

Monday, October 28, 2024

mint

Think Ahead. Think Growth.

mint primer

Why top tech executives are heading for India

BY SHOUVIK DAS

Last week, Yann LeCun, one of the godfathers of artificial intelligence (AI), visited India. Alongside, Nvidia chief Jensen Huang made his annual visit. On 6 November, celebrated inventor Mustafa Suleyman is expected. What do these visits tell us about India and its economy?



IT minister Ashwini Vaishnaw with AI pioneer Yann LeCun. @YLECUN/X

1 Why are top tech execs visiting India?

India is involved in most discussions on a global AI policy. The Global Partnership on AI (GPAI) Summit, which followed India's G20 presidency, and preceded this year's Bletchley Declaration, is a good example. India has the second-largest developer base in the world after the US at about 13.2 million. With vast sections of the world's developer ecosystem either based in India or originating in the region, a concerted effort from the Centre is pushing Indian firms to build foundational technologies. Global enterprises, therefore, want to tap India to co-create intellectual properties in tech.

REUTERS



Nvidia chief Jensen Huang.

4 What is the strategic importance of India?

India represents nearly a quarter of the world's population, giving it a leverage in terms of being a big user-base, as well as an employee base at some of the lowest salaries around the world. Beyond this, however, India is projected to be among the world's biggest economies in the next five years. Alongside China, India is expected to be a key part of the global tech supply chain, which makes it a key geopolitical ally. Technology corporations are looking to get an early-mover advantage in the Indian tech market.

2 Has this ever happened before?

It has. The boom in outsourcing tech services firms since the 1990s brought India to the global technology map. At the time, India emerged as an attractive destination thanks to cheap labour, ample availability of skilled engineers, and the government's interest in enabling more tech operations in the country. This reflected in Microsoft founder Bill Gates' India visit in March 1997, Google cofounders Sergey Brin and Larry Page's visit to the country in October 2004, and more. Each of these phases have marked the scaling-up of India's importance to the US-led world of technology.

3 Who else has visited India in the recent past?

Oracle founder Larry Ellison was in India in September. Nvidia's Huang's visit is an annual event. In April last year, Apple chief Tim Cook made a personal appearance at the opening of its first retail stores—amid projections that India could be among Apple's top five countries in the next five years. Microsoft CEO Satya Nadella's annual visit took place in February.

5 Does a top executive's visit change anything?

They typically come with landmark announcements—such as Nvidia's IGW data centre plan with Reliance Industries last week. Such investments, in turn, draw global investors, supply chain vendors and other stakeholders. With active programmes to boost AI and semiconductor development, the visits of top tech inventors can bring more value-added business. Executives have underlined an ongoing shift from being the world's back-office to handling key operations—until the end of the decade.

QUICK EDIT

Appalling cancer ad

The first major challenge of advertising, many ad creators would have us believe, is to break the media clutter and be noticed. It can go wrong, as seen in a poster campaign for breast cancer awareness asking women to do a self-examination every month. Run by a non-profit organization, YouWeCan, it offended Delhi Metro users with an absurd analogy of oranges for breasts. An uproar on social media and elsewhere led Delhi Metro Rail Corporation to take down these posters, though many argued that its shock value would draw attention to a cancer that needs early detection. On its part, YouWeCan sought to defend its campaign by calling the fruit's use a "bold creative choice." While India does need a taboo lifted on discussing this health risk, the ad's defenders must admit its failure on gender sensitivity. The use of oranges objectifies human body parts, playing into a pool of attitudes that should have no space in any society. Regardless of intent, the ad is too cheesy. Not just advertisers, but also the vehicles that carry ads should watch how they communicate. There are various acceptable ways to get a public-interest message across. Objectification isn't creativity.

MINT METRIC

by Bibek Debroy

In New Zealand's airports, hug time
Will follow a 3 minute paradigm.
For oxytocin release,
More than 20 seconds is caprice,
Parking lots reserved for love sublime.

QUOTE OF THE DAY

State governments need to be positive, genuine, and effective partners in development. The more the state government is aligned with the Centre, the more will be the investor confidence.

S. JAISHANKAR
EXTERNAL AFFAIRS
MINISTER



THE WEEK AHEAD

27-29 OCT **SPANISH PM IN INDIA**
Pedro Sanchez on an official visit to India; to inaugurate Tata-Airbus project in Gujarat.

29 OCT **PMJAY 70+ LAUNCH**
PM Modi likely to launch the Ayushman Bharat health cover for senior citizens.

28 OCT-2 NOV **Q2 EARNINGS**
Bharti Airtel, Adani Ports, BHEL and Aditya Birla Capital among firms to announce Q2 earnings.

1 NOV **MAHURAT TRADING**
NSE, BSE to hold annual Diwali Muhurat trading session.

28 OCT **APPLE LAUNCHES**
Apple may announce new products, including M4-powered Macs and new iPad models.

1 NOV **MF INSIDER TRADING RULES**
Sebi's insider trading rules for mutual fund units to come into effect.

28 OCT **ADANI FUNDRAISE**
Adani Power board to consider ₹5,000 crore fund-raising plan via NCDs.

2 NOV **NSE BONUS ISSUE**
Record date for National Stock Exchange's 4:1 bonus issue.



Biz blues: Formation of firms hits the skids

BY VATSAL BHARTI, HOWINDIALIVES.COM

Is the pace of registration of new companies with the government—one measure of entrepreneurial sentiment and activity—dropping? September was the third straight month when fewer new companies were registered compared to the corresponding month in 2023. Mid-month numbers for October indicate the downward streak is likely to extend to four months.

This flagging growth is in contrast to the general trend since the covid-19 pandemic, when new company formation has seen consistent increases and moved to a higher trajectory. This was the result of both entrepreneurial activity and compliance needs brought on by the expanding envelope of the goods and services tax (GST).

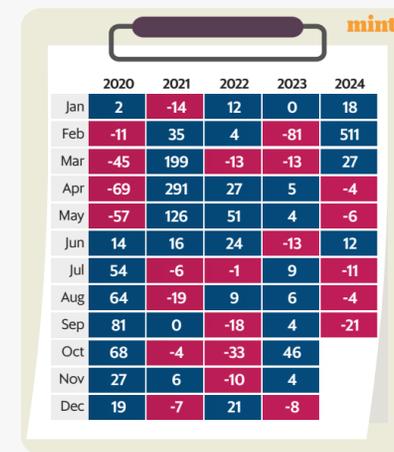
New firm registration for the first nine months of calendar 2024 is still 12% higher than the same period in 2023. But this is the result of activity in the first three months of 2024 and the months since show a drop-off.

There are other shifts too. More limited liability partnerships (LLPs) are being set up. LLPs are an alternative business structure to a private limited company. They face fewer regulatory requirements. LLPs work well for businesses that are small and don't envisage the need for external funding. Between January and September 2024, LLP registrations increased 39% over the same period last year. As a result, the share of LLPs in total registrations (companies plus LLPs) has risen from 20-25% in previous years to 25-30% in 2024.



The number of new companies being set up has dropped in five months in 2024

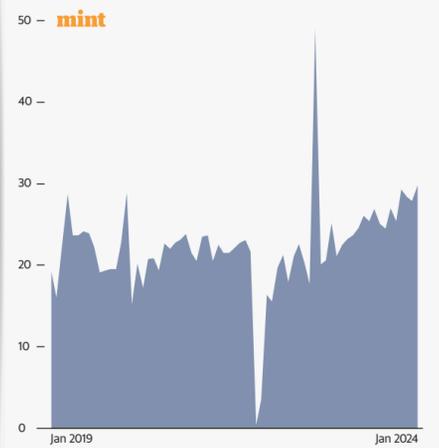
Year-on-year change in registrations of new companies (%)



Data for February 2023 and February 2024 are outliers, as the ministry website reportedly faced issues in February 2023.

The share of LLPs in total registrations has increased

Share of limited liability partnerships in total registrations (companies plus LLPs) (%)



Data for March-April 2022 and February 2023 are probably outliers.

Source: Ministry of corporate affairs

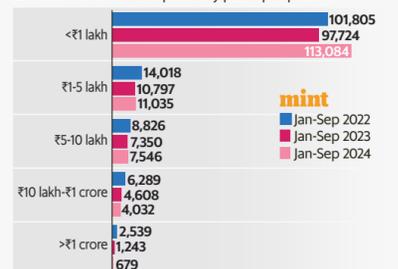
Low Commitment

THERE ARE other signs in the data that serve caution on the entrepreneurial activity front. One of these is paid-up capital, or what shareholders put into their company on day one. The greater the paid-up capital, the greater the financial commitment—and by extension, the business ambition. Older government regulations set the minimum paid-up capital at ₹1 lakh, but this base stipulation was removed in 2015.

A majority of new companies get incorporated at a paid-up capital level of up to ₹1 lakh. In the last six calendar years, amid an increase in the total number of companies being registered, there has also been an increase in the share of companies with a paid-up capital of up to ₹1 lakh—from about 72% in 2019 to about 83% in 2024. However, a matter of concern is that, in the bands of higher paid-up capital, where the business intent is bigger and more serious, the number of new companies has either tapered or declined between 2022 to 2024.

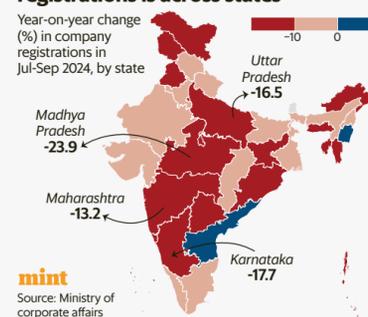
Registrations in higher capital bands have dropped

Distribution of new companies by paid-up capital



Source: Ministry of corporate affairs

The decline in new company registrations is across states



Source: Ministry of corporate affairs

Negative State

THE BIG drop-off in company registrations in 2024 happened in the second quarter of financial year 2024-25, in July, August and September. Breaking down the data at the state level shows the drop-off is across states, with the quantum often extending into double digits. Each of the top 10 states in new company registrations saw fewer companies being registered during July-September. Among the top three states with the maximum registrations, Maharashtra saw a decline of 13.2%, Uttar Pradesh 16.5%, and Delhi 14.9%.

Only two states (Andhra Pradesh and Manipur) show an increase in registrations during this period compared to the period from July to September 2023. In both states, there were specific factors at play during this period. Andhra Pradesh saw a new political formation take charge in June 2024 following state elections, while Manipur slipped into a state of unrest in May 2023.

District Dents

A SIMILAR picture is seen across the top 50 districts by company registrations during July to September 2024. Only nine of these districts saw a year-on-year rise in registrations, while two matched their previous period numbers. The remaining 39 saw a drop. Nine of the top 10 districts by registrations in this period saw a decline, with Ahmedabad being the exception. Delhi saw a decline of about 15%, Bengaluru 17% and Mumbai 13%.

For 26 of the 50 districts, including the top five by registrations, the July-September numbers were the lowest in five years—a period that has shown a general pattern of rise in company formation. Government data does not enable a sectoral comparison. The latest quarterly results from India Inc show both revenue and profit growth slowing down. In that context, company and LLP registrations numbers should be watched.

www.howindialives.com is a database and search engine for public data

Nine of the top 10 districts show a decline in new companies being formed

Number of company registrations in top districts*

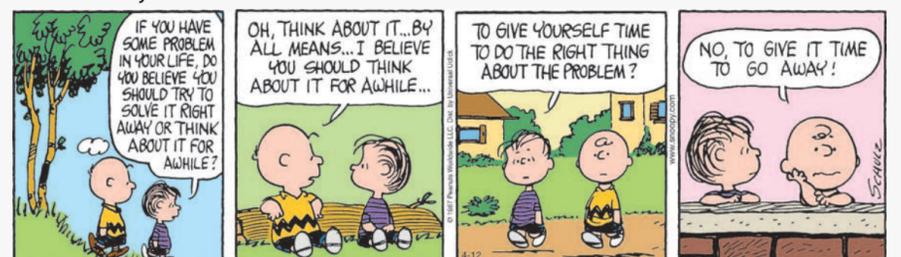


*By company registrations in Jul-Sep 2024.

Source: Ministry of corporate affairs

PARAS JAIN/MINT

PEANUTS by Charles M. Schulz



Monday, October 28, 2024

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The X-factor behind Delhi's dirty air ▶ P10



Healthcare mergers boost rural care: Aster's Moopen ▶ P5

SENSEX 79,402.31 ↕ 0.00 NIFTY 24,180.80 ↕ 0.00 DOLLAR ₹84.08 ↕ ₹0.00 EURO ₹91.01 ↕ ₹0.00 OIL \$75.69 ↑ \$0.00 POUND ₹109.14 ↕ ₹0.00

Adani Cement eyes greenfield project

Odisha plant may cost ₹3,500 cr; grinding unit planned in Bihar

Anirudh Laskar
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MUMBAI

FACTORY SETTING



NEW GROUND

ADANI has so far pursued acquisitions to build cement biz

THE group has set an FY28 target to open the cement factory

ADANI already plans to build a clinker grinding unit in Bihar

The Adani Group is in advanced discussions with the Odisha government to build its first greenfield cement factory, two years after embarking on its cement odyssey with a series of acquisitions.

Group company Ambuja Cements Ltd is likely to build the 4 million tonnes per annum (mtpa) unit at a cost of ₹3,000-3,500 crore, said two people aware of the matter, including a government official. The Adani group operates its cement ventures through Adani Cement Ltd.

"The agreements with the state government are in advanced stages. This manufacturing facility will be ready in two to three years," one of the two people cited above said on the condition of anonymity.

Emails sent to Adani Group and the Odisha government remained unanswered.

The Adani Group, which has so far only acquired cement businesses, has also prepared a strategy to build new facilities from scratch, the person said, as the conglomerate aims to become India's largest cement maker. As part of its eastern foray,

Adani recently announced plans for a grinding unit in Bihar for ₹1,600-2,000 crore. The Odisha plant will help the group expand its footprint further.

"The manufacturing facility will cost at least \$85-100 per tonne. This will be the group's first-ever greenfield cement capacity. The group has

finalized its discussions with the Odisha government and the target is to make the cement plant ready by FY28," the person cited above said.

On 3 August, Adani announced a 6mtpa cement grinding facility in Bihar. "The grinding facility will cost

TURN TO PAGE 6

InsuranceDekho, RenewBuy stitch ₹8,000 crore merger

Priyamvada C
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BENGALURU



Ankit Agrawal, co-founder, InsuranceDekho.

InsuranceDekho, backed by TVS Capital Funds and Investcorp, is in advanced talks to merge with smaller peer RenewBuy in a cash-and-stock deal, according to two people familiar with the matter.

The deal will create India's largest insurance marketplace by value after PolicyBazaar, which went public in 2021, the people cited above said, asking to remain anonymous.

"The combined entity will be valued at over ₹8,000 crore and is expected to raise another round of funding before it considers a public listing," one of the people cited above said. "The term sheets have been issued," the second person said, adding that the final deal contours are still being discussed.

The potential deal is set to value RenewBuy at approximately ₹3,000 crore and InsuranceDekho at a little over ₹5,000 crore. "Some of the early investors of RenewBuy are expected to sell some of their stakes," the person said.

InsuranceDekho and RenewBuy did not immediately respond to *Mint's* queries.

India is the world's fifth largest life insurance market

bas Cardiff through its surtech fund managed by European investment major Eurazeo, Beams Fintech Fund and Yogesh Mahansaria Family Office.

The company has utilized some of these proceeds to fund this acquisition, one of the people cited above said. At the time, InsuranceDekho also outlined plans to beef up tech capabilities, enhance marketing efforts and finance new initiatives such as reinsurance.

InsuranceDekho also raised \$150 million in its Series A round led by Goldman Sachs Asset Management and TVS Capital Funds in February last year. Some of its other existing investors include Investcorp, Avataar Ventures and Leap-Frog Investments.

Founded in 2017 by Ankit Agrawal and Ish Babbar, InsuranceDekho earns about 82% of its premium from tier-II cities and beyond.

With more than 6 million customers, the company has direct integration with 46 insurance companies in India, offering over 380 products, including 175 health and life plans, and claims to be present in about 1,500 towns. It competes with the likes of Acko, Turtlemint and PolicyBazaar.

InsuranceDekho's Jaipur-based parent CarDekho turned a unicorn in 2021.

that is expected to reach \$222 billion by 2026, growing at a rate of 32-34% each year, according to International Brand Equity Foundation estimates.

In June, *Mint* exclusively reported that InsuranceDekho was in early talks to raise \$150 million in a mix of primary and secondary transactions and had appointed Avendus to facilitate the process. This fund-raise will now happen in the merged entity, the people cited above added.

The development comes about a year after InsuranceDekho raised \$60 million in its Series B round at a valuation of \$630 million.

The funding was led by Japan's Mitsubishi UFJ Financial Group (MUFG), BNP Paribas

Cardif through its surtech fund managed by European investment major Eurazeo, Beams Fintech Fund and Yogesh Mahansaria Family Office.

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DON'T MISS



Greenwashing rules could spark class action lawsuits

Increasingly aware Indian consumers are set to use new greenwashing guidelines to launch class action lawsuits against companies for flaunting environmental, social, and governance (ESG) norms, experts said. ▶P2

Exchange prices of power drops amid improved supply, rainfall

Power prices on exchanges have eased owing to better monsoon rains and improved power supply. IEX data showed that in the day ahead market, price of power in first half of FY25 (Apr-Sep) have declined nearly 12% to about ₹4.87 per unit from ₹5.53/unit. ▶P2

Stock market likely to continue its downtrend till US elections

Equity markets could continue their downtrend, interspersed with a bounce, until after the US presidential elections on 5 Nov, market experts said. Benchmark index Nifty50 has lost 6.3% to 24,180.8 so far this month, pulled down by record FPI selling. ▶P4

Govt plans pollution penalty of up to ₹15 lakh ahead of Diwali

Following the Supreme Court's censure, the Union gov't plans to impose a penalty of up to ₹15 lakh for pollution and environment-related offences ahead of Diwali and up to a ₹15,000 spot fine for burning crop residue or stubble, according to two officials. ▶P9

Top tech firms map AI ride with Nvidia

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BENGALURU



Jensen Huang, CEO, Nvidia.

India's top tech services companies are riding the AI wave with chip giant Nvidia, betting on mutually beneficial partnerships such as the ones they have with software giants SAP AG and Oracle Corp.

Tata Consultancy Services Ltd (TCS), Infosys Ltd, Wipro Ltd and Tech Mahindra Ltd last week announced or expanded on their partnerships with Nvidia, when its founder and chief executive Jensen Huang visited India. While TCS has launched a new business unit in collaboration with Nvidia for industry-specific AI solutions, Infosys unveiled two small language models trained on specific data sets for clients based on Nvidia's platforms. Wipro

announced ready-made AI-based templates for clients based on Nvidia's AI platforms, while Tech Mahindra launched a centre of excellence powered by Nvidia platforms to help clients adopt enterprise AI models. Earlier this month, Accen-

TURN TO PAGE 6

PLI for specialty steel likely soon

Subhash Narayan
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NEW DELHI



The new PLI scheme will be for ₹4,000 crore.

A top government panel is likely to approve a ₹4,000-crore production linked incentive (PLI) scheme next month to boost the domestic production of specialty steel and curb imports, two persons in the know of the development said.

The approval from the empowered group of secretaries (EGoS) will pave the way for the launch of the second phase of the incentive scheme (PLI 2.0) for value-added steel. The scheme had gotten delayed due to poor demand for the alloy, procedural issues and lacklustre participation from domestic companies in the initial round of the scheme, which was approved by the government in 2021.

TURN TO PAGE 6

The Tata book minus the 'authorized' tag

Varun Sood & Satish John
NEW DELHI/MUMBAI



Ratan Tata distanced himself from the biography, "discomfited" by the overly flattering references about him in it.

The highly anticipated biography of Ratan Tata, which hit bookstores on Friday, less than three weeks after his death, was reportedly published without the late industrialist's stamp of approval.

Tata distanced himself from *Ratan Tata—A Life* and ended the agreement late last year because he felt "discomfited" by the overly flattering references about him in the manuscript he had received, according to an executive familiar with the situation.

After the death of the prominent businessman and philanthropist on 9 October, Harper Collins released the book on 25 October.

Tata, who was chairman emeritus of Tata Sons Ltd, the holding company of Tata group, is mentioned in the

present tense throughout the 668-page book. Mahindra Group chair emeritus Keshub Mahindra and former Tata Sons board member R. K. Krishna Kumar, who passed away last year, are also mentioned in the present tense in the book.

The book cover acknowledges Tata's passing, but the text refers to the doyen in the present tense. Author Thomas Mathew later explained in a telephone conversation that the manuscript, except for the cover, was already printed and ready to hit the bookstores. "Mr Tata had terminated the project sometime between

October and December of last year," said the executive mentioned above, speaking on condition of anonymity. "He was unhappy after reading the one-sided and glowing representation made."

Mathew declined to comment on whether he had shared the manuscript with Tata, although *Mint* learned that he had in early 2022. On his website, Mathew, a retired Indian bureaucrat, mentions that he began work on Tata's biography in 2018.

Since Tata's approval for the book was not forthcoming, Harper Collins had to defer the book's release on three occasions: first in November 2022, then in March 2023, and finally, in February this year, as *Mint* reported earlier.

The Tata book is categorised as an independent work despite Harper Collins in the

TURN TO PAGE 6

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STRAIGHT
FORWARD

SHASHI SHEKHAR

Respond to this column at
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HERO OR VILLAIN? A QUESTION INDIRA'S LIFE IS STILL POSING

The 40th anniversary of the assassination of Indira Gandhi falls on 31 October. Despite numerous controversies, Indira is still remembered and will continue to be. Her contribution to Independent India's journey is second to none.

Let me take you back 50 years to a February afternoon in 1974 at Shikohabad, Uttar Pradesh. Assembly elections were under way. Indira, then prime minister, was in her heyday. She arrived for the election campaign and the moment she climbed onto the stage she asked a woman candidate, who had been standing behind some senior Congress leaders, to come forward.

Indira playfully admonished the candidate and asked her how she would lead people if she was so diffident. She then put her hand on the young woman's shoulders and said: "Stand straight, fold your hands, and look at how people are looking at you." The gathering was overwhelmed by this gesture.

Ten years later, on 31 October 1984, Indira was assassinated. By then a journalist, I received a call from my office about 11 am that day that Indira had been shot. Thirty bullets had been pumped into her body. The official announcement of her death was made after 6 pm. But by afternoon the same day, riots had broken out in many parts of the country. I still can't forget the gory scenes of the time I witnessed in Allahabad (now Prayagraj). What happened after Indira's death may be termed as a pogrom. But that day I saw even the most level-headed of people turn violent.

I mentioned these two incidents to paint a picture of Indira's popularity. We have a proclivity to see things in black and white while judging great personalities, without realizing that every significant event is the culmination of a series of incidents.

Notwithstanding what people may say, Indira's contribution to India was significant. India was facing a food scarcity when she came to power. We were forced to import wheat from the US, that too of a quality barely good for poultry use in that country. The "green revolution" under Indira's watch brought the country out of this dire situation.

She spearheaded the creation of Bangladesh breaking Pakistan, and established India's dominance in the region. Sikkim's

accession to India was another feather in her cap. She had to ward off immense pressures from external and internal forces in these endeavours.

During the tense Indo-Pakistan ties, her cold and less-than-cordial meeting with then US President Richard Nixon, bore testimony of her steely resolve. A woman driven by the love for her country put an arrogant and powerful president in his place. At the same time, she met and entered into a treaty with the leader of the Soviet Union, Leonid Brezhnev, giving India a permanent friend. Even today Russia supplies the bulk of security equipment and armaments to India.

Feeding millions of hungry mouths, expanding India's territory, division of arch-enemy, Pakistan, and establishing India's status in the comity of nations put her among the greatest of Indian leaders. Ending privy purse for erstwhile Indian royal families signalled her belief in equality in democracy.

These, however, present one facet of her personality. She was also a tyrant without a shred of doubt. Between 1966 and 1977, she overthrew 39 democratically elected state governments using Article 356. According to the Legal India website, she used Article 356 for a total of 48 times in her tenure as India's prime minister. The Janata Party that replaced her in the 1977 general elections also dismissed nine Congress-ruled state governments but it wasn't anywhere near her record.

Her decision to impose an Emergency was her biggest mistake. That one act overshadows all her great achievements. The second grave error was Operation Bluestar.

In a democratic country such as India, the use of the army to address an internal issue betrayed the weakness of the government machinery. Since then, every prime minister starting with Rajiv Gandhi has desisted from such an act.

The seeds of the Congress party's present mess were sown in Indira's time. The party's surrender before the family started in her reign. The rot that set in then is visible now in its full glory. You may be tempted to ask, was Indira a hero or a villain?

I feel the resolve a leader needs to make bold and tough decisions also deludes them into overestimating their abilities. Every leader who dares to tread a new path faces similar criticism. And great leaders who set out on the quest to change the course of history, are also destined to bear history's curse.

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

'Greenwashing norms likely to spark class action suits'

New norms ban terms like 'eco-friendly', 'sustainable' unless supported by reliable evidence

Krishna Yadav & Manas Pimpalkhare
NEW DELHI

Increasingly aware Indian consumers are set to use new greenwashing guidelines to launch class action lawsuits against companies flouting ESG—environmental, social and governance—norms, experts said.

A class action is a legal mechanism that allows a group of people with a common grievance to file a single case against a party rather than separate lawsuits. It can be used for such things as reversing illegal activities, stopping harmful decisions or demanding compensation for damages.

"There will be a gradual rise in class action lawsuits as an effective way for consumers to tackle greenwashing," said Shruti Khanjow, partner at Shardul Amarchand Mangaldas.

Khanjow said these guidelines set clear rules for companies on environmental claims and mandate that they substantiate their statements. With increasing consumer awareness, it will become easier to hold companies accountable.

Greenwashing is a marketing strategy in which companies falsely claim or exaggerate environmental benefits of their products or services. They often use vague terms like "natural," "eco-friendly," or "green"

without credible evidence to support these claims.

Greenwashing not only misleads consumers but also undermines authentic environmental initiatives, damaging



The new greenwashing guidelines, issued on 15 October, set clear rules for companies on environmental claims.

consumer trust and distracting from genuinely sustainable products.

To combat misleading environmental claims by companies, the Central Consumer Protection Authority issued

and "sustainable" unless supported by reliable scientific evidence or third-party certification.

Additionally, companies must provide clear information about the envi-

GUARDING AGAINST EYEWASH

GREENWASHING is a marketing strategy in which firms falsely claim environmental benefits of products

FIRMS often use terms like 'natural', 'green' without credible evidence to support the claims

THIS not only misleads consumers, but also undermines authentic environmental initiatives

GREENWASHING damages consumer trust and distracts them from genuinely sustainable products

new guidelines on 15 October. These guidelines regulate deceptive environmental claims in advertisements and promote transparency. They specifically ban vague terms like "eco-friendly"

environmental aspects of their products, including manufacturing and packaging practices.

The Guidelines for Prevention and Regulation of Greenwashing or Mis-

leading Environmental Claims 2024 apply to environmental claims by manufacturers, service providers and traders whose goods, products, or services are advertised.

Ramya Suresh, partner at Saraf and Partners said that the new rules provide "specific grounds for recourse against manufacturers or advertisers through either individual complaints or class actions." Suresh said class action suits in India have significantly increased over the past decade, paralleling trends in the US and Europe, and are expected to grow with these new guidelines.

Debi Goenka from the Conservation Action Trust, pointed to the likelihood of spreading consumers action, including class action suits. "If I sue a packaged water manufacturer over microplastics, it could inspire others to seek similar damages and lead to a class action," he explained.

Most recently, discussions on class actions have grown over Ola Electric Ltd. The Central Consumer Protection Authority (CCPA) issued a show-cause notice to Ola Electrics after receiving nearly 10,000 complaints regarding delayed deliveries, faulty products and misleading advertisements.

The outcomes of such cases could set a precedent for class action litigation in India, depending on the final decisions made, legal experts earlier told *Mint*.

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PM urges India to become self-reliant

Rhik Kundu
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NEW DELHI

Prime minister Narendra Modi, in Mann Ki Baat radio address on Sunday, reflected on self-reliance and national unity, India's rise in animation and gaming, and a collective fight against cyber fraud. He focused on the contributions of Indian heroes, the blossoming digital creativity of the youth, and the importance of self-reliance and vigilance.

"Self-reliance has become not only our policy but our passion as well. Not that long ago... just 10 years ago, if someone had said then, that some complex technology was to develop in India, many people would not believe it and many would ridicule it—but today the same people are amazed to see the success of the country," he said during the 115th edition of the programme. "Becoming self-reliant, India is doing wonders in every sector. Just think, India, which used to import mobile phones once upon a time, is the world's second-largest manufacturer today. India, which once was the biggest buyer of defence equipment in the world, is now exporting to 85 countries. Today, in space technology, India has become the first country to reach the South Pole of the moon," he said

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BASF, AM Green in low-carbon tie-up

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German chemical major BASF has signed an agreement with AM Green to evaluate opportunities in the low-carbon chemicals space, said two people aware of the development.

Under the partnership, BASF may purchase 100,000 tonnes of green ammonia annually from the Hyderabad-based company, said one of the two people.

Both companies will start feasibility studies on low-carbon chemical production in India along with joint evaluation of potential technologies.

As some of AM Green's plants have already been pre-certified for European Union norms for renewable fuels of non-biological origin (RFNBO) and pre-certification of other facilities is underway, the ammonia to be supplied to BASF would meet EU stan-

dards. In September, AM Green tied up with RWE Supply & Trading of Germany to supply green ammonia which it plans to supply by 2027, wherein it would supply 250,000 tonnes of the green molecule annually. AM Green Ammonia reached a significant milestone with the final investment decision (FID) for its 1 million-tonne green ammonia project in Kakinada, Andhra Pradesh. *Mint* had reported that the investment for the project is around ₹12,500 crore.

AM Green also secured offtake agreements for the project with players such as Uniper, Yara and Keppel, targeting a range of green hydrogen applications. The production of green ammonia will be supported by round-the-clock renewable energy. The company has locked in the necessary 1,300 MW of round-the-clock carbon-free power.

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Under the partnership, BASF may buy 100,000 tonnes green ammonia annually from the company

Power prices on exchanges see dip

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Power prices on exchanges have eased owing to better monsoon rains and improved power supply.

Data from the Indian Energy Exchange (IEX) showed that in the day ahead market (DAM), the price of power in the first half of FY25 (April-September) have declined nearly 12% to about ₹4.87 per unit from ₹5.53/unit.

Further, in October, prices continued to ease and averaged around ₹4.15 per unit, about 41% lower than ₹6.98 per unit in the same month last fiscal.

Interestingly, the maximum price in the DAM segment during October 1-24 was ₹5.72 per kilowatt hour (kWh) or unit while during the same period in FY24, it touched the price cap of ₹10.

Rohit Bajaj, joint managing director, Indian Energy Exchange said: "Proactive measures by the government and regulators have been instrumental in ensuring stable power supply throughout this fiscal year, which has



Better monsoon rains and improved power supply have driven the price decline.

contributed to higher liquidity on the exchange platform. Favourable monsoons, coupled with strong hydro and wind generation, have

In October, prices averaged around ₹4.15 per unit, about 41% lower than ₹6.98 per unit in the same month last fiscal

Further strengthened fuel availability thereby leading to a significant decline in power prices throughout the current fiscal. "The trend of decline in prices has continued in October as well with the average market clearing price in the day ahead market falling to ₹4.15 per unit (October

1-24), 41% year-on-year decrease.

The real time market saw a decline of 45%, averaging ₹3.57 per unit (October 1-24).

The trend is expected to sustain in the coming months," Bajaj said.

Data from the Central Electricity Authority (CEA) showed that power generation in the country during the first six months of FY25 (April-September) increased nearly 6% to 951.10 billion units (BU) from 897.77 billion in the year ago period.

In terms of power sources, thermal power generation rose 5.47% to 690.13 billion units during the first half of FY25, while backed by healthy monsoon rains, power generation from large hydro projects stood at 94.50 billion units, 4.16% higher from 90.73 billion units.

The improved monsoons have also helped restrict demand, largely in the agriculture sector.

In September, the peak demand across the country was 231,076 MW, about 1.4% lower compared to 243,271 MW in September last year.

Usually, power demand for irrigation is high in August and September which is largely met through pumps. Abundance of rains reduce the need to use pumps to extract ground water.

The 2024 southwest monsoon season ended on September 30, with India recording 934.8 mm rainfall, 108% of the long period average (LPA) and the highest since 2020, while in the 2023 monsoon season, the country had recorded 820 mm rainfall, which was 94.4% of LPA of 868.6 mm.

Ladli Behna creates labour shortage, drives up cotton harvesting costs

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Maharashtra's Ladli Behna Yojna, aimed at empowering women through financial incentives, is impacting cotton farming in the state by weaning women off farms, creating labour shortage and driving up harvesting costs. Women form a significant proportion of farm labour but the scheme, under which eligible women receive ₹1,500 per month in financial assistance, has drawn women away from farm work.

As a result, cotton growers

are struggling to meet their labour needs during the ongoing crucial harvest season in one of the major cotton growing states in the country.

"Even though cotton production and quality are better this season, the populist scheme has pushed cotton picking costs from ₹5 per kg to ₹9 per kg in the first round," said Ganesh Nanote, a cotton farmer in Maharashtra's Vidharbha region.

"Workers are able to harvest up to 90 kg in a day, earning over ₹800 per day, and costs are expected to rise to up to ₹30 per kg in the next phases of cotton harvesting," Nanote said.



Cotton growers are struggling to meet their labour needs during the ongoing crucial harvest season.

The first phase of cotton picking began in October, and it will continue until January next year.

The payment disbursed under the scheme started in July, with the first transfer of ₹3,000 per beneficiary for July

and August.

Cotton sowing has dropped to 11.27 million hectares from 12.37 million hectares last year, according to data from the Union agriculture ministry.

Sowing of cotton in Maharashtra has also shrunk from 4.2 million hectares in the 2022-23 season to 4 million hectares in the current kharif season, as per the Cotton Association of India (CAI) data.

In FY21, Maharashtra produced 10 million bales of cotton, while in FY22, production dropped to 8.2 million bales. In FY23, production slightly increased to 8.3 million bales.

According to estimates by

the CAI, production in FY24 is set to reduce further to 8 million bales.

"The decline in cotton production in Maharashtra from FY21 to FY23 can be attributed to adverse weather conditions, pest outbreaks, rising input costs, soil health degradation, market fluctuations, water scarcity, and shifts in crop preference. These factors collectively led to reduced cultivation areas and lower yields during this period," said a senior government official on the condition not to be named.

"If farmers have complained about a labour shortage, it may be a part-time issue rather than

a regular one. We will investigate whether this has emerged due to the Ladli Behna Yojna or other factors. We will keep a close watch on the matter," this person said.

"It could have improved workers' bargaining power. While there may be some increase in picking costs, it might not be to the extent that farmers are predicting. Moreover, the scheme should not be blamed for these changes," said N.R. Bhanumurthy, director, Madras School of Economics, Chennai and a noted economist.

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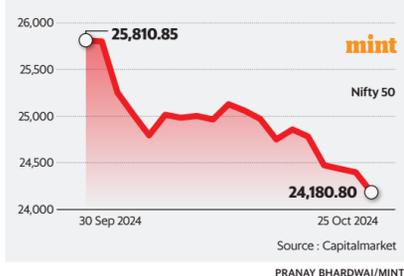
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S&P BSE Sensex	Nifty 50	Nifty 500	Nifty Next 50	Nifty 100	S&P BSE Mid-cap	S&P BSE Small Cap
CLOSE: 79402.29	CLOSE: 24180.80	CLOSE: 22499.05	CLOSE: 69716.50	CLOSE: 25022.20	CLOSE: 45452.83	CLOSE: 52335.66
1-WEEK CHANGE (%): -2.24	1-WEEK CHANGE (%): -2.71	1-WEEK CHANGE (%): -4.02	1-WEEK CHANGE (%): -6.15	1-WEEK CHANGE (%): -3.22	1-WEEK CHANGE (%): -5.20	1-WEEK CHANGE (%): -7.37
1-MONTH CHANGE (%): -6.77	1-MONTH CHANGE (%): -7.01	1-MONTH CHANGE (%): -7.68	1-MONTH CHANGE (%): -8.89	1-MONTH CHANGE (%): -7.50	1-MONTH CHANGE (%): -7.91	1-MONTH CHANGE (%): -8.62
3-MONTH CHANGE (%): -0.80	3-MONTH CHANGE (%): -0.92	3-MONTH CHANGE (%): -1.82	3-MONTH CHANGE (%): -3.45	3-MONTH CHANGE (%): -1.52	3-MONTH CHANGE (%): -2.70	3-MONTH CHANGE (%): -2.65
6-MONTH CHANGE (%): 6.81	6-MONTH CHANGE (%): 7.14	6-MONTH CHANGE (%): 7.82	6-MONTH CHANGE (%): 9.44	6-MONTH CHANGE (%): 7.25	6-MONTH CHANGE (%): 10.20	6-MONTH CHANGE (%): 11.09
1-YEAR CHANGE (%): 23.97	1-YEAR CHANGE (%): 26.45	1-YEAR CHANGE (%): 34.24	1-YEAR CHANGE (%): 60.57	1-YEAR CHANGE (%): 31.46	1-YEAR CHANGE (%): 47.00	1-YEAR CHANGE (%): 44.09

Rough patch

FPIs have net sold cash shares worth ₹88,826.75 crore in the month through 25 October.



Stocks may stay under pressure till US elections

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Equity markets could continue their downward trend, interspersed with a bounce, until after the US presidential elections on 5 November, market experts said.

Benchmark Nifty 50 has lost 6.3% to 24,180.8 so far this month, pulled down by record foreign portfolio investor (FPI) selling amid geopolitical concerns, tepid quarterly earnings growth and regulatory strictures taking effect.

FPIs have net sold cash shares worth ₹88,826.75 crore in the month through 25 October, based on NSDL and BSE provisional data.

While domestic institutional investors (DIIs) have net invested ₹97,090.83 crore over the same period, the downward trend is likely to continue for a slew of reasons, although a bounce is possible after four straight weeks of decline.

"A confluence of factors has caused the pullback this month," said Nilesh Shah, managing director, Kotak Mahindra AMC.

"Chief among them is the selling intensity of FPIs, which is prompting DII buying at lower levels in cash, collateral in the form of stock margin for derivatives trades being curbed by regulators, margin trading facility trades being liquidated as margin calls are

being made on price corrections, lofty valuations correcting on earnings disappointment and geopolitical factors such as outcome of impending US elections and US bond yields rising despite Fed rate cut probably driven by the burgeoning fiscal deficit," he added.

A review of 637 companies' Q2FY25 numbers shows a y-o-y fall of 0.6% and a sequential fall of 5.13% in net profit at ₹1.96 trillion. A year ago, net profit had surged 49% y-o-y and 3.9% sequentially to ₹1.97 trillion.

Aside from FPIs diverting funds to China from India following rate cuts and fiscal stimulus to prop up the world's second-largest economy, rising bond yields in the US, which faces a widening fiscal deficit, are leading to FPI outflows from emerging markets like India.

Despite the US Fed cutting interest rate by 50 basis points to a 4.75-5% range on 18 September, the yield on US 10-year paper has risen from 3.7% that day to 4.2% on 25 October amid concerns of inflation driven by printing money to fund a national debt of \$35.8 trillion.

Rising US yields are souring sentiment in EMs like India, which is also closely watching the outcome of the US presidential elections, said G. Chokkalingam, founder of research firm Equinomics.

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ICICI Bank beats sector blues

Manish Joshi
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Amid a shortage of deposits, an emerging pain point for the banking sector is the stress in retail and rural segments. Slowdown in FMCG sales and recent earnings of some banks mirror this concern. In this background, private sector lender ICICI Bank's standalone September quarter (Q2FY25) result is commendable. The bank has managed the stress in retail and rural portfolio well through aggressive write-off.

Net addition (after recoveries and upgrades) to gross NPA of ₹1,754 crore during Q2FY25 came entirely from retail and rural portfolio. The bank has written off NPAs worth ₹3,336 crore as against ₹1,753 crore in Q1FY25. Higher credit costs pulled down the growth in core profit before tax to 9% year-on-year even though core pre-provision operating profit (PPOP) rose 13% year-on-year (y-o-y) to ₹15,502 crore. Here, core profit refers to profit excluding dividends from subsidiaries, associates etc. and treasury MTM.

Despite healthy year-on-year growth in net advances of 16%, the net interest

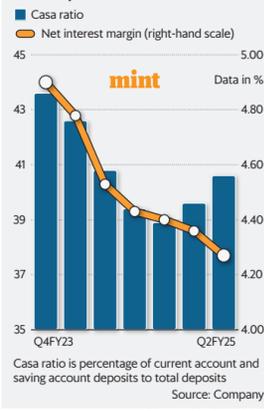


The bank has written off NPAs worth ₹3,336 crore in Q2FY25.

income rose only 9.5% reflecting the pressure on net interest margin (NIM). Yield on interest earning assets remained steady at 8.63% y-o-y, but cost of funds increased 31 basis points (bps) to 5.09% mainly because of higher cost

Turning the tide

With Casa ratio showing an uptick in the past two quarters, ICICI Bank's NIM may have bottomed out too.



of deposits. NIM shrunk by 26 bps y-o-y to 4.27%. The sequential decline in NIM was smaller at 9bps, which shows that NIM has stabilized till there is a turn in the interest rate cycle, according to the bank's management. Fee income rose

by 13% to ₹5,894 crore.

Operating expenses rose 7% as the bank has managed to rationalize some of its costs. One prime example being the reduction in number of ATMs and CRMs from 17,102 to 16,120 sequentially. Consequently, cost to income ratio improved significantly from 40.9% to 38.6%. Even sequentially, the ratio improved by 110 bps.

The bank's return on assets (RoA) came in at 2.4% in Q2FY25, much higher than 1.9% recorded by HDFC Bank, its bigger rival. Even if credit-deposit ratio, which shows liquidity position, is compared, ICICI Bank has fared better at 84% in Q2FY25 versus 101% of HDFC Bank as it stays inflated after the merger with the parent. At a time when most banks are feeling the deposit crunch, ICICI Bank has done well with its average deposits growing by 16% y-o-y with the share of low-cost current account and savings account (Casa) deposits remaining steady at nearly 41%.

The bank's retail loan book growth details show that the secured loans like

vehicle loans grew by 8% whereas the personal loans and credit card loans, relatively riskier as they are unsecured, surged by 20%. While the overall share of the unsecured loans remains moderate at almost one fourth of total retail loans and 14% of total advances, the portfolio needs to be monitored closely for any further signs of stress.

The bank remains well capitalized with a common equity tier-I ratio of 16%, which means that it does not have any pressure to raise capital for growth at least in the near future.

Meanwhile, in the last year, ICICI Bank stock has outperformed all the leading private sector banking stocks by gaining 37%. Yet, its valuation does not appear frothy. Adjusted for the value of subsidiaries at about ₹200-250 per share as per the estimates of various brokerage houses, the stock trades at P/ABV of about 2.25x based on Motilal Oswal Financial Services' estimate for FY26. This is a nearly 10% premium to that of HDFC Bank, which seems justified given almost 20% higher RoA.

SMART STRIDES

THE bank managed retail and rural stress well through aggressive write-offs

ICICI Bank's RoA came in at 2.4% in Q2FY25, much higher than 1.9% recorded by HDFC Bank

Mark to Market writers do not hold positions in the companies discussed here unless otherwise informed

THE STRAIGHT LINE, THE SNAKING ONE, AND THE TRUTH IN BETWEEN



MARKETS with Bertie

what the other side is thinking. Until he gets asked tough questions.

Over the past month, the question most fielded by Bertie has been why have FIIs been selling in India. It is mostly followed up with an enquiry into the destination of sale proceeds. The tone of questions ranges from curious to patronising to outright accusatory; as if Bertie personifies the behatted, cigar-chomping foreigner who has sold \$12 billion worth of shares in a month.

In hindsight, all events that happen have been waiting to happen. With that opening line, Bertie talks of elevated valuations, retail frenzy, slowing growth, geopolitical tensions, etc. to answer the first question. The second question about destination of proceeds is generally answered by the poser himself with, "And putting it in China, no?" Bertie just smiles and shrugs at this because he is not sure the answer is so straightforward.

Based on Chinese data, foreigners have bought shares there after a long streak of selling, but the buying is nowhere close to the amount sold in India. Neither has that money found its way into other emerging markets. Bertie surmises that a lot of it is making its way back to the American markets. The S&P has defied all naysayers and continues to defy gravity. With prospects of a Trump re-election brightening, investors seem to be expecting a sizeable corporate tax cut that would lead to an earnings lift. Whether this is actually happening, one can never know but for now, Uncle Sam is Bertie's prime suspect.

Sebi mid-caps

Frustrated by the sea of red on his Bloomberg screen and on Google maps, Bertie decided to pay an uncharacteristic mid-week visit to the Fat Cats Club. He settled in his favourite chair to watch the highlights of the recent Test match between India and New Zealand. He couldn't believe the ineptitude with which India was playing the red ball. When

most of his foreign institutional investor (FII) peers think of Bertie as a local, and most of his domestic peers think of him as an FII. Running with the hare and hunting with the hounds suits Bertie just fine as he gets to impress both the groups with his presumed expertise of

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TARUN KUMAR SAHU/MINT

Bertie watches cricket, he curses in Marathi; probably something that got ingrained in the maidans of Mumbai. He hurled one at the screen and was about to leave, when he heard a voice behind him "Nakkamo che aa log!" (These people are useless). The sentiment was the same but expressed in mild Gujarati. Bertie turned to face Govind bhai, the astute stock-picker who had discovered several small caps and seen them become multi-baggers. Bertie began with the question that had been asked a million times to Govind bhai "Levamasu?" (What to buy?)

Govind bhai is a man of few words and whenever he speaks it sounds like a telegram. "Sebi mid-cap" he said. Bertie's blank stare told him that he would have to explain. "A lot of retail money chasing small caps. It can turn anytime. Very risky." Govind bhai spoke as if

there was a word limit. "But aren't midcaps overvalued as well?" asked Bertie. "Yes" said Govind bhai "But Sebi has defined mid-cap. Stock number 101-250. All mutual funds with mid-cap allocation must invest in these 150 stocks. Mutual fund flows are steady. No panicky sellers there. As of now, only buyers." Bertie nodded. The man who became a legend by swimming in open waters was opting to swim in a five-foot-deep swimming pool. That must mean something.

Truth lies in the middle

A typical initiating coverage report on a consumer stock will have a bar chart that shows that the per capita consumption of whatever is being peddled is quite low in India. That metric will then be compared to other emerging markets, notably China, and then the developed world. With 1.4 billion in the denominator, such charts can paint a 'happily ever after' story for just about anything - from beer to cement. A variation of this approach is to calculate a total addressable market for the goods or services in question. Add sections on benefits of formalisation and per capita inflection points when consumption of certain categories takes off. The idea is to make the reader think of consumption like interest on FD; a smooth line from bottom left to top right.

But one has to just look at the uniformly limp results of consumer companies to wonder about the promised upward sloping line. Bertie posed this to a retired consumer analyst who can now speak freely and without an eight-page disclaimer. "It's not wrong, Bertie. That smooth line exists," he said. "But what they don't tell you is that around that line is a snaking line that depicts the short-term cycles. Consumer income cycles, competitive cycles and even commodity prices." That made sense to Bertie. "The initiating notes will tell you about the straight line; quarterly results about the snaking one and the truth, as always, will lie somewhere in the middle."

Bertie is a Mumbai-based fund manager whose compliance department wishes him to cough twice before speaking and then decide not to say it after all.

Bertie is a Mumbai-based fund manager whose compliance department wishes him to cough twice before speaking and then decide not to say it after all.

'Investors should keep in mind they have borrowed future returns'

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Investors should keep in mind that they have essentially borrowed some returns from the future, and that is the reality, said Vetri Subramaniam, chief investment officer at UTI Asset Management Company.

Moreover, expecting to achieve returns that exceed earnings growth from the starting point is a risky assumption. So, the best guess for returns will likely align with earnings growth. However, given that the valuations are currently high, there is a possibility that returns could dip below earnings growth if valuations start to normalize, he said. "So, that's the mindset I would adopt when looking at the equity markets right now," he said in an interview.

Edited excerpts: **You've witnessed the cycles of the market, having been in it for over three decades. In your view, how has the mindset of investors**

evolved over time?

I wouldn't frame the answer that way because there's something more interesting. In the past 5-7 years, we've seen a significant influx of young investors. For those with 30 years of experience, evolution has been gradual. What stands out is the behavioural shift: equity investing has become widely accepted as a key part of strategic financial planning for long-term goals. This marks a notable change from 20 or 30 years ago, when many viewed investing as a quick way to get rich.

While some of that mindset remains, especially in speculative trading, the data shows an increasing commitment to long-term investing. Equity investing is now mainstream, no longer just for a few speculators, and that is the real shift. **Could you elaborate on the significance of long-term investing compared to short-term trading?**

In my view, much of short-term trading—and I've done it earlier in my career—is essentially a zero-sum game. You're dealing with daily volatility and

market fluctuations. But when it comes to investing, the key advantage is the potential upside over long periods. Equities, in particular, are a unique asset class because the upside can be vastly different from the downside, which gives them the ability to generate wealth over the long term.

This is why I believe people should consider equities—no other asset class offers the same potential for wealth creation. As an investor, you'll need to balance different types of assets: some for wealth creation, others for liquidity in emergencies, some for specific goals, and some that act as insurance. You need a diversified portfolio, but for wealth creation, nothing beats equities.

In light of the recent listings, do you think large corporations are comfortable with the current valuations and are still looking at getting listed?

Correct. I don't recall the year-to-date data, but we analyzed this sometime last year. If you look at the calendar year leading up to that point, the total buying by foreign and



Indian investors was \$43 to \$45 billion. The supply of equity shares through various IPOs was \$35 to \$36 billion. So, while demand is present, the supply side is responding as expected. It would be a positive sign if, for example, demand started to slow down, considering that current prices appear elevated. **Essentially, investors should exercise a bit of caution.**

What we've been advising investors, as you mentioned regarding valuations, is that if you're looking to invest more, it

makes more sense to consider hybrid solutions, as they can help with asset allocation. The reality of investing is that you can't control all the variables. In such situations, it's better to focus on what you can manage. You can control your risk appetite and asset allocation, which should align with your financial needs. Therefore, our recommendation has been to consider hybrid solutions at this time. They will help you stay aligned with your defined asset allocation strategies. Now is not the time to take on additional

risk to chase short-term returns.

In the past year, we've seen the Nifty 50 delivering strong returns of over 25%. What returns should investors expect in Samvat 2081?

First and foremost, don't think about the market in terms of New Years. The key point is that you've essentially borrowed some future

returns—that's the reality. Be aware of this if you're considering selling your position.

Secondly, expecting to achieve returns that exceed earnings growth from this starting point is a risky assumption. Your best guess for returns will likely align with earnings growth. However, given that the valuations are currently high, there's a possibility that returns could dip below earnings growth if valuations start to normalize.

So, that's the mindset I would adopt when looking at

the equity markets right now. If you're a long-term investor, it's fine to ride out the cycles, but focus on your asset allocation. You can't predict geopolitical events, such as the situations in Russia and Ukraine or the Middle East, or the outcome of the US presidential election, nor can you foresee China's policies or any potential cold war dynamics with the US.

We can discuss these topics endlessly, but we won't reach any definitive conclusions. Instead, concentrate on what you can control: your risk appetite, your assets, and your financial goals. Forget everything else.

When discussing asset allocation within equities, how would you approach the balance between investing in different market segments, across market caps, and sectors?

I understand that we're addressing a much larger audience, and I believe that, for

most people, it ultimately comes down to their understanding of a company's history. Many investors should have a direct knowledge of the stocks they're interested in. Therefore, my main piece of advice is to know your stocks and know yourself. If you lack knowledge in either area, the stock market can be an expensive place to realize that you either didn't understand the stock or you were just speculating.

From a mutual fund perspective, where we operate, our recommendations stem from a valuation-based approach. We feel much more comfortable with large-cap stocks, while our capsize is quite limited, primarily due to their valuations, which already factor in expected future growth. People often say that growth in India will be the fastest, which may be true, but that growth is already reflected in current valuations. You cannot expect to purchase overpriced equities and still benefit from that growth; this presents a challenge at an aggregate level.

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Why global investors nurse healthcare hope

Insurance penetration, government schemes help, says Aster's Moopen

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NEW DELHI

Mergers in the healthcare sector aren't just about business, they help deliver quality medical treatment to smaller towns, insists Alisha Moopen.

"Doctors in Bengaluru, who might not go and live in Kolhapur (about 600 km away), are willing to go once a week or once a month to Kolhapur and do the sort of surgeries that a hospital in Kolhapur will not be able to get," Moopen, deputy MD at Aster DM Healthcare, told *Mint* in an interview.

"So you actually end up being able to share resources, that knowledge-sharing, of getting your doctors who are sitting in the metros, sitting in the cities, who, at this point of time, might be the ones doing the more cutting-edge work, and with this network into the tier two, tier three cities, get them to go there so that they do not have to come to the urban cities," she said.

The other benefit of any merger is the scale of a larger network, she said. "If the scale increases, my purchasing power, negotiation, is much higher and that brings benefits which can hopefully be passed on."

Moopen's comments come amid reports of Bengaluru-based Aster merging with Hyderabad-based Care Hospitals. According to a *Mint* report on 5 August, the combined entity will be India's third-largest hospital chain.

To questions on the potential merger, she did not offer any comment.

Aster, in a stock exchange filing in September, stated that while the company routinely explored strategic opportunities no material events had taken place requiring disclosure under the Securities and Exchange Board of India's listing obligations and disclosure requirements.

Moopen, however, said Aster was adding almost 2,000 beds over the next three years. "The expansion would require an investment of close to ₹1,500 crore; the hospital chain has already deployed around ₹250 crore in the last 6-12 months. So another ₹1,250 crore will be invested, funded mainly via internal accruals," she said.

Aster currently has about 5,000 beds. India's healthcare sector has seen increasing interest from investors.

In October last year, Blackstone Group Inc. acquired controlling stakes in Care



Alisha Moopen, deputy MD at Aster DM Healthcare.

Hospitals and Kims Health in a \$1 billion multi-layered deal, marking the US-based private equity firm's first investment in India's healthcare sector.

In April last year, Sheares Healthcare, a unit of Singapore's Temasek Holdings, agreed to buy a controlling stake in Manipal Health Enterprises, raising its ownership from 18% to close to 59% for about ₹16,400 crore. In February this year, however, Temasek, the investment arm of the Singapore government, sold up to an 8% stake in Manipal to Mubadala Investment Co., Novo Holdings, and the California

2024," law firm Nishith Desai Associates said in a report in August. "This trend is expected to continue in the second half of 2024 and the following years, with major focus being on increasing the bed capacity and expanding the geographical reach of such hospitals."

Moopen said among the factors contributing to the growing interest in India's healthcare sector was the increasing insurance penetration because of the pandemic and the government's Ayushman Bharat Scheme.

The government's national public health insurance scheme aims for free access to health insurance coverage to low-income earners. It covers about 500 million poor people and is being expanded to cover all citizens above 70.

"People want to have insurance because they want to know that they have access to good quality care. Ayushman Bharat is going to be the biggest tipping point for people, for the world itself," she said.

"Taking it a bit more futuristic, talking about the amount of data that is going to come through, looking after 25% of the population with Ayushman Bharat is going to be the game-changer for healthcare in the world," Moopen said. Such vast volumes of data on people's health, she explained, would allow healthcare experts to "run models in terms of predictive health".

Public Employees' Retirement System.

In July, private equity giant KKR scooped up a controlling stake in Kerala-based Baby Memorial Hospital. The US private equity fund has also invested in drugmaker JB Chemicals and Pharmaceuticals Ltd, healthtech firm Infix, and medical device maker Healthium.

"The hospital industry, which includes multi-speciality and single-speciality hospitals, nursing homes, and other healthcare delivery organisations, has been the industry with the highest growth and the centre of deal activity in the year to date in

HEALTHCARE ON A HIGH

MERGERS in health sector help deliver quality medical treatment to smaller towns, Moopen says

ANOTHER benefit of any merger is the scale of a larger network, Moopen also said

MOOPEN also says vast volumes of data will let experts run models in terms of predictive health

NBBL eyes 1bn/month transactions in 3 years

Anshika Kayastha
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MUMBAI

National Payments Corporation of India's arm NPCI Bharat BillPay Ltd (NBBL) aims to process 1 billion transactions a month in another 2-3 years, allowing the company to route 35-40% of all retail digital payments in the country through its Bharat Connect platform, according to chief executive officer Noopur Chaturvedi.

Formerly Bharat Bill Payment System, the Bharat Connect platform was conceptualized by the Reserve Bank of India (RBI) and launched in 2017. At the time of being hived off into a separate subsidiary in December 2020, it was processing around 25 million billing transactions a month, which has now grown to over 200 million a month.

"There's been a growth of 8-10 times over the last three years. Our ambition is to be able to process 1 billion transactions in a month for the core (retail) Bharat Connect. We want every household to use the platform at least three times a month," Chaturvedi told *Mint*.

The estimates assume that the number of households in India will increase from 270-280 million to 300-330 million in the next 2-3 years.

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

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Extract of Unaudited Financial Results (Standalone & Consolidated) for the quarter and period ended 30-09-2024

Sl. No.	Particulars	Standalone						Consolidated					
		Quarter ended		Period Ended		Year ended	Quarter ended		Period Ended		Year ended		
		30-09-2024	30-06-2024	30-09-2023	30-09-2024	30-09-2023	31-03-2024	30-09-2024	30-06-2024	30-09-2023	30-09-2024	30-09-2023	31-03-2024
(Unaudited)		(Unaudited)		(Unaudited)	(Unaudited)		(Unaudited)		(Unaudited)		(Audited)		
1.	Total Income from Operations	13,571.18	13,023.31	11,575.94	26,594.49	22,551.51	47,146.30	13,682.43	13,078.66	11,671.87	26,761.09	22,775.80	47,504.75
2.	Net Profit for the period (before Tax and Exceptional items)	5,039.62	4,325.82	4,806.67	9,365.44	8,518.62	17,780.64	5,097.39	4,349.23	4,837.61	9,446.61	8,558.77	17,959.94
3.	Net Profit for the period before tax (after Exceptional items)	5,039.62	4,325.82	4,806.67	9,365.44	8,518.62	17,780.64	5,097.39	4,349.23	4,837.61	9,446.61	8,558.77	17,959.94
4.	Net Profit for the period after tax (after Exceptional items)	4,005.47	3,442.45	3,772.87	7,447.92	6,733.60	14,019.21	4,037.72	3,460.19	3,789.90	7,497.90	6,757.95	14,145.46
5.	Total Comprehensive Income for the period (Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax))	2,753.57	3,525.02	4,188.26	6,278.59	7,331.44	15,063.48	2,785.82	3,542.76	4,205.29	6,328.57	7,355.79	15,189.73
6.	Equity Share Capital (Face Value ₹10 per share)	2,633.22	2,633.22	2,633.22	2,633.22	2,633.22	2,633.22	2,633.22	2,633.22	2,633.22	2,633.22	2,633.22	2,633.22
7.	Other Equity	70,259.81	69,718.14	60,484.10	70,259.81	60,484.10	66,149.93	70,876.88	70,302.97	60,949.28	70,876.88	60,949.28	66,717.03
8.	Securities Premium Account	1,577.53	1,577.53	1,577.53	1,577.53	1,577.53	1,577.53						
9.	Net Worth	72,893.03	72,351.36	63,117.32	72,893.03	63,117.32	68,783.15						
10.	Paid up Debt Capital/ Outstanding Debt	4,75,831.64	4,58,794.20	4,13,542.23	4,75,831.64	4,13,542.23	4,37,943.59						
11.	Debt Equity Ratio *	6.47	6.27	6.46	6.47	6.46	6.37						
12.	Earnings per Share (of ₹10 each) (for continuing and discontinued operations) (in ₹)												
	Basic	15.21	13.07	14.33	28.28	25.57	53.11	15.33	13.14	14.39	28.47	25.66	53.59
	Diluted	15.21	13.07	14.33	28.28	25.57	53.11	15.33	13.14	14.39	28.47	25.66	53.59

* Debt/Equity Ratio = Net Debt / Net Worth (Net debt represents principal outstanding less cash and cash equivalents available.)

Notes:

- The above financial results of the Company were reviewed by the Audit Committee and approved and taken on record by the Board of Directors at their respective meetings held on 26th October, 2024. These results have been subject to limited review by the Statutory Auditors of the Company.
- The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the financial results is available on the Stock Exchange websites (www.bseindia.com and www.nseindia.com) and also on the Company's website (www.recindia.nic.in).
- For other applicable disclosure as required under regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, refer detailed format of the financial results filed with the Stock Exchange (www.bseindia.com and www.nseindia.com) and can also be accessed on the Company's website (www.recindia.nic.in).

Place: Delhi
Date: 26th October, 2024

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Arbitration needs right talent

India needs domain experts on appeals tribunals to reduce the backlog and become a global arbitral hub

Neha Joshi
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MUMBAI

India's plan to introduce appellate tribunals dedicated to arbitration would reduce the burden on courts and position the country as a global hub to arbitrate disputes only if these bodies are staffed with the right talent, according to legal experts.

Institutional arbitration could foster discipline and accountability among Indian arbitrators and possibly reverse the trend of such cases moving overseas, said senior advocate Janak Dwarkadas. For this, he said, both arbitral and appellate tribunals should include domain experts.

The proposed substituting the term "court" in the existing act with "domain expert arbitration tribunals", staffed by retired judges and skilled lawyers who are willing to dedicate their time, with the final appeal resting before the Supreme Court. "By leveraging this talent, we could establish 10 to 15 arbitration tribunals across the country ready to deliver what our courts currently struggle to provide due to their backlog—not due to inefficiency, but simply because they lack the time."

The Union law ministry's draft amendment on 18 October introduced arbitral appellate tribunals. These would allow disputing parties to appeal arbitral awards without resorting to the courts, but only if



Institutional arbitration could reverse such cases moving overseas. ISTOCKPHOTO

the arbitration is conducted through recognized institutions that currently face low caseloads.

Mint reported on 29 September that the government was working to strengthen the India International

pending across all district courts, 13,597 cross high courts, and 43 pending cases before the Supreme Court as of 24 October. Apart from that, according to Dwarkadas, Indian parties were involved in 160 cases

International Arbitration (LCIA).

If the government and the judiciary could adjust the strategy around arbitration, India could not only retain cases within its borders but also position itself as an international arbitration centre, akin to SIAC, ICC, and LCIA, he said.

There is more data to suggest that a large number of high-stakes arbitrations involving Indian parties were conducted in foreign jurisdictions. "Since 2011, SIAC has administered over 1,400 cases involving Indian parties, with the disputes amounting to more than SGD 20 billion," said Sanjeev Kapoor, partner at Khaitan & Co. "India has topped SIAC's list of foreign users for four years in a row and Indian parties also appear among the top ten users of ICC arbitration."

According to Kapoor, this trend is particularly visible in sectors like energy, infrastructure, and technology, where contracts often specify arbitration in centres like Singapore, London, and Paris.

To arbitrate such cases within the country, India needs more than the mechanism proposed by the Central government, according to Kapoor. "It is the entire arbitration ecosystem—from the appointment of the arbitral tribunal to the enforcement of awards, including incidental processes—that needs to be strengthened and expedited if India wants to limit the exodus of India-related arbitration disputes to foreign jurisdictions."

However, Vyapak Desai, leader of

international disputes & investigations at Nishith Desai Associates, said one should not see the proposed mechanism with a narrow lens. "It is not designed to just cater to the 200 cases going to foreign arbitration centres, but it is to address the approximately 5 million pending cases in India," referring to cases pending before arbitrators in addition to courts.

The proposed mechanism, coupled with curated appellate tribunals, intends to bring effectiveness and efficiency to the dispute-resolution process, making it a competitive centre among all international options, he said. "Even after the Indian system becomes robust, there may be reasons for cases involving Indian parties to be adjudicated in foreign seats. In a larger context, both can coexist and flourish."

Nonetheless, some remain sceptical about the ground-level implementation and who would appoint the members to the appellate tribunal.

Since the act states it "may" provide for an appellate arbitral tribunal, this implies the mechanism is optional, said Shaneen Parikh, partner and international arbitration head at Cyril Amarchand Mangaldas. In certain specific instances, parties may opt for the appellate tribunal mechanism, particularly in commodities disputes, she said.

"I am sceptical about this expectation (of selecting domain experts) as the prevailing trend of appointing only retired judges may continue, without experts also being on the panel."

The biography of Tata minus the 'authorized' tag

FROM PAGE 1

past stating that it was an authorised biography.

An email sent to HarperCollins on Saturday remained unanswered.

"I cannot criticize him where criticisms are not due," Mathew riposted during the phone conversation with Mint.

He said the book was blunt in stating that Ratan Tata made a mistake by not participating in the committee that appointed his successor at Tata Sons. Consequently, Cyrus Mistry—whose family owned an 18.4% stake in Tata Sons—was appointed chairman in 2012. This decision led to conflicts, ultimately resulting in Mistry's dismissal by the board four years later.

Mathew had approached the late Cyrus Mistry for his perspective on the events; however, he stated that his email to Mistry went unanswered.

Another criticism in the book of Tata's chairmanship was his choice of West Bengal as the manufacturing base for the Tata Nano. "His choice (of West Bengal) was wrong, and he lost the plot," Mathew averred.

Even though Tata, who did not get married, is survived by his younger brother, Jimmy, two sisters, and one half-brother, Noel Tata, none of the family members intend to take any action against Harper Collins, according to the executive cited above.

Noel Tata was entrusted as the chair of Tata Trusts on 11 October, which owns 66% of Tata Sons.

To Mathew's credit, the author did not seek any financial benefit from the Tata group. He even refused Tata Hotel's hospitality when he travelled between March 2018 and early 2022 while researching and meeting for the book.

Mathew said he made many sacrifices to write Tata's biography, including letting go of a prestigious job offer to relocate to Shanghai as India's



On 11 October, Noel Tata was entrusted as the chair of Tata Trusts, which owns 66% stake in Tata Sons. HT

nominee vice president of the Asian Infrastructure Investment Bank. Mathew had other offers as well, including to pen the authorized biography of another business leader from the infrastructure space, which was more lucrative.

"I spent close to ₹70 lakh on my own for this book," said Mathew. "I was not driven by money when I took this assignment. I made it very clear that it cannot be a 'paid project' or a 'commissioned project' but an 'independent project'."

While writing the biography, Mathew had received private papers and confidential correspondence, spent over 160 hours with

Tata, and met with more than 135 people.

Mathew asserted that the book challenges many widely held beliefs. Among them: Naval Tata, along with his sons Ratan and Jimmy Tata, had a direct lineage to the central Tata family. The genealogy traces back to the founders, thereby debunking the myth that Naval Tata inherited the Tata name after being adopted by Lady Navajbhai Tata.

In 2022, Harper Collins secured the publishing rights to the Tata biography for a record ₹2 crore—10 times what authors typically get paid for a non-fiction book. The publisher had dubbed the book as the "only comprehensive, definitive and authorized account of Mr Tata's life and times".

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ALTERNATIVE MECHANISM

THE law ministry's draft amendment on 18 October introduced arbitral appellate tribunals

THESE aimed to allow disputing parties to appeal arbitral awards away from courts

ARBITRATION is allowed only via recognized institutions with low caseloads

THE Centre aims to strengthen the IAC, by increasing the caseload of that institution

Arbitration Centre (IAC), the country's only centrally funded arbitration institution, by increasing the institution's caseload.

There are 61,573 arbitration cases

before the Singapore International Arbitration Centre (SIAC), 79 cases before the International Court of Arbitration (ICC), and 1.6% of the total cases before the London Court of

strengthened and expedited if India wants to limit the exodus of India-related arbitration disputes to foreign jurisdictions."

However, Vyapak Desai, leader of

India's top tech services firms map AI ride with Nvidia partnership

FROM PAGE 1

ture Plc, the world's biggest software services provider, launched the Nvidia business group, under which 30,000 employees would be trained.

"IT services companies are partnering with Nvidia because everyone wants their chips, which are basically their graphic processing units (GPUs). Fortune companies know that Nvidia's chips work best when embedded in Nvidia's own software and platforms, and they want to use this package as part of their AI workstreams," said an ana-

lyst at a domestic brokerage on condition of anonymity. "This is why these companies are using IT service providers as system integrators."

The scramble for AI partnerships comes at a time of uncertainty over the technology's deployment, almost two years after the debut of OpenAI's ChatGPT.

Apart from its mainstay AI chips, some of Nvidia's offerings include Nvidia AI Foundry, Nvidia Omniverse and Nvidia AI Enterprise, all designed to help clients integrate AI into their work. While Nvidia Omniverse helps devel-



Partnerships will help Nvidia build its ecosystem. REUTERS

opers build 3D applications and services, AI Foundry helps build custom Gen AI models. Nvidia AI Enterprise is a

cloud-native software platform.

According to a second analyst, these partnerships also help Nvidia build its ecosystem.

"This is a win-win for both (IT services companies and Nvidia). IT services can get more business leveraging the growing demand of Nvidia's chips and AI platforms from their clients, and Nvidia will be expanding its ecosystem by partnering with more IT services companies as system integrators," a Singapore-based analyst on the condition of anonymity.

Both analysts agreed that

these partnerships were akin to similar tie-ups with SAP and Oracle. IT services companies customize and integrate software from SAP and Oracle in their clients' systems, which help large companies manage human resources, accounting systems and supply chain management.

"This is just like what IT services companies did with SAP and Oracle partnerships where service providers were system integrators of the software the two companies (SAP and Oracle) had to offer," said the Singapore-based analyst.

Nvidia, which was worth

\$275 billion just before the launch of ChatGPT, is now worth \$3.47 trillion, briefly overtaking Apple Inc. on Friday to become the world's most valuable company.

"While its competitors are investing in building out their own infrastructure stack, Nvidia is still miles ahead of the rest of the market and commanding the attention of ambitious service providers keen to develop their AI transformation capabilities," said Phil Fersht, chief executive officer of US-based HFS Research, an outsourcing research firm.

EMERGING MARKETS TRACKER

Launched in September 2019, Mint's Emerging Markets Tracker provides a summary of economic activity across 10 large emerging markets* based on seven high-frequency indicators. Thailand topped the EM league table in September. Indonesia and The Philippines were second and third, respectively. India secured the fourth rank, jumping two places since August.



TOP COUNTRIES

1 THAILAND climbed four places to the first position in the EM league table as its stock market performance, currency and export growth outshone other EMs.

2 INDONESIA jumped two places to the second position boosted by strong export growth and stable inflation.

3 THE PHILIPPINES dropped one position to the third rank in the EM table backed by strong GDP growth, steady manufacturing activity and stable inflation.

Country	Composite index score, Sep 2024	Real GDP growth (y-o-y, in %)	PMI manufacturing	Export growth (y-o-y, in %)	CPI inflation (y-o-y, in %)	Import cover (no. of months)	Exchange rate movement** (m-o-m, in %)	Stock market capitalization** (m-o-m, in %)
THAILAND	71	2.3	50.4	7.0	0.6	9.4	4.3	13.1
INDONESIA	67	5.1	49.2	6.4	1.8	7.9	2.7	7.4
PHILIPPINES	65	6.3	53.7	0.3	1.9	10.7	1.6	6.6
INDIA	63	6.7	56.5	0.5	5.5	12.2	0.1	1.6
CHINA	58	4.7	49.8	2.4	0.4	15.5	1.0	0.2
MALAYSIA	54	5.9	49.5	-0.3	1.9	4.3	3.5	4.5
BRAZIL	53	3.3	53.2	0.3	4.4	17.1	0.2	0.8
MEXICO	18	2.1	47.3	-1.0	4.6	4.4	-2.2	-3.2
TÜRKİYE	12	2.5	44.3	2.3	49.4	3.3	-1.0	-1.1

Scoring method: The best-performing economy's value on any given indicator gets a score of 100, the worst one gets zero, and the rest are interpolated linearly for their relative scores. A country's composite index score is the simple average of its seven indicator scores. Latest available data used (as of 27 October 2024). Scores/ranks may change as more data comes in. *Russia has been dropped from the tracker temporarily as some data has not been reliably available since the Ukraine war began.

Source: Bloomberg, Mint calculations

Data: Payal Bhattacharya; Graphics: Paras Jain

**Change in monthly average. Exchange rate is against US dollar.

Govt to launch tweaked PLI for specialty steel soon

FROM PAGE 1

Union steel ministry about their participation in production of import substitution products in the country and strengthen the Atmanirbhar Bharat initiative.

"We have finalized PLI 2.0 without much changes from the earlier scheme. The scheme parameters are based on inputs from the industry and funds for supporting it would come from balance remaining in PLI 1.0 of about ₹4,000 crore. The terms of the scheme would be similar to other PLIs that incentivize production of identified products for up to five years," said the first of the two persons cited earlier, both of whom spoke on the condition of anonymity.

Specialty steel is value-added steel where finished steel is given coating, plating, or heat treatment to transform it into high value-added steel that can be used in various strategic sectors such as defence, space, power, automobile, and specialized capital goods.

As PLI 1.0 was operational for just about two years, the new scheme may be kept running for three years starting FY26, said the second person.

After the approval of the secretaries' committee, the scheme could be launched from FY26 after getting a final fund clearance from the finance ministry and scheme



In FY21, India imported 4 million tonnes of specialty steel.

clearance from the Department for Promotion of Industry and Internal Trade (DPIIT) under the Union ministry of commerce and industry.

The government closed the PLI 1.0 window early last year as applications for just about ₹2,300 crore incentives out of the budgeted ₹6,322 crore were received since the launch of the scheme in 2021, while local production of specialty steel did not take off as expected.

Now, with steel cycle turning positive this year, the government wants to relaunch PLI for steel as PLI 2.0 with minor

changes and a few additions so that production of specialty steel in the country takes off in a big way and helps stem the outflow of precious foreign exchange (forex) reserves. In FY21, India imported 4 million tonnes of specialty steel, leading to a forex outflow of about ₹30,000 crore.

Adani plans greenfield cement unit in Odisha

Adani plans greenfield cement unit in Odisha

FROM PAGE 1

around \$45-50 per tonne," the person said. The group plans to fund most of the expansion process via internal accruals.

Even after last week's acquisition of Orient Cement, Adani has enough money to buy more assets and build new plants, the person cited earlier said.

"Our greenfield plans are equally strong. In fact, most of the acquisitions, if one has observed, have substantial potential for their greenfield expansion opportunities, which, after acquisition, becomes a part of our brown-field plans," said the first person, adding that after the Panna Cement acquisition in June, the cement unit had around ₹10,000-12,000 crore in books, which got added to the cash flows in the September quarter.

"Even though the September quarter was leaner than other quarters this time, even if the open offer for the Orient Cement acquisition gets fully subscribed, Ambuja Cements will still have ₹4,000-5,000 crore cash in the books. There is no debt and if required for the greenfield plan or any compelling acquisition, a small amount of credit may be availed from banks," said the first person.

Meanwhile, Adani has a separate plan to invest ₹5,500 crore in cement and logistics in Bihar, which is still in early stages.

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

Top firms back NFRA's new group audit rules

Regulator proposes to raise lead auditor accountability to ensure quality

Gireesh Chandra Prasad
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NEW DELHI

The National Financial Reporting Authority's (NFRA) board will soon consider enforcing tighter norms for statutory audits of conglomerates, two people aware of the development said, a move that has received support from some of the top audit and consulting firms.

The period for receiving public feedback ends this month and the NFRA's 12-member board is expected to meet soon after, said one of the people seeking anonymity. It will consider the proposal for making the auditor of a holding firm of business groups responsible for consolidated financial statements even if subsidiary accounts are signed by other auditors.

"Implementation will be based on the decision of NFRA's board, which comprises representatives of Sebi, RBI, Comptroller and Auditor General of India and two independent members. The board's decision will be notified," said the person.

NFRA is set to go ahead with the changes even as audit profession's self-regulator, the Institute of Chartered Accountants of India (ICAI), had called for a "pause" on harmonizing domestic audit norms for group companies with the global practices to allow for "a comprehensive review and discussion with all relevant stakeholders".

NFRA has offered a carve-out for audit of certain businesses from the proposed norms so that small auditors' concerns over larger audit firms increasing their market share are addressed.

BSR & Co. LLP., PwC in India, Grant Thornton Bharat and another leading audit firm, which did not wish to be named, supported NFRA's tighter norms.

"BSR & Co LLP believes that alignment with the global standards is a step in the right direction for audit quality," the firm told Mint about NFRA's proposed amendments to SA600, the audit standard dealing with group financial statements. "Any changes should allow for education and transition for the audit profession."

While BSR has a contractual arrangement with KPMG to share certain methodology, tools, software and training, it is an independent firm.



The amendments aim to address gaps in group audits, flagged as "severely deficient", with lead auditors overly relying on subsidiary auditors. ISTOCKPHOTO

The amendments seek to fix gaps in the current regime of audit of business groups which the regulator has said are "severely deficient" as the lead auditor of holding firm was seen placing a "mechanical reliance" on auditors of subsidiaries. NFRA said in some group audit cases it investigated, there were signs of siphoning funds using promoter-led subsidiaries.

Sanjeev Krishan, chairperson, PwC in India, said with the proposed changes,

Grant Thornton Bharat, said it has always supported regulatory initiatives that aim at enhancing audit quality. "As indicated by trends in regulatory findings, SA600 was clearly in need of alignment with the international standards and we are glad to see the proposal in that direction, albeit in a staggered manner. It is encouraging to see the regulators presenting their rationale for the proposed changes, including their consideration of apprehensions related to the alignment."

NFRA's proposed change applies to public interest entities under the regulator, barring state-owned companies, banks, insurers and respective branches. "We do believe the proposal will work toward bringing in global best practices in group audits with clarity in the role of principal auditor, enhanced transparency in component reporting and essentially enhancing trust in financial reporting," said Chandiook. The principal auditor oversees the holding company, while components refer to its subsidiaries.

Queries emailed to the NFRA, ICAI and SRBC & Co. LLP., a leading audit firm, on 23 October seeking comments remained unanswered at the time of publishing.

For an extended version of the story go to livemint.com

EMBRACING GLOBAL STANDARDS

NFRA will go ahead with the changes even as ICAI called for a comprehensive review of proposals

IT proposed carve-outs to ease small auditors' concerns about larger firms expanding mkt share

THE changes apply to public interest entities, barring state-owned firms, banks and insurers

NFRA aims to adopt best global accounting and auditing standards to ensure Indian practices align with international standards. "This initiative, coupled with proper training and appropriate transition time, will foster investor confidence and create trust among stakeholders," Krishnan said. "It will help establish an enabling framework that supports sustainable economic growth while upholding highest standards of accountability, positioning India as a leader in financial governance."

Vishesh C. Chandiook, chief executive,

JSW Steel pins hope on H2 turnaround

Nehal Chaliawala
nehal.chaliawala@livemint.com
MUMBAI

JSW Steel expects its margins to improve in the second half of FY25 as steel prices recover after touching multi-year lows in September, while the company's cost-cutting measures continue to deliver results, according to a top executive.

Additional capacity from the company's upcoming expansion projects will also help increase sales and spread fixed costs on a wider base, further aiding margins, Jayant Acharya, the joint managing director at the steelmaker, said in an interview.

JSW Steel expects 6 million tonnes per annum (mtpa) of capacity addition in the latter half of the fiscal—1 mtpa at its Bhushan Power and Steel unit and 5 mtpa at its Vijaynagar



Jayant Acharya, joint managing director, JSW Steel Ltd. MINT

steelworks in Karnataka. This will take its total domestic capacity to just over 34 mtpa.

It also expects to operationalize four new iron ore mines during the latter half. This will help it reduce raw material and logistics costs as the mines will be closer to its mills, the top executive said. The new mines

will take the company's captive sourcing of iron ore to 41%. The steelmaker also expects its coking coal costs to fall by \$20-25 per tonne on expectations of lower prices and using more cost-effective blend that it is experimenting with.

"We remain bullish for H2," Acharya said. "The second half will have stronger seasonal demand, and additional capacities are playing out at the right time. It will give us a good volume increase, and also absolute improvement in Ebitda."

Ebitda stands for earnings before interest, taxes, depreciation and amortization, a metric to gauge profitability.

The steelmaker's Ebitda in Q2 dropped 31% year-on-year to ₹8,757 per tonne due to lower steel price, which had fallen to nearly four-year lows in September due to competition from cheap imports.

India's steel imports in the first

half of FY25 are estimated to be about 5.1 million tonnes, according to data from market intelligence platform BigMint. That's a 54% year-on-year rise.

However, JSW Steel's performance in Q2 was better than the street's expectations, which had priced in an even lower Ebitda. Its cost-saving efforts aided its financial performance, analysts said. This is expected to further aid margins in the latter half as prices improve, the analysts noted.

"A combination of low raw material costs, firm steel prices and operating leverage should drive ₹2,000-3,000/tonne recovery in steel margins in 2H FY25E," said analysts at Kotak Institutional Equities led by Sumangal Nevatia. They have pencilled in Ebitda of ₹10,077-11,703 per tonne in FY25 and FY26 on an annualized basis.

For an extended version of the story go to livemint.com

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Dated 28-October-2024

CENTRAL RAILWAY

Nagpur Division

E-TENDER NOTICE

E-Tender No. NGP/ELECT/TRD/2024-25-11R2, dated 23.10.2024, **Name of work:** Replacement of M/s NICCO make Contact Wire having silver brazed joint for improving reliability and safety in Nagpur Division of Central Railway. **Estimated Cost of work:** Rs. 1,14,59,820/-. **Earnest Money Deposit:** Rs. 2,07,30,000/-. Last Date & time for submission of tender 22-11-2024 at 15:00 hrs. Details on Railway's website www.reps.gov.in

Sr. Divisional Electrical Engineer (TRD)

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AUCTION OF STATE GOVERNMENT SECURITIES

The following State Governments have offered to sell stock by way of auction, for an aggregate amount of **₹25,050/- crore (Face Value)**.

Sr. No.	State/UT	Amount to be raised (₹cr)	Additional borrowing (Green shoe) option (₹cr)	Tenure (in Years)	Type of auction
1	Andhra Pradesh	1,000	-	15	Yield Basis
		1,000	-	19	Yield Basis
		1,000	-	23	Yield Basis
2	Bihar	2,000	-	10	Yield Basis
3	Chhattisgarh	1,000	-	10	Yield Basis
4	Karnataka	4,000	-	12	Yield Basis
		1,500	-	15	Yield Basis
5	Kerala	1,500	-	15	Yield Basis
6	Manipur	200	-	15	Yield Basis
7	Punjab	850	-	20	Yield Basis
8	Rajasthan	2,000	-	10	Yield Basis
		1,000	-	21	Yield Basis
		1,000	-	21	Yield Basis
		1,000	-	21	Yield Basis
		1,000	-	21	Yield Basis
9	Tamil Nadu	2,000	-	10	Yield Basis
		2,000	-	30	Yield Basis
		1,000	-	30	Yield Basis
		1,000	-	30	Yield Basis
10	Telangana	1,000	-	23	Yield Basis
		500	-	25	Yield Basis
Total		25,050			

The auction will be conducted on Reserve Bank of India Core Banking Solution (E-Kuber) in multiple-price format on **October 29, 2024 (Tuesday)**. Individual investors can also place bids as per the non-competitive scheme through the Retail Direct portal (<https://rbiretaildirect.org.in>). For further details please refer to RBI press release dated **October 25, 2024 (Friday)** on RBI website www.rbi.org.in

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Dated 28-October-2024

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सर्वजनिक निविदा सूचना

पत्रांक- 158/मुंम-2024-25 दिनांक-26/10/2024

नगर निगम क्षेत्रान्तर्गत विभिन्न स्थलों पर यूनियोपल/होर्डिंग के माध्यम से विज्ञापन प्रदर्शित करने हेतु अनुबन्ध की तिथि से कुल 02 वर्ष हेतु निविदा प्रकाशन की तिथि से दिनांक 09.11.2024 को अग्ररत 2.00 बजे तक ई-निविदाय आमंत्रित की जाती है:-

क्र० सं०	मार्ग का नाम	यूनियोपल / होर्डिंग हेतु कुल साईट	निगम द्वारा विज्ञापन हेतु आरक्षित निविदा धनराशि
	दर्शन लाल चौक से राजपुर रोड किशनपुर तक- 75 साईट, मसूरी डाईवर्जन से मेन राजपुर तक- 03 साईट, घन्टार से बल्लपुर चौक चक्रवर्त राड-39 साईट, बल्लपुर चौक से जी०एम०एस०रोड सेट जूड चौक तक 14 साईट, बुद्ध चौक से गांधी रोड-13 साईट, रेलवे स्टेशन से सहानपुर रोड ट्रांसपोर्ट नगर तक- 14 साईट, हर्द्वार बाईपास रोड- 01 साईट, कर्जन रोड से यवपुर रोड डील फेक्ट्री तक-03 साईट, क्रासिंग से आई०टी० पार्क चौक सहस्रधारा रोड-11 साईट, रेसकोर्स एण्ड रेस्ट कैम्प - 03 साईट, ई०सी० रोड-08 साईट पर यूनियोपल/ होर्डिंग के माध्यम से विज्ञापन प्रदर्शित किये जाने सम्बन्धी कार्य।	184	71518700/-

निविदा के साथ निविदा सूचना प्रपत्र में निर्धारित धनराशि कार्य प्रतिभूति ₹0-71518700/- की एफ०डी०आर०/ सी०डी०आर० जो व्यक्ति वित्त अधिकारी नगर निगम, देहरादून के नाम प्लेज होगा। निविदाय ई०निविदा के माध्यम से निर्धारित तिथि एवं समय उपलब्ध करायी जायेगी। निविदादाता को निविदा में अंकित निर्धारित धनराशि कार्य प्रतिभूति-एफ० डी०आर०/सी०डी०आर० को मूल रूप में दिनांक 08.11.2024 को अग्ररत 4.00 बजे तक निगम कार्यालय में जमा करना अनिवार्य होगा जिसका परीक्षण दिनांक 09.11.2024 को सायं 4.00 बजे गठित समिति के समक्ष किया जायेगा। तकनीकी निविदा के परीक्षण के उपरान्त तकनीकी निविदा में सफल निविदादाताओं को वित्तीय निविदा समिति द्वारा खोली जायेगी। निविदा प्रपत्र एवं शर्तें विज्ञापित प्रकाशन की तिथि से यू०के०टेन्डर की वेबसाईट से भी डाउनलोड की जा सकती है अथवा किसी भी कार्यदिवस में नगर निगम कार्यालय से प्राप्त की जा सकती है। निविदा ई०निविदा के माध्यम से www.uktenders.gov.in पर उपलब्ध करायी जायेगी। नगर आयुक्त, नगर निगम, देहरादून।

SOUTH EAST CENTRAL RAILWAY

E-TENDER NOTICE FOR ELECTRICAL WORKS

Tender Notice: CPM/EL/Land Acquisition/24-25-11 (Open Tender).

Name of Work: "Preparation and submission of Land acquisition proposals to State Govt. Coordination with State, private authorities and final possession of lands from State Govt to Railway authority in connection with construction of SP, SSP & TSS at various locations in Chhattisgarh, Odisha and Maharashtra state for Upgradation of existing 1x25 kV Electric Traction System into 2x25 kV Electric Traction System over South East Central Railway". **Tender Value:** ₹ 39,39,892/- (Thirty-Nine Lakhs Thirty Nine Thousand Eight Hundred Ninety-Two Only). **Earnest Money Deposit:** ₹ 78,800/- **Completion period of work:** 06 (Six) Months.

Date & Time of Tender Closing: **Upto 15.00 hours on 19.11.2024.**

Date & Time of Tender Opening: **Upto 15.30 hours on 19.11.2024.**

For further details related to tender document eligibility criteria and the complete details for the above work, please contact Office of the Chief Project Manager/Elect/South East Central Railway, 1st Floor, Room No. 103, Nirman Bhawan, Bilaspur-495004 or refer on our website: www.reps.gov.in.

For Chief Project Manager/Elect/CPRI/10/311 Bilaspur.

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How Biden pushed Israel to limit its Iran attack and still inflict a heavy blow

Aramco's venture arm allocates \$100 mn for AI spending

Israeli strikes pummeled Iran's air-defense systems and missile production, U.S. officials say

Michael R. Gordon, Lara Seligman & Nancy A. Youssef

WASHINGTON

Two weeks before Israeli warplanes struck Iran Saturday morning, President Biden and Israeli Prime Minister Benjamin Netanyahu agreed on the parameters of the attack in a half-hour phone call, their first in almost two months.

After mounting worry that Israel might strike Iran's oil infrastructure or even nuclear installations, the Israeli leader set his sights on military targets—to the relief of American officials.

The airstrikes that unfolded met Washington's expectations while dealing Iran a punishing blow.

The attack destroyed Iran's most advanced air-defense systems, while delivering a setback to the country's ballistic missile program, U.S. and Israeli officials said Saturday.

While Iran is still considering its response, U.S. officials hope the severe damage inflicted on Iran's air defenses will discourage Tehran from striking back as Washington renews diplomacy aimed at quelling the fighting in Gaza and Lebanon.

"It looks like [Israel] didn't hit anything other than military targets," Biden told reporters Saturday. "I hope that this is the end."

Nearly a month ago, the prospects of escalation seemed more ominous. Iran had carried out an Oct. 1 attack on Israel that involved about 180 ballistic missiles, some that reached their targets causing minimal damage and some that U.S. officials say could have led to substantial casualties had they not been intercepted.

After Israeli and U.S. forces successfully blocked a similar Iranian attack against Israel in April, Biden urged Netanyahu to temper his response. Israel confined its retaliation to striking the radar for an S-300 air-defense system, reducing the risk of escalation.

But with Iran launching even more ballis-



With Iran launching more ballistic missiles in October, it was clear to President Joe Biden that there was no dissuading Israel from striking back hard. The goal instead was to shape Israel's response.

tic missiles in October, it was clear to Biden that there was no dissuading Israel from striking back hard. The goal instead was to shape Israel's response.

To many in the administration, the looming Israeli strikes risked an all-out conflict that might lead to Iranian counterattacks against Saudi oil installations, disruptions in the energy markets and a spike in oil prices less than a month before the U.S. presidential election.

"If I were in their shoes, I'd be thinking about other alternatives than striking oil fields," Biden said on Oct. 4, referring to the Israelis.

When Israeli officials indicated they were eyeing potential sites in Tehran, American officials pushed back, concerned that attacks against the Iranian capital could cause civilian casualties.

His call with Netanyahu on Oct. 9, which

he made along with Vice President Kamala Harris, proved to be a breakthrough, according to U.S. officials.

Reassured that Israel was listening to U.S. advice to direct its airstrikes at military sites, Biden agreed to bolster Israel's defenses by sending a Thaad antimissile system and nearly 100 American soldiers to operate it to Israel, a decision he formally signed off several days later.

As Israel continued to refine its plan, U.S. officials took other steps to cement the understanding about the narrowed scope of Israel's retaliation.

In addition to sending the Thaad system, the White House announced on Oct. 11 that it was tightening oil sanctions against Iran, including measures against the "ghost fleet" shipping companies that were helping Iran smuggle oil.

The clampdown on Iran's oil smuggling was aimed at showing Israel it didn't need to use military action to interrupt Tehran's oil trade.

On Oct. 17, U.S. B-2 bombers carried out airstrikes in Yemen against underground bunkers used by Houthi militants to store missiles and other weapons. The Houthis have been attacking shipping in the Red Sea and conducting sporadic attacks on Israel. Use of the bombers signaled the White House was willing to escalate its use of force when necessary, a cautionary message for Iran and a reassuring one for Israel, officials said.

In the attack Saturday morning, more than 100 Israeli planes struck 23 sites in Iran, confining their attacks to targets that demonstrated the understanding reached between Biden and Netanyahu had held.

An Israeli official said that Iran had four batteries of S-300 antimissile batteries, the most advanced in Tehran's air-defense

arsenal, before Israel's recent strike and that all of them were destroyed.

"Israel's strikes were designed to show Iranians how much more it could do if Iran retaliated," Dennis Ross, a former U.S. official on Middle East issues in Republican and Democratic administrations, wrote in a social-media post. "By taking out air defenses the Israelis showed the Iranians their vulnerability."

U.S. officials said that the strikes on Iran's ballistic missile program damaged some production capabilities that could take Iran years to recover from.

Among the locations struck was Parchin, where a plant is located that makes solid rocket fuel, according to Fabian Hinz, research fellow at the International Institute for Strategic Studies, a London-based think tank.

"If you look at missile production processes, they are very complex, they have complex supply chains and they have critical bottlenecks that can be surprisingly narrow," said Hinz. Israel "might have been able to cause quite a bit of disruption without the strike appearing too major."

Iran still has missiles in its inventory. U.S. officials estimated in 2022 that Iran had over 3,000 ballistic missiles of all ranges in its stockpile.

Iran denied that its military capabilities had been extensively damaged and sought to show life in Tehran had resumed to normal. At least four Iranian soldiers were killed and three sites suffered minor damage, according to Iranian officials.

"Iran's nuclear facilities haven't been impacted," Rafael Grossi, director general of the International Atomic Energy Agency, wrote in a social-media post. At the White House, Biden and Harris received a briefing Saturday from their national security team on the Israeli attack.

"President Biden directed that every effort be taken to protect our forces and help defend Israel against any potential responses from Iran and its proxies," the White House said in a statement.

feedback@livemint.com

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A million people play this video wargame. So does the Pentagon.

Daniel Michaels & Juanje Gómez

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Militaries worldwide run battle scenarios using one family-run British company's software, rooted in Tom Clancy novels. Watch a video simulation to see how.

Warfare is changing at a pace unseen in almost a century, as fighting in Ukraine and the Middle East shows. For military commanders, tackling that upheaval demands fast and constant adaptation.

Increasingly, that entails playing games.

Wargames—long the realm of top brass and classified plans—let strategists test varying scenarios, using different tactics and equipment. Now they are filtering down the ranks and out among analysts. Digitization, boosted by artificial intelligence, helps yield practical lessons in greater safety and at lower cost than staging military maneuvers would. Wargames can also explore hypotheticals that no exercise could address, such as nuclear warfare.

Proponents of wargames include Tim Barrick, a retired Marine colonel who is now wargaming director at Marine Corps University. He drills students using board games and computers. In one online exercise, he pushed eight Marine majors repeatedly through the same Pacific military engagement, using a program called Command: Professional Edition.

This software is unusual because it didn't originate with a defense contractor or institute, as most wargames do. It is a simulation program built and marketed by gamers with almost no military background—and rooted in Tom Clancy novels. Users of all stripes have made it a surprise hit.

Over the two months that

Barrick's Marine majors played Command PE, as it's known, their creativity grew. "These are not simple problems," said Barrick, who previously ran the Marine Corps Warfighting Lab's wargaming division. "It's not like we're asking them to play checkers."

The game has become a surprise hit, for users of all stripes. The Air Force recently approved Command PE to run on its secure networks. Britain's Strategic Command just signed up to use it in training, education and analysis, calling it a tool "to test ideas." And Taiwanese defense analysts tap Command PE to analyze responses to hostility from mainland China.

Command's British publisher, Slitherine Software, stumbled into popularity. The family business got started around 2000 selling retail CD-ROM games like Legion, involving ancient Roman military campaigns. When Defense Department officials in 2016 first contacted Slitherine, which is based in an old house in a leafy London suburb, its father-and-son managers were so stunned they thought the call might be a prank.

"Are you taking the piss?" J.D. McNeil, the father, recalled asking near the end of the conversation.

What drew Pentagon attention was the software's vast, precise database of planes, ships, missiles and other military equipment from around the world, which allows exceptionally accurate modeling.

Former Air Force Air Mobility Command analyst Pete Szabo started using Command around 2017 to model military planes' fuel consumption in battle scenarios.

"It's been a very powerful tool for us," said the retired Air



The Pentagon was drawn to the software due to its vast, precise database of planes, ships, missiles and other military equipment, which allows exceptionally accurate modeling.

Force lieutenant colonel. Convincing his superiors to employ commercial, off-the-shelf gaming software, though, took some work, he recalled. "At first it was like, 'Noooooo...'"

Some officers have long derided wargames as entertainment, navel-gazing or "bogsats," short for "bunch of guys standing around talking." But the simulations—especially digital ones—can hone decision-making, spatial awareness and maneuvering abilities, say advocates.

"There's no doubt that skills in a game matter on the battlefield," said Arnel David, a U.S. Army colonel who advises the North Atlantic Treaty Organization's top general and helps lead an informal organization to promote wargaming of all sorts, called Fight Club International.

Wargaming, which first took its modern form in Prussia about 200 years ago, got a boost in the U.S. in 2015 when then-Deputy Secretary of Defense Robert Work warned

that the Pentagon's wargaming skills had "atrophied." The military services scrambled to up their game.

Traditionally conducted using maps, grids and dice—essentially sophisticated cousins of familiar board games like Risk and Stratego—some wargames entail tabletop models that resemble electric-train sets or require an entire room.

Computer wargames still generally resemble complex maps more than first-person shooter games such as Call of Duty. But their speed and processing power allow operators to run and rerun scenarios at a tempo never before possible, and to generate scads of data for analysis.

In a project called Game-break for the Pentagon's Defense Advanced Research Projects Agency in 2020, scientists at military contractor Northrop Grumman developed AI models to essentially play Command PE, processing more than 200 quadrillion options—or 2 followed by 17 zeros.

AI is increasingly helping users create scenarios, run games and sift through results

for trends and surprises. French wargame maker MASA Group boasts that AI allows its Sword program to be run more easily than rivals' systems.

Whether AI and advanced software actually improve wargaming and preparations for war is a question sparking battles of its own. Warfare is so complex—buffeted by factors ranging from equipment and strategy to politics, weather and corruption—that modeling all the inputs entails parsing an almost infinite number of variables. Quantifying unquantifiables such as military morale requires arbitrary decisions.

"If all your data for a simulation is garbage, it's garbage out too," said Anna Knack, who leads research on AI and security at Britain's Alan Turing Institute, a government-funded research center.

Skeptics say digital wargaming, in an unintended twist, may actually reduce understanding of scenarios because software's underlying algorithms aren't accessible to users.

"It takes some of the human

decision-making element away," said Becca Wasser, who leads the Gaming Lab at the Center for a New American Security, a think tank in Washington.

Advocates say computerization expands enormously both the usefulness of wargames and their range of potential users, often complementing manual games.

"It's a tool in a toolkit," said David, who served in Iraq and Afghanistan.

Not all wargames involve combat. NATO, which in 2021 adopted warfighting guidelines that call for "audacious wargaming," also runs crisis-management simulations. U.S. Transportation Command runs wargames involving shipments and logistics, its area of responsibility.

Wargames that focus on a specific field, such as logistics, are relatively straightforward to design, while modeling big conflicts is vexing.

To simulate a Chinese invasion of Taiwan in a tabletop game played between teams of specialists in 2022, modelers hosted by the Center for Strategic and International Studies think tank in Washington spent more than a year designing and preparing the project. Each of 22 iterations took a full day, between which the designers adapted the game to address new issues from each running.

It was a simple battle simulation that Navy Lt. Larry Bond wanted to create in 1980, after using the service's complex training game, Navtag, onboard his destroyer.

Bond created Harpoon, published as a paper-and-dice game that drew a big following thanks to its extensive technical data on military systems. One fan was insurance-agent-turned-author Tom Clancy.

Clancy tapped Harpoon as a source for his first novel, "The Hunt for Red October," and used it so extensively in writing

his 1986 follow-up, "Red Storm Rising," that he called himself and Bond "co-authors."

A home-computer version of Harpoon flourished and then faded early this century. Frustrated fan Dimitris Dranidis sought to replace it. The result, Command: Modern Operations, released in 2013, took off as users—many in the military—added and corrected its open-source database.

The database now includes tens of thousands of items, from bullets to bombers, covering almost every front-line piece of equipment used by all the world's militaries since 1946. Users keep parameters like fuel capacity and operating range accurate.

After Work's 2015 Pentagon memo sent the services scurrying to rediscover wargame

ming, an Air Force official stumbled on Harpoon and contacted Slitherine, which held the publishing rights. The McNeils introduced him to Command, which they were also publishing as a consumer game.

"I never even occurred to me that we'd work with militaries," said Chief Executive Iain McNeil, whose father, J.D., had previously owned a scaffolding business.

The Air Force sent two retired generals to assess the company, seeking to better understand its operations and Command's database. They invited the McNeils and Dranidis for meetings at the Pentagon, where the newbies shot selfies standing behind the briefing-room lectern.

Slitherine created a version of Command for military and intelligence-agency needs, Professional Edition, addressing their security requirements and allowing them to upload classified data without giving access to programmers

or other users, Iain McNeil said.

In the military world, most acquisitions undergo more rigorous testing than consumer products for battle-readiness, but Command flips that paradigm thanks to its evolution. With roughly one million commercial users, Command "gets beat up by the community to a degree that the defense industry just can't do," said Barrick, the Marines instructor.

Command focuses on battles and engagements, not campaigns or wars. "It's really useful if you want a very close look—almost through a soda straw," said Wasser at CNAS, who sees it as an excellent tool for training and education.

Education was one of the top uses cited at a conference of Command military users in

Rome hosted by the Italian Air Force last year, attended by civilian and uniformed defense professionals from the U.S., the U.K., Taiwan and beyond.

Force Lt. Col. Thomas Siler explained how Command offered a way to teach mission planning that mixed classroom theory and real-world experience.

In his seminars, a group of around 20 pilots would face an emergency, like defending a target from an incoming attack. They planned mission timelines and assessed factors such as flying time with a given fuel load. Their proposals were fed into Command, and the simulation played out on a big screen in the classroom.

"It's a stadium-like atmosphere," with students cheering when missiles hit the enemy, said Siler. "One student told me it's more exciting than a Champions League football match."

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NEWS NUMBERS

7.2%

THE RATE at which India's real GDP is expected to grow in 2024-25, driven by consumption and investment, according to finance minister Nirmala Sitharaman.

\$1.4 bn

THE SUPPLEMENTARY loan Pakistan has requested from China amid financial challenges, taking the total loan under the currency swap agreement to \$5.7 billion.

\$2 bn

THE SIZE of an arms sale package the US is likely to sign with Taiwan, triggering warnings of "countermeasures" from China.

200 mn

THE NUMBER of billing transactions NPCI Bharat BillPay's Bharat Connect platform processes per month at present, up from 25 million in December 2020.

23

THE NUMBER of jets Spirit Airlines, an American low-cost airline, is selling for about \$519 million, amid financial challenges and an uncertain outlook.

HOWINDIALIVES.COM

Hindustan Zinc to invest up to \$2 bn

Vedanta Group firm Hindustan Zinc plans to pump in up to \$2 billion (around ₹17,000 crore) to double its production capacity to 2 million tonnes (mt) in the next few years, its CEO Arun Misra said.

The company which had already engaged consultants to ramp up its capacity is looking for mining partners for the same, Misra told PTI.

"We have a plan of doubling the production to 2 million tonnes... So, I am sure by the end of this quarter, we should be able to make project announcements, which projects, how much and where it is happening," he explained.

The company is targeting a production capacity of 1.2 mt in 2025, followed by 1.35 mt in 2026 and 1.8 mt in 2027, Misra said.

"And then finally, sometime, we should be able to get 2 million tonnes," he explained.

Hindustan Zinc is the world's second-largest integrated zinc producer and the third-largest silver producer. PTI



Piramal Pharma chairperson Nandini Piramal said a part of the capex is for the domestic market.

Piramal Pharma plans \$85 mn capex

Piramal Pharma is utilizing a capex of about \$85 million for various initiatives, including capacity expansion, maintenance and de-bottlenecking of CDMO (contract development and manufacturing organization) sites, in the current fiscal, according to its chairperson Nandini Piramal.

The Mumbai-headquartered firm, which aims to cross \$2 billion in revenue by FY30, has already invested around \$30 million in the first half of the ongoing fiscal on the initiatives.

"We expect the capex this year to be at a similar level as last year, which is about \$85 million," Piramal told PTI in an interaction.

A part of the capex is planned for the domestic market while some of it would also go into the US business, she added. "Some part of it, around \$30 million, is maintenance capex, and the rest would go into capacity expansion in Telangana and Dahej (Gujarat) plants and also towards de-bottlenecking of some of the CDMO sites," Piramal noted.

The firm last week reported over fourfold increase in consolidated net profit at ₹23 crore for the second quarter ended September. PTI

'ONGC head should be chair of HPCL'

The oil and Natural Gas Corporation chairman and managing director (CMD) should also be the chair of the firm's subsidiary Hindustan Petroleum Corporation Ltd (HPCL) in line with the universal practice of a corporate group having only one chairman, a panel appointed to work out synergies between the two firms said in its report.

India's top oil and gas producer Oil and Natural Gas Corporation (ONGC) had, in January 2018, bought the government's entire 51.11% stake in HPCL for ₹36,915 crore. The nation's third-biggest oil refining and fuel marketing company thereafter became a subsidiary of ONGC. But HPCL, which initially did not even recognize the new owner, continues to be headed by a CMD, who does not report to parent firm ONGC or its board. ONGC has got just one board position on HPCL following the acquisition. On a prod from the ministry of petroleum and natural gas, ONGC appointed a three-member panel to work out synergies between ONGC and HPCL. PTI

At least 50 flights receive bomb threats on Sunday; 2 diverted

At least 50 flights operated by Indian airlines received bomb threats and two of them were diverted on Sunday, according to sources.

In 14 days, more than 350 flights operated by the Indian carriers have received hoax bomb threats. Most of the threats were issued through social media. Akasa Air on Sunday said 15 of its flights got security alerts and after thorough inspections, all aircraft were released for operations.

The people in the know said IndiGo received threats for 18 flights and Vistara for 17 flights. At least two IndiGo flights were diverted following threats. Its flight 6E 133 (Pune to Jodhpur) was diverted to Ahmedabad and 6E 87 (Kozhikode to Dammam) was diverted to Mumbai, an official said.

Union civil aviation minister K. Rammoohan Naidu on Sunday said the Centre is mulling steps to ban perpetrators, who resort to hoax bomb threats, from flying. He also said besides taking support from international agencies, law enforcement wings and the Intelligence Bureau to prevent these fake threats, the union government is also mulling to amend two Civil Aviation Laws. PTI



Over 350 flights have received hoax bomb threats in 14 days. BLOOMBERG

PADDLING AHEAD



The Jammu and Kashmir Administrative Service (JKAS) organized the first-ever traditional boat race for women at Dal Lake in Srinagar on Sunday, drawing over 150 participants and marking a significant step forward in empowerment and inclusivity in the Valley. PTI

Govt plans pollution penalty of up to ₹15 lakh ahead of Diwali

Centre also plans to impose a ₹15,000 spot fine for burning crop residue or stubble

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Following the Supreme Court's censure, the Union government plans to impose a penalty of up to ₹15 lakh for pollution and environment-related offences ahead of Diwali and up to a ₹15,000 spot fine for burning crop residue or stubble, according to two officials.

The Supreme Court on Wednesday criticized the government for making the environment protection law toothless, amid worsening air quality in Delhi and the national capital region.

Every winter, the national capital and its surrounding regions are blanketed in toxic smog, made worse by the burning of leftover straw in farms in neighbouring states ahead and the bursting of firecrackers during Diwali.

The government now plans to amend the Envi-

ronment (Protection) Act, 1986, and the Air (Prevention and Control of Pollution) Act, 1981, according to the officials, who declined to be identified.

"We have decided to decriminalise (stubble burning and other environmental offenses); we are replacing imprisonment with a penalty," one of them said.

"In the existing rules, violators under the EP (environment protection) and air Acts are sent behind bars for three years. The idea is to fast-track cases because cases get extended in court without any resolution. The range could be ₹10,000 to ₹1.5 million (₹15 lakh) for all types of violators, and ₹2,500-15,000 per incident for farmers found burning stubble."

Cases of stubble burning have been on a decline

this year. Stubble burning or burning events dropped to 4,969 between 15 September and 26 October in Punjab, Haryana, Uttar Pradesh, Delhi, Rajasthan and Madhya Pradesh, against 7,136 cases reported during the corresponding period the previous year, per data from CREAMS-Indian Agricultural Research Institute, which monitors satellite data on stubble burning.

The air quality index (AQI) in Delhi sank to 356 on Sunday from 255 the previous day, according to data from the Central Pollution Control Board

according to data from the Central Pollution Control Board (CPCB). An AQI reading of 201-300 is categorised as 'poor', 301-400 as 'very poor', and 401-500 as 'severe'.

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

FSSAI is now more pro-active: Nestle

There has been a dramatic change in the tone and tenor of FSSAI, and the Indian food regulator has now become more proactive and industry-centred with fast responses in the last decade, said Nestle India chairman and managing director Suresh Narayanan.

Moreover, with the setting of more NABL-accredited laboratories by different leaders of FSSAI, the credibility of the testing process has also increased, said Narayanan, who led Nestle India after the Maggi crisis, which unfolded almost a decade back.

In June 2015, FSSAI banned Maggi noodles for allegedly containing lead beyond permissible limits, forcing the company to withdraw the product from the market. Industry observers opine that only after the Maggi crisis did the FSSAI come into the limelight across the country though it was established almost seven years ago, in September 2008. PTI



Spanish Prime Minister Pedro Sanchez will inaugurate the facility with PM Narendra Modi. AFP

Airbus, Tata to build aircraft in Gujarat

India will open its first private military aircraft manufacturing facility on Monday as the South Asian nation ramps up its local defence production to cut reliance on imports.

The factory—a joint venture between Airbus SE and Tata Advanced Systems—will produce transport aircraft to replace Indian military's aging fleet. Spanish Prime Minister Pedro Sanchez, who's on a two-day visit to India, will inaugurate the facility with his Indian counterpart Narendra Modi in the latter's home state of Gujarat.

The first aircraft is scheduled to be delivered in 2026 and the remaining by August 2031, according to Indian officials who asked not to be named as the discussions are private. The facility follows a ₹21,900 crore contract between India and Airbus for 56 C-295 transporters three years ago. Of these, 16 aircraft will be made in Spain and rest in India, with state-owned firms as Bharat Electronics Ltd and Bharat Dynamics Ltd also contributing to the program, according to a statement.

The C-295s, which can carry as much as nine metric tons or 71 troops, will replace the aging Indian Air Force fleet of Avro cargo planes inducted six decades ago. India's military expects to build more of these transport aircraft to help replace Russian-made An-32 transporters that are fast reaching the end of their lives. Local components in the India-made C-295s will rise to as much as three-fourths from about half now, they said.

A spokesperson for ministry of defence declined to comment on the details.

The move comes as India aims to reduce its dependence on foreign-made equipment, especially from Russia. Moscow remains New Delhi's largest weapon supplier despite a drop in recent years, according to the Stockholm International Peace research Institute, an independent think tank that tracks weapons trade. In addition, Russia's invasion of Ukraine has delayed weapon supplies to India affecting defence preparedness and adding greater urgency to locally produce weapons. BLOOMBERG

'No food storage crunch in Punjab'



Union minister for food and public distribution Pralhad Joshi. PTI

The Centre on Sunday dismissed reports of storage space shortage affecting paddy procurement in Punjab, terming them "misinformation" created with "vested interests".

Union food minister Pralhad Joshi on Sunday assured that creating adequate

storage space remains the government's responsibility.

"Some rumours are being spread. I want to clearly state that creating space is our responsibility. We will take care of that," Joshi said during a media briefing, accompanied by food secretary Sanjeev Chopra and Food Corporation of India (FCI) chairman Vanita Rattan Sharma.

The state currently has 1.4 million tonne storage capacity, which will increase to 1.6 million tonne by 1 November. An additional 3.1 million tonne capacity is being developed under the private entrepreneur guarantee (PEG) scheme.

The minister highlighted that 3,800 millers have applied for paddy lifting, with 3,250 already allocated stock for rice conversion. The government has cleared payments worth ₹9,819.88 crore, of which ₹7,641 crore has reached farmers. PTI



Shigeru Ishiba, Japan's prime minister and president of Liberal Democratic Party. BLOOMBERG

Japan's ruling party set to lose majority

Japan's Liberal Democratic Party and its coalition partner are set to lose their majority for the first time since 2009, according to a forecast from public broadcaster NHK, raising questions about the future of Prime Minister Shigeru Ishiba.

The LDP and Komeito appear likely to fall short of the 233 seats needed for a majority in the lower house of parliament, NHK predicts. Ishiba had aimed to secure a majority with his coalition partner, recognizing that the LDP would not retain the 247 seats it held before the election.

Public support for the LDP has nosedived after revelations last year that party members were secretly enriching themselves with funds from supporters. Nearly every poll before the election suggested the LDP would lose seats and possibly its majority with Komeito because of the scandal.

"We couldn't dispel public anger over the political funds issue," Ishiba said Sunday. When asked if he would consider forming a coalition with other parties, he said no decisions had been made, but added that he was willing to cooperate with others if policies align. BLOOMBERG

Ericsson bets on India's data hunger

Swedish telecom gear maker Ericsson expects its next phase of growth in India will be driven by network densification due to the rising data consumption appetite of end users in the country, a senior company official has said.

Ericsson's managing director for India and head of networks for market area South East Asia, Oceania and India, Nitin Bansal told PTI that there is significant potential for growth in fixed wireless access in India, and it will soon surpass the number of deployments in the US.

"The next phase of growth is focused on meeting increasing traffic requirements, primarily through network densification to enhance network utilisation. Network densification will occur due to increased network utilisation," he said.

Ericsson estimates that the data traffic in India will grow from 29 GB per smartphone user per month to 68 GB per smartphone user per month by 2029. PTI



THE X-FACTOR BEHIND DELHI'S DIRTY AIR

Despite decades of talk and action, Delhi is unable to clean up its air. What gives?

Sayantana Bera

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NEW DELHI

In its horizontal expanse, the history of Delhi engulfs the rise and fall of many empires: from the Indraprastha of the epics to the Rajput kings, the Sultans, the Mughals and the British, to being the nerve centre of the world's largest democracy.

And like its layers of history, Delhi's seasons were once famed, particularly its harsh winter. Once upon a time, *Dilli ki Sardi* had its distinct charm—this was the time to soak the sun outdoors, crack warm *moongphali* (peanut in shell) and savour the streetside *gajar ka halwa*.

Delhi's winters are now quantified in more morbid terms: air quality index and particulate matter. The sources of toxic smog which hangs like a shroud over the city every winter are diligently enumerated, like the many layers of history. While some pollutant sources are round-the-year phenomena, like emissions from vehicles and industries in the neighbourhood, others are transient, like stubble burning and biomass burning for winter heating.

The 2023 World Air Quality report by IQAir, a global air quality monitoring platform, found Delhi to be the most polluted city on the planet with an annual PM 2.5 reading of 92.7 micrograms/cubic meter. The World Health Organization (WHO) considers a PM 2.5 reading of less than or equal to 5 to be permissible, while Indian air quality standards place it at a much higher 40 micrograms/cubic meter.

On Sunday (27 October) morning, despite favourable wind speeds leading to a slight improvement in air quality, Delhi's PM 2.5 reading was still at a distressing 205.4, over five times the Indian standard.

PM 2.5 is fine particulate matter, 2.5 microns or less in diameter, about 20 times smaller than the thickness of human hair. It is the most common pollutant tracked globally because of its power to inflict damage. The tiny particles can easily travel and permeate human organs like the lungs, cause inflammation and tissue damage. Exposure to PM2.5 is directly linked to cardiovascular and neurological diseases, and risk of premature death. Prolonged exposure can lead to asthma, stroke and cancer. It also impairs cognitive development in children.

The WHO estimates seven million premature deaths worldwide every year due to ambient air pollution. And as per a study published in *Lancet Planetary Health* in July, an estimated 12,000 deaths every year in Delhi can be attributed to air pollution. The mortality level is the highest in the country, and Delhi accounts for more than a third of the total air pollution related deaths estimated for 10 Indian cities.

Over the years, and despite multiple efforts, air pollution levels have deteriorated in the national capital region (NCR)—which covers Delhi and parts of neighbouring Haryana, Rajasthan and Uttar Pradesh, home to over 21 million people. In 2020, the union government set up a Commission for Air Quality Management for NCR. Way back in 2001, the city mandated the use of CNG as a fuel for public transport, replacing diesel. Later, it set emission norms for coal-based power plants in the vicinity and introduced a policy to phase out old and polluting vehicles. Instances of farm fires, which cause a temporary spike in winter pollution, have been on a steady decline over the years. So, why hasn't air quality improved? Are we barking up the wrong tree? Is a pollution source hiding in plain sight?

THE WINTER EFFECT

Earlier this month, on 14 October, Delhi's air quality index slipped into the 'poor' category and worsened to 'very poor' within a week. By month end, air quality is likely to move to the 'severe' category when the bursting of crackers around Diwali coincides with peak farm stubble burning in adjoining states. The toxic air season of Delhi spans from October to February, or five out of 12 months in a year. Last year, a resident spent 56% of their annual hours at PM 2.5 levels exceeding 50, five times the WHO safe limit, shows data from IQAir. Less than 2% of the annual hours were spent with a more breathable PM 2.5 reading of less than 15.

A host of factors lead to poor air around the year—vehicles running on petrol and diesel, emissions from nearby industries and power plants, construction dust and biomass burning for cooking. During winter, biomass burning for heating and the burning of paddy stubble adds to the pollution load.

Meteorological conditions prevailing



An anti-smog gun in operation at the Kartavya Path, New Delhi, on 27 October. Delhi's air quality plunged on Sunday morning with the city's PM 2.5 reading at 205.4, over five times the Indian standard.

during winter lead to a sharp plunge in air quality. For instance, last year, Delhi's PM 2.5 load in November was seven times that of August when monsoon rains cleaned the air by washing away pollutants. In winter, the air near the soil surface is dense and cold. The warm air above blocks the cooler air, trapping it by forming an atmospheric lid. This is known as winter inversion, which coupled with low wind speed prevents the dispersion of pollutants in the wider atmosphere, turning Delhi into a gas chamber.

easy because pollution sources are dispersed—individual farmers burning stubble, households burning solid fuels for cooking and heating, and individual car users burning fossil fuels. The nodal authority (Commission for Air Quality Management) can order and instruct but it has no legal authority to enforce."

THE SOURCES

A 2021 CEEW study showed that between 62-65% of Delhi's PM 2.5 load comes from outside of the city. During the peak winter phase (15 December to 15 January), household cooking and heating contributed most to PM 2.5 pollution (32%). This is a reason why measures limited to city limits—like taking cars off the road, a ban on diesel generators, a stop to construction activities, vacuum cleaning and water sprinkling of roads—often fail to clean the air.

In addition to these sources and meteorological conditions, Delhi's air quality is also impacted by the so-called 'valley effect.' Delhi lies in the Indo-Gangetic plains surrounded by hills and mountains such as the Himalayas and the Aravalli, a topography which traps polluted air in the valley.

Data from the SAFAR (System of Air Quality and Weather Forecasting and Research) portal shows that on 23 October, the transport sector contributed 13% to the PM 2.5 load while stubble burning contributed 16% (at its peak, stubble burning contributed to 30% of the pollution load). About 35% of the pollutant load was from neighbouring cities and towns spread across Haryana, Uttar Pradesh and Rajasthan. Delhi's internal sources contributed a little over 20%; 28% of the pollution was attributed to unidentified 'other' sources.

A large chunk of Delhi's air pollution load is from sources which lie outside the city's boundary, said Abhishek Kar, senior programme lead at the Council on Energy, Environment and Water (CEEW), a think-tank. "Management and control are not

easy because pollution sources are dispersed—individual farmers burning stubble, households burning solid fuels for cooking and heating, and individual car users burning fossil fuels. The nodal authority (Commission for Air Quality Management) can order and instruct but it has no legal authority to enforce."

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Since the use of biomass as a heat source in and around Delhi goes up as winter progresses, the residential sector becomes the single-largest contributor by 15 December, the CEEW study stated. It suggested encouraging households to shift to cleaner fuels for cooking and space heating.

THE FARM FACTOR

Farmers are often disproportionately blamed for polluting Delhi's air. Due to a narrow window of two to three weeks, between the harvest of rice in October to planting the wheat in November, farmers burn the paddy stubble left on the field by mechanical harvesters. But over the past few years, instances of stubble burning have declined sharply, with more and more farmers incorporating crop stubble into the soil (as a nutrient source) or supplying it to biofuel manufacturers and for use as boiler fuel.

Satellite data tracked by the Indian Agricultural Research Institute showed that between 15 September and 24 October this year, Punjab and Haryana recorded 2,364 instances of stubble burning, a sharp decline compared to 16,422 instances of stubble burning seen in 2020 (till 24 October).

For the entire rice harvest season (15 September to 30 November) total farm fires in Punjab and Haryana were 55% lower in 2023 compared to 2020. Last year, unusually low wind speed trapped the pol-

luted air locally and made the winter exceptionally bad despite lesser smoke from farm stubble fires, said an analysis by the Centre for Science and Environment.

Investments in mechanization (like balers for collecting stubble) and warehouses (to store stubble) can further reduce instances of stubble burning, said Suhas Baxi, co-founder and chief executive officer of BiofuelCircle, a supply chain startup connecting farmers with end users of biomass. "In areas where we are operating for the second or third year, we are seeing increasing interest from farmers and local entrepreneurs to invest and be a participant in this supply chain," Baxi added.

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A shift from polluting biomass-based cooking to cleaner LPG can improve air quality. Delhi and its neighbouring regions will need to use electric heating equipment in winter.

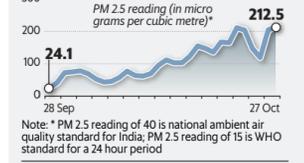
ventilation trapping pollutants. Besides, Delhi occupies less than 3% of the NCR's area, making it susceptible to outside sources of pollution.

Interestingly, there are contributing factors which have escaped the attention it deserves. A PM 2.5 inventory analysis of Delhi-NCR by the International Forum for Environment, Sustainability and Technology (iForest), shows that residential cooking and heating in the region using solid biomass contributes more than half (51.5%) of the region's annual PM 2.5 load. Of this, just residential cooking using biomass contributes 41%. The contribution of industrial and vehicular emissions comes at a significantly lower share, 25% and 6%, respectively.

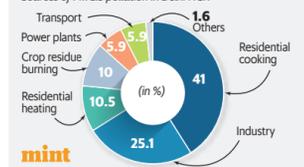
The National Capital Region is the most polluted part of India due to the high density of polluting sources and reduced

TOXIC HAZE

In the last 30 days, Delhi experienced only one breathable day.



Kitchen mess
The elephant in the room is biomass-based cooking (chulha or traditional ovens). Sources of PM 2.5 pollution in Delhi NCR



Reformed farms

Fire counts have declined over the years. Instances of crop stubble burning (15 Sep-25 Oct)



SARVESH KUMAR SHARMA/MINT

A shift from polluting biomass-based cooking to cleaner LPG can significantly improve air quality, argues Chandra Bhushan, president and chief executive officer of iForest. "Currently, we are burning 600 million tonnes of biomass in the open, for cooking and heating, without any pollution control equipment. In comparison, vehicular emissions are largely controlled," he said.

To solve its air trouble, Delhi must adopt an approach like Beijing did, Bhushan suggests.

The Chinese capital took a series of steps beginning 2013 to clean up its air. It adopted a regional approach spanning Beijing-Tianjin-Hebei, engineering a shift to cleaner cooking and heating fuels, moving polluting industries out of the region, and capping coal consumption and vehicle numbers. As a result, PM 2.5 levels in the region saw a 25% reduction between 2013 and 2017. Last year, Beijing's annual PM 2.5 reading was only a third of that of Delhi's.

In India, higher subsidies for clean cooking fuel can clean up Delhi's air and reduce premature deaths due to indoor pollution. A 75% subsidy on LPG cylinders for low-income families in NCR will cost less than ₹7,000 crore annually, iForest estimates. This is a small price to pay when compared to the burden of breathing dirty air.

Delhi and its neighbouring regions can move to cleaner heating fuels in winter by using electric heating equipment. Additional steps include the implementation of 2015 emission norms for power plants and phasing out plants older than 30 years. Developing a green belt around Delhi can reduce dust and prevent desertification.

Due to the committed efforts in Beijing, the average life expectancy of its residents rose by 4.6 years. In comparison, warns a 2024 report from the University of Chicago, air pollution is reducing the life span of a Delhi resident by 7.8 years. In other words, by cleaning up its air, Delhi residents can add over seven years to their lives. That is a good incentive to act and take dirty air more seriously—round the year—and not just in winters.



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other words, by cleaning up its air, Delhi residents can add over seven years to their lives. That is a good incentive to act and take dirty air more seriously—round the year—and not just in winters.



How this Pune executive achieved financial independence at just 46



POWER POINT
ARIHANT BARDIA

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

Amit Upadhyaya effectively leveraged investment wisdom and *jugaad* to achieve long-term financial success

Neil Borate
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MUMBAI

Amit Upadhyaya, a Pune-based corporate executive, has achieved financial independence at age 46. Despite working for a French multinational (Dassault Systemes) for two decades, Upadhyaya does not credit his wealth to a high corporate salary or employee stock options, but considers it as the outcome of his investments in the right stocks and funds and holding on to them for the long term.

Upadhyaya also followed a policy of buying the dip, which was maximized during the covid-19 pandemic. He withdrew ₹50 lakh from his SBI Maxgain home loan overdraft account and deployed it in the market in March and April 2020.

The amount has tripled since then (3.6 times to be exact), which Upadhyaya says has helped him in accelerating his financial independence journey.

The loan currently has an interest rate of 9.2% but was around 8% during the pandemic years. Since the interest was tax deductible, the net cost came to 5.6%.

"Two stocks have really acted as compounding machines in my portfolio and so have the small cap funds I bought over a decade ago," Upadhyaya said.

"When TVS (Motor Co. Ltd) announced its interest in the racing circuit, I saw it as a truly serious bike-maker. This was before the launch of the TVS Apache RR. No other player was doing this at the time. I bought the stock in 2011 and kept adding in the next few years," he said.

"I also bought HCL (Technologies Ltd) because I felt it would outperform the large-cap IT stocks," Upadhyaya added.

TVS was trading at about ₹50 per share in 2011. On 25 October, the shares ended trading at about ₹2,442 apiece. This translates to a compound annual growth rate of nearly 35%.

Upadhyaya also invested in SBI Smallcap, HDFC Smallcap and PPFAS Flexicap. He estimates that overall his portfolio has compounded at 19-20% over the last decade.

He is now sitting on a corpus that is about 41 times his annual spending. This, however, does not count his primary residence.

Upadhyaya believes that 25 times is a sufficient amount to secure his and his family's future but he went on to accumulate an additional amount to take care of the education of his daughter, currently in her early teens.

Upadhyaya's wife works as a SAP (Systems, applications, and products in data processing) consultant and is also planning her retirement within a few years.

Achieving the FIRE dream at 46

1 WHEN DID YOU START INVESTING?

► Around 2007-2008.

2 WHAT MADE YOU REALIZE THE NEED FOR A FIRE CORPUS?

► About 4-5 years ago, I saw the possibility of retiring early as I had no major liabilities. That pushed me to invest more aggressively.

3 WHAT TRIGGERED YOU TO START INVESTING?

► 2007-08 financial crisis made me realize I was saving, but not investing properly. After seeing the market recovery, I took a more proactive approach.

4 WHAT WAS YOUR INVESTMENT STRATEGY FOR FIRE?

► My portfolio is 85% equity, focused towards small- & mid-cap, with a mix of direct stocks and MFs. I buy and hold stocks like TVS Motors and HCL.

5 HOW DID YOU MANAGE DURING THE COVID-19 MARKET DOWNTURN?

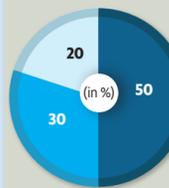
► Withdrew ₹50 lakh from my SBI Maxgain loan and invested in undervalued sectors, accelerating my FIRE journey by 2-3 years.



AMIT UPADHYAYA, a Pune-based corporate executive

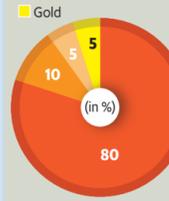
WHAT'S YOUR PRESENT ASSET ALLOCATION?

Direct stocks
■ Small-cap ■ Mid-cap
■ Large-cap



Mutual funds

■ Small- & mid-cap
■ Debt (Includes EPF, PPF, SSY)
■ Large-cap/index funds
■ Gold



6 WHAT'S YOUR PLAN FOR YOUR CHILD'S EDUCATION?

► I've set aside ₹1 crore for my daughter's education as part of my ₹10 crore FIRE corpus.

8 HOW ABOUT LIFE INSURANCE?

► I no longer need life insurance as my FIRE corpus secures my family's future.

10 WHAT ARE YOUR RETURNS?

► My direct stocks have an IRR of 24-25%, and mutual funds around 19-20%.

7 WHAT ABOUT HEALTH INSURANCE?

► I have ₹30 lakh family health insurance with an annual premium of ₹45,000 from my employer. I do need to get my own health policy.

9 WHY DID YOU FOCUS ON SMALL- AND MID-CAPS?

► I believed in their growth potential and had no major liabilities, so I was comfortable with the higher risk.

A pandemic opportunity

The Pune-based corporate executive began his life as a software engineer. After almost a decade in research and development, he moved to the business side of his company, a subsidiary of the French multinational Dassault that designs aeronautical and other systems.

After he was sold some infrastructure funds by a mutual fund distributor during 2004-07, Upadhyaya swore off intermediaries and began to do his own financial research. This led him to develop a

'buy and hold' strategy.

Upadhyaya bought his first house for about ₹37 lakh in 2008, taking advantage of a recessionary dip. He sold it for about ₹75 lakh in 2015 and bought a bigger house.

"I went and stayed in a fancy society on rent for a year while my new house was being built. I took advantage of the ridiculously low rents at the time," he recounts.

Upadhyaya took a loan for another ₹70 lakh and moved into his new home. The loan was through SBI Maxgain, an overdraft facility provided by the bank to

homebuyers. Borrowers can park excess cash in the OD account and prepay the loan whenever they want.

When the covid-19 pandemic struck in March 2020, Upadhyaya used this feature to take out ₹50 lakh from the money that he had already repaid (parked in the OD account) and deployed it in the stock market, picking up banks and auto ancillaries.

"I reasoned to myself that either the world would end—in which case having a crore or not doesn't matter—or alternatively there would be a recovery and my bet would pay off," Upadhyaya said.

History took the latter course and Upadhyaya tripled his pandemic investment in four years.

Upadhyaya thinks 25 times annual expenses would secure his family, but added more for daughter's education

mint

PRANAY BHARDWAJ/MINT

RETHINKING DEBT? EXPLORE SMARTER TAX-SAVING TOOLS

The investment world rarely stands still. For instance, due to tax reforms, the once-reliable compass of debt mutual funds now points to uncertain territory, leaving high-net-worth individuals (HNIs) scrambling to rethink their investment strategies. The question isn't whether to adapt, but how to do so effectively. This requires a thoughtful reassessment of investment strategies. But first, let's dive into the problem at hand.

The combined effect of announcements in the budgets for 2023-24 and 2024-25 have significantly reduced the allure of debt mutual funds for investors. The removal of, long considered a key advantage for debt fund investors, has notably impacted the tax efficiency of these instruments. Under the new regime, gains from debt mutual funds will be taxed at the investor's income tax slab rate regardless of the holding period.

For HNIs, the change hits where it hurts most. Those in highest tax bracket will see effective tax rate on debt fund gains jump to 30%. With surcharge and cess, it can be as high as 39%. The result: what was once a comfortable 7% post-tax return expectation has now dwindled to a sobering 4-5% for many investors.

But as one door closes another opens. Lower net equity instruments have begun to attract attention as potential alternatives. These financial products—arbitrage funds and equity savings funds—offer a unique proposition that merits consideration from the HNI community. Arbitrage funds present an interesting case. Despite having zero net equity exposure, these funds have been delivering average returns of around 7.6%. While the returns are in line with those of liquid funds, the appeal of arbitrage funds lies in their tax treatment—classified as equity funds, they enjoy the favourable tax regime applied to equity investments despite behaving similarly to debt instruments in terms of risk and return characteristics.

However, be clear: Debt still has a crucial role in any well-rounded portfolio

Select equity savings funds follow a comparable approach. With net equity exposure typically capped at around 15% and the remainder allocated to arbitrage opportunities and debt instruments, these funds offer stability that resonates with traditional debt fund investors. Yet, their gross equity exposure of 65% qualifies them for

equity taxation (12.5% tax if held for a year), creating a tax-efficient alternative in the current environment. To be clear, the 15% net equity exposure may result in a 2-3% volatility and, therefore, is suitable for longer holding periods. Additionally, some funds have covered calls in their portfolio, making the net equity portion less volatile. If held for a year, these funds can deliver positive returns even in a bear market.

Let's be clear: Debt still has a crucial role in any well-rounded portfolio. It's the steady hand on the tiller when equity markets get choppy. The challenge lies in navigating the new tax waters more smoothly. For HNIs considering this pivot, there's plenty to chew on. The current portfolio composition should be evaluated to identify areas where lower net equity instruments can be integrated without compromising overall risk objectives.

Liquidity requirements also play a crucial role in this decision-making process. While many of these alternative instruments offer good liquidity, some may have exit loads that must be factored into the investment strategy.

Risk tolerance, too, must be reassessed. While these instruments generally offer lower volatility than pure equity funds, they're not quite as steady as traditional debt. It's a trade-off that needs careful consideration.

This shift towards lower net equity instruments isn't just a knee-jerk reaction to tax changes—it's part of a broader trend towards more nuanced strategies. While the changes in debt fund taxation have been challenging, they have also opened up new avenues for portfolio optimization.

For HNIs willing to embrace this new paradigm, the rewards could be significant—not just in terms of returns but also in building a more resilient, tax-efficient portfolio.

Arihant Bardia is the CIO and founder of Valtrust.

What a personal loan costs you

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

Loan amount: ₹1 lakh; tenure: 5 years

Lender	Interest rate (%)	EMI (₹)	Processing fee
Union Bank of India	9.30-13.40	2,090-2,296	Up to 1%; Nil for women professionals
Bank of Maharashtra	10.00-12.80	2,125-2,265	1% + GST
Indian Bank	10.00-11.40	2,125-2,194	1% (Max ₹10,000); Nil for Govt/PSU Employees
Bank of Baroda	10.55-18.75	2,152-2,580	Nil under Festive Offer
Punjab & Sind Bank	10.75-13.50	2,162-2,301	0.50% to 1% + GST
Bank of India	10.85-14.85	2,167-2,371	Min ₹1,000 and Max ₹10,000*
Indian Overseas Bank	10.85-13.00	2,167-2,275	0.40% to 0.75%
HDFC Bank	10.85-24.00	2,167-2,877	Up to ₹6,500
ICICI Bank	10.85-16.25	2,167-2,445	Up to 2%
Karnataka Bank	10.93-13.43	2,171-2,297	0.25% (Min ₹250)
Canara Bank	10.95-16.25	2,172-2,445	Charges are 0.50%, Min ₹1,000 + Max ₹5,000 + GST**
UCO Bank	10.95-13.95	2,172-2,324	1% (Min ₹750)
Kotak Mahindra Bank	10.99-16.99	2,174-2,485	Up to 5% + taxes
IDBI Bank	11.00-15.50	2,174-2,405	1% (Min ₹2,500) + taxes
Axis Bank	11.25-22.00	2,187-2,649	Up to 2% + GST

Data as on 23 October 2024, as per banks' websites. The EMI range is indicative and calculated on the basis of interest rate range. In an actual situation, it may include other fees and charges. The interest rates are for salaried individuals and pensioners for unsecured personal loan. Actual applicable interest rate may vary based on the credit profile, loan amount, tenure, company you work for and as per bank's discretion.

PRANAY BHARDWAJ/MINT

MyMoneyMantra.com & bank websites

Retirement fund: Balancing growth, safety

Harshad Chetanwala

I've retired at 60 with a corpus of ₹4.3 crore and my monthly expenses are around ₹2 lakh. With a life expectancy of 85 years, how should I be investing to maintain steady income while preserving my corpus? I am considering real estate, systematic withdrawal plans (SWPs) and high-dividend stocks. How should I diversify to balance growth, risk and capital protection?

What portion should go into comparatively safer instruments such as fixed deposits (FD) or bonds, and how much should I allocate to growth assets like equities and real estate for long-term sustainability?
—Name withheld on request

Investing for the post-retirement stage is a very important exercise and it can work better for you if you plan for it. In this stage, we have to factor in the real growth rate of different assets and portfolios where returns are inflation-adjusted. At the same time, investing money across different asset classes can help you generate better returns and diversify.



ISTOCKPHOTO

ASK MINT
RETIREMENT PLAN

Usually, the overall corpus can be invested in multiple avenues and withdrawals can be planned from them for 25 years. If we assume inflation of 6% p.a. for the post-retirement stage, and split the investment across three buckets—debt, hybrid and equity—then an investment of ₹3.65 crore will take care of your post-retirement objective.

The breakup is as follows: Invest ₹50 lakh in debt instruments to cover withdrawals for the first two years. Allocate ₹1 crore to hybrid mutual funds (MFs) for withdrawals during the next two years and the final

four years (21st to 25th year), totaling six years. For the remaining 18 years in between, invest ₹2.25 crore in equity instruments to generate inflation-beating returns for your withdrawals.

The returns assumed to calculate the investment amount are 5% from debt, 7% from hybrid and 10.50% from equity. You have to consider inflation as ₹2 lakh withdrawal per month in year 1 with 6% p.a. inflation will be ₹3.37 lakh.

With this increase in withdrawal amount, the invested corpus needs to grow at a higher rate. Hence, a good amount of investment will be needed in equity. Considering you have an existing corpus of ₹4.3 crore, investing in these

buckets for regular withdrawals should be doable.

Investing in real estate will need a higher amount from your corpus, and at the same time, it will also have limited liquidity.

Besides, please note that the growth rate of real estate is also subjective depending on multiple other factors.

Hence, you may consider all these points before diversifying in real estate. Ideally out of ₹4.3 crore, you need ₹3.65 crore to take care of your post-retirement withdrawals in view of the 6% p.a. inflation.

You will still have ₹75 lakh, so, some amount can be invested in a fixed deposit from a contingency perspective, and you may also consider investing in Senior Citizen Savings Scheme, which will help you keep some allocation in debt. For equity investments, you can consider investing through equity mutual funds.

—Harshad Chetanwala is the co-founder of MyWealthGrowth.com

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



OUR VIEW



Brics: Not an anti-West wall but a trade enabler

India's stake in this grouping is the access to export markets that Iran and others can help with. De-dollarization is not our aim, though we could pursue trade in local currencies

The recent Brics summit in Kazan, Russia, has generated its usual share of criticism and praise. Reactions have ranged from disapproval of such a disparate grouping of nations based on the whimsy of a banker to the outright condemnation that such a diverse bunch should harbour any delusions of meaningful utility. These views may not be entirely without merit: the summit's official communique traverses familiar ground, a boilerplate text covering all the important issues of the day, but also implicitly enunciating its anti-West bias and a desire to reduce the dominance of the US dollar in international trade and payment systems. In the midst of all the censure, especially after Brics was expanded to include new members, founding member India has the delicate task of balancing its growing economic stature with its chosen strategic autonomy. It is trying to achieve this by locating and consolidating its unique geopolitical position and following it up with the underwriting of domestic economic imperatives through trade and investment routes. Much has been written about India's geopolitical choices; it might be worthwhile to examine if Brics-plus holds any promise for India's geo-economic aspirations.

Iran is a new member that holds special value for Indian ambitions. Significantly, Prime Minister Narendra Modi made time for a bilateral with newly elected Iranian president Masoud Pezeshkian at Kazan. India has old civilizational ties with Iran; economically, it is also invested in the Chabahar deep-sea port, apart from being a preferred customer of Iran's hydrocarbons. Strategically, and unfortunately, India-Iran ties have to navigate the minefield of Western economic sanctions, thereby limiting the scope of

expanding common interests. But hope springs eternal: Iran could provide an alternative springboard for the planned India-Middle East-Europe Economic Corridor, which purportedly had to be iced after last year's outbreak of Israel-Palestine hostilities. In any case, Iran is still the centre-piece for the International North-South Transport Corridor, expected to give South Asia access to Central Asian markets. India's reliance on Iran as a launch pad for trade expansion, while simultaneously competing with China's Belt and Road Initiative within the Brics tent, puts many balls into play and may demand some deft diplomatic moves.

India's finely crafted geopolitical strategy necessitates a Brics presence without being stridently anti-West, while its deepening ties with the US provide the perfect counterfoil to China's nascent expansionist tendencies. But this sharply poised position does not camouflage India's distaste for the US tendency to weaponize its dollar by imposing unilateral sanctions against sovereign states, even though New Delhi may not be as vocal about it as Beijing or Moscow. The dollar remains the world's best accepted currency and de-dollarization is unlikely to happen anytime soon, but India has probably shown the world how it can be achieved gradually through bilateral treaties: its comprehensive economic partnership agreement with the UAE incorporates trade settlement in local currencies. Admittedly, it is not perfect and expanding this arrangement to other trading partners, or even other Brics members, is fraught with challenges. One solution would be to expand the Asian Clearing Union, an arrangement for nations to settle payments for intra-regional transactions that is currently languishing with sub-par volumes.

THEIR VIEW

AI regulation requires a targeted approach to keep risk levels low

A special regulatory focus on high-risk applications can ensure safety without stifling innovation



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

Artificial intelligence (AI) holds transformative potential for numerous sectors. Yet, its deployment brings significant ethical, legal and societal challenges. As India aspires to become a global AI leader, it is crucial to establish a robust approach to regulate high-risk AI systems that prioritize consumer protection while fostering innovation.

Focus on high-risk AI systems: These could significantly impact critical sectors such as healthcare, finance and law enforcement, and thus need regulation to mitigate potential harms. The EU's AI Act uses such a risk-based approach, imposing stricter regulations on high-risk applications.

We should build on the successes of other nations while considering local needs. To this end, India's convening of the recent Global India AI Summit 2024 was a step in the right direction. Its key highlights included recommendations on how AI technologies could be integrated into health systems worldwide while being attuned to local challenges. But integration alone is insufficient. It is crucial to ensure that it works against bias arising out of pre-existing societal discrimination issues.

For instance, in healthcare, AI-driven diagnostic tools must undergo stringent testing to ensure patient safety and accuracy. In the financial sector, AI algorithms used for credit scoring and

fraud detection should be audited regularly for bias and accuracy, ensuring fair treatment of all consumers. Finally, to combat the threat to democratic processes from the rise of deep-fakes during elections, legislation must be brought to criminalize the malicious use of AI to spread misinformation.

Enhance consumer protection to build trust: This must be a cornerstone of AI regulation. Ensuring that these systems operate transparently and fairly is crucial to create public trust. Canada's Directive on AI mandates algorithmic impact assessments to identify and mitigate risks before AI systems are deployed, emphasizing transparency and accountability. India's redressal mechanism under the Consumer Protection Act of 2019 (CPA) protects individuals adversely affected by unfair trade. With the rising use of AI-driven algorithms by businesses in deploying products and services, the CPA shall automatically encompass protection of consumers against AI biases. Still, India too can mandate similar impact assessments for high-risk AI systems. This would involve establishing a dedicated regulatory body to oversee AI-related consumer protection issues, enhance accountability and provide clear guidelines for ethical AI deployment.

The EU and Singapore have shown similar promise in creating balanced regulatory environments. A study by the European Parliamentary Research Service highlights the effectiveness of the risk-based framework in the EU's AI Act in regulating high-risk AI applications while promoting innovation in low-risk areas. Similarly, Singapore's Infocomm Media Development Authority's public consultation on its draft Model AI Governance Framework for Generative AI has been praised for its practical guidelines on ethical AI deployment and proactive approach to GenAI concerns while facilitating innovation. These efforts are leading to increased industry compliance and public trust in AI systems. India can

learn from these successes and adopt similar strategies to balance innovation and regulation.

Leverage existing legal frameworks: Given AI's extensive data processing needs, it is crucial to learn from the interpretation and application of data protection laws. Australia provides a valuable case study. Despite not having specific AI regulations, it applies extant laws such as on consumer protection, privacy and online safety to AI systems. An example is an Australian consumer law being applied in a federal court case where Trivago was fined for misleading consumers through algorithmic decision-making. Similarly, once India's Digital Personal Data Protection Act is enforced, it shall also apply to AI systems, ensuring that personal data is processed ethically, responsibly and in accordance with the law.

Both the *National Strategy for Artificial Intelligence* and *Responsible AI for All* reports in India focus on ethical AI deployment and how AI could be leveraged for growth in sectors like healthcare, agriculture and smart cities. But, since we do not have a cohesive and stringent framework aimed specifically at high-risk AI applications, risks still prevail. By regulating high-risk AI systems and defining 'no-go' zones for businesses and internet intermediaries using AI in consumer-facing applications, the draft Digital India Act 2023 should reduce these risks.

Unquestionably, AI-driven growth would accelerate India's transition to a mature economy and support efforts in several critical sectors expected to drive the country's economic success. This will require a balanced and responsible regulatory environment, focusing on high-risk AI systems. While aligning our rules with international standards, it is equally important to address local challenges related to discrimination and bias in data. This would help India harness the full potential of AI in promoting sustainable growth while safeguarding societal interests.

10 YEARS AGO



JUST A THOUGHT

By far, the greatest danger of artificial intelligence is that people conclude too early that they understand it.

ELIEZER YUDKOWSKY

MY VIEW | MODERN TIMES

Why Kangana Ranaut could be seen as India's Trump

MANU JOSEPH



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

In June, a female constable at Chandigarh airport slapped the actor and politician Kangana Ranaut. The constable said it was in response to Ranaut's past statements on people who participated in the farmer protests, calling them "Khalistani terrorists." A few weeks ago, Ranaut got a legal notice for stating that India's independence was not real, that it actually got its freedom in 2014 when Narendra Modi took over as Prime Minister. She has also said that the Hindi film industry is run by a small cartel of privileged children. This is not the sort of thing an actor can say and survive in the industry. She has probably not survived as such, at least the way she could have if she did not speak her mind. But she has become a far bigger public figure by doing just that.

She is India's Donald Trump, a person who says things others would not. For this reason, her political future is underestimated the way Trump's was. Her success in the recent general elections, when she was elected a Member of Parliament for the ruling Bharatiya

Janata Party may turn out to be just the start.

Every country has its own Trump. Every profession has its own Trump. And being Trump is about taking a gamble in a world stilled by decorum and saying things nobody else wants to say, which can be rude in a way many truths are. Trumps were around before the rise of Donald Trump, but they could not succeed as well as him before the age of social media because a cultural elite controlled public opinion. According to the political theology then, a person had to maintain some sort of decorum to win votes. Trump showed that was a wrong analysis.

Why should loose talk be politically valuable? Aren't ordinary people decent folks? Trump said horrible things. For instance, he has called people ugly and fat. What analysts often don't get is that Trump became popular not because of such statements, but in spite of them. There were other things he said and still says that make people feel he gets them, or is like them.

As his running mate J.D. Vance said in his memoir, there are many Americans who feel left behind by American progress and the face of that nation's advancement is a swarm of suave highly-educated liberals of many colours, whom Trump roasts. It really didn't matter that Trump was a very rich man, even

if not as rich as he claimed. Between the rich and the posh, the average voter usually dislikes the posh more.

Ranaut is perhaps more relatable to Indians than Trump is to Americans. People are more likely to spend money on a Karan Johar film than a Kangana Ranaut movie, but if both stood for elections, they are more likely to vote for Ranaut.

Across the world, the rise of the political right has tracked the rise of individuals who have been blunt and politically incorrect. This is so in India too.

Typically, when a politician rises in stature and his base becomes broad, he becomes careful and his articulation becomes part of a practical decorum. That is why decorum exists. Not because the voting masses are inherently decent, but because public figures have to appease all constituencies. But some politicians find the freedom to say just about anything they want and thrive because of that. By speaking their minds, they primarily offer entertainment. And

they often give us insights into the working of the world in a way that only bluntness can.

A few years ago, I interviewed Ranaut on stage for the Times Literature Festival. At the time, she was at the peak of her fame as an actor and enjoyed immense goodwill from all sides, as she was viewed as a person

who came from nowhere and made something of her life in an industry where opportunities are often preordained. Also, she was yet to fully reveal her mind.

"I don't like anything about my job, to be honest," she told me about acting. "I remind myself the bills that I have to pay."

The only major controversy surrounding her then was her claim that she had a relationship with Hrithik Roshan, which he denied. But later her attitude to the film industry changed. She said some industry people were working against her.

Often, people acquire strong political views not out of deep conviction, but because those views are the opposite of the values people they despise hold dear. This seems to

be the case of many people in the Hindi film industry who went 'right-wing.' But none of them were as blunt as Ranaut, who called out giants in her own industry. In 2020, at the height of the covid pandemic, when the actor Sushant Singh Rajput committed suicide, she said it was not a mental health issue and blamed a Bollywood cartel for pushing him to the sidelines. Those who condemned Ranaut for denying the role of mental health in his suicide were also the sort of people who don't accept that mental health, and not the government, should be held responsible for the suicides of farmers or Dalit activists.

Before the rise of Ranaut as a politician, the person who came closest to being India's Trump was Subramanian Swamy, who once said Indians who are not Hindu should not be allowed to vote unless they declare that their ancestors were Hindus.

While the world appears to be filled with loud voices, in reality, it is a silent place where most people cannot say what they want. Even if the world appears to be angry now, most people do not have strong opinions. They just enjoy the strong opinions of others. Moderates are bores; extremists are fun. Perhaps Ranaut knows that. Politicians are also actors. So, in a way, Kangana Ranaut has never really switched careers.



THEIR VIEW

MINT CURATOR

The BUB challenge: Bihar, UP and Bengal must industrialize rapidly

India's 'Make in India' goal requires fast growth in factory output and the generation of jobs in these three populous states



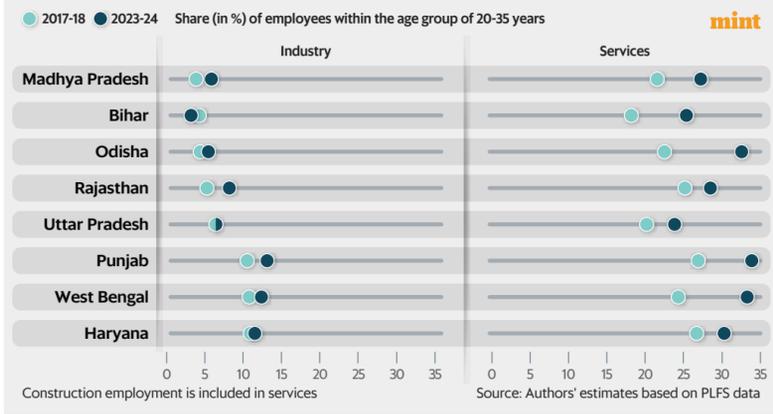
VIDYA MAHAMBARE & VIVEK JADHAV

are, respectively, professor of economics and director (research) at Great Lakes Institute of Management, and assistant professor of economics, Institute of Management Technology, Ghaziabad.



The young need more factory employment in BUB states

Bihar, Uttar Pradesh and West Bengal (BUB) have seen the services sector absorb 20-35-year-olds but the proportion of people in this age group working in industry has either declined or stagnated.



Creating meaningful employment opportunities for those who seek paid work among India's nearly 900 million working-age individuals is a central concern for policymakers. Along with the number of jobs, the job quality and distribution across the country are critical for ensuring widespread economic prosperity for most Indians.

Three of India's four most populous states—Bihar, Uttar Pradesh and West Bengal (let's refer to them as 'BUB')—account for one-third of the overall population, or about 452 million in 2021, as estimated. If just UP and Bihar were a single country, estimates suggest that it would probably be the third most populated in the world by 2036. BUB states are also the poorest of India's large states, with their per-person real income, proxied by per-person real gross state domestic product, below ₹5,000 per month in 2022-23.

The working-age population of BUB was about 281 million in 2021. As per Census 2011, the latest data point available for state-wise migration, the number of people who migrated for work out of these states was 5 million. Even if it has increased rapidly in the past decade, most young people in these states must find meaningful jobs locally.

We calculated the sectoral employment to population ratio of 20-35-year-olds at the state level, using data from the first and latest Periodic Labour Force Survey, for agriculture and allied sectors, industry (mining, manufacturing and utilities, with manufacturing comprising the bulk of employment) and services, including construction.

UP saw no change in the share of industrial employment among 20-35-year-olds between 2017-18 and 2023-24; it remained at 6.4%. Bihar experienced a decline from 4.3% to 3.2% in the manufacturing employment share of this age group over the same period. West Bengal has the highest proportion of people in this age group working in industry: 12.4% in 2023-24, up from 10.8% six years ago.

Other relatively less prosperous peer states focusing on manufacturing, such as Rajasthan and Madhya Pradesh, saw their share of manufacturing employment among 20-35-year-olds increase by 2-3% over this period, although the proportion remains relatively low.

Why has industrial employment continued to languish in BUB?

One of the primary economic policies in recent years has been the 'Make in India' campaign for the manufacturing sector. Its all-India target is a 25% share of manufacturing in the economy. The share of manufacturing in BUB economies must exceed

the national target if the sector is to create sufficient jobs.

In BUB, the share of manufacturing in their economies has hovered around 12% since 2017-18. That means manufacturing growth in BUB has not outpaced other sectors. With a dismal share of manufacturing in their state output, it is no wonder that their share of employment in factories remains low.

In 2023-24, in UP and Bihar, the proportion of the population aged 20-35 engaged in education surpassed those employed in industry. Bihar had 7.8% of its population in this age group in education, more than double the number employed in industry. Similarly, UP had 7.2% engaged in education, higher than those with industry jobs.

When people take higher education, they want to move beyond factory floors and low-wage jobs. Most will seek opportunities elsewhere in the economy, particularly in the services sector, opting for office-based employment in the private or public sector. Indeed, the share of service employment (not counting high-skilled fields) among 20-35-year-olds has jumped in BUB. It rose from 20.2% to 23.7% in UP, while Bihar saw a sharp increase from 18.2% to 25.4%. Even West Bengal witnessed a significant rise from 24.3% to 33.3%.

So, even if manufacturing jobs are generated in BUB, who will take up those jobs? They would be mainly young people currently not seeking work, mostly women and those working in agriculture. Around 33% of the BUB population in the 20-35 age group is not in the labour force. Around 23%

are reported to be working on farms. Attracting women to take up jobs would require jobs to offer time flexibility and be created near homes.

The threats of automation and jobless manufacturing growth suggest that job creation will be slow. Also, note that Bihar and UP are landlocked and do not have ports, raising the transportation costs of accessing global markets and increasing logistical challenges.

India's policymakers must tackle the pressing issue of creating jobs in BUB. But, first, we need to measure the outcomes of several ongoing policy initiatives by the central and state governments.

For example, UP provides a capital subsidy, stamp duty exemption and preferential land allotment, among other incentives, for private investment. The state has announced manufacturing clusters and hopes for investment in the semiconductor industry. The central government provides subsidies under its production-linked incentive schemes. Data on gross and net job creation by firms receiving subsidies and other government support needs to be released in the public domain. Gross job data would tell us about the total number of jobs created, while net job additions are the number of jobs created minus the number of jobs lost in other industries in the same period. One can then assess the success of ongoing programmes before embarking on new ones.

Overall, India's success in terms of shared prosperity would depend crucially on whether India's economic policies succeed in transforming BUB—Bihar, Uttar Pradesh and West Bengal.

Musk's Humanoid robots are coming: Will they really help?

Their dexterity is good for factories but they can't be baby-sitters



THOMAS BLACK

is a Bloomberg Opinion columnist writing about the industrial and transportation sectors.



Can the robot Optimus meet Elon Musk's great expectations? REUTERS

Optimus, the humanoid robot that Elon Musk claims will do household chores and cure poverty, was a hit at Tesla's recent product launch. While many Musk fans came for the main event—the reveal of the company's much-hyped robotaxi—some in the crowd appeared more impressed with faceless black-and-white robots that danced, served drinks and interacted with human attendees. The movements of these bipedal robots were incredibly dexterous.

It seemed almost too good to be true. As the world later found out, it was: Tesla folks were partly in control remotely behind the scenes. Musk's robot is likely many years away from being a marketable household product. But many companies are testing human-form robots in warehouses and on factory floors, structured settings where the tech can soon succeed. Humanoid robots being developed by Agility Robotics, Neura Robotics, Boston Dynamics, Apptronik, Reflex Robotics and others are more capable with each new version.

Companies want bipedal robots because they combine mobility with robotic arms, enabling them to do jobs such as packing a truck densely with different-size boxes. But progress is gradual. The challenge is not only for robots to mimic human movements, but to do so safely around workers. This isn't easy. Ask Melonee Wise, chief product officer at Agility Robotics, whose test robot still struggles to distinguish between the plastic containers it needs to pick up and a human hand grabbing that same container. The robot isn't viable if it mistakenly crushes a worker's hand.

At the Tesla event, Musk boasted that Optimus will be able to walk the dog, put away groceries and mow the lawn. Musk has a track record of making tech work, even though it's usually later to market than he promises and never matches the hype he whips up. [Its rocket booster catch did work out.] But I'm betting against his idea of a home robot having more potential than a factory version. I'd be happy if Musk turns out right and I'm wrong, because the first thing my personal robot would learn is how to cut the grass on a hot summer day. Certainly, these machines shouldn't ever be left alone to babysit kids, another task Musk claimed his robots will be able to do.

I'd expect Optimus to appear in factories long before it winds up in homes, provided it can meet the automation industry's standard of a two-year return on investment. Retail settings, like fast-food restaurants, might come later. Robots might make great bartenders. But there are many reasons,

including cost, maintenance and safety, that add complexity to the development of home robots. Whatever their eventual capabilities, household activities like the ones Musk touts won't appear in anyone's robot repertoire this decade.

Instead of household chores, Digit, built by Agility Robotics, loads containers filled with Spanx shapewear products on a conveyor belt at an e-commerce warehouse in the Atlanta suburbs. The robot is improving its output and is getting closer to the 20 seconds it takes a human to do the job. Digit was last clocked at a pace of about 30 seconds, according to Wise. "We're about to go through another major optimization, which should bring that down quite a bit," she said. Even simple tasks take a lot of programming, testing, trial and error.

Her team undertook a project to make Digit mimic how workers react when orders flood in and the conveyor belt has no open space for a container. The workers stack the boxes at the side of the belt. When the flood subsides and there is space, they place containers on the conveyor. This is complicated stuff for the robot to tackle. But once the robot does a task successfully, all robots can copy it.

The limitations of a robot come from its components: cameras, the lidar and radar that create vision, the motors and actuators that enable movement, the power pack that gives it energy and the computer that acts as a brain. Digit's battery lasts four hours (two with strenuous work) and takes an hour to charge up.

Dexterity is improving rapidly. The advances that let robots balance on two feet have been astounding. Although our hands will likely never be matched by a machine, robots have the advantage of being able to swap out end-of-arm tools such as drills, pinchers, brushes and other so-called end-effectors that serve as robot hands.

For now, Agility's robot is kept away from people. In a couple of years, Wise said, the company expects to have a version that will be safe to work among and interact with humans. Her company has about 15 customers that have signed or are in the process of signing contracts to use the robots. Humanoid robots are coming, and Musk's Optimus may be among them.

Just don't expect these robots to do your personal chores. ©BLOOMBERG

THEIR VIEW

Women's movements are a victim of their own success

SHONAR LALA



is a former World Banker and writer.

The 2024 US presidential election has brought to the forefront what seems to be an undercurrent of sexism in America. The overturning of *Roe vs Wade* in 2022 hypercharged an already polarized American electorate; abortion rights are now the most important issue in the election for young women under 30. To add to the fray, the Republican candidate Donald Trump, accused by dozens of women for sexual misconduct, was found liable in a New York court in May 2023 for the sexual abuse of E. Jean Carroll. His vice-presidential candidate J.D. Vance then accused Kamala Harris, the Democrat nominee, of being a "childless cat lady," sparking protests and outrage not just among Swifties, but across America.

Add to the mix, a big gender divide in the support for Harris: 52% of female voters support Harris, but only 43% of men. Among African-American men, only 70% support Harris, according to the latest *New York Times*/Siena polls. Compare this to 83% of African-American women who support Har-

ris and 85% of African-American men who supported Biden in 2020. Barack Obama has publicly called out African-American men and suggested that they aren't comfortable voting for a woman president. One has to wonder: What is the cause for this gender malaise in the US?

While the gender gap between men and women in America has declined on many metrics since the 1950s, these gains have discernibly slowed down in the past two decades, according to Pew Research Center. In 1950, women comprised only 30% of the US labour force, compared to almost half today. And there are now actually more college-educated women in the workforce than men.

But, at the same time, the pay gap hasn't changed in the last 20 years, with women earning on average about 82% of what men earn. And in reality, women still lag behind men, with only a third of political offices and a tenth of Fortune 500 CEO positions held by women.

To understand this stagnation, it's critical to examine feminist discourse in America. Simone de Beauvoir's seminal text, *The Second Sex*, had been translated into English by 1953. Challenging the male patriarchy, De Beauvoir explored how society has subjugated the female gender into a secondary

position throughout history, and the book was well received in America.

But modern American feminism really exploded onto the scene with Betty Friedan's book *The Feminine Mystique* in 1963. Friedan shattered the image of the idyllic 1950s American suburban housewife in her perfect heels, perfect hair and perfect nails, waiting for her husband to return from work, a meat loaf in the oven, a neatly vacuumed house with a white picket fence and a few obedient children. Friedan wrote that societal pressure to conform to this stereotype was so strong that women couldn't even identify what the cause of their angst was. She awakened the voice of women in America who said, in her words, "I want something more than my husband and my children and my home."

Friedan, together with Gloria Steinem and other activists, galvanized the women's liberation movement. The same year, John F. Kennedy signed the Equal Pay Act into action. The next year, Title VII of the Civil

Rights Act of 1964 was signed by Lyndon Johnson, which included protections for women against job discrimination. By 1970, Germaine Greer's *The Female Eunuch* was published. A call to action, Greer challenged women to demand equality, to question their marriages, their bodies and their agency. This was a period of landmark legislation, culminating in the *Roe vs Wade* Supreme Court decision of 1973, which guaranteed American women the constitutional right to have an abortion.

Come the 1980s, however, the hard-won rights of the women's liberation movement (admittedly narrowly aimed at straight Caucasian women) were threatened by conservative Republican administrations under Ronald Reagan and George Bush who sought to repeal *Roe vs Wade*. Susan Faludi captured the reasons for the changing sentiment in her 1991 novel *Backlash: The Undeclared War Against American Women*. Significant triumphs in women's equality, in her opinion, were being met by a wave of rising

hostility against feminism and feminists.

Today, commentators have observed that Faludi's documented cycle of progressive women's rights followed by a conservative backlash seems prophetically true. The #MeToo movement agitating against sexual assault that proliferated explosively in 2017 after the case against Harvey Weinstein no doubt represented the next great revolution in American feminism. Yet, that was followed in 2022 by a backlash against women that took away the right to abortion that had been a cornerstone of the women's reproductive rights' movement for 50 years.

Could it be that the 2024 US election then is just unfortunately taking place during a cycle of American social history in which a backlash against equality is rising? Certainly, the rise of the 'manosphere,' a loose term for a virtual community of men who are virulently misogynistic and anti-feminist, is another manifestation of this backlash wave and offers support for such a view. Worse yet, the manosphere, which counts young men among its fastest growing recruits, seems to overlap with the far-right and reinforces the toxic masculinity of the Trump ticket. It remains to be seen whether Harris (and the American people) can counter these forces in the upcoming election.

Has the 2024 US election come in the midst of a social cycle that features a rising backlash against equality?

EXTRACT

When you just can't click with your boss

Despite making the effort, a relationship with a manager can sometimes become difficult, but there are ways to navigate it

Vivek Gambhir & Sunder Ramachandran

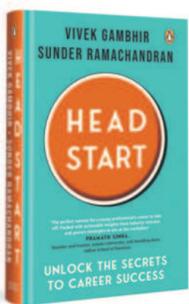
Have you heard the saying, 'People don't leave their organizations, they leave their boss'? Unfortunately, there is some truth in that. Some bosses just seem to have a knack for pushing all the wrong buttons—from yelling and bullying to inventing fake deadlines or making you cancel your vacation for something trivial. Despite giving our best, our relationship with our boss can sometimes become difficult. If this rings true for you, it might be necessary to address the issue or end the relationship as a last resort. Many individuals continue working in impossible situations, hoping things will improve. However, if the situation is truly unbearable, it is unlikely to get better. Be mature enough to recognize this and look for other opportunities, either inside or outside the company.

Figure out what kind of boss you're dealing with... Are they a know-it-all, an alpha, a micromanager, two-faced or just plain incompetent? Understanding their style can give you some clues on how to navigate the rocky waters you find yourself in. Take a moment to consider if your frustration with the boss is because of a recent incident or a long-standing issue in your working relationship. If it is indeed a long-standing issue, perhaps it's time to let go of the emotion and brainstorm ways to enhance the relationship.

How much time have you spent working with the boss? Have you finished at least one performance cycle with them? If



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HeadStart: Unlock The Secrets To Career Success
—By Vivek Gambhir and Sunder Ramachandran,
Penguin Random House India, 328 pages, ₹599.

it's only been a few months, it might be too soon to jump ship. Bosses come and go, roles change, and sometimes, people surprise you. Give it some time before you throw in the towel. Have you made any attempts to improve the relationship? Dealing with a difficult boss can be tough, but we've observed various approaches

young professionals take to address the issue. Some choose to keep interactions to a minimum, while others go above and beyond to win their boss over.

However, if you opt for minimal interaction, it might offer short-term relief but could eventually be perceived as insubordination by your boss. On the other hand, we have seen professionals put in their best efforts despite the challenges and maintain a professional attitude. This demonstrates dedication and a strong work ethic. By boosting your boss's confidence and putting in extra effort to present your ideas convincingly, you can potentially win them over. Dedicate additional time to persuade them, even if you expect resistance at first. Sometimes, a little extra effort can go a long way.

Ultimately, finding a balance between managing these challenges and maintaining professionalism and self-esteem can help you sail through this tricky situation.

Excerpted with permission from HeadStart: Unlock The Secrets To Career Success, by Vivek Gambhir & Sunder Ramachandran, Penguin Random House India.

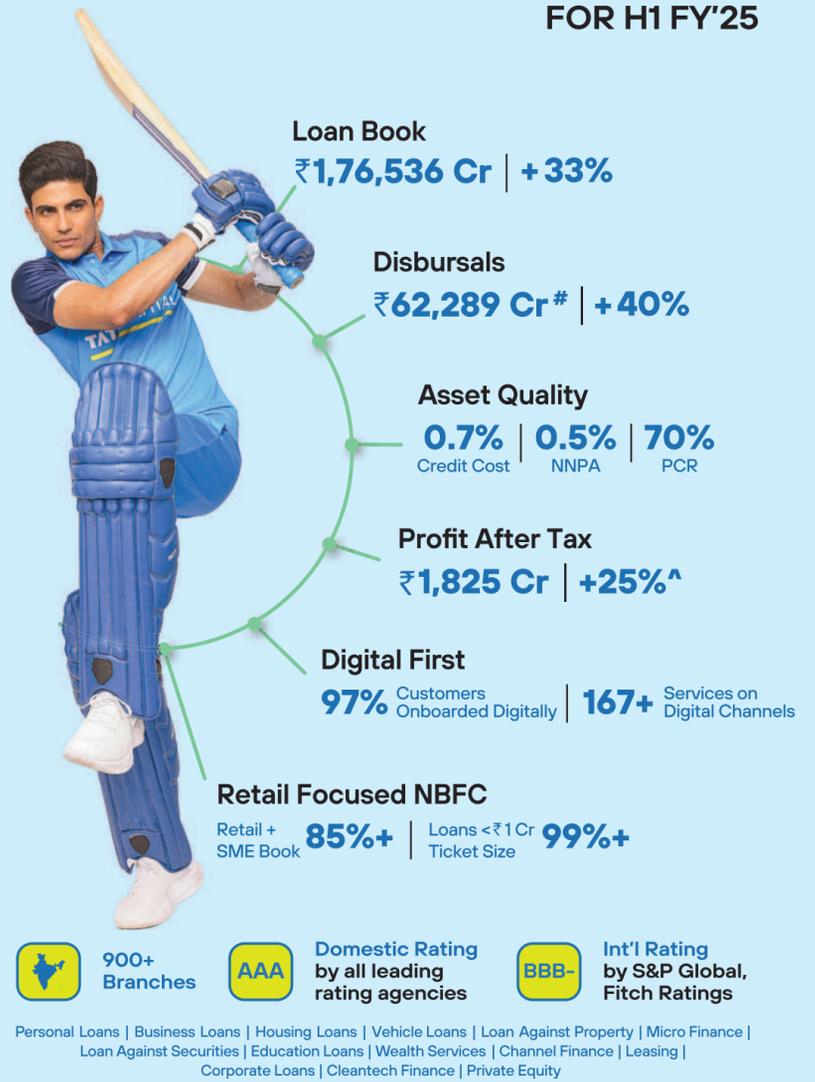
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