HT NEW DELHI, MUMBAI, BENGALURU, KOLKATA, CHENNAI, AHMEDABAD, HYDERABAD, CHANDIGARH*, PUNE*, LUCKNOW* VOL. 18 NO. 11

Friday, January 12, 2024

mint

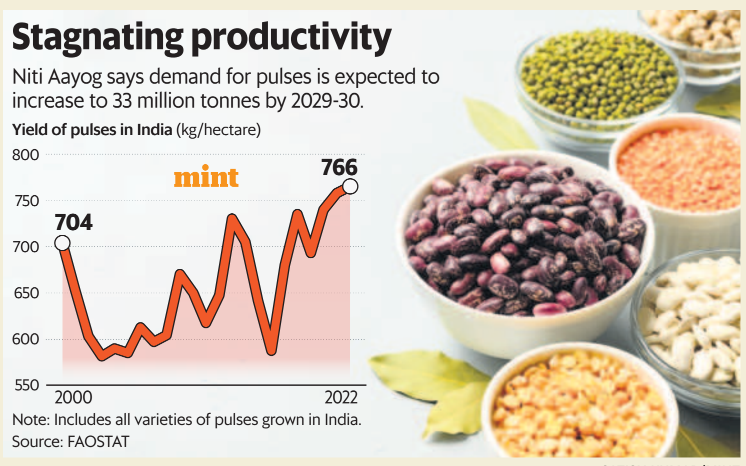
Think Ahead. Think Growth.

mint primer

Pulse of a nation: Is self-sufficiency in dal possible?

BY SAYANTAN BERA

Last week, the government launched a new portal to buy pulses directly from farmers at support prices, targeting to be self-sufficient by 2027. To achieve that goal farmers will also need high-yielding varieties and a favourable trade policy. *Mint* explains:



SATISH KUMAR/MINT

1 What is the new portal about?

Last week, the government launched a new portal where farmers growing pulses can register and sell their produce directly to central agencies at the minimum support price (MSP). The move follows a spike in consumer prices which were 18% higher year-on-year in November 2023. Farmers often hesitate to grow pulses, preferring rice and wheat which government agencies procure at MSP to supply to the food security scheme. The Centre hopes the promise of assured purchase will get farmers to plant more pulses and cut imports. By end-2027, it expects India to be a net exporter of pulses.

2 What is the current supply gap?

In the past few years production of pulses was estimated at 27-28 million tonnes. Imports were 2.5 million tonnes in 2022-23. The shortfall is largely in varieties like *arhar* (pigeon pea), where lower production led to a surge in prices and imports. Other than pigeon peas, India also imports black gram and lentils. To increase domestic availability and cool retail prices, the government has allowed duty free import of pigeon peas, black gram and lentils till March 2025. While higher supply of imported pulses can help reduce local prices, it can also dissuade farmers from increasing the area under cultivation.

BLOOMBERG

3 Can the country's pulses go the oilseeds way?

Influx of cheap, imported edible oils like palm and soybean oil increased India's dependence on imports by outcompeting local supplies. India imports over 60% of its edible oil needs. Imports constitute about 10% of domestic consumption for pulses. This is unlikely to increase significantly since India is the largest grower and consumer of pulses globally.

4 What can be done to increase production?

Indian diets are cereal-heavy and therefore calorie-dense but nutritionally poor. Supplying protein-rich pulses under the food security scheme—which caters to more than 800 million Indians—will create an assured market for growers and improve nutritional outcomes. Farmers also need improved climate-resilient varieties. Some pulses like *arhar* are low-yield, long-duration crops. Pulses can fix nitrogen in soil, improve soil fertility and have a low carbon footprint—farmers deserve a premium for these.

5 Is demand going to increase sharply?

Federal think-tank Niti Aayog says demand for pulses is expected to increase to 33 million tonnes by 2029-30. To meet this demand, productivity has to be lifted from current low levels. For instance, the average yield of *arhar* produced in India was 860 kg per hectare in 2022. This is not very different from the average yield of 850 kg per hectare recorded way back in 1961. Global seed giants are not interested in pulses, which means India will have to invest more in public research on pulses and release high-yielding varieties.

QUICK EDIT

Passport rankings

This year's scores on the Henley Passport Index, which tracks how easily people can travel abroad, are out. For the past five years, Singapore and Japan have been contenders for the honour of issuing the most powerful passports, granting their holders access to more of the world's countries without a prior visa than others. Now France, Germany, Italy and Spain have made gains to share the top rank with those two rich Asian countries. Their passport bearers have access to 194 of 227 destinations. South Korea, Sweden and Finland are second ranked, followed by Austria, Denmark, Ireland and the Netherlands. India's passport has gone up by four spots from last year and is No. 80, with 62 destinations allowing Indians entry without an advance visa. The UAE has been the biggest climber over the past decade, having added 106 places to its tally since 2014. While the general trend over the years has been towards more travel freedom, with travellers easily able to visit an average of 111 countries in 2024, up from 58 in 2006, the gap between the most welcomed and least remains too wide. Let's see how fast India's economic emergence opens gates for Indian globe-trotters.

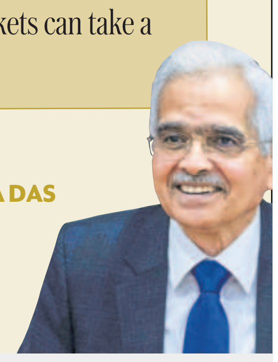
MINT METRIC

by Bibek Debroy

Cecil, a Pennsylvania pet,
Caused his owners much regret.
Quick as a flash,
He swallowed 4,000 dollars in cash,
Poop cleaned for what they could get.

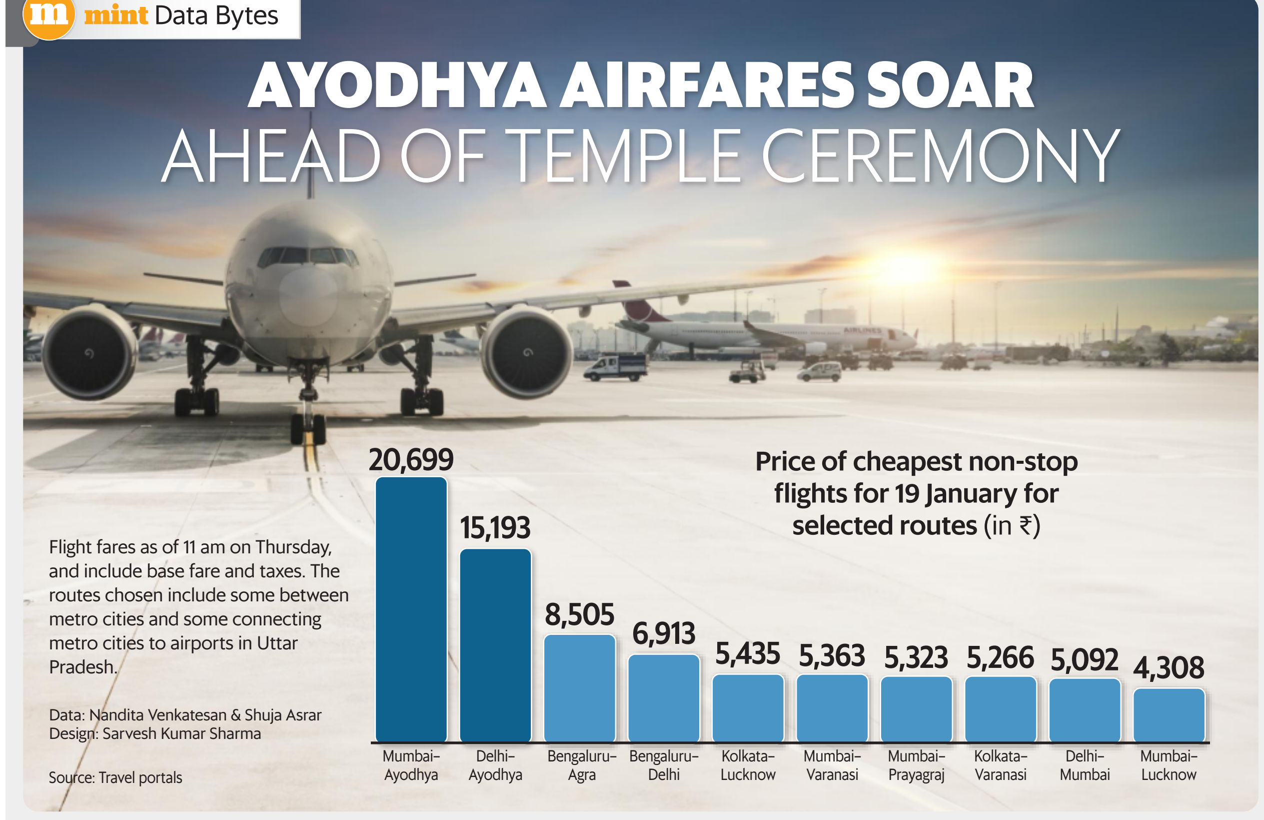
QUOTE OF THE DAY

The RBI's position on cryptocurrency remains unchanged. Travelling down that path will create huge risks. I don't think the world or emerging markets can take a crypto mania.



SHAKTIKANTA DAS
RBI GOVERNOR

mint Data Bytes



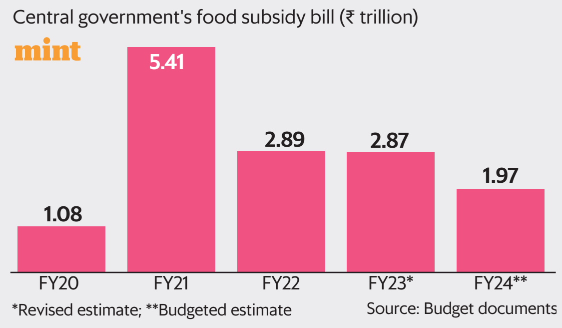
PLAIN FACTS

Data recap: Maldives, subsidy, river cruises

CURATED BY PAYAL BHATTACHARYA

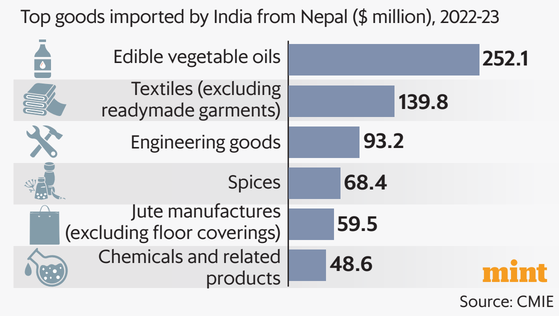
Every Friday, Plain Facts publishes a compilation of data-based insights, complete with easy-to-read charts, to help you delve deeper into the stories reported by *Mint* in the week gone by. Diplomatic ties between India and the Maldives came under stress after three Maldivian ministers, now suspended, made derogatory comments about Prime Minister Narendra Modi. The ministry of ports, shipping and waterways has announced a ₹45,000-crore investment to develop river cruise tourism.

Subsidy Boost



THE GOVERNMENT is considering an allocation of ₹2.2 trillion for food subsidy in the upcoming Union budget, which would be a 10% increase from the previous year, *Mint* reported. The allocation would align with the Centre's focus on ensuring food security and keeping food inflation in check. According to food and public distribution department's secretary Sanjeev Chopra, the food subsidy outgo has already gone past ₹2 trillion this fiscal, against the allocated ₹1.97 trillion.

Hill Trade



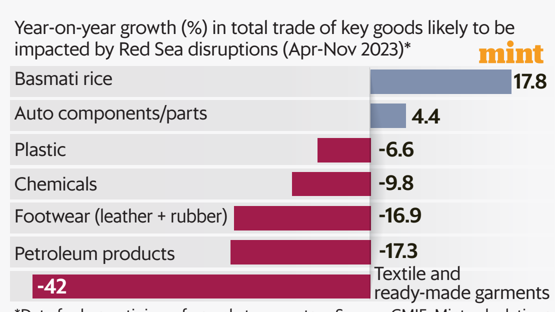
INDIA IS considering issuing ISI certificates to Nepal-manufactured cement, paver blocks and electrical products, aiming to strengthen strategic and economic ties with some of its South Asian neighbours, *Mint* reported. India primarily imports vegetable oil, textiles, engineering goods, spices, jute products and chemicals from the landlocked Himalayan nation. Their bilateral trade has declined: Indian imports from Nepal dropped from $1.3 billion in 2021-22 to $838 million in 2022-23.

₹45,000 crore

Cruise Tourism

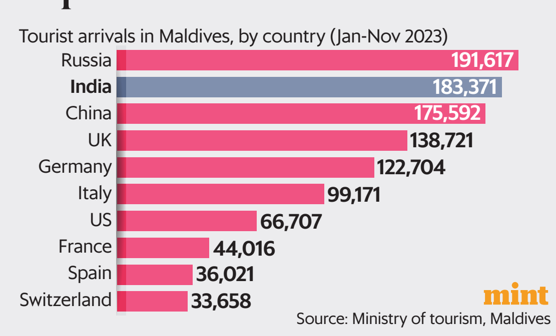
THAT'S THE amount of investment the Centre has announced to develop river cruise tourism. The investment comprises ₹35,000 crore for cruise vessels and ₹10,000 crore for cruise terminal infrastructure by 2047. The plan involves expanding river cruise tourism from eight waterways to 26 and increasing the number of cruise circuits with overnight stays from 17 to 80. The number of river cruise terminals is set to rise from 15 to 185.

Trade at Sea



INDIA, LIKE other nations, is susceptible to the ripple effects of the recent attacks by Yemen's Houthi militants on commercial ships in the Red Sea, a *Mint* article explained. The developments have forced shipping firms to take a longer and costlier route, leading to 7-15 days of additional sailing, and thereby increasing freight costs. It has put some of the biggest components in India's trade basket at risk, at a time of a weak external environment. India depends on imports for close to 87% of its oil needs.

Diplomatic Strain



CONTROVERSIAL REMARKS by three Maldivian ministers on Modi's recent visit to Lakshadweep has sparked a backlash from India. Some social media users have called for a boycott of the Maldives, potentially affecting trade and interpersonal ties between the two nations. India has been a key contributor to tourism in the Maldives. It was the second-largest source of tourists to the island nation in the first 11 months of 2023, the Maldives' latest available official data shows.

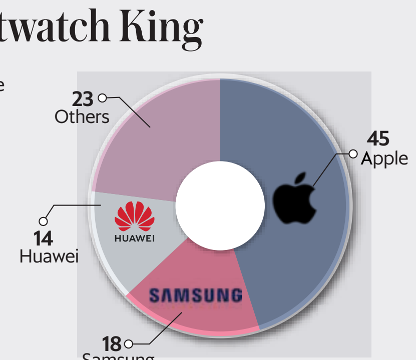
376,000

Ola's Venture

THAT'S THE number of electric scooters sold by Ola Electric since its inception till the end of December 2023, Vahan data showed. Ola accounted for four out of every 10 electric scooters sold in India last month. However, *Mint* reported that the Bhavish Aggarwal-led company has sold more than 8,200 scooters in recent months to its own promoter group firm ANI Technologies, which is looking to launch and expand its electric bike taxi service.

Smartwatch King

Market share in high-level operating system segment in Q3 2023 (%)



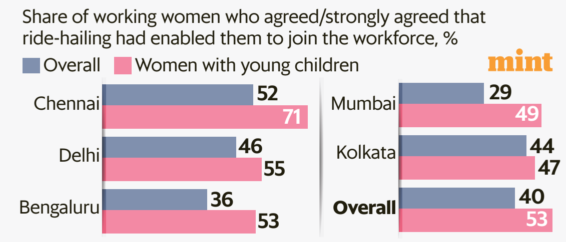
mint

Source: Counterpoint Research

A BRIEF ban was imposed on the sales of Apple's latest watch models, Series 9 and Ultra 2, in December in the US, owing to an ongoing patent dispute with Masimo, a medical device manufacturer. The conflict underscores the competition in the smartwatch market, dominated by Apple with its 22% market share, a *howindialives.com* analysis showed. In the high-end HLOS (high-level operating system) segment, its market share in July-September was a leading 45%, according to Counterpoint.

Chart of the Week: Work Life

Share of working women who agreed/strongly agreed that ride-hailing had enabled them to join the workforce, %



Based on a sub-sample of active Uber riders (i.e. 1,594 women, including 130 women with young children; sub-sample sizes in some cities were very small) in a survey done by Uber and Oxford Economics.

Source: Uber, Oxford Economics

A RECENT study commissioned by Uber and conducted by Oxford Economics, released last month, revealed that a significant proportion of working women in metros—from 29% in Mumbai to 52% in Chennai—agreed that ride-hailing services enabled them to enter or pursue full-time employment.

Follow our data stories on the In Charts *and* Plain Facts *pages on* livemint.com.

PARAS JAIN/MINT

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Philanthropy in Asia gets more professional ▶P10

Antibiotic overuse spurs alarming drug resistance ▶P2

SENSEX **71,721.19** ↑ **63.48** NIFTY **21,647.2** ↑ **28.5** DOLLAR **₹83.03** ↑ **₹0.00** EURO **₹91.03** ↓ **₹0.13** OIL **$78.67** ↑ **$0.38** POUND **₹105.78** ↓ **₹0.11**

TCS edges past Infy in slow Dec quarter

Both firms may see slowest full-year growth in current fiscal year

Shouvik Das & Jas Bardia
NEW DELHI/BENGALURU

Tata Consultancy Services (TCS) Ltd grew faster than its closest rival Infosys Ltd in the December quarter and beat profit estimates, even as both IT industry heavyweights remain at risk of clocking some of their weakest growth numbers in 2023-24.

At least a third of TCS's incremental growth in the third quarter was driven by the large contract it secured from state-owned telecom firm Bharat Sanchar Nigam Ltd (BSNL). Excluding that, its performance was only a tad better than that of Infosys, which posted a third straight quarter of muted performance with both revenue and profit falling short of Street expectations.

Also, TCS, the country's largest technology services company, and Infosys, saw their combined workforce decline sequentially by 11,781 in the December quarter. The two companies together accounted for about a fifth of the IT industry's $245 billion revenue in 2022-23.

On Thursday, TCS reported revenue of $7.28 billion for the third quarter, representing a 1% sequen-

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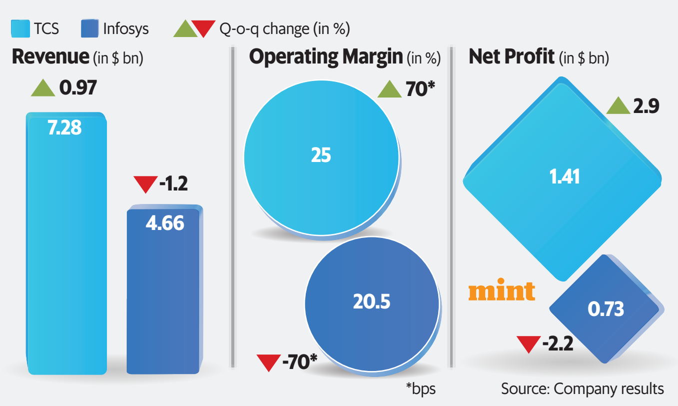
TECH TALES

At the heart of the firms' underperformance is a global slowdown.



Source: Company results

SARVESH KUMAR SHARMA/MINT

Attrition falls in IT Inc.

Manjul Paul & Devina Sengupta
NEW DELHI/MUMBAI

Tata Consultancy Services (TCS) Ltd and Infosys Ltd on Thursday reported their lowest attrition in more than two and three years, respectively, indicating a muted job market in the growing shadow of artificial intelligence (AI).

In the December quarter, Infosys's attrition rate at 12.9% was the lowest in 12 quarters, while TCS's at 13.3% was the lowest in nine quarters. Their highest rates were 28.4% (Q1FY23) and 21.5% (Q2FY23) respectively.

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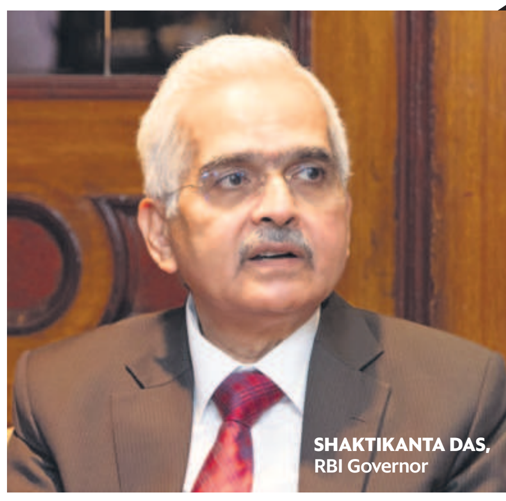


SHAKTIKANTA DAS, RBI Governor

View from the top

- Banking system well-placed to support growth
- RBI has addressed quick resolution of customer grievances
- Proactive supervision to minimize surprises
- Paying close attention to cybersecurity risks
- RBI looking into model-based lending
- Flagged illegal loan apps to government
- Position on cryptocurrency remains unchanged

'Can't afford a crypto mania; RBI stance stays unchanged'

Nehal Chaliawala
nehal.chaliawala@livemint.com
MUMBAI

The US may have green-lighted exchange-traded funds (ETFs) in bitcoin, but for India's apex banking regulator, cryptocurrencies remain a strict no-no.

"The way we look at crypto remains unchanged, irrespective of who does what," Reserve Bank of India (RBI) governor Shaktikanta Das stated at the 16th Mint Annual BFSI Summit and Awards in Mumbai on Thursday. "Just because somebody is doing something, we are not here to emulate them."

mint ANNUAL BFSI SUMMIT & AWARDS 16th Edition

The US Securities and Exchange Commission (SEC) on Wednesday approved the first US-listed ETFs to track bitcoin, marking a milestone for the world's largest cryptocurrency and the broader crypto industry. The SEC approved 11 applications, including from BlackRock, Fidelity and Invesco. At the same time, the SEC said it does not endorse or approve bitcoin.

"RBI's position on cryptocurrency remains unchanged. Travelling down that path will create huge risks. I don't think the world or emerging markets (EMs) can take a crypto mania like the tulip mania," Das said, referring to the 17th century boom and bust in Dutch tulip prices, regarded as one of the most infamous asset bubbles in history.

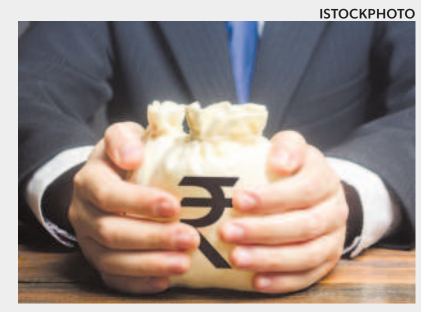
Delivering the keynote address at the event, Das pointed out that the US regulator itself has flagged the risks of cryptocurrency products. However, he noted that the blockchain technology, on which cryptocurrencies are built, has the potential to lend

TURN TO PAGE 6

Full coverage of Mint BFSI Summit and Awards >P5

DON'T MISS

ISTOCKPHOTO



Net direct tax receipts increase 19.4% to ₹14.7 trillion till 10 Dec

The net direct tax receipts after refunds have gone up 19.4% year-on-year to ₹14.7 trillion this fiscal till 10 December 2023, the finance ministry said on Thursday, showing strong tax buoyancy. The Centre had a direct tax collection target of ₹18.2 trillion this fiscal. >P2

NIC drops plan to tighten e-way bill norms from 1 March

Goods and Services Tax (GST) authorities have dropped a plan to block generation of goods transportation permits, or e-way bills, from 1 March for companies that fail to produce 'e-invoices' for their wholesale transactions through designated portals. >P2

Sebi bats for easy listing rules to enhance the biz for listed firms

A committee of experts, established by the markets regulator Sebi to enhance the business environment for listed firms, has proposed to allow certain public investors to contribute to minimum public shareholding, without being labelled as promoters. >P4

NOTE TO READERS The Media Marketing Initiatives on Pages 12 and 13 are the equivalent of paid-for advertisements, and no *Mint* journalist was involved in creating them. Readers would do well to treat them as advertisements.

Sanctions cloud: SBI avoids Russia oil bills

Rituraj Baruah & Utpal Bhaskar
NEW DELHI

BLOOMBERG

SBI is the authorized dealer bank for state-run refiners.

State Bank of India (SBI) has long avoided payment transactions for Russian oil bought by state-run refiners to avert US sanctions that came into force on 5 December 2022, two people aware of the matter said.

SBI, India's largest lender, is the authorized dealer bank for foreign transactions of state-run refiners. The sanctions of the US treasury department's Office of Foreign Assets Control on maritime transportation of the Russian Federation-origin oil took effect on 5 December 2022, and for seaborne transportation of petroleum products on 5 February 2023.

Indian banks operating in the US include SBI, Bank of Baroda and Bank of India. *Mint* earlier reported about OFAC checking whether these banks conform to the G7 price cap of $60 a barrel for Russian oil. *Mint* also reported about India's largest lender requesting data on purchasing prices from refiners such as Indian Oil Corp. Ltd (IOCL), Bharat Petroleum Corp. Ltd

TURN TO PAGE 6

Railway budget to swell 25% to ₹3 tn

Subhash Narayan
subhash.narayan@livemint.com
NEW DELHI

MINT

The capex will go into safety, bullet trains, Vande Bharat.

Budgetary allocation for Indian Railways is expected to hit record levels in 2024-25 as the government gears up to support a major makeover for the national transporter with additional modern and faster trains and improved safety features.

The capital expenditure (capex) for the railways is likely to be increased by about 25% from the 2023-24 budget estimate, two people aware of the development said. That would take the budgetary allocation to more than ₹3 trillion in 2024-25.

IND.AI SURGE INTERIM BUDGET 2024

The railway ministry had sought an increase in its planned capex for long-term infrastructure projects of freight corridors and speedier trains, as well as modernizing the fleet with new-age trains, wagons and locos, one of them said.

The increased capex would

TURN TO PAGE 6

Google cuts jobs, marshalls AI resources

Miles Kruppa
feedback@livemint.com

Sundar Pichai, CEO, Google and Alphabet. The cuts affected employees in divisions including those working on Google's Assistant program, hardware and internal software tools. MINT

Google laid off hundreds of employees in several areas of the business on Wednesday, a sign of further cost reductions at the search giant as it continues to reverse a pandemic hiring spree.

The cuts affected employees in divisions including those working on Google's Assistant program, hardware and internal software tools, the company said. The exact size and scope of the layoffs couldn't immediately be determined.

A Google spokesman said the company was "responsibly investing in our company's biggest priorities and the significant opportunities ahead." The company said it is helping those affected to look for other roles internally.

The co-founders of Fitbit, James Park and Eric Friedman, will also be leaving the company as part of the reorganization, Google said.

THE WALL STREET JOURNAL.

Google parent Alphabet, led by CEO Sundar Pichai, has been trying to marshal resources toward developments in artificial intelligence while also cutting back on spending.

Amazon also laid off hundreds of employees across its film and television studio and Twitch streaming platform on Wednesday in an effort to rein in costs.

Alphabet cut 12,000 jobs, or about 6% of staff, in its largest-ever layoffs almost a year ago. The company later made smaller cuts affecting hundreds of recruiters and dozens of other employees in areas ranging from the self-driving car business Waymo to the Google News product.

The company had 182,381 employees at the end of September, according to regulatory filings. It employed as many as 190,711 workers before the layoffs last year, in addition to tens of thousands of contractors.

"We're simplifying management layers and flattening our teams so we can speed up decision-making and allow greater access to information across our teams," a Google executive wrote in an email announcing the cuts to employees working on internal software tools.

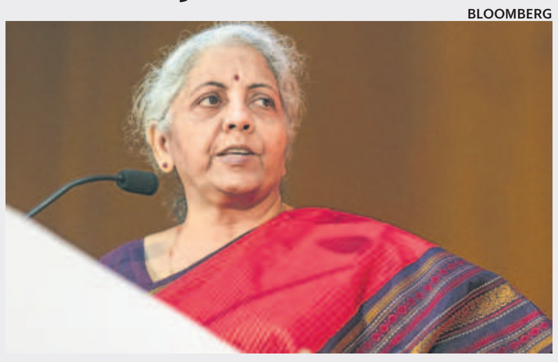
MINT SHORTS

Red Sea crisis: Officials to meet next week on protecting trade

New Delhi: The commerce ministry has called a high-level inter-ministerial meet next week to discuss ways to insulate India's trade from the ongoing problems in the Red Sea, a senior official said on Thursday. Senior officials from five ministries— external affairs, defence, shipping and finance and commerce— will participate in the deliberations. The commerce ministry has also set up an internal strategic group, comprising additional secretaries of the ministry, to discuss global issues impacting the country's trade on a daily basis and prepare a strategy to deal with them. **PTI**

Direct listing of stocks at IFSC in GIFT City soon: Sitharaman

BLOOMBERG



New Delhi: Finance minister Nirmala Sitharaman on Thursday said direct listing of stocks at the International Financial Services Centre (IFSC) in Gujarat International Finance Tec-City (GIFT City) will happen soon, enabling Indian companies to access global funds easily. The finance minister suggested GIFT City should build a diverse fintech laboratory and contribute to India's target of becoming a $30-trillion economy by 2047. GIFT City is a business complex in Gujarat, which was conceived by Prime Minister Narendra Modi in 2007 when he was chief minister of the state. **DHIRENDRA KUMAR**

Reliance, ACME, 7 others selected to set up green hydrogen facilities

New Delhi: Reliance Green Hydrogen and Green Chemicals, ACME Cleantech Solutions, and Greenko Zero are among nine firms that have emerged as successful bidders for government incentives for setting up facilities to produce up to 450,000 tonnes of green hydrogen. On 10 July, state-owned Solar Energy Corporation of India had invited bids for selection of green hydrogen producers for setting up production facilities of green hydrogen under the Strategic Interventions for Green Hydrogen Transition (SIGHT) scheme. **PTI**

India needs to industrialize without carbonizing: Kant

PTI

New Delhi: India must create a unique model to enables the country to be the first in the world to industrialize without carbonizing, Amitabh Kant, India's G20 Sherpa and former chief executive officer of Niti Ayog said on Thursday. Speaking at the 'FICCI Circular Economy Symposium', Kant said India needs to accelerate economic growth to 9-10% annually in the coming years. "This (high economic growth rate) has been achieved by Japan, South Korea, Taiwan and in recent times China. But all of them have done it by polluting the world," Kant said. **RHIK KUNDU**

Parliament's budget session likely between 31 January and 9 February

New Delhi: A brief budget session of Parliament is likely to be held between 31 January and 9 February, people with knowledge on the matter said on Thursday. President Droupadi Murmu will address a joint sitting of the two houses on 31 January. The government will present a vote-on-account or an 'interim budget' on 1 February. The new government will present a full-fledged budget later. Since the term of the 17th Lok Sabha ends on 16 June, it is set to be the last session of Parliament before general elections are announced. **PTI**

Electronics and pharma top Indian exports in April-Nov

Indian exports in 2024 are likely to be influenced by global factors such as the Red Sea crisis

Rhik Kundu
rhik.kundu@livemint.com
NEW DELHI

Electronic goods, drugs and pharmaceuticals, and iron ore have emerged as standout sectors in the country's export basket amid a slowdown in global trade.

However, other prominent export segments such as gems and jewellery, petroleum products, and engineering goods, either registered a sharp decline or remained flat.

The global economy has been grappling with rising inflation and high interest rates, particularly in Europe and the US, India's biggest export markets. However, there have been signals that some of these factors might ease this year.

India's trade performance in 2024 will be influenced by other global headwinds, including Red Sea threats and expensive crude oil on account of the Ukraine war, said Ajay Srivastava, co-founder of economic think tank Global Trade Research Initiative.

Other factors include US-China trade tensions and the European Union's Carbon Tax and Forest regulations that can make exports to the region costly.

Between April and November, exports of electronic goods jumped 23.38% annually to $17.73 billion, according to data from the government's Niryat (National Import-Export Record for Yearly Analysis of Trade) website.

Exports of drugs and pharmaceuticals during the period rose 8.09% to $16.56 billion, while those of iron-ore surged 204.4% to $2.07 billion. Exports of cotton yarn and handloom products rose 5.75% to $7.73 billion, and those of ceramic products and glassware by 21.16% to $2.92 billion.

Smartphone exports exceeded $9 billion during the period, according to the India Cellular and Electronics Association.

In other key sectors, however, exports declined.

Agricultural produce and coffee remained flat during April-November, while Gems and jewellery fell by 19.05% annually to $21.41 billion, and petroleum products declined 12.53% to $52.71 billion.

India imports diamonds and crude oil since it doesn't produce these commodities in any significant quantity. But it exports refined petroleum products, and gems and jewellery, making value additions in the process.

Exports of engineering goods also fell during the April-November period, by 1.55% annually to $69.41 billion.

During November, India's goods trade deficit fell almost 35% after widening to a record high in October.

Merchandise trade deficit fell from $31.46 billion in October to $20.58 million in November, largely because imports declined to $54.48 billion against the $65.03 billion recorded in October, commerce ministry data showed.

Merchandise exports rose to $33.90 billion in November, marginally up from $33.57 billion in the previous month.

Services exports also stood unchanged at $28.69 billion in November from $28.70 billion in October.

According to the World Trade Organization, a trade slowdown in the first half of 2023 has impacted a large number of economies and a wide array of goods, which including steel, office and telecom equipment, textiles and clothing.

Srivastava, however, said there's room for some optimism.

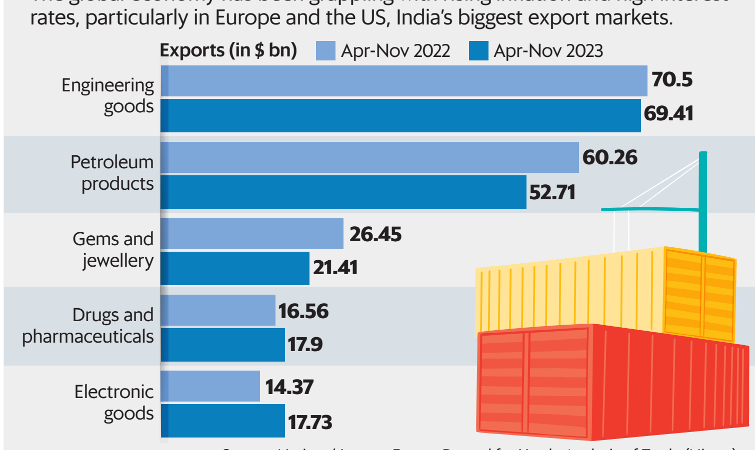
"As India's share in world trade is just 2%, focus on enhancing sectoral competitiveness in labour-intensive sectors, diversification of services sectors, and honest ease-of-doing-business initiatives can surprise us with some good export performance," he said.

23.38% jump in electronic goods exports annually

8.09% rise in drugs and pharmaceuticals exports on year

Battling headwinds

The global economy has been grappling with rising inflation and high interest rates, particularly in Europe and the US, India's biggest export markets.



Source: National Import-Export Record for Yearly Analysis of Trade (Niryat)

Net direct tax receipts rises 19.4% to ₹14.7 tn

Gireesh Chandra Prasad
gireesh.p@livemint.com
NEW DELHI

The Central government's net direct tax receipts after refunds have gone up 19.4% year-on-year to ₹14.7 trillion this fiscal till 10 December 2023, the finance ministry said on Thursday, showing strong tax buoyancy.

Quoting provisional figures, the ministry said corporate and personal income tax collections continue to register steady growth.

Net direct tax receipts so far this year make up 80.61% of the budget estimates for direct taxes for the current fiscal.

The Centre had a direct tax collection target of ₹18.2 trillion this financial year, expecting to collect 10.5% more than the year before. That was in line with the 10.5% nominal GDP growth forecast in the union budget for this year, at ₹301.75 trillion.

However, the first advance estimate shows that GDP is likely to grow in nominal terms at 8.9% to ₹296.57 trillion. Revenue collection growth depends on both the nominal GDP growth rate as well as the rate at which tax collection grows over economic growth rate, or tax buoyancy.

Gross direct tax receipts before accounting for refunds stood at ₹17.18 trillion upto 10 December, showing a 16.77% growth from the receipts made a year ago.

Made-in-India chip by year-end: minister

Dhirendra Kumar
dhirendra.kumar@livemint.com
GANDHINAGAR

India will get its first domestically made memory chip from Gujarat by the end of the year, with the state government having signed a lucrative deal with South Korea's Simmtech, union minister Ashwini Vaishnaw said on Thursday.

The company, which manufactures high-layer printed circuit boards for semiconductors, will set up operations to support Micron's semiconductor plant in Gujarat, Vaishnaw said at a press conference on the second day of the Vibrant Gujarat Global Summit 2024.

Under the deal, Simmtech will invest more than ₹1,250 crore to set up operations in the state and support Micron's semiconductor plant. Work on setting up the plant will start in March, Vaishnaw added.

During the inaugural session on Wednesday, Simmtech CEO Jeffery Chun announced that the firm was ready to invest in India. The investment is expected to create more than 1,000 direct and indirect jobs.

Mint reported last September that Simmtech, which makes substrates for chips, was cleared to set up a unit in Sanand, close to Micron's facility.

"The Simmtech plant will come up near Micron's semiconductor plant that is already being established at Gujarat Industrial Development Corporation's (GIDC) industrial estate in Sanand," the union minister said, adding, "We are very much sure that India will get its first domestically manufactured semiconductor chip in December this year."

Vaishnaw said Micron's investment would help pave the way for the development of a semiconductor ecosystem in India. Micron also signed a deal with NamTech to develop talent for its semiconductor operations in India. The US firm has already hired more than 200 people for its plant in India.

Simmtech will set up operations to support Micron's semiconductor plant in Gujarat, Vaishnaw said

NIC drops plan to tighten e-way bill rules

Gireesh Chandra Prasad
gireesh.p@livemint.com
NEW DELHI

Goods and Services Tax (GST) authorities have dropped a plan to block generation of goods transportation permits, or e-way bills, from 1 March for companies that fail to produce 'e-invoices' for their wholesale transactions through designated portals.

These portals aid in more accurate data capturing across various tax forms using a standardized invoice.

This decision likely stems from the difficulties businesses, particularly small and medium enterprises, face in generating e-invoices, including increased paperwork and the need for technological upgrades.

E-invoices, readable across different softwares, eliminate the need for re-entering data and promote tax compliance. They automatically update transactions in other tax documents such as e-way bills and GST returns.

The initial plan to deny transportation permits to firms not issuing e-invoices for business-to-business transactions aimed to boost tax compliance. The heightened reporting demands under the GST regime contribute to the economy's formalization and tax compliance.

The National Informatics Centre (NIC), which manages some GST reporting portals, said in an update that the plan to block e-way bill generation without an e-invoice has been "deferred", without specifying a date for its reintroduction.

Initially, e-invoicing was mandatory for businesses with sales of over ₹500 crore, but now it applies to those with annual sales exceeding ₹5 crore.

Tax experts note that linking e-way bill generation to e-invoice details offers benefits and challenges.

Rajat Mohan, senior partner at AMRG & Associates, said it could improve tax compliance and reduce evasion by aligning transportation and invoice data. However, it may increase administrative burdens, particularly for small and medium enterprises facing compliance costs and technology updates.

The transition could lead to disruptions and compliance errors. While the scheme aims for streamlined tax processes, businesses must adapt and manage potential errors in a dynamic tax environment.

The government's decision to retract the proposal indicates the challenges faced, but businesses await clarity on the revised implementation timeline, Mohan added.

Since its rollout in July 2017, the GST has significantly boosted revenue, with monthly collections now averaging ₹1.66 trillion, nearly double the amount in the initial GST year.

This rise in indirect tax compliance has also driven an increase in direct tax collections, making the under-reporting of sales more difficult.

After the roll-out of GST in July 2017, states dismantled border check posts as the new indirect tax system entailed a strong IT-based reporting system across the supply chain. This has been strengthened by e-way bills and capture of information of truck movement using digital tags at toll plazas and e-invoicing requirement. Greater integration of these reporting and oversight measures is aimed at making GST evasion-proof.

Tax experts note that linking e-way bill generation to e-invoice details offers benefits and challenges. MINT

This decision likely stems from the difficulties businesses face in generating e-invoices

Overused antibiotics no longer work for 'sizeable' Indian population

Somrita Ghosh
somrita.ghosh@partner.livemint.com
NEW DELHI

Antibiotics routinely prescribed to treat common ailments no longer work as bacteria have developed resistance to these drugs due to their overuse in India, a government body said, echoing concerns long voiced by international experts.

In a report, the National Centre for Disease Control (NCDC) mentioned about third-generation cephalosporins, imidazoles, amino-glycosides, ceftriaxone, metronidazole, amikacin and piperacillin, which are used to treat cold, fever, skin diseases and urinary tract infection.

Companies that make these antibiotics in India include Alkem Laboratories Ltd, Mankind Pharma Ltd, Zuventus Healthcare Ltd, Cadila Pharmaceuticals Ltd, Surya Pharmaceutical Ltd, Aristo Pharmaceuticals Pvt. Ltd, GlaxoSmithKline Pharmaceuticals Ltd, Sun Pharmaceutical Industries Ltd and Pfizer India Ltd.

Antimicrobial resistance (AMR) occurs when germs no longer respond to drugs, a rising concern among physicians, scientists and policymakers worldwide. The World Health Organization recognizes AMR as one of the top 10 global public health threats, saying bacterial AMR killed 1.27 million globally in 2019.

Antimicrobials include drugs used to prevent, treat infections. MINT

Antimicrobials include a variety of drugs used to prevent and treat infections.

Emails sent to drugmakers as well as the health ministry seeking comments remained unanswered.

Apart from overuse during the covid-19 outbreak, the emergence of fixed drug compositions, self-medication and easy availability have aided AMR, experts said.

"There has been overuse of all these drugs, and now, they have become drug-resistant," said Dr Jugal Kishore, head of community medicine at Delhi's Safdarjung Hospital. "Over the past few years, these antibiotics have been used rampantly, and therefore, the pathogens now no longer respond to the drugs. It has become a major challenge even to cure minor illnesses and is going to become a big problem in the coming days," Dr Kishore said.

Many physicians prescribe these drugs without ascertaining the unique requirements of each patient or understanding whether a particular drug has already been overused, the report said, based on a survey to monitor antibiotic use in the NCDC's network hospitals.

This, it said, has resulted in the build up of AMR among a sizeable population in India, rendering the drug ineffective.

According to Dr Kishore, azithromycin, an antibiotic used to treat pneumonia and ear, nose and throat infections, was grossly overused during the pandemic.

"Although these are just viral infections, but because of the fear of covid-19, people consumed the medicine for four-five days. The drug is ultimately entering the body and damaging cells without any need," added Dr Kishore.

Colistin, also known as polymyxin E is often seen as a last-resort treatment for multi-drug-resistant infections, including pneumonia. According to Dr Jatin Ahuja, senior consultant for infectious diseases at Delhi's Indraprastha Apollo Hospitals, this too has turned drug resistant.

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MINT SHORTS

Edtech startup ConveGenius secures funding

Bengaluru: Edtech startup ConveGenius has raised $7 million (₹58 crore) in a funding round from a host of investors including UBS Optimus Foundation, Mount Judi Ventures along with existing investors Michael & Susan Dell Foundation (MSDF), Bace Capital, Heritas Capital and Gray Matters Capital. Founded in 2013 by Jairaj Bhattacharya and Shashank Pandey, ConveGenius is an edtech startup, that uses AI-based chatbots and adaptive learning platforms to improve the learning experience of students. "The capital raised will allow us to expand our presence across global markets," said Bhattacharya, co-founder and managing director, ConveGenius. **K. AMOGHAVARSHA**

Wipro, Fireside back bakery brand The Baker's Dozen

ISTOCKPHOTO

Bengaluru: Homegrown bakery brand The Baker's Dozen has raised around $4 million (₹33 crore) in a pre-Series A funding round from a host of institutional investors including Wipro Consumer Care - Ventures, Mirabilis Investment Trust and She Capital along with existing investor Fireside Ventures. The funding will be used to expand the brand's presence in non-metro and Tier-1 cities along with developing its product portfolio. Another portion of the funding will be directed towards marketing and brand-building initiatives. The funding comes two years after the brand had raised ₹25 crore in its maiden funding round from Fireside Ventures. Founded in 2013 by Sneh Jain and Aditi Handa, The Baker's Dozen operated bootstrapped until 2021. The bakery brand serves bread, cakes, cookies, crackers and premixes using natural ingredients. **K. AMOGHAVARSHA**

Visakhapatnam, Ghaziabad steal spotlight as e-commerce hubs

New Delhi: Visakhapatnam, Ghaziabad and Faridabad are emerging as India's newest new e-commerce hotspots, according to a new report evaluating the potential of 100 major cities for digital commerce. Bengaluru, Mumbai and Delhi, as expected, top the list, according to the India Digital Commerce Index report by consulting firm Kearney and e-commerce marketplace Meesho. "The second cohort of cities includes the major tier 1 cities of Chennai, Hyderabad, Kolkata, Ahmedabad, and Pune," the report stated, adding that India's e-commerce market is expected to be valued at roughly $200 billion by 2026. **SUNEERA TANDON**

RBI, Sebi wary as US embraces Bitcoin ETF

RBI guv said emerging markets should stay away from cryptocurrencies

Shouvik Das
shouvik.das@livemint.com
NEW DELHI

In the early hours of Thursday in India, the US Securities Exchange Commission (SEC) greenlit investment companies to establish their exchange-traded funds (ETFs) for Bitcoin, the top cryptocurrency by market cap.

Now, 11 American investment firms, such as BlackRock, Fidelity and Franklin, can list and start trading their Bitcoin ETFs on US exchanges, including Nasdaq and the New York Stock Exchange (NYSE), possibly as soon as Thursday.f

In India, stakeholders of the heavily-hit cryptocurrency ecosystem rejoiced at the likelihood of increased trading volumes on homegrown exchanges, and at least a near-term surge in interest among users to reenter the cryptocurrency market.

Following the implementation of a 30% income tax and 1% tax deducted at source (TDS) in April and July 2022, trading volumes on several major cryptocurrency exchanges and unicorns in India have dropped significantly—in some cases, by as much as over 93%.

The Indian exchanges are now expecting a wave of positive sentiment, marking the first upswing since Bitcoin's fall from a peak of nearly $69,000 in November 2021 to around $16,000 within just 12 months. Ashish Singhal, chief executive of homegrown exchange CoinSwitch, said the market could see a retail influx that may bring millions of new users to crypto.

Mridul Gupta, chief operating officer of CoinDCX, said an increase in new users is likely at least for the near term, despite the high taxation rates in India posing a challenge for the exchanges.

"We anticipate about $5 billion coming in (through ETFs) in the next 45 days. ETFs will bring more stability to the price of Bitcoin, since liquidity risks will be reduced over time," Sidharth Sogani, chief executive of cryptocurrency research firm, Crebaco Global, said.

In India, stakeholders of the heavily-hit cryptocurrency ecosystem rejoiced at the likelihood of increased trading volumes on homegrown exchanges. BLOOMBERG

However, Indian regulators, including the Reserve Bank of India and Securities and Exchange Board of India had a word of caution as the asset class witnessed valuation crashes, scandals, and controversies.

Addressing the *Mint Banking Summit 2024*, RBI governor Shaktikanta Das said emerging markets should stay away from cryptocurrencies. "RBI's position on cryptocurrency remains unchanged. Travelling down that path will create huge risks. I do not think the world or emerging markets can take to crypto mania. How will you regulate it, and what will you regulate?"

Sebi's whole-time Sebi member Kamlesh Varshney said: "Just because the US allowed (Bitcoin ETF), does not mean it is right for India." While India may take the US SEC decision as an "input", there is no mandate on Sebi to look at cryptocurrency funds in India, and a final call on legitimacy of cryptocurrencies "must be taken by the concerned ministry" he said.

The scepticism is reflected in the US as well, with SEC chair Gary Gensler clarifying in a post-approval statement that the US regulator "did not approve or endorse Bitcoin".

However, the bullishness on Bitcoin is backed by institutional investors. On 8 January, anticipating a nod from US authorities, Geoff Kendrick, head of digital assets at Standard Chartered, had said that setting-up of ETFs may attract $100 billion in institutional investments in Bitcoin by 2024-end, besides the token price may cross $100,000 this year, and hit the $200,000-mark by next year.

REVIVAL ON CARDS?

NOW, 11 American investment firms, can list and start trading Bitcoin ETFs on US exchanges

THE Indian exchanges are now expecting a wave of positive sentiments

INDIAN regulators had a word of caution as the asset class witnessed valuation crashes

GSV still bullish on Indian edtech firms despite challenges

Priyamvada C
priyamvada.c@livemint.com
BENGALURU

US-based GSV Ventures, which invests in edtech companies around the world, is planning additional investments in India's beleaguered edtech sector, despite massive layoffs during a prolonged funding winter.

The venture capital firm has invested in homegrown startups like PhysicsWallah, Classplus, Apna and LEAD School.

It is optimistic about India's edtech sector, which has been struggling to raise funds amid a global economic slowdown. Funding for Indian edtech startups fell to $297.3 million in 2023 from $2.6 billion in 2022, according to data collected by Tracxn.

GSV manages assets worth about $800 million.

Technology startups worldwide have been struggling to raise funds since the easing of the covid-19 pandemic, and Indian firms are no exception, Deborah Quazzo, managing partner at GSV Ventures, told Mint over email.

India's edtech sector witnessed significant growth during the peak of the pandemic with lockdowns compelling schools and colleges to adopt online learning. However, following the return to pre-pandemic routines, the industry underwent a downturn as the demand for its services waned. "A number of companies also ran into challenges related to CAC (customer acquisition cost). There will always be cycles," Quazzo said, adding that the cost of acquiring students can often hamper business models.

Funding for Indian edtech startups fell to $297.3 mn in 2023 from $2.6 bn in 2022. HT

Byju's, once India's highest-valued startup, along with Unacademy and Vedantu have borne the brunt of the slowdown. This has led investors and firms to pursue alternatives like physical tuition centres and other offline modes of learning. "We have been, and are open to investing in hybrid learning," Quazzo said.

India's edtech sector witnessed significant growth during the peak of the pandemic-led lockdowns

Despite the challenges, GSV maintains optimism. It views education and skills as a long-term investment theme driven by rising demand and a growing Indian middle-class. The VC firm has invested across the spectrum from Pre-K to gray education. Its portfolio includes American firms such as Coursera, MasterClass and ClassDojo.

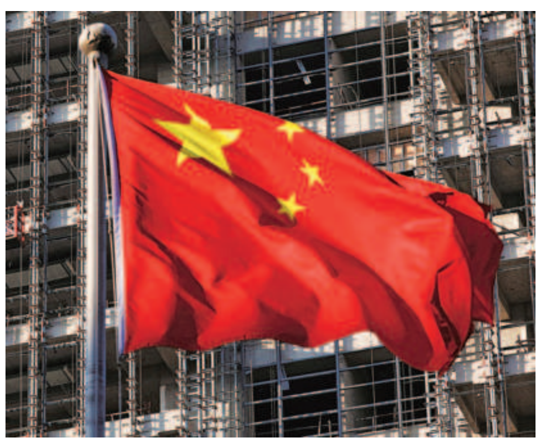
Quazzo also attributed her optimism to the Indian government's strong focus on the edtech sector, exemplified by the National Education Policy (NEP), which seeks to make pre-primary and foundational education accessible to all.

	Close	Percent change	Previous close	Open	High	Low
S&P BSE Sensex	71,721.18	0.09	71,657.71	71,907.75	71,999.47	71,543.19
Nifty 50	21,647.20	0.13	21,618.70	21,688.00	21,726.50	21,593.75
Nifty 500	19,584.35	0.34	19,517.85	19,589.75	19,626.50	19,532.30
Nifty Next 50	54,595.60	0.96	54,077.65	54,355.25	54,675.55	54,318.90
Nifty 100	21,942.15	0.26	21,885.80	21,963.75	22,004.10	21,886.65
S&P BSE Mid-cap	37,739.22	0.66	37,490.53	37,645.64	37,817.29	37,630.42
S&P BSE Small Cap	44,321.68	0.79	43,972.73	44,224.18	44,381.53	44,194.41

MINT SHORTS

IEA: Renewable energy growth must accelerate for 2030 goal

Global renewable energy capacity is expected to grow by two and a half times by 2030 but governments need to go further to achieve the goal of tripling it by then agreed at United Nations' climate talks, the International Energy Agency (IEA) said. In its annual renewable energy outlook report, the IEA said new capacity added last year increased by 50% from the previous year to 510 gigawatts (GW). That takes installed capacity to 3,700 GW. Under current policies and market conditions, global renewables capacity is forecast to grow to a total of 7,300 GW by 2028. To reach the 2030 goal, it will require reaching at least 11,000 GW. World governments agreed to triple renewable energy generation capacity by 2030 and move away from fossil fuels at the COP28 UN climate conference last December. The report said the biggest challenge to meeting the goal will be scaling up financing and deployment of renewables in most emerging and developing economies. **REUTERS**



Chinese real estate investment trusts (REITs) have hit successive lows in the first few days of 2024. REUTERS

China REITs plumb to record lows as economic gloom lingers

China's real estate investment products are tumbling, extending last year's slump as investors lose hope for a recovery in the economy and property assets such as industrial parks and logistics hubs. Chinese real estate investment trusts (REITs), which issue shares to investors against a portfolio of real estate holdings, have hit successive lows in the first few days of 2024. After tumbling 28% in 2023, the CSI REITs Index has dropped another 6.4% this year through a rare, seven-day losing streak driven by one REITs manager's disclosure of cuts in warehouse rental prices and broader fears of falling yields. The selloff reflects tumbling confidence in an economy where a deepening property crisis, weakening consumption and sputtering business activities have sapped demand for office buildings, warehouses and shopping malls. It also complicates Beijing's efforts to lure investors into a nascent REIT market designed to channel badly needed cash to indebted local governments and property developers. **REUTERS**

2024 won't be easy ride for Maruti

Vineetha Sampath
vineetha.s@livemint.com

Maruti Suzuki India Ltd is walking the talk. It is making steady progress towards achieving its production capacity target of four million units per annum by FY31. On Wednesday, the automaker announced two capacity additions in Gujarat, entailing a total investment of ₹38,200 crore.

One is a new automobile production plant with an annual capacity of one million units, expected to start operations in FY29. The other investment would increase Suzuki Motor Gujarat Pvt. Ltd's (Maruti's wholly owned subsidiary) annual production capacity to one million units from 750,000 units currently. This is to meet the potential increase in electric vehicle demand.

Sure, this augurs well from a long-term perspective. But in the foreseeable future there are bumps on the road with the passenger vehicle (PV) industry expected to slowdown in 2024.

Normalization in the supply chain has led to huge pending orders being met, which means a falling order book.

Moreover, inventory levels are elevated. According to the Federation of Automobile Dealers Associations (Fada), the average inventory for PVs in December stood at 55 to 58 days, or about two months.

Adding to the woes for Maruti is that entry-level car sales is still muted. Maruti derives a large portion of its volumes from the mini and compact cars segment, which accounted for about 46% of its portfolio so far in FY24 (till December).

True, Maruti is expanding its offerings and capitalizing on the premiumization trend by launching utility vehicles. It launched the Fronx, Jimny and Invicto in 2023. But intensifying competition from the likes of Tata Motors Ltd and Mahindra and Mahindra Ltd is keeping its market share in check.

For perspective, Maruti's share in the PV segment stood at 42% in the first half of FY24, roughly in line with the levels seen in FY22 and FY23, according to Jefferies India.

In fact, Maruti's management expects the PV segment to witness single-digit growth in 2024 as pent-up demand seen after covid has been met. Besides, high interest rates will be a drag on demand.

"With the best of sport utility vehicle product upcycle largely behind for Maruti and absence of any revival in small car, outlook seems muted (prompting 3/7% cut in FY24/FY25-26 volumes)," said Emkay Global Financial Services in a report on 8 January.

Emkay expects Maruti's core earnings per share to grow at a slower pace, and post compound annual growth rate of about 9% over FY24-26, versus a 21% year-on-year rise in FY24.

In the December quarter (Q3FY24), Maruti's revenue and margin should grow year-on-year. But sequentially, these metrics may fall due to factors such as a 9% drop in volume, higher discounts for small cars, and a slight deterioration in the mix. In Q2, Maruti's revenue and Ebitda margin stood at ₹37,062 crore and 12.9%, respectively. Ebitda is earnings before interest, taxes, depreciation, and amortization.

Over the past year, Maruti's shares are up by nearly 21% aided by new launches.

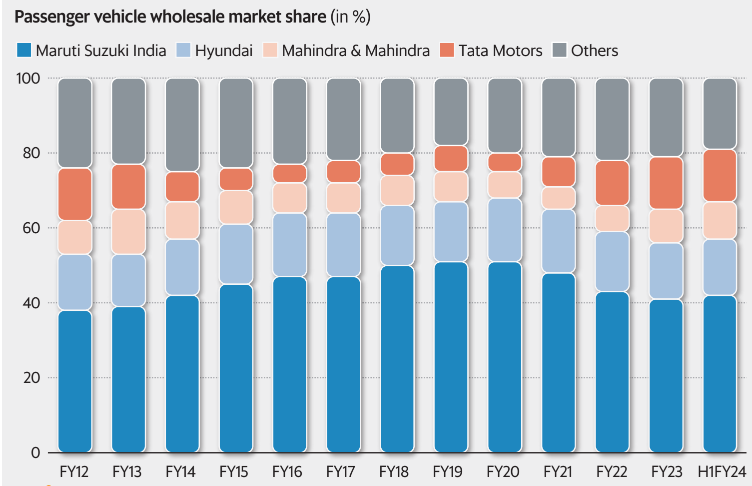
But "2024 is likely to be a period of consolidation. With no major launches lined up except for its first electric vehicle by the end of 2024, (the) stock lacks near-term upside triggers," said Aditya Welekar, senior research analyst at Axis Securities.

Thus, amid rising competition, sustaining market share in the utility vehicle segment will be essential. Moreover, there aren't enough levers on the margin front. With stable commodity prices, margin improvement will have to come from cost saving and a favourable mix. How that pans out is another parameter to watch out for.

Range bound

Maruti Suzuki India's market share in H1FY24 is roughly along the same lines as the last two years.

Passenger vehicle wholesale market share (in %)



Source: Centre for Monitoring Indian Economy, Jefferies India

PRANAY BHARDWAJ/MINT

RISING CONCERNS

THE PV industry is expected to slow down in 2024; inventory levels are currently high

ADDING to the woes for Maruti Suzuki is that the entry-level car sales is still muted

IRB Infrastructure well-placed for NHAI's monetization plan

Dipti Sharma
dipti.sharma@livemint.com

IRB Infrastructure Developers Ltd's began the New Year on a strong note, with its shares gaining 11% so far in 2024, following a significant 43% appreciation in 2023.

Investors were excited about the roads and highways developer's December toll collection which rose nearly 26% year-on-year to ₹488 crore. Since toll collection is typically better in the second half of a fiscal year, IRB's management expects the growth trend to continue in the March quarter (Q4FY24).

That said, the order pipeline also looks robust. Kotak Institutional Equities said the National Highways Authority of India's (NHAI) focus on managing debt levels, triggered a shift in road awards to the toll, operate and transfer (TOT) and build, operate and transfer (BOT) modes.

Thus, there is rising expectation that more projects would be awarded in FY24. "With a ₹44,400 crore BOT pipeline for FY24 and two more TOT projects expected to be awarded, we see players such as IRB, with its strong balance sheet, best placed to benefit," said Kotak.

For the half year ended September (H1FY24), IRB's revenue stood at ₹3,379 crore, out of which 34% came from BOT and TOT projects. The construction segment contributed to the rest.

In the near-to-medium term, IRB is likely to maintain double-digit revenue growth and stable margin. Its order book stood at ₹32,700 crore as of 30 September. The engineering, procurement, and construction order book was at about ₹7,500 crore providing revenue visibility for the next 2-2.5 years for the construction segment. Besides, the three-year executable operation and maintenance order book is at ₹2,500-3,000 crore.

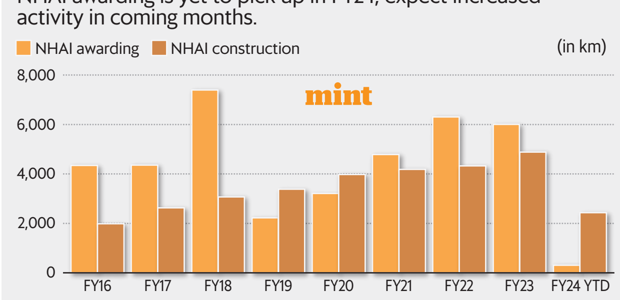
As such, the sharp rally in the stock may cap significant near-term upsides. *Bloomberg* data showed the stock trades at 28 times estimated FY25 earnings, which appears pricey. Hereon, it is crucial to monitor timely execution of projects and IRB's ability to consistently replenish its construction order book with new orders. Moreover, keeping an eye on the monthly toll collections is crucial.

"IRB focuses on roads and highways, exposing it to inherent sectoral concentration risk and intense competition in the tender-based contract award system, resulting in volatility in new order inflows," said India Ratings and Research on 5 January. However, it believes that IRB's stronghold in the BOT-toll space, where competition is limited, may help maintain stable margin in the medium term.

Nevertheless, unexpected rise in debt levels would be detrimental. As on 30 September, IRB's consolidated gross debt stood at ₹13,500 crore.

Playing catch-up

NHAI awarding is yet to pick up in FY24; expect increased activity in coming months.



Note: NHAI is national highways authority of India   Source: NHAI, Kotak Institutional Equities

PRANAY BHARDWAJ/MINT

Mark to Market writers do not have positions in the companies they have discussed here

54 cos to lift $13.5 bn shareholder lock-ins

Mayur Bhalerao
mayur.bhalerao@livemint.com
MUMBAI

From 11 January to 15 April, 54 companies will have their shareholder lock-ins worth $13.52 billion lifted. This is likely to lead to a series of block deals, with domestic and global institutions, as well as high-net-worth individuals, bidding for the shares.

"The value pertains to the total lock-up opening shares, but it's important to note that not all these shares will come up for sale as a sizable portion of them are held by promoter groups," said Abhilash Pagaria, head, Nuvama Alternative and Quantitative Research.

Pagaria's analysis of opening lock-ins is focussed on listings till 5 January. The companies witnessed exceptional investor interest during their IPOs. Tata Technologies, the Tata Group's first public offer after 18 years, was oversubscribed by a massive 69 times with its stock opening 140% above its issue price on debut. Others like Indian Renewable Energy Development Agency was oversubscribed 38 times, Flair Writing (46 times), Gandhar Oil Refinery (64 times) and DOMS Industries by 93 times. All the IPOs saw robust demand from retail investors and HNIs.

"These companies, a mix of institutional stakeholders and pre-IPO investors who acted as anchors, are unlikely to dump shares immediately. Instead, they may opt for negotiated deals or block trades to make a soft exit. This gradual release of shares into the market could create some selling pressure on stock prices. This can also help for the increase free float and liquidity of stocks," Kranthi Bathini, director of equity strategy, Wealth Mills Securities Pvt. Ltd, said.

Navama's analysis showed Tata Tech's 8 million shares will open on 26 February while IREDA's 101 million and Flair's 3 million shares will open on 23 and 27 February, respectively. Gandhar Oil's 4.4 million shares and RR Kabel's 71 million are set for release on 26 February and 21 March.

Honasa Consumer's 12 million shares will be unlocked on 1 February, Inox India's 3.3 million on 18 January and 18 March, while Happy Forgings' 2 million shares will open on 22 January, with an additional 1.8 million shares on 21 March.

Market experts said there is sufficient liquidity and bullish sentiment to absorb the supply. "Bullish momentum prevails so there won't be volatility when they hit the market," Pagaria said.

This is likely to lead to a series of block deals. HT

Sebi suggests easy listing rules

Pavan Burugula
pavan.burugula@livemint.com
NEW DELHI

A committee of experts, established by markets regulator Sebi to enhance the business environment for listed firms, has proposed to allow certain public investors to contribute to the minimum public shareholding, without being labelled as promoters.

In a three-page consultation paper floated on Thursday, the panel also proposed relaxing the criteria that prompt companies seeking to list to refile draft papers for initial public offerings. It has also recommended flexibility regarding timelines for firms to fill vacancies of key managerial personnel.

As per Sebi regulations, promoters are required to maintain a minimum of 20% stake post-listing. However there are instances as companies raising many rounds of funding, result in promoter stake declining to less than 20%. In such cases, financial institutions like banks, insurance firms, and private equity firms, contribute to the 20% requirement. Now, the panel has suggested extending it to certain non-individual shareholders, enabling them to contribute to this limit without being categorized as promoters.

"Non-individual shareholders that would hold 5% or more of the post-offer equity share capital may be permitted to contribute to the shortfall in minimum promoters' contribution, subject to existing maximum of 10% stake), without being identified as promoter." the panel said.

"In order to provide ease of doing business and offer greater flexibility, the offer for sale size can be based on either the estimated issue size or number of shares, as disclosed in DRHP, and not both criteria." it said.

Stakeholders can send their responses by 1 February.

Panel proposes to allow certain public investors to contribute to MPS, without being labelled as promoters

Irdai bats for policy dynamism

Sashind Ningthoukhongjam
sashindnj@livemint.com
MUMBAI

Insurance Regulatory and Development Authority of India (Irdai) chairman Debasish Panda said it is considering a provision that will require the law to be reviewed every three years to keep pace with the changing times in the insurance industry.

"We are considering a sunset clause of three years on regulations for policy dynamism," said Panda at *Mint's* 16th Annual Banking, Financial Services and Insurance Summit and Awards 2024.

"From 100-odd policy regulations, we are hoping to have 15-odd regulations to streamline industry growth."

Irdai has formed an expert committee to look into simplifying the language of insurance to make it more comprehensible for people purchasing insurance policies, he said, adding that a paper on this will be published soon.

"The insurance industry is categorized for using jargon. We are looking to simplifying policy documents," said Panda on the topic 'Insurance's innovation agenda'.

Irdai is constantly in touch with insure-techs companies to understand and take action on innovative steps to drive insurance penetration, besides being in touch with insurance company chief executives via engagement called Bima Manthan to facilitate dialogue with the industry and also address their concern.

mint ANNUAL BFSI SUMMIT & AWARDS 16th Edition

Irdai chairman Debasish Panda at *Mint's* BFSI Summit 2024. MINT

TCS, Infosys see drop in attrition in Q3; others may follow

FROM PAGE 1

"Open positions in the IT sector have dwindled and candidates are circumspect to change jobs as the impact of AI is not clear yet. Recruitments in IT services are now largely replacement hiring," said Sunil Chemmankotil, chief executive of TeamLease Digital.

The trend is in stark contrast to the 20-30% attrition seen just after the first year of the pandemic, when the IT industry recruited in large numbers, sometimes even offering to double salaries. The job market has taken a complete U-turn since then.

"Attrition is trending down and at 13.3%, is now in our range of comfort. We are committed to hiring from college campuses and growing talent organically," said Milind Lakkad, chief HR officer of TCS.

While TCS said it has started campus hiring from the batch of 2024, Infosys had earlier said it will not conduct campus recruitments this year.

A similar drop in attrition is expected at Wipro and HCL Tech as well, which release their earnings on Friday.

In the fiscal year so far, Infosys saw a net loss of over 20,000 employees, while TCS had a net loss of 11,490 employees. In the December quarter alone, a net 5,680 employees left TCS and 6,101 left Infosys. Exits were even higher in the September quarter.

"The results suggest another tougher quarter ahead for talent in the IT sector. The good news, however, seems to be that the 11,000-odd exits seem to have been absorbed by other IT services companies who still backfilled significant of those thanks to the 13-14% attrition and the 60-plus global capability centres (GCCs) who entered India last year," said Kamal Karanth, co-founder of Xpheno, a recruitment firm focused on tech and startup hiring.

The rapid expansion of well-funded GCCs has been a primary factor driving attrition in the IT sector. Last October, Wipro was the first IT firm to acknowledge how GCCs are luring skilled employees with 4-10 years of experience, offering compensation levels that IT companies cannot match.

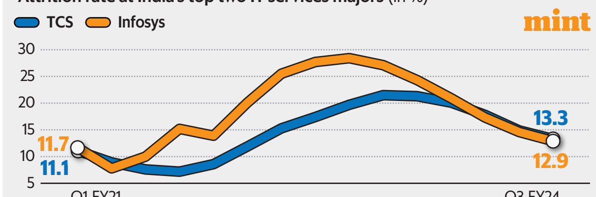
The sector is now going through a transformation, where IT firms are training their employees on AI that could also impact jobs. A wider deployment of AI technology by Indian companies will likely make 15,000-20,000 jobs redundant this year, as a large number of coding profiles, system maintenance and support functions at junior levels get automated, according to consultants and recruiters. IT, hospitality and banking industry are trying to upskill their workforce, but they may be the first to see an impact.

manjul.paul@livemint.com

A muted job market

In the Q3, Infosys's attrition rate at 12.9% was the lowest in 12 quarters, while TCS's at 13.3% was the lowest in nine quarters.

Attrition rate at India's top two IT services majors (in %)



Attrition rate is on a 12-month trailing basis.   Source: Company results

PRANAY BHARDWAJ/MINT

A similar drop in attrition is expected at Wipro, HCL Tech as well, which release their results on Friday

Winners of awards under different categories at the Mint BFSI Summit and Awards function with veteran banker K. V. Kamath and members of the selection panel.

PHOTOS BY HT

Mint awards best BFSI firms in gala ceremony

13 firms from BFSI industry received awards from banker K. V. Kamath

Shayan Ghosh
shayan.g@livemint.com
MUMBAI

The 16th edition of the annual Mint BFSI Summit and Awards culminated in a gala ceremony where executives of 13 companies from diverse sectors of the banking, financial services and insurance (BFSI) industry received awards of excellence from veteran banker K. V. Kamath.

While ICICI Bank was awarded the best among large banks, Kotak Mahindra Bank was adjudged best among mid-sized banks. Thrissur-based CSB Bank was the winner among small banks, while AU Small Finance Bank was the best small finance bank.

The five-member jury comprised R. Doraiswamy, managing director, Life Insurance Corporation; Cyril Shroff, managing partner of law firm Cyril Amarchand Mangaldas; Keki Mistry, additional and non-executive (non-independent) director, HDFC Bank; Amish Mehta, managing director and chief executive, Crisil Ltd; and Nithya Easwaran, managing director, Multiples Alternate Asset Management Pvt. Ltd.

Mint's knowledge partners in this exercise were howindialives.com and Fisdom.

That apart, Bajaj Finance received the award for best large NBFC (non-banking financial company), Manappuram Finance got the best mid-size NBFC award, and CreditAccess Grameen was adjudged the best among small non-bank lenders.

Being an integral part of the BFSI industry, *Mint* also presented seven awards to the best among the insurance and mutual fund companies. The insurers were divided into two groups—life and non-life.

HDFC Life Insurance Co. was awarded the best among large life insurers, while Kotak Mahindra Life Insurance Co. won the award for the best mid-size insurer. Among non-life insurers, SBI General Insurance Co. was the best among large insurers, while Chola MS General Insurance Co. received the award in the mid-size category.

"We do not do things differently, it's the customer that we focus on. Customers are always very important. I think the focus on the customer is paramount and as long as you are focused there is no way that your growth will not happen," said Vineet Arora, chief operating officer, HDFC Life.

Given the growing importance of mutual funds and the kind of investor interest they have generated among Indians, *Mint* also recognized the role played by asset management companies. Mutual funds were categorized as actively-managed equity and actively-managed debt funds. PPFAS Mutual Fund was adjudged the winner in the actively-managed equity category and HDFC Mutual fund won the award for being the best in the actively-managed fixed income category.

As reported on 8 January, *Mint* presented before the jury the mathematics and rankings in all categories based on public data. The jury then brought in the qualitative and market intelligence aspects into the conversation to pick winners in each category. Lasting for nearly two hours on a Saturday afternoon in December, the closed-door meeting saw the jury intensely deliberate before deciding on the winners. Some members recused themselves in certain segments to avoid conflict of interest.

'Fintechs may need regulatory help'

Ranjani Raghavan
ranjani.raghavan@livemint.com
MUMBAI

Financial technology (fintech) companies are currently riding the innovation wave, but profitability will at some point become a concern, when the regulator may have to intervene, veteran banker K.V. Kamath said at the 16th edition of the annual Mint BFSI Summit and Awards.

Kamath, a former chief of the New Development Bank of Brics countries, was in conversation with *Mint* editor-in-chief Ravi Krishnan in Mumbai. The day-long summit and awards event was attended by leaders of banks, non-banking financial companies and fintechs.

"Fintechs are bringing a lot of value through innovation. Let them ride the innovation wave—people who have funded them are happy. At some point, a profitability model will emerge, but that would need some help from the regulator," Kamath, who is chairman of the board of directors of Jio Financial Services, said.

K.V. Kamath, former chief of Brics' New Development Bank, says fintechs are bringing a lot of value through innovation.

Elaborating on the kind of help fintechs would need, Kamath cited the example of the payments sector—especially the Unified Payments Interface (UPI) framework.

"None of the UPI players are making money," Kamath said.

There might be a way for these players to make a reasonable return on what they have invested. Kamath emphasized that UPI had emerged as a force of good, in part because of the regulator's support. He added that the Indian economy had proven to be resilient despite multiple crises, and that there is a good reason for India to be optimistic.

Balance sheets of banks, once burdened by bad loans, have become cleaner and stronger. He emphasized that private-sector firms have been using cash flows for expansion, and that it was important to look beyond banks' loan growth to gauge capital expenditure by them.

"We have been used to looking at banks' numbers as proxies for the on-ground investment. I think we need to move very quickly to looking at the sum of our corporate fixed asset growth. That will tell us much better numbers", Kamath said. Corporates rely not on banks but on internal accruals for growth. The shortening of implementation timelines from 5 years earlier to 1.5 years now is helping them complete projects in shorter periods.

'Sebi is planning to regulate finfluencers'

Pavan Burugula
pavan.burugula@livemint.com
NEW DELHI

The Securities and Exchange Board of India (Sebi) is planning to bring finfluencers, or financial influencers, under the regulatory ambit of the markets watchdog, its whole-time member Kamlesh Varshney said on Thursday.

Finfluencers have often been accused of spreading misinformation on social media and pushing stocks they hold, all in the guise of investment advice. Several gullible retail investors have fallen prey to such manipulative information, and lost money in the stock market.

"The first task should be that most of the people (finfluencers) should be in the regulatory net, so that it is easy to monitor them, so that it is easy to see that they are complying with the securities laws. If there are a few people who are violating, then it is easy to catch them." Varshney said at the Mint Annual BFSI Summit and Awards.

Kamlesh Varshney, whole-time member, Sebi. MINT

Sebi has been cracking down on these finfluencers, passing orders against them whenever it has noticed something going wrong, he said. Sebi has also placed restrictions on intermediaries such as brokers and mutual funds from using the services of such unregistered finfluencers for promotion of their products.

Finfluencers should be in the regulatory net, 'so that it is easy to check whether they comply with securities laws'

"But that is, of course, on the enforcement side. On the regulatory side, our objective going forward is to make regulatory changes based on the inputs from the industry, so that all these influencers are on board (registered)," he added.

Investment advisers registered with Sebi are permitted to give financial and investment advice. Most retail investors are taken in by the tall claims made by these unregistered finfluencers on social media, and take bets based on their advice.

Commenting on industry concerns that Sebi is making too many changes to rules constantly, Varshney said the regulator was adopting a balanced approach.

"Because, we all understand, in management also that if there are too many changes, fatigue builds. But we also have to take into consideration that if there are risk areas building up, then we need to act immediately," Varshney added.

‘Can’t afford a crypto mania; RBI stance stays unchanged’

FROM PAGE 1

itself to many applications.

The governor has voiced his concerns on cryptocurrencies several times earlier as well, citing macroeconomic and financial stability risks. In June 2022, Das termed them a “clear danger”, and said anything that derives value based on make-believe, “without any underlying”, is just speculation under a sophisticated name.

The central bank has been focusing on strengthening governance and assurance in regulated entities, Das said. “The key is to identify risks early, monitor them closely and manage them effectively. In this context, instilling an appropriate risk culture in the organization is important.” This needs to be driven by the board and senior management with effective accountability at all levels, Das said, adding RBI expects top officials and board members to play a more proactive role.

Speaking at a separate event on the same day, the governor said RBI is crafting a framework for securitization of stressed assets, for which it had issued a discussion paper in January, 2023. “We have received comments, they have been examined and now we are in our way to issue revise framework for Securitisation of stressed assets,” Das said.

On another note, Das pointed to the exuberance building in unsecured lending.

“There was a FOMO or fear of missing out that was coming in; this was one opportunity that everyone thought they will capitalize,” he said. “We saw banks and certain NBFCs did not have that kind of bandwidth of doing due diligence of loan proposals to justify the kind of loan growth that these sectors were seeing. It was very clear that this kind of growth would not be sustainable going forward, if it is not slightly moderated,” Das said at the *Mint* event. Thus, the central bank pre-emptively acted before this could lead to a systemic risk, Das said.

In November, RBI raised the risk weights assigned to unsecured consumer credit like personal loans and credit card dues. This came after months of monitoring the situation and cautioning banks against going all-out in lending to these categories.

Meanwhile, banks and non-banking financial companies have taken to loan underwriting using algorithm-based models. The practice has come under RBI’s scanner. “The robustness of these models is something for the bank management and boards of directors and audit and risk-management committees to see,” he said.

Another problem before RBI is the mushrooming of lending apps. RBI has created a list of apps that belong to or are allied with all licensed lenders to help identify the illicit ones.

At BMW, first-time buyers take a second hand route

While BMW keeps EV lead in luxury automobiles, it will not launch another hybrid in India

Alisha Sachdev
alisha.sachdev@livemint.com
NEW DELHI

BMW’s used car sales grew 32% in 2023 to attain their best-ever levels.

Bavarian automobile maker BMW’s India branch, which encompasses the premium two-wheeler brand Motorrad, British premium hatch brand Mini and BMW’s passenger cars, clocked its highest sales in 2023, delivering just over 13,300 cars, a growth of 18% over sales in 2022, and 8,768 motorcycles, 20% more than 2022.

However, what shone alongside the growth in sales of BMW’s new vehicles, is its growth in its used car sales, which grew 32% in 2023 to attain their best-ever levels. “We achieved this by upgrading many near-premium customers to luxury, and by upgrading existing luxury customers to higher brands,” Vikram Pawah, president, BMW Group India, said.

Used luxury cars are a good alternative for Indian customers, who are known to be conservative when it comes to making big-ticket luxury car purchases, to have a premium car ownership experience.

“Our Premium Selection (BMW’s used cars business) addresses that segment of customers who would normally not come to buy a new luxury car. Fifty-six per cent of new X1 customers are directly entering the luxury fold from the non-premium segment directly into a new car. But those customers who do not want to migrate directly into those categories, buy sometimes even a used 3 series, or 5 series or 7 series straightaway. So those are the demographics we are looking at. In addition, we are also targeting those customers who are unsure about being in the premium space—are more conservative—for them to try the luxury ownership experience and then upgrade them to a higher luxury segment,” Pawah explained to *Mint*.

In 2024, after a record year of sales for luxury cars in India, BMW is lining up 19 new launches across its Mini, BMW and BMW Motorrad brands, including the new 5 series, the X3 SUV, the new MINI Countryman and the R1300 GS from BMW Motorrad. It is also looking to expand its dealership footprint and revamp all its showrooms to the Retail Next concept of more immersive, premium experience outlets, Pawah said. Two of these 19 launches will also be EVs.

While BMW has a dominance in electric car sales in the premium segment in India, with its five electric offerings accounting for 10% of the brand’s total PV sales in 2023, it is consciously choosing to keep away from plug-in hybrids.

“We have only one plug-in hybrid in our line-up, which is the XM, and it’s at the really high end of our line up at the moment, priced over ₹2 crore, so that’s a very niche product mainly aimed at high performance in a very sustainable way. It’s the most powerful BMW that is available in the country, but also is available with a hybrid powertrain. The product has been accepted very well in the Indian market but sales remain niche. It’s really made a dent in the luxury class with the competitors facing the heat on that one. So that’s doing well,” Pawah told *Mint*, adding, “However, we don’t intend to launch any other plug-in hybrid at the moment because there is no benefit to the customer on that. Once we brought the product in, the feedback that we got from customers was there is no cost benefit with a plug-in hybrid because of the tax structure being the same for a traditional internal combustion-engine vehicle and a plug-in hybrid. Customers do not intend to pay more for that. However, we have many plug-in hybrids globally so if the situation on the tax front does change, then we will bring in more.”

GATEWAY TO LUXURY

56% of new BMW X1 customers are entering the luxury fold from the non-premium segment

IN 2024, BMW is lining up 19 new launches two of which will be electric vehicles

ALTHOUGH BMW dominates premium electric car sales in India, it plans to keep off plug-in hybrids

THE carmaker also plans to expand its dealership footprint and migrate to Retail Next showrooms

MOVES

A weekly list of C-Suiters who have moved up the corporate ladder either within or outside their companies.

Anirban Roy	Appointed as **Vice President - Revenue & Growth** at **Swiggy**
Anuprita Daga	Appointed as **Group Chief Information Security Officer** at **Angel One**
Arjun Mehta	Appointed as **Chief Financial Officer** at **Leverage.biz**
Bhanu Pratap Singh	Appointed as **Head HR Shared Services** at **Compass Group**
Binny Mathews	Appointed as **Chief Procurement Officer** at **Accenture**
Damyant Singh Khanoria	Appointed as **Director Marketing** at **Sports18**
Dr. Kuldeep Singh Sachdeva	Appointed as **President and Chief Medical Officer** at **Molbio Diagnostics**
Juhi Ravindranath	Appointed as **Chief Business Officer** at **Qube Cinemas**
Manish Jain	Appointed as **Country Managing Director India** at **Experian**
Manmohan S. Kalsy	Appointed as **CHRO** at **Interbrew Beverages**
Pawan Jagnik	Appointed as **Head Marketing** at **Pladis Global**
Pradeep Mukim	Appointed as **Chief Commercial Officer** at **ace turtle**
Priyanka Biisht	Appointed as **Director Marketing** at **Crocs India**
Puneeth Bekal	Appointed as **Chief Marketing Officer** at **HDFC Securities**
Rajat Diwaker	Appointed as **India CEO** at **iD Fresh Foods**
Ritesh Pai	Appointed as **CEO International Payments** at **PhonePe**
Saakshi Verma Menon	Appointed as **Senior Marketing Director, Africa Middle East & South Asia** at **Pepsico**
Satinder Bajwa	Appointed as **Chief Business Officer** at **MG Motor india**
Satish Rajarathnam	Appointed as **Head of People & Administration** at **RCG Global**
Shridhar Mishra	Appointed as **Chief Revenue Officer** at **News18**
Shuchi Sarkar	Appointed as **Chief Marketing Officer** at **LTI Mindtree**
Sudhir Kesavan	Appointed as **Chief Operating Officer** at **Citius Tech**
Suyog Gothi	Appointed as **VP and India Country Head** at **Pocket FM**
Vijayant Rai	Appointed as **Managing Director Sales** at **Snowflake India**

Source: Accord India, executive search worldwide

TCS edges past Infosys in slow Dec quarter

FROM PAGE 1

tial increase and a 2.9% increase from the same period a year earlier. It added $206 million in incremental revenue, of which $84 million came from its India business, a bulk of it from the BSNL contract.

Net profit improved 2.7% sequentially from the September quarter, and by 7% from a year earlier, to $1.41 billion.

Bloomberg, based on a survey of 24 analysts, had estimated TCS to report a profit of $1.38 billion on net sales of $7.23 billion for the third quarter.

Infosys reported a sharper contraction in business, as revenue totalled $4.66 billion—a 1.2% sequential decline and only a 0.1% improvement from the year-ago period. Consolidated net profit for the December quarter was $733 million, down 2.3% sequentially and 8.3% year-on-year.

The TCS management declined to comment on when it expects business to pick up.

“Nothing much has changed on the ground,” said TCS chief executive (CEO) and managing director K. Krithivasan when asked if Fortune 500 companies were increasing their tech budgets. “But it was a strong performance in a seasonally weak quarter.”

TCS reported revenue of $7.28 billion in the quarter. MINT

Infosys CEO Salil Parekh said the company’s performance was “resilient”. “Typically, the third quarter has large furloughs and other end-of-year holidays, and we’ve seen that continue.”

Analysts had expected Infosys’s revenue at $4.65 billion and net profit at $741.3 million.

Infosys, which in April last year had projected its 2023-24 revenue to grow at 4-7% in constant currency terms, now expects to end the fiscal year with a 1.5-2% growth. TCS does not provide quarterly or annual projections.

“Large deal renewals (for Infosys) also look to be at the negative end. If you look at their past quarterly trends, this is among their lowest deal bookings in the December quarter,” said Apurva Prasad, vice president of institutional equity at HDFC Securities. “Discretionary spend is on the lower side too, as demand in the quarter was lower.”

Over the first three quarters (April-December), TCS has managed a 4.7% growth in dollar revenue, while Infosys has grown at 2.5%. Considering that the fourth quarter is seasonally weak, both companies run the risk of clocking among their slowest full-year growth.

Save for TCS’s 0.7% growth in the year ended March 2021, when covid-19 brought businesses to a halt, the company’s slowest growth was 5.3% in the year ended March 2010. Infosys reported its weakest growth of 3.03% in the same year.

At the heart of the underperformance at the two IT giants this year is the global slowdown amid high interest rates, which has prompted many Fortune 1,000 companies to either hold back on tech spending or defer the start of some of the work.

This is reflected in the muted growth in the US and slowing business from global banks, the two biggest spenders for services offered by the home-grown IT giants. Business from North America, which brings about half of the business for TCS, declined 3% in constant currency terms in the December quarter from the year-ago period.

Growth in TCS’s banking, financial services and insurance (BFSI) segment, which accounts for over a third of its revenue, fell 3% from a year earlier. At Infosys, revenue from the US and the BFSI segment declined 4.9% and 5.9%, respectively.

shouvik.das@livemint.com
Varun Sood in Mumbai contributed to this report.

Microsoft beats Apple as world’s most valuable firm

Reuters
feedback@livemint.com

Microsoft overtook Apple as the world’s most valuable company on Thursday after the iPhone maker’s shares made a weak start to 2024 due to growing concerns over demand.

Shares of Redmond, Washington-based Microsoft were last up 1.6%, giving it a market valuation of $2.875 trillion as its early lead in the race to make money from generative artificial intelligence helped draw investors.

Apple was 0.9% lower with a market capitalization of $2.871 trillion—the first time since 2021 that its valuation has fallen below that of Microsoft.

The Cupertino, California-based company’s stock has slid 3.3% in January as of last close, compared with a 1.8% rise in Microsoft.

SBI skips Russia oil bills to avoid curbs

FROM PAGE 1

(BPCL)and Hindustan Petroleum Corp. Ltd (HPCL) to prevent a breach of US sanctions by inadvertently processing payments for Russian oil purchased above the cap.

“Since the time the OFAC sanctions have been imposed, SBI has been avoiding making bank payment transfer to Rosneft for the purchase of Russian oil. It is because SBI has such a major presence in the US. This, despite the fact that bank transfer within the price cap can be made,” said one of the two people cited above on the condition of anonymity.

The G7 set a price cap on Russian seaborne crude oil to limit Russia’s earnings from exports to squeeze its military budget. The move bars the purchase and import of crude oil from Russia at rates exceeding the price cap. It is the strategy of the West to isolate Russia, as well as to ensure steady supply to stabilize global oil prices, which had surged following Russia’s invasion of Ukraine in February 2022.

Queries emailed to the spokespersons of SBI, Rosneft, IOCL, BPCL, HPCL and India’s petroleum and natural gas ministry on Wednesday remained unanswered till press time.

Russia has emerged as the top oil supplier to India over the past two years. AFP

“As we can see, the flow of Russian crude has not stopped. Last year (2023), they constituted a large chunk of our imports. In case of avoidance of payment by SBI, refiners would have so far found alternative ways of payment. It is not a major issue,” said another person cited above.

Russian oil accounted for nearly 30% of the crude brought into the country in October 2023

Russia emerged as the top supplier to India in the past two years since its invasion of Ukraine. Russian oil accounted for nearly 30% of the crude brought into the country in October, according to commerce ministry data. At $3.78 billion, the value of the crude oil supply from Russia increased 44% year-on-year (y-o-y) in October from $2.62 billion in October 2022.

rituraj.baruah@livemint.com

Railway budget outlay likely to swell 25% to more than ₹3 tn

FROM PAGE 1

also go towards rolling out 300-400 Vande Bharat trains in different formats, including one with sleeper coaches, as well as overhauling the signalling systems.

The safety budget of the railways is expected to be almost doubled to help it accomplish its Mission Zero Accidents sooner, this person said. The safety budget has remained stagnant for the past two years at around ₹11,000 crore.

The finance and railway ministries did not reply to queries until press time.

“Higher plan capex allocation for [Indian] Railways is the need of the hour as the national transporter reaches a critical stage of implementing key infrastructure projects,” said Subodh Jain, a former member of the Railway Board.

“The government supported (the railways) with an over 50% increase in gross budgetary support in 2023-24, and the expectation is that absolute support would touch new levels next year, even though the growth may be half of last year’s numbers,” he said.

Of the total capital allocation of around ₹2.45 trillion for Indian Railways in the 2022-23 budget, the Centre’s gross budgetary support stood at around ₹1.6 trillion.

Gross budgetary support swelled to ₹2.4 trillion in 2023-24, when total capital allocation for the railways stood at ₹2.6 trillion. The expectation is that over 90% of the capital allocation would flow through the government’s gross budgetary support in 2024-25 as well.

Gross budgetary support is the actual amount that a government body receives from the general budget.

The safety budget of Railways is expected to be almost doubled to help it accomplish its Mission Zero Accidents sooner. REUTERS

Indian Railways needs to be adequately funded so it can build new infrastructure. With the Centre finding it easier to borrow at attractive rates from the market, it is expected that capital spending of key infrastructure sectors, including railways and roads and highways, would come from the government’s gross budgetary support.

This support for the railways has been steadily increasing—to ₹1.17 trillion in 2021-22 from ₹70,250 crore in 2020-21, ₹69,967 crore in 2019-20 and ₹55,088 crore in 2018-19.

After decades of supporting revenue expenditure, gross budgetary support over the last few years has focused on supporting the railways’ capex.

Indian Railways needs to be adequately funded so it can build new infrastructure

The people privy to the government’s thinking said that of the higher gross budgetary support extended to Indian Railways in the budget, a good portion may be kept for the Ahmedabad-Mumbai bullet train project, work on which is going on at full pace for both Gujarat and Maharashtra tracks.

The government also is looking to start work on the Delhi-Varanasi high-speed train, apart from boosting the pace of track renewal and adding new tracks to run faster trains, they said.

Last year, Indian Railways built more than 5,000 kilometres of new lines. It plans to maintain the momentum for the next decade, adding 50,000 km of new lines on its network spending over ₹7.5 trillion.

Also, a signalling recast has been proposed to switch the electronic interlocking system for railway tracks to a solid-state system network to prevent human interference from resulting in accidents such as the one at Balasore in Odisha last year.

Steel sector asks govt to curb cheap imports

India became a net importer of finished steel in November

Naman Suri
naman.suri@livemint.com
NEW DELHI

Domestic players have been lobbying for measures to check dumping of steel. AFP

The steel industry expects the government to bring in a mechanism in the upcoming interim budget to help curb cheap imports, as rising steel imports are a cause for concern for the sector.

The country became a net importer of finished steel during the first nine months (Apr-Dec) of the current fiscal, specifically in November, with imports at 5.6 million tonnes (mt) and exports at 4.7mt.

Finished steel includes non-alloyed offerings, alloyed ones, and stainless steel.

"With December numbers further widening the gap between exports and imports, it is set to become a huge problem. We have petitioned the government with a request to, at least, bring in a mechanism that ensures that the imports do not continue unabated. We expect something on those lines in the budget," said an executive of a large domestic steel maker.

The executive added that these requests were made during a meeting of steel ministry executives last month.

Domestic players have been lobbying for long with the government to introduce measures to check alleged dumping of steel in India from markets such as China and Vietnam. The steel ministry was said to be exploring the viability of implementing WTO-compliant policy measures if it finds that steel is being dumped here mainly from China and some south-east Asian countries.

5.6mt
Steel import in Apr-Dec FY24 vs export of 4.7mt

Among the proposed measures is a tariff rate quota, where prescribed limits are set for duty-free imports, followed by safeguard duties after the limit is reached.

Another consideration is the elimination of the lesser duty rules in anti-dumping investigations to speed up the process. The lesser duty rule dictates that the adjudicating authority must levy duties lesser than the dumping margin, if lesser duties are adequate to remove the injury to the domestic industry.

However, to determine this requires thorough investigation and access to proprietary data of domestic companies, which delays investigation.

The government, on its part, is not losing sleep over the rise in imports as it feels that the rise in domestic demand has fuelled this.

"Indian steel production has gone up by 12.9% y-o-y, so, more steel is being produced but the demand is also much more...When you look at the numbers, you are producing 128mt of steel and exporting 6–8mt, effectively, using 122mt domestically, and coming in from abroad is 5mt, compared with 122mt. It is a drop in the ocean," Jyotiraditya Scindia, Union minister of steel told *Mint* earlier.

In addition to this, the steel industry, as part of the Budget recommendation, has urged the government to exempt customs duty on ferronickel imports and continue zero customs duty on pure nickel, exempt customs duty on roasted molybdenum concentrate, ferromolybdenum and ferro-nickel-molybdenum, and a zero customs duty on categories such as steel and stainless-steel scrap and on coking coal & PCI coal.

"India is importing various raw materials like special ferro alloys with low tramp elements, pure metals, other special inputs, refractories which are not being produced in India and basic customs duty for these are in the range of 5.5–8.25% resulting in high cost of production and making secondary steel unviable," Rajamani Krishnamurti, president Indian Stainless Steel Development Association (ISSDA) told *Mint* in his budget recommendations.

The 15% duty on all stainless steel exports, imposed from May 2022, should be removed forthwith as it runs counter to the government's initiatives such as the production-linked incentive scheme for special steels, Krishnamurti said.

SECRET SAUCE OF INDIA'S CLIMATE MARCH

EXPERT VIEW
ANISH SHAH

Respond to this column at
feedback@livemint.com

In the vast realm of the world's sustainability landscape, one of the lesser-known yet compelling stories unfolds along the tracks of the Indian Railways. Renowned as one of the world's longest and busiest rail networks, it has become an unexpected hero in India's battle against climate change.

Far removed from the stereotypical image of trains chugging through industrial landscapes, this tale spotlights the state-owned rail service provider's determined pursuit of environmental sustainability, steering towards a goal of becoming a net-zero carbon emitter by 2030.

Indian Railways, which ferried 5,858 million passengers in the previous fiscal year, rolled out its first solar-powered train six years ago. It hasn't looked back since.

The department has installed solar power units at thousands of railway stations, electrified a significant portion of its vast track network, implemented waste-to-energy projects, adopted energy-efficient technologies, and undertaken numerous afforestation and tree plantation drives along railway tracks.

DAVOS 2024

INDIAN RAILWAYS NOT A CASE IN ISOLATION

At the COP-28 held in Dubai last month, India affirmed its status among global top performers, ascending to seventh position in the Climate Change Performance Index for 2024—one spot higher than in the previous year and a significant climb from 31st position in 2014.

So, what explains India taking long strides on climate change?

India was quick to recognize that the complexity and interconnectedness of climate actions demand a synchronized orchestration of the will and might of government and business. And that this was even more necessary in the world's fastest-growing major economy, where the pursuit of rapid GDP growth needed to be balanced with an environmentally conscious and sustainable approach to lift the living standards of millions of people.

After nearly four decades of liberalization, collaboration between government and private sector on climate remains a relatively uncharted territory, and by no means easy. But it is gaining momentum, and much like the Green Railways project, is a less-known facet of India's fight against climate change.

To set out a clear national climate agenda, India has made public commitments towards achieving net-zero emissions by 2070 and reducing carbon intensity by 45% by 2030.

India is also pursuing climate-resilient urban development, waste management, recycling and circular economy, and large-scale afforestation. A slew of policy changes, private sector actions, and government and private investments are being unleashed to drive significant progress towards these ambitious targets.

A BUSINESS CASE FOR SUSTAINABILITY

India's private sector sees the moral imperative as well as a business case. The country's transition to a net zero economy can build business resilience, catalyse new industries, generate over 50 million jobs, and have an economic impact of more than $15 trillion, as per a World Economic Forum paper titled *Mission 2070: A green new deal for a net zero India*).

It is no surprise that nearly 90% of Indian corporate leaders consider sustainability as a primary driver of competitive advantage, long-term strategic growth, and lower costs, according to this EY India CEO Survey.

Large business houses are leading the way. The $21-billion Mahindra Group has made public commitments on net zero emissions, renewable energy, and energy productivity and water and waste management. The conglomerate is also investing significantly in building a green business portfolio across electric vehicles, renewable energy, green buildings, logistics, and hospitality.

India's focus on domestic manufacturing presents a significant opportunity for economic growth and job creation in green industries. The government of India has allocated $2.2 billion for the development of 5 million tonnes of green hydrogen capacity and 125 GW of renewable energy.

The private sector has pledged over$200 billion to support India's energy roadmap. The government's production-linked incentive scheme has attracted over $8 billion in private sector investment, a large part of that going into electric vehicles, renewable energy, and battery production.

Startups, too, are playing their role. Climate startups are providing solutions for emission reduction, resilience, and sustainability across sectors such as agriculture, energy, and transportation.

To create an enabling environment, the government is promoting digitalization through multiple initiatives, such as the Digital Agriculture Mission. By encouraging the development of sustainable technologies, the government's 'Startup India Scheme' fosters the growth of startups that tackle pressing environmental challenges.

THE INDIAN ETHOS OF SUSTAINABLE LIVING

Underpinning the various government and business efforts on climate is the government's Mission LiFE (lifestyle for environment) initiative—an awareness mobilization effort unveiled in 2022 to encourage Indians towards sustainable living.

India's private sector sees the moral imperative as well as a business case

Mission LiFE seamlessly aligns with the ethos of the Indian way of life, which is deeply ingrained in the principles of sustainability. The journey of a cotton shirt in India—from work wear to weekend wear a few months later, and a floor duster a few years later—may seem amusing to many, but it highlights the reduce-reuse-recycle practice that has been hard-coded among Indians for centuries. The Indian ethos, grounded in respect for resources and limited wastefulness, is being harnessed to contribute to a more climate-friendly society that will support the government and business efforts on sustainable growth.

In the times to come, I am sure that India will be seen as a torchbearer not just for progress on national climate goals but also for how government-business collaboration can play a pivotal role in getting there.

Dr Anish Shah is managing director and CEO at Mahindra Group. He is also the president at Ficci, chair of the Automotive Governors Council (WEF), and co-chair of the India Alliance of CEOs for Climate Change (WEF).

MINT SHORTS

JPMorgan Asset says US Fed rate cuts may exceed forecasts

The Federal Reserve may end up cutting interest rates more than it's currently signalling as the US economy slows, driving a rally in shorter-maturity Treasuries, according to JPMorgan Asset Management. "What the market's pricing is roughly 1.5% of cuts and that's probably a reasonable central case," said Seamus Mac Gorain, head of global rates in London at the money manager, which oversees about $2.9 trillion. There's been a huge disconnect in recent months about just how much the Fed is likely to lower its benchmark this year. BLOOMBERG

Microsoft to store personal data of cloud customers in EU

BLOOMBERG

Microsoft said on Thursday its European Union cloud customers would be able to process and store all personal data in the region as part of a phased roll-out plan. Technology companies have been rolling out data storage and processing capabilities in the EU following privacy and security legislation. Amazon Web Services (AWS) said in October it would allow data storage on servers located in the EU. Microsoft had earlier allowed processing of some data in the region. With the current move, it would now also include data found in system-generated logs, produced automatically while using its services. REUTERS

Papua New Guinea declares state of emergency after deadly riots

Papua New Guinea's prime minister declared a 14-day state of emergency in the capital on Thursday, after 15 people were killed in riots as crowds looted and burned shops. Violence erupted in Port Moresby on Wednesday evening after a group of soldiers, police officers and prison guards launched protests over unexplained deductions to their pay. Within hours the unrest had also spread to the city of Lae, about 300 kilometres to the north of the capital. At least 15 people were killed in the unrest in Port Moresby and Lae, said Police Commissioner David Manning. AFP

US inflation edges up, fuelled by energy, housing prices

AFP

Higher energy and housing prices boosted overall US inflation in December, a sign that the Federal Reserve's drive to slow inflation to its 2% target will likely remain a bumpy one. Thursday's report from the labor department showed that overall prices rose 0.3% from November and 3.4% from 12 months earlier. Those gains exceeded the previous 0.1% monthly rise and the 3.1% annual inflation in November. The December figures were slightly above economists' forecasts. More than half the increase in prices from November to December reflected higher housing costs. Energy costs, led by electricity and gasoline, along with food prices, also contributed to inflation. AP

Argentina to surpass Venezuela with 200% inflation crisis

Argentina's spiraling inflation crisis has put the nation on a path to surpass Venezuela as the country with the fastest price increases in Latin America. As President Javier Milei braces Argentines for tough austerity measures seeking to correct years of unsustainable populist policies, prices are soaring after his government's 54% peso devaluation. While estimates vary, almost all economists in Buenos Aires expect annual inflation to surge past 200% in December. Official figures were due Thursday afternoon. BLOOMBERG

Israel faces genocide charge at World Court

First residents, meanwhile, return to scenes of devastation in north Gaza

Reuters
feedback@livemint.com
GAZA/THE HAGUE

Some developing states, including heavyweight Brazil, have backed South Africa. REUTERS

Israel faced down accusations at the World Court on Thursday of genocide in its war in Gaza, as the first residents returned to scenes of total devastation in northern areas where Israeli forces have begun withdrawing this week.

Three months of Israeli bombardment has laid much of the narrow coastal enclave to waste, killing more than 23,000 people and driving nearly the entire population of 2.3 million Palestinians from their homes. An Israeli blockade has sharply restricted supplies of food, fuel and medicine, creating what the United Nations (UN) describes as a humanitarian catastrophe.

Israel says its only means to defend itself is by eradicating Hamas, the Islamist group that rules Gaza, whose fighters sworn to Israel's destruction stormed through Israeli communities on 7 October, killing 1,200 people and capturing 240 hostages. Israel blames Hamas for all harm to civilians for operating among them, which the fighters deny.

The case, brought by South Africa at the International Court of Justice (ICJ) in the Hague, accuses Israel of violating the 1948 genocide convention, enacted in the wake of the mass murder of Jews in the Holocaust, which mandates all countries to ensure such crimes are never repeated.

Israeli government spokesperson Eylon Levy compared the lawsuit to a centuries-old antisemitic conspiracy theory falsely accusing Jews of killing babies for rituals: "The State of Israel will appear before the International Court of Justice to dispel South Africa's absurd blood libel, as Pretoria gives political and legal cover to the Hamas rapist regime."

The preliminary hearings this week will consider whether the court should order Israel to stop fighting while it investigates the full merits of the case.

South African President Cyril Ramaphosa said his country was driven to bring the case by "the ongoing slaughter of the people of Gaza", and motivated by South Africa's own apartheid history.

"Israel has a genocidal intent against the Palestinians in Gaza," Tembeka Ngcukaitobi, advocate of the High Court of South Africa, told the court in the Hague. "The intent to destroy Gaza has been nurtured at the highest level of state."

The case reveals stark international polarization. Several Western countries joined Washington in calling genocide accusations against Israel unjustified, not least given the ruthlessness of the Hamas attacks that precipitated the war.

"In fact, it is those who are violently attacking Israel who continue to openly call for the annihilation of Israel and the mass murder of Jews," said US state department spokesperson Matt Miller.

Some developing states, including heavyweight Brazil, backed South Africa.

Hamas official Sami Abu Zuhri told *Reuters*: "We urge the court to reject all pressure and take a decision to criminalise the Israeli occupation and stop the aggression on Gaza."

Since the New Year, Israel has announced a new phase in the war, to begin drawing down forces in the northern half of the Gaza Strip where its offensive began. Even so, fighting has only intensified in southern areas.

Several Western countries joined Washington in calling the accusations against Israel unjustified

While Washington has backed Israel's military campaign as justified by its right to self-defence, it has also called on its ally to scale the war back, do more to protect civilians, and maintain the hope of a future independent Palestinian state.

This week, US secretary of state Antony Blinken visited the region, meeting Israeli and Palestinian officials and leaders of neighbouring Arab States, defending Israel's campaign to eradicate Hamas but pushing for it to work with the Palestinian Authority, which recognizes Israel.

Iranian navy seizes oil tanker once at centre of US crisis

AP
feedback@livemint.com
DUBAI, UNITED ARAB EMIRATES

The tanker was loading crude oil bound for Turkey. REUTERS

Iran's navy seized an oil tanker on Thursday in the Gulf of Oman that once was at the centre of a major crisis between Tehran and Washington, officials said, a seizure that further escalates tensions in the Mideast waterways.

The vessel was once known as the *Suez Rajan* and had been involved in a yearlong dispute that ultimately saw the US justice department seize 1 million barrels of Iranian crude oil on it.

The seizure also comes after weeks of attacks by Yemen's Iranian-backed Houthi rebels on shipping in the Red Sea, including their largest barrage ever of drones and missiles launched late Tuesday. That has raised the risk of possible retaliatory strikes by US-led forces now patrolling the vital waterway, especially after a United Nations Security Council vote on Wednesday condemning the Houthis and as American and British officials warned of potential consequences over the attacks.

Iran's state-run *IRNA* news agency acknowledged the seizure in a brief report late Thursday afternoon, hours after armed men boarded it. *IRNA* said the seizure came as the result of a court order, without elaborating.

The British military's United Kingdom maritime trade operations, which provides warnings to sailors in the Middle East, said Thursday's seizure began early in the morning, in the waters between Oman and Iran in an area transited by ships coming in and out of the Strait of Hormuz, the narrow mouth of the Persian Gulf through which a fifth of all oil traded passes.

The vessel had been involved in a yearlong dispute that led US justice department to seize 1 mn barrels of Iranian crude

The UK military-run group described receiving a report from the ship's security manager of hearing "unknown voices over the phone" alongside with the ship's captain. It said that further efforts to contact the ship had failed and that the men who boarded the vessel wore "black military-style uniforms with black masks."

The private security firm Ambrey said that "four to five armed persons" boarded the ship, which it identified as the oil tanker St Nikolas. It said that the men had covered the surveillance cameras as they boarded.

The tanker had been off the city of Basra, Iraq, loading crude oil bound for Aliaga, Turkey, for the Turkish refinery firm Tupras. Satellite-tracking data analyzed by *The Associated Press* last showed the Marshall Islands-flagged tanker had turned and headed toward the port of Bandar-e Jask in Iran.

China tells US to 'refrain from intervening' in Taiwan election

AFP
feedback@livemint.com
BEIJING

Mao Ning, a spokesperson for China's foreign ministry. REUTERS

China on Thursday called on the US to "refrain from intervening" in self-ruled Taiwan's elections, slamming official visits between the island and the US after Washington said it would send a delegation there following this week's polls.

Washington must "refrain from intervening in the elections in the Taiwan region in any form, so as to avoid causing serious damage to China-US relations", foreign ministry spokesperson Mao Ning said.

"China always firmly opposes any form of official exchanges between the US and Taiwan," she added, following Washington's announcing plans to send an "unofficial" delegation to Taiwan after a crucial election on the self-ruled island.

"There is only one China in the world, and Taiwan is an inalienable part of China," she added.

Mao also condemned a US warning to Beijing against stoking tensions over the polls.

China "expresses strong dissatisfaction and resolute opposition to the American side's brazen chattering about the elections in the Taiwan region," she said.

"Taiwan is the core of China's core interests and is the number one red line that must not be transgressed in the China-US relationship," Mao stressed.

The move by Washington comes amid rising tensions over Saturday's election, with Beijing pledging earlier that it would "never compromise" on its vow to one day seize Taiwan.

"We intend to send an unofficial delegation after the Taiwan election," a senior Biden administration official speaking on condition of anonymity told reporters in a call.

Beijing reacted furiously to a visit to Taiwan in 2022 by then US House speaker Nancy Pelosi, severing military communications with Washington.

China claims Taiwan, which holds presidential and parliamentary elections on Saturday, as part of its territory and has vowed to seize the island democracy one day.

China, Maldives upgrade ties

AFP
feedback@livemint.com
BEIJING

Maldives President Mohamed Muizzu. PTI

China on Thursday pledged to extend funding for infrastructure in the Maldives, after it upgraded ties with the Indian Ocean archipelago.

With Beijing and New Delhi tussling for influence, Maldives President Mohamed Muizzu was elected in September after pledging to cultivate "strong ties" with China and eject Indian troops.

Muizzu embarked this week on his first state visit to China—the Maldives' largest external creditor—and on Thursday, the two sides issued a joint communique detailing the "broad consensus" reached by their leaders.

China vowed to "continue to provide support within its capacity to the Maldives side in areas of priority concern", the statement published on state broadcaster *CCTV* said.

That included "infrastructure construction, medical care and health care, improvement of people's livelihoods, new energy sources, agriculture and marine environmental protection", it said.

The communique followed a meeting on Wednesday with President Xi Jinping at which Beijing announced the "elevation of bilateral ties".

Muizzu's party was an eager recipient of funds from the Belt and Road infrastructure programme, a central pillar of Xi's bid to expand China's influence overseas. His mentor, former president Abdulla Yameen, borrowed heavily from Beijing for construction projects, and spurned India.

Google ends cloud switching fees, pressuring Amazon and Microsoft

Bloomberg
feedback@livemint.com

The cost of switching between cloud computing providers has long drawn complaints, with the services derided as "roach motels" that let businesses check in but not out.

Now Alphabet Inc.'s Google is taking steps to change that. Effective immediately, the company is eliminating fees levied on customers who want to leave its cloud for a rival service—a policy shift that may pressure competitors Amazon.com Inc. and Microsoft Corp. to do the same.

The move follows intensifying scrutiny of cloud services by regulators and lawmakers around the world. UK antitrust authorities launched a probe that is looking at such penalties, and the fees emerged as a key issue when the US Federal Trade Commission asked for public comments on a variety of cloud concerns.

Google vice-president Amit Zavery, who helps oversee the cloud business, said switching fees only represent about 2% of the total costs of migrating to a new provider—and don't deter many clients from moving their data. Things like training and fees paid to the new cloud company are bigger factors, he said. But Google still wanted to respond to the concerns.

The move follows intensifying scrutiny of cloud services by regulators and lawmakers around the world

"We heard from regulators and customers that this is one of the items, and we wanted to take that off the table," he said.

Google wants regulators to focus on what it considers a bigger issue: Microsoft restrictions that make it harder for customers to choose Google Cloud in some cases.. AP

"We want to, of course, encourage other vendors to do the same."

The other reason Google wanted to take this step, Zavery said, is because the company wants regulators to focus on what it considers the bigger issue: Microsoft restrictions that make it harder for customers to choose Google Cloud in some cases. Google, as well as Amazon Web Services and some of their customers, have complained for several years that Microsoft makes it pricier, harder or totally impossible to run flagship Microsoft programs like Windows and Office in rival clouds. Microsoft has previously acknowledged that some of its products are harder or more costly to run on rival clouds but has been working to address complaints. Though it relaxed some restrictions in 2022, the change didn't apply to top competitors Amazon, Google and Alibaba Group Holding Ltd.

The European Union is examining the issue of Microsoft bundling products with its cloud services. And Google has spoken with regulators about its concerns, Zavery said. Amazon, meanwhile, has been one of the main backers of industry groups lobbying policymakers to put pressure on Microsoft.

"We want to make sure our opinion, our point of view, is heard—as well as what we hear from customers," Zavery said.

For now, Google remains at risk of getting locked out of potential business, he said. "By the time anything happens, maybe it might be too late."

Setback in fight over $2.6 billion EU fine

Bloomberg
feedback@livemint.com

Alphabet Inc.'s Google should lose its court fight to topple a €2.4 billion European Union (EU) fine for unfairly favouring its own shopping services, an adviser to the EU's top court said.

Google "was leveraging its dominant position on the market for general search services to favour its own comparison shopping service by favouring the display of its results," Juliane Kokott, an advocate general at the EU's Court of Justice, said in a non-binding opinion on Thursday.

She suggested EU judges dismiss Google's appeal of an earlier court ruling finding the same violations. The EU's top court often follows such advice in its final rulings, which typically come several months afterwards.

EU competition regulators slapped Google with the fine in 2017—a record at the time—for violating antitrust rules by favouring its own shopping service over those of its rivals. The tech firm was forced to change the way it displays shopping search results that might help rivals grab some of the valuable ad space on search pages.

NEWS IN NUMBERS

12.9%
THE ATTRITION rate of IT major Infosys in the December quarter of 2023, down from 14.6% in the previous quarter and from 24.3% in the year-ago quarter.

$17.73 bn
THE VALUE of electronic goods exported from India between April and November 2023, up 23.38% from the same period last year, according to government data.

39.7 mn
THE NUMBER of hours TCS employees spent learning in the current financial year so far to acquire over 3.7 million competencies, according to the company.

₹14.71 tn
INDIA'S NET direct tax collection in the current fiscal so far, up 19% from the same period a year ago, according to the income tax department.

₹400 cr
THE AMOUNT India-Japan Fund is to invest in Mahindra Last Mile Mobility, a subsidiary of Mahindra & Mahindra, valuing the company at ₹6,600 crore.

HOWINDIALIVES.COM

₹13.16 crore penalty for Vi in GST case

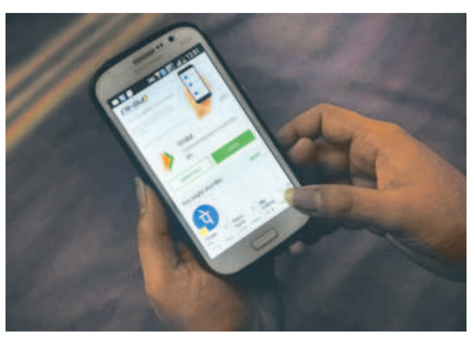
The central goods and services tax (GST) additional commissioner's office in Chandigarh has imposed a ₹13.16 crore penalty on Vodafone Idea (Vi), the company said in a regulatory filing on Thursday.

According to the filing, the order was passed on January 10 against the debt-ridden telecom firm for alleged "wrongful transition of CENVAT (central value added tax) credit to Goods and Services Tax regime".

"Order passed u/s 74 of Central Goods and Services Tax Act, 2017, inter-alia, levying a penalty of Rs 13,16,53,661," Vodafone Idea said in the filing.

The company said the maximum financial impact is to the extent of the tax demand, interest and penalty levied.

"The Company does not agree with the Order and will take appropriate legal action(s) for rectification/ reversal of the same," the telecom major said. **PTI**



With the UPI-PayNow linkage, funds will reach the recipient's bank account within seconds. MINT

Real-time Singapore remittances on UPI

Indians can now receive remittances from Singapore directly into their bank accounts on real-time basis through major UPI and bank apps, like SBI, Axis Bank, and ICICI Bank, the National Payments Corporation of India (NPCI) said on Thursday. This facility can be accessed by users of BHIM, PhonePe, and Paytm apps. Additionally, banks such as Axis Bank, DBS Bank India, ICICI Bank, Indian Bank, Indian Overseas Bank, and State Bank of India provide this functionality through their respective apps.

More Third-Party Application Providers (TPAPs) and bank apps such as Bank of Baroda, Bank of India, Canara Bank, Central Bank of India, Federal Bank, HDFC Bank, IDFC First Bank, IndusInd Bank, Karur Vysya Bank, Kotak Mahindra Bank, Punjab National Bank, South Indian Bank, and UCO Bank are expected to be added to the linkage soon, the NPCI said in a statement. With the UPI-PayNow linkage, funds are transferred in real-time, reaching the recipient's bank account within seconds. The linkage utilizes robust security protocols to ensure safe and reliable transactions. **PTI**

GIFTS FOR THE GODS

A truck carries a 108-ft long incense stick for the consecration ceremony of Ram temple in Ayodhya on Thursday. The incense stick, weighing 3,610 kg,was readied in Gujarat's Vadodara and is among the special gifts being sent for the ceremony that will be held on 22 January. PTI

Govt to sell 'enemy property' shares in 84 companies

In the first tranche, the government is looking to sell about 188,000 shares in 20 cos

PTI
feedback@livemint.com
NEW DELHI

The government on Thursday said it is planning to sell over 291,000 'enemy property' shares in 84 companies to individuals and corporates in tranches as it looks to dispose of assets of individuals who had migrated to Pakistan and China.

In the first tranche, the government is looking to sell about 188,000 shares in 20 companies and has invited bids from 10 categories of buyers, including individuals, non-resident Indians (NRIs), Hindu undivided families, qualified institutional buyers (QIBs), trusts and companies by 8 February, according to a public notice. Assets left behind by people who have taken citizenship of Pakistan and China—mostly between 1947 and 1962—are called 'enemy property'.

The proposed share sale is part of the government's initiative to dispose of "enemy property" in the country. Buyers will have to place bids for shares they wish to buy and any price quoted below the reserve price set by the government will be rejected. The reserve price will be kept confidential from prospective bidders. As many as 291,536 shares of 84 companies are held by the Custodian of Enemy Properties for India (CEPI).

> The sale of such shares is done on the recommendation of a high-level committee which suggests the quantum and price level

In a public notice, the department of investment and public asset management (DIPAM) said interested buyers will be required to submit their bids, indicating the number of shares of companies they intend to bid for and the bid price for the respective shares in a specified form. The government shall fix a reserve price for shares of each of these companies, which shall not be disclosed, it said, adding that price bids submitted at a value lower than the reserve price shall be rejected.

"Shares will be allotted to eligible bidders who have submitted a valid price bid, on a price priority basis subject to the approval of government of India," the DIPAM said.

The procedure and mechanism for disposal of enemy shares, under the custody of CEPI was approved by the Cabinet on 8 November 2018. The sale of such shares is done on the recommendation of a high-level committee which suggests the quantum and price level. The proceeds of sale or disposal of the enemy property are deposited into the consolidated fund of India.

HDFC AMC profit rises 32% in Dec qtr

HDFC Asset Management Company Ltd (HDFC AMC) on Thursday reported a 32% y-o-y jump in profit after tax (PAT) at ₹488 crore for the three months ended December 2023.

The company's total income surged 23% year-on-year to ₹814.17 crore in the October-December quarter of the current fiscal (FY24), from ₹663 crore in the year-ago period.

During the period ended 31 December 2023, the asset management firm paid a final dividend of ₹48 per equity share (face value of ₹5 each) for the year ended 31 March 2023.

For the nine months ended 31 December 2023, the company clocked a profit after tax of ₹1,402 crore and total income of ₹2,312.14 crore.

HDFC AMC is an investment manager for HDFC Mutual Fund, one of the largest mutual funds in the country. **PTI**

The company also expects to export lithium-ion battery cells & modules worth around ₹750 cr. MINT

Maruti Suzuki to start EV exports

Maruti Suzuki India plans to start exporting electric vehicles (EVs) from India this year after launching them in the country, a senior company official said on Thursday.

The company also expects to export lithium-ion battery cells and modules worth around ₹750 crore this fiscal.

"This year itself we will start exports of electric vehicles to countries like Europe and Japan," Maruti Suzuki India Executive Director Rahul Bharti said at the Vibrant Gujarat Global Summit here.

Maruti Suzuki procures the cells and models from the JV and exports them.

On Thursday, Maruti Suzuki had announced an investment of ₹38,200 crore to set up a second plant in Gujarat and add a fourth line at the Suzuki Motor Gujarat plant. **PTI**

Startup IPM to set up 100 fuel outlets

Startup fuel retail firm Indo Petroleum Marketing (IPM) on Thursday said it will set up 100 fuel stations across the country within the next five years while starting its business from Assam.

The Delhi-based company has already generated a net worth of ₹250 crore to roll out its network to sell different types of fuel in the country.

"IPM will set up retail outlets or petrol pumps across the country to undertake fuel sales to the public. In the first phase, we will set up 100 outlets within five years," IPM founder Gyan Prakash Sharma told *PTI* in Guwahati.

He said that the firm is the first Petroleum and Natural Gas Ministry-authorized startup private Oil Marketing Company (OMC) to commence operations on the ground.

"To begin our journey, we will start from Assam. We plan to set up five retail outlets in remote areas within the next two years. The first outlet will come up in Jorhat district", Sharma said. **PTI**

'Monitoring Bhutan-China talks'

Gen. Manoj Pande, India's chief of army staff. AFP

India and Bhutan have common security concerns and the Indian Army is closely monitoring the boundary talks between Thimphu and Beijing, chief of army staff Gen. Manoj Pande said on Thursday.

At a media briefing ahead of Army Day, Gen Pande said India has a unique bilateral relationship with Bhutan based on "utmost trust, goodwill and mutual understanding."

China and Bhutan are looking at an expeditious resolution of their festering boundary row that could have implications for India's security interests.

"This relationship also transcends into the military domain as we have IMTRAT (Indian Military Training Team) right from early 1960s. They are at the centre of our relationship," he said.

Gen. Pande was responding to a question on China and Bhutan making progress in their boundary talks and whether any possible resolution would have security implications for India.

"Bhutan and we share mutual security concerns which both of us are aware of. The ongoing talks on the boundary which you alluded to, we are closely monitoring," he said. **PTI**

Maharashtra body had decided to halt booking & billing of Taj Mahal tea to oppose the move. MINT

Distributors ask HUL to review margin

Distributors of fast-moving consumer goods are asking Hindustan Unilever Ltd to review the new margin structure rolled out by the company while simultaneously halting the distribution of its Taj Mahal tea in parts of Maharashtra to oppose the move.

In October, HUL rolled out a revised margin structure in over 100 cities—this included a 60-100 bps reduction in fixed margins for distributors from 3.9% to 3.3%, while increasing the variable margin by 1% to 1.3%.

"The basic margin for distributors should be a minimum of 5%," All India Consumer Products Distributors Federation, an industry body representing distributors of fast-moving consumer goods, said in a statement.

Late in December, AICPDF had raised concerns over Hindustan Unilever's move to reduce distributor margins amid "challenging times and sluggish volume growth". FMCG companies typically offer fixed margins of between 4% and 6% to distributors. Starting 11 January, Maharashtra Consumer Products Distributors Federation has decided to halt booking and billing of Taj Mahal tea to oppose the move. **SUNEERA TANDON**

Tata Starbucks reports loss in FY23

Tata Starbucks has reported a net loss of ₹24.97 crore from its operations in India for the financial year ended 31 March 2023, according to financial data accessed through business intelligence platform Tofler.

However, its revenue from operations was at ₹1,086.89 crore for the said period, up 70% helped by the addition of more cafes and expansion of the network in more cities in India.

In India, Starbucks cafes are operated by Tata Starbucks Pvt. Ltd.

It is a 50:50 Joint Venture between Tata Consumer Product Ltd (TCPL) and Emerald City CV, a wholly-owned entity of Starbucks Corporation, USA.

Tata Starbucks had reported a net loss of ₹94.84 crore in FY22 and its revenue from operations was at ₹636.11 crore. **PTI**

Toyoto to launch fast-charging EVs

Japan's Toyota Motor is set to launch in a couple of years vehicles with solid-state batteries that charge faster and last longer, a top official from its Indian unit said on Thursday. Solid-state batteries promise to dramatically improve the driving range of electric vehicles (EVs), a key element of a strategic pivot Toyota unveiled in June to make up for ground lost to Tesla and Chinese rivals, such as BYD, in the EV race.

Last year, Toyota and oil refiner Idemitsu Kosan said they would tie up to develop and mass produce all-solid-state batteries, which they aim to commercialize in 2027 and 2028, followed by full-scale mass production. "We are rolling out an electric vehicle with solid state batteries in a couple of years from now," Vikram Gulati, country head of Toyota Kirloskar Motor, said at an investment summit in the western state of Gujarat. "The solid-state batteries can be charged in 10 minutes and have a range of 1,200 km." **REUTERS**

Record 6.5 mn food orders placed online on New Year's Eve

Indians placed a record 6.5 million food-delivery orders online on New Year's Eve 2023, 18% more than last year, according to data released on Thursday by Redseer Strategy Consultants. "New Year's Eve 2023 (NYE23) proved to be eventful for India's food-delivery platforms as gross orders during the day was a record 6.5 million, or 18% higher in comparison to NYE22. NYE22 itself was massive, seeing 5.5 million orders placed compared to 5 million in NYE21," Redseer said. The trend was broad-based, according to Redseer's big-data analysis on consumer behaviour, with metros, tier-1 cities and others reporting similar growth in order volumes on 31 December.

Food-delivery firms Swiggy and Zomato had teams dedicated to handling the high volume of orders. Zomato said orders on its app on New Year's Eve 2023 touched an all-time high.

"The company has fulfilled nearly as many orders on New Year's Eve 2023 alone as the combined total of orders from New Year's Eves 2015 through 2020," the company said on 1 January. **SUNEERA TANDON**

Food-delivery firms Swiggy and Zomato had teams dedicated to handling the high volume of orders. MINT

PHILANTHROPY IN ASIA GETS MORE PROFESSIONAL

But that is not making it more like giving in the West


Left: Nandan Nilekani, co-founder of Infosys, believes the desire of big Asian donors to work with, not against, the state will continue to be a crucial part of Asian philanthropy. Right: Nikhil Kamath, co-founder of Zerodha, has committed $100 million to Bangalore-based Rainmatter Foundation, which focuses on climate change.
MINT

The Economist

Within global philanthropy, the spotlight generally falls on the wealthy West. It is tycoons from the rich world who are lauded for giving away vast sums. The most talked-about trends in giving are set in America, in particular. But with rapid economic growth, a new generation of wealthy donors is emerging in the developing world, too, and nowhere more so than in Asia.

Philanthropy in Asia is very different from its Western counterpart. As in all societies, there is an age-old culture of generosity across the region. Most research into philanthropy defines it as formal financial gifts to registered charities and, by that definition, America is the most generous nation on Earth. But a lot of philanthropy in Asia, and the rest of the developing world, is informal. The Charities Aid Foundation, a British group, runs surveys to find the world's most generous countries. It measures a combination of whether people donate money (in whatever quantity), spend time volunteering with organisations and lend strangers a helping hand. By that broader definition of giving, Indonesia is the world's most generous country. Myanmar is in the top ten, too (as are several African countries and the United States).

Such small-scale, informal generosity continues to provide vital assistance within poor communities across the region. But an economic boom has now created a new class of super-rich. There are 896 billionaires in Asia, more than any other part of the world (America has 746), with a combined $3.4 trillion in assets. They have started to give in a much more formal way, and a younger generation is starting to shake things up, too.

PLAYING CATCH-UP

A more strategic sort of giving, involving philanthropy professionals, a long-term lens and big ambitions of transforming society is gradually emerging. It differs, of course, between countries. Giving in India and much of South-East Asia, where there is a vibrant civil society, is different from China, where a communist state has long been expected to solve social ills and has left little room for independent philanthropy.

By any measure, however, organised philanthropy across Asia is on a much smaller scale than in the West. There are no comparable data on different countries. But one report by Bain & Company, a consultancy, and Dasra, a Mumbai-based NGO, estimates total private giving in India came to about $13 billion in the 2022 financial year. Researchers at the Chinese Academy of Social Sciences put total giving in China at about $21 billion in 2020. By contrast, in America, researchers at Indiana University estimate that, even after a post-covid decline, total giving came to almost $500 billion in 2022.

In Asia the lines between doing business, contributing through one's company to social causes and donating in a personal capacity are blurred. Where tycoons set up foundations, they often put a friend or relative at the helm. A general mistrust of non-profit groups—made worse by a string of high-profile scandals and poor marketing by cash-strapped charities—means donors prefer to execute projects themselves. The little grant-making that happens often involves gifts to non-profit groups that friends and business contacts recommend, and usually takes place within the local community.

Asian philanthropy is "too slow and too safe"—Laurence Lien

Beyond the regional financial hubs of Hong Kong and Singapore, which are fairly well-off societies with vast diaspora communities, Asian donors do not do much international philanthropy. Recent research, funded in part by the Gates Foundation, suggests that the percentage of total giving that is cross-border remains in single digits even in developed Asian markets, like Japan and South Korea. In India and China it is negligible. In the West, by contrast, many donate to the needy overseas.

> In Asia, the lines between doing business, contributing through one's company to social causes and donating in a personal capacity are blurred.

Whereas many American philanthropists use their giving to hold the government to account, Asian donors often use gifts to curry favour. China is the most extreme example. Research by Harvard University shows that well-known funders give generously to government-affiliated foundations and align their giving with the Communist Party's policies. In the midst of a state crackdown on the technology sector in recent years, Alibaba, an e-commerce group, Tencent, the world's biggest gaming company, and other Chinese tech giants have dedicated billions of dollars to the party's "common prosperity" agenda.

That has led to giving in the region that Laurence Lien, co-founder of Asia Philanthropy Circle, a donors' group, describes as "too slow and too safe". In India, estimates from Bain and Dasra suggest the rich put 55% of their giving into education and health care, which are generally uncontroversial topics. There is a lot of bricks-and-mortar philanthropy, too. Over the years, the Tata family, perhaps India's best-known philanthropists, have built hospitals, universities and vocational training centres. Shiv Nadar, an IT billionaire and India's top donor, has built universities in Chennai and Delhi named after himself.

Now, though, a new generation wants to do things differently. A lot of Asian wealth is new money. A booming technology sector has minted first-generation billionaires. Some of the richest people in India, for example, started IT-services giants, like Infosys and HCL Technologies.

There is also old money in new hands. Atop the rich list in Indonesia, Thailand and Philippines are siblings—the Hartono, Chearavanont and Sy families, respectively—who have inherited sprawling conglomerates and are likely to pass them on to their children. Many in that younger generation have worked or studied abroad. They are returning home with new ideas about giving and an interest in causes, like women's rights and climate change, that their parents neglected.

Maryanna Abdo at the Centre for Evidence and Implementation, a research outfit with offices in Singapore, describes it as a move away from charity, a reactive sort of giving focused on meeting short-term need, and towards philanthropy, a more proactive giving that tries to find solutions to underlying problems. The new generation is up for giving more and hiring professionals who know about philanthropy to help them. One-off handouts to the needy on the doorstep are out. Strategic giving is in.

Donors are upping the pressure on each other to give more. In India, Nithin and Nikhil Kamath, two brothers behind Zerodha, a financial-services group, have committed $100 million to their Bangalore-based Rainmatter Foundation, which focuses on climate change. They have joined the Young India Philanthropic Pledge, which calls on Indians under 45 with a net worth of over ₹10 billion ($120 million) to commit to giving away a quarter of their wealth.

Governments are doing their part to encourage giving, too. In Singapore, a financial hub where many well-off Asians store their wealth, the government has used a series of tax incentives to promote the city-state as a centre for philanthropy. In India, big companies are legally required to spend at least 2% of after-tax profits on corporate social responsibility (CSR).

A lot of that spending is unambitious; car manufacturers giving to road safety and it-services groups paying for digital-literacy programmes. But just last year, CSR was responsible for ₹262 billion from 20,800 companies being channelled into worthy causes of all kinds, a small but growing sum.

ASIAN FUSION

A formal giving industry is gradually emerging. There are a handful of conferences on Asian philanthropy, and various annual reports that pick apart trends in the region. Funders' groups, like the Asia Philanthropy Circle and AVPN, bring donors together to discuss their giving and share due diligence on potential recipients.

The Grassroots, Resilience, Ownership and Wellness (grow) Fund, led by EdelGive Foundation, the philanthropic arm of a Mumbai-based financial-services group, is being talked about as a model by donors across the world. It has raised money from big American donors, like the Gates Foundation and the MacArthur Foundation, as well as local funders. And, rather than dishing out sizeable chunks to well-known non-profit groups, it is identifying relatively small grassroots organisations to re-grant to, like the Dehradun-based Latika Roy Foundation, which works with people with developmental and other disabilities, and Nagpur-based Slum Soccer, which uses the beautiful game to keep street children in shape and out of trouble.

None of this is to say that giving in Asia is becoming Westernised. Trends that go in and out of fashion in the West have little influence in Asia. Donors in the region did not adopt the data-driven approach of philanthrocapitalism 20 years ago. The "no-strings" model America's super-rich are experimenting with today is not catching on either. "Asians tend to do their own thing," says Naina Subberwal Batra, head of AVPN.

In a survey of non-profit groups in the region by the Centre for Asian Philanthropy and Society in 2022, a third of respondents reported a decline in unrestricted funding, which has always been uncommon in the region anyway. Only 16% said they can consistently raise money

TURN TO PAGE 11

mint SHORT STORY

WHAT

There are 896 billionaires in Asia, with a combined $3.4 trillion in assets. They have started to give in a much more formal way, and a younger generation is starting to shake things up.

AND

Many in that younger generation have worked or studied abroad. They are returning home with new ideas about giving and an interest in causes, like women's rights and climate change.

NOW

The new generation is up for giving more and hiring professionals who know about philanthropy to help them. One-off handouts to the needy on the doorstep are out. Strategic giving is in.

'No-strings giving' is transforming how the rich give

The Economist

It is certainly difficult to make money. But should money be difficult to give away? In the Gilded Age, industrialists such as Andrew Carnegie and John D. Rockefeller worried about waste and misuse; Carnegie wrote in 1889 that $950 of every $1,000 that went to charity was "unwisely spent". Around the turn of the millennium a new cohort of businessmen-philanthropists such as Bill Gates, the founder of Microsoft, looked to data and rules as a way to stop waste. Donors ran lengthy application processes, provided funds that were ring-fenced for specific uses and enforced painstaking reporting requirements. In 2006, *The Economist* called it "philanthrocapitalism".

Two decades on, however, it has become clear that all this paperwork puts the brakes on giving. The 400 richest Americans have given away just 6% of their combined fortunes, according to Forbes.

At the last count in 2022, almost $1.2trn was sitting in American private foundations and $230bn in donor-advised funds, a sort of savings account for philanthropists. Money is being earmarked for do-goodery. But it is not getting to worthy causes fast enough.

Fortunately, however, a new generation of donors is once again shaking up the world of big philanthropy, as we explore in our Special Report this week. A series of crises, from the covid-19 pandemic to the wars in Ukraine and the Middle East, has led some donors to get money to the needy quickly.

Leading the charge is MacKenzie Scott, who came into a tidy fortune in 2019 after her divorce from Jeff Bezos, the founder of Amazon. She has outsourced the grunt work of philanthropy to advisers, simplified the process of giving and is dishing out billions of dollars a year with few conditions.

This "no-strings giving" is upending megadonors' long-held assumptions. It offers lessons for those struggling to get money out of the door.

One is the recognition that philanthropists do not have to do everything themselves. Megadonors no longer need to endure the hassle of setting up a foundation and hiring staff. One upside of a decades-long trend for businesslike philanthropy is that legions of consultants have emerged to help donors draw up a strategy and conduct due diligence on potential recipients. Donors can team up and share the work, too.

Another lesson from the no-strings crowd is that philanthropists can trust recipients to put money to good use once the proper due diligence is in place. That means analysing a non-profit organisation's annual reports and interviewing its leaders and other funders.

Once the grant has been made, however, donors who ask for regular reports containing specific data presented in a certain format risk slowing projects down. Ms Scott asks some grant-winners to send her a short update every year that includes whatever information they have to hand. Any nonprofit worth funding wants to be sure its work is having the intended effect; it will almost certainly have enough internal data and evaluation to satisfy donors.

Last, megadonors do not have to make all the decisions. Many big-shot philanthropists spend a lot of time and money crafting projects and strategising about how exactly money should be used. Unrestricted donations, by contrast, allow non-profit groups to judge where funds are most needed. That makes sense. The people working on the front lines are likely to have the better ideas on how to solve a problem.

No-strings giving may not be for everyone: there will always be donors who want to roll up their sleeves and get involved. But the new generation of donors shows that money can be spent both quickly and wisely. Philanthropy can be as simple as signing on the dotted line.

Can a high sum-assured Ulip offer better cover, returns?

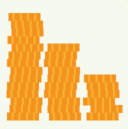
These insurance products return various charges if you stick to the policy for the long-term

Aprajita Sharma
aprajita.sharma@livemint.com

Understanding TULIP (term insurance + Ulip)

Such high sum-assured (SA) Ulips have made their way in the industry in the last couple of years .

Existing high SA plans in the market



- Kotak TULIP
- HDFC Smart Protect
- Tata Smart Sampoorn Raksha
- Bajaj Invest Protect Goal
- Max Smart Flexi Protect Solution
- IPru Protect N Gain

Source: Policybazaar

What is a high sum-assured Ulip?

- **SUM-**assured multiple **100-200x** of annual premium
- **IT** is **10-15x** in normal Ulips
- **HIGH** life cover like a term plan; market-linked returns like a Ulip
- **UNDERWRITING** crieteria is **more relaxed** than in a term plan

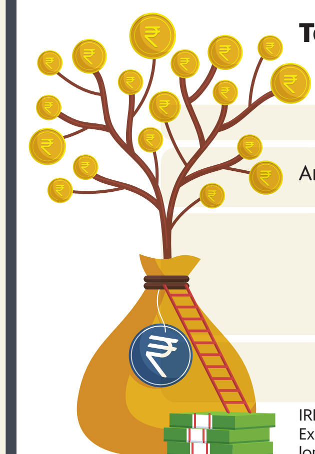
What's the catch?

- Reduction in yield (RIY)
- RIY is the difference between gross and net returns
- Gross return is what the underlying Ulip fund earns
- Net return is what a policyholder earns net of charges
- RIY should not be more than following limits as per Irdai:

Number of years elapsed since inception	Maximum reduction in yield* (in %)
5	**4.00**
6	**3.75**
7	**3.50**
8	**3.30**
9	**3.15**
10	**3.00**
11 and 12	**2.75**
13 and 14	**2.50**
15+	**2.25**

*Difference between gross and net yield in term of percent per annum

Term insurance + Ulip versus term insurane + MF



	Bajaj Invest Protect Goal	Mutual fund	Term plan
Sum-assured	₹1 crore		₹1 crore
Annual premium/investment	₹1 lakh	₹85,000	₹15,000
Maturity value at 8%	₹76.93 lakh	₹92.67 lakh	
IRR	5.87%	7.11%	

IRR is internal rate of return; Policy term 40 years; premium payment term 10 years for a 35-year-old; Expense ratio in MF (Index fund - direct plan) considered at 0.1%; MF returns are net of expense ratio and long-term capital gains tax

Source: GoalTeller

PARAS JAIN/MINT

Most insurance policies that mix life insurance and investment offer neither adequate life cover nor good investment returns. Think Ulips, or unit- linked insurance plans. Financial experts say, consumers are better off buying separate term insurance which has low premiums and also investing in a good mutual fund (MF) simultaneously. Over the past few years though, insurance companies have come up with new plans that provide term insurance cover with a higher sum assured in combination with Ulips that generate market-linked returns. But do these insurance products make the cut?

"Pure term plans exist but we cannot ignore customers asking for the survival benefit. High sum-assured Ulips offer this in the best way possible," says Piyush Trivedi, joint president and head, Alternate Channel & Digital Channel, Kotak Mahindra Life Insurance Co.

The sum assured (SA) multiple in TULIPs could be 100-200 times of the annual premium, depending on the combination of the policyholder's age, policy term and premium payment term). For ULIPs, the returns are generally 10 times of the annual premium.

There are additional benefits if you stick to the policy for the long term. For example, return of mortality charges, return of fund management charges, refund of premium allocation charges, and loyalty additions, among others. "These are fairly new products. Tata AIA Life Insurance (Tata Smart Sampoorn Raksha) was the first one to launch it in 2021," says Vivek Jain, Head of Investments at Policybazaar. Other such plans include HDFC Smart Protect, Bajaj Invest Protect Goal, Max Smart Flexi Protect Solution and ICICI Pru Protect N Gain. Kotak Life Insurance is the latest entrant and launched its TULIP on 20 December.

These plans come with premium flexibility. A 30-year-old or a 35-year-old can both buy a high SA policy at the same premium amount. The maturity benefit will vary as per the combination of age, SA multiple, investment value, and the policy term. While other insurers haven't specified any lower limit in the premium, the Kotak TULIP has fixed it at ₹1 lakh per annum.

"The Ulip premium has two elements—the death benefit and the investment value. Customers can choose their own multiple for the death benefit. The remaining portion gets invested in the underlying fund net of charges. Most plans in the market offer a multiple of 100x of the annual premium. Younger people in our policy can have a multiple of 170x," says Madhu Burugupalli, senior executive vice president and head of products, Bajaj Allianz Life Insurance.

How this new product fares

When it comes to an investment-linked product, financial advisers tell their clients to compare it with a combination of a term plan and an equity mutual fund. The idea is to buy a low premium term plan and invest the premium differential in an equity MFs.

Data from Kotak Life Insurance shows that a 35-year-old paying a premium of ₹1 lakh for 10 years in a 40-year policy term will get ₹70 lakh on maturity, considering investment growth at 8%. The term plan for this person can be bought at a premium of ₹46,138. The premium differential of ₹53,862 can be invested in an equity mutual fund. Assuming an expense ratio of 0.8% and compound annual growth rate of 8%, the mutual fund will accumulate ₹63.84 lakh, Kotak data shows.

"TULIP works better than a MF and term insurance combination (MF+term) for a longer tenure when compared at the same investment value and horizon because of loyalty additions on maturity," says Trivedi of Kotak Life. In the short to medium term, however, MF returns will be better until refund of different charges gets deployed," he says. However, this argument rests on the expense ratio being 0.8%. A Nifty50 direct-growth Index Fund can have an expense ratio of as low as 0.1%.

> Financial experts say, consumers are better off buying separate term insurance which has low premiums

Vivek Banka, founder, GoalTeller, analysed Bajaj Invest Protect Goal, a similar product. If a 30-year-old pays ₹1 lakh annual premium in a 10-year premium payment policy and having a policy term of 40 years, she will receive ₹76.93 lakh on maturity (investment growth assumed at 8%). The internal rate of return (IRR) will come in at 5.87% due to different charges getting deducted from the investment value such as fund management charges, policy administration charges, and premium allocation charges, among others.

Here's the alternative. Consider a term cover at ₹15,000 annual premium for the same policy term and premium payment term, and the premium differential of ₹85,000 each year is invested in a Nifty50 direct-growth index fund for 10 years. No fresh additions will be made in the following years. This will lead to a corpus of ₹92.67 lakh, adjusting for an expense ratio of 0.1% and equity long-term capital gains tax. The IRR will then be 7.11%. "If one chooses a direct-growth plan in a large-cap equity fund, the MF+term combination will yield better returns," says Banka.

Do note that your money gets locked in Ulips in the initial five years. MFs provide better liquidity. While partial withdrawals are allowed in Ulips after 5 years, the fund value will be lower than what you could have accumulated in an equity MF.

The catch in TULIPs

The return of mortality, premium allocation and fund management charges, along with loyalty benefits, should ideally add to the IRR of TULIPs. But that is where the concept of reduction in yield (RIY) comes into play. RIY is the return differential between what the underlying fund of a Ulip earns (insurers assume it at 4% and 8% in benefit illustrations) and what a policyholder receives net of charges. Insurance regulator Irdai has specified that this difference cannot be more than 4% at the end of the fifth policy year, 3% at the end of the tentth policy year and 2.25% at the end of the fifteenth policy year and beyond. Due to various charges, the RIY goes above 3% in most Ulips. It means if the underlying fund earns 8%, net returns for policyholders go below 5%. Insurers refund mortality, premium allocation and other charges to perk up the net return so that they meet the Irdai-specified RIY limit. That said, one should not get lured by these refunds, say experts.

Sumit Ramani, actuary and co-founder, ProtectMeWell.com says the combination of term + MF is any day better than a high SA Ulip from an efficient use of money perspective. However, the underwriting norms are stricter in term plans.

"If you are unable to get a reasonable term cover due to medical conditions, choose a high SA policy that offers you the highest SA multiple. Refunds of different charges shouldn't be the sole driver for making the decision," he says.

Jain of Policybazaar says TULIP could be a replacement for Trop (term with return of premium) because, it being a market-linked product, policyholders can fetch better returns on maturity in the former.

Trop is a type of a term plan in which total premiums that you have paid during the premium payment term get refunded at maturity if you live through the policy period.

"For example, Max Life TROP for a 35-year-old has a premium of ₹30,734 for ₹1 crore coverage. The premium is ₹50,762 for Max Life high SA ULIP policy. The former will fetch just ₹8.5 lakh on maturity, while the latter will get ₹24.6 lakh," he says.

WHAT'S THE FOREX RATE?

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

mint

FOREX RATES (₹/$)

Bank/travel aggregator	Wire transfer*		Buy forex	
	inward	Outward	Forex/travel card	Cash
SBI	82.74	83.59	83.76	84.05
Bank of Baroda	82.70	83.52	83.95	84.35
Canara Bank	82.81	83.54	83.74	NA
IndusInd Bank	81.68	84.68	85.47	85.77
Kotak Bank	81.69	84.60	85.00	85.57
HDFC	81.85	84.47	84.72	85.29
ICICI	81.30	84.71	84.73	86.31
Axis Bank	NA	NA	NA	NA
Yes Bank	81.73	84.62	85.53	85.53
Thomas Cook	81.63	84.52	83.69	84.74

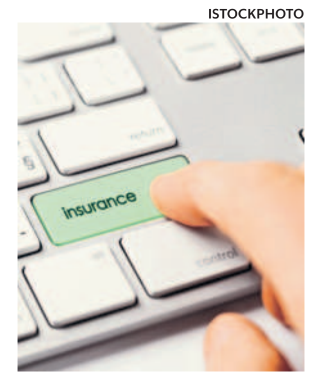
Note: Data collected from website of respective entities as on 10 January 2024; Rate denotes INR/USD; Rates are as mentioned on the website of the bank/FI and it may vary according to different amount slabs; *Telegraphic Transfer (TT) buying and selling rates used.

Compiled by BankBazaar.com

How can I revive my old health policy?

Shashank Chaphekar

ISTOCKPHOTO



ASK MINT
INSURANCE

About seven years back, I had taken a family health insurance floater policy, but did not renew it. Is there any way to tap into its benefits now?

—Name withheld on request

A health insurance policy will lapse if it isn't renewed even after the grace period of 30 days. In case you haven't renewed your existing family floater plan, you will have to purchase a fresh health insurance policy. Many options are available in the market that are customizable to your family and individual needs.

Do note that a fresh health insurance policy comes with initial waiting periods and additional ones in case of any pre-existing disease. Additionally, if the insurer requires, they may suggest one to undergo medical screening depending on the type of policy chosen.

We have a family floater policy. My daughter, who is 23, has been part of it but is getting married next month, Can she continue to be a part of the policy and enjoy all the benefits we have gathered over the last 12 years?

—Name withheld on request

A family floater plan provided by many insurers in the market, covers a dependent child only till the age of 25. Your family can enjoy the benefits gathered over the last 12 years till your daughter attains the age of 25. A unique aspect to consider here would be your daughter getting married. There are two aspects to consider in this situation. If you daughter is financially independent, she can voluntarily exit and port her policy to an independent health insurance policy. On porting, she will be offered the continuity benefit.

The other aspect is to be added into the existing health insurance plan held by the spouse. If both your daughter and her spouse do not have a health insurance policy, they can opt for a family floater health insurance plan that takes care of their changing lifestyle and health needs.

Shashank Chaphekar is chief distribution officer at Manipal-Cigna Health Insurance.

Do you have a personal finance query? Send in your queries at **mintmoney@livemint.com** and get them answered by industry experts.

Philanthropy in Asia is getting more professional

FROM PAGE 10

to invest in their own organisations, rather than to fund specific projects.

Nandan Nilekani, co-founder of Infosys, believes the desire of big Asian donors to work with, not against, the state will continue to be a crucial part of Asian philanthropy. It is the only way to scale up solutions in sprawling, populous countries, he says. His own experience serves to illustrate the point. Ekstep Foundation, a group he co-founded, developed the open-source infrastructure used by the Ministry of Education to promote inclusive learning at schools. It proved invaluable during covid lockdowns. Since stepping down from everyday operations at Infosys, Mr Nilekani worked for a few years as a cabinet-level official helping to digitise the Indian state.

That should not surprise anyone. How a person makes their money shapes how they choose to give it away. Their everyday experiences matter, too. There is less room for philosophising about impact in a region like Asia, where there is still such stark income inequality. The super-rich do not have to look far to find social problems that they can help to solve. And they do not need Westerners to tell them how to do it.

HERE'S HOW YOU CAN AVOID SOME COMMON MONEY MISTAKES IN THE NEW YEAR

POWER POINT

NISREEN MAMAJI

We welcome your views and comments at
mintmoney@livemint.com

While personal finance strategies can vary based on individual circumstances, here are some personal finance mistakes you should try to steer clear of in 2024.

Not making a budget: The most common mistake people make is that they don't closely track their inflows and outflows. Often, this can lead to mismanaged finances. So, establishing a realistic budget that includes all your income, expenses, and savings goals, should be the first key step for your financial plan. You must regularly review and adjust your budget as needed. A good thumb rule is to spend 50% of your income on necessities, 30% on wants and invest 20% of your income.

Overspending: Despite making a budget, it is not uncommon for people to end up spending more than what they can afford. The prevalence of online shopping and easy access to credit has contributed to a culture of overspending and impulse buying. Uncontrolled spending habits can lead to unnecessary debt and put you off track from your financial goals.

In 2024, practice mindful spending. Differentiate between needs and wants. Avoid making impulsive purchases. Before buying something, take time to evaluate its necessity and affordability. Consider implementing a waiting period, such as 24 hours, before making non-essential purchases to avoid impulse buying.

Not planning for rainy day: Aim to have at least 3-6 months' worth of living expenses saved in an easily accessible account. This fund serves as a financial safety net in case of unexpected expenses or job loss. Emergency fund creation should typically be your first financial goal on starting a career.

Retirement plan: You can have the best-paying job, but whatever be your profession, all of us have to face retirement at some point or the other. So, not planning for retirement can be a big mistake. Start saving for retirement as early as possible. Start a retirement plan by investing in mutual funds or pension plans issued by life insurance companies. Start early to allow the power of compounding to work in your favour. Longer term of investment is more important that investing larger amounts since compounding will work wonders for your portfolio.

High-interest debt: Focus on paying off high-interest debt first. Consider creating a debt repayment plan and avoid accumulating new debt. Avoid credit card debt and do not take loans for purchases you can do without.

Delaying investments: Not investing early or delaying your investments can also be a costly mistake. Disciplined investing is the only way one can beat inflation, which keeps eroding one's purchasing power on an annual basis. But you must do your homework or take professional advice when starting your investment journey. Learn about different investment options and create a diversified investment portfolio aligned with your financial goals and risk tolerance. In 2024, educate yourself about different investment options and start investing based on your risk tolerance and goals. Consider a diversified portfolio of stocks, bonds, mutual funds, or exchange-traded funds (ETFs). Financial planning should be undertaken at the beginning of your financial journey and reviewed periodically. Avoid transaction-based investments based on friendly neighbourhood advise or social media chatter.

ISTOCKPHOTO

Not taking insurance: Health inflation is at 14% (more than double of retail inflation), which means healthcare-related costs are doubling every five years. Also, we cannot run away from the fact that life is always uncertain. If an income-earning member suddenly passes away, it can suddenly throw the family's finances in complete disarray. But a good life insurance can come as a source of great relief for the bereaved family. So, regularly review your insurance coverage, including health, life and auto insurance. Make adjustments as needed to ensure that there is adequate protection for you and your family members. For life insurance, yearly renewable term insurance policies are most cost-efficient. Do not overlap your insurance and investment needs. This can be another mistake.

Not seeking professional advice: A personal finance professional that has your best interests in mind will ensure that you don't end up with wrong products, whether it is do with investments or insurance. Each family is unique and will have different problems that need to be addressed. A professional that can offer you personalized solutions can be critical to keep you on track to achieving your financial goals. Consider consulting a professional in 2024 to review your financial situation, establish goals, and create a comprehensive financial plan. They can help you avoid common mistakes and offer strategies to improve your overall financial well-being. Regularly reassess your financial goals with your adviser and adjust your strategies accordingly.

Nisreen Mamaji is a certified financial and founder of MoneyWorks Financial Services.

GUJARAT TO TRANSFORM INTO 'GLOBAL HUB FOR SEMICONDUCTOR, ELECTRONICS MANUFACTURING' UNDER PM MODI

Union Minister Ashwini Vaishnav says the country's first 'Make in India Chip' will be produced in Gujarat in 2024; CM Bhupendra Patel presents the roadmap for the development of the sector in the state

During the second day of the 10th edition of the Vibrant Gujarat Global Summit (VGGS), Chief Minister Bhupendra Patel expressed confidence in establishing Gujarat as a 'Global Destination for Semiconductor and Electronics Manufacturing' under the visionary leadership of Prime Minister Narendra Modi.

The CM said that India is poised to establish a robust supply chain for semiconductors and electronics globally. Gujarat, in turn, will play a leading role in fulfilling this global need.

He also mentioned that Gujarat stands as a pioneer in the nation by being the first to announce a semiconductor policy.

The pervasive influence of the 'Internet of Things' and 'Artificial Intelligence' in daily life highlights the pivotal role played by semiconductor chips and electronic devices. Recognizing the global demand for a dependable chip supply chain, Gujarat will play a crucial role in this evolving landscape.

Outlining Gujarat's roadmap for this initiative, the CM affirmed the state's commitment to being a frontrunner in emerging global sectors — such as AI, I.T., Biotech, Fintech, Drones and Semiconductors.

Expressing determination to establish a 'Future Ready Gujarat for a Future Ready India', the CM emphasised their dedication to realizing PM Modi's vision of 'AatmaNirbhar Bharat', with a particular focus on emerging sectors like Semiconductor-Electronics.

On this occasion, Union Minister of Electronics and Railways Ashwini Vaishnaw said that the VGGS is a visionary model launched by PM Modi. He highlighted how it has ushered in new technology and industries in Gujarat.

The Union Minister highlighted the significance of the MoU inked during this summit. He asserted that these agreements mark the beginning of Viksit Bharat, with Gujarat having the capability to effectively realize the PM's vision.

Vaishnaw also announced that Gujarat is poised to manufacture the country's first 'Make in India Chip' in 2024.

During the seminar, Sanjay Mehrotra, the CEO of Micron, conveyed his appreciation for the exceptional cooperation from the state government and the Government of India. He stated that India is on the brink of establishing a robust semiconductor supply chain soon.

Memorandum of Understandings (MoUs) were also signed between the Gujarat Government and the Korean company Syntech. Additionally, cooperation agreements were forged between Micron and Nantech, as well as Cisco and Nantech.

The seminar witnessed the presence of distinguished individuals, including Senior Deputy Director Tanaka Kazusinghe, Suman Bery from Niti Aayog, Chief Secretary of the State Raj Kumar, Secretary to the Government of India S. Krishnan, Principal Secretary of the State Mona Khandhar, and other dignitaries.

"It is time for new dreams, new resolutions and continuous accomplishments. The principle of 'One World, One Family, One Future' has now become a prerequisite to global welfare. Global institutions are upbeat about India's economic growth. Structural reforms in the last 10 years have enhanced the economy's capacity, capability, and competitiveness."

Narendra Modi
Prime Minister of India

Gujarat Govt, ONDP sign MoU for establishing a platform to facilitate FinTech facilities

Minister of State for Industries Harsh Sanghavi said that Gujarat is the best destination for investments, ensuring a secure and lucrative environment for investors

The Government of Gujarat and the Open Network for Digital Commerce (ONDP) signed a Memorandum of Understanding (MoU) on Thursday. The agreement aims to create a platform that will enable FinTech services for buyers and sellers in the state.

The MoU was signed in the presence of Harsh Sanghavi, Minister of State for Home and Industry. The signing ceremony took place on the second day of the summit, alongside a seminar titled 'E-Commerce: Business at Fingertips'.

The minister chaired the seminar while the MoU was signed by Chief Business Officer of ONDP Shireesh Joshi and Additional Industries Commissioner in Gujarat Government Kuldeep Arya.

Sanghavi extended a warm welcome to the entrepreneurs and delegates. He attributed the success of Vibrant Gujarat to the visionary leadership of Prime Minister Narendra Modi and the dedicated efforts of the people of Gujarat over the past two decades.

He also referenced a seminar held jointly with the Jammu and Kashmir government, noting that a new era of development has commenced in the state.

Sanghavi also emphasized that the scope of e-commerce extends beyond urban centres, noting that even senior citizens in remote villages are now embracing online shopping. He stressed the importance of contemplating how e-commerce can bring about social change.

"Under the leadership of Chief Minister Bhupendra Patel, concerted efforts are being made to maximise employment opportunities in Gujarat through e-commerce initiatives. The state fosters connections between 'Sakhi Mandals' and small to medium enterprises through projects like Samarth," he stated.

Sanghavi further highlighted that in the 14 tribal-populated districts of the state, handloom and handicraft businesses have been integrated with e-commerce platforms, resulting in the creation of abundant employment opportunities.

The minister pointed out that e-commerce is helping to bring light, especially into the lives of people living in tribal areas and small artisans. He stated that when Indian e-payment currency is prevalent in foreign payment systems, citizens find it easier to do e-commerce business. The Gujarat State Transport Corporation (GSRTC) has implemented the Unified Payments Interface (UPI) payment system in its buses to eliminate the hassle of cash transactions for passengers. As a result, around 3 million passengers have benefited from this facility, which is currently available in 2,000 buses (approx.) and will be made available in other buses soon.

Joshi stated that ONDP currently links 6,000 cities. Various applications provide easy access to all the services, bringing it to one's

Gujarat advancing with the vision of 'Ports for Prosperity and Ports for Progress'

Over the last two decades, VGGS has positioned Gujarat as a pioneer in port development

Chief Minister Bhupendra Patel highlighted the significance of port-led development during the Vibrant Gujarat Global Summit-2024 (VGGS-2024). He emphasised that Prime Minister Narendra Modi's visionary leadership has ushered in a new era of prosperity through ports in India. Gujarat, in line with this vision, has wholeheartedly embraced the mantra of "Ports for Prosperity and Ports for Progress."

The CM highlighted that the VGGS has positioned Gujarat as a leader in port-led development over the past two decades. The state has been established as a role model for port-led city development.

He emphasized that Gujarat, boasting a vast coastline spanning 1,600 km, stands out as the state with the longest coastal stretch in the country. The CM underscored the strategic initiatives undertaken by the state government, under the guidance of PM Modi, will transform Gujarat's coastline into a key gateway for national prosperity. The state is actively involved in the concurrent expansion and enhancement of existing ports, along with the establishment of new port cities and greenfield ports. Gujarat's robust road connectivity and maritime development contribute to its high ranking in the Logistics Ease Across Different States (LEADS) index.

The CM also mentioned about PM Modi's vision of 'Blue Economy', expressing confidence that the discussions at the first Vibrant Summit of 'Amrit Kaal' will boost the 'Blue Economy' of both India, and Gujarat.

Commending the VGGS, which was launched by PM Modi in 2003 during his tenure as the CM of Gujarat, Sarbananda Sonowal, Union Minister of Ports, Shipping and Waterways, emphasised its pivotal role in India's progress. He said that under the able leadership of PM Modi, India is on track to become a global powerhouse, aiming for a $30 trillion economy by 2047, with Gujarat playing a significant part in this remarkable journey.

The Union Minister outlined that increased traffic would drive trade, creating new employment opportunities. He also shed light on the 'Sagarmala project @2035', highlighting the shift towards green ports and the transformation of various ports into hydrogen hubs.

Sonowal mentioned that development projects exceeding INR 4,500 crore are currently in progress for the container terminal at Deendayal Port in Kandla. The setting up of the Green Hydrogen Park and the plan to designate Kandla and Tuticorin ports as green hydrogen hubs is also in the pipeline, he added.

Keith Svendsen, CEO at APM Terminals, lauded the shipping sector's hyper-efficiency and stressed the importance of infrastructure development for port-led city growth. He mentioned that increased shipping and logistics connectivity will help create new job opportunities.

Svendsen prioritized investment in the sector, with a specific focus on the development of port cities and urban planning. He also underscored the pivotal role of skill development for the youth and highlighted the promising future of green hydrogen.

H.E. Marisa Gerards, Ambassador of the Netherlands to India, Bhutan, and Nepal described the Netherlands and India-Gujarat as natural partners and highlighted the role of their vast coastlines in bilateral development. She noted the importance of direct investment in the maritime sector, expecting it to boost industrial activity and create employment opportunities. The Netherlands has signed an MoU in this direction with India and expressed willingness for further collaboration.

CM BHUPENDRA PATEL HOLDS BILATERAL TALKS WITH DR THANI BIN AHMED AL ZEYOUDI, MINISTER OF FOREIGN TRADE OF UAE

The CM expresses interest in advancing collaboration on green hydrogen technology and desalination plants between the UAE and Gujarat

Chief Minister Bhupendra Patel held a meeting with Dr Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade, United Arab Emirates (UAE) during the Vibrant Gujarat Global Summit-2024 (VGGS-2024), to discuss collaboration between Gujarat and the UAE.

The meeting aimed at strengthening the bond of friendship and fostering deeper bilateral relations between Gujarat and the UAE, not only economically but also through multifaceted discussions.

During the meeting, the CM expressed interest in advancing collaboration on green hydrogen technology and desalination plants between the UAE and Gujarat.

The CM remarked that Prime Minister Narendra Modi, through the VGGS, has provided a significant opportunity for overall development, realising the vision of "Ek Bharat Shreshtha Bharat".

During the meeting, the CM emphasised that in addition to existing projects such as Gift City, Dholera Sir, and the Diamond Bourse in Gujarat, there exists considerable potential for substantive collaborations in sectors such as renewable energy and green hydrogen.

The CM also highlighted the substantial opportunities available for the UAE companies in key sectors — such as railways, roads, ports, and shipping. Deliberations regarding potential collaborations in Gift City were also held.

Thani bin Ahmed Al Zeyoudi mentioned that the UAE has been a partner country at the Vibrant Gujarat Global Investor Summit since 2017, and the potential for UAE investors to invest in Gujarat is growing exponentially.

The UAE industry investors were welcomed and encouraged to join hands in collaborative development efforts, fostering a platform for shared growth and progress.

The business delegation members, accompanying the UAE Minister, praised the proactive approach of the state government for supporting their industries in Gujarat.

The CM also invited the Minister of Foreign Trade of the UAE for an extended visit to Gujarat, expressing the hope that they would explore opportunities within the state's tourism sector.

In a reciprocal gesture, the UAE minister invited CM Patel to visit the UAE.

Union Minister Nitin Gadkari Encourages Advancements In Electric Vehicle Sector

CM Bhupendra Patel says that Gujarat is building robust EV Charging Infrastructure to attract investors

During the 10th edition of the Vibrant Gujarat Global Summit (VGGS), Chief Minister Bhupendra Patel addressed industry leaders and stakeholders in the electric vehicle sector, including entrepreneurs and innovators, at the 'Electric Vehicle Manufacturing - Charging Ahead to 2047' Seminar.

In his address, the CM said, "The Gujarat government is proactively working to attract investors for electric vehicle manufacturing by encouraging research and development."

He also added that the Government of Gujarat is also ensuring a robust infrastructure of charging and maintenance to facilitate the growth of the electric vehicle sector. The state government has provided a seamless platform for the establishment of production units in special investment regions — such as Mandal-Becharaji and Dholera.

The CM highlighted that the state government has designed an Electric Vehicle (EV) policy to create a favourable ecosystem for people to adopt electric vehicles and to promote the overall development of the industry.

Union Transport Minister Nitin Gadkari also shared his thoughts on how India can progress in the EV ecosystem and overcome challenges to become a global leader in the evolving EV ecosystem.

In his address, Gadkari mentioned, "Around 40% of carbon emissions in the country comes from the transportation sector. Importing fuel incurs costs and other problems such as pollution. Therefore, reducing imports and focusing on cost-effective and import-substitute technologies will contribute to our economic well-being and address issues arising from pollution."

The Union Minister emphasized on how EV manufacturing and associated businesses can offer India a new alternative. "A few years ago, India was in the seventh position in the automobile sector. After the transformative changes under the leadership of PM Narendra Modi, we have now surpassed Japan and secured the third position globally. The development of this sector is crucial, and its future looks very promising," he said.

"In our country, the EV industry is a 12.5 lakh crore industry, with exports worth 4 lakh crores. By the year 2030, India's EV market is expected to reach 1 crore sales annually, creating employment for around 5 crore people, which is a significant boost to job creation," Gadkari added.

Union Minister of Heavy Industries Mahendra Nath Pandey stated that India has made significant strides in the electric vehicles (EV) sector in recent years. He pointed out that Gujarat witnessed a remarkable increase in EV sales in the last two years, indicating the substantial potential for growth in the electric vehicle sector in India.

Gujarat's Transport Minister Harsh Sanghavi mentioned that Gujarat has become the growth engine of the country and assured all stakeholders that the returns on investments in the state would be the highest, providing a safe environment for businesses. He appreciated the entrepreneurs who chose to invest in Gujarat in the last 20 years, highlighting their success and their role as brand ambassadors for the state.

Gujarat's Minister of Industry Balvantsinh Rajput emphasized the need for the development of industries for the overall progress of Gujarat and India. He appealed to the entrepreneurs to work together to strengthen the economy of Gujarat, which, in turn, contributes to the country's development.

PM Narendra Modi Invites Industrialists to Invest in GIFT City

CEOs and Chairpersons of 26 global companies shared their perspectives on transforming India into a Fintech hub during the forum

As part of the Vibrant Gujarat Global Summit-2024 (VGGS-2024), Prime Minister Narendra Modi participated in the 'Global Fintech Leadership Forum' held at GIFT City on January 10.

The forum saw the participation of the Chairman and CEOs of 26 prominent Fintech companies worldwide, including Mukesh Ambani, Sanjay Mehrotra and Lakshmi Mittal.

The PM received recommendations from leaders of fintech companies to elevate GIFT City to an international standard and position India as a leading fintech country.

Addressing the gathering, PM Modi highlighted the significance of bringing together top industrialists in finance and technology to explore innovative solutions for the digital economy. He said that it is interesting to see how fintech will have a transformative impact on our world, and extended an invitation to industrialists to invest in GIFT City, aligning with the vision of making India a global leader in the financial sector.

Finance Minister Nirmala Sitharaman shared the summary of the suggestions from all business leaders and affirmed her dedication to actualising the PM's vision of establishing India as a Fintech hub.

Hasmukh Adhia, Chief Advisor to the Chief Minister and Chairman of GIFT City, expressed gratitude to PM Modi and the Finance Minister for their ongoing commitment to the development of GIFT City. He provided insight into the purpose behind organising the Global FinTech Leadership Forum. The forum was moderated by renowned businessman Uday Kotak.

Gujarat is poised to lead the country towards a sustainable future: Bhupendra Patel

The Gujarat CM said that the state aims to boost the generation of renewable energy, reduce the dependence on fossil fuels and transition towards a gas-centric economic model

Chief Minister Bhupendra Patel participated in the seminar "Renewable Energy – Pathway to a Sustainable Future" on the second day of the Vibrant Gujarat Global Summit-2024 (VGGS).

The CM highlighted Prime Minister Narendra Modi's visionary approach, citing the establishment of Asia's first solar park in the desert region of Charanka in Gujarat at a time when solar energy was still a nascent topic in the country.

He also expressed that Gujarat has successfully realised PM Modis's objective of achieving energy self-sufficiency through solar and non-conventional energy, by reducing dependence on fossil fuel-based power generation over the past two decades.

Providing an overview of Gujarat's achievements in the renewable energy sector, the CM highlighted that the state, driven by the vision of PM Modi, has positioned itself as a frontrunner in renewable energy at the national level. Gujarat's contribution to the country's overall renewable energy capacity stands at 16%. With an installed capacity of 11 GW in wind energy, Gujarat leads the nation in this sector, and it also holds the top position in solar rooftop installations across the country.

The CM also informed about Gujarat's renewable policy, highlighting the recent introduction of a new incentive-based policy to encourage greater investments in the renewable energy sector. Emphasizing the state's proactiveness, business-friendly policies, and conducive landscape for renewable energy, he declared Gujarat as the best destination for investment in this sector.

Talking about significance of 'Urja AatmaNirbharta' (Self-reliance in Energy) in realizing the vision of 'Viksit Bharat@2047', the CM advocated for achieving this goal through amplified production of renewable energy.

Minister of Energy Kanubhai Desai affirmed Gujarat's dedication to excelling in the renewable energy sector. The Gujarat Government is actively working towards establishing the state as a hub for renewable energy, aiming for global recognition. In the face of global warming, Gujarat is aligning with PM Modi's vision to reduce carbon emissions.

Union Minister of State for Renewable Energy Bhagwant Ghuba praised Gujarat's progress in the renewable energy field, noting that PM Modi's commitment to carbon emission reduction is materializing. He expressed confidence that India will successfully achieve the target of 300 GW in the renewable energy sector by 2030.

Gujarat advances towards renewable energy

During the seminar, held on Thursday, many Memorandum of Understandings (MoUs) have been executed to generate over 40,000 megawatts of power in the solar and wind energy sectors, involving an investment exceeding 1.50 lakh crore.

- **Signing an MoU with the Solar Energy Corporation of India (SECI) for a 500 MW solar thermal power project in Kutch.**
- **Entering into an MoU with SECI for a 700 MW solar PV project in Banaskantha.**
- **Agreement with Tata Power for Renewable Energy Projects in Dholera, Khawda, and Banaskantha, involving the setup of a 10,000 MW plant for Rs 70,000 crore.**
- **Inking a Rs35,000 crore MoU for a 6,000 MW plant at Jam Khambhaliya, Khawda Bhuj, Banaskantha.**
- **Collaborating with the Gujarat State Electricity Corporation Ltd (GSECL) for the establishment of renewable energy parks totalling 6,675 MW at various locations in the state, with a financial commitment of Rs20,080 crores.**
- **Forming a Greenfield development partnership with Solar Direct Energy India for 2.5 GW renewable energy and the establishment of a 400 MW solar park in the state, involving an investment of Rs17,200 crore.**
- **Signing an MoU with Opera Energy for setting up 500 MW parks at various locations in the state, with a financial commitment of Rs5,000 crore.**
- **Inking MoUs worth Rs3,800 crore for a 2.8 GW plant in Dholera.**

900 Patents Granted due to Liberal Startup Policy in Gujarat

The Industrial Policy announced at the 7th Vibrant Summit, in 2015, will be implemented for the next 20 years

Industries Minister Balvantsinh Rajput attended a seminar titled "Startups: Unlocking the Infinite Potential" that focused on the growth prospects of industries in Gujarat.

The minister highlighted that Gujarat boasts over 4,000 women entrepreneurs, with a remarkable 900 patents already granted as a result of the state's liberal startup policy.

Furthermore, the Industrial Policy announced during the seventh Vibrant Summit in 2015 will be put into effect for the next 20 years. Gujarat has consistently upheld its status as a frontrunner in industrial investment since 2017.

Rajesh Kumar Singh, Secretary of the Department of Commerce and Industry, Government of India, discussed the impact of startups, noting that they have generated employment for over 25,000 people, including more than 15,000 women.

Avinash Punekar, CEO, iCreate, highlighted the evolution of startups, noting that in the late 1990s, the country had only a handful of startups. However, in recent years, there has been a significant increase, positioning India as the third-largest ecosystem hub globally. Gujarat led the way by implementing the country's first startup policy, consistently supporting startups for the past three years, earning a prominent position in the Global Innovation Index.

CEO of i-Hub Hiranmay Mahanta said that the Gujarat Government's startup policy is proving to be effective in accelerating startups. New jobs are being created in every sector due to these startups.

OUR VIEW

PTI

Develop Lakshadweep but protect its ecology

Its potential for tourism has got much of India talking, but it's vital that its exploitation is an eco-friendly project right from the start. Maldives offers us an example of what not to do

Ill-advised comments by Maldivian ministers against India sparked a diplomatic row, led to their ejection from authority in Maldives and set off social media calls here to develop Lakshadweep, a Union territory off the coast of Kerala, as an alternative tourist destination. While they hold parallel appeal as holiday isles with white-sand beaches amid dreamscape waters, replicating Maldives' model of high-end resort exclusivity may not be possible at that scale, given Lakshadweep's smaller size, even if new infrastructure can support an enlarged influx of tourists. Still, a push for a tourism leap is underway that appears to have stoked much anticipation among Indian holidayers, especially Instagram influencers of holiday picks. During Prime Minister Narendra Modi's recent visit there, a clutch of developmental projects were announced. A new airport that can serve military purposes and handle civilian flights is being planned, even as a buzz has arisen over corporate interest in setting up five-star resorts on these islands. Although some of the enthusiasm visible on social media to visit Lakshadweep may be premature at this stage, its tourism-capacity expansion seems all but inevitable after Modi's call for Indians to include it in their must-visit list.

Demand that heavily outstrips supply usually finds expression in inflated prices. Since Lakshadweep is an archipelago of 36 isles—only 10 of which are inhabited—with an area of just 32-sq-km, a key constraint even if we invest in land reclamation, market logic suggests it can serve only travellers at the top of our socio-economic pyramid. At first glance, its emergence as an exclusive spot may seem a tad unfair. But then, we cannot afford to go cheap anyway if we expect to save its ecology from the ruin that an ineptly planned build-up could cause. It is vital that it emerges as an eco-friendly destination. Not just for the safety of its natural treasures, which are already at some climate risk, but also as a marketing pitch in a world of rising eco-consciousness. And this must be done from the get-go, not after it's too late, even if it proves costly for the country's exchequer.

Maldives offers a cautionary example of what could go wrong as tourist arrivals swell over the years. With waste disposal a major challenge for islands, it apparently ended up turning a once-beautiful island into an ugly dump over-run with garbage, as seen in a much-forwarded video clip from a 2012 BBC report by travel writer Simon Reeve, whose masked presence at this site contrasts starkly with our impression of splendid sand-strips and crystal-clear waters. An estimated 300 tonnes of hard and soft waste was getting dumped daily, a scarily high rate for a 298-sq-km string of isles. This mustn't happen in Lakshadweep. To ensure as much, we must pay close attention to the sustainability surveys that need to precede its development—not least because our record of rule-adherence has been lax in much of the country. If Lakshadweep's preservation calls for elaborate disposal systems that involve waste shipment to the mainland, for example, these should be deployed in time. Construction will have to be kept minimal and under control, with service licences scarce to keep the islands from getting stormed by visitors. We should not let it go the way of Goa, either, where ill-behaved visitors have gone to the extent of littering public beaches with smashed beer bottles. Serving only a few rich holidayers makes sense because they can easily be taxed for the extra expenses borne. Alas, there's no inexpensive way to do what we must.

THEIR VIEW

There is plenty for India to talk about at this year's Davos meet

Our economy's growth, government's reform agenda and industry's resurgence will all be showcased

CHANDRAJIT BANERJEE
is director general, Confederation of Indian Industry (CII).

As we step into the new year, the World Economic Forum (WEF) Annual Meeting offers corporate leaders, policymakers and other stakeholders a chance to assess the year gone by and take stock of challenges and opportunities, extending to geopolitical developments, climate exigencies and economic hurdles. India has long had a significant presence at Davos and Indian industry has put together a formidable agenda aligned with the WEF's theme of 'Rebuilding Trust' this year. India's participation, led by Smriti Irani, minister of women and child development, includes many government dignitaries, while the Confederation of Indian Industry (CII) coordinates the business agenda. As this year's theme, we are focusing on 'Credible India.'

At Davos, we would showcase India's resurgent growth and development narrative, which offers immense investment and collaboration opportunities to the world at a time of unpredictability and volatility in global economic affairs. The spotlight will be on the strong and stable 7.7% growth achieved in the first half of 2023-24, along with opportunities in diverse sectors. As per CII estimates, our economy will achieve 7% GDP growth in 2024-25 and has the potential to reach $9 trillion by 2030-31. India's global engagement has risen in tandem with its growth, with exports of goods and services achieving a new peak of $776 billion in 2022-23. The emergence of knowledge-based industries has been complemented by our notable achievements in the space sector, for example, even as our talent base gets worldwide recognition.

Reforms over the last decade, such as GST, production-linked incentives, the Insolvency and Bankruptcy Code, and the 'Make in India' campaign have streamlined business operations, enhanced transparency and promoted FDI. Investor-friendly policies and a facilitative ecosystem for business operations provide a solid foundation for sustained growth.

Under 'Rebuilding Trust', the WEF has prioritized four key areas for discussion: security and cooperation, growth and jobs, artificial intelligence (AI) and a strategy for climate, nature and energy. In each, India can play a critical role.

India's 2023 presidency of the G20 helped forge a new template for global cooperation and the unanimously adopted New Delhi declaration is expected to resonate in Davos. India has crafted and joined major platforms for bilateral and plurilateral cooperation, such as the India-Middle East-Europe Corridor, Global Biofuels Alliance, Quad, Indo-Pacific Economic Framework and India-UAE-Israel-US. On the first sub-theme, this is the way forward.

QUICK READ

The WEF's theme of 'Rebuilding Trust' has four key discussions in which we can play a role: security and cooperation, growth and jobs, AI, and a strategy for climate, nature and energy.

Policy frameworks, investment opportunities, tech advances and global partnerships related to India's energy sector are among the topics expected to be discussed this year at Davos.

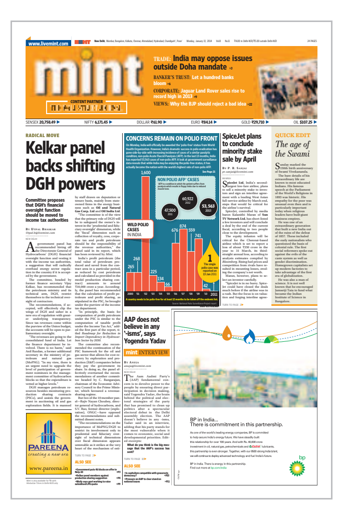
On AI, India has demonstrated how technology can deliver governance solutions at mass scale. The biometric identity programme Aadhaar and payments solution Unified Payments Interface (UPI) indicate the potential that AI holds for our country. India recorded 100 billion digital transactions in 2023. The government's Digital India Mission is a global success story of bridging the rural-urban divide. AI advancements, automation and data-driven insights could also see India as a lead player.

As for growth and jobs, the job market across countries is poised for major transformations in 2024. WEF provides a platform for world leaders to find innovative ideas on how countries can minimize trade-offs and maximize the synergies of human capital and technology. With our huge working age population, 5.5 million tech workers and digital-skills readiness, India at Davos will offer perspectives of the Global South on sustainable job creation.

The fourth sub-theme of Davos gains salience as 2023 witnessed some of the worst climate change events in the world, necessitating innovative ideas to evolve and implement resilient measures for mitigation and adaptation. The Indian presence at Davos will bring out India's energy transformation journey towards net zero along with other aspects of climate action. India's pledge to reach net zero emissions by 2070 and meet 50% of its energy needs from renewable energy sources by 2030 is ambitious, but on track. Discussions on policy frameworks, investment opportunities, technology advancements and international partnerships related to India's energy sector will be a key part of the story taken forward at Davos.

Conversations at Davos are expected to result in many new collaborative efforts. India's presence will ensure that our economy's growth story, the government's continued reform agenda and Indian industry's resurgence will all be effectively showcased at the global business forum.

10 YEARS AGO



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RADICAL MOVE
Kelkar panel backs shifting DGH powers
Committee proposes that DGH's financial oversight function should be moved to income tax authorities

CONCERNS REMAIN ON POLIO FRONT

SpiceJet plans to conclude minority stake sale by April

QUICK EDIT
The age of the Swami

AAP does not believe in any '-isms', says Yogendra Yadav

BP in India...
There is commitment in this partnership.

JUST A THOUGHT

Nature is the ultimate artist.

BIBIANA KRALL

THEIR VIEW

The US has become too unstable a beacon of democracy

ROHIT PRASAD

is a professor at MDI Gurgaon and the author of 'The Last Dance of Rationality: Making Sense of an Unravelling World Order'

The rise of China as a world power and powerhouse of innovation despite an authoritarian political system presents a cognitive challenge to the liberal world order helmed by the US. However, the Western model appears to be creaking under the weight of its own imperfections even without the successful counterpoint posed by China.

The US adopted an accentuated market-led growth pattern with the Ronald Reagan era of the 1980s. This led to a hollowing out of its middle-class. According to the Center on Budget and Policy Priorities, from 1980 to 2007, the year before the housing crisis, incomes of the middle 60% of the US population increased by 47% while those of the top 1% quadrupled and next 19% increased by 75%. This led to a steep drop in the share of income enjoyed by America's 20th to 80th percentile.

The middle-class is often the glue that holds a society together. When it has access to the basic needs of life—education, health and housing—it acts as a buffer between the rich and the poor, promotes social harmony, and generally serves as a force to protect humanitarian mores. However, today those in the middle of the income spectrum find it hard to pay for education, healthcare and housing. While the incomes of US working-class households have been stagnant since the 1980s, medical costs have gone up by more than 2.5 times, and college educational expenses have increased almost six times. Employment opportunities are shrinking and volatile in a world of rapid automation.

Over the past decade or so, social media has created upward visibility, whereby the masses are privy to lifestyles of the rich and famous, without upward mobility (i.e. any possibility of attaining those lifestyles). It has also created echo chambers of opinion that sharpen social divides. Thus, the middle classes no longer sit on a perch far above material concerns—in the world but not of it. They are no longer able to fulfil their vital role in nourishing their communities.

The 2008 presidential election had given the US its first African-American president. While Barack Obama emerged as a symbol of hope that America could finally move beyond its deep racial divides, the reality was that for many, his election represented an unacceptable secession of power to African-Americans. His election became a lightning rod channelling an old animosity into new hatred. A fault-line has also emerged from the slow but inexorable demographic shift of the US towards a non-Caucasian majority since 1950. In 2020, non-Hispanic Caucasians still formed the majority in the US, representing 59.7% of its population. Studies show that by 2045, this number will drop below 50%, making Caucasians a minority.

Further, immigration has emerged as a major concern. American workers at the bottom of the US pyramid have been losing out to immigrants from Asia and Latin America, who took over some of the country's low-skilled jobs. This effect was especially pronounced in certain regions such as Florida, and evoked a heightened emotional reaction due to the phenomenon of illegal immigration.

Multiple transitions—economic, technological, political and demographic—make rich fodder for polarization. Donald Trump rode to power in 2016 on the basis of these deep cultural divides. By the end of his tenure, the polarities that his brand of politics had exploited, and done so much to deepen, had worsened. The Annenberg School for Communication and Journalism at University of Southern California has developed a polarization index based on data analysis of social media posts across a wide variety of contentious issues. Its analysis starting late 2020 shows that major disputes over voting integrity drove high levels of polarization in the final months of Trump's tenure, a period marked by unprecedented civil unrest. However, polarization levels two years into the presidency of Joe Biden remain at roughly the same level as they were on account of widened schisms related to immigration, policing policy, racial equity and covid vaccines.

QUICK READ

The US adopted accentuated market-led growth in the 1980s that left its middle-class behind. Economic, tech, political and demographic trends created conditions for sharp polarization.

America's post-Trump political crisis does not augur well for democracies elsewhere. Orderly transfers of power in the US are of utmost importance for a liberal world order.

Such high levels of polarization do not make for a well-functioning democracy. The transfer of power after the 2020 US election was a highly contentious process in which many felt the fate of US democracy hung by a fine thread. The US Supreme Court's decision not to hear cases involving election challenges filed by Trump and his allies in five states finally sealed the result. It is clear that the transition to a new government in 2024 could be equally fractious. The Department of Justice has filed a case against Trump in which it accuses the former US president of a conspiracy to defraud the country based on his attempt to overturn the 2020 election results. There are legal cases in at least 17 states attempting to debar Trump from the ballot. Whatever be the result of these judicial proceedings, it is certain that political polarization in the US will only increase. Many Republicans who opposed Trump's shenanigans after the 2020 poll have indicated they would switch over to his side based on their opposition to attempts to prevent him from running for office.

The US is a beacon of democracy for all around the world. Its political crisis does not augur well for democracies anywhere. In 2024, whatever result the US presidential election throws up, an orderly transition to the next government is of utmost importance for the liberal world order.

THEIR VIEW

Scenario analysis: Where will the global economy land this year?

A soft or bumpy landing will depend on specific economies while worse scenarios look unlikely even if they can't be ruled out

NOURIEL ROUBINI
is professor emeritus of economics at New York University's Stern School of Business and author of 'MegaThreats: Ten Dangerous Trends That Imperil Our Future, and How to Survive Them'

AFP

Around this time a year ago, about 85% of economists and market analysts, including me, expected that the US and global economy would suffer a recession. Falling but still-sticky inflation suggested that monetary policy would grow tighter before rapidly easing once the recession hit; stock markets would fall, and bond yields would remain high. Instead, the opposite mostly happened. Inflation fell more than expected, a recession was avoided, stock markets rose and bond yields fell after going higher.

One therefore must approach any 2024 forecast with humility. Still, the basic task is the same: start with a baseline, an upside, and a downside scenario, and then assign time-varying probabilities to each. The current baseline for many—though not all—economists and analysts is a soft landing: Advanced economies, starting with the US, avoid a recession, but growth is below potential and inflation continues to fall toward the 2% target by 2025, while central banks may start to cut policy rates in the first or second quarter of this year. This scenario would be the best one for equity and bond markets, which have already started to rally in expectation of it.

An upside scenario is one with 'no landing': growth, at least in the US, remains above potential, and inflation falls less than markets and the US Federal Reserve anticipate. Rate cuts would occur later and at a slower pace than what the Fed, other central banks and markets are currently expecting. Paradoxically, a no-landing scenario would be bad for stock and bond markets despite surprisingly stronger growth, because it implies that interest rates will remain somewhat higher for longer.

A modest downside scenario is a bumpy landing with a short, shallow recession that pushes inflation lower, faster than central banks expect. Lower policy rates would come sooner, and rather than the three 25-basis-point cuts that the Fed has signalled, there could be the six that markets are currently pricing in.

Of course, there could also be a more severe recession, leading to a credit and debt crisis. But while this scenario looked quite probable last year, owing to the commodity-price spike following Russia's invasion of Ukraine and some bank failures in the US and Europe, it seems unlikely today, given the weakness of aggregate demand. It would become a concern only if there were a new large stagflationary shock, such as a spike in energy prices stemming from the conflict in Gaza, especially if it escalates into a wider regional war involving Hezbollah and Iran that disrupts oil production and exports from the Gulf.

Other geopolitical shocks, like new tensions between the US and China, would probably be less stagflationary (lower growth and higher inflation) than contractionary (lower growth and lower inflation), unless trade is massively disrupted, or Taiwanese chip production and exports are impaired. Another major shock could come in November with the US presidential election. But that will bear more on the 2025 outlook, unless there is major domestic instability ahead of the vote. Again, though, US political turmoil would contribute to stagnation rather than stagflation.

With respect to the global economy, both a no-landing scenario and a hard-landing scenario currently look like low-probability tail risks, even if the probability of no landing is higher for the US than for other advanced economies. Whether there is a soft or bumpy landing then depends on the country or region.

For example, the US and some other advanced economies look like they may well achieve a soft landing. Despite tighter monetary policy, growth in 2023 was above potential, and inflation still fell as the pandemic-era negative aggregate supply shocks subsided. By contrast, the Eurozone and UK had below-potential growth close to zero or negative for the last few quarters as inflation fell and may miss out on stronger performance in 2024 if the factors contributing to weak growth persist.

Whether most advanced economies will have a soft or bumpy landing depends on several factors. For starters, monetary-policy tightening, which operates on a lag, could have a greater impact in 2024 than it did in 2023. Moreover, debt refinancing could saddle many firms and households with substantially higher debt servicing costs this year and next. And if some geopolitical shock triggers another bout of inflation, central banks will be forced to postpone rate cuts. It would not take much escalation of the conflict in the Middle East to drive up energy prices and force central banks to reconsider their current outlook. And many stagflationary mega-threats over the medium-term horizon could push growth lower and inflation higher.

Then there is China, which is experiencing a bumpy landing. Without structural reforms (which do not appear forthcoming), its growth potential will be below 4% in the next three years, falling closer to 3% by 2030. Chinese authorities may consider it unacceptable to have actual growth below 4% this year; but a growth rate of 5% is not achievable without a massive macro stimulus, which would increase already high leverage ratios to dangerous levels. China will likely implement a moderate stimulus that is sufficient to get growth slightly above 4% in 2024. Meanwhile, structural drags on growth (societal ageing, a debt and real-estate overhang, state meddling in the economy, the lack of a strong social safety net) will persist. Ultimately, China may avoid a full-scale hard landing with a severe debt and financial crisis; but it likely looks like a bumpy landing ahead, with disappointing growth.

QUICK READ

Many analysts expect a soft landing for advanced economies which would mean they avoid a recession while falling inflation may allow monetary easing and give asset markets a boost.

A no-landing is good for the real economy but bad for assets as it will delay rate cuts, while a bumpy landing would be bad for stocks and good for bond prices as policy easing may start sooner.

The best scenario for asset prices, stocks and bonds is a soft landing, though this may now partly be priced in. A no-landing is good for the real economy but bad for equity and bond markets, as it will hold back central bank rate cuts. A bumpy landing would be bad for stocks, at least until a short-and-shallow recession looks like it has bottomed out, and good for bond prices, since it implies rate cuts sooner and faster. Finally, a more severe stagflationary scenario is obviously the worst for both stocks and bond yields.

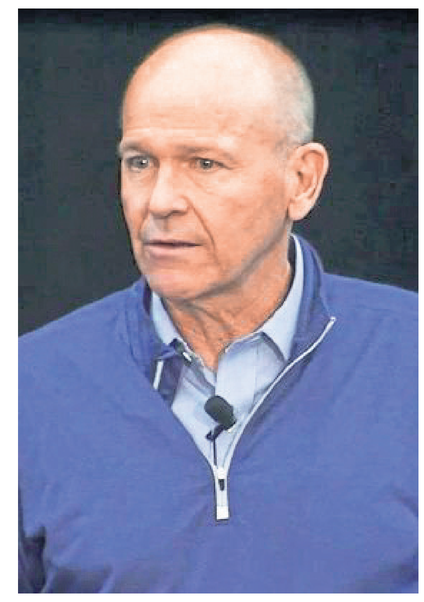
For now, the worst-case scenarios appear to be the least likely. But any number of factors, not least geopolitical developments, could be this year's forecast spoiler.

MINT CURATOR

Boeing's teary CEO got a very hard balance just about right

Research says emotional displays can be risky but helpful as well

SARAH GREEN CARMICHAEL
is a Bloomberg Opinion columnist and editor.



Boeing CEO Dave Calhoun's eyes looked wet while making an apology

Boeing Chief Executive Officer Dave Calhoun got emotional at an all-hands meeting as he described the hole blown into the side of one of his company's planes. I admit to being sceptical when I first read about his public display of feelings. "Oh, come on," I thought, "Just fix the planes." Then I watched the video.

"I didn't know what happened to whoever was supposed to be in that seat next to that hole in the aeroplane," said Calhoun, before pausing and apparently changing tacks. His eyes suddenly looking very wet, and he blurted out, "I got kids, and I got grandkids, and so do you."

We live in an era where these all-hands meetings are designed to serve multiple audiences—the employees in the room, investors watching from afar, worried customers. It can be extraordinarily difficult to talk to all these constituencies simultaneously. But ignore this complexity, and a poorly worded phrase or a bit of "inspire the troops" tough talk can make an embarrassing viral clip—something some CEOs have learned the hard way.

Calhoun appeared to strike the right balance with a level of restrained emotion that ought to allow his message—that "every detail matters" when it comes to building planes—to sink in and convince investors and customers that the company is taking the quality-control crisis very seriously. But it's not necessarily a model for other executives who find themselves in a tight spot.

Failing to look genuinely sorry could have been a disaster for Boeing when faith in the safety of the company's products is deservedly low and the firm's stock has plummeted. A corporate apology delivered by a smiling CEO—or even a neutral, robotic one—would have been perceived as fake, as research at business schools has found, and would not have helped restore confidence. An apology where the emotions match the message does more to restore the company's reputation.

But because leadership always involves an element of public performance, it can be difficult to sound genuine even when the emotion you are showing is authentic. Executives have to master the art of selectively revealing only those feelings that will help their cause. No one wants to end up like BP's former CEO, Tony Hayward, who blurted out "I'd like my life back" after the Deepwater Horizon oil spill. I'm sure the sentiment was heartfelt, but it didn't help his reputation or the company's and he ended up apologizing for his apology.

More executives have bungled their contrite messages than not. Sometimes the emotion simply doesn't fit the moment.

Choking back tears because a human being nearly got sucked out of one of your aircraft at 16,000 feet? Arguably appropriate. Crying publicly because you had to lay off a bunch of people, as more than one executive has done over the last three years? That would play more as self-pity.

And often the emotion does not fit the message. Most corporate apologies involve a fair amount of blame-shifting. How many executives have we heard attribute problems to "unprecedented events," "market conditions" or even "macroeconomic forces"?

After the layoffs that started sweeping the American technology sector starting late 2022, business leaders at Dell, Microsoft, Salesforce and Google all blamed a broad economic downturn for having to cut staff—although that downturn was mysteriously confined to tech companies that had over-hired in recent times. If such excuses are accompanied by waterworks, the message reads as "poor me."

Not everyone's tears are seen the same way. Studies find that strong emotions, when displayed by middle-age Caucasian men, are often perceived as a sign of their passion for the job and thus their commitment, while women who cry at work are often labelled as overly emotional. People of colour may be judged as out of control. A young employee might be dismissed as immature or fragile.

While crying in the workplace is now quite common in some work cultures—and some people simply find that tears come more easily than others—weeping has always been fraught in the Anglo-American business world, where the stiff upper lip still reigns supreme.

Arguably we'd benefit from a little more humanity at work.

Although Calhoun's display of contrition was appropriate, it wasn't enough. The best corporate apologies mesh genuine emotion with a clear, specific explanation of what went wrong—something Boeing has yet to diagnose. They also end with a credible promise to fix the problem—something Boeing can't yet offer.

With years of problems plaguing its planes, the future may bring more tears at Boeing, not fewer.

GUEST VIEW

The India-Singapore economic corridor is looking up

RAJAT VERMA

is managing director and head of institutional banking at DBS Bank India.

India is poised to play a pivotal role in the post-pandemic world order. As the world's fastest growing large economy, India's strong fundamentals have positioned it to move from fifth place to third in terms of economic size by 2030. Therefore, it is no surprise that it has built strong commercial relationships with countries across the world and has become a magnet for inbound investments. The US and Europe have historically been India's largest investors, and while this trend is likely to continue unabated, there has been a notable eastward shift over the past decade. As domestic businesses expand, they are increasingly seeking ways to tap Asian markets and forge links with Asian supply chains. Enter Singapore, the gateway to Asia—a global trading hub with a business-friendly environment and competitive tax regime. India has historic commercial, cultural and people-to-people links with Singapore stretching back millennia. Both parties have continued to build on this foundation, evidenced by the Comprehensive Economic Cooperation Agreement (CECA) that was signed in 2005. After this agreement, bilateral trade more than quadrupled to reach $35.6 billion in 2022-23, underlining the corridor's efficacy.

Ever since 100% FDI was permitted in India for most types of manufacturing, multiple large Singaporean conglomerates and manufacturing players as well as state institutions have been ramping up—or planning to ramp up—investments in India. Meanwhile, Indian state governments have been collaborating with Singapore for initiatives like smart cities and urban rejuvenation, as well as skills development. Trade has seen a similar trajectory, with the Association of Southeast Asian Nations (ASEAN) being named a central pillar of India's Act East Policy and ASEAN-India trade accelerating over the past few years to reach $131 billion in 2023. Against this backdrop, there is a compelling case to be made for India doubling down on ties with the ASEAN bloc, and within this group, with Singapore.

The city state's robust financial infrastructure, central location and technological prowess make Singapore an important hub for Indian companies expanding in Asia. With the movement to diversify global value chains, Asian banks could help Indian companies tap commercial opportunities across the continent, with Singapore as a trading and treasury nexus. In substantiation, there were approximately 6,000 Indian companies registered in Singapore in 2014, a figure that has grown to over 9,000 in 2023, and these cover a range of sectors like tourism, telecommunications, financial services and e-commerce.

Increased connectivity has spurred advancements in financial technology, exemplified by the launch of the landmark Unified Payments Interface (UPI)-PayNow system linkage in early 2023. In fact, Singapore was the first country with which India announced a cross-border person-to-person online payment facility. Spearheaded by central banks of the respective countries, this innovation is the world's first real-time payment systems linkage to use cloud-based infrastructure that can scale with increasing remittance volumes, and has already reached close to 3,000 transactions a month. The introduction of the TradeTrust Framework this year marks another milestone, as it enables interoperable electronic Bills of Lading (eBLs) for trade finance transactions between Singapore and Indian entities, harnessing blockchain technology to fuel cross-border commerce through digitization. It is estimated that switching to electronic Bills of Lading could bolster supply chain resiliency, saving $6.5 billion in direct costs and further facilitating between $30 billion and $40 billion in new global trade volume (McKinsey, 2022).

QUICK READ

Bilateral trade more than quadrupled to $35.6 billion in 2022-23 after the two nations signed their Comprehensive Economic Cooperation Agreement in 2005.

It's more than just an economic collaboration as the scope for mutual gains is so vast that it can be instrumental in shaping this century's global dynamics as the Asia-Pacific region emerges.

India is expected to drive a fifth of global growth by 2031, a prospect that is underscored by several evolving trends such as digital adoption, offshoring capabilities and the clean-energy transition underway.

In line with the country's sustainability commitment of generating 500GW of renewable energy capacity by 2030, India's current mix of renewables is extremely encouraging, as solar and wind sources made up 92% of the country's 2022 growth in power-generation capacity. Singapore is open to making the best use of India's burgeoning abilities in renewables, both as a source and as a conduit of much needed investment.

India has demonstrated its soft power, both economically and politically, and its ascendancy is a chance for the country to play an enhanced role on the world stage, advance issues that are important to the Global South, and lead the way to a net-zero economy. Collaboration between governments, businesses and financial institutions in the India-Singapore corridor holds the key to mutually reinforced growth. Underlining this notion of the bilateral relationship was India's valued invitation to Singapore to participate as a guest country for the G20 meetings conducted as part of its 2023 presidency.

The India-Singapore corridor represents more than just economic collaboration; it can be the harbinger of a paradigm shift in global dynamics. As the Asia-Pacific region emerges, with India currently at the helm of global growth, both countries are not merely players, but architects shaping the future of global trade and investment.

Dubai: A second home for Indian fashion designers

DRESS SENSE
SUJATA ASSOMULL

Respond to this column at feedback@livemint.com

With a large south Asian population and growing appetite for India's traditional yet global designs, Dubai has become the place to be

ISTOCKPHOTO

When it comes to fashion, the relationship between Dubai and India is set to become stronger this year. Late last month, designer Manish Malhotra opened a 5,000 sq.ft store in the Dubai Mall, one of the world's most sought-after destinations for luxury brands. Situated above Valentino and Cartier, it is the first South Asian store to have a space in the mall's Fashion Avenue, a section dedicated to international luxury brands. Despite having a long relationship with Dubai, staging fashion shows and retailing in the city, this marks Malhotra's first standalone flagship here. It's also his first store outside India.

"My entry into Dubai was not just strategic but also deeply personal," Malhotra says, talking about the store, designed by Gauri Khan. "My advice (while zeroing in on a location) would be to delve into the intricacies of the city, its people, and the ever-evolving landscape, ensuring creations resonate with the people's spirit while staying true to the brand's roots." His store houses wedding *lehngas* and saris, besides evening gowns and *kaftans*, with some pieces made exclusively for the cosmopolitan Dubai market.

Like Malhotra, several established Indian designers, like Tarun Tahiliani, Masaba Gupta, and Rahul Mishra, are now aiming to expand internationally in the hope to become a global brand—and Dubai seems to be an obvious port of call. "The region's recent growth trajectory has made it an enticing retail destination," says Yash Dongre, the business head at Anita Dongre, a designer brand that opened its first store in the city earlier last year. The 1,600sq.ft Dubai store, the second international address after New York (inaugurated in 2019), opened its doors just in time for Ramadan.

"We always knew our second international retail outpost had to be in Dubai," says Yash. "There has never been a better time to test and explore international waters as a brand of Indian origin. It was a moment of pride to be the first Indian designer to open in the Dubai Mall. Dubai's ability to reach a large south Asian population enhances its appeal for brands. There are many cultural similarities between India and the UAE, especially in terms of silhouettes and embroideries. Plus, there's an increasing sense of respect for our people and our crafts in the global landscape across arts and culture, a long time coming."

Considered the fashion capital of the Middle East and the commercial capital of the United Arab Emirates, Dubai is a cultural melting pot, with Indians accounting for over 27% of the population and Pakistanis, over 12%. With Emiratis making up around 11.5%, the south Asian influence is substantial. From what Dubai watches (read Bollywood) to what it eats (biryani seems to be among the most popular dishes), South Asia's influence is evident. Small wonder then Indian fashion strongly influences dress codes in Dubai, for both local residents and European expatriates.

Designed by Gauri Khan, the Manish Malhotra store in Dubai has a private salon and jewellery room.

Last year, influencer and entrepreneur Masoom Minawala Mehta moved to Dubai, after having spent most of her life in India and Europe. She says, "For Indian designers considering a venture beyond their home country, Dubai is undoubtedly an intelligent first step—it's accessible and offers a gateway to an entirely new customer base."

'There are many cultural similarities between India and the UAE, especially in terms of silhouettes and embroideries'

Besides fashion names, other luxury brands are also eyeing the high-spending Dubai market. Good Earth, for instance, is set to open its store near Mall of the Emirates in the first quarter of 2024.

Opening a store in Dubai, especially in one of the better-known malls, however, is an expensive affair. Nappa Dori, known for handcrafted leather goods and accessories, opened its space in Al Serkal Avenue, the city's art hub, about two years ago. With a café within, its founder Gautam Sinha aimed to offer an immersive experience. "We chose Al Serkal from the start as we wanted to integrate with the city's cultural fabric," says Sinha.

But for independent brands, it's better to enter via a local retail partner to help with the high costs, he suggests. Indian creatives should not depend too much on the diaspora market when entering Dubai, he says. "Arab communities appreciate Indian design sometimes more than Indians do."

Till recently, many Indian designers have catered to the Dubai market with pop-ups, as it doesn't require a high investment. It does, however, limit a label's ability to create a brand experience and be seen as a global player. Sinha says, "I believe in permanent stores and am not a big fan of pop-ups, as both require similar effort. Once you establish a consumer base, having a permanent space helps build trust between the brand and the consumer."

As growing number of Indian designers now aim to be global players, having an international store has become a logical step. Leading local e-commerce destinations such as Ounass and multi-brand stores like Etoile already include Indian designers in their selections, as Gulf-based retail players have realised the growing appetite for Indian fashion in the region. What's more, with many Indian designers now being backed by corporates—Reliance, for instance, has a stake in Manish Malhotra, and US private equity firm General Atlantic, in the House of Anita Dongre—they are able to invest in the market. Minawala Mehta says, "Dubai is often perceived as the fifth city of India due to its strong connections and a strong Indian diaspora." Though, she suggests, "It is crucial to be locally and culturally relevant. Respecting the local surroundings is key."

As a designer who has been coming to the city for years, Malhotra is already well-entrenched in Dubai's landscape. He says, "The genuine affection for Indian craftsmanship in Dubai comes as no surprise, as the local audience has embraced us wholeheartedly."

It seems Indian fashion has its eyes closely on Dubai as the second home for Indian fashion.

Dress Sense *is a monthly column on the clothes we wear every day.*

Sujata Assomull is a journalist, author and mindful fashion advocate.

From Louis Vuitton's show in Hong Kong last year. BLOOMBERG

The biggest luxury house is fighting off fakes

LVMH, along with TikTok, is trying to limit online sale of counterfeit goods

Bloomberg

Luxury conglomerate LVMH is in discussions with TikTok and its parent company ByteDance Ltd on a plan for limiting counterfeit products sold on the popular video-sharing app.

The aim is to work together to achieve an "elevated shopping experience" as TikTok expands its marketplace globally, said Toto Haba, senior vice president of global omni-marketing for Benefit Cosmetics, a beauty brand owned by LVMH, Europe's largest luxury company. The parent group also includes 74 other brands such as Louis Vuitton, Dior, Tiffany & Co. and TAG Heuer. The luxury group has an agreement in place with Alibaba Group Holding Ltd. to fight fake goods on its online Tmall marketplace, Haba said. The deal could be a major move to help TikTok Shop's reputation among brands and shoppers in key new markets. The company fully launched shopping in the US last year and already has ambitious targets, aiming to increase the size of its American e-commerce business 10-fold to as much as $17.5 billion in 2024, Bloomberg has reported, according to people familiar with the matter. A TikTok spokesperson declined to comment.

Online marketplaces like Amazon.com Inc., JD.com and Alibaba's Tmall have long seen sellers hawking counterfeit products at very low prices, combating them with varying degrees of success. Such products deceive customers into paying for something inauthentic and deter brands from selling on the platform that hosts them because it can erode the value of the real product.

"It's important for us to guard our IP" on TikTok Shop, Haba said. The company is already flagging suspicious-looking Benefit-branded products to the company. "TikTok and ByteDance seem much more willing to talk with us on that and set the right guardrails."

Marketplaces like Amazon and Tmall have long seen sellers hawking fake products at low prices

In the US, TikTok Shop works as an integrated part of the social media app's video feed—with select users and brands able to tag and sell products through their videos—and in a designated tab that looks more like a typical e-commerce site. There are a number of large brands like Benefit or fashion retailer Revolve that have been quick to sell on the app in the US, but many others have been slower to join the commerce operation. Third-party sellers can list items that they don't personally produce, sometimes at discount prices that can raise questions about whether the product is real, Bloomberg reported in September.

Pre-owned items are also sold. Take Louis Vuitton: The LVMH brand has a verified TikTok account and posts videos, but doesn't list its own products. However, products labelled as Louis Vuitton still appear on the marketplace for US users. A search for the correct spelling of the brand name surfaces only one wallet that bears the brand name in the item description and a slew of non-branded handbags and other products. If you misspell the brand, using "Luis" instead, dozens of bags described as pre-owned appear on the TikTok Shop.

Write to us at businessoflife@livemint.com

Adding a touch of liveable luxury to modern spaces

Producer Rhea Kapoor and interior designer Ravi Vazirani discuss their capsule collection of décor and furniture

Avantika Bhuyan
avantika.bhuyan@htlive.com

A simple sophisticated space for quiet reflection—that's the look film producer Rhea Kapoor and interior designer Ravi Vazirani want to create for the urban home with *The Apartment*, their new capsule collection of décor items and furniture.

A muted colour palette runs across the collection, with creamy nudes and earthy ochres dominating the pieces, embellished with hints of metallic shine. Both Kapoor and Vazirani bring a personal sense of design to the overall language of *The Apartment*. "I always had an eye for detail and appreciated crafted comfort. It's the right balance between impactful textures and clean lines that strikes the perfect chord for liveable luxury," says Kapoor.

The Nobu Cocktail Table with abstract shapes and a reeded base made from marble, the textured Taruki Buffet crafted from wood and cladded sheet metal, and the Kōji Bookshelf supported with wooden fluted pillars are just some of the pieces they have conceptualised for The House of Things, a curated space for interior and décor products, helmed by Astha Khetan. The brand mostly has an online presence with a cosy offline display in Udaipur. Khetan is planning to open a new space in Udaipur, spanning 30,000 sq.ft, by the end of March. The products are priced between ₹38,000 and ₹5.77 lakh.

Vazirani, who runs an eponymous design studio in Mumbai and has worked on a mix of commercial and residential projects for Nicobar, Pali Village Cafe and Atmosphere Design Studio, prefers to balance aesthetics with functionality for contemporary homes. He creates environments that not only showcase the inherent sophistication of a space, but also the personality of each piece that resides therein. It is this sensibility that Vazirani brings to *The Apartment*.

The roots of the collaboration with The House of Things lie in Kapoor's desire to work with design in some form. She saw this as an exciting opportunity to enter into the world of luxury interiors. "It merged my love for design and eye for detail with the expertise offered by Ravi and The House of Things. It was an enriching journey to see my creative vision being translated into tangible, functional pieces, thus offering a new perspective on design and storytelling," explains Kapoor.

(from left) Rhea Kapoor and Ravi Vazirani; and the Koji Bookshelf.

The idea was not just to furnish spaces but curate an experience. The one thing Khetan, Kapoor and Vazirani agreed on was the need for quiet luxury in modern living spaces.

For Khetan, *The Apartment* is a reflection of Kapoor's ability to weave contemporary narratives and Kapoor's creative genius. "Its clean lines, impeccable craftsmanship, and thoughtfully chosen materials create an atmosphere of serene opulence that will last for years to come," she says. The three brainstormed extensively on materials and textures. They veered towards subtle, albeit impactful, materials, ranging from solid wood, natural stone, chick mat and linen, combined with opulent and refined finishes in fine brass mesh and metal accents.

There were long discussions on sustainability, something which is important to both Kapoor and Vazirani. "Sustainability is not just a trend for us," says Kapoor.

"It's a conscious decision to make a positive impact. By prioritising materials that are kind to both the environment and the discerning homeowner, we want to set a standard for mindful and relevant design—one that embraces a lasting commitment to the planet," she says.

Take the Kenzo Sectional Sofa, which embodies the essence of this collaboration. Kapoor and Vazirani envisioned a piece that could make a statement in any setting, while embodying functional elegance, comfort, form and detailing. "Inspired by the dynamic spirit of modern living, we conceptualised Kenzo with its luxurious upholstery and configurable shape, tailored for various moments and specifications," explains Kapoor.

Vazirani concurs, adding that they were especially interested in developing a plush piece that offers comfort in every way, with its detached cushions and broad armrests.

"This makes the Kenzo Sectional Sofa a mainstay of any living space—a relaxed perch for socialising and a keepsake for years to come," he says.

Both hail *The Apartment* as a meeting point of collective philosophies—it is one that celebrates design, hoping to transform living spaces into works of art.