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**IN FOCUS**

|                       | Week's close | Week's change |
|-----------------------|--------------|---------------|
| Nifty 50              | 24323.85     | +313.25       |
| P/E Ratio (Sensex)    | 24.34        | +0.30         |
| US Dollar (in ₹)      | 83.48        | +0.10         |
| Gold Std 10 gm (in ₹) | 72349.00     | +802          |
| Silver 1 kg (in ₹)    | 90709.00     | +2709         |

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**FLEET OPTIMISATION.**

**Air India Express** to receive 20 Airbus A320s from Air India to boost domestic, short-haul international operations **p3**

**GROWTH TRENDS.**

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**MONDAY SPECIALS.****BRANDLINE**

Of creative trends, changing technology



Ace ad film maker and movie director Ram Madhvani, who is synonymous with the sparkling Happydnt 'tera dil roshan' commercial that won a Cannes Lion, speaks to **businessline p6**

**QUANTUM**

Harnessing AI for precise solar power forecasting



For forecasting electricity generation from renewable energy sources like wind and solar, there is help coming from artificial intelligence. Machine learning and deep learning are beginning to replace conventional, weather and satellite data based forecasting models. **p7**

## UK govt could derail Tata Steel plans for job cuts at Port Talbot

**FRESH TALKS.** The new pro-labour government wants to renegotiate the deal

**Suresh P. Iyengar**  
Mumbai

The change of government in the UK could be detrimental to Tata Steel's plans to cut jobs as part of its strategy to shut down ageing blast furnaces at Port Talbot plant in South Wales.

Britain's Labour Party, led by Prime Minister Keir Starmer, which came back to power after a decade, has made it clear that concerns around job cuts at the Tata Steel plant will be given top priority.

"I'm going to make sure that job guarantees are part of the negotiation that we are having. We see this as a major priority," Business Minister Jonathan Reynolds told BBC on Sunday.

Tata Steel has been grappling with losses at the UK plant for several years. In FY24, the plant recorded a negative EBITDA of £373 million and negative free cashflow of £623 million.

**SEEKING SUPPORT**

Over the past year, the company had been negotiating with the UK government for support to keep the plant running. Recently, Tata Steel announced 2,800 job cuts as part of a deal with the previous UK govern-



**HUGE CHALLENGE.** In the FY24, Tata Steel UK recorded a negative EBITDA of £373 million and negative free cashflow of £623 million **REUTERS**

ment under Rishi Sunak. Under that deal, the UK government had agreed to invest £500 million to enable Tata Steel to transition to green energy.

However, the deal could not be formalised before the general elections in the UK.

Meanwhile, the company has already started the process of shutting down one of the two ageing blast furnaces as part of its proposed plan to build a eco-friendly electric arc furnace.

The shutdown of the second blast furnace is slated for September. Tata Steel employs around 8,000 people in Britain. Tata Steel had issued a statement recently stating that it would not renegotiate the plan

for the heavy-end closure or the enhanced employment support terms.

However, Britain's Labour Party's victory could change that status. With the new government in place, Tata Steel unions are hoping for an improved deal with the company, which could minimise job losses.

Last month, Tata Steel had threatened to shut its blast furnaces in the UK earlier than planned amid an indefinite strike call by a certain section of workers in protest against job losses.

Reacting to the strike call, a Tata Steel spokesperson had said the existing steel making

assets, which are near the end of their life, are operationally unstable and causing unsustainable losses of £1 million a day.

**JOB GUARANTEE**

Arun Kejriwal, Director, Kris Capital, said pending the final decision of the UK government, the Labour Party, in line with its ideology, will make Tata Steel retain as many employees as it can even after the green energy transition.

As part of the fresh negotiations, the new UK government will try to convince Tata Steel to cut down on the proposed job losses before it approves the £500-million package for new electric-arc furnaces, he said.

In April, Tata Steel announced plans to invest £1.25 billion to build a modern electric arc furnace in Port Talbot and offered a voluntary redundancy package for employees.

"Our main concern is if the proposed £500-million support package is delayed, reduced, or scrapped, given it has not been signed yet, it would result in a higher capex burden for Tata UK," said a recent CreditSights report.

## Budget push likely for manufacturing, consumption, fiscal consolidation

**Shishir Sinha**  
New Delhi

The Budget, to be presented on July 23, is likely to accelerate the virtuous circle with a twin strategy of boosting manufacturing and pushing consumption, while ensuring a fiscal consolidation glide path aimed at achieving 4.5 per cent fiscal deficit by the end of FY26.

This will be the 7th successive Budget for Finance Minister Nirmala Sitharaman, and with this, she will surpass late Morarji Desai's record of presenting six successive Budgets. Overall, Desai presented 10 Budgets.

**PRE-BUDGET MEETINGS**

Last week, Sitharaman completed the pre-Budget consultations which started on June 19. During these meetings, more than 120 invitees across 10 stakeholder groups gave their suggestions which included boosting consumption, lowering tax rates, bringing more clarity on new pension schemes, keeping a check on fiscal deficit and incentivising manufacturing.

Sitharaman is likely to give a boost to consumption through providing more money in the hands of people, especially the salaried class, and bringing down



Finance Minister  
Nirmala Sitharaman

the cost by incentivising manufacturing.

Most studies point to some changes in key headline numbers. Higher non-tax revenue in the form of a record surplus transfer from the RBI and strong buoyancy in tax collections are likely to give extra headroom to the government.

ICRA, in its report on 'Budget 2024-2025 Expectations', said revenue receipts may be revised upward by ₹1.2-lakh crore compared to the Interim Budget. Some increase in the revenue expenditure (revex) is also expected, largely focussing on the rural economy. The Budget "is likely to set a fiscal deficit target of 4.9-5 per cent for FY25 as against the Interim Budget's estimate of 5.1 per cent of GDP, without compromising the capital expenditure target of ₹11.11-

lakh crore," it said, while adding that there is a high likelihood of reducing net market borrowings for FY25 by ₹35,000-55,000 crore.

**ADDITIONAL RECEIPTS**

A research report by Motilal Oswal Financial Services has proposed using additional receipts such as surplus transfer from the RBI. About ₹30,000-40,000 crore could be utilised to reduce the fiscal deficit by 10 bps to 5 per cent. "One of the ways to spend additional resources could be to provide more capex-related loans to States, which would also make the Centre's total capital spending (including loans & advances) look better. The Centre budgeted ₹1.4-lakh crore to States and UTs as loans and advances in FY25 in the Interim Budget, which could be increased by ₹30,000-40,000 crore," it said.

Similarly, if the government decides to revise the instalments under PM-KISAN by 50 per cent to ₹9,000 per annum, it would entail an additional cost of ₹30,000 crore to the exchequer.

The remaining ₹50,000 crore could be used by the Centre to provide some more incentives to the taxpayers to shift to the new tax regime and expand on housing or other schemes.

## ICAI is free to proceed against entire firm for misconduct, Delhi High Court rules

**KR Srivats**  
New Delhi

In a landmark ruling, the Delhi High Court has empowered the CA Institute's Disciplinary Committee (DC) to take action against an entire CA firm even when no single individual can be held responsible for the allegations in a complaint.

Dismissing a batch of 10 writ petitions filed by partners from firms, including BSR and Associates LLP, Price Waterhouse and Lovelock & Lewes, Justice Prathiba M. Singh ruled that the DC is free to proceed against the firm as a whole or its individual members, as deemed appropriate, in response to allegations of professional misconduct.

The main question that arose in the 10 writ petitions was whether CA Insti-

tute can take action against chartered accountant firms under the CA Act or is the ICAI empowered to only take action against one person, who is identified by the firm as a "member answerable"?

The petitioners had contended that ICAI lacks the authority to proceed against partners who are not specifically named or identified as responsible for the alleged misconduct.

The latest Delhi HC rul-

**More on p10**

## + VIBRANT TAPESTRY



**DIVINE JOURNEY.** Devotees gather in large numbers to take part in the two-day Lord Jagannath Rath Yatra, in Puri on Sunday **PRAHLAD MAHATO**

## Tourist surge threatens the pristine Sinthan Top in Kashmir

Plastic and carbon pollution take a toll on the landscape and glaciers at the mountain pass

**Gulzar Bhat**  
Srinagar

In January, while tourist hot spots like Gulmarg and Pahalgam in the Kashmir Valley did not experience any snowfall, Sinthan Top emerged as the most sought-after destination, drawing hundreds of tourists to the enchanting mountain pass.

Situated at an elevation of 12,500 ft from sea level and a four-hour drive south of Srinagar, the mountain pass was one of the few destinations to experience good snowfall, attracting tourists, both domestic and foreign, seeking a winter wonderland.

This lesser-known tourist destination, linking south Kashmir's Anantnag district with Kishtwar in Jammu division, garnered significant

media attention and continues to draw large number of visitors.

However, the jump in footfalls has led to plastic and carbon pollution, impacting the landscape and glaciers.

**DUMPING YARD** The area is littered with poly bags, bottles, wrappers and other plastic wastes. According to an official, the dumping of food waste by both tourists and local vendors, who run small kiosks and makeshift shops, has raised serious environmental concerns.

"This pristine landscape is facing a pollution threat. It is fast turning into a dumping yard," added the official.

The administration's decision to permit snow bikes resulted in carbon deposits on the extensive snow cover.



**NEW ATTRACTION** Located at an elevation of 12,500 ft from sea level, Sinthan Top was one of the few tourist destinations in the Valley that experienced good snowfall this year

Moreover, the plastic waste is polluting the glacial meltwater at the mountain peak.

Sinthan Top glaciers serve as the source of Daksam stream, which feeds into River Brengi, a significant tributary of River Jhelum.

Climate activist Raja Muzaffar said the growing

waste collection vehicle to the mountain pass to collect the accumulated waste.

"It has come to the notice of undersigned that due to heavy tourist footfall at Sinthan Top, plastic waste has accumulated. This causes environmental hazards and other health problems," the order read.

**TOURISTS INFLUX**

Last month, Sinthan Top saw 27,509 tourists, including 53 foreign arrivals. From March 2024 to June 11, 2024, a total of 70,862 tourists visited the area.

Kashmir has been witnessing heavy rush of tourists since the beginning of this year. Around 15.65 lakh tourists, including 26,000 foreign travellers, visited the Valley over the last six months.

The writer is a freelance journalist

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OCT 04, 13, 19, 26

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## QUICKLY.

India's coal import rises 5% to 52 mt in Apr-May



**New Delhi:** India's coal import rose 5.3 per cent to 52.29 million tonnes in the first two months of the ongoing fiscal as against the year-ago period. The country's coal import was 49.62 MT in April and May in FY24, according to data compiled by Junction Services Ltd. However, coal import in May dropped marginally to 26.19 MT, from 26.57 MT a year earlier.

**Apollo Hospitals to invest ₹103 cr in subsidiary AHLL**

**Bengaluru:** Apollo Hospitals Enterprises acquires stake in subsidiary Apollo Health and Lifestyle Ltd. The acquisition worth ₹103.26 crore has been carried out through a rights issue. The company will acquire 35,12,107 equity shares of ₹10 each at a price of ₹294 per share totalling ₹103.26 crore through subscription to the rights issue of its subsidiary AHLL. OUR BUREAU

# Electric vehicle registrations grew by 16% in H1 2024

**KEY DRIVERS.** Good monsoon, enabling Govt policies reason for increased adoption

**Aroosa Ahmed**

Mumbai

Electric vehicle registrations in India witnessed a 16 per cent growth in H1 in 2024 year-on-year.

According to Vahan data 8,42,396 electric vehicles were registered between January and June 2024, whereas 7,23,492 electric vehicles were registered during the same period in 2023.

Further, retail sales of passenger electric vehicles in June reported a year-on-year decline of 1.3 per cent while the month-on-month share declined from 2.5 per cent in May to 2.4 per cent in June.

"As we look forward to the coming months, the steady progress of the monsoon and the government's favourable policies towards green technologies are expected to boost the electric vehicle market,"

**Revving up ...**

|          | Overall EV sales in 2023 | Overall EV sales in 2024 | e2W sales in 2023 | e2W sales in 2024 |
|----------|--------------------------|--------------------------|-------------------|-------------------|
| January  | 1,02,882                 | 1,45,033                 | 64,558            | 82,085            |
| February | 1,07,221                 | 1,41,728                 | 65,949            | 82,563            |
| March    | 1,40,920                 | 2,09,780                 | 86,325            | 1,37,088          |
| April    | 1,11,357                 | 1,13,271                 | 66,866            | 64,454            |
| May      | 1,58,467                 | 1,23,732                 | 1,05,398          | 63,954            |
| June     | 1,02,645                 | 1,08,852                 | 46,102            | 53,108            |

Source: Vahan

said Manish Raj Singhania, president of the Federation of Automobile Dealers Association (FADA).

#### E2W SEGMENT

The electric two-wheeler segment saw 11 per cent growth during H1 in 2024. About 4,83,252 two-wheelers were registered between January and June 2024, while 4,35,198 were registered during the same period in 2023.

"The government's focus on promoting electric vehicles through various initiatives will continue to

drive electric vehicle adoption over the medium term. ICRA expects penetration of e2Ws to inch to 6-8 per cent in the overall industry by FY25, compared to approximately 5 per cent now," said Shamsheer Dewan, Senior Vice President and Group Head, Corporate Ratings, ICRA.

While a year-on-year uptick was reported in H1, after the withdrawal of the FAME 2 subsidy in March that resulted in the increase in electric two-wheeler prices, a decline in registrations was wit-

nessed; in February, 82,563 two-wheelers were registered; 1,37,088 in March; in April, 64,454 were registered; in May, 63,954; and in June, 53,108 electric two-wheelers were registered.

#### CONDUCIVE CLIMATE

"Enabling policies both, at the national and State-level, have made the environment conducive to mobility in India, helping in the drive towards its goal of achieving 30 per cent electrification of the country's vehicle fleet by 2030. Growth in EVs is expected to continue for the rest of the decade, with 2Ws and 3Ws sales expected to dominate other segments.

"EV adoption is expected to see an inflection point once all vehicle segments show significant ownership savings over ICE vehicles," mentions a KPMG report on electric vehicles.

# Electra EV eyes expansion in overseas markets for powertrain solutions: CEO

**S Ronendra Singh**

New Delhi



Samir Yajnik, Chief Executive Officer and Executive Director, Electra EV

come out in this year; one of them is a reverse trike (two wheels in the front and one wheel at the rear); these are the kinds of products that we are working on. And, of course, bidding for three marques projects on electric cars — one European, one Japanese, and one Chinese company," Yajnik said.

However, he declined to name the companies or details of any project because of the non-disclosure agreement with the manufacturers.

Yajnik said Electra is working on the indigenisation of the powertrain for electric vehicles to be manufactured in India, whether it is by a company in Japan, China or Europe.

#### INVESTMENT

On investment, Yajnik said that currently around a sizeable chunk of ₹25 million (around ₹210 crore) raised through GEF Capital in 2022 is being utilised for product solutions. In total, Electra EV has spent over \$100 million over the last five years, he added.

#### PRODUCT PIPELINE

"We are working on a compact tractor for the overseas market, a regular tractor for the Indian market, two versions of a microcar for the overseas market, one sports utility vehicle (SUV) for the Indian market, and an excavator for Tata-Hitachi, commissioned to us for two versions of it. These are mostly in the developmental phase right now,"

#### NEW PROJECTS

"We are working on a dozen different projects, three of which are supposed to

FY25 trend to be similar for the sector.

Volume growth is likely to be low-to-mid single-digit, largely due to the heatwave, general elections, and fewer marriage days. Rural demand continues to see gradual but slight green shoots. Sales of cold beverages and ice creams zoomed in the June quarter owing to the heatwave. Parts of the personal care segment also thrived, with talcum powder, deodorants, and sunscreens experiencing good growth," said a report by Nuvama Institutional Equities.

However, intense heatwaves did impact out-of-

home consumption, analysts noted.

A report by Motilal Oswal Financial Services stated that demand trends were seen to be steady in Q1FY25, with the summer portfolio likely to outperform. "We expect marginal improvements in volume growth q-o-q in Q1FY25."

Rural markets have seen a gradual recovery than urban during the quarter. Most company managements remain positive about volume recovery in FY25. All eyes are on the govt's initiatives to boost rural income in the upcoming Budget, the report added.

# FMCG firms see better demand, uptick in rural growth in Q1

**Meenakshi Verma Ambwani**

New Delhi



initially. Trail the stop-loss up to ₹134 as soon as the stock goes up to ₹137. Move the stop-loss to ₹139 when the price touches ₹141. Exit the long positions at ₹145.

Note: The recommendations are based on technical analysis. There is risk of loss in trading.

Analysts expect the key listed companies in the industry to broadly post low-to-mid single-digit volume growth in the June quarter.

Dabur India, in its

quarterly update ahead of the release of Q1FY25 results, said that the June quarter saw sequential improvement in demand with rural growth picking up. It added that domestic business is expected to record "mid-single digit" volume growth.

Marico also noted in its quarterly update that during the June quarter, its domestic business posted a modest upturn in underlying volume growth on a sequential basis.

In the March quarter, rural growth outpaced urban growth for the first time after growing at a slower pace in the past year.

As per data from Kantar, in

the March quarter, rural volume growth was pegged at 5.8 per cent and urban volume growth at 4.7 per cent. Industry players expect rural growth to continue to outpace urban growth in the

June quarter too.

**VOLUME GROWTH**

"Overall market volumes in Q4 grew at the mid-single digit, with rural outpacing urban. We expect the Q1

## + 'Hindenburg shared Adani report with client 2 months before publishing it'

**Press Trust of India**

New Delhi

US short-seller Hindenburg Research had shared an advance copy of its damning report against Adani group with New York-based hedge fund manager Mark Kingdon about two months before publishing it and profited from a deal to share spoils from share price movement, according to market regulator SEBI.

The Securities and Exchange Board of India (SEBI), in its 46-page show cause notice to Hindenburg, detailed how the US short seller, the New York hedge fund and a broker tied to Kotak Mahindra Bank benefited from the over \$150 billion routs in the market value of Adani group's 10 listed firms post-publication of the report.

KMIL's fund placed bets on Adani Enterprises Ltd for its client Kingdon's Kingdon Capital Management.

Kotak Mahindra Bank has stated that Kingdon "never disclosed that they had any rela-

tionship with Hindenburg nor that they were acting based on any price-sensitive information".

SEBI has sent notices not just to Hindenburg but also to KMIL, Kingdon and Hindenburg founder Nathan Anderson.

#### CHINA CONNECTION

Senior lawyer Maheesh Jethmalani in a post on X claimed that Kingdon had a Chinese link.

Kingdon is married to "Chinese spy" Anla Cheng, he claimed.

Accomplished Chinese spy Anla Cheng, who along with her husband Mark Kingdon, hired Hindenburg for a research report on Adani, engaged the services of Kotak to facilitate a trading account to short sell Adani shares; made millions of dollars from their short selling; eroded Adani market cap enormously," he alleged.

Kingdon, which had a controlling stake in KMIL's K-India Opportunities Fund Ltd, had a pact to share with Hindenburg

30 per cent of profit made from trading in securities based on the report, the SEBI letter said, adding this profit share was cut to 25 per cent due to the extra time and effort needed to reroute trades via the K India fund. The market regulator said Kingdon transferred \$43 million in two tranches to build short positions in AEL. The K India fund built short positions for 8,50,000 shares ahead of the report release and squared off these positions soon after the report was released.

Prior to the release of the Hindenburg Report, concentration in short-selling activity was observed in the derivatives of Adani Enterprises Ltd," it said. "Pursuant to the release of the said report, the price of AEL fell by around 59 per cent during the period from January 24, 2023 to February 22, 2023" —

from ₹3,422 to ₹1,404.85 per share.

SEBI said K India Opportunities Fund Ltd - Class F (KIOF Class F) opened a trading account and started trading in the scrip of AEL just a few days before the publication of the report and then squared off its entire short position

post-publication of the Hindenburg Report, making significant profits of ₹183.23 crore (\$22.25 million).

"The net profit after trading and legal expenses comes to ₹22.11 million," SEBI said.

As part of the deal, Kingdon owned Hindenburg \$5.5 million, of which \$4.1 million had been paid as of June 1, the notice said.

**KINGDON'S RESPONSE**

In its response to SEBI, Kingdon Capital said it had got legal option that it could "enter into a research services agreement with a third-party firm that publicly releases short reports on companies, pursuant to which Kingdon Capital would be given a draft copy of the report before it is made publicly available and would have the opportunity to accordingly make investments before the report's public dissemination".

A show-cause notice is often a precursor to formal legal action that may include imposing financial penalties and barring participation in the Indian cap-

ital market. SEBI can also seek government help to geoblock the research firm's website.

SEBI has given Hindenburg 21 days to respond to its allegations.

Hindenburg in its response stated that it made just \$4.1 million from its declared positions on Adani stocks and criticised the regulator for not focusing its investigation into the January 2023 report "providing evidence" of the conglomerate creating "a vast network of offshore shell entities" and moving billions of dollars "surreptitiously" into and out of Adani public and private entities.

It said that while SEBI was seeking to claim jurisdiction over a US-based investor, the regulator's notice "conspicuously failed to name the party that has an actual tie to India: Kotak Bank," which created and oversaw the offshore fund structure used by Hindenburg's investor partner to bet against Adani.

The regulator "masked the 'Kotak' name with the acronym 'KMIL', it added.

The goal is to drive research and development in quantum technologies, ensuring the interoperability, reliability, and security of quantum communication systems.

**INNOVATION HUBS**

These labs will serve as innovation hubs, uniting quantum technology developers, testing equipment manufacturers, and academic researchers to explore and harness the full potential of quantum technologies for the benefit of all citizens.

"The initiative aligns with the Prime Minister's vision for 'Jai Anushandhan', aiming to support research and development in telecom products and technologies that directly enhance the lives of Indian citizens," the release said.

It underlines efforts towards making India self-reliant in quantum technologies and setting global benchmarks in this cutting-edge field.

"The effort not only supports the development of secure, reliable, and efficient quantum communication systems, but also aims at providing all Indian citizens with advanced technologies that improve everyday communication, data security, and overall digital experience," the release added.

# The rise of Boxit Packaging in the corrugated box industry

**TE Raja Simhan**

Chennai

The business of manufacturing corrugated boxes could be lucrative, with the demand for FMCG products ranging from small packs of agarbatti (incense sticks) to large boxes for mixies and televisions, increasing. The six-year-old Boxit Packaging LLP, part of the VK Jhaver group, shows success in making boxes from large reels of brown paper.

Starting in 2018 with 10 employees in a small unit at Ambattur, the company today has around 150 employees and a revenue of around ₹45 crore. "We will reach ₹100 crore in the next financial year," said Ayush Mukherjee, Managing Director of the company. The company has around 50 clients, including Panasonic, N Ranga Rao & Sons of Cycle Agarbatti, Trop-

to 2,200 mm," he said. The company has invested ₹30 crore in the new unit that can manufacture boxes according to the client's needs.

#### GROWING DEMAND

Mukherjee said revenue growth is due to good demand from many industries that the company serves. "We feel the market is good and they are open to many more new ideas," he said.

"We work with clients on re-engineering the boxes. For instance, we are working with them on replacing thermocol and plastic that are stuffed inside the boxes with fillers with the paper. This is sustainable for them also and 100 per cent recyclable," he said. The company sources papers from Tamil Nadu and Andhra Pradesh, he added. Mukher

QUICKLY.

Delhi, MMR see 49% surge in housing prices in 5 years



New Delhi: Average housing prices in Delhi-NCR and Mumbai Metropolitan Region (MMR) have risen by nearly 50 per cent in the last five years, driven by higher demand, according to Anarock. Anarock has attributed the rise in prices to steep hikes in construction costs and healthy sales. PTI

Janki Patel takes helm at Patel Engineering

New Delhi: Janki Patel has been appointed as the chairperson of Patel Engineering following the death of Rupen Patel, her husband and the company's chairman and managing director, according to a statement. Rupen Patel, Chairman and Managing Director of Patel Engineering Limited, passed away in the late hours of Friday, the company said in a statement. PTI

Punjab & Sind Bank plans to open 100 branches this fiscal



New Delhi: Punjab & Sind Bank plans to open 100 branches across the country in the current financial year as part of the strategy to expand its reach. During the year, the bank also plans to add 100 new ATMs to its network. "With the addition of 100 branches, the total number of branches would reach 1,665 by the end of 2024-25, and the number of ATMs would touch 1,135," Punjab & Sind Bank MD Swarup Kumar Saha said. PTI

# Air India to beef up AI Express fleet with 20 Airbus planes

**TAILWIND.** Move to help airline ramp up ops on domestic, short-haul international routes

Aneesh Phadnis  
Mumbai



Air India Express (AI Express) will receive 20 Airbus A320 aircraft from Air India as a part of fleet optimisation strategy between the Tata group-owned airlines.

The aircraft will be transferred in phases over the next few months and will enable AI Express to ramp up its operations on domestic and short-haul international routes. Along with the planes, Air India will also transfer cabin crew and pilots to AI Express for its expanded operations

**HELPING HAND.** Along with the planes, Air India will transfer cabin crew and pilots to AI Express for its expanded operations

be sub-optimal for Air India to have aircraft with both all-economy and three-class cabins in its fleet and it will create brand confusion," said an executive familiar with the plan.

**ROUTES IN FOCUS**  
AI Express' focus is largely on metro to non-metro and non-metro to non-metro routes within India and also on West Asian routes and the aircraft with all economy seats will help in competing with IndiGo in these markets. Air India declined to comment.

Air India has two variants of A320 aircraft — one with single-class all-economy seats and the other with economy and business class configuration. While 40 such A320 aircraft in dual-class will be reconfigured into three-class aircraft with premium economy cabin, 20 single-class A320s are expected to move to AI Express. "It will

rapidly since last October with the induction of 24 Boeing 737 Max planes and unveiling of a unified brand identity.

This is a part of ongoing integration between Air India (company renamed as AIX Connect) and AI Express. Like Vistara-Air India, the full merger of the two airlines is expected to complete before 2024-end.

**HARMONISED MANUALS**  
The Directorate General of Civil Aviation is expected to approve the harmonised operating manuals this week. The airlines have

separate manuals and these need to be harmonised as a part of the merger process.

Pilots and crew also need to undergo training to familiarise themselves with the new procedures. Thus, the airlines will have to arrange for e-learning, online instructor-led classroom training and issue detailed circulars to the staff.

Alongside the regulatory process, expansion plans too are being put in place. The number of daily departures has increased from 350 to 380 in a matter of three months.

The airline is set to fly to Dhaka and Kathmandu and announce a few new domestic destinations too. By next March, AI Express is expected to have a fleet of about 120 aircraft, comprising Airbus and Boeing planes. Currently, over 75 planes operate under AI Express brand and are registered with AI Express and AIX Connect.

"We had challenges due to cabin crew issues in May. However, the overall outlook for the year is positive and we are targeting 40 per cent capacity growth," the executive added.

## India receives 39% surplus rains during the first week of July

Prabhudatta Mishra  
New Delhi



**MONSOON INTENSIFIES.** Dark clouds gathering over the skies of Walayar in Palakkad district on Sunday. Monsoon in the country has now turned positive with 85% of the geographical area receiving either normal or above normal rains until July 7

Over 39 per cent surplus rainfall during the first week of July has helped the country recover from the 11 per cent deficiency in June as pan-India overall monsoon has now turned positive with 85 per cent of the geographical area receiving either normal or above normal rains until July 7.

According to the latest India Meteorological Department (IMD) data, the country has received 78.4 mm rainfall during July 1-7 against 56.3 mm considered normal for the period. Among all regions, the east and north-east meteorological subdivision, comprising West Bengal, Bihar, Jharkhand and north-eastern States, has received a maximum of 241.5 mm rains, which is 148 per cent of its long period average (LPA) of 97.4 mm.

The north-west subdivision, comprising Punjab, Haryana, Rajasthan, Uttar Pradesh, Uttarakhand, Himachal Pradesh and Jammu and Kashmir, has reported 43.6 mm rainfall in July 1-7, which is 5 per cent above the normal 41.6 mm.

IMD said that with 24 per cent surplus rain recorded on Sunday, the country has received 225.6 mm rains in the current monsoon season until July 7, which is 1.8 per cent above its LPA of 221.6 mm.

Except Central India, which is still 6 per cent deficient, all other regions have received surplus rains, more than the LPA.

**BELOW NORMAL**

Out of 36 meteorological divisions, only five are now deficient. Kerala, Chhattisgarh, Odisha and Jharkhand are among the seven States that

fall under "below normal" category in terms of precipitation. There may be lower transplanting of paddy, which is a major crop in all these States, except Kerala.

In Jharkhand, all districts except Godda are either deficient (less than 80 per cent of normal rainfall) or large deficient (less than 40 per cent). The number of such districts is 17 (out of 30) in Odisha, 20 (out of 33) in Chhattisgarh and 10 (out of 14) in Kerala, IMD data show.

The south-west monsoon covered the entire country on July 2, six days ahead of schedule, helping farmers speed up sowing activities (maximum sowing takes place in July). IMD has predicted "above normal" rainfall this month, except in some areas in the North-East.

## Singareni Collieries' Odisha coal mine to commence production soon

**Our Bureau**  
Hyderabad

Once stuck in bureaucratic delay, Naini Coal mine in Odisha, allocated to Singareni Collieries Company Limited (SCCL) on August 13, 2015, is likely to commence production in the next three months. The mine with an estimated

production capacity of 10 million tonnes annually is expected to produce five million tonnes on commencing production.

The mine was allocated to SCCL for captive utilisation of coal in its thermal power plant. The mine was facing abnormal delay in handing over forest land after receipt of stage-II forest clearance in October 2022, which had delayed the operationalisation of the mine.

After taking charge, the Union Minister of Coal and Mines G Kishan Reddy, had held extensive discussions with the Odisha Government to resolve the long pending issue and operationalise the mine.

As a result, approval for

handing over of 643 hectares of forest land has been accorded to SCCL on July 4, according to an official release.

Although the Union Ministry of Environment and Forests had given forest clearances (in October 2022) to the Naini project, due to the non-preparation of a 'Wildlife Management Plan' by the Wildlife Institute, the Odisha Govern-

ment had not given full approval to the project.

**LONG-TERM PLANS**

For 2024-25, five million tonnes of coal will be produced. In the next three years, the production will be increased in phases.

The target of 10 mt pc can be reached from 2026, SCCL officials said. This coal will be transported to the nearby siding from where it will be supplied to Tangedco (Tamil Nadu Generation and Distribution Corporation) and NTPC (National Thermal Power Corporation).

As part of the long-term plan, 750 to 1000 acres of land is being acquired at a distance of 40-50 km from the coal mine. There is a plan to set up two thermal power plants with a capacity of 800 MW by 2030.

of the mine is 340.78 million tonnes, which means that it will be possible to produce coal from here for the next 35 to 40 years.

But there is scope for further growth, the source said.

The increase in exports has been in food products, vegetables, pharmaceuticals, steel products and construction materials. "The Indian industry has submitted inputs related to tariff barriers, non-tariff barriers, Customs-related problems, regulatory issues and logistics and infrastructure," the source noted.

Last month, Qatar and India held their first joint working group on investment in New Delhi to deepen economic ties with focus on sectors such as manufacturing, logistics, IT, health and education.

## + Corporate investment announcements in Q1, at ₹44,300 cr, fell to a 20-year low: BoB report

**Our Bureau**

Mumbai

Corporate investment announcements in the first quarter of FY25 declined to a 20-year low level at ₹44,300 crore, according to Bank of Baroda's economic research department (ERD).

Given that the economy has been growing at a steady pace, the only reason that can be attributed to the sluggish intentions can be the elections, the ERD said in a report.

The previous lowest level of corporate investment announcements was in June 2005. "The industry has probably been in a wait-and-watch mode before taking any investment decision. This, however, has not been the trend in the past when elections were held," per the report.

For Q1FY15, investments

**In the first quarter of FY25,** manufacturing has been the dominant sector in the total investment intentions, with a 46.4% share

were for ₹2.9-lakh crore and ₹2.1-lakh crore for Q1FY20.

Hence, while June does tend to have lower investment announcements as they normally peak in March, which is the year end, it has been exceptionally low this year, opined the ERD's economists.

The economists assessed that the exhaustion of plans in the preceding March quarter, where a high of ₹12.35-lakh crore was announced, which was lower to only that of March 2023 when it was ₹16.20-lakh

crore, could be another reason for this slowdown.

In the first quarter of FY25, manufacturing has been the dominant sector in the total investment intentions, with a share of 46.4 per cent followed closely by electricity (23.5 per cent) and services — other than financial (22.2 per cent), and construction & real estate (7.9 per cent).

**CORP BOND ISSUANCES**  
Corporate bond issuances (based on CMIE data) for the first quarter of the year followed the trend seen in corporate investment announcements, the BoB report said.

Overall issuances had increased from ₹1.43-lakh crore in Q1 FY20 to ₹2.86 lakh crore in Q1 FY24, but came down sharply to ₹1.73-lakh crore in Q1 FY25.

During the first quarter of the year, 76 per cent of the

bond issuances was accounted for by the financial services sector, with power, mining and diversified companies having shares of between 4 and 5 per cent each.

The BoB economists noted that on the banking front, between March-end and June 2024, incremental credit was ₹2.78 lakh crore as against ₹3.78 lakh crore last year.

In terms of growth rate on year-to-date basis, it was 1.7 per cent against 2.5 per cent last year. "It would need to be seen whether there is any major pick-up in the second quarter considering that the Budget will be announced only towards the end of July."

"A good monsoon and steady demand during the festival season which starts from end-August and lasts till December would be the time when investment could increase at a faster pace," the economists said.

During the first quarter of the year, 76 per cent of the

soils where productivity was less than 350 kg lint per hectare. "In light soils we had seen at least average 26 per cent yield increase. But we are able to shift the yield range from lower to a higher for majority of the farmers.

Even 70 per cent of the farmers reported getting 9-10 quintal (in terms of kapas) per hectare yield after adoption of HDP," Prasad said. They got at least an extra 2-3

quintal per acre, he added. The CICR director also said that according to a case study conducted in two rainfed districts involving 60 farmers, about ₹4,000 rupees per acre additional cost was incurred by them in adopting HDP system whereas they received about ₹10,000 per acre additional net income.

Funded by the Union Agriculture Ministry, all stakeholders — textile industry, seed industry, research — came together to ensure the success since HDP system has been in practice in many other countries.

Last month, chairman of the Southern India Mills' Association (SIMA) SK Sundaram had suggested the government to promote HDP among other things as medium-term measures so that farmers get better returns for their cotton and the industry gets raw material at competitive prices.

are more in HDP system due to high density of plants as against the normal plant population of 0.18 to 0.20 lakh plants (90-120 cm between rows and 60-90 cm between plants) per hectare in

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## Lite is good

SEBI's push for passive funds is welcome

**P**assive funds have been big beneficiaries of the record inflows into mutual funds since Covid market lows. This category accounted for about 16.5 per cent of the assets managed by the industry in May 2024, more than double the 7 per cent share four years ago. In developed markets such as the US, passive funds have already nudged past actively managed funds.



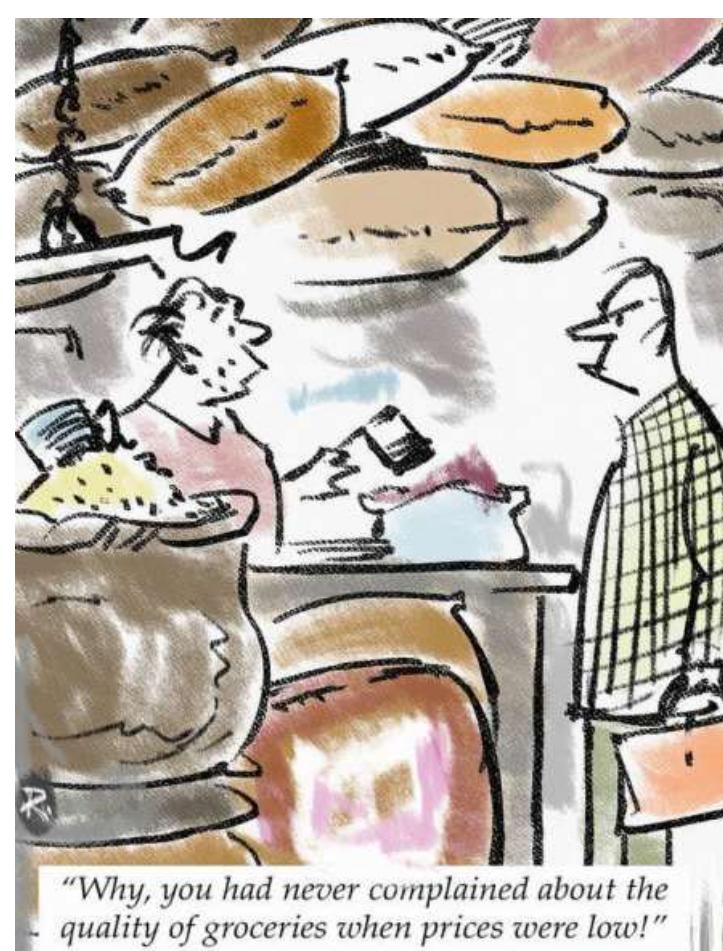
Considering cheaper costs and the lower risk associated with these funds, the Securities and Exchange Board of India's (SEBI's) move to frame 'MF Lite' regulations to encourage passive products is a step in the right direction. A nudge towards passive products is good for mutual fund investors on many counts. For one, with over 30 categories of actively managed products on every AMC's (Asset Management Company's) menu, investors who are new to mutual funds are often befuddled by a problem of plenty and are unable to make informed choices on the right categories or fund managers to select. Passive funds narrow down the choices as they mirror known indices. They also shield investors from excessive dependence on fund manager skills and the success or failure of a fund house's investment style or thesis. Passive funds are also an option for investors with lower risk appetites, as the downside is capped to the extent of the fall in the index when market conditions turn hostile.

More importantly, active funds in India are finding it a tough task to beat their benchmarks. A paper put out by SEBI last year showed that be they direct or regular plans, only 27.66 per cent of the active funds were able to match or outperform their benchmarks over 1 to 10-year timeframes. Passive funds are already far cheaper for investors to own than active funds. While index funds and exchange traded funds charge a maximum TER (total expense ratio) of 1 per cent, TERs on active funds can go as high as 2.25 per cent. While SEBI has been grappling with the issue of trying to reduce TER caps for active managers, encouraging more passive funds may be a simpler way to achieve such reductions through competition. The entry of more AMCs into the field, enabled by lower net worth requirements under MF Lite could aid competition and benefit investors too. Existing AMCs — who can hew off their passive schemes under MF Lite — may also be able to rejig their cost structures.

That said, a few aspects of the MF Lite regulations need fine-tuning. The regulations seek to introduce a new category of hybrid passive funds, but try to micromanage how exactly these indices should be constituted. This could stifle innovation as the risk appetite of investors seeking hybrid funds can also vary. While existing AMCs are allowed to hive off their passive business, separating shared resources may be easier said than done. The move to encourage passive products must also go with fostering further innovation in index construction itself, currently vested with the exchanges. SEBI should also go for uniform applicability of MF Lite across all passive schemes.

## POCKET

RAVIKANTH



## CAPITAL IDEAS


 RICHA MISHRA

**A**t a discussion session on gastroenterologist Dr Shiv Kumar Sarin's book, *Own Your Body: A Doctor's Life-saving Tips*, most experts felt that coffee — two cups — was actually not bad for health.

If coffee is good for health, why is it still not the favoured drink of Indian households? It is still not a popular drink for most Indians despite two of the prominent beans, Arabica and Robusta, being grown here.

Arabica has a sweeter, smoother taste to it, while Robusta is generally more bitter and harsher on the taste buds. Is coffee's lack of mass appeal due to it not being promoted sufficiently or is it because it is still seen as a premium drink?

Yes, the cafe culture has brought in a shift, but still coffee has not become a popular household drink. There are two reasons for this, according to those who are into coffee plantation business.

One, India has always been a tea consuming country and it is difficult for any other beverage to make a mark. And, two, coffee is produced only in the South. In fact, the three southern States — Tamil Nadu, Karnataka and Andhra Pradesh — account for most of the coffee drinkers.

## STAPLE BEVERAGES

According to Harish Bijoor of Harish Bijoor Consults Inc., "Coffee and tea are both staple beverages and both are plant outputs. Coffee has lagged because it is seen for a niche audience and is dominant essentially in South India. Tea, on the other hand, has always been promoted across the country and is omnipresent across areas. Besides, it is easy to prepare, while coffee is that much more complicated in its preparation mechanism."

"Today as we speak coffee has gone far beyond the pathetic consumption levels 30 years ago when I was in the sector. Coffee needs to be promoted much more vigorously," he said, adding that "the liquid coffee movement which was promoted essentially during the cafe revolution that hit India has really done wonders to its consumption. People drink a great cup of coffee in a Starbucks or Cafe Coffee Day and get back home and want to make something similar. If they cannot make something similar, they at least try to pick up an instant coffee packet that is as close as possible to the one they had."

But coffee remains the drink of South India and for the rest of the Indian market it is a drink to be had in a cafe where it is made best, says Bijoor, adding that "when it comes to home



## Taking coffee to the masses

Popularising this beverage, which is produced and largely consumed in the South, requires vigorous promotion, reducing the chicory content, changing the labelling norms

consumption, everyday consumption or multiple cups of consumption it remains to be cups of tea. Coffee is served for special occasions."

According to Coffee Board Secretary, KG Jagadeesha, "Coffee Board takes up lots of generic promotions at its end. In fact, on the policy front, in our proposal for the new Coffee (Promotion and Development) Bill, which will replace the over 80-year-old existing Act, we have proposed that the role of the Coffee Board should be that of a facilitator and not a regulator."

The push to coffee is pretty evident in terms of number of campaigns that have been coming up.

Says R Sanjith Secretary-General, UPASI (United Planters' Association of Southern India), "As per a recent study on coffee consumption, the per capita

Coffee remains the drink of South India and for the rest of the Indian market it is a drink to be had in a cafe where it is made best.

consumption declined marginally during the last decade, while there was a small increase in the absolute coffee consumption figures. The reason for this static growth in coffee consumption could be due to blending of chicory with coffee at a maximum of 49 per cent. This could potentially mask not only the taste and flavour of coffee but also dilute the stimulating effects of coffee. Globally, mixing of chicory with coffee is confined to a couple of regions/countries and as per ICO (International Coffee Organization), the member countries should promote coffee that contains at least 95 per cent green coffee as the basic raw material."

## PACKAGING MATTERS

"The ideal case scenario for growth in coffee consumption is reduction of chicory content in coffee to a minimum. That being the case, UPASI supports the Coffee Board's initiative to amend the labelling norms to indicate the coffee and its content on the front cover of package, as it will enable the consumers to make an informed choice for purchase of coffee," Sanjith adds.

Clearly, if consumption of coffee has to be increased, the consumer should be

made aware of how pure the coffee is. Apart from awareness, price is an important aspect. Coffee is expensive, largely because the entire production process is cumbersome. According to Nadikerianda Bose Mandanna, former Vice-Chairman Coffee Board, "Preparation of filter coffee is a laborious process in India — beans have to be roasted, ground and decoction made, whereas in the West machines are used more frequently. Indians still prefers the South Indian filter coffee."

Mixing of chicory prevents the consumer from tasting real coffee, he said. There is a demand to reduce the percentage of chicory in coffee.

"Coffee powder and coffee beans may be the cheapest in India. But the problem is in making. The process is cumbersome that it becomes difficult for the families to make it their home product." This leads to the next question: what could be the role of government in all this?

A set of rules have to be in place which would ensure that the percentage of chicory mixed in coffee is much lower and the labelling must depict the same. To make coffee popular, all stakeholders need to work together to ensure the demand grows.

## Biden show is getting Democrats all worked up

Agitated Democrats want the President to quit the race, and name dropping of potential candidates has already begun

Sridhar Krishnaswami

**S**omehow things are not going right for President Joe Biden even if he tries to put the best spin. First was his disastrous debate in Atlanta, when his fumbling and mumbling rattled the wits out of the Democrats. And a group of Democratic Governors heard the President saying that he needed more sleep and that he would have to stop scheduling events after 8 pm.

The saving grace as of now is that Biden seemed to have held his own in his Friday interview with ABC News, but not many have been convinced of an incumbent having to repeatedly defend his ability to lead the United States for another four years. And the clamour has started within the Democratic Party and top-flight donors that in the interests of himself, party and country, Biden should leave the race.

But an embattled Biden who has not faced a defeat in polls in his long innings in Washington DC has increasingly been striking a defiant tone. "... if the Lord Almighty came down and said, Joe, get outta the race, I'd get outta the race," he told ABC's George Stephanopoulos. But

he was quick to add, "The Lord Almighty's not comin' down." Agitated Democrats who are looking at the national polls and battleground states showing the incumbent trailing former president Donald Trump, have started looking for options.

"The President is rightfully proud of his record. But he is dangerously out-of-touch with the concerns people have about his capacities moving forward and his standing in this race. Four years ago at this time, he was 10 points ahead of Trump. Today, he is six points behind," David Axelrod, former advisor to President Barack Obama has been quoted.

**SOUNDING OUT COLLEAGUES**  
What started as a quiet murmur has now openly surfaced into a movement among Democrats with at least four in the House of Representatives and Senator David Warner said to be quietly sounding out colleagues in the Senate.

Aside from ruthlessly putting down President Biden's debate performance on CNN, neither Trump nor his campaign have joined the oust-Biden movement perhaps for one or two reasons: watching from the sidelines with glee Democrats themselves taking



REGAINING MOJO. Running out of time

apart their candidate; or worried that their entry could hasten the process and produce a candidate who is not only much younger than the 78-year-old challenger but far more aggressive in taking down the falsehoods that Biden gave a pass or failed to respond in the June 27 encounter.

The name dropping has already begun even if every one of the potential candidates are publicly rooting for President Biden to stay on. And heading the list is Vice-President Kamala Harris who is 19 years junior to Trump in age as also a feisty and no-nonsense debater who will have the biggest advantage of campaign funds currently available. But

at least six other Governors are being spoken of as possible replacements: Gavin Newsom of California; Illinois' JB (Jay Robert) Pritzker; Gretchen Whitmer of Michigan; Wes Moore of Maryland; Josh Shapiro of Pennsylvania and Roy Cooper of North Carolina. All this is not to forget the name of Michele Obama that gets dropped every now and then. And if a replacement is indeed found, who is the Vice-Presidential nominee on the ticket?

The one thing that Biden and Democrats do not have is the luxury of time, both by way of seeing how things unfold at the National Convention starting August 19 in Chicago or waiting how President Biden performs in the next debate on September 10.

Privately senior Democrats and donors will be hoping for the issue to settle even through a fractured convention, for at stake on November 5 is not only the Presidency, but in the Democrats' hope of re-taking the House and improving their fortunes in the Senate. Biden may be hedging his bets on The Almighty who may not be interested to get into the mess.

The writer is a senior journalist who has reported from Washington DC on North America and United Nations

## ● BELOW THE LINE



## All eyes on the Budget

TDP Supremo Chandrababu Naidu's reported \$12 billion aggregate aid request from Central Government is a hefty sum, but the Central Government might consider it small change to avoid a political collapse, due to the compulsions of a coalition government. For a \$3.5 trillion Indian economy, the fiscal support

packages sought are not much, one may argue. Nitish Kumar, another key ally, has reportedly joined the fray, asking for additional financial assistance running into few billion dollars besides special category status for Bihar.

Combined, their demands exceed the total allocations to all States put together as loan assistance for the current fiscal. All eyes are on the upcoming Budget to see how Finance Minister Nirmala Sitharaman will manage the fisc to accommodate these massive requests from key allies.

**Comedy of errors**  
The Chief Ministers of the two Telugu speaking States on Saturday met to resolve pending issues post

bifurcation at Praja Bhavan in Hyderabad. So what is the big deal about the venue one would ask? Almost around the same time nine years ago, K Chandrashekara Rao had given the go-ahead for a sting operation against Telugu Desam Party.

The episode also caught Andhra Pradesh Chief Minister and TDP President N Chandrababu Naidu talking to the MLC concerned promising to honour all the promises made to him. This operation put Naidu in a spot politically, making him go to Vijayawada with bag and baggage, while A Revanth Reddy, now Telangana Chief Minister, was arrested. Nine years later, Reddy,

who subsequently quit TDP to join Congress in Telangana, and Naidu, have become Chief Ministers. In a week of quick developments, Naidu wrote to his protégé Reddy, offering to settle several unresolved bifurcation issues. Reddy responded positively and offered to host the talks in Hyderabad.

The meeting went off well with the two sides agreeing to set up two high-level committees to study and resolve the issues. What everyone missed was that the venue of the meeting — Praja Bhavan (it used to be called Pragati Bhavan) — is the same place from where KCR gave his consent for the sting operation.

**Spirit of Mumbai**  
Mumbai, which records the lowest

turnout in any election, was in full force to celebrate the victory of cricket World Cup champions despite the wet weather. The day after the victory lap, the Bombay Municipal Corporation-appointed workers collected 9,000 kg of waste along the Marine Drive, a VIP stretch frequently used by MLAs and bureaucrats heading for the ongoing State assembly session at Vidhan Bhavan.

Having found scores of discarded chappals and shoes collected from the waste during the morning walk, an avid stock investor went on to buy stocks of Bata and Campus Shoes. Is that called the spirit of the city that never sleeps?

**Our Bureaus**

# More than just money

Health and happiness imperative for true wealth

## BOOK REVIEW.

GR Balaji

**M**ark Mobius strongly believed borrowing was never a good option, a big virtue learned from his father. This led him to work in local bars and clubs to keep his college dream alive. According to Mobius, real wealth is beyond money. It has intellectual growth, emotional strength, social connections and so on. It's the richness of your life as a whole which is true wealth. He admires billionaires living modestly like Warren Buffett and Mark Zuckerberg.

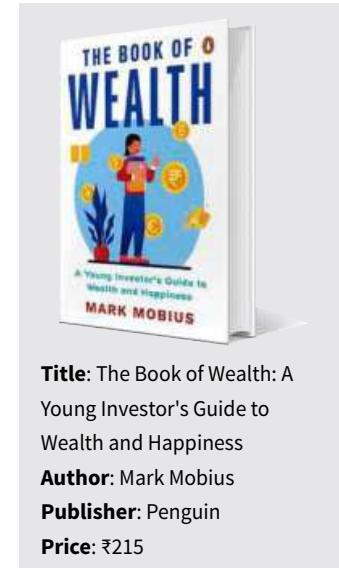
Wealth covers more than just money and includes happiness, knowledge, health, fame. Mobius refers to some financially successful people like Alexander Winston who died unhappy as his luxurious lifestyle separated him from society. People around him got interested in his wealth and not him. Mobius believes health is the real wealth and without health, wealth is meaningless. The longer you live you have a better chance of creating and enjoying wealth. Warren Buffet is one such living example; Rakesh Jhunjhunwala died early due to a poor lifestyle. To gain more in life you need to sustain yourself first.

**YOUR BEST ASSET IS YOU**  
Fortune begins with investing in your best asset — you. Your earnings power depends on how good your health is which allows you to perform your duties best which can result in better outcomes. Always give importance to invest in your skills, education and health, he emphasises.

Endless learning will help you to be top of your chosen field which can aid one to create strong material wealth. Buffett invested approximately 80 per cent of time reading and thinking about investment which led to his huge investment success.

Connection is another important source of wealth. It is not what you know but who you know that can help one climb the ladder of success. Every turn of your life is dependent on other people and to build strong relationships first become genuinely interested about them and their interests.

Mobius discusses various investment asset classes like cash, stocks, bonds, property, precious gems, cryptos and so on and substantiating each class' merit and disadvantage. No currency, he says, holds value over time and is the biggest risk of cash as an asset.



**Title:** The Book of Wealth: A Young Investor's Guide to Wealth and Happiness  
**Author:** Mark Mobius  
**Publisher:** Penguin  
**Price:** ₹215

Mobius prefers equity for long term investment as the return tends to be 2x better than bonds. One dollar of equity in 1801 resulted in \$8.8 million by 2001 vs \$13,975 in bonds over a 200-year period.

Both, a steep bull market and bear market, are not representative of the long term potential of the equity asset class. He shares the example of Jesse Livermore, who was called Great Bear of Wall Street, who made a big fortune during the 1929 Depression by shorting the market. Bonds are also very effective tools in managing portfolios. During the period between 1870 and 1940, both bonds and equities delivered equivalent return reflecting the importance of bonds in certain economic circumstances.

Mobius' last chapter is devoted to investment strategies to put all assets together to create one's own unique portfolio. Mobius believes emotion controls everyone's behaviours more than anyone realises and we are subject to such behaviours like herd mentality, which results in selling stocks in panic or buying voraciously in panic to grab stocks whose price is rapidly rising. People attempt to move to a decision faster than normal and suspend reason and become irrational and start following what others are doing rather than considering the alternative strategies.

To conclude, there are many paths to wealth and people can take different routes to achieve the same but wealth has all the meaning when it results in happiness, which is the ultimate need of every human being.

The reviewer is Head of Research, iThought Financial Consulting

# Demystifying the world of RBI

An insider's account of how RBI Governors dealt with crises, as also the personal initiatives launched by them

## BOOK REVIEW.

S Adikesavan

**M**idway through her 220-page book *A Fly on the RBI Wall*, Alpana Killawala, former head of Communication at RBI, recounts how a policy on communication was crafted during the tenure of the legendary Dr YV Reddy as Governor. Alpana, who started as a professional journalist and joined RBI at the behest of the late S Venkitaraman, the 18th Governor, describes this document more as a "dissemination" policy rather than true "communication."

The book offers a breezy yet insightful read, delving into the communication (read dissemination) styles of six Governors, all men of significant scholarship and intellectual prowess, from 1992 to 2019. For those interested in financial regulation and policy, how these leaders formulated policy and communicated with the media and public will be particularly engaging.

**PIVOTAL EVENTS**  
The author revisits pivotal events such as the securities scam, the rupee's two-step devaluation, the South-East Asian currency crisis, the Keta Parekh episode, the 2008 financial turmoil, the Asset Quality Review, and demonetisation. Through an insider's perspective, it provides a detailed narrative of the Governors' responses to these crises.

What is engaging is the sidelight that she provides. Most of us know the way the RBI Governors dealt with these crises. Mostly, the gentlemen got it right. We can cavil at certain decisions with the benefit of hindsight. But their copybook is largely unblotted. What went on behind the scenes even as these

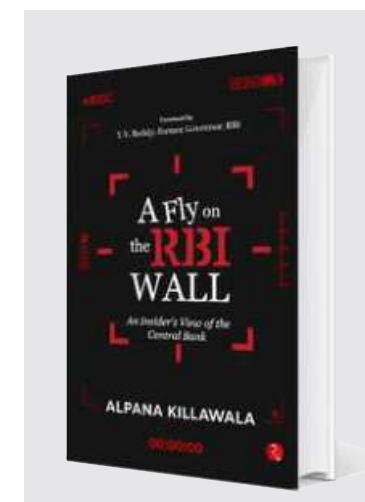
decisions were taken is the stuff of the book.

With a blend of flourish and sensitivity, Alpana adds colour to RBI Governors, otherwise perceived as pedantic and ivory-towerish. For instance, she recounts how Dr Rangarajan, a distinguished monetary economist, was forced to speak in Hindi (a language he barely managed) by the Chairman of a parliamentary committee, despite two Hindi-fluent Deputy Governors offering to substitute. This incident, although resolved, was a poignant moment illustrating language chauvinism. Such tendencies persist with equal vehemence even now.

**JAMES BOND**  
Another time, a celebrity author sensationalised Raghuram Rajan's image as "James Bond", punning on "bond" and suggesting that the "guy has put sex back into the 'imp sense'". It was embarrassing. The communications team at RBI then asked the Governor whether he was okay with such type of coverage. He emphatically said he was not. "I have a wife and a young daughter," he said. Alpana and her team then saw to it that the Governor's bespectacled visage became the norm for his newspaper pictures, in a bid to mitigate his "appeal".

Alpana, with her front-row seat and active role in shaping RBI's communication, weaves a captivating tale that avoids becoming dull despite the arcane subject matter. She also highlights the personal initiatives launched by the Governors.

For example, Governor Duvvuri Subbarao was dedicated to demystifying the RBI, initiating outreach programmes where top executives travelled to villages for first-hand feedback. One recalls that the RBI website used to put out the weekly programmes of outreach



**Title:** A Fly on the RBI Wall: An Insider's View of the Central Bank  
**Author:** Alpana Killawala  
**Publisher:** Rupa Publications India  
**Price:** ₹462

### MEET THE AUTHOR

Alpana Killawala, a former journalist, led the RBI's communication function for 26 years. She transformed it from a Press Relations Division into a Department of Communication.

and forthcoming speaking engagements with the tagline, "The weekly schedule of the top executives of the Reserve Bank of India is aimed at demystifying the offices of the Governor and the Deputy Governors."

Subbarao introduced other innovations like "village immersion," incognito visits to bank branches by senior executives, and "outbound"

programmes to enhance staff interaction. These initiatives, if sustained, could have fostered genuine two-way communication for the RBI, beyond mere media relations.

Today, the central bank practises substantially what Alpana describes as a "dissemination" policy, focusing on media and analyst meetings.

What was press relations has now turned into media relations. Media meets remain dominated by dense policy discussions on "stance on liquidity", cues on reading between the lines of the Governor's statement and so on, the daily bread of the English business media.

### DIRECT ENGAGEMENT

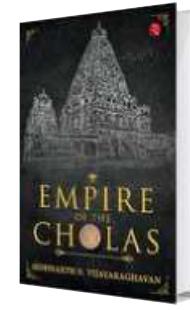
There is still no platform for direct engagement with ordinary citizens affected by MPC and RBI decisions. Ordinary people do not know that there is a committee in Mumbai which "believes" that its bi-monthly meetings and resultant decisions control the prices of the pulses, vegetables, rice, wheat, edible oil, milk, sugar, fish, chicken and eggs that they consume daily using promissory notes signed by the Governor.

And that the buck for price rise stops with this committee, as legislated by Parliament, elected by them. Unless there is communication with the person at the last mile on these livelihood issues, we will have only "dissemination".

*A Fly on the Wall* is a valuable addition to the literature on central banking. It will be judged by posterity not just as a collection of anecdotes but as a discerning record of how "communication" policies are taking shape within the central bank. This effort is a work in progress as the author also acknowledges.

The reviewer is a commentator on banking and finance

## NEW READS.



**Title:** Empire of the Cholas

**Author:** Siddharth N Vijayaraghavan  
**Publisher:** Rupa Publications India

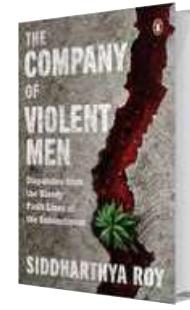
Weaving together the fictional and the factual, the book narrates the legend of the construction of the Big Temple in Thanjavur and the Chola Empire



**Title:** Go Further, Faster: Shaping a Life that Matters

**Author:** Lulu Raghavan  
**Publisher:** Bloomsbury India

With actionable strategies and heartfelt encouragement, the book equips you to soar to new heights professionally and personally.



**Title:** The Company of Violent Men: Stories from the Bloody Fault lines of the Subcontinent

**Author:** Siddharthya Roy  
**Publisher:** Penguin

The author, an investigative journalist, takes us on a deeply personal journey into reporting violent political conflicts in South Asia.

thehindu businessline.

## TWENTY YEARS AGO TODAY.

July 8, 2004

### Survey hints at bold moves to sustain growth

"The economy appears to be in a resilient mode in terms of growth, inflation and balance of payments" and there are "signs of improvement in the investment climate in recent months," the Ministry's Economic Survey for 2003-04 has said, referring to the 8.2 per cent growth in real GDP registered in the previous year.

### TRAI mandates 6-month validity for all tariff plans

In a move that would protect mobile and fixed line users from any increase in tariff hike soon after taking a connection, the Telecom Regulatory Authority of India has made it mandatory for operators to put a six month validity period on all tariff plans. This means that if a subscriber takes a tariff plan today, the operator cannot bring about any increase in the tariff package for the next six months.

### Alstom to make India global production hub

French engineering giant Alstom is planning to set up a research and development (R&D) centre in Bangalore and upgrade its Vadodara and Delhi operations as part of plans to make India its global manufacturing hub and exports base.

### Short take

## Budget challenges amidst a robust economy

K Srinivasa Rao

**T**he expectations of every sector of the economy from the upcoming full Budget FY25 are increasing. The resilience of the economy when seen with the robust contribution of a dividend of ₹2.1 trillion by RBI adds to the fiscal strength.

As against the fiscal deficit of 5.1 per cent envisaged on February 1, 2024, in the Interim Budget, the deficit may go down to 4.5 per cent by the end of next fiscal — 2025-26. During April-May 2024, government expenditure was low due to the model code of conduct and the capex was at a six-month low. No new projects were funded.

The fiscal deficit during April-May

stayed at 3 per cent of GDP.

The GDP is expected to surpass the RBI estimate of 7.2 per cent. According to the IMF, the nominal GDP of India is expected to reach \$4.339 trillion by 2025 while Japan's GDP is predicted to reach \$4.310 trillion when India will be the 4th largest economy on its way to become the third-largest by 2027. India alone is contributing 15 per cent of the global growth now.

### MIDDLE-CLASS WOES

Even when the economy is doing well the pain points of middle- and low-income groups have increased. They seek income tax relief by further rationalising taxable slabs. It should create more space for health insurance protection. As interest rates are set to go

down, some exemptions from TDS on interest on fixed deposits could be expected. Despite diminishing inflation, the lifestyle cost of middle-income and retirees are going up. The higher longevity with shrinking savings is putting pressure on elders amid the waning joint family culture.

Budget time is funding time for various social welfare programmes. The prominent among them are — MGNREGA, Digital India, Skill India, Swatch Bharat Mission, Bharat Mala, PM Gram Sadak Yojana, and PM Awas Yojana where 4 crore houses were built and allotted and 3 crore new houses are proposed to be built.

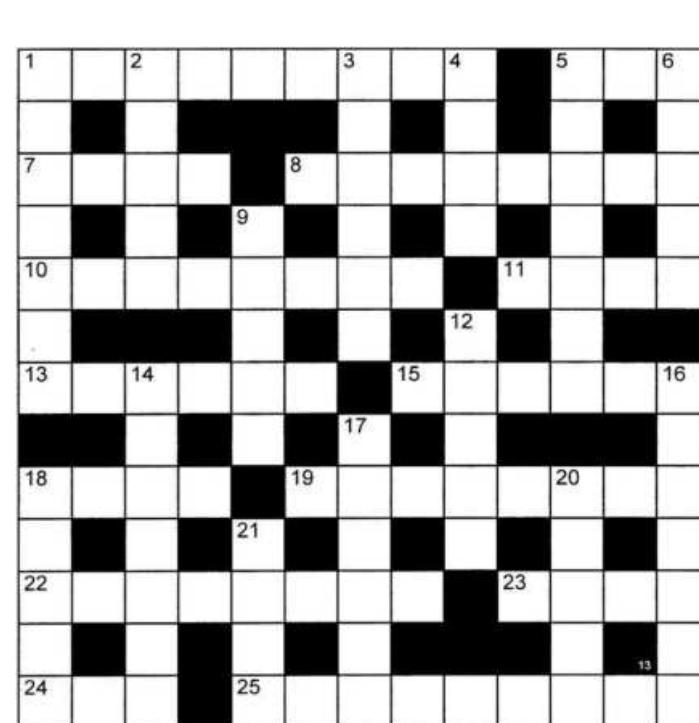
It will be a tough challenge to support the social sector schemes by fixing the proportionality of budgetary flows

among them. The broader focus continues to be on key sectors such as semiconductors, solar, electric vehicles, green hydrogen, batteries, and the aviation sector to increase manufacturing and unleash growth. Balancing the budgetary allocations between different sectors of the economy while maintaining focus on infrastructure development with a long-term vision calls for foresight and a knack for prioritisation.

Maintaining a balance between fiscal prudence amid the various forces drawing government resources calls for collaborative efforts.

The writer is an Adjunct Professor, at the Institute of Insurance and Risk Management, Hyderabad. Views are personal

## ● BL TWO-WAY CROSSWORD 2477



### EASY

#### ACROSS

- Unmoved in feelings (9)
- Gratitude (3)
- Work with wool (4)
- Schooled (8)
- Meant (8)
- A drama (4)
- Sandy-haired (6)
- Orison (6)
- Words of book (4)
- Daredevil (8)
- Look for gold (8)
- Supply finance (4)
- Type of lettuce (3)
- Replace (9)

#### DOWN

- The least suspicion (7)
- Apply coat (5)
- Certainly (6)
- Every one, separately (4)
- Completely (7)
- Growing rice (5)
- Beneath (5)
- Slow vehicle (5)
- Hurtful (7)
- Amount left (7)
- Crockery item (6)
- Matter for discussion (5)
- Escape by stratagem (5)
- Work (mus) (4)

### NOT SO EASY

#### ACROSS

- Little devil and fool I've followed without emotion (9)
- It is the very end of a hand-out (3)
- Do something needling to make one furrow brows (4)
- East of the French, acted strangely though not ignorant (8)
- Bride-to-be, perhaps, had something in mind (8)
- Give money to about fifty to be instrumentalists (4)
- Make spirited hair colour (6)
- What's offered up, proper first and last, as year changes (6)
- Brave to be, perhaps, had something in mind (8)
- Rash of freckles hasn't begun with sun's first appearance (8)
- A view of what's in store: go out and get gold (8)
- Money provides enjoyment on the day (4)
- Firms long recognised among lettuce-growers (3)
- Take place of first-class tournament player who changes (9)

#### DOWN

- Dim notion of fish after the cuttlefish fluid (7)
- Colour in and dab around (5)
- Where fin is defined, of a surety (6)
- Every one way for a bet being placed (4)
- Small child, one on one's side – completely! (7)
- Rice in the husk shown by child in a rage (5)
- Not up to one in France with the German version (5)
- Sort of vehicle one may bring to a halt (5)
- Six, on our unfinished version, could be harmful (7)
- Regret including the wrong side if the remainder is there (7)
- One has chain when separated? Storm-centre! (6)
- Talk about it when there's a spinner on the ice endlessly (5)
- Artfully escape, and we'll muddle even characters (5)
- Invocation to a Manx cat (work of a composer) (4)

## SOLUTION: BL TWO-WAY CROSSWORD 2476

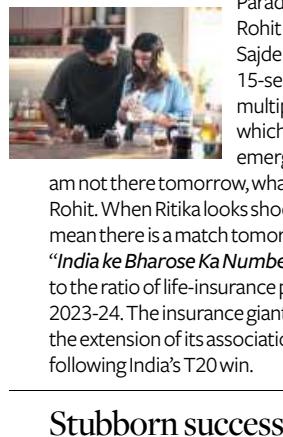
**ACROSS** 1. Embody 4. Ascend 9. Contact 10. Llama 11. Main 12. Slot 13. Elm 15. Grew 16. Draw 19. Ill 21. Tail 22. Ages 24. Alien 25. Vertigo 26. Easily 27. Adages  
**DOWN** 1. Excommunicate 2. Bending 3. Deal 5. Solitary 6. Erase 7. Dead men's shoes 8. Stall 14. Sentinel 17. Wagging 18. Sieve 20. Lairs 23. Arid

ON THE CAMPAIGN  
TRAIL.

*It was a dull fortnight for ad commercials — perhaps due to the confusion created by the new self-declaration certification norms. Some works of new brands, however, caught the eye.*

## Timing it sweetly

MaxLife Insurance scored a hit for its sweetly timed ad campaign showcased during Prime Minister Modi's interaction with India's T20 World Cup winning squad and the Victory Parade. Power couple Rohit Sharma and Ritika Sajdeh feature in the 15-second ad released in multiple languages in which they discuss emergencies. "What if I am not there tomorrow, what will you do," asks Rohit. When Ritika looks shocked, he says, "I mean there is a match tomorrow." The tagline "India ke Bharose Ka Number 99.65%" alludes to the ratio of life-insurance payments in 2023-24. The insurance giant also announced the extension of its association with Star Sports following India's T20 win.



## Stubborn success

Under Armour's new campaign 'Ziddi for More' features javelin champion Neeraj Chopra's grit, resilience, determination and stubbornness. It dives deep into the Olympic and World Champion's 'ziddi'

mindset to never give up on his goal of bringing greater glory to the nation. The grippingly shot campaign opens with the line 'Har Taiyaari Se Badkar Hai Ziddi', a personal belief that Chopra lives by and demonstrates—battling exhaustion, injuries and loneliness in foreign lands while relentlessly going about his gruelling regimen.

## Tested by nature

Home-grown sustainable luggage brand Uppercase has launched a campaign that celebrates the spirit of young travel enthusiasts. Its 'Tested by Nature' campaign shows the durability and lightness of uppercase's luggage by pitting it against some of the toughest terrains in nature. It shows a bunch of young travellers lugging it across rocky

terrains, being flung out of jeeps and so on. The campaign also highlights the use of recycled plastics in the product's creation. The range of travel gear—from eco-friendly backpacks, trolley bags, duffles and shoulder bags to suitcases—are shown in the well-shot ad.

## Taste with a twist

Bisk Farm's new TVC 'Googly- Taste with a Twist' revolves around a fun banter between a husband and wife with the added star quotient of film star Hrithik Roshan. The ad shows Hrithik ribbing his wife trying to make her jealous. When his wife tells him that their neighbour really loves his wife and does he love her as much, his tongue in cheek reply elicits laughs. The TVC has been launched in seven regional languages. Says Vijay Singh, MD, SAJ Food, "The campaign perfectly encapsulates the fun and unexpected twist that Googly biscuits bring to the table."

## NUGGETS.

## Adrian Mendonza joins Rediffusion

Adrian Mendonza has joined Rediffusion as a senior national creative resource. He will oversee creatives for the agency's North India operations. He will be based in Delhi.

Mendonza, who most recently led creative with RK Swamy BBDO and had worked on the Mercedes-Benz brand for five years, will now be responsible for the BMW India account. Earlier, he was National Creative Director with Dentsu Marcom. He has also worked extensively with Rediffusion, Mudra and Contract Advertising.

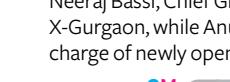
In his over thirty years career, he has worked with brands like Taj Group Of Hotels, Tata Motors, Phillips, Colgate, Airtel, Hindustan Petroleum, Citibank, Indian Oil, Maruti Suzuki, Daikin Air Conditioners, to name a few.

Welcoming him to the fold, Rediffusion Chairman Sandeep Goyal said, "Adrian is one of the best copywriters I have worked with—our association goes back almost 30 years now. He has the expertise of a master wordsmith. Plus strategic understanding that is deep and insightful."

## Cheil X's new visual identity

Cheil X, part of Cheil SWA group, has adopted a new visual identity and philosophy which takes its muse from the agency's Korean heritage. Cheil X is an independent full-service agency under the Cheil SWA group that manages the fast growing new client mandates in India. It has two full-fledged offices in Gurgaon and

Mumbai. The Gurgaon team is helmed by Neeraj Bassi, Chief Growth officer, Cheil X-Gurgaon, while Anurag Tandon leads the charge of newly opened Mumbai office.



## ● DIRECTOR'S TAKE

## ‘It is time we manufacture vertical TV sets’

**LIGHTS, CAMERA, ACTION.** The ace ad film maker and movie director Ram Madhvani on creative trends and changing technology

Chitra Narayanan

**T**hink Ram Madhvani and most people would instantly recollect Sushmita Sen's 'Aarya' or 'Neerja' — the sensitive biopic on the brave flight purser. But for ad folks, Madhvani is synonymous with the sparkling Happydent 'tera dil roshan' commercial that won a Cannes Lion. Among the memorable body of advertising work of Equinox, the film production company that Madhvani runs, are the zesty Airtel ads.

With the tautly suspenseful 'Aarya' playing in your mind, meet Madhvani, expecting an intense, serious film-maker and instead you find a smiling personality full of light-hearted quips and breezy charm. Excerpts from an interview:

**Between the first ad film you made and your most recent work — the Airtel Xtreme ad, what are the changes you see in the way commercials are made?**

The first ad film that I made was for Baygon Spray. I took a photocopy of the cheque that I got as advance—it was for ₹5 lakh, a huge sum those days—and I still have it. It was made for Trikaya Grey and was called 'No entry for pests'. It was a huge campaign. And my wife Amita, who is my co-producer now, was also involved.

The change between then and now is that we are more and more at the receiving end of viewer distraction. There is so much competition for viewers' attention that we are really battling for eyeballs all the time. Apart from attention, we are also battling for opinion. Very rarely do we battle for feeling or mood.

**So, do you find the 30-second format too short? After all, you have directed a long web series now.**

I love the 30-second format. Now, because of cricket, you sometimes



**CRAFTING EMOTIONS.** Ram Madhvani and his creations — Happydent's 'tera dil roshan' and Airtel Xtream Fiber ad

**But one does see a lot of heart tugging films full of feelings, especially during Diwali or Rakshabandhan...**

We are in the business of feelings. However, over time, the duration required to evoke these feelings has reduced. Altering a viewer's mood or feelings takes more time now.

**So, do you find the 30-second format too short? After all, you have directed a long web series now.**

I love the 30-second format. Now, because of cricket, you sometimes

need to keep it even shorter as that's all the time you get from the media channel. I respect that time. I don't do Director's Cuts or showreel cuts. If I'm given 30 seconds, I ensure that I don't waste any of it.

This is not out of any indulgence or vanity. I am doing it for a reason — to sell the product. I am not making the film for myself. My bigger responsibility is that I get return purchase for the ad. That ad, which is selling something, is also an ad for me and my work.

**But you must be working to a script written by an ad agency.**

**How much leeway do you get as a filmmaker?**

It is always a discussion and a choice. It's up to you whether you want to make it or not. Eventually it builds into a relationship. With Airtel, it has been a long relationship. There is an understanding of the brand voice. Airtel is one of the few brands that has consistently maintained a distinctive look and feel in all its ad films, which is very rare. It is thanks to Gopal (Vittal), Agnello (Dias of Taproot) and Pallavi (Chakravarti of Fundamental) now.

**In cricket we are seeing**

**experiments with vertical video format. What about advertising?**

I love vertical formats. We are now in the transition phase, shooting twice in both formats. As the composition changes, the set also changes. Eventually, when you are composing for the vertical, you have to keep in mind how does the landscape of the human face change? That's what hopefully is not changing. I am looking forward to the day when we have vertical television sets. This current format of television exists because it followed the aspect ratio of cinema. But aspect ratios have now changed and television has not kept up. It's time we start manufacturing vertical sets.

**Are you excited about AI?**

I am. But you must make sure that you are using AI and the AI is not using you. It's a great visualisation, brainstorming tool. I am working on some simulated stuff with AI. We have not broadcasted anything yet. We are using AI for a lot of the pitch work, storyboarding and scratch films. It is very liberating.

**Any messages you want to give the ad community.**

I am too young to be giving messages! Please give me messages (laughs). Jokes apart, it's just struggle and experience. Do better work and good work. Also stay relevant.

**How do you personally stay relevant?**

Out of fear of work stopping! (laughs). I do a lot of reading. Currently I am reading a book on the civil war in America and what led to the abolishing of slavery. I read 4-5 books at a time. I read a lot of crime.

## Cricket's exciting global knock captained by ICC

## FIELD NOTES



GIRAJ SHARMA



**T20 FORMAT.** Winning hearts and creating new fans worldwide

cluded T20 World Cup — hosted jointly by the US and the West Indies — is just a precursor. Cricket's entry in the Los Angeles Olympics in 2028 will be a bigger shot in the arm for the global spread of the game.

## WINNING NEW FOLLOWERS

It is true that at the T20 World Cup matches in the US, mostly immigrant communities of South Asian descent showed up at the stadia. But the home team's superb performance, defeating a much-fancied Pakistan team, would have spiked the interest of the basketball, baseball and soccer loving Americans. Also, this T20 World Cup would have earned new followers for cricket in two other debutant countries — Uganda and Canada. Seeing images of massive crowds erupting on the streets of Kabul, Khost and Kandahar to celebrate the Afghanistan team's entry into the semis, surely the game will grow there too.

Cricket is creating newer constituencies for itself through the crisp T20 format, which is finding stickiness with younger audiences world over. Last year saw the launch of US' own version of a T20 league in the form of Major League Cricket. Of the six teams in that league, four have an IPL connection and one of them has Microsoft's CEO Satya Nadella as a co-owner. Pat Cummins, Travis Head, Glenn Maxwell,

Steve Smith, Rachin Ravindra, David Miller, Anrich Nortje are some of the big names who will show up in the league this year, and that is bound to attract more eyeballs. The IPL owners know a thing or two about building up communities of fans.

## FOCUS ON DIVERSITY

ICC's big push to promote women's cricket is another factor in the growth of the game. Currently there are ten T20 women's cricket leagues being played across the world. Who would have imagined that Surya Kumar Yadav's spectacular catch in the T20 finals would be compared to that of Harleen Deol's over social media with the verdict being that

Harleen's catch was at par if not better. This shows that women's cricket is making big strides and like that, it is in safe hands.

Brand researcher Marin Lindstrom says, "Go where the people are, numbers (money in this case) will follow". Today all major cricket leagues have big money chasing them. Investment bank Houlihan Lokey recently valued the IPL at a whopping \$16.4 billion. IPL figures in the top five sport leagues of the world and that's commendable for a league that has just 10 teams. NBA has 32 teams and EPL has 20. IPL is only 17 years old whereas NBA started in 1946 and EPL in its current form came into being in 1992 though

its roots go as far back as 1888. There is a mega auction in 2025 for IPL. Imagine players from Oman, the US, Papua New Guinea, Uganda, Namibia and Scotland making the cut along with players from Nepal, the Netherlands and Ireland. That will not just take the interest in the league a few notches up, it will also bring in more viewers across the globe.

Ever since ICC granted 'international' status for T20 matches to all its Associate Members as a part of its wider strategic aim to globalise the game, the number of T20 Internationals being played has gone up exponentially. There were 386 T20 Internationals played by women and 453 T20 Internationals played by men in 2023. As many as 89 countries are currently ranked on the basis of their performance in T20 men's cricket and 74 countries are ranked in T20 women's cricket and this indicates the global spread of the game. Yes, it may not be close to the 211 countries being ranked by FIFA but ICC seems to be moving in the right direction and with good speed. Will the incremental following of the sport be a boon or a headache for media planners? In this case, time will play the third umpire!

GirajSharma is Founder Director of Behind the Moon brand consultants and runs ReverseFlick, a platform where sports stars chat about their experiences

## Can tech make you a better athlete? Yes, but...

...here's a quick shot at the best apps for different sports that I and my friends use — with a rider

## DIGITAL GADFLY



SHUBHO SENGUPTA



**SPORTS TECH.** Can't live with it, can't live without it

**W**ith India's triumphant T20 World Cup win, the ongoing UEFA European Football Championship and Tour de France, and the impending Paris Olympics, I had to do a 'sports' column this time. On how tech is making us fitter.

I've been a casual, hobby runner and cyclist for a long time, about 25 years or more, though I've also done pretty extreme things like cycling in Ladakh solo and unsupported, and run a few marathons — even an ultramarathon where I was attacked by a camel.

So when people ask me, what tech gadgets did you use in the early days, I stutter a bit. I remember a manual-winding HMT watch, paper, pen...

In the last few years of the last century and the first few of the next, I did a lot of reading of

course, the Lonely Planet books, and downloaded a lot of printouts from the Internet. There was no GPS, no sports watches, no health trackers and no mobile phones which had 'em all.

On my first Ladakh cycling trip, I remember pasting an elevation map of the region on a board tied to my cycle handlebars, covered by a sheet of polythene — that was fun indeed. I had a small camera, but did not know how to take selfies — thankfully.

Fast forward to the present, whatever your sport is, tech can help you become better. Wearable tech can significantly enhance your performance even as a hobby sports person, by providing real-time data and personalised insights.

Here's a quick shot at the best Apps for different sports that I and my friends use.

## Running: Strava

Known for its solid and easy social features, Strava allows you to track your runs, analyse performance and connect with a community of runners. It offers detailed metrics, route mapping and the ability to compete in challenges.

## Gymming: MapMyWalk

While Strava's still the de facto app for walkers, I see a lot of folks gravitating towards MapMyWalk, the walking-centric app developed by Under Armour. MapMyWalk offers GPS tracking, route mapping, and detailed statistics on your walks. It's especially friendly for beginners. It also provides social features to connect with friends and join challenges. Option: Pacer.

plans, and mental wellness content, making it a holistic fitness app. Option: GoQii.

## Nutrition: Fooducate

Fooducate is fairly good at analysing the nutritional quality of foods. It includes a food grading system and suggests healthier alternatives, which is helpful for those looking to improve their diet quality. Option: HealthifyMe

Having said that, I am beginning to realise too much technology can take the fun out of workouts. I get intensely irritated with friends who need to share details of every ride, walk, run or swim on social media and unfollow them immediately.

For the last few weeks, I have been running, walking and cycling without any gadgets, even the mobile phone, and it's heavenly. I have a tendency to listen to podcasts while walking, and it really ruins your mindfulness. I don't need it at all.

To each his own!

Shubho Sengupta is a digital marketer with an analogue ad agency past. He can be found @shubhos on X

## FROM THE LABS.

## MAB for hydrogen storage

Researchers at IIT-Madras have synthesised a tough, ceramic material that can conduct electricity and heat, which could possibly be used for storing hydrogen too.

A crystal structure found in certain materials called 'MAB Phase' gives them special properties such as high strength. In this M stands for a transition metal, like zirconium, molybdenum or titanium; A for either aluminium or silicon; and B for Boron.

Prof Somnath Bhattacharya of the Department of Metallurgical and Materials Engineering and his team have developed a MAB phase layered ceramic — using tungsten, aluminium and boron — called WAIB. While WAIB is not a new material, known to be useful in nuclear shielding, Bhattacharya and his team have developed a new process for making it, in a medium of molten salt. The resultant material is also of very high purity — about 98 per cent.

Bhattacharya explained to *Quantum* that the material is a layered ceramic, with 2D layers of tungsten and boron, with aluminium in between. WAIB has been synthesised earlier at temperatures of 1400°C, but Bhattacharya says it could do it at 800°C, at ambient pressure.

Calling the work a "breakthrough", Dr Varun Natu, scientist at National Chemical Laboratory, Pune, observes that synthesising WAIB has traditionally proven difficult, resulting in only small crystals with low yield. However, "Bhattacharya's team has demonstrated not only large-scale synthesis of WAIB but also a method that uses a molten salt as a sheath. This approach significantly reduces production costs and simplifies potential future scaling, making WAIB a much more viable candidate for real-world applications."

This material could be used as a semiconductor or for hydrogen storage, he said. Asked if the industry could take up production of this MAB at scale, Bhattacharya said it was possible, as repeated synthesis by his students got the same, high purity material.

## Ionic latch against cancer

Researchers at IISER, Kolkata, have discovered how a cell surface receptor, part of a group of enzymes that interact with growth factors to control cell functions like growth, survival and movement, can help prevent cancers.

This receptor, called VEGFR1, remains inactive when it doesn't have a ligand (a molecule that binds to it, like a hormone). Cell surface receptors, like Receptor Tyrosine Kinases (RTKs), are crucial for converting signals from outside the cell (like growth factors) into responses within the cell. When a ligand binds to these receptors, it activates enzymes inside the cell, which then add phosphate groups to other molecules, helping to regulate various cell functions such as growth and immune response. When RTKs activate on their own, without ligands, it can cause diseases like cancer, diabetes and autoimmune disorders. Researchers are studying how cells keep these enzymes inactive and what causes them to become active in diseases.

Dr Rahul Das of IISER, Kolkata, studied VEGFR, a receptor that regulates blood vessel formation, wound healing and tumour growth. They noticed that its two receptors, VEGFR1 and VEGFR2, act differently. VEGFR2 can activate on its own, but VEGFR1 cannot, even when there is a lot of it in cells. VEGFR1 binds more strongly to its ligand, VEGF-A, than VEGFR2 does, but this binding only briefly activates VEGFR1.

Activation of VEGFR1 was found to be linked to cancer-related pain and the survival and movement of cancer cells. Das has discovered a unique "ionic latch" in VEGFR1 which keeps it inactive by holding part of the receptor in place. By studying this inactive state, researchers proposed that a cell enzyme called tyrosine phosphatase plays a key role in regulating VEGFR1 activity. Their research suggests that targeting this mechanism could help treat diseases where new blood vessels form abnormally, like in cancer.

M Ramesh

**F**or forecasting electricity generation from fickle renewable energy sources like wind and solar, there is help coming from artificial intelligence. Machine learning and (its subset) deep learning are beginning to replace conventional, weather and satellite data based forecasting or statistical prediction models.

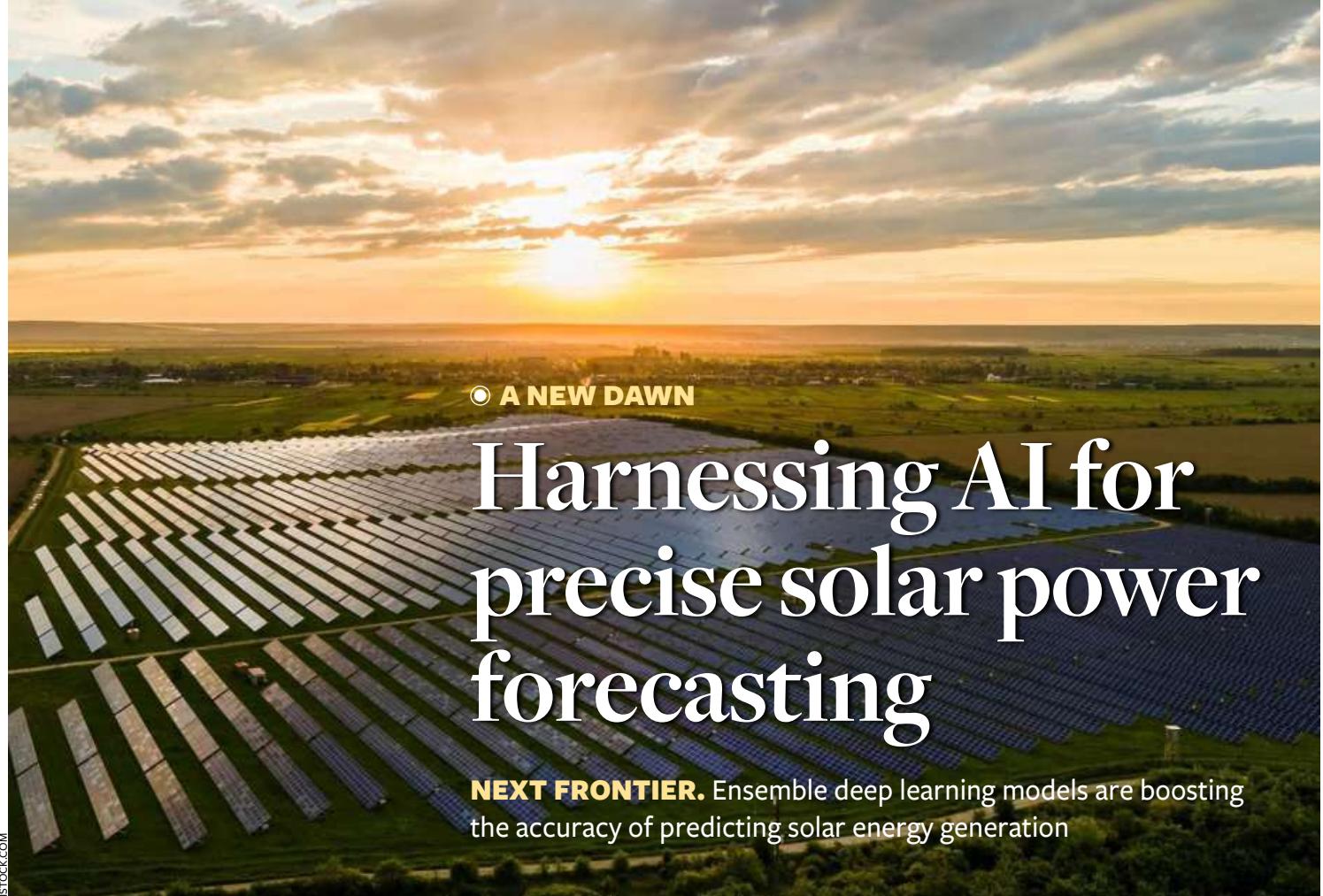
Deep learning models — from simple artificial neural networks to complex 'long short-term memory' (LSTM, which is an architecture particularly effective for making predictions based on sequential data) — are coming into play, improving the accuracy of forecasting.

Now three researchers from the Indian Institute of Engineering Science and Technology, Kolkata, Rakesh Mondal, Surajit Kumar Roy and Chandan Giri, have come up with an improved AI technique for forecasting solar generation. Instead of using a simple deep learning model, these scientists employed an ensemble of deep learning models, which they describe as "one step more advanced than simple deep learning models." The result, they say, is higher accuracy.

## THE AI ADVANTAGE

Not that ensemble models, which combine predictions from multiple individual deep learning models, are entirely new. In a paper published in *Energy*, the authors acknowledge that other researchers have tried the ensemble model method but say that they have "included features that enhance accuracy of prediction" in their own research. These features include parameters like physical characteristics of solar panels including the number of cells in a panel, the maximum working temperature of the panel, the material type and ambient temperature. "None of the existing techniques has considered these parameters for solar power prediction," the authors say.

Mondal, Roy and Giri have used a technique called 'Bi-directional Long Short-term Memory' or BI-LSTM — a type of recurrent neural



## ● A NEW DAWN

## Harnessing AI for precise solar power forecasting

**NEXT FRONTIER.** Ensemble deep learning models are boosting the accuracy of predicting solar energy generation



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full version

network (RNN) designed to handle sequential data. Unlike standard LSTM, which processes data in one direction (past to future), BI-LSTM processes data in both directions (past to future and future to past). This allows the model to have a better understanding of the context by considering both past and future information.

The researchers prepared a dataset by combining weather parameters and solar generation data and then enriched the dataset by bringing in meteorological data as well as physical characteristics of the solar panels deployed in the respective solar plants. The BI-LSTM model, they say, can predict the future solar power generation of a specific solar plant on both short and long horizons regardless of the geographical position of the solar plant. "For short-term prediction,

we can predict the generation of solar power for fifteen minutes to one hour ahead, and for long-term forecasting, we are able to predict PV power generation for 1-3 days ahead with noticeable accuracy," the paper says.

Mondal, Roy and Giri compared the results of the proposed model with the existing dataset and multiple standard deep learning models and found that "our model produced better performance than traditional models." They also validated their model using different solar plants in Durgapur, India. "For long-term forecasting, our model also outperformed the base model."

## FROM DATA TO DECISIONS

In an emailed response to *Quantum*'s questions, Dr Giri said the researchers used a time series

dataset containing 14 independent features and one dependent feature. The dataset contained data for every 15 minutes from January 1 to December 31, 2022. "We tested our trained model with other datasets collected from solar plants situated in Durgapur, West Bengal. Then we tested our model with a published dataset collected from Denmark. We found our model gives similar results."

No model is flawless. "We faced some limitations during the test," Dr Giri said, noting that when there were abrupt changes in the weather parameters, they got slightly different results.

Asked if the ensemble model

would call for high computational power, Dr Giri said that their model "is quite light weight" containing only 1.2 million parameters. "We believe that it will not be an issue during large-scale implementation," he said.

"We believe that our model is trained with a very small amount of data," he said, adding that they were trying to extend our work with a large amount of data to improve the efficiency of our model.

This work will help the researchers explore the other dimensions rather than a specific dataset but also the scientific knowledge of specific domains, Dr Giri told *Quantum*.

We value your feedback.  
Do send your comments to  
[quantum@thehindu.co.in](mailto:quantum@thehindu.co.in)

## ● WOW. Flying across the Atlantic



M Ramesh

The 'butterfly effect' — used as a metaphor to illustrate the 'chaos theory' — has it that a butterfly flapping its wings in one part of the world could set off a chain of events that could culminate in a storm thousands of km away.

There is no evidence that butterflies produce storms — if it were true, you'd be having storms all over the all the time.

But it is folly to dismiss that little, colourfully winged insect as humble just because it is tiny.

Recent research has shown that at least one variety of butterflies, *Vanessa cardui*, does something you'd never give it credit for — cross the Atlantic Ocean.

A study, published in *Nature Communications*,

tracked the migration of the 'painted lady butterflies' from West Africa to French Guiana in South America — a distance of 4,200 km. The finding was the result of a complicated study that involved genomics, pollen grains attached to the legs of the insects, isotopes of hydrogen and strontium that lay embedded in their wings, coastal field studies and wind trajectory modelling. With these, the researchers concluded that for 85 per cent of the flight, that would have taken 5-8 days, the butterflies were assisted by winds; for the other 15 per cent, they used the small amount of fat stored in their bodies for energy.

But that is not all. Using isotope study, the researchers have inferred that the natal origins of the butterflies were in Europe, implying that during their lifetime, the butterflies moved from Europe to West Africa and then, across the Atlantic to French Guiana.

## ● PROGRAMMING LIFE

## The future of micro robotics lies in our DNA

N Nagaraj

**O**ne doesn't have to study DNA to only study genetics; Scientists are using its programmable nature to create autonomous molecular systems with robotic abilities. In a recent study, "Autonomous assembly and disassembly of gliding molecular robots regulated by a DNA-based molecular controller", Ibuki Kawamata et al demonstrated how DNA can control molecular-level robots.

This is a significant step toward the future of bio-inspired robotics, with applications in medicine, environmental monitoring and nanotechnology. This research brings us closer to the reality of tiny robots — smaller than a human cell — carrying out complex tasks without human intervention.

## BIO-INSPIRED ROBOTICS

Living organisms exhibit remarkable autonomy, sensing and responding to their environment without external guidance. Inspired by this efficiency, researchers have been attempting to replicate such behaviour in artificial systems. Enter bio-inspired robotics, blending biology with engineering to create robots from biological molecules. These molecular robots, made from DNA and proteins, are designed to operate at the nanoscale, performing precise tasks within biological environments.

The researchers wanted to develop a system in which molecular robots could self-assemble and disassemble without external prompts. The molecular robots are a combination of a DNA-based molecular controller (specific DNA complexes and enzymes), microtubule (protein) structures and kinesin (protein) motors. These robots were programmed to autonomously form and break apart structures, mimicking natural cellular behaviours.

The molecular controller is designed to generate two different DNA strands that serve as assembly and disassembly signals for the DNA-functionalised microtubules. These DNA signals are designed to trigger and respond to environmental pollutants and initiating clean-up processes.



## ● HYDROGEN HARVEST

Fraunhofer's semiconducting glass generates H<sub>2</sub> from sunlight

Researchers have created a modular solution with semiconductor coatings to produce clean energy efficiently

M Ramesh

**W**hile the concept of using sunlight to split water to produce hydrogen (and oxygen) without the interface of electricity (called photoelectrochemical process) is not entirely new, the German Fraunhofer Institute has come up with its own design, which uses semiconductors. Researchers from the institute have collaborated to create a modular solution that enables highly flexible hydrogen generation and supply solar energy for it.

At the heart of this technology is a tandem PEC module. It's similar to its traditional photovoltaic counterpart, but with one crucial difference: the electricity is not generated for purposes of later electrolysis elsewhere. The entire process takes place in one unit. Caution is needed throughout — since the process results in hydrogen and oxygen, the

structure must be designed to maintain a strict separation between the two elements during generation and after.

"To produce the tandem cell, experts coated standard commercially available float or plate glass with semiconducting materials on both sides," notes a press release from the institute. When the sunlight hits the glass, one side of the module absorbs the short-wavelength light. Meanwhile, the long-wavelength light passes through the upper layer of glass and is absorbed on the reverse side. The module releases hydrogen on the reverse or cathode side and oxygen on the upper/anode side.

Over the project's three-year term, the Fraunhofer scientists researched and developed high-purity semiconductor materials, which they apply using ultra-gentle coating methods. This allows them to increase the method's hydrogen yield. "We use the vapour phase to form



layers that are just a few nanometres thick on the glass. The structures created in the process have a huge impact on reactor activity, in addition to the actual material properties, which we have also optimised," explains Dr Arno Görne, group manager of Functional Materials for Hybrid Microsystems at the Fraunhofer Institute for Ceramic Technologies and Systems IKTS. The photovoltaic elements linked in the module supply the system with additional voltage — that accelerates activity and boosts efficiency.

The result is a reactor with an active surface area of half a square metre. Separated from the oxygen, it generates hydrogen, which can be captured and quantified. Right now, a single module exposed to sunlight under European conditions can generate over 30 kilograms of hydrogen per year over 100 square metres.

"In terms of the dimensions of the tandem cell, we are limited by the fact that our module splits water directly. But it is also necessary for electricity to get from one side to the other to achieve this. As the module area increases, the rising resistance has an unfavourable effect on the system. Currently, the existing format has proven to be optimal. It is stable, robust and significantly larger than any comparable solution," Görne notes. The compact elements can be connected as needed without any negative side effects, from a single module to large areas — a significant advantage, the release says.

## ● HEAVY LIFTING



PULL FACTOR. Railways is 'hungry for cargo' iSTOCK.COM

Railways loads 135.46 mt freight in June

Team BL

**D**uring June 2024, Indian Railways clocked originating freight loading of 135.46 million tonnes (mt), which is 10.07 per cent higher compared to a year ago (123.06 mt). This fetched freight revenue of ₹14,798.11 crore, which is nearly 11.12 per cent more compared to the ₹13,316.81-crore freight earnings in June 2023.

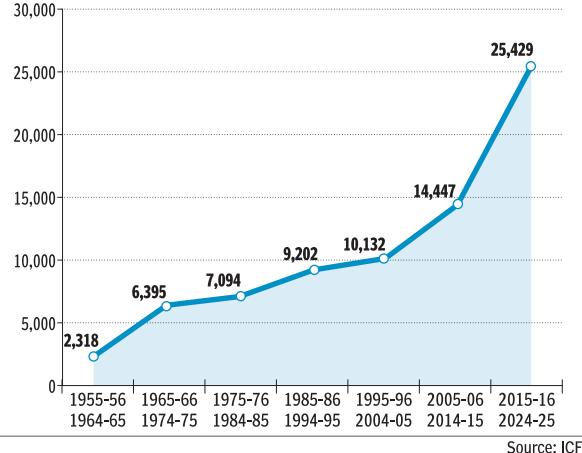
During the month, Indian Railways loaded 60.27 mt of coal (excluding imported coal), 8.82 MT imported coal, 15.07 mt iron ore, 5.36 mt pig iron and finished steel, 7.56 mt cement (excluding clinker), 5.28 MT clinker, 4.21 mt foodgrains, 5.30 MT fertilizers, 4.18 mt mineral oil, 6.97 mt containers, and 10.06 mt other goods.

Following the mantra 'Hungry for cargo', Indian Railways is working to improve ease of doing business and offer service delivery at competitive prices. The public sector behemoth credits the achievement to its customer-centric approach and the work of its business development units, backed by agile policymaking.



MADE IN ICF. A super-special delivery

Integral Coach Factory hits 75,000-mark  
Railway coach maker's decadal output (up to June 26, 2024)



## RE POSTS.

Vadhavan Port, Maharashtra, is an ambitious project under MoPSW's Sagarmala Program. The proposed new greenfield port that is going to be India's 13th Major Port, which will be an integral part of the India-Middle East-Europe Economic Corridor.

Ministry of Ports, Shipping and Waterways  
@shipmin\_india

Jogighopa Terminal of @IWAL\_ShipMin in #Assam along IBP route is on the verge of completion. This terminal will help in boosting bilateral trade between India & Bhutan & improve trade links with #Bangladesh through IBP route.

IWAI  
@IWAL\_ShipMin

Look at the Concrete & HDPE jetties ready to be installed at different ghats in #WestBengal under @WorldBank supported Jal Marg Vikas Project by @IWAL\_ShipMin along National Waterway 1.

IWAI  
@IWAL\_ShipMin

## Truck rental rates

Rentals for 18-tonne payload

| Truck route                    | Rentals as on |          | % change |
|--------------------------------|---------------|----------|----------|
|                                | Jun 30        | Jul 4    |          |
| Delhi-Mumbai-Delhi             | 1,55,000      | 1,53,000 | -1.31    |
| Delhi-Nagpur-Delhi             | 1,46,000      | 1,48,000 | 1.35     |
| Delhi-Kolkata-Delhi            | 1,45,000      | 1,47,000 | 1.36     |
| Delhi-Guwahati-Delhi           | 1,80,000      | 1,79,000 | -0.56    |
| Delhi-Hyderabad-Delhi          | 1,76,000      | 1,75,000 | -0.57    |
| Delhi-Chennai-Delhi            | 2,05,000      | 2,07,000 | 0.97     |
| Delhi-Bengaluru-Delhi          | 2,07,000      | 2,05,000 | -0.98    |
| Delhi-Ranchi-Delhi             | 1,47,000      | 1,49,000 | 1.34     |
| Delhi-Raipur-Delhi             | 1,45,000      | 1,43,000 | -1.40    |
| Delhi-Kandla-Delhi             | 1,26,000      | 1,27,000 | 0.79     |
| Mumbai-Chennai-Mumbai          | 1,45,000      | 1,47,000 | 1.36     |
| Ludhiana-Hyderabad-Ludhiana    | 1,89,000      | 1,90,000 | 0.53     |
| Mumbai-Kolkata-Mumbai          | 1,91,000      | 1,92,000 | 0.52     |
| Chennai-Ahmedabad-Chennai      | 2,04,000      | 2,02,000 | -0.99    |
| Bengaluru-Kolkata-Bengaluru    | 1,98,000      | 1,96,000 | -1.02    |
| Bengaluru-Mumbai-Bengaluru     | 1,20,000      | 1,21,000 | 0.83     |
| Delhi-Thiruvananthapuram-Delhi | 2,76,000      | 2,74,000 | -0.73    |
| Guwahati-Mumbai-Guwahati       | 2,65,000      | 2,63,000 | -0.76    |
| Nagpur-Chennai-Nagpur          | 1,43,000      | 1,41,000 | -1.42    |
| Kolkata-Guwahati-Kolkata       | 1,28,000      | 1,30,000 | 1.54     |
| Indore-Delhi-Indore            | 1,26,000      | 1,28,000 | 1.56     |
| Ahmedabad-Indore-Ahmedabad     | 82,000        | 80,000   | -2.50    |
| Vijayawada-Mumbai-Vijayawada   | 1,43,000      | 1,45,000 | 1.38     |
| Vijayawada-Kolkata-Vijayawada  | 1,40,000      | 1,38,000 | -1.45    |

Figures in ₹

Source: Subham Freight Carriers India Pvt Ltd

## ● SMART DIVERSION AHEAD

## AI-assisted safety on the speedways

**ALGO ALERT.** Highways authority, IIIT-Delhi to build data-driven dynamic road signs for smooth, secure traffic management

Rishi Ranjan Kala

**A**s the government explores ways to achieve its goal of halving road accident fatalities by 2030, an emerging solution is the use of artificial intelligence (AI) technology for effective monitoring of traffic patterns and smart road signages to guide motorists.

The National Highways Authority of India recently signed a memorandum of understanding with Indraprastha Institute of Information Technology (IIIT), Delhi, for a project involving the use of AI to enhance the number and quality of highway road signs for improved safety and real-time traffic management.

IIIT-Delhi will conduct surveys to collect imagery and other related data on the availability and condition of road signages on select national highway (NH) stretches, cumulatively measuring about 25,000 km. The data will be processed through AI for the identification and classification of road signs. The survey report will include a geo-stamped inventory of existing signs with categorisation, broad details on their structural condition, and other details.

There will also be a 'gap study' to assess the mismatch between the survey findings and the road sign requirement stipulated under the contract agreements for road development. It will also map the requirements, as per the latest codal provisions for high-speed corridors, for enhanced safety.

**INTELLIGENT SIGNAGES**  
Adequate availability of road signs enhances safety on highways by providing clear, consistent and timely information to drivers. They serve as vital communication tools, informing



DIGITAL DRIVE. Smart signs can readjust messages in real-time, helping avert traffic congestion, accidents

drivers about road conditions, guiding them through route changes, and alerting them to potential hazards.

Road signs, as a part of intelligent transportation systems, can continuously monitor the driver, vehicle, and road. This, in turn, can aid the smooth movement of vehicles and goods, especially given India's rapidly expanding road network and vehicle count.

Road signs reduce accidents by providing advance warnings about curves, intersections, pedestrian crossings, speed limits and other critical aspects, explains Prajwal Misra, Director, Rudrabhishesh Infosystem, a company that provides end-to-end consultancy for a range of urban development and infrastructure projects.

Secondly, it helps in managing traffic efficiently. Moreover, standardised road signs ensure uniformity across the highway network, which is especially beneficial for drivers travelling long distances across state lines, he says.

He explains that AI and geographic information systems (GIS) can help improve road traffic-related services by analysing vast amounts of traffic data collected from cameras, sensors, and GPS devices. Machine learning algorithms can predict traffic patterns, identify high-risk areas, and recommend the most effective locations for road signs.

"For instance, AI can detect accident-prone areas and suggest placing warning signs or speed limit indicators in those

areas. Additionally, AI-driven systems can continuously monitor the condition of road signs using image recognition technology, automatically identifying signs that are damaged, obscured, or missing, and generate maintenance alerts," he says.

GIS, on the other hand, provides a spatial dimension to traffic management by mapping the entire highway network and integrating various data layers such as traffic flow, accident hotspots and road infrastructure.

"Spatial analysis provides a comprehensive understanding of where road signs are needed the most and how to maximise their impact. GIS can also facilitate the simulation of traffic scenarios, helping authorities anticipate the effect of new road

signs on traffic dynamics," he says.

## AI AND ROAD SAFETY

Highlighting AI's role in predictive analytics for road safety, Misra says that by analysing historical data on traffic patterns, weather conditions, and accident reports, AI can identify high-risk areas and the various times at which accidents are more likely to occur.

"This information enables authorities to implement targeted safety measures, such as installing additional signage, enhancing road lighting, or increasing patrol presence in those areas. Predictive analytics can also help generate proactive maintenance schedules for road infrastructure, ensuring that potential hazards like potholes or worn-out road markings are addressed before they can lead to accidents," he says.

## SMART SIGNS

Smart traffic management systems on NHs can create an interconnected mechanism where road signs, traffic signals, and real-time data analytics work together to manage traffic more effectively.

"One of the primary ways in which smart traffic signs reduce congestion is by optimising traffic flow. Traditional static signs offer fixed information that may not always be relevant to the current traffic situation.

In contrast, smart signs can readjust their messages in real-time, directing drivers to alternative routes when there is congestion, roadwork, or an accident ahead. This helps distribute traffic more evenly across the network, preventing bottlenecks and reducing overall travel time," Misra says.

We value your feedback.  
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## ● MARITIME GATEWAY TO WEALTH

## Vadhavan port: A vital, timely addition

India races to augment port capacity to meet the surge in export-import cargo volumes



RAJESH MENON

**C**ontainer ships today handle nearly 16 per cent of the world's maritime trade — from 37 million twenty-foot equivalent units (TEUs) in 1980, the volume of containerised trade surged to 850 million TEUs by 2023. Gearing up to handle these massive quantities of containers, ports around the world have bulked up their infrastructure and transformed into mega ports. In 2021-22, Shanghai port led by handling 44 million TEUs, followed by Singapore with 37 million TEUs, Zhoushan (34 million TEUs), Shenzhen (25 million TEUs), and Busan (20 million TEUs).

Clearly, Chinese ports have the edge, cumulatively handling 250 million TEUs, against which India's 20 million TEUs pale in comparison. Among Indian ports, JNPT and Mundra Port together handle more than half of the country's containerised trade volume.

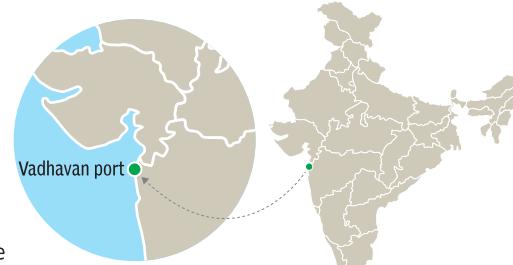
While India's share of containerised trade is increasing alongside the global growth, it continues to grapple with shortfalls in productivity, turnaround of ships, utilisation of berths, and technology enablement.

**PRIVATE INVESTORS**  
India's 7,517-km coastline extends across nine states and four Union territories. The central government manages 12 ports, known as major ports, while the state governments manage non-major ports — 217 in all — under a directorate of ports in the respective industry departments or a maritime board. Post liberalisation in 1991, the major ports worked under a 'landlord' model by leasing out the waterfront and terminals to private operators on a public-private partnership (PPP) basis; state ports, on the other hand, leased out their waterfront to private investors mostly on a build-operate-transfer basis under a PPP, through a model concession agreement that was conceived in 2008 and amended in 2022.

In recent years, the government has initiated policy measures to attract private investments in the

## Greenfield addition to blue economy

Vadhavan, near Dahanu, in Palghar district of Maharashtra is the chosen site for an all-weather, deepwater mega port to be built at a cost of ₹76,220 crore



ports sector, including allowing 100 per cent foreign direct investment (FDI); offer of income tax incentives; and permitting joint ventures between major ports and foreign ports, non-major ports, and private companies.

Currently, the country has 76 functional ports — 12 major and 64 non-major — and nine more are under development. The total cargo handling capacity countrywide is about 2,700 million tonnes per annum (MTPA) with 60-65 per cent utilisation on average.

The growing Indian economy and trade, wherein 95 per cent of export-import cargo volume is shipped, necessitates an expanded port capacity. Further, as ship sizes continue to increase, we need ports that can accommodate them. Our ports with high-volume cargo handling capacity have an average of 8-12 m draft. Bigger vessels require at least 12-20 m draft. This will also enable big mother vessels to call at our ports, helping reduce logistic costs and avert the need for transshipment.

**NEW DEVELOPMENT**  
In this context, the approval for the setting up of an all-weather, deepwater mega port at Vadhavan, near Dahanu, in Palghar district of Maharashtra, assumes importance. A special purpose vehicle (SPV) created by Jawaharlal Nehru Port Authority (JNPA) and Maharashtra Maritime Board (MMB) with a shareholding of 74 per cent and 26 per cent, respectively, will develop the port at an estimated cost of ₹76,220 crore. The development of the core infrastructure, terminals, and other commercial infrastructure will be in PPP mode.

Road connectivity between the

port and national highways has been approved by the Ministry of Road Transport and Highways, while linkage to the existing rail network and the upcoming Dedicated Rail Freight Corridor has received the nod from the Ministry of Railways.

The port will have nine container terminals, each 1,000 m long; four multipurpose berths, including a coastal berth, four liquid cargo berths, a berth for roll-on, roll-off or Ro-Ro ships, and a Coast Guard berth. The 20-m draft, capable of berthing large vessels, will be created through reclamation of 1,448 hectares from the sea. The plan is to create a cumulative cargo handling capacity of 298 MTPA, including around 23.2 million TEUs of container handling capacity.

The port will cater to hinterland industrial areas in Maharashtra, south and north Gujarat, Rajasthan, National Capital Region, Madhya Pradesh, Chhattisgarh, and other central and north Indian states. With several multimodal logistics parks coming up in Pune, Wardha and other parts of western and central India, and the proximity to the Dedicated Rail Freight Corridor (12 km) and the upcoming Mumbai-Vadodara expressway (22 km), the port's location holds strategic commercial significance.

As India strives to transform into a developed nation by 2047 and the third-largest economy, ports will play a vital role in achieving this goal. Greenfield ports with deep draft and high capacity are the need of the hour when we dream of ourselves as a blue economy. The development of the Vadhavan port is a major step in that direction.

● EXTRA FLOW.  
JNPA adds berths for liquid cargo

BOOSTING CAPACITY. Unmesh Wagh, Chairman, Jawaharlal Nehru Port Authority

Avinash Nair

**T**he two liquid cargo berths that are under development by Jawaharlal Nehru Port Authority (JNPA) will become fully operational within the next six months, says Unmesh Wagh, Chairman, JNPA.

"We are very short of liquid cargo berths. There is a lot of waiting involved for ships as a result. But now we are adding two berths and they will be fully operational within six months," he says. The Navi Mumbai port currently handles about 6.5 million tonnes per annum of liquid cargo at the two existing liquid cargo berths.

To help meet the growth in demand for liquid cargo handling, JNPA

## CLEAN FACTS.

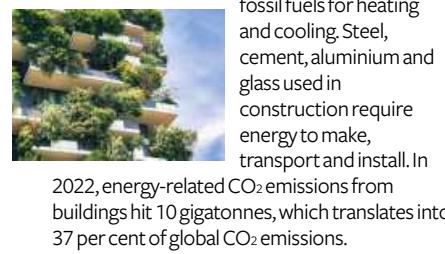
On the carbon footprint of concrete buildings



The Global Status Report for Buildings and Construction, recently published by the UN Environment Programme (UNEP) and the Global Alliance for Buildings and Construction (Global ABC), offers insights into carbon emissions from this sector.

The world adds structures equivalent to the size of Paris every five days. But most buildings are not constructed with environmental concerns in mind.

Buildings are a major source of carbon emissions because they use vast amounts of energy — 34 per cent of global demand — from fossil fuels for heating and cooling. Steel, cement, aluminium and glass used in construction require energy to make, transport and install.

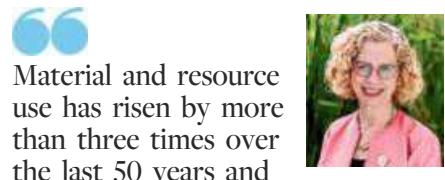


In 2022, energy-related CO<sub>2</sub> emissions from buildings hit 10 gigatonnes, which translates into 37 per cent of global CO<sub>2</sub> emissions.

To address the issue, humanity needs to reduce operational and embodied emissions from buildings. This can be done by building with fewer materials, reusing building components and repurposing existing buildings for a more circular approach to construction.

Climate change cannot be effectively addressed unless we change how buildings are built and used.

## THEY SAID IT.



Material and resource use has risen by more than three times over the last 50 years and continues to grow by an average 2.3% each year

INGER ANDERSEN Under-Secretary-General of the United Nations and Executive Director of the UNEP

# Towards rejuvenation of the Himalayas

**BLUEPRINT FOR REVIVAL.** A collaborative model aims to amalgamate local knowledge with global expertise in the fragile ecosystem

Divya Trivedi

**T**he mighty Himalayas, home to a vast variety of plant and animal species, are a biodiverse hotspot, and support some of the largest rivers of Asia. Increasingly, population growth, unsustainable consumption patterns and changing climate are posing a serious threat to the well-being of the Himalayan ecosystem.

ICLEI South Asia, an organisation committed to sustainable urban development worldwide, has come up with a community-based conservation model to protect the rich biodiversity of this valuable yet fragile region.

The importance of the Himalayan pasturelands cannot be stressed enough. These majestic landscapes comprise 35 per cent of the geographical area of the Indian Himalayas and provide high-value economic services, worth nearly \$4 billion annually, through generated hy-

dropower, livestock, agriculture and tourism. Around 200 million people belonging to different ethnic groups reside here and the agro-pastoral communities depend on the pasturelands for their sustenance.

### MAPPING THE DAMAGE

Under the UNDP-supported SECURE Himalaya project, ICLEI South Asia mapped degradation in Himalayan pasturelands of Himachal Pradesh and found that the most degraded pasturelands were in Miyar and Kundal sub-river basins.

Pastures in the Miyar sub-river basin cover an area of 25,050.78 ha. The degradation analysis showed that 58.95 per cent of the pastures (14,753.88 ha) degraded over 12 years (2009–2021), with a 21.31 per cent (5,338.32 ha) decrease in the net primary productivity (NPP). Pastures in the Kundal sub-river basin cover an area of 2,898.36 ha. The degradation analysis showed that 47.71 per cent (1,382.58 ha) of these pas-



**SECURING LANDSCAPES.** With support from UNDP, ICLEI has mapped degradation in Himachal's pasturelands ICLEI SOUTH ASIA

tures degraded over the same period, with a 57.74 per cent (1,671.93 ha) decrease in NPP.

Discussions with the local villagers, pastoral nomadists (known as Gaddis) and forest department officials revealed that not only were these pasturelands highly degraded, but they were also riddled with invasive plants, legume deficient, and affected by landslides, overstocking and

climate change, mainly due to low winter rain, Dr Monalisa Sen, Programme Coordinator for Biodiversity, ICLEI South Asia told *businessline*. Fertility of the soil, water quality and the grass species had also changed significantly, she said.

"Grass species and legumes germinate when the winter snow melts in summer. But due to climate change and other reasons, the

lifecycle of a plant is changing," she said.

The Gaddis depend on the pasturelands for at least 3 months in a year to increase the weight of their livestock. But since the legume species have dwindled, the weight gain by livestock has significantly decreased, adversely impacting the income earned by the pastoralists, she explained.

### IMPACT ON LIVELIHOODS

Pastureland degradation has led to the drying up of a stream that used to originate there, resulting in water scarcity in some villages. Resident communities, particularly the women, have had to traverse longer distances to collect fodder for stall feeding. Life in these remote villages has become even more tough.

The most impacted pasturelands of Miyar and Kundal have been identified by ICLEI for restoration with an aim to sustain both communities and biodiversity.

With a community-based

eco-tourism model, ICLEI hopes to provide benefits to the local community as well as the Gaddis. Under the multi-conceptual plan, homestays for tourists would be managed by the locals whereas tourism and trekking in the high-altitude areas would be the domain of the Gaddis, who are familiar with the territory. Profit would be shared accordingly. This model has been well received by the custodians of the land — the local villagers as well as the users of the land — the nomadic pastoralists, as it promises benefits to both. Development of community nurseries to preserve the native species of plants is also part of the plan.

An integrated approach is expected to ultimately lead to the conservation of globally significant biodiversity areas and habitats of wildlife, including the endangered snow leopard while ensuring sustainable livelihoods for communities.

The writer is an independent journalist based in New Delhi

## Holding building sites accountable for their actions

To combat air pollution, New Delhi attempts to rein in construction and demolition waste

Preeti Mehra

**I**t may seem like an innocuous report buried in the inside pages of a newspaper, but it represents an issue with an enormous fallout on the lives of a city's population and the air it breathes.

According to information put out, the Delhi Public Works Department has instructed firms working on its construction projects to install CCTV cameras and PM 2.5 and PM 10 pollution sensors at their sites or else pay fines ranging from ₹500 to ₹2,000.

It has also asked them to set up

protective screens at their sites, install anti-smog guns and demarcate enclosed spaces for grinding and cutting material. Besides this, construction material needs to be kept covered and water sprinkled on unpaved areas from time to time, to keep in check air pollution levels generated due to Construction and Demolition (C&D) waste.

The action followed a pilot study by the department in collaboration with the Air Pollution Action Group (A-PAG), which works with government agencies to combat air pollution. The study found that construction sites were not fully compliant and not fol-



**CRACKDOWN.** New rules mandate CCTV and pollution sensors at construction sites SUSHIL KUMAR VERMA

lowing the guidelines of the Commission for Air Quality Management.

Delhi is not an isolated case. Most construction sites across cities are

equally guilty and need a study and action plan. Last December when the Centre for Science and Environment released its report — "Construction and Demolition Waste: Closing the loop for sustainability", CSE Director General Sumita Narain noted: "A decade back, the concern with C&D waste was not about air pollution, but about saving water bodies from the dumping of this waste. By 2018-19 it was about dust in the air which was contributing to pollution."

With "development" being equated with construction, C&D waste has only risen. There is no current data-

base on C&D waste generated, but an old estimation pins it at 12-15 million tonnes annually. This may be much more given the construction industry projects turnover to touch \$1.4 trillion by 2025.

India has increased its material consumption six times from 1.18 billion tonne in 1970 to seven billion tonne in 2015. And its resource extraction rate stands at 1,580 tonne per acre as compared to the world average of 450 tonne per acre. While India imports many raw materials such as sand, it has a lower recycling rate at 20-25 per cent compared to developed EU countries (70 per cent).

## Boosting health insurance coverage

BY  
**INVITATION**  
AMIT CHHABRA



**I**nurance is often viewed as a distant promise, which holds little significance in one's present. But in reality, insurance is like a lighthouse — its true worth realised only when the storm hits. The proverbial storm here is the moment of truth or claims. It, therefore, comes as no surprise that the regulatory body is firing on all cylinders when it comes to easing claims settlement for consumers.

In a landmark move, the IRDAI's recent guidelines aim to streamline and enhance the health insurance claims process. Groundbreaking among them is setting the three-hour timeline on cashless claims. While the earlier Cashless Everywhere initiative was aimed at expanding the reach of healthcare, the new update is focused on further easing the financial woes of policyholders.

### EASING RECOVERY

A recent Policybazaar report — Is India Happy With Health Insurance Claims? — found that in the absence of a cashless facility, close to 70 percent reimbursement claimants ended up breaking their savings or resorted to borrowing to fund upfront medical expenses. Accelerating the claims process allows policyholders to focus on recovery rather than administrative hurdles.

The regulatory body through several initiatives has emphasised the role of digital platforms in modernising health insurance. According to our study, 94 per cent claimants had their claims approved, with approval rate touching an impressive 97 per

cent if initiated and handled through online channels. The intervention of online platforms is even able to bring down the rejection rate from 6 percent to 2.5 percent, which demonstrates the value of digitisation.

Unsurprisingly, excessive paperwork and long processes emerged as top dissatisfaction factors. A digital approach offers an efficient, reliable way to handle claims.

Addressing the persistent issue of claim rejections, the IRDAI called for greater transparency and communication through initiatives like the CIS (customer information sheet) mandate.

Our data indicates that about half of the six percent of rejected claims are due to non-disclosure of pre-existing conditions or diseases not covered by the policy.

The IRDAI's updated guidelines encourage insurers to simplify and enhance clarity around policy terms, which in turn should lower the rate of claim rejections.

Additionally, the moratorium period is cut from eight to five years. After five years of continuous premium payments, policies become incontestable, except in fraud cases.

The IRDAI's latest approach is a visionary blueprint, paving the way for a fully insured India by 2047.

The writer is Chief Business Officer - General Insurance, Policybazaar.com. Views are personal.

## Data integrity alarm sounded for CROs, the backbone to pharma firms

**WAKE-UP CALL.** USFDA cautions CROs; says such incidents "undermine the reputation of generic industry"

PT Jyothi Datta

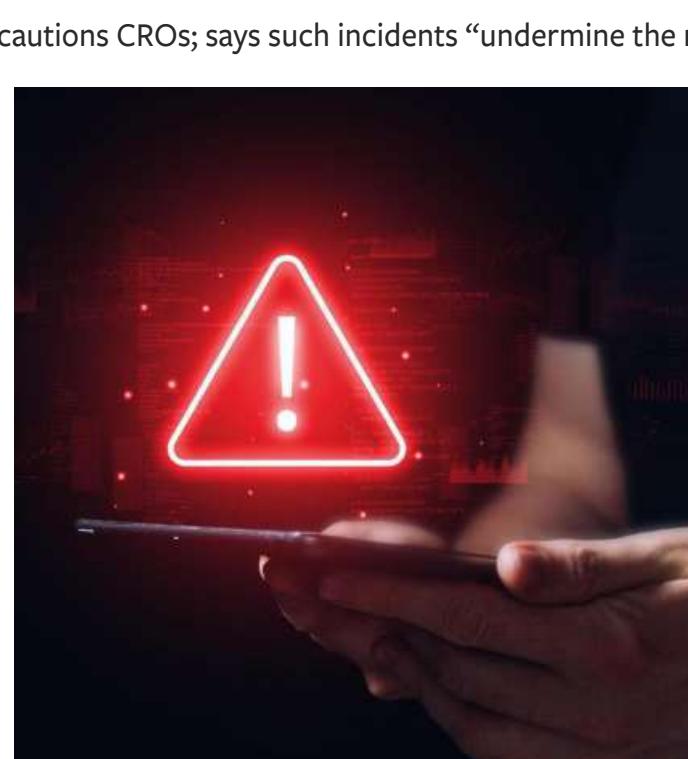
**A**t a recent conclave of the pharmaceutical industry, a top representative with the US Food and Drug Administration flagged data integrity concerns — this time, with contract research organisations (CROs).

Calling out a concerning trend with bio-availability and bio-equivalence (BA/BE) studies, Dr Patrizia Cavazzoni, Director of the Center for Drug Evaluation and Research (USFDA), said: "Since 2016, we have seen multiple data integrity issues when it comes to BA/BE studies... We have had public communications on Panaxell, Semler, Synchron, and hot off the press last week, took another action on Synapse Labs, where we uncovered more potentially broader problems."

Looking across these cases, she said, there was good reason to believe there was submission of falsified data and widespread poor quality management procedures, among other things.

"FDA mandates quality data that is accurate, consistent and reliable," she said, adding that manufacturers are ultimately responsible for the conduct and quality of the work that CROs do on their behalf and so we really need manufacturers to pay attention." Dr Cavazzoni's remarks were part of a recorded message at the Quality Summit organised by the Indian Pharmaceutical Alliance.

While CROs are not in the lime-light as much as the pharmaceutical industry, they are in a sense, its backbone. They undertake studies and clinical trials for companies on drugs or medical products. And it's on the merit of these trials that regulatory authorities in different countries evaluate a product and green-light it — if the data establishes the product to be safe and efficacious for hu-



**RED ALERT.** Falsified data and widespread poor quality management procedures has put contract research organisations in the spotlight ISTOCK.COM

man/animal consumption, as the case may be.

And for that reason, the pharmaceutical companies and CROs they work with are paying heed to this alarm bell sounded by the regulatory authority.

Dr Sanish Davis, President, Indian Society for Clinical Research, says, India is at an inflection point, of being an enterprise supplier, and there is an effort across the wider ecosystem — of companies and the Indian regulator — to bring in a "quality-by-design mindset". There could be "rogue elements", he says, and calling them out serves as a good lesson. But it is not the tip-of-the-iceberg, he says, refuting concerns on whether this was a widespread problem.

India has a unique position, he says, housing the largest number of USFDA-approved manufacturing plants outside the US. (These plants make products to be safe and efficacious for hu-

this region, who in turn rely on CROs for their trial data for the approval process.)

### DON'T COMMIT 'HARA-KIRI'

Quality and data integrity are critical for CROs, says Dr Kiran Marthak, Non-executive Director, Veeda Clinical Research. It is in the interest of both the CRO and the sponsor company undertaking the trials, he adds. "If someone wants to commit hara-kiri (self-destruct), that's their choice," says the industry veteran about those in it for a "fast-buck". He observed that the reputational damage is huge for those who run foul of regulatory authorities, and often there is no coming back from a situation where transgressions are repeatedly pointed out.

Such incidents have been reported of global and Indian CROs, but an upcoming industry cannot afford to have companies hauled up by regulators as it brings in dis-

trust, Marthak noted. That makes it difficult for other CROs who deal with sponsor companies, who then seek several levels of protection for themselves, adds another industry hand.

Marthak estimates that about half the total 80-odd CROs in the country do BA/BE studies. And these studies are about half the cost in India, compared to other regions, he adds.

### NOT JUST BOTTOMLINE

Outlining the impact of questionable data for pharmaceutical products in the US, Dr Cavazzoni said, they could lose their "automatic substitution designation", purchasers could move away and this increased the risk of shortages. Manufacturers would have to redo the study, costing time, money, loss of market share, revenue and productivity, she said.

Recognising the important role of Indian drugmakers supplying to the US, she said, "We understand that there is a cost to quality, we understand there is cost in conducting BA/BE studies, however, there is also a significant cost and a major impact in just looking at the bottomline and going to the lowest bidder of CROs."

But the critical message to take away was — such incidents "undermine the reputation of the generic industry" and lower confidence of patients, buyers and the public. Something patients and industry call ill afford.

## MY FIVE.



**Capt Ishver Dholakiya**  
Founder & MD, Goldi Solar

Flying, cooking and caring for cows

**1 Inner Balance:** Yoga, meditation are my secret weapons — keeping me balanced and focused.

**2 Gaukalyanam:** I deeply value Gaukalyanam — finding mental peace in caring for cows. We maintain a cowshed at home and this brings serenity, a sense of nurturing towards family and community.

**3 Food:** I enjoy home-cooked meals and take pleasure in cooking a variety of cuisines — Gujarati, Chinese, South Indian, Italian and Mexican.

**4 Passion:** A certified pilot, I fly once a month. My passion for wheels include cycling, driving and collecting vintage bikes, cars. I also enjoy horse riding and water sports.

**5 Early dinner:** I end my day with a healthy, light and early dinner around 8:30 pm.

## COMING UP.

Health and climate meet

The 'Health argument for climate action' meet on the sidelines of the High-Level Political Forum on Sustainable Development (July 9) — will review SDG Goal 13 (Take urgent action to combat climate change and its impacts). Sustainable solutions for clean energy, healthy and sustainable food systems and healthy urban planning will be presented.

## QUICKLY.

France sees highest voter turnout in over 4 decades



**Paris:** With three hours to go before polls close in France's second round of high-stakes legislative election on Sunday, the latest figure on the turnout is 59.71 per cent. It's the highest turnout since 1981 at this time in the voting day. The overall turnout is on track to be the highest in four decades. Polls will close at 8 pm local time. PTI

## Equities attract \$1-billion FPI inflows in early July

**New Delhi:** Ahead of Modi 3.0 government's full Budget on July 23, Foreign Portfolio Investors continued to show strong buying interest in Indian equities with net inflows of ₹7,962 crore in the first week of July 2024, data with depositors showed. For the first timethis fiscal, FPI's net investments turned positive at ₹269 crore (April 1 to July 5), our Bureau

## Consultation paper on clearing corporations issued



**New Delhi:** SEBI has issued a consultation paper on the treatment of interest income earned by the clearing corporations from cash collaterals from clearing members and upstreamed client funds. The regulator noted that clearing corporations have been holding substantial cash collaterals from Clearing members (CMs) towards settlement obligations. PTI

# 'ICAI is free to proceed against entire firm for misconduct'

**MORE TEETH.** Delhi HC also asks MCA to 'expeditiously' notify 2022 law amendments

**KR Srivats**  
New Delhi



**NOTEWORTHY.** The ruling is significant as post the Satyam scam, the CA Institute had said it enjoyed power to proceed against erring firm. However, this was challenged by audit firms

chartered accountant firms under the CA Act or is the ICAI empowered to only take action against one person, who is identified by the firm as a "member answerable"?

The petitioners had contended that ICAI lacks the authority to proceed against partners who are not specifically named or identified as responsible for the al-

leged misconduct.

**SATYAM SCAM**  
The latest Delhi HC ruling is significant as post the break out of Satyam scam in January 2009, the CA Institute has been taking a stance that it enjoyed power to proceed against the erring firm. This stance was however challenged by audit firms contending that no ex-

plicit provision existed in law to penalise or proceed against the firm.

However, with the amendments introduced in 2022 to the CA Act, the audit firms too were brought under disciplinary mechanism.

The only issue has been that the Ministry of Corporate Affairs has so far not notified this disciplinary mechanism-related provisions.

Meanwhile, Amarjit Chopra, Past President of ICAI, said that the Delhi High Court ruling strengthens the hands of the CA Institute and is a welcome step. After Satyam scam, ICAI had approached the government and conveyed that under exceptional circumstances, it should be allowed to proceed against the erring audit firm, he added. The relevant amendment happened only in 2022.

# Relaxes demerger norm; sets ball rolling on 'aggregation of firms'

**KR Srivats**  
New Delhi



Ranjeet Kumar Agarwal,  
President of ICAI

Partnership (LLP) to become a partner in another LLP. "By retaining the two-firm identity intact, the two firms can still come together and work with combined strength to bid for projects and deliver. There will be combined resource and combined expertise," Agarwal said.

ICAI President also said that more steps are on the anvil to promote 'aggregation of firms'. The next council meeting could see approval of international networking guidelines, he added.

The framing of international networking guidelines is part of the terms of reference of ICAI committee on 'aggregation of CA firms'. The committee is yet to submit its report to central council.

The ICAI moves on 'aggregation of firms' are significant as the government wants Indian audit firms to grow big and form international networks at global stage.

Now, there will be trust that till 10 years, the earlier legal names will be preserved and if mergers don't work, the concerned firms can go in for demerger anytime up to those 10 years, he added.

"If you are not happy with the merger, then you can de-merge till ten years and get your old names back. This decision will increase the confidence to go in for mergers," he said.

**TWO-FIRM IDENTITY**  
The second decision is on allowing Limited Liability

# Industry seeks clarity on FSSAI's mandate for highlighting nutritional info on labels

**Meenakshi Verma Ambwani**  
New Delhi



**CUSTOMER IS KING.** Experts said that FSSAI's proposed norms will help consumers make better food choices

empower consumers to make healthier decisions. Under this proposed amendment, the information regarding per serve percentage contribution to recommended dietary allowances (RDAs) on labels of packaged food products would be given in "bold letters for total sugar, total saturated fat and sodium content," the FSSAI stated. This information is usually displayed on the back-of-the-pack.

Sources said that the FSSAI is likely to bring out a draft amendment in the Food Safety and Standards (Labelling and Display) Regulations, 2020 within this month in this regard. Industry players and bodies said that they will evaluate the proposal and re-

comply with this amendment."

Countries such as the US already have norms which make it mandatory for displaying nutritional facts in bigger and bolder fonts.

**BETTER CHOICE**  
A Nestle India spokesperson said, "We are already providing nutritional information on the back of our product packs. We have also voluntarily included guideline daily amount (GDA) labelling on front of our product packs, that provides consumers with transparent nutrition information in the context of a reference portion for energy and other key defined nutrients in relation to their daily needs.

and hence highlighting added sugar in bold would make it even more meaningful," she added.

However, others believe its time that the FSSAI finalises front-of-the-pack labelling norms.

Arun Gupta, Convenor, National Advocacy in Public Interest (NAPI) on X said it is important that consumers are able to see nutritional information on the front-of-the-pack. He added that a consumer "has to pass through misleading ads and label lies" before he/she might think of reading the back of the label.

NAPI has recently urged FSSAI to also take steps to curb misleading claims in ads made by food companies.

# + SEBI's demand for more disclosures to create hurdles in IPO process

**Janaki Krishnan**  
Mumbai

Recent directives by the Securities and Exchange Board of India (SEBI) on enhanced disclosure for companies filing for initial public offerings (IPO) has put law firms and investment banks in a quandary as they feel that some of the disclosures are not relevant to the business of the companies and there is little clarity in them, prolonging the entire process.

"It is important to strike a balance such that information which is material for investors to make an investment decision does not get obscured in this process," said Abhimanyu Bhattacharya, Partner, Khatan & Co.

In May, the markets watchdog issued a long list of 31 additional disclosures to be made by IPO-bound companies "for faster processing of documents". But

**The general feeling is that some of these disclosures may not be relevant for investors to make decisions**

the enhanced disclosures have only created more headache for the intermediaries as some of the asks from SEBI are not clear, entailing the need for more clarifications. The general feeling is that the disclosures may not be relevant and important enough for investors to make investment decisions.

Sources in the legal fraternity said the regulator started asking for more disclosures when a couple of years back some new age tech companies listed at considerable discounts to their issue prices and the shares languished for quite a while, leading to losses for

investors in the short term. Another flashpoint was in the case of FirstCry IPO filing where SEBI asked for more disclosures in respect of its key performance indicators. Now the regulator is also asking for information on key performance indicators (KPIs) that have been shared with some large investors while raising funds in private rounds.

**CASE OF OVERKILL?**  
SEBI has been insistent that disclosures would help investors in their investment decision. But in this laudable endeavour to protect investor interest, lawyers and bankers feel that there may be a case of overkill.

A law firm executive, who deals regularly with IPOs, pointed out that every data point that is asked for by the regulator is followed by considerable due diligence, data retrieval, verification process at the back-end, requiring "tremendous time and effort from the issuer

and has a corresponding cost attached to this exercise which may not be justified in all cases".

Some of the disclosures pertain to allottees of ESOP schemes, utilisation of pre-IPO proceeds, pre-IPO placement price and names of shareholders to whom the allotment has been made, conflict of interest between suppliers of raw material and third party service providers and the company, among others.

However there are others who feel that the disclosures are justified.

"The disclosures are customary in any private market transaction," said Ashish Bagadia, Partner, Corporate Finance, and Investment Banking, BDO India.

These disclosures and follow-on clarifications sought by SEBI could prolong the approval process, Bagadia agreed, but added that speed can't supersede investor protection.

# NSE cap on SME IPO price discovery to curb volatility, runaway over-subscription

**Suresh P. Iyer**  
Mumbai

The National Stock Exchange's decision to cap at 90 per cent the opening price discovered during a special pre-open session for initial public offer on the NSE Emerge will curb volatility and runaway over-subscription in the short-term.

Following this, the debutant stock on NSE Emerge platform cannot be listed at a premium of more than 90 per cent over its issue price. Most retail investors borrow to invest in SME IPOs eyeing bumper profits on debut. Investors tapping the SME IPO through borrowed money will now need to rework their business plan.



Efwa Infra & Research — may list on July 12.

"Price movements will be less volatile and such stable pricing will help investors take a long-term fundamental call. It may also reduce chances of investors losing money because of wide fluctuations in the prices on a single day," he added. Ambey Laboratories, whose IPO is underway, may get listed on July 11. Two other IPOs on NSE Emerge — Ganesh Green Bharat and

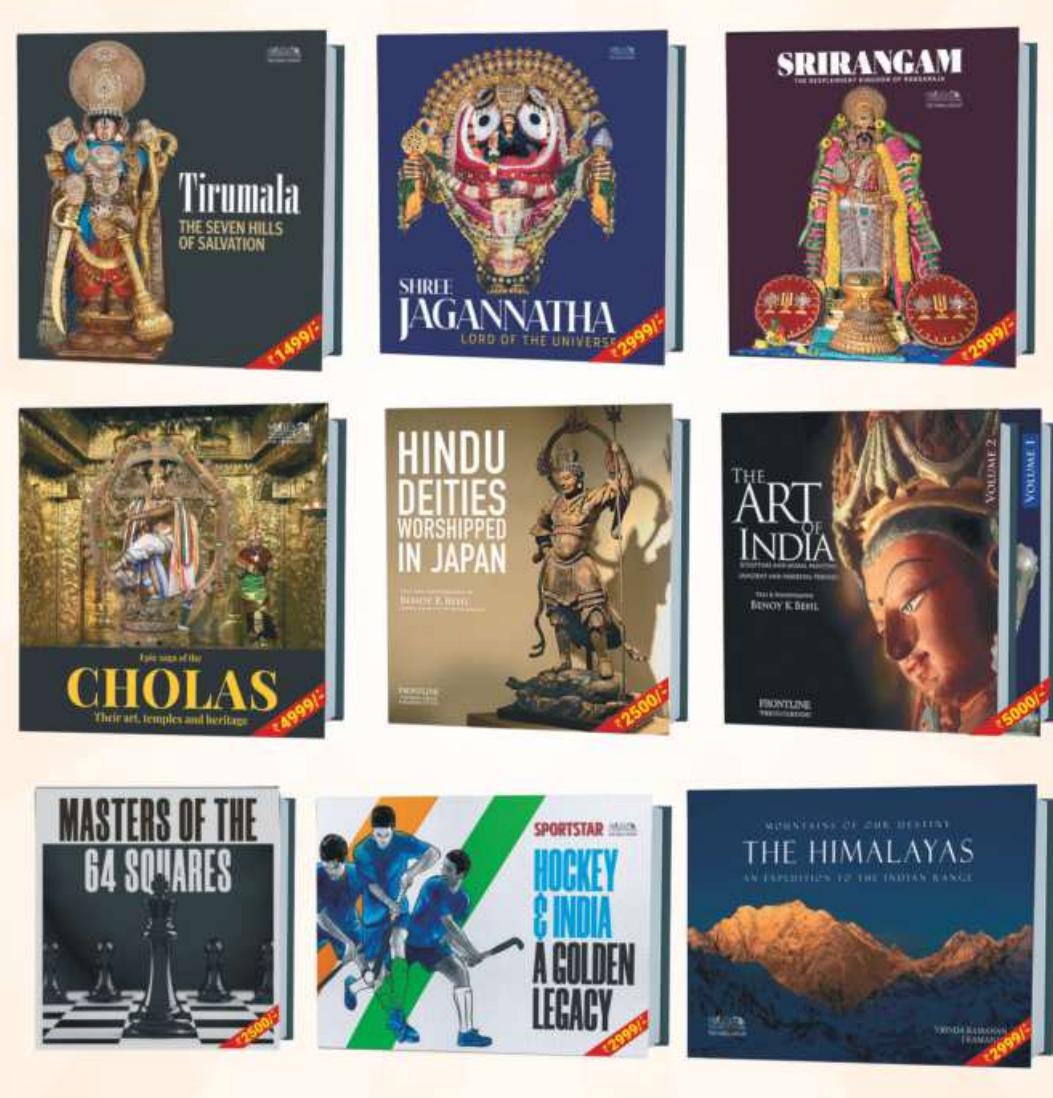
look for long-term investments in the SME segment rather than just making listing gains. This calendar year, as of June 13, a hundred companies had raised ₹3,095 crore through SME IPOs against ₹4,686 crore by 182 companies in 2023.

Alok Haralalka, MD, Gretex Corporate Services, said that by curbing initial price volatility, the regulation encourages a strategic approach to investing and will boost confidence in SME stocks.

Though it will be challenging for buyers initially due to limited liquidity, he added the cap ensures a balanced and trustworthy trading environment over time and prevent extreme price fluctuations on the first day by discouraging rapid selling for quick gains.

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