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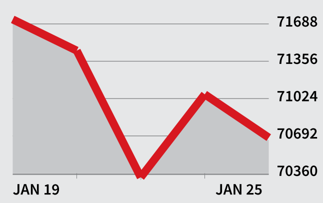
SENSEX 70700.67 (-486.19)



IN FOCUS

	Week's close	Week's change
Nifty 50	21352.60	-109.65
P/E Ratio (Sensex)	24.39	-0.46
US Dollar (in ₹)	83.12	--
Gold Std 10 gm (in ₹)	62062.00	+340
Silver 1 kg (in ₹)	71299.00	+401

SCALING UP. **Tata Steel to** increase capacity to cater to growing domestic demand, says TV Narendran, CEO and MD **p2**

AUTO FOCUS. **The Tata Punch.ev** looks impressive on paper, but how good is it? **p7**

QUICKLY.

OUTPUT CUTS

'OPEC losing crude oil market share'

Chennai: The crude oil market share of the Organization of Petroleum Exporting Countries (OPEC) has been declining since the cartel came out with its Declaration of Cooperation (DoC). The share is under increasing threat from non-OPEC+ countries, analysts say. According to research agency BMI, a unit of Fitch Solutions, propping up Brent through DoC has come at a price. **p8**

BUDGET WISH-LIST

India Inc calls for expanding PLI scheme

New Delhi: Ahead of the vote-on-account on February 1, India Inc has urged the Finance and Corporate Affairs Minister Nirmala a Sitharaman to expand the production linked incentive (PLI) scheme beyond 14 sectors in her upcoming Budget speech. The PLI scheme was introduced during the pandemic in November 2020 as part of the Government's "Aatmanirbhar Bharat" package. **p3**

India, France agree on defence industrial partnership roadmap

MON AMI. Two sides finalise a slew of other strategically important pacts

Dalip Singh
Amiti Sen
New Delhi

India and France have firmed up a mutually beneficial defence industrial partnership roadmap for joint development and production of key military projects and technology collaboration across spheres such as space, land warfare, cyberspace, and artificial intelligence, Foreign Secretary Vinay Kwatra said on Friday.

This follows bilateral talks between Prime Minister Narendra Modi and French President Emmanuel Macron in Jaipur on Thursday.

Macron attended India's 75th Republic Day celebrations in New Delhi as the chief guest.

DEFENCE PRODUCTION

The decision on adopting a defence production roadmap comes after India shared a blueprint for defence industrial co-operation in October 2023 so that both nations could identify core areas, including land warfare systems and equipment, robotics and autonomous platforms for working jointly.

A FIRM HANDSHAKE. Prime Minister Narendra Modi and French President Emmanuel Macron share a light moment during the 75th Republic Day celebrations in New Delhi on Friday ANI

businessline exclusively reported this on November 15.

"The roadmap will involve identifying areas for partnership in the defence industrial sector that prioritise co-designing, co-development, and co-production, and building the defence supply chains between the two countries so that they can not only fulfil the defence needs but also be a useful contributor to the security partnership with other countries who might be using similar products," Kwatra said.

It will include both space and air technology; maritime technology, including underwater domain awareness; equipment and systems related to land warfare; robotics, AI, and autonomous vehicles and platforms, he added.

KEY PACTS

The Foreign Secretary also announced other key pacts, including an industrial partnership between Tata and Airbus helicopters for the production of H125 helicopters with an indigenous and localisation component; an agreement on a defence space partnership; and an MoU between New Space India Ltd (NSIL) and Arianespace on satellite launches. The final assembly line for H125 single-engine helicopters will be set up in Vadodara, Gujarat.

This is the second major deal between the two aerospace players after the ₹21,000-crore contract signed in 2021 for supplying 56 C-295 transport aircraft for the Indian Air Force.

"The developments in the Red Sea, the potential disruptions and the things happening in the maritime domain that are causing disruption to commercial shipping are matters of serious concern, and both leaders focussed on them," Kwatra said.

STUDENT VISAS

Kwatra said that agreements were reached on mobility for young professionals and a five-year Schengen visa provision for Indian students completing their Master's in France will be activated.

Agreements were also signed between the Department of Science and Technology and French counterpart institutions.

"It has been agreed that the year 2026 will be celebrated as the India-France year of innovation," Kwatra said.

Bhavish Aggarwal's AI start-up Krutrim raises $50 million

Jyoti Banthia
Bengaluru

Artificial Intelligence (AI) start-up Krutrim, launched by Ola founder and chairman Bhavish Aggarwal, has raised $50 million at a valuation of $1 billion led by Matrix Partners India and others.

Krutrim, the first AI unicorn, will use the funding to accelerate its mission to revolutionise the artificial intelligence landscape and expand its reach globally, the firm said in a statement.

"India has to build its own AI, and at Krutrim, we are committed to build the country's first complete AI computing stack. We are thrilled to announce the successful closure of our first funding round, which not only validates the potential of Krutrim's innovative AI solutions but also underscores the confidence investors have in our ability to drive meaningful change for the world," said Aggarwal.

Krutrim, which means 'artificial' in Sanskrit, will come in two models: a base model named Krutrim trained on 2 trillion tokens and unique datasets, and a larger, more complex model called Krutrim Pro, which will be launched in the next quarter for advanced problem-solving and task execution capabilities.

OMCs to get half of budget provision for green energy, net zero initiatives

Our Bureau
New Delhi

The Centre has halved the amount of capital support given to State-owned oil marketing companies.

The Union Budget for FY24 made a provision of ₹30,000 crore of capital support to Indian Oil Corporation, Bharat Petroleum Corporation Ltd, and Hindustan Petroleum Corporation Ltd. Though it was announced that the support was to beef up investments in energy transition projects, government officials had indicated that the provision had been made to compensate three fuel retailers who had suffered huge losses in 2022 when they refrained from hiking retail prices of petrol and diesel despite a spike in crude oil prices following Russia's invasion of Ukraine.

The Finance Minister had also proposed ₹5,000 crore for buying crude oil to fill strategic underground storages at Mangaluru and Visakhapatnam.

On Friday, the Finance Ministry informed that the equity support has been halved to ₹15,000 crore and the plan for filling strategic reserves has been deferred. "During the Expenditure Finance Committee meeting held on November 30, 2023, it was decided that a maximum of ₹15,000 crore could be provided for equity infusion into OMCs in FY24," the Finance Ministry said on X, giving details about delivery on budget promises.

The allocation for boosting strategic reserves has also been deferred

STRONG SHOW

"Based on the recommendations of the EFC, approval of the CCEA (Cabinet Committee on Economic Affairs) is being sought," the Ministry said, while adding that the draft note for approval of the CCEA is under process. Although the social media post did not give any reasons for cutting support, it is believed that the strong performance of OMCs prompted the government to slash the equity infusion.

Now, all four companies will have to complete the formalities of the revised capital infusion plan by March 31, 2024.

CHENNAI
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QUICKLY.

Oxford snaps TCS deal after glitch in admission test

New Delhi: The Oxford University has terminated its deal with TCS after students experienced technical glitches while taking online admission test for the institution.

"Following the technical problems experienced by some candidates during this year's online admissions tests by a new provider, TCS will not be involved in Oxford admissions tests going forward," said a spokesperson for the university. PTI

Tata Technologies Q3 net rises to ₹170 crore

Mumbai: Global engineering and product development digital services firm Tata Technologies Ltd reported a 14.72 per cent rise in consolidated profit after tax at ₹170.22 crore for Q3 ended December 2023, its maiden quarterly results announcement after public listing. PTI

KFin Technologies posts ₹67-crore net profit in Q3

Mumbai: KFin Technologies posted a net profit of ₹66.83 crore in the third quarter of FY24, up 25.2 per cent on year. Revenue from operations grew 16.3 per cent y-o-y to ₹218.72 crore. Revenue from international and other investor solutions businesses grew 28.2 per cent. Average AUM for the quarter was up 22.7 per cent, slightly higher than 22.2 per cent of the industry. OUR BUREAU

'Driven by domestic demand, Tata Steel to scale up capacity'

SOLID GROWTH. Kalinganagar Phase-II will be commissioned next fiscal, says CEO

Abhishek Law
New Delhi

Tata Steel is scaling up its steel-making capacity in the country, driven by strong domestic demand. The phased commissioning of the 5 million tonne per annum (mtpa) capacity expansion at Kalinganagar is underway, while the second phase will go on stream next fiscal.

The company also announced the closure of two blast furnaces at its UK plant (in Port Tablot), since operations there have reached a stage "where continuing...is no longer an option".

According to TV Narendran, Tata Steel, Managing Director, the company has charged power into the new blast furnace, and expects to make it physically ready "by next quarter". Production is expected to start thereafter.

> We target to produce about 0.7 million tonnes of crude steel in FY25 and ramp up further in FY26
>
> **TV NARENDRAN**
> CEO and Managing Director
> Tata Steel

There was a delay of a few months since some of the parts for the assembly of the blast furnace were damaged and had to be replaced.

"So, in India, we are scaling up our steel-making capacity to capitalise on the growth opportunity....we target to produce about 0.7 million tonnes of crude steel in FY25 and ramp up further in FY26," he said during an earnings call.

As for Kalinganagar, the company is looking at "carbon avoidance in the blast furnaces", and alternatives such as injecting biochar, hydrogen or steel scrap. "[We] are working with technology partners on process improvements," he added.

According to him, plans are being worked on to get the Phase-III capacity expansion of Kalinganagar plant in place.

"We want to develop a plan so that as we complete Phase-II, we can start looking at Phase-III, because that means you need not decommission the vendors and things like that...There are some advantages of that. So, we'll explore it," he said.

UK CONSULTATIONS

In the UK, Tata Steel will commence statutory consultations "with the relevant stakeholders on the proposed restructuring". The transition is towards electric arc furnace-based steel-making.

"But I think we have reached a stage where continuing as we did is no longer an option, and we would be closing the first blast furnace by the middle of 2024 and the second blast furnace in the second half of 2024," said Narendran.

The company had detailed discussions with the UK multi-trade union representative body, which made a proposal for maintaining a single blast furnace till the EAF transition was discussed. It was found "neither feasible nor affordable" to continue the blast furnace production.

Religare Finvest: State Bank removes fraud tag after Delhi High Court order

KR Srivats
New Delhi

State Bank of India (SBI) has removed the record of Religare Finvest Ltd (RFL), previously labelled as a fraud exposure, from the Central Fraud Registry database.

This follows the Delhi High Court's December 18 order setting aside the declaration of RFL, a wholly-owned subsidiary of Religare Enterprises Ltd (REL), as a fraud by the lead bank. SBI, which is the lead bank of RFL, had put the RFL's account on the Reserve Bank of India's Central Fraud Registry.

The Delhi High Court order, dated December 18, 2023, came after RFL had filed a writ petition with respect to declaration of RFL's account as fraud exposure by the lead bank

On Thursday, SBI sent in a communication to REL, conveying that the record of RFL stands removed from the central fraud registry, said REL in a stock exchange filing.

In March 2023, RFL had completed a One-Time Settlement (OTS) with 16 lenders through organic collections. The company made payments exceeding ₹9,000 crore to the country's banking system.

Currently, RFL is awaiting the lifting of the Corrective Action Plan imposed by the RBI in January 2018.

'A PIVOTAL STEP'

Commenting on the latest development, Rashmi Saluja, Executive Chairperson, REL, and CMD, RFL, said: "The removal of the fraud tag stands as a testament to the commitment and dedication of the company's Board, management and employees in resurrecting RFL and the group from the brink in the aftermath of fraud perpetrated by the erstwhile promoters and their affiliates, and putting it on the path of growth and development. This is pivotal step in the revival of RFL."

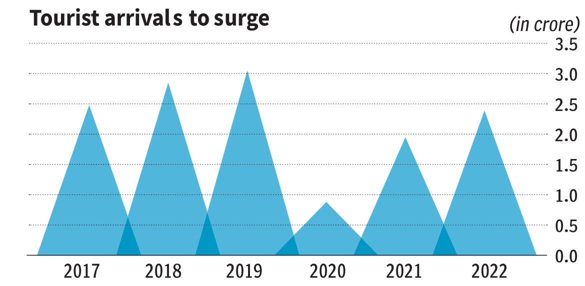
Showers of blessings for Ayodhya after consecration of Ram Mandir

Jayant Pankaj
Chennai

The consecration of the Ram Mandir was a watershed event, and is likely to help the temple town of Ayodhya in many ways. It will catapult Ayodhya's ranking among the popular tourist destinations, helping Uttar Pradesh (UP) benefit from the revenue to be earned from additional tourist arrivals.

All roads lead to Ayodhya

Tourist arrivals to surge



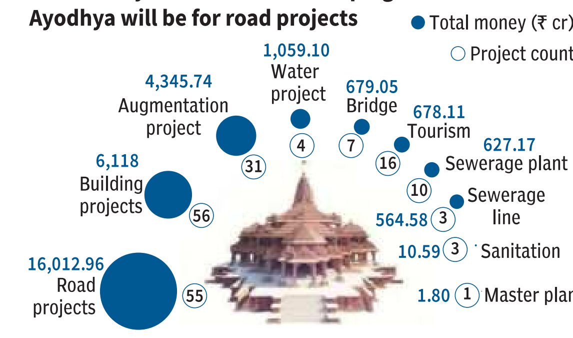
5 crore Tourists expected every year after Ram Mandir, according to Jefferies

Ayodhya's rank to improve this year

Popular tourist destinations in 2022

Place	Domestic tourist	Foreign tourist	Total tourist
Varanasi	7,16,12,127	89,689	7,17,01,816
Mathura	6,52,75,743	1,15,858	6,53,91,601
Prayagraj	2,60,45,271	1,895	2,60,47,166
Ayodhya (District)	2,39,09,014	1,465	2,39,10,479
Jhansi	1,65,36,249	727	1,65,36,976
Agra	1,00,10,849	3,78,635	1,03,89,484

53% money allocated for developing Ayodhya will be for road projects



Both State and national highways around Ayodhya are being improved

Department	Project type	Money (₹ cr)	Project count
Uttar Pradesh Public Works Department	Road projects	6,881.06	22
National Highway Authority of India(NHAI)	Road projects	4,688.26	3
Irrigation & Water Resources Department	Augmentation projects	3,595.67	3

Note: The ADA portal doesn't list 1 project with a value of ₹473.22 crore in the Department-wise break-down

Source: Ayodhya Development Authority, UP Tourism Portal

DATA FOCUS.

The huge amount being spent on infrastructure development is likely to help UP's economy reap the benefits. UP is already very popular among domestic and foreign tourists, given its many iconic temples and the crowning glory, Taj Mahal. The State had the largest share of domestic tourist arrivals in 2022 at 18.4 per cent, according to SBI economic wrap report.

TOURSIT ARRIVALS

Of the 75 districts in UP in 2022, Ayodhya ranked fourth with 2.39 crore tourist visits. The top three districts with the most tourist visits in UP were Varanasi, Mathura, and Prayagraj, at 7.17 crore, 6.53 crore, and 2.60 crore visits, respectively.

With the consecration of Ram Mandir, tourist arrivals in Ayodhya are expected to more than double to 5 crore every year, according to global brokerage firm Jefferies.

"Given the completion of Ram Mandir in Ayodhya this year and a melange of initiatives taken by the UP government to promote tourism, we believe the total expenditure by tourists (domestic plus foreign) in UP may cross ₹4-lakh crore mark by the end of this year, helping the State government earn an additional tax revenue of ₹20,000-25,000 crore due to huge spurt in number of tourists during FY25," says the ecowrap report.

Professor Ashutosh Sinha of Economics and Rural Development at Dr Ram Manohar Lohia Avadh University in Faizabad says: "Cities such as Allahabad, Agra, and Varanasi are already famous for monuments and religious pilgrimages, receiving adequate monetary attention from the State. Unlike them, Ayodhya is a smaller district.

"Now, with the government investing a higher amount of money, it can certainly contribute to job creation." On the other hand, the UP government is also making efforts to develop and beautify the city. Data from the Ayodhya Development Authority (ADA) reveal that around 187 projects are being carried out by the government with an expenditure of ₹30,570 crore.

Approximately 53 per cent (₹16,012 crore) of the budget is allocated to 55 road projects, while 20 per cent (₹6,118 crore) is being spent on 56 building projects distributed among various departments of ADA.

The projects in Ayodhya commenced in January 2011, including the redevelopment of government schools in the vicinity. As of now, 44 per cent of these projects have been completed. The UP government plans to conclude this effort with its final project, the 1,407-acre Ayodhya Greenfield Township project, which is expected to be completed by October 2028.

The government has already initiated the acquisition of large-scale land to advance this project.

PROBLEMS PERSIST

However, there are some problems, too. Nandu Kumar Gupta, President of Ayodhya Udyog Vyapar Mandal Trade Union, remarked: "There is a lack of consensus between the government and people whose land has been acquired for the development drive. Many individuals have been displaced from their land, pointing out that its implementation lacks systematicity."

Thirty six-year-old Irrfan Mohammed, whose land was acquired in the beautification process, says: "The money given to me was not sufficient, as the cost of the shop was five times more than what I received from the government as reimbursement."

Jaypee Cement acquisition expected by end of FY24: Dalmia Bharat CEO

Abhishek Law
New Delhi

Dalmia Bharat expects to complete the acquisition of Jaypee Cement – part of Jaiprakash Associates – by the end of this fiscal. The deal is taking more time than expected since some clearances are still awaited, primarily from lenders.

According to Puneet Dalmia, Managing Director and CEO, Dalmia Bharat Ltd, clearances should come over the next "couple of months", with the deal "expected to be consummated by the end of this fiscal."

The deal's cash outflow earmarked is around ₹3,300 crore. Jaypee Cement's contribution to Dalmia Bharat's volume in Q3 FY24 was 0.4 million tonnes (mt).

"....We need a couple of more third-party approvals

Puneet Dalmia, MD and CEO, Dalmia Bharat Ltd

...mostly lenders, so it [closing the Jaypee deal] is taking more time than expected. Hopefully, by the end of this quarter, we will look at consummating the deal," said Dalmia during the post-results investors' call.

Dalmia Bharat had, in 2022, announced signing a definitive agreement with Jaiprakash Associates to acquire the latter's cement plants in Uttar Pradesh, Madhya Pradesh, and Chattisgarh at a cost of over ₹5,500 crore. No timeline was announced for the completion of the deal.

The acquisition is expected to give Dalmia Bharat a strong foothold in Central India, which accounts for 15 per cent of the country's cement demand.

Post-acquisition, Dalmia Bharat's capacity mix will be more diversified, with 52 per cent in the East, 26 per cent in the South, 16 per cent in the central region and 6 per cent in the West, against its current capacity mix, which is spread at 59 per cent in the East, 33 per cent in the South and 8 per cent in the West.

HIGH-COST PLANT

According to him, Jaypee Cement's plants "need more investments". A roadmap for investment and the way ahead is being prepared. Capacity utilisation continues to be low, considering dealers were previously "not very confident" in working with the brand. The plants are expected to be in an investment phase over 18-24 months.

"We have inherited high-cost plants. And it needs investments. We still do not have full control [of Jaypee Cement's assets] to bring them under the same cost structure or pattern of Dalmia Bharat," he said.

"We have spent one year learning [since the deal was announced], and we are getting the full plan ready, including investment details... we will take some time stabilising the operations [too]," Dalmia added.

Investments, apart from capex, will also include branding. "Dealers needed some confidence to work with the brand (Jaypee). So, we are investing towards it," he said.

Indraprastha Gas reports Q3 net profit of ₹476 cr

Our Bureau
New Delhi

State-run Indraprastha Gas (IGL) reported a 43 per cent year-on-year (y-o-y) growth in consolidated net profit at ₹476 crore for the October-December quarter in the current financial year. However, sequentially, net profit declined 14 per cent from ₹553 crore.

IGL's consolidated total income stood at ₹3,981 crore in Q3 FY24 (₹4,145 crore in Q3 FY23 and ₹3,884 crore in Q2 FY24).

Its consolidated total expenses stood at ₹3,468 crore in Q3 FY24 (₹3,756 crore in Q3 FY23 and ₹3,270 crore in Q2 FY24).

IGL supplies compressed natural gas for vehicles and piped natural gas for households in Delhi, Noida, Greater Noida, and Ghaziabad.

Bajaj Auto aims to boost electric 2W sales with new launches, footprint expansion

G Balachandar
Chennai

Bajaj Auto is preparing to increase the monthly sales of its electric scooter Chetak, supported by the launch of new models and network expansion. The expansion is expected to help the two-wheeler major strengthen its position as a strong Number 3 player in the electric two-wheeler market in the near term.

The company said the launch of a new variant, expansion of its network, and good supply chain support will come in handy to boost its monthly electric two-wheeler sales in the coming months.

"Supply chain improvements have aided the company's capacity. Currently, its electric scooter Chetak is available in 140 cities through 160 exclusive sales and service outlets, covering about 80 per cent of the high-speed EV market.

"Consequently, sales have reached the 10,000 mark in monthly sales, and our retail market share has steadily increased from 4 per cent in FY23 to 14 per cent in December 2023, said Rakesh Sharma, Executive Director, Bajaj Auto Ltd, during the company's Q3 FY24 earnings call. At the end of December 2023, the company expanded the EV range with a new premium variant equipping Chetak with new features.

TAKING OVER. After Ola and TVS Motor, Bajaj is now the third-largest player in the electric two-wheeler market

Sharma said the company will continue its efforts to drive up volumes every month, and will now target to reach the monthly number of 15,000 units in the current quarter.

He said the company will widen its E2W portfolio with the introduction of one more product during Q1 next fiscal. "This will help boost our sales further," he added.

With a gradual increase in the sale of its electric scooter Chetak, the company has displaced Ather Energy from third position in the electric 2W market. After Ola and TVS Motor, Bajaj is now the third-largest player in the electric two-wheeler market.

CHETAK REVENUE

Chetak has also achieved a revenue of more than ₹1,000 crore during the nine months of this fiscal. "The revenue delivered by Chetak during the December 2023 quarter was almost equal to the revenue of nine months of the previous fiscal," said Dinesh Thapar, Chief Financial Officer, Bajaj Auto Ltd.

Alcobrew Distilleries to expand product portfolio; eyes ₹850-cr revenue in FY24

Haripriya Sureban
Bengaluru

Gurugram-based Alcobrew Distilleries plans to expand its premium product portfolio with the launch of single malt whisky, gin, and vodka in the near future. The company aims to record revenues of ₹850 crore in FY24, said Arvind Kaul, Deputy Managing Director of Alcobrew Distilleries.

The company, established in 2005, has multiple brands in its portfolio, such as Golfer's shot whisky, Old smuggler scotch, Alcobrew single oak whisky, and White Hills whisky. It now plans to foray into the single malt segment.

"We started the production of malt spirits last year in our plant, which was set up 3-4 years ago. Now, we want to foray into the single malt

> **Alcobrew plans to launch single malt whisky, gin,** and vodka in the near future

whisky segment, as we see it as a thriving market with brands and companies gaining popularity," Kaul told *businessline*.

The company plans to price the single malt around ₹5,000. It is also looking to prioritise introducing premium products in the gin and vodka category, according to Kaul.

Alcobrew primarily focusses on the northern parts of India, with a strong presence in Haryana, UP, Delhi, Himachal, J&K, Leh, Ladakh, Punjab, and in Telangana and AP. In the eastern side, it has a presence in Tripura.

In terms of manufacturing and production footprint, the company has a manufacturing plant in Derabassi, Punjab, producing 400 cases a month. Additionally, there's a single malt plant in Solan, Himachal Pradesh. It also has leased bottling facilities in UP and Odisha to cater to the local markets, and is planning another in Haryana for local supplies.

NET REVENUE

Alcobrew recorded ₹722-crore net revenue in the last financial year. "We have grown at a CAGR of 15.76 for the last five years. We closed 2022 at ₹574 crore, 2021 at ₹492 crore and at ₹523 crore in 2020.

"We are looking to clock around ₹850 crore for the current year with new launches helping in achieving this number. By 2025 we aim to hit ₹1,000 crore in revenue," said Kaul.

Disney Star mulls legal action against Zee for backing out of $1.4-b deal

Press Trust of India
New Delhi

Disney Star is mulling legal actions against Zee Entertainment for backing out of a $1.4-billion sub-licensing agreement for TV broadcast of international cricket matches in India, according to industry sources.

This could brew another legal trouble for Zee Entertainment Enterprises Ltd (ZEEL), which is already facing an arbitration plea by Sony Group at the Singapore International Arbitration Centre, claiming $90 million for breach of conditions of their merger agreement.

Disney Star, an Indian subsidiary of media conglomerate The Walt Disney Company, is working on its strategy over the development, said industry sources.

If the rescinded agreement contained an arbitration clause, then Disney Star would have to resort to arbitration proceedings for the resolution of the dispute, and if the agreement is short of the arbitration clause, then Disney could initiate legal proceedings to sue Zee for damages.

ZEEL, which has already missed the first instalment of around $200 million, has informed Disney Star that it does not intend to move ahead with this.

QUICKLY.

75,000 patents granted in last 10 months: Goyal

New Delhi: The Indian Patent Office has granted a "record" 75,000 patents in the last 10 months and it reflects India's ability to innovate, Commerce and Industry Minister Piyush Goyal said on Friday. Interacting with innovators and entrepreneurs on the eve of the 75th Republic Day here, the minister also said that 40,000 compliances have either been eliminated or simplified to ease the burden on entrepreneurs. "The Indian Patent Office has granted a record 75,000 patents in the last 10 months," he said. PTI

PNGRB launches drive to increase piped gas adoption

New Delhi: Oil regulator PNGRB has launched a two-month long nationwide drive to increase adoption of piped natural gas as a cooking fuel in household kitchens in an attempt to cut dependence on imported fossil-fuels. "The Petroleum and Natural Gas Regulatory Board along with city gas distribution entities will run a campaign from January 26 to March 31, aimed to promote the adoption of piped natural gas (PNG) among households," it said in a statement. PTI

bl. video

Unlike mutual funds, where you decide how much to invest, in IPOs, your investment depends on the number of shares you're allocated, says **Aarati Krishnan**, consulting editor, *businessline*, in this episode of Question of Money.

http://tinyurl.com/blQoMIPO

India Inc calls for expanding PLI scheme

BUDGET WISH-LIST. Industry chambers seek extension of the scheme to labour-intensive sectors to boost employment, reduce import dependence

KR Srivats
New Delhi

THE STORY SO FAR

- Other than mobile manufacturing, limited progress in many sectors
- Overall PLI scheme a mixed success, says Barclays Research
- Full impact on trade activity expected to take time to be visible
- Clamour for PLI scheme extension to cover sectors such as apparel, toys, footwear, medicinal plants and handicraft sectors gets louder

Finance Minister Nirmala Sitharaman KVS GIRI

Ahead of the vote-on-account on February 1, India Inc has urged the Finance and Corporate Affairs Minister Nirmala a Sitharaman to expand the production linked incentive (PLI) scheme beyond 14 sectors in her upcoming Budget speech.

The PLI scheme was introduced during the pandemic in November 2020 as part of the Government's "Aatmanirbhar Bharat" package.

FISCAL SOPS

This scheme offers fiscal incentives to both domestic and foreign manufacturers within specific sectors to produce locally.

The Confederation of Indian Industry (CII) has in its key proposals for Vote on Account/ Budget 2024-25 suggested that the PLI scheme be expanded to labour-intensive sectors such as apparel, toys and footwear for boosting employment generation, sources said. It should also be expanded to sectors with large imports but domestic capability, like capital goods and chemicals to reduce import dependencies, CII has suggested.

The PHD Chamber of Commerce and Industry (PHDCCI) has in its pre-Budget submission to Sitharaman suggested that the PLI scheme be expanded beyond 14 sectors and cover medicinal plants and handicrafts.

The PLI scheme has been designed to enhance India's manufacturing and export capabilities besides reduce the economy's import dependence in critical areas. Currently, as many as 14 sectors are listed under this scheme, including telecom instruments, pharmaceuticals, solar cells, ACC batteries, which account for roughly 40 per cent of India's total goods imports. The other sectors forming part of PLI scheme are auto & components; mobile manufacturing; speciality steel; food products; white goods (ACs & LED) and medical devices.

India's export ambitions are embedded on the PLI scheme, which is going to receive government allocation of $26 billion over a period of five years.

In turn, the government estimates additional production of $140.6 billion to materialise in the economy over this period.

MIXED SUCCESS

A recent Barclays Research report, authored by Rahul Bajoria, MD & Head of EM Asia (ex-China) Economics, said that emphasis on growing domestic manufacturing capabilities, especially in areas of strategic importance or lopsided import dependence, is important, especially given the experience of the pandemic.

"We think India's production-linked incentives could be a useful way to shore up the viability of export-oriented businesses since they will only generate benefits if output is exported, thus paying back the government via multiplier generation," Bajoria said in the report.

One well-recognised success story in the PLI scheme has been the mobile manufacturing sector, it highlighted.

Major smartphone firms (most famously, Apple) have shifted part of their supplier bases to India (including Foxconn, Wistron and Pegatron).

SMARTPHONE UNITS

Government estimates indicate this shift has increased value addition in smartphone manufacturing in India to 20 per cent in FY23, from a negligible level in FY15, and also import substitution of 60 per cent, with India emerging as the world's second largest mobile phone manufacturer.

In tandem, India's 'telecom instruments' exports increased to $12.8 billion in FY23, from $ 4.8 billion in the pre-pandemic period of FY20.

While imports have also increased (mostly because India is still an assembling location for finished products), the increase in value add and consequently exports has significantly reduced India's trade deficit in this sector, said the Barclays Research report.

Progress elsewhere has been relatively limited with applications still being approved, and firms yet to set up manufacturing sites or starting production in most sectors under the scheme.

As such, guidelines for most sectors were notified only in late FY22. Further, of the $26 billion envisaged to be invested, only about $0.36 billion was disbursed in FY23.

"We think the newness of the scheme, for both the implementing ministries and firms, is likely part of the reason for the delays given need to fine-tune the structure of the scheme for each sector.

As such, the full impact of PLI on trade activity (either a rise in exports or reduction in imports) is likely to take some time to be visible, because in many sectors, production under the PLI scheme was slated to begin only from FY23 or later," Bajoria said in the report titled "India's Breakout Moment: Exports Ready to Step Up".

'Indian Constitution provides enduring framework for world's largest democracy'

Our Bureau
New Delhi

US Secretary of State Antony Antony Blinken

The Constitution of India continues to provide an enduring framework for the world's largest democracy and a foundation for its global leadership, US Secretary of State Antony Blinken has said.

"In the year ahead, we look forward to further deepening the vibrant people-to-people ties between our countries and advancing our ambitious agenda for cooperation on our most vital priorities," Blinken said in a statement congratulating Indians on the country's Republic Day. The US' relationship with India is one of the most consequential in the world, Blinken stated, citing US President Joe Biden.

Putin lauds Modi for pursuing 'independent' foreign policy

Our Bureau
New Delhi

Russian President Vladimir Putin has lauded India and Prime Minister Narendra Modi for pursuing an independent foreign policy, which is "not easy in today's world", and managing one of the highest rates of economic development.

Putin reaffirmed Russia's commitment to partner with the Indian economy and support the 'Make in India' initiative through investments.

"India is pursuing an independent foreign policy, which is not easy in today's world. But, India with a population of 1.5 billion has the right to do so. And under the leadership of the Prime Minister, that right is being realised," Putin said in an interaction with university students on the occasion of 'Russian Student Day' in Russia's Kaliningrad region on Thursday.

LONG-TERM PARTNER. A file photo of Prime Minister Narendra Modi with Russian President Vladimir Putin BLOOMBERG

OIL IMPORT

New Delhi has continued to import oil from Russia, which for long was offered at a steep discount, despite the West's economic sanctions against Moscow following its attack on Ukraine.

Putin said India's independent decision making on foreign affairs was important from the point of organising joint work because it gives the opportunity to forecast actions of partners in the medium and long terms.

"This is important in practical work. Can we rely on a country and its leadership to cooperate, or will it take decisions that do not even correspond to its national interest.

"With India, such games don't exist," he added.

India has one of the highest rates of economic development and growth in the world, and that too is due to the leadership qualities of the incumbent Prime Minister, the Russian President said, adding that it was during Modi's leadership that India reached such a pace.

"His campaign 'Make in India' has been heard by many including Russia. And we are trying with our Indian friends to bring to life all these plans...The largest foreign investment in India has come from Russia. $23 billion was invested by our company Rosneft, acquisition of an oil refinery, a network of gas stations, a port and so on," Putin said.

Underground mining: CIL targets 31 mt in FY24

Rishi Ranjan Kala
New Delhi

ON TARGET. The Ministry seeks to enhance production from underground mines to 100 million tonnes by 2030 from the current 26 mt annually

State-run Coal India (CIL) has targeted to increase its production of coal from underground (UG) mines to 31 million tonnes (mt) in the current financial year, ending March 2024.

The mining behemoth, which accounts for 90 per cent of India's coal production, also aims to scale this up further to 42 mt in FY25, which commences in April 2024.

In FY23, CIL produced more than 700 mt of the critical resource, which is the mainstay of the power sector. Of this, production from underground mines stood at around 25 mt. India produced 34.85 mt of coal from UG mines, which accounted for 3.9 per cent of the pan-India production of 893.19 mt in the same period.

Coal India Director (Technical) B Veera Reddy told *businessline*, "We (CIL) prepared a 100-mt roadmap, and it is under implementation. Last year (FY23), we produced 25 mt and this year (FY24), it is 31 mt. In FY25, we aim to produce 42 mt. We have planned everything. The equipment has been procured and everything is being done as per roadmap schedule."

Mining experts say that UG mining entails higher costs compared to open cast mining, with cost per tonne being more than double. However, with growing mechanisation such as use of continuous miner, it's possible to extract higher quantities of the dry fuel from deposits deeper in the ground. Besides, it is more environment friendly, leads to lesser land and displacement of people.

The Jhanjra mine of Eastern Coalfields (ESL), a CIL subsidiary, is the country's highest producing mechanised underground mine with a capacity of 3.5 million tonnes per annum (mtpa).

UG MINING

At present coal produced from UG mines is around 4 per cent of the total output, which the Coal Ministry aims to increase to 10 per cent in the next seven years.

Reddy emphasised that underground mining's advantage is minimal impact on environmental parameters such as land, water and air. It also does not disturb top soil, forest cover or agriculture.

He pointed out that global coal production was around 8.5 billion tonnes (bt) last year. Of this, more than 50 per cent comes from UG mining. In China, about 3.7-3.8 bt (of the total 4 bt output) comes from UG mining. In South Africa, its 50 per cent, the US (37 per cent) and 20 per cent in Australia.

POLICY FOR UG MINES

On November 15 last year, Coal Secretary Amrit Lal Meena said the Ministry seeks to enhance production from underground coal mines to 100 mt by 2030 from the current 26 mt annually.

"Such mines have already been identified. We had constituted a high-level committee to suggest policy measures to promote underground mining. The committee has submitted its report, the recommendations of the committee are with the Ministry. They are under different discussion stages, and we will shortly come out with a suitable policy framework," he had informed.

Meena emphasised that environmental impact of UG mining is lower compared to OC mining as large-scale deforestation is not required, and displacement of people too is significantly lesser. Besides, loss of farmland also comes down.

Asia to drive global gas demand in 2024

Bloomberg

LOOKING UP. Overall gas consumption across the globe is seen increasing by 2.5 per cent in 2024 REUTERS

Asia will be the main driver of an expected growth in global natural gas demand this year, as Europe will be slow to recover after its use of the fuel hit the lowest level in nearly three decades.

Overall gas consumption across the globe is seen increasing by 2.5 per cent in 2024, with the Asia-Pacific region adding 4 per cent, followed by gas-rich countries in Africa and the Middle East, the International Energy Agency said in a report on Friday.

Europe's fuel usage is forecast to grow by 3 per cent year-on-year, but that would still be way below the levels before the energy crisis which last year cut demand on the continent to the lowest since 1995.

While demand is improving globally, with European and Asian prices continuing their fall from crisis peaks reached in 2022, a "high level of uncertainty" still dominates the forecasts, the IEA said. Geopolitical tensions and more frequent extreme weather events "could contribute to tighter market conditions and price volatility."

Last year, Europe benefited from a record boost in renewable power generation and its industries recovered gas usage only marginally, according to the report. Gas burn in the power sector will continue to fall this year — by about 10 per cent - partially offsetting possibly higher gas usage by households and businesses.

The IEA's forecast assumes that Russian pipeline gas supplies to Europe will remain close to last year's levels, "albeit their profile remains a major uncertainty." LNG imports — which accounted for a record 37 per cent of Europe's supply last year, replacing much of Russian gas — are expected to increase only slightly as a growth in global capacities is capped this year.

QUICKLY.

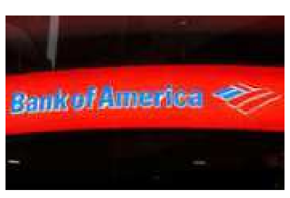
AU SFB net profit slips 4% to ₹375 crore

New Delhi: AU Small Finance Bank Ltd on Thursday reported a 4 per cent decline in net profit to ₹375 crore (₹393 crore) for the third quarter ended December 2023, mainly due to a rise in bad loans. The total income of the bank increased to ₹3,186 crore (₹2,413 crore) during the quarter under review. PTI

Bank of Baroda's arm renamed BOBCARD Ltd

Mumbai: Bank of Baroda's wholly-owned subsidiary for cards, 'BOB Financial Solutions Ltd', has been rebranded as 'BOBCARD Ltd' with the tagline 'Credit Reimagined'.
The company is looking to particularly appeal to the younger demographic and encourage them to strive for financial excellence and capitalise on opportunities as they pursue prosperity. OUR BUREAU

Bank of America staff to share $800 m stock reward



Bank of America Corp. is splitting a roughly $800 million pool of restricted stock with the majority of its staff, boosting compensation to retain employees even as the bank works to keep a lid on expenses. The incentive goes to workers who earn as much as $500,000 in total annual pay. BLOOMBERG

SFBs advances, deposits to grow 22-25% in FY24: CareEdge

BRIGHT OUTLOOK. Putting credit cost worries behind, SFBs poised for strong growth

Anshika Kayastha
Mumbai

Advances and deposits of small finance banks are expected to grow 22-25 per cent in FY24 and they may report stable profitability with a return on total assets (ROTA) of 2.1-2.4 per cent rating agency CARE said in a note.

During the nine-month period ended December 2023, SFBs raised equity capital aggregating ₹1,527 crore and around ₹1,725 crore is expected to be raised in Q4 FY24, CARE added.

"With the credit cost worries behind and access to capital, the SFBs are poised for a strong growth period," the rating agency said, adding that despite the one-off news of mergers it does not expect major consolidation in the sector. AU SFB recently announced the proposed merger of Fincare SFB with itself.

Advances of SFBs grew at a CAGR of 32 per cent during FY20 and FY23 against a CAGR of 11 per cent for the banking sector. Gradual diversification of portfolios with increasing share of secured products like home, vehicle, MSME and gold loans has led to the share of microfinance (MFI) falling to 32 per cent as of March 2023 from 40 per cent in March 2020. Excluding AU SFB (the largest SFB with no MFI exposure), the MFI exposure has reduced from 59 per cent to 51 per cent.

On a surge

	Advances (in ₹ cr)	Market share (in %)	Deposits (in ₹ cr)	Market share (in %)
Mar 2020	91,509	0.91	83,628	0.62
Mar 2021	1,11,589	1.05	1,10,717	0.73
Mar 2022	1,40,003	1.18	1,45,731	0.87
Mar 2023	1,84,808	1.35	1,91,372	1.04
Sep 2023	2,02,756	1.34	2,16,414	1.11

STABLE CASA BASE

Deposits of SFBs grew at a CAGR of 32 per cent during FY20 to FY23 against a CAGR of 11 per cent for the banking sector, led by SFBs' strong focus on building a liability franchise and relatively higher rates of interest.

However, building a stable current account and savings account (CASA) base will continue to remain a challenge with stiff competition from established commercial banks, CARE said, adding that SFBs' CASA deposit ratio continues to trail the banking sector.

Number of branches have grown at a CAGR of 29 per cent since March 2018. The branches are well spread out all over India with South India having the highest number of branches at 28 per cent, followed by the western region contributing 20 per cent, the report said.

Gap between credit and deposit growth has widened: RBI report

K Ram Kumar
Mumbai

The gap between credit and deposit growth as of the first fortnight of January 2024 has widened vis-a-vis the last fortnight of September 2023 even as the former continues to outpace the latter on year-on-year (y-o-y) basis, going by RBI data.

As on January 12, 2024, credit and deposit growth stood at 19.93 per cent and 12.84 per cent y-o-y, respectively, resulting in a gap of 7.09 percentage points between the two, per RBI data on scheduled banks' statement of position in India.

In the last fortnight of September 22, 2023, the gap between credit growth (19.42 per cent y-o-y) and deposit growth (12.94 per cent) was relatively lower at 6.48 percentage points.

Growing divide

	As on	Deposits (in ₹ cr)	Advances (in ₹ cr)
(A)	Sept 23, 2022	1,74,54,902.19	1,30,07,886.59
	Sept 22, 2023	1,97,14,798.74	1,55,34,392.74
	Change y-o-y (%)	19.9	19.4
(B)	Jan 13, 2023	1,81,01,068.88	1,36,71,176.59
	Jan 12, 2024	2,04,25,374.01	1,63,96,570.98
	Change y-o-y (%)	12.8	12.9
	Change in % points (A-B)	-7.1	-6.5

HEALTHY LEDGER

During the reporting fortnight ended January 12, 2024, scheduled banks' credit outstanding increased by ₹10,277 crore even as deposits declined by ₹98,848 crore, according to the statement.

"Healthier balance sheets have facilitated broad-based expansion in lending by banks. Bank credit growth continues to outpace deposit growth on the back of sustained momentum of demand," RBI said in its last Financial Stability Report (FSR).

Deposit growth is lagging credit growth as other investment avenues such as non-convertible debentures and equity markets are currently offering higher returns vis-a-vis bank deposits, say market experts.

A longer-term analysis indicates the tendency of bank credit and deposit growth to converge though they diverge frequently in the short-term, per the report.

"An error correction model suggests that around 8 per cent of any divergence between credit and deposit growth is eliminated every month. Consequently, the incremental credit-deposit (CD) ratio has fallen to 96.2 per cent by December 1, 2023 from a peak of 133.8 per cent on November 04, 2022," FSR said.

RBI noted that rising interest rates have benefitted banks and improved their net interest margins (NIM), as the transmission to yield on assets has been faster than that to the cost of funds. "Nevertheless, as the rate cycle approaches its peak, banks' profitability is expected to come under pressure due to rising valuation losses, increasing risks for asset quality and tempering of credit growth," the central bank said.

We have no requirement for raising fresh capital this fiscal: UCO Bank MD

Mithun Dasgupta
Kolkata

State-run lender UCO Bank has no requirement for raising fresh capital for business growth this fiscal, but it may approach the government for a QIP or other capital raising options next fiscal.

"If you look at our CRAR and adding back the profitability of nine months, our CRAR is well comfortable at 16.94 per cent even after considering the growth we have within the nine months. So far, there is no requirement of capital for the growth. But yes, government shareholding (in the banks) is very high. That is the reason we have taken the approval (for raising capital). But during this quarter, we don't have any plans," UCO Bank Managing Director and Chief Executive Officer Ashwani Kumar said during a post earning analysts and investors meet.

Ashwani Kumar, MD and CEO, UCO Bank

"In the next year, we will go to the board again for approval of the capital raising plan, and we may approach the government also may be for QIP or other options," Kumar said.

CAPITAL ADEQUACY

The bank's capital adequacy ratio (CRAR) improved by 169 basis points to 16.01 per cent as on December 31, 2023 wherein tier-I capital ratio improved by 196 bps to 13.53 per cent during the period on a year-on-year basis. Notably, the government's shareholding in the Kolkata-based bank stood at 95.39 per cent at the end of the third quarter this fiscal.

The bank on Wednesday reported around 23 per cent year-on-year decline in its net profit at ₹502.83 crore for the third quarter this fiscal due to around ₹277 crore provisioning towards wage revision arrears.

During the third quarter, its gross advances increased by 18.63 per cent y-o-y, while total deposits grew by 5.38 per cent. The lender is looking at a credit growth of around 12-13 per cent for this fiscal.

India should focus on education, healthcare to become developed by 2047: Rajan

Press Trust of India
Kolkata

Renowned economist and former RBI governor Raghuram Rajan on Friday said India needs to focus more on education and healthcare to become a developed economy by 2047.

He highlighted the fact that India has maintained an average growth rate of six per cent over the past 25 years, which is no easy feat for any country.

Rajan emphasised the need for governance reforms, as well as a focus on education and healthcare, to build a strong foundation.

Rajan made these remarks at Kolkata Literary Meet while launching the book 'Breaking the Mould: Reimagining India's Economic Future', which he co-authored with economist Rohit Lamba. He noted that if India wanted to become a developed country by 2047, it needed to achieve an annual growth rate of more than seven per cent.

Rajan also called for decentralisation of education and advocated for "bottom-up growth."

Five signs the Fed's pivot is underway before a rate cut

Reuters

Federal Reserve policymakers have signalled they won't cut US interest rates just yet; most economists think they will wait until June, given ongoing strength in household spending and uncertainty over the economic outlook. But US central bankers have already begun the pivot to easier policy.

Here are five ways Fed policymakers have adjusted their steering so far:

'PAIN' TO 'GOLDEN PATH'

Policymakers were initially pretty sure their inflation fight would boost the unemployment rate and cause households "pain," as Powell warned in August 2022. By mid-2023, unemployment was still well below 4 per cent while inflation had dropped noticeably, and Chicago Fed President Austan Goolsbee began talking up the possibility of finding a "golden path" that skirted economic pain.

AVOIDING A 'MISTAKE'

"The biggest mistake we could make is really, to fail to get inflation under control," Powell said last November. With inflation falling faster than expected with no further increases in the Fed's policy rate since July, that word is getting redefined. Powell said last month, "We know that that's a risk, and we're very focused on not making that mistake."

HAWKS SEE RATE CUTS

In 2023, Fed policymakers were busy either actually delivering rate hikes, or keeping the door open to them. Fed Governor Michelle Bowman, among the most hawkish of Fed policymakers, early this month said her views have evolved to allow for the possibility that rates may not need to rise further, and that cuts in borrowing costs could be warranted if inflation keeps falling.

'BALANCED' RISKS

San Francisco Fed President Mary Daly last week said risks to both the economy and to policy were "balanced."

TREADING CAREFULLY

Policymakers at their last meeting mentioned the likelihood of rate cuts in 2024 but did not delve into when and how fast they would occur, minutes of that meeting showed. Analysts expect a deeper debate next week.

"While we're certainly entering the 'rate-cut discussion zone' and we anticipate this will be the main topic" on the agenda of the Fed's meeting this month, policymakers will be wary of disinflation bumpiness, Gregory Daco, chief economist at EY, wrote in a note.

Britain starts design work on digital version of pound

Bloomberg

The UK will step up work on designing a digital version of the pound, saying the measures may be necessary to keep up with technology in the way people use money in the coming years. The Treasury and Bank of England said further study of a so-called Central Bank Digital Currency, is needed before a final decision can be made whether to launch what has been dubbed "Britcoin".

PRIVACY CONCERNS

They sought to allay concerns on privacy and security after a backlash from the public partly fuelled by conspiracy theory groups. The move suggests British authorities want to maintain some government control over the way money is used as consumers step away from using cash in day-to-day transactions, favouring card-based and mobile payments instead.

"We are at an exciting time of innovation in money and payments, and we want to ensure the UK is ready should a decision to build a digital pound be taken in the future," said Bim Afolami, Economic Secretary to the Treasury. "We will always ensure people's privacy is paramount in any design, and any rollout would be alongside, not instead of, traditional cash." The Treasury and BOE's announcement was in response to a consultation on the design of a digital pound it held last year.

The BOE said the design work will be "exploring its feasibility and potential design choices. The BOE and government will decide "whether or not to build a digital pound, and, if proceeding, would set out a timetable for further consultation on legislation and a potential launch."

Work on developing a potential CBDC has been met with skepticism by UK lawmakers and stoked concern from the public.

To improve bottomline, Canara Bank aims at 60:40 RAM to corporate credit mix

Isha Rautela
Bengaluru

Canara Bank aims to increase exposure to the RAM (retail, agriculture and MSME) portfolio, targeting a 60:40 ratio of RAM to corporate credit by March 2026.

The move is in line with efforts to improve the bank's bottomline, said MD and CEO K Satyanarayana Raju. Presently, the ratio of RAM to corporate credit stands at 56:44.

"The increased focus on RAM will also help in improving the NII and the quality of interest. In Q3, RAM credit grew by 14.56 per cent to ₹5,30,444 crore against 4,63,038 crore in December 2022," said the CEO. While the corporate sector will grow by 10 per cent in the current financial year, RAM will grow in the range of 13–15 per cent.

In the third quarter, the PSU reported a 27.88 per cent y-o-y increase in PAT, reaching ₹3,738 crore. Going forward, it expects the overall business to grow by 10 per cent, with credit business to grow by 12 per cent. Further, on the deposit side, the CEO also ruled out any immediate increase in the rate of interest.

CARD BUSINESS

Additionally, the bank, which is planning to transfer its card business to its unlisted subsidiary, Canbank Computer Services Ltd (CCSL), expects to receive approval from the regulator by the first week of FY25.

K Satyanarayana Raju, MD and CEO, Canara Bank

Speaking to *businessline*, MD & CEO, K Satyanarayana Raju, said that they will soon be applying for its license. "We had a preliminary discussion with the stakeholders for the required permission, and we will soon be applying to RBI for the licence, and I'm sure if everything goes well, we will commence its operations soon," he added.

Considering the potential demand for the card business, the company decided to spin it off separately. As of now, it has an 11 crore client base; meanwhile, it has only 10 lakh clients on the card business side. "So, there is a huge potential that I want to take out of that potential so that you can make it in your industry," he added.

Moreover, the state bank continues to eye opportunities in sectors such as infrastructure, green energy, data centre development, and real estate, particularly in Bangalore, Mumbai, and Delhi.

PayPal, Venmo to unveil six new innovations to revolutionise commerce

KR Srivats
New Delhi

Nasdaq-listed PayPal Holdings Inc has announced six new innovations that the company is piloting and bringing to market this year to revolutionise commerce through artificial intelligence (AI)-driven personalisation for both merchants and consumers.

The newest innovations, which will be rolled out in the US throughout 2024 and then globally, include a reimagined PayPal checkout experience, Fastlane by PayPal, Smart Receipts, PayPal advanced offers platform, a reinvented PayPal consumer app, and Venmo's enhanced business profiles.

This announcement was made by Alex Chriss, President and CEO, PayPal, during the PayPal First Look Keynote at San Jose, California, on Thursday.

Chriss noted that a reimagined PayPal checkout experience would give customers a 50 per cent faster and more delightful way to buy. Additionally, the new PayPal checkout will also leverage AI to become smarter and faster over time, he said.

> **Fastlane by PayPal** — a new one-click guest checkout experience — will offer shoppers faster checkout experience that will reduce checkout completion time by 40 per cent

INNOVATIONS

Fastlane by PayPal — a new one-click guest checkout experience that merchants using PayPal's platform will be able to offer their shoppers — will provide dramatically faster guest checkout experience that reduces checkout completion time by 40 per cent, he added. Customers simply save their information with Fastlane to check out in as little as one tap. No username or password to remember, no personal information to update, and no need to share credit card details with businesses all over the web.

Smart Receipts will enable merchants serve the personalised AI recommendations that are hyper-relevant and merchants can have more meaningful interactions, the PayPal CEO said.

PayPal's Advanced Offers Platform will help merchants and highly personalised real-time offers to the company's massive consumer base in a way that provides them with privacy and choice.

The new consumer app will give consumers more reasons to shop with PayPal, offering more rewards and more money in their pockets for the things they do every day, Chriss said. Venmo's enhanced business profiles are the new growth platform for businesses. With this, small businesses can find and engage new customers, and grow their businesses, he noted.

REFORMING PAYMENTS

"Our team is fired up to get these new innovations into the hands of our customers," Chriss said.

"PayPal is introducing six new innovations that will not only solve real customer pain points but, we believe, will change the world of payments and commerce".

With nearly 400 million consumer accounts, and 35 million merchant accounts, PayPal handles transactions for about a quarter of the world's e-commerce transactions each year,

PayPal's global scale and extensive data set, combined with the power of AI, will deliver the next generation of value for both consumers and merchants, Chriss said.

Global credit spreads tighten to 2022 low as buyers rush in

Bloomberg

Corporate bond investors are snapping up new issues worldwide at the start of the year, locking in elevated yields ahead of potential interest-rate cuts by major central banks.

Yield premiums on notes in the Bloomberg Global Credit Corporate index, which includes investment-grade and junk notes, tightened one basis point on Thursday to the lowest since late January 2022. Asia investment-grade spreads were hovering near a record low this week, according to a Bloomberg index.

MARKET EXUBERANCE

"Spreads are in a range that's pretty attractive for investors," said Campe Goodman, a portfolio manager for Wellington Management Company LLP.

The move in global spreads came after data showed US economic growth in the fourth-quarter trounced forecasts, with gross domestic product expanding at 3.3 per cent annualised and defying concerns about a recession.

Investors are pouring into high-grade debt at record or near-record levels in developed markets to lock in elevated yields. Major central banks like the Federal Reserve and European Central Bank are expected to cut rates this year as inflation cools, which would likely send yields in credit lower.

Still, exuberance in credit markets in the beginning of the year isn't rare, and often fizzles. With defaults for weaker firms climbing and developers in many countries under pressure, current tight credit spreads leave little room for error.

Investors' sentiment about Asian debt has been weak to start 2024 amid concerns about the Chinese economy. US high-grade bond spreads on Thursday were 11 basis points tighter than their Asian peers, the most in five months, the data show.

‘We need to deliver jobs, higher income and better lives for inclusive growth’

WHAT THE NATION NEEDS. Economists and journalists stress on distribution of wealth, dignified life

G Balachandar
Chennai

BRAINSTORMING. (From left) Jayati Ghosh, noted economist; Montek Singh Ahluwalia, former Deputy Chairman of the Planning Commission; N Ravi, Director of Kasturi and Sons Ltd; Sanjay Kaul, development policy analyst and former IAS officer; and TN Ninan, former Editor, Business Standard, in conversation with Raghuvir Srinivasan, Editor of *businessline*, at The Hindu Lit for Life festival 2024 in Chennai on Friday JOTHI RAMALINGAM B

India has the potential to become a developed or wealthy nation by 2047. But it needs to acknowledge its weaknesses in delivering adequate jobs, income growth, and better living standards for the majority of the population and look at changing the pattern of growth so that there is inclusivity in its high growth ambitions, argued leading economists and journalists at a session on “Rich India: Will India become a wealthy nation by 2047?” at The Hindu Lit Fest 2024 here.

N Ravi, Director of Kasturi and Sons Ltd, discussed the management of the economy in the current context. While the Government stressed its several welfare programmes, a big push on infra spend, a surge in digital payments, housing, and sanitation schemes, the increasing number of bank accounts, and reforms, such as GST, as indicators of a good economy, critics point to challenges pertaining to a high level of unemployment, malnourishment, and others structural issues such as the growing fiscal deficit, decline in the investment rate, etc, he said.

ECONOMIC GROWTH

Montek Singh Ahluwalia, former Deputy Chairman of the Planning Commission, pointed out that the criterion to measure economic growth would be per capita income. While we could reach those trillion dollars target, wealth has to be well-distributed, he said.

“We could end up with a high-income economy in which the distribution deteriorates so much that large numbers of people are left out. I’m not saying it will happen, but that’s an issue. We need that 8.5 percent growth to be inclusive,” he said.

Ahluwalia felt that along with inclusive growth, there is a need for the development of public goods, which has to be provided by a caring government, and not the market. States could be enabled for more flexibility in areas like education, health services, and handling climate change.

FUTURE CHALLENGES

Cautioning on future challenges, he said achieving GDP growth of 8.5 per cent on a sustained basis for several years would not be easy given emerging challenges in geopolitics and globalisation, rapid technological changes, and Centre-State relations. “We will need to evolve a system of government, in which the public recognises that it’s the states that must be held responsible for delivery.

The center will be responsible for macroeconomic stability, he added.

Stating that India’s current growth rate is fine, TN Ninan, former Editor, *Business Standard*, felt that quality of life would be more important than than economic indicators. He was of the view that India was doing slightly better than China on some indicators. “India is fractionally higher than China. Property prices in China are so high. Nobody can afford a house as the cost of living is enormous. People can’t get married. Because they can’t afford to get a place,” he added.

MANUFACTURING JOBS

To a question on manufacturing jobs by Raghuvir Srinivasan, Editor of *businessline*, who moderated the discussion, he said: “I am not a great believer in the proposition that manufacturing will create the number of jobs in sufficient numbers that we need to. Manufacturing is handicapped by the success in services. However, either through tariffs or subsidies, manufacturing can be made to compete and that is what the government is doing through PLI schemes.

“By shifting priorities, a lot could be achieved in the areas of healthcare without incurring any additional investments. For eg, the Centre could have used the ₹30,000 crore-odd funds to strengthen 600 district hospitals instead of building 15 new AIIMS. Also, nutritional imbalances among the children required attention and efforts for creating awareness on preventive healthcare,” he said.

BEYOND AGGREGATE

Jayati Ghosh, a noted economist, author, and professor, pointed out that a wealthy nation is one that can provide every person in the country with basic needs and the possibility of a decent and dignified life. Per capita income is not necessarily the best indicator. So, it requires a different pattern of growth rather than just the aggregate growth, she said.

Ghosh felt that investments were increasingly led by public investment in infrastructure as the private sector didn’t see a market for products that ordinary people consume. There is a need to create the conditions for private employment. In this, MSMEs have been left by the wayside and sector-wise packages are needed to enable them to survive.

Why Sudha Murty said no to running Infosys

Sudipta Datta
Chennai

AN EXTRAORDINARY TALE. Chitra Banerjee Divakaruni (left) in conversation with Shunali Shroff at *The Hindu Lit for Life festival 2024* in Chennai on Friday JOTHI RAMALINGAM B

“I can run Infosys, but can he take care of the family?” This was the question Sudha Murty pondered over and came up with a ‘no’, when Narayana Murthy told her, “You run Infosys; I will take care of the family.” Sudha Murty was upset when he told her that only one member of the family would be working in the company he was launching, not being a fan of family-run businesses.

Chitra Banerjee Divakaruni, who has written historic fiction and feminist retellings of the epics, profiles the Murthys in her first book of non-fiction, An Uncommon Love.

She shared her experience and many stories in an engaging conversation with writer, journalist, and podcaster Shunali Shroff at The Hindu Lit Fest 2024 in a session titled *The Power Couple: The Life and Times of Sudha and Narayana Murthy*.

“This book is a real departure for me,” said Divakaruni, but she felt inspired by their story — the story that ends with the birth of Infosys — and wanted to tell it because “it’s about people who rose from such ordinary backgrounds to become extraordinary people.”

Divakaruni, who went to school with Sudha Murty’s brother, spent time with the Murthys in their Bengaluru home.

AN UNCOMMON LOVE

At the session, she provided a glimpse about the Murthys pre-Infosys, which is now a $18.55 billion company; when and how they met; their first impressions of each other; how he proposed to her in a rickshaw, and the rickshaw driver paused to hear her reply; their differing backgrounds; the highs and lows.

“Mr. Narayana Murthy had the vision, and Sudha inspired him, but she is as much a creator of whatever he has achieved. He is also instrumental in what she has achieved,” Divakaruni said, talking about Sudha Murty’s prolific journey as a writer.

“They are vastly different people; Sudha is ebullient and optimistic; Mr. Murthy is reserved and disciplined to a fault,” she said, “but the important thing is that though they don’t always agree, they always have each other’s back.”

Sudha Murty, who stuck to the Sanskrit spelling of her surname, is clear about boundaries, said Ms. Divakaruni. “They were not sure [daughter] Akshata was making the right decision [when she decided to marry Rishi Sunak], but they listened to her.”

Sudipta Datta is *The Hindu’s* correspondent in Kolkata

Flipkart leads e-comm market; Meesho fastest growing platform: Bernstein

Press Trust of India
New Delhi

MIXED TREND. Flipkart’s user base grew 21% y-o-y, Meesho accelerated at 32% while Amazon lagged at 13% BLOOMBERG

Walmart group firm Flipkart continues to dominate the e-commerce segment with 48 per cent market share while Softbank-backed Meesho has emerged as the fastest growing e-commerce platform in terms of user base in India, a latest report by Alliance-Bernstein said. According to the report, Flipkart’s user base grew 21 per cent y-o-y, Meesho accelerated at 32 per cent while Amazon lagged at 13 per cent user growth, primarily due to relative premium offerings as compared to peers.

“As of FY23, Flipkart was the market leader, with a 48 per cent share in India eCommerce. Flipkart continues to grow faster than the industry... Mobile and apparel to be the largest categories for Flipkart with around 50 per cent and 30 per cent mix. Flipkart is estimated to hold 48 per cent and 60 per cent market share in online smartphone and online fashion market respectively,” the report said.

ORDER VOLUMES

The report attributed growth in Meesho’s market share primarily to its strategic focus on Tier 2 and smaller cities due to its mass positioning, operating through a zero commission model. “In the last 12 months, Meesho’s order volume grew 43 per cent y-o-y with revenue growth at 54 per cent through healthy take rates, repeat customers are around 80 per cent,” it said.

The report said that Meesho’s around 80 per cent of the sellers are retail business owners and about 95 per cent of the selection on the platform is unbranded.

“Meesho is the fastest growing e-commerce platform in India with around 120 million average monthly active users,” the report said.

According to Alliance-Bernstein analysis, current GMV (gross merchandise value) run rate of Meesho business is over $5 billion with around 50 per cent GMV from apparel, BPC (beauty and personal care) is around 8-10 per cent and home and kitchen contributing in the range of of around 8-10 per cent.

“We expect Meesho to be the key gainer with over 48 per cent downloads in Indian e-commerce and gain incremental market share,” the report said.

A Nielsen Media study, commissioned by Amazon India, in September had found Amazon India to be the most preferred online brand for the respondents across India.

In fashion e-commerce, Reliance owned Ajio has been acquiring users and currently holds around 30 per cent market share based on MAUs, however, Flipkart Group firm Myntra continues to hold the highest market share in terms of active users with over 50 per cent share.

MakeMyTrip navigates challenges, surges in international segment

Forum Gandhi
Mumbai

MakeMyTrip expects supply chain-related headwinds from the air travel segment to continue for Q4 FY24 and is hopeful that they will ease out in the next financial year. Despite a short-term crunch on domestic air travel, the company has seen tremendous growth from the international air travel segment. It has meanwhile, also scaled its hotel offerings and expects momentum from that segment as well.

The Nasdaq-listed OTA posted its Q3 results earlier this week. During the post-earnings call, Rajesh Magow, Group Chief Executive Officer of MakeMyTrip said, “During the last quarter, I talked about near-term supply challenges, particularly in the domestic market.”

Indian airlines have been facing a supply chain crunch due to the insolvency of GoFirst and the grounding of airplanes due to Pratt & Whitney engine issues. However, the carriers are taking various steps including the addition of a large number of planes in the coming years to fill this supply gap.

MOST ADDITIONS

As per estimates, collectively airlines are expected to add about 150 planes during next year which will be the highest number of additions in a single year. “In light of this, we are hopeful that the supply situation will start improving from the next financial year,” Magow said.

MakeMyTrip posted a net profit of $24.2 million in Q3 FY24 compared to the corresponding quarter last year, when the online travel aggregator reported a net profit of $0.2 million, in the light of a “seasonally strong quarter” the company said in a regulatory filing on Tuesday.

“Despite the short-term headwinds, our growth on a flown basis at 7.2 per cent q-o-q outpaced the market growth of 6 per cent, allowing us to consolidate our market share at 30 per cent+ levels in the domestic air market,” Magow added.

Rajesh Magow, Group Chief Executive Officer, MakeMyTrip

> “As for our **international air ticketing** business, we have not only fully recovered but have started to grow above the pre-pandemic peak,”

INTERNATIONAL BUSINESS

“As for our international air ticketing business, we have not only fully recovered but have started to grow above the pre-pandemic peak,” he said.

Air travel is the largest contributor to the company’s bookings and revenues. It is also the largest player in this segment across Indian OTAs. However, while the company faced slight headwinds in this segment, it covered gaps with the hotels segment.

He explained that the international outbound business for the company “continues to scale well.” He said that this was due the the addition of the new direct flights to various destinations like Tashkent, Baku, and Bali and key international holiday destinations like Thailand, Sri Lanka, and Malaysia having announced waiver of visas for Indian travellers during the quarter. “This is likely to fuel greater demand for these international destinations in the times to come,” he said.

E-VISA FOR UAE

In order to tap this, the company is planning to expand its eVisa offerings for the UAE. The company’s accommodation business which includes hotels, homestays, and packages, witnessed “strong y-o-y and q-o-q growth in the seasonally strong quarter.”

During the quarter, MakeMyTrip touched its “highest ever single night check-ins of close to about 200 thousand people on the back of strong holiday demand.” According to its earnings presentation, the company sold over 63,000 domestic hotels across 1760 cities.

The company was able to also command a better margin for this segment, it said during its earnings call. It will continue to add more properties to its platform, the company added.

We are targeting ₹2,800-cr sales this year: Kolte-Patil Developers CEO

bl.interview

Janaki Krishnan
Mumbai

Pune-based Kolte-Patil Developers ended the first nine months of FY24 with sales of over ₹2,000 crore and is confident of meeting its target of ₹2,800 crore for the year and growing at 25 per cent in the next two years.

The bulk of the company’s sales have been from Pune so far, but that representation could change with a slew of launches in Mumbai in the next few quarters.

businessline met with Rahul Talele, Group CEO, to discuss the company and the real estate sector. Excerpts:

What is the breakup of your sales among the three cities — Pune, Mumbai, and Bengaluru? Do you expect to meet or exceed your sales target for the year?

In the first nine months, most sales have come from Pune, barring ₹100 crore from Mumbai and some from Bengaluru. Around 95 per cent of sales came from Pune itself. For this year, we have given the target of around ₹2,800 crore, and already we have around ₹2,100 crore. We are confident of meeting this target, and for the next two years, pre-sales growth of around 25 per cent is what we are anticipating for the company.

How are you increasing your presence in Mumbai and Bengaluru?

There are multiple projects that we have closed in Mumbai. In the last financial year, we closed around ₹2,700 crore worth of projects in Mumbai, and they will eventually get launched in the next financial year, there will be the right balance of diversification beyond Pune to around 25 to 30 per cent.

> Our Mumbai strategy is a simple one. We want to acquire project with a topline potential of ₹300-₹900 crore and build houses with ticket sizes of around ₹1.5-₹3.5 crore

RAHUL TALELE
Group CEO
Kolte-Patil Developers

How do you assess the demand in the three cities where you are present?

Well, around 35 to 40 per cent of household earnings are going into paying EMIs, so affordability is very high. If you analyse the three parameters of wage growth, property price growth and interest rate growth you will realise that affordability is very good. Another important factor is the inventory replenishment ratio. In the geographies where we are operating, particularly in Pune, where we have a concentrated and very large portfolio, the inventory replenishment ratio is less than one. This means that whatever inventory is getting sold, less than that is getting added in the city. The inventory hangover has gone down from 25 months a few quarters back to just 6 or 7 months. Considering that accumulated savings are there, a strong desire to purchase property and from established developers - all these things together, we believe there is a strong demand. I can see these numbers after 10-12 years. This cycle is driven by end users, unlike the earlier real estate cycles.

How many projects do you plan to launch in the next quarter?

We plan to launch around ₹7,000 crore worth of projects in the next financial year. A few of the projects will be launched in the first half and the others in the second half. So maybe around ₹1,500-2,000 crore worth of projects will be launched in the first quarter. One can be the NIBM project (Pune), the second can be the next phase of the Little Earth and Manor and Lakshmi Ratan project at Mumbai and maybe a few projects under Life Republic.

What is your strategy to strengthen your presence in the Mumbai market?

Our Mumbai strategy is a simple business development strategy. We want to acquire project with a topline potential of ₹300-900 crore and build houses with ticket sizes of around ₹1.5 crore to ₹3.5 crore. From a Mumbai context, these are the mid-income and upper-mid-income segments, and we are comfortably achieving good sales traction with this size and in this price range.. Our projects are mostly concentrated in the western part of the city. We have delivered a couple of projects, and three more are on the verge of delivery. We are also looking at central and Navi Mumbai as well.

CHENNAI
businessline.
SATURDAY - JANUARY 27 - 2024

THE HINDU businessline.
SATURDAY - JANUARY 27, 2024

GIFT proposition

Direct listing rules should be less stringent

It is heartening to see the Centre moving forward in letting Indian companies list directly on overseas exchanges. The framework released last week, to allow unlisted public companies to make issuances and list their shares on the two international exchanges in the GIFT IFSC (GIFT International Financial Services Centre), is a good first step. It should be followed by rules for allowing companies listed on domestic exchanges to simultaneously list on other overseas exchanges, including the GIFT (Gujarat International Finance-Tech) City.

This calibrated approach is the right way to move ahead, given the past mishaps involving similar permission given to Indian companies to tap global exchanges through the depository receipts route. That said, some of the rules in the framework are too stringent and could render this entire exercise ineffective. The first stage of this scheme is intended to help start-up companies provide an exit to their investors by listing on the exchanges in the GIFT City. This is a good idea since global investors are more open to investing in new technologies and ideas, which will help these companies get better valuation in the India offshore centre. The authorities seem intent on allowing only sound businesses to use this route. Only public companies not in violation of any domestic laws or rules, which have not defaulted on any loan, or debenture repayment in the preceding two years, have filed annual returns on time and have not made any application for winding up under the insolvency and bankruptcy code, can issue shares on international exchanges. While these rules are necessary, laying down that companies with negative networth cannot list overseas needs to be relaxed. Many start-up companies make losses in the initial years, eroding their networth. But the method of valuing start-ups is based on other metrics such as footfalls, website traffic, app downloads etc. Global investors may be ready to invest in such companies based on other metrics.

The rules also specify that neither resident Indians nor Indian mutual funds can invest in these issues or trade in these shares on GIFT City exchanges. The definition of 'permissible holder' who can invest in Indian companies listed on overseas exchanges is based on the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, which says that a permissible holder cannot be a person resident in India. This rule needs a relook, given that resident Indians will be eager to apply to issuances of Indian companies on the GIFT City exchanges using the funds allowed under the liberalised remittance scheme. Giving permission to Indian retail and mutual fund investors to participate in these issues will create the core investor pool necessary to attract global investors to the Indian offshore centre.

Despite multiple tax concessions, absence of currency risk and state-of-art infrastructure, activity on the two exchanges in the GIFT City is lacklustre. Allowing access to domestic investors could provide some impetus.

FROM THE VIEWSROOM.

Secularism's origins in the West

TCA Srinivasa Raghavan

For the last seven decades some Indians have been obsessed with 'secularism'. But virtually none of them know its origins.

It's a relatively new term, used for the first time by a journalist called Holyoke in 1878 or so. He meant that religion should be ignored entirely in human affairs.

But the original demand for the separation of spiritual from the temporal had a much less lofty intent. Even sordid, one might say.

It came about because Henry the VII of England wanted to indulge in continuous sexual pleasure. But he was already married and wanted a divorce.

But the Pope said no, you are married and I will not grant you divorce. England was Catholic at that time.

So in a rage Henry in 1535 decided to 'break with Rome' and started his own church, the Church of England. This was glorified later by academic *chamchas* as the separation of spiritual and temporal power.It didn't happen, of course. A full 150 years later in 1688 they threw out a king, James II, for being a Catholic because the English don't allow anyone except Protestants to be king or queen. When they run out, they import them.

In 1688 they imported a Dutch fellow only because he was a Protestant. Very secular indeed. Earlier, in 1649, they had cut off the head of Charles the First for the same reason. He was a Catholic. Separation in his case acquired a new meaning.

In contrast, in India, our priests have never wielded political power in the comprehensive way the Church in Rome did in Europe. Secularism there meant preventing the Pope from exercising this power. That's why secularism here gains no traction. There's no historical, customary, traditional or philosophical basis for it.

Instead, we have the opposite situation where far from religious institutions not controlling the State, it's the State, in the name of protecting the minorities, that controls religion. Thus, there's actually no separation at all.

Five changes to add appeal to the NPS

Making EPS optional, freeing up end use and easing withdrawal can attract young employees

CIRCUIT BREAKER.

AARATI KRISHNAN

The Indian stock market is having a purple patch, with the 10-year returns on the Sensex now nudging 14 per cent. This is an opportune time for the government to make a renewed pitch to woo Indian households, who are already sold on stocks and mutual funds, to the market-linked National Pension System (NPS).

While the NPS has been delivering good returns, some of its archaic features are holding back young employees from committing more of their savings to it. Here are five changes that can make the NPS more appealing.

MAKE EPF OPTIONAL

Today, any Indian employee joining the formal workforce is automatically signed up for the Employees Provident Fund (EPF), with 12 per cent of her basic pay compulsorily docked towards this retirement vehicle. With EPF contributions taking up most of 80C investments as well, she is left with little room to squeeze in the NPS.

Data from the latest Periodic Labour Force Survey says that only 21 per cent of Indian workers hold down a regular job, while 57 per cent are self-employed and 22 per cent are in casual jobs. The average earnings of an urban male employee are about ₹22,000 per month. This indicates that most employees may not have the leeway to invest in more than one retirement vehicle.

In theory, EPF is not mandatory for employees drawing over ₹15,000 in monthly basic pay. But in practise, with the law requiring all organised employers to enrol with the EPFO, most organisations bake the scheme into their compensation packages, leaving employees with little choice but to contribute. Amending the law to enable employers to offer the choice of either NPS or EPF, can popularise NPS. It can also solve the EPF's problem of trying to sustain an 8 per cent plus return on a humongous, mainly gilt portfolio.

FREE UP END-USE

Retirement savings vehicles require investors to make extremely disciplined savings, which are locked up for long periods. Telling that investor that she can't get her hands on the lumpsum that she has accumulated even after retirement, is an unkind cut indeed.

Yet the NPS does precisely this, by forcing subscribers to convert 40 per cent of their final maturity proceeds into annuities. This stipulation is single-handedly responsible for most employees allocating the bulk of their retirement savings to Public Provident Fund and EPF, which have no such end-use stipulations. The NPS attracts only residual savings to make use of the section 80CCD tax break.

Apart from locking up the investor's corpus life, annuity products also offer sub-par returns. Today, annuity plans in India offer returns of 6-6.5 per cent per annum. But retail investors accessing RBI's Retail Direct platform can lock into a 7.4 per cent yield for 30, 40 or even 50 years terms by bidding for Central government bonds. Doing away with the annuity condition can help retirees get more bang for their buck from the NPS, while opening up a new set of buyers for government bonds.

SHELVE MARS

With government employees in some States clamouring for the old pension scheme, the pension fund regulator has been toying with the feasibility of adding on a minimum assured return scheme (MARS) to the NPS menu. With this, NPS subscribers will presumably get the option to invest in a capital-protected product, apart from the equities, corporate debt and gilts which are on the menu.

> **The NPS would be vastly more appealing to young savers if it allowed** withdrawals at a time of their choice, without any conditions.

But this may be an unnecessary addition. The entire debate about MARS reveals confusion between the accumulation and payout phases of retirement planning. When an investor is accumulating money towards her retirement which is 20, 30 or 40 years away, her main objective should be to earn an inflation-beating return so that her savings compound at a high rate, to maximise her retirement corpus.

When she is ready to draw on that corpus at retirement, that is when an assured pension makes sense. Today, there are any number of assured pension products that can provide a guaranteed pension to the investor post-retirement. The NPS should focus on the accumulation phase.

Investors keen on assured returns even in the accumulation phase should note that long-term assured return products in India, such as endowment and annuity products from insurers, tend to deliver returns in 4 to 6 per cent range. When financial product sellers are made to guarantee returns, they play it safe by 'assuring' an anaemic return.

MAKE WITHDRAWALS EASIER

If there's one attribute that millennial and Gen Z savers look for in their investment products, it is flexibility. Career paths of young Indians no longer follow the uneventful trajectories of their parents.

They seldom stay with an employer beyond five years, take mid-career breaks and aspire to entrepreneurship and early retirement.

Any retirement vehicle that wants to endear itself to these workers cannot subject their funds to a lock-in until the age of 60. The NPS allows full withdrawal only at age 60, subject to the annuity rule. It sets onerous conditions for any employee seeking even partial withdrawal before retirement. Premature withdrawals are capped at 25 per cent of the NPS subscriber's contribution, with only three such withdrawals permitted.

NPS also takes a leaf out of EPF's book to set paternalistic conditions on the use of this money (marriage, children's education, purchase of house, reskilling etc). While EPF allows the employee to completely withdraw her balance if she's unemployed for two months, the NPS doesn't incorporate this provision.

The NPS would be vastly more appealing to young savers if it allowed withdrawals at a time of their choice, without any conditions. To ensure that subscribers get to experience the return potential of equities, an initial lock-in period of say seven years can be specified after which exit is allowed.

TOM-TOM TAX BREAKS

In India, one nudge that gets even compulsive spenders to save some money, is the availability of tax breaks. The NPS is already very well-placed on this score, though most investors are not aware of it.

Annual contributions of up to ₹2 lakh in the NPS Tier 1 account are exempt from tax. Sixty per cent of the final maturity proceeds (the non-annuity portion) are exempt too. Should the annuity condition be removed, the remaining can be exempted too.

Switches between assets or fund managers within the NPS are not taxed. This is an enormous benefit for investors who need to periodically rebalance their portfolio, and is not available on competing products like mutual funds.

All these benefits are however restricted to the old tax regime. They need to be extended to the new tax regime and widely publicised to woo young employees to the NPS.

Competition Act's leniency plus rule, a watershed

This provision incentivises providing information on the unearthing of more cartels, and therefore enhances compliance

Anil Kumar

India had strengthened its efforts to combat anti-competitive practices by introducing the Leniency Plus Provision in the Indian Competition Act, 2002. This was by way of an amendment to the Indian Competition Act, 2002 duly notified on April 11, 2023 -- The Competition (Amendment) Act, 2023.

Leniency provisions, laid down in Section 46 of the Competition Act, 2002, are aimed at encouraging individuals and companies involved in cartelisation to come forward and report their involvement in illegal agreements. These provisions provide incentives in the form of reduced penalties in exchange for cooperation with competition authorities. However, under these provisions individuals or entities that have already availed leniency for one cartel are encouraged to come forward with information about another undisclosed cartel. Such an approach is already being followed by the UK, the US, Singapore, and Brazil.

KEY FEATURES

Multi-Cartel Disclosures: Unlike traditional leniency provisions, which primarily focus on individual cartels, the Leniency Plus Provision incentivises leniency applicants to reveal additional cartels they have knowledge of and also part of that cartel.

Immunity for Multi-Cartel Disclosures: As per the draft Lesser Penalty Regulations, 2023, this applies to a Leniency Applicant who had earlier made a full, true and vital disclosure in respect of alleged contravention of provisions of Section 3 of the Act, and makes a full, true and vital disclosure in respect to another cartel (second cartel) over alleged violation (under Section 3). This will enable the Commission to form a prima facie opinion regarding the existence of newly disclosed cartel. under sub-section (1) of section 26 of the Act. The applicant may be granted an additional reduction to the leniency applicant of monetary penalty up to or equal to 30 per cent of the penalty imposed with regard to the first cartel besides obtaining benefit of reduction in penalty of up to or equal to one 100 per cent in respect of newly disclosed cartel in terms of sub-section (1) of section 46 of the Act. for their participation in the newly revealed cartel.

LANDMARK. Fostering competition

This reduction in penalty is granted to encourage the reporting of anti-competitive agreements in a different market.

Enhanced Rewards: The provision rewards applicants for revealing multiple cartels, offering substantial reductions in penalties for their cooperation in cases involving the first cartel (ongoing) as well as newly disclosed cartel(s).

Confidentiality: Just like traditional leniency provisions, the Leniency Plus Provision ensures that the identity of leniency applicants and the information provided remain confidential, mitigating concerns about potential retaliation.

THE ADVANTAGES

Enhanced enforcement: By encouraging leniency applicants to reveal additional cartels, the CCI gains access to crucial information that can help in the detection of cartels, significantly boosting its enforcement efforts.

Enhance compliance: The Leniency Plus Provision fosters a culture of compliance among leniency applicants, enabling the uncovering of hidden cartels.

Deterrence: The provision significantly raises the stakes for cartel participants, as they are more likely to be exposed not only for one cartel but potentially for multiple anti-competitive agreements, creating a stronger deterrent effect.

Market transparency: The provision contributes to increased market transparency by exposing unknown cartels, thereby promoting fair competition enhancing consumer welfare.

The leniency provision plays a key role combatting cartels and anti-competitive practices.

The writer is Joint Director, CCI. Views are personal

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.

Flipkart, Swiggy layoffs

The announcement of job cuts by Flipkart and Swiggy totalling 1,400 employees before their IPO for cost cutting is discouraging while these companies were doing well. The losses of these e-commerce companies will not be overcome by such layoffs.

The accumulated losses of Flipkart and Swiggy will not entail any Income Tax liability for a very long time.

Such accumulated losses, cash burn and phenomenal increase in expenses, are a unique feature of e-commerce companies.

The upward valuation despite accumulated losses needs scrutiny of SEBI. Corporates should avoid lay offs.

Vinod Johri

New Delhi

Rooftop potential

The Editorial, 'Bright prospects' is perfectly fine.

The scheme of providing roof top solar panels should be considered with extension of subtantial subsidy to the tune of not less than 75 per cent.

The rest 25 per cent cost also may be provided by the government to add. in the monthly bills.

Even those who are provided free power should be consided for this scheme as the power generated may be purchased by Discom to help meeting the power deficiency as well as to make it an income generating scheme for those poor. The government should popularise this with more vigour.

AG Rajmohan

Anantapur

Taking up rooftop solar power for 10 million homes now and to reach 40 GW capacity by 2026, is a tall order. This is the first scheme to set a target for the number of households rather than the amount of electricity to be generated.

Rooftop solar power to less affluent households requires fresh initiatives. Incentives such as subsidies, tax holidays, quicker depreciation, duty concessions can promote unconventional energy set ups, but these can not continue forever.

Solar sector needs improved technologies, both for cost reduction and effective scaling up.

R.Narayanan

Navi Mumbai

Financial literacy

This is with reference to "Financial inclusion efforts need fresh impetus", (January 26). Financial inclusion is crucial for eradicating poverty.

It refers to delivery of banking services to masses including privileged and disadvantaged people at an affordable terms and conditions.

Lack of accessible, affordable and appropriate financial services has been a hindrance to growth.

E-banking training and financial literacy programmes should be organised.

P Sundara Pandian

Virudhunagar

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QUICKLY.

Rolls-Royce Spectre charges in at ₹7.5 crore

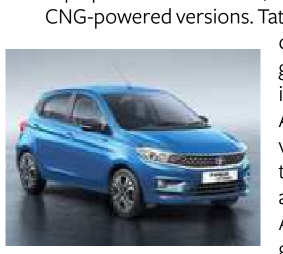
Rolls-Royce epitomises luxury, and you can expect the same from its new all-electric offering in India, the Spectre. That it's priced at ₹7.5 crore onwards, ex-showroom, without any factory options, shouldn't be surprising, although this makes it not just one of the most expensive cars on sale in the country but also the most expensive EV. Powering it are two electric motors, connected to a 102 kWh battery pack. The resulting figures aren't any less impressive: 576 bhp and 91.7 kgm, and a claimed range of 530 km. When you do run out of charge, a 50 kW DC charger will take the SoC from 10 per cent to 80 in just 95 minutes. A 22 kW AC charger will take a little more than 5 hours for the top-up.

Citroen E-C3 Shine variant launched

Citroen has expanded its all-electric E-C3 car model line with the introduction of the top-spec Shine version. The model range starts at ₹11.61 lakh, ex-showroom, and the newly launched Shine trim is priced at ₹13.2 lakh onwards. Mechanically unchanged, the E-C3 Shine comes with new features like a reverse-parking camera, skid plates, 15-inch alloys, a leather-wrapped steering wheel, rear washer and wiper, electrically adjustable mirrors etc. Earlier pretty much without any rivals, the E-C3 will now face competition from the newly launched Tata Punch.ev.

Tata Tiago CNG, Tigor CNG now available with AMT

Automatic gearboxes are usually limited to top-spec versions of cars, which tend to skip CNG-powered versions. Tata Motors has decided to fill that gap with the introduction of an AMT-equipped version of both the Tiago iCNG and Tigor iCNG. Automated gearboxes are a cost-effective way to enjoy the benefits of an automatic without adding a complex gearbox or reducing fuel economy. The one fitted to the Tata iCNG duo will also be equipped with a creeping functionality, which makes driving in city traffic less stressful. Powering the cars is a 1.2-litre naturally aspirated petrol engine which makes 72 bhp and 9.69 kgm when running on CNG. Making both even more practical is Tata's decision to endow these with the twin CNG cylinders first seen on the Altroz CNG. There will be three CNG-powered, AMT-equipped variants of the Tiago iCNG (including the crossover-esque NRG) and two of the Tigor iCNG. Bookings are now open against a deposit of ₹21,000.



Punching above its weight

PRIMED FOR SUCCESS? The Tata Punch.ev looks impressive on paper, but how good is it?

AMIT NAIK

Kurt Morris

In the automotive sphere, as an adjective, 'all-new' is probably the most misused one. On the one hand, it does enable marketers to sell refreshed models as 'all-new', but there's no denying that more often than not, these aren't exactly all-new. Facelifts, model-year revisions, and even small mechanical updates can indeed turn an existing model into something more likeable, but a complete transformation isn't likely to happen. The latest all-electric model to come out of the Tata stable, the Punch.ev, looks to us like an all-new car, but is it actually one, considering the Punch itself has been around for a while? We try and find at a first drive event of what's expected to be a game-changer for Tata Motors.

SO, IS IT ALL NEW?

We must take a look at what's changed, and then we'll just let the new inclusions do the talking. For starters, the Punch.ev isn't really a Punch underneath. Based on Tata's new acti.ev platform, which is an electric-intensive, scalable architecture, the Punch.ev moves away from its internal combustion engine counterpart. This is a first because until now, every other Tata Motors electric offering was based on a slightly modified version of an existing platform. On the Punch.ev, that approach changes, with the underpinnings made suitable for a battery-powered car. The chassis has been stiffened, the battery has been placed on the floor, and everything around — brakes, suspension etc. — has been uprated.

All this results in a car that is a thorough improvement over the standard Punch, in terms of both ride and handling. Both in corners and at highway speeds, the Punch.ev feels substantially more surefooted. With a large percentage of weight placed closer to the bottom of the car, EVs can exhibit better dynamics, and the Punch.ev epitomises that. What's even better is that the ride quality hasn't suffered, either. It's stable on good roads and supple on bad ones — or where there are no roads, too. While the new acti.ev theoretically opens up the chances of employing an all-wheel drive system, the Punch.ev continues to be a front-wheel drive car. It might lose out whatever light off-road capability an AWD layout would've given it, but the combination of instantaneous torque and well-sorted suspension makes the Punch.ev lots of fun in less-than-ideal road conditions.

There are two versions to choose from: the standard Punch.ev and the Punch.ev Long Range. The former is an 80 bhp and 11.62 kgm model, with a 25 kWh battery, which results in a claimed range of 315 km. This sounds fairly decent, but the Long Range model takes things up a notch. It comes with a 35 kWh battery and a more powerful setup, which makes 122 bhp and 19.37 kgm, while the claimed range is rated at an even more impressive 421 km. Given the Punch.ev's size, those figures do sound quite encouraging. To put things into perspective, that's more power and torque than a Hyundai Venue N Line; a 0-100 km/h time of under 10 seconds doesn't sound bad at all. The Long Range model is claimed to hit 100 km/h on the speedo in just 9.5 seconds, whereas the standard model takes a relatively leisurely 13.5 seconds.

ENCOURAGING RANGE

With better optimisation in battery use and an ever-widening charging network, we can comfortably say that range anxiety on new electric cars will soon be almost eliminated, but how does the Punch.ev fare in that regard? Its claimed range is encouraging, no doubt, but real-world conditions can sometimes be brutal. In our case, we found out that having covered about 150 km in both city and highway traffic, the Punch.ev still showed 220 km of range. Not bad at all!

What about charging? The two models have two AC chargers accompanying them. One is a 3.3 kWh wall charger, which on the standard Punch.ev takes 9.4 hours to fully charge the car from 10 per cent. The same charger, when used with the long-range model, will take a total of 13.5 hours for a 10 to 100 per cent charge.

The faster 7.2 kW AC fast charger, available as an optional extra, will charge the Punch.ev in 3.6 hours, whereas it'll take 5 hours for the Punch.ev Long Range. A DC fast charger, on the other hand, available at charging stations and some petrol pumps, will be quicker. A 50 KW fast charger will top up the Punch.ev from 10 to 80 per cent in just under an hour. This means zero-tailpipe-emission road trips won't look like distant dreams anymore.

Talking of driving, while it's been established that the Punch.ev is a fun car to drive, it does have some level of adjustability on offer — to suit your mood and driving style. There are three driving modes to choose from, namely Eco, City, and Sports, each offering power delivery tailored for the application. There are also multiple levels of regenerative braking, which can be controlled using the paddle shifters behind the steering wheel.

The newness isn't confined to what's underneath, either, since Tata has brought some key changes to the exterior design, too. Akin to the recently refreshed Nexon.ev, the Punch.ev too has a wide LED DRL running across its face. The headlights are stacked atop the fog/cornering lamps and the vertical air vents in the new bumper. The charging port sits in the middle of the car's face, which means you can drive straight into the charging bay without needing to route the cable around the car. It adds to practicality, and makes the fuselage cleaner.

NEAT UPGRADE. On the whole, the cabin looks and feels great, especially with the new steering wheel and a larger screen AMIT NAIK

CABIN

On the inside, the Punch.ev's cabin has been equipped keeping in mind its quick top-up time using DC public chargers. The time you'd have earlier spent in a cafe, or indulging in doom-scrolling on your Instagram, can now be utilised better inside the plush cabin, thanks to the variety of entertainment options. The 720p 26.03 cm screen supports a variety of apps and popular online video streaming services. You can also make the most of the screen real estate by browsing the internet; or you can connect your phone using the two prominent connectivity suites: Apple CarPlay and Android Auto, both of which are available with wireless options. To ensure that the safety of occupants isn't compromised, the video playback options on the infotainment will stop as the car's speed goes over 5 km/h.

Some of the features are limited to the better-specced variants, but it's good to see that Tata has offered a number of these: AQI display, wireless phone charging, air purifier, 360-degree cameras, ambient lighting, sunroof, six-speaker music system, six airbags (across the range), cruise control, disc brakes on all four wheels (on the Long Range model) and so on. The instrument panel is also all-digital and offers three layout options. On the whole, the cabin looks and feels great, especially with the new steering wheel and a larger screen. The cooled seats at the front are a neat inclusion, too. The interior is spacious, but comfort at the rear could be slightly better, we feel. Boot space isn't bad at all (at 366 litres), and with no engine at the front, Tata also offers a 'frunk' under the bonnet, which has a volume of 14 litres.

Tata offers an eight-year or 1,60,000 km warranty on the motor and the battery pack. Both of these are IP67-rated, which means there's a provision to ensure neither dust nor water gets into them. Prices start at ₹10.99 lakh for the base model, whereas the fully-loaded Punch.ev Long Range (including the optional fast home charger) has an ex-showroom price tag of ₹15.49 lakh. In comparison, the Citroen eC3 is priced between ₹11.61 lakh and 13.50 lakh, and the bigger Nexon.ev is available from ₹14.74 lakh onwards.

Tata Motors has a more than 70 per cent market share in the EV 4-wheeler space in India, and a product like the Punch.ev shows the deep understanding they've developed of the ever-growing EV market in the last few years. With superior ride and handling, solid performance, and useful features, the Punch.ev has everything it takes to write another success story for Tata. It also makes buying a small EV look more attractive than ever before, but most importantly, it proves that not always is the term 'all-new' misused in the automotive context.

Mahindra XUV400: The 'pro' and cons

READY TO RUMBLE. The updated Mahindra XUV400 is ready to take on the refreshed Tata Nexon.ev

Kurt Morris

It's no secret that Mahindra is developing a wide range of all-electric SUVs. These have been showcased in concept/pre-production form in the last two years: from large SUVs to an off-road-ready one, there's a lot that Mahindra might offer in the near future. This makes all the more sense as the industry looks at electrification more seriously than just a token presence in the alternative fuel segment.

Naturally, one would wonder if they're that serious about an electric future, why doesn't Mahindra have a worthy alternative to something like the Tata Nexon.ev? Do you mean 'Why don't they have the XUV400?' The all-electric compact SUV might not have been in the news for a while, but it has just received an update. Like consumer-grade electronics with some professional features, it also has 'Pro' attached to its name. We got the chance to find out if that makes a difference.

On the outside, the shape and size of the XUV400 remain unchanged but there's enough to differentiate itself from the XUV300 — as has been the case since the electric version's launch. While the base EC Pro makes do with single-tone paints, the EL Pro can be specced with dual-tone colour combinations.

The refresh also brings along a new shade called Nebula Blue.

The facade of the SUV is covered in copper accents, which further signifies that it's the electric version — copper is used in the motor and wiring.

BIG CHANGE

The big change is on the inside, since the XUV400 Pro has a brand-new interior. The dashboard has been changed to a new dual-tone one, with a twin 10.25-inch screen setup. Leatherette upholstery, a sunroof, satin-copper accents, rear AC vents, wireless smartphone connectivity and charging and OTA (over-the-air) updates are some of the features available on the refreshed model. In addition, the onboard Adreno-X system offers more than 50 connected-car features.

SOLID MAKEOVER. The dashboard has been changed to a new dual-tone one, with a twin 10.25-inch screen setup. Leatherette upholstery, a sunroof, satin-copper accents and OTA updates are some of the other features available in the refreshed model

Powering the car is a familiar setup: a single motor which makes 148 bhp and 31.6 kgm. There are two battery sizes: 34.5 kWh and 39.4 kWh, offering a claimed range of 375 km and 456 km respectively.

Based on the variant (EC Pro, EL Pro, and EL Pro with the bigger battery), charger options include a 3.3 kW unit and a 7.2 kW one.

Fast charging is also an option, and Mahindra claims that with a 50 kW fast charger, the XUV400 can be charged to 80 per cent in just 50 minutes.

Mechanically, the car is unchanged; the XUV400 seems decently quick (0-100 km/h in a claimed 8.3 seconds) and is stable on the move.

Even when attacking corners, it doesn't lose its composure. Bad roads are tackled with ease, and with disc brakes on all four wheels, it sheds speed equally efficiently, too.

Priced at ₹15.49 lakh onwards, ex-showroom, the XUV400 Pro range readies the sole all-electric Mahindra SUV to face its rivals. It looks good, drives well, has a fair bit of space inside, and doesn't miss out on practical features, either.

There are three versions to choose from: EC Pro (34.5 kWh battery with 3.3 kW charger), EL Pro (34.5 kWh battery with 7.2 kW charger), and EL Pro (39.4 kWh with 7.2 kW charger) — the range-topping version is priced at ₹19.19 lakh.

A definite step up from Mahindra in the EV space, the updates make the XUV400 stronger than ever, but the question remains whether it's 'Pro' enough. In consumer electronics parlance, maybe it is, but then the XUV400 is more than just an appliance.

CHENNAI
businessline.
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QUICKLY.

Crude oil set for weekly gain on US economy data

London: Crude oil prices eased but remained on course for a second consecutive weekly gain, supported by positive US economic growth and Middle East supply concerns. Brent crude futures were down 58 cents at $81.85 a barrel by 1227 GMT, while US WTI was down 74 cents at $76.62. REUTERS

Copper slips on doubts over China's stimulus

London: Copper dipped as investors questioned whether attempts by top metals consumer China to boost its economy would be effective. Three-month copper on the LME fell 0.3 per cent to $8,547/tonne. On a weekly basis it has risen 2.4 per cent and is on course for its strongest week since mid November. REUTERS

Gold in tight range as US inflation data loom

Gold prices held in a narrow range as investors stayed on the sidelines awaiting a key US inflation print. Spot gold was little changed at $2,021.55 per ounce. US gold futures rose 0.2 per cent to $2,021.80. Spot silver edged down 0.1 per cent at $22.89 per ounce, platinum rose 0.7 per cent to $897.80, and palladium fell 0.6 per cent to $934.81. REUTERS

OPEC losing crude oil market share as it cuts production to lift prices

ENERGY SHIFT. The cartel may not sustainably offset structural trends such as the energy transition, say analysts

Subramani Ra Mancombu
Chennai

The crude oil market share of the Organization of Petroleum Exporting Countries (OPEC) has been declining since the cartel came out with its Declaration of Cooperation (DoC). The share is under increasing threat from non-OPEC+ countries, analysts say.

According to research agency BMI, a unit of Fitch Solutions, propping up Brent through DoC has come at a price. "As of 2024, we estimate that their crude, condensate and NGL output has fallen by 3.32 million barrels a day (mbd) compared with 2016," it said.

Over the same period, the non-OPEC+ production has risen by 9 mbd, increasing its market share from 48.9 per cent to 55.1 per cent over the same period. "And, while OPEC+ still has ample scope to influence prices, it may be increasingly difficult to build a group-wide consensus," the research agency said.

NON-OPEC TO DOMINATE. The International Energy Agency said non-OPEC+ production will dominate growth this year, accounting for close to 1.5 million barrels per day

The International Energy Agency said non-OPEC+ production will dominate growth this year, accounting for close to 1.5 mbd. "By contrast, OPEC+ supply is expected to hold broadly steady from last year, assuming extra voluntary cuts that started this month are phased out gradually in 2Q24," it said. Since October 2022, OPEC+ has curbed its members' production by 2 mbd as part of its efforts to boost crude oil prices, which dropped on poor demand in view of economic slowdown. In April, the cartel cut the output further by 1 mbd.

WELL SUPPLIED

On November 30, OPEC+ decided on output cuts of 2.2 mbd in the first quarter this year. Despite the cuts, crude oil prices have been hovering around $80 a barrel or below. Currently, Brent crude is quoting at $81, while Western Texas Intermediate at $76.7.

"Previously, the group (OPEC+) sacrificed its production in order to bolster prices and safeguard revenues. However, its strategy is under increasing threat from rising output in non-OPEC+ markets and the progressive loss of its market share," BMI said. The IEA said barring significant disruptions to oil flows, the market looks reasonably well supplied in 2024, with higher-than-expected non-OPEC+ production increases set to outpace oil demand growth by a healthy margin.

"While OPEC+ supply management policies may tip the oil market into a small deficit at the start of the year, strong growth from non-OPEC+ producers could lead to a substantial surplus if the OPEC+ group's extra voluntary cuts are unwound in 2Q24," it said. BMI said the strong gains in the US supply over 2017-2019 was the key reason behind the temporary breakdown of the DoC in 2020, which triggered the short-lived price war of that year.

TIGHTROPE WALKING

It said, "Tensions have resurfaced sporadically since then, most recently culminating in Angola's exit from OPEC, announced in December 2023."

Though OPEC has always been well-equipped to respond to temporary shocks to global oil markets, it cannot sustainably offset structural trends, such as the energy transition, the research agency said. OPEC+ must walk a tightrope, balancing the countervailing revenue impacts of higher prices and lower production, and ensuring that near-term revenue gains do not come at the cost of long-term losses, should OPEC+ action stimulate higher production elsewhere, it said.

Wheat breeder Singh, Andamans' 'Nariyal Amma' among Padma awardees

Prabhudatta Mishra
New Delhi

Satyanarayana Beleri, a paddy conservator from Kasaragod in Kerala

Kamachi Chellammal from Rangachang in South Andaman

This year's Padma awards recognises three scientists, including famous wheat breeder Ravi Prakash Singh, and five farmers, including 'Nariyal Amma', the 69-year-old woman farmer from the Andaman & Nicobar Islands. All of them have been selected for the Padma Shri award.

K Chellammal, an organic farmer from South Andaman, demonstrated the efficacy of inter-cropping cultivation of clove, ginger, pineapples and banana. Though she studied up to class six only, Chellammal's work has motivated more than 150 farmers, who have adopted the method.

She has also devised innovative, economical damage control measures for coconut and palm trees. She harvests over 27,000 coconuts each year from her 2-hectare orchard, which has 460 palms of the Andaman Ordinary Tall variety.

QUEEN OF HERBS

Other farmers, Sarbeswar Basumatary of Assam, Sathyanarayana Beleri of Kerala, Yanung Jamoh Lego from Arunachal Pradesh and Sanjay Anant Patil of Goa, will receive their awards from the President on a later date.

Lego, 58, is known as the queen of herbs in Arunachal Pradesh's East Siang. An expert in herbal medicine, Lego planted over 5,000 medicinal plants last year, and has been promoting the idea of setting up herbal kitchen gardens in each home in the district.

The 61-year-old Basumatary of Assam is a tribal farmer from Chirang has cultivated varieties of crops like coconut, orange, paddy, litchi and maize through mixed farming.

Kerala's Beleri, a paddy farmer from Kasaragod, has preserved over 650 traditional rice varieties. The 'Rajakayame' rice variety developed by him has been accepted by farmers in Karnataka and Tamil Nadu.

Two agriculture scientists from Haryana have also been awarded the Padma Shri. While Hari Om, a close associate of Gujarat Governor Acharya Devvrat, has been recognised for his work in natural farming, Ram Chander Sihag, the former Dean of the College of Basic Sciences and Humanities under the CCS Haryana Agricultural University, Hisar, has also won the award.

Though late, Ravi Prakash Singh, an internationally acclaimed wheat breeder, who works as Head of the Global Wheat Improvement Research team in the Mexico-based International Maize and Wheat Improvement Center, has also been included in the list of Padma Shri awardees. Singh, who has developed over 550 wheat varieties in the past three decades, also received the Pravasi Bharatiya Samman Award in 2021.

Govt conducting study to integrate e-NAM with ONDC

Prabhudatta Mishra
Meenakshi Verma Ambwani
New Delhi

The Union government is doing a feasibility study to integrate all its related platforms with Open Network for Digital Commerce (ONDC) to ensure that larger benefits go to buyers and sellers and a robust e-commerce ecosystem is built to withstand any disruption in the physical market.

One such experiment may come up if the government finds it legally and technically feasible to link e-NAM (electronic National Agricultural Market) with ONDC.

As the government's e-NAM has connected 1,389 mandis (agriculture market yards) across the country, an integration may help farmer-producer organisations (FPOs) to navigate both e-NAM and ONDC simultaneously to buy and sell produce, sources said.

After acquiring skills, many FPOs have forayed into trading of farm produce to increase their turnover for viability.

One FPO from Maharashtra while sourcing spices from its own district has ventured into buying chillis from Guntur, Andhra Pradesh, to meet its customers' demand and opportunities for selling the produce have widened manifold after the Small Farmers' Agri-Business Consortium (SFAC) enabled such FPOs to join the ONDC platform, sources said.

ONDC TOPS 5-M MARK

.An official stated that discussions are on with multiple Ministries to enable their ecosystem to leverage ONDC.

ONDC has been witnessing growth in adoption both in terms of transactions and onboarding of sellers. In December, the platform crossed 5 million-mark in terms of monthly transactions. It is expected to grow to 6-8 million transactions per month. It has been averaging 1.5 lakh- 2 lakh transactions per day.

Over 2 lakh providers of services and goods had a presence on ONDC until December and the pace at which new sellers are onboarding the network has increased.

Over 50 per cent of the transactions on ONDC are contributed by the mobility sector. In terms of the retail segment, food & grocery and fashion are the key contributors.

The network initially began with food, beverage and grocery categories and gradually it has expanded to include mobility, fashion, beauty and personal care, home and kitchen and electronics appliances among others.

While the mobility and food and grocery segments have been growing rapidly, sources said categories such as financial services and B2B transactions are expected to also further expand in width and depth.

There has also been a strong focus on enabling onboarding of small and medium enterprises as well as rural sellers.

HIGHER SOYA OUTPUT FORECAST.

Bean, meal prices may come under pressure

Vishwanath Kulkarni
Bengaluru

Prices of soyabean and soyameal have come under pressure with the rise in global supplies and fall in prices. In fact, the modal price (the rate at which most trades take place) of the bean in various mandis of Madhya Pradesh are ruling below the minimum support price (MSP) levels.

Trade feels that the Indian soyameal may be uncompetitive in the international market with the fall in global prices.

"With the decline in global prices, we feel out-priced in the world market at these prices and that would hurt the exports going forward," said DN Pathak, Executive Director, Soyabean Processors Association of India (SOPA). Pathak said the global prices have come down by around $100 per tonne on rising supplies.

CRUSHED. Record exports face headwinds as global prices decline, impacting domestic markets and posing challenges for international competitiveness

Soyameal exports surged to 12.1 lakh tonnes (lt) from April to December 2023-24, a significant increase from the previous year's 4.46 lt, per the latest data from the Solvent Extractors Association of India. The shortage in export supplies from Argentina during the recent months worked to India's advantage resulting in higher shipments. However, the Indian soyameal prices as of January 16 were $515 per tonne ex-Kandla, whereas Argentina's prices were $483 per tonne on CIF basis to Rotterdam.

GLOBAL TREND

The recovery in production in Argentina and Brazil will weigh on the global prices in the year ahead. In fact, the CBOT soyameal continous contract was down 1.26 per cent on Friday at $353.70.

Tracking the global trend, domestic prices of soyabean and soyameal, which edged up in the past couple of months have reversed the trend in recent weeks. The ex-factory prices of soyameal in Indore are now hovering around 40,000-40,500 per tonne against 45,700-46,000 in mid-November.

Similarly, the FOB prices at Bedi/Kandla port, which ruled at a seasonal high of ₹47,250-47,750 in mid-November are now hovering around ₹42,000-42,500.

Also the modal price of soyabean are down and ruling in the range of ₹3,800-4,730 per quintal across various mandis in Madhya Pradesh. Record imports of edible oils is influencing the prices of soyabean in domestic markets, said Rahul Chauhan of Igrain India. "Due to the high edible oil imports, the demand for domestic millers and crushers is very low. Also the production of soyabean and mustard is getting better," Chauhan said.

Edible oil importers will have a wider choice

AJ Vinayak
Mangaluru

With global agencies forecasting over 6 per cent growth in world soyabean production this year, the Indian edible oil industry will likely have more options for imports.

Some industry leaders feel that soya oil could compete with sunflower and palm oils for market share.

Various agencies peg global soyabean crop at 392-398 million tonnes (mt) in 2024.

BMI (a Fitch Solutions company) said in its commodity price forecast that it anticipates a 6.3 per cent year-on-year growth in soyabean production at 398.2 mt for the 2023-24 (July-June) season.

The US Department of Agriculture's (USDA) January report estimates global soyabean production at around 398.97 mt, while the Grain Market Report by the International Grains Council (IGC) pegs it at 392 mt.

RECOVERY IN AMERICA

Most reports attributed the uptick in soyabean output to strong recovery by key South American producers.

Commodities Outlook 2024 by ING Think, the economic and financial analysis wing of the Dutch multinational financial firm, noted that Argentina is expected to see a recovery in output after the drought-affected previous season.

Domestic production is forecast to grow 23 mt y-o-y to 48 mt.

Even IGC's report tied its production forecast to a

rebound in Argentina. ING Think said production is forecast to hit record levels yet another season in Brazil at 163 mt, up by 5 mt, on the back of higher acreage as farmers find soyabeanmore attractive than corn.

However, there are risks to this crop with dry conditions appearing recently in some key growing regions.

BMI said Brazil is poised to make the most substantial impact, with a second consecutive record-setting harvest at 161 mt.

The USDA cut Brazil's soyabean production forecast by 4 mt to 157 mt as hot and dry weather in recent months strained the crop in key growing regions.

OFFTAKE GROWTH

At the 'Globoil Asia 2024' meet a few days ago, Dorab Mistry, Director of Godrej International Ltd, London, said soyabean crop would increase by around 39 mt in 2024.

Sudhakar Desai, President of the Indian Vegetable Oil Producers' Association (IVPA), told *businessline* that Argentina's crop will be about 48 mt, and Brazil's crop will remain unchanged from last year at about 155 mt.

More soyabean will be available this year, he said.

Safex Chemicals to launch its digital app from April 1

Subramani Ra Mancombu
Chennai

Delhi-based Safex Chemicals, which is present in all verticals of the agro-chemicals sector, will launch its digital platform - an app- from April 1, said SK Chaudhary, the company's Founder-Director.

The chemical firm will also come out with a new weedicide for soyabean and fungicide for rice that needs to be applied less, Chaudhary told *businessline* in an online interaction.

Safex will begin testing the app from February 1 through its employees before farmers, who will be the primary users, can begin downloading from April 1.

The app will mainly provide crop advisory while Safex will tap its channel partners to sell its products on a business-to-business (B2B) basis.

Last year, Chaudhary said the company's digital platform will be "a mix of Amazon and Facebook". The platform will help manufacturers and dealers to interact directly.

The year 2023 was mixed for the agri chemicals sector with many firms down financially despite higher sales volume as prices declined.

"Those who carried inventories have not done well financially. World-over, 2023 was cloudy with sales declining sharply in Europe, Brazil and the US," he said.

On its part, Safex had a mixed year in view of erratic south-west monsoon. "Due to deficient rain, the rabi season has also not been good and it is affecting the industry. Our brand sales grew almost 25 per cent in the first two quarters but the third quarter was flat," the company's Founder-Director said.

SECTOR DOWN

Agri-chemical firms which are focused on exports and international markets had fared badly, whereas

SK Chaudhary, Founder-Director, Safex Chemicals

those whose businesses were India-centric were not bad, he said.

"Individual companies' results may be good or bad, but the agrochemical industry as a whole is down," said Chaudhary. During the current rabi season, North India has experienced low rainfall. "There has been no western disturbances in the region and there is no snow in Kashmir. Apple production will go down drastically due to this," he said.

The agriculture sector is

The Delhi-based firm also plans to introduce new weedicide for soyabean and fungicide for rice

expected to do well in 2024 as the El Nino, which has pushed up global temperature and led to a fourth of India suffering drought, is expected to fade.

"The (south-west) monsoon is expected to be normal this year. If that happens, the agriculture sector will do well," said Chaudhary.

CYCLICAL EFFECT

Safex Chemicals is coming up with off-patent products, besides introducing 4-5 new molecules every year.

"We have come with new weedicides currently given by Corteva. We have entered that segment for rice weedicides. They have proven to be effective and given good results," the company Founder-Director said.

The Delhi-based company has 3-4 products in the pipeline as it enters the weedicide and fungicide sectors.

The firm expanding its plant near Pune has helped in launching new products.

On climate change, Chaudhary said the agri-chemical sector cannot do much about it. "Irrigation infrastructure is important. Small things can help retain soil moisture. One firm has got a molecule to absorb moisture. We don't have such a molecule but we will try to have one," he said.

Agriculture depends on the weather. So, the sector being affected by the vagaries of weather is a usual cyclical effect.

"It happens in every field of life. Things in agriculture cannot be in a straight line. It has to be a wavy curve. Otherwise, we would not have such progress in the sector," said Chaudhary.

Arabica coffee prices climb on concern over Brazil rains

Reuters
London

Arabica coffee futures on ICE rose sharply as the focus remained on whether there would be sufficient rain in Brazil's coffee belt to ease concerns about dryness.

March arabica coffee rose 3.2 per cent to $1.9290 per lb by 1205 GMT, climbing back towards Tuesday's four-week high of $1.9575. Dealers noted recent rains had mostly been in the northern half of Brazil's coffee belt, though forecasts suggested there were likely to be showers in central areas in early February.

March robusta coffee rose 0.9 per cent to $3,281 a tonne.

March raw sugar was up 0.4 per cent at 24.13 cents per lb. March white sugar fell 0.4 per cent to $672.90 a tonne.

March London cocoa was up 0.4 per cent at £3,738. March New York cocoa rose 0.5 per cent to $4,647 a tonne.

Arya.ag, Crystal Crop in pact to provide crop monitoring services

Our Bureau
Mangaluru

Arya.ag, a grain commerce platform, has partnered with Crystal Crop Protection Ltd to provide crop monitoring services across India.

A media statement said this partnership implements a pan-India crop monitoring initiative utilising Arya.ag's advanced satellite crop monitoring tool, 'Prakshep', which aims to provide in-depth insights into crop dynamics.

Farmers in Rajasthan, Uttar Pradesh, Maharashtra, Haryana, Madhya Pradesh, Gujarat, Karnataka, and Tamil Nadu will utilise this initiative to ensure sustainable farm practices and better yields, said a statement.

Quoting Prasanna Rao, CEO and Co-Founder of Arya.ag, the statement said: "Our satellite crop monitoring solutions, powered by advanced AI and ML technologies, aim for a sustainable future.

AGRI INPUT FIRMS

"By harnessing Prakshep's power, we intend to bring precision agriculture to farmers' fingertips, empowering agri-input organisations. This partnership signifies a significant step toward a more data-driven and technologically advanced agricultural sector in India."

Satyender Singh, CEO (Seeds) at Crystal Crop Protection Ltd, said: "We aim to increase farm productivity and farmer income while promoting sustainable farming practices, cost savings, and improved decision-making for farmers across the nation."

QUICKLY.

2024 LS polls: 96 cr citizens eligible to cast votes

New Delhi: Over 96 crore people, including 47 crore women, are eligible to cast a vote in the upcoming Lok Sabha elections, for which more than 12 lakh polling booths will be set up across India. Over 1.73 crore of those eligible to vote are in the age group of 18 to 19 years, according to Election Commission data. As many as 1.5 crore polling personnel will be deployed to ensure smooth conduct of the parliamentary elections to elect members of the 18th Lok Sabha. PTI

SC seeks Centre's reply on Kerala's borrowing cap plea

New Delhi: The Supreme Court has asked the Centre to respond in two weeks to a suit by the Kerala government accusing it of interfering in exercise of its "exclusive, autonomous and plenary powers" to regulate the state's finances by imposing a ceiling on net borrowing. The Attorney General questioned the maintainability of the suit and said there is no urgency for the orders as claimed by the Centre. PTI

Central dues: Mamata sets 7-day ultimatum

Kolkata: West Bengal CM and Trinamool Chief Mamata Banerjee gave the Centre a seven-day ultimatum to clear all dues to the state failing which the party would launch a massive protest. Banerjee made these remarks during a programme at Raj Bhavan to celebrate the 75th Republic Day. According to West Bengal government's figures, the Centre owes the State ₹9,330 crore under the PMAY, ₹6,900 crore under MGNREGA, ₹830 crore under the Swachh Bharat Missionas well as money under other schemes. PTI

CELEBRATING MILITARY MIGHT, WOMEN POWER, CULTURAL HERITAGE

The Pinaka Multi-barrel Rocket launcher system passes through the Kartavya Path during the 75th Republic Day parade BLOOMBERG

President Droupadi Murmu with the chief guest French President Emmanuel Macron, PM Narendra Modi and Vice-President Jagdeep Dhankhar PTI

Union Ministers Nirmala Sitharaman, Nitin Gadkari and Amit Shah; Chief Justice of India Justice DY Chandrachud; Lok Sabha Speaker Om Birla; and other dignitaries watching the proceedings ANI

Six Rafale aircraft take part in the flypast SHIV KUMAR PUSHPAKAR

A tableau of ISRO depicts the historic lunar landing of Chandrayaan 3 ANI

A combo photo of women officers leading marching contingents of their respective forces PTI

An All-Terrain vehicle passes through the Kartavya Path ANI

Nitish Kumar warms up to BJP again, may leave INDIA out in the cold

ALLIES AGAIN? Amit Shah holds meeting with State BJP leaders to discuss Kumar's possible return to NDA fold; local leaders divided on aligning with JDU chief

Dalip Singh
New Delhi

After TMC president Mamata Banerji and the Aam Aadmi Party (AAP) decided to go solo in West Bengal and Punjab, respectively, the opposition INDIA alliance appears to be headed for another jolt as Bihar Chief Minister Nitish Kumar, who was among the first to float the idea of a grand political unity to take on the NDA in the general elections, is once again hobnobbing with the BJP.

The buzz on the JDU rethinking its alliance with the RJD has been going on for a long but it gained some currency after a meeting that the BJP leadership had with party leaders from Bihar last evening to discuss Nitish Kumar's willingness to return to the NDA fold.

Kumar quit last year to form the government and remain the CM.

Though BJP leaders remained circumspect over Nitish Kumar's credibility who has become a fair-weather politician, it is believed that Union Home Minister Amit Shah held the meeting last evening to assess the ground reality and political capital the Kurmi OBC leader would bring in case both the parties agree for a tie-up again.

'DOORS ARE SHUT'

The meeting was attended by BJP President JP Nadda and state leaders like Sushil Kumar Modi, state party Chief Smarat Chaudhary, pointsperson Vinod Tawde and former deputy CMs Renuka Devi and Tarkeshwar Prasad.

Bihar BJP leaders, however, are divided over aligning with the JDU again, with Union Minister Giriraj Singh earlier stating that the doors are now shut for the JDU chief. Singh, however, appeared to have softened his stand towards the JDU and said on Friday "People come and go, will see what happens."

WEIGHING THE OPTIONS. Bihar Chief Minister Nitish Kumar attended a high tea function at the Bihar Raj Bhavan on Friday on the occasion of the Republic Day celebrations but his deputy Tejashwi Yadav was conspicuous by his absence PTI

The party's high command will take a decision that is in the interest of the BJP and the nation, he added. BJP MP Sushil Modi who was present in the meeting at Shah's residence landed in Patna on Friday and told reporters to wait for any political development in the state.

STOKING DOUBTS

Interestingly, Kumar attended a high tea function at the Raj Bhavan in Patna on the occasion of the Republic Day celebrations but his deputy Tejashwi Yadav of the RJD was absent, fuelling speculations about the widening rift between alliance partners.

The alliance government in Patna, if it does not survive, will be a big setback for the INDIA bloc which was counting on Bihar in the Hindi-speaking belt for putting up a good show in the Lok Sabha polls.

The trouble in the INDIA bloc is believed to have dragged Congress leader Rahul Gandhi to Delhi on Thursday afternoon after his 'Bharat Jodo Nyay Yatra' entered West Bengal from Assam.

The yatra is on a two-day break. The cracks are visible not just in West Bengal, with Aam Admi Party too ruling out any pact in Punjab for the polls.

IIIPI brings insolvency professional entities under peer review framework

KR Srivats
New Delhi

Indian Institute of Insolvency Professionals of ICAI (IIIPI) has recently decided to extend the peer review framework to Insolvency Professional Entities (IPEs) that are enrolled as its members.

The IPEs provide support services to IRPs/RPs/ Liquidators including verifying and processing claims of creditors, finalising the agenda for the meetings of the Committee of Creditors (CoC), running the Corporate Debtor as Going Concern, preparing Information Memorandum, ensuring statutory compliances, preparing Expression of Interest (EoI) and finalising suitable Resolution Applicants (RAs) etc.

They can also undertake insolvency assignments.

BOOST EFFICIENCY

"The decision to bring IPEs for subjecting these to peer review will improve the quality of their service and help in enhancing the confidence of various stakeholders," Ashok Haldia, Chairman, IIIPI Board, said.

Peer review is conducted by experienced IPs and aims at benchmarking the professional services under review to help improve performance, decision-making and adoption of best practices and standards including ethics, compliance with relevant laws, established standards and principles with respect to professional assignments under the IBC.

The peer review is mandatory for IIIPI's Insolvency Professionals (IPs) handling or having handled ten or more cases of Corporate Insolvency Resolution Process (CIRP)/ Liquidation in the past three years since the launch of the Peer Review Framework of IIIPI in July 2022.

Currently, peer review of more than 30 such professionals is under progress.

Adani Energy Solutions eyes 25% share in smart meters

Janaki Krishnan
Mumbai

Adani Energy Solutions aims to grab a market share of 25 per cent in smart meters taking an integrated approach towards the entire business value chain to retain complete control over the rollout as well as end-user experience.

The company currently has an order book of close to two crore smart meters from Discoms like BEST Mumbai (11 lakh), Maharashtra discom (1.15 crore), Uttarakhand (6 lakh), Andhra Pradesh (41 lakh), Bihar (28 lakh) and Assam (8 lakh). Its distribution arm Adani Electricity Mumbai has already installed a majority of its 7 lakh smart meters planned in the first

phase. With the government mandating transitioning to a complete Smart Metering system for all the 25 crore premises in the next five to seven years, this segment has thrown open a big revenue opportunity, which the company plans to cash in on to take a quarter of the total market share.

DBFOOT CONTRACT

"As it (the smart metering business) is a 10-year DBFOOT (Develop, Built, Fund, Own, Operate and Transfer) contract, technology and vendor obsolescence are real risks over the project lifecycle," said Chief Executive Officer Kandarp Patel.

"To de-risk, we plan to insource as much as possible. Towards this, we have invested a lot in selecting the right tech partners across the value chain right from the meter manufacturer to HES and MDM (Head End System, Meter Data Management) systems, to the telco, to the integration of software vendor, to the cloud hosting service provider and right up to the consumer app," he added. The key elements of a smart meter rollout are – the physical meter, a secure communication link between the meter and the discom, trained manpower for installation and trouble-shooting, HES & MDM for controlling meters, a secure cloud network where this data is stored and analysed by the discoms and a consumer app enabling them to pay bills, analyse consumption pattern and receive communication from the discoms.

ESYASOFT HOLDINGS JV

Recently the company announced setting up a JV with UAE-based Esyasoft Holdings to implement smart metering projects in India and other countries. Esyasoft is a provider of cloud and IoT-based energy management solutions for smart utilities. Besides serving Adani Energy's current and future needs, the JV will also be a gateway for its global ambitions in the smart metering business. It has also signed up with Airtel to deploy Airtel's IoT platform - 'Airtel IoT Hub,' for smart meter tracking and monitoring with analytics, diagnostic capabilities and real-time insights and services.

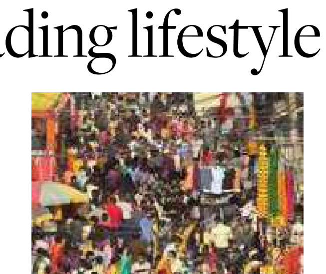
"Discoms will be able to identify and plug leakage in electricity metering. As per our study, if the distribution losses are brought down by only 1.5 to 2 percentage points, the entire cost of installing the smart meters would be met. We have studies to show that transmission and distribution losses can be brought down to single digits from the existing 30-35 per cent in some circles," said Patel.

Consumers in Hindi heartland optimistic about 2024; upgrading lifestyle is key priority: Report

Meenakshi Verma Ambwani
New Delhi

Consumers in the Hindi heartland are optimistic about 2024, driven by factors of national pride, technological advancements and economic growth. According to a report released by Bharat Labs, nearly 62 per cent of respondents in the Hindi heartland expressed optimism about 2024, 35 per cent expressed confident balance and only 3 per cent expressed clear pessimism.

The *Mood of Bharat 2024* report revealed that national progress, advances in technology, economic growth, local infrastructure development and national security are among the key reasons why the majority of



DIVERSE OUTLOOK. While 51 per cent were positive about the Indian economy in 2024, 37 per cent took a neutral stand, and about 12 per cent expressed concerns about the state of the economy

consumers expressed optimism. On the personal front, good career prospects and positive personal life circumstances together were the primary sources of optimism for close to 76 per cent of consumers in the Hindi heartland. While 51 per cent were positive about the Indian economy in 2024, 37 per cent took a neutral stand, and about 12 per cent expressed concerns about the state of the economy, the survey noted.

YEAR OF CHANGES

"2024 is a year of critical changes. A big election season is coming up; the ambition of a $5 trillion economy is the newfound centre-stage of India on the geopolitical stage," the survey noted. In such a year, AI and elections are the top two domains of interest for Bharat. 22.3 per cent of respondents expressed interest in AI and other technology innovations and 20.08 per cent registered elections as the key domains they are keen to follow in 2024, it added. Nearly 42 per cent of the participants in the survey said upgrading their lifestyle is the key priority, while nearly 20 per cent of the respondents are looking to travel this year.

Sandeep Goyal, Co-chair, Bharat Lab, added, "The overall optimism should give confidence to businesses like FMCG, auto, tech, finance, travel and more. Bharat is a great source of growth and diving into cohorts will help them unlock new sources of growth."

Quizzed about their heroes who will shine in 2024, excluding Bollywood and cricket, nearly 26.7 per cent gave a thumbs up to entrepreneurs. "Surprisingly, creators and scientists were at the back of the pack, garnering 15.8 per cent and 13.5 per cent of the votes, respectively," it added.

AP Budget: Govt to retain focus on welfare schemes

G Naga Sridhar
Hyderabad

Andhra Pradesh government is likely to retain focus on welfare schemes in the upcoming budget for the year 2024-25 while being cautious in other allocations.

As 2024 general elections' notification is expected to be released next month, the State government is also planning to commence the budget session before February 10, according to official sources.

Keeping in line with the focus on welfare programmes, the allocations for the Flagship welfare programmes, Navaratnas, will continue to get primacy in the upcoming vote on account Budget,

As for the preliminary estimates, the total outlay is expected be increased by 10 to 15 per cent compared to 2023-24, though the Chief Minister YS

AP CM YS Jagan Mohan Reddy

Jagan Mohan Reddy is expected to take a final call on this shortly.

BUDGET OUTLAY

Andhra Pradesh government has pegged the Budget outlay for the year 2023-24 ₹2,79,279 crore, with a lion's share of allocations going to the flagship welfare schemes being implemented under the Navaratnas.

The revenue expenditure was at ₹2,28,540 crore while capital expenditure was projected at ₹31,061 crore. The revenue deficit was worked out ₹22,316 crore and the fiscal deficit was placed at ₹54,587 crore. The fiscal deficit would be 3.77 percent of GSDP, while the revenue deficit would be 1.54 percent of GSDP.

The Budget outlay for 2022–23 and 2021–22 was ₹2.56 lakh crore and ₹2.29 lakh crore, respectively.

In his sixth budget presentation for the next fiscal, Finance Minister Buggana Rajendranath is likely to highlight the progress made by the State in the last five years from a broader perspective by comparing it with the previous five years of 2014-19 when the Telugu Desam Party (TDP) was in power.

"Given the political climate and different allegations on increasing public debt and other vital economy numbers, all departments are working on giving clear numbers to showcase the efforts and the State government and its focus on welfare,“ a senior official said.

The vital data on expenditure on welfare schemes and employment generation has already been sent by the Finance Department to the Chief Minister, it is learnt.

QUICKLY.

Microsoft cuts 1,900 jobs in gaming division

Microsoft will lay off 1,900 people across its video-game divisions including at Activision Blizzard, which it purchased for $69 billion in an acquisition last year. In an email to staff, Microsoft gaming chief Phil Spencer wrote that the cuts represented about 8 per cent of Microsoft's 22,000 gaming workers. BLOOMBERG

Salesforce laying off 700 workers, says WSJ

Salesforce is laying off about 700 employees, or roughly 1 per cent of its global workforce, the Wall Street Journal reported on Friday. However, the report added that Salesforce still has 1,000 jobs open across the company, implying that the move could be more of a routine adjusting of the company's workforce, the report said. REUTERS

ICJ asks Israel to prevent killing of Palestinians, provide humanitarian aid

AT LOGGERHEADS. South Africa terms interim decision a decisive victory; blatant discrimination, says Israel

Bloomberg/Reuters

Israel must immediately act to prevent the killing and harm to innocent Palestinians in Gaza, the United Nations' top court ruled, stopping short of ordering a halt to its military operations there.

The International Court of Justice said that Israel must also act to provide immediate humanitarian assistance to victims of its assault, in an interim decision delivered at The Hague on Friday.

While the ICJ's judgments are binding without course for appeal, it can't itself enforce its orders and other countries have chosen to ignore them, notably Russia over its invasion of Ukraine.

South Africa filed its case at the ICJ in December over Israel's three-month military operation in the Palestinian territory of Gaza. South Africa argued that the military strikes constituted genocide against Palestinians in the Gaza Strip and also asked for a fast-track ruling that ordered an immediate end to Israel's attacks. The killing "is nothing short of the destruction of Palestinian life," Adila Hassim, a lawyer representing South Africa, said at a January 11 hearing on the case.

'SIGNIFICANT MILESTONE'

Reacting to the ruling by the UN-affiliated International Court of Justice in The Hague, the South African Foreign Ministry said, "Today marks a decisive victory for the international rule of law and a significant milestone in the search for justice for the Palestinian people.

"There is no credible basis for Israel to continue to claim that its military actions are in full compliance with international law, including the Genocide Convention, having regard to the Court's ruling. South Africa sincerely hopes that Israel will not act to frustrate the application of this order, as it has publicly threatened to do, but that it will instead act to comply with it fully, as it is bound to do."

SEEKING JUSTICE. Pro-Palestinian protesters outside the International Court of Justice during the court ruling in The Hague, Netherlands, on Friday BLOOMBERG

Israeli Prime Minister Benjamin Netanyahu said called the charges levelled against it outrageous.

'OUTRAGEOUS'

"Israel's commitment to international law is unwavering. Equally unwavering is our sacred commitment to continue to defend our country and defend our people.

"The vile attempt to deny Israel this fundamental right is blatant discrimination against the Jewish state, and it was justly rejected. The charge of genocide levelled against Israel is not only false, it's outrageous, and decent people everywhere should reject it. Israel will continue to defend itself against Hamas, a genocidal terror organisation," he said.

Reacting to the ruling Palestinian Foreign Minister Riyad Al-Maliki said, "The ICJ judges assessed the facts and the law, they ruled in favour of humanity and international law.

"We call on all states to ensure that all provisional measures ordered by the Court are implemented, including by Israel, the occupying power. This is a binding legal obligation."

Akasa Air, CFM sign deal for 300 engines

Our Bureau
Mumbai

Akasa Air and CFM International on Friday announced an agreement to purchase over 300 CFM LEAP-1B engines to power 150 Boeing 737 MAX airplanes. The agreement also includes spare engines and a services contract. The announcement was made in conjunction with French President Emmanuel Macron's India visit.

Akasa Air launched its operations in August 2022. At the Wings India event last week, it announced the purchase of 150 737 Max 8 aircraft. Currently, it operates 22 737 Max 8 which are part of its original order of 76 aircraft. "With CFM as our long-term engine maintenance provider, we remain confident in our path to becoming one of the top 30 leading airlines in the world, by the turn of this decade," Akasa Air CEO Vinay Dube. The 150 aircraft ordered last week will be delivered between 2027-2032. This new order grows CFM's footprint in India, with more than 400 CFM-powered aircraft in service and 2,500 LEAP engines in the backlog. "Our customers, including Akasa, are seeing 15 to 20 per cent better fuel efficiency with their LEAP-powered fleets and it has the highest reliability and daily utilisation rates in this thrust class," said Gaël Méheust, CEO of CFM International. "Today's order will continue to bring these benefits to Akasa and support their continued growth, as well as play an important role in India's economic development."

Searches for offbeat destinations go up by 25%

Forum Gandhi
New Delhi

Demand for 'offbeat destinations' or 'hidden gems' has gone up dramatically in the travel industry. Weeks after the Prime Minister put Lakshwadeep on the global travel map, travellers are hunting for similar unexplored destinations. Players have witnessed an uptick of at least 20-25 per cent in searches.

Aloke Bajpai, Co-founder & Group CEO, ixigo said that the company had seen a multifold increase in demand for Lakshadweep. "The government's call to explore India's gems has sparked a tremendous wave of interest and this remarkable spike resonates with the nation's eagerness to explore the hidden treasures of India, showcasing the vibrant potential within our own borders as well," he said. *businessline* had reported, earlier this month, that industry players had said they were looking at this as an emerging trend. Booking.com said that 58 per cent of the people it surveyed, said that they were looking at destinations where travellers can unlock rewards such as unique experiences with locals in off-the-beaten-path areas. According to Skyscanner's data, 98 per cent of Indian travellers are keen to try 'hidden destinations' in 2024.

ROAD LESS TRAVELLED. Kashmir's Gurez Valley is among the less popular destinations that have witnessed a significant uptick in the recent times

SURGE IN DEMAND

Players like Cleartrip have witnessed a surge of 12 per cent in booking demand in January compared to December, whereas SOTC has witnessed a 20 per cent hike. Thomas Cook has seen an uptick of 25 per cent in booking requests compared to last month.

Daniel D'Souza, President & Country Head — Holidays, SOTC Travel, said, "Having catered to Indians for 75 years, we have witnessed a significant shift in consumer preferences. Our customers are displaying an increased preference for unusual destinations away from the crowds of a mainstream tourist destination — offbeat and rugged holidays and in-depth exploration of locales."

HIDDEN GEMS

According to SOTC's data, from a domestic perspective, Kashmir's Gurez Valley — one of the most enchanting and charming destinations owing to meadows, pastures, forests and mountains, has witnessed a significant uptick. Dakshum is another hidden gem of Kashmir. Dakshum is enclosed by the snow-covered Pir Panjal range, verdant coniferous forests, nomadic shepherd cottages, grassy meadows and the Bhringi River. The destination is ideal for trekking and fishing enthusiasts, also for someone seeking solitude amidst nature, according to the brick and mortar travel company.

Arunachal Pradesh's Damro — the base to the longest hanging bridge (1,000 feet) that sways gently over the River Yamne and charms with thatched bamboo houses, swaying suspended bridges, and laid-back lifestyle of the locals. Destinations like Pelling and Dharamkot have also made it to the list.

Industry players are also leveraging this opportunity to expand their presence further. Airbnb has recently signed a Memorandum of Understanding (MoU) with Uttarakhand Tourism Development Board (UTDB), to build host capacity in untapped destinations, thereby redirecting travelers from the State's traditionally popular spots to lesser-explored gems.

Foxconn chief, 3 India Inc honchos among Padma awardees

Our Bureau
New Delhi

India's list of Padma awardees for 2024 had the surprise inclusion of Foxconn chief Young Liu among three other India Inc. honchos in the "trade and industry" section.

Young Liu, Chief Executive Officer and Chairman of Taiwanese tech giant Hon Hai Technology Group (Foxconn), became the first foreign national to have been conferred the Padma Bhushan. The other Padma Bhushan awardee from the business field was Sitaram Jindal, Founder Chairman and Managing Director of Jindal Aluminium. Veteran Indian banker Kalpana Morparia and Izmo Chairperson Shashi Soni were conferred the Padma Shri.

Foxconn, headquartered in Taiwan, stands as the world's largest contract manufacturer, responsible for assembling approximately 70 per cent of iPhones. The company has strategically diversified its production away from China and significantly expanded its footprint in India. Young

Young Liu, CEO, Hon Hai Technology Group (Foxconn)

Liu has been highlighting India's potential in the electronics manufacturing sector. Bestowing the prestigious civilian award to him is being seen as a signal to China in the business circles.

Jindal is the Founder Chairman and Managing Director of Jindal Aluminium, the largest extruder of aluminium extrusions in India and has a 25 per cent-odd market share. Jindal is also the patron and chief architect of the Sitaram Jindal Foundation and its associate trusts. His foundation (formerly known as SJ Jindal Trust) was established in 1969 as a charitable organisation with the objective of serving

MAKING HISTORY

Young Liu has become the first foreign national to be conferred the Padma Bhushan

the poor and downtrodden in various fields. Being a firm believer in naturopathy, Jindal also established the Jindal Nature-cure Institute (JNI) in Bangalore in 1979.

PADMA SHRI AWARDEES

Kalpana Morparia, a veteran Indian banker, is hugely admired for her contribution towardsthe growth and governance of the Indian industry, especially banking. She retired as CEO of South and Southeast Asia at JP Morgan & Co.

Morparia was instrumental in the ICICI Group's biggest ever corporate structuring initiative that saw the merger of ICICI Ltd and ICICI Bank that led to the creation of the country's second largest bank. She was named one of 'The 50 Most Powerful Women in International Business' by Fortune magazine in 2008. Morparia also serves as the independent Director of various companies.

Shashi Soni is the chairperson of Izmo Ltd, an interactive marketing solutions company which offers hi-tech automotive and e-retailing solutions in North America, Europe and Asia. The company, a $500 million enterprise, is listed on BSE and NSE.

Soni's journey started from being a homemaker in the early 70s when she came up with business ideas. She started Deep Transport (1971-1975) with ₹10,000, and later Deep Mandir Cinema (1975-1980), the first AC Cinema in Mulund, Mumbai. Later she established Deep Oxygen Pvt Ltd, the first industrial gas manufacturer in Mysuru, that changed the face of small scale gas manufacturing in the country.

She has been a recipient of prestigious awards and recognition in the fields of business and social welfare that include the Mahila Gaurav Puraskar in 1990 for contributing to the Indian Industry.