

Thursday, July 4, 2024

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(Please scan this QR code to view the RHP)

# BANSAL WIRE INDUSTRIES LIMITED

Our Company was originally incorporated as a private limited company under the name of "Bansal Wire Industries Private Limited" on December 11, 1985, under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the RoC. Thereafter, our Company was converted into a public limited company pursuant to a resolution passed by our Board at its meeting held on September 5, 1995 and a special resolution passed by our Shareholders at their annual general meeting held on September 29, 1995, and the name of our Company was changed to "Bansal Wire Industries Limited", and a fresh certificate of incorporation consequent upon conversion from a private limited company to a public limited company was issued by the RoC on November 13, 1995. For further details of change in the name of our Company and the Registered Office, see "History and Certain Corporate Matters" on page 231 of the red herring prospectus of our Company dated June 27, 2024 filed with the Registrar of Companies, Delhi and Haryana at New Delhi ("RoC") ("Red Herring Prospectus" or "RHP").

Registered and Corporate Office: F-3, Main Road, Shastri Nagar, Delhi-110052 | Telephone: 011-2365 1891/92/93 | Email: investorrelations@bansalwire.com | Corporate Identity Number: U31300DL1985PLC022737  
Contact Person: Sumit Gupta, Company Secretary and Compliance Officer | Website: www.bansalwire.com

## OUR PROMOTERS: ARUN GUPTA, ANITA GUPTA, PRANAV BANSAL AND ARUN KUMAR GUPTA HUF

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH ("EQUITY SHARES") OF BANSAL WIRE INDUSTRIES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE OF FACE VALUE OF ₹ 5 EACH (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ 7,450 MILLION (THE "ISSUE"). THE ISSUE SHALL CONSTITUTE [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 5 EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

Bansal Wire Industries Limited is a steel wire manufacturing company in three broad segments, i.e., high carbon steel wire, mild steel wire (low carbon steel wire) and stainless steel wire.

The Issue is being made through the Book Building Process pursuant to Regulation 6(1) of the SEBI ICDR Regulations.

QIB Portion: Not more than 50% of the Issue | Non-Institutional Portion: Not less than 15% of the Issue | Retail Portion: Not less than 35% of the Issue.

**PRICE BAND: ₹243 TO ₹256 PER EQUITY SHARE OF FACE VALUE OF ₹5 EACH.**

THE FLOOR PRICE IS 48.60 TIMES THE FACE VALUE OF THE EQUITY SHARES OF FACE VALUE OF ₹5 EACH AND THE CAP PRICE IS 51.20 TIMES THE FACE VALUE OF THE EQUITY SHARES OF FACE VALUE OF ₹5 EACH.

THE PRICE TO EARNINGS RATIO ("P/E") BASED ON BASIC AND DILUTED EPS FOR FISCAL 2024 FOR OUR COMPANY AT THE FLOOR PRICE IS 39.32 TIMES AND AT THE CAP PRICE IS 41.42 TIMES AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP P/E RATIO OF 32.72 TIMES.

AVERAGE COST OF ACQUISITION OF EQUITY SHARES FOR THE SELLING SHAREHOLDER IS - NOT APPLICABLE

BIDS CAN BE MADE FOR A MINIMUM OF 58 EQUITY SHARES AND IN MULTIPLES OF 58 EQUITY SHARES THEREAFTER.

In accordance with the recommendation of the Committee of Independent Directors of our Company, pursuant to their resolution dated June 27, 2024, the above mentioned price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Issue Price" section of the RHP vis-à-vis the weighted average cost of acquisition of primary and secondary transaction(s) disclosed in the "Basis for Issue Price" section beginning on page 135 of the RHP.

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

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

### RISK TO INVESTORS

- Dependence on limited suppliers:** We rely substantially on our top 10 suppliers of the raw materials and work-in-progress goods which are used in our manufacturing processes, contributing 77.26%, 78.04% and 92.72% of our total supplies for the Fiscals 2024, 2023 and 2022, respectively.
- Geographical concentration of manufacturing facilities:** We have five manufacturing facilities located in Delhi NCR and the events impacting this particular geographical areas may disrupt our production and operations and could have an adverse effect on our business, results of operations, cash flows and reputation.
- Substantial working capital requirements:** For past three fiscals, i.e., Fiscal 2024, 2023 and 2022, we have working capital requirements of ₹ 2,049.26, ₹ 2,847.72 and ₹ 2,109.88 and may require additional financing to meet the working capital requirements. Substantial increase in our working capital requirements or our inability to obtain financing at favorable terms could have a material adverse effect on our results of operations, cash flows and financial condition.
- Risk in relation to raw material costs:** Our operations are dependent upon the price and availability of the raw material that is required for the production of steel and stainless steel wires. The following table sets forth the details of our total cost of materials for the periods indicated:

Particulars	For Fiscal		
	2024	2023	2022
Cost of Materials Consumed (₹ million)	20,166.55	19,985.03	17,727.46
Cost of Materials Consumed as a Percentage of Total Expenses (%)	85.31%	85.37%	83.35%

Increasing global demand for, and uncertain supply of, any such raw materials could disrupt us or our suppliers' ability to obtain such raw materials in a timely manner to meet our supply needs and may lead to increased costs.

- Substantial indebtedness:** As at May 31, 2024, our borrowings, on a consolidated basis, were ₹ 7,802.35 million. If our future cash flows from operations and other capital resources become insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness which could have a material adverse effect on our business, reputation, results of operations and financial condition.
- Dependence on steel wires market:** We derive most of our revenue from operations from the manufacture and sales of steel wires. Our revenue from operations for Fiscals 2024, 2023 and 2022 constituted as follows:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations from steel wires (in ₹ million)	24,447.19	23,939.39	21,817.95
Revenue from operations from steel wires out of total revenue from operations (in %)	99.14%	99.21%	99.25%

Our business and financial condition is heavily dependent on the performance of the steel wires market India and globally, and we are exposed to fluctuations in the performance of these markets. If demand for steel wires in India decreases in the future, our business, results of operations, financial condition, cash flows and prospects may be materially and adversely affected.

- Product Concentration:** More than 50% of our product portfolio is comprised of Stainless-Steel Wires. Our business and financial condition is heavily dependent on the performance of the Stainless-steel wires market India and globally, and we are exposed to fluctuations in the performance of these markets. If demand for stainless-steel wires in India decreases in the future, our business, results of operations, financial condition, cash flows and prospects may be materially and adversely affected.
- Market concentration in North India:** We are present in 22 states and six union territories but majorly our revenue from operations are from northern and western states of India with with 65.61%, 67.78% and 64.80% of revenue from operations generated from Delhi, Haryana, Maharashtra and Uttar Pradesh in Fiscal 2022, 2023 and 2024, respectively.
- Extensive government regulations:** We are subject to various laws and extensive government regulations and if we fail to comply, obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required in the ordinary course of our business, including environmental, health and safety laws and other regulations, which could subject our Company to enforcement actions and penalties and our business financial condition, results of operations and cash flows may be adversely affected.
- We have in the past, experience negative cash flows:** We experienced the cash flows, both positive and negative, set forth in the table below for the specified periods:

(Amount in ₹ million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash generated / (utilised) in operating activities	(5,369.35)	1,025.20	(115.42)
Net cash generated / (utilised) in investing activities	(4,959.29)	(872.49)	(191.79)
Net cash generated / (utilised) from financing activities	10,346.78	(149.98)	304.84
Cash and cash equivalents at the end of the year	18.13	7.10	4.38

Negative operating cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our

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growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected.

11) **Risk Related to our brands:** We have three registered trademarks and two copyrights which are currently used by us. While we have applied for the registration of six trademarks in India, all such trademarks including the logo of our Company, are not registered, and registration of these trademarks is pending. Third parties could imitate our brand name or pass off their own products as ours, including registering trademarks that may be confused with ours, producing similar products or counterfeit or pirated products.

12) **Inability to maintain our distribution network in India:** Our Company has a presence in both, domestic and international markets and are exporting our products in several countries. We engage in sale of our products in India and abroad through a network of dealers. The details of revenue contribution from our dealers in the Fiscals 2024, 2023 and 2022 is set forth below:

Particular	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	in ₹ million	As a percentage of revenue from operations	in ₹ million	As a percentage of revenue from operations	in ₹ million	As a percentage of revenue from operations
Revenue contribution from dealers	3,195.51	12.96	1,180.89	4.89	1,549.23	7.05

If we fail to maintain our distribution network and attract additional dealers to our distribution network, our sales and market share may decline which would have a material adverse impact on our business, financial condition, results of operations and cash flows.

13) **Weighted Average Cost of Acquisition** of all shares transacted in the last three years, 18 months and one year

Period	Weighted Average Cost of Acquisition (in Rs.)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price - Highest Price (in Rs.)
Last one year preceding the date of the Red Herring Prospectus	Nil	NA	Nil
Last eighteen months preceding the date of the Red Herring Prospectus	Nil	NA	Nil
Last three years preceding the date of the Red Herring Prospectus	0.26	948.62	0.00-18.00*

\*Represents cost of Bonus shares and gift which are issued/acquired at nil consideration

14) The 2 BRLMs associated with the Offer have handled 42 public issues in the past three financial years, out of which issues closed below the Offer price on listing date:

Name of BRLMs	Total Issues	Issues closed below IPO Price as on listing date
SBI Capital Markets Limited*	20	9
DAM Capital Advisors Limited*	16	6
Common Issues of above BRLMs	6	3
Total	42	18

\*Issues handled where there were no common BRLMs.

## BID/ISSUE PROGRAMME

### BID/ISSUE OPEN

### BID/ISSUE CLOSURES ON: FRIDAY, JULY 5, 2024<sup>^</sup>

<sup>^</sup>The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

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

Event	Indicative Date
Bid/Issue Closing Date	On Friday, July 5, 2024
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Monday, July 8, 2024
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account*	On or about Tuesday, July 9, 2024
Credit of the Equity Shares to depository accounts of Allottees	On or about Tuesday, July 9, 2024
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Wednesday, July 10, 2024

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

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))

Bid/Issue Closing Date\*

Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIBs other than QIBs and NIs	Only between 10.00 a.m. and up to 5.00 p.m. IST
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Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI/ASBA applications where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications where Bid Amount is more than ₹500,000)	Only between 10.00 a.m. and up to 12.00 p.m. IST

Modification/ Revision/cancellation of Bids

Upward Revision of Bids by QIBs and Non-Institutional Bidders categories*	Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/ Issue Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs	Only between 10.00 a.m. and up to 5.00 p.m. IST

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

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

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

# ASBA<sup>#</sup>

## Simple, Safe, Smart way of Application!!!

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



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

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by UPI Bidders. For details on the ASBA and UPI process, please refer to the details given in the Bid Cum Application Form and abridged prospectus and also please refer to the section "Issue Procedure" on page 457 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. The Bid Cum Application Form and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges" and can be obtained from the list of banks that is displayed on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35) and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: [www.sebi.gov.in](http://www.sebi.gov.in). UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. ICICI Bank Limited and HDFC Bank Limited have been appointed as the Sponsor Banks for the Issue, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For issue related queries, please contact the Book Running Lead Managers ("BRLMs") on its email ID as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: [ipo.upi@npci.org.in](mailto:ipo.upi@npci.org.in).

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

The Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), read with Regulation 31 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein in terms of Regulation 32(1) of the SEBI ICDR Regulations, not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"), and such portion, the "QIB Portion" provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which at least one-third shall be available for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Issue shall be available for allocation to Non-Institutional Bidders out of which (a) one-third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-categories of Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders ("RIBs") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank accounts (including UPI ID for UPI Bidders using UPI Mechanism) (as defined hereinafter) in which the Bid amount will be blocked by the SCSBs or the Sponsor Banks, as applicable, to participate in the Issue. Anchor Investors are not permitted to participate in the Anchor Investor Portion of the Issue through the ASBA process. For details, see "Issue Procedure" on page 430 of the RHP.

Bidders/ Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders using the UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders using the UPI Mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Issue. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021 and

CBDT circular no. 7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, please see the section "History and Certain Corporate Matters" on page 231 of the RHP. The Memorandum of Association of the Company is a material document for inspection in relation to the Issue. For further details, please see the section titled "Material Contracts and Documents for Inspection" on page 472 of the RHP.

LIABILITY OF THE MEMBERS OF OUR COMPANY: Limited by shares.

AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 890,000,000 divided into 178,000,000 Equity Shares of ₹ 5 each and ₹ 10,000,000 divided into 1,000,000, 6% redeemable preference shares of ₹ 10 each. For details, please see the section titled "Capital Structure" beginning on page 98 of the RHP.

NAMES OF SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The initial signatories to the Memorandum of Association are Shyam Sunder Gupta and Arun Kumar Gupta who subscribed to 10 Equity Shares each bearing face value of ₹ 100. For details of the share capital history and capital structure of our Company, please see the section entitled "Capital Structure" beginning on page 98 of the RHP.

LISTING: The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters each dated April 4, 2024. For the purposes of the Issue, the Designated Stock Exchange shall be NSE. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with the Companies Act. For further details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 472 of the RHP.

DISCLAIMER CLAUSE OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the Issue Documents and does not constitute approval of either the Issue or the specified securities or the Issue Document. The investors are advised to refer to page 406 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF NSE (DESIGNATED STOCK EXCHANGE): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Issue Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Issue Document. The investors are advised to refer to page 409 of the RHP for the full text of the disclaimer clause of NSE.

DISCLAIMER CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 409 of the RHP for the full text of the disclaimer clause of BSE.

GENERAL RISKS: The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters each dated April 4, 2024. For the purposes of the Issue, the Designated Stock Exchange shall be NSE. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with the Companies Act. For further details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 472 of the RHP.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE	COMPANY SECRETARY AND COMPLIANCE OFFICER
 SBICAPS Complete Investment Banking Solutions	 DAM CAPITAL	 KFIN Technologies Limited (formerly known as KFin Technologies Private Limited) Selenium, Tower B, Plot No. 31 and 32, Gachibowli, Financial District Nanakramguda, Serilingampally, Hyderabad 500 032, Telangana, India Tel: +91 40 6716 2222, E-mail: <a href="mailto:bwil.ipo@kfinttech.com">bwil.ipo@kfinttech.com</a> Investor grievance e-mail: <a href="mailto:einward.ris@kfinttech.com">einward.ris@kfinttech.com</a> Website: <a href="http://www.kfinttech.com">www.kfinttech.com</a> Contact Person: M. Murali Krishna, SEBI Registration No.: INR000000221	Sumit Gupta Company Secretary and Compliance Officer Telephone: 011-2365 1891/92/93
SBI Capital Markets Limited 1501, 15 <sup>th</sup> Floor, A & B Wing, Parinee Crescenzo, BKC Bandra (East), Mumbai 400 051, Maharashtra, India Telephone: +91 22 4006 9807, E-mail: <a href="mailto:bwil.ipo@sbicaps.com">bwil.ipo@sbicaps.com</a> Investor Grievance ID: <a href="mailto:investor.relations@sbicaps.com">investor.relations@sbicaps.com</a> Website: <a href="http://www.sbicaps.com">www.sbicaps.com</a> Contact person: Karan Savardekar / Sambit Rath SEBI Registration No.: INM000003531	DAM Capital Advisors Limited One BKC, Tower C, 15 <sup>th</sup> Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India Telephone: +91 22 4202 2500, E-mail: <a href="mailto:bwil.ipo@damcapital.in">bwil.ipo@damcapital.in</a> Investor Grievance ID: <a href="mailto:complaint@damcapital.in">complaint@damcapital.in</a> Website: <a href="http://www.damcapital.in">www.damcapital.in</a> Contact person: Chandresh Sharma/ Akshay Bhandari SEBI Registration No.: MB/INM000011336		Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Issue related queries and for redressal of complaints, Investors may also write to the BRLMs.

Availability of the RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 34 of the RHP, before applying in the Issue. A copy of the RHP is available on website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and is available on the websites of our Company at [www.bansalwire.com](http://www.bansalwire.com) and BRLMs, i.e. SBI Capital Markets Limited at [www.sbicaps.com](http://www.sbicaps.com) and DAM Capital Advisors Limited at [www.damcapital.in](http://www.damcapital.in), respectively and on the websites of BSE and NSE at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively.

Availability of the Abridged Prospectus: A copy of the abridged prospectus shall be available on the website of our Company, the BRLMs and the Registrar to the Issue at [www.bansalwire.com](http://www.bansalwire.com), [www.sbicaps.com](http://www.sbicaps.com) and [www.damcapital.in](http://www.damcapital.in) and [www.kfinttech.com](http://www.kfinttech.com)

Availability of Bid-cum-Application Forms: Bid-cum-Application Forms can be obtained from the Registered Office of our Company "Bansal Wire Industries Limited, Tel: 011-2365 1891/92/93 the BRLMs: SBI Capital Markets Limited, Tel: +91 22 4006 9807 and DAM Capital Advisors Limited, Tel: +91 22 4202 2500 at the select locations of the Sub-Syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Issue. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Syndicate Members: SBICAP Securities Limited, Investec Capital Services (India) Private Limited and Sharekhan Limited.

Sub-syndicate members: Anand Rathi Share & Stock Brokers Limited, Asit C. Mehta Investment Intermediaries Limited, Axis Capital Limited, Centrum Broking Limited, HDFC Securities Limited, ICICI Securities Limited, IDBI Capital Markets & Securities Limited, IIFL Securities Limited, JM Financial Services Limited, Keynote Capitals Limited, KJMC Capital Market Services Limited, Kolak Securities Limited, LKP Securities Limited, Motilal Oswal Financial Services Limited, Nirmal Bang Securities Pvt. Limited, Nuvama Wealth and Investment Limited, Prabhudas Lilladher Pvt Limited, Religare Broking Limited, RR Equity Brokers Pvt. Limited, SMC Global Securities Limited and Yes Securities (India) Limited.

Bankers to the Issue

Escrow Collection Bank, Refund Bank and Sponsor Bank: ICICI Bank Limited.

Public Issue Account Bank and Sponsor Bank: HDFC Bank Limited.

UPI: UPI Bidders can also bid through UPI Mechanism.

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

For and on behalf of Bansal Wire Industries Limited

Sd/-

Sumit Gupta

Company Secretary and Compliance Officer

Place: Delhi

Date: July 3, 2024

Bansal Wire Industries Limited is proposing, subject to, receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offer of its Equity Shares and has filed the DRHP dated January 18, 2024 with SEBI on January 19, 2024 and the RHP dated June 27, 2024 with the RoC. The RHP is available on the website of the Company at [www.bansalwire.com](http://www.bansalwire.com), SEBI at [www.sebi.gov.in](http://www.sebi.gov.in), as well as on the websites of the BRLMs, i.e. [www.sbicaps.com](http://www.sbicaps.com) and [www.damcapital.in](http://www.damcapital.in) and the websites of National Stock Exchange of India Limited and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com), respectively. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risk, please see "Risk Factors" of the RHP, on page 34. Potential investors should not rely on the DRHP for making any investment decision but can only rely on the information included in the Red Herring Prospectus.

This announcement does not constitute an offer of Equity Shares for sale in any jurisdiction, including the United States, and the Equity Shares offered in the Issue may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933 or an exemption from registration. Any public offering of the Equity Shares to be made in the United States will be made by means of a prospectus that may be obtained from the Company and that will contain detailed information about the Company and management, as well as financial statements. However, the Equity Shares offered in the Issue are not being offered or sold in the United States.

Adfactors

Thursday, July 4, 2024

# mint

livemint.com



Budget-led euphoria rockets  
Sensex to 80,000 mark ▶ P1



GenZ muscles into trading,  
doubles share in 5 yrs ▶ P1

## On popular demand, extending the offer till 31<sup>st</sup> July, 2024.

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\*Open a Demat Account by 31<sup>st</sup> July, 2024 and get

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Zero Pledging & Unpledging Charges  
till 31<sup>st</sup> Dec, 2024

Zero Account Opening Fees



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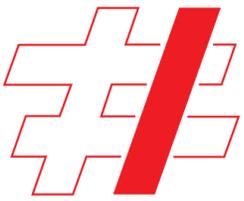


\*Completed applications submitted on or before 31<sup>st</sup> July, 2024 will be eligible for offer, subject to successful account opening. For existing customers, offer extended till 31<sup>st</sup> Dec, 2024. PhonePe Wealth Broking Private Limited (hereinafter referred to as PPWB), a SEBI Registered Stock Broker having Registration No. INZ000302639, a SEBI registered Research Analyst having Registration No. INH000013387 and a Depository Participant having Registration No. IN-DP-696-2022. PPWB is a Trading Member of National Stock Exchange of India Limited (Member ID 90226) and BSE Limited (Member ID 6756). PPWB offers Depository Participant services through CDSL and Mutual Fund distributor with AMFI Registration No: ARN-187821. Registered office - 2, Floor 3, Wing A, Block A, Salarpuria Softzone, Bellandur Village, Varthur Hobli, Outer Ring Road, Bangalore South, Bangalore, Karnataka - 560103. Investments in the securities market are subject to market risks, read all related documents carefully before investing. Brokerage will not exceed the SEBI prescribed limit. For more details, pls visit <https://share.market/> #MF and Wealthbasket is not an Exchange Traded Product and will not have access to Exchanges' Investor Redressal Forum or Arbitration Mechanism.

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FUTURES



Thursday, July 4, 2024

# mint

Think Ahead. Think Growth.

## mint primer

# Home sales: Why small towns are boomtowns now

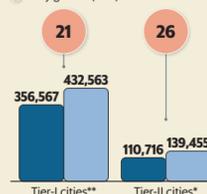
BY MADHURIMA NANDY

Property markets in tier-II cities, where sales and price growth have long been subdued, saw a turnaround in both home sales and prices last year. While the sales volume is much lower than in tier-I markets, the pace of growth is faster. What's the future of small town homes?

### Catch-up act

Smaller cities have beaten the larger ones in sales growth

FY23 FY24 Home sales (in units)  
Y-o-y growth (in %)



\*\* 8 tier-I cities; \*Sales across 52 tier-II cities

NRIs, high-net-worth investors and low supply have firmed up prices

Average carpet price (in ₹ per sq ft) Y-o-y growth (in %)



Top tier-II cities between March 2023 and March 2024.

Source: Liasis Foras

SATISH KUMAR/MINT

## QUICK EDIT

# Discount no more?

A fresh circular from the Securities and Exchange Board of India (Sebi) seems to have sent discount brokers into a tizzy. Zerodha co-founder Nithin Kamath said the company may have to reconsider its zero-brokerage model, or even increase brokerage fees for trades in the futures and options (F&O) segment, after Sebi's directive that all market infrastructure institutions, including stock exchanges, must charge members a uniform fee unlinked to trading volumes. As Kamath's remarks suggest, this may shake up the pricing models of discount brokers, since they don't charge brokerage for equity investments but make up for it through F&O trades and other services. The zero-brokerage model has been their key selling proposition. It appeals to customers who prefer low-cost market access even if it means forgoing research notes and advice that full-service brokers offer in lieu of higher charges. But under Sebi's new mandate, discount brokers may be forced to charge more. This could blunt their cost edge over full-service brokers. But then, with large user bases already built and other claimed advantages, especially in youth engagement, they have space to adapt.

### 1 Are smaller property markets doing well?

Yes they are. Residential property sales in tier-II cities witnessed higher growth in FY24, led by higher demand for better quality homes. As many as 52 small cities grew 26% in sales last fiscal year compared with a 21% rise in the top eight cities, according to Liasis Foras, a consultancy. With the growth in sales, property prices, which are typically lower in these markets, have also risen—many tier-II cities saw double digit growth in prices. By comparison, only the national capital region among the metros has seen a double-digit price rise. Unsold housing stock also fell by 20% in smaller cities last year.

### 2 What's behind this upturn?

Though the ongoing housing boom has put the focus on the metros, it has also helped smaller real estate markets. Key drivers include affordability, better infrastructure including airports and metro rail, warehousing, retail as well as growing discretionary spending. Property investors, who have made a comeback, are gradually taking bets on smaller cities, which has helped prices. A recent report by property advisory Savills India noted that rental yield growth in Goa, a popular second home destination, is higher than in some of the top cities due to rising investments from high-net-worth individuals.

### 3 Where and why are prices rising?

Ludhiana has seen the sharpest rise because of interest from both non-resident Indian (NRI) and high-net-worth investors, who have returned to some north Indian markets. The rise in prices in Kanpur, Lucknow, Dehradun and Jaipur is due to high demand and relatively low housing supply. The entry of some tier-I builders, with plotted projects, has also helped.

### 4 Where are these markets headed?

Home sales in smaller cities and towns are expected to grow 25% in FY25 compared with FY24, as per Liasis Foras' estimates. The increase in sales in these markets will also be faster than the tier-I markets, partly because the growth is on a relatively smaller base. As project launches increase, the overall housing stock in tier-II markets will also expand. As a result, property prices in these cities could moderate. A lot would also depend on the incentives that the government provides for these markets.

### 5 Can central spending push growth?

The Pradhan Mantri Awas Yojana (PMAY), under the 'Housing for All' mission, is set to be expanded, with the promise of 30 million new homes. This will help in boosting housing supply and, more so, in reviving the affordable housing segment in tier-II cities. More such incentives are needed to help expand the property markets beyond the metros, and address housing requirements, real estate analysts said. New schemes could also prompt more established developers to explore these markets.

## MINT METRIC

by Bibek Debroy

Since they lead to human woes,  
Kenya will kill a million crows.  
Perhaps in some Nairobi zoo,  
Tourists will get to see a few.  
Species must die in development throes.

## QUOTE OF THE DAY

I want to state without hesitation and also tell the countrymen that I have given full freedom to the agencies to take strongest action against the corrupt and corruption. The government will not interfere anywhere.

NARENDRA MODI  
PRIME MINISTER



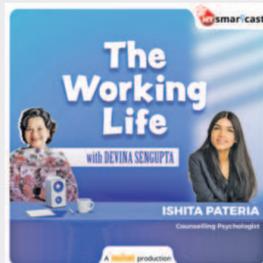
## MINT PODCASTS



**PASSIVE INVESTMENTS**  
Are passive funds gaining traction in India like in developed markets? Sharwan Goyal, head of passive, arbitrage and quant Strategies at UTI AMC, shares expert insights on the trend, choosing between ETFs and Index funds and how UTI AMC is popularizing passive funds among investors. Tune in to learn more!



**SPACE ECONOMY**  
Explore the space economy and startups like SpaceX and Skyroot Aerospace on this podcast by hosts Shouvik Das and Leslie D'Monte. They also discuss Nokia's 2.4-inch 3210 phone revival and Apple's new generative AI with 3 billion parameters for local device operation without compromising privacy.



**NEET EXAM IMPACT**  
Explore the mental health impacts of the NEET exam cancellations on students. Get valuable tips on coping mechanisms and stress management from psychologist Ishita Pateri and host Devina Sengupta. This podcast supports students, parents and educators through academic uncertainties.



# GST collection: Has UP really surpassed TN?

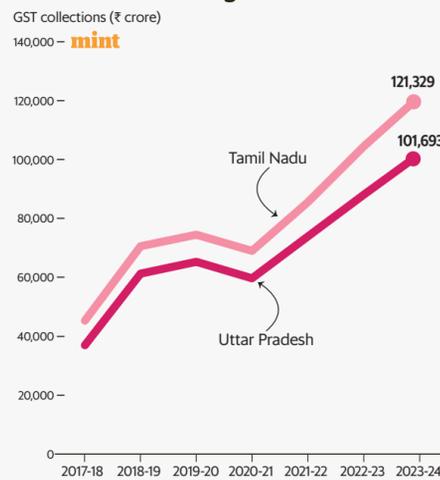
BY HOWINDIALIVES.COM

When Uttar Pradesh reported higher collection of goods and services tax (GST) than Tamil Nadu for April, some painted it as a turning point. The discourse revolved around two hypotheses. One was that Uttar Pradesh (an economic laggard historically) had found new engines to power it past Tamil Nadu (an economic leader). Two, fears were coming true that the tax in question, introduced seven years ago, would end up favouring large, consumer states, even if they were economically weak. Neither hypothesis stands proven.

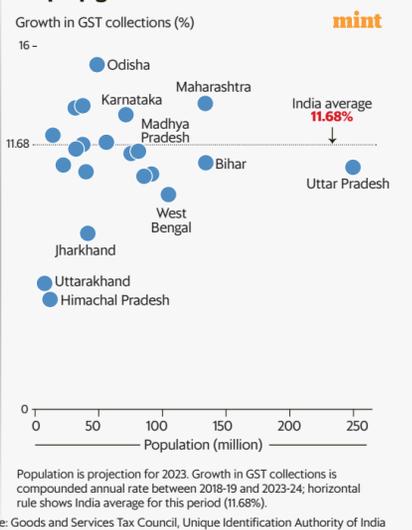
GST was introduced in July 2017 as a nationwide tax by subsuming a host of state taxes. For this April, UP reported GST collections of ₹12,290 crore, against ₹12,210 crore by Tamil Nadu. This needs to be read in context. Since the financial year closes in March, April tends to report higher collection than all other months, and is a one-off. For May, Tamil Nadu again topped UP. In the six full years of GST, the gap in collection between Tamil Nadu and UP has actually widened, from 13% in 2018-19 to 16% in 2023-24.

In this period, India's GST collection grew at a compounded annual rate of 11.7%. There were 21 states and Union territories with a population of 7 million or more that accounted for about 96% of GST mop-up in 2023-24. Of the six most populous states, five—in descending order of population, Uttar Pradesh, Bihar, West Bengal, Madhya Pradesh and Rajasthan—trailed the national average. Maharashtra was the exception, and unlike the other five, it's always been an economic leader.

## The gap in GST collections between Tamil Nadu and Uttar Pradesh has grown



## Most populous states trail on GST mop-up growth



## Population Advantage?

**BESIDES MAHARASHTRA**, six other states bettered the national average for growth in GST collections. These are, in descending order of growth, Odisha, Kerala, Haryana, Karnataka, Jammu & Kashmir and Andhra Pradesh. Kerala and Jammu & Kashmir have a relatively small tax base. But three of these outperforming states recorded GST collections of above ₹1 trillion in 2023-24, namely Maharashtra, Karnataka and Haryana.

Even in the older system, economically, these three states were among the better-performing ones. In the tax system that preceded GST, both the Centre and states levied taxes on goods. The Centre levied excise duty when goods left a factory. States levied sales tax when goods were sold to consumers, and those rates could vary from state to state. GST stitched these two ends for most goods, barring notable exclusions such as alcohol and fuel.

GST, at the typical rate of 18%, is levied at the point of sale. If a good is produced and sold in the same state, the entire 18% GST goes to the state. But if a good is produced in one state and sold in another, 9% of it goes to the state where the good is sold and the remaining 9% goes to the Centre, which then redistributes it to states based on a pre-set formula. This system is intended to balance consumption and production.

When the GST was launched, one hypothesis was that more-populous but less-developed states like UP, Bihar, Madhya Pradesh and Rajasthan would gain from GST. Conversely, more-industrialized states with relatively smaller populations such as Gujarat, Maharashtra and Tamil Nadu would lose out on some tax collections. Such a shift has not happened.

## Net Exporters and Importers

**FROM** a consumption point of view, a state's GST is influenced by two factors: its population and the purchasing power of the populace. A state with low population but high purchasing power can have a bigger economy than a more populous state. At the world level, for example, Japan is about one-tenth the population of India, but has a larger economy. For Indian states in the GST context, population-adjusted numbers matter along with absolute numbers. For example, in 2023-24, Tamil Nadu's population was about one-third that of UP, but its GST collection was about 16% higher. On a per capita basis, Tamil Nadu's GST was about 3.7 times that of UP. Per capita GST of Delhi and Maharashtra were about 7.2 and 5.8 times that of UP.

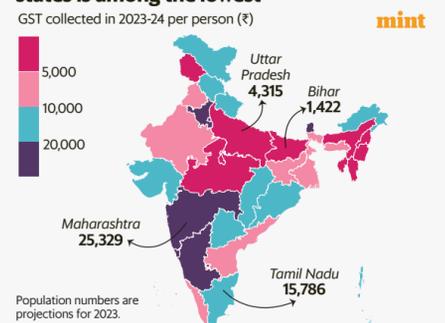
Under GST, transporters need to carry e-waybills if the value of goods being transported by them exceeds ₹50,000. Each state reports data for three categories of e-waybills: for movement within the state, outgoing movement to another state, and incoming movement from another state. We considered e-waybills for inter-state movement of goods—the second and third category from the above classification—to see which states were "net exporters" of goods and which ones were "net importers".

Of four set of 21 states that accounted for about 96% of GST collections, Gujarat was the highest net exporter of goods, followed by Maharashtra and mining-rich Odisha. At the other end, UP and Bihar were the highest "net importers".

Consumption is directly related to income levels. Populous states have to draft strategies and interventions to lift income levels of its residents. Unless that fundamental compact is altered, population will take a less-developed state only so far in GST collections.

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

## Per capita GST mop-up of populous states is among the lowest



## Most leading states in GST mop-up are also strong producer states

Value of inter-state movement of goods (₹ crore)*	
The 'net exporters'	The 'net importers'
Gujarat 436,299	Uttar Pradesh -275,504
Maharashtra 103,308	Bihar -200,154
Odisha 90,965	Kerala -143,398
Haryana 56,404	Rajasthan -139,274
Uttarakhand 35,559	Karnataka -135,347
Tamil Nadu 6,587	Madhya Pradesh -123,427

\*Value of e-waybills for goods moved to other states minus value of e-waybills for goods received from other states. A positive value shows more goods being shipped out and a negative value shows more goods being shipped in.

Source: Goods and Services Tax Council, Unique Identification Authority of India

PARAS JAIN/MINT

## PEANUTS by Charles M. Schulz



Thursday, July 4, 2024

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livemint.com



Office of the future will be a five-star experience ▶P10



RBI governor Das tells banks to act against mule accounts ▶P5

SENSEX 79,986.81 ↑ 545.36 NIFTY 24,286.5 ↑ 162.65 DOLLAR ₹83.53 ↓ ₹0.03 EURO ₹89.83 ↓ ₹0.39 OIL \$87.21 ↓ \$0.97 POUND ₹106.05 ↓ ₹0.56

## Chinese phone firms eye production allies in India

Manufacturing, distribution talks under way as equity tie-up plans fail to progress

Gulveen Aulakh & Shouvik Das  
NEW DELHI

Top Chinese smartphone makers Vivo, Oppo and Xiaomi are looking to partner Indian companies to manufacture and distribute their products in the country, three people aware of the discussions said. This comes after previous efforts to form joint ventures with Indian partners in the lead stalled.

The Chinese companies have been looking to tie up with Indian partners after the government's nudge in this direction; however, discussions changed track as large Indian groups who could have been equity partners were keen on building their own manufacturing operations on the lines of local electronics manufacturing services providers, or even large global contract manufacturers that can make for more than just one brand and export as well.

"All Chinese players are talking to Indian groups. Tata group, Reliance Industries and Dixon Technologies have been in discussions with them, but talks on taking majority equity have not progressed because of the tax cases and investigations by the Enforcement Directorate which have a direct bearing on the

### DIAL TONE

The Chinese companies have been looking to tie up with Indian partners after the government's nudge in this direction.



### CALL CONNECT

A pact will be mutually beneficial for Indian and Chinese makers

GOVT is keen on cos with Chinese parents to have Indian partners

TATA, Reliance, Dixon are in discussions with Chinese players

SARVESH KUMAR SHARMA/MINT

brand," said one of the people cited above, all of whom spoke on the condition of anonymity.

The Enforcement Directorate is investigating Vivo for suspected money-laundering. The government claims that Vivo, Oppo and Xiaomi have evaded taxes including customs and GST payments totalling ₹9,000 crore

between FY19 and FY23.

"There is a certain stigma attached to them (Indian entities) owning something that has a Chinese branding to it. Ultimately, it's a question of whether the brand will remain as is because that's what it is known as in the market. We're not keen on taking over the brand," a second

person added.

However, he added that a partnership—which could be a manufacturing or distribution joint venture—will be mutually beneficial as the Indian company would not take ownership or be part of a so-called 'Chinese' phone brand, but make devices for them and benefit from their hefty sales in India.

Queries emailed to spokespersons of Tata group, Reliance Industries, Oppo, Vivo, Dixon Technologies and the electronics ministry remained unanswered till press time.

"Some of these discussions have not progressed due to issues of valuation as well," said a third person aware of the details, asking not to be named.

According to Counterpoint Research, Xiaomi, Oppo, Vivo and Realme are four of India's top five smartphone makers, holding a combined volume market share of 58% as of March 2024. All Chinese phone brands held a combined 75% share as of May 2024.

"A smartphone market without Chinese brands would be one devoid of the affordability and innovation that Chinese brands have been known to bring to Indian consumers. Their exit

TURN TO PAGE 6

## Ayushman Bharat may cover families of citizens over 70

Priyanka Sharma  
priyanka.sharma@livemint.com  
NEW DELHI

The Centre is exploring a dozen different models to extend the benefits of its marquee free healthcare insurance scheme—Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PM-JAY)—to senior citizens, according to two officials with knowledge of the development.

The move is in keeping with a promise made by the ruling NDA (national democratic alliance) in the run-up to the general elections to cover all people 70 years of age and above in the PM-JAY.

An announcement on the scheme's extension can be expected in the upcoming Union budget, the two people said on condition of anonymity.

"Different models are being studied by the government to implement AB PM-JAY for senior citizens 70 years of age and above," said the first official cited above, adding that the government is working out the mechanics of how to extend the scheme.

The National Health Authority (NHA), which has been tasked with formulating the plan, is actively looking at two



The scheme's utilization could also increase premiums. HT

preferred models among the several being considered.

"Two models are being studied to take the initiative forward—all family members with senior citizens may get covered, or only senior citizens in a particular family will get the health coverage," said the second official cited above.

Accordingly, health benefit packages are being firmed up for geriatric treatment, with hospitals providing dedicated geriatric services to be onboarded for PM-JAY. Geriatric therapy is a medical specialty focused on the care of the elderly.

"The budget proposal has

TURN TO PAGE 6

### DON'T MISS



**Self declaration now only for ads on food, health products**

The food & beverages industry and the health sector will continue signing self-declaration forms for their ads, but just once a year, new rules issued on Wednesday said. All other sectors and industries are not required to file any self-declaration. ▶P2

**Acme Solar files for ₹3,000-cr IPO to power expansion**

Acme Solar Holdings has filed for an initial public offering (IPO) to raise ₹3,000 crore as it maps out an aggressive expansion in the green energy space. Over the past year, ACME Solar has been aggressively looking to raise funds for its various projects. ▶P5

**Koo, once touted as India's answer to Twitter, falls silent**

Cash-strapped social media platform Koo, once touted as a homegrown rival to global technology giant X (formerly Twitter), has shut shop after talks with multiple buyers over the past few months failed to materialize. ▶P3

**June services PMI recovers as domestic, foreign orders rise**

India's services sector growth recovered in June after hitting a five-month low in May, driven by a surge in sales, showed a business survey on Wednesday. Services firms ramped up their hiring at the fastest pace since August 2022, the survey showed. ▶P2



Prices may start to rise further if supplies remain low, something the government wants to avoid. BLOOMBERG

## Govt weighs cap on onion stock to avert price shock

Puja Das  
puja.das@livemint.com  
NEW DELHI

The spectre of yet another onion crisis has prompted the Centre to consider stock limits and declarations, with last year's runaway prices still fresh in memory.

Despite a good harvest this year, fewer onion trucks are arriving daily at Delhi's Azadpur mandi, India's largest vegetable wholesale market, sparking fears that prices could soar in the weeks and months ahead. Supplies from the onion hub of Nashik in Maharashtra have been lower than usual, an official who attended the discussions said, adding though the situation is not alarming yet, the government does not want to take chances.

"If this continues for some time, we may ask traders to declare their stocks, and if this fails, the next step will be imposition of stock limits," the official said on condition of anonymity. "The discussions are at a very early stage. We will take a call depending on the situation going forward."

Most of the onions sold across North India come from India's onion belt of Nashik,

Pune and Ahmednagar. Prices may start to rise further if supplies remain low, something the government wants to avoid given that several assembly elections are due this year, especially since steep onion prices have often influenced voting choices. All-India average retail price of onion on Wednesday was ₹43.4 per kg, up 69.5% from a year ago, consumer affairs ministry data showed.

Queries sent to the secretary and spokesperson of the consumer affairs department remained unanswered at press time.

The government had banned onion exports in December last year to ensure adequate supplies in the domestic market, following dry weather that hurt crop and tight global supplies. The ban was lifted in May, and exports were allowed with a minimum export price of \$550 per tonne, and a 40% export duty.

An onion trader from the Azadpur market said that supplies have been low despite a good onion harvest this year, possibly because farmers are holding stocks in anticipation of higher prices during September-October as is the case

TURN TO PAGE 6

## Budget hopes power Sensex's race to 80,000 as FIIs stock up

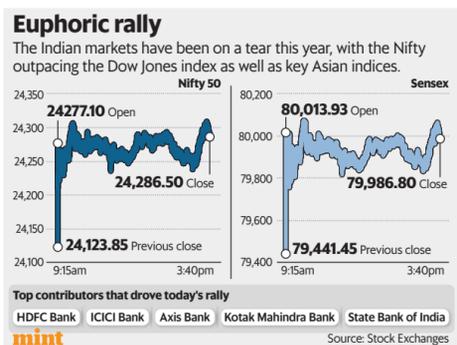
Dipti Sharma  
dipti.sharma@livemint.com  
MUMBAI

Riding the optimism around the Union budget and policy continuity, foreign investors scooped up Indian stocks on Wednesday, lifting the benchmark Sensex index beyond the 80,000-point milestone.

The Sensex, which hit the 75,000-mark on 9 April, took just 58 sessions to score the next 5,000 points. The previous 5,000 points took around 80 sessions. The 70,000-mark was first crossed on 14 December, 2023.

Market experts said the rally may continue, led by financial services stocks. On Wednesday too, the top gainers included HDFC Bank, ICICI Bank, Axis Bank, Kotak Mahindra Bank and State Bank of India, lifting Nifty Bank index to a record 53256.70 points.

After touching a record 80,074.30 points during the



day, the Sensex surrendered some of the gains to close at 79,986.80. The broader Nifty touched a record 24,309.15, before closing at 24,286.50. Both indices closed with gains of 0.7%. Provisional data showed that foreign institutional investors (FIIs) had bought ₹5,483.63 crore worth of shares, while local institutions sold ₹924.43 crore.

"The market's recent highs

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## GenZ muscles into trading, doubles share in five years

Ram Sahgal & Sneha Shah  
MUMBAI

The share of people under 30, popularly referred to as GenZ, has nearly doubled compared to other age groups in terms of number of investors on India's premier stock exchange, the National Stock Exchange of India (NSE).

Data from a May report of the NSE showed that the GenZ, which had a share of around 22-23% of the exchange's users in FY19 (before the pandemic), now comprises 40.1% of the NSE's 95 million registered investor base as of May 2024.

Incidentally, this group has also been the biggest age-group on the NSE over the past three years, taking pole position in terms of number of users across age groups in FY22 (see table).

Nisarg Seth, a 28-year-old trader, said what motivates him to trade is that the job requires more of analytical skills, rather than labour work, or simply buying or selling a commodity.



Cash market turnover on NSE has risen ₹201 trillion in FY24. PTI

MD & CEO of HDFC Securities. "Options and intraday squaring off in the cash market are what attracts them. They are those who've just completed their education or those just started their working careers and, thus, prefer cheaper instruments like options."

Intraday squaring off means taking positions on stocks between market hours. If a position is not closed before end of trading at 3:30 pm, delivery has to be given or taken.

The rise of this investor group coincides with NSE's premium turnover of index options—the most popular traded product—surging 426% from ₹26.29 trillion in FY21 to ₹38.19 trillion in FY24.

The tally for the current fiscal through 2 July stands at ₹40 trillion. Cash market turnover on NSE has risen at a more sedate 30% from ₹154 trillion in FY21 to ₹201 trillion in FY24. The tally for the fiscal through 2 July

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## The underground network sneaking Nvidia chips into China

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SINGAPORE

A 26-year-old Chinese student in Singapore was packing suitcases last fall to return home for vacation. Besides his clothes and shoes, his luggage included six of Nvidia's advanced artificial intelligence chips.

A connection from college asked him to bring the chips because the U.S. restricted their export to China. Each chip was roughly the size of a Nintendo Switch game console, and the student didn't flag any suspicions at the airport.

Upon arrival, the student

said he was paid \$100 for each chip he carried, a fraction of the underground market worth.

The student is part of a barely concealed network of buyers, sellers and couriers bypassing the Biden administration's restrictions aimed at denying China access to Nvidia's advanced AI chips, *The Wall Street Journal* has found.

Nvidia's chips are highly coveted for their ability to handle the massive computations needed to train AI systems that are critical to China-U.S. tech rivalry.

More than 70 distributors are openly advertising online what they purport to be Nvidia's restricted chips, and



The flow of Nvidia chips is so steady that most of those sellers take preorders and promise delivery in weeks. REUTERS

the *Journal* got in direct contact with 25 of them. Many of the verified sellers said they have supplies amounting to dozens of the high-end Nvidia chips each month.

The flow of Nvidia chips is so steady that most of those sellers take preorders and promise delivery in weeks, the *Journal* found. Some also sold entire servers—costing up to roughly \$300,000—with each containing eight high-end

Nvidia chips.

These merchants don't sell enough of the powerful Nvidia processors to satiate a single tech giant's demands. But for AI startups or research institutions with more modest needs, procurement can be done. Every Nvidia chip matters to China, which wants to stay competitive with the U.S. in an AI race seen as increasingly crucial to tech sovereignty and national security.

The Chinese sellers could be advertising Nvidia chips they don't actually have or offering refurbished ones from older processors. But counterfeits would be nearly impossible to make, both in physical or performance terms, given the uniqueness of Nvidia's top-end products.

The *Journal's* review includes verifying purchases with Chinese buyers who used the underground channels, as well as access to transaction records, customs filings and photos of the Nvidia chips up for sale. The Commerce Department, which oversees enforcement of the U.S. restrictions, didn't respond to requests for comment.

**Tracking troubles**

Nvidia globally doesn't sell its powerful data-center chips individually or provide them directly to its AI customers. Instead, it ships them to third parties, such as Dell Technologies and Super Micro Computer, which deliver fully-built AI servers or systems

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## MINT SHORTS

## Revenue of top 18 states likely to grow at 8-10% in FY25: Crisil

**New Delhi:** The revenue of India's top 18 states, which account for more than 90% of the country's gross state domestic product, is expected to grow at a steady 8-10% to ₹38 trillion during FY25, rating agency Crisil said on Wednesday. Healthy Goods & Services Tax (GST) collections and devolution from the Union government, which make up about 50% of aggregate state revenues, will support the growth, the rating agency said. **RHK KUNDU**

## Poverty declines to 8.5% from 21.2% in 2011-12: NCAER paper



**New Delhi:** Poverty in India is estimated to have declined to 8.5% in 2022-24 from 21.2% in 2011-12, despite the challenges posed by covid, a research paper by the economic think tank NCAER said. The paper titled *Rethinking Social Safety Nets in a Changing Society*, authored by Sonalde Desai of NCAER, used data from Waves 1, 2 and 3 (newly completed) of the India Human Development Survey. **PTI**

## India may get rating upgrade in two yrs if fiscal deficit falls to 4%: S&amp;P

**New Delhi:** A sovereign rating upgrade for India in the next 24 months is possible if the Central government is able to bring down the fiscal deficit to 4% of GDP, S&P Global Ratings director, sovereign ratings, Yee-Fan Phua, said on Wednesday. The trigger for upgrade would be general government (Centre + states) deficit falling below 7% of the GDP, and a lot of this would have to be driven by the Centre, the executive said. **PTI**

## Govt may raise rural housing sops by 50% after poll setback



**New Delhi:** The government plans to increase state subsidies on rural housing in the upcoming budget by as much as 50% from the previous year to more than \$6.5 billion, after setbacks for the BJP at the elections, two persons aware of the plans said. The planned hike is part of a broader government initiative to boost spending on rural infrastructure and a jobs programme. **PTI**

## Rule tweaks in finance bill cleared by GST council: CBIC chief

**New Delhi:** CBIC chairman Sanjay Kumar Agarwal on Wednesday said the decisions the GST Council took at a meeting last month, such as setting a sunset date for profiteering complaints, will be incorporated in the finance bill to be tabled in Parliament along with the Budget this month. "For cases of dispute resolution and settlement which have arisen at the time of GST roll-out...several decisions have been taken which may become part of the finance bill," Agarwal said. **PTI**

## ISMA urges govt to reconsider sugar exports amid surplus

**New Delhi:** Sugar industry body Indian Sugar and Bio-Energy Manufacturers Association (ISMA) on Wednesday called on the government to reconsider allowing sugar exports, citing a projected surplus and the potential financial strain on mills. ISMA estimates a surplus sugar of up to 3.6 million tonnes in the 2023-24 season ending September. "This estimated surplus...can potentially lead to additional costs for the millers on account of idle inventory and carrying costs," ISMA said in a statement. **PTI**

## Silk production using castor plant planned to create jobs, cut imports

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NEW DELHI

Silkworms, the larvae of silk moths, have a preference for mulberry leaves. But India's textile ministry is hoping they will acquire a taste for the medicinal castor leaves, too.

The ministry has proposed the use of castor leaves as feed for silkworms to boost the country's silk production and to create more employment opportunities, two people directly involved in the process said.

India is the world's second-

largest producer of silk and its sericulture industry employs an estimated 9.2 million people in rural and semi-urban areas. But it also imports silk from several nations given the high domestic demand for this costly fabric.

The Union textile ministry is planning a pilot project in Bihar, beginning with Bhagalpur district, a major castor-producing area. Other districts in Bihar that produce significant amounts of castor include Purne, Munger, Saran, Champaran, and Muzaffarpur. The pilot may be extended to other parts of the country where castor leaves can be used as an



The Union textile ministry is planning a pilot in Bihar, beginning with Bhagalpur district, a major castor-producing area. **PIXABAY**

alternative to mulberry leaves as silkworm feed.

The silk produced from castor leaves is known as eri silk. It

is soft, warm and durable, with a wool-like texture, making it more suitable for winter wear. "The concept note is being

prepared, and the project may start within the first 125 days of the newly formed NDA government," one of the people said.

Queries sent to the textiles ministry remained unanswered.

"The insect *Samia ricini* will now be grown on the leaves of castor plants, whose seeds are used in preparing medicines and in lubricants, and whose stems are used as thatch," this person added.

"Diversifying the types of silk produced helps reduce dependence on a single source. Using castor leaves for eri silk production will provide an

alternative to the more com-

mon mulberry silk," the second person said.

This initiative also aims to reduce India's dependence on silk imports from countries such as Vietnam, China, Myanmar, Brazil and Hong Kong.

"India's silk imports have consistently exceeded exports over the years. India imports silk mainly to meet the demand for high-quality raw and finished silk products as local production is not enough to satisfy the needs of the textile and fashion industries," said Ajay Srivastava, who heads Global Trade Research Initiative.

The trade deficit, the difference between exports and

imports, increased as imports rose. It was \$126.46 million in FY20, \$20.05 million in FY21, \$31.5 million in FY22, \$170.13 million in FY23, and \$84.49 million in FY24.

V. Balasubramanian, president of the Silk Association of India (SAI), said, "There has been no success story of producing silk from castor or other leaves. The world's silk has traditionally been dominated by mulberry because its leaves have a higher protein content than others. This makes mulberry silk highly sought-after. But if mulberry leaves are not available, silkworms can be raised on alternative leaves."

## Self declaration now solely for F&amp;B, health sector ads

New rules brought by the government say the declarations need to be made only once a year

Varuni Khosla & Gaurav Laghate  
NEW DELHI/MUMBAI

The food & beverages industry and the health sector—that routinely violate advertising guidelines—will continue signing self-declaration forms for their ads, but just once a year, according to new rules issued by the government.

All other sectors and industries are not required to file any self-declaration.

In a major development following multiple meetings with industry bodies, the ministry of information and broadcasting in an advisory issued late Wednesday evening, said that it has made an update superseding two advisories issued earlier in June, stating that only advertisers in these two sectors must fill a self-declaration and not all advertisers.

For TV and radio advertisements, these declarations will be required to be uploaded on the ministry's broadcast seva portal. For advertisements in the press, print media, or online, the declarations can be uploaded on the portal of the Press Council of India.

A senior official in the ministry confirmed to *Mint* that this advisory was to clarify that only advertisements relating to food and health-care are covered under the new rules and those have to give an annual self-declaration certificate.

The responsibility lies with the advertisers and agencies, not the broadcasters or publishers.



Sectors and industries other than food and beverages and health care have been exempt from the requirement of filing any self-declaration. **BLOOMBERG**

The advertising industry, while broadly welcoming the softening of the regulatory glare, said those making self-declarations needed to be made accountable.

Goyal, chairperson of Rediffusion, a leading ad agency.

Manisha Kapoor, CEO and secretary general, Advertising Standards Council of India (Asci), added: "Commitment to

advertisers and agencies should take the required steps to ensure compliance. This is true across sectors."

In recent weeks, industry groups had been in talks with the government, seeking alternatives to new compliance rules they find challenging. While they had started adhering to the rule, it added to their paperwork burden.

In fact, the ministry's website had also been unable to take the load of self-declarations and crashed many times when the process began on 18 June.

These new regulations came into effect after a Supreme Court ruling in May in the Patanjali Ayurved case, which led the ministry of information and broadcasting to mandate that all advertisers must declare compliance with cable television rules and advertising codes for all their ads.

Complying with the new regulations for every advertisement, was proving to be cumbersome especially for digital ads as they are far higher in volume. Compounding the issue is that many companies bypass ad agencies and advertise directly on their own social media platforms. Also, there is ambiguity about what constitutes an advertisement versus information, experts said. "It's a good step as it addresses which was much needed and a lot of issues being raised by startups, etc. considering

it's an additional compliance burden of the two important advertisement sectors," Dhruv Garg, a tech policy and legal consultant based in Delhi told *Mint*.

**SELF CHECK**  
**FOR** TV and radio ads, declarations will need to be uploaded on the broadcast seva portal  
**DECLARATIONS** for print and online ads can be uploaded on the portal of Press Council of India  
**THE** advisory says the new rules cover only ads relating to food & beverages and health sectors  
**THOSE** making self-declarations must be made accountable, the advertising industry said

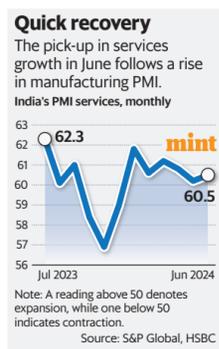
"An annual self declaration should also have some teeth, which could save advertisers a lot of the effort. This declaration should also be made legally binding with self-attestation," said Sandeep

honest advertising remains paramount and the industry must continue its commitment to being compliant with all applicable laws. Advertising is under increased regulatory scrutiny and

it's an additional compliance burden of the two important advertisement sectors," Dhruv Garg, a tech policy and legal consultant based in Delhi told *Mint*. **varuni.k@livemint.com**

## June services PMI recovers as domestic, foreign orders rise

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India's services sector growth recovered in June after hitting a five-month low in May, driven by a surge in sales, showed a business survey on Wednesday.

Buoyed by an increase in both domestic and international orders, services firms ramped up their hiring at the fastest pace since August 2022, the survey showed.

The HSBC India Services Purchasing Managers' Index (PMI), compiled by S&P Global, rose to 60.5 in June from 60.2 in May. The index hit a six-month peak of 61.8 in January.

The reading has remained above 50, which separates expansion from contraction, for 34 months.

The pick-up in services growth follows a rise in manufacturing PMI, which rose to 58.3 in June from a three-month low of 57.5 in May.

The June services PMI was also above HSBC's projection of 60.4, mentioned in its Flash Services PMI Business Activity

Index in May.

"New orders received by Indian service providers continued to rise in June, extending the current sequence of expansion to nearly three years," the survey said. "The pace of growth was sharp, faster than in May and well above its long-run average."

India's services sector—among the world's fastest growing—accounts for more than half of the country's gross domestic product (GDP).

India's GDP expanded at a blistering 8.2% in 2023-24, supported by January-March

quarter growth of 7.8%, better than the Reserve Bank of India's (RBI's) revised GDP growth forecast of 7% for the fiscal year.

The RBI expects India's GDP to grow at 7% in 2024-25. "Activity growth in India's services sector accelerated in June, with the index rising to 60.5, led by an increase in both domestic and international new orders. This encouraged services firms to increase their staffing levels at the fastest pace since August 2022," said Pranjal Bhandari, chief India economist at HSBC.

"Input costs rose at a moderate pace, resulting in a softer uptick in output charges in June. Overall, service providers remain confident about the year-ahead business outlook, although the level of optimism moderated sharply during the month," Bhandari added.

In terms of overall activity, aggregate output across both the manufacturing and service sectors rose in June

Bhandari said that while the composite PMI also accelerated in June, manufacturing firms contributed more to the expansion than services firms.

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The government on Wednesday set up eight Cabinet Committees but included members of its alliance partners in just five of these panels, which play a significant role in policymaking across all important domains.

The committees formed on Wednesday are the Appointments Committee, Committee on Accommodation, Economic Affairs, Parliamentary Affairs, Political Affairs, Security, Investment and Growth, and Skill, Employment and Livelihood.

All these committees are led by Prime Minister Narendra Modi. Union ministers Rajnath Singh, Amit Shah, Nirmala Sitharaman, Nitin Gadkari, S Jaishankar and Piyush Goyal, among others are members.

The Appointments Committee of the Cabinet includes Prime Minister and home minister Amit Shah. The Committee on Accommodation features Shah, road transport and high-



All the panels are led by Prime Minister Narendra Modi. **BLOOMBERG**

ways minister Nitin Gadkari, finance minister Nirmala Sitharaman, housing and urban affairs minister Manohar Lal, and commerce minister Piyush Goyal.

The Cabinet Committee on Economic Affairs (CEEA) includes Modi, defence minister Rajnath Singh, Shah, Gadkari, Sitharaman, Goyal, agriculture minister Shivraj

Singh Chouhan, external affairs minister S. Jaishankar, heavy industries minister H. D. Kumaraswamy, education

## Rains may pelt Delhi, NW region till Sunday

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The national capital and surrounding areas are likely to witness heavy rainfall till Sunday, the weather department said on Wednesday.

"Heavy to very heavy rainfall spell is likely over North-West and East India, and very heavy to extremely heavy rainfall over North-East India during next four-five days," the India Meteorological Department (IMD) said in a statement.

On Tuesday, the South-West monsoon, which arrived in Kerala two days earlier than usual on 30 May, covered the entire country six days ahead of the normal date of 8 July.

The IMD on 1 July said India could experience above-normal rainfall in July, with heavy rains potentially leading to floods in the western Himalayan states and river basins in central India.

To be sure, IMD's forecast of significant rainfall in Delhi on Monday turned out to be inaccurate as the national capital remained dry and experienced a hot day because of high humidity.

The weather bureau revised its forecast for Delhi twice that day. At 9am, it issued a "yellow" alert for light to moderate rain. This was revised to orange around 1:30pm for moderate to heavy rainfall forecast.

minister Dharmendra Pradhan, and panchayat minister Rajiv Ranjan Singh alias Lalan Singh.

Commerce minister Piyush Goyal is on five committees—accommodation, economic affairs, political affairs, investment and growth, and skill, employment, and livelihood.

The Cabinet Committee on Security includes Rajnath Singh, Shah, Sitharaman, and Jaishankar.

Five members from the five alliance partners—Lalan Singh, H. D. Kumaraswamy, Rammo-han Naidu, Jitan Ram Manjhi of and Chirag Paswan—are included in the committees.

## CORRECTIONS AND CLARIFICATIONS

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MINT SHORTS

**EleFant raises ₹6 cr in seed funding from Venture Catalysts, others**

**Bengaluru:** EleFant has raised \$750,000 (₹6 crore) in a seed funding round co-led by early-stage investor Venture Catalysts and Aniruddha Malpani's Malpani Ventures. The funds will allow the startup to improve its supply chain, reducing delivery times and costs and developing its data analytics stack. The startup, which is operational in 16 cities across India, operates a discover-play-return model, instead of the conventional buy-play-clutter approach.

K. AMOGHAVARSHA

**Matter Group raises \$35 mn from US-based Helena, others**



**Mumbai:** EV and energy storage startup Matter Group on Wednesday announced securing \$35 million in the ongoing Series B funding round led by the US-based problem-solving organisation Helena. The capital will accelerate the company's efforts in scaling up manufacturing, supply chain, marketing and retail expansion to meet the growing demand for sustainable, high-performance mobility solutions, Matter said in a statement.

**Dice raises \$5 million funding from Dallas Venture Partners, GVFL**

**Bengaluru:** Dice has raised \$5 million (₹42 crore) in a Series A funding round led by venture capital firm Dallas Venture Partners. The round also saw participation from GVFL (formerly Gujarat Venture Finance Ltd). The funds raised will be used to increase market penetration, customer outreach, optimize sales and marketing strategies.

K. AMOGHAVARSHA

**Hoop secures funding from Olympic medallist P.V. Sindhu**

**Bengaluru:** Hoop has raised an undisclosed amount in a funding round from Olympic medallist P.V. Sindhu. Sindhu would also join the firm as a brand ambassador. Founded by former McKinsey consultants, Twinkle Uppal and Saharsh Agarwal, Hoop is a consumer wellness brand that provides effective pain, sleep, stress and workout products.

K. AMOGHAVARSHA

**'IPO-bound Unicommence to drive sustainable growth'**

The firm's growth strategy entails domestic and int'l expansion, as well as product launches

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BENGALURU

IPO-bound e-commerce enterprise software provider Unicommence will continue prioritizing profitability after its listing, its chief executive officer (CEO) Kapil Makhija said. Unicommence's growth strategy revolves around three pillars: domestic expansion, international expansion, and new product launches, Makhija said.

"Profitability is a key ethos, so we continue to be profitable and that as an ethos is not going away. We want to continue to drive sustainable growth, and we're very clear on that as an organization," Kapil Makhija, CEO of the company, told *Mint* in an interview. Unicommence plans to increase its penetration in India by attracting more brands and boosting revenue from existing ones. "As for international expansion, we are already present in six-plus countries outside of India, largely focused on Southeast Asia and the Middle East," he said.

The company will continue to launch new products to ensure that brands have a single vendor solution to take care of post-purchase experience, Makhija said. Founded in 2012, Unicommence, acquired by Snapdeal, is an integrated e-commerce software-as-a-service platform that helps sellers and D2C brands to streamline business operations. Some of its clients include Lenskart, Fabindia and Zivame.

The company received the approval of the Securities and Exchange Board of India (Sebi) for its initial public offering (IPO) plan on Monday.

It plans to offer up to 29.8 million equity shares with a face value of ₹1 per



Unicommence launched quick commerce integration, which lets brands fast-track quick commerce orders for their products.

share. Promoters of Unicommence, such as AceVector Ltd, formerly known as Snapdeal, plan to sell 11.4 million shares in the offer-for-sale.

Other existing investors B2 Capital Partners and SB Investment Holdings

more revenue from the existing brands as our revenue is transactional," said Makhija.

The company is banking on integrations to execute that. Recently, the company launched quick commerce

integrations. Particularly for health and nutrition categories as well as food and personal care categories, we are seeing a high amount of salience of these channels," said Makhija.

The company has launched two new products—UniShip (a tech tool to simplify order tracking, returns and exchange) and Uni-Reco (payment reconciliation solution that helps reconcile products ordered and returned, automates fee computation for different marketplaces etc.)—in the last one year.

While 'multi-channel order management' and 'warehouse management systems' are the key revenue drivers, the company has seen rapid adoption of its newer offering 'omni-channel retail management solution', according to Makhija.

**TECH BACKBONE**

**THE** e-commerce enterprise software developer plans to increase penetration in India

**UNICOMMENCE** will launch new tech products to ensure brands have a single vendor solution

**THE** firm received the Securities and Exchange Board of India's nod for its IPO plan on Monday

**IT** plans to offer up to 29.8 million equity shares with a face value of ₹1 per share

(UK) Limited plan to sell 2.21 million equity shares and 16.1 million equity shares, respectively.

The domestic expansion plan is mainly about getting more brands on the platform. "The idea is to get more brands on the platform as well as drive

integration, which lets brands fast-track quick commerce orders for their products.

"In the last 12 months, quick commerce has become a very salient model and that's why we extended our offering to also provide quick com-

**Veterinary drugs firm Felix plans fundraising**

Debjyoti Roy & Sreeja Biswas  
NEW DELHI/MUMBAI

**F**elix Pharmaceuticals Pvt. Ltd, an Ireland-registered veterinary pharma company that operates manufacturing facilities in India through a subsidiary, is looking to raise fresh capital for expansion and for providing an exit window to some existing investors, three people aware of the development told *VCCircle*.

The generic drugmaker intends to mop up between \$50 million and \$80 million (₹418-668 crore) in a Series D round, one of the persons said, asking not to be named.

The fundraising plan comes four years after Felix raised about \$40 million in Series C funding in 2020. Overall, the company has raised about \$42 million since inception, the person said. The company's investors include

**VCCIRCLE** family offices, including from South Africa, and affluent individuals. One of them is Dalip Pathak, a special limited partner at Warburg Pincus and the former head of India at the private equity firm.

The names of other investors, including those who plan to exit in this round, couldn't be ascertained. Felix has a presence in India through unit Felix Generics Pvt. Ltd, which runs two manufacturing plants at Pithampur in Madhya Pradesh and a research and development centre at Greater Noida in Uttar Pradesh. The company also operates in the US through Felixmet Inc. and set up its North American headquarters in Kansas, Missouri last year.

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**Collective Artists Network acquires Terribly Tiny Tales**

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NEW DELHI



Founder of Terribly Tiny Tales Anuj Gosalia. ANUJ GOSALIA/LINKEDIN

Creator marketplace and talent management firm Collective Artists Network has bought Terribly Tiny Tales for an undisclosed sum, and said that the acquisition of the storytelling platform aligns with its strategy to evolve into a new media company.

Founded by Anuj Gosalia in 2013 as a flash-fiction platform on Facebook, Terribly Tiny Tales hosts content across Instagram, YouTube and other social media channels with a community of over five million creators.

The platform's weekly engagement stands at 25 million people, making it a valuable partner for brands seeking to share their stories, the two companies said in a statement on Wednesday.

Terribly Tiny Tales has collaborated with brands and cre-

ated original content, including web series, short films and animated shorts.

"My vision has always been to build scale by creating an ecosystem that supports the best forms of storytelling for creators," Vijay Subramaniam, founder and chief executive of Collective Artists Network, said in the statement. "The acquisition of Terribly Tiny Tales fits perfectly into our expansion plan to establish Collective Artists Network as

the pre-eminent new media company centred around creators and content." Last year, Collective Artists Network launched Big-Bang.Social, a tech platform for connecting creators for brand collaborations, upskilling and community building. It had earlier acquired Under25 Universe, a learning-technology company aimed at the creator ecosystem. Earlier this year, India-focused venture capital fund Gruhas, backed by Zerodha's Nikhil Kamath and Collective Artists Network launched Gruhas Collective Consumer Fund (GCCF) to back emerging consumer-focused companies. "This partnership will enable Terribly Tiny Tales to leverage Collective's extensive resources and expertise, allowing us to amplify our reach and impact in the storytelling domain," Anuj Gosalia, founder and chief executive officer of Terribly Tiny Tales, said.

**CoinDCX buys Dubai's BitOasis**

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Ola Doudin, co-founder and CEO of BitOasis. @ODDOUDIN/X

Indian crypto exchange CoinDCX has acquired Dubai-based BitOasis, a first step in the company's plans to expand globally.

The purchase will give CoinDCX, which first invested in BitOasis last year, a "formidable foothold across the Mena region, catering to a diverse range of retail and institutional clients," the Indian firm's co-founder Sumit Gupta said in a statement. The company didn't disclose the terms of the deal.

The purchase comes as Dubai vies with the likes of Singapore and Hong Kong to establish itself as a nexus for crypto businesses. CoinDCX has identified regions that offer clear regulatory frameworks for crypto operators and is targeting them for expansion through mergers and acquisitions, Gupta said in an interview with *Bloomberg News*.

Launched in 2016, BitOasis operates in countries such as the United Arab Emirates, Saudi Arabia, Bahrain and Kuwait. Since inception, the exchange has processed over \$6 billion in trading volume while raising more than \$40 million dollars in venture funding from investors, according to the statement.

Last July, BitOasis had its "minimum viable product operational license" suspended by Dubai's Virtual Assets Regulatory Authority—or VARA—after falling short of local requirements. The license has since been reinstated, allowing the exchange to reopen its plat-

form for new retail and institutional users. BitOasis also secured a license from the Central Bank of Bahrain.

The suspension of the license imposed some limitations on acquiring new users, but allowed the exchange to continue serving existing clients, Ola Doudin, co-founder and chief executive officer of BitOasis, said in an interview.

"Despite this slight hiccup, we haven't really seen significant churn from our customers or assets leaving the platform," Doudin said. "In fact, over the last six months, our average monthly trading volume has grown by over 100%, and our assets under custody have continued to increase, now exceeding \$210 million."

Doudin added that BitOasis has over 750,000 customers, with the majority of its \$6 billion in total trading volume generated over the past 18 months.

BitOasis' brand and leadership team will remain unchanged following the acquisition, according to the statement.



Koo had 2.1 million daily active users at its peak and was "just months away" from beating Twitter in India in 2022.

**Koo, once touted as India's answer to Twitter, falls silent**

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**C**ash-strapped social media platform Koo, once touted as a home-grown rival to global technology giant X (formerly Twitter), has shut shop after talks with multiple potential buyers over the past few months failed to result in a sale.

The internet startup, which sports a yellow bird for a logo, had approached media houses and internet companies to acquire it, but the talks did not yield the expected

**Koo garnered investor interest, with Tiger Global and Accel pumping in upwards of \$60 million in total**

outcome, co-founder Mayank Bidawatka said in a LinkedIn post on Wednesday. Most of these companies did not want to deal with user-generated content and the "wild nature of a social media company", Bidawatka said.

"While we would've liked to keep the app running, the cost of technology services to keep a social media app running is high and we've had to take this tough decision," Bidawatka added.

Koo had 2.1 million daily active users at its peak and was "just months away" from beating Twitter in India in 2022, but the prolonged funding

winter forced it to tone down its growth trajectory, according to Bidawatka.

Founded in 2020 by Aprameya Radhakrishnan and Bidawatka, Koo was considered a homegrown option to engage with the world. Support from prominent politicians including Union commerce minister Piyush Goyal and former communications minister Ravi Shankar Prasad prompted an influx of users to the platform, which reached a peak of 4.5 million users in January 2021. Twitter had about 24 million users in India in 2022, as per Statista.

Koo garnered investor interest as well, with Tiger Global and Accel pumping in upwards of \$60 million in total.

The company was valued at \$274 million in 2022, per Tracxn. However, things went south when the platform struggled to monetize, creating a severe cash crunch amid tough macroeconomic conditions. In April last year, Koo let go one-third of its 260-strong workforce to conserve cash while it explored "strategic partnerships".

For 2021-22, Koo reported a loss of ₹197 crore on ₹14 lakh in operating revenue, regulatory filings show. The company has not filed its financials for FY23.

**Lighthouse Funds in talks to cash out of Aqualite Industries**

Priyamvada C. & Sneha Shah  
BENGALURU/MUMBAI

**P**ivate equity firm Lighthouse Funds is looking to exit its six-year-old bet on footwear maker Aqualite Industries, and has started exploratory talks with prospective investors, two people familiar with the matter told *Mint*.

Lighthouse—that had invested ₹250 crore in 2018 from its third fund—for a minority stake (16.4%) in the company, is now looking to cash out, the first person cited above said.

"Bankers will be appointed soon, and a formal process will begin. At present, the company has held initial talks with other PE funds to gauge their interest," the person added, requesting to remain anonymous. Lighthouse—a leading mid-

market private equity firm that typically focuses on growth investments in India's consumer sector—counts prominent brands such as Nykaa, Bikaji Foods, Tynor Orthotics, and Fabindia, among others, in its portfolio.

It is also looking to cash out of its investment in Tynor, *Mint* reported on Tuesday.

Queries emailed to Lighthouse and Aqualite remained unanswered till press time. Growth for Aqualite has been slow after the company's performance was hit by the pandemic. In FY23, the company managed to clock ₹922 crore in revenue, up from ₹744 crore a year earlier, per a report by ratings agency Crisil in September 2023.

The report added that there could be a marginal increase in 2024, with revenues expected in a range of ₹950-1,000 crore,



Growth for the footwear maker Aqualite has been slow after the firm's performance was hit by the effects of the pandemic.

driven by the company's shift in focus to prioritising sales in higher-margin segments. In recent years, Aqualite's profitability has been under pressure due to reduced margins that have shrunk because of low bargaining power in a price-

sensitive market. The Crisil report highlighted that Aqualite has been unable to pass on the increase in prices of raw materials to customers, even as it faces stiff competition from unorganized players and other established brands. Its operat-

ing margin, which was a dismal 0.2% in FY22 and even lower during the first half of FY23, has, however, improved in the subsequent quarters. The company reported operating margins of 10.6% for FY23 as it benefited from price increases to offset rising input costs, the Crisil report noted. The report further noted that an increase in the sales of its higher margin segments, which include non-Hawaii items and shoes, coupled with a rise in export orders, has helped improved the company's financials. Aqualite's origins go back to 1981 when managing director Davinder Gupta, a first-generation entrepreneur, started the company with a mission to

**Lighthouse had invested ₹250 cr in 2018 from its third fund for a minority stake (16.4%) in Aqualite Industries**

make lightweight footwear for farmers near Delhi. As more Indians gravitated towards style and fashion after the liberalisation wave in the 1990s and beyond, the company expanded its offerings to cater to the needs of the middle class and other segments.

The company today offers more than 6,500 products and has manufacturing units in Haryana and Rajasthan, with a pan-India distribution network of about 35,000 retailers.

A recent report from market intelligence platform Statista said India's footwear market generated revenues of \$26.06 billion in FY24.

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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		
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80,074.30	79,754.95		24,309.15	24,207.10		22,871.65	22,764.10		72,635.85	72,112.70		25,328.65	25,211.00		46,863.01	46,553.25		53,490.12	53,246.19	

**MINT SHORTS**

**South Korea hikes growth forecast as AI demand booms**

South Korea revised its economic growth forecast sharply higher as booming global demand for artificial intelligence drives its semiconductor exports to record levels. The government sees gross domestic product expanding 2.6% this year, an upward revision from its previous forecast of 2.2%, according to a statement Wednesday from the finance ministry. The inflation forecast has been kept unchanged at 2.6%, matching an estimate by the Bank of Korea. The government forecast for GDP is 0.1 percentage point higher than the one by the BOK, which also revised its projection in May after the economy expanded faster than expected in the first quarter. A jump in memory-chip sales by companies including SK Hynix Inc. propelled the economy to a 1.3% expansion from a quarter earlier, far outpacing the 0.6% consensus forecast of economists. The pick-up in economic projections underscores optimism. **BLOOMBERG**



A solid expansion in the bloc's services industry failed to offset a further deterioration in manufacturing. **BLOOMBERG**

**Euro zone biz growth slowed sharply in June, PMI shows**

Overall business growth across the euro zone slowed sharply last month as a solid expansion in the bloc's dominant services industry failed to offset a further deterioration in manufacturing, a survey showed on Wednesday. HCOB's composite Purchasing Managers' Index for the currency union, compiled by S&P Global and seen as a good gauge of overall economic health, dropped to 50.9 in June from May's 12-month high of 52.2. It was just above a preliminary 50.8 estimate and the fourth consecutive month above the 50 mark separating growth from contraction. "Growth in the euro zone can be attributed fully to the service sector. While the manufacturing sector weakened considerably in June, activity growth in the services sector continued to be nearly as robust as the month before," said Cyrus de la Rubia, chief economist at Hamburg Commercial Bank. The services PMI dipped to 52.8 last month from 53.2 but was ahead of the 52.6 flash estimate. **REUTERS**

**Sebi lowers face value of debt securities**

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Markets regulator Sebi on Wednesday drastically cut the face value of debt securities to ₹10,000 from ₹1 lakh to boost participation of retail investors in the corporate bond market. Market participants are of the view that lower ticket size of debt securities may encourage more non-institutional investors to participate in the corporate bond market, enhancing liquidity. In a circular, Sebi said, "the issuer may issue debt security or non-convertible redeemable preference shares on private placement basis at a face value of ₹10,000".

This would be subject to certain conditions. The issuer should appoint at least one merchant banker, and NCDs and non-convertible redeemable preference shares be plain vanilla, interest or dividend-bearing instruments. Sebi said that credit enhancements would be permitted in such instruments. With respect to General Information Document, which is valid as on the 'effective date of the circular', the issuer may raise funds through tranche placement memorandum or Key Information Document at a face value at ₹10,000 provided at least one merchant banker is appointed to carry out due diligence in respect of such issuances.

**'India's 30-year bond rally over-hyped'**

**Bloomberg**  
feedback@livemint.com

An Indian bond fund manager says a rally in the nation's 30-year bonds has gone too far, as traders hyped up expectations for policy rate cuts and increased purchases by foreign funds. The trade has become crowded as investors eager to ride a paradigm shift in the nation's rates bet the 30-year debt is the best vehicle to do so, according to Dhawal Dalal, who oversees ₹820 billion rupees (\$10 billion) of assets as the head of fixed income at Edelweiss Asset Management Ltd. "We believe there won't be a secular decline in India's bond yields in the medium term," Dalal, a 27-year market veteran said in an interview in Mumbai.



RBI has kept the policy rate unchanged at 6.5%. **MINT**

"We are yet to become a developed country where inflation remains between 2% and 3%." The addition of Indian bonds into JPMorgan Chase & Co.'s index last month has turned the market into a focal point for global investors, accentuating the different playbooks

employed by local funds to gain an advantage. While rivals such as Bandhan Asset Management have gone massively overweight—in some cases as much as 90% of total assets—on long bonds, Dalal is urging caution

manager has allocated some 40% of assets in 10-year bonds, he said. The Reserve Bank of India will probably engage in only a "shallow rate-cutting cycle wherein they'll probably cut one or two times," this fiscal year, Dalal said. Should that happen, the 10-year bonds may see yields decline by 25 basis points, he said.

"We don't know whether there'll be a parallel shift downward or there'll be a widening of the spread between the 10 and 30," Dalal said. "That has to be seen." The Reserve Bank of India has kept the policy rate unchanged at 6.5% for more than a year now.

While MUFG is still interested in HDB Financial Services Ltd, the talks may face further delays or even fall apart, the people said, asking not to be identified because the matter is private. HDFC could consider an initial public offering of the consumer lending unit as an alternative, one of the people

declined to comment. HDFC Bank didn't immediately respond to a request seeking comment. MUFG has been seeking to build its presence in India, where HDBF offers services such as personal, gold and auto loans. *Bloomberg News* reported earlier this year that MUFG, Japan's biggest lender, was in talks for a 20% stake for about \$1.7 billion. MUFG has considered sweetening its offer, people familiar with the matter have said.

Facing sluggish growth at home, Japanese lenders such as MUFG and Sumitomo Mitsui Financial Group Inc. have been scouring for deals in Asia to boost revenues.

**Will Nicotinell give Dr Reddy's a high?**

**Abhishek Mukherjee**  
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Dr Reddy's Laboratories Ltd ticks all the boxes—an expansive global footprint, strong brand recognition, and a 'fair' price. However, it will take more than a feel-good purchase to dispel lingering concerns around the Indian pharma major's core business amid rising competition.

Dr Reddy's recently announced the acquisition of British pharma firm Haleon's global portfolio of nicotine replacement therapy (NRT) products (outside of the US) for ₹500 million. Haleon's NRT brands include Nicotinell with a footprint in over 30 countries spanning Europe, Asia and Latin America; Nicabate (sold in Australia); Habitrol (sold in Canada); and Thrive (sold in New Zealand and Canada).

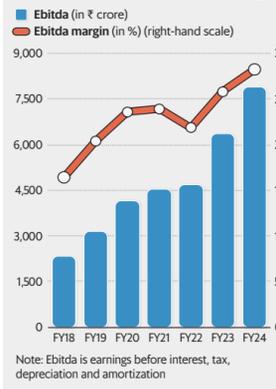
Sales of the acquired brands in 2023 stood at ₹217 million, which makes the deal fairly valued at 2.3 times of sales. Also, Dr Reddy's has got access to a strong bouquet of brands. Nicotinell is the second-biggest brand globally (outside the US) in the NRT category. All the four acquired NRT brands cumulatively enjoy a market share of 25% in their target markets.

NRT treatment usually spans 6-12 months. These products enjoy some level of customer stickiness given multiple patient relapses during the treatment. While 80% of the acquired brands' revenue comes from developed countries, analysts see rising demand from emerging markets as well, given the growing emphasis on curbing tobacco usage. "This acquisition will give Dr. Reddy's access to key global customers, markets, talent and it will be able to leverage the platform to launch additional products from the portfolio," Phillip Capital said in a note.

"In fact, Dr Reddy's existing global OTC (over-the-counter) business with sales of US\$ 300 million will get the big boost on account of the global leadership position of acquired business in OTCs," it

**Margin maths**

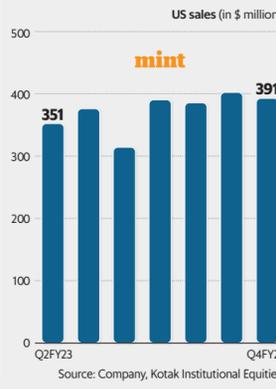
Dr Reddy's is looking to maintain Ebitda margin at about 25%, but headwinds in core market of the US pose a challenge



Note: Ebitda is earnings before interest, tax, depreciation and amortization

**Core report**

The company is seeing lacklustre growth in US generic sales, which contribute about half of its revenue



Source: Company, Kotak Institutional Equities

pointed out. However, not everyone is so gung-ho. For one, the acquired portfolio is a slow-growing business. In the last three years, sales of the acquired portfolio grew at just 4% CAGR. Now, Dr Reddy's global OTC business, comprising around 10% of its overall sales, too is growing in single digits. Thus, the Nicotinell purchase may not accelerate its revenue growth strongly. Second, analysts are jittery over the need for continuous invest-

ramp-up at best," Kotak Institutional Equities noted. "Accordingly, we bake in a 5% organic sales CAGR over FY2024-27E for the Nicotinell portfolio," it added. Kotak expects the deal to be marginally dilutive to Dr Reddy's FY25-26 estimated EPS and has cut its FY25 EPS estimate by almost 2%.

The big overhang for the firm is its dependence on US sales of its generic version of blockbuster cancer drug Revlimid that makes for about half of its profits.

Revlimid will go off-patent in January 2026, and Dr Reddy's has been scrambling to build new revenue streams to offset price erosion. In recent times, Dr Reddy's has acquired multiple brands in the OTC portfolio in the US market, as well as inked a JV with Nestlé to bring vitamins, minerals, herbs and supplements to India. However, with its core US generics business facing headwinds like increasing competition and pricing pressures, the Street remains lukewarm towards its OTC forays. So far in 2024, Dr Reddy's stock has climbed nearly 11% compared to a 18% gain in Nifty Pharma.

**TOUGH TURF**

**NICOTINELL** acquisition is unlikely to give a substantial push to revenue growth

**ANALYSTS** are wary over the need for investments in multiple markets over next few years

**DR Reddy's** said it aims to grow the acquired brands via new launches and by marketing spends

ments in multiple geographies over the next few years, that too in the unfamiliar NRT segment. Dr Reddy's itself said it aims to grow the acquired brands via new launches and by marketing spends.

"Given the small scale of its OTC franchise currently with limited OTC experience across most markets, we expect Dr Reddy's global OTC journey, particularly in non-India markets, to witness a steady

**Niva Bupa has a long growth runway but faces stiff competition**

**Manish Joshi**  
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Two is better than one. That's certainly true for India's stand-alone health insurance (Sahi) sector, which currently has only one listed company, Star Health and Allied Insurance Co Ltd. The upcoming listing of Niva Bupa Health Insurance Co will provide another option to investors looking to participate in the Sahi growth story.

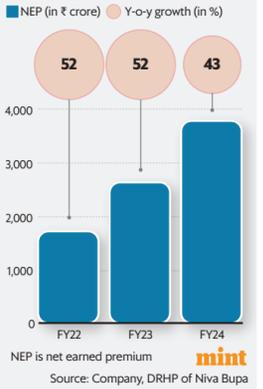
Based on net earned premium (NEP) in FY24, Niva Bupa is almost one-third the size of Star Health, the market leader. Niva Bupa has tried to address common concerns of mediclaim policy buyers by launching products that allow buyers to carry forward the sum assured, lock the premium at the initial price, and so on. It has also clocked a superior compound annual growth rate (CAGR) in NEP, albeit on a lower base; and its claims ratio is lower. In the two years to FY24, Niva Bupa clocked a CAGR of 47% in NEP compared to 15% for Star Health. Its claims ratio (indicating NEP spent on paying claims) stood at 59% in FY24 against 66% for Star Health. In fact, Niva Bupa's claims ratio was the lowest in the industry. A lower claims ratio indicates better risk assessment of insured persons, or underwriting standards in insurance parlance. Thus, Niva Bupa may fetch a valuation premium over Star Health on listing.

Star Health shares trade at a market capitalization (mcap)-to-NEP multiple of 2.6x based on FY24 financials. Assigning a 25% premium to the multiple means the potential mcap of Niva Bupa could be around ₹12,000 crore. At this mcap, the total issue size, including the offer for sale component of ₹3,000 crore, works out to about 25%—the minimum public shareholding or non-promoter shareholding required for listed companies.

Niva Bupa seems to be adequately capitalized with a solvency ratio of 2.5, versus the regulatory requirement of 1.5 for insurers. The solvency ratio is similar to the capital ade-

**Rapid rise**

Niva Bupa has seen sharp growth in recent years with the lowest claim ratio in the sector at 59% in FY24



Source: Company, DRHP of Niva Bupa

quacy ratio for banks.

Sahi firms have an edge within general insurance as the industry is growing relatively faster. In FY24, growth in premiums for the Sahi industry was 26% y-o-y against 13% for general insurance. Also, general insurance companies are exposed to potential losses from frequent events such as natural calamities while Sahi companies face risks from events such as pandemics, which are rare.

To be sure, the risks from existing competition and LIC's potential entry into the health insurance business—if composite licences become a reality—are well-known. However, the growing coverage of the population under Ayushman Bharat is a bigger risk for the health insurance sector. Free hospital treatment available under the scheme could hamper the penetration of private mediclaim insurance, especially among lower income groups and in rural areas.

But will investors overlook competition in the industry and see only the long runway for growth? Their response to the IPO will answer this question.

**MUFG-HDFC talks may stall over strategic control dispute**

**Bloomberg**  
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Mitsubishi UFJ Financial Group Inc.'s negotiations for a minority stake in HDFC Bank Ltd's consumer lending unit are stalling due to differences over how much say it will have in company strategy, according to people familiar with the matter.

While MUFG is still interested in HDB Financial Services Ltd, the talks may face further delays or even fall apart, the people said, asking not to be identified because the matter is private. HDFC could consider an initial public offering of the consumer lending unit as an alternative, one of the people



The talks are regarding HDFC Bank's lending unit. **MINT**

declined to comment. HDFC Bank didn't immediately respond to a request seeking comment. MUFG has been seeking to build its presence in India, where HDBF offers services such as personal, gold and auto loans. *Bloomberg News* reported earlier this year that MUFG, Japan's biggest lender, was in talks for a 20% stake for about \$1.7 billion. MUFG has considered sweetening its offer, people familiar with the matter have said.

Facing sluggish growth at home, Japanese lenders such as MUFG and Sumitomo Mitsui Financial Group Inc. have been scouring for deals in Asia to boost revenues.

**'Sebi's uniform charge will hurt broker revenue, trading volume'**

**Nishant Kumar**  
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NEW DELHI

The latest circular by the Securities and Exchange Board of India (Sebi) on charges levied by market infrastructure institutions (MIIs) may significantly impact the revenue of brokerage firms, and overall trading volume, according to experts. Sebi, in its circular on 1 July, said that MIIs, such as stock exchanges, depository participants, and clearing members, would be required to charge their members such as brokers a uniform fee.

Until now, MIIs have followed a volume-based slab-wise charge structure, which, according to Sebi, can prevent them from ensuring equal and fair access to all market participants. The slab-wise charge structure impacts the level playing field between members owing to their size differentials.

Sebi wants MIIs to redesign the existing volume-based slab-wise charge structure. It said the MII charges to be recovered from the end client should be "true to label". This means that if MIIs levy certain charges on the end client, they should ensure that they



Sebi on 1 July said that MIIs would be required to levy a uniform charge on all members such as stock brokers. **REUTERS**

receive the same amount. Brokerage firms charge their clients at the highest slab rate while paying the exchange based on a volume-

based slab rate. The difference between these two rates constitutes the profit for the brokerage firms. Nishant Sharma, president and executive

director at SAMCO Securities, explained it by an example of trades on NSE that levies transaction charges on equity options.

A broker with a total turnover of, say, ₹3,000 crore per month, will have to pay the following as exchange transaction charges: "Brokers would have collected a flat rate of ₹50 per lakh of options turnover from their clients, amounting to ₹1,50,00,000. Against this, it will pay ₹1,23,85,000 as

exchange transaction charges. The difference of ₹26.15 lakh per month would be a net gain for the broker. This is like a volume discount being given

by the exchange to the brokers generating high turnover," said Sharma.

Exchanges levy on brokers a monthly transaction charge on the trades carried on their platform. This transaction fee is the primary source of any exchange's income. Exchanges impose transac-

tion charges on a slab basis every month, but brokers collect these charges from their clients daily. Brokers charge their clients at the highest slab rate and record the difference as net profit in their financial statements. After Sebi's guidelines, stock brokers will not be incentivised to generate huge turnovers.

"The brokers will not have any incentive to generate huge turnovers, and the market-making activity will be adversely impacted. We estimate the broking industry's revenue (and, in turn, profitability) will be hit by around ₹2,000 crore," said Sharma.

**Until now, MIIs have followed a volume-based slab-wise charge structure**

## Labour officials visit Foxconn plant, question executives

Reuters  
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NEW DELHI



Foxconn reportedly excluded married women from the plant's assembly jobs. BLOOMBERG

Labour officials visited a Foxconn factory in this week and questioned executives about the company's hiring practices, an official said, after Reuters reported that the major Apple supplier has been rejecting married women from iPhone assembly jobs.

A five-member team of the government's regional labour department visited the Foxconn factory near Chennai on July 1 and spoke to company directors and human resources officials. A. Narasaiah, the regional labour commissioner, told Reuters by telephone on Wednesday.

Foxconn did not immediately respond to a request for comment, while Apple did not address questions from Reuters about the visit.

The inquiries come after Prime Minister Narendra Modi's government asked state officials and the office of the federal government's regional

**Reuters probe found married women were removed on the grounds they had more family responsibilities**

commissioner last week to provide detailed reports on the matter, following Reuters' investigation into hiring practices at the manufacturing facility. "We are collecting information, and have asked the company to submit documents like company policies, recruitment policies" as well as evidence of compliance with labour laws and information on maternity and retirement benefits, Narasaiah said. "They told us they are not discriminating."

Narasaiah said Foxconn told labour officials that the factory employs 41,281 people, including 33,360 women. Of these women, some 2,750, or about 8%, were married, he said, citing Foxconn's submission.

Foxconn did not break down the staffing figures into specific areas such as iPhone assembly, where Reuters reported the discrimination was taking place, Narasaiah said.

He added that the labour inspectors interviewed 40 married women inside the plant, who raised no concerns about discrimination.

Narasaiah said he currently has no plan to question Foxconn's third-party hiring agents, who scout for candidates and bring them to the plant for interviews.

A Reuters investigation published last week found Foxconn systematically excluded married women from assembly jobs at the iPhone plant on the grounds they have more family responsibilities than their unmarried counterparts.

# ACME Solar's ₹3,000 cr IPO to push green energy growth

The renewable energy firm has an aggregate operational solar power capacity of 1,320MW

Vaamana Sethi & Rituraj Baruah  
NEW DELHI

ACME Solar Holdings has filed for an initial public offering to raise ₹3,000 crore as it maps out an aggressive expansion in the green energy space, including new power projects.

In its draft red herring prospectus (DHRP) filed with the Securities and Exchange Board of India (Sebi), the renewable energy (RE) company said it has an aggregate operational solar power capacity of 1,320MW. Another 1,500MW of solar capacity and 150MW of wind power capacity are under construction.

ACME Solar's public share issue comes at a time when India's renewable energy space is growing and attracting investments, also encouraged by the government's ambitious target of net-zero carbon emissions by 2070.

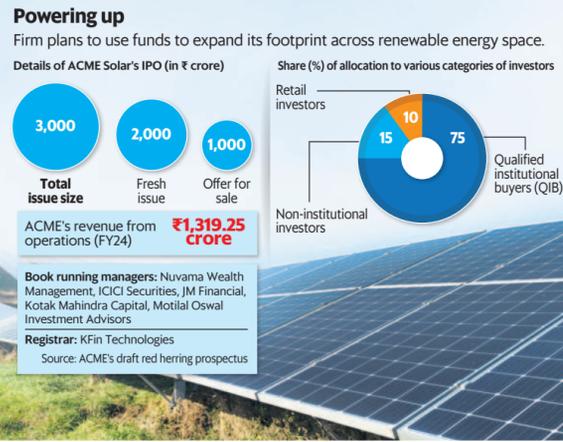
The company, which has expanded its footprint in the larger spectrum of energy transition over the years, ranked among India's top 10 renewable energy producers in terms of operational capacity as of 31 March, according to a Crisil report.

Over the past year, ACME Solar has been aggressively looking to raise funds for its various projects, as Mint has reported earlier.

It reported a consolidated net profit of ₹689.22 crore in fiscal year 2023-24 from a loss of ₹17.17 crore in the year before, as per its DRHP.

Revenue improved to ₹1,466.26 crore from ₹1,361.37 crore.

ACME Solar in its IPO prospectus said its ₹2 per equity share would include a fresh issue of shares worth up to ₹2,000 crore.



The remaining ₹1,000 crore worth of shares would be sold by its promoter group, ACME Cleantech Solutions Pvt. Ltd.

The offer for sale of ACME Cleantech's shares would include a reservation for a subscription by eligible employees and a discount offered to

for the issue are Nuvama Wealth Management Ltd, ICICI Securities Ltd, JM Financial Ltd, Kotak Mahindra Capital Co. Ltd, and Motilal Oswal Investment Advisors Ltd.

The offer is being made through the book-building process, wherein up to 75% of the net offer will be available

borrowings availed by its subsidiaries, and the rest for general corporate purposes.

Its outstanding debt as of 31 May stood at ₹10,314.01 crore, including term loans of ₹6,766.66 crore, non-convertible debentures of ₹2,393.81 crore, and bank guarantees worth ₹1,153.54 crore.

The company also said it had refinanced the debt of some of its project special purpose vehicles through green bonds. It did this by issuing non-convertible debentures in FY22 for a total ₹2,485.52 crore, including a top-up debt of ₹502.93 crore, to India Cleantech Energy, whose green bonds are listed on the Singapore Stock Exchange.

ACME Solar has been looking to raise funds as it expands its footprint in the energy space. In January, Mint reported that Acme Group was looking to raise \$300 million in fresh equity to secure funds to bid for new power projects.

Earlier in November, Mint reported that the group had mandated EY to sell up to 51% in its proposed infrastructure investment trust for around \$1.3 billion.

In February last year, the group issued a mandate to Rothschild and Co. to raise \$500 million equity by selling a stake in ACME Cleantech.

ACME Solar is among seven companies that have placed bids for manufacturing advanced chemistry cells with a capacity of 10 gigawatt hours under the government's production-linked incentive scheme.

It has also partnered with Japan's IHI Corp. to set up a green ammonia plant at Gopalpur Industrial Park in Odisha at an investment of ₹60,000 crore.

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Tyger Capital CEO Gaurav Gupta. GAURAV GUPTA/LINKEDIN

## Bain's India lender Tyger plans to double portfolio

Bloomberg  
feedback@livemint.com

Tyger Capital Pvt. Ltd, the Indian shadow lender Bain Capital bought from the Adani group, is seeking to double its loan portfolio as it prepares to list on India's stock exchanges in the next fiscal year.

Tyger Capital plans to grow its loan book to ₹100 billion (\$1.2 billion) across its small business, farm equipment and commercial vehicle sectors, chief executive officer (CEO) Gaurav Gupta said in an interview in Mumbai last week.

"There is enough opportunity to go below or above the loan sizes we currently make to all the segments, and we will go deeper into each of these segments with the adjacent strategies," Gupta said.

Bain Capital agreed to buy a majority stake in the lender from billionaire Gautam Adani's family last July, infusing about ₹10 billion (\$119 million) of fresh capital to enhance its growth plans.

India's non-bank finance companies, or NBFCs, grew by targeting customers underserved by traditional banks.

The sector's loans grew roughly 17% in the year through March 2024, according to Icr ratings, the local arm of Moody's Corp.

Tyger's growth plans come amid a challenging time for shadow lenders. The Reserve Bank of India has told the financial sector to pull back from unsecured personal lending, and also increased risk weightings for bank loans to shadow lenders. Many are seeking new sources of capital as a result.

That includes offshore bonds, and Tyger could test the market with a \$20 million or \$30 million sale later in the year, Gupta said.

"Increased regulatory supervision only benefits the sector," said Gupta.

"It ensures we are compliant in form and spirit," he said, adding that the lender has tweaked its underwriting to account for increasing personal and consumer loans its customers take out.

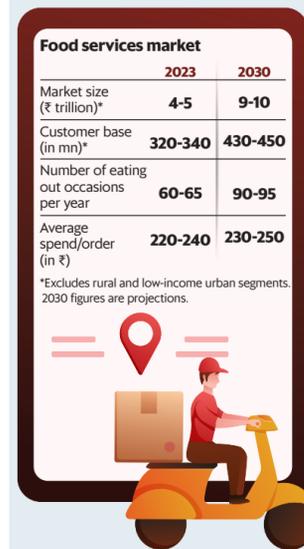
The lender, which currently has 175 branches in semi-urban and rural areas, plans to open another 50 or 60 outlets and add nearly 700 employees to its current total of 3,000 staff, he said.

## Miles to go in food ordering, eating out

By Suneera Tandon, Shuja Asrar  
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The penetration of food industry in India, which has so far been limited to urban centres and among the rich and the young, is going to witness a double-digit growth over the next seven years, according to a report released by Swiggy and Bain & Co. on Wednesday. With rise in disposable income, people are likely to spend more on eating out and ordering online, leading to doubling of the food industry market from current ₹4-5 trillion to ₹9-10 trillion by 2030. Here is a look at some of the key findings of the report.

**India's food service market set to double in size by 2030**



**Affluent, urban and young Indians propel the country's food service industry**



**India's online food delivery penetration trails at 12%**



**Popularity of non-home-cooked meals yet to pick pace in India**



**India has a long distance to go to catch up with large peers on restaurant density**



PARAS JAIN/MINT

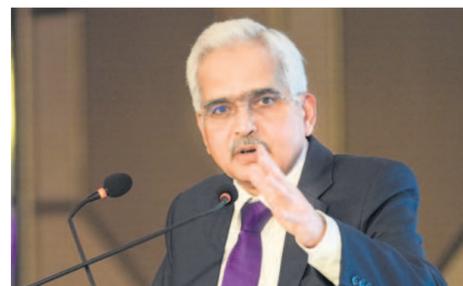
## RBI governor Das tells bankers to step up action on mule accts

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Reserve Bank of India governor Shaktikanta Das on Wednesday urged heads of select public and private sector banks to step up efforts against mule accounts and asked them to intensify efforts to curb digital frauds.

In a meeting with the bank chiefs, which was also attended by RBI deputy governors M. Rajeshwar Rao and Swaminathan J., Das emphasized the need for lenders to ensure robust cybersecurity controls and asked them to effectively manage third-party risks. He also highlighted the importance of further strengthening the governance standards, risk management practices and compliance culture in banks.

Mule accounts are bank accounts that serve as conduits in money-laundering process, receiving funds from illicit activities and then transferring them to other destinations. The RBI, National Payments Corporation of India, and the ministry of home affairs are work-



Reserve Bank of India governor Shaktikanta Das urged heads of banks to intensify efforts to curb digital frauds. PTI

ing closely with financial institutions and technology security firms to crack down on such bank accounts.

Other issues that were discussed include the persisting gap between credit and deposit growth, trends in unsecured retail lending and liquidity risk management.

The bankers also discussed the usage of rupee for cross-border transactions and credit flows to

small businesses.

In its previous meeting with banks in February this year, the RBI had asked them to main-

**Das emphasized the need for robust cybersecurity controls and managing third-party risks**

tain a vigil around build-up of risks, if any. The central bank also highlighted the issues relating to business model viability, outlier growth in personal loans, adherence to co-lending guidelines and bank exposure to NBFC sector, among other things.

## Movie star teams under lens as box office returns turn uncertain

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In the glamorous world of Indian cinema, the spotlight often extends beyond the stars to their lavish entourages. Movie stars often bring along a small army, comprising hair and makeup professionals, managers, stylists, and fitness instructors, creating a significant financial burden for producers. These teams, often up to eight people, need to be paid for 30-35 days of shooting, with expenses sometimes reaching up to ₹1 crore per star.

But as producers and studios look to rationalize costs, they are becoming increasingly

wary of the huge amounts spent not just on star fees, but also on the teams that accompany them.

For big-budget films, entourage costs can account for around 10% of the total budget. However, for smaller films, this figure can rise to 20-25%, making it a significant challenge in addition to the star's fee. "Artist entourage prices have gone through the roof, to the point of being extortionate. This is the biggest peeve of every producer, digital platform, and studio right now," said producer Tanuj Garg. "Several producers put their foot down on what is sensible and logical, but then there are producers who give in, so there is little consistency

unfortunately." Heads of production houses and studios point out that entourage costs are eating up significant portions of budgets, not just for films, but also for endorsement deals where stars are needed on set for only a few days. This trend has contributed to producers green-lighting fewer films, as returns remain uncertain.

For instance, Salman Khan's action film *The Bull* has been stalled indefinitely, while Ranveer Singh recently exited *Rakshas*, a project to be directed by Prashant Varma of Telugu hit *HanuMan*. Similarly, the sequel to Tiger Shroff's *Ganapath* and his other action film, *Rambo*, have also made no progress.



Heads of production houses point out that entourage costs are eating up significant portions of budgets. REUTERS

Entourage costs were among the reasons for these delays and exits, according to people familiar with the developments.

While top stars have long been associated with high entourage costs, industry insiders say it is becoming increasingly difficult to approve pro-

jects when such expenses are demanded by stars who are not delivering at the box office.

A film studio head, who wished to remain anonymous, highlighted the additional costs producers bear for multiple vanity vans for a single actor—one for workouts, another for meetings, and yet another for getting ready.

"These are all over and above the fee paid to the actor, not to speak of business class travel and food on sets for their children, nannies, manag-

ers, and PR agency representatives," he said.

He concurred with Garg on the industry's unorganized nature, especially in Hindi cinema, where no quick solutions are available because, for every producer who takes a stand, several others agree to foot these bills.

When issues like the virtual print fee (VPF) remain unresolved for years, star entourage costs are likely to continue being overlooked.

VPF, a cost borne by producers to show their films using digital projectors and technology supplied by digital service providers such as UFO Movies and Qube Cinemas, can cost up to ₹25,000 per screen. Producers argue that the cost is exorbitant and needs to be rationalized, while exhibitors counter that they cannot provide free services when the theatrical business is struggling.

Some entertainment industry experts suggest that more stars co-producing their own films and opting for backend deals instead of upfront fees could lead to a realization that some of these costs are absurd. However, any rationalization of entourage expenses can only work as a suggestion, not as an industry-wide ruling.



# Chinese-owned Volvo open to India car partner in future

Volvo's current focus is solely on its Bengaluru facility, said Apec region head Martin Persson

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Volvo India may look at an Indian partner in the future if required due to the Swedish auto major's Chinese ownership, a top executive of the company said, while clarifying that the company is not actively looking for a partner in India currently.

Martin Persson, head of Volvo Cars for the Asia Pacific (excluding China), said the company's current focus is solely on its Bengaluru facility.

"While we acknowledge the complexities surrounding ownership, that is an issue for the future. We will address it when the time comes," he said, replying to a question from *Mint* on the need for an Indian partner on the sidelines of a media interaction on Wednesday.

The Swedish passenger car manufacturer has a plant at Hoskote near Bengaluru, where it locally assembles all its models in India, namely the XC90, XC60, S90, XC40 Recharge, and the C40 Recharge.

Volvo Cars India is a wholly owned subsidiary of Sweden's Swedish automaker group Volvo Cars AB. However, Chinese conglomerate Zhejiang Geely Holding Group Co. Ltd owns a 78.7% stake in the Volvo passenger car group firm, which doesn't align well with the Indian government.

In 2020, amid escalating border tensions with China and the covid-19 pandemic, the Centre had imposed new restrictions on foreign direct investment (FDI) to prevent opportunistic takeovers of Indian companies. A press note was issued restricting investments from China, possibly including Hong Kong and other neighbouring countries, without prior gov-



Volvo has a plant at Hoskote near Bengaluru, where it locally assembles all its models in India, namely the XC90, XC60, S90, XC40 Recharge and the C40 Recharge.

ernmental approval.

Consequently, this led MG Motors, previously majority-owned by Chinese stakeholders, to form a joint venture with Indian partner Sajjan Jindal's JSW.

Volvo is confident in the potential of

Martin believes that the country has the potential in the coming few years to be a significant market in Asia Pacific, but perhaps not on the same level as Japan and Korea, but getting there. "India is my smallest market in the

so high, but the plan is to make it a significant player in the Apec region."

Volvo Car India plans to achieve this by investing in its brand, elevating the dealer network, enhancing consumer experience, and digitalising the consumer journey. It has 25 outlets in India and earlier this year rolled out the 10,000th domestically assembled vehicle in the country, a feat achieved over six years of beginning assembly operations in the country. It began local assembly of Volvo cars and SUVs in 2017.

It registered a 31% increase in sales in 2023 compared to the previous calendar year. The company delivered 2,423 cars in 2023 compared to 1,851 units in 2022. Out of the total sales for 2023, the company sold 690 EV units, comprising 28% of the total sales.

## STREET FOCUS

**VOLVO** Cars India is a wholly owned subsidiary of Sweden's automaker group Volvo Cars AB

**THE** automaker is confident of India's potential as it aims to unveil one electric vehicle annually

**VOLVO** has scheduled the release of the EX90 and EX30 in the next two years

**IT** has 25 outlets and rolled out 10,000th domestically assembled vehicle in India

the country as it aims to unveil one electric vehicle (EV) annually and achieve a fully electrified vehicle portfolio by 2030. The company has scheduled the release of the EX90 and EX30 in the next two years.

region, but I don't think it will stay that way. I would expect higher growth in India than the rest of the region," he added. "Indian consumer behaviour is similar to Japan and Korea. Indian contribution to the region's growth is not

# Chinese phone firms eye production allies in India

FROM PAGE 1

would likely make smartphones less accessible to the masses and potentially slow down the pace of technological advancements," said Prabhu Ram, head of industry intelligence unit, Cybermedia Research.

"Chinese smartphone makers dominate the Indian market, capturing over 69% of the total smartphone shipments. This dominance is even more pronounced in the affordable and value segments (under ₹25,000), where their market share reaches nearly 80%. With their competitive 5G and 4G offerings, Chinese OEMs have been instrumental in bringing Indians online for the first time," he added.

The Indian government is keen on companies with Chinese parents to have Indian equity partners, local leadership as well as local distribution. In March, China's SAIC Motor sold 51% in subsidiary MG Motor India to investors led by JSW Group, which picked up 35% stake.

However, not everyone is convinced about the wisdom of nudging foreign companies to have Indian partners. "What India can do is to ask such brands to be compliant with local regulations on data collection and privacy, but a push to ask brands to find domestic equity partners will always find more questions than answers unless a conducive business environment is upheld," said a top lawyer, whose law firm is part of several advisory committees to the government.

However, some in the industry said that Chinese firms should change the way they do business in India.

"The ways of doing business by Chinese brands have to be more transparent. The



Smartphone makers have begun taking steps to comply with some of the demands, including extensive localization of ops. BLOOMBERG

government is not against any other foreign companies. But if a brand is using the consumption market and ends up being the biggest seller, but not paying taxes on it, the government will definitely have the questions and the right to ask the questions," said Madhav Sheth, chief executive of Honor Tech, which restarted operations in India last year. The company was formerly owned by China's Huawei, but is now licensed by Google.

Smartphone makers have begun taking steps to comply with some of the demands, including extensive localization of operations.

"Localization of our overall business, through manufacturing, is created by a combination of supplies from abroad, as well as from India. Today, we continue to have conversations to figure out how more of our supply chain partners, based in China or elsewhere, come and set up shop in India," said Murali-Krishnan B., president, Xiaomi

India told *Mint* on 10 June. He said it was an ongoing conversation where the suppliers evaluate their move based on market potential, commercials and approvals. Almost 50-60% of the non-semiconductor bill of materials gets sourced locally which includes mechanics, fingerprint and camera modules, he said.

An *Economic Times* report in March said Vivo and Oppo have begun appointing Indian entities for distribution. A senior executive from one of the companies said on the condition of anonymity that compliance was necessary in order to continue to do business in the country.

Another Chinese smartphone maker Transsion Technology Ltd has entered into an agreement with Dixon Technologies where the latter will acquire a majority 50.10% share in Ismartu India, a subsidiary of Transsion that makes phones for its three brands—iTel, Infinix, and Tecno in India.

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Some in the industry said that Chinese firms should change the way they do business in India

# Govt weighs setting caps on onion stock

FROM PAGE 1

every year.

"At present, daily onion arrivals in the entire National Capital Region are 100-125 trucks (one truck carries 25-30 tonnes), including 40-50 trucks in Delhi's Azadpur mandi. Typically, at this time, onions mostly come from Maharashtra, and some come from Rajasthan and Madhya Pradesh, but now, arrivals are mostly from the latter. As many as 13-15 trucks are arriving at Azadpur against the usual 25-30 trucks. The rest are coming from Rajasthan and Madhya Pradesh," said Surinder Budhiraja, a core member at the Azadpur Fruit & Vegetable market and president of Azadpur Mandi Onion Traders Association.

"The crop in Madhya Pradesh is 50% lower this year. Hence, prices have shot up, leading farmers of Maharashtra to sell their produce to local markets and sending some to southern states like Karnataka, Tamil Nadu and Telangana, as demand is higher there. Sending onion to Delhi costs farmers more as transportation, labour and handling charges are higher. Additionally, they



This year, onion prices rose 30-50% two weeks from May-end to the beginning of June due to a drop in arrivals. MINT

are holding their stocks to draw more when prices go up during the festival season in September and October," Budhiraja said.

Last August saw steep prices of onion and various other fruits and vegetables, prompting the government to sell the kitchen staple to consumers through its retail outlets and mobile vans at a subsidized rate of ₹25 per kg from its buffer stock. Retail sales were rolled out in states

and union territories where retail prices were above the all-India average, or had considerably risen in just a month. In October, prices shot up to ₹80 a kg.

This year, onion prices rose 30-50% two weeks from May-end to the beginning of June due to a drop in arrivals and increasing demand ahead of Eid-al-Adha, an *Economic Times* report said. Also, traders held stocks in anticipation of easing govern-

ment interventions. Currently, fair average quality onion (modal) is quoted at ₹3,050 per quintal at Nashik's Lasalgaon, ₹2,650-₹2,700 in Ahmednagar and ₹2,500-2,800 in Pune, while prices in key markets of Ujjain, Dewas and Indore in Madhya Pradesh and Sikar and Jodhpur of Rajasthan are ₹600-2,800, depending on the region and variety, agriculture ministry data showed.

Spot traders and farmers said that between 20 May and 15 June, wholesale onion prices were around ₹1,300-1,800 in Nashik.

Prices started rising after government agencies started buying onions aggressively in June. The government plans to buy about 500,000 tonnes of rabi onion this year directly from farmers to meet its buffer stock requirement.

So far, it has procured 300,000 tonnes, according to trade estimates and the government official cited above. The National Agricultural Cooperative Marketing Federation (NAFED) and National Cooperative Consumers Federation (NCCF) purchase onions on the government's behalf.

# Ayushman Bharat may cover families of all citizens over 70

FROM PAGE 1

years will be covered under PM-JAY scheme, across poor families, middle income groups and even economically well-to-do families.

"Extension of PM-JAY's coverage to the elderly will help prevent families from exercising painful choices between needed healthcare for elderly family members and other essential household expenditures," said K. Srinath Reddy, former president of Public Health Foundation of India (PHFI).

"It will also enable elderly persons to be fit and functional, reduce their dependency, and make further economic and social contributions to society. This measure will promote

inter-generational social harmony," he added. According to government's population projection report 2011-2036, there are nearly 104 million elderly persons in India, of which 53 million are women and 51 million men. With the new policy that is in the works, there may be possi-



Health benefit packages are being looked into for geriatric treatment as per the need of the elderly population. MINT

# GenZ muscles into trading, doubles share in five years

FROM PAGE 1

(FY25) stands at ₹76.32 trillion.

The fact of the younger generation entering the markets is proven by the age of the median investor on Groww, the country's biggest brokerage by clients, being 29, said a company spokesperson.

"Mostly, GenZ is in the market for speculative activity," said Anand K. Rathi, co-founder of MIRA Money, a Bangalore-based mutual fund investment platform. "They are into buying options based more on hearsay rather than on taking informed decisions. They take loans from friends and family to trade."

Asked about the count of such investors increasing with investor penetration being a fraction of the population, Rathi said in the long term the count would stabilise as those losing money would be replaced by other "newbies".

"There is no homogeneity in GenZ; some among them are smart investors doing outstanding research," Nilesh Shah, MD of Kotak Mahindra AMC remarked. "Unfortu-

## Lure of the quick buck



nately, many others are traders trying their luck rather than using their skill."

The share of the under-30 age group began steadily rising post FY21, a year after the pandemic surfaced. GenZ overtook those between the 30 and 39 age group (millennial), with their share in the total registered investor base increasing from 29.4% in FY21 to 40.1% as on 31 May, as per NSE data.

Those between 30 and 39 saw their share decrease marginally from 30.4% to 29.2% over the same period. Other age groups also saw their share fall over the same period (see table).

Thanks to this decline in the

other age groups, exchange data shows that the age of the median investor has dropped from 38 years in FY18 to 32 years currently. Similarly, the average age of the investor has dropped from 41 years to 36 years.

Interestingly, the maximum number of registered investors on NSE in the current fiscal through 31 May came from North India (33.8 million), followed by west (29.4 million), south (19.6 million) and east India at 11.2 million. Others, mainly army personnel, accounted for 0.9 million, for whom state mapping is unavailable, as per the data.

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# Sensex touches historic 80K-mark

FROM PAGE 1

tals, including healthy balance sheets and relatively low levels of bad loans, supporting growth expectations. "Furthermore, many financial stocks, particularly major franchises, are reasonably priced from a valuation standpoint. There are also some decent opportunities in various non-lending financial services companies, including insurance," he added.

The Indian markets have been on a tear this year, with the Nifty outpacing the Dow Jones index as well as key Asian indices like Hong Kong's Hang Seng, South Korea's Kospi and China's Shanghai Composite.

India, currently the world's fifth largest economy, is expected to become the third-largest by 2027, said Janakiraman R., chief investment officer, emerging markets equity - India at Franklin Templeton. "India's economy is poised for strong growth over the medium term, thanks to robust macro fundamentals, improving inflation trends, prudent fiscal policies and political stability."

Despite Indian equities' steep valuations, interest in Indian equities among global investors has surged.

Sailesh Raj Bhan, CIO of equity investments at Nippon India Mutual Fund said, "It is crucial for the last year's single-digit revenue growth of companies to go up to early double digits year-on-year as the margin expansion story is already captured," he said. He added that geopolitical tensions, high valuations and delays in interest rates cycles could present significant risks to the ongoing rally.

After the Lok Sabha election verdict on 4 June, FIIs have made a strong comeback to Indian markets, remaining net buyers in the last 14 trading sessions with \$4 billion inflows.

hospitals providing dedicated geriatric services will be taken onboard to offer PM-JAY services. This includes both state-owned and private hospitals.

The scheme's utilization could also increase premiums, which may lead to higher outflow for the government.

"Universal health coverage for people over 70 is an attractive concept, but the actual delivery of healthcare will be logistically complex and has many hurdles to overcome," said Dr Rajeev Jayadevan, a leading public health expert, adding that by default, the group has a higher burden of disease and medical expenses.

With inputs from Gireesh Chandra Prasad



# India AI summit calls for fast action on AI development

Industry leaders stress need for increasing AI compute expansion at Global India AI summit

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On Wednesday, the Ministry of Electronics and Information Technology (MeitY) hosted its Global India AI Summit—conducting an executive council meeting to take the agenda on global collaboration of artificial intelligence (AI) forward, as well as a ministerial council meeting on the same. While the Union government and private industry officials reiterated India's approach to building sovereign AI capacity, industry stakeholders underlined the need for urgency in ramping up efforts and use cases.

Speaking at a roundtable session at the summit, Gaurav Aggarwal, vice-president of AI at telecom and technology group Reliance Jio, said, "While the Centre's decision to assign ₹4,000 crore to building AI compute capacity of 10,000 GPUs through a state-run platform is positive, it's important to ramp up urgency in building this capacity. There is available GPU capacity with vendors and data centres alike—it's important to move fast to procure and deploy the capacity if we are to build AI use cases that enable industries imminently."

On Monday, the sixth ministerial council meet under the Global Partnership on Artificial Intelligence (GPAI) reached a consensus on the way forward on a collaborative development model for AI globally. The council nominated Serbia as the lead chair nation for GPAI for FY25, where the summit's next edition will be held later this year.

Further, the availability of GPU capacity is key to opening up the ability for companies to build and develop AI applications for users. At present, accessing processors to train AI models,



(L-R) Union IT minister Ashwini Vaishnaw; Hiroshi Yoshida, Japan's vice minister for internal affairs and communications; Debjani Ghosh, president, Nasscom; and Srinivas Narayanan, vice president, OpenAI, at the Global India AI Summit 2024. PIB

while collating databases of Indic languages, is the biggest challenge. One such challenge was underlined by Pratyush Kumar, cofounder of Lightspeed, Peak XV-backed startup Sarvam AI.

Talking to *Mint*, Kumar said, "If we want an indigenous AI model to be used in offering support and assistance in neonatal care, our available models

by MeitY's Bhashini initiative, training models on a more diverse set of datasets will be key.

The urgency to build AI capabilities stems from current geopolitical concerns, too. Tanuj Bhowani, head of Nandan Nilekani-backed AI development platform People+AI, underlined limited development of India's indigenous

marketplaces that we use are Indian. The eventual idea is to use AI to build services for people—be it in education or healthcare. What we need right now is to address these challenges, where AI can play a significant role," he added.

To address these challenges, India stands at a crucial juncture of ramping up development capacity and urgency—one that industry stakeholders said will require concerted effort from both public and private sectors. Earlier at the opening address, Union IT minister Ashwini Vaishnaw reiterated India's push to play a key role in global AI development, and also stated that a state-run platform that will offer GPU capacities, AI frameworks and incubation support is in the works—and is likely to be promoted soon.

Srinivas Narayanan, vice-president of ChatGPT maker OpenAI, reiterated Big Tech's interest in the India market. "AI has added speed and dynamism to the already-dynamic entrepreneurial ecosystem in India. Entrepreneurs understand market gaps, and build innovative products to fill them. By reducing the cost of intelligence...AI can make engineers far more productive, open up opportunities for higher-level problem solving and open up computing for the masses," he said.

Narayanan, who helps AI development at one of the world's most-watched startups, said that OpenAI "is committed to supporting the India AI Mission's Application Development Initiative," and will continue conversations with MeitY to "gaage where we may be able to add the most value."

Mohit Sewak, head of AI research and developer relations at chipmaker Nvidia, told *Mint* at the sidelines of the Summit that to support use-case development, the world's most valuable company has "opened up developer relations in India" this year—and is ramping up this support.

are not good enough at the moment. Ramping up cross-referencing of domestic datasets and extensively training the models will be key to achieving that, and this will be the biggest benefit of AI to users."

While Sarvam accesses publicly available Indic language data built and maintained as open-source resources

capacities in compute and software as a hurdle in building services for people.

"Export control regulations from a certain nation can leave India without leverage to access compute. There is also the need to ramp up our capacity in software development—right now, even in all of the software that we use, none of the kernels, platforms and app

# Meta's Threads considers ads as X rivalry nears first anniversary

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Meta Platforms Inc.'s Threads launched a year ago as Mark Zuckerberg's bid to capitalize on the struggles of Elon Musk's X, the social network formerly known as Twitter. Since then, the long-running feud between two of the world's richest men has morphed into a real business rivalry—one that's poised to accelerate as Threads gets ready to start selling ads in its feed.

In July 2023, as Twitter users panicked over Musk's product changes at X, Meta rushed Threads to market in a surprisingly direct assault on its longtime competitor. The service, which looks almost identical to X with likes, followers and a feed of posts based on user interactions, now has more than 175 million monthly users, up from 150 million three months ago. That's still smaller than X, but quickly gaining ground and significantly larger than other services like BlueSky and Mastodon, which were also introduced in the wake of Musk's Twitter purchase. Threads has launched a slew of notable features, too, and has attracted some of the celebrities, journalists and politicians who once helped distinguish Twitter as a social media hub for breaking news. If Instagram boss Adam Mosseri has his way, Threads may soon compete with X for advertising dollars as well. X's ad revenue was already down an estimated 45% in 2023 from two years prior after advertisers pulled back, spooked by Musk's diminished content



Threads was launched a year ago as Mark Zuckerberg's bid to capitalize on the struggles of Elon Musk's X. AP

**Meta's advertising offerings focus more on 'direct response' spots, or hyper-targeted messages**

moderation and the billionaire's own unpredictable antics. Threads ads would offer an alternative place for businesses to spend their marketing budgets, especially for those that are already familiar with Meta's successful suite of ad products on Instagram and Facebook.

"I would love to do it sooner rather than later," said Mosseri, who also oversees Threads, in an interview last month. "It's just really a question of opportunity cost. Is that the best way to drive business versus making Instagram ads a little bit better on any given month? But it'll happen, and hopefully sooner rather than later."

While Mosseri said Threads plans to sell more targeted and personalized ads than X has historically offered, the move could still pose a threat to Musk's business given how successful Meta's advertising business has become. Meta's \$135 billion in sales last year—the vast majority from ads—was nearly 40 times X's estimated revenue. "Twitter is very brand-oriented advertis-

ing," Mosseri said. Meta's advertising offerings focus more on "direct response" spots, or hyper-targeted messages intended to drive a specific outcome—like a product sale or app download. "You'll probably see more targeted and hopefully more relevant and interesting ads" on Threads than on X, he added.

Opportunity in Chaos That Threads would survive a full year, much less amass a wide following, was far from guaranteed.

While Zuckerberg has succeeded in copying many of his competitors' strongest features—Snapchat's Stories and TikTok's short-form video feed, among others—Meta has failed repeatedly when building its own standalone apps from the ground up. Instagram and WhatsApp, both with well over a billion users, were acquisitions.

Threads, though, offered a unique opportunity. Shortly after Musk took over Twitter in late 2022, some of the top product executives at Meta were on a video call when the conversation turned toward Musk, eventually asking aloud: How should Meta capitalize on the chaos unfolding down the road at Twitter?

## PUSH FOR AI

**GAURAV** Aggarwal, vice-president of AI, Reliance Jio, said it's important to ramp up urgency

**THE** availability of GPU capacity is key to build and develop AI applications for users

**THE** urgency to build AI capabilities stems from current geopolitical concerns, too

**SRINIVAS** Narayanan, VP of OpenAI, reiterated Big Tech's interest in India market

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**पावरग्रिड POWERGRID**

**NOTICE**

1. Petition for determination of tariff under Section 62 read with Section 79 (1) (d) of Electricity Act, 2003 and under the Regulation 15 (1) (a) and Regulation 23 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 read with Central Electricity Regulatory Commission (Terms and Condition of Tariff Regulations) 2024 for Augmentation of 1x500 MVA, 400/220 KV ICT (3rd) at Raigarh (PG) along with associated ICT bays under "Augmentation of Transformation capacity by 1x500MVA, 400/220KV ICT (3rd) at Raigarh (PG) substation".

2. The beneficiaries of the above-mentioned Transmission system are (a) Madhya Pradesh Power Management Company Ltd, Jabalpur (b) Electricity Department, Administration of Daman & Diu, Daman, (c) Gujarat Urja Vikas Nigam Ltd., Vadodara, (d) Electricity Department, Government of Goa, Panaji, (e) Maharashtra State Electricity Distribution Company Ltd., Mumbai, (f) Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Ltd, Indore, (g) Chhattisgarh State Power Distribution Co. Ltd, Raipur (h) DNH Power Distribution Corporation Limited, Silvassa

3. Tariff details:  
SCOD of the Project: 24.11.2023  
FR Approved cost for Project: ₹ 3562.93 Lakhs  
Estimated completion cost: ₹ 3028.30 Lakhs

**Transmission tariff for 2024-29 Tariff Block** (₹ in Lakhs)

Asset No.	Asset Name and its location	COD	2024-25	2025-26	2026-27	2027-28	2028-29
1	1x500 MVA, 400/220 KV ICT (3rd) at Raigarh (PG) along with associated ICT bays	01.04.2024	585.51	642.09	659.54	659.63	660.96

4. A copy of the application made for the determination of the tariff is posted on the applicant's website at [www.powergrid.in](http://www.powergrid.in).

5. The suggestions and objections, if any, on the proposals for determination of tariff contained in the application be filed by any person, including the beneficiary before the Secretary, Central Electricity Regulatory Commission 6th, 7th & 8th Floors, Tower B, World Trade Centre, Naurji Nagar, New Delhi-110029 (or other address where the office of the Commission is situated), with a copy to the applicant at the address of its corporate office within 30 days of publication of this notice.

**Place:** Gurugram **Sd/-**  
**Date:** 27.06.2024 **GM (Commercial)**

**POWER GRID CORPORATION OF INDIA LIMITED**  
(A Government of India Enterprise)  
Corp. Office : 'Saudamini', Plot No. 2, Sector-29, Gurugram-122001, (Haryana) Tel. : 0124-2571700-719  
Reg. Office : B-3, Qutab Institutional Area, Katwaris Sarai, New Delhi-110 016. Tel. : 011-26560112, 26560121  
**A Maharashtra PSU**

**NATIONAL FERTILIZERS LIMITED**  
(A Government of India Undertaking)  
A-11, Sector - 24, Noida Dist. Gautam Budh Nagar, U.P.-201301  
PHONE: 0120-2412294, 2412445, FAX: 0120-2412397

**Engagement of Management Trainees in NFL-2024**

NFL had invited applications from energetic, young & qualified Indian Nationals for recruitment of Management Trainees in following departments. vide advertisement no. 03(NFL)/2024 dated 12/06/2024:

**CHEMICAL, MECHANICAL, ELECTRICAL, INSTRUMENTATION, CHEMICAL LAB, CIVIL, FIRE & SAFETY, IT, MATERIALS, HUMAN RESOURCE.**

The last date of submission of Online Application has been extended upto 17/07/2024. Detailed advertisement & online application portal is available on NFL website: [www.nationalfertilizers.com](http://www.nationalfertilizers.com) → Careers → Recruitment in NFL → Engagement of Management Trainees in NFL-2024. Any corrigendum/addendum /errata/update for this recruitment shall be published only on the NFL's website. **GM (HR-Pers.)**

**NFL - A NAVRATNA COMPANY**

**Canara HSBC Life Insurance Company Limited**  
139, Sector - 44, Gurugram-122003, Haryana (India)  
Tel: 0124-4535500, Email: [procurement@canarahsbcife.in](mailto:procurement@canarahsbcife.in)

**NOTICE INVITING BIDS/OFFERS**

Open Tender is invited against RFP for Supply of Branded Merchandise dated 4-July-2024. This tender has been uploaded on <https://www.canarahsbcife.com/tenders-notices.html>, website of Canara HSBC Life Insurance Company Ltd. All prospective bidders are advised to visit the aforesaid website for downloading the RFP.

**OFFICE OF THE MUNICIPAL CORPORATION, BHOPAL**  
**Water Work Department**  
Municipal Corporation Rest House, Shyamli Hills, Bhopal, Ph.No. 0755-2701669

**NOTICE INVITING e-TENDER**

Online tenders are being invited for the following works. The bidder can obtain detailed information and tender documents on website <http://mptenders.gov.in>.  
Corrigendum for this NIT shall not be issued separately in newspapers. Corrigendum regarding correction can be seen on the website <http://mptenders.gov.in>

S. No.	NIT No.	Tender ID	Details of Work	Estimated Cost (INR)	Earnest Money (EMD)	Bid Submission End Date
1.	01/SE/WWD/BMC/ 2024-25 Sixth call	2024 UAD 295932_6	Augmentation, Renovation and Extended Area Coverage of Water supply System in Bhopal City under AMRUT 2.0	379.62 Crore	1.90 Crore	18.07.2024

Superintending Engineer (WWD)  
Municipal Corporation, Bhopal

T.N. 119/024/025

**Have fun with facts on Sundays**

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THE WEEK THAT WAS  
A quiz on the week's development.

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# What happened to the artificial-intelligence revolution?

So far the technology has had almost no economic impact

The Economist

Move to San Francisco and it is hard not to be swept up by mania over artificial intelligence (AI). Advertisements tell you about how the tech will revolutionise your workplace. In bars people speculate about when the world will "get AGI", or when machines will become more advanced than humans. The five big tech firms—Alphabet, Amazon, Apple, Meta and Microsoft, all of which have either headquarters or outposts nearby—are investing vast sums. This year they are budgeting an estimated \$400bn for capital expenditures, mostly on AI-related hardware, and for research and development.

In the world's tech capital it is taken as read that AI will transform the global economy. But for AI to fulfil its potential, firms everywhere need to buy big tech's AI, shape it to their needs and become more productive as a result. Investors have added \$2trn to the market value of the five big tech firms in the past year—in effect projecting an additional \$300bn–400bn in annual revenues according to our rough estimates, about the same as another Apple's worth of annual sales. For now, though, the tech titans are miles from such results. Even bullish analysts think Microsoft will only make about \$10bn from generative-AI-related sales this year. Beyond America's west coast, there is little sign AI is having much of an effect on anything.

One problem is the rate of adoption. Reputable companies are putting out startling estimates of how many people are using generative AI. Close to two-thirds of respondents to a recent survey by McKinsey, a consultancy, say that their company is "regularly using" the tech, nearly twice as many as the year before. A report by Microsoft and LinkedIn, an online platform for professionals, finds that 75% of global "knowledge workers" (folk who sit in front of a computer) use it. People are, on such accounts, already in an AI world.

And in a sense, they are. Almost everyone uses AI when they search for something on Google or pick a song on Spotify. But the incorporation of AI into business processes remains a niche pursuit. Official statistics agencies ask AI-related questions to businesses of all varieties, and in a wider range of industries than do Microsoft and LinkedIn. America's Census Bureau produces the best estimates. It finds that only 5% of businesses have used AI in the past fortnight. Even in San Francisco many techies admit, when pressed, that they do not fork out \$20 a month for the best version of ChatGPT.

It is a similar story elsewhere. According to official Canadian numbers, 6% of the country's firms used AI to make goods and provide services in the past 12 months. British surveys suggest use there is higher—at 20% of all businesses in March—though the questions are asked differently. And even in Britain use is growing slowly. The same share used AI



This year the five big tech firms are budgeting an estimated \$400bn for capital expenditures, mostly on AI-related hardware, and for research and development.

last September.

Concerns about data security, biased algorithms and hallucinations are slowing the roll-out. McDonald's, a fast-food chain, recently canned a trial that used AI to take customers' drive-through orders after the system started making errors, such as adding \$222-worth of chicken nuggets to one diner's bill. A consultant says that some of his clients are struck with "pilotitis", an affliction whereby too many small AI projects make it hard to identify where to invest. Other firms are holding off on big projects because AI is developing so fast, meaning it is easy to splash out on tech that will soon be out of date.

Companies that are going beyond experimentation are using generative AI for a narrow range of tasks. Streamlining customer service is perhaps most common. ADP, a payroll firm, boasts of "a new feature that enables our small-business clients to...leverage gen AI to answer questions and better understand how to initiate an HR action". Other firms use the tech for marketing. Verizon, a telecoms firm, says that it employs AI to create a better "personalised plan recommendation" for its customers; Starbucks, a coffee chain, uses it to make "more personalised customer offers".

If you think that such efforts seem unimpressive, you are not alone. Goldman Sachs has constructed a stockmarket index tracking firms that, in the bank's view, have "the largest estimated potential change to baseline earnings from AI adoption via increased productivity". The index includes firms such as Walmart, a grocer, and H&R Block, a tax-preparation outfit. Since the end of 2022 these companies' share prices have failed to outperform the broader stockmarket. In other words, investors see no prospect of extra profits. The tech could even be distracting executives from more pressing matters.

What of the anecdotes that some firms are using AI to transform their operations? Klarna is one frequently cited example. The online financial-

services firm recently claimed its AI assistant was doing the work of 700 full-time customer-service agents. Its boss says that, as a result of the tech, employment at the company is falling by a fifth each year. Yet this is, at best, an incomplete picture. Klarna is looking to go public before long: talking about its use of AI drums up press. According to data from CB Insights, a consultancy, Klarna's headcount started to drop long before AI came on the scene. The company is worth perhaps half as much as it was in 2021. If it is now cutting employees, overhiring during the covid-19 pandemic deserves as much blame as AI takes credit.

Indeed, there is no sign in the macroeconomic data of a surge in lay-offs. Kristalina Georgieva, head of the IMF, recently warned that AI would hit the labour market like "a tsunami". For now, however, unemployment across the rich world is below 5%, close to an all-time low. The share of rich-world workers in a job is near an all-time high. Wage growth also remains strong, which is hard to square with an environment where workers' bargaining power is supposedly fading.

Nor does an AI effect emerge if you dig more deeply into the numbers. Workers are not moving between companies faster than usual, as would probably happen if lots of jobs were being destroyed. Using American data on employment by occupation, we focus on white-collar workers, who range from back-office support to copywriters. Such roles are thought to be vulnerable to AI, which is becoming better at tasks that involve logical reasoning and creativity. Despite this, the share of employment in white-collar professions is a percentage point higher than before the pandemic.

Some economists think AI will transform the global economy without booting people out of jobs. Collaboration with a virtual assistant may improve performance. A new paper by Anders Humlum of the University of Chicago and Emilie Vester-

gaard of Copenhagen University surveys 100,000 Danish workers. The average respondent estimates ChatGPT can halve time spent on about a third of work tasks, in theory a big boost to efficiency.

Yet macroeconomic data also show little evidence of a surge in productivity. The latest estimates, using official figures, suggest that real output per employee in the median rich country is not growing at all. In America, the global centre of AI, output per hour remains below its pre-2020 trend. Even in global data derived from surveys of purchasing managers, which are produced with a shorter lag, there is no sign of a productivity surge.

For such a spurt, firms need to invest in AI. Besides big tech—which is anyway spending chiefly to develop AI products for others, rather than to boost its own productivity—most companies are not really doing so. Capex among the rest of the S&P 500, made up of America's largest firms, is likely to fall this year in real terms. Across America's economy as a whole, it is hardly rising. Overall business investment in information-processing equipment and software is rising by 5% year on year in real terms, well below the long-run average. Across the rich world, investment is rising more slowly than during the 2010s.

In time, businesses may wake up to the true potential of AI. Most technological waves, from the tractor and electricity to the personal computer, take a while to spread across the economy. Indeed, on the assumption that big tech's AI revenues grow by an average of 20% a year, investors expect that almost all of big tech's earnings from AI will arrive after 2032, according to our analysis. If an AI bonanza does eventually materialise, expect the share prices of the users of AI, not only the providers, to soar. But if worries about AI grow, big tech's capex plans will start to look as extravagant as its valuations.

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## The underground network sneaking Nvidia chips into China

FROM PAGE 1

to those customers. These equipment providers often order more Nvidia chips than they need, in case demand unexpectedly surges or they run into manufacturing snags, according to industry participants. The equipment providers' visibility would also be limited if the end buyer chooses to route the servers—and the Nvidia chips inside them—to elsewhere, the participants added.

Dell and Super Micro said they comply with U.S. export controls and act if illicit behaviour is discovered.

Nvidia says it doesn't sell its restricted advanced chips to China, in accordance with the U.S. export controls, and it works primarily with well-known partners to comply with the rules. "We apply the same standard to all transactions, large or small, and expect our partners to do the same," an Nvidia spokesperson said.

Enforcement of the Biden administration's export curbs on Nvidia chips largely rests with the Commerce Department and the myriad companies along the semiconductor supply chain. Many foreign governments and jurisdictions aren't legally required to impose the U.S. controls, and such chip sales to China aren't generally considered a criminal offense in those places, according to international trade lawyers.

For instance, the student transporting the Nvidia chips didn't break any Singaporean laws, according to the lawyers, as the tech components aren't subject to any local export restrictions.

"Whether these transactions occur through distributors or intermediaries is very difficult to track," said Frank Kung, an analyst at TrendForce who focuses on semiconductors and cloud data centers.

The free flow of Nvidia's top-end chips in China began to dry up in late 2022 after Washington imposed a first round of export restrictions. Nvidia offered scaled-down versions for Chinese buyers, but Washington further limited access to such chips in October. That move led to the cancellation of hundreds of thousands of Nvidia orders, worth at least \$5 billion.

Some Chinese companies have considered temporary solutions that can help them survive the U.S. restrictions until local chip makers such as Huawei Technologies are capable of making better alternatives, people familiar with the matters say.

The precise scale of the informal market for Nvidia's advanced chips couldn't be learned but is believed to be relatively small compared with the overall market. One estimate put the median number of AI chips smuggled annually at 12,500, according to an analysis by the Center for a New American Security, a Washington, D.C.-based think tank. However, Nvidia sold worldwide last year an estimated more than 2.6 million AI100 and H100 chips, along with their scaled-down versions, according to tech research firm Omdia.

**The power of 'Brother Jiang'**

The chips that the Chinese



Nvidia says it doesn't sell its restricted advanced chips to China, in accordance with the U.S. export controls.

student carried to China were passed down from a mysterious broker in Singapore known as "Brother Jiang," who is well known among chip distributors and buyers in the region. In interviews with the Journal, he said he taps contacts at distribution channels and system integrators in Southeast Asia to help Chinese customers get chips and servers. He said his clients include AI companies, research institutions and chip resellers, some of which have used entities set up in Singapore, Malaysia, Vietnam and Taiwan to circumvent U.S. restrictions.

After placing orders, he also helped his buyers arrange logistics. That process could mean an individual ferrying in the product, or a more traditional delivery where Jiang helped prepare documents for customs declaration and contact with shipping companies. "We don't do big orders. That would be too conspicuous," said the broker, who said he has worked in the cloud-computing and chip industry for more than a decade.

The system relies, in part, on incomplete paperwork that can avoid triggering authorities, some of the sellers say. In two March transactions, a Shenzhen, China-based merchant received shipments of 20 Nvidia GPUs from Singapore and an additional 40 from a Taiwan-based exporter—without specifying what the chip models were, according to customs filings seen by the Journal.

The seller told the Journal that the chips were one of the most off-limits: the high-end AI100 processors.

**'There is always a way'**

The distributors that the Journal found have circulated product information in industry-group chats, online yellow pages of electronics suppliers and e-commerce sites such as Alibaba's Taobao and Idle Fish. Many run bricks-and-mortar outlets in China's leading AI-research hubs such as Shenzhen and Beijing.

These resellers typically asked \$22,500 for an AI100 chip and \$32,400 for the higher-end H100—a premium versus the typical costs of roughly \$10,000 and \$25,000 for the pair of processors, respectively. The underground-market prices have already more than halved from last summer, as supply has become more stable while panic buying has abated, the sellers said.

Some merchants said they

have up to dozens of chips in stock at one time, and preorders of bigger quantities can be delivered in one to two weeks. The chips come in their original wholesale packaging, they said.

"It does become very hard, but don't be silly, there is always a way," said a Beijing-based distributor when asked about how they managed to get the chips. He added he has received a shipment every month, dozens of chips each, over the past few months.

Some sellers offer a three-year quality assurance plan, including replacing defective products and repairing malfunctions—but without involving Nvidia. Buyers said they were concerned about the uncertainty of unofficial after-sales services.

After Washington tightened export restrictions late last year, Chinese research institutes and universities continued to buy Nvidia's high-end AI chips in limited quantities from resellers in China, according to official procurement documents reviewed by the Journal. The purchases include H100, a processor that Nvidia never officially shipped to China as the export restrictions took effect

before the chips went on sale globally.

China's elite Tsinghua University and state research powerhouse Chinese Academy of Science have been among the main

buyers of Nvidia's advanced AI chips, according to the documents.

Chinese tech companies including U.S.-sanctioned Huawei are attempting to make chips as capable as Nvidia's but are faced with capacity and technology bottlenecks, people familiar with the matters say. Training large AI models with domestic chips is prone to system crashes, a top AI research institution told Chinese Premier Li Qiang in March, according to a presentation reviewed by the Journal.

Until viable domestically-made chips emerge in China, the market for Nvidia's high-end products—and the supply chain that has sprouted around them—will likely remain robust and adaptive. The Chinese student who brought Nvidia processors in his suitcase said he is willing to transport the tech components again.

"I'm glad I was able to do something for my country—and make a little extra money," the student said. "So, why not?"

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## Internet browsers are getting a makeover for the workplace

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More companies are rethinking the internet browser, the decades-old desktop application that carries an increasingly heavy enterprise workload.

Designed and built originally for consumers, browsers can now connect to an array of workplace

THE WALL STREET JOURNAL.

applications, from customer relationship management software to videoconferencing. But getting apps secured and ready to run on a commercial browser can take a lot of time, dollars and complexity, often involving virtual private networks or virtual desktop setups, that sometimes sacrifice user experience

for security.

"It could be a considerable lift to get there," said Brian Coleman, senior director of global information security and digital forensics at Pfizer, about getting apps ready to run on a commercial browser. "There are inherent gaps."

Hoping to fill those gaps, some software companies are offering browsing capabilities specifically designed for the workplace, with security controls built in and better integration of enterprise apps. They include established players like Google and Microsoft as well as startups, like Island, founded in 2020, and Here, formerly OpenFin, which was founded in 2010 and released its enterprise

browser this year.

The path to becoming more enterprise-grade has been a focus of the browser industry for a few years now, said Robert Shield, director of engineering for Google's Chrome Enterprise unit. Chrome Enterprise Core, which has been around since late 2020, is a cloud management service that sits on top of Google Chrome and provides security capabilities.

A combination of factors, including remote work and the continued rise of cloud-based software-as-a-service applications have led to a reimagining of what the browser's role should be, according to Shield.

"What we're really seeing is this shift in how people think about browsers as not just the thing that allows them to use



New enterprise browsers aim to provide the security controls and user experience needed for work.

the applications, but also the thing that allows them to secure their data and secure their employees," Shield said.

While adoption is slow today, research firm Gartner estimates that by 2030, enterprise browsers will become the core platform for delivering work-

force productivity and security software on devices.

Pfizer said it has deployed the Island enterprise browser in some use cases and it is aiming for a more scaled out deployment in the future.

Coleman said he was skeptical at first about paying for a

browser, since traditional browsers are available at no extra cost, but he has found using Island to be more cost effective since he is able to consolidate some of the other security measures in the tech stack.

"It's not going to solve everything, but when you're looking at improving security, saving money, looking for mature capabilities beyond the basic browser—I think these will be very important in the future," Coleman said.

One of the benefits, Coleman said, is the ability to easily control what data employees can access within apps based on their role in the organization—something that is possible in commercial browsers, but only with a heavy technical lift.

Island's chief customer offi-

cer, Bradon Rogers, said businesses can also control how users interact with data, for example, whether they are allowed to copy and paste it into other apps or upload it to ChatGPT.

United Airlines Chief Information Officer Jason Birnbaum agrees that traditional browsers have some room to grow. "Like anything that is used both commercially and in the enterprise, there's different requirements," he said.

United hasn't deployed enterprise browsers, but Birnbaum said benefits could extend beyond security into user experience. Better integration between apps, for example, could reduce the amount of time spent toggling between tabs showing things like flight dispatches and airport gates, he said. "If you have

an environment that enables you to allow applications to work more seamlessly—that to me seems to be the real promise of what this is all about," he said.

Enterprise browser provider Here is aiming to solve the toggling problem with Supertabs, which are designed to hold several related apps within one tab, similar to a multiscreen setup, according to Here Chief Executive Mazy Dar.

Kim Prado, a CIO at the Bank of Montreal, plans to migrate to Here's enterprise browser over the next few weeks. "Our tech people love it because it's controlled," she said. "It enables us to move fast and deploy applications in a browser without having to worry about all the overhead."

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**NEWS NUMBERS**

**₹38 tn**

**THE PROJECTED** revenue of India's top 18 states during FY25, up 8-10%, supported by GST collections, according to rating agency Crisil

**₹9 tn**

**THE SIZE** of India's food services market by 2030, up from ₹5.5 trillion currently on the back of increasing affluence, rising digitization, and changing lifestyles

**₹3K cr**

**THE AMOUNT** Gurugram-based ACME Solar Holdings plans to raise through an initial public offering, to repay debt and for general corporate purposes

**60**

**THE NUMBER** of small drug makers who have joined a government scheme that provides incentives for modernisation, as Indian pharma faces increased scrutiny

**\$331 mn**

**THE FUNDING** raised by Donald Trump in Q2 of 2024, compared to \$264 million raised by Joe Biden, as campaigns intensify for the US presidential elections

HOWINDIALIVES.COM

**Sebi notifies new norms for brokers**

Markets regulator Sebi has notified an institutional mechanism that requires stock brokers to put in place systems for detection and prevention of market abuse.

Before this, there were no specific regulatory provisions that cast responsibility on brokers to have a system to prevent market abuse.

Under the institutional mechanism, broking firms as well as its senior management will be accountable for detection and prevention of fraud or market abuse, by setting up robust surveillance and control systems, according to a notification. Further, brokers need to frame appropriate escalation and reporting mechanisms. Sebi has also listed out probable instances of fraud or market abuse which a broker system needs to be equipped to monitor.

In its notification dated 27 June, the broker will have to inform details about detection of any suspicious activity to the stock exchanges within 48 hours from such detection.

PTI



FSSAI COE G. Kamala Vardhana Rao represented India at the CAC in Rome.

FSSAI/INDIA/X

**India bats for better spice quality at CAC**

India has supported strengthening quality standards for various spices, including small cardamom, vanilla and turmeric, at a global meet of the Codex Alimentarius Commission (CAC) being held in Rome, the government said on Wednesday.

According to an official statement, India, as a member elected on a geographic basis (Asia), is participating in the 86th session of the Executive Committee of the CAC.

G. Kamala Vardhana Rao, CEO of the Food Safety and Standards Authority of India (FSSAI), represented India in the session being held at the Food and Agriculture Organization (FAO) headquarters in Rome from 1-5 July.

The Codex Alimentarius Commission, an international body established by FAO and the World Health Organization (WHO), aims to protect consumer health and promote fair practices in food trade.

The executive committee plays a critical role in reviewing proposals for new work and monitoring the progress of standards development.

PTI

**India-Russia JV to run Lanka airport**

Sri Lanka will hand over the loss-making Mattala International Airport in Hambantota to a joint India-Russia venture "during the next few weeks" to run, minister of aviation Nimal Siripala de Silva said here on Wednesday. The India-Russia joint venture (JV) was awarded the management of the Mattala International Airport in Hambantota in southern Sri Lanka in April. The \$209 million facility was once dubbed the "world's emptiest airport" due to a lack of flights.

"Action will be taken during the next few weeks to handover the loss-making Mattala International Airport to a joint India-Russia venture," de Silva told reporters. Earlier, the Sri Lankan Cabinet, which met on 9 January, approved the calling of expression of interest by prospective parties. Accordingly, five proposals were received, and the Cabinet-appointed consultative committee decided to award a management contract spanning 30 years to Shaurya Aeronautics of India and Airports of Regions Management Company of Russia.

PTI

**Jharkhand CM makes way for Hemant Soren to return to office**

Jharkhand chief minister Champai Soren on Wednesday resigned from his post, following which JMM leader Hemant Soren called on Governor C.P. Radhakrishnan and staked a claim to form the government.

Earlier in the day, leaders and MLAs of the ruling coalition at a meeting at Champai Soren's residence here unanimously decided to elect Hemant Soren as the JMM legislature party leader.

"I have resigned as per the decision of the JMM-led alliance. Our alliance is strong," Champai Soren said after coming out of Raj Bhavan. "All know what had happened with Hemant Soren... I was given the responsibility by the coalition partners. Now, the alliance has decided in favour of Hemant Soren," he said. Hemant Soren told the media all formalities to form the government are complete.

"Everything will be disclosed soon," the JMM executive president said when asked about the swearing-in.

He will be the chief minister of Jharkhand for the third time.

PTI



Jharkhand governor C.P. Radhakrishnan (left) receives the resignation letter from CM Champai Soren at the Raj Bhavan in Ranchi.

PTI

**RIDING OUT THE STORM**



Vehicles navigate a waterlogged service road of the Delhi-Gurugram Expressway after rains hit the National Capital Region on Wednesday.

PTI

**Govt alerts states as Zika cases rise; focus on pregnant women**

States asked to strengthen entomological surveillance, boost vector control activities

Somrita Ghosh  
somrita.ghosh@partner.livemint.com  
NEW DELHI

The Union health and family welfare ministry (MoHFW) has asked state governments to monitor the rising cases of the Zika virus, especially among pregnant women who test positive.

On Wednesday, the ministry issued an advisory, emphasizing the need for constant vigilance over the situation, following reports of Zika virus cases in Maharashtra.

"As Zika is associated with microcephaly and neurological consequences in the fetus of the affected pregnant lady, states have been advised to alert the clinicians for close monitoring," Dr. Atul Goel, director general health services (DGHS), MoHFW, said in a statement.

"States are urged to instruct the health facilities in affected areas or those catering cases from

affected areas to screen pregnant women for Zika virus infection, monitor growth of the fetus for expecting mothers who have tested positive for Zika, and act as per central government guidelines," he added.

The ministry asked states to ask health facilities

and hospitals to appoint a nodal officer to monitor and ensure premises remain Aedes mosquito-free. It also said that states must strengthen entomological surveillance and intensify vector control activities in residential areas, workplaces, schools, construction sites, institutions, and health facilities.

States must promote awareness through precautionary IEC (information, education and communication) messages on social media, and other

platforms, to alleviate concerns of citizens, as Zika is like any other viral infection, with most cases being asymptomatic and mild, it added.

The Zika virus is primarily transmitted by Aedes mosquitoes, which mostly bite during the day. Symptoms include rash, fever, conjunctivitis,

muscle and joint pain, malaise, and headache, lasting 2-7 days.

According to the World Health Organization (WHO), Zika virus infection during pregnancy

can cause infants to be born with microcephaly and other congenital malformations, and may also result in preterm birth and miscarriage. The infection is associated with Guillain-Barré syndrome, neuropathy, and myelitis in adults and children.

According to the WHO, Zika virus during pregnancy can cause infants to be born with microcephaly and other congenital malformations

**'2024 will be best yr for Unacademy'**

The ongoing year will be the best period in terms of growth and profitability for Unacademy, the co-founder and CEO of the edtech company, which has laid off 250 employees, said on Wednesday. Amid claims that the edtech firm is up for sale, Unacademy co-founder and CEO Gaurav Munjal in a social media post asserted that the management is building the company for the long run.

"There is a lot being said about Unacademy currently. To set the record straight, Unacademy will have its best year in terms of growth and profitability. We also have many years of runway. We are building Unacademy for the long run," Munjal said on X.

The company has laid off around 250 employees comprising 150 sales personnel who were asked to leave for not meeting performance criteria, according to people privy to the development.

PTI



Despite high prices of natural rubber, its availability has shrunk, ATMA said.

MINT

**Tyre makers facing rubber crisis: ATMA**

Automotive Tyre Manufacturers' Association (ATMA) on Wednesday said its members are witnessing a 'severe crunch' in availability of domestic natural rubber (NR) and this may disrupt production unless supply issues are addressed. Despite high NR prices, availability has shrunk, ATMA said, expressing apprehension that some "sections of NR producing interests or trade are withholding the material in anticipation of an increase in the NR prices worsening the availability".

The "tyre industry has been experiencing tightness in domestic availability of NR for some time. However currently a severe crunch is being witnessed despite the fact that NR prices have touched a multi-year high. The paucity of natural price needs to be addressed at the earliest so that tyre production processes are not disrupted," ATMA director general Rajiv Budhreja said in a statement.

PTI

**Lohum to bet on manganese battery**

Lithium-ion battery pack manufacturer and recycling company Lohum on Wednesday announced it will invest ₹1,000 crore in the next three years to develop and manufacture manganese-based lithium-ion batteries. Further, the company said it has roped in Tesla veteran Chaitanya Sharma to help in the new project. Sharma has worked at two of North America's first gigafactories, Tesla and IM3NY, leading the latter as its CEO.

Lohum plans to set up a capacity of over 20 GWh in the next three years with an investment of ₹1,000 crore, which will also fund related technology developments in the field, the company said.

The next-generation LMFP (Lithium Manganese Iron Phosphate) battery chemistry offers higher safety and gives EVs a longer range compared to conventional technologies, besides being significantly cheaper in cost, it said.

PTI

**Foreign investment in Indian RE up 20%**

Institutional investment in Indian real estate (RE) rose 20% annually to \$2.52 billion in the April-June quarter on higher inflow in warehousing and residential projects, according to Colliers India. Real estate consultant Colliers India on Wednesday released the data, stating that the institutional investments in real estate stood at \$2,528 million in the April-June quarter this year, up 20% from \$2,106 million in the year-ago period.

As per the data, investments in office assets declined 83% to \$329 million from \$1,900 million. However, the inflow of funds in residential rose to \$543 million from \$72 million. Institutional investments in industrial and warehousing projects jumped sharply to \$1,533 million during April-June 2024 from \$344 million a year ago.

With 81% share, foreign investors, predominantly from the US and UAE, drove real estate investments during the April-June period of this calendar year.

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External affairs minister S. Jaishankar met with his Russian counterpart Sergey Lavrov in Astana.

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**'Indians' safe return from Russia is key'**

External affairs minister S. Jaishankar on Wednesday strongly raised the issue of Indian nationals fighting for the Russian Army in the war zone and pressed for their safe return during a meeting with his Russian counterpart Sergey Lavrov in Astana.

Jaishankar arrived in Astana on Tuesday to represent India at the annual summit of the Shanghai Cooperation Organisation (SCO).

The meeting between the two foreign ministers took place days before Prime Minister Narendra Modi's planned visit to Moscow to meet Russian President Vladimir Putin. While the visit has not been announced officially, it is reported that Modi may visit Moscow next week.

Ever since the Russia-Ukraine war broke out, India has been pressing Russia to ensure the safety and repatriation of its nationals employed by the Russian Army and has taken immediate action on receiving information about "Indians in the war zone." According to reports, around 200 Indian nationals were recruited as security helpers in the Russian military. By mid-June, it was clear that four Indian nationals had died in the war zone, according to the ministry of external affairs (MEA).

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# OFFICE OF THE FUTURE: A 5-STAR EXPERIENCE

Office owners want good tenants, and the latter want new-age offices that will make employees keen to come back

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BENGALURU

A woman smiles and welcomes visitors entering the shiny lobby of a new office building in Bengaluru's Embassy Manyata Business Park. Finishing touches are being given to a coffee shop opening soon at one end of the lobby. There's a breakout area as well, where employees can gather, collaborate or plug in and work, much like in a co-working setup.

The refurbished, 250,000 sq. ft building, named 'Rosewood', looks brand new. In reality, it is a 15-year-old structure that was stripped down to its bare shell and then redone. The worn building has been transformed into a modern edifice with a double-glazed glass façade; faster, destination-controlled elevators, new flooring and walls, and lobby areas on each floor.

Around 125,000 people work in the 121-acre office park, one of the country's largest. Another building on the campus, which is owned and operated by Embassy Reit (real estate investment trust), has undergone a similar refurbishment, while two others have been demolished to be rebuilt into modern office spaces.

A new sprawling courtyard with premium restaurants and bars, including Sanchez, Biergarten, and Toscano, has been added to the park. Another high-end eatery, Bombay Brasserie, is opening shop soon. Until now, the park, which counts IBM, Cognizant, Target, and Commonwealth Bank of Australia as some of its large occupiers, only had a food court for employees.

With a return to office and employee experience at the forefront of corporate agendas, the workspace is now more important than ever. The transformation described above has been prompted by the need for companies to engage with a young workforce and retain them. Attrition is a big cost and they are looking to minimize that.

Commercial office owners meanwhile want to attract good-quality tenants, and the latter want offices that will make employees keen to come back. As a result, new-age office spaces, including upcoming projects and refurbished and retrofitted properties, aim to offer a more premium, hotel-like feel that is experiential, collaborative and flexible, with more events, fun and convenience. And that is why refurbished office buildings like 'Rosewood' command a higher rental premium of 10-12%.

As per the 2024 India Office Occupier Survey conducted by property consultancy CBRE India, occupiers want to move to high-quality office buildings to attract and retain top talent and enhance employee experience. In 2023, 46% of office leasing took place in buildings less than three years old; 57% relocated to buildings constructed post 2020; and 30% of occupiers wanted to expand flexible office usage, as per the survey.

"There is a change in mindset. Tenants want better amenities, centrally located offices, more natural light, social infrastructure. They don't mind paying more rent, but they want to create employee stickiness," said Ram Chandnani, managing director, advisory and transactions services, at property consultancy CBRE India.

Improved amenities, social infrastructure and the overall workspace experience have a direct link to office occupancy. For instance, after real estate developer DLF Ltd opened 'The Hub', a 200,000 sq. ft space that offers entertainment, eateries and a wellness centre in Cyber City, Chennai, employee occupancy levels went up to 90%.

## GRADE A++ OFFICES

While commercial office leasing has picked up, uncertainty still looms over actual occupancy in workspaces. Tech companies in cities such as Bengaluru and Hyderabad are still struggling to make employees report to the office. In this scenario, top developers said tenants—both multinational and domestic—want to offer better and smart offices for the workforce so they come to work a few times a week.

"Return to work: Make your workplace more than just a place where you work," says real estate developer DLF Ltd on the website of its Cyber City business park in Chennai. "We empower you to make your workplace more than just a cubicle and a meeting room, we make sure that you call your workplace a home away from home", it added.

DLF, which has 11 million sq. ft of office development underway, recently launched its wellness brand, 'DLF Thrive'. It has opened two wellness centres in its business parks, DLF Cyber Park in Gurugram and DLF Cyber City in Chennai. It

A survey among tenants found that in 2023, 46% of office leasing took place in buildings less than 3 years old, while 57% relocated to those constructed post 2020.

banks, global private equity firms, large corporate enterprises and banks as the new occupiers.

Barclays Bank Plc recently picked up office space across the 32nd and 33rd floors, of 64,000 sq. ft, at Altimus on a 10-year lease. For the first year, it will be paying a monthly rent of around ₹2.08 crore.

Bengaluru-based Prestige Group, after selling a large part of its office and retail portfolio to Blackstone Group, is rebuilding version 2.0 of that portfolio. It is developing a campus-style office project in Mumbai's premier business district, Bandra Kurla Complex (BKC), that will also have a 200-key Marriott hotel. In another Mumbai project under construction, three office towers will overlook the Mahalaxmi race course. There will be

plans to open more such centres in the coming year. The wellness centres offer personal training, workshops, nutrition counselling, sauna and shower facilities and a workout programme.

"International occupiers are now looking beyond Grade A office buildings. The days when a food court, a gym and first-aid room were provided, are over. They thoroughly evaluate aspects around employee centricity, sustainability and high-quality amenities, before they take decisions. This is now being informally addressed as Grade A++ developments," said Sriram Khattar, vice-chairman and managing director of DLF's rental business.

With premium workspaces in high demand, developers are looking at prime locations.

Developer K. Raheja Corp. has a new office tower, 'Altimus' in Mumbai's Worli area. Overlooking the Arabian Sea, the luxury office project has a clubhouse, business lounge, fine dining restaurants and an amenity floor with eateries, meeting room and conference room facilities.

The 1.4 million sq. ft project, which is in the last leg of leasing, counts

rooftop dining, serviced offices, with one 70-storey tower, touted as India's tallest office building.

"Right from design to services, we are trying to add a hotel-like experience in our new offices. Food and beverage options need to be abundant—we should be able to offer a ₹100 coffee as well as a ₹1,000 dining option for employees within our campus," said Juggy Marwaha, chief executive officer (CEO), Prestige Office Ventures.

## A SOFTER TOUCH

Shuvam Basu moved to Gurugram in mid-2023 from his hometown Kolkata after resigning from his job at a large technology firm. For three years, he would go to the office just thrice a week. In his new job, at a consultancy, he is expected to be in the office on all five days. But Basu, 48, says he now looks forward to being in his office, which is at DLF Cyber City.

"There was nothing exciting about going to the Kolkata office in Salt Lake, Sector 5. It was the usual setup, where you work and come home. There's a different energy in this office park. Everything is so convenient, from the access card used to enter, the elevators that can be called through an app, to multiple drinking and eating spots," said Basu, a human resource executive.

A lot of the focus is being given to what is called 'soft services' in the new office spaces. At the office lobby, welcoming reception staff greet employees rather than security personnel. A seamless arrival experience awaits employees from the moment they enter the office building till the time they reach their desks. These office spaces also contain sporting areas and large-scale amenities.

"The average Indian employee is 28 years old. We hear elevator conversations on 'If I am told to come to the office five days a week, I will resign'. So the focus is on convenience and entertainment, to attract them to return to the office," said Amit Divan, senior managing director and country head, Hines India, a development management and investment firm.

At its 'Atrium Place' office in Gurugram,



Clockwise from left: A food court inside 'The Hub', in DLF Cyber City, Chennai; a courtyard at Embassy Manyata Business Park, Bengaluru; the refurbished Rosewood building at Embassy Manyata Business Park; a terrace sports arena at Capitaland's International Tech Park in Pune, Kharadi.



## WHAT

With the pandemic now in the past, return to office and employee experience are at the forefront of corporate agendas, and so companies are looking to occupy new-age office spaces.

## WHY

The workspace has become more important than ever, and companies are looking to engage with young workers to retain them. Attrition is a huge cost and they want to minimize it.

## AND

New-age office spaces aim to offer a premium, hotel-like feel that is experiential, collaborative and flexible, with more events, fun and convenience for the young workforce.

connection with employee retention. We are doing these in the new buildings and retrofitting them in the old, existing buildings. Companies are looking at inclusive design to incorporate gender diversity, LGBTQI, differently abled," Chakraborty says.

Embassy Reit's head of leasing, Amit Shetty, says new amenities and features are constantly added or upgraded to re-energize their office parks. A four-acre sporting area called 'Central Garden' was recently opened at Embassy Tech Village in Bengaluru.

As part of its upgrade plan, Nucleus Office Parks, a Blackstone group company, is launching a new, improved multi-cuisine food court format 'The Colony' in some of its parks. It is also going to open 'The Pavilion', a 202-seater convention centre, at its office property 'One International Center', in central Mumbai later this year.

"A common adage in global real estate was: 'If you build good quality offices, tenants/occupiers will come.' That has significantly changed to 'If you build, operate, and maintain well, they will stay'," said Quaiser Parvez, CEO, Nucleus Office Parks.

## THE FLEXIBLE WAY

In many ways, the new office spaces will somewhat look and feel like the flexible workspaces that have become popular in recent years. The concept of shared workspaces, distributed offices, or taking the office close to the employee is what flexible office operators have been advocating.

In the last two years, Bengaluru-based managed workspace provider IndiQube has onboarded a number of traditional Indian companies as its occupiers across cities, including TVS, Air India, Maruti and Ultratech Cement.

"Even companies with long legacies want their offices to be cool and contemporary. They want open workstations and ample breakout areas similar to what a startup expects. For the first time, com-

pany CEOs and country managers are asking: 'How many people have come to the office?' and 'If not, how to solve the problem?'," said IndiQube co-founder and chairman Rishi Das.

"The interiors of offices are changing—dedicated workspaces have shrunk and collaborative spaces, which look like 5-star hotel lobbies, have expanded. The high dividers between cubicles have disappeared. Data has moved to the cloud, so those huge server rooms are also not needed," Das says.

With global capability centres (GCC) becoming major occupiers in India's office sector, they want office spaces to replicate global office design standards. As per CBRE, around 1,700 GCCs operate in India, with 40-50 new entrants every year. Gauri Shankar Nagabhushanam, CEO (designate), Capitaland India

Trust, said that GCCs are looking at making their offices smart and touchless through technology, using the same place for breakouts and meetings to increase efficiency.

"We are also trying to go touchless and flexible in how we design our offices," Nagabhushanam said.

For people who want to work outdoors, it has built pods in the landscape area of its business parks and provided wifi connectivity in open areas.

Bengaluru-based ANSR, an existing tenant at Embassy Manyata Business Park, has taken up more office space in the 'Rosewood' building. ANSR works with GCCs to help them set up offices and operations in India.

"The new office space (at Rosewood) helps ANSR craft GCC workspaces better. Our new workspace offers flexibility, allowing them to scale seamlessly. Whether an organization seeks to build a 10-member incubation team or establish a 100-seater office, our spaces provide the benefits of enterprise-grade infrastructure," Lalit Ahuja, CEO of ANSR, said.

Uncertainty still looms over occupancy in workspaces. Tech companies in cities such as Bengaluru are still struggling to make employees report to the office.



# DSP is bringing back the Tiger: Should you ride it?

Following the significant revival in infra sector in 2023 after 16 years, the fund surged by 81%

Neil Borate & Anil Postle  
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The DSP Tiger Fund was a standout performer in 2007, drawing huge inflows. Infrastructure saw a massive rally from 2003 to 2007, and the DSP Tiger Fund, launched in June 2004, capitalized on this trend. Tiger stands for 'the infrastructure, economic reforms and growth' fund. What subsequently happened to DSP Tiger is a great lesson for mutual fund investors. During the global recession of 2008, Tiger crashed 58%. But by November 2010, the market had staged a comeback, and Tiger's net asset value (NAV) again reached within 10% of its peak. But that was a temporary recovery. Soon after the real estate and infrastructure sectors entered the lost decade. Big names of 2007 and 2010, such as Lanco, GVK, GMR, and Unitech, faded away, and new sectors took over and the infra-realty sectors witnessed a churn. Change in government at the Centre also catalysed some shifts. After nearly 16 years in the wilderness, infra and realty saw a significant revival last year, and the fund surged by 81%, but valuations appear stretched. The portfolio's trailing P/E ratio stands at 27 times, compared to 21 for Nifty. This is partly due to the fund's exposure to mid- and small-caps (54% of its portfolio) and its decision to avoid relatively cheaper banks.

Fund manager Charanjit Singh has been at the helm since 2018 and is quite bullish on a sustained infrastructure revival due to the diminishing capacity utilisation, pick up in orders and structural displacement of manufacturing from China to India.

However, DSP AMC chief executive Kalpen Parekh strikes a more conservative note. "We want people to know how much the fund fell in the past. We want people to stick to SIPs, not invest lump sums. The fund has run up," he told a group of reporters at a press conference. Yet the fund house is keen to bring this horse out of the stable.

It is an 'OFO or Old Fund Offer' said Parekh, at a time peers are launching new fund offers or NFOs based on the fashionable themes of the day. DSP is keen to portray the fund as a 'side bet' asking investors to consider it as 10-15% of their portfolio for a period of 5 years.

"Investors don't have patience for 15

## DSP TIGER FUND

DSP TIGER Fund invests in core sectors, including infrastructure, which are expected to stage a comeback after losing ground for over a decade.

### History

TIGER = The Infrastructure, growth and Economic Reforms Fund

### Launched in 2004

- Was initially focused on infrastructure
- Gained 6x in 4 years
- CAGR of 62% during 2004-07
- One of the top performers of 2007
- 2008 crisis had a severe impact.
- Scheme lost 58% of its value!

**Fund Manager:**  
Charanjit Singh (since 2018)

**AUM: ₹4,386 crore**

### Points to note

Staying the course helps, but few have the patience

### Returns (CAGR)

Period	DSP TIGER Fund
Dec 2007 to March 2020*	-0.48%
Dec 2007 to June 2024**	11%
Past 1 yr	80.83%

### No of investors

Current	2,53,000
Dec 2007	85,300
2007-2024 (stayed put)	21,470

54% of portfolio in mid & small caps

\*31 Dec 2007 to 15 March 2020  
\*\*31 Dec 2007 to 26 June 2024  
Source: DSP MF, Value Research



### Will it party like it's 2007? Weight in Nifty

	Dec 2007	May 2024
Capital goods	10.5	4.4
Cement	2.1	2
Metals	9	2.8
Oil & gas (ex RIL)	13.5	1.3
RIL	11.9	9
Telecom	11.4	2.7
Utilities	8.2	3.5
Healthcare	2.2	4
Real estate	2.3	0
<b>Total</b>	<b>71.1</b>	<b>29.7</b>

### Focus areas

- Construction, cement
- Manufacturing
- Metals
- Oil & gas
- Power
- Telecom
- Healthcare
- Auto
- Avoids banks

PRANAY BHARDWAJ/MINT

year downcycles, they can't even wait two years," Amol Joshi, founder, Plan-Rupee Investment Services said. "They also cannot time the entries and exits. Fund houses should take these bets in their diversified funds."

The strategy of side bets or timing market cycles leads to unnecessary tax leakage when profits are booked and redemptions made. Riding the cycle may not be everybody's cup of tea, added Joshi.

The fund has a strong focus on infrastructure stocks that have appreciated significantly in recent times. According to experts, this is due to a strong order

book. Investors must also be cautious while allocating their investments in the infrastructure sector as it has its own potential risks, they added.

"The fund has a strong focus on infra, and we view the sector positively due to a healthy order book," said Vishal Dhawan, founder and chief executive, Plan Ahead Wealth Advisors. "However, stocks in this sector are trading above historic valuations. Main risk with infra projects lies in the ability to execute at the agreed-upon cost, as profit margin depend heavily on meeting contract terms for timely delivery and cost management."

Experts recommend a longer investment horizon or SIPs for the infrastructure sector due to several factors such as long gestation period, and while supported by reforms, realizing their economic benefits can take years. The sector is also sensitive to economic cycles and policy changes.

"Given the significant attention this sector has garnered in 2-3 years, most stocks are priced at a premium," said Dhawan. "So, investors interested should consider at least 10 years or use SIPs for extended period to benefit from this fund." He, however warned against overexuberance seen during 2005-2007. "Investors should make informed allocations, keeping in mind inherent risks."

## Investors, distributors stymied by KYC delays at NDML and DotEx

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Seamless KYC processes are critical for investors and distributors. However, mutual fund distributors and some investors are facing increasing challenges with NSDL Database Management Ltd (NDML) and DotEx following a directive from the markets regulator to update their KYC status with KYC registration agencies (KRAs).

"A major issue is lack of digital infrastructure for KYC validation with NDML and DotEx. Unlike other KRAs, the agen-

cies do not offer online options to validate KYCs, which poses difficulties for the investors," Amol Joshi, founder of Plan-Rupee Investment Services, said. "KRAs don't provide online facility for modifications in name and address."

NDML, a subsidiary of the National Securities Depository and DotEx, a unit of National Stock Exchange of India Ltd, are two of the five top KRAs in India, alongside CDSL Ven-

tures Ltd, Computer Age Management Services Ltd (CAMS), and Karvy.

According to Sebi, mutual fund investors must verify email and phone numbers with KRAs and update their KYC using Aadhaar as proof to get a 'validated' status. However, MF distributors said KRAs are not adequately prepared to implement the order and this has led to disruptions and delays. "The usual turnaround time

used to be 3-7 days. Now, we see cases where updating KYC takes more time," said Joshi. NDML and DotEx did not respond to Mint's queries.

A validated KYC is a golden ticket confirming that the KYC documents submitted, such as PAN and Aadhaar, have been verified by the issuing authorities, allowing you to invest in any mutual fund. On the other hand, a registered or verified status indicates that the documents were accepted, but for some reason independent verification from issuing authority was not completed because some other documents were

submitted other than Aadhaar. While you can manage existing holdings in these companies, you'll likely need to redo your KYC using PAN or Aadhaar if you want to invest in a new mutual fund company. If the KYC status shows on hold or rejected, there's a serious issue with the documents or verification, restricting you from investing in new MFs or in dealing with existing holdings. "Rejections for physical application is alarmingly high, adding to unnecessary delays for us and our clients," said a Bengaluru-based MF distributor seeking anonymity.

**Unlike other KRAs, these agencies do not offer online KYC validation, posing difficulties for the investors**



POWER POINT  
NEHAL MOTA

Respond to this column at  
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At the turn of the millennium, a famous study by Roger Ibbotson and Paul Kaplan, based on extensive data, concluded that asset allocation explained about 90% of the variation in portfolio returns due to substantial exposure to capital markets—a classic case of the tide lifting all boats. However, even if you adjust for that, it's undeniable that asset allocation is central to long-term portfolio performance. While asset allocation isn't everything, it does play a significant role.

It is often observed that the professionals who take care of your family health, do not have the time or bandwidth to focus on their own financial health. On the occasion of National Doctor's Day, let us take a moment to sit back and talk about why doctors need a financial health check-up. What better way to do it than to focus on asset allocation for doctors?

**Asset allocation for doctors:** There are several reasons why doctors need to make their money work much harder over their working years. Setting up a clinic and getting flows is a long haul

job. A lot of costs get front-ended, but returns come much later. Also, by the time they become doctors around 30 years, they have accumulated a lot of education debt and lost a few precious working years. Second, practicing doctors do not have the luxury of a paycheck every month. Medical practice income can vary, and uncertain. Third, most doctors are invested in real estate such as clinics, hospitals and dispensaries; and a house. The challenge is to make this a productive investment. Lastly, insurance assumes immense importance for doctors, for obvious reasons.

### Four pillars of asset allocation

**Insurance:** Doctors lead high stress lives, and the higher they go, the more the stress. Hence, life insurance to the tune of 10-15 times annual income is the basic need. In addition, doctors must look at a substantial health cover with family floaters, so medical exigencies do not become a challenge. Most importantly, indemnity insurance is increasingly becoming important, considering the rising cases of vicarious responsibilities in recent times.

**Tax planning:** Doctors' income is classified under two heads i.e. business income and professional income. For different types of business income, they can create separate legal entities. This allows them optimum benefit of presumptive taxation under sections 44 AD and 44 ADA. Deemed expenses under presumptive taxation, minimises the need for bookkeeping and statutory formalities as long as the expenses are within a certain threshold. The profession also offers accelerated depreciation benefits on equipment and instruments. Doctors can also invest a portion of the wealth in assets like tax-free bonds and PPF, which will give tax-free payouts.



**Real estate investments:** Most doctors tend to own a clinic, or dispensaries; so, there is already a business loan they are servicing. Hence, doctors should avoid the tendency of adding realty assets at random once they invest in a home and a clinic. It is wise to add funds to assets other than real estate for true diversification. Any additional realty exposure should be through liquid assets such as REITs. Doctors can also explore reverse mortgages to manage cash flows better.

**Stability fund:** Created specifically to handle the risk of variable income, in the early stages of their professional life, doctors should look to invest about 10% of their earnings in an equity-ori-



ISTOCKPHOTO

## Balancing loan repayment and investment: A strategic approach

Harshad Chetanwala  
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**I am 45, with a home loan outstanding of ₹50 lakh, at 8% interest, with 10 years left. Investments include ₹40 lakh in MFs, ₹20 lakh in equities, ₹10 lakh in PPF, and ₹5 lakh in FD. Monthly income is ₹2 lakh, expenses at ₹1 lakh. I pay ₹60,000 in EMIs, with monthly savings of ₹40,000. My emergency fund is ₹5 lakh. Should I liquidate the investments to pay off home loan? What are the pros and cons, and how will it impact my long-term financial goals, such as retirement and my children's education?**

—Name withheld on request

This is a common dilemma. This strategy depends on the financial situation of your family. Information you shared in your query is good, and if we add some assumptions, it can help decide the next step. If you plan to retire at 60, then you have 15 years to build your retirement corpus. Most likely you will need money for children's education before retirement. Hence, the need to have

### ASK MINT DEBT MANAGEMENT

a reasonable corpus in hand in future is important. Looking at your current assets it is likely that you will plan to close the home loan by selling mutual funds and equities. If you do so, you will have ₹10 lakh and other assets, including PPF and FDs. Closing the loan will help raise your monthly investment from ₹40,000 to ₹1 lakh as you can start investing the EMI, too. In such a scenario, the corpus after 15 years will be nearly ₹5.26 crore with an average return of 12% p.a. Alternatively, you may repay your home loan,

and invest ₹40,000 every month for the first 10 years, and then ₹1 lakh every month for the next five years as the EMIs will be completed and you will be able to invest ₹60,000 more. In this scenario, you may reach a corpus of ₹5.65 crore, which is almost ₹40 lakh more. You will need the biggest amount out of this corpus for retirement, if we assume a life expectancy of 85 years and present monthly cost of ₹1 lakh, you will require ₹5.16 crore on retirement to have similar lifestyle. Here we have considered inflation at 6% p.a., and returns of 9% p.a. after retirement. Considering your assets and investible surplus you will be able to address your retirement and children's education in a better manner by investing monthly surplus over 15 years in equity MFs and continuing with home loan.

Harshad Chetanwala, co-founder of MyWealth-Growth.com, is also a certified financial planner.

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

## FROM STETHOSCOPES TO SAVINGS: SMART FINANCIAL PLANNING TIPS FOR DOCTORS

ented stability fund that can start giving the desired results over the next 10 years. It ensures that, even amid income variability, the regular commitments are not impacted. Now, let's discuss in detail about how doctors should plan their asset allocation.

### Financial planning 101

We have already discussed about some of the unique aspects of doctor's finances. In financial planning 101, we will focus on two critical areas; making the best of high disposable income and planning for retirement. First, let us address the issue of high disposable income.

To ensure high disposable income, doctors must leverage benefits such as Section 44AD of the Income Tax Act to reduce tax outgo.

With mandatory outlay in insurance planning, the next best thing is to see if debt can be consolidated, or even be prepaid, with intermittent cash flows. After ensuring there is maximum possible disposable income, the next question is about allocating it right and achieve true diversification.

The second critical area is to create a retirement corpus. That's where equity funds can play an important role, and achieve diversification. While doctors may be sceptical to start investing in stocks, equity funds have stood the test of time as wealth creators. They not only are long term retirement planners for doctors, but also ensure wealth preservation with minimal tax-impact.

Nehal Mota is co-founder and CEO of Finnovate



## OUR VIEW



## Adani-Hindenburg saga: Side roles come to light?

Short-seller Kingdon and a Kotak set-up fund are in the arc-lights of this market drama.

The general lesson, though, is that high-profile listed companies ought to be widely held

The list of *dramatis personae* in the drama that unfolded after Hindenburg's report of 24 January 2023 on the Adani Group has grown. Online searches for 'Kingdon Capital Management' and 'Kotak India Opportunities Fund Class F' surged this week on news of the American short-seller's reaction to a show-cause notice sent by the Securities and Exchange Board of India (Sebi). The market regulator had dubbed Hindenburg's report sensationalist, asking it to explain its allegedly unfair efforts to profit from a crash in Adani stocks that followed its allegations of fraud, stock manipulation and more, all of which were denied by Adani even as the market value of its listed firms shrank. Kingdon, a US-based hedge fund, was named by Sebi's notice as Hindenburg's sole investor. Its role? It began betting against Adani shares a fortnight before that report was published. In its public response, Hindenburg accepted Kingdon as an "investor partner," but sought to highlight the role played by Kotak Mahindra Bank in setting up an off-shore fund—a 'Class F' spinoff of an existing fund—that was used by the hedge fund for acts of short-selling under Sebi's scanner. This has dragged yet another name into a story that has kept market watchers agog for over 17 months. Do these actors merit a spotlight in the long arc of the Adani-Hindenburg saga? To distance itself from controversy, Kotak has denied foreknowledge of Kingdon's link with Hindenburg and of the latter's report. The bank said it did not know that the US hedge fund would act on the basis of price-sensitive information, given that it had confirmed it would operate solely by what was publicly known. Kotak's Class F unit was a shell company registered in March 2022

and bought by Kingdon in December that year. According to Sebi's timeline, the US hedge fund purchased it about a month after getting a draft of the Hindenburg report that would batter Adani stocks. Since Sebi was probing a market bout of short-selling, it had good reason to focus on the actual sellers—or direct profit makers—more than their investment vehicles. Unless evidence emerges of Kotak collusion with Kingdon, it is the latter's association with events that's far more likely to endure.

The story isn't over. Sebi was asked last year by the Supreme Court to investigate not just proximate causes of the volatility in Adani stocks (which have largely recovered since), but also to probe the Adani Group in the context of Hindenburg's allegations. This January, the court said that most aspects of Adani's conduct had been looked into by Sebi and its investigation "inspired confidence," but two parts were pending, as Sebi awaited inputs from foreign regulators to conclude the process. While we await this conclusion, a larger lesson from the episode can still be drawn. Recall that Adani stocks saw steep drops even before Hindenburg took centre-stage, with those investor jitters attributed to the companies' allegedly unclear compliance with Sebi's 25% free-float rule, seen as exposing them to distortive swings in market value. In general, markets for such assets work best when they have sufficient depth of trading, with a sizeable volume of stocks being bought and sold daily at prices determined by a wide interaction of demand and supply. The more widely a firm's equity is held, the better its share price captures its true value, thanks to a broader blend of views. It would serve everyone well if all high-profile listed companies took note. It would make stock-rigging charges hard to level.

## MY VIEW | OTHER SPHERE

## Residents of ultra-slums should have access to welfare provisions

Food, water, health and education are basic needs that nobody living in India should be deprived of



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The open sewer runs straight for 10 kilometres. In a gorge about 8 metres deep and 50 metres wide, with sides sloping such that 20 metres of its width in the middle is flat. The 6-metre-wide sewer is in the middle of this flat stretch. An elevated highway runs over this gorge for its entire length of 10 kilometres, about 20 metres above the sewer and about 12 metres above the land on the banks of the gorge. A busy railway line runs parallel to the southern bank for most of the stretch, and a road on the northern bank. The highway above covers the entire width of the gorge. From the high-speed six-lane highway, the gorge with the sewer in the middle is not visible because it is right underneath.

Swirling dark muck flows fast in the sewer. It is the worst of the waste from a city of over 2 million people. The stench is thick and settled. Over 2,000 families live on the slopes of the gorge. In shanties made of discarded plastic, metal sheets and rotting wood. The sewer overflows during monsoon rains, so the shanties are only up to half the distance down the naked slopes, with no obstruction to the eye, stark from both banks of the gorge. At intervals along the sewer, frayed saris can be seen wrapped around four bamboo sticks dug in the ground to form a two-by-two square foot toilet.

Outside the gorge, even those who

live nearby believe that the shanties house hooch-makers, drug-peddlers and other petty criminals. But if you do not judge from the high banks and brave a descent into the gorge, you will meet the typical poverty-stricken Indian. A labourer, traffic signal-vendor or a beggar, doing what it takes to survive. There must be a few criminals amid them, but unlikely to be any more than in the swanky high-rises that are visible from parts of that gorge.

Why do these families live there? Because nobody chases them away. Not the police, not land sharks, not even the good Samaritans who want to keep the city clean. The sewer is their sanctuary. Anywhere else in the city—under a fly-over, on footpaths, beside a railway line, or anywhere else—someone or the other hounds them because land is gold in the city. But why live there at all? Because back in their villages, they can't even eke out that one meal that fend off starvation.

Majestic is the expanse of our holiest river. It is visible from that elevated highway. Its waters are not like the sewer's, but the devout likely trade sin for disease when they wash in it. The water is clean, but its banks are not—even a thousand kilometres upstream at one of the country's sacred pilgrimage centres. From another gleaming highway, we can see muck-laden banks with familiar plastic-metal-wood shanties. Poverty chased the inhabitants of these out of their villages, but no one chases them off these mucky banks, so long as they voluntarily vacate every time a *mela* or fair is held, major or minor. A piety-fueled construction boom in the vicinity gives them some daily-wage work. Or at least they have the safety net of alms from the everyday thousands who come to take a dip in the holy river.

Children don't go to school, neither from the sewer zone, nor from the mucky banks. They are not given admission, and if they are, it's too dangerous to cross the busy railway line or highway. Families don't have ration-

cards—which means they have no access to the public distribution system of grains. Most have no documents to access India's public health schemes. Water to drink is a daily struggle and acquiring it takes away their earnings or work-hours or both. Temples are out of bounds. Births are fraught, with no access to the public health system, and private delivery unimaginably beyond reach. Death demands funereal dignity, often resulting in a slide deeper into poverty for family members left alive.

Two thousand kilometres south of this place of pilgrimage, from another spanning highway hugging another drain of urban waste, one can see a series of the same plastic-metal-wood shanties. It's just another mid-sized city, where the precarity of livelihood is less (if only infinitesimally so) than in their villages, yet sufficient to offer them the hope of a higher chance of survival. Which is the case across all our cities, and why these shanties are everywhere.

What was once a phenomenon of our large cities has spread to most small and mid-sized urban centres. But these are not slums. Perhaps ultra-slums, much further down the precipice of life. If we don't create enough decent jobs and livelihood opportunities, and ensure they're distributed evenly across India, the core problem will not be addressed. It doesn't appear that we know how to do that, not only as a nation but even globally. Acknowledging that we don't know may be a start for the kind of deep efforts that are required on every dimension—from research and policy to action on the ground and business.

But this doesn't mean that in the meanwhile we don't do the most basic of things for the poorest of our people. If we can have high-speed highways for our cars, why should they not have food, water, basic health and education? We have welfare systems for most of these, but residents of ultra-slums have almost no access to them. We must change that. Sewers need not be sanctuaries for fellow citizens.

## 10 YEARS AGO



## JUST A THOUGHT

It is better to debate a question without settling it than to settle a question without debating it.

JOSEPH JOUBERT

## GUEST VIEW

## Parliamentary debates form the essence of democracy

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The just-concluded general elections have once again proven the vitality of Indian democracy. The democratic process has established that the democratic institutions of this country are more than capable of giving all sections of society a voice, especially the marginalized. With the formation of a new government, parliamentary processes have kicked in. With that, the formal process of political communication between electors and the elected has also begun. Parliamentary debates are an important element of this. Elected representatives of the people make their position on various issues official by engaging in debates on the floor of the two Houses of Parliament.

There is no denying the fact that in this day-and-age of electronic media, both conventional and social, there is no dearth of instruments available for political messaging. This has led some political commentators to question the relevance of parliamentary debates. They contend that these often repeat what has already been said in the

public sphere by political campaigners, party spokespersons and Members of Parliament (MPs), and there is nothing new that these debates offer in terms of either political positions or information. They also question the 'deliberative effect' of such debates, since instances of a climbdown or revision of a previously-held position by an opponent in the light of what German political thinker Jurgen Habermas called "the better argument" are few and far between.

This might be true to an extent, as parliamentary debates are no paragons of Habermasian virtue—which aims for an 'Ideal Speech Situation,' where participants are swayed by reason and reason alone. Politics being 'essentially contested,' such a situation is neither feasible nor desirable. But what such opinions ignore is the unique ability of parliamentary debates not only to provide a multi-perspective view on political issues, but also impart authenticity to the positions taken by national political players by making them official. This kind of validity is not available to expressions and assertions of a political stance in other mediums such as the news media. Positions taken in Parliament are what act as a record for the electorate to assess the conduct of political representatives. In the absence of such clarity, it

would be difficult for the electorate to evaluate their work and vote accordingly. Statements and assertions made elsewhere, though important, do not serve as concrete indicators to help a voter reward or punish a representative. Moreover, political statements and assertions made by political players elsewhere run the risk of being lost amid vast waves of media messages.

As for the other purpose of parliamentary debates, critics are not entirely off the mark when they say that these discussions are not deliberative, as they neither influence opponents to revise their positions, nor help in reaching a consensus. Critics argue that such debates are almost entirely strategic and thus partisan in nature, and that their real aim is to influence the electorate outside the House rather than help make better legislative decisions within Parliament, which is anyway done by voting on motions. In other words, numbers rather than arguments determine enactments. This view, though largely true in its observa-

tions, underestimates the beneficial effects of such debates on the country's electorate despite their partisan nature.

Politics is a contest for political power, and, by presenting an all-round perspective on a political issue and reflecting all shades of opinion across the political spectrum, parliamentary debates help voters make up their mind. This is essential to democracy, which demands not just voting but 'informed voting' for it to function as well as envisaged.

Observers might also contend that these debates, though televised, are not keenly followed by the larger electorate and therefore the idea that they are educative is far-fetched. In response to this, it can be said that important debates that matter more are widely shown on air by various news channels and also widely reported. The sharp political positions taken in these debates are also disseminated to voters at large through press conferences and political speeches. In short, what is important in these debates for the electorate

somehow reaches it, directly or indirectly, helping voters decide their preferences.

Just as Parliament is the most visible symbol of our democracy, parliamentary debates are the most obvious examples of 'democracy in action.' In the words of James De Mille, "A parliamentary debate, when carried on by able men, is one of the finest exhibitions of the powers of the human mind that can be witnessed." Thinkers like Habermas observe that a communicative society is much better placed to resolve its conflicts than a non-communicative one, as the former provides institutional structures for flagging issues and raising concerns as well as discussing and resolving them.

Houses of Parliament are core sites of deliberation where national issues can be discussed and solutions found through argument. To paraphrase Robert E. Goodin, talking is a good 'discovery procedure,' while voting is a good 'decision procedure,' and talking before voting is always good for democracy. What makes Parliament unique is its special ability to combine elements of aggregation and deliberation that can confer higher political legitimacy on participants.

For all these reasons, we must give parliamentary debates their due and remain hopeful that we will have plenty of them.

**They keep voters in the loop of formal positions taken and also foster deliberative law-making**



MY VIEW | UNCOMMON SENSE

MINT CURATOR

# Get your meetings right: Time is too valuable a business resource

A goal-oriented and value-maximizing approach to meetings can help leaders boost the productivity of their organizations



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Time is the most scarce resource for any leader, influencing not only her individual performance but also the organization's culture and strategic direction. Leaders, therefore, must be strategic in how they spend their time—with themselves, and in one-on-one as well as group meetings. Time alone allows leaders to both respond and react, but more importantly, step back, reflect and strategize. Some CEOs, for instance, block off parts of their day to focus on these solo tasks, recognizing the importance of uninterrupted time for high-level thinking.

Meetings are a significant component of a leader's time expenditure. One Harvard study showed that CEOs spent 72% of their total work time in meetings, while another MIT Sloan article concluded that the average executive spends about 50% of his or her time in meetings. At the same time, whether it is in the sitcom *The Office* or Dilbert cartoons, or in our conversations, there is a clear view that many group meetings are run poorly. This article focuses on what could help improve the effectiveness of meetings.

Meetings are essential for decision-making, aligning a team and fostering collaboration. However, to be effective, group meetings need to be well-structured. This includes having a clear agenda, defined objectives and ensuring the right people are in attendance. Avoiding unnecessary presentations and focusing on dialogue and decision-making can make them productive.

But even before getting to 'how best to run a meeting,' we think it is important to answer two key questions.

The first is whether there should be a meeting at all, or can the objective be met through an empowered individual (with inputs from others) or even in a group setting via email? This is even more relevant for recurring meetings, which start off with the right intention but then inertia takes over.

The second is clarity on the desired objective of the meeting—is it to generate ideas, challenge solutions, take decisions, seek alignment or communicate with a broader group? Meetings can be set for any of these, but there needs to be clarity on what outcome is expected.

It is crucial to implement structured processes to increase meeting effectiveness. Based on our experience across organizations, there are seven practical principles that can help leaders run meetings more effectively.

**Define the agenda sharply:** This is easier said than done but the most important step nonetheless. Clearly outline the meeting's objectives. Distribute necessary material in advance to allow every participant to come prepared. This can save time and lead to more meaningful contributions and outcomes.



**Deliberate participation:** Invite only those who can contribute value or benefit from the discussion. This helps keep the meeting focused and prevents it from becoming unwieldy. Tesla's chief Elon Musk has gone one step further; he suggests that those who feel they are not contributing enough should leave the meeting.

**Avoid PowerPoint presentations:** Use the meeting time for discussion and decision-making, rather than lengthy presentations. This approach keeps participants engaged and the conversation dynamic. In a previous article, we talked about the famous Amazon memo that everyone reads at the start of a meeting—rather than sit through a presentation—for discussions to be held on it.

**Insist on punctuality:** Start meetings on time to respect everyone's schedule. Turning up late for meetings (regularly) indicates either lack of control and/or disrespect for others' time, neither of which is a trait one would look for in a leader. We know of some organizations that implement penalties on latecomers, if necessary, to discourage tardiness. But, ultimately, it is the leader (or the one chairing the meeting) who must lead by example.

**Encourage balanced participation:** Ensure that all voices are heard and not just the dominant ones. The chairperson should facilitate a wide discus-

sion, giving quieter members an opportunity to speak. In her book *Quiet: The Power of Introverts in a World That Can't Stop Talking*, Susan Cain makes a powerful case for listening to introverts.

**Summarize key points:** At the end of the meeting, recap the main points and decisions. This ensures clarity and alignment on the next steps. While well begun may be half done, true value is realized only when there is action and follow-through.

**Actionable minutes:** Record minutes of the meeting in a format that clearly states 'who' will do 'what' and by 'when' (the WWW format). Circulate these minutes within two days of the meeting to maintain momentum and accountability in the group. For a recurring meeting, start by reviewing the previous meeting's action items, as this helps ensure that previous decisions are acted upon.

Implementing all these practices can transform meetings from time sinks into valuable sessions that drive decisions and align strategies. As leaders strive to manage their most precious resource, time, running meetings effectively becomes a critical skill. By adopting a disciplined approach to time management in pursuit of organizational goals, leaders can enhance their own productivity as well as the overall performance of their organizations.

# Citigroup's climate sensitivity made it a target for protestors

Companies that make progress tend to attract even more protests



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Environmental protests are often aimed at firms that are expected to listen. BLOOMBERG

Employees at Citigroup's New York headquarters are facing multiple indignities. Not only does a growing contingent now have to be back in office full time, but to get to their desks, they must walk through a throng of protestors who have been camped outside the bank for much of June. Activists are calling the campaign the "Summer of Heat," vowing to show up outside Citi "week after week" and "month after month" to protest its funding of the fossil fuel industry. The protests have gotten so disruptive that Citi put out a statement Wednesday advising employees "to keep our cool" and "avoid engaging."

You might think Citi ended up in the spotlight because it's the worst offender in the financial sector. The bank is far from it. Citi is the sixth-largest provider of loans to oil, gas and coal since the 2015 Paris agreement, according to analysis by Bloomberg News, and its fossil fuel lending has steadily declined in recent years; so far in 2024, it's the 12th biggest provider of loans to the fossil fuel sector.

Citi's progress is likely what in part made it a target. It has shown that it cares about its sustainability reputation and the activist group is capitalizing on that. Protesters have said as much, noting on their website that they are going after Citi because "we know we can push them to do the right thing." On her first day as Citi CEO in 2021, Jane Fraser said the company would reach net-zero greenhouse-gas emissions in its financing activities by 2050, and has committed \$1 trillion for financing sustainability efforts by 2030.

Researchers call it the "target enhancing effect": Companies investing in climate action or other social initiatives are attractive targets for activists. Charlotte Moore, managing director at Sigwatch, which tracks and collects data on activism directed at corporations, told me people are always surprised to learn that the most targeted energy company is not Exxon Mobil or Saudi Aramco. Rather it's usually a European firm like Shell or TotalEnergies, because they are willing to change or be seen as changing. "The idea is that if you get a lead company in the space to move on something, it changes the industry expectations and consumer expectations and everyone else has to fall in line," she says.

There are limits to how effective this kind of pressure can be. Researchers have found that the best-performing companies from an environmental standpoint have very little incentive to do more because it only further raises this threat of environmental activism. And in general, Moore

told me applying public pressure "makes companies more reluctant to put their heads above the parapet." She adds: "If the move you make is seen as not good enough or genuine enough, then you do open yourself up to targeting and criticism."

ESG politics has only gotten more complex. Not only are firms being attacked by activists on the left, they also face a backlash from the political right. Citi, for example, is among a group of banks that has been punished by Republican states for its "boycotting" of the fossil fuel industry and "discriminating" against the gun industry. These dynamics have shifted the peer effect that activists hope to exploit—the idea that top managers are more likely to take action if they see a competitor being targeted by activists.

Instead, companies have become even less eager to lead on these issues. CEOs are saying and doing even less on ESG and DEI out of fear that they will become a target of the anti-woke mob. The Walt Disney Company, for example, became a favourite punching bag for Florida Governor Ron DeSantis over its opposition to the state's Don't Say Gay Bill. Or take Target and Anheuser-Busch, which faced boycotts from conservative consumers for their LGBTQIA+ solidarity.

Over at Citi, it's turning into the 'Summer of Heat' in more ways than one. Activists are attacking the bank at a delicate moment for its CEO: "The clock is ticking on Jane Fraser's Citigroup Turnaround," read a *Wall Street Journal* headline, with the piece noting that its profitability and stock performance are lagging behind its US rivals. The protests are giving Fraser a headache, which climate activists would argue is the whole point—disrupting business as usual to force companies to face such an urgent cause.

But in doing so, they risk making one of their allies even more vulnerable. The Summer-of-Heat crew should let things cool off at Citi and go light a match under a truly bad actor. Or better yet, consider switching tactics: In this charged environment, it may be more effective to work behind the scenes with companies that are ready to engage. As the 'greenhushing' trend has shown, there are firms that are open to improving their policies, but don't want to talk about it. ©BLOOMBERG

THEIR VIEW

# Class action lawsuits are unicorn-like: Worthy but rare

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Class action suits in India are like unicorns—legendary, promising and rare. Provisions permitting class actions/representative actions existed in the statute book for over a century in the Code of Civil Procedure of 1908. Similar provisions have been incorporated in the Consumer Protection Act of 2019 and the Competition Act of 2002. Further, class action suits are often clothed as public interest litigation (PIL) under Articles 32 and 226 of the Constitution. However, none of these statutes specifically covered shareholders as a class.

In a landmark move, India introduced shareholder class action and derivative action lawsuits through Section 245 of the Companies Act of 2013. Surprisingly, for 11 years, this provision has remained largely theoretical, with only two cases—Jindal Poly Films and ICICI Securities Ltd—being filed.

A class-action suit, or representative action, allows a large group of people with similar interests to collectively bring a claim to court. This collective group is known as a

'class.' Class action suits have immense potential to protect minority shareholders, depositors and investors from corporate wrongdoers. Fighting as a class enables them to secure better legal representation, share litigation costs and pool their knowledge and experiences to build a strong case. In a country where lawsuits are expensive and lengthy, minority stakeholders are often at a disadvantage against the formidable legal and financial muscle of corporate houses. In such cases, a class action, backed by the strength of many, is likely to be taken seriously by businesses and courts.

The biggest challenge remains the high cost and slow pace of litigation, coupled with the apparent reluctance of Indian courts to award substantial damages and penalties.

Over the past few years, the Indian stock market has witnessed a significant influx of retail investors. This surge is complemented by an increasing number of businesses getting listed for their shares to be traded publicly. Shareholder activism, aimed at better corporate governance and involving the scrutiny of management actions, has been rising too. This usually happens when shareholders believe the company is being poorly run, potentially leading to financial losses or societal harm. Shareholders whose rights

have been infringed upon, or who believe the company is being managed in a way detrimental to their interests, may initiate a class action lawsuit. Such suits offer a vital remedy for breaches of minority-rights by enabling collective legal action against corporate misconduct. The existence of the provision, thus, promotes higher standards of transparency and accountability in corporate India.

While such lawsuits can help level the playing field, for them to be truly effective, the provisions for class action should include all categories of minority stakeholders affected by mismanagement.

Two amendments have allowed class action to inch forward. A 2016 amendment of the Companies Act simplified procedures and eligibility criteria for filing class action suits. In May 2019, new thresholds for defining a 'class' under Section 245 were notified. An eligible class can now comprise 5% of members holding 5% of the issued capital in an unlisted company or 2% of the issued capital in a listed company,

or 100 members, whichever count is lower. Similarly, 5% of the total number of depositors or total deposits, or 100 members, whichever is lower, would constitute a class. However, creating a pool of 100 is still a challenge. Borrowing from Western practices, India could further simplify these requirements. For instance, the US does not insist on a minimum number to form a class; Australia requires only seven, while Canada permits a single shareholder to file an action.

Introducing 'contingent fees' for lawyers, to be paid if the suit succeeds, would create an incentive for them to gather 100 persons for a class action. This would require deviation from the currently permitted remuneration structure

for lawyers, under which a contingent fee is not allowed. Further, to mitigate the risk of exploitation by an errant lawyer, all contingent arrangements should be disclosed and monitored by the Bar Council.

However, to strike a balance and disincentivize frivolous class actions, the judiciary

must also levy exemplary penalties on litigants in such instances and also on lawyers with contingent-fee deals.

On the whole, the courts and government must adopt a more accommodative approach to class action lawsuits. Without significant legal reform, true class action will remain limited to stray cases where someone assumes leadership and financial responsibility.

Class action suits in India have the potential to democratize access to justice and hold powerful entities accountable. Yet, so far, class action suits have not been embraced with the enthusiasm they should be. For minority shareholders to achieve justice, especially, class action suits could offer a speedy legal process. Implementing fast-track judicial processes for class action suits would reinforce the faith of citizens in the concept as well as overall judicial system.

The urgency of embracing class action suits in India cannot be overstated, particularly as the Indian economy expands further and integrates itself more deeply with the global economy. Effective class action mechanisms can significantly enhance corporate accountability, thereby boosting investor confidence and attracting more investments from overseas.



# Exploring the last bastion of Indian modernism

An exhibition at DAG highlights the making of the Madras Art Movement and places this late phenomenon of modernity within the national context



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The ongoing exhibition 'Madras Modern: Regionalism and Identity' at DAG, New Delhi offers a rare viewing experience. It's not often that you get to witness the trajectory of significant artists such as K.M. Adimoolam, M. Reddeppa Naidu, S. Dhanpal, J. Sultan Ali, S. Nandagopal and K.V. Haridasan, who added to the Indian modernist vocabulary through their works. By taking a deep dive into their practices, the exhibition highlights the making of the Madras Art Movement—considered by art scholars as the last bastion of Indian modernism—and the Cholamandal Artists' Village, a residential work-centre for artists envisaged by K.C.S. Paniker in the 1960s. The works of each of the artists, who formed an integral part of this movement, while being unique and individualistic, are tied together in their exploration of regional and folk iconography and mythology.

The show as well as the accompanying book place this modern art movement—a late phenomenon of modernity in south India—within the national context. "It developed as a regional phenomenon that began to take shape from the mid-1950s onwards as a search for authenticity in modernism derived largely from the region's cultural heritage," art historian-curator Ashrafi S. Bhagat writes in the introduction to the book, which has the same title as the exhibition.

The genesis of the Madras Art Move-

ment can be traced back to the Government School of Arts and Crafts (now Government College of Fine Arts in Chennai) established in 1850. It all started when D.P. Roy Chowdhury took over as the first Indian principal of the college between 1930 and 1957, and shifted the focus from a purely craft-based curriculum to a study of fine arts.

"[He] put forth an empirical and perceptual approach to art making, and axed the colonial pedantry of human form study based on classical statuary. These ideas were extended by K.C.S. Paniker who, as the next administrative head, brought in a study of European masters," writes Bhagat. She describes how Paniker's pedagogy opened avenues for technical and creative explorations that became a hallmark of the school, contributing towards the development of the art movement in Madras (now Chennai).

Though the movement was named after the city, its fabric was determined by artists coming in from the states that made up the erstwhile Madras Presidency—Tamil Nadu, Kerala, Andhra Pradesh and Karnataka—thus bringing in different approaches and visual vocabularies.

While the names of Roy Chowdhury, J. Sultan Ali and Paniker are familiar to most art enthusiasts, in the show and the book one meets many more figures who contributed to the rise of this modern art movement. In that sense, 'Madras Modern: Regionalism and Identity', on view till 6 July, becomes extremely significant. "This kind of north-south divide that we experience regularly impacted the art world back then as well. For artists, who



(clockwise from left) K.V. Haridasan, 'Untitled', oil on canvas (1970); K. Sreenivasulu, 'Multi-Armed Shiva Dancing', tempera on paper pasted on plywood (1953); C. Douglas, 'Absence', charcoal, pastels, chalk, acrylic and mud on wood (2006)

IMAGES: COURTESY DAG

practised out of the southern states, the familiarity with art centres in Mumbai and Delhi was a little less forthcoming," says Kishore Singh, senior vice-president, DAG. "Though the artist collective, Group 1890, did try to include one artist from the region, Reddeppa Naidu, but it phased away in a year after its exhibition in 1963 held in Delhi. Artists from the southern states remained neglected in the national mainstream for the longest time, and that is a pity as the art school in Chennai was the oldest in the country."

Paniker, as the administrative head of the institution, grappled with the factors behind this neglect for a long time. Both

through his personal practice and role as a mentor, the artist tried to arrive at what was Indian and what was regional.

"Many artists, whether figurative or abstract in their language, began to look at the regional as their central pivot. And it is from that idea that the Madras Modern emerged," adds Singh. Take S. Dhanpal, who set up the sculpture department at the Government School of Arts and Crafts. He redefined the

sculptural vision within the movement by creating a bridge between the modern and the traditional elements of temple design and architecture.

It is interesting to witness the journey of women artists within the movement, who pursued their careers against all odds

"He became well established within the national art scene, as did J. Sultan Ali, who spent a fair amount of time in Delhi before returning to Cholamandal," says Singh. Another well-known figure to emerge from the movement was painter and film-

maker, V. Viswanadhan, who was one of the co-founders of Cholamandal Artists' Village. Today, he lives and works between Paris and Cholamandal. "If you look at the spate of names, you will be surprised to see the sheer sophistication of their art. K. Ramanujam, L. Munuswamy, C. Douglas, R.B. Bhaskaran and others, were such brilliant artists. The depth of their vision and the breadth of their practice is something else. 'Madras Modern' is in a way a course correction in bridging the gap between the regional and the mainstream, and hopes to bring in familiarity to these names," elaborates Singh.

It is interesting to witness the journey of women artists within the Madras Art Movement, who pursued their careers against all odds. "Those who went on to win national acclaim included Arnawaz Vasudev née Driver (1945-88), T.K. Padmini (1940-69), Rani Pooviah née Nanjappa (1935-91), Anila Thomas née Jacob (b. 1941), and Premlatha Hanumanthiah Seshadhri (b. 1947)," writes Bhagat in the chapter on *Women Artists Within the Madras Art Movement*. While Vasudev, Padmini and Pooviah were painters, Thomas became a sculptor.

"The progressiveness of these artists in the 1960s was at odds with the role of women within the conservative Madras milieu. Institutionally, their progressiveness lay in their acceptance by 'male' artists, endorsed by Paniker who opened the doors for women's admission in the art institution. Anila professed to the helpful attitude and encouragement of her male peers. If so, it opened up questions about the structure of male power and a gaze not so much sexual as condescending," writes Bhagat.

As you walk through the exhibition, you can't help but wonder if there was ever a connection between the various modern art movements taking place in the country. After all, each of these emerged out of a rejection of whatever had come to signify the establishment. For instance, the rise of Santiniketan was linked to a rejection of the romanticism of the Bengal School. Later, the Progressives found an affinity with the modernism that filtered in from the West. "But they wanted to embark on their own journey, rooted in the Indian culture and aesthetic. For Group 1890, the process was more important than anything else. For the artists in Baroda, intellectualisation of art became significant. And for the Madras Art Movement, localisation or regionalisation became the pivot," explains Singh.

Their idea gained strength as they were able to work together as a community in Cholamandal. There, they lived, practised and ideated together. It became a platform for dance, theatre, poetry and music as well. Its location was significant, situated near Kalakshetra, which was based on a similar idea, and a stone's throw from Mahabalipuram, which had been a workshop for sculptors and architects since the medieval period.

"Like the other modern art movements, the Madras Art Movement allowed for a rejection of what was becoming the norm elsewhere. It was united with the rest in the idea of resistance and finding its own path," says Singh.

## How mangoes keep the wheels of finance turning

In this excerpt from his new book, Sopan Joshi explains how a gift of mangoes can signal status and open doors

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Mandar's great-grandfather had planted Alphonso trees in Ratnagiri. Four generations on, the family name is perhaps the most valued mango brand in India and the world. Desai Bandhu Ambewale have extensive orchards in Ratnagiri, Maharashtra, and a thriving retail and wholesale business in Pune, where Mandar is based. The fruit has achieved the impossible for the family several times. For instance, in 2013, the automaker Mahindra was advertising an upcoming sport utility model. Mandar's little son Atharva became fixated on it, and kept asking his father to buy it. Mandar went to a dealership and paid the booking advance. He was told it would take months to deliver the vehicle; due to a tremendous demand, there was a backlog.

The boy kept hounding his father. Mandar did not want to disappoint his son. He got politicians and the local MLA, to call the dealership. Still, no luck. Each day, the kid saw adverts on TV and turned questioning eyes towards his father. Then, Mandar had an idea. It was the first week

of March and the first crop from the family's mango orchards had started coming in. "I had two boxes of our top quality fruit delivered to the manager of the dealership, with my visiting card," he told me.

Within an hour, the manager called. He was beside himself with joy, repeating over and over that his family was going to be thrilled to get such good mangoes so early in the season. He asked if he could do anything for the Desai family, anything at all. Mandar mentioned the automobile. "On the third day, I got a call from the dealership. They said my vehicle was ready for delivery. And I did not have to pay one extra rupee," he chuckled, sitting in his office on the ground floor of a multi-storey mango showroom on Karve Road in Pune.

Mangoes open doors. The fruit has brought fame, literally and figuratively. The family has letters from prime ministers. 'Indira Gandhi used to call people coming from Pune to Delhi to bring her our mangoes. Atal Bihari Vajpayee's friends knew the best way to catch his attention was to meet him with a box of our best produce. If they were coming from Pune and went empty-handed to see him, he used to tick them off,' said Mandar. Bhimsen Joshi, a colossus of Hindustani classical music, was their client for forty years. He needed their mangoes each day of the season. Till a year before his death in 2011, he called Mandar's father before each mango season. 'He became a family friend, our promoter and brand ambassador even.'

Mandar was a big fan of Laxmikant



Berde, a superstar of Marathi cinema and a character actor in Hindi films. He was desperate to meet his idol. 'He was a star. I a mere fan. But I had mangoes,' he said. 'He met me just because I went with a crate of our best Hapus. He soon became a friend. When I bought this extensive mango showroom in 2003, he insisted on inaugurating it himself, which meant free publicity.' Berde came and 'stayed for two full days' when Mandar got married. 'Once, he called from the gym because his trainer was asking him to keep away from mangoes to watch his weight. In his last

days (he died in 2014), he begged the doctor to let him have a mango daily.'

A gift of mangoes carries much more value than the dry fruit boxes that have become the Diwali norm to grease relationships, Mandar said. In Mumbai, India's financial capital, mangoes are an essential part of business. Each year from April to May the city goes mango mad. The streets are overwhelmed with vendors selling Alphonso mangoes. From small-time traders to the largest corporations, from petty contractors to CEOs, a gift of expensive mangoes is the best way to

impress people. 'I spend a minimum of ₹1 lakh each year on gifting mangoes, especially to the government officials who handle my business,' said a contractor from Mumbai who sells large machinery across Maharashtra. 'It ensures deals happen smoothly, paperwork moves faster, complicated financial matters get simplified. The mango is an elemental part of business investments here.'

At Mumbai's Crawford Market, I met Gurmeet Singh, an exporter-importer of automobile parts. As he dug into a mango to check for taste, the burly middle-aged trader turned into a child. Right there, he paid ₹5,835, including ₹2,300 just for delivering the five gift boxes at addresses that he provided, including one in Delhi. 'One does not count money with Hapus,' he said, walking away, sated. The shopkeeper showed me orders received over the phone: 'A rich man will transfer the money into my account and email me a list of more than 100 people who are to be delivered a box of my choicest Alphonso mangoes. Some people order 500 boxes or more. This city does not want money. It does want quality mangoes, though.'

What's so special about a gift of mangoes? I've asked several mango traders and businessmen in Mumbai and Pune. The

answer was the same: The best way to please a person is to please his family. 'Nothing delights a family in this part of the world like a large number of quality mangoes, especially if you get the fruit before it has hit the market,' said one of the largest mango wholesalers in Mumbai...

Good mangoes are not just to be eaten; they are adornments like jewellery. The

rules of the market push the best produce towards those willing to pay the highest price. The biggest patrons of Alphonso mangoes are the city's rich Gujaratis... Mumbai's rich and powerful are hooked on the Hapus. A journalist had told me that the fugitive criminal and terrorist Dawood Ibrahim craves the Alphonso every summer; special mango boxes are flown to him via intermediaries...

The culture wars over the mango are a very new thing. For most of our history, Indians consumed mangoes grown only in their own region, unaware of varieties grown elsewhere; the exceptions were kings and rich merchants and travellers. Elaborate mango markets have developed only over the past half-century or so.

Excerpted from *Magnifera Indica* by Sopan Joshi with permission from Aleph Book Company. 432 pages, ₹799.

