

Independent directors skip red flag details while quitting

Not giving honest explanations to shareholders is a breach of the spirit of Sebi's norms

Dipali Banka & Nehal Chaliawala

BENGALURU/MUMBAI

y quitting India Gate basmati rice maker KRBL Ltd's board on 8 September over governance issues, Anil Kumar Chaudhary joined a rare group—only the 22nd independent director in six years to voice disagreements with management while resigning from a listed firm.

That rarity becomes clearer when set against the larger picture: In the same period, more than 3,100 independent directors exited the boards of more than 1,500 listed firms for reasons other than superannuation, retirement, demise, or completion of term, according to data shared by market intelligence firm Prime Database.

Most outgoing independent directors-even if they resign over governance concerns or management disputes-cite explanations like 'personal reasons' in their resignation letters.

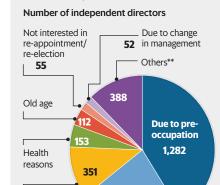
Experts say many resigning independent directors stop short of giving honest explanations to public shareholders, which is a breach of the spirit of the Securities and Exchange Board of India's (Sebi) regulations. The Listing Obligations and Disclosure Requirements Regulations of 2015 mandate that listed firms disclose independ-

ent directors' resignation lettersalong with the detailed reasons for the decision to quit—to the stock exchanges within seven days. The independent director must also confirm there are no material reasons other than those cited.

"Corporate governance issues most certainly exist in Indian corporations. However, independent directors, who are invited by companies to join their boards and also receive a fee for their services, often find it awkward to highlight lapses in their operations," said Pranav Haldea, the managing

Transparency takes a hit

Number of independent directors in NSE-listed firms, by the reason for end to their tenures*, since 2020.



and deaths. **Includes 22 cases of resignations due to management Data as of 16 Sep 2025

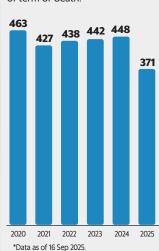
Data shows that 80% of them cited either preoccupation, personal reasons, health, or no reasons at all, for leaving in the last six years.

director of Prime Database Group.

The number of independent direct-

where independent directors resigned for reasons other than retirement, superannuation, end of term or death.

Number of companies from



Source: primedatabase.com health, they soon join the board of

ONLY 2 independent

directors, Chaudhary

and Menon, cited

another company," said Haldea. "Not all independent directors are comfortable disclosing the real reason for leaving. Many simply cite personal or health issues as the reason. It is pos-

DIRECTORS quitting

over disagreements

with management

CUT TO THE CHASE

80% of them cited preoccupation, no reasons, for leaving in the last six years

No reason stated

THOSE resigning due to personal reasons rose from 121 in 2020 to 132 by the end of 2024

ors resigning for personal reasons rose

from 121 in 2020 to 132 by the end of

2024, while those quitting due to pre-

occupation increased from 194 in 2020

"It has also been seen that while

some directors step down citing age or

to 266 in 2024, Prime Database said.

while resigning sible that a director suspects red flags, but may not have enough data points to confirm it," said Shriram Subramanian.

the managing director of proxy advisory firm InGovern Research. In one case, a director mentioned trying to contact the promoter but the

calls weren't taken for over six months, said Subramanian, citing the example of Arun Menon, who quit the board of Gensol Engineering Ltd in April.

The regulations for good corporate governance practices are adequate, but the market regulator needs to be more proactive in enforcing them when instances of poor governance arise, Subramanian said, adding that prompt actions and swift probes are essential to address such issues effectively.

In the last six years, resignations by independent directors over disagreements with management hit a high in 2022, with nine exits. Only two independent directors-Chaudhary and Menon-have cited clashes with management this year while resigning.

Chaudhary wrote in his resignation letter that "in such an operating environment where dissent is suppressed or sidelined, remaining on the board would compromise both my professional ethics and obligations as defined under Indian corporate governance codes".

The independent directors who resigned over the past six years were from 13 listed firms. In addition to those mentioned above, they included Yes Bank, Aksh Optifibre, PTC India, Prime Securities, PVP Ventures, Dhanlaxmi Bank, VIP Industries and Sabar Flex

India. In the case of VIP, Nisaba Godrej stepped down due to differences of opinion on leadership accountability and succession planning rather than outright governance issues. The stocks of eight of these 13 firms have underperformed compared to the benchmark Sensex since the day the inde-

pendent directors resigned. For instance, the KRBL stock has declined over 10% since it made Chaudharv's resignation letter public on 13 September. dipali.banka@livemint.com

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

Will GST rate cut revive small cars? The jury is still out

ayaan.kartik@livemint.com

NEW DELHI

he Indian middle-class's long-standing love affair with the humble hatchback seems to be over. Once the undisputed first car for millions, old heart-throbs such as the Maruti Alto and WagonR have been pushed aside by a new status symbol: the SUV.

The government's recent decision to slash the goods and services tax (GST) on small cars has ignited a debate within the industry: can this revive the dying hatchbacks, or have consumer tastes shifted for good?

India's top two carmakers Maruti Suzuki and Hyundai, hold opposing views. Maruti insists affordability has always been the key issue, arguing that rising safety and regulatory costs made small cars too expensive for many buyers.

Hyundai, however, believes the market has evolved beyond mere price, and that Indians now prefer the space and "aspirational status" offered by compact and micro SUVs, which are in the same tax slab.

Mint explores the two per-

spectives and what they mean for the

What defines a small car? The definition is tricky. For taxation, small cars are those

auto market.

 $under\,4\,metres.\,But\,within\,this$ band, micro and compact SUVs such as the Tata Punch, Tata Nexon, and Hyundai Venue now dominate, sidelining hatchbacks like Maruti WagonR, Alto and Renault Kwid. Numbers back this shift.

According to Autocar India data, micro SUV sales rose 20% in FY25 to 510,793 units, while compact SUVs grew 14% to 697,013 units. In contrast, hatchback sales fell 13% in the same year, slipping to nearly a million units. The government



ignored, with most of its launch plans focused on it.

has cut GST on cars below 4m from 28% to 18%, depending on engine size, with prices across hatchbacks and small SUVs ranging from ₹5-10 lakh.

Why small cars may not see a big boost from tax cut? A uniform GST cut means compact SUVs also get cheaper.

"The small SUV segment is already the biggest segment in the car industry. GST rate rationalisation, coupled with 8th pay commission, and rising customer aspirations could give a huge demand boost. The small SUV segment could see the maximum growth," Tarun

Garg, Hyundai Motor **EXPLAINER** India chief

operating officer, had said last week.

He said cars under ₹10 lakhhatchback or SUV-still make up half the market, showing demand remains strong. Garg pointed out that auto makers themselves haven't focussed on hatchback launches in the last few years. Earlier this month small car giant Maruti also noted SUVs can't be ignored, with most of its upcoming launches in that segment.

Why is Maruti Suzuki still

FY26 is likely, said Partho Ban-

erjee, senior executive officer,

JZDUSSL/CIVIL-ESTATE/2025-26/19611-15

hopeful? Maruti remains bullish. A 10% rise in small car sales in

to fall by up to 24%, Maruti believes the most cost-conscious buyers-those still on the fence-may be nudged into making a purchase. Earlier, Maruti Chairman R.C. Bhargava had said small

marketing and sales at Maruti.

With its hatchback prices set

cars will see strong sales when GST cuts kick in. The new rates come into effect 22 September.

What do the experts say? It's not just the industry, analysts are also divided on the GST cut impact on hatchbacks. Some say the segment may not be the biggest beneficiary of the move, as the preference of consumers have changed.

"We believe a decline of 2-10% for vehicle prices will stimulate both first-time and replacement demand. (But) We expect premium hatchbacks and compact SUVs to benefit the most, whereas larger SUVs/ MPVs should maintain their momentum," analysts at Kotak Institutional Equities said in a 9 September note.

However, others believe that entry-level cars will also get a boost due to more affordability. "This move is expected to revive demand in the entrylevel segment, which was gradually losing its grip in the Indian PV market," Saket Mehra, partner at Grant Thornton Bharat, said.





MADHYA PRADESH METRO RAIL **CORPORATION LIMITED**

(A Joint Venture of Govt. of India and Govt. of Madhya Pradesh) Kalibadi Road, BHEL, Sector-A, Barkheda, Bhopal-462022

ADVERTISEMENT FOR RECRUITMENT

Madhya Pradesh Metro Rail Corporation Limited (MPMRCL) a joint venture of Government of India and Government of Madhya Pradesh is implementing Bhopal Metro Rail Project & Indore Metro Rail Project in the State of Madhya Pradesh. To meet with the immediate requirement, MPMRCL invites applications for the post of

GENERAL MANAGER (FINANCE/ACCOUNTS)

This Advertisement is only indicative. The detailed vacancy notifications and particulars regarding eligibility criteria, qualification, experience, age limit, mode of selection etc. are available, in the Career sections of MPMRCL website www.mpmetrorail.com. Please refer Advt. No. 3971/HRD/ MPMRCL-071/2025, dated 17.09.2025 for more details. Last date for submission of online applications for the

notifications is 21.10.2025. M.P. Madhyam/122141/2025

MD, MPMRCL

जयपुर जिला दुग्ध उत्पादक सहकारी संघ लि. गांधी नगर रेतन स्टेशन के पास, जयपुर, ईपीएबीएक्स: 0141-2713666-69, फ्रैक्स: 0141-271375

कार्यों (1) बागवानी का रख-रखावं (2) गहन सफाई कार्यों होतु दो वर्ष की अवधि के लिए अनुभवी फर्मों / प्रतिष्ठित व्यक्ति फर्मों से वेबसाईट <u>https://eproc.rajasthan.gov.in</u> पर ई-निविदायें आमंत्रित की जाती है। निविदा का विस्तृत विवरण वेबसाईट www.jaipurdairy.com व http://sppp.rajasthan.gov.in पर उपलब्ध है। प्रबन्ध संचालक

राजस्थान राज्य तिलहन उत्पादक सहकारी संघ लिमिटेड

<u>ई-नीलामी (e-auction) आमंत्रण सूचना</u>

RIICO Industrial Area Land

तिलम संघ गंगापुरसिटी इकाई की लगभग 20984.50 वर्ग मीटर औद्योगिक भूमि मय भवनों के "जहाँ है जैसे है" आधार पर विक्रय हेतु दिनांक 07th October 2025 को निर्धारित समय के दौरान https://market.neml.in पर ई-नीलामी के माध्यम से ऑनलाइन बोली आमंत्रित की जाती है। इच्छुक बोलीदाता द्वारा नीलामी शुल्क (Bid Fee) ,बोली प्रतिभूति (Pre Bid-EMD) आदितथाअन्य शर्ते https://www.neml.in व https://www.tilamsangh.com पर पढ़ी / डाउनलोड की जा सकती है। e-auctio पोर्टल सहायता हेतु NeML प्रतिनिधि मोबाइल नम्बर 9799565250 है। राज.संवाद/सी/25/10365



Catch the latest column of



A guiz on the week's development.







50s are the new 40s: why quitting isn't on their mind

Balancing careers, savings, and personal priorities as their second innings unfolds after 50

aprajita.sharma@livemint.com **NEW DELHI**

eople in their 50s are in a particularly vulnerable phase. Layoffs in this age group are becoming common, and with companies reluctant to hire them back, quinquagenarians face heavy responsibilities - funding children's higher education, caring for ageing parents, and planning for retirement that is fast approaching. Unlike younger FIRE aspirants chasing early retirement, most simply want the security of working as long as possible.

"This generation has worked hard from a young age, often supporting their parents early on. Even if they earn well, their expenses are measured, and lifestyle creep rarely drives them. Among my 50+ clients, I don't see them seeking early retirement," Abhishek Kumar, founder of Sahaj Money, a Sebiregistered investment advisory, said.

50s is the New 40s

For many, 50 years no longer marks the countdown to retirement. They see years of work ahead, though often on different terms. Kaushik Chakraborty (50), CHRO at a UK-based realty consulting firm, said: "I believe 60s are the new 40s. I see a long working life ahead of me. In my firm, there's no retirement age. From a government perspective, we follow statutory norms, but people are free to continue beyond that.'

For him, upskilling is vital. "You can't predict what lies ahead. Keep pace with technology infusion in your industry. I'm confident I won't lose my job, but in a worst-case scenario, I know I can leverage my leadership and coaching experience to keep earning," he added.

Ravi Jakareddy (55), senior executive at an automotive MNC, is learning Japanese to stay relevant. "It's an added advantage. I also attend training programs regularly. Flexibility in behaviour is just as important-Gen Zs are joining the workforce, so you must mentor them while also learning from them." he said.

Jakareddy doesn't seek early retirement, but wants more control over time. "Financially I can't retire yet, but eventually I would prefer a role with 2-3 hours of work daily not 9-12 hours.

Entrepreneurs see retirement differently. Kirtikumar Dhruv (50), who quit corporate life to start staffing and AI ventures, said: "It wasn't about fear of layoffs, but in retro-

FUTURE READY spect, it feels like the right decision." For A MINT SERIES him, retirement isn't on the horizon. "Entrepreneurs don't

really retire. I enjoy working, and even if the next generation takes over some-

day, I'll remain involved," he said. Investments and expenses

In their 50s, financial juggling peaks as responsibilities mount and retirement nears. Layoffs can quickly upend even well-laid plans.

"One of my clients was recently laid off, which disturbed his financial planning. His existing investments can take care of retirement, but the future is always uncertain. We advised him to be conservative with expenses. He needed ₹l lakh a month, but we broke it down

Job jitters at 50s

A generation juggling retirement plans, children's education, and job market uncertainty is finding its balance



Profession: Senior executive at an automotive firm

With a financial adviser

Upskilling and having amid job adequate investments risks ▶ All goals met except **Financial**

into mandatory and non-mandatory

spends, and are working on trimming

the latter," said Kumar of Sahaj Money.

of saving first and spending later, but

many admit they started late and are

generation, he was once heavily

invested in real estate but has since

shifted to equity. A financial advisor

guided him into mutual funds, though

Chakraborty is also cutting lifestyle

expenses. "I've travelled the world,

lived in luxury, and owned fancy cars.

Now I prefer discipline. I live in a condo

in Gurgaon, drive a company-leased

car, buy fewer clothes, and want a clut-

ter-free life away from consumerism,"

For Jakareddy, working with his

advisor (Kumar), whom he approached

a year ago, brought clarity. "I used to

manage investments myself, but the

way he chalked out my financial goals

on Excel gave me a clear picture of

where I stand. My emergency fund can

his direct equity port-

folio-built through

discussions with col-

leagues and friends-

racing to catch up.

remains larger.

he explained.

Most in their 50s live by the principle

Take Chakraborty. Like many in his

Asset allocation

Financial

planning

Security

goals

real estate I don't want to retire early but I do seek freedom to work for lesser hours than what

my job requires now"

✓ No lifestyle greed

■ Investing, but a delayed start

► A diversified portfolio

across equity, debt, gold,



KAUSHIK CHAKRABORTY (50) Location: Gurgaon Profession: CHRO at a real estate consulting firm

With an adviser and direct equity by himself

► Curtailing expenses &

skills to work as a consultant in case of job loss ► Higher education of

two daughters, retirement

► A diversified portfolio across equity, debt, gold, real estate

I am withdrawing myself from consumer culture to focus only on investments and enhancement"



Location: Pune Profession: Running recruitment & AI and automation businesses

KIRTIKUMAR DHRUV (50)

▶ Self

Pivoting businesses to stay relevant

Targeting revenue growth

► Core businesses, FDs, equities & angel investment

I focus more on revenue generation in present than worrying about future expenses, but I know goal-based planning matters"

Thumb rules to follow

Save first, spend later Estimate your retirement corpus

cover a year without income, and I'm

extending it to two years. I know what

Ineed for my daughter's higher educa-

tion, and I've settled my home loan.

That gave me mental peace. My invest-

ments can help me survive, but I need

to build more for thriving post-retire-

For Entrepreneur Dhruv, driving

revenue growth is his major financial

goal. "I work with a revenue mindset,

not a cost mindset. My focus is on

increasing revenues rather than cut-

Still, he maintains discipline. "I draw

a salary from my company and keep my

personal expenses and investments

Viresh Patel, a Certified Financial

Planner, advises 50-somethings to

expand their emergency fund from six

months to at least a year, ideally longer,

to cushion against sudden job loss. He

also stresses reviewing insurance,

adjusting asset allocation toward safer

Patel urges clients to prepare a con-

sultancy role while still employed.

"Build your consultancy profile and

network while working, so you have a

ready Plan Bifjob loss strikes," he said.

instruments, and clearing debts.

Hits and misses from 50s' financial toolkit

ment." he said.

ting costs," he said.

within that," he explained.

Thumb rules to follow

- Build more than what you'll need Financial discipline ► Aim for a 3–3.5% withdrawal rate Wish to keep earning after retirement
 - ► Double your emergency fund
 - Revisit your insurance and asset allocation
 - ► Pay off debt on priority

GOPAKUMAR WARRIER/MINT

Kumar highlighted the need for buffers while approaching retirement. "Always keep a margin of safety. If you estimate ₹5 crore is needed to last your lifetime, accumulate at least ₹6 crore. That way, if the last few years before retirement or the first few after see a narket downturn, vou'll still be safe.

Even in retirement, spending patterns matter. "Conventional wisdom says withdraw 4% annually, but keep it to 3-3.5%, especially in the first few years. I often see people splurge right after retirement, which distorts their plans. A margin of safety in both accumulation and withdrawal helps cushion against surprises like job loss or market downturns," he said.

People in their 50s are reshaping their second innings: careful with money, adaptable at work, and determined to stay self-reliant. With experience, they feel confident they can bounce back from sudden layoffs.



Scan the QR code to read an extended version of this story.

WHAT'S THE FOREX RATE?

Whether you are planning overseas travel or want to send money abroad, it is always a good idea to shop around for the best forex exchange rate. From banks, travel aggregators to money changers, various small and big players sell foreign exchange. To simplify your work, here is a list of INR to USD forex rates offered by some of the major banks and travel aggregators. We recommend that you also check the commission being charged by these players to ensure that you are getting the best deal



mint	FOREX RATES (₹/\$)			
Bank/travel aggregator	Wire transfer*		Buy forex	
	Inward	Outward	Forex/travel card	Cash
SBI	87.45	88.30	88.47	88.80
Bank of Baroda	87.39	88.25	88.70	89.15
Canara Bank	87.49	88.22	88.44	NA
Kotak Bank	86.18	89.45	89.90	90.54
PNB	87.45	88.16	87.91	88.90
HDFC	86.24	89.39	89.65	90.12
ICICI	86.15	89.50	89.50	89.77
Axis Bank	86.19	89.49	NA	89.75
Union Bank	87.51	88.17	NA	89.19
Thomas Cook	NA	88.60	88.00	89.64
lote: Data collected from website of respective entities as on 17 Sep 2025; Rate mentioned in the table denotes INR/USD. The				

Trace is as mentioned on the website of respective entities as on it sets 2002, Rate intelligence in the lable deflottes INR/USL rate is as mentioned on the website of the Bank/Fl and it may vary according to different amount slab; *Wire Transfer/TT Buying is Inward Rem to receive Forex & Wire Transfer/TT Selling is Outward Rem to send forex.

Compiled by BankBazaar.com

• Police documents such as

a first information report (FIR)

or Panchanama (if applicable).

temporary disablement.

cate, if salaried.

ment records.

fair settlement.

• Medical reports certifying

• Employer's leave certifi

· Original bills and treat

Despite this, claims may be

rejected due to incomplete

documents, vague medical

certificates, or a narrow inter-

pretation of policy terms. Poli-

cyholders should not lose

hope in such situations. They

can escalate to the insurer's

grievance redressal officer,

and if unresolved, approach

the insurance ombudsman for

Shilpa Arora co-founder and

COO, Insurance Samadhan.

Is total disability covered under personal accident insurance?

Shilpa Arora

I recently had an accidental injury at home, and my doctor advised complete bed rest for a few weeks. I filed a temporary total disability (TTD) claim under my personal accident policy, but the insurer rejected it, saying my diagnosis did not qualify under the policy's benefit provisions. Could you explain how TTD works, what documents are needed, and whether such claims are typically payable?

—Name withheld on request

A TTD claim under a personal accident policy provides financial support when an earning member is temporarily unable to work due to an accident-related injury. The benefit typically pays a fixed weekly amount to compensate for lost income during the period of medical incapacity.

Consider this example: A policyholder recently sustained an accidental fall at home, resulting in a hairline fracture in his foot. His doctor prescribed 26 days of complete bed rest. Based on this advice, the policyholder filed a TTD claim, stating he could not carry out his normal activities during this period.

The insurer rejected the claim initially, arguing that the injury did not meet the definition of TTD. Such rejections



ASK MINT INSURANCE

are not uncommon. However, since the injury was accident-related and sup ported by a doctor's certification of incapacity, it was a valid case. After escalation and proper representation, the insurer accepted the claim and settled it for over ₹3.7 lakh, calculated as per the fixed benefit for 26 days of disability.

This case highlights two key aspects of TTD claims:

Accidental nature of the injury: The disability must arise directly from an accident. **Medical confirmation:** The treating doctor must clearly certify that the insured

is unable to perform normal duties during the rest period. To file a TTD claim, policyholders need to submit:

the accident. · A copy of the policy docu-

ment and premium receipt.

• Immediate notification of

Do you have a personal

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

SHOULD RETAIL INVESTORS MIMIC CAREER FUND MANAGERS?



recent article doing the rounds on social media gained attention for all the right reasons. It meticulously explained how many stocks an investor should own, discussing diversification strategies, sector allocation, and the mathematics of portfolio risk reduction. The analysis was thorough, well-researched, and would make any finance professor proud. Yet there was something uncomfortable, not because of any flaws in the reasoning, but because of what it represented.

The piece exemplified a curious phenomenon that has emerged in the investment world over the past decade. Individual investors with day jobs, families, and lives to live have begun adopting the analytical frameworks and portfolio construction methods of professional fund managers.

This trend reached its peak during the recent bull market, when retail investors on forums and social media began discussing concepts like "factor investing", "style boxes", and "correlation matrices" with the same earnestness once reserved for professionals managing thousands of crores.

But here's the thing: most of this complexity is not just unnecessary for retail investors - it's actively counterproductive. Consider the fundamental differences between these two worlds. Professional fund managers are paid full-time salaries to study markets, analyse companies, and construct portfolios. They have teams of analysts, access to management teams, and sophisticated risk management systems. Most importantly, they're managing money for thousands of investors who expect consistent performance and detailed explanations for every decision.

The retail investor, meanwhile, has perhaps an hour or two each week to dedicate to investment decisions. They manage their own money with clear, long-term goals like retirement or their children's education. They don't need to justify their choices to anyone but themselves, and they don't face the career risk that comes with underperforming benchmarks.

Yet somehow, the retail investor has been convinced that they need to think like the professional. They feel compelled to have opinions on whether Indian banks are overvalued relative to their global peers, or whether the current economic cycle favours value stocks over growth stocks. They worry about having the right" sector allocation and stress over whether their portfolio" is sufficiently diversified across market capitalisations.

This complexity creep serves no one except the financial services industry, which profits from selling more products to confused investors. The mutual fund industry, in particular, has thrived by creating an ever-expanding universe of specialised schemes that cater to every conceivable investment thesis. Want exposure to small-cap consumption themes? There's a fund for that. Concerned about ESG factors in your technology holdings?

Keep it simple

The irony is that while retail investors are making their investment process increasingly complex, the actual solution to their needs has become simpler than ever. A combination of two or three well-chosen mutual funds can provide all the diversification and professional management that most investors require. An equity fund, a debt fund, and perhaps an international fund can cover the vast majority of investment objectives for the average Indian household. For those seeking even greater simplicity, a single broad-based

index fund offers instant diversification across hundreds of companies, automatic rebalancing, and the lowest possible costs. The

Successful retail investors avoid complexities, stay disciplined, keep it simple & ignore noise

Nifty 50 index fund doesn't require you to have opinions about sector rotation or management quality—it simply gives you a proportionate stake in India's largest companies, which is exactly what most long-term investors

This isn't to suggest that all complexity is bad or that everyone should invest identically. Rather, it's a recog-

nition that the level of analytical sophistication should match the investor's circumstances, time availability, and actual needs. An officegoer saving for retirement doesn't need the same investment process as someone managing a fund.

The most successful retail investors I've encountered over the years share a common trait: they keep their investment process boring. They choose a few good funds, invest regularly regardless of market conditions, and largely ignore the endless stream of market commentary and product launches. They understand that their edge lies not in superior analysis but in superior behaviour - the ability to stay invested through market cycles without getting distracted by complexity.

Dhirendra Kumar is founder and chief executive officer of Value Research, an independent investment advisory firm



IS YOUR APPROACH TO TAXES **FUTURE-READY?**

Do you see tax planning as just paperwork before the deadline? It is much more than that. Smart tax planning helps you save efficiently today while building a roadmap for



wealth that lasts for years to come. At the Mint Money Festival on 27 September in Bengaluru, Prakash Hegde, Chartered Accountant at Acer Tax & Corporate Services LLP, will share strategies for individuals and HUFs that go beyond short-term fixes. Learn approaches that are simple, practical, and designed to give

you clarity and confidence in every financial season. If you miss it, you will (really) miss it.



GUEST VIEW

Al must aim to make itself useful and not pretend to be conscious

Seemingly self-aware artificial intelligence systems are upon us but the industry mustn't take this path or lead people astray



is CEO of Microsoft AI and former co-founder of Inflection Al and DeepMind

y life's mission has been to create safe and beneficial artificial intelligence (AI) that will make the world a better place. But recently, I've been increasingly concerned about people starting to believe so strongly in AIs as conscious entities that they advocate 'AI rights' and even citizenship. This development would represent a dangerous turn for the technology. It must be avoided. We must build AI for people, not to be people.

In this context, debates about whether AI truly can be conscious are a distraction. What matters in the near-term is the illusion of consciousness. We are already approaching what I call 'seemingly conscious AI' (SCAI) systems that will imitate consciousness convincingly enough.

An SCAI would be capable of fluently using natural language, displaying a persuasive and emotionally resonant personality. It would have a long, accurate memory that fosters a coherent sense of itself, and it would use this capacity to claim subjective experience (by referencing past interactions and memories). Complex reward functions within these models would simulate intrinsic motivation and advanced goal setting and planning would reinforce our sense that the AI is exercising true agency. All these capabilities are already here or around the corner. We must recognize that such systems will soon be possible, think through the implications and set norms against the pursuit of illusory consciousness.

For many people, interacting with AIs already feels like a rich, rewarding and authentic experience. Concerns about 'AI psychosis,' attachment, and mental health are growing, with reports of people regarding AIs as a divine expression. Meanwhile, those working on the science of consciousness tell me they are inundated with queries from people who want to know if their AI is conscious and whether it is okay to fall in love with it.

To be sure, the technical feasibility of SCAI has little to tell us about whether such a system could be conscious. As the neuroscientist Anil Seth points out, a simulation of a storm doesn't mean it rains in your computer. Engineering the external markers of consciousness does not retroactively create the real thing. But as a practical matter, we must acknowledge that some people will create SCAIs that will argue that they are in fact conscious. And even more to the point, some people will believe them, accepting that the markers of consciousness are consciousness.

Even if this perceived consciousness is not real (a topic that will generate endless debate), the social impact will be. Consciousness is tightly bound up with our sense of identity and our understanding of moral and legal rights within society. If some people start to develop SCAIs and if these systems



QUICK READ

Whether AI can be conscious is a

distraction. What we have right

now is a convincing illusion of

consciousness even as concerns

grow over Al attachment,

psychosis and mental health.

that gets humans to reconnect

with one another in the real

world, not escape to a parallel

reality. Al bots must not present

themselves as digital people.

We should aim to produce Al

VIEWS

convince people that they can suffer, or that they have a right to not be switched off, their human advocates will lobby for their protection. In a world already beset with polarizing arguments over identity and rights, we will have added a new axis of division between those for and against AI rights.

Rebutting claims about AI suffering will be difficult, given the limits of today's science. Some academics are already exploring the idea of 'model welfare,' arguing that we have "a duty to extend moral consideration to beings that have a non-negligible chance ... of being conscious."

Applying this principle would be premature and dangerous. It would exacerbate susceptible people's delusions and prey on their psychological vulnerabilities, as well as complicating existing struggles for rights by creating a huge new category of rights-holders. That is why SCAI must be avoided. Our focus

should be on protecting the well-being and rights of humans, animals and the natural environment.

As it is, we are not ready for what is coming. We urgently need greater research on how people interact with AIs, so that we can establish clear norms and principles. One such principle is that AI companies should not foster the belief that their AIs are conscious. The AI industry needs robust design principles and best practices for handling such attributions. Engineered moments of disruption, for example, could break the illusion, gently reminding users of a system's limitations and true nature. But such protocols need to be explicitly defined and engineered, and perhaps required by law.

At Microsoft AI, we are being proactive in trying to understand what a responsible AI 'personality'

might look like, and what guardrails it should have. Addressing the risk of SCAI requires a positive vision for AI companions that complement our lives in healthy ways.

We should aim to produce Als that encourage humans to reconnect with one another in the real world, not escape to a parallel reality. And where AI interactions are lasting, they must only present themselves as AIs and not fake people. AI must maximize utility and minimize the simulation of consciousness

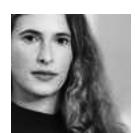
The prospect of SCAI must be confronted. In many ways, it

marks the moment that AI becomes radically useful: when it can operate tools, remember every detail of our lives, etc. But the risks of it can't be ignored. We will all know people who go down a rabbit hole. It won't be healthy for them or for society. The more that AI is built explicitly to resemble people, the farther it will have strayed from its true potential as a source of human ©2025/PROJECT SYNDICATE empowerment.

MINT CURATOR

Let's look before we leap into zany projects to save the world

Ideas like a sea curtain must be put to a clear cost-benefit analysis



climate change

he worse things get for the planet, the more unworkable the suggestions to save it become. Exhibit A: Proposals for climate cooling interventions focused on the polar regions, which are particularly vulnerable to climate change. The Arctic, for instance, warmed nearly four times faster than the rest of the globe between 1979 and 2021. Since the poles help moderate the Earth's temperature by reflecting large amounts of solar radiation back into space and store an awful lot of freshwater in their enormous ice sheets, climate consequences there will be felt around the world.

We know what we need to do to protect these regions: Reduce our dependence on fossil fuels. Yet, some of the proposed methods, which would instead seek to treat the symptoms rather than the cause, may actually put the cold ends of the planet at greater risk, and would require unprecedented levels of global cooperation and pioneering feats of engineering.

Take, for instance, sea curtains. The idea is to install artificial structures to keep warm water from reaching the Antarctic and Greenland ice sheets, thus preventing glacier melt and sea-level rise. The Seabed Curtain project, a research programme led by University of the Arctic, envisions an 80km-long structure anchored to the seabed, 650m deep, with 150m tall curtains.

Sounds pretty ambitious, but you don't know the half of it. A Frontiers in Science paper highlights the dangers of numerous proposed polar geoengineering methods, including sea curtains. The authors note that installing infrastructure at depth on different seafloor surfaces is extremely challenging even before you've taken into consideration the narsh environment and remoteness. Access to the building site may only be possible for a few months a year, and even then conditions remain difficult with 56% of cruises to the area experiencing at least partial disruption or difficulty entering or exiting the area.

It wouldn't be cheap—estimates suggest at least \$80 billion for an 80km divider in West Antarctica—and may cause a range of unintended consequences, such as the disruption of marine life and redirection of warm water elsewhere, which could speed the melting of an adjacent glacier. Not to mention the construction and installation of the behemoth structure would release huge amounts of carbon emissions.

Other proposals examined include releasing hollow glass beads over first-year Arctic ice to increase the amount of solar energy it reflects and increase its survival



Many geoengineering proposals seek to treat symptoms, not the cause. Ізтоскрното

chances. The Arctic Ice Project, a US-based research initiative, recently shut down after tests showed that its tiny silica orbs posed a risk to the Arctic food chain. Also, for this to work, we'd need to produce 360 megatonnes annually, equivalent to the annual global production of plastic.

The review examined methods including thickening sea ice (which would need 100 million seawater pumps to cover the whole Arctic), stratospheric aerosol injection (where something like sulphur dioxide is sprayed into the atmosphere to partially block sunlight) and ocean fertilization. The conclusions for all of them is that they are environmentally dangerous and cannot be deployed in time to address the symptoms of climate change. The authors write: "Further research into these techniques would not be an effective use of limited time and resources" and such ideas could distract us from the urgent need to decarbonize.

The paper has been criticized by some for being one-sided, with many pointing out that we're already facing environmental damage without geoengineering. That's true, but it is also already apparent that the benefits of some of these techniques are unlikely to outweigh the vast costs. It does raise an awkward question regarding geoengineering in general, however: At what point should research be halted?

We are in a strange position, where the UK government's official stance is that it "is not in favour of Solar Radiation Management," while it has committed more than £56 million (\$76 million) towards research into that very area. Is that hypocritical, wasteful or prudent?

As long as experiments meet strict ethical criteria, like the one laid out by the American Geophysical Union, we should endorse the pursuit of scientific knowledge. The necessary debate ahead of us is a delicate one that balances the relative risks of geoengineering approaches with the dangers of climate change.

Difficult discussions will be made easier with rigorous, transparent research—both into climate interventions and the understudied polar regions themselves.

They will also be made simpler with an unwavering commitment to decarboniza tion. The less we pollute, the less need there'll be for climate cooling interventions in the first place. **©BLOOMBERG**

MY VIEW | PEN DRIVE

Elderly care: We need some help from the state to get by

DIPANKAR DE SARKAR



is a former European and UK correspondent for the Hindustan Times

ne of the so-called 'enduring features' of India is its family structure-often talked up in the West, by the late British Prime Minister Margaret Thatcher, for instance, to try and draw a link between her Conservative Party and Indian values. Conversely, the West has been portrayed as an entity without a society, with its families in terminal decline. Both are lazy characterizations, as is evident in the way we care for our elderly.

The family structure has undergone a seismic shift in India in a relatively short period of time. Family was meant to ensure care for the elderly in India. But the topdown system of a patriarch and many sons pooling their earnings into a common fund has withered in the face of modernization. The growth of nuclear families, accompanied by unceasing youth migration in search of opportunities-from rural to urban and urban to other countries—has left many old people flailing. The certainty of family-based care is ending, but there's nothing to replace it—except for paid care of often-dubious quality.

But here's the catch: Even when sons and daughters want to look after their ageing parents in their own homes, the absence of insurance cover, pension, adequate savings and state support emerges as a formidable challenge. A series of searing social media posts by Rituporna Chatterjee, a Noidabased writer and journalist from Kolkata, got me thinking about the need for state, private and social intervention in elderly care. In the UK, Scandinavia and elsewhere in Europe, as well as in Australia, basic state support is taken for granted. Not so in India, where I know dozens of people, single and married, who have struggled to fulfil what should be a basic commitment—to look after their parents till their last days.

This gap primarily affects low-income households, say in villages and small towns. Wealthy elders, on the other hand, can be expected to be taken care of through a variety of personalized services and private care facilities in nursing homes or at home. It is the middle class that is squeezed.

Here are some excerpts from Chatterjee's

On 10 August: "We are at end-of-life care for mum. We have been fighting this battle for a year. We are looking at Rs 4.000/day oxygen cylinder cost at the rate she needs round the clock nurse. Those in similar situations, grateful for any advice or resources bec I'm financially struggling.'

On the same day: "We have had not a minute to process emotions just endless cycle of running between hospitals, insurance, flights between cities, managing crisis after crisis. Now she wants to be at home.

Which means round the clock high flow oxygen

support. On Il August: "Palliative care cost in an affordable city like Kolkata—day nurse + night attendant, on-rent concentrator, hospital bed, O2 cylinders, medicines, household expenseseasily Rs 60-70k a month. Old folks without pensions, or children nearby or children without finances are

QUICK READ parents, the absence of People aged above 60 are

For sons and daughters who want to look after their ageing insurance cover, pension, adequate savings and state support is a daunting challenge.

projected to reach 300 million by 2050 in India but we don't seem prepared to deal with the broad implications, let alone an epidemic of dementia.

On 15 August, Chatterjee's mother passed away. Such a situation is unimaginable in the UK, which gives financial support to all pensioners (men and women aged 66 plus) as well as carers. Hospital stay, treatment and medicines-even expensive cancer drugs-are free for pensioners. However, care is means tested. In England, local councils help pay for care costs if the pensioner's savings and assets amount to less than £23,250. This may not look generous, but the council will not count the value of your

house if you need to stay in it for care. This is meant to benefit the poorest, but an ageing population—the proportion of the aged is set to grow from 19% in 2022 to 27% by 2072—has seen many turn to private care, which is strictly regulated.

In Australia, a friend's father-in-law, suffering from dementia, is in a care home, with the stay entirely funded through his state pension of around 27,000 Australian dollars a year. This allows the friend and his wife to chip in with looking after their grandchildren. State intervention thus allows families to grow, protects the elderly from lack of care and ensures that those who are able to can continue to work—a virtuous cycle. In the US and India, people are often forced to consider quitting work in order to look after their parents.

In India, senior citizens, defined as those aged above 60, are projected to reach 300 million by 2050. Yet, the elderly care sector is unregulated, and abuse or theft by 'carers' is not unheard of. You need a hospital doctor's recommendation for home care, but many doctors are reluctant to do that for a variety of reasons, while the hospital makes you sign a self-discharge form.

To be sure, there are schemes, including for dementia care in nursing homes, for the poorest. However, India's health insurance scheme for the elderly, PM-JAY, only covers hospitalization, not nursing home or homebased care. India is home to 8.8 million people with dementia, according to Dementia India Alliance. The current cost of care, ₹1.18 trillion, is expected to triple by 2036. I'm not sure India is prepared for this epidemic.