CHENNAI - TUESDAY - JULY 9, 2024

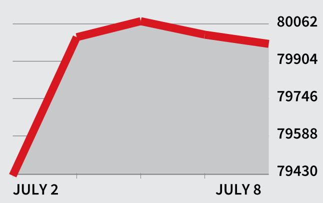
₹10 • Pages 10 • Volume 31 • Number 190

www.businessline.in

businessline thehindubusinessline

the hindu businessline.

SENSEX 79960.38 (-36.22)



IN FOCUS

	LATEST	CHANGE
Nifty 50	24320.55	-3.30
P/E Ratio (Sensex)	24.33	-0.01
US Dollar (in ₹)	83.50	+0.02
Gold Std 10 gm (in ₹)	72455.00	+106
Silver 1 kg (in ₹)	91733.00	+1024

THE ROAD AHEAD. **Alex Zino of Rolls-Royce** discusses the pitch to the govt on gas turbines for Navy, aerospace engines and expanding manufacturing here **p2**

BIG BOOST. **Kharif crop sowing** has gained pace, thanks to the early coverage of monsoon and revival of rainfall **p8**

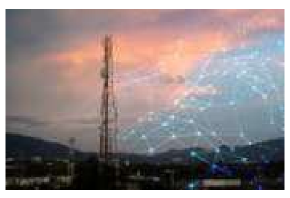
BENGALURU - CHENNAI - COIMBATORE - HUBBALLI - HYDERABAD - KOCHI - KOLKATA - MADURAI - MALAPPURAM - MANGALURU - MUMBAI - NOIDA - THIRUVANANTHAPURAM - TIRUCHIRAPALLI - TIRUPATI - VIJAYAWADA - VISAKHAPATNAM

Regd. TN/ARD/14/2012-2014, RNI No. 55320/94

QUICKLY.

DESPITE PLI.

Telecom gear imports 7x the exports in FY24



Mumbai: India imported telecom products exceeding ₹1,46,000 crore in the last fiscal year, while export of telecom products was valued at approximately ₹20,000 crore during the same period. India's export of telecom goods has been falling for the last three years, per Department of Telecommunication's data. **p10**

DATA FOCUS.

India ranks fifth in GenAI innovations; China leads

Chennai: India has filed only 1,350 patents around this buzzing technology from 2014 to 2023 ranking fifth after China (38,210), the US (6,276), Republic of Korea (4,155), and Japan (3,409) when it comes to the total number of GenAI inventions, per a new report by UN body World Intellectual Property Organisation. But India is ahead of the UK (714) and Germany (708) when it comes to the number of GenAI patents published. **p2**

In green drive, UP frees hybrid vehicles from registration fee

POWERING UP. Buyers of Maruti, Toyota, Honda vehicles can get benefit of up to ₹3.50 lakh

S Ronendra Singh
New Delhi

To promote use of environment-friendly vehicles in the State, the Uttar Pradesh government has announced a complete waiver of registration tax on strong hybrid cars. The move is likely to benefit companies like Maruti Suzuki India, Honda Cars India and Toyota Kirloskar Motor. Customers can gain up to ₹3.50 lakh.

Maruti Suzuki's Grand Vitara and Invicto, Toyota's Hyryder and Innova Hycross, and Honda City e:HEV, which are all strong hybrid vehicles, will be covered by this offer.

Sources close to the development told *businessline* that the UP government, through a July circular, implemented the policy to give "100 per cent waiver on registration fee of strong hybrid electric vehicles and plug-in hybrid electric vehicles" with immediate effect.

TOP SELLER. The State is one of the largest markets for PVs with retail sales of 2,36,097 units in the first half of this year

LOW REVENUE IMPACT

The UP government levies 8 per cent road tax on vehicles costing less than ₹10 lakh, and 10 per cent on vehicles costing more than ₹10 lakh (ex-showroom). As of now, the impact of no registration fee on the State exchequer is low because sales of hybrid vehicles are low. But even if the State sells around a thousand such vehicles a month, it would cost it ₹20 crore (₹2 lakh foregone on average as registration tax).

According to the Federation of Automobile Dealers Associations (FADA), UP is one of the largest markets for passenger vehicles in the country with retail sales of 2,36,097 units in the first half (H1) of this year — a jump of 13.46 per cent compared with 2,08,092 units sold in January-June 2023. In the second quarter, also, 1,09,712 units were sold in the State — a growth of 10.26 per cent against 99,501 units in Q2 last year.

TO PUSH SALES

"This will help the sales of the strong hybrid vehicles in the State although the number of buyers is small right now. Most buyers of such vehicles already own a vehicle and first-time buyers are a miniscule. Having said that, such a move by Chief Minister Yogi Adityanath, will help the auto sector," Ankit Raj, FADA Chairperson, told *businessline*.

According to a Maruti dealer, the demand for strong hybrid vehicles is not much right now in the State, but with this announcement, sales could increase. According to sources, Maruti sold around 1,000 hybrid Grand Vitara and Invicto last year. The Grand Vitara Intelligent Electric Hybrid (strong hybrid) starts at ₹18.43 lakh, and the Invicto strong hybrid at ₹25.21 lakh (ex-showroom, Noida). Toyota Hyryder and Innova Hycross are also priced similarly.

"Customers can now opt for eco-friendly hybrid vehicles like our City e:HEV in more affordable manner. This is also aligned with our global commitment to sustainable mobility and our global vision of achieving zero carbon emissions by 2050," said Kunal Behl, Vice-President, Marketing & Sales, Honda Cars.

BETTER VALUE

"It is clear that nixing the tax on hybrids could be a significant catalyst, driving the move from pure internal combustion engine (ICE) to greener alternatives. While the adoption of EVs is certain, the journey requires hybrids," said Puneet Gupta, Director, Sales and Powertrain Forecast, India & ASEAN.

Extent of leak is key to ordering NEET-UG re-test: Apex court

Krishnadas Rajagopal
New Delhi

The Supreme Court on Monday said the cancellation of the undergraduate National Eligibility-cum-Entrance Test (NEET-UG) 2024 in its entirety is an "extreme last resort" as it affects over 23 lakh students.

However, Chief Justice of India DY Chandrachud concluded that the fact that questions were leaked and the sanctity of the exam was compromised was "beyond question".

"One thing is very clear, the leak has taken place... that the sanctity of the exam is compromised is beyond question. Now how wide is the leak? We have to determine the nature of the leak... Before we order a re-test, we have to know the extent of the leak.... a re-test affects the lives of 23 lakh students."

"Cancellation is the extreme last resort. It would be done only if we have no other go... If we cannot separate the wheat from the chaff, re-test would have to be directed," he observed.

The three-judge Bench, also comprising Justices JB Pardiwala and Manoj Misra, told the Union government and the National Testing Agency (NTA), which conducts the exam, to come out of the "self-denial" and aid the court in finding out the extent of the leak.

But petitioners seeking a re-test, represented by advocates Mathew Nedumpara and Charu Mathur, argued that the credibility of the exam was lost. They said it was not possible to isolate frauds from the innocents.

Solicitor-General Tushar Mehta, for the Centre, said the leaks were an instance of local malpractice.

He countered the "unprecedented" phenomenon of 67 candidates scoring perfect 720/720, saying the top 100 candidates were distributed among 95 sectors in 56 cities across 18 States and Union Territories.

The NTA argued that the NEET syllabus in 2024 was easier than the previous four years when there were a total of only seven perfect scorers.

SYSTEMIC OR NOT

"On the basis of the data on record placed before it, a court has to see if the breach is systemic; whether it has affected the integrity of the entire exam process; whether it is possible to segregate the beneficiaries from the untainted students. If segregation is not possible, it would be necessary to order a re-examination. On the other hand, if the breach is confined to specific centres, it may not be appropriate to order a re-examination, especially when it involves over 23 lakh students," he said.

The court asked the NTA to make a "full disclosure". It said the time has come for the Centre and the NTA to use technology, common sense and knowledge of law to identify the wrongdoers.

It ordered the NTA to file a reply before Thursday, the next date of hearing, on questions raised by the Bench. The court directed the CBI to file a status report and the material it had unearthed.

The Centre, too, is to file a detailed response on the steps taken to protect the sanctity of the NEET.

The government-appointed committee, chaired by former ISRO Chairman K Radhakrishnan, was asked to detail the work done so far.

The court said it would consider on Thursday if the entire comprehensive results, except that of candidates under scanner, could be published.

Centre likely to fix a floor price of $500/tonne on non-Basmati rice exports

Our Bureau
New Delhi

The Committee of Ministers, headed by Home Minister Amit Shah, may decide this week on a proposal to fix a minimum export price (MEP) of $500/tonne on non-basmati rice and also defer the proposal to reduce the MEP of $950/tonne on Basmati rice, sources said.

Last week, the Commerce Ministry held a meeting with exporters to understand their concerns and, accordingly, some proposals have been finalised for the ministerial panel to consider, official sources said without disclosing the proposed changes.

However, industry sources said that though the demand was to replace the current 20 per cent export duty with a fixed $90/tonne tax, the government finalised it at $100/tonne after considering the likely MEP of $500/tonne.

The fixed levy will be valid on both parboiled rice, which is allowed to be shipped duty-free, and white (raw) rice shipped through the canalising agency National Cooperative Exports Limited (NCEL).

> **Sources said the demand was** to replace the 20% export duty with a fixed $90/tonne tax, but the government finalised it at $100/tonne after considering the likely MEP of $500/tonne

The industry's other demand-, to reduce the Basmati MEP to $800-850, is likely to be deferred for now, the sources said.

REALISATION UP

Last month, *businessline* had reported the Commerce Ministry's likely move to seek a decision from the Shah-led panel to make changes to the export duty structure on parboiled non-Basmati rice and also to seek a direction on the industry's demand to cut the MEP on Basmati rice.

According to export data, the per unit average realisation of Basmati rice was $1,070/tonne in April and rose a tad to $1,080/tonne in May. On the other hand, the average export price of non-Basmati rice was about $476/tonne in April and $474/tonne in May.

Basmati exports rose 17 per cent to 0.97 million tonnes (mt) in the first two months of 2024-25 from 0.83 mt in the year-ago period. But shipments of non-Basmati exports dropped 32 per cent to 1.94 mt from 2.85 mt.

MUMBAI MAROONED

RED ALERT. People wade through waterlogged railway tracks as torrential rains brought Mumbai to a halt on Monday. The Santacruz weather station recorded 27 cm rain in the 24-hour period ended 8.30 a.m. on Monday, the heaviest single day spell in July since 2019, according to the India Meteorological Department. Besides affecting suburban and long-distance train services, the rain also disrupted flight operations. Schools and colleges were shut and the NDRF was put on alert as the IMD issued a red alert for Mumbai, Raigad and Ratnagiri in Maharashtra for the next 24 hours PTI

TN's iconic A2B chain cooking up an ambitious growth plan

A humble sweet shop has grown into a ₹1,400-cr restaurant empire and is hungrily eyeing an IPO

TE Raja Simhan
Chennai

Adyar Ananda Bhavan, or A2B as the pure vegetarian restaurant chain is best known in Tamil Nadu, is hungry for growth.

What started as a small sweet shop in Rajapalayam five decades ago, set up by a farmer KS Tirupathi Raja, today does an annual business of ₹1,400 crore. If the fast-food chain's plans fructify, its turnover could swell to ₹10,000 crore in the next five years. An initial public offering (IPO) is also on the menu.

The A2B team of 14,000 employees is working towards making the company a global brand of Tamil Nadu origin, says KT Srinivasa Raja, Managing Director. The chain today has 170 outlets, mostly in Tamil Nadu, Karnataka and Andhra Pradesh, with a few in the US, the UK and Australia.

KT Srinivasa Raja, Managing Director, A2B

An outlet in Chennai BIJOY GHOSH

For sure, A2B's rise has been nourished by two other big chains in the space — the once-iconic Saravana Bhavan and Sangeetha — facing problems. Saravana Bhavan, which pioneered innovations, such as a centralised kitchen for consistency of taste, multi-coloured chutneys and an expanded cuisine, including North Indian and Chinese, has been losing ground after the death of its founder, P Rajagopal. For a while, it looked like the Sangeetha chain would grab Saravana Bhavan's market share, but the founders split, with one branch going away under the 'Geetham' brand.

A2B started off small in 1960 as Sri Guru Sweets, set up in a southern Tamil Nadu town Rajapalayam.

THE RECIPE

For pioneer Thirupathi Raja, Rajapalayam was too small for growth. He shifted his business to Bengaluru, under a new name, Sri Srinivasa Sweets. "That was when my brother Venkatesan and I discontinued school to support our father," recalls Srinivasa Raja. And, in 1988, the family set up Adyar Ananda Bhavan, selling packed sweets and snacks. The business grew and the name turned into a pithy 'A2B'.

In the mid-1970s, the business did daily sales of ₹1,000. In the 2000s, A2B decided to add dining to the mix. In due course, business expanded, as the management added presence on highways and other cities. In 2005, it increased turnover to ₹500 crore; today, it is around ₹1,400 crore. A venture that started with just four employees is today 14,000 strong.

Margins are tight with increasing employee, transport and raw material costs. "We change the price of food items in the menu only once in six months. Volume is critical for our business. A few years ago, we were getting around 10 per cent profit, but today getting 5 per cent is considered to be good," he says.

The third generation is also slowly coming in to the business. "My brother has two children and I have four," says Srinivasa Raja.

A2B has continued with its ready-to-eat snacks and pickles, which now sell in over 125,000 retail shops.

Food aggregators like Swiggy and Zomato are a help, too, providing A2B additional sales of 18-20 per cent, he says. "Our target is to reach ₹10,000 crore in 5 years and we will be happy if it happens earlier," he says, adding that an IPO could happen around that time.

PM Modi in Russia: Trade to top bilateral talks with Putin

Amiti Sen
New Delhi

Prime Minister Narendra Modi arrived in Russia on Monday for a two-day official visit at the invitation of Russian President Vladimir Putin.

At the 22nd India-Russia annual summit, the two leaders will review a range of bilateral issues from boosting trade and reducing the current imbalance to cooperation in energy, education, defence and payment systems.

This is the first Prime Ministerial visit since Moscow attacked Ukraine in February 2022, leading to the slapping of a series of economic sanctions against Russia by the US and the EU.

Details p3

QUICKLY.

Tata Realty secures ₹825-cr funding from IFC

New Delhi: Tata Realty on Monday said it has secured a loan of ₹825 crore from the International Finance Corporation (IFC) to refinance its green commercial project in Chennai. “This funding is earmarked for the strategic refinancing of Ramanujan Intellion Park in Chennai, a landmark development in sustainable real estate,” the company said. PTI

Skoda gears up to roll out new Kodiaq, Octavia

New Delhi: Czech carmaker Skoda is looking to drive in new models, including the latest version of its premium SUV Kodiaq, in India to bolster its presence in the country.

In an interaction with PTI, Skoda Auto India Brand Director Petr Janeba said the auto brand is also looking to re-introduce premium sedan Octavia in the market later this year. He stated the test mules of the new Kodiaq would probably be reaching Indian shores by this year-end.. PTI

Maruti dispatches 2 m vehicles through Rlys

New Delhi: Maruti Suzuki India (MSIL) on Monday said it has surpassed two million cumulative vehicle dispatches using the railways, which makes it the first automobile company to attain this eco-milestone. The company has scaled up its vehicle dispatches through railways from 65,700 units in FY15 to 4,47,750 units in FY24. OUR BUREAU

Advent International looks to exit Manjushree Technopack for $1.2 b

PROFIT REALISATION. In talks with PE firms and other packaging companies

Janaki Krishnan
Mumbai

Private equity firm Advent International is looking to sell its portfolio company, Manjushree Technopack, at a valuation of $1-1.2 billion, and talks have begun with prospective buyers, sources said.

This comes even as the PE firm’s negotiations for a sale of Bharat Serums and Vaccines are at an advanced stage.

STAKE BUY

Manjushree Technopack is India’s largest rigid plastic packaging solutions provider, and in 2018, the private equity firm had acquired the entire 40 per cent stake held by Kedaara Capital in a deal that reportedly valued the packaging company at close to ₹2,400 crore.

EYEING GOOD RETURNS

- Manjushree Technopack is India’s largest rigid plastic packaging solutions provider
- It reported revenue of ₹2,100 crore in FY23
- In 2018, PE firm Advent had acquired the entire 40 per cent stake held by Kedaara Capital

It also acquired stake from the promoter family, and the packaging firm is now professionally run.

Since its acquisition, the packaging firm has delivered good returns, and sources said Advent was looking to make good on the investment. The private equity player is learnt to be talking to both PE firms and other packaging companies. It is looking to exit the investment.

An email sent to Advent International for a response remained unanswered.

₹2,100-CRORE REVENUE

Manjushree Technopack reported revenue of about ₹2,100 crore in FY23, up from ₹924 crore it had reported in FY18 before the acquisition by Advent.

The packaging industry has been facing headwinds over the last couple of years with volatility in raw material prices. This had an effect on its profitability in FY23.

Under Advent, Manjushree Technopack’s growth has been rapid. In 2020, it set up a greenfield manufacturing facility in Silvassa and in 2023 new facilities in Visakhapatnam and Mysuru.

The packaging firm has also been busy growing inorganically through strategic acquisitions.

In 2019, it acquired pumps and triggers maker Napla; in 2021, it acquired the B2B business of Pearl Polymers & Classy Kontainers, and in 2022, it bought two manufacturing units in Maharashtra from Hitesh Plastics, making its entry into the highly specialised caps and closures market.

Advent International has been in India since 2007 and has invested over $6 billion in 18 Indian companies, and a good portion of those investments have come in the last five years.

TI Clean Mobility gears up for new EV launches amid mixed results in FY24

G Balachandar
Chennai

Murugappa Group’s electric vehicle company, TI Clean Mobility Private Ltd (TICMPL), a subsidiary of Tube Investments of India Ltd (TII), reported a loss before tax for FY24, along with its two subsidiaries, while one subsidiary recorded a profit before tax for the period.

TICMPL, incorporated in February 2022, clocked a revenue of ₹123 crore on a standalone basis but incurred a loss before tax of ₹98 crore. The company operates four business units within electric mobility: 3-wheelers, tractors, heavy commercial vehicles, and small commercial vehicles, according to the latest TII annual report.

IPLTech Electric Private Ltd, a TICMPL subsidiary, reported ₹33 crore in revenue and a loss before tax of ₹106 crore. Another subsidiary, TIVOLT Electric Vehicles Private Ltd, recorded a loss before tax of ₹57 crore from the date of incorporation (July 2023).

M A M Arunachalam, Executive Chairman, Tube Investments of India Ltd

However, Jayem Automotives Pvt Ltd, a subsidiary of TICMPL, recorded a revenue of ₹79 crore and registered a profit before tax of ₹7 crore from the date of acquisition (August 2023).

LAUNCH PLAN

TI Clean Mobility is gearing up to launch an electric cargo three-wheeler, an e-rickshaw, and a 4-wheeled electric small commercial vehicle during this fiscal. The company introduced its electric autorickshaw ‘Montra’ in September 2022 and began retailing it in the first quarter of the last fiscal year. It is produced at a factory in Ambattur, Chennai.

“While the electric three-wheeler is performing well in southern markets and is presently entering the northern market, the electric heavy commercial trucks are in the early stages of their sales cycle. The other products of TI Clean Mobility, including tractors and small commercial vehicles, are undergoing homologation and reliability testing,” M A M Arunachalam, Executive Chairman, TII, said in the report.

Through its subsidiary TIVolt Electric, TI Clean Mobility is preparing to introduce electric small commercial vehicles (e-SCVs) to meet the growing demand for eco-friendly urban transport solutions for last-mile connectivity. A manufacturing facility is coming up at Gummidipundi, near Chennai, for manufacture of the e-SCVs in the range of 2T to 3.5T.

TI Clean Mobility will also launch electric tractors powered by swappable, rechargeable batteries. Currently undergoing tests and trials, the e-tractors will be available in three variants and will be initially launched in Gujarat, Maharashtra, Karnataka and Tamil Nadu.

India ranks fifth in GenAI innovations, China leads

Sindhu Hariharan
Chennai

From tech companies to start-ups to universities, every segment of India wants a share of the Generative AI pie but data show that the country has a lot of catching up to do.

DATA FOCUS.

India has filed only 1,350 patents around this buzzing technology from 2014 to 2023 ranking fifth after China (38,210), the US (6,276), Republic of Korea (4,155), and Japan (3,409) when it comes to the total number of GenAI inventions patented, as per a new report by UN body World Intellectual Property Organisation (WIPO). India has also overtaken the UK (sixth with 714 patents) and Germany (708) when it comes to the number of GenAI patents published.

Chinese companies Tencent, Ping An Insurance Group and Baidu published the most GenAI patent families in the last 10 years. While no Indian entity figures in the top 20 GenAI patent owners, the report highlights Indian patents, including a retail AI assistant solution patented by RN Chidakashi Technologies (Miko Robotics), and Tata Consultancy Services’ GenAI patent around an AI tool for contract lifecycle management.

However, in a sign of the hectic pace of innovation in India, the country has recorded the highest annual growth rate in GenAI patent publications at an average rate of 56 per cent. However, this is on a small base as India holds a share of 3 per cent of the total GenAI patents. On the other hand, China clocks a 50 per cent growth at a high base.

A total of 54,358 patent families (a collection of patent applications covering the same or similar technical content) were published in the field of GenAI between 2014 and 2023, with 89 per cent of this (48,398) considered active at the end of 2023.

RISE IN PATENT ACTIVITY

Advances in AI and deep learning techniques have resulted in a sharp increase in patent activity in GenAI. The introduction of transformer models in 2017 and the advent of popular apps like ChatGPT in 2022 have also contributed to spikes in GenAI patent action as the share of GenAI patent publications among all AI patents rose from 4.2 per cent in 2017 to 6.1 per cent in 2023.

Over 25 per cent of all GenAI patents and over 45 per cent of all GenAI scientific papers were published in 2023 alone.

Interestingly, OpenAI, which has become a synonym for GenAI, has not filed any patents for its research activities until the beginning of 2023, perhaps owing to the non-profit origin of OpenAI, the report notes.

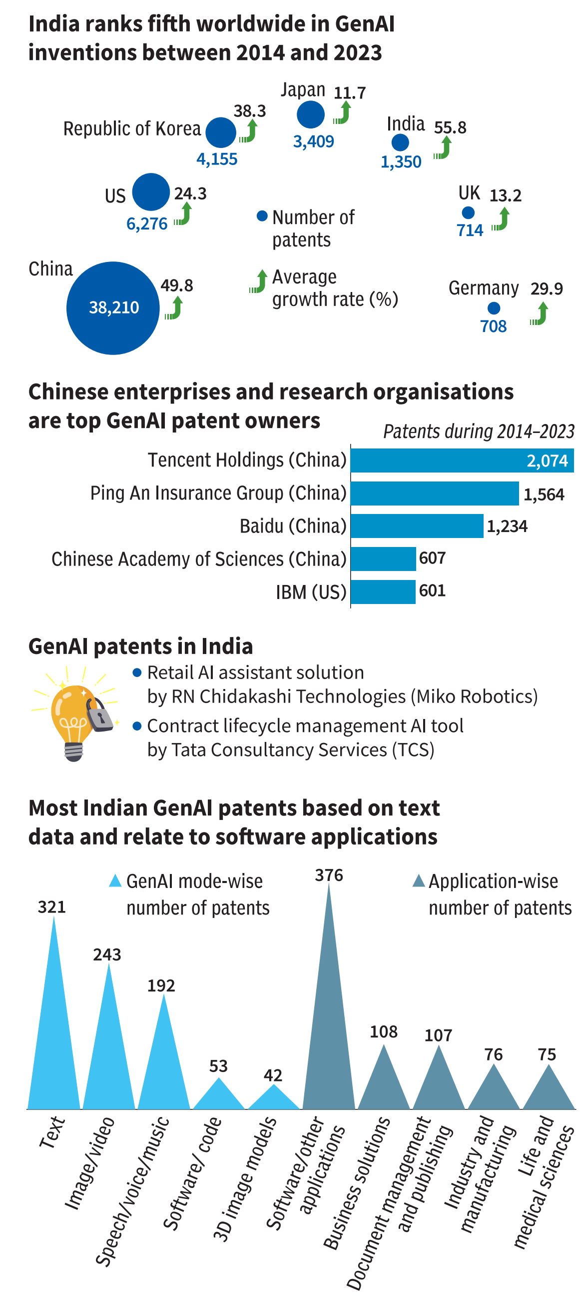
AI INVENTIONS

Shailendra Bhandare, Partner, Khaitan & Co, says one also has to consider the maturity of the patent regimes and the threshold levels they set to award a GenAI patent while analysing the numbers across countries.

“To grow AI-related inventions, it is important for India to have a well-defined eligibility framework for such GenAI inventions,” he says. “The patenting of GenAI-related inventions, however, has seen a rise in India since 2021,” he adds.

WIPO data also indicate a relative maturity of the Chinese patent regime compared to other countries. Between 2014 and 2023, more than 40,000 of China’s GenAI patents were filed within the country. At second spot, the US saw over 10,700 patents in its own jurisdiction, and 98 per cent of India’s 1,350 patents were filed within its jurisdiction.

How GenAI innovators fare globally



Source: WIPO GenAI patent landscape report

New launches drive Mercedes-Benz to record highest-ever H1 sales of 9,262 units

S Ronendra Singh
New Delhi

The largest luxury vehicles seller in the country, Mercedes-Benz India, on Monday recorded a sales milestone of 9,262 units in the first half (H1) of this year, up 9 per cent year-on-year (y-o-y) compared with 8,528 units in January-June last year.

The highest-ever six-monthly sales performance was driven by new and existing products, availability of volume models and an elevated customer experience delivered at the retail level, the company said, adding that there was sustained demand for Mercedes-Benz vehicles across entry, core and top-end vehicle (TEV) segments.

The sports utility vehicle (SUV) segment continued to top customer preference with 55 per cent penetration to overall sales, based on the robust performance from the GLA, GLC, GLE and GLS SUVs, it said.

SEDAN PORTFOLIO

The sedan portfolio, comprising the A-Class, C-Class, outgoing LWB E-Class and S-Class, also topped customer preference for a luxury sedan. Mercedes-Benz also witnessed robust demand for its TEV portfolio, with the Maybach range growing the highest at 108 per cent in H1 2024, the company added.

“New and updated products, elevated customer experience at retail and ease of ownership, combined with positive customer sentiments; boosted our best-ever H1 sales performance.”

“With some of the most awaited products lined up for the upcoming festive season, we expect the remaining quarters to continue the forecasted growth,” Santosh Iyer, Managing Director and Chief Executive Officer, Mercedes-Benz India, said.

Meanwhile, the company launched the all-new EQA 250+, the highest-selling battery electric vehicle (BEV) worldwide, with an introductory price of ₹66 lakh (all-India ex-showroom).

Mercedes-Benz also launched the new EQB 350 4M in a 5-seater configuration, first time in India with a price tag of ₹77.5 lakh and EQB 250+ SUV (7-seater) at ₹70.90 lakh (all India ex-showroom). However, it has just opened the bookings for now and deliveries will happen from January 2025 onwards. EQA and EQB 350 4M will strengthen Mercedes-Benz BEV portfolio, the company said.

“Customers are increasingly adopting sustainable lifestyle and their choice of vehicle manifests these changing preferences,” Iyer said.

Tata Motors’ global sales up 2% driven by CV, JLR

Our Bureau
Mumbai

Tata Motors’ global wholesales, including that of Jaguar Land Rover, were 2 per cent higher at 3,29,847 units in the first quarter of FY25 compared to first quarter of FY24.

The company’s global wholesales of commercial vehicles and the Tata Daewoo range were 6 per cent higher in the reporting quarter at 93,410 units.

Further, the global wholesales of the Mumbai-headquartered company’s passenger vehicles in Q1 were at 1,38,682 units, down 1 per cent compared to Q1FY24. The global wholesales of JLR were at 97,775 units, 5 per cent higher, while Jaguar wholesales were at 8,227 vehicles and Land Rover at 89,528.

Under settlement plan, RKN Enterprises sells 12.65 per cent stake in Godrej Ind for ₹3,803 cr

Press Trust of India
New Delhi

RKN Enterprises, a part of Godrej Enterprises Group, on Monday sold shares worth ₹3,803 crore in Godrej Industries Ltd to members of Godrej Industries Group as part of the Godrej family settlement announced in April.

According to the block deal data available on the BSE, RKN Enterprises offloaded a total of 4,25,83,272 shares, amounting to a 12.65 per cent stake in Godrej Industries.

The shares were disposed of at an average price of ₹893.05 apiece, taking the combined transaction value to ₹3,802.90 crore.

These shares were acquired by promoters Nadir Burjor Godrej, Pirojsha Adi Godrej, Nisaba Godrej and Tanya Dubash at the same price, thus raising their stake in the group’s flagship company Godrej Industries.

Earlier, Godrej Industries had announced that the Adi-Nadir Godrej faction will buy the 12.65 per cent stake in Godrej Industries via block deals from RKN Enterprises, thus raising its stake in the group flagship company.

On Monday, shares of Godrej Industries rose 0.82 per cent to close at ₹899.90 apiece on the BSE.

We’re looking to expand manufacturing capability in India: Alex Zino of Rolls-Royce

bl.interview

Dalip Singh
New Delhi

With the Modi 3.0 government in the saddle, Rolls-Royce, the British Aerospace and Defence Company, has renewed efforts to expand business in key areas, including naval gas turbines, electric propulsion systems, and aerospace engines.

In an interview with *businessline*, Alex Zino, Director of Business Development and Future Programmes, Rolls-Royce, shared some insights into the company’s pitch with the government on electric propulsion systems, gas turbines, and aerospace engines, besides expanding manufacturing capabilities in India. Excerpts:

Can you tell us about the Rolls-Royce supply chain ecosystem in India?

India represents a substantial opportunity for growth and expansion of our global supply chain for both civil aerospace and defence.

For our engineering capability, 3,000 people, directly or through strategic partners, work across our ecosystem to support products in India and our globalcapability.

Currently, a number of Indian partners, such as HAL, Bharat Forge, Godrej & Boyce, Tata, and others, have been providing critical components for our civil and defence aero-engines. Over 300 components for the Trent XWB engines that power Air India’s A350s and will soon power IndiGo’s wide-body fleet are made in India by Tata and other partners.

What’s the volume of MSME and start-up engagements in India?

We have just one but it has come out of the MSME category. We are looking at more suppliers in those areas. Over the years, if you see companies we have worked with, they have grown out of that space. We do work with AAran 1 Engineering Pvt Ltd on the defence side. In the last two days, we had conversations on how to bring the vendor base ecosystem of Rolls-Royce to interact with the engine ecosystem here. We are looking to expand our manufacturing capability in India.

What are the specific segments you are looking at for expanding your footprint here?

I cannot be talking about commodity strategies but at the sectoral level, clearly, naval is one of the key areas. Naval gas turbines, some of our MTU (power solution) products, and our electric propulsions... those three areas are key. We are looking at potential partnerships for our 4-megawatt AG gas turbine. We have offered the MT30 gas turbine as part of the UK-India Electric Propulsion Capability Partnership Working Group to support future ships of the Indian Navy.

> India represents a substantial opportunity for growth and expansion of our global supply chain for both civil aerospace and defence.
>
> **ALEX ZINO,**
> Director of Business Development and Future Programmes, Rolls-Royce

There are new programmes on the horizon with the Navy, and that’s part of a discussion for a warship architecture. There were trade-offs during those discussions at the Working Group. We are also supporting the Indian Navy and the Indian Coast Guard through the indigenisation process. We have a joint venture with Force Motors, called Force MTU Power Systems, to produce MTU Series 1600 engines and complete generator sets at the Chakan facility near Pune. To date, over 350 engines have been exported to Germany and the US.

Are any of Rolls-Royce offers to the government maturing?

In the land domain, we have provided an 8V199 engine for a light tank to the OEM L&T, which is working with the Defence Research and Development Organisation (DRDO) to roll out the product. The prototype is ready. Our engine was delayed because of the clearances, (the BAFA clearance) and I think now it’s with the platform manufacturer and it’s up to them to decide what the next steps are.

In aerospace..

We are supporting the existing fleet. We are waiting for the Indian Air Force decision on the Jaguar fighters and how long they want to fly that jet. We stand to support whatever decision they take on the issue.

We are working very closely with the Gas Turbine Research Establishment (GTRE), a lab of the DRDO, on the fifth-generation Advanced Medium Combat Aircraft (AMCA).

We offered unique solutions or proposals for transferring technology capability into a new engine course we will develop in India. Forging and casting are another area of interest. PTC Industries is into it.

We know there is a shortage of titanium around the world, and there are constraints in castings and forgings.

Is there any clarity on which engine is going to the AMCA and which ones are for the other aerial platforms?

We have made an offer and will continue to have conversations with the DRDO about what their ask might be. What’s the internal system talking about? We are not privy to that.

QUICKLY.

PM to chair NITI Aayog Governing Council meet

New Delhi: Prime Minister Narendra Modi will chair NITI Aayog's ninth Governing Council meeting on July 27, which will discuss the 'Vikshit Bharat@2047' document to make India a developed nation, a senior government official said on Monday. The council, the apex body of NITI Aayog, includes all chief ministers, lieutenant governors of Union Territories, and several Union ministers. Modi is the Chairman of NITI Aayog. PTI

Case for self-meter reading, app-based billing

New Delhi: Union Power Minister Manohar Lal Khattar on Monday made a case for self-meter reading for electricity consumers and bill generation through a mobile application. Khattar made the suggestion during a review in Itanagar on power sector schemes and projects in Arunachal Pradesh, the Power Ministry said. The Minister suggested providing options to consumers for self-meter reading once in every two months and bill generation thorough a mobile app. PTI

Modi-Putin meeting: Trade, energy, defence, investment on the agenda

NEW TIES. Kremlin says West closely monitoring PM Modi's visit to Moscow with a sense of jealousy

Amiti Sen
New Delhi

Prime Minister Narendra Modi arrived in Russia on Monday for a two-day official visit at the invitation of Russian President Vladimir Putin to attend the 22nd India-Russia annual summit, where the two will review a range of bilateral issues from boosting trade and reducing the current imbalance to cooperation in energy, education, defence and payment systems.

This is the first visit of the Indian PM to Russia since Moscow attacked Ukraine in February 2022, leading to a series of economic sanctions against that country from the US and the EU.

According to the Kremlin, the West is closely monitoring Prime Minister Modi's visit to Moscow with a sense of jealousy. "They are jealous. That means they are closely monitoring it....," Kremlin spokesperson Dmitry Peskov said. The 'Special and Privileged Strategic Partnership' between India and Russia has advanced over the past 10 years, including in areas of energy, security, trade, investment, health, education, culture, tourism and people-to-people exchanges, Modi said in his departure statement on Monday.

FROM RUSSIA WITH LOVE. Prime Minister Modi receives guard of honour upon arrival at the airport, in Moscow PTI

'MY FRIEND'

"I look forward to reviewing all aspects of bilateral cooperation with my friend President Vladimir Putin and sharing perspectives on various regional and global issues. We seek to play a supportive role for a peaceful and stable region. Both sides are currently working on a series of outcome documents in a number of areas, which would be the result of the summit," he said. Modi is scheduled to attend a private dinner hosted by Putin upon arrival.

On Tuesday, Modi and Putin will hold restricted-level talks, which will be followed by delegation-level talks. He will then leave for Vienna for the second leg of his two-nation tour.

The PM is also scheduled to meet the Indian community in Russia on Tuesday and lay a wreath at the tomb of the unknown soldier in Kremlin.

'ASSESSING GROUPINGS'

The 22nd annual summit would provide an opportunity to the two leaders to review the whole range of bilateral issues, including defence, trade linkages, investment ties, energy cooperation, science & technology, education, culture, and people-to-people exchanges, Foreign Secretary Vinay Kwatra recently said at a media briefing on the visit.

"They would share perspectives on regional and global developments of mutual interest. They would also assess the status of bilateral engagements in groupings such as BRICS, Shanghai Cooperation Organisation, G20, East Asia Summit, and the UN," he said.

The issue of early discharge of Indian nationals who have been misled into the service of the Russian army is also expected to figure in the discussions, Kwatra said.

India's growing trade deficit with Russia is likely to feature prominently on Modi's agenda. Following the West's sanctions on Russia to punish it for its attack on Ukraine, India's oil purchase from Russia, offered at a cheaper price, increased several fold, pushing its total imports from the country to about $61 billion. However, its exports to Russia are at about $4 billion, leading to a big trade deficit of more than $56 billion. Kwatra said attempts have to be made to increase exports from India in all sectors, whether agriculture, manufacturing pharmaceuticals or services.

Investment ties between the two countries are also growing in sectors such as energy, banking, railways, and steel. At the bilateral meet, the two sides may also take forward the ongoing talks on allowing RuPay and Mir card transactions in both countries for easy payments, sources said.

PLI for white goods: Application window re-opened for 3 months

Our Bureau
New Delhi

The government has reopened the application window for the production linked incentive (PLI) scheme for white goods (PLIWG) to help the manufacturing of components and sub-assemblies of ACs and LED lights for about three months, on the same terms and conditions as before.

To maintain liquidity, better working capital management and enhance operational efficiency, quarterly claims processing of PLI are to be introduced in place of annual processing, it added.

"In order to avoid any discrimination, both new applicants as well as existing beneficiaries of PLIWG, who propose to invest more by switching to a higher target segment, or their group companies applying under a different target segment, would be eligible to apply, subject to fulfilling the eligibility conditions...," the Commerce & Industry Ministry stated.

Reopening the application window from from July 14, 2024, to October 15, 2024, will allow fuller utilisation of the ₹6,238 crore approved outlay for the scheme to be implemented over seven years from FY22 to FY29.

SCHEME'S TENURE

However, applicants will only be eligible for incentives for the remainder of the scheme's tenure. "The applicant approved in the proposed third round would be eligible for PLI for a maximum of three years only in the case of new applicants and existing beneficiaries opting for investment period up to March 2023, seeking to move to a higher investment category. For beneficiaries opting for investment period up to March 2022, seeking to move to a higher investment category in the proposed third round, would be eligible for PLI for a maximum two years," the release stated.

In case the beneficiaries are unable to achieve the threshold investment or sales in a given year, they will be eligible to submit the claims as per their original investment plan. However, this flexibility will be provided only once.

GROWING MARKET

"The application window for the scheme is being reopened based on the appetite of the industry to invest more, which is an outcome of the growing market and confidence generated due to the manufacture of AC and LED light components in India under the PLIWG scheme," the release said.

PLI scheme for white goods for making components and sub-assemblies of ACs and LED lights was approved by the Cabinet on April 7, 2021, to promote 'Atmanirbhar Bharat'.

Following consultations with the industry, which pitched for easier norms, the Department for Promotion of Investments and Internal Trade (DPIIT), the Department for the PLIWG, made some changes to the rules in October last year. It decided to adopt the cost-plus method in place of the CUP (comparable uncontrolled price) method to calculate sales prices in case of captive consumption or supplies to group companies.

So far, 66 applicants with committed investment of ₹6,962 crore have been selected as beneficiaries under the scheme

'Budget unlikely to shift focus from capex to welfare spending'

KR Srivats
New Delhi

Foreign brokerage Goldman Sachs sees the upcoming first full Budget of Modi 3.0 Government "stick" to its earlier announced fiscal deficit target of 5.1 per cent of GDP (or slightly lower) for 2024-25.

The Budget could announce further consolidation in fiscal deficit to below 4.5 per cent for 2025-26, reaffirming commitment to earlier announced fiscal consolidation glide path, according to a new research note that gives a preview of the upcoming Budget.

In the Interim Budget on February 1, the Centre pegged the fiscal deficit target for 2024-25 at 5.1 per cent of GDP and 4.5 per cent in 2025-26.

Given that the BJP did not get a majority in the elections, there is growing expectation among certain investors that this Budget will see some relaxation in the fiscal consolidation path and a pivot towards welfare spending from capex.

However, Goldman Sachs Research does not agree with this stance of certain investors.

> **There is limited fiscal space to** stimulate economy given high public debt, says Goldman Sachs

"We push back against both views (relaxation in fiscal consolidation path and pivot towards welfare spending from capex): a) there is limited fiscal space in our view to stimulate the economy given the high public debt b) India's infrastructure upgrades have created long-term positive growth spill-overs which policymakers may not be willing to give up," Santanu Sengupta, Chief Economist, Goldman Sachs India, said in the research note titled "India's Fiscal policy: Union Budget Preview: Beyond the numbers".

Even if the Centre were to go in for expenditure allocation towards welfare spending, it may not require a reduction in capex given the higher-than-expected dividend transfer from the RBI, Sengupta said.

Goldman Sachs sees limited fiscal space for a "stimulus" in FY24-25. "In the general government's budget, interest expense constitutes a large share at 5.4 per cent of GDP and with the primary deficit at 3.5 per cent of GDP in FY24, this leaves the government with limited fiscal space for stimulus in FY25, in our view," Sengupta said.

ON CAPEX

"In FY25, we expect capex to provide a positive impulse while welfare spending will likely remain a drag."

The Budget may go beyond just fiscal numbers, and likely make an overarching statement about long-term economic policy of the government towards 2047 (100 years of Indian independence). "We see an emphasis on job creation through labour-intensive manufacturing, credit for MSMEs, continued focus on services exports by expanding GCCs, and a thrust on domestic food supply chain and inventory management to control price volatility," Sengupta said.

The Budget is also likely to lay out a roadmap for public debt sustainability and green finance.

Labour Ministry dismisses Citigroup claim that India will struggle to plug its jobs gap

KR Srivats
New Delhi

The Union Labour Ministry on Monday rebutted Citigroup's recent Research report that claimed India will struggle to create enough jobs for its growing workforce over the next decade, even with a rapid economic growth rate of 7 per cent.

Noting that the Citigroup research report does not "analyse all official data sources available in the public domain", the Labour Ministry said the report fails to consider positive trends and comprehensive data from official sources.

The Ministry highlighted it has generated over 8 crore job opportunities between 2017-18 to 2021-22, contradicting Citigroup's assertion of a potential gap in employment in India. The Ministry further added that the report fails to account for the comprehensive and positive employment data available from official sources such as the Periodic Labour Force Survey (PLFS) and RBI's KLEMS data.

KLEMS DATA

"According to PLFS and RBI's KLEMS data, India has generated more than 8 crore (80 million) employment opportunities from 2017-18 to 2021-22. This translates to an average of over 2 crore (20 million) employment per year, despite the fact that the world economy was hit by Covid-19 pandemic during 2020-21 which contradicts Citigroup's assertion of India's inability to generate sufficient employment. This significant employment creation demonstrates the effectiveness of various government initiatives aimed at boosting employment across sectors," an official release said.

Raising concern over the pace of job creation in India, Citigroup had in its research report estimated the country will need to create about 12 million jobs a year over the next decade to absorb the number of new entrants in the labour market.

On a GDP growth rate of 7 per cent, India can only generate 8-9 million jobs a year, the bank's economists Samiran Chakraborty and Baqar Zaidi wrote in a report last week.

'SHORTCOMINGS'

Meanwhile, the Labour Ministry, in its statement, said private data sources cited by the Citigroup report have several shortcomings, including non-standard definitions of employment and less robust sampling methodologies compared to official data sources like PLFS.

Also, some authors use data selectively which undermines the credibility of their analysis and does not present an accurate picture of the employment scenario in India, the Labour Ministry added. The Government remains committed to creating a robust and inclusive job market, it added. The Labour Ministry added that more than 6.2 crore net subscribers joined the Employees Provident Fund Organisation (EPFO) between September 2017 and March 2024. During 2023-24, more than 1.3 crore subscribers joined EPFO, which is more than double compared to 61.12 lakh joined EPFO during 2018-19, it added.

Employment growth rate rose to 6% in FY24: RBI KLEMS data

Our Bureau
Mumbai

Employment growth rose to 6 per cent in FY24 against 3.2 per cent in FY23, RBI's KLEMS database shows.

This growth comes in the backdrop of India's real GDP rising by 8.2 per cent in FY24, up from 7 per cent previous year.

Madan Sabnavis, Chief Economist, Bank of Baroda, said: "The improvement inemployment growth rate is significant...This is a positive sign. Now, we will have to wait for a couple of months for company annual reports to see if headcount has increased at a steady rate or not. Last year was a good year for the economy. I am sure we will grow above 7 per cent this year..."

The Reserve Bank of India on Monday released an update on "Measuring Productivity at the Industry Level-The India KLEMS [Capital (K), Labour

(L), Energy (E), Material (M) and Services (S)] Database", comprising the Data Manual 2024 and time-series data on productivity for 27 industries covering the period 1980-81 to 2022-23.

20-MONTH LOW

As per the data from the Centre for Monitoring Indian Economy (CMIE), the all-India unemployment rate (UR) declined to a 20-month low of 7 per cent, driven by lower UR in rural areas, per RBI's latest monthly bulletin. The labour participation rate (LPR) recorded a marginal decline while the employment rate (ER) increased vis-à-vis the preceding month, leading to the lower unemployment rate, it added.

The bulleting noted that in May 2024, organised manufacturing employment recorded the fastest expansion in 18 months, driven by new orders and favourable demand expectations as captured by the purchasing managers index (PMI) employment outlook.

Services job creation expanded to its strongest since August 2022, led by robust increase in new business segment

"The household work demand under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) witnessed an increase of 26.4 per cent (month-on-month) in May, reflecting the seasonal pattern in agricultural production.

"MGNREGA employment, however, declined by 14.3 per cent on a year-on-year basis in May 2024," RBI said.

Economic Survey likely to be tabled in Parliament on July 22

KR Srivats
New Delhi

The Centre is likely to table the Economic Survey in Parliament on July 22, a day before the Modi government's first full Budget is presented.

The Economic Survey, overseen by Chief Economic Advisor V Anantha Nageswaran, provides an annual review of the economy. The document assumes significance as it provides outlook on growth, inflation rate and projection, forex reserves and trade deficits. It also highlights the policy initiatives of the Centre.

Earlier this year, ahead of the Interim Budget, a report titled "Indian Economy— A Review was released, providing glimpses of the outlook for the economy. This report was prepared by the office of the CEA.

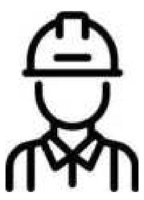
CHENNAI
businessline.
TUESDAY - JULY 9 - 2024

thehindu businessline.
TUESDAY - JULY 9, 2024

Labour pain

Labour shortage, low wages call for policy response

A recent report in this newspaper refers to the perceived shortage of skilled blue collar workers in the construction sector in particular, ranging from plumbers, carpenters, masons and welders. Observers have attributed the present shortage to urban migration to the villages, accentuated by the heat of a bad summer. The other reason for shortage is migration, particularly to the Gulf countries, for better pay and dignity.



What's unsaid though is that labour users do not appear to pay skilled workers their due, amidst rising costs and aspirations. The coexistence of high unemployment, low wages and 'skills shortage' is an intriguing triad. There could be three reasons for low wages. First, the productivity of labour is low due to the lack of skill development; the reserve army of labour on account of absence of jobs depresses wages; and substitution of capital for labour adds to the labour surplus. Given this backdrop, bidders for labour believe they can get skilled workers for subsistence wages. This is a mistake, since the labour market is heterogeneous. Bidders do not recognise — and this is a sociological bias — the skills embedded in blue collar work, and are therefore not willing to pay for it.

There can be no argument against moving from a wage of subsistence to that of dignity. Fears of a wage-price spiral are exaggerated in a country where the rural monthly per capita consumption expenditure in real terms grew at a CAGR of 3.79 per cent between 2009-10 and 2022-23 (to ₹2,008), according to the Household Consumption Expenditure Survey. For urban India, the growth in real terms was just 3.1 per cent (₹3,510 in 2022-23). Policy solutions too must be explored to improve labour productivity through skilling, a big reason for low wages. The recently released Annual Survey of Unincorporated Enterprises tells us that gross value added per worker did not increase in real terms in 2022-23 (October-September) over the previous year. There has been a negative growth in per worker GVA in real terms over pre-Covid levels. To arrest this, skill development policies deserve a relook. An outlay of just ₹3,520 crore for the Ministry of Skills Development and Entrepreneurship in the Interim Budget possibly suggests that the reality on skilling does not match the rhetoric. While schemes for jobs and skills development under the Labour Ministry received over ₹12,500 crore, what happens on this count is not evident.

A challenge before the forthcoming Budget is to create incentives for quality employment and skilling. The first can be done by introducing production linked incentives in labour intensive sectors, and tweaking existing PLIs. According to a report by Citigroup, even with an average growth rate of 7 per cent over a year India can only generate 8-9 million jobs a year — whereas 12 million are getting added to the market annually. The capital intensity of growth needs a serious relook. Stubborn social attitudes that depress wages, and spur 'shortage' and migration should be challenged.

POCKET

RAVIKANTH

Why exempt lawyers from consumer law?

RAISE THE BAR. The Supreme Court's decision will dilute the Consumer Protection Act. It opens future avenues from other professions to seek exemption

GETTY IMAGES/ISTOCKPHOTO

SUSHILA

On May 14, a two-Judge Bench of the Supreme Court delivered a notable ruling holding that a complaint alleging 'deficiency in service' against advocates practising legal profession will not be maintainable under the Consumer Protection Act, 2019 (CP Act). Not only this, the Bench opined that the decision of the three-Judge Bench in *Indian Medical Association* case (1995) holding medical services within the ambit of the CP Act, deserves to be revisited and considered by a larger Bench and, accordingly, referred the matter to the Chief Justice of India for constituting a larger Bench.

The three-Judge Bench of the Supreme Court in *VP Shantha* case in 1995 had held *inter alia* that the wide amplitude of the definition of 'service' in the main part of Section 2(1)(o) would cover the services rendered by medical practitioners within the ambit thereof. However, the two-Judge Bench in the instant case was of the opinion that the said decision deserves to be revisited having regard to the history, object, purpose and the scheme of the CP Act and in view of the opinion expressed by this Bench to the effect that neither the "profession" could be treated as "business" or "trade" nor the services provided by the "professionals" could be treated at par with the services provided by businessmen or traders, so as to bring them within the purview of the CP Act.

In the *VP Shantha* case, while elucidating the definition of 'service' as given in Section 2(1)(o) of the erstwhile CP Act of 1986, the Supreme Court noted that the said definition can be split up into three parts — the main part, the inclusionary part and the exclusionary part. The main part is explanatory in nature and defines service of any description which is made available to the potential users. The inclusionary part expressly includes the provision of facilities in connection with banking, financing, insurance, transport, processing, supply of electrical of other energy, board or lodging or both housing construction, entertainment, amusement or the purveying of news or other information. The exclusionary part excludes rendering of any service free of charge or under a contract of personal service. The Court found no plausible reason to exclude the services rendered by a medical practitioner from the ambit of the main part of Section 2(1)(o).

In the aforesaid background and considering the clear legislative intent in defining 'service' in a wide manner and the reasoned pronouncements of the Supreme Court of long standing, the decision of the Supreme Court excluding the legal profession, and thereby advocates, from the purview of the CP Act is not only inconsistent with the statute and the past precedent but also carves out an exception for a particular category of profession and virtually creates a Pandora's Box whereby the similar demands from other professions (including medical) for exclusion would emerge.

The reasoning given by the Court in excluding legal profession from the purview of the CP Act (*i.e.*, the legal profession is not commercial in nature, but is essentially a service oriented, noble profession), is based more on utopia than the avowed object of the CP Act. The 'unique' features highlighted by the Supreme Court in carving out exception for legal profession, equally apply to all professions. The reasoning that "Advocates are generally perceived to be their client's agents and owe fiduciary duties to their clients" is equally applicable to medical profession and there can be no greater fiduciary duty than a duty between a doctor and her patient. If legal profession is noble, so is medical and other professions.

The decision of the Supreme Court is not only inconsistent with the statute and past precedent but also carves out an exception for a particular category of profession

AMPLITUDE OF DEFINITION

The further reasoning of the Court excluding legal profession from the purview of the CP Act that "...there was not a whisper in the Statement of Objects and Reasons either of the CP Act, 1986 or 2019 to include the professions or the services provided by the professionals like advocates, doctors, etc., within the purview of the Act," is contrary to settled cannons of interpretation of statutes. The wide amplitude of definition of 'service' given in the statute cannot be curtailed by taking recourse to Statement of Objects and Reasons of the Bill.

The Statement of Objects and Reasons at best describes the objects, purpose and the reason for introducing the Bill. It also gives understanding of the background and the antecedent state of affairs, which necessitated the introduction of the Bill. The Statement is not considered as conclusive aid to interpretation because it does not impart the true meaning to the statutory provision. If a statutory provision is clear and admits of no ambiguity, the Statement of Objects and Reasons can possibly have no play in aid, interpretation and construction of a statute.

If there was not a whisper in the Statement of Objects and Reasons either of the CP Act, 1986 or 2019 to include the professions or the services provided by the professionals like advocates, doctors, etc., within the purview of the Act, as argued by the Court, equally, it is plausible to argue that there was not an iota of whisper to exclude them either.

Considering the clear legislative intendment and the settled jurisprudence, the judgment of the Supreme Court excluding legal profession dilutes the scheme of the CP Act and opens future avenues from other professions to seek exemption on the parity of reasoning, leaving the consumers in this service economy to the mercy of service providers in the absence of an effective forum for adjudication of their grievances. The reference made by the Bench to the Chief Justice for revisiting the judgment of the Supreme Court in *VP Shantha* case should be taken as an opportunity to settle this issue once and for all, than to call for review or amendments to nullify the ruling.

The writer is Associate Professor, National Law University, Delhi

Personal tax regime needs some tweaks

Enhancing basic exemption limit, standard deduction, and health insurance deduction will serve individual taxpayers well

Parizad Sirwalla

With Finance Minister Nirmala Sitharaman set to present Budget 2024-25, the expectations from her on the personal tax front are many. Some of the major ones that individual taxpayers have are:

Realignment of income slabs/tax rates: Since 2020, individual taxpayers have an option to choose between old and new tax regimes every year. The old tax regime provides for various exemptions/deductions which need to be foregone in case one opts for the new tax regime. The slab rates for the old regime have not been revisited since past many years while the basic exemption limit was enhanced to ₹3 lakh under the new tax regime in the 2023 Budget.

If the stated intent of the government is to implement the new tax regime only, then to enhance the net disposable income, they may consider enhancing the basic exemption limit under the said regime to ₹5 lakh. The other slab rates can be adjusted basis the revised limits in line with the progressive tax rate system India has always adopted.

Increase in limit for deduction under Section 80C: Section 80C deduction is capped at ₹1.50 lakh and the same has not been revised since first Budget presented by this government in 2014. With rising inflation, the government could consider increasing the said ceiling to ₹3 lakh. This will not only help channelise individual savings into productive assets like equity/housing, etc., but also help reduce the tax burden.

Hike in deduction towards health insurance under Section 80D: With medical costs spiralling, there is a need to increase the current deduction towards health insurance which ranges from ₹25,000 to ₹1 lakh (depending on the family member for whom the insurance is taken and his/her age) to ₹50,000 to ₹1.5 lakh.

Increase in standard deduction: Standard deduction was re-introduced in the 2018 Budget in lieu of transport allowance and miscellaneous medical expenses. The current limit for standard deduction under both new and old tax regime is ₹50,000. Considering the ever-increasing cost of living, it would be prudent to consider an enhanced limit of ₹1 lakh for the said deduction.

Enhancement of benefits for home buyers: With increasing real estate prices, expansion of tax breaks and incentives for home buyers would aid in enhancing common man's ability to purchase housing. Presently, interest on borrowed capital for acquiring or constructing a house property (self-occupied) is deductible up to ₹2 lakh subject to satisfaction of prescribed conditions. This deduction may be increased to ₹3 lakh at least.

BUDGET SOPS. Taxpayers need more disposable income ISTOCK

This incentive would encourage potential home buyers to consider investing in affordable housing. Also, the principal amount repaid towards a home loan is deductible under Section 80C and capped within the overall limit of ₹1.5 lakh. This being a critical investment, could be carved out of the 80C limit and can be allowed as an additional deduction up to ₹1 lakh which will not only aid home loan borrowers but will also boost investment and encourage demand.

Simplified capital gains tax regime: The government may look at simplifying the existing capital gains tax regime due to its complexity around different holding periods and tax rates across different category of assets. For example, the period of holding for debt instruments is 36 months, for immovable property it is 24 months whereas for listed equity shares/equity-oriented mutual funds it is only 12 months.

Also, currently the base rate for taxation of long-term capital gains from listed equity shares/equity-oriented mutual funds is 10 per cent (on gains exceeding ₹1 lakh), while other gains are taxed at 20 per cent, depending on the nature of the asset.

Most of the expectations outlined above can boost consumption in the economy by leaving more net disposable income in the hands of the taxpayer. However, the government would also need to find alternative sources of revenue to compensate for tax collections foregone on account of the above. Particularly so, in the context of India's commitment to maintain fiscal prudence.

The writer is National Leader, Global Mobility Services – Tax, KPMG in India

LETTERS TO EDITOR

Send your letters by email to bleditor@thehindu.co.in or by post to 'Letters to the Editor', The Hindu Business Line, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

Hindenburg saga

This refers to 'Hindenburg shared Adani report with client 2 months before publishing it' (July 8). SEBI's allegations regarding the connection between Hindenburg and Kotak Mahindra Investments Ltd (KMIL) through a broker necessitate a deep investigation. Additionally, the potential Chinese link to Kingdon through the alleged spy Anla Cheng, especially in the context of strained India-China relations, also demands close scrutiny. KMIL's claim that it did not act on any price-sensitive information, despite building a short position for 850,000 shares and squaring off these positions after the release of the report, seems highly coincidental. In spite of SEBI's allegation against Hindenburg regarding undue enrichment, SEBI cannot ignore Hindenburg's allegations that Adani was operating through a vast network of offshore shell companies. These claims must be thoroughly investigated.
Overall, SEBI's investigation needs to be multifaceted to uncover the truth, especially considering the significant financial losses investors faced.

Srinivasan Velamur
Chennai

De-risking SME-IPOs

This refers to 'NSE's cap on SME-IPO to rein-in volatility, over-subscription' (July 8). The revised listing guidelines setting a cap at 90 per cent on the opening price discovered during special pre-open session for IPOs on the "Emerge" platform of NSE, is a laudable step in preventing irrational speculation activity prevailing of late in small stocks. This new directive is supplementing the slew of recent additional disclosure and compliance requirements imposed by the capital market regulator, to de-risk SME-IPOs from price manipulation at the time of offer and trading level and to check the sudden surge in the speculation activities on SME-trading platforms. Considering the number of small companies tapping the market through this platform and the increasing volumes of participation by retail investors, this new initiative would be a corrective measure to prevent investor exuberance in making short-term gains defying the fundamentals of the companies and inculcates long-term investing planning which will lead to emergence of a sustainable stock market ecosystem.

Sitaram Popuri
Bengaluru

Popularising coffee

Apropos 'Taking coffee to the masses' (July 8), given the traditional attachment to tea, coffee may never become as popular as tea in the northern parts of India. But there is no doubt that people everywhere love coffee for its aroma, taste and its stimulating quality of giving rise to a feeling of freshness and a boost of energy. Coffee is considered to be a "special occasions" drink mainly due to the cost factor. Coffee "may be the cheapest in India", but it is costlier compared to tea. The process of making coffee may not remain a big impediment, if the price is within the reach of common people, as filter coffee powders are readily available in the market, obviating the need for roasting and grinding of beans, though preferable for making a perfect cup of coffee. Coffee can be popularised, if the price is a bit moderated to suit the middle class pockets and effectively advertised showing the simple process of making filter coffee.

Kosaraju Chandramouli
Hyderabad

Published by Nirmala Lakshman at Kasturi Buildings, 859-860, Anna Salai, Chennai-600002 on behalf of THG PUBLISHING PVT LTD., and Printed by Ra Babu Vijay at THG PUBLISHING PVT.LTD. Plot B-6 & B-7, CMDA Industrial Complex, Maraimalai Nagar, Chengalpattu Taluk, Chengalpattu Dist., Pin: 603209. Editor: Raghuvir Srinivasan (Editor responsible for selection of news under the PRP Act). ISSN 0971 - 7528

Don't close WFH option

Remote working fosters inclusivity and diversity

Milind Kumar Sharma
Sharad Sharma

Every now and then, the debate over implementing a quota in the private sector resurfaces. Many States have even attempted to legislate private sector job quotas — for example, Haryana passed a Bill mandating 75 per cent domicile quota in private sector employment, which was set aside by the Supreme Court. This push aligns with broader societal demands for more inclusive employment practices and reflects ongoing concerns about economic disparities. As a result, the private sector often finds itself on tenterhooks regarding potential regulations mandating such quotas.

SOME LEEWAY. For employees

MISSED OPPORTUNITIES

Companies have, however, missed opportunities to make significant strides in inclusivity and diversity. The recent Periodic Labour Force Survey (PLFS) reveals gender disparity, with the urban Labour Force Participation Rate (LFPR) showing only 25.4 per cent of women (37 per cent rural +urban) participating in the workforce . Efforts to include people with disabilities (PWD) often stop at basic compliance. As a result, a low percentage of employable people are employed in this group.

The Covid-19 induced lockdown presented a great opportunity for the private sector to address long-standing disparities in the workplace. With work-from-home (WFH) becoming a necessity, equal employment opportunities could be extended to all, regardless of their circumstances. For those with care-giving responsibilities, the flexibility of WFH allowed them to maintain their careers without sacrificing family obligations. For PWD, remote work eliminated the physical barriers associated with commuting and navigating traditional office spaces, making employment more accessible and feasible. Further, work-from-anywhere allows spouses of professionals in armed forces and other government jobs to retain their jobs regardless of their geographic location, ensuring career continuity.

By embracing and institutionalising these flexible working arrangements, companies had the chance to foster a more inclusive and diverse workforce. Remote working also had the potential to significantly contribute to a more equitable distribution of jobs across India, effectively diluting the concentration of employment opportunities in metro cities. Traditionally, individuals from non-metro cities face considerable challenges in sustaining themselves in low-income, entry-level jobs in metros due to the high cost of living and lack of social support system. Remote working could remove this entry barrier to white-collar careers, allowing talented individuals from smaller towns to access job opportunities without the need for relocation.

Despite the social benefits and initial enthusiasm for remote working, many companies that were staunch proponents of these arrangements have now reversed their stance. The mandate to return to the office has undone many of the potential gains in social, geographical and gender equity that emerged during the pandemic. However, organisations also faced major challenges such as data security and monitoring employee productivity during the adoption of WFH practices.

While it was necessary to transition back to in-office work to address these challenges, organisations can still invest in affirmative action by making certain roles permanently remote and offering these opportunities to disadvantaged groups. To support these initiatives, regulatory changes are necessary. The government could establish guidelines that promote remote work for specific roles, provide tax incentives for companies that implement inclusive remote work policies, and ensure that data security and anti-moonlighting measures are robustly enforced.

To truly commit to social equity, the private sector must recognise the value of remote working and other flexible arrangements as integral components of their diversity and inclusion strategies.

Milind is Professor at MBM University, Jodhpur, and Sharad is a research scholar at MDI, Gurgaon. Views are personal

The danger of retail credit boom

A rise in lending to the retail sector could render the banking system vulnerable, after it has just overcome its NPA problem

MACROSCAN.

CP CHANDRASHEKHAR, JAYATI GHOSH

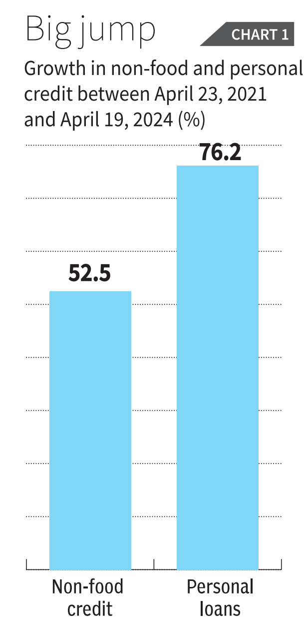
A renewed focus on retail lending, or the provision of personal loans, by India's banking system (and the non-bank financial companies they support), is giving the otherwise confident Reserve Bank of India some cause for concern. That the period after pandemic year 2020-21 has witnessed a spike, if not boom, in retail credit is clear from the evidence.

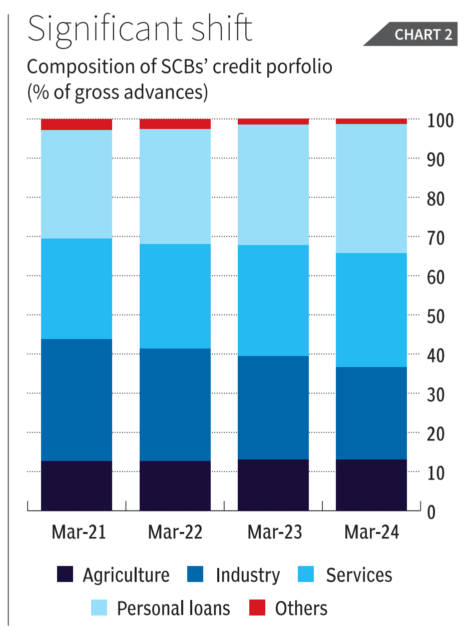
As Chart 1 shows, between late April 2021 and late April 2024, personal credit growth (76 per cent) outstripped the growth in non-food credit (53 per cent) advanced by scheduled commercial banks (SCBs) in India.

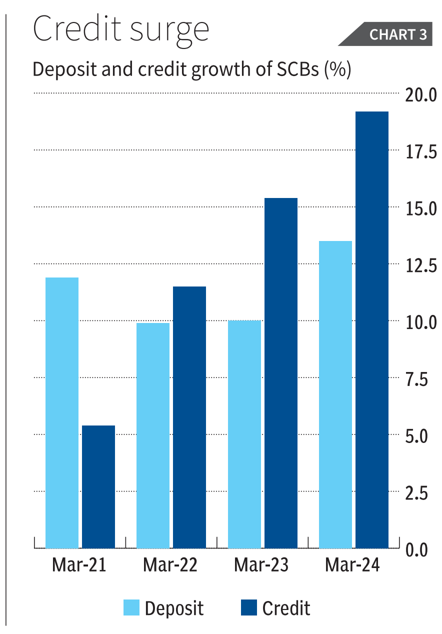
Personal loans consist predominantly of credit for housing (49 per cent of outstanding loans as of March 2024) and vehicle purchases (11 per cent), with credit card receivables and education loans amounting to around 4.9 and 2.3 per cent, respectively, of outstanding advances.

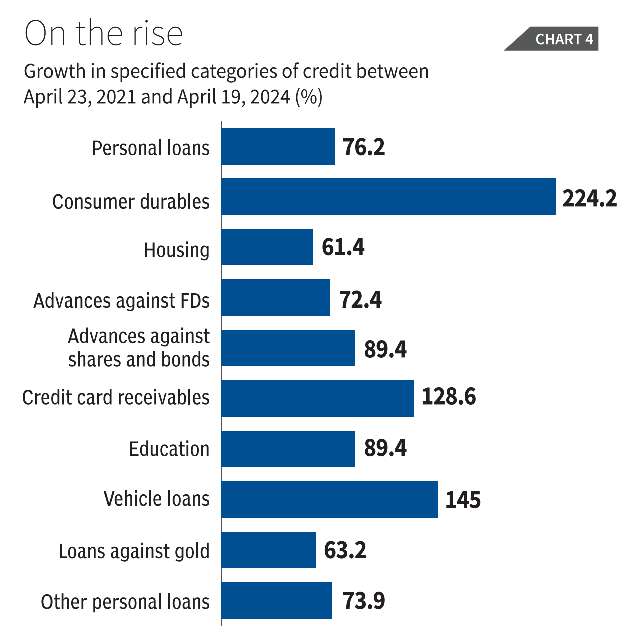
But a nebulous category identified as "other personal loans" accounts for a third of the total. These are possibly loans provided without a link to targeted assets like real estate or automobiles, which serve as the collateral for those asset-linked loans. That increases the potential loss in case of a default.

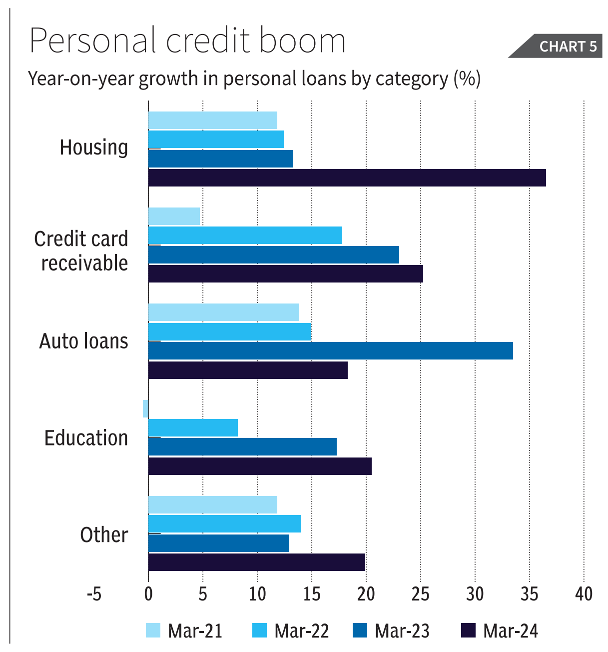
The result of the retail credit spike has been a significant shift in the composition of gross advances of the SCBs over the last three years. Over that short period, the share of personal loans in total advances has risen from 27.8 per cent at the end of March 2021 to 32.9 per cent at the end of March 2024 (Chart 2). This was also a period in which annual credit growth has accelerated, with credit growth exceeding deposit growth in the last three years (Chart 3).











RAPID INCREASES

An assessment of more granular data suggests that personal credit in areas that till now have accounted for a small proportion of total outstanding personal loans, have been registering rapid increases over the last three years. The fastest growing sectors have been lending for purchases of consumer durables and vehicles, and credit card receivables, all of which have outstripped even the increase in personal loans (Chart 4). What is noteworthy is that "other personal loans" that account for a third of the total have also increased by 74 per cent.

Finally, the figures on the annual growth in personal credit by category points to an acceleration in the provision of loans under all heads (other than auto loans, which after sharp acceleration, slowed down in the 2023-24) (Chart 5).

There can be no doubt that we are witnessing the advance of a personal credit boom. It is true that increases in personal credit provision became the norm after financial liberalisation, which allowed and encouraged banks to lend for purchases for which the purchased asset or durable was the collateral, and then to lend against personal guarantees. This was considered safe, not only because thus far non-performing loans in the personal loan category have not been high, but also because liberalisation allowed for these loans to be securitised and traded, so that credit risk can be transferred, reducing the risk carried by the creator of the credit assets. But there is cause for concern in the evidence of "credit swings" that focus credit provision on certain sectors, reducing the degree of portfolio diversification. In the credit boom that occurred in the years after 2004, banks awash with liquidity swung in favour of provision of credit to corporates for large infrastructural investments in areas such as power generation and distribution, roads, ports and civil aviation. That trend, encouraged by neoliberal policy, led to a huge build-up of non-performing assets, much of which had to be written off, requiring repeated rounds of recapitalisation of the public sector banks by the government.

The problem with a retail credit boom is that sustaining it requires diversifying away from 'safe' areas like housing, to lending to support purchases of automobiles and durables, unspecified spending desires and credit card outstandings.

RETAIL LENDING FAVOURED

With that experience having reduced the inclination of the banking community for infrastructural lending, the swing now seems to be in favour of retail lending. The problem with a retail credit boom is that sustaining it requires diversifying away from 'safe' areas like housing, to lending to support purchases of automobiles and durables, unspecified spending desires and credit card outstandings. These offer less robust or no collateral, increasing potential loss in case of default. Sustaining the retail boom also requires substantially increasing and widening the universe of borrowers, bringing in smaller borrowers who are more likely to face circumstances that precipitate default.

A recent Financial Stability Report of the RBI flags an increase in the share retail loans in the addition to or emergence of new bad loans. It also flags an increase in delinquencies or loans with early evidence of overdue payments among small borrowers who have borrowed less than ₹50,000. (See *Datapoint* by Vignesh Radhakrishnan in *The Hindu* (July 3, 2024) for a summary of the evidence.)

Of course, these are just early signs. But given the appetite for increased lending on the part of the SCBs, and the government's tendency to encourage lending to hold up demand that is depressed by its own fiscal conservatism, credit provision must rise. As of now bankers are seeing the retail sector as the best to swing towards. But if the incipient signs of fragility in the retail sector lead to a spike in the volume of delinquent loans, the retail credit boom may well turn into a retail credit bubble.

thehindu **businessline.**

TWENTY YEARS AGO TODAY.

July 9, 2004

Chidambaram plays the popular tune

The Union Budget presented by Mr P Chidambaram today can probably be called a 'political budget', targeted primarily at the lower middle class, farmers and the Left. The Finance Minister has exempted individuals with annual taxable income of up to ₹1 lakh from paying any tax, by allowing them to claim automatic rebate on their entire tax liability while filing returns.

'Budget is not inflationary'

The Finance Minister, Mr P Chidambaram, maintained that the revenue projections were not "ambitious" and said that the Budget would not turn out to be inflationary. On the securities transaction tax, he said that the move was prompted by demands from market players.

Thumbs down by markets

Stock and bond prices crashed when frantic investors started a massive sell-off on realising the blow the Finance Minister had dealt them in a "small 0.15 per cent transaction tax on every trade on the stock exchanges.". The 30-share BSE Sensex , after briefly crossing the 5,000-mark, slid as the Minister's speech progressed and lost 112 points or 2.26 per cent to end the day at 4843.84.

Short take

World marks full year of average temperatures above 1.5C target

Aaron Clark

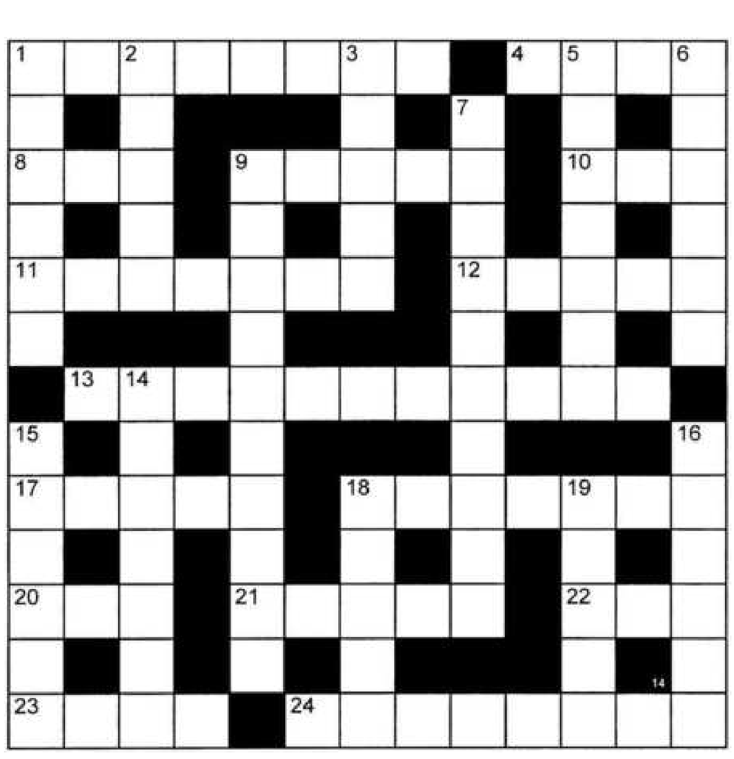
Global average temperatures have now hit or exceeded a key climate threshold for 12 months, highlighting the challenge in limiting global warming to below 1.5C above the pre-industrial era. The average for the year through June 2024 was 1.64C higher than the era from 1850 to 1900, the European Union's Copernicus Climate Change Service said in a report published Monday. Last month was the hottest ever June, the 13th consecutive time a month has set a new average temperature record.

"This is more than a statistical oddity and it highlights a large and continuing shift in our climate," Carlo Buontempo, director of the service, said in a statement. "Even if this specific streak of extremes ends at some point, we are bound to see new records," unless nations stop adding greenhouse gas emissions to the atmosphere and the oceans.

More than 1,300 Hajj pilgrims died last month as temperatures in Saudi Arabia reached about 52C, while firefighters in Greece tackled dozens of blazes and European capitals sweltered. Extreme heat has wreaked havoc across many parts of the global economy already this year, disrupting air travel to power grids.

The Paris Agreement set in 2015 seeks to limit planetary warming to below 2C above the pre-industrial average, and ideally to 1.5C. Those averages are calculated over a 20 or 30 year period, rather than over a span of 12 months, according to the EU's climate change service. BLOOMBERG

BL TWO-WAY CROSSWORD 2478



EASY

ACROSS

1. Prognosticate (8)
4. The forehead (4)
8. Very cold (3)
9. Bingo (5)
10. A craze (3)
11. One gathering corn after reapers (7)
12. Work very hard (5)
13. Gossiping (4,7)
17. Stretch of sand (5)
18. One under instruction (7)
20. Be indebted (3)
21. Rescued (5)
22. Be wearisome, distress (3)
23. Short printed, written line (4)
24. Male relative (8)

DOWN

1. Hair across the 4 (6)
2. Short poem (5)
3. Subsequently (5)
5. Chorus; keep oneself from (7)
6. Married (6)
7. Mounted soldier (10)
9. Box for sheets, etc (5,5)
14. The sky (7)
15. Out of the country (6)
16. Fractured (6)
18. Paramour (5)
19. Sprigs (5)

NOT SO EASY

ACROSS

1. Say what will happen as fairway warning to Swiss hero (8)
4. Second line of seats in theatre is at top of hill (4)
8. One to cry heartlessly, being very cold (3)
9. Game to finish, there being much to begin with (5)
10. Falla and Dvorak initially used the crotchet (3)
11. One to clean up, in a corny sort of way (7)
12. It's not the master who will put by about a pound (5)
13. Tail movement, inch wrong to start with, causes gossip (4-7)
17. Front of boat every one will run ashore (5)
18. Reel ran out, with novice at the wheel (7)
20. To be in the red, you and I ring first (3)
21. Was a hoarder, except for old coppers (5)
22. A dagger without a top to it may prove wearisome (3)
23. A short line one is in a hurry to write? (4)
24. Thousands get no backing from one two generations removed (8)

DOWN

1. Piece of hair styling might be nothing less than foreign (6)
2. Reintroduced endless devotional song with similar sound (5)
3. Sort of trade given up without one coming after (5)
5. To forbear, it may be a burden (7)
6. Not being single, did heartlessly enter unwanted plant (6)
7. Half your dogs hare about if a soldier appears (10)
9. Niches lent themselves to adaptation as white goods store (5,5)
14. Yo, ho, ________ ho, two ways? Good gracious! (7)
15. A girl in America, perhaps, but not at home (6)
16. No longer working, a gun was all right in the centre (6)
18. One amorously involved at fifty and more (5)
19. Pins one down to a standard of hardness (5)

SOLUTION: BL TWO-WAY CROSSWORD 2477

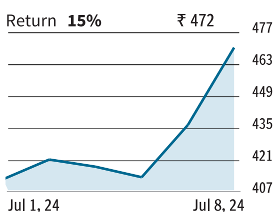
ACROSS 1. Impassive 5. Tip 7. Knit 8. Educated 10. Intended 11. Play 13. Ginger 15. Prayer 18. Text 19. Reckless 22. Prospect 23. Fund 24. Cos 25. Supersede

DOWN 1. Inkling 2. Paint 3. Indeed 4. Each 5. Totally 6. Paddy 9. Under 12. Brake 14. Noxious 16. Residue 17. Teacup 18. Topic 20. Elude 21. Opus

For BSE/NSE live quotes, scan the QR code or click the link https://bit.ly/2FpossK

QUICKLY.

Paytm zooms over 8 % on founder's ambitious talk

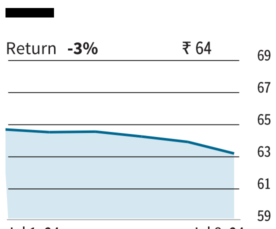


New Delhi: Shares of One97 Communications, the parent firm of Paytm, soared 8.12 per cent on Monday, adding ₹2,279.88 crore to its m-cap after its founder Vijay Shekhar Sharma said his ambition is to build a $100 billion company. The stock settled at ₹472.05 on the BSE. PTI

Ambey Lab IPO subscribed 173 times at NSE-SME

New Delhi: The initial public offering of Ambey Laboratories was subscribed 173.18 times on the final day of the offer on Monday. The initial share sale that came out with a price band of ₹65-68 received bids for about 70 crore shares against 40.42 lakh shares on offer, as per NSE SME data. PTI

Edelweiss Fin launches ₹100-crore NCD issue



Chennai: Edelweiss Financial Services has launched a ₹100 crore NCD issue with a green shoe option of another ₹100 crore. The issue has 12 series having tenures ranging from 24 to 120 months with annual, monthly and cumulative interest options. Effective interest yield ranges from 9.50 per cent to 11 per cent. OUR BUREAU

Tata Mutual Fund not in hurry to lift curb on small-cap investment

ROADMAP AHEAD. Fund house launches Nifty India Tourism Index Fund, betting on higher discretionary spends

Our Bureau
Mumbai

Tata Asset Management is not looking to lift the curb on its small-cap funds as the segment still has issues around liquidity, valuation and investment ideas. Last July, Tata Mutual Fund decided to suspend lumpsum investment in its Small Cap Fund and accepts investment only through systematic investment plans.

Anand Vardarajan, Chief Business Officer, Tata AMC, said the fund house is not in a hurry to lift the restrictions imposed on the small-cap fund as there are no changes in the impediments including valuation, liquidity and fresh ideas ever since the cap was imposed.

Kotak Mutual Fund last week lifted the restriction on investment in its small-cap fund after four months as the fund house saw earnings growth in this sector.

EARNINGS TO GROW

The fund house believes that earnings growth of small-caps is expected to improve, and companies are poised for robust earnings growth as the economy continues to expand, it said.

"We are still getting inflows in the small-cap fund through SIP and we do not see any problem in handling them," he said at the event to launch the industry's first Tata Nifty India Tourism Index Fund, which opened for subscription on Monday.

Anand Vardarajan, CBO, Tata Asset Management

The open-ended index fund has leading companies from the travel, tourism and hospitality businesses. These companies will benefit from rising disposable income levels, evolving tastes of the Indian consumer and sustained higher discretionary spends, said Tata AMC.

Varadarajan said the industry is witnessing exponential growth in domestic aviation, hotels, restaurants and travel, which augurs very well for the tourism segment.

"All types of travel, be it pilgrimage, business, medical or leisure are registering a surge. This makes a compelling case for looking at tourism as a segment and how one could invest and aim to benefit from the growth of this sector," he added. The growing middle class is fuelling a surge in aspirational and experiential travel bolstered by significant investment in infrastructure, which has expanded air route capacities, making travel more accessible.

Additionally, technology advancements have revolutionised the travel and restaurant space, with the rise of online restaurant aggregators and a burgeoning delivery economy.

"As a result, India's travel and tourism expenditure is projected to soar from $140 billion in 2019 to an impressive $406 billion by 2030, added Vardarajan.

Markets end on flat note amid lacklustre trade

Press Trust of India
Mumbai

Stock market benchmark indices Sensex and Nifty ended almost flat on Monday amid a lacklustre trade as investors preferred to stay on the sidelines in the absence of any fresh trigger. Weak cues from Asian markets also added to the muted trend in domestic equities.

After beginning the trade on a weak note, the 30-share BSE Sensex declined 36.22 points or 0.05 per cent to settle at 79,960.38. During the day, it went lower by 264.77 points or 0.33 per cent to 79,731.83.

The NSE Nifty dipped 3.30 points or 0.01 per cent to 24,320.55.

Among the Sensex pack, Titan, Adani Ports, Tata Steel, JSW Steel, UltraTech Cement, Asian Paints, M&M and Bajaj Finserv were the biggest laggards. ITC, Hindustan Unilever, Nestle, HCL Technologies and Tata Motors were among the gainers.

"The market is turning to a consolidation phase due to the absence of major triggers to support the current premium valuation in the near term, prompting investors to book some profits. The earnings season is around the corner, and the initial expectation is subdued," said Vinod Nair, Head of Research, Geojit Financial Services.

In the broader market, the BSE Smallcap gauge declined 0.22 per cent while Midcap dipped 0.14 per cent.

Among the indices, Consumer durables tanked 1.46 per cent, Metal (0.80 per cent), Telecommunications (0.78 per cent), Services (0.69 per cent) and Auto (0.63 per cent).

Zinka Logistics Solutions files draft papers with SEBI for IPO

Press Trust of India
New Delhi

Zinka Logistics Solutions, a digital platform for truck operators, has filed preliminary papers with markets regulator SEBI to mop up funds through an initial share sale. The initial public offering (IPO) of the company is a mix of fresh issuance of ₹550 crore and an offer for sale of up to 2.16 crore equity shares by promoters and investors selling shareholders, the Bengaluru-based firm said in a statement.

According to the Draft Red Herring Prospectus (DRHP), promoters — Rajesh Kumar Naidu Yabaji, Chanakya Hridaya and Ramasubramanian Balasubramaniam — and investors — Accel India IV (Mauritius) Ltd, Quickroutes International Pvt Ltd, International Finance Corporation, Sands Capital Private Growth II Ltd, GSAM Holdings LLC, Accel Growth Fund V L.P. and Internet Fund III Pte Ltd — are selling their shares under the offer for sale component.

The IPO also includes a reservation for subscription by eligible employees and a discount is being offered to them.

In consultation with book-running lead managers, the company said it may consider a pre-IPO placement that shall not exceed 20 per cent of the size of the fresh issue. If such placement is completed, the fresh issue size will be reduced, it added.

UTILITY OF FUNDS

The proceeds from its fresh issuance to the extent of ₹200 crore will be utilised for funding towards sales and marketing costs, ₹140 crore for investment in Blackbuck Finserve for financing the augmentation of its capital base to meet its future capital requirements and ₹75 crore for funding of expenditure in relation to product development and general corporate purposes.

Firms raise over ₹32,000 cr via QIPs in H1 of 2024

Ashley Coutinho
Mumbai

Thirty seven companies raised ₹32,528 crore from qualified institutional placements (QIPs) in the first six months of the year. This is 5.6 times the amount raised in the previous year and the second biggest mop-up since CY17, when 15 companies raised ₹33,912 crore.

JSW Energy (₹5,000 crore), Swan Energy (₹3,319 crore), Macrotech Developers (₹3,281 crore) and Union Bank of India (₹3,000 crore) were the top companies that raised money using this mode this year. QIPs are a bull market product and are typically used to raise fresh capital for expansion or to retire debt.

GREATER CONFIDENCE

"If you look at historical data, you will always see a spurt in QIP activity whenever the secondary market is bullish. QIP is used to raise fresh capital and promoters would like to dilute at relatively higher valuations," said Pranav Haldea, Managing Director, PRIME Database.

According to him, QIPs are a sign of greater confidence among promoters to raise capital for expansion, diversification and for setting up new plants and machinery.

Banks often use QIPs to shore up capital. Infrastructure companies use it to raise money to fund their growing order book. "Generally, you see a lot of QIP activity among banks, real estate and infrastructure because the capital requirement in these sectors is relatively high. That's what we have seen in the first six months of the year as well," said Haldea.

Raining QIPs

Jan-Jun	No.of QIPs	Amount (₹ cr)
2015	20	12,317
2016	4	529
2017	15	33,912
2018	22	13,188
2019	4	6,482
2020	7	28,573
2021	22	28,177
2022	7	5,039
2023	11	5,801
2024	37	32,528

Source : primedatabase.com

ADANI, OTHERS IN QUE

Two Adani group companies have obtained board approval to raise around ₹29,000 crore. Prestige Estates' board on June 21 approved a proposal to raise ₹5,000 crore through QIP. Oberoi Realty plans to raise around $240 million. A host of smaller issuances in the range of ₹500-800 crore are seen hitting the market over the next several months.

"The market continues to be bullish and a lot of liquidity is available. I don't see any slowdown in the next few months at least," said Haldea.

Welspun One closes second AIF with a corpus of ₹2,275 crore

Our Bureau
Mumbai

Welspun One, an integrated fund and development management platform, has closed its second fund with a corpus of ₹2,275 crore, inclusive of co-investment commitments, it said in a statement.

This fund has already committed nearly 40 per cent of its investible capital across four investments and anticipates committing the remaining capital over the next 3-4 quarters, with a robust pipeline of deals.

This will add 8 million square feet to Welspun One's existing portfolio of 10 msf, taking the total portfolio to 18 msf. It will entail a total project outlay of $1 billion. Welspun One's focus for the fund is on "new age" warehousing assets, such as urban distribution centers, cold chain, agro logistics, and port and air-port-based logistics. The funds were raised from a diverse pool of 800 limited partners, including high-net-worth and ultra-high-net-worth individuals, family offices, corporates and domestic institutions.

In its first fund, Welspun One raised about ₹500 crore in 2021. Combined with the current fund raising, it has an investor base of around 1,000 unique investors.

FUND PORTFOLIO

The first fund is fully committed in six assets with a development potential of 7.2 msf across 300 acres of land in five cities pan-India. About half of this is already delivered, with the remaining half scheduled for delivery over the next 4-6 quarters. The portfolio includes marquee clients such as Tata Croma, Delhivery, FM Logistics, Asian Paints and Ecom Express, amongst others. The fund recently delivered its first exit via the sale of its investment in a 13-acre park in NCR, sold to a leading Asia-focused logistics REIT in a transaction valued at ₹90 crore.

NICHE SECTORS

The company said the niche sectors offer the potential for superior returns due to low existing supply, strong demand and growth but limited competition. Examples of such deals include a mixed-use urban logistics development in Thane, MMR, encompassing close to 1 msf with an estimated cost of ₹600 crore, and a partnership with the Jawaharlal Nehru Port Authority for development of industrial and warehousing infrastructure in the JNPA Special Economic Zone with a development potential of 1.3 msf at an estimated cost of ₹700 crore.

"Our commitment to advancing critical logistics infrastructure is in perfect alignment with India's strategic objective of reducing logistics costs from 14 per cent to 8 per cent, thereby enhancing the global competitiveness of our industries," said Balkrishan Goenka, Chairman of Welspun World.

Baroda BNP's Manufacturing NFO raises ₹1,370 crore

Our Bureau
Mumbai

Baroda BNP Paribas Mutual Fund has collected ₹1,370 crore through the new fund offer on Manufacturing Fund.

The NFO, which closed for subscription on June 24, reopened for fresh investment from July 3.

The manufacturing fund seeks to benefit from the government's initiatives aimed at bolstering the manufacturing sector for both domestic and global markets.

Suresh Soni, CEO, Baroda BNP Paribas MF, said the new fund offer received subscriptions from about 50,000 investors across 8,100 pin codes.

Akums Drugs, Ceigall, 2 other IPOs get SEBI nod

Our Bureau
Mumbai

The Securities and Exchange Board of India (SEBI) has given its nod to the initial public offerings (IPOs) of Akums Drugs and Pharmaceuticals, Ceigall India, Orient Technologies and Gold Plus Glass Industry.

SK FINANCE ON HOLD

The regulator has kept in 'abeyance' the offering of SK Finance, a non-bank lender, without disclosing details.

SK Finance planned to raise ₹2,200 crore, of which ₹500 crore was to be fresh issue and the rest offer for sale.

Akums Drugs plans to raise fresh capital worth ₹680 crore, with an OFS of 1.86 crore shares by promoters and an existing investor.

Ceigall India IPO consists of a fresh issue of ₹618 crore and an OFS of up to 1.43 crore equity shares.

Orient Technologies plans to raise ₹120 crore of fresh capital, with an OFS of up to 46 lakh shares by the promoter selling shareholders.

Premji Invest-backed Gold Plus Glass Industry plans to raise up to ₹300 crore in fresh capital and do an OFS of up to 1.28 crore shares by promoters and an existing shareholder.

BROKER'S CALL.

Axis Securities

DOMS IND (BUY)
Target: ₹2,670
CMP: ₹2,273.45

We are initiating coverage on DOMS Industries Ltd. with a Buy recommendation and a price target of ₹2,670/share, representing an upside of 22 per cent from the CMP. Our confidence in DOMS' promising future is grounded in the company's robust and consistent performance over the past several quarters.

This trend is expected to persist in the coming years, supported by factors such as Continued distribution expansion in under-penetrated small towns & east/south markets and Sustained focus on NPD, capacity expansion, and entry into the larger pens category, thus broadening its product portfolio beyond the small pencil segment. Additionally, entering the fast-growing bags and toys segments will further boost growth.

DOMS is expected to achieve healthy Revenue/EBITDA/PAT growth of 25/26/28 per cent CAGR, respectively, over FY24-27E. This growth trajectory is anticipated to elevate the company's ROCE from 22 per cent in FY24 to 25 per cent in FY27. This positive trajectory is expected to enhance the overall return profile of the company, translating into ROCE growth from 22 per cent in FY24 to 25 per cent in FY27.

Currently, at the CMP, the company is trading at 53x/41x its FY26/27E EPS. With improved visibility in earnings growth and a stronger return profile, the stock appears attractive within the midcap space.

JM Financial

MUTHOOT MICROFIN (BUY)
Target: ₹300
CMP: ₹244.80

We believe Muthoot Microfin Ltd's unique risk assessment model using Equifax, dedicated collections team, risk-based pricing, continued tech integration to lower opex, NAT CAT and death insurance to shield asset quality and strong parentage of Muthoot Pappachan Group with high vintage senior management team represent a compelling opportunity in the MFI space.

MML is the third largest NBFC-MFI in India based on AUM, and the leading MFI in Kerala by market share. We believe that with recent expansion into newer geographies, viz. AP and Telangana (total presence in 19 states), and its efforts to deepen its presence in these geographies, MML has significant potential to drive growth in the near-medium term.

Its risk-based pricing for distinct customer categories empowers MML to offer competitive yields to its clients while its expectation of a ratings upgrade could also offer CoFs tailwinds and, thus, access to other sources of funds. With IRDAI licence, MML has also gained an opportunity to charge commission on insurance products which would add to revenues and opens opportunity to offer insurance products to new customers.

We expect RoA to expand up to 4.8 per cent by FY26 as operating leverage and CoFs benefit plays out. We believe the stock is currently trading at a relatively inexpensive valuation of 1.0x FY26E P/B.

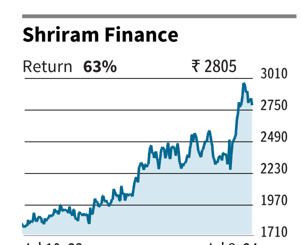
businessline is not responsible for the recommendations sourced from third party brokerages. Reports may be sent to: **blmarketwatch@gmail.com**

TODAY'S PICK.

Shriram Finance (₹2,805.3): BUY

Akhil Nallamuthu
bl. research bureau

Shriram Finance



The stock of Shriram Finance has been on a decline for nearly two weeks. The price started to moderate on the back of the resistance at ₹3,000. But the downswing is likely to come to an end as the stock is near the 20-day moving average support, which is now at ₹2,800. Just below this is another support at ₹2,770. Moreover, the broader trend is bullish following a range breakout last month. Therefore, the probability of a rally from here is high. We anticipate Shriram Finance stock price touching ₹3,000 in the near-term. Buy now at ₹2,805 and accumulate if the price dips to ₹2,775. Place stop-loss at ₹2,700. Raise the stop-loss to ₹2,820 when the stock hits ₹2,900. Tighten the stop-loss to ₹2,900 when the price rises to ₹2,950. Exit at ₹3,000.

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

Day trading guide

24379 » **Nifty 50 Futures**

S1	S2	R1	R2	COMMENT
24250	24100	24450	24800	Buy now and on a dip to 24250; stop-loss at 24100.

₹1634 » **HDFC Bank**

S1	S2	R1	R2	COMMENT
1620	1560	1650	1670	Go short if the price rises to 1660; place stop-loss at 1680.

₹1659 » **Infosys**

S1	S2	R1	R2	COMMENT
1640	1620	1665	1680	Buy the stock if it surpasses 1665; stop-loss at 1650.

₹443 » **ITC**

S1	S2	R1	R2	COMMENT
440	435	445	460	Now at a barrier. Buy above 445 with a stop-loss at 440.

₹299 » **ONGC**

S1	S2	R1	R2	COMMENT
292	286	300	310	Go long if the stock surpasses 300; stop-loss at 295.

₹3202 » **Reliance Ind.**

S1	S2	R1	R2	COMMENT
3175	3150	3250	3300	Buy now and on a dip to 3150; place stop-loss at 3080.

₹856 » **SBI**

S1	S2	R1	R2	COMMENT
855	845	862	870	Initiate fresh buys if it rises above 862; stop-loss at 855.

₹3975 » **TCS**

S1	S2	R1	R2	COMMENT
3960	3900	4050	4130	Go long in the stock of TCS with a stop-loss at 3940.

S1, S2: Support 1 & 2; R1, R2: Resistance 1 & 2.

Nifty 50 Movers ▼ 3.30 pts.

	Close(₹)	Pts	PE	Wt(%)
ITC	443.60	20.80	26.69	3.81
Reliance Ind	3201.80	18.79	27.41	10.07
Infosys	1661.65	11.60	26.28	5.58
ONGC	299.15	9.66	6.70	1.09
Hind Unilever	2587.15	8.11	59.12	2.15
Tata Motors	1002.60	3.57	12.08	1.64
HCL Tech	1533.40	3.35	26.49	1.51
Bharti Airtel	1435.15	3.30	95.43	3.57
HDFC Life	620.90	3.23	84.84	0.61
ICICI Bank	1235.05	2.63	18.86	8.08
NestleIndia	2603.40	2.36	78.53	0.86
Wipro	541.20	1.95	25.47	0.71
TataConsumerProduct	1150.80	1.91	90.22	0.67
L&T	3632.00	1.28	32.12	3.95
Coal India	493.30	0.93	9.36	1.05
Tech Mahindra	1467.60	0.90	59.88	0.87
Britannia Ind	5568.55	0.58	62.85	0.61
IndusInd Bank	1438.05	0.57	12.47	0.89
Eicher Motors	4754.45	0.53	32.56	0.61
Axis Bank	1287.85	0.51	15.02	3.41
Dr Reddys Lab	6534.15	0.39	19.54	0.74
Kotak Bank	1853.20	0.17	20.23	2.54
PowerGrid Corp	339.40	0.00	20.27	1.44
Apollo Hosp	6317.45	-0.25	97.15	0.59
Grasim Ind	2742.15	-0.49	18.19	0.94
Hindalco	697.20	-0.64	15.43	0.95
LTIMindtree Ltd.	5389.70	-0.66	34.82	0.46
Bajaj Finserv	1570.10	-1.17	16.07	0.79
SBI Life	1514.95	-1.47	80.12	0.64
Hero MotoCorp	5501.90	-1.65	29.39	0.67
Adani Enter	3113.60	-2.03	106.47	0.76
Maurti Suzuki	12023.60	-2.40	28.11	1.48
Bajaj Finance	7098.25	-2.50	30.40	1.84
NTPC	377.45	-2.53	17.16	1.67
Bajaj Auto	9529.40	-2.69	34.51	0.99
Cipla	1487.05	-2.71	28.91	0.73
UltraTech Cement	11582.90	-2.80	47.74	1.24
Sun Pharma	1556.40	-2.93	38.86	1.56
State Bank	856.25	-3.04	10.99	3.06
BPCL	299.50	-3.16	4.84	0.54
JSW Steel	939.20	-3.20	25.60	0.83
Shriram Finance Ltd.	2808.10	-3.63	14.27	0.73
Asian Paints	2898.15	-3.85	50.02	1.22
Adani Ports	1475.30	-4.18	39.32	1.01
TCS	3993.20	-4.26	31.34	3.76
Tata Steel	172.28	-4.53	0.00	1.32
Divis Lab	4464.20	-4.77	74.07	0.53
M&M	2851.35	-6.42	28.90	2.57
Titan	3156.20	-10.68	80.15	1.22
HDFC Bank	1635.35	-21.72	19.01	11.46

Pts: Impact on index movement

Nifty Next 50 Movers ▲ 82.25 pts.

	Close(₹)	Pts	PE	Wt(%)
Bharat Elec	334.60	124.21	61.37	5.36
Rural Elec	607.60	110.45	11.31	3.36
Power Finance	549.75	73.98	6.86	3.57
Gail (India)	230.49	66.72	15.30	2.78
Godrej Consumer	1426.00	64.93	0.00	2.41
Marico	641.30	44.16	55.27	1.48
Hindustanaeronautics	5621.95	43.06	49.34	4.71
Dabur India	623.45	32.68	61.00	1.63
Indian Railway Finance Corp	202.02	26.98	41.07	0.54
Irctc .	1045.60	19.39	71.59	1.42
United Spirits .	1272.10	17.17	65.75	1.65
Colgate	2946.40	15.73	60.54	1.76
Sbicards&Pay	735.65	13.28	29.06	0.97
Info Edge I	6857.45	12.24	149.23	2.38
Bajaj Holdings	9905.15	11.02	14.97	0.63
Dlf	835.70	6.13	75.95	2.41
Zomato .	207.93	2.38	522.90	1.87
Adanigreenenergy	1756.45	0.84	220.82	0.93
Avenuesuper	4851.55	-0.25	124.51	1.06
Lic	1013.35	-0.47	15.65	0.28
Adani Total Gas .	883.65	-2.18	145.60	0.35
Torrent Pharma	2882.75	-2.51	58.92	1.18
Zyduslifesciences	1157.80	-3.85	29.50	1.30
Berger Paints I	509.50	-4.51	50.77	0.64
Adani Energy Solutions .	998.40	-4.59	93.15	0.44
Ambuja Cements	683.55	-4.76	35.54	1.81
Havells	1886.20	-6.14	93.05	2.12
I-Prulife	636.35	-8.51	107.86	1.11
Varun Beverages .	1597.30	-8.66	93.87	1.12
Adani Power .	698.05	-10.74	12.93	0.94
Punjab Natl Bank	121.36	-14.07	14.59	1.61
Indian Oilcorp	170.07	-14.60	5.56	2.79
Shree Cement	27193.25	-14.72	40.95	1.62
Pidilitind	3069.00	-15.42	89.33	2.09
Srf	2368.30	-15.49	52.56	1.54
Jio Financial Srv .	348.30	-15.72	137.91	1.67
Trent .	5594.25	-18.58	134.60	5.51
Bosch	34412.30	-18.60	40.74	1.32
Icici Lombard Gic	1838.95	-20.73	47.27	1.99
Abb India	8559.55	-20.87	444.70	2.03
Tvs Motor Cmp .	2398.25	-24.41	64.06	2.50
Cholamandalamin&Fin	1412.15	-26.85	34.69	2.65
Jindal Steel	1025.95	-29.63	17.61	1.68
Canara Bank	114.89	-31.66	6.77	1.72
Samvardmothersoninternatl	201.44	-31.72	45.21	2.44
Tata Power	433.45	-36.18	32.36	3.28
Vedanta	465.65	-38.07	22.97	2.94
Siemens	7741.35	-42.20	118.02	3.08
Intglobeavi	4237.95	-46.34	20.02	3.15
Bank Of Baroda	262.35	-70.07	7.19	2.18

Pts: Impact on index movement

QUICKLY.

CG Power appoints Amar Kaul as new MD, CEO

Chennai: CG Power and Industrial Solutions Ltd, an engineering firm within the Murugappa Group, appointed Amar Kaul as its new Managing Director and CEO. CG Power's board has been searching for a successor to the current MD N Srinivasan, over the past several months. Kaul has been appointed for a five-year term starting on July 25, 2024, the company said. OUR BUREAU

Mahabaleshwara joins TFIC as Independent Director

Mangaluru: Mahabaleshwara MS, former MD and CEO of Karnataka Bank Ltd, is appointed Independent Director of Tourism Finance Corporation of India (TFCI) Ltd. TFCI informed stock exchanges that Mahabaleshwara has been appointed Independent Director for a term of five years from July 6, 2024. OUR BUREAU

RBI cancels registration certificates of 2 NBFCs

Mumbai: Reserve Bank on Monday said it has cancelled the certificates of registration of two NBFCs — Star Finserv India and Polytex India — due to irregular lending practices. Hyderabad-based Star Finserv India was offering the service under 'Progcap'. Polytex India, headquartered in Mumbai, was providing services under the 'Z2P' mobile application. PTI

Centre must peg fiscal deficit target for FY25 at 4.9%: SBI

CALL FOR BALANCE. Asks govt not to be obsessed with accelerating fiscal consolidation

KR Srivats
New Delhi

SBI Research has urged the Government to strike the right balance between fiscal consolidation and promoting growth and recommended that fiscal deficit be brought down at the most to 4.9 per cent for FY25. This is against the 5.1 per cent target specified in the Interim Budget.

The Government should focus on adherence to fiscal prudence and continue on the fiscal consolidation path, but at the same time refrain from obsessing too much over the fiscal stance as it may come in the way of long-term sustainable growth path, by striking the right balance by limiting the consolidation to 20 bps (at max) this fiscal," it noted.

Budget at a glance

₹ lakh crore	FY24 PE	FY25 IBE	FY25 SBI	FY25 IBE/ FY24 PE (% yoy)	FY25 SBI/ FY24 PE (% yoy)
Tax revenue	23.3	26.0	26.8	11.8	15.2
Non-tax revenue	4.0	4.0	5.1	-0.7	26.4
Recoveries of loans	0.3	0.3	0.3	6.1	6.1
Other receipts	0.3	0.5	0.5	51.0	51.0
Total receipts	**27.9**	**30.8**	**32.7**	**10.4**	**17.2**
Total expenditure	**44.4**	**47.7**	**48.6**	**7.3**	**9.4**
Fiscal deficit	16.5	16.9	15.9	-	
Fiscal deficit (% of GDP)	**5.6**	**5.1**	**4.9**		
Memo item:					
GDP	295.4	327.7	327.8	11.0	11.0

Source: CGA, Interim budget documents, SBI Research

In the Interim Budget presented earlier this year, fiscal deficit target was pegged at 5.1 per cent of GDP for 2024-25.

SBI Research also sees capital expenditure, which was the main plank of Centre's growth strategy, getting bumped up to ₹ 11.8 lakh crore from ₹ 11.11 lakh crore projected in the Interim Budget.

It also expects nominal GDP growth to be pegged at 11 per cent and the tax buoyancy is expected to be 1.2-1.3 per cent with gross tax revenues growing over 13 per cent.

MARKETING MARGINS

"As the budgeted fiscal deficit gets lowered, gross market borrowing of the government will also reduce to around ₹13.5 lakh crore in FY25 compared to ₹14.1 lakh crore in the Interim Budget and net market borrowing to ₹11.1 lakh crore against ₹11.8 lakh crore earlier," SBI Research report, authored and led by Soumya Kanti Ghosh, Group Chief Economic Adviser, SBI, said.

This, along with India's inclusion in Global Bond indices, will keep the yield curve movements anchored, the research report added.

For 2023-24, the government had initially set a fiscal deficit target of 5.9 per cent of GDP. This was later revised downward to 5.8 per cent.

'Bring in tax parity for bank deposits, *vis-a-vis* other asset classes'

Our Bureau
Mumbai

Parity on the taxation front for bank deposits (both demand and time) vis-à-vis other investment avenues is an immediate need, given the shifting preference of select cohorts of investors to alternative asset classes whose returns have been trumping bank deposits, according to State Bank of India's economic research department (ERD).

The ERD is of the view that the impact on the revenue foregone for the Government due to such a move would not be significant.

"The present dispensation for equity/mutual fund holdings stipulate short-term capital gains tax at a flat rate of 15 per cent while the long-term capital gains (LTCG) are taxed at a moderate 10 per cent, with exemption allowed till income of LTCG up to one lakh during a given financial year," said Soumya Kanti Ghosh, Group Economic Advisor, SBI, in the report released, as the Budget 2024-25 is awaited.

Also, the setting-off of loss against profits and carrying over the loss up to the next eight years make the opportunity cost of such alternative investments quite lucrative, he added. In line with MF/equity markets, the ERD suggested that the government should tweak the 'tax on deposits interest' and make flat tax treatment across maturity ladder.

Referring to household net financial savings declining to 5.3 per cent of the GDP in FY23 and expected to be 5.4 per cent in FY24, ERD said if deposit rates are made attractive in line with MFs, this could push up household financial savings and CASA (current account, savings account).

GST REVENUE

As this amount will be in the hands of depositors, it could unleash an additional spending and thereby additional GST (Goods & Service Tax) revenue to the Government

Ghosh observed that increase in bank deposits will bring stability in core deposit base, financial system and household savings. A better regulated banking system will bring in trust compared to alternatives with high volatility and risk.

Noting that deposits are taxed on accrual basis and other asset classes only on redemption, he said there is also a need to remove this disparity.

Tightened liquidity likely to prompt greater offshore bond issuance by NBFIs: Fitch Ratings

Our Bureau
Mumbai

Tightened system liquidity in India, amid sustained bank and non-bank financial institutions' (NBFIs') credit growth, is likely to prompt greater offshore bond issuance by NBFIs in the near to medium term, according to a Fitch Ratings report.

NBFI issuance has already picked up in H1 of 2024, although issuers are likely to remain price-sensitive when raising offshore funding, it added.

"Indian finance companies' US dollar refinancing needs are longer-dated, reflecting a recent pick-up in US dollar bond issuance in 1H24 after muted activity in previous years.

"We expect Indian issuers to tap US dollar markets opportunistically when onshore-offshore rate differentials turn favourable," per the report on APAC EM (Asia Pacific Emerging Market) NBFIs.

Fitch observed that a number of Indian issuers have returned to offshore bond markets after a hiatus in recent years.

Muthoot Finance Ltd, Manappuram Finance Ltd and Indiabulls Housing Finance Ltd issued medium tenor US dollar bonds in the first half for the first time since the start of the Covid-19 pandemic, joining regular issuer Shriram Finance Ltd..

'Refinancing activity should be well-supported in India amid a favourable economic backdrop'

"We expect funding costs to rise moderately for rated Indian issuers, but without material refinancing risk for better-rated entities," the rating agency said.

REFINANCING ACTIVITY

Fitch emphasised that refinancing activity should be well-supported in India amid a favourable economic backdrop, although tighter banking sector liquidity will incentivise issuers to diversify funding sources. Foreign bank funding, domestic and offshore bonds, and securitisation providing potential alternatives.

The report observed that many Fitch-rated NBFIs in India, Indonesia and Sri Lanka focus on consumer and micro, small and medium enterprise loans, with tenors ranging from a few months to around three years, while longer-tenor home loans and other secured financing form a smaller share of sector assets. Therefore, some companies use higher levels of short-term debt to better match their asset tenors.

Rated Indian and Indonesian issuers' short-term funding maturities, amounting to 30 per cent-40 per cent of total assets, largely align with their short to medium tenor asset profiles. Short-term maturities are mostly bank loans, which tempers the refinancing risk.

Life insurers post 23% rise in new premium collection in Q1

Press Trust of India
New Delhi

Life insurers recorded a 22.9 per cent increase in new business premium collection in the first quarter of the current fiscal.

The new business premium collection rose by 14.80 per cent in June 2024, according to data released by Life Insurance Council on Monday. New business premium income rose to ₹42,433 crore in June 2024 from ₹36,961 crore in June 2023.

The collection in the first quarter of FY25 rose to ₹89,726 crore from ₹73,004 crore in April-June 2023, the data showed. Driven by strong demand for enhanced insurance protection from individual consumers, new policy issuances increased by 12.13 per cent on a y-o-y basis in June, resulting in the addition of new 21,79,282 policies vis-à-vis 19,43,529 policies in the year-ago period.

According to data released by the Council, the life insurance industry saw individual single premiums growing by 5.94 per cent on a y-o-y basis to close at ₹3,823 crore for June while growth during the stood at 14.87 per cent.

Individual non-single premiums came in at ₹8,310 crore and grew by 19.61 per cent in June, even as quarterly collections settled at 19.92 per cent higher than the corresponding period last year.

Yuma Energy to expand footprint to over 300 battery swapping stations by year-end

Jyoti Banthia
Bengaluru

Yuma Energy, battery-swapping company, is expanding its footprint to over 300 stations by the end of the year, which will take its capacity to over 100,000 swaps per day, Muthu Subramanian, MD and General Manager told *businessline*.

"Yuma has 150+ battery swapping stations across the country and a capacity of conducting 50,000 swaps per day. We will expand our footprint to 300+ stations by the end of the year," said Subramanian.

Yuma Energy, jointy venture between Magna and Yulu Bikes, currently offer battery swapping services across eight Indian cities.

"Swapping is a much more affordable, practical and quicker option to get energy than charging. Every month, over 100,000 users get their vehicle batteries swapped at our stations," he added.

Muthu Subramanian, MD and General Manager, Yuma Energy

Yuma stations are densely located in high-demand areas and are equipped with integrated artificial intelligence (AI)-powered charging units. The battery-as-a-service business is open to other EV players as well.

Yuma has a phased expansion roadmap. In phase one, the company is focussed on tier-1 and tier-2 cities where there is high demand for its services.

"The second phase will see Yuma expanding into other cities and towns as well. As we expand to new cities, we will keep adding more original equipment manufacturers (OEMs) and fleet customers to our network," Subramanian noted.

IOT CHARGING UNITS

The company owns and maintains the EV batteries and offers them to users either at a one-time swap cost or on a monthly subscription basis.

The JV is a combination of hardware, software, and operational excellence, which includes its IoT-enabled charging units and smart batteries; its Artificial Intelligence-enabled technology stack; and a best-in-industry 99 per cent battery availability rate at its swapping stations.

These unique features, coupled with Yuma's intelligent network of customer touchpoints, converge to ensure one-minute service time, as well as high uptime and reliability for Yuma's users.

Yuma uses travel heat maps, retailer locations and ride patterns to understand the demand hubs, and then proceed to create our swapping stations at such locations.

"This allows us to really optimise our operations while delivering a very accessible network for our users – thus, allowing us to do more with less," he added.

Piramal Capital plans $500-m dollar-bond sale

Bloomberg

Piramal Capital and Housing Finance is planning maiden dollar-bond sale as tighter regulations by RBI stifle domestic funding sources for shadow lenders, said sources. Ajay Piramal's firm is in talks with a group of global investment banks to raise $300-500 million via such notes in a tenure of three to five years, the sources said.

The proposed offering follows a rule change by RBI in November to check a runaway rise in risky debt, making it costlier for shadow lenders to get bank loans. The move has been prompting non-banking finance companies to tap alternatives in the credit market to fund loan growth. The company, a part of conglomerate Piramal Group, provides real estate lending, housing finance and corporate lending across sectors, according to its website.

Proceeds from its bond sale would primarily be used for lending onshore, said one of the people, without giving further details.

Meanwhile, a spokesperson for Piramal Group declined to comment.

Piramal Enterprises eyes 15% growth in assets under management in FY25

Press Trust of India
Mumbai

Non-bank lender Piramal Enterprises aims to accelerate the pace of growth to 15 per cent and increase its assets under management (AUM) to ₹80,000 crore in the current fiscal, according to the company's Chairman Ajay Piramal.

Piramal Enterprises had reported an 8 per cent growth in the AUM at a consolidated level in the previous fiscal.

The company is targeting to increase its overall AUM by 15 per cent to ₹80,000 crore despite a sharp rundown in the legacy wholesale business, the chairman told shareholders at the annual general meeting held on Monday.

The legacy AUM will be less than 10 per cent of total AUM by the end of FY25 and less than 5 per cent of total AUM by FY26, he said.

At present, 70 per cent of the overall AUM is retail loans, which the company addresses as the 'growth business', he said and added that recently it crossed the

Ajay Piramal

₹50,000-crore milestone as well.

The Chairman further said the overall AUM will nearly double in three years to touch ₹1.5-lakh crore by end of FY28 from the ₹80,000 crore targeted in end-FY25.

The share of retail business in the overall AUM will grow to 75 per cent by FY28, Piramal said, adding that it is also growing the wholesale 2.0 book consisting of cash flow and asset-backed exposures in the realty sector, mid-market corporates.

In FY24, the company had to report a loss of ₹1,684 crore, largely because of its being hit by the provisions it had to make towards its investments in the alternate investment funds, he said.

Piramal also added that the company expects to mostly recover these provisions, as was seen in the results for the January-March quarter of FY24.

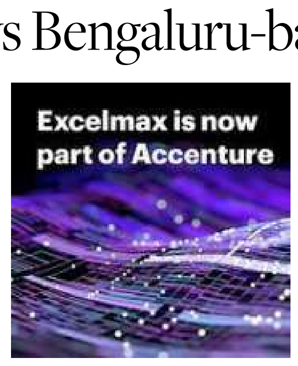
He also said that the growth business is "on track" to achieve the steady state of profitability.

Accenture buys Bengaluru-based Excelmax

Sanjana B
Bengaluru

Consulting giant Accenture acquired Bengaluru-based Indian semiconductor design services provider Excelmax Technologies. The company will add around 450 professionals to Accenture in emulation, automotive, physical design, analog, logic design, and verification, expanding its ability to help global clients accelerate edge computing innovation following the acquisition. The acquisition, as the company claims, will enhance Accenture's growing silicon design and engineering capabilities.

"With the rapid evolution of GenAI and the growth of connected products, more intricate, specialised chips with enhanced performance and efficiency are required," said Karthik Narain, group chief executive of technology at Accenture. "Our acquisition of Excelmax enhances our expertise across every aspect of silicon design and development—from concept to production—so we can help our clients fuel innovation and drive growth."



The company's statement said that Excelmax, founded in 2019, brings semiconductor solutions from high-level design, physical layout ready for manufacturing, and full turnkey execution. The India-based semiconductor company provides custom silicon solutions in consumer devices, data centres, artificial intelligence (AI), and computational platforms that enable edge AI deployments to clients in the automotive, telecommunications, and high-tech industries. "Our focus has always been on developing the best talent to deliver tailor-made solutions for our global clients that help them build and maintain competitive advantage," said Shekhar Patil, Founder & CEO, of Excelmax Technologies. "Joining Accenture enables us to remain at the forefront of innovation, providing new and exciting opportunities for our clients and our people."

DEMAND SURGE

This acquisition follows the addition of XtremeEDA, an Ottawa, Canada-based silicon design services company, in 2022.

The semiconductor market is experiencing a surge in demand for silicon design engineering, driven by the proliferation of data centres and the increasing use of AI and edge computing. This, as Accenture claims, is further propelled by the growing consumer appetite for electronics, driving new investments in the chip design space.

Godrej Consumer sees double-digit volume growth in first quarter

Aroosa Ahmed
Mumbai

Fast-Moving Consumer Goods (FMCG) maker Godrej Consumer Products said the domestic market remained soft during the first quarter with high-single-digit organic volume growth and mid-single-digit value growth. During the quarter, growth was in double-digit in terms of volume and high-single digit in terms of value.

Godrej Consumer Products said that at a consolidated level (organic) it expects flattish rupee sales, double-digit constant currency sales growth and double-digit EBITDA (reported) growth.

"The growth was broad-based across both home care and personal care...," said Godrej Consumer Products in an exchange filing.

QUICKLY.

Robusta coffee futures climb on supply tightness

London: Robusta coffee futures on ICE rose sharply on Monday, buoyed by supply tightness driven by slow exports from Vietnam and strong demand. September robusta coffee rose 3.6 per cent to $4,334 a tonne by 1222 GMT, climbing towards a record high of $4,394 set on June 6. REUTERS

Crude oil slips as Gaza talks ease supply woes

Singapore: Crude oil prices slid on Monday after rising for four weeks, as the prospect of a ceasefire deal in Gaza eased geopolitical tensions in West Asia, while investors assessed potential disruption to U.S. energy supplies from Tropical Storm Beryl. Brent crude futures were down 36 cents, or 0.4 per cent, at $86.18 a barrel, as at 0646 GMT. REUTERS

Copper steady as weak dollar counters dip in China demand

London: Copper prices were steady on Monday as the market balanced a weaker dollar against persisting weak demand signals from top metals consumer China. Three-month copper on the LME rose 0.3 per cent to $9,971 a tonne in official open-outcry trading after touching a three-week peak on Friday. REUTERS

Kharif sowing gathers pace, 35% of area covered

GOOD SIGNS. Overall, acreage under all crops up 14%; paddy, pulses, soya, cotton and maize gain while groundnut trails

Our Bureau
New Delhi

Helped by early coverage of monsoon and revival of rainfall in central and north-west India from the last week of June, India's kharif crop sowing has gained momentum with 35 per cent of the country's normal area of 1,096 lakh hectares (lh) getting covered by July 5, latest data show.

Overall, the kharif acreage is up 14 per cent at 378.72 lh compared with 331.9 lh in the same period a year ago, data from the Ministry of Agriculture and Farmers' Welfare showed.

Early setting in of the monsoon on May 30 and coverage of the entire country six days earlier than its normal schedule have helped the higher coverage. Last year, the south-west monsoon got impacted with the emergence of El Nino and resulted in below-average rainfall in the June-September season. In August, the country received less than 64 per cent of normal rainfall, which was the lowest since 1901.

"The rainfall in the rain-fed areas is critical for the kharif crop as irrigated area anyway will gain from the higher water getting accumulated in reservoirs," said an agriculture scientist. The quantity of rainfall and its distribution will have to be monitored up to July 20, by when maximum sowing takes place, he said.

Area coverage under kharif crops (lakh hectare)

	2023	2024	% Change
Paddy	50.26	59.99	19.3
Pulses	23.78	36.81	54.8
Arhar	4.09	20.82	409.7
Urdbean	3.67	5.37	46.0
Moongbean	11.79	8.49	-28
Shree Anna	82.08	58.48	-28.8
Jowar	7.16	3.66	-48.8
Bajra	43.02	11.41	-73.5
Maize	30.22	41.09	36.0
Oilseeds	51.97	80.31	54.5
Groundnut	21.24	17.85	-16.0
Soybean	28.86	60.63	110.1
Sugarcane	55.45	56.88	2.6
Jute & Mesta	6.02	5.63	-6.5
Cotton	62.34	80.63	29.3
All Crops	**331.90**	**378.72**	**14.1**

Data as on July 5; Source: Agriculture Ministry

SOYA UP

The acreage under paddy, the key cereal crop of the kharif season, which was almost at par with last year until a fortnight ago, has jumped 19 per cent to nearly 60 lh as on July 5 from 50.3 lh a year ago.

Soyabean coverage has more than doubled to 60.6 lh while groundnut trails at 17.9 lh. Earlier there were reports of a possibility of farmers shifting to groundnut from soyabean or cotton. But, it seems otherwise as sowing of both soyabean and cotton is higher this year. The total area under cotton has reached 80.6 lh until July 5 as against 62.3 lh a year ago, up by 29 per cent.

The sowing area under arhar has reached 20.8 lh, which is five times more than the acreage reported a year ago as farmers have picked up the price signal to expand the area under the crop. Currently, arhar dal is selling at ₹175-230/kg in retail markets of the national capital region of Delhi. The area under urad too is up by 46 per cent at 5.4 lh. But, moong acreage has declined by 28 per cent at 8.5 lh. Overall, the sowing of all pulses has reached 36.8 lh, which is 54.8 per cent higher than 23.8 lh year-ago.

UPTICK. The acreage under paddy, which was almost at par with last year until a fortnight ago, has jumped 19 per cent to nearly 60 lh as on July 5 from 50.3 lh a year ago G N RAO

MAIZE HIGHER

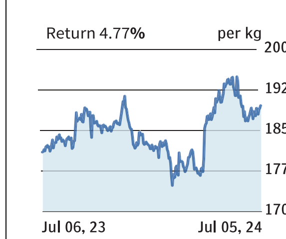
On the other hand, area under Shree Anna (nutri cereals) has dipped 28.8 per cent at 58.5 lh as both jowar and bajra acreage is lower this year. But, area under maize has been higher at 41.1 lh, up by 36 per cent from 30.2 lh.

Sugarcane acreage, too, has increased a tad to 56.9 lh from 55.5 lh. But area under jute and mesta is down at 5.6 lh from 6 lh.

COMMODITY CALL.

Lead: Go short, stop-loss at ₹192.50

Akhil Nallamuthu
bl. research bureau



Lead futures on the Multi Commodity Exchange (MCX) declined sharply between May 29 and June 14. But then, the downtrend lost momentum and the contract started to trace a sideways trend.

In the last three weeks, the July expiry lead futures have oscillated between ₹187 and ₹191. The chart shows the contract faces strong rejection at the ₹191 resistance, where the 50-day moving average coincides. This indicates short interest at this price level.

OUTLOOK

Hence, at the moment, the likelihood of a fall is high. We expect lead futures to resume the downtrend from here, slip below the support at ₹187 and decline to ₹180 in the forthcoming weeks. However, if the contract surpasses the barrier at ₹191, it can appreciate to ₹196. Nevertheless, a rally beyond ₹196 is unlikely, for it is a significant barrier.

STRATEGY

Go short on lead futures (July series) at the current market price of ₹190. Place stop-loss at ₹192.50. When the contract touches ₹187, modify the stop-loss to ₹190. Tighten the stop-loss further to ₹187 when the price hits ₹183. Liquidate the shorts at ₹180.

World went through its warmest June in 2024, says Europe's C3S

Subramani Ra Mancombu
Chennai

The world witnessed its warmest-ever June last month with the average temperature being 0.67°C above the 1991-2020 average for June and 0.14°C above the previous high set in June 2023, the Copernicus Climate Change Service (C3S) has said.

"This (June) is the 13th month in a row that is the warmest in the ERA5 data record for the respective month of the year. While unusual, a similar streak of monthly global temperature records happened previously in 2015-2016," C3S, the earth observation component of the European Union's Space programme, said in a statement.

ERA5 is the fifth generation European Centre for Medium-Range Weather Forecasts reanalysis of the global climate and weather for the past eight decades. Data is available from 1940 onwards.

SWELTERING HEAT. According to ERA5 data, June was 1.50°C above the estimated June average for 1850-1900 NITIN SHARMA

According to Carlo Buontempo, Director of the Copernicus Climate Change Service. "This (June being the warmest) is more than a statistical oddity and it highlights a large and continuing shift in our climate. Even if this specific streak of extremes ends at some point, we are bound to see new records being broken as the climate continues to warm. This is inevitable unless we stop adding GHG into the atmosphere and the oceans."

According to ERA5 data, June was 1.50°C above the estimated June average for 1850-1900, the designated pre-industrial reference period. It was the 12th consecutive month when the temperature reached or broke the 1.5°C threshold.

"The global average temperature for the past 12 months (July 2023 – June 2024) is the highest on record, at 0.76°C above the 1991-2020 average and 1.64°C above the 1850-1900 pre-industrial average," C3S said.

The sea surface temperature (SST) averaged for June 2024 over 60°S–60°N was 20.85°C, the highest value on record for the month.

This is the fifteenth month in a row that the SST has been the warmest in the ERA5 data record for the respective month of the year.

Ahmedabad to host cottonseed oil conclave

Our Bureau
Mangaluru

The Solvent Extractors' Association of India (SEA) and All India Cottonseed Crushers' Association (AICOSCA) will organise the 5th SEA–AICOSCA Cottonseed Oil Conclave 2024 in Ahmedabad during July 12-13.

The conclave, which will focus on cottonseed oil, cake and meal, will have the gathering of over 300 delegates and special invitees from all over India.

Bhupendra Rajnikant Patel, Gujarat Chief Minister, will be the chief guest at the conclave.

After AP, Telangana, Godrej Agrovet eyes TN to expand oil palm area

Vishwanath Kulkarni
Bengaluru

Godrej Agrovet Ltd (GAVL) is looking to attract farmers back to oil palm cultivation in Tamil Nadu, where acreages were lost to competing crops like sugarcane and also destroyed by cyclones over the past decade.

The oil palm plantation business of GAVL inaugurated its first Samadhan Centre in Thanjavur on Monday to help provide farmers with package of practices, inputs including the planting materials, tools and services to enhance yields and productivity. "After Andhra Pradesh and Telangana, we are focussing on Tamil Nadu in the South, where we see a potential to expand the oil palm area," Sougata Niyogi, CEO, Oil Palm Business, GAVL, told *businessline*.

Oil palm cultivation in Tamil Nadu has been reduced to 5,000 hectares from 12,000 ha about a decade ago

The company is looking to bring more area under oil palm in districts such as Villupuram, Cuddalore, Thanjavur and Thiruvallur, Niyogi said adding that five more Samadhan Centres will be set up in Tamil Nadu over the next few years to support the area expansion.

Oil palm cultivation in Tamil Nadu has been reduced to around 5,000 hectares from over 12,000 hectares about a decade ago as farmers shifted to other competing crops like sugarcane. Also, due to the impact of cyclone in 2019, oil palm plantations in about 1,500 hectares were destroyed, he said. GAVL, which operates a processing unit at Ariyalur, has currently has some 2,000 hectares under oil palm.

MEASURES

"We are looking to triple the area in Tamil Nadu to around 6,000 hectares in three years," Niyogi said adding that to overcome the cyclone-related challenges in the coastal areas, the company is looking to introduce the dwarf varieties of oil palm and move the cultivation to about 60-70 km in the interiors. Also GAVL is planning to bring the entire area under oil palm cultivation under drip irrigation, he added.

GAVL currently has some 70,000 hectares under oil palm cultivation across the country, which it plans to increase to around one lakh hectares by 2026-27, Niyogi said.

'Get US ban on Indian wild caught shrimps scrapped'

Our Bureau
Kochi

Kerala's traditional fishing community has urged the Centre to take urgent steps to remove the US restrictions on wild caught shrimps which came into effect from 2019. The US imposed the ban in the absence of turtle excluder devices (TED) in fishing boats during inspection by the US team in 2019.

Charles George, president of the Kerala Matsya Thozhilali Aikya Vedi, said that the team of US and Indian officials who carried out the design finalisation of TED in February this year is learnt to have given a satisfactory report on the new changes made on TEDs. The ban is expected to be revoked only after the US team submits its report in the Congress, he said. The restrictions, according to him, have made a cascading effect on the State's fishery sector as the US is the major market for Indian wild caught shrimps.

Out of the seafood exports worth ₹60,523 crore, he said the contribution from the wild caught varieties was more than ₹3,500 crore. India's marine export basket comprises shrimps from aquaculture farms and wild caught.

He requested the Centre to take all possible efforts to remove the ban at the earliest to enable the State's fisheries sector to make considerable foreign exchange earnings. Several shrimp processing units in Kerala were forced to shut down because of declining orders. Besides, the prices of wild caught varieties witnessed a significant drop in other markets such as EU, Japan, China etc because of the US ban. He alleged that there is a concerted attempt globally to bring down the prices of Indian products by various means and the government should take strong measures to protect the domestic industry.

Tea prices in N. Indian auction centres continue to rise, but fall in S. India sales

Mithun Dasgupta
Kolkata

Tea prices at North Indian auction centres have been witnessing a continuous rise as production has taken a hit due to unfavourable weather conditions. However, prices of the brew in South Indian auction centres have fallen over the last few weeks as arrivals have increased. Significantly, both North and South Indian teas fetched higher prices at auctions held in June and the first week of July compared to the same period last year.

According to the data from the Calcutta Tea Traders Association (CTTA), the average all-India auction prices in June increased by around 11 per cent to ₹223.79 per kg from ₹201.74 per kg. While average prices at North Indian auction centres saw over 18 per cent jump or a rise of ₹40.57 per kg rise last month. During the period, the average prices at South Indian auction centres fell by ₹0.47 per kg.

Average auction prices in South India saw ₹4.89 per kg increase to ₹130.19 in sale number 23 (held in 2nd week of June) from ₹125.30 in sale number 22 (held in 1st week of June). Thereafter, the auction prices continued to fall.

Average all-India tea auction prices discovered in the first week of July (in sale number 27 held on July 1, 2024) stood at ₹225.35 per kg, which was a 21.88 per cent jump compared to the same period last year. Average North-India and South India auction prices in the first week of July increased by 26.22 per cent and 16.53 per cent year-on-year at ₹267.30 and ₹122.44 per kg, respectively, the CTTA data showed.

CROP SHORTAGE

"In North India, auction prices are rising because of the shortage of crops. A significant drop in production happened in North India, but the drop was not to that extent in South India," Calcutta Tea Traders Association secretary Kalyan Sundaram told *businessline*.

According to Tea Board India data, total tea production for India fell to 263.60 million kg during January-May this year from 321.96 million kg a year ago. While production declined to 188 million kg from 236.98 million kg in North India, the output dropped to 75.20 million kg from 84.98 million kg during the same period. According to tea industry experts, heatwaves and erratic rainfall have affected tea production in North India.

Copper firms in a spot as Indonesia plans to stop concentrate exports

Subramani Ra Mancombu
Chennai

Indonesia is likely to stop exporting copper concentrate from December this year to promote value-addition back home. This could create problems for Indian copper firms depending on these imports, Mayur Karmarkar, Managing Director, International Copper Association India (ICA India), has said.

> The government has to reduce duties on copper concentrates (from other sources) or allow imports at zero duty
>
> **MAYUR KARMARKAR**
> MD, ICA India

Indonesia is one of the major sources of copper concentrates for India, which imports it duty-free due to the ASEAN Free Trade Agreement. "Indonesia is adding to its smelter capacity. The problem could aggravate a bit quickly. The government has to reduce duties on copper concentrates (from other sources) or allow imports at zero duty," he told *businessline* in an online interaction. India's demand for copper concentrate is likely to increase as the Adani Group's Kutch Copper Plant would also require it. Allowing copper concentrate at a lower or zero duty would ensure a level playing field for domestic smelters and refiners, particularly when copper cathodes are being imported duty-free from Japan, he said. The government has understood the problem and is trying to work out a solution with African countries abd Peru, he said.

DOUBLE-DIGIT GROWTH

While the country is trying to achieve net zero emissions in which copper plays a critical role, the inverted duty structure, where finished products are levied import duty lower than raw materials such as concentrates, is an issue that confronts the domestic industry. For example, copper tubes are coming from South-East Asia duty-free.

Indian smelters depend on concentrates as none of them own mines. "They have to buy the concentrate to make copper cathode," Karmarkar said.

During the 2023-24 fiscal, the copper sector witnessed double-digit growth, largely driven by infrastructure. "Refined copper demand was largely met through imports. With demand growing, there is a constraint related to refined copper capacity. We hope this will be addressed to some extent by the Adani Group's copper plant," the ICA India managing director said.

The industry is faced with the quality control order but there is some breather now as it will be enforced only from December-end, he said.

This will also mean that by December-end, all importers will have to get certified for Bureau of Indian Standards (BIS) quality and start supplying the material. "I am sure the Japanese cathode makers have started working in that direction and they will comply with the requirements soon," said Karmarkar.

On the other hand, the domestic industry is fully prepared with Hindalco and Vedanta being able to supply the cathodes. Currently, there is no domestic production of inner groove tubes used in air conditioners but its production will likely begin in the next 2-3 months, he said.

With the Adani Group's copper plant going on stream, refined copper production will increase, he said.

Demand for copper will continue to grow at the same rate as last fiscal, while globally, clean energy transition is expected to drive demand. India is still depending on traditional drivers of copper demand, mainly infrastructure, the ICA India official said.

With many States implementing metro rail schemes, each metro coach will require 2.5 tonnes of copper. "Or each electrified railway route will require six tonnes per km of copper," he said.

The 5G technology is coming up in a big way and each 5G base station will require 70 kg of copper. The construction sector will likely see a demand of 30 gm per sq feet, Karmarkar said.

This Diwali season, cashew may pinch your pockets more

V Sajeev Kumar
Kochi

Snacking on cashews may become a costly affair in the upcoming Diwali season as the global prices for kernels and raw nuts go through the roof.

Producing countries are experiencing a crop shortage due to El Nino with prices of kernels in India reaching $4 per pound and nuts moving to $1,900-2,000. The rates were around $1,200-1,300 in April-May, said Pratap R Nair of the Kollam-based Vijayalaxmi Cashew Company.

The festival demand in India kicks off by the end of July. Cashew consumption in India is growing at 7 per cent CAGR with more disposable income and consumption of the nut daily for health benefits. The market is witnessing steady growth due to rising demand for convenient healthy snacks, he said, adding that the International Nut & Dried Fruit Council (INC) is running a promotional programme in India for nuts and dried fruits at a cost of 2,00,000 Euros annually.

There is a significant drop in raw cashew production in all growing regions of India

OUTPUT DOWN 25%

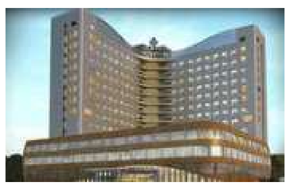
The Indian cashew market's size, according to industry sources, is estimated at $2.40 billion in 2024 and is expected to reach $2.9 billion by 2029.

Nair, who is also a member of the Board of Trustees of INC, said there is a significant drop in raw cashew production in all growing regions of India and around 25 per cent decline in other producing countries, such as Vietnam and Africa. The sector expects that the prices will further firm up in the coming months and is likely to cool off with the start of the next harvest season by March 2025. Due to adverse weather, INC forecasts a 7 per cent global decline in raw cashew production.

J Rajmohan Pillai, Chairman of Beta Group which owns the brand NutKing said the global cashew industry faces significant challenges due to price fluctuations, supply shortages, production decline on adverse weather.

QUICKLY.

Lilavati Hospital in Gift City to offer air ambulance services



Ahmedabad: The 13-storeyed Lilavati hospital being built in Gift City will deploy helicopters to provide air ambulance services, said Prashant Mehta, permanent trustee of the hospital. The first phase of the under-construction hospital will be operational by March 2025, he added. OUR BUREAU

C1 expands operations, plans to hire 400 engineers

Hyderabad: C1 (formerly ConvergeOne) has expanded its Global Innovation and Capabilities Centre by doubling the space to 40,000 sq ft from 20,000 sq ft. It is planning to hire 400 more engineers for the centre, taking the total to 1,000. "The move is aimed at supporting the company's growth and improving capabilities," Chandra Boddoju, MD, and Country Head of India Operations at C1, said. OUR BUREAU

Shipping Ministry plans to expand shore-to-ship power initiatives

CAPITAL SUPPORT. The roadmap includes possible financing schemes with the help of Power Finance Corporation

Abhishek Law
New Delhi

The Ministry of Ports, Shipping and Waterways plans to expand its shore-to-ship power infrastructure and revise policy guidelines so that all ports in India — both major and non-major — have the infrastructure to supply shore power to large EXIM (export-import) vessels, coastal vessels, and harbour craft.

The roadmap under discussion includes possible financing schemes with the help of the Power Finance Corporation (PFC). A desirable prerequisite is bringing on board the Ministry of Power and State discoms to secure distribution licences for the ports.

In shipping parlance, shore power refers to the power supply given to a boat, ship, or any maritime vessel when it is docked at the port. India is pushing for a mechanism wherein ships can plug for power (electricity from the grid or generated through renewable sources) rather than operating on diesel gensets when at the berth.

CLEAN ENERGY. ABB India is establishing the first shore-to-ship power supply for Tuticorin port. The facility is available at two berths

This will not only save fuel but also reduce vessel emissions within the port area.

REGULATORY ALIGNMENT

"As per the Electricity Act 2003, commercial power transmission, distribution, and trading is not permitted by any entity other than discoms. So, the Ministry of Ports, Shipping and Waterways (PSW) has to align with the Power Ministry to allow ports to engage in commercial power distribution," a Ministry official in the know told *businessline*.

The Directorate-General of Shipping (DGS), an autonomous institution under the Ministry of Ports, Shipping and Waterways, issued 'Standard Operating Procedures: Shore Electric Power Supply to Ships in Indian Ports' in May 2018.

The guidelines were "applicable for ships with power demand up to 150 KW" (small and medium-sized ships). The plan is to make it mandatory in a phased manner across all ports and for all vessels calling at those ports.

A set of interim guidelines for the safe operation of Onshore Power Supply (OPS) in ports covering the ship-shore interface requirements was issued by the DGS in April 2024.

TRANSITION PLANNING

Similarly, detailed technical discussions are being suggested across stakeholders, including the Directorate-General of Shipping, the Indian Ports' Association, the Power Finance Corporation, and others.

This collaborative effort aims to finalise the modalities for a scheme that the NBFC (in this case, PFC) can fund. This, incidentally, is a high-investment venture.

Plug-and-play into power sources would require the right fitments at the shore-end and ships. This would mean the need to issue detailed guidelines, allowing a transition window.

Also proposed is the need for funding a pilot programme to be rolled out in select ports, and the model can then be replicated on a larger scale.

ABB India is establishing the first shore-to-ship power supply for Tuticorin port. This facility is available at two berths of the port, a testament to the project's feasibility and potential for success.

Under the Ministry's 'Harit Sagar - Green Port Guidelines,' the first phase, which covers switching port crafts (pilot boat, tugs, and so on) to electrical power or green power, was initiated in 2023. Plans are afoot to introduce green fuel-enabled vessels for the Coast Guard, Navy, and other small vessels in 2024.

Major ports see 4% traffic growth in Q1FY25, led by coking coal imports

VOLUMES UP. Coking coal imports stood at 15.83 mt for April-June, up 6 per cent, from 14.9 mt in the year-ago period

Abhishek Law
New Delhi

Cargo handling, including container traffic movement, across India's major ports has seen a 4 per cent rise y-o-y to 209 million tonnes (mt) in April-June of this fiscal, primarily due to higher coking coal imports and an increase in container handling. In the year-ago quarter, traffic across the 12 ports stood at 200.55 mt.

Traffic was up 6 per cent sequentially in June at 69 mt, compared with May, when it was 64.69 mt, according to data from the Indian Ports Association accessed by *businessline*.

India has 12 major ports: Kolkata, Paradip, Vizag, Ennore, Chennai, VO Chidambaranar, Cochin, New Mangalore, Mormugao, Mumbai, JNPA, and Deendayal port.

Coking coal imports stood at 15.83 mt for the April-June period, up 6 per cent, from 14.9 mt in the year-ago period. Paradip Port saw the highest coking coal shipments at 4.3 mt.

Container cargo movement saw an over 5 per cent rise in tonnage while in terms of TEUs (twenty equivalent units), the segment saw a 9 per cent rise quarter-on-quarter.

Iron ore exports decreased by 2.25 per cent due to a reported slowdown in China, the primary buyer. Shipments fell to 13.6 mt for April-June 2024, compared with 13.9 mt during the same period last year.

Interestingly, finished fertilizer imports saw a major decline, down by over 31 per cent to 1.74 mt.

PORT-WISE BREAK-UP

Per data, three ports — Kolkata and Haldia dock systems, which together come under the Syamaprasad Mookerjee Port, New Mangalore and Mormugao witnessed a drop in cargo traffic.

In the case of Kolkata dock, the decline was about 10 per cent or 3.6 mt compared with 4.0 mt in the year-ago period. For the Haldia dock, there was over 6 per cent y-o-y decline, or 10.6 mt for April–June, compared with 11.3 mt in the year-ago period.

For New Mangalore, the cargo traffic was at 10.8 mt, down 4.5 per cent. In the year-ago period, the cargo handled was 11.3 mt.

In Mormugoa, traffic was down 4.7 mt, 6 per cent y-o-y as against the year-ago period when it was 5 mt.

Amongst other ports, Vizag saw the highest increase in cargo traffic handled — up nearly 9 per cent for Q1FY25 — whereas Chennai saw an over 8 per cent increase in cargo handling.

Heavy rainfall in Mumbai causes widespread disruption; NDRF on alert

Aroosa Ahmed
Mumbai

Heavy rainfall threw routine life out of gear in Mumbai on Monday, with the city recording over 300 mm of rainfall in six hours resulting in disruptions in the city's local and outstation trains and flights.

The State government declared a holiday for schools in Mumbai, Singhurdurg, and Ratnagiri districts due to heavy rainfall on Monday.

Heavy rainfall with high tides resulted in flooding in the city. In Mumbai, Govandi recorded the highest rainfall at 315.6 mm; Chakala recorded 278.2 mm, Andheri 292.2 mm, and Powai recorded 314.5 mm rainfall.

Local train services on the fast railway line corridor of the Central Railway between Chhatrapati Shivaji Maharaj Terminus (CSMT) and Thane were suspended temporarily due to waterlogging on the tracks and were later restored and operated at restricted speed. Harbour railway train services were also suspended due to waterlogging at Chunabhatti railway station.

"Heavy rain of about 300 mm from 00.00 hrs to 06.00 hrs on 08.7.2024 caused water logging at various places on Mumbai Division of Central Railway, resulting in disruption of train services. All the Mail Express trains that were stranded because of heavy rain and water logging at various locations have reached their destinations," mentioned a statement from Central Railway.

IMPACT OF DELUGE. Water filled the tracks at Chunabhatti station on the Harbour line of the Central Railway. Mumbai city recorded over 300 mm of rainfall in a six-hour period EMMANUAL YOGINI

The International Airport suspended its runway operations temporarily due to harsh weather. "Inclement weather at Chhatrapati Shivaji Maharaj International Airport (CSMIA), Mumbai, on 8th July 2024, led to the temporary suspension of runway operations from 02:22 hrs to 03:40 hrs. CSMIA has deployed airport personnel across the terminals to support passengers and provide them with necessary assistance. As part of our commitment to passenger safety and comfort, CSMIA has also made provision for additional seating and water for passengers. The airport is also in close contact with local authorities. We request passengers to connect with their respective airlines and check the schedule before arrival at the airport. The safety and well-being of our passengers, employees, and partners remain our top priority," stated Mumbai International Airport Ltd.

The Maharashtra government adjourned both houses of the legislature as members could not reach Vidhan Bhavan due to heavy rainfall. The Brihanmumbai Electric Supply and Transport (BEST) diverted buses on nearly 40 routes throughout the city due to waterlogged roads.

DISASTER RESPONSE

The National Disaster Response Force has been deployed in the Ghatkopar and Kurla areas of Mumbai and Maharashtra, including Thane, Palghar, Raigad, Ratnagiri, Satara, and Sindhudurg.

The India Meteorological Department (IMD) has predicted moderate spells of rainfall in the city and suburbs in the next 24 hours.

SC dismisses plea opposing HC decision on retro implementation of Benami Act

Shishir Sinha
New Delhi

The Supreme Court has dismissed a Special Leave Petition (SLP) filed by the Income Tax Department against the Delhi High Court's decision to disallow retrospective applicability of the Benami Transactions (Prohibition) Amendment Act, 2016.

The High Court's decision followed a Supreme Court ruling on August 23, 2022 (Union of India vs Ganpati Dealcom).

LAW OVERTURNED

In the August 2022 decision, a three-judge Bench led by the then Chief Justice of India, NV Ramana had declared "unconstitutional and manifestly arbitrary" amendments introduced in the benami law in 2016, which apply retrospectively and can send a person to prison for three years even as it empowers the Centre to confiscate "any property" subject to a benami transaction.

The Tax Department filed a review petition against the 2022 ruling, which is pending before the Chief Justice of India

The Tax Department filed a review petition against the 2022 ruling, which is pending before the Chief Justice of India.

The Tax Department used this in its argument against another assesses in the High Court.

The High Court dismissed the plea.

The Tax Department then moved the apex court but did not get a ruling in its favour from the division bench of Justices B V Nagarathna and Dipankar Datta.

According to Amit Maheshwari, Tax Partner, AKM Global, the bench held that amended Benami proceedings cannot apply retrospectively and accordingly, prosecution and forfeiture action was invalidated.

The High Court had followed the Supreme Court's judgments in the Ganpati Dealcom Case.

Calling the August 22 judgment a "breakthrough", Maheshwari said it had brought much-needed clarity to the cases where benami proceedings were initiated against parties for the transactions entered before the benami law amendment.

"The consistent stand of the Supreme Court against retrospective applicability of the amended benami law is a major blow to the tax department."

"The tax department has all eyes set now on the final decision on the review petition," he said.

MahaRERA penalises over 600 housing projects for non-compliance with advertising regulations

Janaki Krishnan
Mumbai

The Maharashtra Real Estate Regulatory Authority (MahaRERA) has taken *suo motu* action against 628 housing projects across the State for not displaying registration number as well as QR code in the advertising materials.

Collectively, these projects have been penalised ₹88.9 lakh, of which ₹72.35 lakh has been recovered so far.

Of the total projects, 312 projects in the Mumbai region, 250 in the Pune region and 66 in the Nagpur region.

The Mumbai region includes Mumbai, Mumbai suburban, Thane, Nashik and Konkan. The 312 projects faced penalties of ₹54.25 lakh, of which ₹41.5 lakh has been recovered. The Pune region covers Pune city, western Maharashtra and Marathwada.

Here, action was initiated against 250 projects with the consolidated penalty amount of ₹28.30 lakh, of which ₹24.75 lakh has been recovered.

There were 66 projects in the Nagpur region, comprising all the districts of Vidarbha. A total of ₹6.35 lakh penalty was imposed on the violators and ₹6.1 lakh has been recovered so far.

REGULATOR'S APPEAL

To keep one's investments secured, MahaRERA appeals to homebuyers not to engage in transactions with housing projects without the mandatory RERA registration number.

"Promoters of housing projects are not permitted to advertise their projects without a MahaRERA registration number. Starting August 1, 2023, it is also mandatory to display a QR code with every advertisement. This enables homebuyers to access project related important information," said MahaRERA Chairman Ajoy Mehta. "Despite this, some developers are violating these guidelines. Therefore, MahaRERA is always on the lookout for such advertisements and regularly initiates action against the violators," he added.

For effective implementation of guidelines and to identify violators, MahaRERA takes assistance from the Advertising Standards Council of India (ASCI).

As per RERA, it is binding for any project in Maharashtra that exceeds 500 sq m or involves more than eight apartments (including plots) to be registered with MahaRERA. No marketing activities or sales in such housing projects are permitted without securing registration number from the MahaRERA.

Bhavish Aggarwal nudges developers to shift from Google Maps to Ola Maps

Press Trust of India
New Delhi

Ola founder and CEO Bhavish Aggarwal on Monday nudged Indian developers to shun Google Maps and wooed them with one-year free access to Ola Maps, as the noted tech entrepreneur highlighted how its in-house navigation tool is "outperforming" rivals on key metrics.

Aggarwal's latest post offering sweeteners for Indian developers to try out Ola Maps comes within days of his announcement that Ola has exited Google Maps and shifted to its in-house navigation tools and technologies for cab operations.

The top honcho of Ola who has in the past championed the cause of India's digital sovereignty argued that the Western apps to map India have been used for "too long".

"After #ExitAzure, it's time for Indian developers to #ExitGoogleMaps! 1 YEAR FREE access to all developers to Ola Maps on @Krutrim, more than ₹100 crore in free credits!" he wrote in the X post.

He claimed that the in-house tool is outperforming competitors on location accuracy, search latency and other key metrics.

Ola founder and CEO Bhavish Aggarwal

ONDC hits a milestone of 10 million transactions in June: Report

Our Bureau
New Delhi

The Open Network for Digital Commerce (ONDC) achieved a milestone of 10 million monthly transactions in June, according to a report by Equirius Securities.

The report noted that ONDC's non-mobility segment transactions were pegged at 6.1 million and have been rapidly growing by over 46 per cent quarter-on-quarter.

The network said during the recently concluded T20 World Cup finals, in which India emerged victorious, the network saw transactions of 3,74,000 orders in a single day.

SURGING SALES. During the recently concluded T20 World Cup finals, the network saw 3,74,000 orders in a single day

"ONDC has been adding one million transactions per month in the past two months, showcasing strong growth. The bulk of this incremental growth has been supported by the retail segment, with non-mobility orders crossing 6 million transactions in June 2024 compared with 3.6 million in March 2024. The mobility transactions have declined to 3.9 million from 4.1 million in March 2024," the report added.

CREDIT SOLUTIONS

It was also noted that ONDC has done pilots for consumer loans and will focus on the B2B loan segment. "ONDC is poised to integrate leading banks such as HDFC Bank, IDFC First Bank and Karnataka Bank, along with fintech firms like Fibe, to extend credit services to underserved regions. This strategic integration will enable participating banks to offer unsecured personal loans and GST-based invoice loans to small merchants and retailers in financially underserved areas across India. In addition to consumer loans, ONDC plans to introduce B2B credit services, offering large loans ranging from ₹1-1.5 crore," the report added. The network is also looking to onboard partners to offer small-ticket, short-tenure loans to farmers and merchants. ONDC is expanding into insurance and is expected to expand into the mutual funds space too, it added.

Referring to a recent blog on ONDC, the report further noted that the network has indicated that it will begin levying a small user charge on each transaction sometime during FY25. It has also been cutting order volume-linked financial incentives for network participants. "We consequently believe there is a high likelihood of ONDC stakeholders at earning revenues for orders starting from the second half of FY25," the report added.

CHENNAI
businessline.
TUESDAY - JULY 9 - 2024

QUICKLY.

Roshni Nadar gets France's top civilian award

New Delhi: HCL Technologies on Monday said its chairperson Roshni Nadar Malhotra has been conferred with France's highest civilian award, the Chevalier de la Légion d'Honneur. The 'Knight of the Legion of Honour' recognises her contributions to business and sustainability. PTI

Paramount & Skydance to merge, ending Redstone era

Los Angeles: Skydance Media and Paramount Global agreed to merge, the companies announced late on Sunday evening, opening a new chapter. The deal represents the end of an era for the Redstones, whose late patriarch, Sumner Redstone, transformed the family's chain of drive-in movie theaters into a media empire. REUTERS

Despite telecom PLI, imports 7x more than exports in FY24

WIDENING GAP. Imports stood at ₹1,46,000 crore and exports at ₹20,000 crore

Ayushi Kar
Mumbai

India's imports of telecom products exceeded its exports by seven times in FY24. According to the data provided by the Department of Telecommunications, India imported telecom products exceeding ₹1,46,000 crore in the last fiscal year, while export of telecom products was valued at approximately ₹20,000 crore during the same period.

In fact, India's export of telecom goods has been falling for the last three years according to DoT's data.

In FY22, when the Centre announced a production linked incentive scheme for telecom products, India had exported telecom goods exceeding ₹60,000 crore. However, two years on, exports have been reduced to a third.

PROJECT COVERAGE. The telecom PLI scheme has 42 beneficiaries, to whom the Centre has committed a total outlay of ₹4,115 crore

DoT's telecom PLI scheme has 42 beneficiaries, to whom the Centre has committed a total outlay of ₹4,115 crore. It is now in its third year of implementation; however import of telecom goods has only risen marginally in the interim three years.

IMPORT DATA

According to DoT's data, India imported telecom goods worth ₹1,22,000 crore in FY22, this rose to ₹1,36,000 crore in FY23 and to approximately ₹1,46,000 crore in FY24. Prior to the elections, the outgoing Minister of Communications Ashwini Vaishnaw called the Centre's Make in India initiative a resounding success, noting that top equipment manufacturers like Nokia and Ericsson are making 90 per cent of their equipment in India.

Experts had hoped that the opening of telecommunication standards through OpenRAN would further democratise the manufacturing of telecom goods, by allowing smaller players to enter the fray as well.

Telecom operators like Reliance claim that they are deploying "Made in India," network equipment in their 5G network.

However, as per DoT's data, the trade deficit for telecommunications and network equipment has only risen in the last two years.

France faces coalition puzzle after left-wing surge in polls

Reuters
Paris

CELEBRATION TIME. French far-left Opposition party La France Insoumise and the alliance of left-wing parties, called the Nouveau Front Populaire (New Popular Front), at Place Stalingrad in Paris REUTERS

French President Emmanuel Macron on Monday asked his Prime Minister to stay in the role for now, pending what will be difficult negotiations to form a new government after a surprise left-wing surge in elections that delivered a hung parliament.

The leftist New Popular Front (NFP) emerged as the dominant force in the National Assembly after Sunday's election, thwarting Marine Le Pen's quest to bring the far right to power. However, with no single group securing a working majority, the outcome heralded a period of political volatility just before the Paris Olympics and raised uncertainty among investors about who would run the euro zone's second largest economy.

TOUGH TASK

"It's not going to be simple, no, it's not going to be easy, and no, it's not going to be comfortable," Green party leader Marine Tondelier told *France Inter* radio. "It's going to take a bit of time."

The range of possibilities include the NFP forming a minority government or the cobbling together of an unwieldy coalition of parties with almost no common ground. Prime Minister Gabriel Attal, a centrist and close ally of Macron, tendered his resignation but the head of state rejected it. "The President has asked Gabriel Attal to remain Prime Minister for the time being in order to ensure the country's stability," Macron's office said in a statement. A fragmented Parliament will make it hard for anyone to push through a domestic agenda and is likely to weaken France's role in the European Union and further afield. The left won 182 seats, Macron's centrist alliance 168 and Le Pen's National Rally (RN) and allies 143, Interior Ministry data cited by *Le Monde* newspaper showed.

The NFP, hastily assembled for this election in an attempt to unify the left-wing vote against the far right, has no single leader and did not say before the election who would be its pick for Prime Minister.

DPOs can offer discounts up to 45% on TV channel bouquets; cap on NCF removed

Meenakshi Verma Ambwani
New Delhi

In a bid to reduce regulatory mandates and enable consumers to get more attractive offerings, the Telecom Regulatory Authority of India (TRAI) has brought in amendments in the regulatory framework for broadcasting and cable sector. Under the amendments in the tarrif order for the sector, the regulator has allowed Distribution Platform Operators (DPOs) to offer higher discounts for TV channel bouquets to consumers, has done away with the ceiling on network capacity fee (NCF) and has made it mandatory to declare free-to-air channels.

DPOs include direct-to-home players, multi-system operators and cable TV operators. They had been urging the regulator to make changes in the regulatory framework for some relief amid intensifying competition.

The regulator said that DPOs will be permitted to offer discounts upto 45 per cent while forming bouquets of TV channels, in a bid to give service providers' flexibility to offer more attractive deals to consumers. Earlier this discount was capped at 15 per cent. It also said that ceiling of ₹130 for 200 channels and ₹160 on more than 200 channels have been removed on network capacity fee (NCF) and is "kept under forbearance" to make it market forces driven.

FREE-TO-AIR

This will enable DPOs to potentially be able to charge lower NCF to woo consumers. "Service provider may now charge different NCF based on number of channels, different regions, different customer classes or any such combination," TRAI stated. At the same time, it said that DPOs will need to ensure all such charges are published, communicated to the consumers as well as reported to TRAI.

MORE OPTIONS. TRAI's move is believed to give service providers' flexibility to offer more attractive deals to consumers

In a bid to ensure level-playing field, TRAI also said that a pay channel available at no subscription fee on the DTH platform of the public service broadcaster has to be declared as "free-to-air" for all the addressable distribution platforms. DPOs have also been mandated to declare tariff of their platform services.

In terms of quality of service regulations, TRAI has also decided to keep charges of services such as installation, activation, relocation, temporary suspension among others under "forbearance". "DPOs have to publish the charges of their services for clarity and transparency to consumers. Duration, Term and Validity of all prepaid subscriptions will need to be specified in number of days for greater clarity to the consumers," TRAI added.

TRAI said all these amendements in the regulatory framework will "provide flexibility to the service providers to adopt a market driven approach while safeguarding the interest of the consumers and small players through transparency, accountability and equitability."

Xiaomi to ship 70 crore devices in India over next ten years

Jyoti Banthia
Sanjana B
Bengaluru

Smartphone giant Xiaomi aims to ship around 70 crore devices in the country in the next decade, said Muralikrishnan B, President at Xiaomi India.

"We aim to be the largest telecom ecosystem not just globally, but also in India. When I look ahead at the next 10 years of India and Xiaomi India, it is a decade of opportunity and impact," said Murali.

Currently, the company says it has shipped 35 crore devices in India, which includes 25 crore smartphones.

Globally, the smartphone major spends five per cent of its total revenue on R&D.

The company is looking to add more products to its current portfolio that are manufactured in India. In terms of the non-semiconductor BoM (bill of materials) of the phone, which currently stands at 35 per cent, will become 55 per cent by the end of 2025.

"Over the next two years, with our strategy to broaden and deepen the company localisation ecosystem, we expect that number to go up," he said.

Muralikrishnan also explained that the trend of premiumisation has impacted the downstream price segments, including entry-level and mid-range smartphones, elevating the average selling price of smartphones from ₹8,800 in 2014 to ₹20,800 in 2024.

Wireline subscriptions surge 50% between 2022 and 2024

Our Bureau
Mumbai

Thanks to the uptake of broadband services, wireline connections are back in vogue. According to subscription data provided by the Telecom Regulatory Authority of India (TRAI), the number of wireline subscribers have grown by nearly 50 per cent over the last two years to 33.79 million as of March 2024 from 24.84 million in March 2022. Wireline connections are largely used to provide landline telephony and fixed-line broadband services.

LAUNCH OF 5G

Experts believe that growth in wireline subscription numbers comes from the fact that hybrid work has become a norm in the post-Covid era, which means that more and more households need to have fixed-line broadband services. What is interesting about this trend, however, is the fact that this increase in the pace of growth in wireline services coincides with the launch of 5G services.

One of the first use cases of 5G is the provision of home broadband using wireless services or fixed wireless access. Jio launched mm-wave 5G home broadband services called Jio Air Fiber approximately a year ago – however, despite the launch of these services, it appears that most consumers continue to prefer wireline broadband connectivity. According to TRAI, wireline subscribers increased from 31.84 million at the end of Dec-23 to 33.79 million at the March 24 end with a quarterly growth rate of 6.12 per cent.

ICAI, MeitY will join hands to develop 'AI Audit Tool' to track corporates

KR Srivats
New Delhi

The CA Institute has initiated talks with the Ministry of Electronics and Information Technology (MeitY) to jointly develop an 'AI Audit Tool' to track performance of corporate India and detect corporate frauds, its President Ranjeet Kumar Agarwal has said.

The new tool will leverage artificial intelligence (AI) to guide and assist companies in remaining as 'going concerns', Agarwal added.

After assuming charge as ICAI President, Agarwal had announced that CA Institute would during his Presidency focus on 'AI in ICAI'. "I have recently written to MeitY Secretary Krishnan with a proposal to jointly develop AI Audit tool," Agarwal said.

The AI tool will used to track performance of company, fraud reporting or any qualification. "How we can guide and assist in companies remaining as going concerns. There are so many areas where both of us (ICAI and MeitY) can be together," he said.

Ranjeet Kumar Agarwal, ICAI President

STUDENTS' AI TOOL

ICAI has till now allocated ₹ 25 crore for building AI tools for benefit of over 9 lakh students and 4 lakh members. Agarwal also said that plans are afoot to increase the AI budget to ₹ 100 crore.

Agarwal also said that CA Institute is now set to handover new AI GPT tool to its over 9 lakh students. This tool will help these students in improving their preparations for the CA exams.

"For instance, the AI-based GPT tool will include examination questions of the last 75 years and the year it was asked so that students can do deep research. For instance, a student can check with GPT as to how many times in last 75 years had ICAI asked a question on a particular accounting standard. Answers will come out in the GPT in less than two minutes," Agarwal said.

Similarly for ICAI's 4 lakh members, a new AI tool is being developed to help access financial statements of the 17.06 lakh companies.

Air India completes harmonisation of manuals for merger

Our Bureau
Mumbai

Tata group airlines have completed harmonisation of operating manuals thus reaching an important milestone in the merger of four airlines into two. While Vistara is being merged into Air India, AirAsia India (AIX Connect) will merge into Air India Express. The airlines have separate operating manuals for cabin crew and pilots and the Directorate General of Civil Aviation has now approved harmonisation of these manuals.

"Over the last 18 months, a team of more than 100 members have worked to align on the best practices and adopt common operating procedures. The result of this will be two separate manuals for the full-service carrier and the low-cost carrier," Air India said on Monday. "This is an important milestone in the merger of the Tata Group airlines and we are grateful for the support received from the Ministry of Civil Aviation in terms of timely clearances for the merger process," said Campbell Wilson, Chief Executive Officer and Managing Director. The airline has also initiated training of its pilots and crew to familiarise themselves with new procedures.

Campbell Wilson, Air India CEO

Bengalureans fret over shooting price of beans

Prices have skyrocketed over the last four months to over ₹200 a kg

Sanjana B
Aishwaraya Kumar
Bengaluru

Ever found yourself delaying plans to whip up a delicious *hurali kayi palya* or *sambar*? You're not alone. In Bengaluru, the beloved bean is becoming a luxury as prices have skyrocketed over the last four months to over ₹200 per kg. Integral to traditional Kannadiga meals, beans are essential for *palyas*, *sambars* and *upmas*, leaving many kitchens feeling incomplete without this versatile ingredient.

Uma, a resident of Rajarajeswari Nagar, said, "We use beans very frequently to prepare our usual dishes. With the prices going up, we'll need to find alternatives, affecting our daily expenses." "We hope prices stabilise soon," she said, echoing the sentiments of many across Bengaluru. The surge in prices, which typically rises during summers, has persisted for five consecutive months, with prices ranging from ₹180 to ₹200 per kg on online platforms. Bigbasket offers French beans at a discounted ₹248 per kg, down from a recent high of ₹339, while Swiggy Instamart and Blinkit list beans at ₹43 per 250 grams (approximately ₹172 per kg).

Apart from the high retail prices, thing are only slightly better in wholesale markets. Sayed, a vendor at Shivajinagar market, noted, "Beans were selling for ₹240 per kg due to crop losses from heat and increased exports. However, recent abundant rainfall has lowered prices to ₹140 per kg, with further declines expected."

ON THE BOIL. The prices of beans rose due to crop losses from the heatwave. However, with recent monsoon showers, the prices are expected to fall

DECLINE AHEAD

Prakash Kammardi, former chairperson of the Karnataka Agriculture Price Commission, explained, "Bean cultivation is region and season-specific. Climate change, such as droughts and excess rainfall, disrupts supply unpredictably." He added, "Rising prices of substitutes drive demand for relatively cheaper alternatives, exacerbating supply-demand imbalances and price hikes."

Looking ahead, Swaroop Reddy of the Bhartiya Kisan Sangh anticipates a gradual decline in prices. "Farmers faced higher costs planting beans before heavy rains," he said. "With recent monsoon showers, prices should decrease in the next 10-15 days." The fluctuating prices, currently ranging from ₹180 to ₹220 per kg in retail and online markets, reflect supply challenges exacerbated by crop losses in Kolar district - from where Bengaluru gets most of its supply - and surrounding areas, due to heat.

Organisations see potential in GenAI but are wary of security threats: Report

KV Kurmanath
Hyderabad

Generative AI has generated huge interest among organisations. While some of them have already deployed GenAI solutions in certain functions, others are weighing the options.

A survey by Forrester Consulting, commissioned by exposure management solutions company Tenable, Inc, showed that as many as 73 per cent of organisations in the country are planning to tap GenAI's potential in the next one year. However, only 8 per cent of them said they were confident of effectively implementing GenAI technologies. "They are planning to deploy GenAI solutions for enhancing security measures and align IT objectives with their broader business goals," the survey said.

The online survey included 826 IT and cybersecurity professionals in countries like Australia, Brazil, France, Germany, India, Mexico, Saudi Arabia, Japan, the UK and the US. As many as 52 respondents were from India.

The research threw light on the growing adoption of Generative AI within Indian businesses, marking a significant pivot in their strategic focus. It reveals a sense of hopeful anticipation among security leaders regarding the capacity of GenAI to enhance security measures.

CONCERNS LINGER. Only 8% of the respondents said they were confident of effectively implementing GenAI technologies

ROADBLOCKS

The survey identified two major roadblocks that confronted Indian organisations — a lack of technological maturity (71 per cent) and uncertainty about the applicability of AI within their operations (54 per cent).

"Despite the rise of AI, many Indian businesses are still developing their technology maturity and often lack the resources or skills needed to properly create, train, and implement AI, as well as maintain high standards of data governance," Nigel Ng, Senior Vice-President, Tenable Asia Pacific and Japan, said.

However, several organisations apprehend security threats. Over 40 per cent of the respondents in India perceive GenAI as a greater security threat than as an opportunity.

"This sentiment reflects widespread apprehension regarding cybersecurity risks associated with GenAI implementation. Internal misuse of GenAI emerges as a prominent concern, with 67 per cent of respondents expressing worry about potential misuse within their organisations," the report said. "Over 60 per cent of respondents say that providing sensitive data to open-source GenAI puts them at risk of intellectual property theft," it said.

Company	Prev	Close	Open	High	Low	Qty	52 WH	52 WL	PE	BSE Cl
20 Micron [5]	224.72	223.75	229.99	229.99	221.40	223.96	234.10	90.00	15	224.85
360OneWam	964.70	981.40	1034.95	1034.95	970.00	776.00	1065.00	475.00	-	-
3IInfotech	40.21	40.42	40.40	42.59	40.17	4011.96	63.90	30.25	-	-
3m India	38768.10	39294.70	38629.00	39398.45	38370.00	7.14	40726.75	26650.00	83	39337.00
5PaisaCap	501.00	496.00	502.50	504.00	495.00	42.08	759.10	385.00	30	496.20
63MoonsTec [2]	361.15	353.80	361.90	365.80	352.00	90.67	688.80	220.55	5	352.15
A										
AadhrHsg&Fin	435.35	431.80	437.20	443.00	430.05	510.74	447.55	292.00	-	-
Aarti Drug	554.45	552.05	561.00	563.20	550.10	262.14	645.00	430.00	36	552.55
Aarti Ind [5]	721.90	708.40	721.90	725.75	703.80	816.24	769.50	438.05	62	708.95
AartiSurfact	699.55	697.00	704.50	707.45	688.00	27.47	810.00	548.15	-	-
AavasFinance	1779.05	1797.15	1779.00	1805.00	1760.00	159.79	1978.25	1307.10	29	1797.70
AB Money [1]	166.90	161.66	167.00	168.80	160.70	272.63	183.40	59.36	17	161.80
AbansHolding	494.65	506.20	490.65	507.85	482.25	134.69	509.90	258.25	-	-
ABB India [2]	8679.40	8559.55	8700.00	8700.00	8492.00	161.30	9200.00	3847.50	124	8558.85
Abbott	27823.45	27921.70	28099.50	28099.50	27579.10	6.98	29628.15	21907.45	49	27893.80
ABBPowerPro	14019.55	13756.15	13900.00	14123.90	13700.00	40.34	14382.00	3895.90	-	-
ABCapital	236.01	230.93	236.01	237.04	230.42	3281.21	246.95	155.00	84	230.85
ACC	2669.50	2673.05	2670.10	2708.25	2661.50	359.43	2843.00	1763.25	24	2674.80
AccelyaKal	1852.60	1851.95	1879.80	1880.05	1815.00	25.18	2128.25	1281.00	24	1854.75
Action Con [2]	1492.30	1461.05	1497.45	1498.00	1456.00	313.35	1693.05	571.50	53	1461.05
AdanEnergSol	1012.65	998.40	1010.00	1019.95	994.70	757.66	1250.00	686.00	-	-
Adani Ports [2]	1500.45	1475.30	1496.00	1501.05	1469.00	2177.82	1607.95	708.00	156	1475.70
ADANI POWER	708.90	698.05	709.90	712.55	693.00	3315.41	896.75	235.70	14	697.95
AdaniEntprs [1]	3147.90	3113.60	3147.90	3158.20	3075.00	1155.11	3743.00	2142.30	127	3112.50
AdaniGreenEn	1754.30	1756.45	1759.95	1765.45	1729.00	490.89	2173.65	816.00	-	1754.60
AdaniTotlGas	891.05	883.65	894.05	899.00	882.00	765.39	1259.40	522.00	-	-
AdaniWilmar	332.90	339.30	344.95	347.00	338.10	2850.29	422.70	285.80	-	-
ADF Foods [2]	232.94	229.21	233.21	234.75	228.02	190.75	262.45	178.55	32	229.00
AditBirSunLf	659.55	661.25	663.00	669.00	645.85	470.09	701.90	366.00	-	-
AdityaBirFas	327.65	322.25	328.70	329.65	321.30	3705.97	339.35	193.05	-	322.30
Ador Weld	1430.20	1404.25	1430.20	1442.50	1388.15	17.75	1770.00	1022.45	30	1406.25
AdvancedEnz[2]	399.20	390.60	401.40	404.40	387.40	191.96	425.10	280.00	35	390.75
Advani Hot [2]	71.27	70.33	72.00	72.00	70.00	97.54	90.00	39.50	26	71.34
AEGIS LOGIST	922.00	926.75	927.95	937.50	895.30	388.47	937.50	280.00	-	-
AeroflexInd	159.16	157.31	159.30	160.00	156.54	418.63	196.35	115.00	-	-
AetherIndust	917.30	908.75	912.10	925.00	901.00	41.23	1110.00	761.55	-	-
Affle(India) [2]	1339.40	1368.40	1348.70	1426.25	1345.00	1222.28	1426.30	990.00	252	1369.50
Agarwal Inds	1229.25	1196.25	1242.00	1259.25	1187.95	84.24	1297.00	603.95	36	1197.25
AgiGreenpac	924.55	889.70	930.50	935.60	879.00	891.75	1089.00	573.00	-	-

Company	Prev	Close	Open	High	Low	Qty	52 WH	52 WL	PE	BSE Cl
NestleIndia [1]	2574.15	2603.40	2574.15	2620.00	2561.45	724.28	2770.75	2145.28	79	2603.30
NetwebTecInd	2641.60	2685.65	2670.00	2760.00	2650.05	177.44	2771.95	738.60	-	-
Netwk 18 [5]	85.67	84.84	87.00	88.50	84.28	1255.11	136.20	57.09	-	84.85
Neuland	7777.50	7704.00	7721.00	7895.00	7651.55	13.09	8080.00	2871.40	33	7662.30
NewgenSwTech	954.85	944.50	934.40	954.85	931.00	146.96	1057.90	302.95	56	945.45
NglFineChem	2466.85	2428.20	2482.00	2482.00	2380.20	4.40	2823.90	1728.10	-	-
NHPC	103.82	103.62	104.50	106.70	103.25	69792.08	117.80	44.87	28	103.65
NIIT [2]	117.14	116.44	117.14	120.80	115.47	1808.62	154.63	77.06	44	116.40
NIITLearnSys	468.55	458.60	468.55	473.15	454.95	60.81	576.90	342.30	-	-
Nila Infras [1]	12.69	12.65	12.94	13.29	12.52	1560.02	14.60	4.93	-	12.64
Nilkamal	1960.50	1916.85	1961.30	1975.20	1915.00	25.39	2800.00	1700.00	28	1915.30
Nippo Bat [5]	580.35	603.85	589.05	610.00	579.45	98.47	856.00	385.05	68	599.25
NipponLIAM	658.20	667.45	652.05	675.00	652.05	1108.58	678.30	285.10	-	-
NirajCement	52.78	51.13	52.99	52.99	50.81	74.41	55.80	36.20	-	-
Nitco	76.84	76.73	76.84	79.00	75.70	169.73	89.06	16.85	-	76.39
Nitin Spn	363.75	363.75	364.35	370.20	360.75	118.71	395.00	225.00	16	360.80
NLC India	261.43	269.20	268.75	275.30	264.17	15495.82	293.60	105.85	20	268.95
Nmdc [1]	252.28	250.13	253.19	253.40	249.50	8898.45	286.35	106.40	13	250.05
NMDCSteel	57.46	57.62	57.50	58.65	57.33	7145.05	73.70	39.15	-	-
Nocil	306.40	302.15	306.80	307.80	299.80	1126.47	311.25	204.25	38	301.95
NovaAgritech	67.09	71.30	67.61	73.41	65.55	9811.88	77.20	45.00	-	-
NRAgarwalInd	505.75	502.05	519.45	530.40	498.20	30.50	548.00	269.00	-	-
NRB Bear [2]	344.60	335.70	345.35	347.00	333.95	278.12	400.75	210.75	38	335.90
NTPC	379.80	377.45	380.85	381.25	376.15	8898.30	395.00	184.75	21	377.55
Nucleas Sw	1418.60	1390.75	1410.00	1424.95	1386.10	27.67	1830.00	960.85	23	1394.35
NupurRecycle	94.47	97.38	98.40	100.75	96.75	742.01	149.00	68.05	-	-
Nureca	282.40	282.20	283.95	286.00	280.20	23.10	468.80	240.00	-	-
NuvamaWealth	4769.55	4715.45	4769.95	4830.00	4675.00	35.46	5500.00	2100.00	-	-
NuvocoVistas	372.95	362.40	372.95	376.00	360.85	458.62	398.00	291.30	-	-
O										
Oberoi	1785.05	1723.25	1798.00	1798.00	1715.00	526.93	1952.30	1004.85	47	1721.75
OdishaCeme [2]	1858.15	1855.85	1855.00	1865.40	1843.60	169.27	2428.85	1664.20	318	1856.50
Oil India	489.50	500.05	492.90	517.95	490.05	5373.87	517.00	168.57	11	500.00
OlectrGrnTec	1823.35	1907.45	1820.00	1948.00	1819.50	4351.21	2221.95	1013.00	-	-
Omaxe	124.18	130.38	124.18	130.38	124.18	571.39	130.30	42.39	-	130.30
OMDC [1]	7392.75	7258.00	7392.75	7434.95	7219.80	13.18	8525.95	3450.00	-	7263.60
One97Communi	436.55	472.35	440.20	479.90	440.20	12698.81	998.30	310.00	-	-
OnePntOneSol	75.80	72.01	76.75	76.85	72.01	10711.47	77.20	27.85	-	-
ONGC [5]	288.20	299.15	290.00	303.00	287.35	53136.20	303.00	162.50	9	299.25
OnMobile	72.93	71.32	73.40	73.40	70.05	636.28	128.30	59.70	-	71.35
Onward Te	417.95	417.65	417.95	423.65	412.35	35.31	738.95	335.40	34	417.55

[illegible]

Exchange Traded Funds

Company	Pr Cl	NSE Cl	Vol	52 WH	52 WL	BSE Cl
[illegible]						
TATAAML-TATSILV	8.95	9.02	1004.50	10.32	6.74	-
TATAAML-TNIDETF	87.52	87.76	57.89	88.78	53.50	-
UTI Gold [1]	61.95	62.15	136.17	64.25	48.10	62.06
UTIAMC-NIF10GETF	23.53	23.61	6.92	27.30	21.60	-
UTIAMC-NIF5GETF	56.90	56.40	0.06	66.14	53.20	-
UTIAMC-NIFITETF	378.87	377.66	6.16	432.00	321.68	-
UTIAMC-NIFMID150	214.25	213.21	3.04	215.99	141.57	-
UTIAMC-SILVERETF	91.46	92.25	150.85	96.00	68.00	-
UTIAMC-UTIBANKETF	53.72	53.61	78.12	54.74	41.00	-
UTIAMC-UTINEXT50	77.89	78.06	156.57	79.70	44.85	-
UTIAMC-UTINIFT	263.70	263.76	22.38	2168.80	202.55	-
UTIAMC-UTISENS	866.39	867.52	1.04	888.00	673.02	-
UTIAMC-UTISXN50	88.76	89.01	3.92	90.97	46.88	-
ZERODHAAMC - GOLDCASE	11.68	11.69	552.15	12.78	10.00	-
ZERODHAAMC - MID150CASE	10.50	10.53	170.41	11.98	10.08	-
ZERODHAAMC - TOP100CASE	10.46	10.46	163.19	11.99	10.00	-
ZERODHAAMC-LIQUID-CASE	103.11	103.12	6901.55	106.15	98.35	-

*: Closing price is the average of trade price(s) for the last half an hour;52-Week High/Low figures pertain to BSE.

Shares of face value other than ₹10 is indicated in brackets immediately following the name of the company.

Qty (No of shares traded) is denoted in thousands.

The PE(price-earnings multiple) of each stock is based on the latest declared earnings.

The PE computation takes into account the per share earnings of each company for the latest 12 months.

BSE Stocks

Company	Pr Cl	Cl
[illegible]		
Vikaslife [1]	5.44	5.35
Vincofe	73.19	75.74
Vishal [5]	24.16	26.04
Vms Industr	43.74	44.30
Vprpl	204.85	204.15
Waareertl [2]	1922.40	2018.50
Wardinmobi [1]	59.35	58.40
Wardwizfbl [1]	8.65	8.34
Welsplsol [6]	43.80	43.86
[illegible]		
Yatharth	439.80	436.25
Zaggle [1]	295.35	292.10
Zodiac Ven [1]	16.09	16.02
Zomato [1]	207.50	207.90
Group T		
Advait	1934.95	1972.10
Agol [1]	7.89	8.28
[illegible]		

NSE Trade for Trade

Company	Pr Cl	Cl
Blueclouds [2]	224.55	213.80
Cappipes [1]	18.51	18.15
Latentview [1]	519.10	508.75
Moschip [2]	302.40	295.75
Nibe	2138.50	2190.40
Rajoo Engin. [1]	313.35	314.05
Sgmart [1]	432.65	428.90
Shilchar Tec	6246.25	6070.60
[illegible]		