HT NEW DELHI, MUMBAI, BENGALURU, KOLKATA, CHENNAI, AHMEDABAD, HYDERABAD, CHANDIGARH*, PUNE*, LUCKNOW* VOL. 18 NO. 67

Monday, March 18, 2024

mint

Think Ahead. Think Growth.

TCS offers sops to bring in senior staff ready to join early

Jas Bardia/Devina Sengupta
BENGALURU/MUMBAI

India's biggest IT services company is offering a special incentive to its vendors to sign up senior talent fast, with the caveat that they lose it if the employee leaves within six months.

Tata Consultancy Services' new Quick Joiner Incentive Plan offers vendors ₹40,000 per senior candidate over and above their fees, if they join in less than 30 days.

The urgency to get experienced employees is a sign that markets are probably opening up for the IT services firm.

"Incentives will be paid over and above the rate card for the assigned skill and job code...with experience range of 10-15 years...The overall paid amount (base rate and incentive) will be recoverable if the candidate leaves the organization in 180 days," said a mail sent to some of the TCS vendors in March, and seen by *Mint*.

Some of the skills required by TCS, as per the email, include proficiency in Microsoft Teams, and Microsoft 365 tools such as OneDrive, Word, PowerPoint and Outlook. TCS is also on the lookout for skills in Endpoint and SharePoint, which allow users to create, manage and publish content on a website.

"While incentives were offered in 2022 during the hiring frenzy, last year was subdued," said a TCS vendor who received the email. "This year, these additional perks to vendors indicate that the IT services firms are expecting new mandates for which they need experienced employees to implement projects."

In Jan 2024, TCS won its biggest outsourcing deal from British insurance group Aviva. MINT

TCS declined to comment.

Typically, a vendor gets 8-12% of the annual compensation that a candidate earns for permanent recruitments. For those on staffing or contract (not on payrolls), vendors get paid at a flat rate. According to recruiters, candidates with experience levels of 10-15 years draw annual salaries upwards of ₹30 lakh.

Analysts tracking the sector note the preference for experienced employees over fresh hires. "TCS has a robust deal pipeline and they are hiring mid- to senior-level talent with 10 years of experience and above because of deals that are ramping up," said Omkar Tanksale, research analyst at Axis Securities, adding that TCS needs experienced business analysts and software experts to develop complex

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QUICK EDIT

Tesla: Red carpet?

India has announced a policy for electric vehicles (EVs) that lowers the import duty for foreign-made EVs brought in by overseas auto majors. They'll be allowed to import annually up to 8,000 EVs valued at $35,000 or more at a reduced import duty of 15% for five years, provided they invest at least $500 million in local manufacturing over the next three years. They must ramp up domestic value addition to 50% in five years and provide bank guarantees that could be used to claw back the duty benefit if the investment or localization conditions aren't met. Supply chains take time to set up, so players like Tesla have a fair argument for low-barrier imports for test launches while assembly lines come up. This isn't exactly the red carpet that Tesla may have hoped for, given the stiff stipulations. Also, it cannot be expected to electrify traffic in a big way. The high price cut-off for imports maintains protection for the bulk of India's local automobile industry. While this will hopefully see Tesla cars on Indian streets, signalling a marquee win on the optical front, what we need more acutely is a plan that ensures it's renewable power that runs EVs as they proliferate in India.

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PLAIN FACTS

The bond path to bad corporate governance

BY HOWINDIALIVES.COM

Electoral bonds, meant to ensure transparency in funding of political parties, have ended up potentially compromising corporate governance by enabling the flow of funds between companies via various financial arrangements—without limits and without adequate disclosures, data released last week shows. One such opaque arrangement involved the use of small, nondescript group companies as pass-throughs, as the case of Kolkata-based Madanlal Ltd shows.

Madanlal Ltd bought electoral bonds for ₹186 crore. Its website says it's a part of the MKJ Group and Keventer Group, whose two other companies bought electoral bonds separately worth ₹192 crore and ₹195 crore, respectively. Each of these three companies was among the top 10 buyers of electoral bonds, but none seemed prudently aligned with their underlying businesses' profits. Madanlal's extent of disproportion was especially glaring—in 2021-22, its total income was just ₹3 crore.

Its annual reports don't disclose where the money to buy electoral bonds came from; an email questionnaire sent to the company remained unanswered. What is known is that Madanlal bought its bonds on 8 and 10 May 2019, preceding the last two stages of the 2019 general elections that saw voting for 118 seats, including 17 from West Bengal. A director of Madanlal is Radhe Shyam Khetan, who is also a director in MKJ Enterprises. Data from the ministry of corporate affairs shows that through various companies, or directors therein, links can also be traced to the Keventer Group. With the electoral bond scheme, these connections started mattering more.

Madanlal is linked to the MKJ and Keventer groups—also big donors

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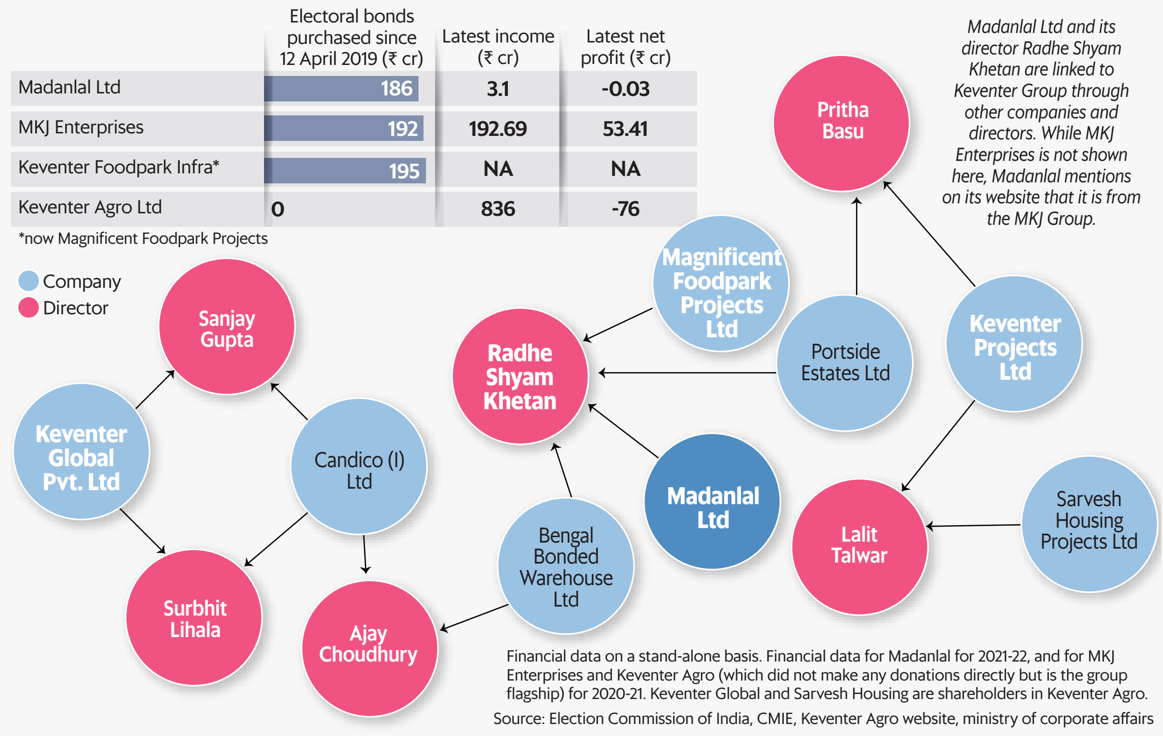
	Electoral bonds purchased since 12 April 2019 (₹ cr)	Latest income (₹ cr)	Latest net profit (₹ cr)
Madanlal Ltd	186	3.1	-0.03
MKJ Enterprises	192	192.69	53.41
Keventer Foodpark Infra*	195	NA	NA
Keventer Agro Ltd	0	836	-76

*now Magnificent Foodpark Projects



Madanlal Ltd and its director Radhe Shyam Khetan are linked to Keventer Group through other companies and directors. While MKJ Enterprises is not shown here, Madanlal mentions on its website that it is from the MKJ Group.

Financial data on a stand-alone basis. Financial data for Madanlal for 2021-22, and for MKJ Enterprises and Keventer Agro (which did not make any donations directly but is the group flagship) for 2020-21. Keventer Global and Sarvesh Housing are shareholders in Keventer Agro.

Source: Election Commission of India, CMIE, Keventer Agro website, ministry of corporate affairs

Without Disclosures

BEFORE 2017, the Companies Act allowed companies to donate to political parties, but within limits. Companies could donate up to 7.5% of the three-year average of their net profit. Effectively, companies needed to be cumulatively profitable over three years to be able to donate. They also had to specify the names of parties to which they had donated. The electoral bonds scheme did away with both profitability and disclosure requirements.

It brought companies like Madanlal into play. Between 2016-17 and 2019-20, the firm posted a cumulative net loss of ₹2.62 crore. Under the old regime, Madanlal could not have donated to a political party. But the electoral bonds scheme allows it to donate using its own funds, and to donate on behalf of others, without limits, which it possibly did.

The first indication is the sharp rise in its revenues, the timing of which overlaps with the launch of the electoral bonds scheme on 1 March 2018. Madanlal's revenues increased from ₹20 crore in 2016-17 to ₹150 crore in 2018-19 and to ₹297 crore in 2019-20, before crashing to ₹3 crore in 2021-22. In the annual reports, the big revenue jumps are recognized as "other operating income" and no further explanation is provided. Interestingly, even as revenues soared, profits barely budged. According to Madanlal's 2019-20 annual report, it is "primarily engaged in trading in stainless steel and allied products".

Since the electoral bonds were purchased in May 2019, in the old disclosure regime, they would have found a mention in the company's 2019-20 statements. But the 2019-20 annual report of Madanlal is silent on purchases of electoral bonds, as there was no legal requirement to do so by that time.

Without Limits

IF REVENUES soar, but profits remain flat, expenses must have risen in parallel, and this is what we find with respect to Madanlal. When "normal" companies scale sharply in terms of revenues, accompanied by a bump in expenditure, this is typically because they have had to buy more raw materials or hire more people to make those extra revenues happen. This is the extra cost of doing more business.

In Madanlal's case though, almost all the jump in expenses came from just one item, tucked away under the innocuous head, "other expenditure". One of the sub-heads under "other expenditure" is "donations", which amounted to 75% of total expenditure in 2017-18, 85% in 2018-19, and 96% in 2019-20.

More interestingly, while the electoral bonds data, which starts from 12 April 2019, shows Madanlal bought bonds amounting to ₹186 crore, the company's annual reports show it spent ₹440 crore on "donations" between 2017-18 and 2019-20.

Given that the electoral bonds scheme started on 1 March 2018, it is possible that more bonds were purchased. In either case, where Madanlal received the money from is not disclosed.

Like Madanlal, there are several companies whose purchases of electoral bonds show a mismatch with their running scale of operations and profitability. Of the 1,263 buyers, we were able to match 771 companies with the database of the corporate affairs ministry database.

Of these 771, CMIE had financial data for 329 companies whose electoral bond purchases amounted to ₹9,185 crore. For 10 of those, electoral bond purchases exceeded their cumulative profit between 2016-17 and 2022-23, which wouldn't have been possible in the older regime.

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

Madanlal's revenues grew with its electoral bond purchases, but profits didn't

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in ₹ crore

	Total income	Net profit
2016-17	20.3	-7.8
2017-18	42.2	2.1
2018-19	150.1	-2.1
2019-20	297.8	5.2
2020-21	8.1	4.7
2021-22	3.1	-0.03

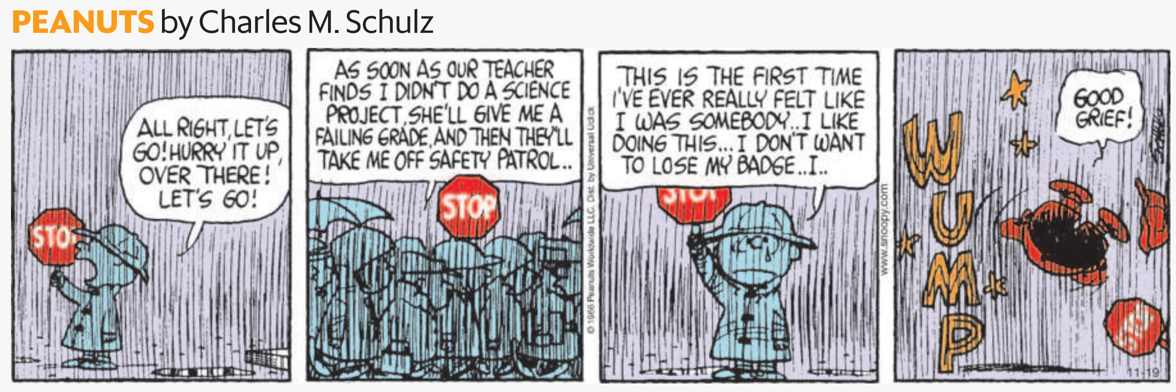
Bond purchases of some firms amounted to several times their profits

	Electoral bonds purchased (₹ cr)	Electoral bonds purchased as share of total net profit from 2016-17 to 2022-23 (%)
Madanlal	185.5	8,961
Castle Liquors	7.5	417
MKJ Enterprises	192.42	319
Qwik Supply Chain	410	285
Future Gaming & Hotel Services	1368	218
Asish Finance	7	177
Western UP Power Transmission Co.	220	152
Nexg Devices	35	121
Aksentt Tech Services	15	114
ABNL Investment	10	111
Pacifica (India) Projects	0.5	111

Source: Election Commission of India; howindialives.com calculation based on CMIE data

PARAS JAIN/MINT

PEANUTS by Charles M. Schulz



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MFs snap up I-Sec as key vote looms

Delisting plan has seen pushback from minority investors

Nehal Chaliawala & Ram Sahgal
MUMBAI

Multiple mutual funds bought shares of ICICI Securities in February, ahead of a pivotal shareholder vote that will decide if the broking firm will remain publicly listed.

Interestingly, these funds bought ICICI Securities shares at a premium to the value of ICICI Bank shares they will get in exchange, if the delisting of ICICI Securities goes through. For every 100 shares of ICICI Securities, shareholders will get 67 shares of ICICI Bank, translating to a share swap ratio of 0.67.

However, throughout February, ICICI Securities shares traded at a premium to this swap ratio, throwing up questions over the rationale of these mutual funds investing in the brokerage firm.

The volume weighted average price (VWAP) of ICICI Securities shares for February was 0.79 times the VWAP of ICICI Bank shares during the same period, as per *Mint*'s calculations. The closing price of ICICI Securities shares throughout the month was between 0.75 and 0.81 times of ICICI Bank shares, data show. This translates to a premium of between 12% and 21% to the swap ratio.

Some market observers say mutual funds might be expecting the delisting to not go through, justifying their bullishness on the brokerage firm.

"The buying interest among funds is on hopes that the shareholders would vote against the resolution in its current form as they believe the standalone broking entity is more value-accretive. If the resolution fails, the price of ICICI Securities will rise to the benefit of the fund's clients," a veteran at a leading asset management company said on condition of anonymity.

When the swap ratio was first disclosed in June 2023, the spread between the listed bank and the broking entity was ₹21 a share. In such situations, buying the shares of

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SHARE WARE

The closing price of ICICI Securities shares throughout February was between 0.75 and 0.81 times that of ICICI Bank shares.

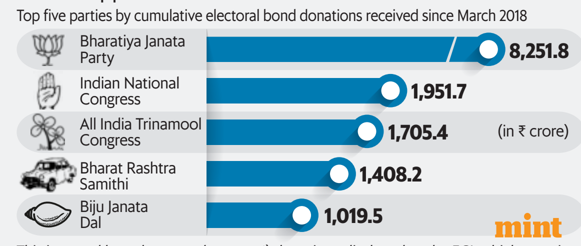
Values rebased to 100
Source: Bloomberg

SARVESH KUMAR SHARMA/MINT

Donations disclosure

The BJP received nearly half the funds received under the now-scrapped electoral bonds scheme.

Top five parties by cumulative electoral bond donations received since March 2018



This is a total based on two datasets: 1) donations disclosed to the ECI, which pertains to Mar 2018 to Sep 2023, and 2) donations encashed by parties as per SBI data for Oct 2023 to Jan 2024.

Source: Election Commission of India, Mint calculations

SARVESH KUMAR SHARMA/MINT

Who got what via electoral bonds

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Lottery King Santiago Martin donated ₹509 crore to Tamil Nadu's ruling Dravida Munnetra Kazhagam (DMK) through electoral bonds between October 2020 and April 2023, Election Commission data released on Sunday showed. This makes up 37% of the ₹1,368-crore worth of bonds that his company has bought since April 2019.

A letter by the DMK to the poll body, which the latter revealed on Sunday, showed that the party was a major recipient of the donations from Martin's Coimbatore-based Future Gaming and Hotel Services Pvt. Ltd, which has turned out to be the biggest buyer of India's electoral bonds as per data released by the ECI last week.

The donations given by Future Gaming, whose owner Martin has been under the Enforcement Directorate's (ED) scanner, accounted for more than 75% of the total receipts from electoral bonds of ₹676.5 crore disclosed by the DMK till January 2024, *Mint* calculations show.

Since most political parties have not disclosed the names of the donors, it was not known who were the beneficiaries of the balance ₹859 crore worth bonds purchased by Future Gaming.

The disclosure is part of the data dump pertaining to a total of 523 recognized and non-recognized political parties made public by the Election Commission of India (ECI) on

TURN TO PAGE 6

Capex bet has yielded rich dividends, says Virmani

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The federal strategy to boost capital expenditure amid the covid pandemic has created a multiplier effect on economic growth earlier than expected, a top government economist said, pointing to growing expectations of GDP growth surpassing projections this fiscal year.

"Capital expenditure has a multiplier effect of 2.45 compared to 1 for revenue expenditure or subsidies," said Niti Aayog member Arvind Virmani, also a former chief economic advisor in the finance ministry. "That has given a big boost to growth... capital expenditure has been going up in the last two years and it has actually worked," Virmani said in an interview.

Virmani's comments come at a time when many economists, including chief economic advisor Anantha Nageswaran, have said they expect the economy to grow at closer to 8%, even as the Union statistics ministry pegged it at a lower 7.6% in February.

The farm sector, which was impacted by erratic monsoons

TURN TO PAGE 6

DON'T MISS

MINT

A walk through Lok Sabha elections over the years

The 2024 general election will be India's longest since 1951-52, spread across 44 days. Over the years, poll spending and voter turnout have grown, and the gap between vote share and seat share has widened. *Mint* presents the journey in graphics. >P6

Centre to procure tur, masur dals directly from farmers

The Centre plans to procure 400,000 tonnes of tur and 200,000 tonnes of masur dal directly from farmers at the minimum assured procurement price (MAPP) or dynamic buffer procurement price (DBPP) — whichever is higher. >P2

Big Streaming unlocks content, squeezing small regional peers

Large OTT platforms , secure in their scale and dominance, are able to confidently adopt advertising-led monetization models to offer content for free, squeezing smaller rivals. So the regional-language rivals have picked hybrid models of monetization . >P5

Airlines grapple with Boeing's supply woes

Boeing Co.'s disastrous start to 2024 is spilling over to airlines and their passengers as production delays at the US planemaker exacerbate an already nascent shortage of single-aisle jets that form the backbone of commercial air travel. >P7

STRAIGHT FORWARD
SHASHI SHEKHAR

Respond to this column at feedback@livemint.com

ELECTORAL BONDS: FAILED EXPERIMENT IN TRANSPARENCY?

On 14 March, two days ahead of the announcement of general elections, the election commission made public the data on electoral bonds it had received from the State Bank of India. Can this cause a political storm?

Before answering that question, let us look at the complete chain of events in the electoral bonds matter. The National Democratic Alliance (NDA) government led by Narendra Modi, in its first term, implemented the electoral bond scheme to "legalize" donations made to political parties. Even before the scheme was notified, the Opposition alleged that the scheme was aimed at supporting the Bharatiya Janata Party. The Association for Democratic Reforms, which has worked for electoral reforms for years, approached the Supreme Court against the move. The court took seven years—including the six years since the bond scheme was implemented—to deliver a verdict. In its 15 February verdict, the court rejected the scheme as unconstitutional.

Now, the data released on 14 March, too, does not reveal the complete story because SBI has separated it into two sets: The first gives the name of the bond buyer, while the second gives details of the party that benefited. The linkages between the two figures are lacking. So it is no surprise that the Supreme Court has sent a notice to SBI, asking why it didn't provide unique numbers linking donors to their political contributions.

Are some secrets waiting to be revealed in the coming days? Perhaps, but the story that has emerged so far itself is exciting. Those expecting to see the names of industrial bigwigs benefiting from the government were disappointed by their absence from the list. It is natural in such a situation to wonder what the over-1,250 corporations that purchased electoral bonds totalling ₹12,155 crore between 12 April 2019 and 15 February 2024, really do. What are their business interests?

The first company on this list is Future Gaming and Hotels Services Pvt. Ltd. It purchased bonds worth ₹1,368 crore. Similarly, Megha Engineering and Infrastructure Ltd invested ₹966 crore, while Quick Supply Chain Pvt. Ltd bought bonds for ₹410 crore. The published data lists them as the top three companies. Until today, the names of these companies have been rarely discussed by the public. Future Gaming and Hotels Services Pvt. Ltd, the largest contributor, runs a lottery business headquartered in Coimbatore, Tamil Nadu. This company was founded by Santiago Martin, also known as Lottery King and Martin Lottery.

> The majority of bond purchases have been made by businesses most in need of govt backing

Martin's story is astonishing. In his early days, he used to do petty jobs in Myanmar. In 1988, he returned home and opened a lottery firm, the success of which was beyond all expectations. Martin has been the subject of controversy often. Is he so pro-democracy that he purchased bonds worth over ₹1,300 crore from the common man's lottery money and donated it to political parties?

According to initial information, three of the top five bond buyers purchased the bonds following action taken by ED or the income tax department. Also, the first 20 donors bought bonds worth ₹5,830 crore, representing 48% of the overall transaction. Which parties were given these bonds?

Data available shows the BJP has received 47.5% of total donations, the Trinamool Congress 12.6%, and the Congress 11.1%. Telangana's Bharat Rashtra Samithi, led by K. Chandrashekar Rao, finished fourth with ₹1,215 crore, while Biju Janata Dal came in fifth with ₹776 crore.

If you ask anyone which is the second largest political party after the Bharatiya Janata Party, the majority would say Congress. It's odd that Congress is third, while Mamata Banerjee's TMC, which only rules in West Bengal, is second. The question also arises as to how the parties running relatively small states such as Telangana and Odisha rose to fourth and fifth place, respectively. Information available so far shows the majority of bond purchases have been made by businesses that were most in need of government assistance. Is this money spent to further personal gain? We'll have to wait a few more days for an answer to this.

Finally, let us return to the question raised in the beginning. It will be intriguing how the Opposition leverages this matter at the upcoming election. Given that all parties were involved in the game, simply proclaiming one's innocence can potentially lead to complications. This scenario presents a collective predicament, in which both donors and recipients find themselves in an equally awkward position.

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

Centre to procure tur, masur dals directly from farmers

600,000 tonnes of dal procurement comes against the backrop of falling govt buffer stocks

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The Centre plans to procure 400,000 tonnes of tur and 200,000 tonnes of masur dal directly from farmers at the minimum assured procurement price (MAPP) or dynamic buffer procurement price (DBPP)—whichever is higher—to boost thinning stocks, a senior official said.

The MAPP is the weighted average price of the previous three trading days in a district, while the DBPP is the weighted average price of the day of procurement, three previous days and three subsequent trading days.

This comes against the backrop of falling government buffer stocks as market prices firm due to lower production of tur and some other pulses.

"As part of the plan, these two pulses will be procured by the National Agricultural Cooperative Marketing Federation of India Ltd (NAFED) and National Cooperative Consumers' Federation of India Limited (NCCF) directly from pre-registered farmers," the official said.

Tur procurement started in January and so far the two agencies have procured around 8,000 tonnes of tur. Masur procurement is scheduled to start this month.

In January, union cooperation minister Amit Shah launched a multilingual electronic portal *https://esamridhi.in* through which farmers can sell tur dal to the two government procurement agencies.

As decided then, the department of consumer affairs (DoCA) will procure 80% of buffer requirement for tur and masur through these two agencies directly from farmers at the minimum support price (MSP) or at the prevailing market price, if prices are above the MSP.

> **18.9%** inflation in pulses in February from 19.5% in January

The price of tur dal has been significantly high in the past year due to weather disturbances causing a fall in last season's production.

The country may have produced 3.3 million tonnes (mt) of the pulses against a domestic consumption of 4.4-4.5 mt.

Production of tur in the 2023-24 (July-June) crop year, too, is expected to fall due to a patchy monsoon, with the agriculture ministry pegging it on par with the previous year's output.

While raw tur in key markets of the top growing regions of Maharashtra, Karnataka and Andhra Pradesh is being sold at ₹10,300-10,600 a quintal as compared with the MSP of ₹7,000 per quintal, the all-India average tur price in the retail market is as high as 32.4% on-year at ₹150.2 a kg.

> **1.97 mt** central stock of pulses as of 28 February

However, the masur price in major mandis is hovering in the range of ₹5,900-5,950 per quintal as compared to its MSP of ₹6,425 a quintal and ₹93.6 per kg, an increase of 0.3% on-month and 1.2% on-year.

Prices quoted are as of Sunday and as per the consumer affairs ministry (for retail prices) and spot traders (for mandi prices).

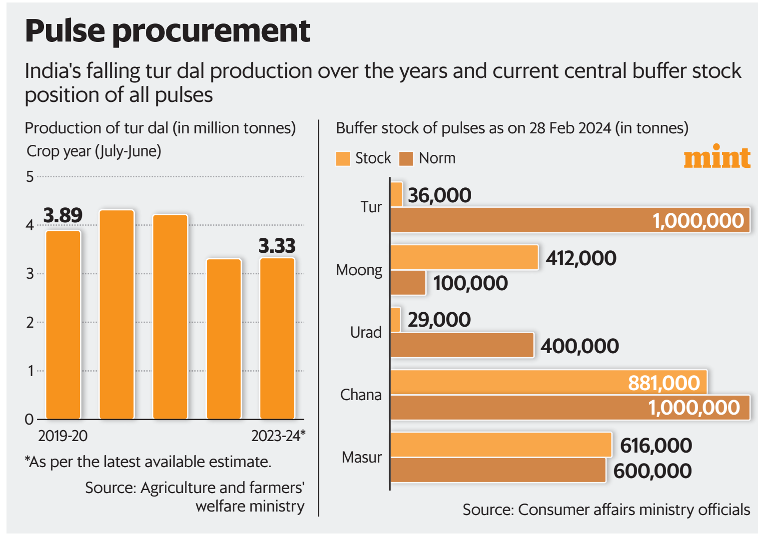
Inflation in pulses eased to 18.9% in February from 19.5% in January; however, it was as low as 4.1% a year ago.

With the firm prices, the central stock as of 28 February had depleted to a little over 1.97 million tonnes against the buffer norm of 3.1 mt.

This includes about 36,000 tonnes of tur and 616,000 tonnes of masur stock compared to 1 mt and 600,000 tonnes norm, respectively.

Queries sent to the consumer affairs department and agriculture ministry remained unanswered at press time.

"Pulse prices are anticipated to fall in the near term as the harvesting of gram has started and arrivals are expected to peak which would eventually lead to a price dip on-month. However, the prices are expected to remain elevated on a low base of last year," said Pushan Sharma, director-research, Crisil Market Intelligence and Analytics.



PRANAY BHARDWAJ/MINT

PM Modi likely to visit startup mega event

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The Startup Mahakumbh, starting on Monday, may have Prime Minister Narendra Modi as a special visitor, a senior government official said on Sunday. The three-day event is part of the government's initiative to promote the startup ecosystem to attract investments in the sector.

"We hope to get the Prime Minister to visit this event. Now that the election announcement has come, there are formalities ... but we are still hopeful that we will be able to get him to this event," said Rajesh Kumar Singh, secretary, Department for Promotion of Industry and Internal Trade (DPIIT), an arm of the commerce ministry.

"This event is over 100 times larger in scale than anything you have seen before. Policy dialogue will be a small part of the event. It is more about celebration, showcasing success etc," the DPIIT secretary said.

"We like to facilitate business and industry, sometimes from the front but often from the back. The idea is to facilitate, promote and this event showcases the fact that our start-up ecosystem has become one of the largest in the world," Singh said.

DPIIT joint secretary Sanjiv said that 23 states are participating in the event.

Centre approves dates for elections

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The Union Cabinet has initiated the process of notifying the dates for the seven-phase Lok Sabha 2024 elections, under the Representation of the People Act, 1951.

According to two people in the know, the Centre has approved the dates for the general elections, and has forwarded the Election Commission's recommendations to President Droupadi Murmu.

> The Centre has forwarded the Election Commission's recommendation to President Droupadi Murmu

The first notification is expected around mid-March for the first phase of the election scheduled for 19 April, covering 102 seats. Separate notifications will be issued for each phase of the election. The nomination process for elections starts after the issuance of notifications, said one of the two people.

News agency ANI reported, citing sources, that the Cabinet has recommended the president to issue statutory notifications for the elections to constitute the 18th Lok Sabha.

Queries sent to the Prime Minister's Office (PMO) remained unanswered till press time. According to the second person quoted above, following the meeting on Sunday morning, the Cabinet recommended the issuance of notifications for the different phases of the Lok Sabha elections.

The EC's recommendations are first sent to the law ministry. Subsequently, the ministry prepares a note for the Cabinet for approval, and then the recommendations are forwarded to the President. The notifications provide for calling upon the Parliamentary constituencies to elect members to the house of the people, on the dates recommended by the EC in its proceedings. The EC on Saturday announced the schedule for the 18th Lok Sabha elections, to be held between 19 April and 1 Jun. The counting of votes will be done on 4 June.

India, UK may soften stand in FTA talks

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India is contemplating softening its stand on some of the contentious issues that have held up a free trade agreement with the UK, according to two people aware of the matter who expect the UK to do the same.

Both countries have underscored the significance of finding a "feasible solution" to speed up the process, they added.

"India is planning to soften its stand on some of the sticky issues in the trade negotiations with the UK. A similar approach is expected from its counterpart, without compromising their interests," one of the two people said, seeking anonymity. Signing the bilateral trade deal holds equal importance for both nations, he added.

India and the UK initiated FTA discussions in January 2022 to bolster the economic ties. Now, they are in the midst of the 14th and what is expected to be the final round of discussions, which began on 10 January.

However, talks are currently on hold, and are expected to resume only after the Lok Sabha elections. Both countries are actively working towards a fair and balanced agreement, and are in favour of closing the deal at the earliest, considering its significance for both the economies, the second person said.

Mint reported on 7 March that the deal may be postponed until after the general elections if a consensus has not been found on outstanding issues.

> Both parties have underscored the significance of finding a "feasible solution" to expedite the pact

Queries emailed to the spokesperson of the Union commerce ministry and a UK official did not elicit a response at press time.

"The window for concluding the FTA is narrowing, given the limited time between national elections on both sides. While technical negotiations have brought us this far, a political grand bargain might be necessary to break the gridlock, and London might need a resolution more than New Delhi at this juncture," said Dr Dattesh Parulekar, assistant professor of international relations, Goa University.

India and the UK initiated free trade talks back in January 2020 and are currently in the midst of the 14th round BLOOMBERG

UK elections are due by end-January, 2025.

"India's recently signed EFTA agreement should exert pressure on the UK to seek a favourable outcome," he added. "The dimensions of mobility and visa facilitation privileges are crucial bottom-lines that will determine the fairness of this arrangement. Any attempt to link them with demands for expanded market access would be considered unethical and unsustainable."

To date, the two countries have been unable to resolve key issues, including demands for visas, mobility rights for Indian skilled professionals, and tariff cuts for British cars and whisky.

Migration remains a sensitive subject in the UK since Brexit.

Recent attempts to narrow differences involved a visit by an Indian delegation led by commerce secretary Sunil Barthwal to London in February, followed by a UK team's visit to New Delhi on 5 March to fast-track the dialogues. The Prime Minister's Office has been reviewing the FTA's progress.

Social media influencers, WhatsApp emerge as campaign mediums

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As the country gears up for the world's biggest electoral exercise, messaging platforms like WhatsApp and social media influencers have emerged as the go-to mediums for political parties to influence voter psychology, ad gurus and political analysts say.

In the run-up to the 2024 Lok Sabha elections, political parties are extensively using social media to propagate their achievements.

The BJP is sending voters a personalized 'Letter from the Prime Minister' on WhatsApp—which has over 500 million active users monthly in India—highlighting the achievements of the Narendra Modi government and seeking feedback.

The party launched the website 'My First Vote For Modi,' which allows visitors to pledge to vote for Modi and submit a video stating the reason behind their choice. The website also hosts several short videos highlighting the development work done under the NDA government.

On the other hand, the Congress runs a Rahul Gandhi WhatsApp group in which the leader is said to interact with people and respond to their queries.The circulation of WhatsApp information is monitored at the district level to ensure it reaches the masses. "Whichever political party has higher WhatsApp groups under its banner can communicate faster and better with the voters. It helps them to highlight their achievements instantly with a large user-base and influence the voters," Amitabh Tiwari, an election analyst and commentator, said.

The BJP is sending voters a personalized 'Letter from the Prime Minister' on WhatsApp. PTI

According to Tiwari, Facebook, once the preferred platform for social media campaigning, has seen a downslide due to many restrictions on advertisements on political pages. Facebook boasts 366.9 million users according to Statistica, a data-gathering and visualisation platform.

"Parties opt for social media platforms which help them connect with the masses instantly without much restrictions and have a large user-base. There are many other platforms like Instagram or Twitter, which cater to a specific audience and have different formats," he said.

According to data from the Election Commission, the Bharatiya Janata Party spent a total of ₹325 crore for media advertisement (print and electronic, bulk SMS, cable website, TV channel, etc) during the 2019 Lok Sabha polls, while the Congress incurred an expenditure of ₹356 crore.

After the covid-19 pandemic, the perspective towards social media as a tool of information has significantly changed, Ankit Lal, founder of Politique Advisor and former IT Cell head of Aam Aadmi Party, said.

"Many political parties now adopt a digital-first strategy for their poll campaigns to connect with voters who heavily depend on social media to get information.

Social media influencers have become another important medium through which parties try to influence the floating audience of those who do not vote but engage in consuming the narratives," he said.

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THE MONDAY QUIZ

1) NAME the ex-McAfee senior executive who joined web analytics firm New Relic as CFO.

2) WITH which Scandinavian communications firm did TCS seal a deal last week?

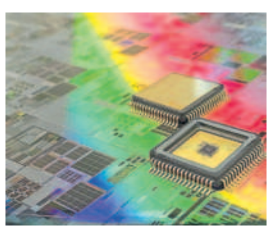
3) WHICH Indian IT company has won a $100 million contract from Maharashtra's cyber department?

4) WHICH company recently announced the acquisition of German gen-AI startup Ultimate?

5) WHICH Indian software firm has unveiled an AI tool with UP police to nab criminals?

GLOSSARY

Wafer: A semiconductor wafer or simply wafer is a thin slice of substance used as the foundation for integrated circuits (IC). It is usually made of silicon or Germanium, and is ultra thin and extremely flat. It undergoes complex manufacturing process to create patterns and pathways which make for the modern IC.



Patch management: Patch management is the process identifying, testing, and applying updates (or patches) to software and firmware on devices. These patches address and protect against vulnerabilities; in some cases also introduce new features or improve performance. Patch management is important for maintaining a secure IT environment from attackers who can otherwise exploit vulnerabilities to access systems or data.

Few shot learning: A sub field of machine learning, few shot learning is concerned with model training when the amount of labelled data is limited, for instance just a few pictures per category in image recognition tasks. Since the data samples are limited, few shot learning helps model make prediction by generalization over memorization. In many cases, it adopts meta-learning approaches to learn from small datasets across various tasks.

IoT edge: Internet of Things edge, or IoT edge, brings compute and storage resources closer to the devices. This model solves latency issues as the data is now processed closer to the point of origin. Since the computations are performed locally, it allows for faster analysis, reduced reliance on external resources, and quick decision making.

THE MONDAY QUIZ ANSWERS: 1) Ashish Agarwal 2) Nuuday (Denmark) 3) L&T Technology Services 4) Zendesk 5) Staqu Technologies

Foxy secures funding for consultative pivot

Lightspeed-backed startup eyes transition to skincare advice for users

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BENGALURU

Lightspeed-backed Foxy, a beauty e-commerce platform, is shifting focus to offer consultative services, including skincare advice to customers, said a person familiar with the matter, requesting anonymity.

Lightspeed India, along with existing investors Matrix Partners and Peak XV (formerly Sequoia Capital), is expected to infuse more than $10 million to support the company's strategic shift.

"Foxy is no longer in direct competition with mass-market companies like Nykaa, due to the increasing challenges for smaller players to enter the beauty retailing space dominated by larger firms." The company will transition to consultative selling of skincare products tailored to individual skin needs, the person added.

Foxy's founder and chief executive officer Kartik Sheth confirmed the development.

However, Lightspeed and Matrix did not respond to *Mint's* queries. Peak XV declined to comment.

In the past five years, India's beauty market has witnessed significant growth, with major players such as Amazon and Flipkart, and newer entrants such as Swiggy, Zepto, and Blinkit, entering the fray.

"If you see across the board, beauty platforms are really struggling for growth, and resorting to discounts to drive more customers...so how independent beauty marketplaces will continue to thrive has been a little bit of a question mark," Sheth said. Acquiring new customers has been hard, he added.

Established in 2018, Foxy, operated by EkAnek Networks, was initially conceived as a commerce platform for GenZ, facilitating the purchase of beauty, grooming, and personal care products. It was founded with the aim of discovering new brands in a market saturated with counterfeits. Some of Foxy's top brands include Pee Safe, Anveya, WOW Skin Science, Plum, The Ayurveda Co., and Bombay Shaving Co.

However, while the company intends to maintain its marketplace offerings, it no longer sees much value in pursuing its original vision.

"There were spaces in the marketplace which we were going after, but those spaces have dried up...so there is no point being a small player in a very big pool of other large players who are also struggling to acquire customers for the platform," Sheth said.

"Therefore, the focus now is to solve real beauty problems for customers, which means working with smaller brands at a more problem-solution oriented level."

With this strategic shift, Foxy will leverage its existing infrastructure to expand its offerings in the beauty-tech consultative space. The firm expects its efficient tech platform, well-allocated capital, and high conversion rates from a loyal customer base to support favourable unit economics, and maintain its lean business model.

The company offers a range of tech-based tools, including selfie-analysis, app and website to receive consultations from experts on relevant products within its brand ecosystem.

Lightspeed India is expected to infuse over $10 million to support Foxy's strategic shift.

CHANGING TACK

ESTABLISHED in 2018, Foxy was initially conceived as a commerce platform for GenZ

IT was founded with the aim to discover new brands in a market saturated with counterfeits

FOXY will work with smaller brands to solve real beauty problems of consumers

Flipkart's valuation dips $5 bn in 2 years

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NEW DELHI

E-commerce firm Flipkart's valuation has declined by $5 billion, or about ₹41,000 crore, as of January 2024 compared with that in January 2022, according to equity transactions carried out by its US-based parent firm Walmart.

The valuation of the e-commerce firm declined to $35 billion as of 31 January 2024, from $40 billion in the financial year ended on 31 January 2022, as per Walmart's change in equity structure in Flipkart.

Flipkart attributed the decline in valuation to the demerger of fintech firm PhonePe into a separate company. Persons in the know, however, peg the current valuation of Flipkart in the range of $38–40 billion.

Walmart diluted 8% equity in Flipkart for $3.2 billion in fiscal year (FY) 2022 reflecting the enterprise value of the e-commerce at $40 billion.

Flipkart countered the decrease in valuation shown as per Walmart's report and termed it an "appropriate adjustment" in the company's valuation.

"This interpretation is incorrect. The PhonePe separation was completed in 2023, which saw an appropriate adjustment in Flipkart's valuation," a Flipkart spokesperson said.

A persons associated with Flipkart said the enterprise valuation exercise was last done in 2021 and the total value of the firm included fintech firm PhonePe's valuation as well.

The person said that there is no change in the organic valuation of Flipkart.

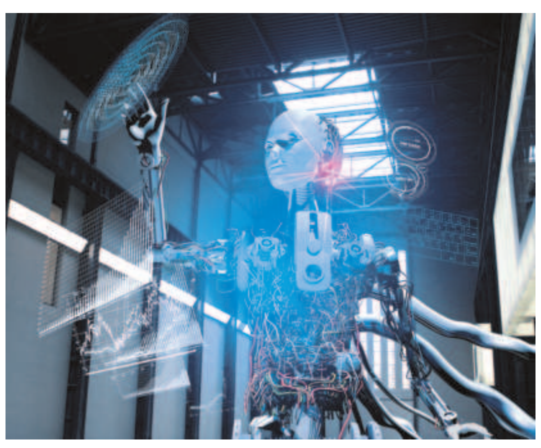
Flipkart's valuation fell to $35 billion as of 31 January. MINT

	S&P BSE Sensex	Nifty 50	Nifty 500	Nifty Next 50	Nifty 100	S&P BSE Mid-cap	S&P BSE Small Cap
CLOSE	72643.43	22023.35	19825.20	58058.80	22494.70	38250.44	42012.75
1-WEEK CHANGE (%)	-1.99	-2.09	-2.98	-3.75	-2.35	-4.02	-5.91
1-MONTH CHANGE (%)	0.82	0.51	-1.06	-0.22	0.40	-3.46	-7.36
3-MONTH CHANGE (%)	1.62	2.64	3.55	11.74	4.16	5.67	-0.17
6-MONTH CHANGE (%)	7.08	9.07	12.22	26.07	11.87	17.67	11.06
1-YEAR CHANGE (%)	26.21	29.76	38.44	55.43	33.70	59.02	54.63

MINT SHORTS

The everything-rally comes to the derivatives market

Bond fund managers have so much cash they're turning to the derivatives market to put it to work, pushing down the cost of protection against defaults close to levels that prevailed when central banks were just starting to raise interest rates. The bets on tightening default spreads are the latest sign of the overarching optimism that's enveloped markets, where credit investors flush with cash have been buying up large amounts of new debt and pushing back the so-called maturity wall that was a major source of concern just six months ago. Money managers are using credit derivatives indexes like the Markit CDX North American Investment Grade Index. "CDX is a liquid way to get credit risk when cash bonds are harder to find," said Scott Kimball, CIO, Loop Capital Asset Management. "A significant amount of the recent tightening is institutions looking to put more money to work than there are bonds available." **BLOOMBERG**



The tech slide indicates there's a limit to the optimism that has raced through markets. ISTOCKPHOTO

Tech stocks left out of rally ease fears a bubble is building

To the bubble hunters, signs of excess aren't hard to find, with cryptocurrencies roaring back and Nvidia Corp. surging nearly 80% since the year began. But if there's some irrational exuberance sweeping across Wall Street, it hasn't trickled down to one of the most speculative corners of the US stock market: unprofitable technology companies. Twilio Inc., the maker of communication software, and cybersecurity company SentinelOne Inc. are among those that have tumbled this year even as a rally in the biggest tech companies pushed the Nasdaq 100 and the S&P 500 to fresh all-time highs. Both have dropped more than 70% from their peaks in 2021, when the Federal Reserve's easy money policy was fuelling big gains in virtually everything. They're not just outliers: An index of money-losing tech companies tracked by Goldman Sachs Group Inc. has fallen 18% this year and is on track for its worst quarter since mid-2022. The slide indicates there's a limit to the optimism that has raced through markets for much of this year. That, in turn, is providing support to those on Wall Street who see rational forces at work. **BLOOMBERG**

ITC needs more levers to rise

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ITC Ltd's investors have been worried this year. The company's stock has fallen a tad over 9% since the year began, which is substantially higher than the 5% drop of the sectoral index Nifty FMCG.

This weakness in the company's stock comes after it consecutively outperformed the sectoral index in the previous two calendar years. So what explains the downbeat performance now? Apparently, a slew of things.

For instance, the stake sale by ITC's largest shareholder, British American Tobacco (BAT), put its stock under pressure. But with the stake sale now in the rear view mirror, the supply overhang on the stock has cleared.

Now, BAT has 25.5% stake in ITC, and more offloading is unlikely. Moreover, an additional stake sale can only happen after the 180-day lock-in ends.

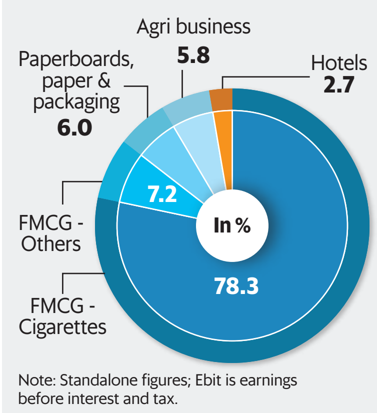
The end of uncertainties over stake sale and a good dividend distribution policy, should comfort investors, said Sharekhan by BNP Paribas.

But does that give enough levers for the ITC stock to climb in the near term? Quite unlikely.

Crucial component

Cigarettes form the largest portion of ITC's Ebit, making the segment's growth trajectory important

Ebit share in nine months ended December FY24

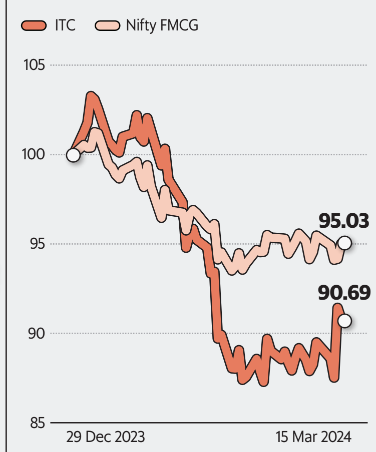


Note: Standalone figures; Ebit is earnings before interest and tax.

mint Source: Company

Lacks energy

ITC shares have seen a bigger fall than Nifty FMCG index so far in 2024



Note: Values rebased to 100 Source: Bloomberg

PRANAY BHARDWAJ/MINT

And the reason is the company's mainstay cigarette business, where volume in the December quarter has been pegged to have fallen 2% year-on-year, after several quarters of growth. Any positive surprises can be ruled out in Q4FY24, given the high base of the segment; it grew about 12% in Q4FY23.

While analysts do expect volume to inch up year-on-year in Q4, the growth rate is likely to be muted.

Also, a recent channel check by Antique Stock Broking showed how ITC has reduced cigarette inventory in the channel for better control and improved return ratios of its distributors.

Note that the cigarette business's Ebit is over 78% of ITC's Ebit in 9MFY24.

ITC is a step ahead of its peers in the fast-moving consumer goods (FMCG)-Others segment, though the segment's revenue growth rate has been tapering. And subdued rural demand is a key reason. On top of that are elevated costs of raw materials, like sugar, which creates a headwind for margin outlook. The Others segment includes branded packaged foods, education and stationery products, personal care products, matches and *agarbattis*.

Nonetheless, ITC expects the segment's margin to expand by 100 basis points per year, in line with the previous years' trend. This will be driven by mix, scale and optimization. One basis point is 0.01%.

Then comes ITC's paperboards, paper & packaging segment, which continues to see dismal numbers. The segment's Ebit has dropped by 41% in 9MFY24, weighed by dull demand in domestic markets, low-priced Chinese supplies in the global market, and elevated input costs. But there could be light at the end of the tunnel. "We believe revenue and margin (of paper business) should bottom out in a couple of quarters, and performance should improve in H2FY25," said Antique Stock Broking report on 15 March.

PATH AHEAD

WITH the stake sale by BAT complete, the supply overhang on the ITC stock has cleared

THE volume growth in cigarette biz is muted, meaning the ITC stock lacks good upside triggers

Even the company's agri business stays constrained by trade curbs imposed on commodities such as wheat and rice. But the company's hotels business is on a relatively stronger footing. ITC's hotels business has seen better traction on average room rates and occupancy levels. The company plans to demerge its hotels business and list it separately. It has also received approval from the stock exchanges for this.

Meanwhile, the drop in ITC's stock price has meant that valuations have cooled off. ITC shares trade at over 23 times their FY25 estimated earnings, according to *Bloomberg*. This is cheaper than most of its FMCG peers. But whether this attracts increased investor attention will depend on the earnings growth trends in its key business segments.

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

Fed, BOJ dominate rate week for almost half of global economy

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Investors may glean more on the Federal Reserve's resolve to ease and how close Japan is to finally exiting negative interest rates as central banks set policy for almost half the global economy.

The coming week features the world's biggest collection of decisions for 2024 to date, including judgments on the cost of borrowing for six of the 10 most-traded currencies. The collective outcome may underscore how monetary officials' perception of inflation risks is diverging noticeably.

That would reflect how a global consumer-price shock in the wake of the pandemic, further exacerbated by Russia's war in Ukraine, has transitioned asymmetrically, with some economies facing stronger domestic price pressures than others.

In turn, the world now features a patchwork of different policy dynamics, in contrast to the largely synchronized response that central banks previously engineered.

Most consequential will be the Fed's decision on Wednesday, which may reveal whether still-robust economic data are giving Washington officials cause to dial back intentions to cut rates—or whether their outlook for three reductions this year remains on track.

Most consequential will be the Fed's decision on Wednesday. AP

The Bank of Japan's announcement on Tuesday is also pivotal. The prospect that it's moving toward raising borrowing costs and effectively calling an end to a generation-long period of feeble price growth points to how tectonic plates are shifting in another key member of the global financial system.

In Europe, meanwhile, central banks from the UK to Switzerland might inch toward reducing borrowing costs, while all four with decisions in Latin America in the coming week are poised to either begin or extend easing cycles.

Pakistan will be Monday's main rate event. With a team of International Monetary Fund officials visiting this weekend for talks over the troubled economy's loan program, most forecasters in a *Bloomberg* survey reckon the central bank will keep its rate unchanged at 22%.

A minority does anticipate a cut, though, with predictions of its size ranging from a quarter point to a full percentage point.

On Tuesday, the BOJ's decision will be among the most closely watched in decades, as officials decide whether to end the world's last negative rate now, or wait until April.

The meeting comes days after the nation's largest group for unions announced that annual pay negotiations resulted in the biggest increases in more than 30 years, sending a signal to authorities that their long-sought virtuous cycle of strong wages fuelling demand-led inflation may be emerging.

'Bitcoin to soon rise above $80,000'

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Bitcoin is set to continue its record-breaking rally and rise above $80,000 as institutional investors pour more money into the crypto-backed exchange-traded funds, according to Binance chief executive officer Richard Teng.

The launch of Bitcoin ETF in the US earlier this year has attracted institutional investors and new fund flows, Teng said at an event in Bangkok on Sunday, adding "we're just getting started."

Teng said he had earlier estimated the cryptocurrency would end the year at around $80,000, but now sees it exceeding that "with supply reducing and demand continuing to come through." He reiterated the forecast was his personal view, adding the rally won't be a "straight line" and the ups and downs will be good for the market.

The world's largest cryptocurrency has surged 56% this year, reaching an all-time high of almost $73,798 last week. The rally has sparked concerns of a bubble among some investors, triggering a bout of volatility and selloff in recent sessions. Teng took over as CEO after co-founder Changpeng Zhao stepped down in November following the company's $4.3 billion settlement with US authorities.

'India is a growing, attractive destination for NRIs'

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MUMBAI

Over time, the investment preferences of non-resident Indians (NRIs) have shifted towards a greater emphasis on Indian capital markets from the US large caps and technology stocks, pointed out Kunal Sumaya, market head-Global NRI at Julius Baer.

"What we have observed is that a significant portion of global high networth individuals are engaging in investments in India," he said while adding that the motivation for NRIs to invest in India varies, spanning diversification, wealth preservation, and retirement planning. *Edited excerpts:*

From your point of view, which is the favourite investment destination for NRIs and foreign investors? How do they look at India?

From the perspective of NRIs and foreign investors, there has been a consistent uptick in investments in India year on year, fuelled by the country's stable and genuine long-term growth trajectory. With a projected growth rate of 6.5% this year, surpassing that of any other country, and an anticipated GDP of $5 trillion by FY25, India's market is garnering increasing attention.

According to industry sources, record-breaking FDI numbers, soaring to $71 billion in FY22-23, are expected to climb to $100 billion soon, further underscore India's allure.

This interest is not confined to NRIs; global investors from Asia and Middle East are also showing keen interest.

Last year, Julius Baer launched its maiden Equity India Fund, raising over $200 million in record time from investors across the globe, including NRIs, underlining the growing international appetite for India's markets now.

INTERVIEW

The investment patterns among NRIs have evolved over time, transitioning from investments in US large caps and technology stocks to a larger focus on Indian capital markets.

Overall, India's resilient economic growth, coupled with its diverse investment opportunities, firmly positions it as an increasingly attractive destination for NRIs and foreign investors, too.

Much has been said about the surge in NRI investments in Indian real estate. What growth sectors are NRIs chasing? Where and why are they parking their money in these specific areas?

Initially, the focus for the first generation of NRIs was on traditional investments like real estate, driven by cultural ties or familial connections to the country.

However, a significant shift has unfolded over the last decade, moving away from physical assets such as real estate towards financial instruments. This transition has been buoyed by the economic consistency and stability witnessed in the last decade, including its robust economy and thriving capital markets. What we have observed is that a significant portion of global high networth individuals are engaging in investments in India.

First-generation NRIs are predominantly investing in equities and debt while the younger demographic is increasingly venturing into private markets and venture capital, driven by the pursuit of double-digit growth. Though the motivation for NRIs to invest in India varies, spanning diversification, wealth preservation, and retirement planning.

What is their thought process on investing in Indian equities?

India has a stable, genuine long-term growth story—macro and micro—playing out well.

The Indian equity markets have recently reached unprecedented highs, attributable to a combination of macro elements such as good governance and a robust banking system, alongside micro factors like a resilient corporate sector and healthy household balance sheets. Additionally, ample liquidity, fuelled by substantial domestic and expected improvements in FPI flows, contributes to the bullish sentiment pervading the equity market.

To illustrate, the Association of Mutual Funds in India (AMFI) data shows that the Indian mutual fund industry currently boasts an impressive AUM of ₹54 trillion, with a notable 23% growth in 2023 alone.

> India has a stable, genuine long-term growth story—macro and micro—playing out well
>
> **Kunal Sumaya**
> Market head-Global NRI at Julius Baer

NRIs are actively participating in equity investments, channelling funds into mutual funds and direct stocks across diverse sectors including technology, healthcare, consumer goods, and infrastructure.

Apart from India, what other markets excite NRIs and why?

Investment allocations are tailored to meet the unique needs of each client, considering factors such as their stage in life and their risk tolerance. For instance, our allocation for a growth-oriented client will encompass a significant portion to equities followed by bonds and cash whereas for a wealth preservation client, the allocation will differ.

Given that many NRIs are domiciled in financial hubs like London, Dubai and Singapore, apart from India, they are making investments in their home market as well as actively investing in global financial markets.

Will GIFT city open the floodgates for NRI investments in India?

Gujarat International Finance Tec-City (GIFT) City was established to be a world-class global investment destination and over the last few years, has positioned itself as a preferred destination for global investors, with many NRIs setting their sights on it.

THE WEEK AHEAD

18 MAR — ELECTORAL BONDS
Top court to hear matter of SBI not disclosing reason behind withholding crucial data.

18 MAR — ZEE-SONY MERGER
Company law appellate tribunal to hear matter related to Zee-Sony merger.

19 MAR — TATA STEEL MEET
Tata Steel board to meet to consider raising funds through non-convertible debentures.

20 MAR — BJYU'S CASE
The Bengaluru bench of the company law tribunal likely to hear Byju's and cricket board case.

20 MAR — JSW-MG MOTOR JV
JSW Group and MG Motor India to commence JV, to outline India manufacturing roadmap.

21-22 MAR — PM IN BHUTAN
PM Modi likely to visit Bhutan on invitation of King Jigme Khesar Namgyel Wangchuck.

21 MAR — HDFC NFO CLOSES
HDFC Nifty Realty Index Fund new fund offer to conclude.

23-27 MAR — EAM VISIT
EAM S Jaishankar on an official visit to Singapore, Philippines and Malaysia.

Adani to invest $14 billion in FY25

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NEW DELHI

Adani group plans to invest more than ₹1.2 trillion (about $14 billion) across its portfolio companies that range from ports to energy, airports, commodities, cement and media in fiscal year starting 1 April, as it doubles down on its $100 billion investment guidance over the next 7–10 years to grow businesses, persons aware of the group's plans said.

The projected capital expenditure, or capex, for 2024-25 (April 2024 to March 2025) fiscal is 40% higher than what the portfolio is estimated to have incurred in FY24.

According to analysts, the portfolio is estimated to have incurred a capex of around $10 billion in FY24 that ends on 31 March.

Persons in the know said these investments will set the stage for exponential profit growth.

The group had previously guided a $100 billion capex over the next 7–10 years. Most of this investment is going to go into fast growing businesses of the group—renewable, green hydrogen, and airports.

As much as 70% of the planned capex will go into its green portfolio—primarily renewable power, green hydrogen, green evacuation. Of the remaining 30%, the majority will be spent on airports and ports businesses, they said.

In calendar year 2023, the portfolio delivered a $9.5 billion Ebitda (up 34.4% year-on-year), while its net debt has reduced by 4% from March 2023 to September 2023 (balance sheet figures are only declared half yearly).

Gurugram's Oister Global to invest ₹4,500cr in PE, VC

The company plans to launch a private credit fund in the next three-four months

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BENGALURU

The firm invests in private market funds, with focus on venture capital, venture debt, private equity, private credit. ISTOCKPHOTO

Oister Global, which invests in PE and VC funds, is looking to deploy ₹4,500 crore in private market funds in the next two years, a top executive said.

The Gurugram-based firm, which is also an investor in Blume Ventures, will deploy close to ₹1,000 crore by the end of this year, and ₹3,500 crore on top of that in the next year, said Rohit Bhayana, co-CEO & co-founder, Oister Global.

"When we talk about these numbers, we're talking about both debt and equity. But on the equity side, it is venture capital, growth equity, private equity. On the debt side, both startup debt, which we call venture debt, and SME debt, which we call private credit. So, fundamentally, if you kind of look at these numbers, we are looking at the basket of five asset categories."

The company has been investing through its private equity fund Oister India Pinnacle Fund, and plans to launch a private credit fund in the next 3-4 months, according to Bhayana, who said the ₹1,000 crore investment this year will be around 70% in equity and 30% in debt.

Oister Global invests in private market funds, with a focus on venture capital, venture debt, private equity, and private credit.

₹1k cr
Amount to be invested by the firm by end of year

Talking about the investment strategy this year, David Wilton, chief investment officer at Oister Global, said that despite all the factors for intervention, the fundamentals of the strategy are the same.

"Because it's all about the Indian growth story, the Indian innovation story. And that's a story that's got deep roots and will continue, I think, for the next decade. Regardless of the rest of the noise and the rest of the world."

"So, what we're doing, as I said, is identifying at each of the different stages of VC private equity – early stage, growth stage, private equity. Those GPs (general partners - who make decisions for a fund) who have demonstrated that they can generate top half returns, because the underlying strategies that they're pursuing are basically to identify and grow good companies," said Wilton.

He added that in the private market, it's a very similar focus year after year. "Now, what you do want to try and catch up to, for example, say artificial intelligence, that's clearly going to be a big macro trend. So, clearly, we're looking for those GPs who have some insight and some ability to intelligently address that."

Bhayana said India isn't as expensive as it looks, whereas the rest of the world is at best growing at average or below average, barring the US. "Effectively, what that means is, when Japan is expensive, when the UK is getting expensive in terms of its stock market, it's getting very expensive, When the US is getting very expensive. India could also be in a bubble but what we feel is that with strong fundamentals, clear policy direction, a lot of consumption, a lot of innovation, and underlying growth coming in, the story for India is pretty solid."

₹3.5k cr
Amount to be invested by the company next year

Bhayana added that the Indian market is leading the way in democratization of venture capital and private equity. He attributes it partly to the fact that India always had a retail funding base, while the US market started with institutions and has only got retail recently. He said, "It is partly because of that history of starting with a retail, significant retail funding base, the regulator comes from that background and wants things transparent and safe for retail people. So in a way, I think India's going to end up leading the world in this."

Wilton also noted that chasing unicorns is a strategy that's not going to work anymore for alternative investment funds.

Industry welcomes govt move to revise Gen AI advisory

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The amended advisory was issued on 15 March. ISTOCKPHOTO

The government's move to amend its 1 March advisory mandating companies developing GenAI- and AI-based tools and features to take explicit government consent before releasing them in the market was welcomed by industry players, as they wouldn't now need to take any permission.

The amended advisory was issued on 15 March, which also removed the requirement of compliance within 15 days. "It is good to see that the industry's feedback was taken and the AI advisory was revised. The earlier advisory would have severely reduced speed to market and dented the innovation ecosystem," said Rohit Kumar, founding partner at The Quantum Hub, a public policy consulting firm.

He noted that the requirement to submit an action-taken-report in the earlier letter also meant that it was not merely an "advisory".

The earlier advisory would have impaired speed to market and dented the innovation ecosystem

Platforms and intermediaries equipped with artificial intelligence (AI) and generative AI (GenAI) capabilities, such as Google and OpenAI, were told to obtain government approval before offering users services that enable the creation of deepfakes, the earlier advisory issued by the ministry of information technology and electronics had said.

The platforms were also mandated to label themselves as "under testing" and were also asked to secure explicit consent from users, making them aware of the potential errors inherent in the technology. All platforms and intermediaries that utilize large language models (LLMs) and foundational models were to comply. These requirements continue to be part of the amended advisory.

Additionally, the services were required to not produce content that compromises the integrity of the electoral process or violates Indian law, highlighting concerns over misinformation and deepfakes influencing election outcomes.

Some executives said that elections were a high-risk period and so asking intermediaries to be extra careful before releasing untested models and appropriately labelling outputs was the right step taken by the government.

"While the revision is definitely a positive step, the whole episode highlights the need for procedural safeguards—to avoid quick reactions to incidents and instead adopt a more consultative approach to policy making," an executive, who did not wish to be identified, said.

Soho House to expand presence in India

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The club will add two more 'houses' in next few years.

Soho House is looking to expand its presence in India by adding two more 'houses' to its existing business here in the next few years, a senior executive of the global hotel chain said.

The luxury members-only club—which currently operates its 'house' in an asset-light model out of an 11-storied townhouse in Mumbai—first began operations in 1995 in London.

The company's current membership costs about ₹1.6 lakh per annum for individuals if they want to enroll for just one house (say the one in Mumbai) and ₹3.1 lakh for all-house access.

Soho House's two new physical locations in India - New Delhi and South Mumbai, will be the next two sites. The New Delhi outlet will likely be located in the Mehrauli area where there are fashion houses, art galleries, design studios, and independent cafes and restaurants.

The announcement comes after the success of Soho House Mumbai, which opened five years ago. The existing house has established itself as a hub for the Indian creative community, offering amenities like a rooftop pool, gym, screening room, and restaurants.

Co's current membership costs ₹1.6 lakh per annum for one house, ₹3.1 lakh for all-house access

The company will also launch its other format, 'Cities Without Houses' in India and rapidly expand to other cities. The global private membership club for "creative individuals", will launch this membership in six new cities including New Delhi, Jaipur, Goa, Bengaluru, Hyderabad and Kolkata. "We think India is ready and has been for some time for us to expand in. This format, outside of our houses, allows us to offer special events and experiences in different cities without having a physical space. Members can connect with other 'creatives' in cities without a physical house in India as well as globally when they travel," Dominique Bellas, global membership director, Cities Without Houses, told Mint.

Cities Without Houses membership currently operates in 80 cities including North America, UK, Europe, other Asia Pacific, African, and Latin American countries and charges a membership of ₹3.1 lakh annually.

Regional streaming picks hybrid model

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Large OTT platforms with deep pockets can adopt advertising-led monetization models to offer free content. ISTOCKPHOTO

Large OTT platforms with deep pockets, secure in their scale and dominance, are able to confidently adopt advertising-led monetization models to offer content for free, squeezing their smaller rivals.

In response, these smaller regional-language streaming services have picked hybrid models of monetization, where they offer certain content for free to be sampled while developing a bouquet of programmes, based on a deep understanding of the local markets, at different price points. More importantly, many are relying on sponsorships, where a significant portion of the production cost is borne by the brand, and the show is still behind the paywall, to maximize revenue.

Over the past year, JioCinema has made local-language programming, including new movies and shows, in addition to the IPL, available for free, while Disney+Hotstar has offered premium sports events at no cost to mobile users. Amazon has followed suit, streaming international content on its free-service miniTV.

The OTT advertising market, however, comes with its own set of challenges. Apart from contending with a low cost per mille (CPM), or cost per thousand impressions, the landscape sees significant competition from digital-ad platforms. Industry giants like YouTube and Facebook, along with e-commerce, social media and short-video platforms, are emerging as major rivals for capturing impressions and audience attention.

"While traditional advertising interest may not be at its peak currently, we're actively engaging in discussions with brands to explore collaborative initiatives that resonate with our Marathi-speaking audience. Our focus lies on co-created content, sponsorships, and product integrations within our original programming, offering brands an opportunity to connect with our community in a meaningful manner, thus enhancing brand awareness and affinity," said Rajat Agrawal, director, Ultra Media & Entertainment Group that operates Marathi language OTT platform Ultra Jhakaas. While Marathi-focused content may initially attract niche advertisers, collaborative initiatives such as branded content, sponsorships, and product integrations within original programming present opportunities for additional revenue streams, he added.

Branded content is a safe option that's been picking up pace over the past year, said Akshay Bardapurkar, founder of OTT platform Planet Marathi. Especially during festivals like Holi, Diwali and Navratri, brands are ready to go all out, though the pitch and concept for the show has to come from the OTT, he said.

Lok Sabha polls: a walk through history

Voters across India's 543 Lok Sabha constituencies will cast their votes in seven phases between 19 April and 1 June. At 44 days, the 2024 polls will be the longest ever since 1951-52, when the exercise lasted 120 days. Over the decades, India's poll-related spending has also expanded rapidly, reaching an estimated ₹55,000 crore by various kinds of stakeholders in 2019, according to an estimate by CMS India. The voter turnout in the sweltering heat will be in focus, but data shows Indian voters have been increasing their participation. Several states in the south and north-east crossed the 70% turnout mark in 2019. The turnout of women voters has, in particular, been on the rise. One significant change in recent elections has been the rising gap between the seat share and the vote share of the single largest party, highlighting the peculiarities of the first-past-the-post system. In the 2019 polls, while the top party won 56% of the seats, its vote share was just 37%. As the voters have evolved, so has the battleground, and here's a look at the numbers behind this journey.

By Shuja Asrar and Tanay Sukumar
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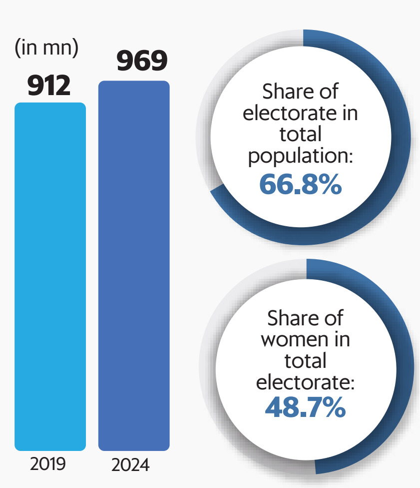
THE BASICS

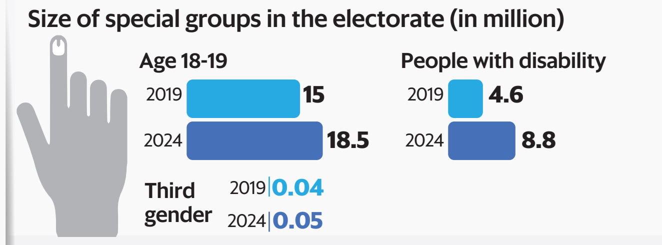
Nearly a billion people are set to cast their votes to elect India's 18th Lok Sabha, making it the largest electoral exercise in the world. Here's a look at the size.

Electorate at a glance: About 970 mn registered voters eligible to cast their votes



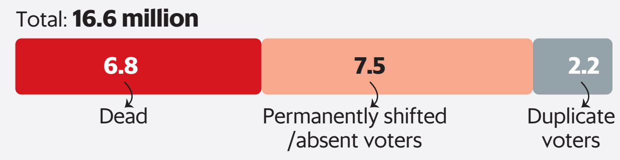
Based on electoral rolls as of 8 February 2024

Size of special groups in the electorate (in million)



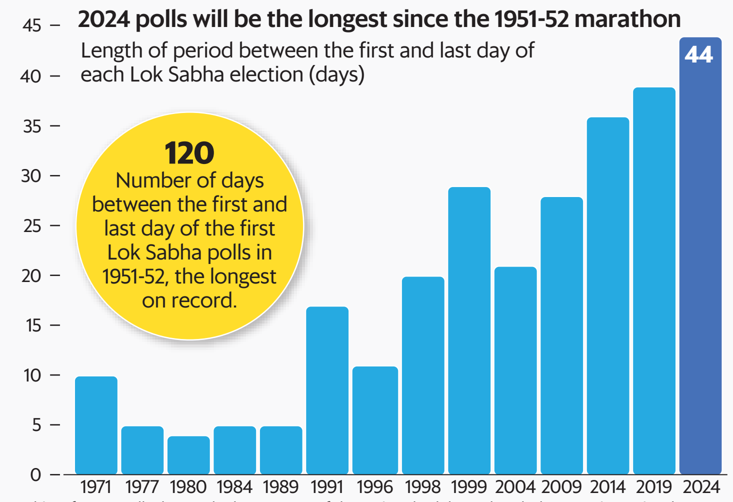
Number of electors removed from the electoral rolls ahead of polls (in million)

Total: **16.6 million**



2024 polls will be the longest since the 1951-52 marathon

Length of period between the first and last day of each Lok Sabha election (days)



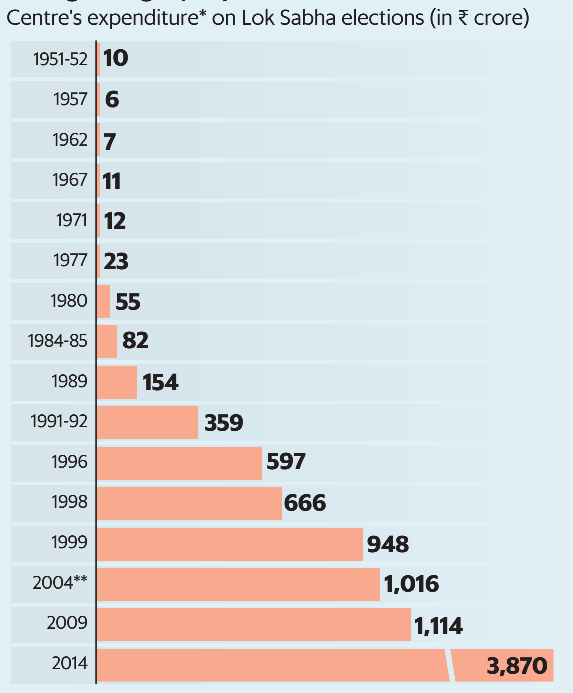
This refers to polls that took place as part of the main schedule, and excludes constituencies that voted separately due to various reasons. For example, in the 1984 polls, Assam and Punjab did not vote until 1985, and Vellore seat voted separately in 2019 due to a postponement.

THE MONEY

From compiling voters' lists to destroying obsolete voting machines, the mammoth exercise incurs an expenditure running into thousands of crores of rupees in recent elections.

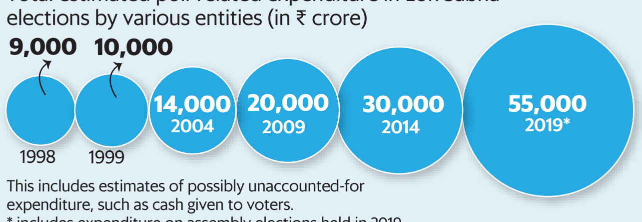
Poll-related budget of various stakeholders has been growing rapidly

Centre's expenditure* on Lok Sabha elections (in ₹ crore)



*includes expenditure on electoral offices, electoral rolls, conduct of elections and issue of photo identity cards. **includes amount spent on holding simultaneous state polls. Data for 2019 not available.

Total estimated poll-related expenditure in Lok Sabha elections by various entities (in ₹ crore)



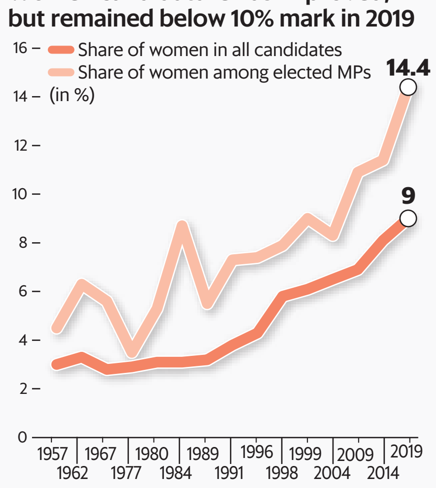
This includes estimates of possibly unaccounted-for expenditure, such as cash given to voters.
* includes expenditure on assembly elections held in 2019.

₹7,103 crore
Total expected expense by the Centre on electronic voting machines between 2019-20 and 2024-25, as per Budget documents. This includes funds given to the poll panel for procurement of ballot units, control units, voter verifiable paper audit trail (VVPAT) units, and other ancillary expenditure on electronic voting machines (EVMs) including destruction of old ones.

THE CONTENDERS

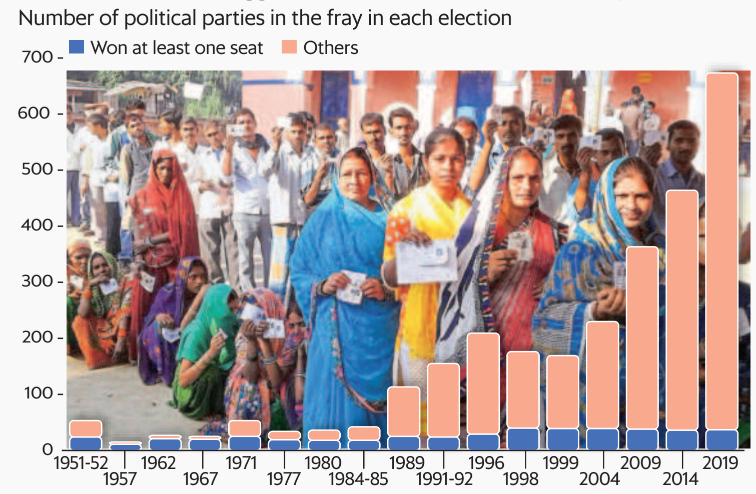
The multi-party system in India makes it possible for thousands of candidates and hundreds of political parties to contest the elections. Much fewer make the cut.

Women candidature has improved, but remained below 10% mark in 2019



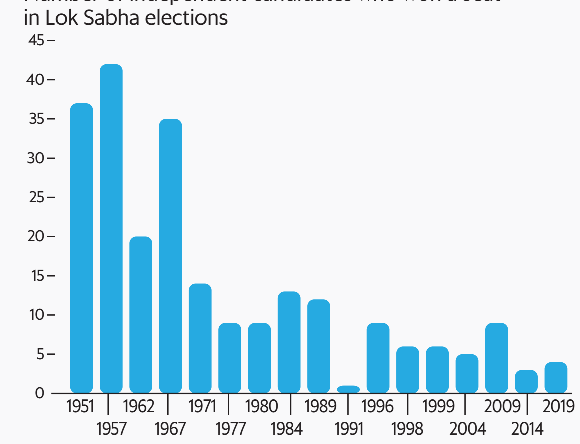
2019 polls saw the biggest number of political parties try their luck

Number of political parties in the fray in each election



Independent MPs in Lok Sabha have become rarer over the years

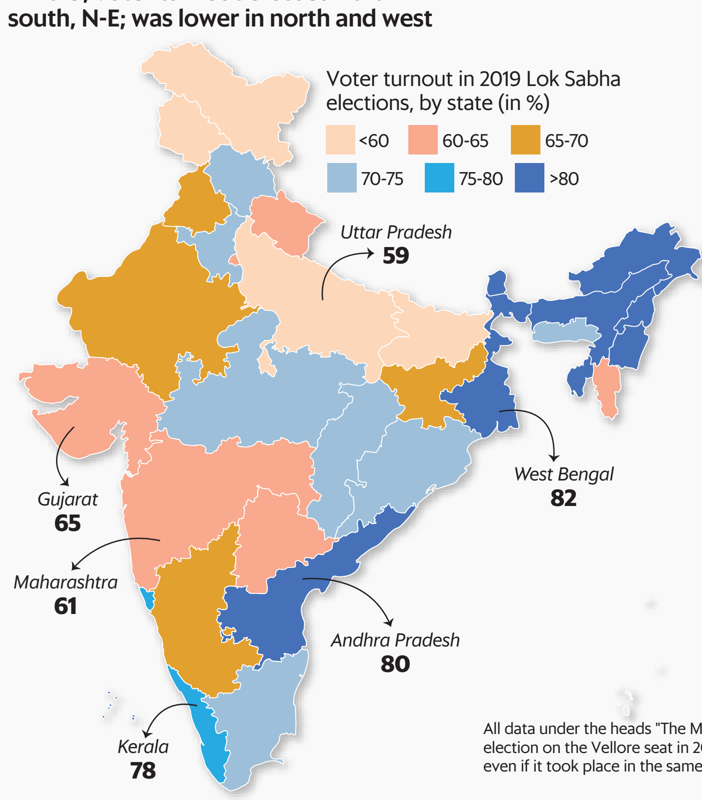
Number of independent candidates who won a seat in Lok Sabha elections



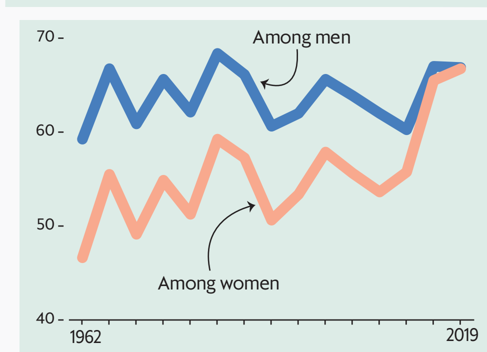
THE VOTERS

Though the participation of people in general elections has improved over the years and across social groups, it continues to be work in progress.

In 2019, voter turnout crossed 70% in south, N-E; was lower in north and west

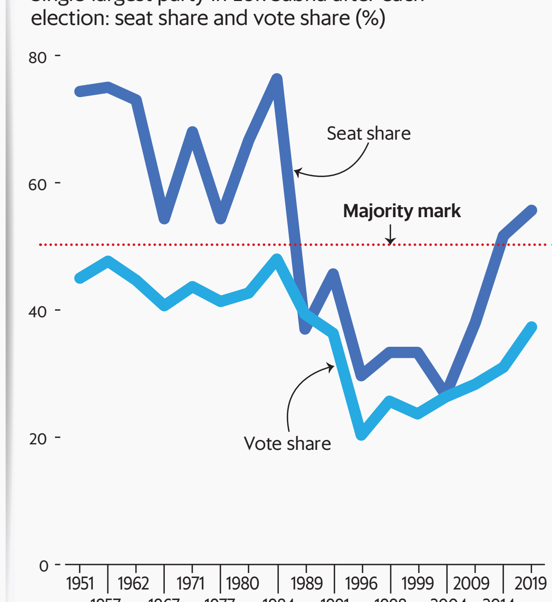


Women voters' turnout in elections has caught up with that of men



The top party has failed to cross 40% vote share in the past eight elections

Single-largest party in Lok Sabha after each election: seat share and vote share (%)



All data under the heads "The Money", "The Contenders" and "The Voters" is only for the first election that took place in each seat for each Lok Sabha. This means, for example, that the election on the Vellore seat in 2019, which was held separately, is covered, and so are the elections in some states in 1984 and 1991 which took place the next year. No by-election is covered, even if it took place in the same year as the main election.

Source: Election Commission of India statistical reports, Trivedi Centre for Political Data, CMS Media, Budget documents, Mint research and analysis

PARAS JAIN/MINT

TCS's incentive to hire senior candidates in under 30 days

FROM FRONT FLAP

algorithms for clients.

In January 2024, TCS won its biggest outsourcing deal from British insurance group Aviva. The deal runs through 15 years and is worth at least $2.5 billion. Most recently, the IT major inked a multi-million dollar deal with Danish communication service provider Nuuday, on 14 March. Earlier, the software services company also signed a deal with Enento Group, a Finnish business and consumer information services provider, on 8 February.

Tanksale said freshers cannot help the company ramp up deals as quickly.

"The hiring is deal-specific and there is no change in the macro-economic environment. It will take a couple of quarters for IT demand to recover going ahead," he said.

The move for experienced staff stands out starkly at a time when IT firms have gone slow on campus hiring from the batch of 2024. Cognizant, HCL Technologies and even TCS are recruiting in smaller-than-usual batches from campuses, while Wipro is not hiring at all in the fresher category. Infosys hired a select number of students from IT background who are specialized in cybersecurity and data mining.

Cognizant, HCL, even TCS are recruiting in smaller-than-usual batches from campuses. HT

TCS's additional incentives also highlight the company's needs and those of other IT services' firms to streamline their bench strength and stabilize utilization rates. In IT sector parlance, utilization rate indicates the percentage of staff engaged in active projects, while bench strength comprises staff who have not yet been assigned a project.

While TCS does not disclose its utilization rate, analysts pegged the IT major's utilization rate at 85-89% for the three months ended December 2023. IT peers Infosys Ltd, Wipro Ltd, and Tech Mahindra have reported utilization rates of 82.7%, 84% and 88% respectively for Q3.

"Having a utilization of 89% as its upper band is good to address current client needs. It has fallen from the covid times in 2022 when utilization rates for top IT service providers across the globe touched 94%," said Mrinal Rai, assistant director and principal analyst for ISG Group.

The market is seeing rising demand for people experienced in programs like Flutter, Windchill, Workday, and SAP.

Flutter is Google's open-source UI software used to create mobile, desktop and web-based applications.

Windchill is a product lifecycle management (PLM) software which provides intellectual property (IP) security and traceability while managing product development and its manufacturing process.

A PLM software is used in managing data through all stages of the product's lifecycle, from its ideation to its disposal post service.

Workday is a cloud-based software program used by human resources (HR) teams to handle payrolling, onboarding employees, and performance evaluations.

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Who got what via electoral bonds: ECI reveals data

FROM PAGE 1

the Supreme Court's orders. This followed another dataset published by the ECI last week based on the information submitted by the State Bank of India (SBI), the sole bank authorized to sell and redeem electoral bonds. The latest dataset by the ECI included scanned copies of the disclosures made by the political parties, running into hundreds of pages.

While initially the data submitted by the SBI pertained to a period from 12 April 2019 till the scrapping of the bonds by the apex court last month, the latest disclosure is based on the declarations given by various political parties in November last year on the bonds redeemed by them since the scheme was launched in early 2018, and till September 2023.

The ECI had told the Supreme Court that it could not release the full data last week since it had earlier submitted the details received from parties to the court's registry and had not retained copies. The ECI released the full list after the court returned the material.

Since the DMK's disclosures are till September 2023, it is not clear whether Future Gaming made further donations to the DMK in the last six months. Since October 2023, the company's electoral bond purchases add up to ₹133 crore, according to *Mint* calculations.

According to an earlier report compiled by NGO Association of Democratic Reforms (ADR), electoral bonds worth ₹16,518 crore were sold from March 2018 to January 2024.

The two datasets can together be used to calculate the value of total electoral bonds encashed by each political party since inception. With this, the Bharatiya Janata Party's cumulative donations received through electoral bonds swelled to ₹8,251.8 crore. This includes ₹6,986.5 crore encashed between March 2018 and September 2023, the period that the fresh data was for, and ₹1,264.3 crore received between October 2023 and January 2024, the data for which the ECI had already released last week.

The BJP received nearly half the funds received under the now-scrapped electoral bonds scheme. The Congress now becomes the second-biggest recipient at ₹1,952 crore, followed by the Trinamool Congress (₹1,705 crore), and the Bharat Rashtra Samithi (₹1,408 crore). The partial data released last week had put the Trinamool at the second spot.

(With inputs from PTI)

Capex bet has yielded rich dividends, says Virmani

FROM PAGE 1

and net exports, which are now in the negative zone, are expected to improve in FY25, Virmani said, adding that once interest rates in developed economies start softening, Indian exports will gather momentum, especially in items like engineering goods.

Rising capital expenditure has helped boost construction activity as well as wages of workers, Virmani said, adding that rural consumption is now catching up with urban. India's economic growth strategy of attracting multinational enterprises to manufacture and export from India to break into the global supply chain will also play out strongly in coming years, Virmani said. After raising capex by about 25% in FY23 and by more than 28% in FY24, the Centre has further raised it by 17% to ₹11.1 trillion for FY25 in the interim budget in February.

Virmani said expectations of growth beating estimates this year was really the capital expenditure multiplier of the budget working through the system, which will continue over the years and get better. Building infrastructure is helping not just the GDP growth, but has also added more employment for construction workers, he said.

Niti Aayog member Arvind Virmani. MINT

According to Virmani, India's economy is expected to grow at over 7% next fiscal (FY25), plus or minus 50 basis points to account for any shocks.

Virmani also said that the El Nino effect on farm sector is temporary and unless there is another shock, agriculture output growth will recover in FY25 and that the sector will return to its normal growth rate, lifting agriculturists' income.

The second advance estimate of the statistics ministry said last month that farm output will grow only at 0.7% this fiscal, sharply lower than the 1.8% growth projected earlier, but it revised FY23 farm output growth to 4.7%, up from 4% reported provisionally earlier.

Virmani pointed out that high interest rates in the US and Europe tend to slow down imports into those markets, affecting certain categories of Indian exports, such as engineering goods. Once the interest rates start to go down in those markets, India will see some recovery in those types of exports. "Net exports anyway should improve next fiscal," Virmani said. Net export has been in the negative zone, indicating import dependence, for over a decade, as per the current GDP data series.

Virmani also said that household investments into housing is recovering, supporting the overall private investment growth.

Airlines grapple with Boeing's supply woes

Carriers say they're trimming schedules, looking for alternatives to 737s

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Boeing Co.'s disastrous start to 2024 is spilling over to airlines and their passengers as production delays at the US planemaker exacerbate an already nascent shortage of single-aisle jets that form the backbone of commercial air travel.

United Airlines Holdings Inc., Southwest Airlines Co. and Ryanair Holdings Plc are among the companies scrambling to respond to reduced deliveries from Boeing as the planemaker focuses on fixing quality lapses exposed by the 5 January accident on an Alaska Airlines flight.

With the busy summer travel season in view, carriers say they're trimming schedules and looking for alternatives to 737s they've already ordered, while also contending with issues afflicting narrowbodies from Airbus SE. Even Boeing seems uncertain when the planes will be ready as an army of US inspectors sift through its factories, meaning the company can't make any firm predictions when things might return to normal.

"All they're saying is as you'd expect: 'We are working as hard as we can. We are sorry for your disruption. We're doing the best we can,'" said John Plueger, chief executive officer of aircraft leasing company Air Lease Corp. "'As soon as we have certainty, we will advise you.' They are saying that."

Airbus, Boeing's main competitor, is largely sold out through the end of this decade, so there isn't an obvious place for airlines to turn. Like Boeing, the European planemaker has been struggling to raise production back to pre-pandemic rates. A separate engine-wear issue has grounded hundreds of Airbus planes, further denting aircraft availability at a time when demand from airlines is particularly hot.

Boeing said in a comment that the company is "squarely focused on implementing changes to strengthen quality across our production system and taking the necessary time to deliver high quality airplanes that meet all regulatory requirements. We continue to stay in close contact with our valued customers about these issues and our actions to address them."

"This is not just a this-year problem. This has been a multiyear issue," Steven Townend, who heads aircraft lessor BOC Aviation Ltd, said in a *Bloomberg Television* interview on 15 March. "It is going to take several years to really catch back up again."

For passengers, this will mean fewer flight options and potentially higher prices on at least some popular routes. The shortages chiefly affect single-aisle workhorses like the Boeing 737 and Airbus A320-family jets that fly short to mid-range distances and make up the bulk of the global fleet. As a result, domestic and regional flights are seeing more of an impact than longer-distance journeys. Airlines haven't added seats between New York and Los Angeles quickly enough to match demand, according to Amex Global Business Travel. The agency projects business-class fares will rise as much as 8.5% on the busy coast-to-coast route during the peak summer season.

Between Seattle and San Francisco, prices in both business and economy are forecast to surge as much as 18% during the first half of the year, according to Amex GBT, while fares between Chicago and Las Vegas may rise by 9.6%. The broader outlook for ticket prices is less definitive. US fares skyrocketed in 2022 and early 2023 when travelers stormed back to the skies, but then fell back through most of last year as domestic demand weakened.

The planemaker is currently focusing on fixing quality lapses exposed by the 5 January accident on an Alaska Airlines flight. AFP

TURBULENCE AHEAD

THE company can't make any firm predictions when things might return to normal

AIRLINES have no alternative as Airbus has largely sold out through the end of this decade

THE shortages chiefly affect single-aisle workhorses like the Boeing 737 and Airbus A320

A woman casts her ballot during Russia's presidential election at a polling station in Moscow on Sunday. AFP

Russia election set to tighten Putin's grip amid sparse protests

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MOSCOW

President Vladimir Putin is poised to tighten his grip on power on Sunday in a Russian election that is certain to deliver him a landslide victory, though some opponents staged a symbolic noon protest at polling stations against his rule.

Putin, who rose to power in 1999, is poised to win a new six-year term that, if he completes it, would enable him to overtake Josef Stalin and become Russia's longest-serving leader for more than 200 years.

The election comes just over two years since Putin triggered the deadliest European conflict since World War Two by ordering the invasion of Ukraine. He casts it as a "special military operation".

War has hung over the three day election: Ukraine has repeatedly attacked oil refineries in Russia, shelled Russian regions and sought to pierce Russian borders with proxy forces - a move Putin said would not be left unpunished.

While Putin's re-election is not in doubt given his control over Russia and the absence of any real challengers, the former KGB spy wants to show that he has the overwhelming support of Russians.

The Kremlin has sought a high turnout. Several hours before polls closed at 1800 GMT, the nationwide turnout surpassed 2018 levels of 67.5%.

Supporters of Alexei Navalny, who died in an Arctic prison last month, had called on Russians to come out at a "Noon against Putin" protest to show their dissent against a leader they cast as a corrupt autocrat.

"Alexei was fighting for very simple things: for freedom of speech, for fair elections, for democracy and our right to live without corruption and war," Navalny's widow, Yulia, said in a message to a rally in Budapest on March 15.

"Putin is not Russia. Russia is not Putin."

There was no independent tally of how many of Russia's 114 million voters turned out at noon to show opposition to Putin, amid extremely tight security involving tens of thousands of police and security officials.

Reuters journalists saw a slight increase in the flow of voters, especially younger people, at noon at some polling stations in Moscow and Yekaterinburg, with queues of several hundred people. Some said they were protesting though there were few outward signs to distinguish them from ordinary voters.

Leonid Volkov, an exiled Navalny aide who was attacked with a hammer last week in Vilnius, estimated hundreds of thousands of people had come out to polling stations in Moscow, St Petersburg, Yekaterinburg and other cities.

At polling stations at Russian diplomatic missions from Australia and Japan to Armenia, Kazakhstan and Georgia, hundreds of Russians stood in line at noon.

If Putin completes a new six-year term, he would overtake Stalin as Russia's longest-serving leader for over 200 years

Over the previous two days, there were scattered incidents of protest as some Russians set fire to voting booths and poured dye into ballot boxes, drawing a rebuke from Russian officials who called them scumbags and traitors. Opponents posted some pictures of ballots spoiled with slogans insulting Putin.

But Navalny's death has left the scattered opposition deprived of its most formidable leader, and other major opposition figures are abroad, in jail or dead. The West casts Putin as an autocrat and a killer. US President Joe Biden last month dubbed him a "crazy SOB". The International Criminal Court in the Hague has indicted him for the alleged war crime of abducting Ukrainian children, which the Kremlin denies.

Putin casts the war as part of a centuries-old battle with a declining and decadent West that he says humiliated Russia after the Berlin Wall fell in 1989 by encroaching on what Putin considers to be Russia's sphere of influence such as Ukraine.

Behind the breakup of Elon Musk and Don Lemon

Unexpected split leaves X CEO Linda Yaccarino with another loss

Tim Higgins
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For the past year or so, Elon Musk has mostly acted as host of content and amplifier of opinions he supported. Now, he was in a way exerting editorial control. AP

Don Lemon got to see both sides of Elon Musk. First, there was the charming side of the billionaire who personally was behind the scenes wooing an initially skeptical Lemon to bring his style of on-camera journalism to X, which Musk insisted was a home for all sides of debate.

Then there was the rash side of Musk, who after sitting down with Lemon for an interview to be released Monday as part of the newsman's first online show, fired off an angry text to the journalist's agent: Contract is canceled.

In that split second, Musk entered a new stage of public life as owner of a massive communication platform. For the past year or so of his X ownership, he has mostly acted as host of content and amplifier of opinions he supported. Now, he was in a way exerting editorial control.

For X Chief Executive Linda Yaccarino, Lemon was supposed to be Exhibit A in the case that X isn't a right-wing partisan tool but, as Musk has claimed, a town square for all sides of debate—left, right and everything in between.

Now Lemon is just the latest exhibit of how Musk blows up plans seemingly at a whim, another setback in Yaccarino's thankless task of trying to assure brands that they can trust her and X.

After years and years on TV, the former CNN star was known for sticking his finger in the eyes of powerful people, asking uncomfortable questions, and, as a Black, gay man, fighting to make diverse viewpoints heard.

For X, attracting Lemon marked a strong contrast to former Fox News star Tucker Carlson , whose high-profile embrace of X last year came as some users and advertisers worried about a hard-right turn.

"I hope that many others, particularly from the left, also choose to be content creators on this platform," Musk said shortly after Carlson announced he would take his talents to X after being ousted from Fox News last spring.

Musk started publicly courting Lemon in spring of last year after the newsman was let go from CNN, where he had been one of the big names on the international news channel.

Musk's deputy, Yaccarino, appeared left in a lurch this past week after having worked to land Lemon on the platform. Her January announcement of the Lemon-X partnership was seen as an antidote for advertisers nervous about the billionaire's erratic ways and his amplification of tweets that in recent months have touched on antisemitism , immigration and corporate-diversity efforts .

Facing competition for viral content from creators on rivals at TikTok and YouTube, Musk tried to attract some of cable news's biggest stars to X.

Such wins might show other, lesser-known online creators that X was the place to monetize their content.

"Have you considered doing your show on this platform?" Musk tweeted at Lemon in May. "Maybe worth a try. Audience is much bigger."

Then in June, as Carlson's show launched on X, Musk again publicly made the case for Lemon and MSNBC star Rachel Maddow to join the platform. "It'd be great to have @maddow , @donlemon & others on the left put their shows on this platform. No exclusivity or legal docs required!" Musk tweeted. "You will receive our full support. The digital town square is for all."

Behind the scenes, Musk, Yaccarino and others were reaching out directly to Lemon through texts and calls, according to a person familiar with the effort.

THE WALL STREET JOURNAL.

Eventually Musk and Lemon had a lengthy call, the person said, during which the billionaire made the hard sell on why they should have a formal relationship.

Anyone was free to post on X, but Musk wasn't proposing a run-of-the-mill deal. Instead, Lemon would get paid for some exclusive content on the platform and his posts would get boosted across the platform, helping give him a valuable audience. Think lighter fluid on a barbecue.

Still, Lemon, who worried about working with X, insisted on keeping editorial control.

"He never was my boss," Lemon said during an interview Wednesday on CNN. "They never had any editorial control of the show. The only reason I was doing it is because of distribution. I wanted...my work to be seen by the biggest number of people."

The exact terms of their agreement haven't been disclosed.

Lemon alluded to the details during the appearance on CNN, saying he was free to post "The Don Lemon Show" on other platforms in addition to X, but he had a deal for additional content that would run exclusively on Musk's platform for a set period. undefined undefined That bonus material, such as, perhaps, several short video clips a week, was part of a deal that would give Lemon payments plus revenue share from X, according to the person familiar with the deal.

Meanwhile, X seemed eager to announce something. By the end of 2023, Musk was trying to convince the world he wasn't antisemitic after he amplified hateful vitriol and faced claims by an outside group that certain brand ads were running near pro-Nazi content. (He has called his tweet foolish and the claims unfair.)

Some big advertisers had enough and pulled their spending, further hindering the company's already troubled finances.

In January, Yaccarino wanted Lemon in Las Vegas at the large tech conference known as CES to announce their partnership. Lemon was part of a slate of shows for X promised by Yaccarino that included former Rep. Tulsi Gabbard and sports talk show host Jim Rome .

"We've been waiting for your return, Welcome @donlemon!!" Yaccarino tweeted.

That evening, Yaccarino had Lemon join her at a dinner with marketers as she tried to talk up the exciting future ahead with X.

As winter sped on and it came time to launch the show, Lemon asked if Musk was game to be his first guest, and the billionaire quickly agreed.

But even as he did, signs lingered that Musk had lost interest in selling X as a warm welcoming place for all comers.

Two days before the interview, Musk was on stage at a Morgan Stanley conference in San Francisco where he was asked about Yaccarino's recent efforts to woo advertisers.

Musk passed. "I don't really pay a lot of attention."

The moderator said he would then skip his question on efforts to protect advertisers' brand safety, and Musk erupted into laughter.

He was then back to Austin, home of Musk's electric-car company, Tesla , and was spotted at a party tied to the South by Southwest festival occurring in the Texas town the night before the fateful interview with Lemon, held for 90 minutes on March 8.

Only snippets of the interview have been released so far, including testy exchanges between Lemon and Musk over questions about the billionaire's drug use—The Wall Street Journal has reported that he has taken ketamine and other substances—and perceived failings at fighting hate speech on X.

Musk has said he has never failed a drug test, and X says it is making an effort to reduce the spread of hate speech.

"Don, the only reason I'm doing this interview is because you're on the X platform and you asked for it," Musk told him in one tense exchange. "Otherwise, I would not do this interview."

The next day, Musk texted Lemon's agent that the partnership was over.

Lemon and his team as well as Yaccarino and her team were left trying to pick up the pieces over the past weekend, hoping to rectify the deal, according to the person familiar with the matter. One of X's corporate accounts reposted a promotion for the show's debut. But Lemon eventually concluded that Musk's verdict was final. Then Lemon went public with his side of the dispute, saying Wednesday on X that Musk pulled his promised support for the show, which will still be shown on X along with other platforms.

"His commitment to a global town square where all questions can be asked and all ideas can be shared seems not to include questions of him from people like me," Lemon wrote in a letter posted on X.

In his own posting, Musk responded that Lemon's approach "was basically just 'CNN, but on social media,' which doesn't work as evidenced by the fact that CNN is dying."

X and Musk emphasized that Lemon is free to post his content on the platform on his own, like anyone else. The interview is expected to still be uploaded Monday on X, YouTube and elsewhere.

Now, all that is left to argue over is payment. Both sides seem to agree that there was no final contract signed. But Lemon's team has been clear. "Don has a deal with X and expects to be paid for it," a statement said. "If we have to go to court we will."

US is investigating Meta for role in drug sales

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Federal authorities are investigating Meta Platforms for its role in the illicit sale of drugs, according to documents and people familiar with the matter.

U.S. prosecutors in Virginia have been sending subpoenas and asking questions as part of a criminal grand jury probe looking into whether the company's social-media platforms are facilitating and profiting from the illegal sale of drugs, the people familiar with the matter said. Meta is the owner of Instagram and Facebook.

THE WALL STREET JOURNAL.

The prosecutors have requested records related to "violative drug content on Meta's platforms and/or the illicit sale of drugs via Meta's platforms," according to copies of subpoenas reviewed by The Wall Street Journal. The subpoenas were delivered last year.

The Food and Drug Administration has been helping with the investigation, the people familiar with the matter said. Investigations don't always result in formal charges of wrongdoing. The prosecutors' office and a spokeswoman for the FDA declined to comment.

"The sale of illicit drugs is against our policies and we work to find and remove this content from our services," a spokesman for Meta said in a statement. "Meta proactively cooperates with law enforcement authorities to help combat the sale and distribution of illicit drugs."

On Friday, Nick Clegg , Meta's president of global affairs, said the company has joined an effort alongside the State Department and others to help disrupt the sale of synthetic drugs online and educate users about the risks. "The opioid epidemic is a major public health issue that requires action from all parts of US society," he wrote in a tweet.

Meta has enlisted outside entities to screen advertisers and content that might violate rules regarding the promotion and sale of drugs. A company called LegitScript helps determine which companies can advertise and promote prescription medication on its platforms. Researchers at the University of Alabama at Birmingham had a partnership with Facebook to help flag problematic content related to drug sales. A spokeswoman for the university said it isn't a current service provider for Meta.

Social-media companies have recently come under scrutiny from members of Congress for content that has harmed young people, particularly children.

Lawmakers have been discussing the need to hold the technology companies responsible for what third parties post on their platforms. Efforts to do so have been complicated by Section 230 of the Communications Decency Act , which says that online platforms aren't liable for what

This is part of a probe into whether the company's social-media platforms are facilitating and profiting from sale of drugs. REUTERS

third parties post, with a few exceptions . The Supreme Court left core elements of Section 230 unchanged after deciding on two cases involving the law in 2023.

The Justice Department in the past has tried to extend the reach of federal drug laws to make an internet platform culpable when companies use it to break the law. In 2011, Google agreed to forfeit $500 million for allowing online Canadian pharmacies to place ads targeting U.S. consumers, resulting in the unlawful importation of prescription drugs in the U.S.

Gretchen Peters, executive director of the Alliance to Counter Crime Online, confirmed that her organization had received a federal subpoena in the Meta investigation but declined to comment further.

As part of the investigation, prosecutors also subpoenaed the Algorithmic Transparency Institute, a project of the nonprofit National Conference on Citizenship, for research related to violative drug content on Meta Platforms. A special agent from the FDA's criminal-investigations division delivered the subpoena, said Cameron Hickey, the conference's chief executive. The group turned over to prosecutors thousands of telehealth company ads from Meta's ad library, many featuring prescription drugs, which researchers collected at the request of the Journal in 2022, Hickey said.

Meta says sale of illicit drugs is against its policies and it works to find and remove this content from its service

During the pandemic, such telehealth companies flooded Facebook and Instagram with ads touting prescription drugs for the treatment of attention-deficit hyperactivity disorder, anxiety and other medical conditions. Employees and patients said in interviews that the ads contributed to the abuse of controlled substances such as Adderall.

A Journal investigation in 2022 highlighted telehealth companies' ads that touted benefits of medications with no mention of side effects and promoted drugs for uses that weren't approved by the FDA—skirting traditional FDA advertising rules. The FDA has typically limited the scope of its regulatory authority to packers, distributors and manufacturers of prescription drugs. The telehealth companies told the Journal that they aren't subject to FDA rules because they are medical providers—not the manufacturers, packers or distributors of the drugs.

Sellers have recently advertised counterfeit versions of blockbuster weight-loss drugs on Meta's platforms, including one drug that is still at least two years away from receiving FDA approval, the Journal has reported. Meta took down some of the ads that were flagged by the Journal, but in some cases, nearly identical ones popped up soon after.

Assistant U.S. Attorney Randy Ramseyer, who previously investigated Purdue Pharma's marketing of OxyContin, requested the subpoenas. Ramseyer was featured as a character in the Hulu miniseries "Dopesick," about the opioid crisis in the U.S. Ramseyer works in U.S. Attorney Christopher Kavanaugh's office.

Last month, a bipartisan group of senators sent a letter to the FDA , requesting that the agency take action against the marketing of prescription drugs on social media, citing the Journal's previous reporting about telehealth company ads promoting easy access to prescription drugs.

A Journal investigation in 2021 found that TikTok served minors thousands of videos containing drug and other adult content; TikTok didn't respond as to whether it also received a subpoena.

NEWS IN NUMBERS

44
The total duration of the voting period (in days) for the 2024 Lok Sabha election, the second longest after the first parliamentary elections in 1951-52

₹8.57 cr
The amount demanded by Gujarat's tax department from food delivery major Zomato for availing excess input tax credit and paying less GST

1.3 mbpd
The increase in the world oil demand in 2024, as per the International Energy Agency, which raised its demand projections for a 4th time since November

$1.8 bn
The size of the contract Elon Musk-owned SpaceX has signed to build a spy satellite network for a US intelligence agency

$490 mn
The amount Apple agreed to pay to settle a class-action lawsuit that said Tim Cook defrauded shareholders by hiding the shrinking iPhone demand in China

HOWINDIALIVES.COM

Decathlon to push India investments

French sports retailer Decathlon is accelerating its investments to ramp up production and enhance its retail presence further in India, one of its "most important" global markets, its global CEO Barbara Martin Coppola has said.

Decathlon expects to continue its "high growth rate" from the Indian market, which is also emerging as an important manufacturing hub for the sports retailer, from where it currently exports around 65% of production to global markets, she added. For Decathlon, India is currently among the top ten global markets, growing "twice the rate" of others, where it entered in 2009 and now operates a network of 129 stores, she said.

Coppola said she is "really impressed" with the evolution of the sports culture in India, especially among the middle class, which is gradually getting engaged in different kinds of sports, amid a rise in their income level. PTI

Sheyphali B Sharan will take charge as principal DG of PIB from April. X/IIS OFFICER TRAINEES

Sharan picked as govt spokesperson

The government has appointed Sheyphali B Sharan as its new spokesperson, according to an order issued by the ministry of information and broadcasting on Saturday.

Sharan, a 1990-batch Indian Information Service (IIS) officer, will take charge as principal director general (PDG) of the Press Information Bureau (PIB) after incumbent PDG Manish Desai's tenure ends on 31 March.

Sharan will be the first woman officer to head the PIB since the Modi government first came into power in 2014. She is a seasoned officer with a successful stint as spokesperson of the Election Commission during the 2019 general elections. She has also served as chief communication officer for the railway ministry.

In a related development, Maushami Chakraborty has been appointed director general of All India Radio (AIR), the public news broadcaster.

Chakraborty, a 1991-batch IIS officer, will take charge in April, replacing Vasudha Gupta. DHIRENDRA KUMAR

ELECTION MODE

Police personnel conduct a flag march after the Model Code of Conduct was enforced following the announcement of the schedule of Lok Sabha elections, in Bhopal on Sunday. PTI

Coal inventory may hit 155mt by FY24-end: coal ministry

Coal stock to rise even during summer and monsoon, in contrast to last year's decline

Rituraj Baruah & Subhash Narayan
NEW DELHI

Coal stocks across power plants in the country will be enough to meet the anticipated surge in power demand in the upcoming summer, according to Amrit Lal Meena, secretary, union ministry of coal.

In an interview, he said the accretion of coal stock at plants will continue even during the summer and monsoon, in contrast to last year's depletion. Total coal stocks may touch 155 million tonnes by the end of the fiscal, against 125mt last year, he added.

Noting that since November coal stocks at thermal plants have increased at a rapid pace, he said daily coal stock accretion stood at about 194,000 tonnes in the second half of February, compared with 26,000 tonnes in the corresponding period of last year.

Similarly in the first half of March, stocks grew by about 209,000 tonnes, compared with a depletion of 42,000 tonnes during the corresponding period of the last fiscal as temperatures rose in March last year.

"In the first 15 days of March last year, depletion of coal stock started because temperatures had increased. But this year, it has increased by 200,000 tonnes per day. This trend will continue, because capacity has increased significantly, both for production and transportation. There is not much chance for depletion during April, May and June. This trend will continue even in monsoons," Meena said. However, the rate of daily increase in stocks may slow down in the monsoons.

> Power ministry has directed power generating firms to keep blending 6% imported coal till June amid projections of high power demand

Usually, with high power demand and coal consumption by plants, stocks at the plant-end deplete during the summers, while monsoon rain impacts both production and transportation of the mineral, adding to the fall in inventory.

The remark on having a healthy coal stock position in the high demand period gains significance as the union ministry of power has directed power generating companies to continue blending 6% imported coal till June amid projections of high power demand and concerns over logistical issues.

The peak power demand in the next fiscal is expected touch 260 GW, a new high, and way above the 243 GW hit last year.

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Mother Dairy to set up two new plants

Mother Dairy will invest ₹650 crore to set up two new plants for processing of milk as well as fruits and vegetables to expand its business amid rising consumer demand. Mother Dairy, a leading milk supplier in Delhi-NCR, will also invest another ₹100 crore to expand capacities of its existing plants.

"In our endeavour to expand our distribution and reach to our consumers, we have earmarked a capital expenditure (capex) outlay of over ₹750 crore to enhance our dairy and F&V (fruits and vegetables) processing capacities across key locations," Mother Dairy Fruits and Vegetables Pvt Ltd M. D. Manish Bandlish told *PTI*.

Mother Dairy is coming up with a big dairy plant in Nagpur, Maharashtra with an investment of around ₹525 crore, he said.

This upcoming plant will serve the markets of central and southern regions. PTI

A majority of candidates applying for retail jobs were in tier-1 cities. MINT

In 2023, retail job applications up 8%

Applications for retail jobs were up 8% in 2023 from the previous year, with a majority of candidates applying for such roles in tier-1 cities, data from recruitment firm WorkIndia showed. The vast majority (93.89%) of these applications were for retail partner or retail manager positions, with tier-1 cities, particularly Bengaluru, showing substantial demand for retail partners. During the year, demand for retail jobs surged by 18%.

The data also reflected the rapid expansion by offline retailers over the past couple of years. For instance, gross leasing stood at 2.8 million square feet in the first half of 2023, according to real estate consulting firm CBRE, far outstripping fresh retail supply in the market. The vacancy rate declined sharply after the pandemic due to robust leasing on the back of aggressive expansion plans of retailers, the report said. SUNEERA TANDON

Five national highways, 259 roads closed as snow, rain lash HP

A total of 259 roads, including five national highways, are closed for vehicular traffic in Himachal Pradesh following snow and rain in recent days with the local MeT office cautioning of fresh disturbance affecting the state.

"A fresh western disturbance is likely to affect the western himalayan region from Monday while another such disturbance would affect the region from the night of Wednesday," the MeT office on Sunday said.

The MeT office also predicted rain and snow at isolated places on high hills on Monday and Tuesday and wet spell in the state from Thursday onwards.

A maximum of 237 roads are blocked in Lahaul and Spiti, nine in Kinnaur, five in Chamba, four in Kullu, two in Mandi and one each in Shimla and Kangra districts, according to the state emergency operation centre.

Meanwhile, the higher reaches and tribal areas received mild snow, and Gondla and Keylong in Lahaul and Spiti district received traces of snow.

Kukumseri was the coldest at night, recording a low of minus 4.3 °C while Una with a high of 29.8 °C was hottest during the day. PTI

A maximum of 237 roads are blocked in Lahaul and Spiti. PTI

Mobile exports to US jump in Apr-Dec

India's smartphone exports to the US jumped to $3.53 billion in April-December this fiscal against $998 million in the same period last year, according to the commerce ministry data.

The increasing outbound shipments led to an increase in the smartphones' market share to 7.76% during April-December this fiscal from 2% in the same period of last year, the data showed.

Increasing exports have made India the third-biggest smartphone exporter to the US.

An official said that an increase in overall smartphone production has helped in pushing exports. PTI

India, Maldives hold core group meeting

India and the Maldives on Sunday reviewed the ongoing deployment of Indian civilian technical personnel to enable the continued operation of Indian aviation platforms in the island nation. Both sides carried out the review at the third meeting of the high-level core group held in Male with a focus on withdrawal of Indian military personnel from the island.

India on Friday said its first team of military personnel that was operating an advanced light helicopter in the Maldives has returned from that country. The military team has been replaced by civilian technical experts. Maldivian President Mohamed Muizzu had set a 10 March deadline for the withdrawal of the first group of Indian military personnel from his country.

The ministry of external affairs (MEA) said in a statement that both sides continued their discussions on wide-ranging issues related to bilateral cooperation. PTI

Mutual funds snap up ICICI Securities shares as key vote looms

FROM PAGE 1

ICICI Securities would have been justified, as the funds can lock in a risk-free rate of return by implementing "special situation strategies", said U.R. Bhat, co-founder of Alphaniti Fintech and a former director of JP Morgan India. In other words, this means that the funds buy the target company—ICICI Securities in this case—and sell the acquiring company, ICICI Bank, to pocket the risk-free spread of ₹21 without any tax implication for the fund.

However, this spread was negative in February, closing the opportunity of profiting from arbitrage.

The mutual funds that bought into ICICI Securities in February include UTI Banking and Financial Services Fund, Kotak ELSS Tax Saver Scheme, Kotak Multicap Fund, Axis Quant Fund, UTI Balanced Advantage Fund, ITI Banking and Financial Services Fund, Kotak Banking & Financial Services Fund, and ITI Value Fund. These funds collectively bought almost a million shares between them, worth just over ₹75 crore as of 29 February.

Interestingly, these funds had no exposure to ICICI Securities before February. Most of them also have a significant exposure to ICICI Bank shares. Data for share purchases in March is unavailable as yet, to see if the funds are still buying into ICICI Securities. Broadly, mutual funds were net sellers of ICICI Securities in December and January.

Mint sought comments from these funds on their rationale for buying ICICI Securities shares and how they plan to vote on the delisting proposal. UTI Mutual Fund, Kotak Mutual Fund and Axis Mutual Fund declined to comment. ITI Mutual Fund did not respond to *Mint*'s queries.

When contacted earlier on the swap ratio, an ICICI Securities spokesperson had said: "The valuation has been prepared by reputed independent valuers and confirmed by reputed investment bankers. A detailed valuation report has also been published and forms a part of the notice to the shareholders."

In June 2023, ICICI Securities proposed to delist from the public markets and become a 100% subsidiary of parent ICICI Bank. MINT

In June 2023, ICICI Securities proposed to delist from the public markets and become a 100% subsidiary of parent ICICI Bank. Investors will vote on the resolution between 22 and 26 March, before a meeting on 27 March.

Only minority shareholders of ICICI Securities, who collectively own 25.23% of the company, can vote on the resolution. ICICI Bank holds the remaining 74.77% shares of the company. To succeed, the resolution needs more than two-thirds of the minority votes cast to be in its favour.

The resolution now hangs in a delicate balance. On one hand, two leading proxy advisory firms have given a thumbs-up to the delisting. With nearly 17% of ICICI Securities shares held by institutions like mutual funds, insurance companies and foreign portfolio investors, a green light by proxy advisors can go a long way in getting the delisting through.

However, many public shareholders are an unhappy lot, disputing the valuation at which the company is being delisted. Many retail shareholders have banded together on platforms like Telegram, WhatsApp and Twitter, gathering opposition to the delisting.

Some experts feel that delisting can still go through as it has several benefits for minority shareholders. Following delisting, the company will become a 100% subsidiary of ICICI Bank, effectively turning the transaction into a merger.

This will act as a "hedge" against the cyclicality of the broking business during market downturns and benefit minority shareholders, thanks to the business of wealth management and lending available to them under ICICI Bank, said Nirav Karkera, head of research at Fisdom. Karkera feels that the qualms of the shareholders are likely to be ironed out at the upcoming shareholder meeting, paving the way for the delisting.

ICICI Securities' minority shareholders include foreign institutions like Norway's Norges Bank Investment Management, the world's biggest sovereign fund, which holds 3.2% of the company as of December-end. Life Insurance Corp. of India owns 2.58%, while Boston-based Fidelity, a large money manager with over $10 trillion in assets under management, owns 1.29%.

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WHY KISAN DRONES GOT OFF TO A FLYING START

Drone manufacturers and services startups see a pot of gold in Indian farms

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Jatinder Singh is ready for the next phase of his professional career. A former agriculture development officer at a public sector bank, 37-year-old Singh is leaving a sought-after government job after nine years of service. Two years back, Singh, together with a friend set up an agritech service firm in Haryana's Kurukshetra district, hoping to bring cutting edge technologies to farmers. Their first bet—offering spraying services using drones—made him believe that cutting edge technologies can be profitably deployed on the farm.

The company, GuruDrone Agritech, with a small office in a newly built shopping mall in the outskirts of Kurukshetra town, now provides drone-as-a-service to local farmers. Singh's client list has seen a phenomenal growth, from less than ten farmers in 2022—most of whom had to be coaxed for trials—to over 1,000 farmers in the last Kharif crop season that began in June last year. That season Singh serviced over 10,000 acres of farm land, spread across crops like rice, sugarcane and vegetables.

Singh's firm now owns 20 drones. At an average purchase cost of ₹7.5 lakh per drone, it is an investment of ₹1.5 crore.

> A 2022 report estimated that India can unlock a ₹98,000 crore manufacturing potential in drones by 2030. Agriculture can contribute about a quarter of that market.

A chunk of this capital investment was financed through the Agriculture Infrastructure Fund set up by the union government, which provides loans at concessional rates of 6% per year.

A year of awareness campaigns and demonstrations seem to have paid off. "The technology is so popular that we are often unable to service the demand during peak growing seasons. Farmers who have used drones vouch for its effectiveness," Singh claimed.

How are drones making a difference? Farmers usually spray pesticides or liquid nutrients using hired labour who carry 20 litre knapsack tanks on their back—a drudgery during scorching summer months. Manual spraying usually costs around ₹200 per acre in labour charges and takes between 30-45 minutes for an acre.

Hiring a drone costs around ₹300-500 for an acre, higher than manual spraying. But the spraying is more uniform and effective as the thrust created by the drone's wings spray chemicals evenly in a fine mist, down to the bottom of the plants.

This is also safer as manual spraying entails the risk of contamination for workers, and serious health hazards and deaths in some cases. Drones are more effective while spraying on tall crops like sugarcane which are over 10 ft high. Workers often find it difficult to spray on those crops. The other benefit is a significant reduction in use of water. Usually, 150-200 litres of water is used for manual spraying in an acre, compared to just 10 litres using drones.

As drones are remotely operated from the edge of the field there is no trampling and damage to crops while spraying. But for most farmers who have used drones the biggest benefit is on-time sprays as hired workers are often hard to arrange during the peak season.

BILLIONS IN THE MAKING

In the next few years, the drone-as-a-service market could be a big opportunity for rural entrepreneurs like Singh. A conservative, back of the envelope calculation by this writer shows that if a tenth of India's total net sown area of 140 million hectares is sprayed using drones, four times every year (two sprays per season in a year), it will create a ₹5,600 crore business opportunity. This calculation assumes a cost of ₹400 per acre, per spray for farmers. A hectare equals 2.5 acres. Of course, startups have more aggressive projections, running into billions of dollars.

Add to this the market for drone manufacturing, and the overall industry bulks up quite a bit. A 2022 report by the Federation of Indian Chambers of Commerce & Industry, an industry lobby, and Ernst & Young, a consulting firm, estimated that India can unlock a ₹98,000 crore manufacturing potential in drones by 2030. Agriculture can contribute about a quarter of that market, which includes other commercial uses in retail and infrastructure in addition to defence and security.

DRONE DIDI

The recent push to use drones has emerged from all fronts—pesticide companies promoting its use for higher efficacy of their products leading to yield gains; drone manufacturers scoping out a new market; the government seeing it as a tool to empower women and create rural entrepreneurs.

In November last year, the government approved a new 'Namo Drone Didi' scheme to provide drones to 15,000 women self-help groups (SHGs). The scheme has a financial outlay of ₹1,261 crore for the next two years, 2024-25 and 2025-26. Under this scheme, women groups are eligible for 80% subsidy, up to ₹8 lakh per drone.

A qualified woman member will receive two-week training to become a certified drone pilot after which the group can offer rental services to farmers. The government expects each SHG to earn about ₹1 lakh per year.

At an event on 11 March, Prime Minister Narendra Modi handed 1,000 drones to rural women, marking the launch of the 'Drone Sister' scheme. India has the highest number of women commercial pilots globally, and now her daughters will be pioneering a new technology which will revolutionize agriculture, Modi said at the event.

Other than women groups, rural youth running custom hiring centers, farmer producer companies and individual farmers are also eligible for 40-50% subsidy for purchasing drones.

RISE OF DAAS

Currently, a handful of manufactures are offering drone variants approved by the Director General of Civil Aviation (DGCA). Spread across the country, the list includes Gurugram-based IoTechWorld, Chennai-based Garuda Aerospace, Hyderabad-based Marut Dronetech, Bengaluru-based General Aeronautics, and Chennai-based Dhaksha Unmanned Systems, which was acquired by Coromandel International, a leading manufacturer of fertilizers and pesticides.

While most of these firms are now making drones for spraying, the technology is likely to see an upgrade in future. High-end multispectral cameras attached to drones can provide early warnings on diseases and pest attacks, perform soil tests, and monitor and record crop yields.

Our goal is to bridge the technology gap in Indian agriculture, said Deepak Bhardwaj, co-founder and director at IoTechWorld which began operations in 2017. "For several years now, countries like China and Japan have been using drones extensively. Indian soils are in a poor state due to improper and overuse of chemicals. Drones can not only restore soil health but also improve crop yields," Bhardwaj added.

"We do not think subsidies are required to promote drones as it can paralyze the system. Even at current costs, drones can deliver value to farmers. They can get additional two-three quintals of yields and a better-quality harvest. The higher prices and returns per unit of land will drive future demand," Bhardwaj said.

It was not an easy ride, explained Bhardwaj. Aerial spraying of crop protection chemicals was a taboo after the endosulfan tragedy in Kerala. The tragedy, which took place in Kasaragod district of the state, is considered one of the worst pesticide disasters globally. It started with the use of endosulfan, a pesticide, in a populated, waterbody rich area where it was aerially sprayed on cashew plantations for 20 years. It led to cases of congenital anomalies, delayed puberty, mental retardation, abortions, and even cancer. Following court cases and public protests, Kerala banned the sale and use of endosulfan in 2003.

For the past six years, drone manufacturers worked closely with government departments and agricultural research organizations. In April 2023, the agriculture ministry released the standard operating procedure (SOP)—a manual for application of pesticides and crop nutrients using drones.

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> **WHAT**
>
> Drones for agriculture are being pushed from all fronts—pesticide companies, drone manufacturers and the government, which views it as a tool to empower women.
>
> **NOW**
>
> It is early days but farmers who have used drone services appear happy. While costs are slightly higher compared to manual labour, spraying using drones is more uniform and safer.
>
> **AND**
>
> Going ahead, drones can transform into an aerial tractor performing multiple operations. They include transplantation of seedlings, pollination and monitoring of fields.

According to the SOP, manual or tractor-mounted spraying leads to overuse of chemicals and water while drones can lower use of these inputs and reduce human exposure to hazardous chemicals. For now, 477 chemicals have been provisionally approved for drone spraying for two years. During this period pesticide manufacturers are expected to generate safety and efficacy data.

Following the approval for commercial use in agriculture, IoTechWorld has sold 2,000 drones. To propagate use of drones it now works with twenty drone-as-a-service or DaaS partners—in this model, local entrepreneurs provide rental services to farmers. In 2021, Dhanuka Agritech, a leading pesticide manufacturer invested ₹30 crore in the startup.

Indian farmers need to adopt precision farming techniques to bridge the yield gaps to match global averages, said R.G. Agarwal, group chairman at Dhanuka. "Farmers will only be able to invest more when they earn more per acre of land. Alongside pesticides, drones can effectively solve the micronutrient deficiencies in Indian soils," he added.

YIELD GAINS

Back in Kurukshetra, an upbeat Jatinder Singh is banking on the growing demand. After a year of out-of-pocket spending to demonstrate the effectiveness of drones, Singh is estimating a turnover of ₹1 crore in the financial year ending March. He has already hired 25 certified drone pilots who receive a salary of ₹20,000 per month along with accommodation.

Among them is 22-year-old Salita, who is pursuing a graduate degree. The daughter of a small farmer from Kaithal in Haryana, Salita received her pilot training in July last year. In a nearby farmers' field, she demonstrated the workings of a drone which weighs 25kg (with a 10 litre payload), flying it adeptly over the wheat crop.

"After I gather enough experience, I want to purchase a drone and offer services to farmers in my village," Salita said. How long will it take her to recover the capital expenses of purchasing a drone? Less than a year, explained Singh. A drone can easily cover 20 acres in a day and 400 acres in a month. If used for eight months in a year, a service provider can earn ₹16 lakh (assuming a service charge of ₹500 per acre).

Singh added that associated costs are likely to reduce in the future as the market picks up. For instance, currently it costs over ₹35,000 a year to insure a drone. It will also become easier to transport drones to remote fields, Singh said, showing new models in his stock (manufactured by IoTechWorld) which can be neatly packed on the back of a bike.

The farmers in the field where Salita did a trial demonstration appeared happy. "My pesticide costs are 10% lower and yields are higher by three quintals per acre for wheat and over five quintals in rice," said Gurvinder Singh, who farms on 20 acres in Rajgarh village. The higher yields means an additional income of ₹6,000 to ₹10,000 per acre.

Gurvinder added that after seeing the results, 15 farmers from the village are now regularly using drones for spraying pesticides and micronutrients.

Results from a research trial published by the Telangana state agriculture university, published in December 2022, lends credence to Gurvinder's experience. The study recorded an incremental yield of 12 quintals per hectare in paddy (or about 5 quintals in an acre) on pesticide application through drones, when compared with manual spraying.

A FLYING TRACTOR

With an expanding market, drone manufacturers are gearing up to produce more. For instance, Dhaksha Unmanned Systems, which has sold over 1,000 drones so far, is expanding its capacity to produce 800-1,000 units per month. "Most domestic manufacturers use 65% local materials while critical parts like propeller motors, cameras and transmitter devices are imported," said Ramanathan Narayanan, managing director and chief executive officer (CEO) at Dhaksha. The company has trained 200 women and 20 transgender drone pilots so far. "With government subsidies, we foresee increased adoption and reduced costs of hiring for farmers," Narayanan added.

Manufacturers of crop protection chemicals and seeds are also at the forefront of promoting drones. For instance, Syngenta India has so far used drone sprays in over 100,000 acres spread across 15 states. "We have been aggressive in demonstrating the utility of this technology for farmers. But the ecosystem is not ready yet. While manufacturers are ready with drones, there is a shortage of service providers, maintenance personnel and drone pilots," said Susheel Kumar, country head for Syngenta. "Cutting edge technologies like drones are critical to retain youth in agriculture.

In future, drones can transform into an aerial tractor performing multiple operations, said Prem Kumar Vislawath, founder and chief innovator at Marut Dronetech. These include transplantation of seedlings, pollination and monitoring of fields, in addition to spraying of nutrients and crop protection chemicals.

Since December 2022, Marut has sold over 600 drones which are priced upwards of ₹6.75 lakh per unit. The company has worked with five stakeholders in the ecosystem to expand the market which include drone-as-a-service entrepreneurs, farm machinery dealers, chemical companies, contract farmers (growing commercial crops like tobacco), and agriculture universities.

In its early years, Marut used drones to control the spread of mosquito borne diseases like dengue and malaria. It entered the agriculture space in 2018. "In the past, we have seen several deaths due to pesticide poisoning (in Yavatmal, Maharashtra, 2017) and we also know about the train carrying cancer patients from Punjab to Rajasthan," Vislawath said.

A train from Bhatinda in Punjab to Bikaner in Rajasthan used to carry several cancer patients daily till a few years back—before treatment facilities opened locally. In parts of Punjab, the cradle of green revolution, indiscriminate use of fertilisers and pesticides is considered to be a probable reason behind high incidence of cancer.

"Controlled and effective spraying is the answer to the damaging practices around pesticides application," Vislawath added.

Salita, a 22-year-old drone pilot from Kaithal, Haryana, demonstrates the workings of a drone over a field growing wheat crop. PRIYANKA PARASHAR/MINT

How Edelweiss's Radhika Gupta dialed up risk in her portfolio

Gupta says she cut exposure to balanced advantage funds, added to mid- and small-cap funds

Jash Kriplani
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At 40, she is the only woman chief executive officer (CEO) in the ₹54-trillion mutual fund (MF) industry. To top it off, Radhika Gupta, managing director and CEO of Edelweiss MF which has assets under management of ₹1.16 trillion. is one of the youngest chief executives in the industry.

Gupta, who has been at the helm of Edelweiss since 2017, started her own investment journey when she began earning. She reviews her investment portfolio periodically. "I usually do a structural portfolio review every 4-5 years. Last year was that point and I decided to get a bit more aggressive with my investments," she says.

She has made two major changes in her portfolio over the year. One, she increased her monthly investments via systematic investment plans (SIPs) as her income had grown. Two, she cut exposure to balanced advantage funds (BAFs), which tend to be more conservative.

Current asset mix

Gupta's current asset allocation mix has seen significant changes. Her exposure to BAFs has reduced to 38% from 60%, while that to mid- and small-cap funds has doubled from 15% to 30%. She attributes this partly to the sharp gains seen in mid- and small-cap funds over the past year, in combination with her own decision to increase allocation to these funds.

To put this in context, the Nifty Midcap 100 Index has rallied 55% in the past year, far in excess of Nifty 50's 29% gain during the same period, while the Nifty Smallcap 250 index has surged by nearly 57%.

Gupta is comfortable with this exposure to mid-and small-cap funds as of now because she still has a long-term investment-horizon and is a net-saver on a monthly basis. She has a 10% allocation to international funds, which, however, didn't do as well as the rest of her equity portfolio. "Our emerging market fund investments had some China allocation which has not done as well. However, I still believe in that allocation," she says.

Alternatives make up for 7% of the portfolio. This includes the shares of unlisted AIF (alternative investment fund). However, this excludes her Shark Tank India investments—a TV reality show where she is one of the judges. Early-stage start-ups make their pitches and seek investments on the show.

Overall, her investment portfolio has delivered 35% returns over the past year, which is slightly behind the Nifty 500 Index that delivered 38% over the same period. She says it makes sense as she still had a large exposure to BAFs, which invest dynamically between equity and debt. The returns were also affected by the performance of international funds .

Gupta wants to stay away from investing in real estate at least for now. "I bought a house in 2014, changed it in 2018 and got possession of the new house a couple of years back. I don't do other real estate investments. Periodically, I get temptations to buy a vacation home. But I have been reasonably disciplined as I prefer my investments to be liquid," she says.

GURU PORTFOLIO
A MINT SERIES

Changing goals

Gupta recently achieved a major milestone, which was to purchase a house. Soon after her son's birth in August 2022, the family moved to the new house in Parel, an upscale locality in Mumbai. This was also one reason Gupta says she decided to get aggressive with her investments. "Apart from the fact that our income had grown and lot of money was just getting accumulated in the savings bank account, we also had achieved a major life goal with the house purchase. Also, we have a son now. So, it was time to increase our SIP investments and we were willing to take more risk in our portfolio," she says.

As for insurance, Gupta has a ₹7-8 lakh family health cover from her employer. Gupta and her husband are debating whether they should get a separate health insurance with a larger cover or create a separate health corpus. "We can still get a health cover at reasonable premium, as my husband and I are both still young," she says. The life insurance cover of ₹6-7 lakh, too, has been provided by her employer.

Gupta says she has a contingency fund, which covers more than 12 months of expenses. She says the contingency corpus also holds funds that she may need for her Shark Tank India investments.

She also sticks to savings rate of 45-50% on her take-home income.

Non-Edelweiss MFs

About 70% of her MF investments is in Edelweiss schemes. She says she looks for non-Edelweiss MF schemes when she needs a style diversification. "First, I know that these are the five-six fund categories where I want to invest in. Then, I pick an Edelweiss fund. Hence, the Edelweiss scheme for me would usually be the dominant scheme in any category. Then I consider a fund from another fund house for style diversification," she says.

For example, if Gupta is investing in a trend-following BAF of Edelweiss MF, she would look for another BAF from another fund house with a contrasting investment style. Similarly, if she invests in a growth-oriented fund of Edelweiss MF, she would look for a slightly value-tilted fund house in another category.

Minor investing

Gupta's almost 2-year-old son Remy also has MF investments in his own name. Remy's portfolio generated 45% returns on investments over the past year and performed better than that of his mother. "We have given him a higher risk-appetite. He has a much longer time-horizon," she says. Remy has investments in international tech fund, small-cap and mid-cap funds, and large & mid-cap index fund.

Being a shark

Gupta says the Shark Tank India experience was very different.

Unlike MFs where there is so much transparency and disclosures, the show's format is such that the early-stage start-ups get just around one hour to make their pitches and the sharks (investors) also get the same time-frame to take an investment call. No data is shared before the pitchers walk onto the set.

Gupta shared that she has made quite a few investments on the show. However, these investments are currently going through due diligence. So, whether these deals finally materialize or not would depend on how the due diligence proceeds.

During due diligence, the claims made by the companies during their pitches with respect to sales, revenues and profitability are verified. Other hygiene checks are also made related to whether the company is regularly filing taxes, goods and services tax, etc.

Gupta shared the names of some companies that she was excited about. Tohands is one. It is a company founded by a 22-year-old from UP that makes smart calculators to solve ledger problems of shopkeepers. "The founder has spent six years on this problem," she says.

"Dil Foods is another, which is run by a fabulous woman entrepreneur, trying to solve problems of restaurants with excess capacity," she adds.

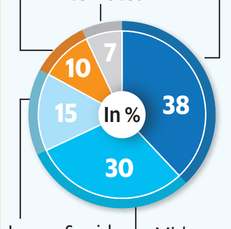
A third one is Jewelbox, a lab-grown diamond company . Gupta says she can only share the names of companies whose pitches have already been aired on the ongoing season of Shark Tank India. Gupta says she looks for start-ups, where she can add value, support and whose causes she can connect with. "Stuff like food, diamonds, fintech are clearly things I am passionate about. I have also run a restaurant in the past," she says.

Advice for women

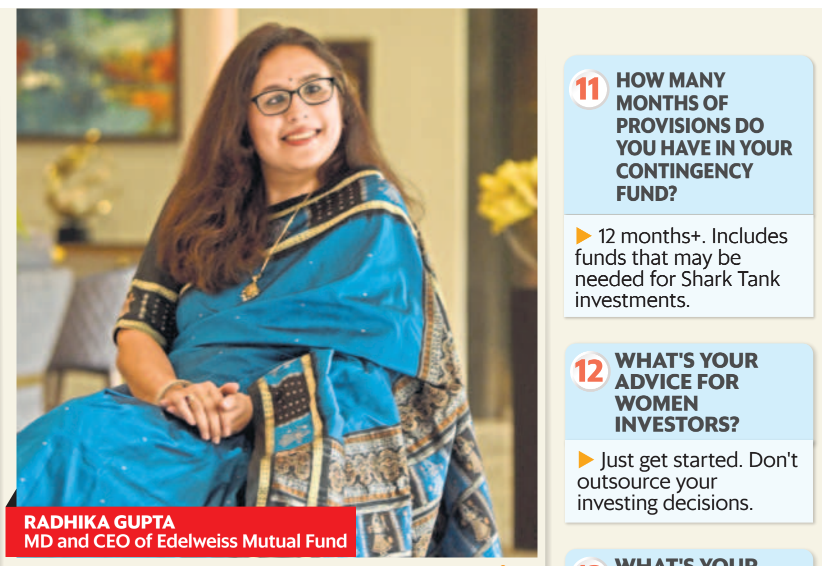
Gupta says women looking to invest should just get started. "For women investors, the advice has always been to get started and not outsource it. They should not let others do it, but take charge of their investments. Once women start, they realize they are damn capable at doing this," she says.

As for first-time and young investors, Gupta says it is better for them to keep it simple and not complicate it with complex investment products.

1 WHAT'S YOUR CURRENT ASSET MIX?



Excludes contingency fund, Esops, regulatory investments, Shark Tank. Has a primary home, but doesn't invest in real estate.



RADHIKA GUPTA
MD and CEO of Edelweiss Mutual Fund

2 DO YOUR ALTERNATES INCLUDE SHARK TANK INDIA INVESTMENTS?
- Not right now. Includes unlisted AIF.

3 WHAT WERE THE MAJOR CHANGES?
- Dialled up risk in the portfolio.
- Had to increase SIPs after income growth.

4 HOW HAS YOUR PORTFOLIO PERFORMED OVER THE LAST YEAR?
- It was up about **35%.**

5 HOW HAS YOUR 2-YEAR-OLD SON'S PORTFOLIO PERFORMED?
- Got 45% returns. We have given him higher risk-appetite.

6 WHERE IS YOUR SON INVESTED?
- International tech fund, small-cap fund, mid-cap fund and large & mid-cap index fund.

7 WHAT WORKED FOR YOU?
- Increasing SIP allocation.
- Increased mid- and small-cap exposure.

8 WHAT DIDN'T WORK FOR YOU?
- China allocation in emerging market funds.

9 % OF MF PORTFOLIO IN EDELWEISS SCHEMES?
- About 70%. Some non-Edelweiss schemes for style diversification.

10 HOW DID YOU MANAGE TO INVEST IN EARLY-STAGE STARTUPS ON SHARK TANK WITHIN JUST 1 HOUR?
- Some investing basics stay the same.

11 HOW MANY MONTHS OF PROVISIONS DO YOU HAVE IN YOUR CONTINGENCY FUND?
- 12 months+. Includes funds that may be needed for Shark Tank investments.

12 WHAT'S YOUR ADVICE FOR WOMEN INVESTORS?
- Just get started. Don't outsource your investing decisions.

13 WHAT'S YOUR ADVICE FOR FIRST-TIME INVESTORS?
- Keep it simple. Don't complicate it.

14 WHAT IS THE AMOUNT OF LIFE INSURANCE COVERAGE YOU HAVE?
- Have about **₹7-8 lakh** cover via employer cover.
- We are considering personal cover or health corpus.

15 HOW MUCH LIFE INSURANCE YOU HAVE?
- About **₹6-7 lakh** via employer cover.

Each investor has their own preferences and risk appetite, do your own research before investing. *Mint* does not independently verify non-public data reported by interviewees.

PRANAY BHARDWAJ/MINT

POWER POINT
JOYDEEP SEN

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

THE 'MARCH EFFECT' AND INDEXATION BENEFIT IN MFs

Till 31 March of last year, debt funds were eligible for indexation benefit for the purpose of long-term capital gains (LTCG) tax. This is a benefit that reduces the impact of inflation on LTCG, given that part of the gains in investment accrues from inflation. Since 1 April 2023, capital gains from debt funds are taxable as short-term capital gains (STCG), irrespective of the holding period. In other words, LTCG and indexation benefits are no longer available. However, the Finance Act of 2023 opened up another category in mutual funds (MFs) for taxation purposes. Funds with more than 65% exposure to equity remain taxable as equity. Funds with less than 35% exposure to domestic equity are taxable as STCG, irrespective of holding period. Funds with 35-65% exposure to equity are still eligible for indexation, which is the new category for taxation purposes.

How does this work? You require a holding period of three years to be eligible for indexation. Your purchase cost is 'indexed up', as per cost inflation index (CII) published by the Central Board of Direct Tax. The differential between your indexed purchase price, and sale or redemption price is taxable at a flat rate of 20%, besides the applicable surcharge and cess. As an illustration, let us say you had purchased MF units in March 2020 at a cost of ₹10 per unit. You redeemed the units in July 2023 at a price of ₹13. Apparently, your capital gain is ₹3 per unit. Now, the purchase price of ₹10 will be 'indexed up'. The CII for financial year 2019-20 was 289 and that for 2023-24 was 348. Hence your purchase price, for the purposes of long-term capital gains, becomes ₹12 (348/289 x ₹10 [ignoring paisa for simplicity]). ₹1 is taxable at 20%, ignoring surcharge and cess. Hence you pay a tax of 20 paisa on capital gain of ₹3, which implies an effective tax rate of 6.67% on the gains.

You require a holding period of three years to be eligible for indexation

There is a 'March effect' in this. The starting point of your "meter" so to say, for computation of indexation, is the financial year in which you make the investment. Either you make the investment in April of that financial year or March, does not matter. Hence, if you invest in March, even without remaining invested since previous April or some other month of the year, you get the same benefit. If you invest in March this year, your starting point will be the CII of 2023-24. If you redeem in say April 2027, you are remaining invested for little more than three calendar years. For computation of indexation, your starting year is 2023-24 and terminal year is 2027-28. That is, you get the benefit of four CII numbers for indexation purposes.

Now the question is, which are the funds that are eligible, in the bracket of 35 -65% exposure to domestic equity. There are certain multi asset funds (MAFs) positioned in this bracket. To be noted, not all MAFs are eligible for indexation—it depends on the positioning by the AMC: MAFs with more than 65% domestic equity are taxable as equity funds. A few are positioned for taxation with indexation benefit. There is one MAF where the equity component is hedged, like in arbitrage funds. That makes it a quasi-fixed-income fund with indexation benefit. Recently, one balanced advantage fund (BAF) has been positioned in this category. In this fund, domestic equity will be little less than 65% and obviously much more than 35%. BAF funds would gain less than equity funds in a market rally but will lose relatively less in correction phase.

For fresh investments in debt funds, investors should open fresh folios. This is to avoid confusion in taxation. For taxation purposes, redemptions are tracked on first-in-first-out (FIFO) basis. Your investment till 31 March 2023 may not have completed 3 years from the date of investment till today/date of redemption, which is required for indexation benefit. You may want to continue with the taxation advantage; three years is the minimum eligibility for indexation. New folios will keep the demarcation clear, for deployments after 1 April 2023.

Joydeep Sen is a corporate trainer (financial markets) and author.

Best home loan rates

A home loan is probably the biggest loan that one takes. Not only in terms of the loan amount, but also tenure, which can be 15 years or more. The total final amount that one pays can be double of what was borrowed. But a home loan is among the cheapest loans available, and usually it is the only way a person can buy a house. A home loan is called a 'good' loan because it helps you acquire a tangible asset that can appreciate over the long term. It makes sense to buy a house if you plan to live in it. Given the fact that the construction of several housing projects in India continues to be delayed or stalled by many years, financial advisers say that one should buy a ready-to-move-in house. Here's a look at the lowest home loan interest rates of some leading banks.

Loan amount = ₹30 lakh. Tenure = 20 years

Lender	Interest rate (%)	EMI (₹)	Processing fee
Bank of India	8.30-10.75	25,656-30,457	Waived till 31 March 2024
Bank of Maharashtra	8.35-10.90	26,283-30,762	Nil
Union Bank of India	8.35-10.75	26,283-30,457	**0.50%** (Max. **₹15,000**) + GST
Bank of Baroda	8.40-10.60	25,845-30,153	Nil; Out of pocket expenses of up to **₹10,000** + GST (Per Property)
Canara Bank	8.40-11.25	25,845-31,478	**0.50%** (Min. **₹1,500** and Max. **₹10,000**)*
IDBI Bank	8.40-12.25	25,845-33,557	**₹5,000** to **₹15,000**
Indian Bank	8.40-10.20	25,845-29,349	Up to **0.25%**
Indian Overseas Bank	8.40-10.50	25,845-29,951	Up to **0.50%** (Max. **₹25,000**) + GST
Punjab National Bank	8.40-10.10	25,845-29,150	Nil up to 31 March 2024
UCO Bank	8.45-12.60	25,940-34,296	**0.5%** (Min. **₹1,500** and Max. **₹15,000**)
Central Bank of India	8.50-9.50	26,035-27,964	Completely waived till 31 March 2024
State Bank of India	8.50-9.65	26,035-28,258	**0.35%** (Min. **₹2,000** and Max. **₹10,000**) + GST
Punjab & Sind Bank	8.55-10.00	26,130-28,951	Full waiver of processing charges
HDFC Bank	8.70-9.30	26,416-27,573	For salaried and self-employed: Up to **0.50%** or **₹3,000** + taxes**
Axis Bank	8.75	26,511	Upto **1%** subject to a min amount that the bank stipulates

Data taken from banks' websites as on 14 March 2024. EMI range is indicative and calculated on the basis of interest rate range; it may include other charges and fees. Actual applicable interest rate may vary based on the credit profile of the loan applicant. *50% waiver from 01 February 2024 to 29 February 2024 under Retail Loan Festival. **For self-employed non professionals: Up to 1.50% or ₹4,500 (higher) + taxes

PRANAY BHARDWAJ/MINT

Source: MyMoneyMantra.com

What is the taxability for inherited assets?

Neeraj Agarwala

I inherited ₹20 lakh in cash and two house properties. Subsequently, I gifted ₹10 lakh in cash and one house to my maternal aunt residing in South Africa. Do I need to pay income tax on the entire inheritance, or only on the remaining amount after allocating my aunt's share? Additionally, should I declare this transfer in my income tax return (ITR)?

—Name withheld on request

In accordance with section 47 of the Income Tax Act , the transfer of capital assets through inheritance is not deemed as a taxable transfer. Therefore, the receipt of ₹20 lakh and two house properties through inheritance does not incur any tax liability at present. Any tax obligation would arise only upon the eventual sale of the house property in the future. It's important to note that there is currently no scope in the income tax return for declaring inherited property, and as such, no additional disclosure is required for these inherited assets.

As per Section 56 of the Income Tax Act, any monetary gift, immovable property or moveable property received by an individual becomes taxable if the aggregate sum of money received during the year exceeds ₹50,000. However, there are specific exceptions to this rule, including gifts received from relatives.

For the purpose of the Income Tax Act, "relative" includes:

(a) Spouse of the individual;

(b) Brother or sister of the individual;

(c) Brother or sister of the spouse of the individual;

(d) Brother or sister of either of the parents of the individual;

(e) Any lineal ascendant or descendant of the individual;

(f) Any lineal ascendant or descendant of the spouse of the individual;

(g) Spouse of the persons referred to in (b) to (f).

Accordingly, transfer of cash and house property to your maternal aunt should also be non-taxable. However, repatriation limits for the gift will be subject to Foreign Exchange Management Act (FEMA) laws, allowing her to receive funds within the prescribed limits.

ISTOCKPHOTO

ASK MINT
TAXATION

I am a working professional and the gross receipts from my profession amount to ₹12 lakh. Additionally, I have short-term capital gains from debt funds redemption. If I intend to avail benefits under Section 44ADA, which income tax return (ITR) form should I utilize for filing my taxes?

—Name withheld on request

Generally, when reporting income under presumptive tax, income tax return (ITR) form 4 is often recommended. It's tailored to simplify the declaration process for income from business and profession, though it's limited to declaring only income from house property and other sources. However, if you have capital gains income, you'll need to use ITR 3 instead. This form is specifically for taxpayers earning income from business and profession, and it requires disclosure of capital gains along with other income.

Neeraj Agarwala is partner, Nangia Andersen India.

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

OUR VIEW

MINT

Indian democracy is at a significant crossroads

As the schedule for this year's Lok Sabha polls is announced, the country's debate over its future features legitimate misgivings over campaign finance and synchronized elections

It was India's second prime minister Lal Bahadur Shastri who famously said, "There comes a time in the life of every nation when it stands at the crossroads of history and must choose which way to go." Independent India has reached a new juncture in its journey and the decision on which path to take will determine its future as a democratic republic. The chosen trajectory will affect every sinew of the nation: its citizens, the judiciary, media, bureaucracy and, of course, civil society. Two key developments have coalesced which, while seemingly uncoordinated, have been timed to preface the 2024 general elections, a 7-phase plan for which was announced on Saturday. The first is the data on electoral bond donors and recipients that the Supreme Court directed State Bank of India (SBI) to divulge and which the Election Commission has now displayed on its website. Strike one for democracy's inalienable right to information, despite SBI's filibustering attempts. The second development is former president Ram Nath Kovind committee's multi-volume report on One Nation One Election (ONOE), which has expended thousands of pages to recommend exactly what the ruling party has wanted all along: simultaneous elections to the Lok Sabha and state assemblies. Both developments not only provide some insight into the slippery slope of India's democratic journey, but also how Indian democracy is slowly being pushed to a precipice.

The electoral bond data provides revelations which everybody suspected for a long time: of a nexus between industry and politics, to the detriment of citizens. Two facts jump out from the data dump available for inspection now. One, the *quid pro quo* between political donations and award of government contracts is out in the open, with daylight illuminating the coincidental timing of electoral bond purchases with raids by central investigative agencies. The second feature shines a light on an old India Inc characteristic: the proliferation of shell companies as a platform for the nifty routing of funds for political purposes. The raw data hints of how legacy campaign finance aberrations persist (albeit in mutated forms), especially how big business continues to corrode political intent and warp policy frameworks.

The Kovind panel's suggestion that all elections—general, state assembly and third tier—should be held at the same time can be viewed as an extension of the ongoing project to invest the Centre with greater power. Changes over the past decade in taxation laws and revenue distribution have already vested the Centre with greater command over devolutionary fiscal resources. ONOE could potentially grant the Centre greater political dominance over the states and erode India's federal structure. The ONOE project threatens to reawaken ghosts of the forgotten centre-versus-periphery debate; the entire proposal seems designed to deepen centralization and reduce state agency under the subterfuge of technocratic efficiency and fiscal rectitude. ONOE in its current form represents myriad risks, but one critical risk will be a whittling of citizen rights, especially the right to voice differing demands in different elections, each depending on the elected body's differentiated authority over policy. The Indian democracy project has been a spectacular undertaking so far, drawing universal admiration for its steely framework. The national objective should be to strengthen and not weaken its foundations.

THEIR VIEW

Let's reform the IBC but without getting in the way of commerce

Authorities should take care to ensure they oil the wheels of business and not throw in a spanner

NEETI SHIKHA
teaches at Bristol Law School, University of the West of England, UK.

The Standing Committee on Finance recently made some crucial observations on the workings of the Insolvency and Bankruptcy Code (IBC). The overarching concern is that the very purpose behind its enactment has been stifled by problems which have cropped up in recent years. While most of the panel's observations ring true, some seem rhetorical and without reason or evidence. It may be true that young insolvency professionals (IPs) may not be capable of handling big cases, but there is demand for both young and experienced IPs, especially in a country where small and medium-sized businesses abound. As for whether they have added value to the insolvency ecosystem, the proof is in the pudding. During my tenure at the Indian Institute of Corporate Affairs where I spearheaded the graduate insolvency programme, its graduates obtained 100% placement with leading firms. Some of them let go of job offers to start their own enterprises and their journey so far affirms the idea of having a young cadre of IPs.

The committee's concern over court capacity seems to have been addressed. The ministry of corporate affairs has filled most of the vacancies at the National Company Law Tribunal (NCLT), bringing its total strength to 57 out of the sanctioned 63 members, which is close to 90%.

The Indian government has also agreed to expand the NCLT by adding 100 members. The challenge from here onwards will be to find members with the relevant expertise. Most NCLT members have little experience in dealing with commercial matters and commercial laws have their own *raison d'etre* that requires knowledge of economics and a deep understanding of how markets work.

Further, cases such as *Bank of Maharashtra vs Newtech Promoters and Developers Pvt Ltd* show an emerging form of court jurisprudence under which the financial health of a corporate debtor seems to be a criterion for the rejection of an insolvency application under Section 7 of the IBC. This approach was not envisaged in the Code's design. If lawmakers wanted a business's financial health as a criterion for denying the admission of an insolvency petition, they would have kept a balance-sheet test within the Act's legislative design.

Also, every insolvency case has an impact on the rights of third parties, and the concept of equity works differently in matters of commerce. Importantly, the law's framework has scope for the withdrawal of an insolvency petition under Section 12A of the Code. This makes space for a corporate debtor to come to the compromise table under judicial oversight. As much as we may disagree with the decisions of creditors, their wisdom should not be questioned. What could be done, however, is to nudge them to consider the interests of other stakeholders while they evaluate a revival plan, although this is something that should be enabled by the legislature through law and not be done by courts.

Courts should remind themselves of the case of *Salomon vs Salomon & Co Ltd*, where although Salomon used the company to defraud creditors, a rigid construct of company law was adopted to establish a century-old principle that a corporation is a separate juristic personality, a distinction that gave rise to the legal structure of modern businesses. In these early years of the IBC in India, courts should give effect to the letter of the law so that the Code gets firmed up.

Now, turning to a crucial question, what should the government do when it considers how to reform the IBC? Foremost, it should create a separate and new cadre of policy experts who can evaluate fault-lines based on what the evidence shows. Second, this time, the government should adopt an evidence-based approach before making any amendments to the Code.

For disciplining errant IPs, we need stricter gatekeeping, which can be achieved by toughening the insolvency exam. Once candidates become IPs, there should be checks and balances within the system to monitor any suspicious activity by these professionals.

The regulator can evolve a two-stage process. It can examine cases internally to see if there is *prima facie* merit in the allegations before initiating disciplinary proceedings as the second stage. In the event that misconduct is established, the punishment should be harsh, as with serious white-collar crimes, so that such conduct could be deterred.

While making any amendments to the IBC, both regulators and the legislature should be cautious not to create any regulatory cholesterol. It is always useful to remind ourselves that in financial regulation, less may be more. It is worth noting what an outstanding judge of an English commercial court had said: "We are here to help businessmen, not to hinder them; we are there to give effect to their transactions, not to frustrate them; we are there to oil the wheels of commerce, not to put a spanner in the works, or even grit in the oil." Thus, the aim of both the law and the courts should be to oil the wheels of commerce and not throw a spanner in it. New India needs businesses to drive its economy, and businesses, in turn, need legal certainty.

These are the author's personal views.

10 YEARS AGO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MINT METRIC

by Bibek Debroy

For Tejpal Singh, leave is absurd.
He works every day, undeterred.
In 26 years, only a single day
When from office, he was away.
In Bijnor, this remarkable record has occurred.

MY VIEW | MODERN TIMES

Indian sophistication on stray dogs can be confusing

MANU JOSEPH

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

Now and then, stray dogs tear a child apart. Old people too. This is rare. But they do kill thousands of Indians every year in a less dramatic way, through rabies, and dozens of other diseases. The World Health Organization speculates the figure could be 20,000. Of these, "30% to 60%" are children under the age of 15. Most of them must be poor because if this had happened to middle-class people or the rich, India would have probably exterminated stray dogs by now. Lakhs of Indians are bitten every year; innumerable motorcyclists fall when they are chased by dogs.

Yet, in dealing with stray dogs, India has among the most compassionate regimes in the world. Some of the laws that protect homeless dogs are so thoughtful that it would appear a stray dog has infiltrated lawmaking. In India, public spaces and private colonies are territories of stray dogs. If a dog mauls and kills a child, the dog would be taken away for a few days and observed. If it does not appear aggressive, it would be returned to the very place it had attacked the child. And people cannot be stopped from feeding it.

This is confusing because except for animal rights, in all other aspects, India has evolved into a practical unsophisticated middle-class nation that has no patience for esoteric liberal values like 'free speech' or 'privacy.' The fount of liberal sophistication, the West, has long got rid of its stray dog problem chiefly by killing them. Yet, a small group of global animal lovers has managed to pressure India into enacting sophisticated laws that favour dogs over the human poor.

Stray dogs are an easy civic problem to solve, and very difficult moral problem. People who claim to love them should be asked to do more than attach a collar on them, or feed them on the roads. They should take them home. The other solution is euthanizing them. But even people who suggest this when they chat with me refuse to be quoted.

Ryan Lobo is a wildlife filmmaker and a moderate lover of dogs, but does not imagine dogs are his children. Nevertheless, he cannot help but see something of a child in a canine. He is among the activists who are fighting animal lovers in courts and in the media. He says India's protection of stray dogs is bad for Indians and stray dogs. Lobo says there are probably 80 million stray dogs in India, and they have to be removed from public spaces. He says sterilization does not work. "It's a well-known fact globally that sterilization as a population control measure is meant for owned dogs. It's not meant for free-ranging stray dogs." Apart from the fact that it is ineffective, the other problem is that it does not make dogs go away. "The effects remain. So a sterilized dog can still bite you and it can still pick up any of 40 or 50 diseases and transmit them. And statistically, or you could say logistically, it's not possible to vaccinate 60-80 million dogs a year without abysmal failure, which is what we see."

Our protection of strays suggests a compassion greater than what we have for humans

Do humans have a primary right over their environment? I have no moral answer to this question. However, there is a practical answer. Almost every aspect of human life is based on the natural instinct of any species to exert control over its environment. Seen that way, yes, like any animal, we have a primary right over our environment. But then the human instinct of compassion has saved millions of human lives and given purpose to a civilization that otherwise has no meaning. So, maybe putting up with harmful animals is a price we pay for being beneficiaries of compassion. Even so, India's decision to sacrifice human welfare, especially of the poor who are forced to share the immediate environment with stray dogs, is not a carefully calculated moral position. It is mostly moral laziness and the feudal triumph of a section of the middle-class that has devised a moral camouflage to justify its love for dogs above humans.

Also, India's dog laws are the triumph of evolution's investment in cuteness. "Dogs have adapted," Lobo says, "to gel with human beings. So, you know, the eye movement, the muscles around the eyes in dogs are very highly developed. They're very different from wolves, which don't have the same muscles. So, when you look at a dog, the dog raises its eyebrows." Also, dogs have realized it is profitable to "mimic an infant."

For the violence of stray dogs, animal lovers fault human behaviour. They say the mannerisms of people provoke dogs. Don't get nervous, they say, and dogs won't bite you. This is partly true, partly false and partly also daft.

Some people are naturally very comfortable around stray dogs, and some just cannot be so relaxed. It is similar to how some people are not scared of snakes while most are. Also, the behaviour of stray dogs depends on circumstance. They can seem endearing when you are in a car, or in other safe enclaves of Indian life. But when you are on a cycle or motorcycle, or running down desolate stretches, there is a very real risk of being bitten no matter what lovely sounds you generate. On Goa's beaches, there are packs of as many as 30 dogs. At around six in the morning, there would be no one around you for miles, just packs of dogs. Sometimes they come charging. Mostly, they just want to play. Or they themselves don't know what they want.

As with people, there is a tiring ordinariness to the sweetness of stray dogs. They are quite lovely to those over whom they have no power, and dangerous to the vulnerable, like little children, or even an adult who is far outnumbered.

THEIR VIEW

Frontier-market debt is back in favour but with attendant risks

US Fed actions or domestic political troubles in bond-issuing countries could make it harder for them to service their debt

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ISTOCKPHOTO

Frontier markets are back. Several African countries have recently returned to global financial markets, placing foreign-currency bonds with international investors. The question is whether they are back for good, or whether someone or something—namely, the US Federal Reserve—will throw a wrench in the works.

Let's start with the facts. In January and early February, Côte d'Ivoire and Benin were able to place $3.35 billion of bonds with international investors. Côte d'Ivoire's issue was more than three times oversubscribed, and Benin's more than six times. Kenya followed with a $1.5 billion Eurobond that attracted more than $5 billion in orders. This activity marked the end of a two-year dry spell when African borrowers were locked out of international capital markets.

In several cases, the revenue raised will be used to buy back debt maturing this year or next. The fact that investors are willing to participate suggests that they are confident in governments' ability to service their debts. They are not seeking to exit once their holdings mature.

Several factors account for this sudden success. First, macroeconomic performance across Africa is improving. The African Development Bank forecasts that the continent's gross domestic product (GDP) will grow by 3.8% in 2024 and 4.2% in 2025, faster than last year. Eleven African countries are projected to expand by at least 6% in 2024. Not coincidentally, this group includes Côte d'Ivoire and Benin, with Kenya just behind at 5%. More growth means more debt-servicing capacity. Credit-rating agencies expect more upgrades than downgrades for the first time in years.

Second, the International Monetary Fund (IMF) has been unusually supportive, providing more than $50 billion to the region between 2020 and 2022. This is more than twice the amount extended in any 10-year period since the 1990s. Investors may be anticipating that the IMF will bail them out if things show signs of going wrong.

Third, press reports suggest that the United States and China are eyeing a new initiative to lighten the debt load on low-income countries, with an eye toward presenting a proposal to G20 leaders later this year. This could entail adding to debt contracts a provision allowing troubled countries to extend loan maturities, and increasing grant financing from the World Bank and other multilateral institutions.

Given the failure of existing G20 debt schemes such as the Common Framework for Debt Treatments, a new initiative is welcome. Averting defaults in troubled countries is a necessary condition for enabling governments to refinance their maturing debts. Given the prevalence of contagion in global bond markets, averting defaults would avoid demoralizing investors and interrupting market access where it has been regained.

Fourth, investors are betting that yields on US Treasuries and other advanced-economy bonds will come down once the US Fed and European Central Bank (ECB) declare victory in their fight against inflation. If yields on 10-year US Treasuries fall from their current level, slightly above 4%, a Benin dollar bond yielding 8.5% or a Kenyan dollar bond yielding 10% will be more attractive still.

But not everyone agrees that the recent episode of inflation is definitively over. If interest-rate cut hopes are disappointed, or, worse, if the Fed and the ECB see signs of resurgent inflation and feel compelled to raise rates, Kenya's February bond placement could be the last. And with 10-year US yields up 50 basis points over the first two months of 2024, someone is evidently betting on the possibility of rate hikes.

This points to another danger, namely the dollar cycle. Typically, when the US central bank raises rates, the dollar strengthens, making it harder for developing countries to service their dollar debts. Much has been made of the supposed end of the 'original sin'—the name given to the fact that emerging markets have long been able to place only dollar bonds with international investors. Now, it is said, they are also able to sell bonds denominated in their own currencies.

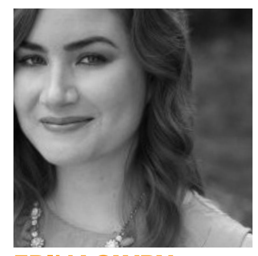
In fact, however, redemption from original sin has been highly selective. Any newfound ability to sell local-currency bonds to international investors has in practice been limited to a handful of relatively large middle-income countries, leaving frontier markets exposed to currency risk.

As everyone knows, there are two sides to dollar exchange rates. Local currencies can weaken against the greenback, aggravating debt-servicing problems, not just because the Fed raises rates but also owing to domestic economic and political problems.Ghana, for example, saw mass protests late last year over the austerity required in order for it to restructure its debts and begin repairing relations with its foreign creditors. Reflecting this turmoil, the Ghanaian cedi has been weakening, which further complicates the country's debt problem. Politics, and therefore exchange-rate fluctuations, happen. African countries contemplating a return to the Eurodollar market should take this risk to heart.

MINT CURATOR

Free tuition will not solve the problem of pricey education

Grants by the wealthy are helpful but only for a few beneficiaries



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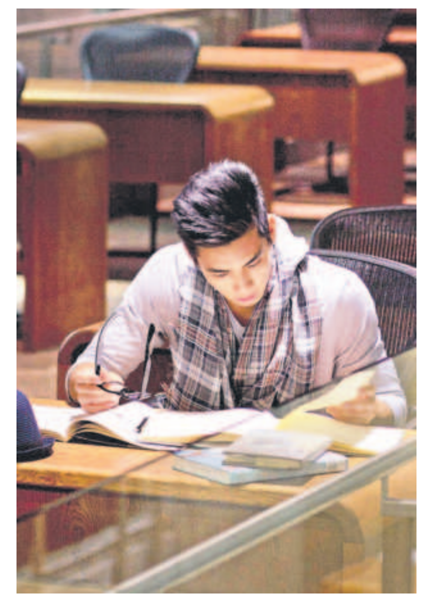
is a Bloomberg Opinion columnist covering personal finance.



The challenge is to make higher education affordable for all ISTOCKPHOTO

One morning late last month, the financial futures of hundreds of medical students in the Bronx, New York, changed forever. A gift of $1 billion from Ruth Gottesman, a former professor at Albert Einstein College of Medicine and chair of its board of trustees, will make the school tuition-free in perpetuity. The donation, one of the largest in US higher education history, is an act of generosity that will undoubtedly improve life for Einstein's students and potentially benefit the surrounding community, one of America's poorest. It also highlights how much US colleges and universities rely on wealthy donors—and raises the question of whether more systemic changes would better serve students and society.

I'm under no illusions about how hard that change would be. When the federal government attempts to forgive or cancel student loan debt, there is an outcry. This includes Republican attempts to end the Public Service Loan Forgiveness programme for new borrowers, which requires 10 years of work in exchange for forgiving remaining debt. This is in a nation whose citizens rely on friends, neighbours, relatives and perfect strangers on the internet, on sites such as *GoFundMe* and *ModestNeeds*, to help pay for such things as rebuilding after a natural disaster, educational debt or medical expenses.

Relying on the kindness of strangers in the wake of a tragedy is not a new phenomenon, of course. Yet the sheer proliferation of requests for help is an indicator of gaping holes in America's social safety nets. Some 30 million people gave or received help on *GoFundMe* in 2023, according to the company's 2023 *Giving Report*.

It's important to reiterate that gifts such as Gottesman's deserve to be celebrated, as was New York University's announcement in 2018 that its medical school would be free. Gottesman's bequest also represents a significant share of her wealth, estimated to be about $3 billion. If we're going to applaud billionaires for their philanthropy, we should consider the proportion of their wealth they donate.

It's also important to note that the high cost of higher education in the US forces millions of students to take out loans to pay tuition. The estimated costs for a student entering Albert Einstein in the 2024-25 school year, including living expenses, amount to almost $400,000 for all four years. According to the Association of American Medical Colleges, 54% of medical-school graduates in 2023 had at least $200,000 in education debt, and 84% had $100,000 or more, which is inclusive of undergrad. Medical students who anticipate hundreds of thousands of dollars in debt will likely make career decisions based on whether they can afford their monthly payments. Graduating debt-free opens every possible option—including working in less lucrative specialties or in underserved communities. Some Einstein graduates may opt to work in the Bronx, which needs more doctors.

Then again, there's no requirement for medical students to become bleeding hearts willing to forgo wealth and prestige so they can help those less fortunate. It's entirely possible that plenty of Einstein students will just become millionaires significantly faster than they otherwise would have because they don't have a heavy debt load keeping their net worth in the red.

What to do with their debt-free future will be a personal choice for Einstein's students. What to do about the excessive costs of higher education is a question for society. Continuing to streamline repayment programs, as well as protecting public service loan forgiveness and income-driven repayment plans, is a start. Considering how many professions require education beyond an undergraduate degree, expanding grant options for graduate school would also help. And state governments should continue supporting public universities and community colleges to keep tuition at affordable levels relative to median income levels in their state.

Students should also have access to federal grants and loans that cover the cost of tuition plus room and board for an in-state university. If the maximum a student can borrow is set below the cost of tuition plus room and board, then more students will rely on expensive private student loans. Finally, there has been bipartisan support for ending interest capitalization, which would help prevent loan payments from spiraling into huge financial burdens.

Wealthy donors can help make education more affordable for individual students, groups of students, even universities. Making it more affordable for everyone is a challenge that can only be met by all of us, wealthy and not, working together to ensure the federal and state governments do as much as possible to clear the paths to higher education.

THEIR VIEW

Survey results should be taken with a pinch of caution

MADAN SABNAVIS

is chief economist at Bank of Baroda and author of 'Corporate Quirks: The Darker Side of the Sun'.

Carrying out any survey is a challenge not just because its sampling process must be right, but there is often an 'information and understanding' asymmetry between surveyors and respondents. Asking a man on the street what he thinks of the economy, for example, is an exercise fraught with trouble since only a tiny proportion of people would have studied economics and perceptions can vary widely.

If one were asked the quantity of a certain product (say, spinach) consumed in the last 7 or 30 days, can one really remember how much? This is a problem with such consumer surveys. Most responses are broad approximations. Also, there may be a tendency to overstate or understate consumption. Understating it for a government survey could entitle one to future benefits, while overstating it helps one look good.

Interestingly, this problem of perception is not just with individuals, but also companies, even though corporate respondents are better informed of business conditions. The purchasing managers' index (PMI) is a popular leading indicator of industrial or service-sector activity. But when this is compared with the index of industrial production (IIP), we find a weak link. At times, when the PMI presents a bright picture, the IIP indicates stagnation. This is not surprising because the PMI surveys 400 respondents and makes a comparison over the previous month on five parameters, with responses based not on specific numbers, but on whether there has been improvement or not. The IIP, on the other hand, looks at production numbers and growth over the previous year for a more comprehensive set of goods. Hence, they look at different aspects of industrial progress.

Similar surveys are carried out by the Reserve Bank of India (RBI) for its Business Assessment Index (BAI), which polls 1,000-plus companies and covers nine parameters. It virtually subsumes all those included in the PMI and is thus more expansive. This is done on a quarterly basis, unlike the monthly PMI. While the approach taken is similar, with net responses used for every parameter, we often get fairly divergent views when the two are compared.

Let's look at pre- and post-covid periods. In the pre-covid period, if we place quarter-on-quarter responses in the RBI survey next to the PMI averages over the same period, we see directional variation in six quarters out of 12. In the post-covid phase, they are out on sync in eight out of 12 quarters. This means that 'feel good' versus 'feel low' factors would be different on more than half the occasions if one compares the two indices. The logical question is which indicator is more realistic.

They offer us useful signals but we must be mindful of the limitations in their ability to reflect reality

It can be argued that the samples are different, which is true. But if one were to extrapolate the sample responses to gauge aggregate performance, then these divergent views would give conflicting signals. It is well known that when companies respond, they usually have a bias, which varies across sectors. If one goes through the commentaries offered by companies during their quarterly result announcements, almost all are sanguine about the future even if their performance has not been up to the mark. This is understandable because CEOs have to ensure that their stock prices do not fall. But, ideally, one should not have such discrepant data so that we can be confident of what it says about the state of affairs.

RBI also collects responses on expectations one quarter ahead. These are captured in its Business Expectations Index (BEI). These responses are even more telling. Since 2009, the BEI has on an average been 10 points higher than the BAI. There is always optimism about the future. But when the same is mapped to what finally transpires in the assessment a quarter later, we typically see an equivalently sharp drop. Hence, there is merit in not giving too much weight to future expectations. These readings consistently give us false signals.

The broader issue is whether surveys actually reveal what is happening at the ground level even when it comes to company responses. What respondents say on most parameters rarely squares with other data, which suggests that they are guided by conjecture. While survey results can still constitute useful information, given the long lags in official data releases, extrapolating their findings to draw larger conclusions risks being misled.

RBI surveys on consumer perceptions also give rise to dissonance. Its Household Inflation Survey, for example, reveals that people place inflation at 8%-plus when the official index shows a rate of around 5%. Further, households generally feel that inflation in the future would be higher even when the models of economists project the rate as declining. Indices and models give us numbers that differ markedly from what individuals feel they confront in the marketplace. There is also RBI's Consumer Confidence Index, on which 41 of the last 42 readings have been under 100, which signals pessimism outweighing optimism.

Seen through different periscopes, views on the state of economic affairs vary widely. There can always be two sets of views on the same subject, such as industrial performance, depending on which anchor is chosen. Every survey also holds merit for revealing what it is designed to capture, exactly, and these signals are useful in themselves. But we must exercise caution in generalizing the readings beyond their limitations of utility or using them to frame policy.

These are the author's personal views.

How insecurity drives overachievers at work

ISTOCKPHOTO

Increased layoffs and moving towards new technologies is leading to a rise in employee insecurity. Here's how you can break the cycle

Geetika Sachdev

For the longest time, Naina Bhadoria believed she was incapable of handling stress. She would break down whenever the going got tough on a big assignment. "I would be elated to be considered fit for it but the pressure of performing well would bog me down so much that I would get physically sick," says the Delhi resident, 39, who works in the communications department of a multinational company. "Of course, I would continue working lest I let my superiors down, but I had panic attacks and was worried all the time."

It took her some time and work, which included regular counselling sessions, to understand how unrealistic expectations were getting the better of her. For many employees, insecurity is a constant companion at the workplace.

An increase in layoffs across the country, and a shift towards new technologies and hybrid work culture have made India Inc. a trickier place to navigate. Even people with successful careers who strive for excellence at work, often at the cost of their own well-being and personal satisfaction, are spending sleepless nights worrying about their competition.

"Insecure overachievers have imposter syndrome. They have self-doubt regarding a particular task, which makes them feel they will be exposed," says Ruchi Ruuh, an independent Delhi-based counselling psychologist. "As perfectionists, they often feel the intense pressure to exceed the standards of work and may become overly critical if those are not met. As it's all performance driven, they seek constant external validation to affirm their competence through praise, awards and incentives."

Fear of failure steers such people to perform well since they can't bear the thought of being seen as incompetent. In turn, this results in long work hours, taking up extra work, and neglecting boundaries in order to feel worthy.

> Fear of failure steers such people to perform well since they can't bear the thought of being seen as incompetent.

"There are several instances when insecure overachievers may consider themselves responsible for their team's failure. Such people have a hard time accepting constructive feedback or criticism. They might find it difficult to delegate work even if it's beyond their skillset, due to the fear that it might not meet their standard," explains Ruuh. "They don't pause to celebrate an achievement or praise themselves. Instead, they look out for the next challenge or goal to pursue."

Insecure overachievers don't fall into a particular age range or gender but Vidhya Thakkar, assistant professor (organizational behaviour), at KJ Somaiya Institute of Management, Mumbai, says many women have "superwoman syndrome", that pushes them to attain perfectionism by projecting themselves as strong and independent.

"The desperate desire to remain at the top makes one incapable of discriminating between priorities, leading to overall poor physical and mental health," says Thakkar.

AN EMPLOYER'S DREAM

Such employees, who are constantly setting new targets to deliver, can be an employer's dream. But in the long run, their productivity is likely to suffer if the pursuit of perfectionism drives them all the time. That's why it is critical for employers to step in and create a conducive environment that does not favour performance over well-being.

"If organizations do not have well-defined performance management systems with rewards and recognition, a career growth process and a capability development plan in place, overachievers may face high levels of anxiety and continue to be stressed all the time," says Harmanjit Singh, chief people officer at Mohali-headquartered JBCL that provides mobility solutions in India. "Insensitivity from senior leadership can also aggravate the situation."

Like some other companies, JBCL conducts periodic sessions on work-life balance and stress management, where health and corporate experts share relevant tips with employees to navigate the situation better. "We are also in the process of designing career growth plans to fulfill individual aspirations of employees, especially consistent performers," says Singh.

While most organizations attempt to ensure job security, Sudipta Sengupta, founder and chief executive officer at Noida-based health information and fact-checking platform, The Healthy Indian Project (THIP), is of the view that the extended working hours and tight deadlines underscore the necessity for both employees and employers to navigate this situation diligently.

"Fostering a secure and sustainable atmosphere at the workplace can be mutually beneficial," he says. "Assisting team members and proactively engaging in their upskilling and development can enrich their careers while contributing to the organization's success. Managers should also stay attuned to signs of burnout or stress among team members and help them with the right support and resources since an environment that promotes burnout helps no one."

DETACHING FROM WORK

While work is equivalent to life for insecure overachievers, taking baby steps to detach themselves from the constant fear of failure is imperative.

Ruuh believes it's important for such individuals to recognize and introspect what lies behind this insecurity, so that they can eventually develop a coping strategy.

"Have realistic goals that are achievable and break them into manageable tasks that can be spread over time and delegated to other people," she says. "Be kind to yourself and take time off to do things that add value to your life, including spending time with family and friends, cultivating hobbies or indulging in self-care. Invest in personal growth and development. Remember there is a life beyond work."

In other words, it is crucial to find a healthy balance between work and life by creating certain boundaries. "Make a system to self-validate or seek constructive feedback instead of just seeking praise and accolades for your work," says Ruuh. "Take time to celebrate achievements and avoid comparison with others."

Write to us at businessoflife@livemint.com

STEP BACK FROM FEAR

- ▶ Recognize and introspect what lies behind your insecurity at work
- ▶ Have realistic goals that are achievable and break them into tasks
- ▶ Delegate these tasks to other people when possible
- ▶ Be kind to yourself—take holidays, spend time with family, cultivate hobbies and spend on your self-care
- ▶ Make a system to self-validate or seek constructive feedback, rather than seeking praise from others
- ▶ Avoid comparing yourself with others

MONDAY MOTIVATION

'Mentorship is about inspiring': Vikram Chopra

The CARS24 CEO says being close to his team has helped them work better

Shail Desai

In 2012, Vikram Chopra dropped out of Wharton School of Business to begin his entrepreneurial journey with online furniture retailer FabFurnish. The venture lasted only three years, but his learnings helped him launch CARS24 in 2015. "I learned invaluable lessons on the crucial balance between supply and demand. This experience was an eye-opener, emphasising the need for a robust supply chain to sustain business growth," says the Gurugram-based co-founder and CEO of CARS24.

The 41-year-old says the intent of launching CARS24 was to offer a service of hassle-free transactions, while ensuring a steady supply of quality pre-owned vehicles. And along the way, build trust one customer at a time. "We wanted to tackle things like unclear pricing, prolonged selling times and a lack of safety in transactions. The idea was to transform the used car marketplace into a space of confidence and ease," he says.

They started out with physical stores to understand the needs of their customers, but since the pandemic, the business moved online, where buyers are offered the convenience of inspecting and test driving a vehicle at home, he adds. Chopra talks to *Mint* about the importance of being connected with his team.

Who do you consider your mentor?

I reach out to Rajeev Jain, CEO, Bajaj Finance, for his insights, direction and a fresh perspective whenever I need it.

> Gym sessions are a staple for me, and my evenings are reserved for family.

What does being a mentor mean to you?

Mentorship is less about instruction and more about inspiration. It's about demonstrating through my own actions the values I hope to instill in my team—determination, honesty and the courage to face challenges head-on.

What's your morning schedule like?

My day typically starts at 6am with a solid gym session. After breakfast, I head to office and spend most of my day there.

What's the one positive work routine you have developed during the pandemic?

The most significant change in my work routine has been deepening my personal involvement with my team. This has helped us work better together, in alignment and understand each other more.

Any book or podcast you would recommend about mentorship and growth?

Some of my recommendations are *Amp it Up* by Frank Slootman, *The Outsiders* by William Thorndike, *Working Backwards* by Colin Bryar and Bill Carr, *Thinking Fast and Slow* by Daniel Kahneman, and *Poor Charlie's Almanacks* by Charlie Munger.

How do you unwind? Do you pursue any serious hobbies?

Gym sessions are a staple for me, and my evenings are reserved for family. I love adventure sports like skydiving, scuba diving and skiing. It helps me unwind and energises me for work.

Monday Motivation is a series in which business leaders and creative individuals discuss their mentors and their work ethic.

Write to us at businessoflife@livemint.com

Countering the macho mindset of the kitchen

Women are at the helm of a number of kitchens and restaurants in India, but still have to face workplace sexism

Jahnabee Borah
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Mumbai restaurateur and chef Devika Manjrekar recently posted a story on her Instagram page, citing two instances of discrimination: One about a young chef who did not join their team because it was run by women; the other about a disgruntled diner who insisted on speaking to the "male" head chef. Manjrekar is the head chef of Toast Pasta Bar, which she owns. "Days like these really, really bum us out. So, good morning to everyone except these two sexists," she wrote.

Experiences like these are not uncommon in restaurants and bars across India. These fast-paced, high-stress spaces have traditionally been led by men, where tempers run high and the smallest mistake can invoke a litany of cuss words. Kitchens are plagued by gender stereotypes: women can be excellent cooks but can't do the heavy lifting to be a chef; women cannot handle a hot kitchen and are better off as pastry chefs; and women drink wine and cannot be good bartenders. "When a young woman fresh out of graduate school walks into such a space, she is bound to be intimidated," says Manjrekar.

This was not Manjrekar's first experience of sexism in the kitchen. In 2015, she returned to India full of enthusiasm with a culinary degree from London's Le Cordon Bleu, but was disillusioned by the work culture. In 2016, she read an article in *The Guardian* featuring Indian-origin British chef Sabrina Gidda. "The next generation of chefs and restaurateurs aren't people who left school at 15, worked as a commis chef in a three (Michelin) star until they're broken and then perpetuate the same thing in their kitchens. It's people who gave up degrees and business and other things to do what they really love," Gidda had said. It inspired Manjrekar so much that she wrote to Gidda and got a job. It is there that she learnt to run a kitchen with empathy and celebrate her feminine side rather than toning it down. "You can look good and you can still do a killer dinner service."

Chef Anahita Dhondy, chef partner of Soda Bottle Openerwala, a chain of Parsi restaurants owned by the Olive Hospitality Group, recalls her early days as an intern in a professional kitchen. This was in the late aughts when she was 19 and a senior chef in his 40s would comment on her looks and make remarks about a hot kitchen ruining the skin. At first, she was scared, but when it happened again, she told him it was tantamount to sexual harassment and she would report him to the human resources department. These are just one of the many instances in her 14-year career as a chef. Dhondy is now 33, and believes the only way to put a stop to sexist behaviour is to call it out at the very first instance.

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Sexism is ingrained in the language of the kitchen, and spills over into bars too.

Sexism is ingrained in the language of the kitchen, and spills over into bars too. The term "female bartender", for instance, irks mixologist Kimberly Pereira, the chief operating officer of the liquor brand Maya Pistola Agavepura. "It's just bartender. Period," says the 37-year-old.

Sexism is prevalent in the alco-bev industry, too, she explains, and both professionals and patrons reinforce gender stereotypes. She has observed that women brand ambassadors aren't taken as seriously as men for whiskies or darker spirits, compared to wines or gins. "Women behind the bar are scrutinised for their appearance. This could take the form of lewd comments or unwelcome advances. All of this creates an unsafe working environment, making it challenging for women in the industry."

Bartender Feruzan Bilimora, 29, who works with the homegrown alcohol company Third Eye Distillery, has freelanced in bars and nightclubs. She says women who could bartend were hired for freelance gigs to add "glamour" and if they could speak English, it was a bonus. "I tried hard to push against that perception. I wanted to be hired for my talent, and over time, I built my personal brand. That is something I encourage everyone in this industry to do."

Even when one makes a name for oneself, the patriarchy can rear its head. Amninder Sandhu, 45, who runs Bawri in Goa and Mumbai, and Palaash by Tipaai near Nagpur, was a trainee chef in a hotel in Delhi in the early 2000s. The toxic work culture and sexism left her disillusioned, and she moved to Mumbai to work at Masala Bay at Taj Lands End. Over time, she has opened and managed successful restaurants and delivery kitchens in multiple cities, but says she still isn't insulated from sexism. In 2019, she was invited by a five-star property in Delhi for a collaborative pop-up with eight chefs, and was the only woman. "They messed up my ingredients, gave me a corner in the kitchen to cook and rushed me, saying a celebrity male chef was coming and I needed to finish quickly."

While restaurants helmed by women are on prestigious lists—Mumbai's Ekaa with co-founder Niyati Rao ranked 98 on Asia's 50 Best 2024—there's still a long way to go. Sandhu notes that world over there are only 9% top ranked chefs who are women. And, not many women, especially younger ones, can call out sexist incidents on social media for fear of losing their job or future opportunities.

Manjrekar found her beat when she worked in Gidda's team. Similarly, Sandhu found hope when she joined Masala Bay in Mumbai in 2005. The chef in charge, Jaspal Arora, she says, treated everyone equally. Change, therefore, has to come from the top. Billimora says, "In a work environment, breaking the cycle of sexism always happens top down. It has a trickle-down effect."