunus congratulated the students for "taking the lead in making our Second Victory Day possible." He also appealed to them, members of political parties and other people to stay calm.

Referring to acts of violence that happened after Hasina's resignation, Yunus said, "Violence is our enemy. Please don't create more enemies. Be calm and get ready to build the country."

Bangladesh's military chief said Wednesday that the interim government headed by Yunus would be sworn in on Thursday night. Gen. Waker-Uz-Zaman said in a televised address that those responsible for violence since Hasina's resignation would be brought to justice.

The military chief—flanked by the chiefs of the navy and air force—said that he had spoken to Yunus and would receive him at the airport. Zaman said he was hopeful that Yunus would take the situation to a "beautiful democratic" process.

Speaking to reporters in Paris, Yunus said "I'm looking forward to going back home and seeing what's happening there, and how we can organize ourselves to get out of the trouble that we are in."

Asked when elections would be held, he put his hands up as if to indicate it was too early to say. "I'll go and talk to them. I'm just fresh in this whole area."

The latest development came after



Muhammad Yunus, an economist and banker, was awarded the 2006 Nobel Peace Prize for his work developing microcredit markets.

a tribunal in Dhaka earlier on Wednesday acquitted Yunus in a labour law violation case, involving a telecommunication company he founded, in which he was convicted and sentenced to six months in jail. He was on bail in the case.

On Wednesday, ailing opposition leader and former Prime Minister Khaleda Zia also urged all not to follow the path of destruction in Bangladesh as she addressed her supporters from a hospital bed at a rally in Dhaka. It was her first public speech since 2018, when she was convicted of corruption charges and jailed.

"No destruction, no anger, and no revenge, we need love and peace to rebuild our country," she said using a video link.

The rally by the Bangladesh Nationalist Party came a day after Zia's release from house arrest. Her

son and the acting head of the party, Tarique Rahman also addressed the crowd online from London, where he has been living in exile since 2008.

Rahman faces several criminal cases and was convicted of corruption and a grenade attack, charges dismissed by supporters as politically motivated.

Zia, who ruled the country from 2001 to 2006, was convicted on corruption charges in 2018 and sentenced to 17 years in prison. Her party said the charges were designed to keep her away from politics.

On Wednesday, the streets of Dhaka, the capital, were calm two days after violence gripped the country amid Hasina's sudden departure. The students were seen cleaning streets and managing traffic in parts of Dhaka as police including traffic police disappeared amid violent attacks on police stations in

Dhaka and elsewhere in the country.

Bangladesh's President Mohammed Shahabuddin, a symbolic figure who is acting as the chief executive now under the constitution, also asked the security officials on Wednesday to take stern action against troublemakers.

The country's newly appointed police chief Mainul Islam ordered police officers to return to work by Thursday evening to protect the people's lives and property. The Bangladesh Police Association went on strike after police stations and security officials were attacked across the country Monday.

The president dissolved Parliament on Tuesday, clearing the path for an interim administration that is expected to schedule new elections but it's not clear when those elections will take place.

Shahabuddin named Yunus as the head of an interim government, in consultation with the army and student leaders. He has been a longtime

opponent of Hasina. An economist and banker, Yunus was awarded the 2006 Nobel Peace Prize for his work developing microcredit markets.

Violence in days surrounding Hasina's resignation killed at least 109 people—including 14 police officers, and left hundreds of others injured, according to media reports, which could not be independently confirmed. Reports said more attacks took place across the country also on Tuesday. The looting of firearms was also reported in local media.

In the district of Satkhira, 596 prisoners and detainees escaped from a jail after an attack on the facility Monday evening, the United News of Bangladesh agency reported.

Homes of former ministers and MPs belonging to Hasina's party were looted, torched or vandalized. People were seen on social media taking valuables from the home of Hasina's younger sister in Dhaka's Gulshan area. Four separate neighbours told The Associated Press that the looting took place at her home.

Local media also reported that many of the dead in two days of violence since her resignation included ruling party officials, mostly outside Dhaka. There were also reports of violence against Hindu leaders and other minorities. Those details could not be independently confirmed.

Opposition politicians have publicly called on people not to attack minority groups, while student leaders asked supporters to guard Hindu temples and other places of worship.

The unrest began in July with protests against a quota system for government jobs, which critics said favoured people with connections to her party. But they soon grew into a broader challenge to Hasina's 15-year rule, which was marked by human rights abuses, corruption, allegations of rigged elections and a brutal crackdown on her opponents. More than 300 people died in just a few weeks.

The quick move to choose Yunus came after Hasina's resignation created a power vacuum and left the future unclear for Bangladesh, which has a history of military rule, messy politics and myriad crises.



Maersk currently operates more than 700 ships. BLOOMBERG

Maersk orders LNG ships, takes a detour on its green goals

Costas Paris
feedback@livemint.com

Danish boxship giant A.P. Moller-Maersk is hedging its bets on non-carbon fuel ships.

The world's second-biggest liner will add up to 60 new vessels to its fleet, many of which will run on liquefied natural gas, a carbon-based propulsion fuel.

The move marks a departure from Chief Executive Vincent Clerc's repeated pledge to avoid LNG-powered vessels and focus on methanol-powered ships that emit no carbon dioxide. Maersk's rivals have also been able to run on traditional bunker fuel, which will also be able to run on traditional bunker fuel, will be delivered from 2026 to 2030. They will be a mix of charters and purchases of new vessels, which cost more than \$120 million on average.

Maersk currently operates more than 700 ships with a capacity to move around 4.3 million containers. The company said its overall capacity will stay the same as it will recycle a number of older ships.

Maersk established itself as a trail-blazer in the transition to green shipping when it purchased the first 25 green-methanol ships. But a shortage of promised methanol supplies from Chinese producers led to the change of plans.

Clerc said that the industry will see a mix of fuels including methanol and LNG coexist for a longer period than anticipated while there is a high level of uncertainty on their availability and cost.

"It is very dangerous for us to completely place one bet on one technology," he told the Journal in an interview. "We have opted with this order for more of a hedging approach to maintain our competitive edge."

He said Maersk's targets to cut carbon emissions by a quarter in 2030 and hit net zero emissions by 2040 are on track and they won't change.

The first of the green-methanol ships was delivered to Maersk last year and the remainder are to be delivered gradually until 2027.

To secure supplies, Maersk

has signed agreements with private methanol producers in the U.S., Asia and Europe, as well as the governments of Spain and Egypt. Most of the vessels being ordered by Maersk and others are dual fuel, meaning they also can run on bunker fuel if methanol supplies are low.

Clarksons Research has estimated that it will cost the industry more than \$3 trillion to switch to new forms of power. Producing enough carbon-neutral fuels and developing a global refueling network are major challenges.

Prices for green methanol, which isn't yet widely available as a marine fuel, can run up to twice as much as bunker oil, according to shipowners. Green methanol is an umbrella term covering liquid methanol produced using renewable energy such as wind or solar power.

The European Union plans to introduce carbon-emission taxes for ships coming to or sailing within the continent starting this year, which could help to narrow the bunker oil-methanol price gap, but global efforts to make alternative fuels more attractive are fragmented.

A number of Maersk's competitors such as France's CMA

CGM and Germany's Hoya

Lloyd have ordered dozens of LNG-powered vessels as an intermediate step toward cleaner ships.

Maersk on Wednesday reported second-quarter earnings fell to \$798 million from \$1.45 billion a year prior. The company said rerouting vessels on longer routes around southern Africa's Cape of Good Hope led to an increase in bunker-fuel consumption and higher operating costs.

Container operators have diverted ships to avoid the Red Sea after Houthi rebels began attacking commercial vessels at the end of last year, creating a shortage of vessels and port bottlenecks while inflating freight rates.

"Market demand has been strong, and as we have all seen, the situation in the Red Sea remains entrenched, which leads to continued pressure on global supply chains," CEO Clerc said in a statement. Those conditions are expected to continue for the remainder of the year, he added.

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Intel has lost Wall Street's patience as headwinds keep mounting

Bloomberg
feedback@livemint.com

After another catastrophic earnings report, Intel Corp. bulls are increasingly few and far between on Wall Street.

Intel shares have shed nearly a third of their value since the firm gave a grim growth forecast, announced plans to slash 15,000 jobs, and suspended a dividend that has been in place since 1992. The report was the latest in a series of discouraging updates, and underlined the myriad headwinds facing the chipmaker as it struggles to execute an

ambitious turnaround and compete in the artificial intelligence (AI) era.

The stock has been downgraded at multiple firms in the wake of the earnings—making it the least-liked semiconductor company among analysts.

"The report didn't spell a bottom so much as continued reasons to be concerned," said Peter Kenny, chief executive officer at Kenny & Co. "Investors are pulling the kill switch."

Intel "has a lot of competition, a lack of relevant products, and the turnaround is expensive and slow. The valuation isn't a bargain, and with increasingly heightened con-

cerns over the state of the economy, it's too soon to say the worst is over," he added.

The shares lost more than a quarter of their value on Friday and are down more than 60% this year, making it the second-worst performer among members of the Philadelphia Semiconductor Index behind Wolfspeed Inc. The index itself is up 9.4% this year, supported by gains in companies with stronger AI exposure, including Nvidia Corp.

The consensus expectation for Intel's net 2025 earnings is down more than 40% over the past week

and Taiwan Semiconductor Manufacturing Co. Ltd.

Intel investors have been losing patience with a turnaround plan that involves investing heavily in new chip and production technology, which it is trying to do as revenue shrinks. The company's current products aren't what those who are pouring money into AI infrastructure want, meaning Intel is losing market share. It's also outsourcing the production of its best products, fur-

ther squeezing profit.

Last week's report was the third straight quarter when results were met with a sharp selloff, and Wall Street is throwing in the towel. At least six firms have downgraded the stock, giving it the lowest recommendation consensus—a proxy for the ratio of buy, hold and sell ratings—in the sector.

Bernstein senior analyst Stacy Rasgon called Intel's third-quarter outlook "awful," and "a new record for the worst we've ever seen the company put up," while Argus Research analyst Jim Kelleher said that "we no longer regard Intel as attractive at current

levels," even after the post-earnings slump.

Analysts are also slashing estimates, with the consensus expectation for Intel's net 2025 earnings down more than 40% over the past week, and the consensus view for revenue down 9.6%, according to data compiled by Bloomberg.

The sharp drop in estimates has outpaced the stock's decline, meaning that even with the selloff, shares have gotten more expensive since the report. Intel now trades near 26 times estimated earnings, well above its 10-year average, and even at a premium to the semiconductor index.

The biggest spectacle at the Olympics is everyone wearing glasses

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Kim Yeji might be the most intimidating athlete competing at the Olympics, and it's not because her sport involves firing a pistol with deadly precision.

It's because of her eyewear. "She looks like the Terminator," NBC shooting analyst Shari LeGate said.

People who wear glasses, traumatized by years of being called "four-eyes" on the school playground, have waited their entire lives for myopia to become fashionable. Corrective lenses have long been decidedly uncool—standard uniform for people with office jobs, not people who play sports.

But look around the Paris Games, and all you can see are athletes who can't see.

Kim, a South Korean shooter, has emerged as an

unlikely sensation, captivating the world with a cyberpunk get-up that makes her look like she dropped straight out of "The Matrix." France's Félix Lebrun, a bespectacled table-tennis phenom, has become more popular among Parisians than Comté and Cabernet Sauvignon.

Then there's Stephen Nedorosick, the pommel horse wizard who clinched the first Olympic medal in 16

years for the American men's gymnastics team. When he's not swinging around the apparatus, he wears a pair of chunky, dark-framed glasses for strabismus—a condition that can cause crossed eyes—and coloboma, a defect in the eye's structure.

After his performance here, he likely has the most iconic pair of glasses in Olympic his-

tory. "This," said American Optometric Association president Steven Reed, "is going to make glasses cool again."

Nedorosick's newfound celebrity is a boost for U.S. men's gymnastics, which once tried to raise the profile of its athletes by flaunting their toned abs and broad shoulders. It turns out what they really needed to sell the sport to a wider public wasn't sex—it was specs.

"I think if someone were to ask me, 'What about you would eventually gain traction?'" Nedorosick said after winning an individual bronze on the pommel horse, "I would probably say it was my eyewear or more my eyes—my diseases that I have."

Nedorosick used to compete in sports goggles, gifted to him as a joke by a teammate at



Stephen Nedorosick won the first Olympic medal in 16 years for the US men's gymnastics team. REUTERS

Penn State. But giving up the rec specs might have been the best move of his life.

His sudden fame for his habit of casually taking them off before he dominates on the pommel horse—suspiciously similar to how Clark Kent transforms into Superman.

Then, after performing impossible feats of his own, he

walks off the mat, slips his glasses back on and turns back into a mild-mannered gymnast.

"It's almost surreal to finally wind down after a day, a workout, and go on TikTok," Nedorosick said, "and see somebody made me a meme."

While Nedorosick's glasses give him an air of geek chic, Kim looked more like a cyborg assassin sent from the future

while claiming a silver medal in the women's 10-meter air pistol event. But the equipment that Kim and other sharpshooters wear on their faces serves an important purpose. The blinder over Kim's left eye keeps it covered without her having to physically close it while she competes, which can cause strain and distraction while shooting. Over

her right eye, Kim has a lens and mechanical iris, which allows her to focus on the gun-sights and reduce blur.

The charisma on display that was straight out of a "John Wick" movie was just a bonus.

Not all shooters use the special equipment, however. Yusuf Dikeç of Turkey won silver in the 10-meter air pistol mixed team event with a more subdued look that still generated almost as much attention. He nonchalantly fired off shots while standing with one hand in his pocket, leaving fans wondering if he was secretly some sort of trained hit man when he's not winning Olympic medals.

The only thing adorning his face was a pair of perfectly ordinary glasses that could've been bought at a local Lens-Crafters. But he became such a hit here that when Sweden's Mondo Duplantis broke the pole vault world record on

Monday, he broke into Dikeç's now-famous shooting pose during his celebration.

As for Lebrun, he won a bronze medal in his home country at the age of 17, proving once and for all that it's perfectly acceptable—encouraged, even—to play ping pong in glasses. (To prove the point, Lebrun's brother, Alexis, is also a glasses-wearing Olympian in table tennis.)

Lebrun has been wearing glasses since he was 9 or 10, and after training and playing in them for so long, they now feel natural, like an extension of himself. He has no intention of changing anything now.

That said, Lebrun did at one point consider trading the spectacles for contact lenses. The experiment didn't last long. "I tried one time," Lebrun said, "and had a bad experience."

Louise Radnofsky contributed to this article.

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NEWS NUMBERS

12,500

THE NUMBER of employees computer giant Dell has reportedly laid off globally, as a part of a major restructuring of its sales division

\$210 bn

THE PROJECTED size of lifestyle market, including apparel, beauty, accessories and footwear, by 2028, up from \$130 bn now, according to Bain & Co. and Mynta

1.68 mn

THE NUMBER of cars Tesla is recalling in China for a remote software upgrade related to trunk latches, according to China's market regulator

5%

THE STAKE in LIC that the government may sell this financial year to meet the minimum public shareholding norm. It currently has a 96.5% stake in LIC

4.8%

THE MARKET share of Akasa Air in June, as it completed two years of operations on Wednesday. It currently operates over 130 daily flights across 24 destinations

HOWINDIALIVES.COM

Vigyan Ratna award for Padmanabhan

Celebrated biochemist Govindarajan Padmanabhan has been selected for first Vigyan Ratna Puraskar, the top most science award instituted by the government this year. The government on Wednesday announced 33 Rashtriya Vigyan Puraskars, which include 18 Vigyan Yuva Puraskars for young scientists and 13 Vigyan Shri Puraskars and a Vigyan Team award that went to Team Chandrayaan-3. Earlier this year, the government had instituted the Rashtriya Vigyan Puraskar recognizing outstanding and inspiring scientific, technological and innovation contributions of researchers, technologists and innovators in the field of science, technology and innovation. President Droupadi Murmu is expected to confer the awards on 23 August, the National Space Day, to mark the landing of Chandrayaan-3 near the south pole of the moon. **PTI**



The notification for the Rajya Sabha elections will be issued on 14 August. **PTI**

'RS by-elections for 12 seats on 3 Sept'

Elections to 12 vacant Rajya Sabha seats in nine states will be held on 3 September, the Election Commission said on Wednesday. Ten Rajya Sabha seats fell vacant as the sitting members, including Union ministers Piyush Goyal, Sarbananda Sonowal and Jyotiraditya Scindia, were elected to the Lok Sabha. Bypolls are also being held for two seats in Telangana and Odisha. K. Keshava Rao from Telangana resigned recently from the House after quitting the Bharat Rashtra Samithi (BRS) to join the Congress while Biju Janata Dal (BJD) MP Mamata Mohanta resigned from her Rajya Sabha seat. Besides Goyal, Sonowal and Scindia, the other Rajya Sabha members who won the parliamentary polls and moved to the Lok Sabha are Kamakhya Prasad Tasa (BJP), Misha Bharti (RJD), Vivek Thakur (BJP), Deepender Singh Hooda (Congress), Udayanraje Bhosle (BJP), KC Venugopal (Congress) and Biplob Kumar Deb (BJP). The notification for the Rajya Sabha elections will be issued on 14 August and the last date for filing of poll papers is 21 August, the commission said. **PTI**

Brainbees IPO gets 30% subscription

The initial public offer of e-commerce platform FirstCry's parent Brainbees Solutions received 30% subscription on the second day of bidding on Wednesday. The ₹4,194 crore initial share sale got bids for 1,47,37,568 shares against 4,96,39,004 shares on offer, as per NSE data. The portion for retail individual investors (RIIs) received 1.06 times subscription while the category for non institutional investors got subscribed 30%. The qualified institutional buyers (QIBs) part fetched 3% subscription. Brainbees Solutions on Monday said it has collected ₹1,886 crore from anchor investors. The initial public offer (IPO), with a price band of ₹440-465 a share, will close for public subscription on 8 August. The public issue of Pune-based Brainbees Solutions consists of a fresh issue of equity shares valued at ₹1,666 crore and an OFS (offer for sale) component of up to 54.4 million shares worth ₹2,528 crore by existing shareholders. This takes the total issue size to ₹4,194 crore. **PTI**

Star India's operating losses widen by 45% in June quarter

Star India's operating income losses widened by 45% to \$314 million as of 29 June 2024, compared to \$216 million in the year-ago period, showed The Walt Disney Co.'s earnings for the June quarter of 2023-24. The company, which follows an October to September fiscal year, reported a revenue of \$279 million in the third quarter, compared to \$277 million a year ago. "The increase in operating loss at Star India was due to higher programming and production costs attributable to the timing of the ICC Men's T20 World Cup, a decrease in affiliate revenue due to lower effective rates, and growth in advertising revenue reflecting the timing of the World Cup," Disney said in a statement. Disney+ Hotstar had 35.5 million paid subscribers at the end of the quarter, compared to 36 million in the previous quarter. The streaming platform's average monthly revenue per paid subscriber rose from \$0.70 to \$1.05 due to higher advertising revenue, the company said. **LATA JHA**



Disney+ Hotstar had 35.5 million paid subscribers at the end of the quarter, compared to 36 million in the previous quarter **REUTERS**

MAROONED



The Pali-Jodhpur railway track submerged after heavy rainfall on Wednesday. Five trains were cancelled in the Jodhpur division while several were diverted in Rajasthan as rains continued to lash the state, with Kolayat in Bikaner noting the maximum rainfall at 132mm over the previous 24 hours. **PTI**

India urges Bimstec members to fast-track preferential trade

The seven-member regional bloc is keen to explore greater trade among the countries.

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India has urged a seven member regional bloc, that includes Bangladesh, to consider reaching a consensus on a preferential trade deal before finalising a free trade agreement. A preferential trade agreement would require members of the trading bloc to give preferential access to certain products from other member countries despite the absence of an FTA. The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, or BIMSTEC, five South Asian countries—Bangladesh, Bhutan, Nepal, India, and Sri Lanka—and two Southeast Asian nations—Myanmar and Thailand. While there BIMSTEC members aim to pursue greater trade engagements and sign an FTA, it is important to examine and fast-track realistic possibilities, India's commerce and industry minister Piyush Goyal said on Wednesday. He suggested the creation of a BIMSTEC desk by member countries to handhold investments and trade and to support tourism. "I think a serious effort to remove non-tariff barriers, trade barriers and adopting international norms on trade facilitation, e-commerce, connectivity can help our countries progress faster," Goyalsaid speaking at BIMSTEC's first business summit in New Delhi. The trading bloc serves as a platform for regional cooperation and connectivity for India, and engage with other Asian countries to counter China's influence. The negotiations for a free trade agreement among BIMSTEC nations began in 2004 but haven't been concluded as some of the countries already

have trade agreements with other bloc members. Despite the absence of FTA, BIMSTEC members have had non-binding agreements focusing on trade, investment, technology and tourism. India hopes to strengthen trade and investment ties with its neighbours through BIMSTEC. An FTA, once finalised, will boost economic exchanges. Goyal said members must examine the current trading relation and trade among them has a long way to go to attain full potential. "There are relations that all seven countries share... making us right candidates to strengthen our supply chains and ensure trade is on fair terms among member countries," Goyal said. "We could look at payment in local currencies within this region," he added.

Despite absence of FTA, BIMSTEC members have had non-binding agreements focusing on trade, investment, technology and tourism

Godrej Consumer to enter pet care biz

Consumer products company Godrej Consumer Products Ltd (GCPL) will enter the pet food market in fiscal year 2026 with the launch of its subsidiary Godrej Pet Care. GCPL will invest ₹500 crore in Godrej Pet Care over the next five years, partnering with Godrej Agrovet Ltd (GAVL) for manufacturing and research & development, the company said in a filing on Wednesday. GAVL already operates in animal feed and agribusiness sectors. The company hopes to commence manufacturing in the second half of next year and has appointed a chief operating officer to run GPC. The pet care sector in India is a ₹5,000 crore market, with the potential for strong double-digit growth over the coming decades, GCPL said. **SUNEERA TANDON**



BSE has recorded its highest-ever quarterly performance in the April-June quarter in FY25. **AFP**

BSE posts threefold profit rise in Jun qtr

Leading stock exchange BSE on Wednesday reported an over threefold surge in net profit to ₹265 crore for the quarter ended June 2024. The exchange had posted a net profit of ₹75 crore in the same quarter of the preceding fiscal, BSE said in a statement. The exchange has recorded its highest-ever quarterly financial performance with a revenue of ₹674 crore in the April-June quarter in the current financial year FY25 as compared to ₹271 crore in the year-ago period. Meanwhile, The National Stock Exchange (NSE) on Wednesday reported a 39% year-on-year surge in consolidated net profit to ₹2,567 crore for three months ended June 2024. The exchange posted a 51% year-on-year jump in consolidated revenue from operations to ₹4,510 crore in the April-June quarter of the current fiscal year FY25. **PTI**

ABFRL loss after tax widens in Q1

Adivya Birla Fashion and Retail Ltd on Wednesday reported a widening of consolidated loss after tax at ₹214.92 crore in the first quarter ended 30 June 2024, impacted by higher expenses in a subdued consumption environment. The company had posted a consolidated net loss after tax of ₹161.62 crore in the same quarter last fiscal, ABFRL said in a regulatory filing. Consolidated revenue from operations stood at ₹3,427.82 crore in the first quarter as against ₹3,196.06 crore in the year-ago period, the company added. Total expenses in the quarter were higher at ₹3,458.02 crore in the year-ago period. "Businesses continued to navigate through a subdued consumption environment which was further exacerbated by a prolonged heat wave and weak wedding season," the company said. **PTI**

Pidilite Industries beat Q1 profit view

Pidilite Industries beat first-quarter profit estimates on Wednesday, helped by steady demand for its adhesives and sealants and largely flat costs. Pidilite reported a consolidated net profit of ₹567 crore (\$67.4 million) in the April-June quarter, up 21% from a year ago. Analysts were expecting a profit of ₹532 crore rupees, as per LSEG data. The adhesives maker notched a 3% sales growth in its biggest segment—consumer and bazaar—which consists of the Fevicol adhesive and Dr. Fixit waterproofing products brands. During the April-June quarter, India witnessed a booming manufacturing sector activity as output increased on robust demand. This robust demand, particularly in the construction sector, led to heightened consumption of construction-related chemicals such as those made by Pidilite. The company reported a revenue of ₹3,395 crore, compared to ₹3,275 crore a year ago. **REUTERS**



The order will remain in effect for two months from the date of issuance or until further order. **AFP**

Mizo-B'desh border security enhanced

Restrictions were imposed near India's borders with Bangladesh and Myanmar in Mizoram's Lawngtlai district, officials said on Wednesday. The restrictions were imposed in view of the ongoing unrest in Bangladesh, they said. Movement of people is strictly prohibited between 6 pm and 6 am within 3 km of the borders, they added. "Any person violating the order will invite a legal punishment under section 223 of the Bharatiya Nyaya Sanhita (BNS) 2023," said the order issued on Tuesday. The order will remain in effect for two months from the date of issuance or until further order, it said. Mizoram's three districts—Lawngtlai, Mamit and Lunglei—share a 318-km-long border with Bangladesh. Lawngtlai is the first district to have issued a prohibitory order in view of the unrest in Bangladesh. A senior police officer said illegal immigration from the neighbouring country has not been reported so far. The state police are working with the Border Security Force (BSF), which guards the India-Bangladesh border, to prevent any illegal immigration, he said. **PTI**

'Turkiye to join Israel genocide case'



Turkish President Recep Tayyip Erdogan. **AP**

Turkiye will file a request with a United Nations court on Wednesday to join South Africa's genocide lawsuit against Israel, a Turkish official said. Turkiye's ambassador to the Netherlands will submit a declaration of

intervention to the International Court of Justice in The Hague, foreign ministry spokesman Oncu Keceli said. Turkiye, one of the fiercest critics of Israel's actions in Gaza, will become the latest nation to seek to participate in the case. "No country in the world is above international law," Keceli said in a post on X. "The case at the International Court of Justice is extremely important in terms of ensuring that the crimes committed by Israel do not go unpunished." Turkish President Recep Tayyip Erdogan has accused Israel of genocide, called for it to be punished in international courts and criticised Western nations for backing Israel. In May, Turkiye suspended trade with Israel, citing its assault on Gaza. In contrast to Western nations that have designated Hamas as a terrorist organisation, Erdogan has commended the group, calling it a liberation movement. **PTI**



WHY KOTA HAS FAILED ITS ENTRANCE TEST

Last year, India's test-prep hub welcomed over 200,000 students. This year, its intake has plunged



Clockwise from left: A cycle parking space for students in Kota. Two years back, students found it difficult to find a slot here; a photo from July 2022 that shows students walking towards a coaching centre in the city; an empty street in Kota, photographed in July this year.

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KOTA, RAJASHTHAN

Just two years ago, Shanu Ali, an autorickshaw driver, earned ₹2,500 a day ferrying students in Kota, a city in Rajasthan that has earned fame as the nerve centre of India's entrance exam-preparation industry. And, if he managed to get a student placed in a hostel, the owner paid him a commission of ₹500. But today all that has changed and his daily take has plunged. Recently, however, Ali had a lucky break. "I managed to get one student into a hostel and the owner gave me a commission of ₹6,000," he told *Mint*. Apparently, it was the first new admission in months at the facility and the owner was very grateful. That good fortune aside, Ali thinks it will be a while before he manages to make another placement. "The hostel owners want us to get more students, but where do we get them from if no one is willing to come to Kota," he wondered.

At Chavi Medical, a pharmacy on an arterial road in Kota flanked by study centres, the boy at the counter echoed Ali's sentiments, albeit through a different lens. "If there are no students, who will suffer from dengue, malaria, fever and cold? How will this medical shop run?" he asked, making it clear that as far as he is concerned, ill-health is wealth.

Kota, which welcomed aspiring pupils from every corner of the country for years, is today a shadow of its former self. Gone are the lakhs of hunched students jostling with bags and umbrellas with the names of the institutes emblazoned on them. According to teachers and coaching centres, the inflow of students this year has been pegged at 70,000-90,000 compared to 200,000 in 2022, owing to institutes opening centres in cities across the country.

Allegations of irregularities in the National Eligibility Entrance Test (NEET) have not helped matters—60% of the students in Kota show up to prepare for the medical entrance exam. While students were dismayed at the prospect of having to take the test afresh, for a brief while the institutes in Kota had their hopes up, hoping this would spark an inflow. The Supreme Court, however, put paid to those hopes when it nixed the idea of having a retest.

Kota's economy, once a beehive of activity, has been brought to its knees by the travails of the 'coaching' industry. Vacant classrooms, loan defaults, a property price crash, teachers selling their homes, renegotiated shop leases, and taxi/autorickshaw drivers idling at the railway station are the norm today.

The fates of people across trades are interlinked with the intake of students, and this is evident from the sharp decline in their earnings. Ali's monthly takings have plunged 80%; spice distributor Ravi Prakash Tappar's sales are down 30%; Aashirwad hostel owner Naveen Mittal is struggling with 50% occupancy; exam testing lab Digital Desk's computers are lying unused; and a senior physics teacher is working at 60% of his earlier salary.

Two years ago, the picture painted above would have been impossible to conceive. At the time, the coaching institutes in the nerve centre of India's coaching industry were engaged in a brutal poaching war to attract teachers and students. Lesson learnt, they have now taken a different approach.

Another reason for the drop in students in Kota is the image it has developed of being a 'suicide and party' hub. Last year, 27 suicides were reported.

HOME ADVANTAGE

The primary reason for Kota's decline today is coaching institutes opening centres in other cities in the last two years, which has had a cascading effect on local businesses. Allen Career Institute, for instance, now has centres in at least 60 cities across India, including Dibrugarh, Patna, Rohtak, Latur, Jodhpur and Durgapur. Unacademy's website says it has 61 centres in 44 cities for offline preparation, including Ahmedabad, Bhopal, Bhubaneswar, Bengaluru, Dehradun and New Delhi. Physics Wallah has 124 centres in 105 cities, with its Kota centre opening in 2022. It has more than 200,000 students enrolled across these centres.

"Our efforts to reduce pressure on traditional education hubs like Kota involve opening multiple centres in Uttar Pradesh, Bihar, Maharashtra, Madhya Pradesh, and Rajasthan," said Ankit Gupta, chief executive officer (CEO), Physics Wallah Online, in response to *Mint's* queries.

"We have doubled our admission numbers in these centres by bringing education to students' doorsteps, and improving their emotional and psychological well-being as they remain closer to the comfort of their homes. Furthermore, students can save on migration expenses,

reducing the financial burden on their parents," Gupta added.

While the studying fees for medical/engineering tests oscillate between ₹1.5-₹1.8 lakh a year, hostel charges are separate, and can go up to ₹2 lakh a year. But thanks to centres opening close to their homes, this is no longer an outgo for students, much to the detriment of Kota's many hostels.

The other reason for the drop in students in Kota is the image it has developed of being a "suicide and party" hub. According to a *Hindustan Times* report last month, at least 13 students preparing for NEET or the engineering Joint Entrance Examination (JEE) in Kota had taken their own lives as of July. Last year, 27 suicides were reported, which was the highest number since 2015, said officials.

"There are three types of students who come to Kota: the first lot are the ones who want to and will excel; the second are regular students who want to get a seat in a college, and the third group is students whose parents want them out of the house," said Pramod Maheshwari, who set up the Career Point coaching centre in 1993. He is now chairman, managing director and CEO of Career Point, which was listed in 2010.

The party scene in Kota started when students began sharing living quarters in flats. There are also bars that turn into a party zone at night. Worse, there are incidents of drugs allegedly changing hands over the boundary walls of hostels.

NOT TEACHERS' DAY

Over the last few decades, teachers have been poached in large numbers in Kota to deal a body blow to rival coaching institutes. Allen Career Institute, Vibrant Academy, Motion Education, Resonance Eduventures, Reliable Institute (now backed by Allen), Aakash Institute, Career Point, Physics Wallah, and Bansal Classes have seen teachers swap loyalties overnight for 50-60% hikes.

In 2022, for instance, teachers in the city were sucked into a game of musical chairs. Softbank backed Unacademy poached some of Allen's best teachers. Founded in 2015 by Gaurav Munjal, Roman Saini and Hemesh Singh, Unacademy started as a YouTube channel making educational videos. It grew exponentially during the pandemic lockdowns, as students switched to online learning.

Career Point lost its teachers to Physics Wallah, which was offering huge salaries. Meanwhile, Allen Career also played a big part in the poaching war by hiking salaries to retain and attract talent. The institute

WHAT

Over the years, Kota has welcomed students from every corner of the country and became the nerve centre of India's medical and engineering entrance coaching industry.

BUT

With coaching institutes opening centres in cities across the country, the student inflow to Kota has halved this year. The local economy, once a beehive of activity, is in the doldrums.

NOW

Some local entrepreneurs are upset that coaching has turned Kota into a one-trick pony, with the absence of other industries forcing them to depend on students for their fortunes.

was started in 1988 by Rajesh Maheshwari, who chose to call it Allen as it was a classy name and a catchier version of the initials of his father, L.N. Maheshwari.

With the student intake at less than half the earlier level today, institutes across the board have slashed salaries. "Due to the drop in number of students, Unacademy has slashed salaries of its faculty," said a senior teacher at the institute. "In 2022, we came with families so that no one could identify us as candidates for a job interview. How times change," he said, sitting in a room in the Country Inn & Suites by Radisson, the very hotel at which he had attended the Unacademy job interview a couple of years earlier.

Till date, Unacademy has raised \$877 million in funding from SoftBank Group, Temasek, Blume Ventures, Peak XV Partners and Nexus Venture Partners, among others. But since 2022, it has recorded multiple rounds of layoffs, affecting at least 2,000 employees, as *Mint* reported last month. And this year, it has cancelled appraisals, as conveyed by Munjal to employees a few days ago.

In 2022-23, the test-prep platform trimmed its losses to ₹1,678 crore from

₹2,847 crore a year earlier, but that was still nearly double its revenue of ₹907 crore that financial year.

Physics Wallah's Gupta said the institute has maintained the salaries of all faculty and staff at its Kota centres, "despite a 15% expected decrease in admission numbers for academic year 24-25 compared to 23-24". In June 2022, Physics Wallah raised \$100 million from Westbridge Capital and GSV Ventures.

Allen Career, meanwhile, reduced the fixed pay of its teachers by 20-40% in June, faculty members told *Mint*. The institute, which had more than 10,000 teachers and administrative staff two years ago, today has less than 4,000.

"Six hundred teachers have signed a letter on why the salary cut was unacceptable to them but there has been no meeting since the cuts were announced in June. There are WhatsApp groups where teachers are trying to arrange money for medical treatments," said a physics teacher at Allen. "Some bought homes and cars when they got the big hikes in 2022 and now cannot pay for them."

In the good times, it paid to be a teacher in Kota. Teachers at Allen were said to earn ₹15 lakh to over ₹1 crore annually. During the poaching war, Unacademy allegedly hired some teachers at ₹5-6 crore for a three-year deal (which has now been yanked). Those teaching at Physics Wallah, Career Point, Motion etc earn ₹15-25 lakh annually, on average.

"Today, they are bringing in teachers who have just graduated for less than ₹10 lakh. They can barely solve the entrance papers and now will replace us," lamented a chemistry teacher, who has resigned from one of the top coaching centres in the city.

Allen declined to comment while mails sent to Resonance Eduventures, Motion Education, Unacademy and Aakash Institute remain unanswered.

A DEPLETED CITY

Hostels, which at one time were at full capacity, today have "rooms available" posters plastered on every side. "My hostel fees were reduced from ₹19,000 a month to ₹13,000 since there are no takers. If I had known the place would be so empty, I would have studied from the institute's centre in Chhattisgarh," Rishika, a student from Chhattisgarh, told *Mint*.

She had arrived a few months ago, following in the footsteps of her high school

seniors. "Our physics teacher left and we are yet to get a replacement. There are very few students in the class and I will return to Chhattisgarh after Diwali and take my class 12 exams from there," said the despondent 17-year-old.

Kota is made up of three to four zones. One section, commonly called Coral Park, looks like a ghost city. It was built right across one of Allen's centres for students taking the NEET exam. Builders bought plots for the development at ₹10,000/sft two years ago. Today, there are no buyers and the rates have fallen below ₹3,000/sft. The buildings, meant for 25,000 students, house barely 7,000.

The floors are polished, the beds still have plastic sheets on them, and the smell of new woodwork permeates most of the flats. In many of the one-room flats, which are about 250 sft in size, there is a kitchenette, a fridge, a study table and two beds, which are now available for just ₹13,000 a month.

"Hostel owners have put in ₹2-4 crore in each building," said Naveen Mittal, president of a Hostel Association in Kota. He has hostels in Coral Park and Old Rajeev Gandhi Nagar and both are running at 50% capacity.

"Shopkeepers who took up space below the buildings to open up grocery and stationery stores to cater to the students do not have money to pay. Negotiations are on with landlords to reduce the monthly rentals from ₹25,000 to ₹10,000. But landlords are afraid that if they default more than three times, their buildings will be locked up by the banks," Mittal added.

As per the Hostel Association's estimates, there are 4,000 hostels in Kota, 5,000-6,000 rooms let out for paying guests, and 10,000-12,000 flats where students can live, sometimes with families. The hostels came up at a rapid pace in newer parts of the town, such as Coral, to cater to the rising demand from students preparing for NEET.

ONE TRICK PONY

Coaching institutes have to sustain student engagement and weekly tests are part of the schedule. In 2019, Vijendra Chaturvedi opened Digital Desk, a testing lab where 900 students can take a weekly test in a two storeyed building. There are rows of computers with cameras fitted so that students can be monitored constantly. The coaching centres pay Chatur-



How Sebi's new rules could transform advisory sector

The new proposal to lower entry barriers offers a lifeline to struggling investment advisers

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In a significant relief for struggling investment advisers, the Securities and Exchange Board of India (Sebi) has proposed relaxing qualification requirements for registered investment advisers (RIAs) and research analysts. This move comes after years of increasingly stringent regulations that have burdened the industry.

The consultation paper, released on Tuesday, also seeks to clarify various ambiguous legal provisions affecting Sebi-registered investment advisers (RIAs). Here are some key points of the proposed norms for RIAs.

India has only 984 investment advisers for a population of 1.4 billion. This represents a stark underrepresentation compared to 47 million mutual fund investors and 96 million direct stock investors (demat account holders) in the country. In fact, the number of RIAs has dropped from around 1,300 a year ago underscoring the need for reforms. Sebi's consultation paper proposes several relaxations to address this decline.

Sebi's proposal
First, Sebi proposes to ease the education and experience criteria. It plans to do away with the five-year experience requirement, and the need for a postgraduate degree in specific subjects for investment advisers.

The regulator also suggests eliminating the requirement for a postgraduate degree and two years of experience for individuals associated with investment advice or portfolio advisers (PAIA). Under the proposal, a PAIA would only need to be a graduate in any discipline.

Sebi also plans to eliminate the net worth requirements for individual investment advisers and reduce it for corporate RIAs. The proposed new thresholds are ₹5 lakh for up to 1,000 clients and ₹10 lakh for more than 1,000 clients, down from the current ₹50 lakh.

RIAs will also have more flexibility in switching between fixed and percentage fees (₹1.25 lakh and 2.5%). However, the cap will not apply to advice on non-Sebi products such as real estate, gold, and National Pension System (NPS).

Besides, investment advisers will be allowed to provide financial planning for any legal asset class. Corporate RIAs

How Sebi's proposals can empower RIAs

Sebi has unveiled a series of proposals aimed at liberalizing the regulatory framework for investment advisers

IA Relaxation

	Current	Proposed
Principal officer	Post-graduate degree in specified subjects 5 yrs of experience	Graduate/post-graduate degree in specified subjects# No experience required
PAIA (assistant RIA)	Post-graduate degree in specified subjects 2 yrs of experience	Graduate in any subject No experience required
Re-certification	To appear for same exam every 3 years	Test on fresh developments only
Mandatory corporatization	150 clients	300 clients or ₹3 crore in fees
Fee payment	Either fixed or percentage	Can switch between fixed and percentage
Net worth		
Individual	₹5 lakh	None
Corporate	₹50 lakh	₹5 lakh till 1,000 clients, then ₹10 lakh*

*Deposit lien with stock exchanges

#Specified subjects include finance, accountancy, business management, commerce, economics, capital market, banking, insurance, actuarial science or other financial services or markets.

Other relaxations

▶ **IA** allowed to give financial planning advice on all legal asset classes like real estate, gold, etc.

▶ **IA** can give product advice on any regulated product eg: insurance, NPS, etc.

▶ **NON-INDIVIDUAL** investment advisers can provide advice on unregulated products through a separate legal entity and brand name

▶ **ADVICE** on foreign assets will not fall under RIA regulations

▶ **FEE** limits apply only to advice on securities under Sebi regulations

Clarity needed

Can individual RIAs via separate entity advise on: Wills, taxes, etc.

International stocks, bonds, ETFs?

Things to fix

Allow graduates in any discipline to become an RIA principal officer

Reason

Qualified doctors, engineers, architects may wish to become RIAs

will also be permitted to offer advice on unregulated products, provided they do so under a separate entity and brand name. Sebi also plans to streamline the certification process. Currently, RIAs must obtain certifications from the National Institute of Securities Markets (NISM-Series-XA and XB) at registration, and renew them periodically. According to the Sebi proposal, investment advisers would only need to obtain initial certifications. Subsequent renewals will be required only to address incremental changes and developments in the regulatory and professional landscape over the preceding three years.

This change aims to alleviate concerns about business continuity and reduce certification redundancy.

Sebi proposes that investment advisers will also be allowed to provide financial planning for any legal asset class

as they were not able to decide because of the entry barriers," he added.

The comprehensive review of these barriers in Sebi's consultation paper is being seen as a crucial step in encouraging new entrants.

Industry reactions

Vivek Rege, a registered investment adviser, endorsed the proposals, highlighting its potential to resolve persistent issues in the investment advisory industry. "This will correct the side of the curve which was fractured for a long time,"

Rege believes that the proposed changes will significantly lower entry barriers that had deterred many from entering the industry. "Many people were keen to join advisory but were waiting on the sidelines to enter this industry,

but they were not able to decide because of the entry barriers," he added.

The comprehensive review of these barriers in Sebi's consultation paper is being seen as a crucial step in encouraging new entrants.

"With this proposals in the consultation paper, the whole issue about entry barriers has been relooked. Sebi has identified the entry barriers," said Kavitha Menon, an investment adviser.

She, however, said that Sebi has not explicitly permitted individual RIAs to advise on areas that are not under any financial regulator but entirely legitimate—for instance will, tax planning and international stocks and bonds via liberalised remittance scheme (LRS). Besides, corporate RIAs will be allowed to advise on unregulated products via a separate brand name and legal entity.



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We have hand-picked 20 mutual funds for your portfolio that have jumped through hoops of good returns, low risk, good portfolio hygiene and our own qualitative research. We have restricted the choice universe to 10 categories out of the total 37 and given you at least two options to pick from each.

EQUITY	3-years return (%)	5-years return (%)	Corpus (₹ cr)
LARGE-CAP			
UTI Nifty Index Fund - Growth	14.76	18.12	18,345
HDFC Index Fund - Nifty 50 Plan	14.65	17.92	16,592
Category average	13.99	17.62	
EQUITY FLEXICAP			
Canara Robeco Flexi Cap	14.70	20.47	13,190
Parag Parikh Flexi Cap	18.05	25.64	71,700
Category average	15.87	20.76	
EQUITY SMALL AND MIDCAP			
Axis Midcap	18.13	25.28	30,144
SBI Small Cap	22.60	30.14	30,836
Category average Midcap	22.80	27.92	
Category average Smallcap	23.05	30.58	
EQUITY (TAXSAVER)			
Canara Robeco Equity Tax Saver	15.60	22.48	8,457
Mirae Asset Tax Saver	16.39	22.59	24,346
Category average	18.05	21.80	
HYBRID			
BALANCED ADVANTAGE			
Edelweiss Balanced Advantage	12.34	16.53	11,721
ICICI Prudential Balanced Advantage	13.32	14.54	58,562
Category average	12.57	14.14	
ARBITRAGE			
Kotak Equity Arbitrage	6.09	5.45	48,000
Tata Arbitrage	5.69	5.34	11,519
Category average	5.74	5.14	
OUT OF THE BOX			
	Returns since launch	Date of launch	Corpus (₹ cr)
BHARAT Bond ETF - April 2031	5.61	23-Jul-20	13,834
Motilal Oswal S&P 500 Index Fund	16.99	28-Apr-20	3,391

Returns as on 5 August 2024; Corpus data as of June 2024; Growth option in regular plans has been used

Absolute returns for 'Out of box', CAGR for the rest. For detailed methodology refer to:

Keep a smart, flexible and minimalist MF portfolio
<https://www.livemint.com/money/personal-finance/keep-a-smart-flexible-and-minimalist-mf-portfolio-163837827521.html>

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*Debt funds can be viewed in the full table online
Data and analysis by CRISIL Research

Compiled by Neil Borate

Senior citizen's guide to gifting property: Essential safeguards

Shaishavi Kadakia & Radhika Parthasarathy



I 1995, I bought a property in Delhi. To ensure administrative ease and prevent ownership conflicts after my demise, I intend to gift it to my elder daughter. What safeguards must I consider while preparing the documentation for this gift?

—Name withheld on request

We assume it is a freehold residential house. To gift it to your daughter, you will have to sign and execute a gift deed in the presence of two witnesses. Stamp duty will be paid on the gift deed as per the Indian Stamp Act, 1899, (as applicable to New Delhi). The deed will have to be registered at sub-registrar's office under Registration Act, 1908, and Transfer of Property Act, 1882.

You may consider including certain safeguards in the terms of the gift deed. If you intend to continue residing in this house after the gift is made, you may include a clause to this effect in the deed. Since you are a senior citizen, if this is a house you and your daughter live in, you

ASK MINT ESTATE PLANNING

may add that the gift is conditional on your daughter providing you with basic amenities and catering to your physical needs. If your daughter fails to comply, you may approach a maintenance tribunal established under Maintenance and Welfare of Parents and Senior Citizens Act, 2007, to revoke the deed and seek your daughter's eviction from the house.

As a precaution, though not legally required consider getting no-objection letters from your other children. This is for your daughter's benefit, miti-

gating the risk of challenging the gift on grounds that your daughter unduly influenced you in making the gift.

If you have executed a Will, do consider amending the Will to provide that you have gifted the relevant property to your daughter and clarify that it will not be covered in your estate on your demise. If you do not have a Will, execute a Will and add this provision.

Before signing the gift deed, consider if you need any consents from contractual counterparties, if you have taken a loan or issued a personal guarantee then the agreement may have a clause requiring lender's consent. It is advisable that you engage a lawyer who can assist with this assessment as well as the drafting relevant documentation and undertakings necessary for procedural formalities.

—Kadakia is a partner and Parthasarathy a senior associate at Cyril Amarchand Mangaldas, Mumbai.

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

Why Kota has failed its entrance test

FROM PAGE 10

ved for the tests, depending on the number of students who take them. "Over the last few months, just 450-500 students have come in. We had just started this and the pandemic hit us, and now the dropouts," said Chaturvedi.

Some are upset that coaching has turned Kota into a one-trick pony and seemingly diminished every other industrial opportunity in the region. "There need to be more industries. Today, as a distributor of MDH spices in Kota, I am dependent on students because they are the largest customer base in hotels, hos-



Hostels in Coral Park, a neighbourhood in Kota. Property prices in the area have crashed.

tels, cafes. The latter are going empty, and as a result my sales have dropped by 30%," said Ravi Prakash Taparia, who has been a distributor since 1972.

But, not everyone is perturbed. "The crowds are less and only those who really want to study have come. For the last three years, students bagging

the top ranks were not from Kota, and that needs to change," said Sameer Bansal of Bansal Classes. His father, a former IITian who passed away in 2021, had set up Bansal Classes in 1984. It is said that most of the established coaching centres in Kota trace their origins to Bansal Classes, as the teachers were either trained by 'Bansal Sir' or were his students.

Today, Sameer's Kota centres train about 500 students and he too has a franchise system in other states for Bansal Classes. A

smattering of students wearing shirts that say 'Bansalite today, IITian tomorrow' or 'Bansalite today, Doctor tomorrow' walk along the corridors.

Like Sameer, there are others who believe Kota is going through a course correction, but that it will rise again. As the chemistry teacher cited earlier put it: "It will take a couple of years at least, but parents will realize that Kota was built by teachers—the branches outside cannot match up."

In the good times, it paid to be a teacher in Kota. Teachers at Allen Career Institute were said to earn ₹15 lakh to ₹1 crore annually

SEBI'S PROPOSED NEW ASSET CLASS IS JUST THE TICKET FOR AFFLUENT INDIANS



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The Indian investment ecosystem is currently witnessing rampant growth, with both traditional and alternative avenues touching new highs. The Indian mutual fund industry, which acts as a major investment avenue for retail participants, has exceeded ₹59 trillion as of June 2024, the alternative assets industry, consisting of alternative investment funds (AIFs) and Portfolio Management Services (PMS), has experienced an impressive CAGR of 26% between June 2019 and June 2024, with assets under management reaching ₹13.74 trillion.

Considering the enormous interest in the Indian investment landscape, and the significant gap between the investment ticket size of retail and alternative avenues, capital markets regulator, the Securities and Exchange Board of India (Sebi) has come up with an innovative proposal aimed at adding additional breadth to the domestic investment ecosystem.

The Sebi proposal: In a strategic move to furthering investor interest, Sebi has proposed the introduction of a new asset class

tailored for high-risk profile investors, offering access to innovative strategies such as long-short equity funds and inverse exchange-traded funds (ETFs). This new asset class is designed to bridge the gap between MFs and PMS, by providing greater flexibility in portfolio construction. Sebi's paper on this 'new asset class' and its structure for differentiated, higher-risk strategies, is expected to be highly promising, and signifies India's readiness to embrace diverse investment products, styles, and approaches, highlighting that there is no one-size-fits-all method for investing.

According to the consultation paper, the proposed asset class will provide a regulated product featuring elements like systematic investment plans (SIPs), higher risk-taking capabilities, and larger investment sizes – this is intended to cater to the emerging category of affluent investors seeking more sophisticated and risk-tolerant investment options. The minimum investment limit for this new asset class will be ₹10 lakh, which acts as the sweet spot between the ₹500 for MF SIPs, and ₹50 lakh for PMS opportunities. The new asset class may be allowed to invest in derivatives for purposes beyond mere hedging and rebalancing. This development could significantly expand the investment landscape for high-risk investors, offering them a regulated avenue to explore advanced strategies and diversify their portfolios.

Land of the affluent: In a recent report, the Goldman Sachs Group estimated that India's affluent cadre, comprising individuals earning over \$10,000 or ₹8.37 lakh per annum, would reach 100 million by 2027, bolstered by consistently strong economic growth and a stable monetary policy. Currently, the number is around 60 million individuals as against 24 million in 2015. While



this is only 4.1% of the domestic population, it is a class that is witnessing new additions every year. This emerging affluent class, which is largely comprised of working Indians, is keen on high risk-high return investment options and Sebi's proposed new asset class is poised to enact the role of a glittering new addition to their future-focused investment portfolios.

While the higher investment threshold will likely discourage retail investors from entering this product, it will attract investors with investible funds between ₹10 lakh and ₹50 lakh, who might otherwise turn to unauthorised and unregistered portfolio management services. Accordingly, the Sebi move aims to provide

investors access to advanced strategies like long-short equities and inverse ETFs, at a lower ticket size than PMS and AIFs. A long-short equity fund aims to deliver returns by taking both long and short positions in equity-related instruments—for example, a fund that might be bullish on the financial sector and bearish on the FMCG sector would be able to take longer positions in the former and short positions in the latter.

Besides, inverse exchange-traded funds, or inverse ETFs, are designed to generate returns that are negatively correlated with the underlying index. The new opportunities will allow high-risk profile investors to access all regulated products without high minimum thresholds, thereby reducing reliance on unregulated structures and protecting hard-earned wealth.

Going ahead, this new asset class is set to capitalise on the expected exponential growth in managed assets such as mutual funds, PMS, and AIFs, over the next 5-7 years, with Sebi believing there is a significant opportunity for a new asset class, in terms of portfolio construction flexibility. Additionally, with the affluent class growing in both means and ambition, the proposed new asset class could act as a jumping board for these high-risk investors, enabling them to test the waters and earn robust returns, before becoming financially mature to participate in the end-game arenas of AIF and co-investing.

Nikunj Kedia is head of products at 360 One Wealth.



OUR VIEW



A new regime in Dhaka may help reset relations

While India has real concerns of a potentially anti-India shift in Bangladesh, the ascent of Muhammad Yunus holds out the hope that New Delhi could forge better ties on a new basis

Every crisis comes twinned with opportunity—not just to solve the proximate problem, but also to effect a paradigm shift, away from the conditions that led to the crisis. So it is with Bangladesh. The country has a chance to forge a new politics more in tune with its recent economic dynamism, which calls for a political system that enables free thinking, new ways of doing things and decentralized decision-making. That would help the country overcome a legacy of political feuds that drew in successive generations and trapped them in pre-set patterns of irredeemable conduct. India has legitimate concerns about the ouster of its long-term ally Sheikh Hasina from Bangladesh's leadership and the possible rise of elements that are not just anti-India and pro-Pakistan, but may also be ready to serve as agents of Chinese interests in the region. The Jamaat-e-Islami, an Islamist outfit that makes no bones about its affinity with Pakistan, is capable of fomenting sentiment against India, persecuting minorities and pushing Bangladeshi politics towards sectarian violence and away from democracy. India has vital security and economic interests that an anti-India government in Dhaka could hurt. However, this does not mean that we should view with hostility any successor to the India-friendly Hasina regime. Instead, New Delhi's best bet would be to encourage any nascent political tendency to create a new politics that emphasizes inclusion and democratic accountability.

Fortunately, the newly appointed head of an interim administration to govern Bangladesh and conduct fresh elections is Muhammad Yunus, a globally respected figure in developmental economics, committed to openness and

inclusion as a matter of ideology and business sense. He is best known, of course, for his work in the field of microfinance. In a guest essay for *The Economist*, Yunus calls upon the country to aim for three zeroes: zero net carbon emission, zero wealth concentration and zero unemployment. These are welcome goals. While some may cavil that he has not explicitly called for zero attacks on minorities and zero relapse into religious fundamentalism, we must not overlook his call for new leadership drawn from the student movement, an uprising he has dubbed the country's 'second liberation.' This snub to the political class signals both a commitment to change and the skill needed to fashion it in a way that avoids overt confrontation.

Rather than waste time bemoaning a potential tilt in Dhaka away from India, New Delhi should reach out to emerging power players in Bangladesh and aim for a consensus on the mutual benefits of cooperation. Yunus's ascent can be interpreted as an olive branch held out to us. We should grab it with both hands and reciprocate. Indians at large must refrain from irresponsible rhetoric on social media which equates Bangladesh's second liberation—there's enough evidence of Hasina's dictatorial record—with an Islamist takeover that dooms the future of minority Hindus there. Indian investors who have initiated major projects in Bangladesh should make it clear that they will carry on, provided they are assured of security. The success of its garment industry has lifted large numbers out of poverty and empowered women. Let's not express glee over potential gains to be had from business disruption there. Many of our value chains are linked. We must strengthen them. Hasina's departure offers a chance to forge better relations on a new basis.

MY VIEW

Do GenAI Cassandras deserve a hearing amid market volatility?

Sceptics have grown vocal as stocks slump but their arguments don't alter the technology's promise



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The meteoric rise of GenAI has ignited a firestorm of debate, with a maelstrom of scepticism consulting AI-sensitive stock prices. When perma-bulls—such as 'experts' who rarely have a negative word about any growth arena—sound bubble alarms, it becomes crucial for believers to revisit all arguments. Let's analyse what AI 'Cassandras,' or soothsayers of a bleak future, have to say. While some of their concerns warrant attention, it's crucial to understand what their assessments may be missing.

History seekers: Our first Cassandras are those who view everything through the lens of historical events, claiming, "This time isn't different." They tend to weaponize narratives with seemingly irrefutable claims that often crumble upon scrutiny. They draw parallels between the GenAI boom and previous bubbles, predicting an inevitable bust. These experts will be right about price peaks in financial markets, but their analysis isn't useful for the long-term path of a new technology.

Tech sceptics: These folks doubt any major technological leapfrog through GenAI. They focus obsessively on errors or what AI models still cannot do. These pessimists relish pronouncements like "machines can never develop consciousness." Their unfalsifiable claims about ill-defined terms distract from understanding real AI risks.

Heuristic methods, like those in quantum physics, deserve doubt. For AI transformers, it's about how well they work. And, like quantum physics so far, they do work spectacularly. Yet, such validity is unpredictable. Potential risks must be acknowledged and addressed, such as the harmful effects of AI.

Sustainability warriors: Perhaps these are the most pertinent Cassandras, voicing GenAI's environmental and societal impact. The energy consumption of AI models, their potential for job displacement and the ethical implications of AI-powered decision-making are concerns that demand careful consideration. Unfortunately, in a world of fierce tech rivalry, their voices stay in their echo chamber, with most real-life players paying mere lip service.

Killer-app hunters: They are the most vocal. They focus on the lack of meaningful revenue growth from AI products, accustomed as they are to financial upswells from new software advances. Despite booming data centres and cloud services, they are dismayed by portfolios that lack revenue drivers. A permanent power shift to non-application layers of technology seems to out such folks off. They not only predict a bubble, but see the current situation as one. And it is not just about stock prices, but about revenues within tech sub-segments.

Historically, hardware players lacked pricing power and often had to sacrifice margins. However, they are learning to leverage their advantages in an era led by companies like Nvidia. The 'killer app,' once the holy grail of technology, may not exist in a world where application barriers fall, allowing data to converge and develop intelligence through language models.

But then, GenAI could deliver returns on investment without application-layer benefits. This could happen through driverless cars, new consumer gadgets, robotics, drug discovery and other use cases. This is not a given, but most businessmen and investors should

be ready to evaluate potentially unthinkable business-moat shifts brought about by GenAI in contrast with the internet era.

Valuation concerned Cassandras: They worry about stock-market correction risks. GenAI stocks, which were outperforming other market darlings till recently, do bear high volatility risks, as they are the first to come under pressure on account of direct disappointments, even as they are susceptible to the usual economic, political and other factors that cause market falls, this week's events being an example. Any cyclical slowdown or negative news from major players could make severe corrections worse than being witnessed now. But the best innovation stories are long-term. Interim market drops will have to be taken in our stride.

Embrace GenAI's transformative potential: As we look ahead, the threat of a global economic downturn remains a real concern. Should a severe recession materialize, it could dampen worldwide consumption and corporate investment, potentially slowing the pace of innovation. AI, however, is unlikely to be knocked off its broad trajectory.

While Cassandras' warnings remind us of the potential pitfalls of GenAI, one must separate those anxious about near-term stock prices from others worrying about cyclical risks, structural changes, and other societal or environmental issues. Collectively also, we—including all Cassandras—should not take our eyes off GenAI's immense promise. The technology is likely to revolutionize entire industries, improve lives and address some of humanity's most pressing challenges. By acknowledging risks and addressing them proactively, we can harness the power of GenAI for the betterment of society. Let's be clear. The future of GenAI is not predetermined; it's up to us to ensure that the picture we create is one of progress, responsibility and shared prosperity by trying to understand the new technology for what it is.

10 YEARS AGO



JUST A THOUGHT

In our view, derivatives are financial weapons of mass destruction carrying dangers that, while latent, are potentially lethal.

WARREN BUFFETT

GUEST VIEW

Market crystal ball: Look beyond Sebi's F&O proposals

DHIRAJ RELLI



is managing director and chief executive officer, HDFC Securities.

Global stock markets have corrected sharply in response to a weak job scenario in the US that led to recession fears, coupled with worries of a reversal of the yen carry trade after a rate hike by the Bank of Japan. A rotation away from tech shares that powered this year's rally was also witnessed. A debate has arisen over whether the US Federal Reserve must ease policy in support of growth. Indian equities were impacted, too, and global risk factors could play a role in the period ahead. What about domestic factors? Let's analyse these.

Impending futures and options (F&O) curbs have not had much impact, so far, on the trend of indices. The adverse impact of India's election result and budgetary provisions were also overcome quickly. First-quarter corporate results have not had any major positive surprise. We think India's macro stability and hopes of continued strong growth, aided by normal monsoon rains this year, may be key factors in the recent bullishness. Also, local investors,

including those who came in after covid, have made good money, which may have drawn in more funds. The equitization of savings has reduced market dependence on foreign inflows, and while this week's shake-up had global origins, this has given Indian markets greater stability.

However, we cannot overlook the risk of another correction setting in over the next few months. Globally, the flow of money from quantitative easing by the world's big four central banks since 2008-09, with similar infusions during covid, has resulted in asset inflation across all classes. The big four's balance sheets swelled from \$4.4 trillion in September 2008 to \$15.2 trillion in February 2020 and then to \$26.4 trillion in February 2022, but their liquidity withdrawal is taking quite long, with the figure still at nearly \$20 trillion in July 2024.

Expected rate cuts by the US Fed could further raise values, as equities typically rise in a falling interest-rate scenario (though past correlations don't seem to be working nowadays). However, one should be cognizant of the 'buy on expectations and sell on news' theme that plays out in markets time and again. The upside in the NSE Nifty seems limited from now on. We may be not very far from the top of the current move.

However, after a period of correction or consolidation, we may aim for much higher targets, given the strength of Indian markets.

Our markets face potential risks on both the internal and external fronts. Internally, if monsoon rainfall is below expectations, then India's much-awaited rural resurgence may

have to wait longer. In case India's ruling coalition faces setbacks in state elections slated for October, there could be uncertainty over the Centre's reform thrust, should the political climate get vitiated. Inflation (especially food) needs to come under control to allow for monetary policy easing that could boost the economy. Externally, if the geopolitical situation worsens to India's disadvantage (by way of slower exports, higher logistical costs, firmer crude prices and/or larger defence expenses), or if there is a meltdown in the small- and mid-cap space, it could slow down the momentum of Indian markets. Also, if the risk appetite of global investors shrinks, then we could see slower inflows and large outflows.

The next set of triggers for stock markets include the final outcome of the ongoing monsoon season (its spread and intensity), state election results, food inflation trends and the global interest-rate trajectory, apart from geopolitical developments. Second-quarter corporate results, due in October

and November, will show us how the pre-festive season has fared and whether a rural revival has happened.

Mid- and small-cap stocks have traditionally helped diversify investor portfolios and boost portfolio returns, which explains their sustained attraction. The proliferation of portfolio management services and alternate investment funds over the past few years has meant mid- and small-caps being chased by fund managers who must outperform benchmark indices. This trend could prove counter-productive if economic growth falters or some unknown unknown hits markets. Till such time, investors basking in the glory of recent gains may grow even bolder, given how they are ready to pay

high valuation premiums for such stocks. Promoters of such companies have tasted blood with market capitalizations growing, and many have changed their attitude towards minority shareholders, which is a welcome development.

With cautionary statements and warnings issued by the Securities and Exchange Board of India (Sebi), we have seen a series of measures and proposals aimed at strengthening the derivatives regulatory framework for increased investor protection and market stability. If Sebi's proposals are implemented as proposed, they could hit trading volumes by high-frequency and retail traders (who tend to trade mostly in the last hour of contract-expiry days). This could have an impact on exchange volumes and their revenues, apart from raising impact/transaction costs. While the risk of a shift in volumes to 'dabba trading' remains, we could also see investor interest move to index and stock futures—though, given the large margin requirements for futures, the number of participants may not rise meaningfully even as volumes do. Indian market players are known to be adaptive. Even in a scenario of tighter rules, they may find a way out that again attracts the participation of retail traders, though not to the extent previously seen.

Larger factors are at play in stock markets even as we can expect shifts in the trading of derivatives



THEIR VIEW

MINT CURATOR

A trade policy for Viksit Bharat: Reduce tariffs and rethink pacts

India should resolve internal differences over self-reliance and strengthen trade alliances to maximize global opportunities



MONTEK SINGH AHLUWALIA is former deputy chairman, Planning Commission, and currently distinguished fellow at the Centre for Social and Economic Progress.



The budget speech gave pride of place to the long-term goal of Viksit Bharat and also said that reforms in many areas would be needed to achieve it. This article focuses on one of those areas: trade policy.

Policies should be tailored to specified targets, and in this respect, commerce minister Piyush Goyal has set an ambitious target. Exports of goods and services must rise from \$775 billion in 2023-24 to \$2 trillion by 2030. This implies a growth rate of over 14% in nominal US dollars. This is three times faster than the IMF projection of global exports of goods and services in the same period.

The trade policy we need to achieve this target requires resolving some internal differences and also evolving a new approach to handling the global environment we now face.

Resolve internal differences: The key difference arises from the impression in some quarters that 'amanirbharta' or self-reliance implies increased protection for domestic production to reduce imports. To be fair, the government has denied subscribing to this view. But protectionism is on the rise everywhere, often covertly supported by business interests, and it is no surprise if this is also happening in India.

Perceptions that the government favoured protectionism surfaced in 2017, when import duties were raised on several items, reversing a policy of gradual reduction of duties that all previous governments had followed until then. It was reinforced when duties were raised in subsequent years.

This year's budget has sent a welcome new signal by reducing import duties on several items in an effort to make domestic production more competitive. The finance minister also announced a comprehensive internal review over the next six months of India's tariff structure. This is to be welcomed, though I wish the minister had appointed an external expert committee, including retired officers of the revenue service, to present a bold plan for tariff reform. Internal reviews too often end up dusting off old proposals without coming up with drastic changes.

Yet, drastic changes are precisely what we need. Ideally, we should announce that our upper-end duties are too high and they will be brought in line with those prevailing in peer-group emerging market economies. Investors must also have some assurance of stability in the structure proposed.

This proposal is not new. It was proposed earlier by Arvind Panagariya, the first vice-chair of Niti Aayog and current chairman of the 16th Finance Commission. It has also been proposed by other academics, including Amita Batra (a colleague at CSEP).

Domestic industry would not be adversely affected if reductions are staggered over a few years and parallel steps are taken to achieve some

rupee depreciation to offset duty reduction. This would leave industries competing with imports adequately supported while aiding exporters.

External developments that affect trade policy: In addition to restructuring customs duties, our trade policy must deal with two new developments in global trade. The first is that advanced countries have lost faith in multilateral trade negotiations (MTNs) and moved towards Free Trade Agreements (FTAs). The second is that global value chains (GVCs) now account for a substantial part of the world's goods trade.

These developments imply that if we want our exports to benefit from GVCs, we need to (a) attract the multinational companies that dominate them to locate part of their production facilities in India, and (b) we need to join FTAs that ensure seamless duty-free access for parts and components which are essential for GVCs to work. We have recognized the need to welcome FDI in order to attract GVC-related production, but our policy on FTAs needs to be rethought.

This has acquired urgency because of geopolitical developments. There is growing tension between the West and a China-Russia partnership in which Russia is the weaker party. Western countries no longer talk of globalization and trade liberalization. Instead, we have discriminatory trade policy aimed at 're-shoring,' 'near-shoring' or 'friend shoring.'

The discriminatory trade measures against China and Russia will have a negative impact on all sides. The IMF has stated categorically that global growth and world trade will be hurt. India will also be hurt by this. However, the attempt to shift trade away from China also offers India an opportunity. MNCs with GVCs heavily concentrated in China will not exit the country completely, but may want to evolve a 'China plus one policy,' and India is particularly well placed to benefit from this.

A sensible customs duty structure on the lines discussed above is one pre-requisite for India to benefit. Equally important is membership of trade pacts which allow the smooth movement of components across borders. The Regional Comprehensive Economic Partnership (RCEP) is the world's largest regional trading arrangement, covering all of East Asia, including China. We were on the verge of joining it in November 2016, but

backed out at the last minute. This was reportedly because Indian industry groups were nervous about giving duty-free trade access to China.

If China was the only reason for walking out of the RCEP, we should seriously consider joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). This agreement was originally pushed by the US under President Barack Obama, but the Donald Trump administration took the US out. It currently covers 11 countries including Japan, South Korea, Australia and some from Asean. The UK has recently been cleared for membership, so it will soon be 12 countries. China has applied to join the CPTPP, but has not so far been accepted. The geopolitics that is keeping China out is likely to work in our favour if we apply. The real problem is that joining will require acceptance of high environmental and labour standards which we have traditionally opposed on the grounds that it restricts our 'policy space.' This approach needs a rethink. Our ambition to reach developed-country status by 2047 doesn't sit well with rejecting obligations that other developing countries are willing to accept. These obligations can always be phased in over time, and the length of the adjustment period could be negotiated.

A contentious issue that will come up in negotiating FTAs is the signing of acceptable Bilateral Investment Treaties (BITs). We recently cancelled all existing BITs unilaterally, and proposed that our partners accept our new model BIT. The problem is that under the new model, aggrieved investors cannot invoke international arbitration to resolve disputes with the host state without first exhausting all other possibilities under domestic law. This may seem minor, but it ignores the notorious delays which characterize our legal system. We cannot expect billions of dollars to pour in for the development of critical industries (and in technologically sensitive areas) without providing investors with speedy redress avenues along the lines that other countries offer.

We have made progress on some FTAs, but the gains are small. We have signed an FTA with the UAE and European Free Trade Association, but this is a very small group of countries. We have also signed a limited "early harvest FTA" with Australia, but the coverage is limited. We are negotiating FTAs with the UK and EU. Both are important, but progress will depend on our taking a more flexible line on harmonizing other standards.

One of the problems that could arise is the treatment of restrictions under the EU's Carbon Border Adjustment Mechanism (CBAM). We could argue that an FTA by definition must rule out CBAM type penalties on trade flows. It is unlikely that the EU will agree. Its CBAM does pose us problems, but we may have to deal with it separately.

The US is our most important trading partner, but it has indicated that it does not propose to sign any more FTAs. However, we should perhaps review our position of not joining the trade pillar of the US-sponsored Indo-Pacific Economic Framework. This does not offer any market access, as of now, but there is no harm in joining it.

It is possible that commerce ministry negotiators find it difficult to get other ministries to agree on the flexibilities needed. Perhaps these issues should be referred to the Niti Aayog to take an overall view and seek clearance at the highest level.

Finally, trade policy is only one of the factors that can deliver strong export performance. Other initiatives, such as developing good infrastructure, reducing logistical costs, development of human skills and improving the ease of doing business, are also important. And these are relevant not just for exports, but for the economy as a whole.

Big tech firms are swallowing AI talent to corner the market

Instead of snapping up startups, they are recruiting AI whizkids



PARMY OLSON is a Bloomberg Opinion columnist covering technology.



AI competition would suffer if startups are starved of critical talent. ISTOCKPHOTO

Big Tech is following a crafty playbook to hoover up AI talent: Instead of buying the hottest AI startups, the giants hire their leadership and license their intellectual property, essentially sucking the life out of them. So long as they leave behind the shell of a company, anti-trust scrutiny can be avoided. Alphabet's Google [which just had bad news in the form of a court ruling against it for its search market monopoly], is the latest to follow this template by hiring the co-founders of Character.ai, Noam Shazeer and Daniel De Freitas, along with a few other employees. Most of the startup's staff will remain with the smaller company while its general counsel will become CEO. Why a lawyer? Because Google is entering a licensing agreement to use Character.AI's technology—in addition to buying out the startup's investors, principally Andreessen Horowitz, who'd put in more \$150 million.

Microsoft last year hired the founding team behind Inflection, a high-flying startup that was also creating an AI companion. Amazon.com then hired the team at Adept, a San Francisco-based firm co-founded by former OpenAI and Google researchers. It's a sleight of hand that reaps big benefits for tech giants, who can afford the vast computational power and data needed to build Generative AI, but struggle to attract the best talent. Now they can do the latter too.

Shazeer is a big hire for Google, which has grappled with glitches in its flagship AI model Gemini that could hinder its efforts to catch up to Microsoft and Amazon in the cloud wars. So venerated is Shazeer that Google may be paying him in the tens of millions of dollars (or more) to rejoin the company. He was one of the lead inventors of the Transformer, a powerful blueprint for AI systems that formed the basis of the recent boom. Back in 2017, he was perhaps the most respected Google scientist named on a landmark research paper detailing how the Transformer could exploit powerful AI chips to quickly process and generate information. Google was slow to capitalize on the technology, but OpenAI made the Transformer the basis of ChatGPT (it's what 'T' stands for). All eight authors of the research paper left Google, mostly to start companies that raised billions of dollars thanks to their pedigree, including two who co-founded Adept.

When Shazeer co-founded Character.ai, he was continuing work that Google had shut down, to build lifelike chatbots that humans could use as companions. Character.ai went on to become one of the most

popular AI apps outside of ChatGPT, particularly with teenagers. The app lets you chat with a bot specially-trained to emulate a celebrity, fictional character or historic figure, and several teens have told me they spend hours a day on the app, role-playing or chatting with an artificial confidante.

Shazeer's goal was to create an AI model that could remember everything about you. "A person has probably heard or read hundreds of billions of words in their lifetime, so that's about the scale of data that you need—a quarter of a gigabyte—to have a lot of context on a person's life," Shazeer told me in January. "This is not beyond the realm of feasibility as we improve our algorithms... The model would know billions of things about you when it's talking to you."

However intriguing that vision is, Shazeer will now be bringing it back to his old bosses at Google, where he'll likely have more sway than he did before, perhaps by working directly with Google DeepMind CEO Demis Hassabis.

The question is whether the likes of Meta or Elon Musk's X.ai will follow a similar acqui-hiring strategy. Both reportedly looked into picking up Character.ai, before Shazeer went to Google, but there are other AI companies in the market that are likely grappling with the costs of building their technology amid unclear revenue prospects. Cohere, a Canadian AI start-up founded by another author of the Transformer paper, is likely in play, along with Perplexity, a San Francisco startup that is competing with Google on AI search.

Even the founders of Anthropic and OpenAI, the two AI startups that have raised \$8.8 billion and \$11.3 billion respectively, must surely be glancing at the exit doors. OpenAI could lose \$5 billion this year, according to an analysis by *The Information*, which looked at the company's internal financial data, meaning it will need to raise more cash one way or another.

The US Federal Trade Commission is scrutinizing what Microsoft and Amazon are doing, but there's no indication they will turn into formal probes or hit deals. More likely: We'll see tech giants gobble up more leaders of the GenAI industry, consolidating power as they ride out the current market rout right under the noses of regulators. Perhaps this is what AI startups had expected. ©BLOOMBERG

MY VIEW | BEHAVIOUR BY BRAIN

The Wayanad tragedy reveals how sticky beliefs can be

BIJU DOMINIC



is chief evangelist, Fractal Analytics, and chairman, FinalMile Consulting.

To grasp just how difficult it is to build a sustainable world, just look at what is happening in Kerala. In 2018, the state witnessed its worst ever flood in history. In 2019, floods repeated. Over the last few years, there have been several landslides across the state. Last week's landslide in Wayanad is the worst Kerala has witnessed. In the world of policymaking, there is a strong belief that awareness will lead to appropriate action. So, the most prescribed solution to mitigate any human behaviour problem is an awareness campaign. Ever since the Wayanad tragedy, Malayalam TV channels and newspapers have been relentlessly reporting various facets of the tragedy. There could not have been a bigger awareness campaign about the consequences of not protecting nature than the combined media coverage of the Wayanad tragedy. But the question is: What impact will this media blitzkrieg have on the behaviour of people, at least in Kerala?

Forgetting is an important and integral

process of the human brain. Forgetting frees up the brain's memory storage space. It allows even those who lose their near and dear ones to move on with life. Given this inherent brain process, it is inevitable that once media reports on the issue fizzle out, the Wayanad tragedy too will follow the inevitable forgetting curve.

Evolutionarily, humans are more focused on rewards in the present. The human brain is not really geared to think about the future, even less so about risks that lie ahead. Most humans tend to believe that their future will be better than the present. So, it is unlikely that even those living in Wayanad would be able to foresee a similar tragedy befalling them again.

In the aftermath of the Wayanad landslide, various interested parties are trying to ensure that this tragedy does not become a catalyst for changing the *status quo*. They want to keep building houses and resorts in the Western Ghats, as done and overdone in the past. They even want rock quarrying to continue unabated.

Meteorologist Edward Lorenz was among the first few to realize that climate prediction involves working out complex relationships between multiple factors. This led Lorenz to combine his knowledge of meteorology and

mathematics to create Chaos Theory. While doing an experiment that modelled a weather prediction, he entered an initial condition as 0.506 instead of 0.506127. The result was surprising. It led to a very different prediction. From this, he deduced that a tiny change in initial conditions can have enormous long-term implications, and this gave rise to his famous cliché: the flap of a butterfly's wings in the Amazon can cause a tornado in Texas.

In the aftermath of the Gadgil Committee report, based on a pioneering study of the complex ecological problems of the Western Ghats, and even after the recent Wayanad tragedy, concerted efforts were made by vested parties to disregard the complexities of climate change and reduce this problem to simple linear arguments. An example of this trend is a video that has been released after the Wayanad tragedy. In the video clip, the narrator says, "In 1924, there wasn't much cultivation in Munnar. But disastrous floods happened in Munnar in 1924."

Then the narrator leaps to a conclusion: "If so, how can farmers be implicated for what happened in Wayanad?" The motive of this message is obvious.

Oversimplification of an extremely complex phenomenon is a strategy commonly adopted by vested interests to keep subject experts out of the discussion on that topic. No wonder, the Gadgil report on the precarious state of the Western Ghats was vehemently rejected by them. By oversimplifying discussions on climate change and making the arguments linear, it is very easy to involve lay individuals in a public debate and convert the real issue into an emotional one. The justification trotted out for such an approach is that climate change impacts everybody and so everyone must have a say. But then, just because a heart attack could happen to anyone, we don't keep the cardiologist away from discussions of our cardiac health.

Post the Wayanad tragedy, a debate has sprung up over who is responsible for the

intense rains in the Western Ghats: Farmers and resort owners in Wayanad, or the city dwellers who contribute to global warming by using private vehicles and air-conditioners. The point of this blame assignment is to avoid taking any collective responsibility for the tragedy.

As the obfuscation and debates continue, there is a truth that no one can deny. The train has already left the station as far as protecting the ecology of states like Kerala is concerned. The consequences of climate change now stare at us. This is a time to take steps to protect those who would be affected by the next landslide waiting to happen in the fragile Western Ghats.

We often think that solving the problem of ecological sustainability is an easy job. Given the belief that humans are rational beings, all we need to do is organize a few conferences and launch a few awareness campaigns about the need for a sustainable world. But events since the landslide in Wayanad show that even in the aftermath of a horrific occurrence, humans are not really willing to change their behaviour patterns. The forces that want to preserve the *status quo* are very strong. Making people believe that climate change and its consequences are real remains a challenge.

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HIGHLIGHTS	QUARTER ENDED	
	30.06.2024	30.06.2023
Sales	1090.44	1162.99
EBITDA	134.57	128.68
Cash Profit Before Tax	131.18	122.51
Profit Before Tax	100.36	92.21
Profit After Tax	76.74	70.87
Cash Profit After Tax	107.56	101.17
EPS - in ₹ per share (FV ₹1/-)	1.67	1.55

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