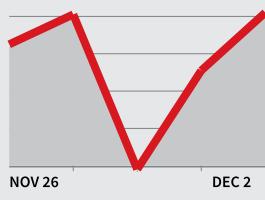


# the hindu businessline.

SENSEX 80248.08 (+445.29)

## IN FOCUS



	LATEST	CHANGE
Nifty 50	24276.05	+144.95
P/E Ratio (Sensex)	22.92	+0.13
US Dollar (in ₹)	84.69	+0.21
Gold Std 10 gm (in ₹)	76002.00	-431
Silver 1 kg (in ₹)	88611.00	-772

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

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QUICKLY.

## INFLATION PRESSURE

Manufacturing PMI drops to 11-month low of 56.5



**New Delhi:** Inflation impacted the manufacturing sector in November as the Purchasing Managers' Index (PMI) slipped to an 11-month low of 56.5 against 57.5 in October. "The rate of output expansion is decelerating due to intensifying price pressures. Input prices for a variety of intermediate goods rose in November while output prices soared to an eleven-year high," said Pranjal Bhandari, Chief India Economist at HSBC. p3

## BULLS AT WORK

Sensex, Nifty rebound despite GDP blues

**Mumbai:** The stock market demonstrated remarkable resilience on Monday, staging a robust recovery despite initial concerns over disappointing GDP data. The Sensex closed 445.29 points higher at 80,248.08 while the Nifty 50 rose 144.95 points to 24,276.09. p6

## GoM may revise GST rate on 150 items, slabs for textiles

**RATE REJIG.** Proposes raising levy on luxury items, 35% on tobacco/products

## Our Bureau

New Delhi

A Group of Ministers (GoM) is expected to recommend to the Goods and Services Tax Council a rejig of rates on 150 goods and services, including textiles. It is also likely to suggest a new slab of 35 per cent for tobacco and tobacco-related products against the present rate of 28 per cent (excluding compensation cess).

According to sources, all these issues were discussed on Monday at a meeting of the rate rationalisation GoM, chaired by Bihar Deputy Chief Minister Samrat Chaudhary. The GoM agreed on several GST rate changes, designed to simplify the GST framework and enhance revenue collection.

The report is to be presented at the 55<sup>th</sup> GST Council meeting on December 21 in Jaisalmer. The meeting will be chaired by Finance Minister Nirmala Sitharaman.

It is believed that the GoM recommended lowering rates for textiles, bicycles and exercise books — items

## ON THE TABLE

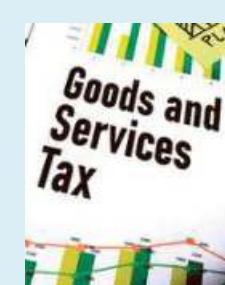
- The GoM report is to be presented at December 21 55<sup>th</sup> GST Council meeting in Jaisalmer
- Panel bats for lowering rates for textiles, bicycles and exercise books
- May cut GST on 20-litre water bottles too

of common use. According to a source, the GoM suggested a revised slab structure that keeps the 5 per cent rate for textile items up to ₹1,500 but proposes an 18 per cent tax for products priced between

## '18% slab fetches 75% of GST; average rate down to 11.64%

Goods and services in the 18 per cent slab are estimated to contribute nearly 75 per cent of the GST collected (excluding Compensation Cess and other payments) in 2023-24 shows that 70-75 per cent of the mop-up came from goods and services in the 18 per cent slab.

The 28 per cent slab's share is estimated at 13-15 per cent, the 5 per cent slab's at 6-8 per cent,



₹1,500 and ₹10,000. For textiles priced above ₹10,000, the report recommends a hike to 28 per cent, aligning them with luxury goods.

Textile is one of the sectors facing issues related to

inverted duty structure (higher duty on raw materials and lower duty on output).

## LUXURY ITEMS

The GoM is believed to have suggested raising the GST rate on several luxury items, including high-end wrist watches and shoes.

The GoM proposes lowering the GST on bicycles priced below ₹10,000 from 12 per cent to 5 per cent. Exercise books and packaged drinking water above 20 litres would also see a reduction in the GST rate from 12 per cent and 18 per cent respectively to 5 per cent.

## 18% slab fetches 75% of GST; average rate down to 11.64%

and the 12 per cent's at 5-6 per cent, he said. The Ministry also said the average GST rate had come down to 11.6 per cent by the end of 2023-24.

"Based on the data available with the Goods and Services Tax Network, the average GST rate for 2023-24 is 11.64 per cent," said Finance Minister Nirmala Sitharaman in a written answer.

## Govt scraps windfall tax on local crude, fuel for export

Shishir Sinha  
New Delhi

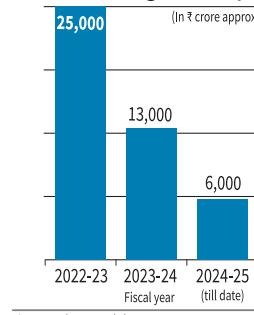
The government on Monday announced the withdrawal of the windfall gain tax on domestically produced crude and petrol, diesel and jet fuel for export. The levy is already zero.

Notifications have been issued with immediate effect for withdrawal of windfall tax, that is, special additional excise duty (SAED) levied on production of crude and export of ATF, SAED and Road and Infrastructure Cess (RIC) on export of petrol and diesel," a Finance Ministry official said, adding that the notification has been laid in Parliament.

According to officials, the government got around ₹25,000 crore through the windfall levy in FY2023, which dropped to ₹13,000 crore the next year. In the current fiscal, it collected around ₹6,000 crore.

India first imposed the windfall profit tax in July 2022, joining several countries that tax super-normal profits of energy companies. At that time, an export duty of ₹6 per litre (\$12/bbl) was levied on petrol and ATF, and

## Collection from windfall gain levy (in ₹ crore approx)



Source: Finance Ministry

₹13 a litre (\$26/bbl) on diesel.

A ₹23,250 per tonne (\$40/bbl) windfall profit tax on domestic crude production was also levied.

## FORTNIGHTLY REVIEW

The windfall tax rates were reviewed every fortnight based on the average oil prices in the previous two weeks.

The domestic producers of crude, like ONGC, sell their oil at international parity price.

As international crude prices rose sharply, these producers made super-normal profits.

The prices of diesel, petrol and ATF rose even more

sharply, which led to extraordinary cracking margins (the difference between the product and the crude price) on export of these products.

The cess/duties were imposed in this background.

The windfall tax does not impact retail prices as petroleum products sold locally in the market are subject to a separate tax structure, including a Central levy (Central excise duty at a specific rate) and a State levy (VAT or sales tax at an ad valorem rate).

## FUELING EXPORTS

India imports approximately 85 per cent of its crude oil requirement and about 55 per cent of the LPG and 50 per cent of the natural gas it consumes.

The country's refining capacity exceeds its domestic demand for petroleum products, making the export of these products one of the largest contributors to foreign exchange earnings.

The government considers all factors when calibrating duties and taxes on petroleum products.

Recent interventions reflect this approach, according to a Finance Ministry official.

+ 75% listings this year made money for investors

Ashley Coutinho

Mumbai

The majority of companies that listed this year made money for investors.

Seventy-five per cent of the 76 companies that debuted on the bourses ended with positive returns on listing day, with average gains of 28 per cent. Forty-eight companies ended with double-digit returns, with KRN Heat Exchanger & Refrigeration, Bajaj Housing Finance, BLS E-Services and Vibhor Steel Tubes making over 100 per cent gains on the first day.

A recent study by SEBI showed that 54 per cent of the IPO shares allotted to retail investors were sold within a week.

**MONEY-SPINNERS** Fifty-four companies that listed are still trading in the green — five are up over 100 per cent and another 21 are up over 50 per cent.

Top performers this year include Jyoti CNC Automation, KRN Heat Exchanger & Refrigeration, Premier Energies, Platinum Industries, Bharti Hexacom, J.G.Chemicals, Exicom Tele-systems, Bajaj Housing Finance, Orient Technologies, Gala Precision Engineering and Jyoti CNC Automation.

\*based on prices as on Nov 29, 2024

Stellar performance		
	Returns (%)	Listing Current*
Jyoti CNC Automation	30.9	276.1
KRN Heat Exchanger & Refrigeration	117.5	255.5
Premier Energies	86.6	172.4
Platinum Industries	29.2	150.8
Bharti Hexacom	42.8	141.5
J.G.Chemicals	-16.5	97.4
Exicom Tele-systems	58.9	95.4
Bajaj Housing Finance	135.7	94.1
Orient Technologies	47.8	93.3
Gala Precision Engineering	48.8	90.9

\*based on prices as on Nov 29, 2024

"Even FPIs, which have been net sellers since October in the cash market, were buyers in IPOs," said Pranjal Srivastava, Partner-Investment Banking, Centrum Capital.

The BSE IPO Index is up 30 per cent year-to-date compared with 11 per cent gains made by the Sensex.

"In buoyant markets, like the one seen for the better part of this year, new listings have a good probability of ending with gains and doing well in the subsequent days. IPO stocks are not immune to market corrections, though. The proportion of companies trading in the green this year would have been even higher had it not been for the steep correction seen in October," said Pranav Haldea, Managing Director, Prime Database.

The benchmark indices are down about 7.4 per cent since hitting their peak in late September.

**DISMAL PERFORMERS** The worst debutants this year included Deepak Build-

ers & Engineers India, JG Chemicals, Acme Solar Holdings and Jana Small Finance Bank, losing 11-20 per cent on Day 1.

Firms that made the most losses so far include Akme Fintrade (India), down 31.5 per cent, Capital Small Finance Bank (40.1 per cent) and Popular Vehicles & Services (46.5 per cent).

Saraswati Saree Depot, Shree Tirupati Balaji Agro Trading and Northern Arc Capital are trading in the red despite their IPOs seeing over 80x subscription.

According to Centrum Capital's Srivastava, the IPO momentum may get somewhat impacted if the market remains volatile. "Larger and high-quality issues will be more in focus going forward. The pricing will be increasingly driven by investors," he said.

Twenty-nine companies hold the required approval for an IPO and another 59 are waiting for regulatory nod. Together, these companies could raise over ₹1.32 lakh crore.

## It sparkles, but not like the real diamond

With rise in lab grown diamonds, Titan &amp; De Beers have machines to spot natural stones

Suresh P. Iyengar

Mumbai

All that sparkles is not necessarily a diamond. There is a growing trend of mixing lab grown diamonds with natural stones in jewellery, worrying consumers.

The price difference between natural and lab grown diamonds (LGD) has led many unorganised players to mix them.

Ajay Chawla, CEO (Jewellery Division), Titan Company, told *businessline* that consumers cannot tell the difference between natural and LGD, particularly when they are mounted on a piece of jewellery.

**TEST FOR REAL** He said some consumers



realise that they have bought jewellery with mixed LGD only when they try to sell or exchange it. To combat this, Tanishq plans to install 100 diamond testing machines at its leading outlets to instil confidence among consumers when they buy jewellery, said Chawla.

India's diamond market has grown rapidly, surpassing China's to become the second-largest diamond-consuming country. India accounts for 11-15 per cent of global consumption.

To boost buyers' confidence, De Beers, one of the largest natural diamond brands, recently launched a machine SynthDetect XL PL that can test both mounted jewellery and loose

stones for synthetic and natural diamonds.

Amit Pratihari, Managing Director, De Beers India, said that the diamond jewellery market is estimated to grow to \$22 billion in the next eight years from about \$8.5 billion currently.

**TERMINOLOGY ISSUE** The Gem and Jewellery Export Promotion Council, the apex body for the trade, the added.



**NIRMAL BANG**  
a relationship beyond broking

**HAS MOTHERHOOD PUT YOUR CAREER ON PAUSE?**

**IT'S TIME TO RESTART WITH NIRM**

QUICKLY.

Srinivasan Raghavan is Freshworks' new CPO



**Chennai:** The Chennai/US-based SaaS company Freshworks has announced Srinivasan Raghavan as its new Chief Product Officer. As CPO, Srinivasan will lead the product team and execute on the company's three key priorities—investing in EX, building new AI capabilities that offer fast time to value, and accelerating CX growth—all of which power the mid-market segment, says a release. OUR BUREAU

**Stellantis reels after CEO's early departure**

The surprise departure of Carlos Tavares, CEO, Stellantis, leaves the maker of Jeep SUVs and Peugeot cars without clear leadership at a time of significant upheaval in the industry. The shares fell as much as 8.9 per cent in Milan on Monday, and are down 46 per cent this year, after the company said late Sunday that Chairman John Elkann will head an interim committee that's taking over from Tavares until a new CEO is found. BLOOMBERG

**GreenLine to deploy LNG vehicles for Flipkart**

**Mumbai:** GreenLine Mobility Solutions has partnered with Flipkart to enhance sustainable operations in logistics. It will deploy its fleet of 25 LNG-powered trucks, each equipped with 46 ft containers offering a capacity of 110 cubic meters, marking a key step in Flipkart's broader commitment to decarbonising its delivery operations. OUR BUREAU

# Luxury cars, white goods set for price hikes in 2025

**KEY FACTORS.** Rising input, freight costs and inflationary pressures among reasons

**Aroosa Ahmed**  
Mumbai

With rising input prices and an increase in shipping costs, luxury cars and consumer durable goods could become expensive in the new year. For instance, German luxury carmaker Mercedes-Benz India will be increasing its vehicle prices by up to 3 per cent from January 2025.

**PRICE CORRECTION**

"Over the past three quarters, we have been facing increased pressure on our cost structure, primarily driven by escalating material cost, fluctuating commodity pricing, increased logistics expenses and inflationary cost."

"To ensure the sustainability of our business we have decided on a nominal price correction. This will apply to vehicles currently not in stock, offering price protection for all existing and future bookings till December 31," he added.

BMW Motorrad India is expected to increase prices by 2.5 per cent across its



**BRACE FOR IMPACT.** Luxury carmakers are likely to respond to increasing costs with up to a 3 per cent hike in rates BLOOMBERG

Managing Director and CEO of Mercedes-Benz India.

models from January 1, 2025. "The price corrections are driven by rising overall input costs and inflation pressures. The decision will support in ensuring profitability and high standards of BMW Motorrad," BMW said in a statement.

Audi India has also announced a price rise: "We are implementing a price adjustment of up to 3 per cent from January 1, 2025, due to rising

input costs," said Balbir Singh Dhillon, Head of Audi India.

**ON WHITE GOODS**

Prices of white goods could see an uptick of up to 10 per cent. "Due to global tension, there are price increases in raw material and freight cost. The prices across all categories of televisions will increase around 10 per cent in January," said Avneet Singh Marwah, CEO of SPPL.

However, the festive season sales uptick has helped the consumer durable makers.

"The television market is currently in a stabilisation phase following robust Diwali sales. Our brand partners also maintain adequate stock, minimising the likelihood of immediate price changes. However, we will continue to monitor material and shipping cost fluctuations and make necessary adjustments in the future," said Arjun Bajaj, Director, Videotex.

## Pricol to acquire Sundaram Auto unit's injection moulding business for ₹215 cr

**Our Bureau**  
Chennai

Coimbatore-headquartered Pricol is set to acquire the injection-moulded plastic components division of Sundaram Auto Components Ltd (SACL), a subsidiary of TVS Motor Company, through a lump sum sale for ₹215 crore.

Pricol, a supply partner for TVS Motor, will buy SACL's injection moulding business through Pricol Precision Products Pvt Ltd, a wholly owned subsidiary of Pricol Ltd.

The debt-free acquisition is being made through an all-cash deal for ₹215.3 crore, said Pricol.

It reported a revenue of

the company said.

This acquisition is expected to add approximately ₹730 crore to Pricol's consolidated revenue.

**EXPANDING BIZ**

With this, our focus will remain on harnessing the combined potential of Pricol and SACL to become an integrated solution player, driving innovation and delivering sustainable growth, Vikram Mohan, Managing Director, Pricol Ltd, said.

Established in 1992, SACL has been engaged in polymer solutions and injection moulding capabilities, and runs six manufacturing facilities across India.

It reported a revenue of



Vikram Mohan, MD, Pricol Ltd

₹727 crore in FY24 as against ₹760 crore in FY23.

The acquisition shows Pricol's aim to expand into related business areas. It provides a chance to grow the injection moulding segment into a separate business vertical, combining

SACL's strengths with Pricol's capabilities. This move opens new opportunities to grow the customer base and product range by integrating the strengths of both companies, Pricol stated.

Pricol's arm Pricol Precision Products Pvt Ltd, incorporated on April 11, 2023 to do business as an auto component manufacturer, is yet to commence its business operation. Pricol will invest up to ₹120 crore in Pricol Precision in more than one tranche to acquire SACL's injection-moulding business.

Pricol's Board has also approved providing a corporate guarantee for any loans to be obtained by Pricol Precision, up to ₹250 crore.

## NOTA's voice dulls among voters

**Yashaswini Chauhan**  
Chennai

The NOTA (None of the above) option, which gained popularity among the Indian electorate, has been on a steady decline since 2023, a businessline analysis of votes in key State and general elections shows.

**DATA FOCUS.**

Lok Sabha elections have witnessed a consistent decline in NOTA votes over the past decade. In its debut year of 2014, NOTA votes as a percentage of total votes polled stood at 1.07. It dropped to 1.05 per cent in 2019 and to 0.98 per cent in 2024.

The number of constituencies with NOTA vote share above 2 per cent also steadily declined across the last three Lok Sabha polls—from 59 in 2014 to 40 in 2019, and further down to 38 in 2024. Constituencies in Bihar, Jharkhand and Gujarat clocked high NOTA vote share across all three polls.

In contrast, NOTA's vote share grew in State Assembly elections in 2022 and 2023 but started declining since the Karnataka Assembly polls in May 2023.

In the 2022 Gujarat polls, NOTA surged to 1.57 per cent from 0.23 per cent in the corresponding polls in 2017. Similarly, in Uttar Pradesh, it jumped from 0.2 per cent in 2017 to 0.69 per cent in 2022. In the major State elections of 2023, Madhya Pradesh and Rajasthan saw a decline while Karnataka registered a marginal rise.

**'LACKS REAL IMPACT'**

Experts note that this decline might be attributed to political parties presenting more relatable choices and voters realising that NOTA lacks real impact.

Yashwant Deshmukh, Founder-Director of C-Voter, calls for reforms. "If NOTA becomes the winner or runner-up, the elections should be declared null and void, and candidates on the ballot should be barred from contesting in the next cycle of elections.

This would reflect the

**Falls out of favour**

NOTA on a decline in Lok Sabha polls	NOTA votes
2014	60,02,942
2019	65,13,355
2024	63,72,220

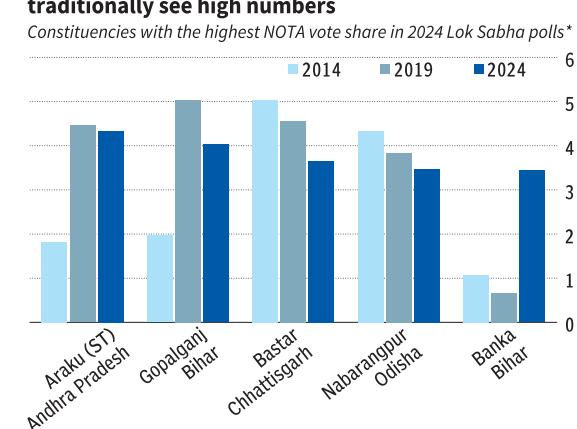
\* NOTA vote share is NOTA votes as a percentage of votes polled in that election

**Number of constituencies with NOTA vote share above 2 per cent (Lok Sabha polls)**

Year	Constituencies
2014	59
2019	40
2024	38

**Shrinks in State Assembly polls since 2023**

Polling year	State Legislative Assembly Elections	NOTA vote share	NOTA votes in the prior poll year
2022	February	Punjab	0.70
2022	February	Uttar Pradesh	0.69
2022	December	Gujarat	1.57
2023	May	Karnataka	0.68
2023	November	Madhya Pradesh	0.98
2023	November	Rajasthan	0.96
2023	November	Telangana	0.73
2024	May	Andhra Pradesh	1.09
2024	May	Odisha	1.02
2024	November	Maharashtra	0.71

**NOTA vote share falls in constituencies that traditionally see high numbers**

\*Indore with 14% NOTA vote share in 2024 polls has not been considered since it was a case of party defection by top candidate

Source: ECI, Lok Sabha

electorate's mistrust of the candidates," he said. Unless NOTA has a binding effect, the electorate will not see it as a meaningful option, he added.

As for State-specific differences in NOTA, Sajjan Kumar, independent political analyst, explained that factors for voting NOTA are not just State-specific but also constituency-specific.

For instance, in the 2024 Lok Sabha polls, the impact of NOTA was particularly

striking in the Indore constituency. BJP's Shankar Lakhwani won the seat with a margin of 11.72 lakh votes with NOTA as runner-up.

The Congress candidate dropped out and joined the BJP mid-campaign and NOTA garnered over 2 lakh votes, reflecting a significant portion of the electorate's dissatisfaction with the given choices.

The writer is an intern with businessline

## MG Cyberster will bring new romance on Indian roads, says CGO Gaurav Gupta

**S Ronendra Singh**  
New Delhi

JSW MG Motor India on Monday said that with more people buying luxury items, including cars, the company's upcoming electric sports car — Cyberster — "will bring in new romance on the roads which is much required in India right now".

"Products like this create disruption in the market. Many of us have seen these cars on screens — in Bollywood or Hollywood — in our younger days... we all have desired to have such sports cars in our driveway. That is what MG Cyberster will



**RED-Y TO ROAR.** Drawing inspiration from the MG MGB Roadster of the 1960s, the Cyberster has a bold new standard for modern roadsters, says Gaurav Gupta REUTERS

bring to life... it will bring in a new romance on the roads," Gaurav Gupta, Chief Growth Officer, JSW MG Motor India, told businessline.

Gupta said that they have requests coming in from

youngsters of different demographic profiles, to have this 'dream fulfilled'.

Drawing inspiration from the iconic MG MGB Roadster of the 1960s, the Cyberster is slated to be priced around ₹65-70 lakh.

It reported a revenue of

## 'Skoda Auto won't venture into CNG vehicles'

**S Ronendra Singh**  
New Delhi

Skoda Auto will not enter into CNG for any of its vehicles — whether it is a sedan or SUV (sports utility vehicle) — because they already have refined engines with better mileage, a top official of the company said.

"We have no plan for CNG... it does not make any sense because we are already offering a very efficient engine... which can provide 20 km per litre, so you can hardly do much better. Because CNG on a turbocharged petrol engine is a very expensive thing. People who drive CNG are usually on aspirational engines

which are much more simple... So this is not an option for our cars," Petr Janeba, Brand Director, Skoda Auto India, told businessline.

**COMPACT SUV** Meanwhile, the company announced pricing of its upcoming compact SUV Kylaq, ranging between ₹7.89 lakh and ₹14.40 lakh (introductory, ex-showroom). The company is looking for a market share of 8 per cent in this highly competitive segment among models such as Maruti Suzuki Brezza, Mahindra XUV 3XO, Tata Nexon, Hyundai Venue and Kia Sonet.

Kylaq will be rolled out from January 27 and Skoda Auto India has started book-



Petr Janeba, Brand Director, Skoda Auto India

ings of the vehicle, Janeba said, adding that the first 33,333 customers will also get three years of extended warranty.

The sub-four meter SUV will be competing in the most competitive segment that has a market of around one

QUICKLY.

Steel Ministry plans 25% safeguard duty on imports



New Delhi: The Steel Ministry has proposed a 25 per cent safeguard duty on the import of certain steel items into the country. The proposal came at a meeting between Minister of Steel H D Kumaraswamy and Commerce Minister Piyush Goyal, sources said. Senior officials from both the ministries and executives of top companies like SAIL, Tata Steel, JSW Steel and AMNS India also attended the meeting, they said. PTI

NMDC's iron ore output up in Nov at 4.51 mt

Hyderabad: The production of iron ore by National Mineral Development Corporation (NMDC) has gone up to 4.51 million tonnes in November from 3.83 million tonnes in the same month last year. The sales of iron ore too went up to 4 mt from 3.79 mt, the BSE was informed on Monday. Cumulatively, the production up to November, however, was lower at 26.06 mt as against 27.31 mt in the same period last fiscal year. Sales were marginally higher at 28.84 mt against 27.78 mt. OUR BUREAU

## Manufacturing PMI falls to 11-month low of 56.5 in Nov

**PRICE PRESSURE.** Input cost inflation intensified midway through the third fiscal quarter

Shishir Sinha

New Delhi

Inflation impacted the manufacturing sector in November as the Purchasing Managers' Index (PMI) slipped to a 11-month-low of 56.5 in the month against 57.5 in October. Meanwhile, the good news is that job creation was solid.

"The rate of output expansion is decelerating due to intensifying price pressures. Input prices for a variety of intermediate goods — including chemicals, cotton, leather and rubber — rose in November while output prices soared to an eleven-year high as rising input, labour and transportation costs were passed on to consumers," Pranjal Bhandari, Chief India Economist at HSBC, said.

PMI manufacturing is based on a survey among purchasing managers of 400 companies. Index above 50 means expansion, while below 50 reflects contraction.

**RISE IN EXPORTS**  
Per a survey report accompanying PMI, input cost inflation intensified midway through the third fiscal



**MORE JOB OPPORTUNITIES.** For the ninth month in a row, factory employment increased during November BLOOMBERG

quarter, reaching its highest mark since July but remaining below its long-run average. Items such as chemicals, cotton, leather and rubber were reported as up in price.

Although price pressures curbed domestic sales to a certain extent, growth of new export orders gained momentum.

The rate of expansion in international demand was the best seen for four months, with panelists reporting gains from Bangladesh, mainland

China, Colombia, Iran, Italy, Japan, Nepal, the UK and the US.

Talking about job, the report said that for the ninth month in a row, factory employment in India increased during November.

"Despite softening from October, the rate of job creation remained solid. According to panel members, staff had been hired on both permanent and temporary basis," it said.

It may be noted that manufacturing is considered as

the biggest job multiplier.

The report said that Indian manufacturers purchased additional inputs for use in production processes and to place into inventories. The rise in buying levels was sharp, albeit the weakest in just under a year.

Average lead times shortened further, reportedly due to strong relationships with long-standing suppliers. The improvement in vendor performance was mild but nevertheless the best since July.

### BUSINESS OPTIMISM

Subsequently, manufacturers were able to add to their input stocks again. The rate of accumulation was notably above its long-run average, but retreated to the weakest in 2024 so far.

Meanwhile, a sequence of falling stocks of finished goods dating back to August 2017 came to an end.

"Business optimism was spurred by predictions that marketing efforts and new product releases will bear fruit. Recent capacity expansion efforts and forecasts of demand strength also underpinned upbeat forecasts for output in 2025," the report said.

"Based on the current data of GST returns available with the Goods and Services Tax Network, the average GST rate for the financial year 2023-24 is 11.64 per cent," said Finance Minister Nirmala Sitharaman in a written reply to the Lok Sabha.

She said that the committee headed by former Chief Economic Advisor Arvind Subramanian on possible Goods and Services Tax rates had suggested that the Revenue Neutral Rate (RNR) should be between 15 per cent and 15.5 per cent.

RNR is the rate determined post-GST to ensure that there is no shortfall in the collection compared to the pre-GST regime. This would be possible if the GST rate is at par with or close to the combined pre-GST rates (Central and State levies).

On whether nearly 60 per cent of all consumer items attract a GST rate of 5 per cent or less, while less than 3 per cent of consumption items falls under the 28 per cent bracket, she said that no such data is maintained by the Ministry. However, she highlighted a media article that mentioned that 60 per cent of the average monthly per-capita expenditure

Average GST rate at FY24-end was down to 11.64%, says Finance Minister

Shishir Sinha

New Delhi



Nirmala Sitharaman,  
Finance Minister

date, insurance premium attracts GST at 18 per cent.

The issue of GST on life and health insurance was placed before the GST Council at its September 9 meeting. After detailed deliberations, the Council recommended the setting up of a Group of Ministers to holistically look into the issues pertaining to GST on life and health insurance. The first meeting of the GoM was held on October 19. It is believed the GoM is in favour of removing GST on health insurance for senior citizens and for others if the coverage is ₹5 lakh or less.

### CRYPTO BOURSES

In another written response about cases booked against cryptocurrency exchanges for GST evasion, Minister of State for Finance Pankaj Chaudhary said that 17 entities had been booked. A total of ₹824 crore in tax evasion was detected, with just one entity, Nest Services Ltd (a Binance Group company), accounting for over ₹700 crore. Of the total detected, ₹122 crore has been recovered.

As on date, 47 virtual digital asset service providers have been registered as reporting entities with the Financial Intelligence Unit-India under the Prevention of Money Laundering Act, 2002, Chaudhary said.

### INSURANCE PREMIUM

Another reply by the Finance Minister said the insurance premium may drop if the GST is lowered on such a service.

"As the GST rates are applicable over and above the insurance premium, if the GST rate is reduced, it is expected to benefit the policyholder directly especially in a competitive market with many insurers as the cost of insurance will reduce to that extent," she wrote. As on

## CEA calls for deregulation to empower SMEs

KR Srivats  
New Delhi

India must focus energies on deregulating the economy to the extent that millions of small and medium enterprises are able to dedicate their inherently limited management bandwidth to growing their businesses rather than devoting that to compliance purposes, Anantha Nageswaran, Chief Economic Advisor, said on Monday.

Of all the things, this is the single most important requirement from the point of elevating the country's potential growth, Nageswaran said at the GreenReturns 2024 Summit, organised by the Indian Venture and Alternate Capital Association (IVCA) in the capital.

CEA's remarks on the need to prioritise economic growth is significant as it came close on the heels of India clocking a seven quarter low growth of 5.4 per cent for July-September 2024.

"As things stand today, India's potential GDP growth is 6.5-7 per cent and this could be achieved on the



**EASING NORMS.** Anantha Nageswaran, CEA, addressing the GreenReturns 2024 Summit in the Capital

back of things done in the last 10 years or so — Whether it be in terms of augmenting physical infrastructure or achieving financial inclusion and productivity enhancing investments in digital public infrastructure," Nageswaran said.

"However, given that our

size is huge, if we have to achieve growth higher than 6.5 per cent in the face of energy transition that is required to be done, then India needs to double the efforts, not only in public and private sector investments, we have to deregulate the economy..." Nageswaran said.

Nageswaran also underscored the need for private capital to take up responsibilities and do some heavy lifting on the financing of energy transition efforts.

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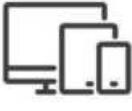
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## Net benefit

Google's search engine monopoly rightly questioned

**T**he US Department of Justice (DOJ) has issued an 'initial proposed final judgment' that suggests a 'comprehensive remedy' to break Google's monopoly in the search business. The proposals include the following: that Google divest its Chrome browser, be prevented from entering into exclusionary agreements with third party smartphone OEMs, and be prevented from pushing its search service along with its other apps.



Judge Amit Mehta had already ruled in August that Google's search business and search text advertising had violated US antitrust law, the Sherman Act, and that it was an 'unlawfully maintained' monopoly. The 'unlawful monopoly' of Google is underpinned by prominence of the Chrome browser, and paying billions of dollars to OEMs like Apple and Samsung to retain Google search as the default search engine in their operating systems. Today, Google Search is a monopoly with 90 per cent market share. User data gleaned from these applications enables Google to better its search engine quality, which amounts to reaping unfair advantage of market dominance.

Anti-trust actions against Internet monopolies are not without precedent. Microsoft was in a similar spot a little over two decades ago. In 2000, a Judge had ordered the break-up of Microsoft given its dominance of the PC operating system market, making it challenging for rival applications like the browser Netscape Navigator to be easily integrated into its OS. It finally ended in a settlement where Microsoft was left intact, but ceded ground that included making its Windows OS more interoperable with rivals' software. An encore cannot be ruled out. Google with its vast financial resources will likely mount a legal challenge to the proposed remedies, and a middle ground could be arrived at over the next year or two. Eliminating the huge payments made to companies like Apple and Samsung to ensure Google search as the default browser could be one of those concessions. Ironically, the rise of Chrome, launched in 2008, is in part due to the positive fallouts of the Microsoft anti-trust case. This only shows that anti-trust rulings are not fetters to business, but legal tools to foster competition, innovation and consumer welfare. DOJ's praiseworthy move to put pressure on Google comes at a time when AI is taking off and Big Tech threatens to hold sway there.

The actions against Google are also a wake up call to ensure more proactive action by regulators in India against new age sectors. The Competition Act, 2002, was amended last year to account for the distinctive parameters of Big Tech monopoly behaviour, such as 'network effects'. That the top five tech companies have an annual capex budget that is 50 per cent higher than Indian Government's surely speaks of another scale and context. Not surprisingly, regulation of this segment even at a global level is at a somewhat nascent stage. India should build guardrails for Internet and AI to ensure that competition gains and consumers benefit.

## POCKET

RAVIKANTH



A VASUDEVAN

**I**nflation targeting is artfully designed as a monetary policy framework (see for example, the writings of Ben Bernanke, Lars Svensson) and not as a monetary policy objective. Inflation targeting is said to help the adopting countries to achieve their central bank's final objective of price stability.

This has been adopted by a number of Western economies in the 1990s and thereafter with one exception, the US. Fears about inflation are real in the West ever since the German inflation of the 1920s and during the interwar years.

The boom period of the 1950s and 1960s subdued such fears somewhat but the high inflation rates in the 1970s mainly due to sharp oil price hikes and expansionist policies of central banks raised fears of inflation once again.

It is this experience that gave rise to the notion of inflation bias of central banks and setting up of rules for targeting inflation or an inflation range. Rules will be time consistent in contrast to discretion following the cues given by the seminal paper of Kydland Finn and Edward Prescott in the *Journal of Political Economy*, (Vol 85, 1977). Such inflation targeting would, it is further argued, be transparent and be able to influence market expectations of prospective policies or policy stance.

Common sense, however, shows that the analytical arguments in favour of inflation targeting cannot be easily defended on the basis of logic or at the current level of knowledge of econometric tests, the ground realities.

**MONETARY VS FISCAL**

At the outset, it needs to be recognised that monetary policy falls in the ambit of public finance and has to be integrated or coordinated with fiscal policy so as to lend credibility to market expectations about policy prospects. Policy expansion cannot therefore be undertaken by central banks alone in modern democratic societies.

Not unsurprisingly, the advocates of inflation targeting dismiss this idea by suggesting that it should be operated in a flexible manner, a tricky argument that would allow central banks to take into account multiple economic indicators and not merely the data about inflation or inflation persistence and growth.

The trick does not work, however, since central banks' sway on the aggregate demand is limited without the fiscal and other policy support. And central banks cannot have much

# It's time to review inflation targeting

**PRICE POINT.** Despite extensive research and econometric studies there is no conclusive evidence that inflation targeting is a better option



influence on aggregate supply either.

For instance, the Reserve Bank of India (RBI) would have to treat food and oil prices as largely exogenously determined.

Again, RBI cannot completely ignore global factors such as global financial stress or global supply chain disruptions or global geopolitical uncertainties or climate change.

Even the domestic markets would not be wholly swayed by inflation targeting, however flexible it is, in a globalised world and would be led by not only domestic economic outcomes and policies but also external factors.

The empirical evidence relating to the efficacy of inflation targeting in the last 8-10 years should also be viewed with circumspection.

For some, quality institutional setting is critical for taming inflation (See

**The many inflations, not merely headline inflation, namely, food inflation, oil inflation, urban inflation, non-food inflation and so on are not necessarily well linked**

Costas Milas et al, *Quarterly Review of Economics and Finance*, Vol 97, 2024).

**EMPIRICAL RESEARCH**

Empirical studies on inflation targeting have not been able to satisfactorily isolate its influence and the processes through which it works on the inflation-growth outcomes and other macroeconomic indicators in the ecosystem that is dominated by a number of imponderables that are not necessarily under the control of the central bank of the country.

The recent comprehensive study by Barry Eichengreen and Poonam Gupta in August 2024 on the subject (NCAER Working Paper 174) has done well to review the recent literature and discuss the issues relating to inflation targeting in India.

But it too has not explained how the transmission mechanism works and the extent of lags in policy efficacy.

On the other hand, Eichengreen and Gupta conclude that the regime has worked well but can be tweaked to improve its performance for instance through reduction of the weight of the food price inflation in the CPI inflation basket.

However, the many inflations, not merely headline inflation, namely, food inflation, oil inflation, urban inflation,

non-food inflation and so on are not necessarily well linked. More fundamentally, one needs to ask as to how and why the persistence of all macroeconomic indicators tended to move within a short range in the last eight years.

Does it not show that macro and institutional factors, not merely inflation targeting, have worked well and have been able to address even the external uncertainties till now during the last 8-year period?

Does this not again raise the question that despite the use of the best of available econometric works on the empirical validity of inflation targeting, there is no definitive conclusion that inflation targeting is superior to constrained discretion which is what has been implied by its predecessor, namely, the multiple indicators approach.

However, there is no possibility of leaving at this point of time, the inflation targeting as monetary policy framework since it has been brought in through the amendment to the RBI Act in 2016. It is perhaps time to review it and see how it can be moulded into a more credible policy framework.

The writer, a former Executive Director at RBI, is an independent economic analyst. Views expressed are personal. (Through The Billion Press)

## CCI ushers in new era of market vigilance

Its rulings against big tech firms signal its intent to weed out anti-competitive practices in the digital space

**KR Srivats**

**I**n the dynamic landscape of India's economic growth, the Competition Commission of India (CCI) has become a key institution protecting market competition, freedom of trade and upholding consumer interests.

After a period perceived by some as relative quietude, the CCI has roared back to life with a series of impactful decisions and initiatives.

This resurgence comes in the wake of the Competition Amendment Act 2023, a landmark legislative reform that introduced futuristic tools for regulatory oversight in a digital-first economy.

While critics viewed the CCI's interim period as inactive, the Commission was, in reality, laying the groundwork to operationalise these reforms — crafting regulations with extensive consultations with stakeholders, refining and simplifying processes, and preparing for a wave of challenges posed by digital markets, artificial intelligence, and big tech dominance.

**FRAMING REGULATIONS**  
The Competition Amendment Act 2023 empowers CCI with innovative mechanisms such as deal value thresholds (DVT) to capture mergers and acquisitions in the digital domain that might otherwise escape scrutiny due to negligible turnover figures. This is particularly significant in an age where

data and intellectual property — not conventional revenue — drive valuations.

The Act also introduced settlement and commitment frameworks to expedite case resolution, leniency plus mechanisms to enhance cartel detection, and turnover-based penalties for ensuring proportionality. Recognising the complexity of these provisions, the CCI has spent the past year fine-tuning its operational strategies and creating a compliance-ready ecosystem.

This preparatory phase has borne fruit. Recent high-decibel interventions demonstrate not only the Commission's readiness but also its resolve to tackle some of the most contentious issues in global competition law.

**TAKING ON BIG TECH**  
The CCI's bold stance against Big Tech has been a cornerstone of its resurgence. The Commission has signalled its intention to confront anti-competitive practices in the digital ecosystem with precision and authority.

Last month's order against Meta marked a turning point. The CCI found Meta's conduct in leveraging its dominant position in social media to favour its other products as stifling competition.

This order sent ripples through the tech community, emphasizing that dominance in one market cannot be a launchpad for unfair advantage in another.

Building on this momentum, CCI



CCI Chairperson Ravneet Kaur

opened probe against Google to investigate its alleged abusing conduct in restricting real-money gaming apps on the Play Store. By targeting restrictive practices that hinder app developers, CCI has joined global regulators in curbing Google's monopolistic tendencies. These decisions demonstrate that India is not just keeping pace with international competition authorities but, in many respects, setting its own benchmark.

**AI AND COMPETITION**

Another feather in CCI's cap is the launch of its Market Study on Artificial Intelligence and Competition. AI, often described as the next frontier of technological advancement, is already reshaping industries and consumer behaviour.

Yet, its transformative potential raises critical questions about market concentration, barriers to entry, and algorithmic bias.

The study places CCI at the forefront

of global efforts to regulate AI-driven markets. By proactively addressing the competition implications of AI, the Commission is preparing India's regulatory framework for challenges that lie ahead.

Under Chairperson Ravneet Kaur's guidance, CCI has balanced its twin mandates of enforcement and advocacy with remarkable dexterity.

Enforcement actions against Big Tech have been coupled with advocacy efforts to educate stakeholders about the benefits of compliance. Additionally, the Commission's internal capacity-building efforts reflect Kaur's emphasis on preparedness and adaptability.

**CHALLENGES AHEAD**  
The road ahead is not without hurdles. The digital economy presents unique challenges that require constant innovation in regulatory approaches. The sheer scale and complexity of Big Tech operations, combined with the pace of technological change, necessitate agility and foresight in decision-making.

With an expanded mandate under the amended Act, the Commission will need to invest in technology, talent, and infrastructure to ensure that it can effectively discharge its responsibilities.

Nonetheless, the CCI's recent actions inspire confidence. By prioritizing high-impact cases and addressing systemic issues, the Commission has signalled its intent to create a level playing field for all market participants.

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**Trump's tariff threat**

With reference to 'India braces for Trump's tariff storm', we need to see the larger picture, bracketing US and China. Our trade with the US reached \$120 billion in fiscal 2024, closely followed by China at \$118 billion. While we enjoyed a trade surplus of \$35.3 billion with the US, trade deficit with China surged to \$85.1 billion. Thus, we may well humour Trump 2.0 with tariff sops. That said, in the ongoing trade war with US, China's export prices have already suffered a 60 per cent drop, leaving it little elbow room. The point of significance is, firstly how well can

we leverage our exports to US at the cost of China and secondly, benefit from scaled down prices of imports from China.

The US is bound to spawn inflation with high import tariffs and the US Fed will need to sustain high key rates. With our growth indices falling, any move by the RBI for softer rate regime will be pushed back substantially. Hence, Trump's tariff hike threat will not benefit anyone, will wiser counsel prevail?

**R Narayanan**  
Navi Mumbai

**Growth pangs**

India's GDP grew at just 5.4 per cent in the second quarter, down from 6.7 per cent in the first quarter, which is cause for concern. While manufacturing, electricity, and mining had experienced discernible contraction, consumption growth has slowed considerably owing to a moderation in urban spending. Persistent high inflation continues to erode the purchasing power of households. However, with Kharif output having been healthy and the outlook for the rabi crop also looking promising, one can hope for economic momentum to pick up in the second half.

**M Jeyaram**  
Sholavandan (TN)

**Gold loan spike**

This refers to the news item "Gold loans surge 56% to ₹1.54 lakh cr as focus shifts to secured lending" (December 2). The RBI's new insistence on banks and NBFCs disbursing more secure loans may be the cause of the runaway increase in gold loans. However, it also reflects the growing financial distress among people, particularly the middle class, due to dwindling incomes, spiralling household expenditures caused by high inflation, and their inability to

manage their finances efficiently. It is not a good indicator of people's financial well-being if they are increasingly constrained to pledge their life savings in the form of gold jewellery — something they typically do as their last resort. When the valuable asset disappears, individuals will lack future stability and become susceptible to the cycle of costly debts from private money lenders. The situation must alert policymakers to the underlying causes behind the shooting up of gold loans.  
**Kamal Laddha**  
Bengaluru

## Simplify GST regime

Too many rates, aggressive enforcement are hurting

Mohan R Lavi



Recently, the Centre for Policy Research organised a conference titled 'The GST Story — Whither Next?' The speakers were persons who have had a major role to play in the context of GST — Arvind Subramanian and Rajeev Ranjan. Having been actively involved in the build-up to the introduction of GST, Subramanian critically summed up the present position of GST law.

Subramanian was of the opinion that the GST Council has self-converted itself into a need-based rate-cutting panel and that after seven years of GST, the Council should focus on increasing specific GST rates to improve revenue. If revenue increases, the need for a compensation cess reduces.

Ever since the concept of compensation cess was introduced, there have been differences of opinion between the Centre and the States on the amount of cess and the period for which it should be levied.

Subramanian was of the opinion that if one looked closely at GST cess rates, there could be multiple rates.

He also raised concerns over what he described as tax terrorism, where excessive tax demands have become more prevalent under GST.

He emphasised that while tax-related issues have always been part of the Indian system, their intensity has escalated since GST was implemented. The focus, according to him, should be on addressing this problem.

Additionally, he pointed out that GST, introduced on July 1, 2017, aimed to streamline India's tax structure by consolidating 16 indirect taxes and cesses, previously managed separately by the Centre and States. This resulted in a more unified taxation system.

### TAX SLABS

At present, the GST system has five broad tax slabs — 0 per cent, 5 per cent, 12 per cent, 18 per cent, and 28 per cent — with an additional cess on luxury and harmful goods. While acknowledging GST as a significant tax reform and a milestone in Indian economic policy, he cautioned that the complexity of the system and the rise in aggressive tax enforcement remain pressing issues that need urgent attention.

It would be hard to dispute any of the points raised by

RELOOK. GST law

Subramanian. In particular, the tendency to issue a slew of GST notices only with an intention to garner some revenue should be addressed on priority.

There are still some tax assessing officers who are not familiar with the basic concepts of GST laws. In some instances, aggressive assessments are being completed only with a desire to achieve the revenue targets that have been set.

The Central Board of Indirect Taxes and Customs (CBIC) is giving some training to its officers but much more needs to be done considering the sheer scale of the training to be provided.

In many instances, the training needs to be focused only on conducting GST assessments as per the provisions of GST law.

### APPELLATE TRIBUNALS

If there is one area where taxpayers have been short-changed, it has been in the inordinate delay in the establishment of GST Appellate Tribunals across the country and staffing them with qualified members.

The Tribunals are expected to be up and running by March 2025 but they will be loaded with a huge backlog of cases which would take considerable time to be heard and adjudicated on.

The long wait could force many taxpayers to settle the matter with the department, thereby ensuring that the issue is settled fast.

India introduced GST in a hurry and has made innumerable changes to the law over the last seven years. The taxpayer has patiently survived this roller-coaster ride but one can sense a bit of impatience creeping into them.

It would probably be a good time for the GST Council and CBIC to relook the GST law and simplify it. This should be the response to the question "Whither next" for GST.

The writer is a chartered accountant

It would be hard to dispute any of the points raised by

## thehindu businessline.

### TWENTY YEARS AGO TODAY.

December 3, 2004

#### Sensex, Nifty scale new peak

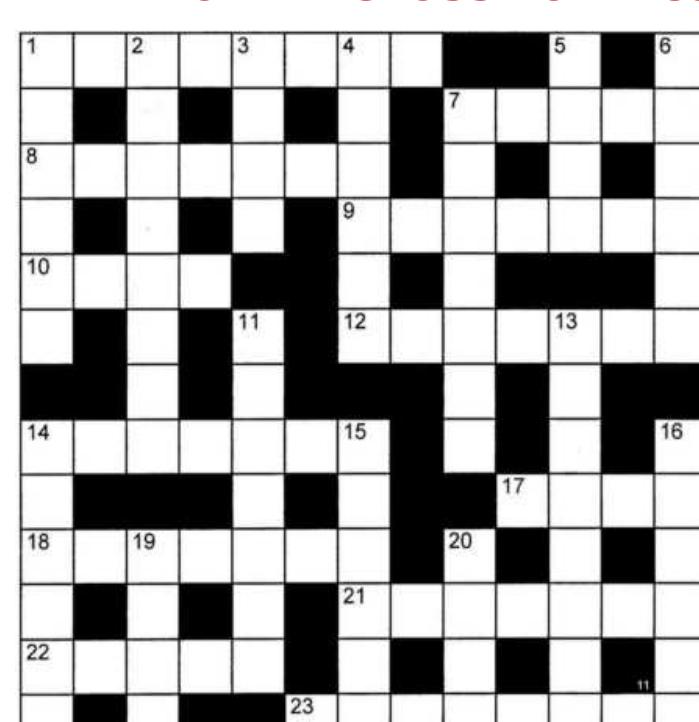
Both the Sensex and the Nifty scorched all earlier records, with the BSE benchmark index breaching for the first time ever 6,300, to close at 6,328.43. The Nifty provisionally closed above the 2,000-point level. Several factors propped up this dramatic performance, including the good news of a drop in crude oil prices, continued interest by FIs and the conviction that the current bull rally is one based on sound fundamentals.

**Govt puts \$500-m cap on FII investments in corporate debt**  
Perhaps jolted by the sudden surge in trading in commercial paper and corporate bonds over the past couple of days, the Finance Ministry put a ceiling of \$500 million on investments by FIs in corporate debt.

#### Input tax on goods sold via inter-State trade refundable

Tax on inputs used to produce goods sold through inter-State trade would be refundable in the proposed value added tax (VAT) regime to the extent that the input tax exceeds the output tax (4 per cent central sales tax). A similar dispensation is unlikely to be granted in the case of branch transfers between States as such transfers are not tantamount to a sale.

## BL TWO-WAY CROSSWORD 2580



### EASY

#### ACROSS

1. Care of hands, nails (8)
7. Renovate (5)
8. A menial, domestic (7)
9. Pressing need (7)
10. Branch returning to main part (4)
12. Remarked, observed (7)
14. To detail, narrate particulars (7)
17. Vocal solo in opera (4)
18. Food; nourishment for the mind (7)
21. Succeed, gain the upper hand (7)
22. Nostrils (5)
23. Conscious, capable of feeling (8)

#### DOWN

1. Brown (6)
2. Sleep-inducing drug (8)
3. Kaolin (4)
4. Come back (6)
5. Soon; immediately, coming! (4)
6. Inclined from side to side (6)
7. Rectified, set in order (7)
11. Short, violent spells of wind (7)
13. Railway passenger-car (8)
14. Fret, murmur, feel discontent (6)
15. House of god (6)
16. Secret vote (6)
19. Skin of tree (4)
20. Plant with succulent root (4)

### NOT SO EASY

#### ACROSS

1. Nail grooming gives adult male one remedy for it (8)
7. We nervously return part and take out subscription again (5)
8. A domestic vehicle among the rest for a change (7)
9. Pressing need for impulse: fancy the FA dropping out! (7)
10. Kitty got back a repeated series of instructions (4)
12. Happened to see that the cake had no topping (7)
14. Tell it bow it was needed at a close election (7)
17. A right one has to a bit of opera (4)
18. Maul pub food about (7)
21. Win through, as might real VIP (7)
22. The nostrils are seen in opposing ways (5)
23. Is aware of test nine might take (8)

#### DOWN

1. Bodily strength of shellfish, by the sound of it (6)
2. Such a drug as orcin cat might react to (8)
3. Potter's material for feet exposing unexpected weakness (4)
4. Elect MP who will make a comeback (6)
5. Some time soon to be unrecognised as author (4)
6. Is influenced by the days we arrange for it (6)
7. Changing the grid, got it back in its correct position (7)
11. Cries out violently at such sudden attacks of wind (7)
13. Bearing for part of a typewriter (8)
14. Feel discontent and peer around when about to be at home (6)
15. In a place of choice beauty fifty find a place to worship (6)
16. Dance up to the poll (6)
19. Cinchona may sound canine (4)
20. Sugar plant gives honey maker first taste of it (4)

## SOLUTION: BL TWO-WAY CROSSWORD 2579

**ACROSS** 7. Luck of the draw 8. Letterpress 12. Spurns 14. Denied 16. Tenors 18. Raffle 19. Expressions 23. Questionnaire

**DOWN** 1. Pull 2. Skit 3. Offers 4. Shaped 5. Edge 6. Lass 9. Equinox 10. Stiffen 11. Idle 12. Site 13. Nor 15. Era 17. Scenic 18. Resent 19. Etui 20. Pass 21. Oral 22. Sore

## India's misguided GVC quest

**WRONG NOTION.** A rethink on joining RCEP is prompted by the false belief that FTAs will attract FDI and improve exports



SMITHA FRANCIS

ately, India has taken several steps aimed at building up its manufacturing sector capacities, lost to non-strategic trade and investment liberalisation under the WTO and free trade agreements (FTAs). In this context, the news about NITI Aayog advocating that India join the Regional Comprehensive Economic Partnership (RCEP), the 15-member mega-trading bloc, warrants attention. India had quit the RCEP negotiations in 2019 following widespread understanding that a deal would have a significant negative impact on the economy.

Ironically, the government is also reportedly reviewing the existing FTA with ASEAN, after acknowledging the damage it has caused to the domestic manufacturing base. The same arguments employed in the 2000s to rationalise the FTA with ASEAN are being advanced to advocate a re-think on RCEP. One of the key arguments here is that India's participation in FTAs will enable it attract FDI and integrate into global value chains, improving exports in the process.

**ASEAN EXPERIENCE**  
The experience with ASEAN FTA has been that imports from the partners have grown faster than Indian exports to their markets. Yet, we are repeatedly told that India will be able to achieve significantly higher export growth by entering into even larger free trade zones. RCEP includes not only the 10 ASEAN member-countries but also Australia, Japan, New Zealand, South Korea and China. Even in the absence of a full-fledged FTA, India already faces a humongous trade deficit with China and we are struggling to counter China's manufacturing and technological prowess built over decades of policy support.

India's weak export performance across several manufacturing industries indicates that driving exports through liberalised import of parts and components is unsustainable. Sustained export growth will happen only by building and upgrading indigenous manufacturing and technological



capabilities. However, policy discussions on extending meaningful support to the private sector for R&D spending are yet to translate into coherent action.

There is also no basis in the argument that India's participation in FTAs enables it to attract more FDI into manufacturing. The ASEAN FTA has led to erosion of economic incentives for MNCs to establish local production, or to expand and upgrade existing production in India. This is because a region-wide FTA makes it easier for GVC (global value chain) lead firms to consolidate their value chain segments in their existing locations across partner countries, and import them duty-free into India.

Getting RCEP out of the way has thus been a critical factor behind any successes the government can claim for policies like Make in India or the Production-Linked Incentive (PLI) schemes. Particularly in the strategically significant electronics industry, policy focus has been on attracting some of the principal actors in GVCs to include India

in the ongoing realignment of their supply chains. Liberalised trade under region-wide FTAs provides ever greater flexibility to MNCs to source components from their existing affiliates and suppliers in FTA partner countries, and will therefore dis-incentivise foreign component manufacturers to relocate to India or expand/upgrade their local production.

**DOMESTIC MANUFACTURING**  
Critically, they will also derail domestic component manufacturers' investment and expansion plans, through which we can reduce import dependence and improve domestic value addition. These arguments will apply to other industries such as telecom, pharmaceuticals, medical devices, and renewables as well, in all of which the government's professed aim is to build strategic domestic capacities.

Meanwhile, the popular discourse treats GVC integration as an end in itself, without examining the implications of the nature of integration. There's a large body of empirical evidence to show that long-term beneficial impact to the host economy through MNC-led technology upgradation efforts is largely determined by the manner in which policies induce domestic backward linkages from foreign affiliates, for the substitution of imported intermediate

goods and services. One of the popularly used analytical frameworks defines that a country can increase its GVC participation through both greater 'backward integration' and greater 'forward integration'. The former is defined as foreign value added (which are imports) in a country's exports and domestic sales, and the latter is defined as domestic value added going into its exports.

However, increased imports in an industry that gets captured as higher foreign value added estimates for that industry necessarily leads to lesser scope for increasing domestic value added, when these imports end up displacing domestic production and backward linkages within the economy.

Clearly, without building up domestic backward linkages and indigenous technological capabilities, there is less scope for increasing the level of domestic value added that can go into India's exports.

A transition towards greater value addition requires new thinking around the design of coherent policies that leverage our domestic market, for which supportive trade policies are a prerequisite. These FTAs do not fit in with India's priorities for improving and sustaining domestic value addition and employment opportunities.

The writer is an economist based in Delhi

## Leadership today: The art that surpasses the science

Ashwin Muthiah

**L**eadership, especially in business, is a much-misunderstood concept. It often sounds like a goal rather than an ever-evolving journey of self-teaching and learning. A great leader inspires and motivates, bringing teams towards shared success. While this might seem like a goal, the path to it — honing skills, adapting to change, and fostering growth — defines true leadership. It's a journey where each step brings fresh insights, evolving perspectives, and a deeper understanding of what it means to lead.

To keep pace with rapid changes, leaders must cultivate what *Harvard Business Review* calls "contextual intelligence" — the ability to adapt leadership approaches to specific circumstances. This is why effective leaders are perpetual learners, constantly reading, listening, engaging in conversations, observing, and absorbing new insights.

In my three-decade leadership journey, I've learned that building leaders is both an art and a science. As we focus

on nurturing senior leadership within organisations, the 'art' — the intuitive, human-centred approach — often takes precedence over the 'science.'

**LEFT BRAIN VS RIGHT BRAIN**  
So, then, what is the art of good leadership? It lies in harmonising intuition with the method, blending insight with metrics, and balancing flexibility with order — the interplay of the left and right brain. Today, it goes beyond IQ and EQ. In a world of mounting uncertainties, SQ<sup>2</sup> (Spiritual and Social Quotient) and AQ (Adversity Quotient) are vital skills for future leaders.

Another vital art of leadership lies in knowing what to ignore and what to prioritise. The courage to ignore short-term ups and downs to focus on the big picture is not only an art but can also be a key motivator for employees. Critiquing an employee for a small error while overlooking broader accomplishments can foster a feeling of 'thanklessness' in the workplace and stifles innovation, prompting a fixation on maintaining the status quo. But leader-

er's strength to lead the team to victory. Leaders aren't made in a day; they're developed over time, with intentional growth at every level — from entry-level trainees to board members. Effective leadership demands structured, long-term training to handle increasingly complex responsibilities. Expecting a seamless transition into a CXO role without foundational development is unrealistic.

Leadership isn't about how high you climb but how many others you lift along the way. A great leader builds more leaders, leading by example with an approach that goes beyond metrics.

It's about having the courage to take risks on people, to believe in their potential, and to co-create a shared vision.

Striking a fine balance between resolve and humility, leadership is ultimately the art of unlocking the collective genius.

The writer is Founder Chairman of AM International, Singapore with operative companies like SPIC, Manali Petro, TPL and Greenstar Fertilizers. Views are personal



GREAT LEADER. Builds more leaders

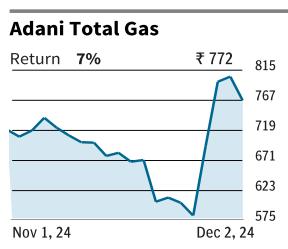
ship is not about rank; that's authority. The art lies in knowing the difference.

Even as business school academics and researchers remain wrapped up in the importance of honing one's skills by addressing one's weaknesses, in my experience, focusing and growing on the individual's strengths helps improve the weaker areas as well. A company is not about the leader; it starts with the leader. A leader's job is to build winning teams, just like in cricket or football — where each player is assigned a role based on their strengths. The best defender may not excel as a forward, or a bowler may lack as a batter. A good captain knows how to leverage each play-



## QUICKLY.

6 Adani Group stocks end lower; ATGL slumps 5%



**New Delhi:** Shares of six Adani Group firms ended lower on Monday, with Adani Total Gas (ATGL) falling 4.87 per cent to ₹772 on the BSE and Adani Energy Solutions tanking 4.04 per cent to ₹806.60. Shares of NDTV dipped 1.29 per cent, Adani Wilmar went lower by 1.23 per cent, Adani Power declined 1 per cent and Adani Enterprises skidded 0.28 per cent. The stock of Adani Green Energy surged to ₹1,445 during the morning trade but later gave up most of the early gains and ended at ₹1,327.95, up 0.26 per cent. Shares of Adani Ports climbed 2.18 per cent, Ambuja Cements 1.34 per cent, Sanghi Industries 0.65 per cent and ACC gained 0.38 per cent. PTI

## RIL Big Entertainment's bank, demat a/cs attached

**New Delhi:** Capital markets regulator SEBI on Monday ordered the attachment of bank accounts as well as shares and mutual fund holdings of Reliance Big Entertainment to recover dues of ₹26 crore. Before this, the markets watchdog on November 14 sent a notice to Reliance Big Entertainment Pvt Ltd (now known as Rbep Entertainment Pvt Ltd) and asked the entity to pay dues within 15 days in a case pertaining to illegal diversion of funds in the matter of Reliance Home Finance Ltd (RHFL). Going by the notice, dues of ₹26 crore were pending with Reliance Big Entertainment, which included interest and recovery costs. PTI

# Sensex, Nifty rebound despite GDP concerns; investors eye RBI policy

**BULLS CHARGE.** Market breadth remained robust, with 2,505 stocks advancing and 1,552 declining on the BSE

**Anupama Ghosh**

Mumbai

The stock market demonstrated remarkable resilience on Monday, staging a robust recovery despite initial concerns over disappointing GDP data.

The Sensex closed 445.29 points higher at 80,248.08, representing a 0.56 per cent gain, while the Nifty 50 rose 144.95 points or 0.6 per cent to settle at 24,276.05, effectively neutralising earlier market apprehensions.

The day's trading session began with muted sentiment following underwhelming economic growth figures but investors quickly pivoted, driving the market towards positive territory. The swift recovery underscored the

## MARKET MOVERS

Sector performance revealed interesting dynamics, with defensive and growth-oriented sectors showing distinct movements. Rate-sensitive sectors such as realty and consumer durables were the top gainers by 3.04 per

## Cipla

According to NSE block deal data, Samina sold 89.54 lakh shares of Cipla and Rumana Hamied 49.43 lakh shares, amounting to a 1.11 per cent and 0.61 per cent stake, respectively. The shares were disposed of at an average price of ₹1,518.75.

After the stake sale, the combined promoter and promoter group holding in Cipla has come down to 29.2 per cent from 30.92 per cent.

DSP Mutual, Axis MF, Aditya Birla Sun Life MF, ICICI Prudential MF, Motilal Oswal MF, SBI Life Insurance and Tata AIA Life Insurance have also bought Cipla shares.

The Cipla stock fell 1.36 per cent at ₹1,513 on the NSE.



**STRONG FOUNDATION.** The Nifty Realty Index scored the biggest gain of 3 per cent, ahead of RBI monetary policy meet PTI

cent and 2.08 per cent. The Nifty Pharma index climbed 0.9 per cent and the Nifty Healthcare gained 1 per cent. This sectoral shift suggested investors were strategically repositioning their portfolio ahead of the crucial RBI monetary policy meeting.

Leading the market's up-

ward trajectory were several standout performers. Ultratech Cement emerged as the top gainer, surging 3.82 per cent, followed by Apollo Hospitals with a 3.45 per cent increase.

Giasim added 3.06 per cent, while Shriram Finance and JSW Steel also contrib-

uted to the positive sentiment with gains of 2.56 per cent and 2.53 per cent, respectively.

The market breadth remained robust, with 2,505 stocks advancing and 1,552 declining on the BSE.

A total of 246 stocks touched 52-week highs, indicating underlying market strength, while only 27 stocks hit 52-week lows.

Not all stocks participated in the rally.

Some prominent names experienced downward pressure. HDFC Life was the top loser, dropping 2.67 per cent, followed by NTPC (1.46 per cent) and Cipla (1.36 per cent).

The volatility index, India VIX, rose 1.90 per cent to 14.70, indicating potential market uncertainty.

## Ola's Bhavish Aggarwal pledges 1.1% stake for AI foray

**Our Bureau**

Bengaluru

At present, the company operates 800 stores.

Commenting on the expansion, Aggarwal said, "We are looking to cover the entire country beyond tier-I and tier-2 cities."

It will enable our best-in-class product offerings to democratise electric mobility, adding buoyancy to the domestic EV economy."

Previously, the company had announced plans to expand the store count to 2,000 by March 2025.

With the new announcement, the company is doubling down on the rollout plan to accelerate EV adoption in large hinterland markets, the mainstay of two-wheeler sales, said the company.

The company recorded registrations of 27,746 units in November compared to 41,756 units in October, according to data from vehicle portal Vahan.

The shares of Ola Electric closed at ₹93.26, up by 6.68 per cent on the BSE.

## Samina, Rumana Hamied exit Cipla, sell 1.72% stake

**Press Trust of India**

New Delhi

Samina Hamied and Rumana Hamied, promoters of drug major Cipla, on Monday exited the pharmaceutical company by selling their 1.72 per cent stake for ₹2,111 crore through open market transactions. Samina and Rumana are nieces of YK Hamied — the non-executive Chairman of Cipla.

The Singapore government, Societe Generale, Abu Dhabi Investment Authority, BNP Paribas, BofA Securities, Citigroup, Morgan Stanley, Goldman Sachs, Norges Bank, UBS and Cophall Mauritius bought stakes in

Cipla. According to NSE block deal data, Samina sold 89.54 lakh shares of Cipla and Rumana Hamied 49.43 lakh shares, amounting to a 1.11 per cent and 0.61 per cent stake, respectively. The shares were disposed of at an average price of ₹1,518.75.

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The Cipla stock fell 1.36 per cent at ₹1,513 on the NSE.

## Ventive Hospitality, 6 others get SEBI nod to launch IPO

with a ₹4,000-crore IPO, comprising a fresh issue and an offer for sale.

It proposes to utilise the net proceeds towards funding of payment of the purchase consideration for the acquisition of IGI Belgium Group and IGI Netherlands Group from Promoter and General corporate purposes.

**TRUALT**

Bengaluru-based TruAlt Bioenergy's IPO is a mix of fresh issuance of ₹750 crore and an offer for sale of up to 18 lakh shares each by Dhrakayany Sangamesh Nirani, and Sangamesh Rudrappa Nirani. It is one of India's largest biofuels producers.

The proceeds from its fresh issue to the extent of ₹172.68 crore will be utilised

for funding capital expenditure towards setting up multi-use feedstock operations to pave way for utilising grains as an additional raw material in ethanol plant at TBL Unit 4 of 300 KLPD capacity; ₹425 crore for funding working capital requirements and general corporate purposes.

**CONCORD ENVIRO**

Concord Enviro Systems' IPO will consist of a fresh is-

sueance of equity shares worth ₹192.3 crore and an OFS of 51,94,520 shares by existing shareholders. AF Holdings, holding a 39.07 per cent stake in the company, will sell 47.4 lakh shares in the OFS, while the Goel family, the promoters with a 60.93 per cent stake, will offload 4,54,520 shares.

The company specialises in wastewater treatment and zero liquid discharge solutions. In fiscal 2024, the company serviced over 353 domestic and 24 international clients across various industries, including pharmaceuticals, chemicals, food and beverage, defence and energy, automotive, steel, and textiles.

However, Carraro India's ₹1,812 crore issue is entirely an OFS by Carraro International S.E., as per the DRHP.

With two manufacturing facilities in India and the

price dips to ₹232. Place stop-loss at ₹225. When the price remains above the 20-day moving average, which is now at ₹239. Also, the price region between ₹235 and ₹240 is a good support band. Therefore, the chance of a rally from the current level appears high.

So, participants can buy at ₹243 and accumulate if the

## BROKER'S CALL.

### CD Equisearch

**SUPREME IND (HOLD)**

Target: ₹4,235

CMP: ₹4,775.20

Extreme volatility in PVC resin prices coupled with low spending on infrastructural projects largely explains marginal decline in volumes of plastic piping business in Q2, a trend emulated by all other segments bar packaging products - whose volumes rose by 11.4 per cent. Yet, overall volumes all but flat lined resulting in 10.4 per cent decline in operating profit - OPMs slid by 140 bps. Government of India's unprecedented surge in infrastructural spends, be it roads, railways, housing, water infrastructure, power, has gratified EPC players, construction companies, energy firms, plastic pipe manufacturers, cement manufacturers et al through humongous order flows or volume surge.

For instance, Supreme's chief plastic piping business saw nearly 40 per cent jump in SKUs last fiscal, though scaling of volumes of new products is no puny task.

The stock currently trades at 53.4x FY25E EPS of ₹87.07 and 43.9x FY26E EPS of ₹105.88. Blunted by high raw material volatility, post-tax earnings in the current fiscal will well-nigh flat line before jumping by over 21 per cent next fiscal.

Weighing odds, we assign "hold" rating on the stock with revised target of ₹4,235 (previous: ₹4,485) based on 40x FY26E earnings over a period of 6-9 months.

### SBI Securities

**STYLM IND (BUY)**

Target: ₹2,963

CMP: ₹2,537.45

Styram Industries reported a decent set of numbers during the quarter, with revenue, EBITDA, and PAT growing 12.3 per cent, 15.1 per cent, and 7.5 per cent y-o-y to ₹262.7 crore, ₹54.4 crore, and ₹34.1 crore, respectively. The H1-FY25 revenue, EBITDA, and PAT were up 9.9 per cent, 8.1 per cent, and 4.9 per cent y-o-y to ₹505.3 crore, ₹96.2 crore, and ₹62.5 crore, respectively.

The performance is better than the industry growth rate and that of other domestic peers. The all-round growth in 2QFY25 was well supported by volume and price realisation.

The company's ongoing brownfield capacity expansion, where management envisaged a capex of ₹200-220 crore, is slightly delayed but on track and is expected to be operational by FY25. At full capacity, the new plant is likely to generate an additional ₹800 crore in revenue.

We expect the company's revenue to grow at a CAGR of over 20 per cent. New capacity additions, backed by a favourable product mix (with a higher share of value-added products), coupled with aggressive marketing, are expected to drive strong 20 per cent CAGR growth in revenue. The export vertical continues to dominate the revenue composition, as the company has added several large clients in growing markets. Domestic revenue, which is currently ₹303 crore as of FY24, is projected to reach ₹700 crore by FY30.

M&M shares closed at ₹3,019.40, up 1.80 per cent.

Yes Securities said that M&M's latest launches BE 6e and XEV9 will not only accelerate EV adoption, but also establish M&M as leading EV brand.

businessline is not responsible for the recommendations sourced from third party brokerages. Reports may be sent to: [blmarketwatch@gmail.com](mailto:blmarketwatch@gmail.com)

## TODAY'S PICK.

### National Aluminium Co (₹243.25): BUY

**Akhil Nallamuthu**

bl. research bureau

The stock of National Aluminium Company Ltd (NALCO) has been steadily appreciating since December last year. Last week, it marked a record high of ₹263.10. But then the bulls lost strength, leading to some moderation in price.

However, the uptrend has not been invalidated, and the price remains above the 20-day moving average, which is now at ₹239. Also, the price region between ₹235 and ₹240 is a good support band. Therefore, the chance of a rally from the current level appears high.

So, participants can buy at ₹243 and accumulate if the

**Day trading guide**

24429 ➡ Nifty 50 Futures

S1 24080 S2 24500 R1 24750 R2 COMMENT

24260 24080 24500 24750 Initiate fresh buys if it surpasses 24500; keep stop-loss at 24380.

**₹1804 ➡ HDFC Bank**

S1 1800 S2 1782 R1 1805 R2 COMMENT

1800 1782 1805 1835 Buy the stock if it surpasses the hurdle at 1805; stop-loss at 1790.

**₹1879 ➡ Infosys**

S1 1870 S2 1850 R1 1900 R2 COMMENT

1870 1850 1900 1920 Go long now and on a decline to 1860; place a stop-loss at 1845.

**₹477 ➡ ITCL**

S1 472 S2 460 R1 480 R2 COMMENT

472 460 480 490 The stock is stuck in a sideways trend; refrain from trading.

**₹257 ➡ ONGC**

S1 254 S2 250 R1 260 R2 COMMENT

254 250 260 268 Buy the scrip if it breaks out of 260; keep a stop-loss at 250.

QUICKLY.

Lending restrictions  
on Navi Finserv lifted



Mumbai: The Reserve Bank of India removed the lending restrictions imposed on Sachin Bansal's Navi Finserv on Monday, according to a statement by the Central bank. On October 17, the regulator had imposed restrictions on Navi Finserv along with three other NBFCs for the violation of lending norms. OUR BUREAU

RBI annuls registration of Nagpur-based Zavron Fin

Mumbai: The RBI on Monday said it has cancelled the certificate of registration of Nagpur-based Zavron Finance due to irregular lending practices. Zavron Finance has violated RBI guidelines on outsourcing of financial services in its digital lending operations by outsourcing its core decision-making functions such as credit appraisal, loan disbursal, fixing of rate of interest, as well as KYC verification process, the central bank said in a statement. PTI

98.08% of ₹2,000 notes returned, says RBI



Mumbai: The RBI on Monday said 98.08 per cent of the ₹2,000 banknotes in circulation as on May 19, 2023, had been returned by November 29, 2024, with the remaining notes continuing to be legal tender. The Central bank, in its update on the withdrawal of ₹2,000 denomination, underscored that the total value of ₹2,000 banknotes in circulation, which amounted to ₹3.56 lakh crore as of the close of business on May 19, 2023, when their withdrawal was announced, had declined to ₹6,839 crore as of the close of business on November 29, 2024. OUR BUREAU

# Customers park more funds in term deposits: SBI report

**OPTIMISTIC OUTLOOK.** Deposits and credit may grow 11-12 per cent during FY25

Our Bureau  
Mumbai



The outstanding balance per deposit account in India has risen by ₹7,014 on year to ₹91,472 in September 2024, primarily as customers invested more funds in higher yielding term deposits than savings deposit accounts, a research report released by SBI said.

## ATTRACTIVE RETURNS

"The increase was primarily due to increase in per account term deposits by whopping ₹46,728 in one year as term deposits offered more attractive return. Term deposits also outpaced the growth in CASA deposits, and their share in total deposits rose to 61.4 per cent in September 2024 from 59.8 per cent a year ago," the report said.

Lower yielding savings account outstanding deposits, meanwhile, remained almost

flat at ₹32,485 each account in September 2024 from a year ago period.

## CD RATIO

According to the report, region wise credit-deposit (CD) ratio indicates that except south and western region, CD ratio of all others regions are below the national level of 79.9 per cent.

**'OPEN INDUSTRIES'**  
However, in many states like Jharkhand, Arunachal Pradesh, Himachal Pradesh and



India ranks sixth globally, with 127 companies committed to SBTi net-zero targets

setting initiative whereby companies can commit to setting science-based targets and have their objectives independently assessed and validated.

Commitments and target taking are done through sector-wise guidelines by SBTi. The initiative has guidelines for setting emission reduction targets for various sectors. India ranks sixth globally, with 127 companies committed to SBTi net-zero targets but these are primarily from non-hard-to-abate sectors like textiles, software, and pharmaceuticals.

## ADANI ENERGY

Notably, none of the top three contributors of emissions in the power sector have committed to SBTi targets, and of the six companies under SBTi, only Adani Energy Solutions has managed to reduce absolute

emissions by 11 per cent in the last six years by transitioning towards renewable energy and adopting energy efficiency measures.

With a capacity of 14,707 MW, Tata Power Ltd., which has a self-declared net-zero target, witnessed a 15 per cent increase from FY19 to FY24.

This was aligned with the industry trend, resulting from increasing production capacities and demand for electricity and power across the nation, ICRA ESG Ratings

**Lower yielding savings account outstanding deposits remained almost flat at ₹32,485 each account in September 2024 from a year ago period**

Goa, CD ratio is below 40 per cent.

The report said the government should consider these states in opening industries, including small and medium enterprises, which will increase employment opportunities.

Lastly, the report said that credit growth has slowed down across sectors and going by the current trends, both deposits and credit may grow in the range of 11-12 per cent during Financial Year 2024-2025.

# RBI urges banks to streamline activation of inoperative a/cs

Our Bureau  
Mumbai



The Reserve Bank of India (RBI) has asked all banks to immediately take necessary steps to bring down the number of inoperative/frozen accounts and make the process of activating such accounts smoother and hassle free. It said they may also organise special campaigns to facilitate the activation of such accounts.

Banks have also been advised to allow activation of such accounts by enabling seamless updation of KYC through mobile/internet banking, non-home branches and Video Customer Identification Process.

The Central bank further said the progress in reducing inoperative/frozen accounts and the special efforts made by the banks in this regard, may be monitored by the Customer Service Committee (CSC) of the board.

In addition, the banks have also advised to report the same on a quarterly basis

to the respective Senior Supervisory Manager (SSM) through DAKSH portal (Reserve Bank's Advanced Supervisory Monitoring System), starting from the quarter ending December 31, 2024.

This directive comes in the backdrop of a recent analysis by the RBI's Department of Supervision, which showed that the number of inoperative accounts/unclaimed deposits in several banks was on the higher side vis-a-vis their total deposits as well as in absolute terms.

**SEVERAL REASONS**  
The reasons were attributed to either inactivity for a long time or pending updation/

periodic updation of KYC in such accounts, RBI said in a circular to all commercial banks (excluding regional rural banks).

The Central bank noted that while the accounts of beneficiaries of various Central/State government schemes like DBT (direct benefit transfer) and EBT (electronic benefit transfer) are required to be segregated to facilitate uninterrupted credit of amounts in their accounts, instances have been observed where accounts of such beneficiaries have been frozen due to other factors such as pending updation/periodic updation of KYC.

**'BE EMPATHETIC'**  
RBI emphasised that since these accounts mostly pertain to people from the underprivileged sections of society, banks may facilitate the process of activating accounts by being empathetic in such cases.

The banks can also facilitate Aadhaar updation for customers through the branches providing Aadhaar-related services, it added.

# Most corporates have lagged in reducing carbon emissions: ICRA ESG Ratings

Our Bureau  
Mumbai

Indian companies may be high on talking about ESG and reducing their carbon footprint but only a handful have managed to reduce their absolute emissions in the last six years, a new study by ICRA ESG Ratings.

"Less than 10 per cent of companies from sectors contributing 55 per cent to India's overall emissions (power, energy, cement) have committed to net-zero targets through Science Based Targets initiative (SBTi). This indicates that despite the large number of companies setting up targets, it may not be sufficient to meet the net-zero goal as the high-emitting companies are still not fully committed," ICRA ESG Ratings said.

SBTi is a voluntary target-

setting initiative whereby companies can commit to setting science-based targets and have their objectives independently assessed and validated.

Commitments and target taking are done through sector-wise guidelines by SBTi. The initiative has guidelines for setting emission reduction targets for various sectors. India ranks sixth globally, with 127 companies committed to SBTi net-zero targets

and 40 per cent, respectively, by increasing their renewable energy capacity, and integrating green energy and green hydrogen into their production processes.

"On analysing major contributors of emissions from the top emission-producing sectors of India, it was observed that only a handful of corporates managed to reduce their absolute emissions in the last six years.

The Indian corporates considered for this study have been implementing innovative strategies by transitioning to renewable energy and implementing energy efficiency measures.

Of these companies, only one entity has been successful in reducing absolute emissions by 11 per cent from 2019 to 2024.

**STEEL GIANTS**  
In the metals space, Hindalco and Jindal Steel, have been able to reduce their emissions by 3 per cent

and 40 per cent, respectively, by increasing their renewable energy capacity, and integrating green energy and green hydrogen into their production processes.

"On analysing major contributors of emissions from the top emission-producing sectors of India, it was observed that only a handful of corporates managed to reduce their absolute emissions in the last six years. The Indian corporates considered for this study have been implementing innovative strategies by transitioning to renewable energy and implementing energy efficiency measures.

Of these companies, only one entity has been successful in reducing absolute emissions by 11 per cent from 2019 to 2024.

**ADANI ENERGY**  
In the metals space, Hindalco and Jindal Steel, have been able to reduce their emissions by 3 per cent

# Prosus eyes IPO, to ramp up investments in India

Our Bureau  
Bengaluru

IRR of 20 per cent plus".

It hinted at plans to ramp up investments in India. "If we can have the required conviction in opportunities, our ambition would be to increase capital deployment to enhance our ecosystems, growth, profitability and value creation," the company said.

**IPO PLANS**  
Prosus sees potential IPOs for fintech giant PayU, affordable e-commerce platform Meesho and omnichannel jewellery retailer Bluestone for the next 18 months.

This comes after it booked profits of \$2 billion on its investments in the recent IPO of food and delivery tech major Swiggy. It sold shares in offer for sale which generated gross proceeds of approximately \$500 million. Post IPO, Prosus holds about 25 per cent stake in Swiggy on a fully diluted basis.

# Karur Vysya Bank takes to "exit marking" loan a/cs showing stress to cut exposure

bl.interview

“

We have brought down the corporate loan portfolio for two reasons — yield on these accounts is the lowest and chances of failure in bigger accounts is higher

**B RAMESH BABU**  
MD & CEO, Karur Vysya Bank



projections for FY25 and beyond?

We want to grow our advances by 14-15 per cent in FY25. We are moving in a calibrated way to mop up deposits, so that there is a healthy mix of current account (CA), savings account (SA) and term deposits (TDs). This will protect our margins.

We estimate how much growth we want in assets. Depending on that we mobilise liabilities.

We want to focus more on the RAM vertical in the next few years. So, RAM loans should comprise about 80-83 per cent of the overall loan portfolio and the rest will be mid-corporate. We are not chasing big accounts.

The point is if we do not consolidate, but press the accelerator too far, it is bound to lead to accidents as people, in a bid to meet targets, will try to take short cuts. Consequently, the quality of the portfolio will suffer.

In the next two-three years, we will be able to grow our advances by 16-18 per cent. Deposits will also grow in tandem.

As at September-end your GNPA and NNPA were at 1.1 per cent and 0.28 per cent, respectively. What is your outlook for the asset quality?

We want to retain the NPA ratios at the current levels.

Earlier, Our SMA portfolio beyond 30 days used to be 3.5 per cent. NPAs originate from SMAs. So, to have

better control on SMAs, we started giving marks to our divisions for pulling back these accounts. We formed centralised collection teams for this. Now, our SMA portfolio beyond 30 days is at 0.42 per cent of advances. It is one of the lowest in the industry.

KVB is perceived as a predominantly South-based Bank. Do you want to shed this tag and be known as a pan-India Bank?

In the South, many new districts have been carved out where we don't have a presence.

So, we will be focussing on this region as well as West. Our expansion strategy takes into account the States' GDP growth. We have covered the important SME clusters in North, with branches in Ludhiana, Jalandhar, Patiala etc. Currently, we have 858 branches across the country.

Earlier, we were opening 5-10 branches every year. This year, we took a call to open 100 branches – 80 "KVB DLite branches" and 20 normal branches.

Earlier, the branches were full-fledged. But the new DLite branches are based on the hub-and-spoke model.

For example, two-three DLite branches in a 10-km distance will be linked to a main (hub) branch.

Their main task is to mobilise liability and give loan origination leads to the hub branch. Once we see potential in such a branch, it can be converted into a normal branch.

The corporate loan book used to be about 25 per cent

Why are you focusing on rebalancing your loan portfolio?

We do not want to have credit concentration in any particular vertical. We have four verticals – commercial, retail, agriculture and corporate. So, if one engine (vertical) sputters, the other verticals are hopefully fired up to compensate for the muted business growth.

The corporate loan book used to be about 25 per cent

What are your growth

AUM growth of NBFCs may slow down to 15-17% in FY25 and FY26: Crisil

Our Bureau  
Mumbai



The growth in assets under management (AUM) of non-banking financial companies (NBFCs) is set to moderate to 15-17 per cent in the current and next fiscals, a decline of 600-800 basis points (bps) from the 23 per cent growth seen in the last fiscal, as they navigate evolving operating and regulatory environments and recalibrate strategies, Crisil Ratings said in a webinar today.

Krishnan Sitaraman, Chief Ratings Officer, Crisil Ratings, said, "The recent regulatory pronouncements have brought to the fore the criticality of compliance — both in letter and spirit — and operational risk management."

"Additionally, asset quality metrics are weakening in the past few quarters in some segments. This has necessitated a recalibration of growth strategies, especially in unsecured loans and microfinance."

versified funding sources, a crucial determinant of growth, especially amid the slowdown in bank lending to NBFCs, will vary across NBFCs.

At THE ROOT OF IT AUM growth could moderate due to rising household indebtedness and asset quality risks in the unsecured loan segment

Regulatory compliance requirements have also intensified recently, with a sharper focus on customer protection, pricing disclosures, and operational compliance, necessitating process recalibration.

Additionally, access to di-

RBI's surging NDF position suggests more rupee losses'

Reuters  
Mumbai

The surge in the Central bank's position in the non-deliverable forward market (NDF) reflects the extent of pressure on the rupee and suggests that the currency, already at a lifetime low, will fall further, bankers said on Monday.

The RBI's aggregate short foreign currency in forwards and futures position jumped three-fold to \$49.2 billion from September to October, official data showed.

This likely climbed to \$65-\$70 billion through November, bankers estimate, with a large chunk of the total reflecting the RBI's short position in the dollar/rupee NDF market. The surge comes amid the RBI having to support the rupee after the rise in volatility since the US presidential election and India's faltering economic growth that has prompted foreign investors to pour out of the equity market.

"The huge jump in the NDF book shows how much they (the RBI) have to do to manage rupee's exchange rate. It testifies the kind of outflow pressures that the rupee is having to contend with," said Dhiraj Nimb, a forex strategist and economist at ANZ. The jump in the RBI's NDF position means "that the incremental support it can provide to the rupee is less", a senior official at a large private sector bank said. The rupee slipped to an all-time low of 84.6825 per U.S. dollar on Monday.

QUICKLY.

Gold drops 1 per cent as dollar strengthens



Gold dropped 1 per cent on Monday, ending a four-session winning streak, weighed down by a robust US dollar, as investors eyed upcoming economic data and remarks from Federal Reserve officials for clues on the future of US interest rates. Spot gold was down 0.7 per cent to \$2,635.65 per ounce, as of 1059 GMT. REUTERS

Higher \$ sparks copper's sell-off to 2-1/2-week low

London: Copper prices slipped to 2-1/2-week lows on Monday as a stronger US dollar triggered a sell-off despite signs of recovering growth in China's manufacturing sector. Benchmark copper on the LME was down 0.3 per cent at \$8,987 a tonne at 1047 GMT, having earlier touched \$8,904 a tonne. REUTERS

Crude oil rises on upbeat China data



Singapore: Crude oil prices rose on Monday, supported by upbeat factory activity in China, and as Israel resumed attacks on Lebanon despite a ceasefire pact. Brent crude futures climbed 34 cents to \$72.18 a barrel by 0452 GMT while US West Texas Intermediate crude was at \$68.32 a barrel, up 32 cents. REUTERS

# Arabica breaches ₹20,000/50-kg bag

**CYCLONE IMPACT.** Rain poses challenges to coffee harvest and drying; robusta prices soar to ₹19,500

**Vishwanath Kulkarni**  
Bengaluru

Prices of arabica parchment, the premium variety coffee, hit a record high, breaching the ₹20,000 mark per bag of 50 kg last week tracking global price trends.

However, rain under the influence of Cyclone Fengal across the key producing regions of Kodagu, Chikmagaluru, Hassan and Shevaroys triggered concern among growers, who feel that it may impact the quality of the produce.

The harvest of arabicas has been delayed by some 3-4 weeks this year on erratic weather patterns.

Arabica parchment prices hovered around ₹19,500-₹20,800 range on Monday, while the arabica cherry ruled at ₹11,500-₹12,000 levels.

The robusta parchment prices are hovering around the ₹19,000-₹19,500 levels, while robusta cherry is rul-

ing around ₹11,200-₹11,500 per 50 kg. Prices are higher by over a third over the same period last year.

"Prices are at a record high. I feel that the prices will hover around these levels because fundamentally the crop loss is there. It can't be produced tomorrow," said Pramod Somaia, a coffee processor in Gonikoppa.

"At these levels, there are not many buyers at present. It will take another 15 days to one month for buyers to come into the market," he said.

**FEARS OVER IMPACT**

Growers have just started harvesting and it started raining now. "The rain at this stage is very bad because harvesting becomes a problem. Also, drying becomes a problem. So, it's going to be difficult for the farmer and I really don't know how many people will get benefit of this price rise," said Somaia.

"Prices are good for the



**BIG BLOW.** The harvest of arabica has been delayed by some 3-4 weeks this year due to the erratic weather pattern BLOOMBERG

growers but we do not know to what extent this recent rain has had an impact on the pricing also is a problem. The arabica order book is a little thin and it is more a choice of exporters rather than the lack of demand. Generally, overall there is a demand for coffee because of the un-

certainties over the crop and when it is coming in and the pricing also is a problem. The arabica order book is a little thin and it is more a choice of exporters rather than the lack of demand. Generally, overall there is a demand for coffee because of the un-

tainties in the world market. However, exporters are being cautious and are reluctant to commit," Rajah said.

With buyers in Europe, the main destination for Indian coffee, having covered up aggressively in the run-up to the proposed EUDR norms, there's a lull in the market, he said.

"Compared to the volatility being witnessed in the market, growers prefer a stable price trend," said M Salman Basir, a large arabica grower in Hassan and Vice-Chairman of the Karnataka Planters Association.

Picking has just started and the rain triggered by the cyclone is posing challenges in drying, which may hurt quality. Also, the continued rain would lead to fruit split on the plants and dropping, leading to quality issues.

Basir said the increase in prices is also leading to higher costs, with the workers and labourers demanding an increase in wages.

FCI's new norms in wheat tender to exclude millers having 'excess' stocks

**Our Bureau**  
New Delhi



Some millers termed the conditions as "reward" for some private parties not buying in the open market

been stipulated that while mentioning the monthly processing capacity of the unit in the declaration, the bidder has to submit an undertaking "not to bid for and lift stock in excess of" his monthly capacity.

Industry sources said if a miller has 2,500 tonnes per month of processing capacity and if he has 2,450 tonnes of stock now, he can bid for a maximum of 50 tonnes, as per the new norm.

However, government sources said since the stock with the FCI is not huge and the OMSS has to continue at least until the end of February, the quantity has been offered as per an estimated requirement in a State and to make sure it is not used for trading purposes.

On November 27, the government announced allowing FCI to offload 25 lt of wheat in market under the Open Market Sales Scheme through e-auction to flour mills and other manufacturers of wheat products, processors and end users by March 31, 2025. The government said the decision was taken to moderate wheat prices in the open market.

According to data maintained by the Consumer Affairs Ministry, the retail inflation was 4.4 per cent and 6.7 per cent in wholesale on December 1, 2024, compared with the year-ago period.

## Wheat acreage up as rabi sowing gathers pace

**Our Bureau**  
Chennai

northern region, are factors helping higher sowing this rabi season.

However, deficient post-monsoon rain could be an issue. According to the India Meteorological Department (IMD), data from 720 districts show that 64 per cent of the country received deficient or scanty rainfall between October 1 and December 2.

"Rabi sowing is going on smoothly. The sowing window is still open and therefore, normal acreage will be achieved," said the Agriculture Ministry statement.

Better soil moisture due to the above-normal southwest monsoon, good soil moisture and higher storage in major reservoirs, barring the

### Up on favourable factors\*

Crops	2024-25	2023-24
Wheat	200.35	187.97
Rice	9.75	9.16
Pulses	108.95	105.14
Nutri-cereals	29.24	24.67
Oilseeds	80.55	84.85
<b>Total</b>	<b>428.84</b>	<b>411.80</b>

Source: Ministry of Agriculture and Farmers' Welfare; \*Area in lakh hectares as of Nov 29.

the same period a year ago, up 17 per cent.

With a clear picture emerging on wheat sowing, the area under the key rabi food crop increased by 12.38 per cent to 200.35 lh from 187.97 lh during the same period a year ago.

### RICE GAINS

Despite rain lashing the east coast, the area under rice gained marginally at 9.75 lh against 9.16 lh a year ago. Experts say at least one lakh hectares could have been affected by the rain, particularly in Andhra Pradesh and Tamil Nadu, under the influence of Cyclone Fengal.

The pulses acreage increased by 3.8 per cent to 108.5 lh (105.14 last year). Key crops, such as gram (chana), lentils and field peas, have witnessed a rise in coverage but that of urad and moong are down marginally.

Among Shree Anna and nutri-cereals, the acreage of most crops was up, barring bajra by a tad. The area under

jowar, the main rabi coarse cereal, was up over 3 per cent at 17.43 lh (14.06) while there was a marginal gain in maize area at 6.87 lh (6.53 lh). The coverage of barley was up at 4.27 lh (3.65 lh).

### BEARISH OUTLOOK

Farmers seemed to have been dissuaded by the fall in oilseed prices, particularly with the outlook being bearish because of surplus supplies of soyabeans globally.

It is currently reflected in the area under mustard slipping to 75.86 lh (80.06 lh) and that of groundnut to 1.97 lh (2.11 lh).

Safflower coverage was up but that of sunflower was down.

## Potato traders to go on strike from today as talks with Bengal govt remain inconclusive



Potatoes are retailing around ₹35-₹40 per kg in local markets. REUTERS

### PANEL MEET TODAY

"We will hold a meeting with our committee tomorrow and decide on whether traders should withdraw the strike. Following the meeting, we will inform the government about our decision," Mukherjee said.

Mukherjee said that as the meeting remained inconclusive, potato traders will go ahead with their strike. As a result, cold storages across West Bengal will not release potatoes from Monday night.

ment to allow selling of at least low quality potatoes to other States in a phased manner. However, the Minister said he would not be able to take this decision alone as he needs to discuss the matter with Chief Minister Mamata Banerjee. Manna requested us to withdraw the strike. We informed him that we also need to speak to our committee members on our future move," Paschim Banga Pragatishil Alu Byabasayee Samiti secretary Lalu Mukherjee told businessline.

Mukherjee said that as the meeting remained inconclusive, potato traders will go ahead with their strike. As a result, cold storages across West Bengal will not release potatoes from Monday night.

"We currently have excess potatoes at cold storages across West Bengal. Therefore, we urged the govern-

The State has as many as 475 cold storages for potato. According to him, currently, the cold storages have around 6-6.5 lakh tonnes of the spud and in December, the State is expected to require around 3.5-4 lakh tonnes for consumption.

The Mamata Banerjee-led government had recently put a restriction on inter-State supply of the tuber in a bid to maintain stocks and keep the price of potato under control.

Potatoes are retailing around ₹35-₹40 per kg in local markets. The traders' strike will increase the prices further due to lower supply.

West Bengal sells around 20-25 lakh tonnes of excess potatoes to other States every year.

The alliance aims to advocate for increased poultry consumption and serve as a unified voice when engaging with the State and Union governments

sistent access to maize and soya, crucial components of poultry feed.

### ROLE IN ECONOMY

The poultry industry, with over 25,000 layer farmers and one million broiler farmers, produces 118 billion eggs and 5 million tonnes of broiler meat annually, con-

tributing ₹1.35 lakh crore to the national GDP.

The industry consumes over 50 per cent of the country's maize and soya production.

"We stand the third in the world in egg production and fourth in the world in broiler meat production. We have been registering a consistent growth of 7-8 per cent annually for the last three decades," Uday Singh Bayas, President of the Indian Poultry Equipment Manufacturers Association (IPEMA), told businessline.

### 40,000 VISITORS

Talking to businessline on the sidelines of the just-concluded three-day Poultry Expo in Hyderabad, emphasised the industry's need for working capital support and con-

visitors from India and abroad to look at the latest equipment, machinery, products and services for a wide variety of poultry ecosystem players.

Claiming that the event was the biggest in South-East Asia, he said the 16th edition emerged as the biggest expo in the last 16 editions.

"We are going to allocate about 50 per cent of the profits from the expo to the new alliance. The alliance will comprise all State-level poultry associations. We give them the freedom to spend the funds on promotion of egg and chicken meat consumption and carry out the advocacy campaign. It will be a unified voice of the industry," Bayas said.

## Tamil Nadu, Kerala bear brunt of Cyclone Fengal's aftermath with record-breaking rainfall

**Vinson Kurian**  
Thiruvananthapuram

A remnant well-marked low-pressure area from Cyclone Fengal is forecast to drift over north interior Tamil Nadu, south interior and coastal Karnataka and adjoining north Kerala as it looks to step out into the south-east and adjoining east-central Arabian Sea off the north Kerala-Karnataka coasts by Tuesday, India Meteorological Department (IMD) has said.

Ongoing heavy to very heavy rain at a few places with extremely heavy falls at isolated places over the ghat districts of Tamil Nadu and adjoining Kerala will reduce in intensity and become isolated heavy rain on Tuesday. This will be matched by a scale-down in the intensity of rain over Kerala from heavy on Monday to very heavy rain at isolated places on Tuesday.

But note that long positions carry higher risk and therefore, risk-averse traders can stay out. Buy natural gas futures (December) if the price dips to ₹265. Place stop-loss at ₹258. When the price rises to ₹275, revise the stop-loss to ₹268. Book profits at ₹280.



**CHANGING ROUTE.** A remnant low-pressure area from erstwhile Cyclone Fengal was on Monday drifting across interior Tamil Nadu to adjoining coastal Karnataka and north Kerala

Heavy to very heavy rain over south interior Karnataka with extremely heavy falls at isolated places over the ghat districts of Tamil Nadu and Mahe during the 24 hours ending at 8.30 am on Monday.

**RAINYING IN THE HILLS**

IMD gave out significant rainfall amounts (in cm) recorded during this period

much of an impact on the rain-making capacity of the remnant system as it poured down over Tamil Nadu, Puducherry and Karaikal and very heavy over Kerala and Mahe during the 24 hours ending at 8.30 am on Monday.

**Weakening did not have**

over Tamil Nadu: Yercaud (24), Dharmapuri (16) and Salem (6) and in Kerala and Mahe at Kottayam (18), Cochin (CIAL) airport 15, and Kozhikode 7.

This followed record-breaking spells triggered by it while being a cyclone and its gradual weakening to a deep depression and depression through Sunday before being categorised as a well-marked 'low' on Monday.

### 30-YEAR RECORD

These included an outrageous 50 cm-plus spell over Puducherry creating a 30-year record for a 24-hour spell and a number of other 40-50 cm spells in the neighbourhood.

Satellite pictures at 3 pm on Monday indicated moderate rain over Udhagamandalam on the hills to the west of Tamil Nadu and a blow-up of rain on the north Kerala coast from Ponnani, Thirur, Kodakara and Kodungallur to Kalamassery. Co-founder & CEO Ankit

## Loopworm gets EU TRACES certification

**Our Bureau**  
Bengaluru

Loopworm, an insect derived ingredient start-up, said it has secured the EU TRACES certification for its silkworm pupae-derived products for both pet and animal nutrition. With this certification, Loopworm said it is now fully authorised to supply its innovative, sustainable ingredients to the European Union market.

This certification positions Loopworm, which operates a GMP+, ISO 22000, and HACCP-certified facility with a 6,000 tonnes per annum capacity, as a key player in the EU market for sustainable protein sources. The certification process, facilitated by the expert guidance of DGFT officials, AQCS Bengaluru, and CAPEXIL Chennai, was completed efficiently within just a few months, the company

## QUICKLY.

World Maritime Tech conference returns to India

**Chennai:** The World Maritime Technology Conference will be held in Chennai from December 4 to 6. This marks the return of the conference to India after 15 years, CV Subba Rao, forum chairperson of the Conference, said. Topics to be discussed include climate change, sustainability, geopolitical issues and their implications for the maritime industry. OUR BUREAU

Organic food exports at ₹447 m in FY25, so far

**New Delhi:** India has exported over 2,63,050 tonnes of organic food, ₹447.73 million in value, till November 25 of FY25, MoF for Food Processing Industries Navneet Singh Bittu informed the Lok Sabha, according to an official statement. As per the data, 6,38,998 tonnes (\$689.1 million) were exported in 2019-20; 8,88,179.68 tonnes (\$1,040.95 million) in 2020-21; 4,60,320.40 tonnes (\$771.96 million) in 2021-22; 3,12,800.51 tonnes (\$708.33 million) in 2022-23; and 2,61,029 tonnes (\$494.80 million) in 2023-24. PTI

## Kandla port handles record quantities of rice, timber, salt

## Avinash Nair

Ahmedabad

India's oldest major port Kandla in Gujarat has set the highest-ever monthly record in handling rice, timber and salt during the month of November.

During last month, 3.43 lakh tonnes of rice were loaded, setting a new monthly record.

## TRADE MILESTONE

This exceeds the previous record of 3.06 tonnes of rice loaded during March 2022, said official sources of the Deendayal Port Authority (DPA).

# Coastal Shipping Bill 2024 introduced in Lok Sabha, to ease maritime trade

**TRADE WINDS.** It proposes to ease licensing for India-flagged vessels, boost domestic shipping, open waterways

## Abhishek Law

New Delhi

India-flagged ships engaged in domestic coastal trade will no longer require licences while foreign-flagged vessels must undergo a licensing process with the D-G Shipping, as per the Coastal Shipping Bill, 2024, introduced in the Lok Sabha on Monday by Union Shipping Minister Sarbananda Sonowal.

This is for the first time that the country will focus on formalising regulations for coastal trade and shipping, benefiting domestic shipping lines.

The proposed law is also aimed at simplifying regulatory procedures for domestic players, giving them greater operational freedom, while selectively opening up inland waterways.

The Bill defines coastal trade as the carriage of goods or passengers by sea from any port or place in India to



**COASTAL BOOST.** This is the first time that the country will focus on formalising regulations for coastal trade and shipping, benefiting domestic shipping lines. PTI

another port or place in India, or performing any service within the coastal waters but shall not include fishing of any kind. "No vessel other than an Indian vessel shall engage in coastal trade in the coastal waters except under a licence granted by the Director-General..." the Bill reads.

## NEW LICENSING NORMS

The new licensing norms include checks to determine whether earlier licences (of

foreign-flagged ships) were cancelled or not, the citizenship of the crew, the availability of Indian vessels on the route in which these ships intend to operate and so on. The Director-General (Shipping) shall continue to be reporting authority with ships sharing details of their voyage, ports visited along the route, passenger and cargo details and so on.

The current regulatory framework — included in Part XIV of the Merchant

Shipping Act of 1958 — mandates that Indian ships chartered by Indian citizens and foreign entities obtain a licence before setting sail, including for coastal trade. Post introduction of this new Bill, Part XIV will be repealed.

"However, the licensing requirement for all vessels including Indian vessels and exclusion of foreign flag non-propelled vessels from coasting trade has proven to be a hindrance to competition and efficiency in the sector," a Ministry official explained.

The Bill also proposes that the Centre, within two years from the date of commencement of this Act, will publish a National Coastal and Inland Shipping Strategic Plan, which shall be updated every two years.

The strategic plans will include an assessment of coastal routes in India, including those occupied by inland waterways, the identification of operational

improvements required in coastal shipping, long-term traffic forecast — for both coastal shipping and inland waterways, measures for promotion of building, registration and participation of Indian vessels in coastal shipping, among others.

Greater co-ordination with inland waterways authority has also been mentioned in the Bill whereby inland vessels will be allowed to take part in coastal trade subject to certain conditions. A National Database of Coastal Shipping is proposed to be set up for greater transparency and information sharing.

Penalties have also been proposed in the Bill that vary between ₹1,00,000 to ₹15,00,000 depending on the quantum of offence including deliberately providing misinformation, flouting licensing norms or otherwise.

A six-month imprisonment has also been proposed, if necessary.

## SC wants to see 'downward trend' in pollution to ease GRAP

## Krishnadas Rajagopal

New Delhi



ordered these States to pay from their labour cess funds.

"We know from experience that the ball will roll only after calling the Chief Secretaries. There is nothing to show that actual payments have been made so far," Justice Oka observed orally.

## THREAT TO LIFE

Meanwhile, the Bench registered shock at how its Court Commissioners, who are young advocates, tasked with monitoring the compliance of GRAP IV measures at the border entry points to the capital were threatened in the course of their court-appointed duties.

The Commissioners' report showed that employees of the toll contractors at the borders were hand-in-glove with the truckers, and would pass on information on WhatsApp about the movements of the Commissioners.

"They have risked their lives and faced threats only with a view to discharge their duties," the Bench recorded in its order. The court gave the Commissioners a choice to bow out, and those who still wanted to continue with their task were given the liberty to call the nodal officer in the Delhi Police, who would arrange for armed police officers to accompany the Commissioners while they tour the border points.

Besides, the Commissioners' report showed that there was a "complete lack of coordination" among stakeholders such as the Municipal Corporation of Delhi, the Delhi Police, the Delhi government, the Pollution Control Board.

## 'AAP govt keener on liquor sales than on people's health, Ayushman Bharat'

## Our Bureau

New Delhi

Rice exports from Kandla have seen an upswing after the Union government lifted curbs on exports earlier this year.

**SALT, TIMBER VOLUMES** Apart from rice, Kandla has created a new monthly record, handling 19.22 lakh tonnes of salt during November 2024.

This eclipses the port's previous record of 16.63 lakh tonnes created in June.

A new peak of 4.54 lakh tonnes of timber logs was also achieved at the port last month.

The previous high was 4.4 lakh tonnes in December 2023.

sought the AAP government's stand on implementation of the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY).

Union Minister Mansukh Mandaviya on Monday slammed the AAP dispensation for not implementing the Ayushman Bharat health insurance scheme in the National Capital region.

He charged that the AAP was more interested in liquor sales than focusing on improving the health of Delhi's citizens.

While the Delhi polls are slated next year, the Minister's remarks assume significance as they come a week after the Delhi High Court

last week said the Delhi High Court had sent a notice to the AAP-led government regarding the implementation of AB-PMJAY.

**NON-PARTICIPANTS** Delhi and West Bengal are currently the states that have not come on board the

sponsored schemes like Ayushman Bharat."

Union Minister  
Mansukh Mandaviya ANI

Centre's universal health insurance scheme. "There can be political differences but it is unfortunate that there are some States that are more keen to politicise issues rather than take care of people through Centrally

## FOCUS LIQUOR SALES

"For instance, if you see, the Delhi government here is more concerned about liquor sales and is investing more towards liquor sales policy rather than looking after the health of its citizens and implementing the PM-JAY," he told the media on Monday.

According to Mandaviya, the Centre has already written to the Delhi government for implementation of AB-PMJAY while talks are on to bring on board the West Bengal government.

## NO COMPENSATION YET

None of the States have "paid a penny" towards subsistence allowance for construction workers during GRAP IV, the Bench noted. The court had repeatedly

## Rafale Marine fighters deal to come up before Cabinet Committee on Security soon

## Dalip Singh

New Delhi



of taking it to the Cabinet Committee on Security. Since it is a government-to-government deal, it should not take much time," Admiral Tripathi said at the annual press conference ahead of Navy Day on December 4.

**NUCLEAR SUBMARINES** Admiral Tripathi told reporters that the government had accorded approval for building two SSNs (nuclear-powered submarines) and that the plan is to have a total

of six. The first SSN, as per the Navy chief, should be ready by 2036-37, followed by the second in 2038-39.

"We expect that if not this month, then next month hopefully, both these (Scorpene submarine) and Rafale-M (project) should be signed," he said.

The Admiral stated that the submarine building programme of 1999 had been tweaked.

India has been able to induce only five Scorpene submarines while the sixth is due for commissioning soon under Project 75 though the plan was to onboard 24 by 2030. The contract for six conventional submarines with the Air Independent Propulsion (AIP) system under Project 75(I) is yet to be awarded.

To boost Naval power, Admiral Tripathi stated that

many Pakistan Navy warships and submarines are being built with Chinese support showing that China is interested in making Pakistan's Navy stronger," he said.

"Their eight new submarines will have combat potential for the Pakistan Navy but we are aware of their capabilities. That is why we are tweaking our concepts to be able to tackle all threats from our neighbours," he added.

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QUICKLY.

SpiceJet to operate Haj flights from 4 cities



**New Delhi:** Budget carrier SpiceJet said on Monday that it has secured the right to operate Haj flights in 2025. This will allow SpiceJet to operate flights from four key cities: Kolkata, Guwahati, Srinagar and Gaya. The airline said it will carry close to 15,500 pilgrims next year, an 18 per cent rise from 2024. OUR BUREAU

Nebius raises \$700 m for AI cloud services



**Nebius Group NV,** the technology company rebranded from Russian internet giant Yandex, has raised \$700 million from a slate of investors, including Nvidia Corp and Accel Partners LP. The leaner company is focused on offering cloud-computing services for artificial intelligence. BLOOMBERG

Strand Life Sciences' test to detect multiple cancers



**Bengaluru:** Genomics and bioinformatics company Strand Life Sciences, a subsidiary of Reliance Industries Ltd, has launched a blood-based test for the early detection of multiple cancers. Called CancerSpot, the test uses the latest methylation profiling technology to identify cancer tumor DNA fragments, the company claims. OUR BUREAU

# Centre mulls PLI 2.0 to set up self-sustaining drone ecosystem

**LOCAL PIVOT.** The scheme targets an increase in localisation to 30% of total drone value

**Rohit Vaid**  
New Delhi

The Centre is contemplating launching PLI (Production-Linked Incentive) 2.0 to develop a self-sustaining drone ecosystem in the country, sources told *businessline*.

Accordingly, the proposed scheme aims to provide incentives to locally manufactured drones and their components, so as to promote a host of other services, such as leasing and selling software used to operate the unmanned aircraft systems (UAS).

Besides, it intends to promote domestic drone manufacturing as well as to reduce dependence on imports.

As per the sources, the scheme also aims to incentivise local manufacturers to develop and produce drone components domestically.

Currently, 50-60 per cent of drone parts used in India are imported; the scheme seeks to reverse this trend by offering incentives to in-



**DRONE DEAL.** At present, nearly 300 drone manufacturers in the country make various kinds of UAS for various utilities

crease the localisation levels to about 30 per cent of the total value.

According to sources, the incentives will be provided as a predetermined percentage of the total sale amount of drones, value addition, and localised parts.

"This proposal is expected to not only boost domestic manufacturing but also create a robust ecosystem for drone production in India," sources told *businessline*.

"Though the finer details are still being worked out, an

allocation of approximately ₹1,000 crore for the scheme is possible," sources said.

**INDIA AS MAJOR HUB**  
The scheme's scope will extend beyond just parts manufacturing, covering areas such as drone leasing and the sale of software used for drone operations.

The comprehensive approach is designed to foster a thriving drone industry in the country and to establish India as a major drone manufacturing hub," sources said.

At present, nearly 300 drone manufacturers in the country make various kinds of UAS for various utilities, spanning from defence to agriculture.

**HEALTHY DEMAND**  
Industry estimates a healthy demand for drones in various sectors, including agriculture, infrastructure development, and surveillance.

Furthermore, the proposed PLI scheme will succeed an earlier iteration that was notified in 2021 to promote manufacturing drones and drone components in India.

Notably, the earlier version provided an incentive of ₹120 crore to Indian manufacturers of drones and drone components based on their value addition in India, calculated as the annual sales revenue from drones and drone components (net of GST) minus the purchase cost (net of GST) of drones and drone components.

The incentive was spread over three financial years from 2021-22.

# A psychological duel

**T**he World championship in Singapore has suddenly taken on the flavour of a psychological duel instead of a purely chess match.

In the last few games, we have started to see a very clear trend where D Gukesh is trying to provoke his opponent into a battle, ready to draw and take risks.

Ding Liren, on the other hand, seems to be pessimistic about his position and often goes for the safest line on the first opportunity, in the hope that Gukesh might overreach.

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draw and kept playing. He defended accurately, but seemed to be taking extra risks.

**PEACEFUL VARIATION**  
They agreed to a draw a few moves later. In Game 5, Gukesh surprised Liren in the opening, by playing a peaceful variation. This year, the line has been somewhat popular though as people have discovered that it contained some venom.

On the 23rd move, Liren thought for a while, then gave up on his winning attempts, and essentially offered a draw by repetition. Even more surprisingly, given that the position slightly favoured Liren, Gukesh turned down the

ated his rook first, which would have led to a significant advantage.

He made Gukesh's moves easier to find and then shockingly took his bishop to the wrong square, captured a pawn and then returned it. The audience was astonished by this. In a game where Gukesh would have had to defend precisely for a long time, he managed to draw within a few moves, thanks to Liren's inaccuracy.

**UNEVENTFUL DRAW**  
Game 4 was a fairly uneventful draw. Liren's opening preparation was not lacking in venom, but he did not follow up with the effort required for the precise play. So with a few natural moves, Gukesh solved all his problems.

It is nice to have the rest day at this point because both sides will need to rework their strategies given that neither seems to be getting desired positions. Gukesh still hasn't found any chinks in Liren's armour, while the defending champion hasn't been able to take the chances that have come his way in the last few games.

This is the third in a series of columns on the World Chess Championship.

# India exploring insurance for foreign nationals seeking Ayush treatment

**Abhishek Law**  
New Delhi

Technology Centre (EBTC), which is "under process".

"Ministry of Ayush is examining the proposal to explore the possibility of including Ayush insurance packages for people traveling to India for such treatment," the official said.

## TALKS UNDERWAY

Earlier in the day, Union Minister Shripad Naik said India had already reached out to several countries to consider Ayush treatment eligible for insurance claims, and discussions in this re-

gard were underway. This means a foreign national coming to India under an Ayush visa for Ayush treatment would also be eligible for health insurance claims there.

India already has collaborations with 103 countries to promote the Ayush system

tries requesting to consider Ayush treatment packages eligible for insurance, and talks are on in this regard," he said.

Generally, alternative treatment forms are not covered under medical in-

**India already has collaborations with 103 countries to promote the Ayush system**

claims globally, apart from in India.

As per guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI) on January 31, 2024, all health insurance products should cover Ayush treatment with 100 per cent

claim of sum insured and cashless facility beginning April 1, 2024.

India's Ayush market has grown exponentially, from ₹2.85 billion in 2014 to ₹43.4 billion in 2023, with exports doubling from \$1.09 billion to \$2.16 billion, Naik said.

posts abroad seeking the number of Ayush visas issued since its introduction," a second official said.

Standard treatment guidelines for Ayush are in place, and these are being reviewed from time-to-time, Naik said.

The Bureau of Indian Standards has already published 50-plus standards in medicines that fall in the ambit of Ayush.

Plans are afoot to introduce ISO standards that will allow it international access to over 100 countries.

# Food safety body puts packaged drinking water in 'high risk' category

**Meenakshi Verma Ambwani**  
New Delhi

The Food Safety and Standards Authority of India (FSSAI) has decided to treat the packaged drinking and mineral water segment as a "High Risk Food Category", and subject it to mandatory inspection and third-party audit norms.

This follows the government's decision in October to do away with the mandatory condition to obtain certification from the Bureau of Indian Standards for the packaged drinking and mineral water industry.

In an order, a copy of which was seen by *businessline*, FSSAI said, "As a consequence of the omission of the mandatory Bureau of Indian Standards (BIS) certi-

fication for certain products, it has been decided that 'Packaged Drinking Water and Mineral Water' will be treated under 'High Risk Food Categories'."

## ANNUAL AUDIT

Food products that come under the "high risk" category are subjected to mandatory risk-based inspections.

The regulator noted that it has made amendments in its risk-based inspection policy to include the packaged drinking water and mineral water categories.

With this, manufacturers of packaged drinking water and mineral water will undergo risk-based inspection once every year.

They will also undergo inspection before the grant of licence or registration. In its order dated November 29,

the regulator further noted that the inspection of manufacturers or processors of food categories, for which the mandatory BIS certification requirement has been removed, will now be required before the grant of a licence or registration.

"It is reiterated that all

centrally licenced manufacturers under high-risk food categories shall get their businesses audited annually by an FSSAI-recognised third-party food safety auditing agency.

The list of high-risk food categories now also includes packaged drinking water and mineral water," the order added.

Earlier, the packaged drinking water industry had urged the government for simplified compliance norms.

They had requested to remove the condition of obtaining mandatory dual certification from both the Bureau of Indian Standards and FSSAI.

Experts are of the view that the norms would streamline the compliance burden of the industry.

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<https://bit.ly/2PfossK>

Company	Prev	Close	Open	High	Low	Qty	52 WH	52 WL	PE	BSE CI	Company	Prev	Close	Open	High	Low	Qty	52 WH	52 WL	PE	BSE CI	Company	Prev	Close	Open	High	Low	Qty	52 WH	52 WL	PE	BSE CI								
OOL	87.92	94.11	87.95	95.00	86.11	254,62	107.40	82.25	-	-	SadanatnirCh	49.00	48.02	48.93	49.93	47.35	175,05	106.95	43.95	-	Tata Inv	664.45	672.00	664.45	670.90	651.05	33,67	174.40	401.35	125.73	195.11	Axio Gold [1]	64.54	68.64	62.20	63.95	-			
DishanCeme [2]	1820.35	1879.75	1850.04	1894.05	1835.10	1149.39	2428.35	1564.20	280	1878.65	Sadhbhav [1]	30.27	30.44	30.38	30.93	29.50	590,58	404.91	19.72	-	Tata Motors [2]	285.45	780.00	780.75	786.75	750.00	842.85	131.75	695.90	48.95	79.95	AIXAMC-ABXNPETF	52.41	531.86	0.49	564.49	451.33	-		
Oil India [1]	1665.00	1914.25	1871.00	1925.00	1850.00	147.50	194.00	160.00	11	174.70	Sadhbhav [1]	6.64	6.59	6.59	6.60	6.50	6,59	124.55	124.55	124.55	-	Tata Steel [1]	144.44	146.41	144.11	146.83	143.13	243.80	117.05	145.29	144.81	159.99	AIXAMC-AXISCIETF	117.05	117.82	1.52	140.00	83.01	-	
OLA ELECTRIC	87.41	93.29	87.49	94.25	81.20	18055.39	157.40	66.66	-	-	Sadeem [1]	237.44	222.15	217.77	214.75	-	-	102.16	-	-	-	TataPower [1]	414.15	416.50	413.00	418.93	412.00	195.41	94.85	276.50	43	416.15	AIXAMC-AXISCIETF	143.26	143.26	3.62	159.99	85.70	-	
OlecrnGtncTe	1598.30	1566.70	1592.00	1599.65	1561.10	327.44	221.25	177.45	-	-	Sagar Cem [2]	217.95	230.78	216.95	235.00	215.16	671.66	304.65	194.75	180	230.85	TataPower [1]	595.65	65	415.60	413.00	418.93	412.00	195.41	94.85	276.50	43	416.15	AIXAMC-AXISCIETF	143.26	143.26	3.62	159.99	85.70	-
Omaxe [1]	102.07	101.99	102.39	101.97	98.79	137.20	220.10	129.49	-	-	Sahaydari [1]	37.04	36.61	37.37	37.75	36.15	27.83	207.73	19.75	27.02	-	TataTech [1]	285.00	590.00	591.00	598.00	590.00	590.00	115.00	145.00	146.00	146.00	TataTech [1]	285.00	590.00	591.00	598.00	590.00	590.00	
OmniPrfrtd [1]	130.00	130.00	129.00	130.00	129.00	78.00	130.00	77.00	130.00	130.00	SAIL SIKLS [HALA]	171.61	174.12	172.48	176.85	170.00	244.74	309.70	143.92	-	TataTech [1]	285.00	590.00	591.00	598.00	590.00	590.00	115.00	145.00	146.00	146.00	TataTech [1]	285.00	590.00	591.00	598.00	590.00	590.00		
One97Communi	901.75	895.59	903.00	891.85	882.20	164.02	94.87	150.00	310.00	-	SAIL Health [1]	117.11	119.08	116.50	119.42	116.50	131.61	15.75	93.44	17	119.10	TBQ TEC [1]	125.86	90.00	90.00	90.00	90.00	90.00	15.20	121.00	120.00	120.00	TBQ TEC [1]	125.86	90.00	90.00	90.00	90.00	90.00	
OnePntOne [2]	62.11	60.15	61.00	61.00	58.00	25.00	59.01	74.00	58.00	58.00	SAIL SIKLS [HALA]	303.05	308.80	304.40	320.25	302.95	318.49	27.19	87.85	-	TCLPnPackage [1]	311.65	325.00	320.50	312.70	327.90	311.78	7.48	367.15	201.00	201.00	TCLPnPackage [1]	311.65	325.00	320.50	312.70	327.90	311.78		
ONGC [5]	256.70	257.55	255.50	258.50	253.00	270.70	1367.96	254.00	192.05	25.75	Saksoft [1]	237.57	249.49	238.90	240.65	236.26	179.34	319.00	168.00	207.30	-	TCS [1]	427.05	427.65	427.00	427.00	427.00	427.00	16.90	167.94	167.94	167.94	TCS [1]	427.05	427.65	427.00	427.00	427.00	427.00	
OrionMobile [1]	76.88	77.45	76.87	77.27	76.85	134.50	345.47	123.85	134.50	134.50	Saksoft [1]	33.34	33.53	33.34	33.34	32.74	184.36	346.00	16.60	35.55	-	Sapient [1]	24.35	24.35	24.35	24.35	24.35	24.35	17.15	17.15	17.15	17.15	Sapient [1]	24.35	24.35	24.35	24.35	24.35	24.35	
OrionSoft [1]	23.70	23.45	23.70	23.45	23.70	13.00	23.70	13.00	23.70	23.70	Saksoft [1]	15.00	15.73	15.00	16.49	15.00	15.57	10.80	15.73	15.00	-	Sapient [1]	15.00	15.73	15.00	16.49	15.00	15.57	10.80	15.73	15.00	15.73	Sapient [1]	15.00	15.73	15.00	16.49	15.00	15.57	
OrionSoft [1]	10.41	4.84	10.41	4.84	10.41	45.47	39.92	44.57	39.92	44.57	Saksoft [1]	11.75	12.00	11.75	12.00	11.75	12.00	11.75	12.00	11.75	-	Sapient [1]	24.35	24.35	24.35	24.35	24.35	24.35	17.15	17.15	17.15	17.15	Sapient [1]	24.35	24.35	24.35	24.35	24.35	24.35	
OrionSoft [1]	10.25	10.19	10.25	10.19	10.25	4.00	10.19	4.00	10.25	10.25	Saksoft [1]	11.75	12.00	11.75	12.00	11.75	12.00	11.75	12.00	11.75	-	Sapient [1]	24.35	24.35	24.35	24.35	24.35	24.35	17.15	17.15	17.15	17.15	Sapient [1]	24.35	24.35	24.35	24.35	24.35	24.35	
OrionSoft [1]	10.25	10.19	10.25	10.19	10.25	4.00	10.19	4.00	10.25	10.25	Saksoft [1]	11.75	12.00	11.75	12.00	11.75	12.00	11.75	12.00	11.75	-	Sapient [1]	24.35	24.35	24.35	24.35	24.35	24.35	17.15	17.15	17.15	17.15	Sapient [1]	24.35	24.35	24.35	24.35	24.35	24.35	
OrionSoft [1]	10.25	10.19	10.25	10.19	10.25	4.00	10.19	4.00	10.25	10.25	Saksoft [1]	11.75	12.00	11.75	12.00	11.75	12.00	11.75	12.00	11.75	-	Sapient [1]	24.35	24.35	24.35	24.35	24.35	24.35	17.15	17.15	17.15	17.15	Sapient [1]	24.35	24.35	24.35	24.35	24.35	24.35	
OrionSoft [1]	10.25	10.19	10.25	10.19	10.25	4.00	10.19	4.00	10.25	10.25	Saksoft [1]	11.75	12.00	11.75	12.00	11.75	12.00	11.75	12.00	11.75	-	Sapient [1]	24.35	24.35	24.35	24.35	24.35	24.35	17.15	17.15	17.15	17.15	Sapient [1]	24.35	24.35	24.35	24.35	24.35	24.35	
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