NEW DELHI, MUMBAI, BENGALURU, KOLKATA, CHENNAI, AHMEDABAD, HYDERABAD, CHANDIGARH*, PUNE*, LUCKNOW* VOL. 18 NO. 17

Friday, January 19, 2024

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FPIs' bear flip could maul markets more
▶P1

Delisting discontent boils over at I-Sec meet
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Friday, January 19, 2024

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Think Ahead. Think Growth.

Pay ₹150 cr or face consequences, SC tells Jet winner JKC

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NEW DELHI

The tortured rescue of bankrupt Jet Airways took a crucial turn on Thursday, with the Supreme Court asking winning bidder Jalan Kalrock Consortium (JKC) to pay ₹150 crore by 31 January, or face "serious consequences".

A failure to pay would jeopardize JKC's approved resolution plan, potentially forcing it to come up with a new one or leave the ownership claim. This could further worsen any possibility of Jet Airways' revival, and push the airline into liquidation.

This is set to further delay the return of Jet Airways, which went through a bankruptcy process that was concluded in June 2021 and led to the selection of JKC as its new owner.

A three-judge bench, led by chief justice D.Y. Chandrachud, also set aside the National Company Law Appellate Tribunal's (NCLAT) order from 28 August.

The NCLAT had allowed JKC to submit the ₹150 crore performance bank guarantee to fulfill the total obligation of ₹350 crore for completing the pre-conditions of the resolution plan. Lenders had challenged this in the Supreme Court, and contested the encashing of the performance bank guarantee.

A Jet Airways spokesperson declined to comment.

The apex court also instructed the NCLAT to dispose of all appeals in the case by March, and clarified that the tribunal's directive to adjust the bank guarantee to meet the payment obligation of ₹350 crore was incorrect and must be stayed.

The directions were issued during a two-day marathon hearing, where challenges to JKC's ownership of the airline were thoroughly examined.

Lenders argued that JKC has not fulfilled various pre-conditions necessary to take over Jet Airways, including lacking an Air Operator Certificate (AOC) or any approval from DGCA, slot allotment, bilateral rights, and international traffic rights. Additionally, JKC has not paid dues amounting to ₹272 crore for provident fund and gratuity to workers, violating a previous National Company Law Tribunal (NCLT) order. Lenders asserted that JKC's failure to meet these conditions makes their resolution plan unworkable and liable to be set aside.

The apex court also instructed the NCLAT to dispose of all appeals in the case by March. MINT

QUICK EDIT

Let AI do the math?

The Annual Status of Education Report's revelation that more than half of rural India's 14-18-year-olds can't do a three-digit arithmetic division, as the latest round of this survey has found, raises the worry of a weak demographic dividend on account of an underskilled youth bulge. It's also bad news in the context of a rising premium on math skills as we undergo a tech-led economic shift. Could artificial intelligence (AI) leap to the rescue? An inclusive society, after all, must cushion all cognitive variation, including a rare condition called dyscalculia, the math version of dyslexia that hampers human calculations. Although most rural kids can't have this constraint, surely, and schooling cannot acquit itself, AI bots designed to overcome it could conceivably see such students through, so long as their other skills are sharpened. This proviso, however, seems at risk of not being met evenly across India. Not because language gaps have also been identified, but due to inadequate emphasis placed on logic as a discipline. AI agents can add up numbers, split eatery bills, etc, but can they *reason* on people's behalf without encroaching on human agency? Unlikely. Our skills deficit won't be easy to bridge.

PLAIN FACTS

Data recap: Air delays, Davos 2024, trade gap

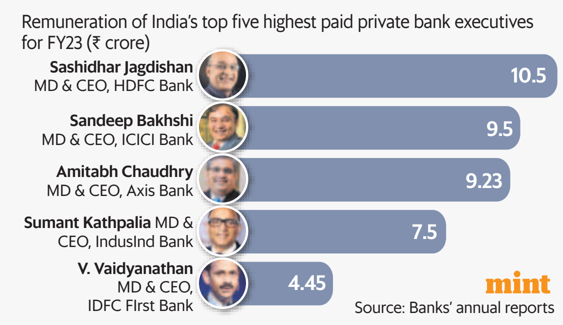
CURATED BY PAYAL BHATTACHARYA

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. The World Economic Forum's (WEF's) 2024 edition kicked off on Monday and ends today, with over 2,500 delegates and speakers in attendance. Meanwhile, India's goods trade deficit narrowed by about 4% in December due to a rise in exports, commerce ministry data showed.

Davos's Dominance

THIS WAS the week of Davos, the Swiss ski resort town hosting over 2,500 WEF delegates from more than 100 countries. They discussed, among other things, the sluggish economy, escalating geopolitical tensions, persistent climate challenges, and artificial intelligence. But a Plain Facts analysis showed that the summit is heavily skewed towards rich countries. Of the 1,009 firms listed as partners on the WEF website, 74% were based in rich countries and 17% in upper-middle-income ones.

Salary Caps



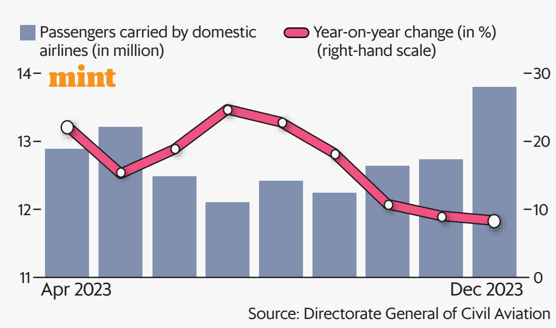
THE RESERVE Bank of India (RBI) has in many cases declined or delayed approvals to salary hikes for top banking executives, and at times even mandated pay cuts, *Mint* reported, citing the recent resignation of IDFC First Bank's M. Balakrishnan. The regulator keeps top-level compensations in its control to prevent risk-taking of the kind that led to the global crisis of 2007-08. But some in the industry feel such oversight could lead to a talent crunch in the top management of private banks.

248 million

'Poverty' Decline

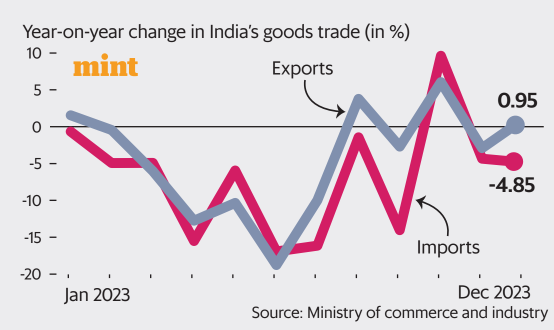
THAT'S THE number of Indians who exited "multidimensional poverty" between 2013-14 and 2022-23, a recent Niti Aayog paper claimed, referring to its index that combines metrics of education, health outcomes, and living standards. But, this relies on interpolation and extrapolation of the data available for 2005-06, 2015-16, and 2019-21. In 2005-06, over 55% of Indians were "multidimensionally poor", a share that fell to about a quarter in 2015-16 and 15% by 2019-21.

Airline Woes



THE AVIATION sector is grappling with challenges ranging from supply kinks to rising airfares, a *Mint* report said. With fog inordinately delaying many flights in north India, airlines are facing passengers' wrath. So, the Directorate General of Civil Aviation has introduced new guidelines, urging airlines to proactively cancel flights that may get delayed by over three hours. A bigger worry, though, is that domestic air traffic grew at about 8% year-on-year last month, the slowest in 22 months.

Narrowing Deficit



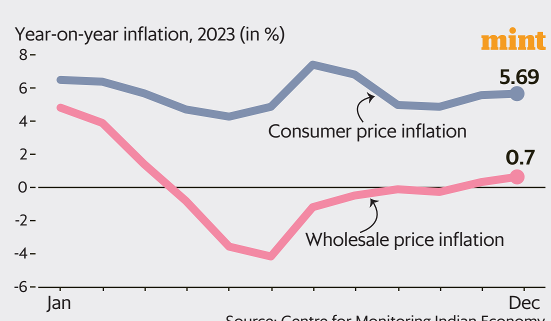
INDIA'S GOODS trade deficit narrowed in December 2023 by almost 4% since the preceding month, to $19.8 billion, mainly on account of an increase in exports, data released by the ministry of commerce showed. The 1% year-on-year growth in exports, coming after a decline in November, was driven by a surge in exports of electronic goods, drugs and pharmaceuticals, and iron ores. Imports shrank for the second consecutive month, by nearly 5% year-on-year.

1 million

Electric Overhaul

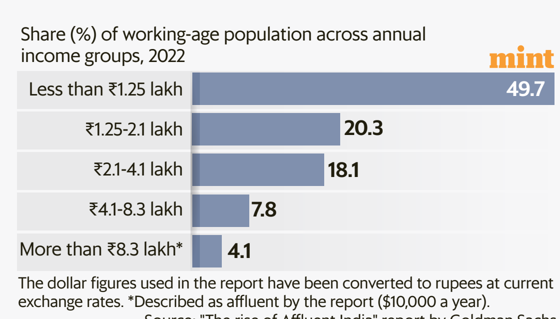
THAT'S THE number of diesel-run buses the Centre plans to replace with electric alternatives over the next decade, a proposal for which the final decision will be made by the Prime Minister's Office, *Mint* reported. The proposal is an expansion of the initial suggestion by the heavy industries ministry to replace 800,000 combustion-engine buses with electric options, and the scope has now been broadened following inputs from other ministries.

Inflation Trends



INFLATION IN India has undergone various fluctuations in the last four years, but there are increasing indications of relief. In December 2023, both retail and wholesale inflation experienced a slight increase—to 5.69% and 0.73%, respectively, primarily due to base effect. Food prices exhibited resilience for much of 2023, but the month-on-month decrease in December provides a glimmer of hope, despite the year-on-year increase of 9.5%.

Chart of the Week: Income Rise



A RECENT report by Goldman Sachs showed that the number of Indians earning over $10,000 annually had risen 12x faster than the overall population over four years from 2019-20. But, this segment comprises only 4% of the current working-age population in India.

Follow our data stories on the "In Charts" and "Plain Facts" pages on the Mint *website.*

PARAS JAIN/MINT

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Why smart home firms need a smarter pivot ▶P10


Vinay Dube-led Akasa Air to buy 150 Boeings for $20 bn ▶P5

SENSEX 71,186.88 ↓ 313.88 | NIFTY 21,462.25 ↓ 109.79 | DOLLAR ₹83.12 ↑ ₹0.02 | EURO ₹90.48 ↓ ₹0.04 | OIL $78.93 ↑ $1.07 | POUND ₹105.35 ↑ ₹0.08

FPIs' bear flip could maul markets more

Volatility likely to stay as FPIs seen increasing short positions

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Foreign portfolio investors (FPIs) have flipped their bullish derivatives bets to bearish ones over just two trading sessions. This swift change of view raises fears of a deeper retracement from the markets' recent peak. In these past two sessions, FIIs sold ₹20,384.2 crore of cash shares, turning net sellers of ₹3,852 crore so far this month.

The National Stock Exchange's Nifty marked a life high of 22,124.15 points on Tuesday, when FPIs held a cumulative net bullish position of 79,599 contracts in index futures (Nifty and Bank Nifty). However, they unwound all their bullish bets and turned net short by 4,659 contracts on Thursday, coinciding with the market pulling back almost 3% from the high to close at 21,462.25, thanks to a bloodbath in HDFC Bank Ltd shares.

A pullback or retracement is defined as a fall of 5% from the peak; a correction is a slide of 10-20%. A bear market happens when prices fall below 20% from the peak.

Analysts expect foreign investors to increase their short positions in the forthcoming sessions, adding further volatility to the market. Whenever this has happened in the past, markets have tended to correct and bounce back only when they hit extreme short levels *(see table)*.

For instance, on 2 November last year, FPIs held net cumulative short positions of 175,698 on index futures and the Nifty traded at 19,133.25. From here, they covered the bearish bets and by 21 December held a net cumulative long position of 89,782 contracts, by which time the Nifty had risen to 21,255. But now, they have turned negative and clients—retail and high net-worth investors—have become positive.

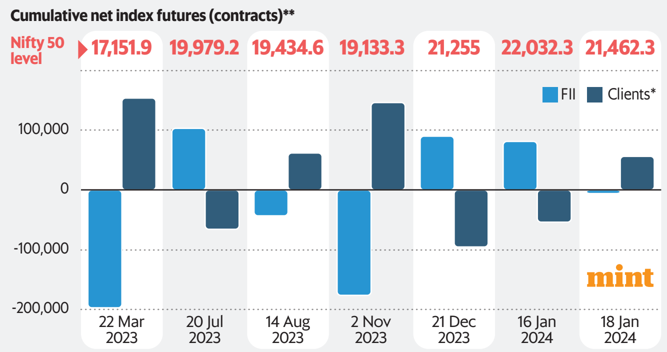
While a bounce-back can't be

TURN TO PAGE 4

BIG SWITCH

Whenever FPIs begin to unwind bullish bets on index futures, the markets tend to correct, and when they cover bearish bets, they rise.

Cumulative net index futures (contracts)**



* Retail/HNI; ** Nifty, Bank Nifty, Finnifty

Source: IndiaCharts

BET SET, GO

THE Nifty marked a life high of 22,124.15 points on Tuesday

FPIs unwound their bullish bets, turned net short on Thursday

FPIs net invested ₹1.71 trillion in Indian shares in 2023

SARVESH KUMAR SHARMA/MINT

I-Sec shareholders cry foul, delisting plan sparks storm

Nehal Chaliawala & Varun Sood
MUMBAI/BENGALURU

Discontent about the proposed delisting of ICICI Securities Ltd spilled over at the company's post-earnings meet on Tuesday, as analysts and shareholders challenged its rationale and questioned the swap ratio.

The investors are upset over the proposal to turn ICICI Securities into a wholly owned subsidiary of parent ICICI Bank Ltd, and made plain their disgruntlement for the first time in a public forum. They believe the company is better off listed and are unhappy with the share swap ratio proposed.

The public shareholders' opinion gains significance since ICICI Securities needs two-thirds of them, who own more than 25% stake, to approve the transaction. Parent ICICI Bank owns 74.85% stake in the company, with the rest being held by public shareholders. The proposal was announced last June.

"I do not see where these synergies are coming from," Vikrant Darak, chief executive officer (CEO) of Finverse Ventures Pvt. Ltd, a Pune-based


ICICI Securities MD and CEO Vijay Chandok.

fintech firm, and a shareholder in ICICI Securities, said during the meet. "Neither in terms of technology—because I believe we are very superior in terms of technology to our peers. In terms of financial muscle, we are very well-placed."

ICICI Securities' chief financial officer Harvinder Jaspal sought to explain the benefits of the transaction. "ICICI Bank is a source of affluent clients who have banking needs as well as personal finance needs. This is the kind of value proposition that both the entities together can serve to those clients," Jaspal said. "All the other bank-based

TURN TO PAGE 4

DesignCafe on sale, may merge with larger peer

Sneha Shah & Priyamvada C
MUMBAI/BENGALURU

Unable to scale up and with existing investors unwilling to pump in more funds, WestBridge Capital-backed interior solutions provider DesignCafe has been put on the block. The company, which was last valued at close to ₹700 crore, has held talks with strategic and financial investors, three people with knowledge of the development said.

"The company has not been able to scale up beyond the initial traction it saw. Merging with a larger player seems to be on the cards," the first person cited above said on condition of anonymity as the talks are private.

The company has so far held talks with two large peers in its segment, Accel-backed HomeLane and KKR-backed Livspace, for a merger, the second person cited above said. The third person said the company has also engaged with Saint-Gobain-held MyHome and the JSW Group, too. It was not immediately clear which entity within the JSW Group was pursuing this acquisition.

In an emailed response to

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DON'T MISS

India to push for solution on public stockholding at WTO

India will not negotiate on any farm issue at the World Trade Organization (WTO) until the body finds a permanent solution to the issue of public stocks of foodgrains, a government official said. >P2

Coal India Ltd eyes taking up rare earth, lithium mines

State-run Coal India Ltd plans to acquire rare earth and critical mineral mines including lithium directly from the government, in addition to bidding for Jammu & Kashmir's lithium reserves. >P6

Q A with mint

EDITOR'S NOTE

Dear Reader,

I have a request. We want to understand your needs better so we can tailor our offerings to better serve you. We have prepared a short interview that will help us know you better. Go to *https://shorturl.at/inNW9* (it takes 8 minutes) or scan this QR code. If you would like to share your thoughts, ideas or feedback, please write to feedback@livemint.com. Looking forward to your response.

— **Ravi Krishnan**
Editor-in-Chief

Digital fair play bill likely after elections

Gireesh Chandra Prasad
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NEW DELHI

Digital economy giants such as Amazon, Google and Facebook may have to contend with a new Indian law to check anticompetitive practices. An experts' committee set up by the corporate affairs ministry to explore the need for such a law is set to give its report, two people aware about the development said, proposing a new legislation as well as a draft bill.

Once the report is submitted, the ministry will seek public feedback on the matter, one of the two people cited above said. The bill—aimed to ensure that search engines, marketplaces and social media platforms act in a fair manner—is expected to make its way to Parliament after the national polls.

The bill is unlikely to be tabled before the elections because the last Parliament session of the current Lok Sabha—the budget session from 31 January to 9 February—is a short one that would focus on issues of wider public

TURN TO PAGE 6


A panel was set up in February 2023 by to explore the need for such a law. ISTOCKPHOTO

Railways on track for a better show

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Higher revenues and bigger handouts are expected to help Indian Railways fare better in the year ahead, two people aware of the matter said.

For the first time in four years, the Union budget may peg Indian Railways' FY25 operating ratio below 98%, the people cited above said on condition of anonymity. An operating ratio of 98 means to earn ₹100, the Railways must spend ₹98. A fall in operating ratio means the transporter has more money left for capital expenditure, and vice versa.

After falling to 97.45% in FY21, the railways' operating ratio rose to 107.39%, 98.22% and 98.45% in FY22, FY23 and FY24 (budget estimates), respectively. One culprit was its high pensions burden.

However, its quick return to normalcy after covid and a pickup in both freight and passenger revenues may give enough room to the national transporter to raise its internal

TURN TO PAGE 6


The budget may peg Railways' operating ratio below 98% in FY25, the best in four years MINT

AI researchers fear undetectable fakes

The Economist

Rishi Sunak is Britain's prime minister. If some advertisements on Facebook can be trusted (which they cannot) he also appears to be flogging get-rich-quick schemes. One such advert shows Mr Sunak endorsing an app supposedly developed by Elon Musk, a businessman, into which viewers can make regular "savings".

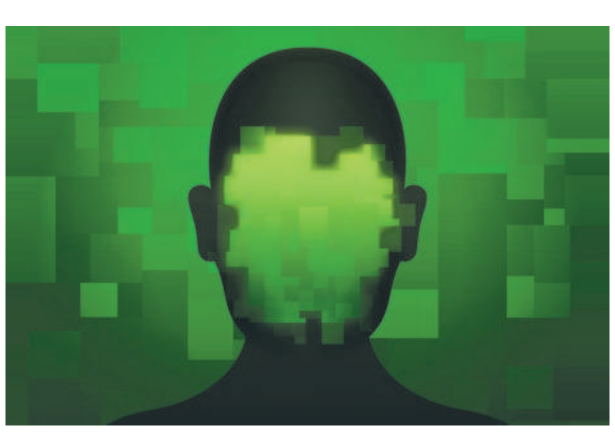
The video is fake. Generated with the help of AI, it is just one of 143 such advertisements catalogued by Fenimore Harper Communications, a British firm, which ran in December and January. It is not just those in the public eye who can have their likenesses used for dubious ends. In June 2023 the Federal Bureau of Investigation in America warned the public of "malicious actors" using AI to create fake sexually themed videos and images of ordinary people, in order to extort money.

How to detect such trickery is a live topic among AI researchers, many of whom attended NeurIPS, one of the field's biggest conferences, held in New Orleans in December. A slew of firms, from startups to established tech giants such as Intel and Microsoft, offer software that aims to spot machine-generated media. The makers of big AI models, meanwhile, are searching for ways of "watermarking" their output so that real pictures, video or text can be readily distinguished from the machine-generated sort.

But such technologies have not, so far, proved reliable. The AI cognoscenti seem gloomy about their prospects. The Economist conducted a (deeply unscientific) straw poll of delegates to NeurIPS. Of 23 people asked, 17 thought AI-generated media would eventually become undetectable. Only one believed that reliable detection would be possible. (The other five demurred, preferring to wait and see.)

Detection software relies on the idea that AI models will leave a trace. Either they will fail to reproduce some aspect of real images and video, or of human-generated text, or they will add something superfluous—and will do so often enough to let other software spot the error. For a while, humans could do the job. Up

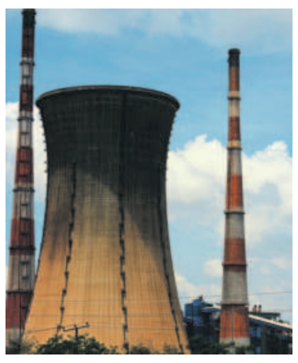
TURN TO PAGE 10


Detection software relies on the idea that AI models will leave a trace. ISTOCKPHOTO

Cabinet clears 3 SFC posts, 2 coal power projects

Gireesh Chandra Prasad & Rituraj Baruah

NEW DELHI



India plans to add 80GW of thermal power unit by 2030. MINT

The Union cabinet on Thursday greenlit equity investments by two Coal India subsidiaries for new thermal power plants, and approved three senior posts in the Sixteenth Finance Commission (SFC), which is being set up.

An official statement said the SFC will have two new posts of joint secretaries and one of economic advisor. The government is yet to announce the members of SFC, which will be led by Arvind Panagariya, former vice chairman of Niti Aayog.

The Cabinet Committee on Economic Affairs cleared equity investments by Coal India subsidiaries South Eastern Coalfields Ltd (SECL) and Mahanadi Coalfields Ltd (MCL) for setting up two power plants in joint ventures with a total capital expenditure of about ₹ 21,547 crore.

These projects will be financed by way of equity infusion by the companies and debt.

SECL will set up a 660 megawatt (MW) super critical thermal power plant through a joint venture with Madhya Pradesh Power Generating Company. This entails an equity infusion of ₹823 crore by SECL in the joint venture executing the project. This would be 49% of its equity base and the ₹5,600 crore project cost, with a 20% variation factored in, will be financed with 70% debt. The plant will come up at Anuppur district in Madhya Pradesh.

MCL will develop a 2x800 MW thermal power plant through Mahanadi Basin Power Ltd, an MCL subsidiary. The CCEA has authorized an equity capital investment of ₹4,784 crore for this plant in Sundargarh, Odisha. The project's anticipated capex is about ₹15,947 crore.

This initiative aligns with India's strategy to expand its thermal power capacity even as it increases renewable power generation to meet escalating demand. Power minister R.K. Singh recently said India plans to add 80GW of thermal power capacity by 2030. However, the proportion of coal-fired power in total installed capacity is expected to decrease to 35% from the current 56%.

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India hardens stance at WTO over public stocks of grains

Won't negotiate on any farm issue until WTO finds permanent solution to subsidies problem

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Wealthy nations claim Indian subsidies—in the form of minimum support prices for farmers and free food for the poor—breach WTO subsidy thresholds. BLOOMBERG

India will not negotiate on any farm issue at the World Trade Organization (WTO) until the body finds a permanent solution to the issue of public stocks of foodgrains, a government official said, signalling a hardening of position ahead of the world body's next ministerial meeting.

India wants the matter settled as it prepares for the WTO's 13th ministerial meeting in Abu Dhabi from 26-29 February. The 'ministerial' is the highest decision-making forum at the 164-member rule-setting body.

The public stocks issue goes to the heart of India's food distribution system. Wealthy nations claim Indian subsidies—in the form of minimum support prices for farmers and free food for the poor—breach WTO subsidy thresholds.

New Delhi says these subsidies are necessary in an overwhelmingly agrarian society and a country with a large number of people living in poverty.

5 kg of foodgrains is provided under the PMGKAY monthly

According to the government official cited above, India will also try to negotiate for a better understanding of issues related to export of agricultural products, saying New Delhi has the support of 80 countries, including African nations.

Besides public stockholding for food grains, WTO members, particularly developed countries, want India to provide information on export restrictions in advance, which the official argued is not possible. "We do notify it, but there are some countries who don't even issue notifications about export bans," the official said, adding that a 30-day prior notification is "not feasible".

"The public stockpiling of food grain is the longest pending issue. The promise was made by the members in Bali ministerial and then later endorsed by subsequent conferences. Without that, we will not take part in any discussion on any other issue on agriculture, unless the mandated issue is settled. This is our first ask," the official said, who wished not to be named.

"Developed countries have been red-flagging India's food security programmes such as buying rice and wheat from farmers at a minimum support price for distribution through the public distribution system (PDS). They have been alleging that procurement of grains at subsidized rates and storage distorts global agriculture trade," the official added.

26-29 Feb is the WTO's 13th ministerial meeting in Abu Dhabi

"We have made it clear to WTO members that India has to protect the interest of poor and vulnerable farmers along with ensuring food security needs of a large section of the population," the official maintained.

The government provides 5 kg of foodgrains every month free of charge to around 800 million poor under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY).

India has also suggested changing the formula to calculate food the subsidy cap and inclusion of programmes implemented after 2013 under the ambit of a 'Peace Clause'.

WTO members at the Bali ministerial meeting in 2013 agreed to put in place a mechanism popularly called a 'Peace Clause' and committed to negotiating a permanent solution.

Under the Peace Clause, WTO members agreed to refrain from challenging any breach in the prescribed ceiling by a developing nation at the dispute settlement forum of the WTO. This clause is in force until a permanent solution is found.

India has also conveyed that support measures given by it to its poor farmers like input subsidies on electricity, irrigation, fertiliser and even direct transfers are non-negotiable.

Under global trade norms, a WTO member-country's food subsidy bill should not breach the limit of 10% of the value of production based on the external reference price (ERP) of 1986-88.

Saksham Anganwadi and Poshan 2.0 scheme may receive a boost of up to 3%. HT

Budget boost for schemes to improve nutrition

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NEW DELHI

The government's flagship scheme to address malnutrition is likely to get a marginal increase in the interim budget.

The women and child development (WCD) ministry's integrated Saksham Anganwadi and Poshan 2.0 scheme may receive a boost of up to 3%, to ₹21,170 crore, for the next financial year, two officials said.

The scheme is targeted at tackling malnutrition challenges among children, adolescent girls, pregnant women and lactating mothers. The outlay for the scheme forms 0.5% of the total government budget.

The budget estimate for the scheme in FY24 was ₹20,554 crore, 1.4% higher than the revised allocation of ₹20,263 crore for FY23. The scheme had received its highest hike in FY23—up by about 10% from the ₹18,382 crore allocated for FY22.

IND.AI SURGE INTERIM BUDGET 2024

As per the National Family Health Survey-5 for 2019-21, the latest available, nutrition indicators for children younger than five years had improved from the period of the earlier survey (NFHS-4, 2015-16).

Prevalence of stunting in children had reduced from 38.4% to 35.5%, of wasting from 21.0% to 19.3%, and of underweight instances from 35.8% to 32.1%. Wasting occurs when a child's weight is too low for their height.

Improving nutritional levels among children and mothers remains a top priority for the government, said one of the officials mentioned above.

About 81% of the ministry's allocation is dedicated to the Saksham Anganwadi and Poshan 2.0 scheme. The Mission Shakti scheme—aimed at women's safety and empowerment—received 12% of the ministry's total budget allocation of ₹25,449 crore for FY24.

Queries sent to ministries of finance and WCD remained unanswered till press time.

Big sops unlikely for farmers in budget

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Crop prices are higher due to repeated climate-induced crop losses, despite export curbs on cereals and sugar. BLOOMBERG

In the interim budget presented in February 2019, ahead of the last general elections, the Centre announced the flagship PM-Kisan scheme which promised a direct cash transfer of ₹6,000 every year for every farm household. The scheme, which now accounts for a lion's share of the agriculture budget, came on the back of falling crop prices and losses for the ruling Bharatiya Janata Party in crucial state elections.

Things have changed this time around. Crop prices are higher due to repeated climate-induced crop losses, despite export curbs on cereals and sugar. After a thumping win in recent state elections, the ruling party has less reason to woo rural voters with extravagant sops.

Yet, farmers could expect a higher cash transfer under PM-Kisan and a reallocation targeted at female members of farm families. Other than that, the budget is likely to increase funding for procurement of non-cereal crops like pulses where inflation is painfully high (21% higher year-on-year in December 2023).

With uneven and unseasonal rains and heatwaves leading to recurrent crop damage in the past few years, farmers can also expect a tweaking or higher allocation for the federal crop insurance scheme, Pradhan Mantri Fasal Bima Yojana (PMFBY).

IND.AI SURGE INTERIM BUDGET 2024

"Ideally, the budget should announce some cash handout for landless farm workers who are among the poorest. On the fertilizer front, a tweaking of subsidies away from urea to other fertilizers (like di-ammonium phosphate or DAP) can help counter imbalanced use," said Ajay Vir Jakhar, chairman of the Bharat Krishak Samaj, a farm policy and advocacy body.

Jakhar added that the main crisis in farm households is that agricultural income from tiny plots of land—the average landholding is just over a hectare—is insufficient to meet even daily expenses.

"A policy to increase minimum support prices will not help farmers with rising living costs. Instead, the government should focus on affordable healthcare, education, and public transport services in rural areas," Jakhar said.

As export curbs on rice, wheat and onions to lower retail prices have hurt earnings, farmers can expect to recover some of the losses from new schemes targeted at expanding the government's procurement basket. Earlier in January, the government launched a portal to procure pulses from farmers with a target to become self-sufficient by 2027.

On the crop insurance front, government data shows that in the Kharif season of 2023, about 29 million hectares were covered. This is less than a third of the total Kharif crop area of 110 million hectares. The budget could provide additional funds to drive enrolment under the scheme to shield farmers from weather related risks.

Most budget speeches in the last few years emphasized natural farming practices that can improve the soil and food quality by reducing use of chemical fertilizers and pesticides. However, the financial allocation has been minuscule—₹459 crore in 2023-24.

Japan to help India cut power sector emissions, build infra

Shashank Mattoo & Rhik Kundu
NEW DELHI

Chief representative of JICA India, Saito Mitsunori.

Japan International Cooperation Agency (JICA), the country's development aid agency, is working with India on a roadmap to reduce carbon emissions in the power sector, Saito Mitsunori, the chief representative of the agency's India Office said.

JICA is also in talks with the central and state governments to fund more projects to improve connectivity with Bangladesh, Nepal and Bhutan, Mitsunori said.

The Japanese agency, one of the largest bilateral funders for India, is financing large infrastructure and connectivity projects like the Mumbai-Ahmedabad Bullet Train project, Mumbai Trans Harbour Link Project, and road connectivity improvement projects in the North-east, apart from projects in water and sanitation, power, forestry, agriculture, health, education and sustainable development goals (SDGs).

"A decarbonization road map (for the power sector) will be formulated by the government with JICA's support in the coming years," Mitsunori said.

JICA is also working with the Central Electricity Authority to help it with planning policy formulation and terms of the power sector development, apart from funding renewable sector development in the country, he added.

India has an ambitious goal of decarbonizing energy to 50% and achieving 500 GW of fossil fuel-free generating capacity by 2030. This would require the country to meet 50% of its electricity requirements from renewable energy sources by 2030.

Meanwhile, JICA is also financing large infrastructure connectivity projects in India and Bangladesh.

As things stand, India, Japan, and Bangladesh have come together in the form of the ambitious Bay of Bengal North-east Corridor project to transform connectivity in the Bay of Bengal region through multiple connectivity corridors and industrial value chains.

While on the Bangladesh side, JICA is financing the development of Matabari's deep seaport in Cox's Bazar district, on the Indian side. In India it is financing road connectivity improvement projects in the North-east region, totalling more than 750km in length.

"Looking into the future, we are very much keen to fund more projects to improve connectivity with Bangladesh or Nepal or Bhutan," Mitsunori said. "We are yet to unveil a plan but I'd like to convey JICA's keenness and willingness to do more for that direction," he added.

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MINT SHORTS

'Air passenger traffic expected to reach 300 mn by 2030'

HT

Hyderabad: The number of domestic air passengers in India is expected to double to about 300 million annually by 2030 and the country would still have a vast untapped market, Union civil aviation minister Jyotiraditya Scindia said on Thursday. With 300 million passengers a year in 2030, aviation penetration would be at 10-15%. **PTI**

If border stays calm, India may ease China investment curbs

Davos: India could ease its heightened scrutiny of Chinese investments if the two countries' border remains peaceful, a senior Indian official said in the first signal that the four-year-old curbs could be lifted. Border tensions, the biggest irritant to relations between the Asian giants, have eased, which could lead to improved investment ties, top industrial policy bureaucrat Rajesh Kumar Singh said at the annual World Economic Forum meeting in Davos. **REUTERS**

Union ministers at WEF: India has already seized the moment

BLOOMBERG

Davos: Asserting that the Indian economy has undergone a significant transformation in the last one decade, three union ministers on Thursday said the country's economic growth now is not only high but also inclusive. Speaking at the World Economic Forum Annual Meeting 2024, union minister Hardeep Singh Puri said India has already seized the moment. **PTI**

Horticulture production in FY23 seen marginally higher

MINT

New Delhi: India's horticulture production, including vegetables and fruits, was 2.32% higher in financial year 2022-23 at 355.3 million tonnes, according to the agriculture ministry's third advance estimates issued on Thursday. Production of vegetables is estimated to have increased to 213.88 mt in FY23 from 209.14 mt in the year prior due to an increase in potato and tomato output. **PUJA DAS**

Govt aims to provide seamless export facilitation

BLOOMBERG

New Delhi: The government aims to provide seamless export facilitation services to existing as well as new exporters through the Trade Connect ePlatform, which will become operational in three months, said Santosh Kumar Sarangi, the director general of foreign trade. **DHIRENDRA KUMAR**

'Will remain development partner for Maldives'

New Delhi: India's foreign ministry stated that New Delhi remains committed to its development projects in the Maldives despite tensions between the two. "On our part, we remain committed to our projects and to take them forward. We have been an important development partner of the Maldives," said Randhir Jaiswal, official spokesperson of external affairs ministry. **SHASHANK MATTOO**

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Cashfree targeting return to profitability by Q1FY25: CEO

The firm has introduced over 10 products across payouts, verification & connected banking

Arti Singh
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NEW DELHI

Nearly a year after barring Cashfree Payments and Razorpay from onboarding new merchants on their payment aggregator (PA) platforms, the Reserve Bank of India last month lifted the ban and granted them final PA licence.

Ever since, there has been a "significant pent-up demand among businesses eager to utilize Cashfree Payments services," Akash Sinha, CEO and co-founder of the Bengaluru-based payments company told Mint. "Since obtaining the PA licence, we have already onboarded over 25,000 accounts (or merchants) that were pending for the past 12 months. With expectations of 45,000 to 50,000 monthly merchant leads going forward, we are confident of a sustained growth of our platform," he added.

Akash Sinha, CEO and co-founder, Cashfree Payments.

When there were no new business/merchants coming onto its payments platform due to the regulatory ban, the once-profitable Cashfree—which claims to have about 3-4 lakh merchant base—said it invested more time developing new products and building new lines of businesses. "We just went harder on cross-sell and upsell, activated a lot of dormant accounts, increased the wallet share with existing accounts. And we have seen the growth in payments volume and on overall revenue-wise from the existing merchant base. We will be higher than what we did last year," Sinha said.

The primary focus, according to him, was on building a well-diversified platform capable of addressing all merchant needs through a unified portal. The company, which now aims to return to profitability by the first quarter of FY25, introduced more than 10 products across payouts, verification, connected banking, escrow management, including innovations such as KYC Link, Reverse Penny Drop, and Co-lend.

"Additionally, we launched FlowWise, India's first self-hosted payments orchestration platform."

FlowWise is an important innovation that Cashfree came up with. There are large enterprise internet companies in India, which still struggle with using payments in the best way possible. Enterprises can install FlowWise on their own cloud and manage the entire payment operation.

They can integrate all the payment methods on their platform, route transactions, optimize successes for transactions, do reconciliation and refund management, dispute management, customer analytics, cost optimization from the same platform, he said.

"In terms of cost, a mid-to-large enterprise would need a team of 10-15 developers, 3-4 product managers, and a finance team of 15-20 people doing reconciliation, refund etc. These are very high-paid resources. The challenge is also training the talent, ramping up...and it's a big task. With FlowWise, they literally can do all of this with just 10% of resources they have," he claimed.

While the product is still at beta stage, Cashfree said it won't follow the pay-per-use model. Instead, there is a licence fee for the software and a monthly fee. Without disclosing the name of the merchants using this software, Sinha said that the number of merchants using FlowWise is in 'double digit' currently.

Cashfree claimed that it is seeing great traction for FlowWise since its launch, and that the product is set to process $1 billion monthly TPV (total processing volume) in Q1 of FY25.

Another product is KYC Link, which the company launched a few months back. In this segment, the company competes with standalone KYC startups such as IDFy, Signzy, Karza among others. Over 1,000 merchants, including Bajaj Finance, Dream11, and Meesho are using Cashfree's KYC Link product.

"We crossed almost 90-95 million verifications per month. So, that is a scale we are seeing, which is much larger than a standalone reg-tech (regulatory tech) player. Revenue that we are seeing from this product is very close to independent reg-tech companies in the market," Sinha asserted.

The company—which processes $4 billion worth of payments per month—is also looking at expanding its presence in the UAE through its acquisition of payments firm Telr.

"We aim to take as many products as possible from India to global markets this year, and expect the global market to contribute 30%-40% to the company's overall revenue in next five years, which currently is in single digit, Sinha said.

BOUNCING BACK

CASHFREE has already onboarded over 25,000 accounts since obtaining the licence

AN important innovation product that Cashfree came up with is FlowWise

ENTERPRISES can install FlowWise on their own cloud and manage the entire payment operation

THE company is also looking at expanding its presence in the UAE through its acquisition Telr

Newgen Software on an upward growth trajectory!

Newgen Software Technologies, an India-born global IT product company, has solidified its position as a world leader since its inception in 1992. In over three decades, the company has grown consistently, ensuring customer success in banking, financial services, insurance, healthcare and government.

Newgen closed the third quarter with a whopping 30% year on year growth, taking its total revenue to ₹869 crore. By 2025, the company aims to surpass the $500 million revenue target under the leadership of its CEO Virender Jeet. In November 2023, Newgen surpassed the prestigious milestone of $1billion (₹1,000 crore) market capitalisation and continues to grow.

Diwakar Nigam, Chairman & Managing Director, Newgen Software

Virender Jeet, CEO, Newgen Software

CUSTOMER-FIRST APPROACH

With a global footprint across 74 countries, the company continues to serve more than 520 active customers across banking, insurance, financial services, healthcare, and government.

mint Brand Studio
Newgen

Recording a profit after tax (PAT) of ₹146 crore, Diwakar Nigam, CMD, expressed his satisfaction at the remarkable 51% year on year increase. He said the company would continue to deliver a consistent business performance.

In 30 years, Newgen has acquired a prestigious clientele and is witnessing tremendous opportunities in the lending and trade finance space. It has been nurturing and expanding its existing customer relationships, adding 38 new logos in the first three quarters of FY24.

STAYING AHEAD OF THE CURVE

To keep up with the evolving enterprise landscape, Newgen has invested heavily in modern technologies such as AI, generative AI (GenAI), machine learning (ML), advanced automation tech and more. It also plans to add over 1,000 people to its workforce in the next three years.

Constant technological development has helped Newgen get global analyst approvals, too. In 2023, it was recognised in *The Forrester Wave™: Digital Process Automation Software (DPA)* report and the *Gartner® Magic Quadrant™ For Enterprise Low-Code Application Platforms* report.

In a groundbreaking move, Virender Jeet introduced GenAI capabilities to its unified low code platform, NewgenONE. The GenAI companion, NewgenONE Marvin, is designed to accelerate and streamline application development while fostering more effective customer engagement frameworks. NewgenONE Marvin is set to further accelerate low code capabilities with faster and smarter application development and automation of customer journeys, as well as help build better customer engagement frameworks.

Created by Mint Brand Studio

	S&P BSE Sensex	Nifty 50	Nifty 500	Nifty Next 50	Nifty 100	S&P BSE Mid-cap	S&P BSE Small Cap
CLOSE	71,186.86	21,462.25	19,414.80	53,948.40	21,730.10	37,568.92	43,973.04
PERCENT CHANGE	-0.44	-0.51	-0.37	-0.48	-0.50	-0.08	0.02
PREVIOUS CLOSE	71,500.76	21,571.95	19,487.60	54,206.25	21,839.95	37,597.29	43,963.89
OPEN	71,018.86	21,414.20	19,388.40	54,052.55	21,698.30	37,520.18	43,956.66
HIGH	71,451.29	21,539.40	19,468.65	54,150.95	21,839.95	37,645.40	44,120.09
LOW	70,665.50	21,285.55	19,143.50	52,766.30	21,509.10	36,651.07	42,869.18

MINT SHORTS

Russia's oil-export revenue at six-month low as price falls

Russia's oil-export revenue in December dropped to a six-month low as declining crude prices offset the highest overseas flows since last spring, according to the International Energy Agency. The top-three global oil producer earned $14.4 billion from foreign sales of its crude and oil products in December, down nearly 9% from the month before, the Paris-based agency said in its monthly oil report on Thursday. "Russian oil price discounts increased and benchmark oil prices declined," the IEA said. As a result, revenue dropped even though the nation hiked its oil flows abroad to 7.8 million barrels a day, the highest since March. Revenue from oil production and exports are a key source of funds for the Russian government's budget, which is burdened by massive spending on the war in Ukraine and the need to maintain social expenditure ahead of presidential elections in March. BLOOMBERG

Japanese retail investors offloaded a net $7.2 billion, data from Japan Exchange Group showed. REUTERS

Japanese retail investors sold most stocks since 2013 last wk

Japanese retail investors sold the most cash equities since November 2013 last week, taking profit after a strong rally that sent the Nikkei average to bubble-era highs. They offloaded a net ¥1.07 trillion ($7.2 billion), data from Japan Exchange Group Inc. showed on Thursday. Foreign investors meanwhile added ¥956 billion, the most since early June last year. "It's surprising that individuals sold more than ¥1 trillion" as people expected inflows related to investment trusts and the new tax-free investment account program, said Shingo Ide, chief equity strategist at NLI Research Institute. "As the Nikkei 225 was in range bound late last year, retail investors must have been waiting for the gauge to hit 34,000, and they sold off." Domestic investment trusts, which are being closely watched for clues on retail investors' appetite following the introduction of new tax-free investment accounts (NISA), also sold ¥120 billion. BLOOMBERG

Litmus test for Asian Paints nears

Harsha Jethmalani
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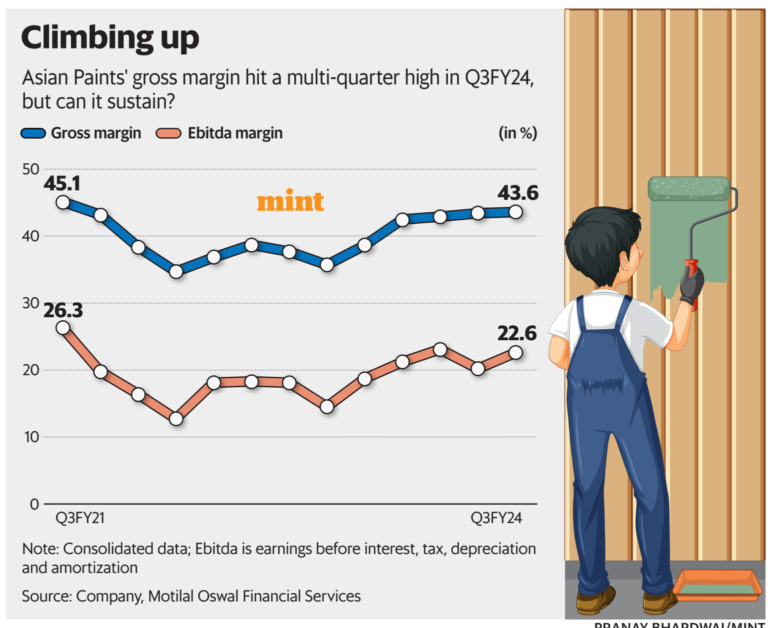
Asian Paints Ltd investors are in a sombre mood. The stock fell 4% in the past two trading sessions following mixed December quarter (Q3FY24) results. The decorative paints segment saw 12% year-on-year volume growth aided by double-digit expansion in both rural and urban markets in the festive quarter. However, consolidated revenue growth of 5.4% missed estimates due to price cuts and unfavourable product mix as luxury products grew gradually.

Importantly, hereon, the uncertainty of changing sector dynamics—mainly pricing and market share, with the entry of newcomers, is likely to keep investors edgy. Significant capex commitment of new entrants is feared to intensify competition. Grasim Industries Ltd is gearing up for a decorative paints product launch in this quarter.

To beat competition blues, lure customers especially in smaller towns and curb downtrading, Asian Paints took price cuts of about 1.3% so far in FY24. This partly explains the gap between volume and value, with the latter at 5.5% in Q3. Over and above price cuts, Asian Paints expects value growth to lag volume growth by 300-400 basis points. "Given this, the company's guidance of continued double-digit volume growth (essentially implies mid-to-high single-digit value growth) in decorative paints is not encouraging and it indicates weakness in underlying demand after two good years (FY2022-23)," said Kotak Institutional Equities.



PRANAY BHARDWAJ/MINT

Asian Paints' distribution—a crucial parameter in the paints business, is also gaining muscle. The company spread its footprint to over 162,000 touch-points, with another 2,000 added in Q3FY24.

Its brownfield expansions at Khandala and Kasna were completed in Q3 with installed production capacity increasing to 400,000KL p.a. and 100,000KL p.a., respectively. Capital expenditure of ₹2,000 crore is committed towards brownfield expansion and attaining backward integration, the management said.

Still, protecting its turf and margins simultaneously may be challenging. Indeed, thanks to softer raw material costs, gross margin got a push in Q3, consequently aiding operating performance. However, benefits from easing input costs may begin to wane, so margins are likely to have peaked in Q3FY24.

"We model Ebitda margin to contract to 19.4% in FY26 from 21.9% in FY24E led by limited scope for gross margin expansion," said analysts at ICICI Securities Ltd in a report. Most gains due to commodity price correction are factored in, there will be an increase in ad spend to maintain share-of-voice (brand visibility) after Grasim's entry and there will be more price cuts, it added. The company has maintained its medium-term Ebitda margin guidance of 18-20%. In Q3, Asian Paints' Ebitda margin was 22.6%.

HAZY PICTURE

TO beat competition blues, Asian Paints took price cuts of about 1.3% so far in FY24

BENEFITS from easing input costs may begin to wane, so margins may have peaked in Q3FY24

To be sure, Asian Paints' strong brand recall value and robust execution capabilities help. But valuations are steep. The stock trades at FY25 price-to-earnings multiple of nearly 53 times, showed *Bloomberg* data. Analysts are of the view that valuations do not entirely capture the potential threat from rising competition. Motilal Oswal Financial Services remains cautious as the paints segment may not enjoy higher multiples as in the past. "It is important to note that the re-rating of the stock was a significant factor driving the appreciation of Asian Paints' stock price over the past five to six years, as the earnings CAGR has been in the 12-14% range," said a Motilal Oswal report. CAGR is compound annual growth rate.

South's problem of plenty hurts growth outlook for cement

Harsha Jethmalani
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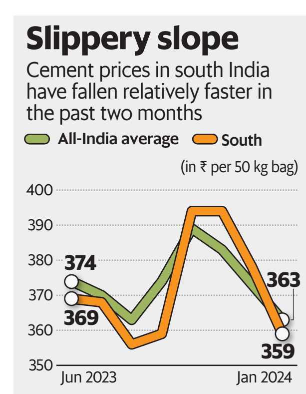
Cement prices in south India are under pressure. In recent months, prices in the south have fallen faster than the all-India average. In January, trade prices fell ₹19 month-on-month (m-o-m) to ₹359 for a 50 kg bag, said an analyst from Nomura Financial Advisory and Securities (India) after meeting dealers.

This means healthy prices seen in October and November have failed to sustain as weak demand has led to partial rollbacks. Unseasonal rain in Tamil Nadu due to cyclone Michaung at the end of December, delayed infrastructure spending by state governments in the key markets of Kerala, Telangana and Karnataka, and labour unavailability have weighed on the region's demand growth, and prices.

In effect, prices in some key markets such as Kerala fell by 9.6% m-o-m and by 6.8% m-o-m in Chennai, according to the Nomura report on 9 January. Since labour unavailability issues are expected to linger, a meaningful revival in near-term demand is not expected.

Ramco Cements, India Cements, Orient Cement and Dalmia Bharat are among companies that have significant exposure to the southern region. A continued further drop in prices would mean bleaker realizations outlook for this region.

In Jan, trade prices dropped by ₹19 m-o-m to ₹359 a bag. HT



PRANAY BHARDWAJ/MINT

Amid increased competitive pressures, volume growth is seemingly taking prominence over realizations growth. So, analysts say that a relatively higher price volatility in the south is likely to persist.

Plus, the region already suffers from the problem of overcapacity. In the next two financial years, 15-17 million tonnes of grinding capacity is expected to be added in south India based on announcements made by the cement companies so far, said Ravleen Sethi, associate director, CareEdge Ratings.

With overall cement demand likely to soften after elections, capacity utilization in the south is expected to be range-bound at 58-60% due to over-supply and this will keep pan-India grinding capacity utilization level capped at 67-69%, she said.

Meanwhile, easing costs of key input fuels petroleum coke and coal is expected to aid operating performance of companies in this region in FY24. This can provide some breather to investors. However, stock performance and prospects for earnings upgrades hinge on how the demand-supply scenario pans out. On the valuations front, shares of these cement makers are trading at FY25 EV/Ebitda of nearly 10-14 times, *Bloomberg* data showed. This is at a discount to larger pan-India competitors, trading at multiples of over 18 times, but it's hardly appealing in the current backdrop.

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

Tata Comms profit hit due to SC verdict

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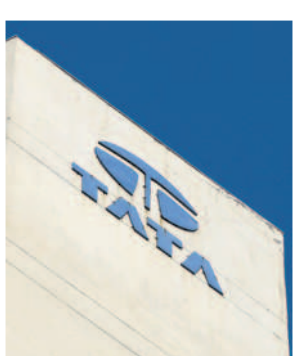
Tata Communications' profit for the quarter ended December 2023 fell by 88% to ₹45.1 crore compared to the year before, missing estimates, as it provisioned for the impact of the Supreme Court judgment on treating licence fee paid to the government as capital expenditure instead of revenue expenditure for calculating taxes.



The SC judgment on licence fee impacted the co. BLOOMBERG

"Even though the company is not a party to the above judgment and its case is different and distinguishable from the above judgment, as a matter of prudence the company has assessed and recorded a provision of ₹185.52 crore towards interest which has been disclosed as an exceptional item and a provision of ₹21.09 crore towards tax (net) due to change in effective tax rate on account of adoption of new tax regime," the enterprise connectivity provider said Thursday. The telecom player also accounted for deferred tax on refunds it received from pending tax litigations with the government, said MD and CEO A.S. Lakshminarayanan in an interaction with *Mint* following the results.

"We have a long litigious past in terms of tax disputes and others. So we've been cleaning up some of that and that's coming into the profit line as and when we clean up. The effective interest rates have gone up so that is another reason," the top executive said.

The Supreme Court's decision in October last year impacted India's older telecom players—Bharti Airtel, Vodafone Idea and Tata Communications—as it set aside a December 2013 judgment of annual licence fee on adjusted revenue being a revenue expenditure.

The telcos have since provisioned for a larger tax outgo in their second quarter results. Sector watchers had opined that telcos would seek legal remedies, but they're yet to seek redressal.

Lakshminarayanan said that synergies from The Switch and Kaleyra acquisitions in the US along with complementary solutions from Tata Communications own stable helped in revenues rising more than 24% on-year to ₹5,633 crore. Kaleyra has turned Ebitda positive in the first quarter post acquisition.

Revenues from data services remained the highest contributor earning ₹4,618 crore in the quarter, up 28.5% from the year before.

IndusInd Bank's PAT up 17%

Gopika Gopakumar
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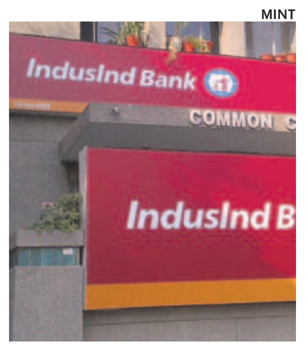
MUMBAI

IndusInd Bank reported a 17.1% year on year (y-o-y) increase in net profit to ₹2,301 crore for the December quarter owing to higher interest income and lower provisions, despite fresh slippages in the quarter. The bank reported a net profit of ₹1,963.64 crore in the same period a year ago.

The bank's core income or net interest income grew 18% y-o-y to ₹5,296 crore at the end of the December quarter. Net interest margin for third quarter was flat at 4.29%. Loan book grew 20% y-o-y to ₹3.27 trillion and deposits grew 13% y-o-y to ₹3.68 trillion.

"We are looking at credit growth outlook of 18-22% for FY24 and FY25. We are seeing strong growth in vehicle finance, merchant acquiring business, MFI loans, consumer loans like credit card, personal loans, loan against property and small and medium business," said Sumanth Kathpalia, MD & CEO of the Bank.

MINT



The bank's core income or net interest income grew 18% y-o-y.

The bank's gross non-performing asset (NPA) was ₹6,377 crore at the end of December quarter compared to ₹5,710.8 crore in the corresponding period a year ago and ₹6,164.2 crore in the previous quarter. As a percentage of total assets, gross NPA stood at 1.92% compared to 2.06% in the same quarter last year and 1.93% in the previous quarter.

Provisions fell 9% y-o-y to ₹969 crore on 31 December 2023 as compared to ₹1,065 crore for the corresponding quarter in the previous year.

"We had fresh addition of bad loans worth ₹1,765 cr in the quarter, ₹1,453 crore from consumer loans and ₹312 crore from corporate loans business. Flow has come from vehicle finance, consumer loan and MFI business," he said.

FPIs' bear flip raises fears of deeper pullback for markets

FROM PAGE 1

ruled out after the sharp fall over the past two days, the near-term trend could be downward if FPIs sell in cash and index futures, analysts feared.

"There could be still more short creation by FPIs and more downside in store, interspersed by bouts of volatility," said Abhilash Pagaria, head of quant research at Nuvama Wealth. "Though a bounce is possible, the texture right now looks weak for the near term with the market likely to trade in a 21,000-21,800 range. We are somewhere in between this now and there is space for a further pullback."

The steep rise in the Indian markets until recently has been driven by solid domestic and foreign institutional investments. FPIs net invested ₹1.71 trillion in Indian shares in 2023 while domestic institutional investors pumped in ₹1.85 trillion. The flows have driven the one-year forward valuation premium that MSCI India trades at to MSCI China to a historic high of 171.26%.

The bank's gross NPAs stood at ₹6,377 crore at the end of the December quarter

"But, with high valuations, there is no tolerance either for corporate governance issues or slip in performance, as seen in the case of Polycab Cables earlier and HDFC Bank, in terms of disappointing Q3, for the latter," said Deven Choksey, managing director, KRChoksey Shares and Securities. "The global funds who are entering the Indian markets have a trader mindset and this is showing in the drubbing in some counters. That is why we are seeing positions flip rapidly."

HDFC Bank, which has fallen 11.5% in the past two days, saw a massive build-up of short positions in the active call option contract of 1,500 level, which means it is likely to remain under pressure in the near term.

I-Sec shareholders cry foul, delisting plan sparks storm

FROM PAGE 1

entities (brokerages) have chosen to keep securities business as an unlisted business."

A second person, who introduced himself as Vikram from Vikram Securities, was interrupted midway through his question: "In September, you had disposed of a complaint by Unifi Capital. What was the nature of that complaint?... We have reason to believe that they wrote to all the board of directors for..."

Jaspal jumped in: "It's a bilateral communication. This call is specifically to discuss the earnings." Added ICICI Securities managing director (MD) and CEO Vijay Chandok: "My request is to keep your question restricted to earnings."

Analyst Darshan Engineer, a portfolio manager at Karma Capital Advisors, questioned if the delisting process was making ICICI Securities go slow on its strategic initiatives.

The management brushed aside this concern. "Now, the markets are at an all-time high. To expect growth from here would not be right. I think, therefore, the note of caution. Nothing to do with delisting," said Chandok.

The share swap ratio (67 shares of ICICI Securities for every 100 shares held in ICICI Bank) has also generated disquiet. "The share swap ratio seems to be on the lower side. Investors would be better off selling ICICI Securities shares and buying ICICI Bank from the open market today to get almost a 20% increase," said Shriram Subramanian, founder of proxy advisory firm InGovern Research Services.

ICICI Securities needs two-thirds of public shareholders, who own more than 25% stake, to clear the plan

In response to an emailed query from *Mint*, an ICICI Securities spokesperson said: "There is no reconsideration as the scheme has been filed with NCLT (National Company Law Tribunal) at the valuation ratio that was approved by the boards after careful consideration backed by fairness evaluation for all stakeholders. We also believe the proposal is in long-term interest for the company and shareholders."

Queries sent to ICICI Bank and Unifi Capital remained unanswered till press time.

Late last year, ICICI Securities responded to questions raised by Unifi Capital, a Chennai-based portfolio management services firm, and a Bengaluru-based retail investor, Soarabh Gupta. Gupta is a relative of Manu Rishi Gupta, who runs a Bengaluru-based investment fund, MRG Capital, who too has voiced his unhappiness over the transaction.

Both Unifi Capital and Gupta had written to the nine-member board of ICICI Securities, expressing their displeasure at the proposed transaction.

Finverse Ventures' Darak told *Mint* that investors are paying a premium on the shares of ICICI Securities because they believe they are worth more than the price dictated by the original 100:67 swap ratio, and that this suggests that the market does not expect the transaction to receive investor support.

"The stock price has run up significantly in the past year; so, minority investors have to consider whether the business prospects of ISEC (ICICI Securities) are better than the prospects of a diversified portfolio of businesses at ICICI," Subramanian of InGovern said.

Akasa inks $20-bn deal to buy 150 Boeing MAX

The latest order takes the airline's cumulative order book to 226 aircraft

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Vinay Dube, co-founder and chief executive officer, Akasa Air. PTI

Akasa Air has placed an order with US aircraft manufacturer Boeing for an additional 150 narrow-body 737 MAX planes that will cost India's youngest airline an estimated $20 billion.

The announcement was made at the Wings India civil aviation event that started in Hyderabad on Thursday.

In 2021, Akasa Air had placed its initial order of 72 Boeing 737 MAX aircraft, which was followed up with an order of 4 Boeing 737 MAX 8 aircraft in June 2023. The latest order takes the airline's cumulative order book to 226 aircraft.

Akasa Air currently operates a fleet of 22 aircraft. The airline said it will take the delivery of the remaining 204 aircraft over eight years through 2032. The latest order will comprise Boeing 737 MAX 10 and 737 MAX 8-200 aircraft.

Earlier, the airline had said that it is open to both aircraft manufacturers Airbus and Boeing as it was planning to place a three-digit aircraft order.

"These decisions of choice are based on multiple factors. Airbus is a great company and has good aircraft but for us, this was the right decision and right combination of multiple factors. Fleet simplicity, not just engine and spare parts, pilot training, the ability to rotate aircraft to get better utilization, better network and schedule reliability, commercials and availability of aircraft are important elements too," Vinay Dube, co-founder and chief executive officer, Akasa Air, told *Mint*.

"When you put all of this together, it made sense for us to go with Boeing who stood by us for a long time," Dube added.

The discussions for the new order started months ago, and came to a fruition over the last few weeks, people aware of the development said. The airline came into the limelight ahead of its launch, with the backing of billionaire investor the late Rakesh Jhunjhunwala. The airline commenced flight operations in Aug 2022 and commands 4.4% share in the domestic civil aviation market.

"We have opted for MAX-8-200 and MAX 10 and we will have the flexibility to choose which one we want, as time and operations go. The main fundamental part of negotiation is always to protect the company at every way, we feel good about the deal, basic is to ensure that the company is always covered in any scenario," Priya Mehra, chief legal, regulatory and strategic relations officer, said.

The airline now awaits completion of paperwork as it prepares to launch international flights.

"We fly to 18 domestic destinations. Currently, we have rights to fly to Riyadh, Kuwait, Jeddah, Doha and as we get to summer, you will see more rights being awarded to us and that is when phase-2 expansion will start for the international segment," Praveen Iyer, co-founder and chief commercial officer, told *Mint*. The airline is also expected to introduce more varieties of food on board as it launches international flights.

"Consumers are looking for freshness, every three-four months you will see a new variety, when we cater to international you see the audience and decide accordingly," Belson Coutinho, co-founder and chief marketing & experience officer, said. On the timeline for the next order of Akasa, which has created a record by ordering over 200 aircraft within two years of operations, Dube said that the next order is expected to "take a while".

ADDING TO ITS FLEET

AKASA Air had placed its initial order of 72 Boeing 737 MAX aircraft in 2021

THE airline followed up the initial order with another for four Boeing 737 MAX 8 aircraft in June 2023

THE airline said it will take the delivery of the remaining 204 aircraft over eight years through 2032

Malaysia Airlines seeks code-share pact

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Izham Ismail, group managing director, Malaysia Aviation Group.

Malaysia Airlines is in talks with an Indian carrier for a potential partnership to increase its reach in the world's third-largest aviation market, a top company official said, even as he lauded New Delhi's decision of not giving any more flying rights to foreign carriers to boost its own players.

"I applaud [Indian government's move to restrict any increase in foreign flying rights]. And whatever the Indian government is doing is good for the aviation companies in India," Izham Ismail, group managing director, Malaysia Aviation Group, told *Mint* in an interview.

This makes Ismail the first and only foreign airline boss to have spoken in favour of the Indian government's stance to not increase foreign flying rights, or bilateral rights, with countries that are aviation hubs with a strong airline. A list of such countries includes Dubai, Qatar, Singapore, and Turkey.

Interestingly, Malaysia is also seeking an increase in foreign flying rights since the Malaysian carriers—Air Asia, Malaysia Airlines, and Malindo Air—have exhausted their share of the bilateral rights and are seeking an increase, which was last raised in 2012.

The Indian government's stance on restricting bilaterals has also divided the airline industry between foreign and domestic carriers, who support the government's stance on restricting bilaterals foreign flying rights.

"So, how does Malaysia Airlines circumnavigate this bilateral shortage...We are speaking to an Indian airline for a code-share partnership...and the name could be announced in a few weeks. I, however, cannot share the name of the airline," he said.

Ismail said the airline is ready to get into a partnership with both a full-service or a low-cost airline.

"At this current time, we are agnostic for the Indian market—whether it is a full-service or a low-cost carrier. Because there is diversity in India. There is a leisure and corporate market as well as labour traffic out of India. It's a well-diversified market. So, we are quite agnostic," Ismail said.

For context, Malaysia Airlines is a full-service carrier, and Air India and IndiGo are the only two large airlines in India.

If Malaysia Airlines announces a code-share partnership with a low-cost carrier, it would not be a first for the Indian market, as IndiGo already has an extensive agreement with Turkish Airlines, which is a full-service carrier.

With the partnership, the airline plans to tap the passenger market in the east and north-east of India.

Ismail explained that this is part of the airline's strategy to become a network carrier, focusing mainly on the international market and developing Kuala Lumpur as an aviation hub. He said the airline's international revenue contribution to the total revenue has increased to 90% during the past 30 months. This used to be in the range of 65% earlier.

Haldiram's seeks to buy rival Prataap Snacks

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Indian snacks maker Haldiram's is in talks to acquire a majority stake in listed rival Prataap Snacks, which is valued at $350 million, to expand its presence in the potato chip market, two people with direct knowledge of the matter said.

Prataap Snacks shares in Mumbai jumped about 13% to their highest levels since 2018 after the news, before paring some gains to close 9.7% higher.

The talks are at an early stage and a valuation has not been discussed, though it could be at a premium to Prataap's stock price. Haldiram's is considering a majority stake of at least 51%, but a final number has not been decided, said the persons, who declined to be named as the discussions are confidential.

Prataap is best known for its Yellow Diamond brand of chips and competes with Pepsi's Lay's brand and other snackmakers in a market where local, unorganized food sellers still dominate the fried chips segment.

> **Prataap is best known for its Yellow Diamond brand of chips and competes with Pepsi's Lay's brand**

Venture capital firm Peak XV Partners, formerly known as Sequoia Capital India, owns around 47% of Prataap Snacks and is looking to fully exit its stake in Prataap, the persons added.

Haldiram's CEO Krishan Kumar Chutani, Prataap CEO Amit Kumat, and Peak XV all declined to comment.

Prataap made its stock market debut in 2017 and had annual revenues of about $200 million last year. It says it sells over 12 million packets of its salty snacks daily, which are priced as low as ₹5 (¢6 US).

However, unlisted Haldiram's, a family-run business founded in 1937, is a much larger manufacturer of packaged snacks with revenue of over $1 billion and runs 150 restaurants across the country. Last year, *Reuters* reported the company was seeking a $10 billion valuation in deal talks with Tata Group and other strategic investors it wanted to bring on board, but the talks didn't materialize over valuation concerns.

The Centre's first advance estimate is that the economy will grow at 7.3% in FY24. MINT

India should aim for at least 7% growth in FY25: RBI

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India should look to grow at least 7% in 2024-25, said an article in the Reserve Bank of India's (RBI's) January bulletin, sustaining the momentum from the current fiscal that saw better-than-anticipated growth on the back of a shift from consumption to investment.

The first advance estimates of the government recently showed that the economy is expected to grow at 7.3% in FY24, 30 basis points (bps) higher than what RBI forecast in December. A basis point is one-hundredth of a percentage point. On 17 January, RBI governor Shaktikata Das said he expects gross domestic product growth to touch 7% in FY25.

While the article was written by RBI officials, it had the usual disclaimer that the views were those of authors and not of the central bank.

To be able to grow at least 7% in FY25, there are a clutch of things that need to occur, as per the article. First, inflation needs to align with the target of 4% by the second quarter of the year, and get anchored there. Second, balance sheets of financial institutions need to be strengthened and asset quality further improved. Among other things, it also said that the government's thrust on investments should be partnered and even led by the corporate sector, supplemented by foreign direct investments.

To be sure, the Indian economy has typically been driven by domestic consumption, followed by investments and exports. The article on Thursday cited the National Statistical Office's (NSO's) first advance estimates of India's national income for 2023-24. The upside surprise in NSO's estimate, it said, is underpinned by a shift from consumption to investment on the back of the government's thrust on capex, which was starting to crowd-in private investments.

As *Mint* reported on 1 January, new projects worth ₹2.1 trillion were announced in the December quarter, up 15% from the September quarter, as per data from the Centre for Monitoring Indian Economy.

Coal India Ltd eyes lithium, rare earth mines from govt

The move is in line with the company's plans to diversify into newer, more long-term areas

Subhash Narayan & Rituraj Baruah
NEW DELHI

As part of its diversification plans, state-run Coal India Ltd (CIL) plans to acquire rare earth and critical mineral mines including lithium directly from the government, in addition to bidding for Jammu & Kashmir's lithium reserves in upcoming auctions.

"Coal India is looking to directly take certain rare earth mines. Given that it is a PSU, it can apply for certain mines directly. And it is also expected to take part in the (J&K) auctions," said a person aware of the developments.

The company would be able to apply for mines reserved for government companies or corporations. In both the Mines and Minerals (Development and Regulation) Act and Offshore Areas Mineral (Development and Regulation) Act, provisions have been made to grant mineral concessions without competitive bidding to government companies on payment of such amount as may be prescribed by the Centre for such reserved areas.

Queries mailed to CIL remained unanswered till press time.

The company's plans to foray into domestic critical mineral assets comes with the government's new focus in the segment. CIL has already been looking into acquisition opportunities for critical mineral mines abroad.

In its annual report for FY23, the company had said: "We are exploring the acquisition of lithium, cobalt, and nickel assets abroad and have amended our Memorandum of Association (MoA) to include non-ferrous and critical minerals. We are currently identifying suitable overseas assets for mergers and acquisitions."

On prospects of acquisition of foreign critical mineral assets, another person said on the condition of anonymity that CIL is having deliberations with prospective overseas partners and agreements are expected soon.

5.9 mt
Lithium reserves that GSI found in Jammu & Kashmir

India is a net importer of critical minerals and in a bid to boost domestic mining, the government last year passed the Mines and Minerals (Development & Regulation) Amendment Bill, 2023 wherein it introduced exploration licence for deep-seated and critical minerals.

In June, the ministry of mines came up with a list of 30 minerals critical to India's economy—antimony, beryllium, bismuth, cobalt, copper, gallium, germanium, graphite, hafnium, indium, lithium, molybdenum, niobium, nickel, PGE (platinum-group elements), phosphorous, potash, REE (rare earth elements), rhenium, silicon, strontium, tantalum, tellurium, tin, titanium, tungsten, vanadium, zirconium, selenium, and cadmium. Rare earth elements include neodymium, praseodymium, dysprosium, europium, yttrium, and terbium.

Several of these minerals are key for energy transition, defence, and telecom equipment manufacturing.

Lithium, in particular, is among the highest in demand given its use in batteries—for mobile phone, electric vehicles and grid-scale storage systems, for which India is completely import dependent, mostly from China.

The Geological Survey of India (GSI) last year found lithium reserves of about 5.9 million tonne in J&K. These blocks are likely to be put up for auction next month.

Another block in Chhattisgarh would also be auctioned in February. More lithium reserves have been discovered in Rajasthan and Jharkhand.

In July 2023, union minister of mines Pralhad Joshi had told Parliament that in FY24, the GSI has undertaken about 122 critical mineral exploration projects.

CIL's diversification plans are spread across multiple segments, including renewable energy, thermal power, coal gasification, coal bed methane (CBD) projects, fertilizer and aluminium business.

Although in the near-to-medium term, coal production is set to increase, production of the mineral is likely to plateau in the longer run post 2045 and eventually stop, which would need the world's largest coal mining company to look for newer avenues.

Ritabrata Ghosh, vice-president and sector head, corporate sector ratings, ICRA said: "There is immense opportunity in diversification towards critical minerals as seen in countries like Australia and China, which have rapidly ramped up production. However, given the limited exploration carried till date, India's lack of domestic availability of world-class deposits of critical minerals like lithium, nickel cobalt, and others remains a concern from the energy security perspective. Further, the technology to extract lithium from clay deposits, as found in Jammu & Kashmir, is not yet proven commercially. We may have to wait and see how things evolve."

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Projects to explore critical minerals that GSI has started

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Although in the near-to-medium term, coal production is set to increase, production of the mineral is likely to plateau in the longer run post 2045.

Digital fair play bill likely after national elections

FROM PAGE 1

interest rather than complex, niche economic legislation.

Experts are not convinced about the need for a new law, and advise a cautious approach given that the Competition Act has already been amended recently to make it more sophisticated.

"It would be a good idea to have more discussions with stakeholders on how to address the concerns around dominance and anticompetitive behaviour in the digital markets and come up with solutions such as industry standards or a code of conduct," said Amol Kulkarni, director of research at CUTS International, a non-profit, non-governmental organization working on public interest issues.

India's fair-play watchdog, the Competition Commission of India (CCI), has a digital markets unit, but enhancing its technical and manpower capacity to deal with the emerging challenges is important, Kulkarni added.

Neelambera Sandeepan, a partner at law firm Lakshmikumaran & Sridharan, said India's own *ex-ante* (forward-looking) law is likely to have similarities with the European Union's Digital Markets Act (DMA) and such legislations in other jurisdictions. She, too, advised caution.

"Given the level of maturity of the digital market in a given jurisdiction, the extent and nature of regulations will have to be customized. Also, given that the Indian Competition Act has given sufficiently wide powers to CCI to regulate competition harm in the digital markets, it is important to assess the need for a specialized regulation," said Sandeepan, adding that it must also be ensured that an *ex-ante* regulation does not lead to disincentivizing innovation as a result of overregulation.

Queries emailed to the spokesperson for the ministry of corporate affairs and to CCI on Monday seeking comments remained unanswered till press time.

In December 2022, the parliamentary standing committee on finance led by the BJP's Jayant Sinha had proposed an *ex-ante* regulatory framework involving a set of do's and don'ts for systemically important digital economy firms, as opposed to the existing approach of taking action after a violation is committed.

Experts advise a cautious approach given that the Competition Act has been amended to make it more sophisticated

The panel recommended that the handful of Big Tech firms to be identified as digital market gatekeepers must play by certain rules and file annual compliance reports. For example, e-commerce platforms refraining from pushing their own private labels over third-party brands sold on their platforms, or bundling different goods and services together.

Following the panel's recommendations, the expert committee was formed in February 2023 and given the mandate to decide whether existing competition law and regulations were sufficient to deal with competition-related challenges in the digital economy or whether a separate regime was needed. The idea was that any new regulatory framework should have robust justification and economic rationale given the likely additional compliance requirements.

Two other bills the ministry has been working on—amendments to the Bankruptcy Code and the Companies Act—may also make it to Parliament only after the national polls, even though a lot of work has gone into them.

The Competition Act has given sufficiently wide powers to CCI to regulate competition harm in digital markets, said an expert. MINT

Budget may peg Railways' FY25 operating ratio below 98%

FROM PAGE 1

revenue generation in FY25, pushing down the operating ratio. Also, there is an expectation that the gross budgetary support will again stay above 90% of the total allocation, helping bring the operating ratio closer to the FY21 level of 97.45%, one of the persons quoted above said.

A query sent to the railway ministry remained unanswered till press time.

The railways hopes to fully pay for its own expenses in the long run. In an interview with *Mint* earlier, railway minister Ashwini Vaishnaw had said that currently, the pension bill of ₹51,000 crore, salary and wage costs of ₹1 trillion, energy costs of ₹40,000 crore, and maintenance and spare costs of ₹8,000 crore are met from its own internal revenue. And from March 2024, the railways would see a surge in cargo traffic as seven to eight major bottlenecks in freight movement have been removed.

The minister's confidence has also sparked optimism at North Block, which feels that after two pandemic years that curbed mobility and crimped revenues, the railways has registered a smart recovery from FY23 onwards and is expected to clock record freight and passenger traffic in FY25.

The railway budget may peg a double-digit growth in its traffic revenue for FY25.

In FY24, the railways' traffic revenue is estimated to be ₹2,64,600 crore, comprising 99.8% of the total revenue and a growth of 9% over the previous year. About 68% of the traffic revenue is estimated to come from freight services (₹1,79,500 crore), and another 26% from passenger services (₹70,000 crore).

"The target for the operating ratio for FY24 is around 98.45%. With a marked improvement in revenue and check on subsidies and other non-essential expenditures during the year, the operating ratio is expected to fall further in FY24 at the revised estimate stage. This would also set the stage for the railways to now move towards a 95% operating ratio in FY26 and even stronger in subsequent years," said a former member of the Railway Board, requesting anonymity.

In the pandemic year FY21, the railways got a special central loan of around ₹80,000 crore to make up for the covid-related resource gap, which helped it keep its operating ratio in check. However, this was unavailable in FY22, which worsened the ratio to 107.39%, much higher than the targeted 96.15%. With increased capex, the operating ratio for FY23 remained high at 96.98%.

Though the operating ratio for FY24 too stayed high over steep pension provisioning of around ₹70,000 crore, this provisioning itself would provide some relief to the railways on spending its internal revenues in FY25.

A fall in operating ratio means the transporter has more money left for capital expenditure, and vice-versa

Besides, the railways' gross budgetary capex support is expected to rise over 25% to about ₹3 trillion in the next fiscal year, while the national transporter is also hoping to increase its freight earnings to 4.5-5 million tonnes per day next year from just about 4 mt per day now and earn over ₹2 trillion.

Normalcy in travel and expected growth in passenger revenues are also expected to help bring down the operating ratio in FY25.

In FY21, passenger train services were stopped to slow the pandemic's spread, leading to revenue from freight and passenger traffic falling 16% and 75%, respectively, from the budget estimates. In FY22, too, passenger revenue fell 27%, but freight earnings rose 5% over budget estimates. Still, the operating ratio improved in FY21 to 97% from 98.4% in the previous year, largely on account of a growth in freight earnings and additional central fund support. Also, the transporter cut its cost, ending several subsidized rail services.


Railway minister Ashwini Vaishnaw PTI

MOVES

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

Adarsh Menon	Appointed as **President** at **Zoomcar**
Amrita Chowdhury	Appointed as **VP & Head HR** at **Kaya**
Arvind Joshi	Appointed as **Senior VP IT - India office** at **Aviva India**
Bhushan Sharma	Appointed as **Head - Sales & Marketing** at **Thieme India**
Dr. Nabajyoti Kar	Appointed as **Senior Director & Head Product** at **Thieme India**
Gaurav Himkar	Appointed as **Group CEO** at **GD Goenka Group**
Gaurav Shah	Appointed as **CFO** at **The Sleep Company**
Govind Kumar	Appointed as **President Working Professionals (B2C)** at **UpGrad**
Jabir Merchant	Appointed as **Chief Revenue Officer** at **RPSG Lifestyle India**
Kartik Kalla	Appointed as **VP Music** at **Saregama India**
Manish Jain	Appointed as **Head of Fund Management (PMS & Equity Advisory)** at **Centrum**
Manish Modi	Appointed as **Head Wholesale Banking** at **CSB Bank**
Navaneel Kar	Appointed as **MD India** at **Philip Morris International**
Nikhil Rao	Appointed as **Chief Marketing Officer** at **Mars Wrigley**
Puneet Rajput	Appointed as **CHRO** at **Piramal Pharma**
Saket Dalmia	Appointed as **President** at **Sotheby's International Realty**
Samuel Machado	Appointed as **MD India and South Asia** at **Sabre Corporation**
Shalini Gupta Vachher	Appointed as **Head Marketing & Communications** at **Singer India**
Sidharth Satpathy	Appointed as **National Sales Director** at **Red Bull India**
Sreenivasulu Vudayagiri	Appointed as **President, The Times Group and Head, Brand Capital** at **Bennett Coleman**
Sunil Gupta	Appointed as **CEO** at **Delhi Capitals**
Uday Sharma	Appointed as **COO** at **Allcargo Logistics**
Veerasundar V	Appointed as **CFO** at **Simplilearn**

Source: Accord India, executive search worldwide

DesignCafe on sale, may merge with larger peer

FROM PAGE 1

queries, a Livspace spokesperson declined to comment, and a HomeLane spokesperson said, "We don't comment on speculation. If anything comes up, we will let you know."

"The company has run out of financial runway, and existing investors are not ready to pump in money anymore," the second person cited above said. The third person said that consolidation is likely in this segment, with large players armed with more capital expanding their businesses.

A JSW spokesperson declined to comment. A Saint-Gobain spokesperson, too, declined to comment on *Mint*'s queries. A DesignCafe spokesperson did not respond to emailed queries.

The company, which was last valued at close to ₹700 crore, has held talks with strategic and financial investors

Founded in 2015 by Gita Ramanan and Shezan Bhojani, DesignCafe has raised close to $30 million in funding so far. In 2021, it raised $25 million from investors led by WestBridge Capital and Sixth Sense Ventures as part of its extended Series B round.

In 2023, DesignCafe raised another $4.8 million in a bridge round as a mix of debt and equity from investors including WestBridge, Mirabilis Investment and Alteria Capital. The company also counts early-stage firms such as Fireside Ventures among its investors.

DesignCafe has been focusing on the home interiors category, which it believed was a billion-dollar opportunity. The company has a vertically integrated business model, with its own designers, workforce and a factory in Bengaluru manufacturing all its products.

The company, which also operates the Qarpentri brand of mass home interior solutions, is present in 10 cities across the country. It had an annualized revenue run rate of ₹200 crore in March 2023.

The home interiors segment, pegged to be a $20 billion industry, is largely driven by unorganized local players and has seen very few businesses of scale emerge. Companies such as HomeLane and Livspace have been able to achieve some scale and cross the ₹1,000 crore revenue mark.

With the real estate market bouncing back, the home interiors and renovation segment has also got a fillip. *Mint* recently reported that Livspace's plans to flip back to India to list locally. The company is on the verge of achieving profitability. Meanwhile, HomeLane has hit operating cash profitability and is on a ₹1,000 crore-plus revenue run rate.

'New GST burden may make biz unsustainable'

SportsBaazi, facing GST hurdles, pivots with new revenue streams

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SportsBaazi co-founders Saurabh Chopra and (right) Puneet Dua.

Gaming companies have been grappling with the swift changes in the newly imposed GST tax liability on them. In the Supreme Court, there are two cases, one for the new GST tax which the industry has been lobbying against and another which is opposing a retrospective tax liability on the GST. Amid this, one company that functions as a business unit of Baazi Games—SportsBaazi—said there could be a time when gaming companies would find it unsustainable to not be able to pass on the tax burden to the consumer. For now, their business, the company's co-founders, Saurabh Chopra and Puneet Dua, said has had to pivot the business model to creating additional revenue streams, to mitigate the impact.

"The GST hike hasn't helped the industry but because we have been growing, our growth has sustained the business. We have not passed on the tax liability yet and the impact on the consumer is minimal. But the business needs to make sense and we do plan to pass on the tax burden to the customers and optimise it gradually and do it in a fashion that the consumer engagement is not impacted," said Chopra.

He said they are optimistic that there could be a positive resolution for businesses here.

Baazi Games is an umbrella company and each of its entities are individually run. SportsBaazi is a six-year-old business which first began as BalleBaazi, a fantasy sports app. In 2019, the company raised $4 million in a series A round. "The space was and is very hyper competitive. When we looked at 2020 when there were no sports events happening, we decided to try and see what else we could do to build the category," said Chopra. In the skill gaming space in sports, most users don't have much to do after they have created their fantasy games.

To address that issue, the company launched new categories within watch-and-play segment like creating a stock market for players.

The company also sees traction during kabaddi, football and women's cricket matches. "We are now a sustainable business and are not burning money," he added. The founders said on the back of that, the company grew 76% in its gross gaming revenue, or the amount of money users spent on their platform in FY23 and a similar growth of 80% is expected at the close of this fiscal. SBN Gaming Network Private Ltd—the company that runs SportsBaazi did not file financials for FY23. However, in FY22, the company reported a revenue from operations of ₹ 16.4 lakh and a net loss of ₹5.1 lakh that year, according to its registrar of companies' filings with the ministry of corporate affairs, accessed via business intelligence platform Tofler.

SportsBaazi competes with brands like Mobile Premier League, My11Circle and Dream11. The volume of its active user business comes from tier II and III cities. But states like Maharashtra and Delhi dominate the spends.

In FY23, the company spent $1.8 million on marketing. "Marketing for us is used to accelerate growth but because we are growing organically because of our new 'watch and play' categories, we are spending less on acquiring new users or retaining old ones," he added.

The online gaming market in India will grow at 15% compound annual growth rate (CAGR) till FY28, compared to the 28% CAGR it saw between FY20-23, according to reports.

NEW GAMES

THE firm launched new categories in watch-and-play segment like a stock market for players

THE bulk of the company's active user business comes from tier II and III cities

IN FY23, the company spent $1.8 million on marketing expenses

WHEN SIGNALS IN SPACE GET A RESPONSE

A MATTER OF NUMBERS

DILIP D'SOUZA

Respond to this column at
feedback@livemint.com

What happens in outer space is a never-ending source of mystery and wonder. Black holes, pulsars, anyone? Cepheid variables, globular clusters, supernovas? But despite the awe-inspiring physics behind some of those, despite what they have taught us about the universe, despite the visual spectacles some offer—arguably the most beguiling question of all is an ancient one indeed: "Are we alone?"

Variations: Is there life somewhere out there? Another civilization? Technology comparable to ours?

Decades ago, we humans started sending spacecraft soaring through space that, among other things or maybe even peripherally, sought to answer such questions. I don't mean the Sputniks and Apollos and space shuttles, valuable as all those were in their own ways. The missions I am referring to are intended to soar indefinitely, never to return to Earth. They go by the names Voyager, Pioneer, and New Horizons.

Here's a quick rundown of some of these. Pioneer 10 was launched in March 1972. In late 1973, it began sending to Earth images of Jupiter and eventually got to within about 130,000 km of that giant planet. Over the next decade, it flew through the outer reaches of the solar system. It sent back ever-weaker signals till 2003, when it was about 12 billion km from Earth and the signals died out. Pioneer 11 followed about a year after Pioneer 10, also flying by Jupiter and to within 21,000 km of Saturn's surface. Its last signal reached Earth in 1995, from a distance of about 6 billion km. Voyager 1 and 2 were launched in 1977, to study the large outer planets of the solar system. Both have sent us beautiful images of those planets and their moons.

By now, all these spacecraft have left the heliosphere—essentially, the outer edge of the Sun's "atmosphere", about 18 billion km from us. They are now in what's called "interstellar" space. There's no realistic prospect that they will encounter and photograph objects like Jupiter and Saturn in our lifetimes. But we still get valuable scientific data. For example, in 2020, both Voyagers detected and reported to Earth a definite increase in density of matter around them. That confirmed a conjecture about the particular region in space they were traversing. We should keep getting their livestreamed bits for several more years.

But we were discussing life out there. Remember, these missions have been transmitting data back to Earth, encoded of course as streams of 1s and 0s. We pick these streams out of a blur of background "noise" from everywhere else in space. That is, the data from these missions has definite meaning and is identifiably not just more cosmic noise. But "identifiably" to whom? Certainly to us on Earth, but then we designed the format that data appears to us in and can recognize it. Who else? In particular, what if a sufficiently advanced civilization detected the Voyager signals? Would it know, like us, that this wasn't just more noise? Would it know that it had to come from another source of life and technology?

How would it respond? When would it respond? And if it does respond, how will we receive and understand whatever it chooses to send our way?

These are not just idle questions. In effect, they have intrigued scientists ever since we first started transmitting radio and television signals around the world. It's the nature of such signals that you can't confine them to our planet. Just by being broadcast, they also travel out into space. Admittedly, they are pretty weak as they travel the universe, and the idea that an extra-terrestrial civilization might detect such a signal is somewhat fanciful. Yet the astronomer Carl Sagan thought it was plausible enough to make it an integral part of his novel *Contact*. The opening ceremony of the 1936 Berlin Olympics was an early global TV transmission, and in Sagan's story, aliens intercept it and reflect it back at us. Thus our first contact with another civilization comprises, several decades after he died, images of Hitler. Easily understood here on Earth, if probably startling.

But we were discussing Voyager and its cousins. Signals from Earth to them and vice versa are necessarily stronger than a TV broadcast is. They have been zipping through space for decades now. There are some natural questions, then: What are the stars these signals could have reached? And if they do encounter some intelligent life that can respond, when's the earliest we can expect such a response?

Well, last year a Nasa study tried to answer just those questions. It uses the so-called "Gaia Catalog of Nearby Stars" (GCNS). This is a list of over 300,000 stars in our "solar neighbourhood"—within 326 light years from us. To be sure, that's a vast, vast neighbourhood. Yet on the scale of the universe, it is vanishingly small: our Milky Way galaxy alone is about 100,000 light years across, and the farthest-known object in the universe is a galaxy that's over 13 billion light years away.

> In 2020, both Voyagers reported a rise in density of matter around them

Still, the Nasa study considers "the first stars [in the GCNS] that will be reached by the transmissions of each spacecraft, including some stars that have already been encountered" (*The Breakthrough Listen Search for Intelligent Life: Nearby Stars' Close Encounters with the Brightest Earth Transmissions*, Reilly Derrick and Howard Isaacson, *https://t.ly/JWf3*, 18 April 2023). The calculations are intricate, involving the trajectories of the spacecraft as well as the stars (the "ephemerides" of these objects).

In this way, the study found that Pioneer 11 will "encounter" 411 stars in the GCNS, Voyager 2, 325; Voyager 1, 289; Pioneer 10, 241; and New Horizons, 142. Most of these encounters are in the future, though. Voyager 1 will contact its first star only in 2044, New Horizons in 2119. On the other hand, transmissions to Voyager 2 and the Pioneers have already encountered a total of four stars. Pioneer 10 was the first, in 2002. Voyager 2 had two encounters in 2007. Pioneer 11 had one in 2018.

And if by some chance there's something out there listening and reflecting these transmissions, it's the Pioneer 10 signal we can expect a response to soonest, in 2029. After that, from the two Voyager encounters, in 2031 and 2033. Two more this century, but decades later. Of course, as the years go by, these probes' signals will encounter more and more stars, as also any planets that orbit them and might harbour life.

Still, the chances of a response are low. But even so, it's getting to be time that we start listening. Tell your children and grandchildren, and to tell their children and grandchildren.

Once a computer scientist, Dilip D'Souza now lives in Mumbai and writes for his dinners. His Twitter handle is @DeathEndsFun.

SAT refuses to interfere with Sebi's interim order on Brightcom

Priyanka Gawande
priyanka.gawande@livemint.com
MUMBAI

The Securities Appellate Tribunal has refused to interfere with the Securities and Exchange Board of India's interim order dated 22 August in connection with the Brightcom Group's case. The Sebi order restrained ace investor Shankar Sharma from selling the company's shares.

Brightcom is a digital marketing firm in Hyderabad.

"I do not find any reason to interfere in the impugned order at this stage. The Misc. application is disposed off. It is made clear that any observation made by this Tribunal in this order is only prima facie and will not be utilized by either of the parties," the order of Justice Meera Swarup said.

She added that "In the absence of any evidence to the contrary being filed by the appellants before me, I do not find any lacunae in passing of the impugned order."

This comes after the Brightcom Group, along with its key officials including Suresh Kumar Reddy (managing director) and Narayan Raju (chief financial officer), had filed a miscellaneous application before the SAT seeking a stay on the market regulator's 22 August order.

Essentially, the Sebi's order stated that both Reddy and Raju could not continue with their positions until further notice from the regulator. While Reddy was restrained from buying and selling in the securities market, Raju was restrained from selling his shares in the company.

The application by Brightcom stated that the allegations made in the Sebi order were "baseless and completely unfounded". It added that there was urgency in filing the plea since operations of the company have been hit.

Ajay Banga, president, World Bank. BLOOMBERG

'Sense of urgency needed to tackle climate, poverty'

PTI
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DAVOS

World Bank chief Ajay Banga on Thursday said a sense of urgency can be the only saviour for the world faced with a set of intertwined crises, including that of climate and poverty.

"What we have is an existential climate crisis," the World Bank president said here during a session at the World Economic Forum Annual Meeting.

"We cannot think about eradicating poverty without caring about climate. We cannot think about eradicating poverty without caring about healthcare. We cannot think about eradicating poverty without caring about food insecurity and fragility," he said. This is the reality and "we have a set of intertwined crises," Banga said and stressed that a "sense of urgency is our only saviour".

According to him, 45% of the World Bank financing will go towards climate efforts.

In addition, the Bank has promised to connect 100 million people in Africa to renewable power by 2030, address a misalignment in funding to reduce methane emissions, help small nations absorb the cost of climate catastrophes, and ensure the benefits from carbon markets are felt by communities on the ground.

This sense of urgency must be met by governments and international institutions, said IMF's Georgieva

At the same session, IMF managing director Kristalina Georgieva said this sense of urgency must be met by governments, as well as international institutions.

With Nationally Determined Contributions falling around 50% short of where they need to be by 2030, the IMF and its partners need to "breathe down the necks" of governments and encourage them to ramp up their efforts, and redirect funds from fossil fuel subsidies and put them back into climate action, she added.

'Client caution is slowing IT'

Jas Bardia & Shouvik Das
BENGALURU/NEW DELHI

Extreme caution among clients in the global market has sparked a slowdown across verticals in the IT industry, Debashis Chatterjee, managing director and chief executive officer of LTIMindtree said. The trend is reflected in LTIMindtree's quarterly earnings as well. The company's target of achieving 17-18% operating margin by this quarter is being pushed back due to the slowdown, and this could also impact its long-term $10-billion revenue goal, Chatterjee said in a post-earnings interview. *Edited excerpts:*

What is the most important takeaway from your earnings?

Delays in decision-making among clients continue. This is impacting our ability to predict upcoming quarterly businesses, to some extent. It's not just us—the entire industry is facing that. There are also deeper, wider furloughs in the December quarter. There are furloughs in industries which never used to have, such as oil and gas, and manufacturing. In fact, slowdowns are not just in these verticals—they're broad-based.

Also, given that we've signed many end-to-end, managed services and cost-takeout deals, there is pass-through income from them that came into account. We traditionally have some pass-through in December and March quarters, but the proportion we had this December quarter was significantly higher than normal. This has impacted our Ebit (earnings before interest and taxes) to some extent.

Would you revise your margin target, given this situation?

In our five-year plan post-merger, we spoke of 17% Ebit at the end of Q4FY24. This was part of a long-term plan we made based on expected revenue for December and March quarters in this financial year. Given that revenue has been affected due to various factors, we feel it is appropriate to push the margin goal. Our Q4 will be similar to Q3; so, you'll get a margin estimate from there. We're definitely not chasing a 17% Ebit exit rate for Q4, and this is deferred by a few quarters.

m INTERVIEW

Are unexpected furloughs affecting hiring plans, too?

We continue to invest in hiring. Our utilization is at 87% as of the December quarter. Given this high utilization, and that we've already closed quite a few deals including some that have been deferred to the March quarter, we still need to invest on hiring people. Doing so lets us capture growth opportunities rather than just chase the target margin. There is no choice but to increase headcount in the coming quarters, as the deals ramp up. We also added 500 freshers in the December quarter.

Do you favour restrictive non-compete employee contracts?

Look at it this way: I want to retain the right talent within my organization, and just focus on doing that.

As long as we're getting that right, I'm not worried about the other things. Talent churn is something that happens in the industry naturally, and I don't think we can stop that. My job is to ensure that I can focus on the right talent for my organization.

"Talent churn is something that happens in the industry naturally, and I don't think we can stop that.
Debashis Chatterjee
MD and CEO of LTIMindtree

Has the slowdown made it more difficult to optimize the LTIMindtree merger?

I wouldn't say business has been difficult. Through the merger, we had a good go-to-market strategy, unified across capabilities of both the organizations.

Please also remember that when we decided to merge, the decision was not taken based on how the markets will be. It was on the individual performance of the two companies.

Jindal Stainless export targets hit as Red Sea crisis escalates

Naman Suri
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NEW DELHI

The crisis in the Red Sea has hurt Jindal Stainless Steel Ltd's shipments and threatens to affect its export targets, managing director Abhudhay Jindal said.

The company on Thursday reported a 35% year-on-year jump in consolidated net profit to ₹691 crore in the December quarter as domestic demand rose. Consolidated revenue was flat at ₹9,127 crore, with a 43% increase in (Ebitda) earnings before interest, tax, depreciation, and amortization at ₹1,246 crore.

"Due to the Red Sea issue, both our time to Europe and our cost to Europe have increased. The volume we were achieving before Q4 is expected to be impacted until the Red Sea matter is resolved. Europe's slower pace of recovery, compounded by geopolitical issues, contributes to our cautious outlook. We anticipate a decline in Q4 export sales, so revising our target from 15% to around 12%," said Jindal after the company's earnings release.

"Despite these challenges, we maintain our volume guidance, as strong domestic demand provides optimism for the future. Despite a global slowdown in stainless steel markets, the domestic market has been witnessing steady growth. Given the promise that India holds for the near and far future, we are confident of meeting our volumes in the next quarter."

The firm on Thursday reported a 35% y-o-y jump in consolidated net profit to ₹691 cr in the Dec quarter

Jindal Stainless's exports for the current quarter stood at 12% of total sales, and it plans to mitigate the loss of exports through domestic sales.

The company's board also gave its in-principle approval to make Iberjindal, Spain, a wholly owned subsidiary of JSL. The company currently owns 65% of its Spanish subsidiary which acts as a service centre and generated ₹143 crore in revenue during the last quarter.

"The demand for stainless steel in European markets is robust. This move (increasing stake in Iberjindal) has garnered substantial interest from major customers in Spain, Portugal, France, and Italy, expressing a desire to enhance their business partnerships with us. To accommodate this growing demand, maintaining our service centre, alongside the need for warehouses, becomes imperative. The upward trajectory of stainless steel demand in Europe reinforces our commitment," he said.

This, the company feels, can act as a base to expand in Europe given the market there looks depressed. Jindal Stainless aims to take complete ownership of the subsidiary, he said. This is the right time to invest, because when markets turn around, if the company has its capacities ready, it can gain share; "otherwise, again, it will be a whole different story where we have to again drop our prices to enter into the new segments," Jindal added.

IndiaMART InterMESH Limited

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Extract of Statement of Audited Consolidated Financials Results for the quarter and nine months period ended December 31, 2023

(INR Million except per share data)

	Particulars	Quarter ended			Nine Months ended		Year ended
		December 31, 2023 Audited	September 30, 2023 Audited	December 31, 2022 Audited	December 31, 2023 Audited	December 31, 2022 Audited	March 31, 2023 Audited
1.	Total Income	3,470	3,293	3,536	10,155	8,664	11,659
2.	Income from operations	3,053	2,947	2,514	8,821	7,166	9,854
3.	Net Profit for the period (before Tax, but after share of associate)	1,096	933	1,522	3,153	2,956	3,713
4.	Net Profit for the period after tax	819	694	1,128	2,344	2,279	2,838
5.	Total comprehensive income for the period [comprising profit for the period (after tax) and other comprehensive income (after tax)]	806	703	1,141	2,339	2,332	2,883
6.	Equity Share Capital	599	599	306	599	306	306
7.	Other equity (excluding revaluation reserves, if any)						20,279
8.	Basic and diluted earnings per share (Face Value of INR 10 each) (In INR.)						
	Basic EPS	13.66 (Not annualised)	11.36 (Not annualised)	18.46 (Not annualised)	38.60 (Not annualised)	37.33 (Not annualised)	46.48 (Annualised)
	Diluted EPS	13.63 (Not annualised)	11.34 (Not annualised)	18.45 (Not annualised)	38.51 (Not annualised)	37.20 (Not annualised)	46.32 (Annualised)

Notes
1. The above consolidated financial results have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
2. The above information is an extract of the detailed format of audited consolidated financial results filed by the Company with the stock exchanges under regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The full format of the above financial results are available on the Stock Exchange websites, (www.bseindia.com and www.nseindia.com) and also on Company's website at www.indiamart.com.
3. During the period ended December 31, 2023, the Company has issued and allotted 30,614,574 fully paid up Bonus Equity shares of INR 10 each on June 22, 2023 in the ratio of 1:1 (i.e. 1 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on June 21, 2023 i.e. Record date. Considering the bonus issue, earnings per share has also been adjusted for all the previous periods/year presented, in accordance with Ind AS 33, Earnings per share.
4. The Board of Directors at its meeting held on July 20, 2023, approved a proposal to buy-back upto 12,50,000 equity shares of the Company for an aggregate amount not exceeding INR 5,000 Million, being 2.04% of the total paid up equity share capital at INR 4,000 per equity share. A Letter of Offer was made to all eligible shareholders. The Company bought back 12,50,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on September 25, 2023. Capital redemption reserve was created to the extent of share capital extinguished of INR 12.50 Million. The buyback results in a cash outflow of INR 6,198.84 Million (including transaction costs of INR 36.95 Million and tax on buyback of INR 1,161.89 Million). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.
5. The summary of the audited standalone financial results of the Company for the quarter and nine months period ended December 31, 2023 is given below:-

(Amount in INR Million)

Particulars	Quarter ended			Six Months ended		Year ended
	December 31, 2023 Audited	September 30, 2023 Audited	December 31, 2022 Audited	December 31, 2023 Audited	December 31, 2022 Audited	March 31, 2023 Audited
Total Income	3,300	3,131	2,873	9,644	7,639	10,517
Income from operations	2,914	2,807	2,402	8,397	6,826	9,388
Net Profit before tax	1,192	1,068	1,102	3,500	2,588	3,453
Net Profit after tax	916	829	816	2,698	2,047	2,722

For and on behalf of the Board of Directors
IndiaMART InterMESH Limited
Sd/-
Dinesh Chandra Agarwal
(Managing Director and Chief Executive Officer)

Place : Noida
Date : January 18, 2024

JINDAL STAINLESS

EXTRACTS OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2023

(₹ in crores except per share data)

Sr. No.	Particulars	For the quarter ended			For the nine months ended		For the year ended
		31 December 2023 Unaudited	30 September 2023 Unaudited	31 December 2022 Unaudited (Restated)	31 December 2023 Unaudited	31 December 2022 Unaudited (Restated)	31 March 2023 Audited
1	Total income from operations	9,127.45	9,797.04	9,062.50	29,108.45	25,931.95	35,697.03
2	EBITDA *	1,246.17	1,230.57	868.30	3,669.11	2,442.16	3,586.09
3	Net profit for the period (before tax, exceptional and/or extraordinary items)	916.83	892.33	684.96	2,789.77	1,816.73	2,773.97
4	Net profit for the period before tax (after exceptional and/or extraordinary items)	916.83	993.14	684.96	2,890.58	1,816.73	2,773.97
5	Net profit for the period after tax (after exceptional and/or extraordinary items)	691.22	764.03	512.62	2,192.83	1,367.54	2,083.83
6	Total comprehensive income for the period [comprising profit for the period (after tax) and other comprehensive income (after tax)]	693.56	765.23	518.86	2,193.83	1,377.51	2,077.44
7	Paid up equity share capital (face value of ₹2/- each)	164.69	164.69	105.10	164.69	105.10	164.69
8	Other equity $	13,691.95	13,079.42	11,147.24	13,691.95	11,147.24	11,766.49
9	Securities premium account	4,102.26	4,102.26	1,236.03	4,102.26	1,236.03	4,102.26
10	Net worth	13,856.64	13,244.11	11,252.34	13,856.64	11,252.34	11,931.18
11	Paid up debt capital #	474.00	474.00	474.00	474.00	474.00	474.00
12	Outstanding redeemable preference shares	-	-	-	-	-	-
13	Debt equity ratio	0.46	0.43	0.35	0.46	0.35	0.32
14	Earning per share (EPS) (face value of ₹2/- each)						
	a) Basic	8.41	9.40	6.04	26.87	16.38	25.68
	b) Diluted	8.41	9.40	6.04	26.87	16.38	25.68
	(EPS for the period not annualised)						
15	Capital redemption reserve	20.00	20.00	20.00	20.00	20.00	20.00
16	Debenture redemption reserve #	-	-	-	-	-	-
17	Debt service coverage ratio	6.52	5.36	7.32	6.73	7.58	8.63
18	Interest service coverage ratio	8.81	8.11	12.00	9.43	10.47	11.44

* EBITDA = Earnings before interest, tax, depreciation & amortization and other income
$ including share capital suspense account in 31 December 2022.
# Listed debenture

Notes:
1 The above is an extract of the detailed format of quarterly/nine months/yearly financial results filed with the Stock Exchanges under Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR)'}. The full format of the standalone and consolidated quarterly/nine months/yearly financial results along with other line items referred in Regulation 52(4) of the SEBI (LODR) are available on the Company's website: (www.jindalstainless.com) and on the websites of Bombay Stock Exchange (www.bseindia.com) and the National Stock Exchange of India Ltd. (www.nseindia.com).
2 Standalone financial information of the Company, pursuant to regulation 47(1)(b) of SEBI (LODR) :

(₹ in crores)

Particulars	For the quarter ended			For the nine months ended		For the year ended
	31 December 2023 Unaudited	30 September 2023 Unaudited	31 December 2022 Unaudited (Restated)	31 December 2023 Unaudited	31 December 2022 Unaudited (Restated)	31 March 2023 Audited
Total income from operations	9,087.57	9,720.35	9,001.30	28,835.26	25,586.04	35,030.35
EBITDA*	1,020.80	1,069.80	947.29	3,208.42	2,469.93	3,566.93
Profit before tax (before exceptional items)	974.94	822.01	740.30	2,692.24	1,817.53	2,703.52
Profit before tax (after exceptional items)	974.94	822.01	740.30	2,692.24	1,817.53	2,703.52
Profit after tax	779.27	609.40	551.98	2,054.33	1,354.85	2,014.00

* EBITDA = Earnings before interest, tax, depreciation & amortization and other income

By Order of the Board of Directors
For **Jindal Stainless Limited**
Anurag Mantri
Executive Director & Group CFO

Place: New Delhi
Date: 18 January 2024

(**CIN:** L26922HR1980PLC010901)
Regd. Office: O.P. Jindal Marg, Hisar-125 005 (Haryana) | **Ph. No.:** (01662) 222471-83 | **Fax No.:** (01662) 220499
Email Id. for Investors: investorcare@jindalstainless.com | **Website:** www.jindalstainless.com

NEW OKHLA INDUSTRIAL DEVELOPMENT AUTHORITY

noida
Administrative Building, Sector-6, Noida G.B. Nagar,(U.P)
Website : www.noidaauthorityonline.in

E-TENDER NOTICE

E-Tenders are invited from eligible contractors / firms for the following jobs against which bids can be uploaded and same shall be opened / downloaded as per schedule mentioned. The details and conditions of all tenders are available on NOIDA Authority's official website: **www.noidaauthorityonline.in** & **https://etender.up.nic.in**. Please ensure to see these websites for any changes/amendments & corrigendum etc.

A) Fresh-Tender Work:

Sr. No.	Job No.	Name of the Work	Tender Amount (Rs. Lacs)
1.	28/DGM/ SM(WC-3)/ 2023-24	M/o Drain (C/o RCC drain and culvert on 75.00 mtr. wide road near SBI Bank 30.00 mtr. wide road to Vedanta Hospital Sector-50), Noida.	164.77
2.	34/DGM/ SM(WC-1)/ 2023-24	M/o Road (Replacing Old damaged Interlocking tile and laying at new tiles in W-Block and Haridarshan Chowki in Sector-11), Noida.	137.17
3.	33/DGM/ SM(WC-4)/ ET/2023-24	Widening of road (Widening of 18.00 mtr. wide road between Block J, F, G and D, E, C Sector-63), Noida.	154.41
4.	57/DGM/ SM(WC-7)/ ET/2023-24	Strengthening of road (Interlocking tile work on service road from Subros to Parag Dairy on 60.00 mtr. wide Main road, Phase-II), Noida.	130.04
5.	34/DGM/ SM(WC-3)/ 2023-24	Strengthening of Road (Resurfacing on Internal Roads in A, B & C Block, Sector-47), Noida.	154.15
6.	35/DGM/ SM(WC-3)/ 2023-24	M/o Road (P/L Interlocking tile, Refixing of tile & Drain repair work in Block A and B Sector-50), Noida.	119.80
7.	36/DGM/ SM(WC-3)/ 2023-24	M/o Drain (Repairing & Covering of Drain and Refixing or laying of tile on 18.00 mtr. & 12.00 mtr. Road in Block-B, Sector-46), Noida.	164.57
8.	37/DGM/ SM(WC-3)/ 2023-24	M/o Drain (Repairing of Drain and Refixing of tile on 09.00 mtr. Road in Block-B, Sector-46), Noida.	112.58
9.	38/DGM/ SM(WC-3)/ 2023-24	M/o Road (P/L Interlocking tiles on Patri of service road from Sector-107, 47 T Point to Sector-96, 97, 98 T Point on Hazipur road), Noida.	125.78
10.	62/DGM/ SM(WC-2)/ 2023-24	M/o Building (Repair of plaster, drain, Kota Stone, C.C., Painting work & other misc. work for Godawari Market, Sector-37), Noida.	117.19
11.	63/DGM/ SM(WC-2)/ 2023-24	M/o Road (Repair, plaster & fixing of S.F.R.C. for drain, fixing M.S. Grill & Painting work for footpath and other misc. work along sector-28, 29, 30 on DPS School road from MP-a to sector-37 T-Point), Noida.	154.42
12.	64/DGM/ SM(WC-2)/ 2023-24	Strengthening of road (P/L DBM & BC work, repaired & painting work for central verge on sector-19, A and B Block from MP-I road to Parallel road), Noida.	159.02
13.	65/DGM/ SM(WC-2)/ 2023-24	M/o Drain (R/o brick work, plaster and culvert in different location block A, B & C sector-19), Noida.	156.77

The above tenders can be uploaded by dated **01.02.2024** up to **5.00 PM.** Pre-qualification shall be opened/downloaded on dated **02.02.2024** at **11.00 AM.**

A) Re-Tender Work:

Sr. No.	Job No.	Name of the Work	Tender Amount (Rs. Lacs)
14.	49/DGM/ SM(WC-2)/ 2023-24	M/o Road (Repair and Raising of drain & Fixing of M.S. Jaal, SFRC cover for drain, CC for gali and other Misc. work in Ward No. 11, 12, 12A, 14 & 14A, Sector-37), Noida	140.80
15.	47/DGM/ SM(WC-10)/ ET/2023-24	M/o & D/o Expressway (C/o & M/o old Underpass, Approach road and Expressway service road in front of Advant tower, Sector-142 side), Noida.	193.00

The above tenders can be uploaded by dated **29.01.2024** up to **5.00 PM.** Pre-qualification shall be opened/downloaded on dated **30.01.2024** at **11.00 AM.**

Dy. General Manager (Civil)
NOIDA

CLEAN, GREEN, SAFE & SECURE NOIDA

CENTRAL RAILWAY

E- TENDER NOTICE No. NGP/L/2024/T/02R32 Date-17.01.2024

Name of work : Development of cloud based non traction energy data management system for integration of electrical assets with IR-NIYANTRAC web portal led by CRIS for Nagpur Division. **Tender cost of work** : Rs. 1,57,86,825/-, **Bid security** : Rs. 2,28,900/-, **Cost of tender form** : Rs. Nil, **Completion period** : 12 months. **The offer will remain open for 60 days. Date & time for submission of tender** : 09.02.2024 up to 11.00 Hrs, **Date & time of opening of tender** : 09.02.2024 up to 11.15 Hrs, Details on Railway website : www.ireps.gov.in

Sr. Divisional Electrical Engineer (Genl.)
SUN 402

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NATIONAL CAPITAL REGION TRANSPORT CORPORATION LTD.

ncrtc
(A JV of Govt. of India and participating State Governments)

PUBLIC NOTICE

It is notified for the information of the general public that Namo Bharat Train services shall be suspended on 20.01.2024 & 21.01.2024 owing to system upgradation and extension of services beyond priority section up to Meerut South RRTS Station. Inconvenience is regretted.

Sd./- GGM/Operations

Rajasthan State Beverages Corporation Limited

(A Government of Rajasthan Undertaking) Plot No. 2, CoERRA Bhawan, (Fourth & Fifth Floor) Opp. Aranya Bhawan, Jhalana Sansthanik Area, Jaipur 302004, Tel : 0141-2744239, Fax : 0141-2744237, Email - ed.rsbcl@rajasthan.gov.in, CIN-U15511RJ2005SGC020336)

No. :- 10705 **Dated :- 16/01/2024**

Notice Inviting e-Bid

e-Bids for Loading and Unloading work of IMFL/FMFL/BEER cases for District Jaipur (4 Depots) and District Rajsamand (1 Depot) of RSBCL for the Year 2023-24 and 2024-25 are invited from interested bidders up to 6:00 PM on 07/02/2024. The bid document may be downloaded from **https://eproc.rajasthan.gov.in**, **https://sppp.rajasthan.gov.in** **https://excise.rajasthan.gov.in**. **UBN No.- BCL2324SLOB00057 & 00058**

Raj.Samwad/C/23/12213 **Executive Director**

MUNICIPAL CORPORATION OF DELHI

HORTICULTURE DEPARTMENT (HQ) I
E-1 BLOCK, 16TH FLOOR, DR. S.P.M. CIVIC CENTRE
J.L. NEHRU MARG, NEW DELHI- 110002

NOTICE INVITING TENDER

Online open tenders are invited under single stage-Two Bid system from experienced and financially sound Indian Manufacturer or its Authorized Dealer/Distributor of Children Play Equipments for Rate, Contract of Supply & Installation of Children Play Equipments in MCD as per Tender No. **2024_MCD_181946_1** issued vide No. **DDH/(HQ)II/MCD/2023-24/ D-1752/NIT No.40** Dated 16.01.2024 R.C Amt Rs. 5Cr.Tender cost Rs. 2360/- EMD Rs. 10 Lac, R.C. Period 12 Months. Last date of Bid Submission is 31.01.2024 upto 5.00 PM. Opening of Technical Bids 01.02.2024 at 11 AM. For e-tendering Bidding Documents with detailed terms&conditions can be downloaded from the website- **https://etenders.gov.in/eprocure/app** OR MCD website- **www.mcdonline.nic.in** For online tender the helpdesk Nos. are 011-23227413 & 011-23227414 or mail to:**mcd-ithelpdesk@mcd.nic.in** All details of Revisions, Clarifications, Corrigendum, Addendum, Time Extension etc., if any, in respect of this tender will be uploaded on MCD website only & will not be published in newspaper(s) separately. Interested Bidders should regularly visit the website to keep themselves regularly updated for the tender.

Dy. Director(Hort.)/HQ-II
Phone: 011-23226613
R.O. No.72/DPI/MCD/2023-24

Greater Noida Industrial Development Authority

Plot No: 01, Knowledge Park IV, Greater Noida City,
Gautam Budh Nagar - 201308, Uttar Pradesh
www.greaternoidaauthority.in, E-mail: authority@gnida.in

Ref. No.: Inch-DD(Hort.)/23-24/2996 **Date: 16.01.2024**

E-TENDER NOTICE

License Space for Nurseries in Greater Noida

(Term - 5 years with provision of renewal for additional 3 years based on performance in 1-year increments)

Detailed RFP document is available on the E-Procurement Portal of Government of UP (https://etender.up.nic.in) from **19.01.2024**. The bid start date will be **19.01.2024**. The pre-bid conference will be held on **29.01.2024 (1300 hours)** on Zoom **(Meeting ID: 860 4157 0380; Passcode: 123456)**

List of Nurseries available on License

Sr.	Location of the Nursery	Area (in sqm)	Reserved Price (exclusive of GST) (INR per sqm per year)
1.	G-1, Alpha-I	15,769.65	41.72
2.	G-4, Alpha-II	23758.92	41.72
3.	G-9, Beta-I	7,958.19	41.72

Interested Applicants are required to apply online on the E-procurement website on or before **08.02.2024, 05:00 pm (IST)**. The bid opening will be on **12.02.2024, 11:00 am (IST).** In case of any queries, the Bidders are invited to contact Senior Manager (Horticulture), GNIDA. Email: ajayrai@gnida.in; Phone: +91 1202336015

General Manager (Horticulture)

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MINT SHORTS

Apple to sell watches without Oxygen feature post legal setback

Apple Inc. will begin selling versions of its Series 9 and Ultra 2 watches without a blood oxygen feature in the US, following a legal setback in its patent dispute with Masimo Corp. The firm said that the tweaked models will go on sale Thursday at its retail outlets and online store. The new models will still include the blood oxygen monitoring tool, but it won't function. **BLOOMBERG**

Meta's COO Sheryl Sandberg to exit board after 12 years

AP

Meta Platforms' former chief operating officer Sheryl Sandberg plans to step down from her position on the company's board of directors after her term ends in May, she said in a Facebook post on Wednesday. Sandberg's decision came after 12 years on the board. She was also the company's chief operating officer for more than 14 years until 2022. **REUTERS**

Reddit to go public in March, first major social media IPO since 2019

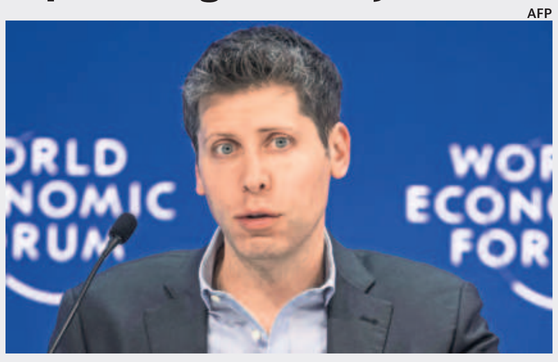
Social media platform Reddit has drawn up detailed plans to launch its initial public offering (IPO) in March, moving forward with a listing it has been eyeing for more than three years, according to people familiar with the matter. It would be the first IPO of a major social media company since Pinterest's debut in 2019. Reddit, which filed confidentially for its IPO in December 2021, is planning to make its public filing in late February, launch its roadshow in early March, and complete the IPO by the end of March, two of the people aware about the matter said. **REUTERS**

TSMC bullish on AI demand, expects 20% revenue growth this year

Taiwanese chipmaker TSMC (Taiwan Semiconductor Manufacturing Co Ltd) projected on Thursday more than 20% growth in 2024 revenue on booming demand for high-end chips used in artificial intelligence (AI) applications even as the broader industry deals with weak smartphone and electric vehicle sales. TSMC, the world's largest contract chipmaker, said at an earnings conference that AI represented a major opportunity. **REUTERS**

OpenAI coup less stressful than Superintelligent AI, says Altman

AFP



Sam Altman said that his dramatic and quickly-reversed firing at OpenAI was less nerve-wracking than how the world approaches making artificial intelligence as capable as humans. "As the world gets closer to AGI, the stakes, the stress, the level of tension—that's all going to go up," the ChatGPT-maker's chief executive officer and co-founder said on a panel at the World Economic Forum in Davos on Thursday. **BLOOMBERG**

US jobless claims plunge to 187,000, lowest since September 2022

Initial applications for US unemployment benefits unexpectedly dropped last week to the lowest level in more than a year, underscoring the resilience of the labor market to start the year. Initial claims decreased by 16,000 to 187,000 in the week ending 13 January, according to Labor Department data released on Thursday. The figure was below all estimates in a *Bloomberg* survey of economists. Among states, New York posted the steepest decline, falling over 17,000 on an unadjusted basis after a large increase in the previous week. **BLOOMBERG**

Wall Street is praying firms will start going public again

For two long years, private companies have spurned public markets as rising interest rates dashed lofty valuations

The Economist

REUTERS

In 2021, America's five largest investment banks earned an average of $13 billion per quarter.

Can you feel the chill? It is bone-deep, now. In 2021 capital markets were searing hot. On average, at least one new firm went public every working day. But financial districts today are icy. For two long years private companies have spurned public markets, as rising interest rates dashed lofty valuations and stock prices vacillated.

All this has been bad news for Wall Street. In 2021 America's five largest investment banks together earned an average of $13bn per quarter through their dealmaking and initial-public-offering (IPO) desks. Over the next two years they managed barely half of that.

Could conditions soon thaw? Company bosses like to make their debut in a roaring bull market, when investors are cheery and liable to overpay. With markets now back near all time highs, that seems to be the case. And executives are encouraged by narrow credit spreads—the difference between the rates companies borrow at and risk-free rates on treasury bonds—which indicate investors do not expect financial trouble.

A strong economy helps, too, because it boosts demand for capital. So do high real interest rates, since they make the capital provided by an IPO more attractive. Given the resilience of the American economy, a Federal Reserve policy rate of 5.5% and underlying inflation around 3%, both conditions are in place.

Sure enough, there is some evidence of activity picking up. Total investment-banking revenues were better than expected in the fourth quarter of 2023, climbing by 15% compared with the previous three months. On earnings calls bank bosses sounded cautiously optimistic about 2024. There are rumours that all kinds of firms, from SKIMS, a pants purveyor founded by Kim Kardashian, to Stripe, a payments giant, are considering making their debut.

Still, executives are easily put off by volatility—and it is hard to describe recent stockmarket moves as anything other than unpredictable. Given that a month or so often elapses between filing for an IPO and actually going public, a steady march higher is far preferable to a roller coaster ride. Such circumstances tend to mean that those who can wait, do. In even moderately difficult times firms often put off IPOs altogether, rather than accept a lower price, and a stockpile of those waiting to go public builds up.

It still feels as if the economic mood could spin on a dime. This could hurt newly public firms. Shares in Cava, a fast-casual salad seller, doubled in price when it went public in June. Other firms got excited and started chewing over their options. In August Instacart, another firm which specialises in flogging vegetables to the idle, and Arm, a British chip-maker, filed to go public. Yet by the time they made it to market in late September, interest-rate expectations were climbing and share prices were falling. Instacart was valued at $39bn in 2021. It went public with a market capitalisation of $10bn, and is now worth just $7bn.

So when might the IPO winter truly give way to spring? In an attempt to answer this, Gregory Brown and William Volckmann of the University of North Carolina have built a mathematical model. It takes in variables including stock-market returns, credit spreads and real interest rates, and uses these to try to predict IPO volumes.

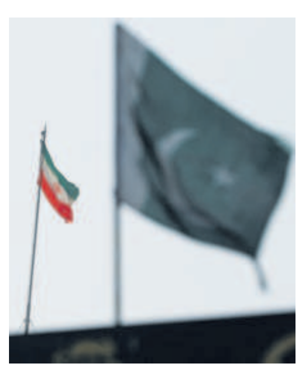
Their first find is that today's market really is extraordinarily chilly. They define the IPO market as "cold" when the average of the number of IPOs over the last three months is lower than it was three-quarters of the time between 1975 and 2020 (an average of 5.3 or fewer IPOs per month). On that measure, this is the longest cold spell for American IPOs since 1980. It is also much cooler than the model would anticipate. It says some 20 firms a month should have been going public by the end of 2023. Yet only one firm went public in December.

Messrs Brown and Volckman suspect the market is suffering from a hangover. Far more firms went public in 2021 than their model implied should have done. The stockpile, in other words, was depleted. So despite the recent pause, followed by improved conditions, there are still not many firms ready to list.

A true thaw, then, would take more than a few quarters of rising markets and economic resilience. It needs not only heat, but time as well. That is time in which unexpected developments—such as interest rates resuming their upward climb—could easily spook bosses all over again. So perhaps it is unwise to predict a heatwave. But some green shoots may eventually poke through the ice.

Pakistan's military strikes back at Iran as both sides urge calm

Bloomberg
feedback@livemint.com



As many as nine foreigners were killed in the strike. REUTERS

Pakistan's military carried out targeted strikes against militant hideouts in Iran on Thursday, responding to an attack by Tehran a day earlier in a rare escalation of tensions that both sides signalled they don't want to see get worse.

Pakistan carried out morning strikes against "terrorist hideouts" in Iran's Sistan and Baluchestan province, Pakistan's foreign ministry said in a statement. The move followed Iran's strikes against *Jaish al-Adl*, a separatist group based in Pakistan's Balochistan province.

"This action is a manifestation of Pakistan's unflinching resolve to protect and defend its national security against all threats," the foreign ministry said in a statement explaining its retaliatory actions. As many as nine foreigners were killed in the strike, including four children, were killed, according to Iran's semi-official *Tasnim* news agency.

The tit-for-tat response is the most significant escalation between the two neighbours, both allies of China who have had strained relations in the past. While the strikes come at a time of rising turmoil in the Middle East over the Israel-Hamas war, Pakistani and Iranian officials also moved to prevent the situation from spiralling out of control.

Iranian foreign minister Hossein Amir-Abdollahian phoned his Pakistani counterpart on Wednesday in an apparent move to ease tensions, even as Islamabad insisted it had the right to respond to the "illegal act" by Tehran.

"Both sides right now will try to de-escalate while saving face, and the Chinese must be getting involved because they have close ties with both sides," Jean-Loup Samaan, a senior research fellow at the Middle East Institute of the National University of Singapore.

Pakistan's interim Prime Minister Anwaar-ul-Haq cut short a trip to the World Economic Forum in Switzerland on Thursday to help manage the crisis. That came after Pakistan downgraded its diplomatic ties by recalling its envoy to Tehran and asking the Iranian ambassador not to return to Islamabad.

But there were words of caution as well.

Saudi Arabia still considering Brics membership invitation

Reuters
feedback@livemint.com
DAVOS, SWITZERLAND

An expansion would add economic heft to Brics. REUTERS

Saudi Arabia is still considering an invitation to become a member of the Brics bloc of countries after being asked to join by the grouping last year, two persons with direct knowledge of the matter told *Reuters* on Thursday.

The group had in August invited Saudi Arabia, the United Arab Emirates, Egypt, Iran, Argentina, and Ethiopia to join starting 1 January, although Argentina signalled it would not take up the invitation in November. The two sources said 1 January was not a deadline for a decision, with one adding there were strong benefits to joining the bloc as members China and India are the kingdom's biggest trading partners. "Saudi Arabia is assessing the benefits and then will make a decision, there is a process happening," one of the persons said.

The expansion of the group would add economic heft to the Brics, whose current members are China, Brazil, Russia, India and South Africa. It could also amplify its declared ambition to become a champion of the Global South.

Saudi Arabia's consideration of membership comes against a backdrop of rising geopolitical tensions between the US and China and Russia, and as the kingdom's warming ties with Beijing have caused concern in Washington. Despite continued strong ties with the US, Saudi Arabia has increasingly pursued its own path out of concern that Washington is less committed to the Gulf's security than in the past.

On Tuesday, Saudi Arabia's minister of commerce stated that Saudi Arabia had not joined the Brics in a panel at the World Economic Forum in Davos, without elaborating.

Following the minister's statement, Kremlin spokesman Dmitry Peskov said that integrating Saudi Arabia into the Brics bloc was very important work that was continuing on Wednesday. Saudi state TV reported earlier this month that the kingdom had joined the bloc, only to remove the reports from its social media accounts later. Fellow Gulf Cooperation Council member, the UAE, said it had accepted the invitation and joined the bloc, according to the ministry of foreign affairs.

Many AI researchers think fakes will become undetectable

FROM PAGE 1

until about the middle of 2023, for instance, image-generation algorithms would often produce people with malformed hands, or get the numbers wrong on things like clock faces. These days, the best no longer do.

But such telltales often still exist, even if they are becoming harder for humans to spot. Just as machines can be trained to reliably identify cats, or cancerous tumours on medical scans, they can also be trained to differentiate between real images and AI-generated ones.

It seems, though, that they cannot do so all that well. Detection software is prone to both false positives (wrongly flagging human content as generated by AI) and false negatives (allowing machine-generated stuff to pass undetected). A pre-print published in September by Zeyu Lu, a computer scientist at Shanghai Jiao Tong University, found that the best-performing program failed to correctly spot computer-generated images 13% of the time (though that was better than the humans, who erred in 39% of cases). Things are little better when it comes to text. One analysis, published in December in the International Journal of Educational Integrity, compared 14 tools and found that none achieved an accuracy of more than 80%.

If trying to spot computer-generated media after the fact is too tricky, another option is to label it in advance with a digital watermark. As with the paper sort, the idea is to add a distinguishing feature that is subtle enough not to compromise the quality of the text or image, but that is obvious to anyone who goes looking for it.

In one advert on Facebook, British Prime Minister Rishi Sunak appeared to be flogging get-rich-quick schemes. AP

One technique for marking text was proposed by a team at the University of Maryland in July 2023, and added to by a team at University of California, Santa Barbara, who presented their tweaks at NeurIPS. The idea is to fiddle with a language model's word preferences. First, the model randomly assigns a clutch of words it knows to a "green" group, and puts all the others in a "red" group. Then, when generating a given block of text, the algorithm loads the dice, raising the probability that it will plump for a green word instead of one of its red synonyms. Checking for watermarking involves comparing the proportion of green to red words—though since the technique is statistical, it is most reliable for longer chunks of writing.

Many methods for watermarking images, meanwhile, involve tweaking the pixels in subtle ways, such as shifting their colours. The alterations are too subtle for human observers to notice, but can be picked up by computers. But cropping an image, rotating it, or even blurring and then resharpening it can remove such marks.

Another group of researchers at NeurIPS presented a scheme called "Tree-Ring" watermarking that is designed to be more robust. Diffusion models, the most advanced type of image-generation software, begin by filling their digital canvas with random noise, out of which the required picture slowly emerges. The tree-ring method embeds the watermark not in the finished picture, but in the noise at the start. If the software that created a picture is run in reverse, it will reproduce the watermark along with the noise. Crucially, the technique is less easy to thwart by fiddling with the final image.

But it is probably not impossible. Watermarkers are in an arms race with other researchers aiming to defeat their techniques. Another team led by Hanlin Zhang, Benjamin Edelman and Boaz Barak, all of Harvard University, presented a method (not yet peer-reviewed) that can, they say, erase watermarks. It works by adding a dash of new noise, then using a second, different AI model to remove that noise, which removes the original watermark in the process. They claim to be able to foil three new text-watermarking schemes proposed in 2023. In September scientists at the University of Maryland published a paper (also not yet peer-reviewed) claiming that none of the current methods of image watermarking—Tree-Rings included—is foolproof.

Nevertheless, in July 2023 America's government announced "voluntary commitments" with several AI firms, including OpenAI and Google, to boost investment in watermarking research. Having imperfect safeguards is certainly better than having none (although open-source models, which users are free to tweak, will be harder to police.) But in the battle between the fakers and the detectives, it seems that the fakers have the upper hand.

NEWS IN NUMBERS

62%
THE PERCENTAGE of founders who prioritized profitability over growth in '23, up from 55% in 2022, amid funding winter, according to a report by InnoVen Capital.

1,225
THE NUMBER of buses Ashok Leyland will supply to Karnataka State Transport Undertakings by Apr, adding to its existing fleet of 11,680 operational buses.

71%
THE PERCENTAGE of Indian retailers who plan to adopt Gen AI over the next year to improve customer experience, according to a survey by EY.

₹2.7 cr
THE CUMULATIVE penalties imposed by aviation regulators on IndiGo, Air India, SpiceJet & Mumbai airport for passenger inconvenience & violation of security.

2,840
THE NUMBER of new planes India will need over the next 20 years to serve the needs of its growing aviation market, according to Airbus.

HOWINDIALIVES.COM

'Startup focus rises on profitability'

Startups are increasingly focusing on profitability over growth, two recent reports have highlighted.

The *India Startup Outlook* report by InnoVen Capital, released on Thursday, indicates that around 62% of founders prioritized profitability over growth in 2023, up from 55% in 2022.

Additionally, Orios Venture Partners' report, also released this week, observed that unicorns in 2023 increasingly focussed on profitability, with 23 now profitable.

This trend has been generating momentum toward initial public offerings, with reports of 13 unicorns planning IPOs in 2024, as per an *India Tech Unicorn & Exits Report* 2023. The reports also underscored the funding slowdown experienced by startups last year. Late-stage startups were particularly hard hit, witnessing a 70% decline in capital raised compared to the previous year, according to the *India Tech Unicorn & Exits Report* 2023. **SAMIKSHA GOEL**

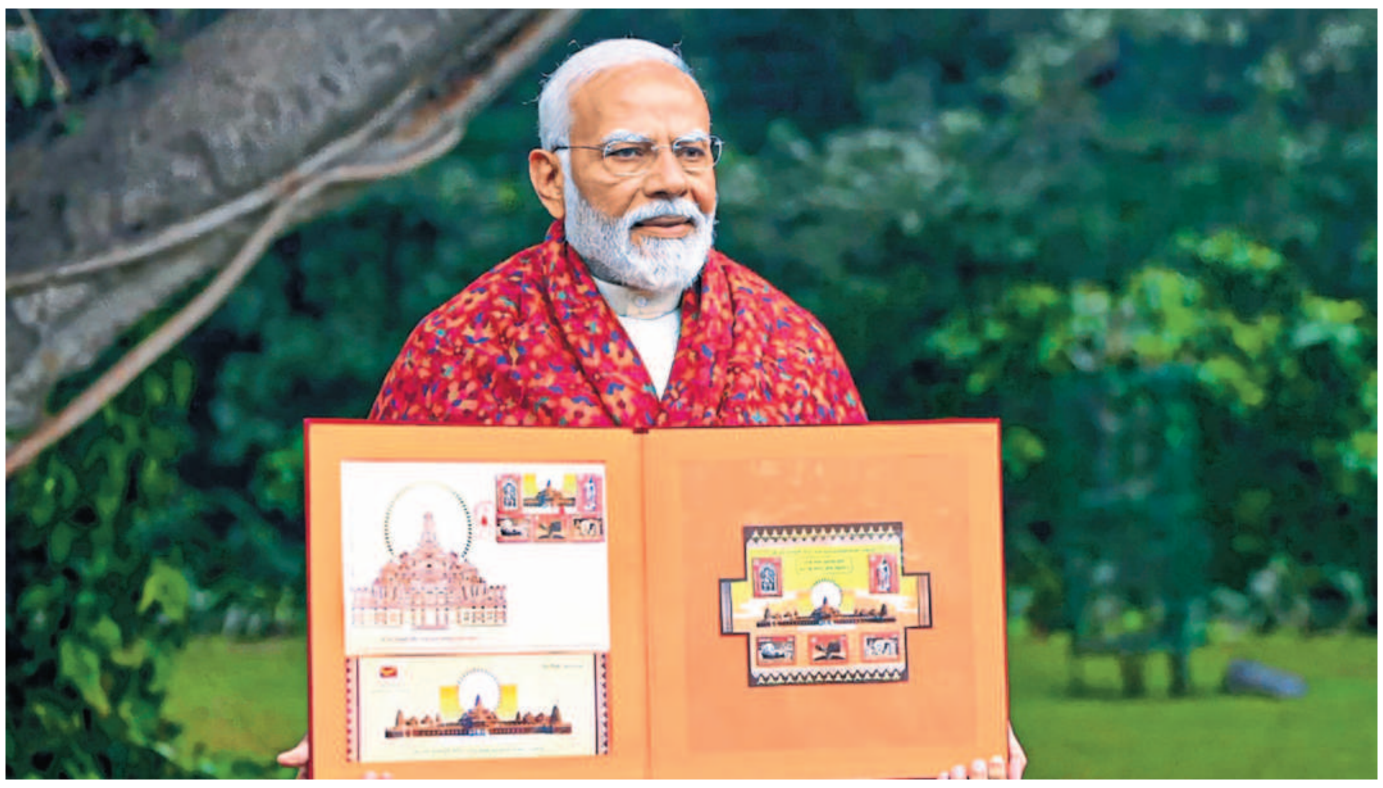
It is seeking a bigger presence abroad to tap the Indian diaspora for savings and term deposits. MINT

HDFC to open first branch in Singapore

HDFC Bank Ltd, India's biggest private sector lender, is seeking to open its first branch in Singapore, signalling its overseas ambitions after sewing up a landmark merger with mortgage financier Housing Development Finance Corp. last year. The bank has applied to the Monetary Authority of Singapore for a banking licence and is awaiting approval, according to sources familiar with the matter. It is not clear what kind of banking licence HDFC Bank is seeking in Singapore, said one of the people, who declined to be identified as the information is confidential. The banking giant is seeking a bigger presence abroad to tap the Indian diaspora for savings and term deposits, as well as to cross-sell more products, including mortgages, the people said. At home, HDFC has been focusing on deepening its reach in the world's most populous country through loans to retail customers. HDFC Bank did not respond to an email seeking comment.

"As a matter of policy, MAS does not comment on our dealings with financial institutions," according to a spokesperson from the Singapore regulator. **BLOOMBERG**

FOR POSTERITY


Prime Minister Narendra Modi on Thursday released commemorative postage stamps on the Ram temple in Ayodhya and a book of stamps and said these are not merely pieces of paper but act as a medium to pass on historical events to future generations. PTI

Winter chill spurs demand for heart, diabetes, gastro drugs

Health experts say the chances of heart attack rise during the winter months

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

The sharp drop in temperatures, especially in the North, is driving up sales of cardiac drugs, followed by anti-infectives and those used for gastro-intestinal problems and diabetes, according to a report by Pharmarack, a data analytical company for the pharma industry.

The report said there was a major demand of drugs associated with these comorbidities in December.

Health experts say the chances of heart attack rise during the winter months as the body conserves heat, triggering the constriction of arteries. Experts confirmed there has been a surge in demand for drugs associated with cardiac health, particularly those for high blood pressure.

Dr Varun Bansal, a surgeon at Apollo Hospitals said this physiological response can result in an increase in blood pressure, contributing to a higher incidence of cardiac problems.

"The colder temperatures, coupled with lifestyle factors, further exacerbate the risks. Dietary changes and a potential decline in physical activity, often associated with the winter months, play a significant role in this scenario," he added.

> Dr Bansal added heart patients with cardiac concerns should avoid exposure to extreme cold, especially during early and late hours of the day

Dr Bansal added heart patients with cardiac concerns should avoid exposure to extreme cold, especially during the early and late hours of the day.

Dr Manjinder Sandhu, principal director of cardiology at Max said gastro intestinal complications tend to get aggravated during the winters because obstructions in the arteries increase pressure in the digestive system. "Diabetes also tends to worsen because people tend to exercise less and consume more sugar-based foods," he added.

Drugs commonly associated with cardiac problems include beta blockers like metoprolol (also called Betaloc or Lopresor) and bisoprolol (also called Cardicor or Emcor) and inhibitors such as ramipril and lisinopril; angiotensin receptor blockers such as telmisartan, losartan; and dihydropyridine receptor such as Cilnidipine—all used for heart issues and blood pressure control.

Statins for cholesterol control, antiplatelet drugs like aspirin, ticagrelor, brilinta are also commonly used drugs, said Dr Sandhu.

Mahindra Holidays to invest in TN

Vacation ownership company Mahindra Holidays & Resorts India Ltd (MHRIL) has inked a strategic partnership with the government of Tamil Nadu to build hotels in the state.

For this, the company said it has earmarked ₹800 crore investment to develop three greenfield resorts over the next five to six years. It said the investments will come from the internal accruals and will be infused over the next five to six years as the company identifies and finalizes the locations. This, the company said in a statement, will be its second-largest investment yet. It said it has about 290,000 members in its programme. This investment, it said, is expected to generate direct employment opportunities for about 1,500 people. However, the announcement has not yet been put out on the BSE platform by the listed entity. **VARUNI KHOSLA**

Sun Pharma already owns a 78.48% stake in Taro Pharmaceutical Industries. MINT

Sun Pharma eyes 21.52% stake in Taro

Sun Pharmaceutical Industries on Thursday said it will acquire the remaining 21.52% stake in Israel-based Taro Pharmaceutical Industries for ₹2,891.76 crore, enabling the merger of the two entities.

The acquisition of 8,086,818 shares will be at a cost of ₹2,891.76 crore, Sun Pharma said.

The Mumbai-based drug major has agreed to acquire all of the outstanding ordinary shares of Taro for $43 per share in cash without interest, as per the definitive merger agreement.

Sun Pharma already owns a 78.48% stake in Taro.

"Over the years, with Sun Pharma's strategic interventions, Taro has remained a key player in the generic dermatology market in a challenging environment," Sun Pharma managing director Dilip Shanghvi said in a statement. **PTI**

SBI raises ₹5,000 cr through AT1 bonds

The nation's largest lender State Bank of India has raised ₹5,000 crore through its second Basel III compliant additional tier 1 (AT1) bond sale this fiscal. The bank, in a statement on Thursday, said the perpetual bond with a call option after 10 years and every anniversary thereafter, is priced at a coupon rate of 8.34%. The issue got an overwhelming response with a subscription of 2.65 times from a range of investors with 108 bids of ₹5,294 crore against the base issue size of ₹2,000 crore. The main investors include mutual funds, provident and pension funds, banks, and insurance companies, among others, the statement said.

Its chairman Dinesh Khara said the tight pricing and the diverse investor-base for an instrument which has its own challenges, shows the trust investors place in the bank. The chairman said that going by the high response, the bank has decided to accept bids of ₹5,000 crore at a coupon rate of 8.34% payable annually. **PTI**

IndiGo CEO slams pilot assault


CEO of IndiGo Pieter Elbers said the sector saw the worst fog in many, many years. REUTERS

IndiGo chief Pieter Elbers on Thursday referred to a recent incident of a passenger assaulting one of its pilots, calling it is "unacceptable", and said the airline's operations are back to normal as flight cancellations over fog-related disruptions in northern India in recent days have come down.

Speaking to mediapersons, he said the airline industry witnessed probably the worst fog in many, many years, impacting flight operations, which has become a challenge. "We all have seen some of the situations which did not go well. We have seen some of the examples. Passengers were stressed and frustrated after long waiting hours. But I would like to call out the incredible amount of work my colleagues have done in going beyond their normal call of duty..." he said.

A passenger on an IndiGo flight was arrested after he assaulted a pilot when he was making an announcement regarding a delay in takeoff at Delhi airport, police said on Monday. A purported video of the incident that took place Sunday surfaced on social media and showed passenger Sahil Katariya hitting the pilot who was making the announcement inside the aircraft, which was bound for Goa. **PTI**


The WEF said fintechs are increasingly expanding operations across borders. ISTOCKPHOTO

India a vibrant fintech hub: WEF

India is among the most significant operating countries for hosting a thriving cluster or fintech headquarters, a WEF study showed on Thursday. Releasing the report during its Annual Meeting 2024 here, the World Economic Forum said fintechs are increasingly expanding operations across borders, mainly in the same region as their headquarters.

The study reveals that vibrant hubs such as Singapore, the UK, the US, and India have hosted a thriving cluster of fintech corporate headquarters.

"Among the countries surveyed, the most significant operating countries for fintechs include the US, the UK, Singapore, Mexico and India," it added.

According to the report, the global fintech industry remains strong, with customer growth rates averaging above 50% across industry verticals and regions.

The report said the global fintech industry is demonstrating strength and resilience and continues, despite an unclear economic outlook, to expand financial services offerings to traditionally underserved consumers and businesses. **PTI**

Govt offices off for half day on 22 Jan

All central government offices across the country will remain closed for half-a-day on 22 January in view of the Ram temple consecration ceremony in Ayodhya, an official order said. The order issued by the ministry of personnel, public grievances, and pensions said that "Due to the overwhelming sentiment and demands of employees to participate in the celebrations associated with '*Pran Pratishtha*' of Ram Lalla, all central government offices, central institutions and central industrial establishments across the country would remain closed for half a day till 02:30 pm."

National broadcaster Doordarshan has made elaborate arrangements for live telecast of the event. Investment in Ayodhya is expected to rise, with 126 tourism projects worth ₹3,800 crore currently underway and a ₹85,000 crore redevelopment plan till 2031 announced last year. **VAAGEESH THIRUMALAI**

Write exact reason for prescribing antibiotics: Centre

Concerned about the misuse and overuse of drugs leading to antimicrobial resistance, the Union health ministry has asked all doctors across the country to mandatorily list the exact reasons while prescribing medicines, according to a notice issued by the director general of health services (DGHS) Dr Atul Goel.

The notice, written on 1 January, states how misuse and overuse of antimicrobials is one of the main drivers in the emergence of drug resistant pathogens. "It is an urgent appeal to all the doctors in medical colleges to mandatorily mention exact indication/justification/reason while prescribing antimicrobials," the notice read. The DGHS has also emphasised judicious use of anti-microbials for doctors at all medical colleges so that the pathogens don't mutate at a faster rate. Describing antimicrobial resistance (AMR) as one of the top global public health threats, the DGHS had also written to all the pharmacists' associations in India to stick to the Drugs and Cosmetic Rules on the sale of antibiotics. **SOMRITA GHOSH**


The DGHS has also emphasised judicious use of anti-microbials for doctors at all medical colleges. MINT

Telco body seeks USOF, tax reliefs

The Cellular Operators Association of India (Coai), an industry body that counts all three private telcos as its core members, on Thursday sought relief in levying of Universal Service Obligation Fund (USOF) from telecom operators, as well as a longer period of 16 years to offset business losses for service providers across the industry, as key asks from the telecom industry from the FY25 Union Budget. The USOF levy, which underlines a payment of 5% of adjusted gross revenues (AGR) from telcos, is a tax that telecom operators pay in India for providing services across the country.

Coai, in this regard, has asked for the levy to be abolished. "If that is not possible, then the USO contribution of 5% of AGR may be suspended until the existing USO corpus (of ₹77,000 crore) is exhausted. Further, license fee should be brought down from 3% to 1% at the earliest, to cover only administrative costs by the department of telecommunications," a statement by Coai said. **SHOUVIK DAS**

WHY SMART HOME FIRMS NEED A SMARTER PIVOT

Home automation products have been around for well over a decade with patchy adoption. What's wrong?

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BENGALURU

Search for 'smart home' on Amazon. The scroll down the page appears never ending with Chinese, American and Indian products jostling for attention. Alexa smart speaker with LED display and Bluetooth; video door phone from Godrej; smart Wi-Fi retrofit switch from Arcnics; Unlque's wireless doorbell; Tapo smart door and window contact sensor; fan control module from iSpaze.

As individual products, they all appear reasonably priced. Something changes when they are brought together as a solution to make your home smarter than it is today. The bill inflates—so much so, home automation nearly feels like luxury.

Take the case of Rajeev Arora's apartment. Along with his wife Vartika, he founded Boho, a chain of bars and restaurants in Bengaluru. The couple bought a 6,000 sq. ft, five-bedroom apartment at Mantri Espana, a premium gated community in the city's Bellandur neighbourhood. A year and half back, they appointed an architect and interior designer to do up the home. An audio-video and smart home systems integrator, Eskay Theatres & Automation, was brought onboard—they wanted extensive and high-end automation. The budget? ₹20 lakh.

The curtains go down at 5pm everyday on their own and the lights turn on. The home theatre has a preset 'movie mode'. Press that button and the projector switches on, the speakers turn on, the lights dim. The 'theatre watching experience' is thereby linked to that single button. All the gadgets in the house are controlled through a mobile app and voice assistants like Alexa.

"Vartika has programmed everything in the house. The automation system and cabling is so versatile that five years down the line, if we get an even more advanced system, it can be done easily," said Arora.

Since home automation solutions have largely been perceived to be luxury, its adoption has been rather patchy in India. Bonito Designs, an interior design company, says that only 15% of its customers ask for automation.

Arora's home is at the higher end of the spending spectrum. Estimates from Smarttron Automations, a company into residential automation, suggest that wireless automation for a two-bedroom home would cost about ₹1.5 lakh; a three-bedroom needs ₹1.5-2 lakh, while a four-bedroom could cost up to ₹2.5 lakh. Wired automation for a three-bedroom, on the other hand, is more expensive and can cost ₹6 lakh.

Wired automation is done at the construction stage whereas wireless automation is about retrofitting an older home.

The sluggishness in adoption may be changing—at least home automation companies believe so. From being luxury, the market may get more democratized because these companies, which include a host of startups, are trying to price it right. In some cases, capital expenditure, which is made upfront by homeowners, is being converted into an operational expense.

Piggybacking on such efforts, the market is expected to grow faster than it has in the past. According to Renub Research, a research and advisory company, India's home automation market may total $25.64 billion in 2030 compared to $4.83 billion in 2022. The company defines home automation as the integration of electronic and smart devices in a home, which allows remote control and management of lighting, heating, ventilation, air conditioning, security, entertainment, and appliances.

Statista has a more conservative estimate. It pegs the smart home market in India at $6.5 billion this year and expects it to grow at a CAGR of 9.14% to total $9.2 billion by 2028.

THE NEW MODELS

When Anant Ohri and his five engineering batchmates at VIT Vellore founded Aliste Technologies in 2021, the idea was to create something that would make home automation affordable and accessible.

The Noida-based startup offers a subscription-based model for users where they automate a home, charging ₹1 per appliance per day. For a regular three-bedroom home, with an approximate 18 appliances, it would roughly convert to an expense of ₹500 a month, similar to a Netflix subscription.

The automation process here includes installing a credit card-sized device behind every existing switch board that connects to the home Wi-Fi. Switches that are operated manually can then be controlled in a smart manner and users can operate all appliances through the Aliste app or through Alexa or Google Home. The company also offers a universal remote module.

"Home automation, thus far, has been a luxury-driven push, something that you splurge on. As a result, a large part of the demographic was missing out," said Ohri. "We are offering cost conscious tech. Our consumers are 25-40 years of age, with some discretionary spending power. They want convenience but don't want to spend too much on automation— more so if they live in rented homes," he added.

Aliste claims to have automated around 2,500 properties so far, including homes, co-living spaces, offices and hotels. The company recently raised $1 million in a funding round led by YourNest Venture Capital and Artha Venture Fund.

Among the more established companies in India's home automation market are multinationals like Schneider Electric, Philips, Johnson Controls, Honeywell, ABB, L&T and Wipro. Schneider Electric, a company into energy management and automation, is looking at ways to make things affordable.

The company offers subscription models, too, and financing options. Its smart home products start at under ₹20,000 and customers can progressively upgrade based on individual requirements.

> Reliance Jio has partnered with Plume, a smart home tech company. Given Reliance's penchant for driving down prices, it could make home automation mainstream.

"This allows you to build your smart home gradually, starting with what fits your budget and adding more as your needs and resources evolve," said Sumati Sahgal, vice president, retail, Schneider Electric, Greater India.

The company's products include smart thermostats (to control home temperature from anywhere), smart doorbells, dimmers, switches and bulbs that can be controlled wirelessly or with voice.

That piecemeal approach is appealing to people who view home automation more as a utility. When Shobhita and Varun Agarwal moved into their three-bedroom home in Bengaluru's Pai Layout area, in early 2021, they didn't have the budget to install high-end automation products. Instead, they took the help of an interior designer to buy smart devices for convenience—Wi-Fi-enabled smart lights, fans, thermostat controllers for geysers and digital locks. In the first year, the couple spent about ₹1.5 lakh on automation, buying products from Amazon.

"Our initial concern was that when my husband and I were at work, our two children were at home alone. The geysers, air conditioners, etc., can be controlled by us remotely. Gradually, we added more features and devices," Shobhita said.

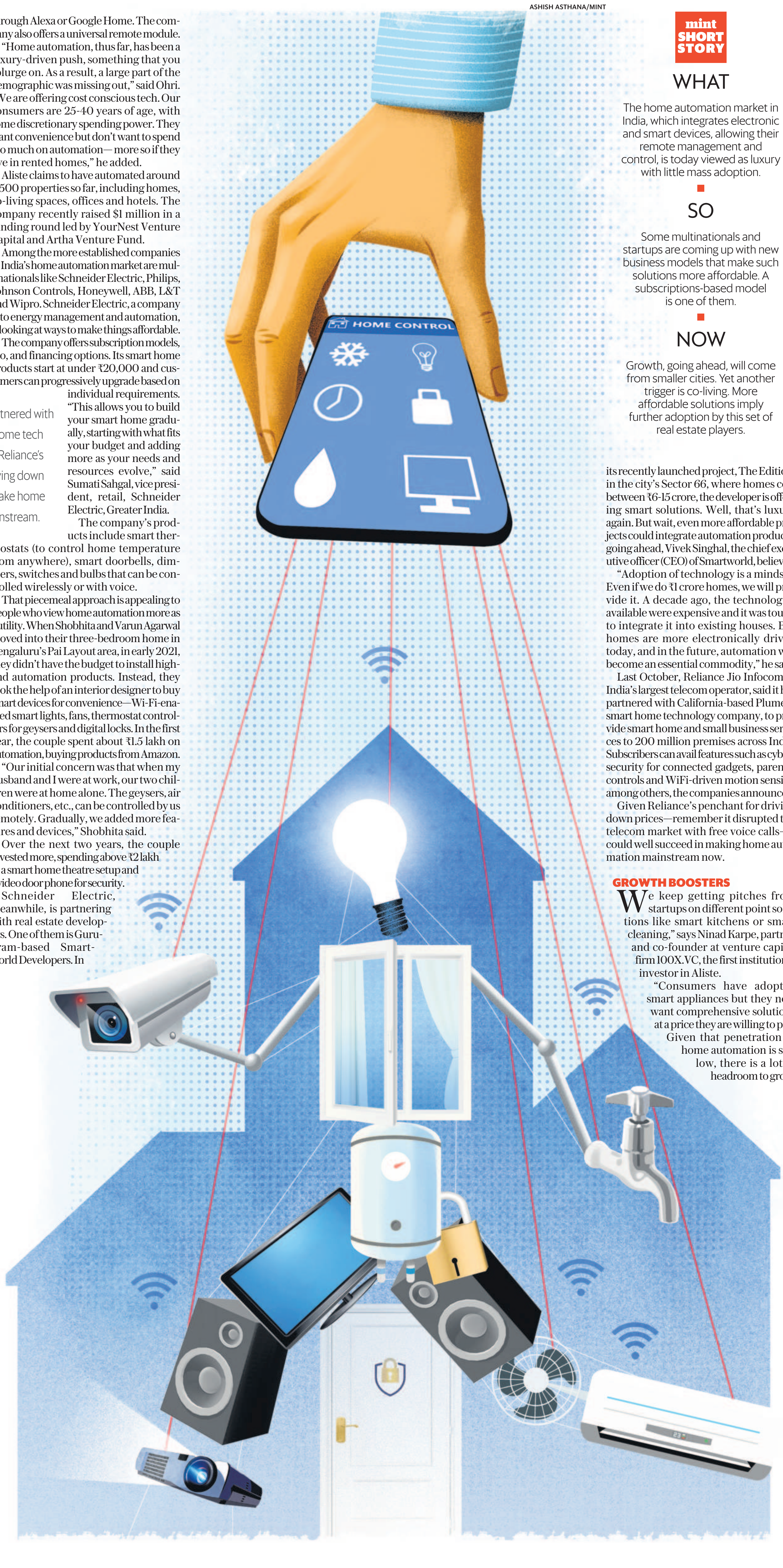
Over the next two years, the couple invested more, spending above ₹2 lakh in a smart home theatre setup and a video door phone for security.

Schneider Electric, meanwhile, is partnering with real estate developers. One of them is Gurugram-based Smartworld Developers. In its recently launched project, The Edition, in the city's Sector 66, where homes cost between ₹6-15 crore, the developer is offering smart solutions. Well, that's luxury again. But wait, even more affordable projects could integrate automation products, going ahead, Vivek Singhal, the chief executive officer (CEO) of Smartworld, believes.

"Adoption of technology is a mindset. Even if we do ₹1 crore homes, we will provide it. A decade ago, the technologies available were expensive and it was tough to integrate it into existing houses. But homes are more electronically driven today, and in the future, automation will become an essential commodity," he said.

Last October, Reliance Jio Infocomm, India's largest telecom operator, said it has partnered with California-based Plume, a smart home technology company, to provide smart home and small business services to 200 million premises across India. Subscribers can avail features such as cybersecurity for connected gadgets, parental controls and WiFi-driven motion sensing among others, the companies announced.

Given Reliance's penchant for driving down prices—remember it disrupted the telecom market with free voice calls—it could well succeed in making home automation mainstream now.



ASHISH ASTHANA/MINT

mint SHORT STORY

WHAT
The home automation market in India, which integrates electronic and smart devices, allowing their remote management and control, is today viewed as luxury with little mass adoption.

SO
Some multinationals and startups are coming up with new business models that make such solutions more affordable. A subscriptions-based model is one of them.

NOW
Growth, going ahead, will come from smaller cities. Yet another trigger is co-living. More affordable solutions imply further adoption by this set of real estate players.

GROWTH BOOSTERS

"We keep getting pitches from startups on different point solutions like smart kitchens or smart cleaning," says Ninad Karpe, partner and co-founder at venture capital firm 100X.VC, the first institutional investor in Aliste.

"Consumers have adopted smart appliances but they now want comprehensive solutions at a price they are willing to pay. Given that penetration in home automation is still low, there is a lot of headroom to grow. We expect future demand to come in from smaller cities," Karpe added.

As the cost of devices fall—and they mostly do in electronics when volumes come into the picture and when there isn't a supply-chain disruption—smart home solutions are expected to gain traction in cities as diverse as Jaipur, Ludhiana, Pune, Hyderabad, Chandigarh, Cochin and Ahmedabad, experts say.

Cinerama-owned Cinebels, headquartered in Bengaluru, is a personalized home entertainment company—it can set up home theatres and promises to "fill every corner of your home with speakers that look, sound, and function great". The company says it is witnessing more demand for large, dedicated home cinemas from tier II and III cities. In larger metros, where space is at a premium, dedicated home theatres aren't that feasible. People nowadays use their living rooms to park their home theatre systems. "With streaming, a lot of the audio/video infrastructure cost that used to go into a home has come down," Arjun Agarwal, CEO and a director at Cinerama, said.

"However, client budgets have continued to grow, so they can now spend that same money on better quality speakers and electronics."

Yet another trigger is co-living. More affordable solutions imply further adoption by this set of real estate players. We are already seeing examples of this. They have been quick to say they offer "smart living facilities".

Co-living companies did have rent payments, ticket resolutions, entry, exit and gym bookings on an app. Now, they are upping the ante to include more sophisticated offerings.

Boston Living, a four-year old startup, which runs a 555-bed shared living facility in Hyderabad's Kondapur neighbourhood, uses an access management software called Spintly. Residents can use the software to access a specific block or floor they live in and there are separate access to women-only floors. The startup is now piloting a voice-enabled ticketing system, where a ticket is raised for quick resolution through an Alexa device.

"We have Alexa devices in our premium rooms because they look cool and people like operating their TV or air-conditioners through them. We are constantly trying to introduce new automation features that will enhance convenience and offer value for residents," said Tauseef Hassan Ibrahim, business head, Boston Living.

The company charges ₹15,000 plus taxes per month for a triple sharing room and ₹55,000 plus taxes for a single room occupancy in a premium 2,000-2,500 sq ft apartment.

In 2022, Stanza Living, yet another co-living operator, acquired Singularity Automation, an enterprise Internet of Things (IoT) platform. Check out Singularity Automation's products and you know it fits into the smart living narrative. Its portfolio includes smart door locks, secure access controllers and smart energy meters.

Just over a year ago, another co-living service provider, Housr, which operates across cities in India, tied up with Aliste to use their app. "We are trying to integrate the CCTVs with the visitor management system using artificial intelligence (AI)," Deepak Anand, cofounder and CEO of the company, said. "It will throw up reports on people moving in and out, with face recognition systems. No biometric will be needed, and the censor sees your face and opens the door automatically. The AI feature can also study behaviour and body language of people," he added.

LIGHT TOUCH OF TECH

The definitive lesson on how to go about home automation, and keep expenses low, can only come from people who have seen and done this for many years.

Over a decade ago, Prasanto Kumar Roy, a policy consultant and a tech writer, had his ancestral home in Delhi's Chittaranjan Park redesigned. It was the country's first certified green individual home with a five star rating from TERI-GRIHA. (TERI is short for The Energy and Resources Institute). Alongside environment friendly features, Roy used automation technology to make his home more efficient.

In the following years, however, he knocked off some of the excessive automation features he had. For instance, automated electric blinds and audio controls. He felt they were unnecessary.

In his current apartment in a Gurugram condominium, Roy has used automation that is more about convenience and energy efficiency, like motion sensing lights.

"Automation has become very commoditized and modularized. Too much automation is also a problem, leading to maintenance and higher account maintenance charges. My learning was to go with a lighter touch of tech that doesn't affect your green rating," Roy said.

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.

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FOREX RATES (₹/$)

Bank/travel aggregator	Wire transfer*		Buy forex	
	inward	Outward	Forex/travel card	Cash
SBI	82.73	83.58	82.66	84.05
Bank of Baroda	82.69	83.52	83.95	84.35
Canara Bank	82.80	83.53	83.74	NA
IndusInd Bank	81.63	84.63	85.42	85.72
Kotak Bank	81.49	84.40	84.80	85.37
HDFC	81.84	84.47	84.72	85.29
ICICI	81.30	84.71	84.73	86.31
Axis Bank	81.01	85.65	86.35	86.10
Yes Bank	81.70	84.59	85.51	85.51
Thomas Cook	81.55	84.45	83.62	84.68

Note: Data collected from website of respective entities as on 17 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

Rich foreigners will now get tax-free access to Indian MFs

They can invest in the HDFC AMC's feeder funds that is set to operate from GIFT City

Neil Borate & Sashind Ningthoukhongjam

It is an unprecedented move that is likely to open the flood gates for infusion of fresh funds by foreigners into India's stock market. One of India's leading asset management companies (AMCs)—HDFC AMC has secured approval to start six feeder funds in GIFT City (IFSC) that will in turn invest in its domestic mutual fund (MF) schemes. The feeder funds will be structured as Category III AIFs, or alternative investment funds.

Zero tax in India

Funds located in GIFT City that buy and sell MF units in India are not subject to capital gains taxation in India. This, though, does not hold true for stocks: the same feeder funds will be subjected to short-term capital gains of 15% or long term capital gains of 10% depending on their holding period for the stocks they have sold. Since category III AIFs are taxed at the scheme level, unlike category I and II AIFs which are pass-through vehicles for tax purposes, the investors in GIFT City will also not pay any tax at the time of redemption. The six AIFs will have a daily net asset value denominated in US dollars and will be available for purchase and redemption on a daily basis.

The move is likely to open the flood gates for infusion of fresh funds by foreigners into India's stock market

Currently, foreign citizens wishing to invest in India must register as foreign portfolio investors, or FPIs, in India which is a cumbersome process. By contrast, GIFT City funds will have a simple KYC (know your customer) format. The investors in these funds will not be mandated to open bank accounts in GIFT City. After KYC and registering with the fund administrator, they can directly remit money from their foreign bank accounts. The move could also be beneficial to non-resident Indians (NRIs). As of now, NRIs wishing to invest in the country must open either an NRO or NRE account. They must then invest money through either the Portfolio Investment Scheme (PIS) or non-PIS route for direct stocks, both of which have different types of restrictions. In case of mutual fund investment, only a few funds in India are open to NRIs based in the USA and Canada. NRIs are also subject to tax deduction at source, or TDS, on their capital gains in Indian mutual funds. However if NRIs invest through these GIFT city funds, there will be no TDS on capital gains. Since the AIFs will invest only in growth plans of mutual fund schemes, their only income will be capital gains and hence free of tax. There is also no requirement of the Permanent Account Number (PAN) for investors in feeder funds, but investors who do have a PAN will have to disclose the same.

What's the catch?

GIFT City AIFs have a minimum ticket size of $150,000 and hence this means that only wealthy foreigners or NRIs will be able to invest through them. Also, the funds cannot be marketed in foreign jurisdictions without registering with foreign regulators. According to a person with knowledge of the matter who did not wish to be identified, HDFC AMC has applied for registration with the US SEC in order to make these funds available to qualified investors in that country. However, investors who come into the funds on their own (without marketing from the AMC) are free to do so. Note also that end-investors in these feeders funds may be liable to tax in their home jurisdiction.

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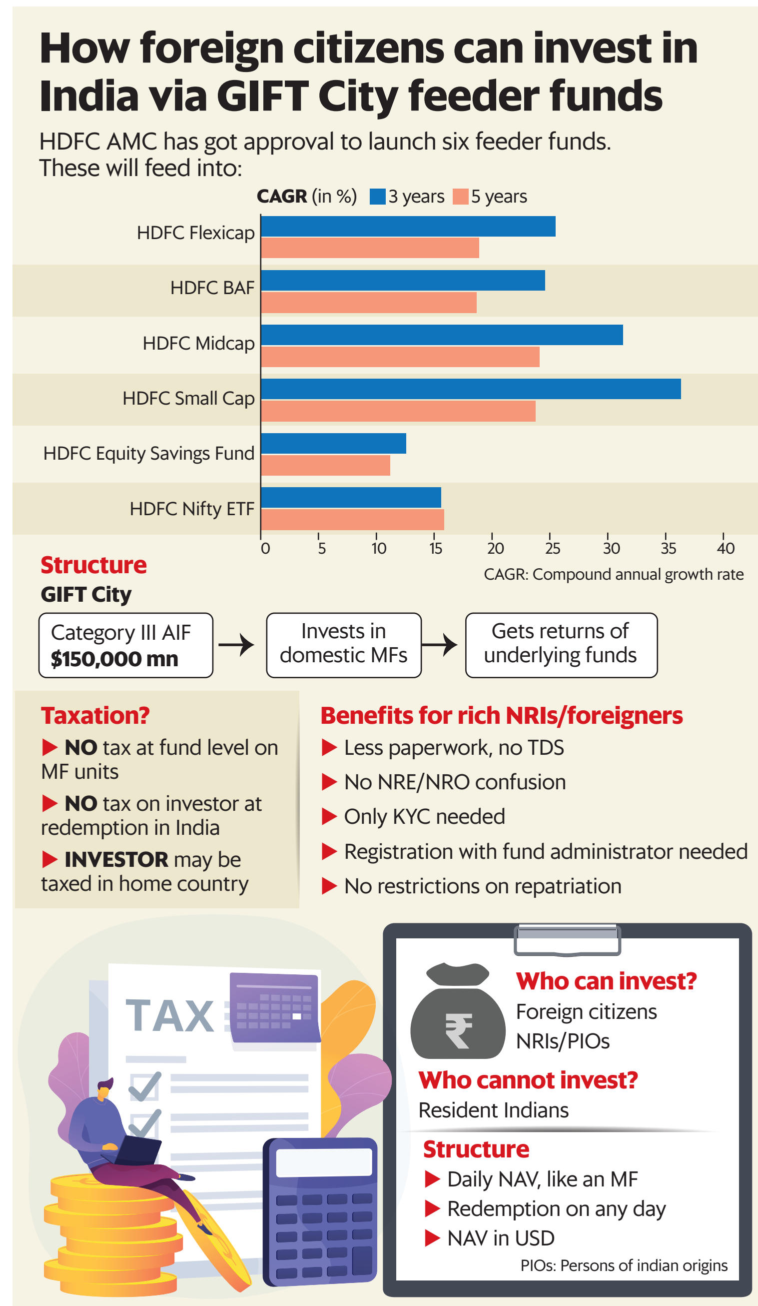

PARAS JAIN/MINT

Can I port my group insurance plan into an individual policy?

Abhishek Bondia

ISTOCKPHOTO

I am working with a multinational corporation (MNC), where I am covered under group health insurance, but will be leaving the firm in two months. Can I port my group policy into an individual policy? My current benefits include coverage for all hospitalization immediately without any waiting period. The plan provides OPD benefits too. Please advise.

—*Name withheld on request*

ASK MINT
INSURANCE

Similar to the provision allowing portability between individual health insurance policies, there is also a provision for portability from group plans to individual plans. Under this provision, an employee covered by a group plan with an insurer can switch to an individual plan with the same insurer upon leaving the group.

The primary benefit is a reduction in the waiting period that would be applied under the individual retail plan. The duration for which the employee was continuously covered under the group plan with the same insurer is subtracted from the waiting period of the individual plan.

However, several points should be noted regarding the porting from group to individual plans. Firstly, porting can only occur within the same insurer as the group insurer; an employee cannot switch to a new insurer upon leaving the group. Once the retail plan is issued, the policyholder can port to the retail plans of other insurers in subsequent years. Secondly, the plan features will align with those of the individual plan, not the group plan. Therefore, if the retail plan includes OPD benefits, those benefits will be available. If there are no OPD benefits in the retail plan, they cannot be added or customized.

Thirdly, the residual waiting period after the set-off is still applicable for the employee. For example, if the original waiting period in the retail plan was four years and the person stayed in the group for two years, the set-off would be only for two years. Fourthly, the waiver of the waiting period applies to the same sum assured as prevalent in the group. If the person opts for a higher sum assured, the original waiting period will apply to the incremental sum assured. Fifthly, the waiting period is accrued based on continuous coverage with the same insurer. In cases where companies switch their group health insurer, only the continuous coverage period with the last insurer will be counted towards portability. And, finally, the premium applicable will be for the retail plan.

Employees, especially those without personal health insurance coverage, can utilize group-to-individual portability to obtain an effective health insurance cover. The waiting period is substantially reduced, making health coverage effective much sooner. However, it's important to note that this provision is not a tool to mirror group benefits in a personal plan. It is generally recommended to initiate the portability process 45 days before the exit date. The insurer will require a retail proposal form, a portability form, and premium to initiate the process.

Abhishek Bondia is principal officer and managing director at SecureNow.in

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

Spot bitcoin ETFs a hit in US, draw nearly $2 bn

Reuters
feedback@livemint.com

ISTOCKPHOTO

A new batch of US bitcoin exchange-traded funds (ETFs) has attracted strong investor interest, though it is unclear if they will be able to maintain the pace of inflows in coming weeks.

Investors have poured $1.9 billion into nine new exchange-traded funds tracking the spot price of bitcoin in their first three days of trading, data from issuers and analysts showed, with fund giants BlackRock and Fidelity pulling in the lion's share of the flows.

Collective flows to the nine funds outpaced post-launch flows into the ProShares Bitcoin Strategy ETF, which drew a record $1.2 billion in the first three days of trading after its 2021 launch. The SPDR Gold Shares ETF attracted $1.13 billion in the first three days after its 2004 launch.

Investments in the long-awaited ETFs—launched on 11 January, a day after receiving approval from the US Securities and Exchange Commission (SEC)—fell short of the most aggressive estimates of first-day flows in the billions of dollars.

Market participants said it remained to be seen to what degree funds tracking the notoriously volatile cryptocurrency continue drawing retail and institutional investors, and which issuers will come out ahead. Some bullish analysts have said flows could reach between $50 billion and $100 billion by the end of the year.

Bitcoin is down more than 8% since 11 January, after rallying in recent months on anticipation that the ETFs would finally get the nod from the SEC.

"So far, the launches have almost measured up to the hype," said Todd Sohn, an ETF analyst at Strategas. "The next question is, What is their staying power? What will those flows look like in six months' time, or six years from now?"

For now, lower fees and name recognition appear to be key factors in drawing investors.

The iShares Bitcoin Trust ETF from asset management giant BlackRock has attracted more than $700 million, while Fidelity's Wise Origin Bitcoin Fund has topped $500 million, according to BitMEX Research, a cryptocurrency research and analysis firm.

Some bullish analysts have said flows could reach between $50 billion and $100 billion by the end of the year

Fees among the nine issuers —before waivers —range from a low of 0.19% to a high of 0.39%.

BlackRock is charging a fee of 0.12% for the first $5 billion in assets and the first 12 months of trading. After that, the fee will rise to 0.25%. Fidelity is initially charging zero, rising to 0.25% after 31 July. Those fees will still be less than half the average ETF fee of 0.54%, as calculated by Morningstar Inc.

"Fees are clearly a key determinant for success," said Sui Chung, CEO of CF Benchmarks, which is providing the index against which six of the new ETFs will be measured.

"Those that charge the lower management fees will unsurprisingly make themselves more appealing compared to their peers. Brand recognition is another core aspect."

While BlackRock and Fidelity have dominated inflows, other issuers with a strong brand among cryptocurrency aficionados aren't that far behind.

Both Bitwise and a joint venture of Ark Investments and 21Shares are initially waiving fees.

FLIGHTS DELAYED OR CANCELLED: KNOW HOW TRAVEL INSURANCE CAN HELP

POWER POINT
VIVEK CHATURVEDI

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

The media is rife with stories of passengers stranded at airports and inside the aircraft (even the tarmac in one case) due to flight delays caused by dense fog conditions in Delhi and other parts of north India. Every winter, we see various flights getting delayed, diverted, or cancelled due to inclement weather. Between January and November 2023, we saw 1.88 million passengers being affected due to flight delays and 249,000 passengers stranded due to flight cancellations. With Delhi experiencing one of the season's worst fog this past week, an estimated over 1,000 flights were delayed by various airlines.

Travel insurance can help in such situations. A travel cover pays out a flat benefit to the traveller if the flight is delayed beyond a certain time limit, which is typically 2-3 hours. A flight can get delayed or cancelled not only due to inclement weather, but also due to technical or operational reasons, airport, or ATC issues, among others. In fact, one of the highest numbers of travel insurance claims that we see every year at Digit are due to flight cancellations and in FY23, most claims came due to flight delays. Despite the benefit, many don't buy travel insurance largely due to lack of awareness and the optimism bias that anything going wrong during the trip is highly unlikely. Travel insurance is not just to cover you for incidents like flight delay or cancellations. It's much beyond that. A travel cover is designed to provide comprehensive coverage that can protect the traveller from various unforeseen circumstances.

Other lesser known covers

We usually don't assess the kind of things that can go wrong in our travel journey. But travel insurance tries to assume the risk of various perils that one may encounter and provides comprehensive coverage for the same. There are various coverages available under travel insurance that can be extremely useful under various circumstances. Your luggage could carry some expensive items. A travel plan can provide you coverage against any delay, damage, or total loss of your checked-in baggage. In fact, in FY23, baggage delay and loss accounted for top five trip-related claims at Digit.

If you miss a pre-booked connecting flight due to your first carrier getting delayed, insurance can cover any additional accommodation or travel costs incurred to reach your destination. Travel insurance can also come to your rescue in case you have to abandon or extend your trip due to any emergency or if any financial support is required if you lose your passport during your trip.

ISTOCKPHOTO

Coverage for high-impact events

While travel insurance covers you against various travel-related perils, one of the biggest exigencies it protects you against is emergency medical treatment and evacuation abroad. Medical treatments overseas are very expensive. Take for instance the case of a Digit customer who was travelling to the US. He developed chest pain and had to undergo medical treatment in a hospital in California, which cost nearly ₹19 lakh. As he had a cover of $100,000, the same was covered under his international travel insurance policy. Claims due to emergency medical treatment are in fact the third most common claims at Digit.

A travel insurance also provides personal liability and bail bond in case of any legal hassles when in a foreign country. For example, if you accidentally injure someone, damage someone's property or accidentally knock over an expensive item in a shop and are held legally liable, personal liability coverage can help cover legal and settlement costs. Similarly, a bail bond coverage can help pay for your bail and other legal costs in case you are arrested for any minor or unintentional breach of law. In case of any unfortunate death in a foreign country, costs involving repatriation of the mortal remains are also covered by the insurer.

While travel insurance provides a host of coverages, the premium is fairly cheap

Highly affordable

While travel insurance provides a host of coverages, the premium is fairly cheap. For example, a 30-year-old can get travel insurance with a sum insured of $50,000 for a four-day Thailand trip for less than ₹300, while one can get a one-week travel cover of $100,000 sum insured to Schengen countries for less than ₹1,000 . One should look at buying travel insurance immediately after travel bookings are done as it covers you for the entire duration of the trip—before your flight journey begins (flight delays, cancellations, etc) to while you are travelling (baggage delay or loss, missed connection) to when you are at the destination (emergency medical treatment or trip extension, among others).

Vivek Chaturvedi is CMO and head of direct sales, Digit General Insurance. The views expressed in the column are his own.

OUR VIEW

AFP

Skiers may be staring at snowless slopes for ages

A snow scarcity at Gulmarg and Auli has disappointed skiing buffs. Since global warming, unlike El Niño, isn't about to reverse, this problem may persist. They'll need innovative lures

A perfect winter day is all about wrapping our fingers around a mug of hot chocolate, lazing about in a pair of warm socks and finding a cozy blanket to snuggle in. On holiday, this can be done nestled in a Himalayan cottage, or resort, with or without getting the crackle of a fire-place going. Some of us are less given to the laze of a good hurkle-durkle, a Scottish term for staying snugly indoors, and prefer to brave the icy thrill of Alpine skiing, a sport that's every bit as niche in India as it's demanding. It demands sub-zero gear, especially good snow-boots, and skills that take some practice to sharpen—not perfect, mind you, even if claims of perfection are made. It demands alertness, even if the serenity of a snow-clad slope puts one 'in the zone,' a Zen-like state of mind, something Formula-1 racing champs are said to experience too. It demands many other things. Above all, it demands snowfall. To the disappointment and dread of Indian skiers, however, India's two big skiing resorts, Gulmarg in Kashmir and Auli in Uttarakhand, have had a largely dry winter so far. For long stretches, as reported this week, there has been no white in sight. Barren slopes stare back in stark contrast with what's usual at this time of the year. News of it led to a surge of travel-plan cancellations, leaving small local enterprises that depend on ski tourism in a flap.

What happened? Much of the winter rain and snow (at altitudes above 1,600-odd-metres) that northern states get is brought by 'westerly disturbances' (WD), which are extratropical storm systems formed over the Mediterranean region, moving from west to east. Their usual patterns of precipitation, though, have been disrupted in recent years. While these changes are still being analysed and causes studied, experts are clear that this season's snow deficit in the western Himalayas is on account of feeble WDs, which have been losing both intensity and frequency for a while now. The prime suspect is climate change, of course, given the complex ways in which it plays havoc with atmospheric systems across the globe. And the past year has had an added phenomenon: El Niño. This is part of an oceanic seesaw of warm water in the Pacific, with warmth tilting away from the Asian seaboard resulting in dry conditions in Asia, even as thermal maps in many places elsewhere glow warmer. As global temperatures change, so do wind patterns, and experts suspect El Niño too of an oblique role in the dryness we have seen this January. This ocean effect is cyclical, and a reversal could take place soon, perhaps within a year. So the real worry is global warming, which is an upward trend the world is struggling just to flatten, let alone reverse. If snowless slopes spell skier disappointment, the prospect of drier climate evokes dread.

Will February bring respite? This has been the talk of Gulmarg and Auli, reports suggest. But maybe it's time for their tourist-serving businesses to look farther over the horizon and start working out contingency plans. As their unique appeal as skiing spots comes under an existential threat, the two towns may not find it easy adapting to snow insufficiency. Yet, novel ideas to attract tourists could possibly offer them a security cushion. Auli, which is just 35km from Valley of Flowers, a trekker's delight in warmer months, has always attracted hikers. So has Gulmarg, with its natural splendour. The winter landscape need not always be snow-clad to be fabulous. And then there are the joys of hurkle-durkle too.

MY VIEW | TECH WHISPERS

AI could herald a new digital era as apps give way to voice agents

AI assistants acting on verbal commands can transform our lives just as apps on digital devices did

JASPREET BINDRA
is a technology expert, author of 'The Tech Whisperer', and a Masters in AI and Ethics from Cambridge University.

Last week, I watched at the Consumer Electronics Show (CES) the launch of a product called Rabbit R1. At the end of the 30-minute video, I paid $200 and became one of the 10,000 people who ordered it on Day Zero. It looks like a small boxy phone, with a camera (called the Rabbit Eye), but what makes it special is the interface. Instead of a grid of apps which smartphones have gotten us used to, Rabbit is an AI assistant that conveys what you want to your favourite app and makes it happen (*bit.ly/48SMEfN*).

This is just not about a Siri or Alexa like voice-command. What breakout products like the Rabbit or Humane's AI Pin herald is a completely new era of computing. No less than Bill Gates says so. He foresaw the era of the PC with a graphical user interface (GUI) on every desk a few decades back, and he is again predicting a fundamental shift in how humans work with machines—this time with AI and a natural language interface (NLI). Thus far, you had to learn the language of a computer to communicate with it and have it do your bidding; this is why we have 'computer languages' like Python, JavaScript, etc. With AI and Large Language Models, that changes to using human languages—English, French or Bengali. "To do any task on a computer," writes Bill Gates (*bit.ly/3tSMNkB*), "you have to tell your device which app to use. You can use Microsoft Word and Google Docs to draft a business proposal, but they can't help you send an email, share a selfie, analyse data, schedule a party, or buy movie tickets. In the next five years, this will change completely. You won't have to use different apps for different tasks. You'll simply tell your device, in everyday language, what you want to do." To put it simply, AI is the interface.

You can see that happening in another such innovation: the AI Pin. Launched last year to great acclaim, Humane revealed its AI Pin, which you wear on your chest and summon it when you need something done. There are no screens and no apps; to get things done, you speak to it. It is expensive, priced as high as a phone, and maybe it will not succeed, and nor will Rabbit. But what these products presage is our move from apps to agents. Apps are the universal user interface today, and they help us do a lot of stuff, but they are actually dumb and clunky—you need to tell them what to do, and it takes a while navigating through them. Agents are intelligent, and they do stuff for you. As John Koetsier writes in *Forbes* (*bit.ly/48NUsA5*): "Apps are an interface to accomplish a task, but the best interface is simply doing the requested action. *Star Trek*'s virtual omniscient ship AI didn't ask Captain Picard to install an app when he asked a question." You can use an app to order a pizza, an agent will know that you want something to eat based on your history, and that you like a kind of pizza, and it will offer to order one for you. Bill Gates explains how agents will go farther than today's AI bots: "...bots are limited to one app and generally only step in when you write a particular word or ask for help. Because they don't remember how you use them from one time to the next, they don't get better or learn any of your preferences. Agents are smarter. They're proactive—capable of making suggestions before you ask for them. They accomplish tasks across applications. They improve over time because they remember your activities and recognize intent and patterns in your behavior. Based on this information, they offer to provide what they think you need, although you will always make the final decisions."

We can see the beginning of this revolution with Rabbit and AI Pin, and even with Microsoft's Windows Copilot, which can boost human productivity. This profound shift to AI will upend smartphone platforms, much like these disrupted feature phones. Gates expects that natural language interfaces and agents will "bring about the biggest revolution in computing since we went from typing commands to tapping on icons... Agents will be the next platform." As Microsoft's current CEO Satya Nadella says: "It was about us understanding computers, but now it's about computers understanding us."

ChatGPT and other bots, however impressive, are just the very beginning of the AI era. AI goes far beyond a technology. As Gartner says: "It is not just a technology or business trend. It is a profound shift in how humans and machines interact." The power of natural language AI agents will reshape Big Tech, fundamentally upend computing, and change our lives the same way that PCs and smartphones did, as we go down this new Rabbit hole.

QUICK READ

Rabbit R1 and other products like AI Pin herald a new digital era where these will act as our interface and do what we say rather than us having to open various apps for specific tasks.

It will boost productivity and transform our technology usage the way we went from typing commands to tapping icons. Early AI agents could fail but the concept has much going for it.

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GOVERNANCE VISION

Modi outlines development model for India

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Cracks in govt's plan to speed up infrastructure projects

POLITICAL PROMISES

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STATE OF SPENDING

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MINT METRIC

by Bibek Debroy

Flyers eat on the tarmac.
A passenger gives a pilot a whack.
Cushion missing on a seat,
Food that's not fit to eat.
Locked in a toilet, aviation's dismal stack.

GUEST VIEW

Focus on public transportation to improve productivity

JAGAN SHAH

is chief executive officer of The Infravision Foundation.

City governments in India must focus attention on the planning of inclusive, safe and efficient public transportation if they want residents to be healthy and lead economically productive as well as socially active lives. Whether citizens choose to walk, drive or use a train, proper planning is necessary for them to reach their destinations fast and safe. If their needs are met by public transportation, people opt for public modes; otherwise, for private vehicles.

Prosperous cities across the globe have invested in public transportation and adopted policies that make the cost of owning and operating private vehicles significantly higher than public transportation. The reverse is true in India, with its burgeoning middle-class finding it easier to use private vehicles—with insalubrious results: air pollution, noise, wasted productivity due to long commutes on congested roads, and loss of time for recreation. Even Delhi's 400km world-class Metro rail, which dominates our imagination of public transport, is only achieving 46% of its projected ridership because private two-wheelers are more efficient in servicing the city's average trip length of less than 10km. Even if Delhi Metro were run free, it would be short of riders because motorized two-wheelers are owned by a majority of the city's households. And even if two-wheelers go fully electric, they occupy road space and contribute to congestion. Further, every user of public transport is also a pedestrian, whereas walking in Indian cities can be hazardous.

The objective should be to shift from two-wheelers to buses, rather than leap to metro networks. These are tricky political economy choices, but must be made because our urban policies need significant evolution.

Urban transportation requires several imperatives to be fulfilled. It needs significant planning and must account for travel patterns, which are linked to land-uses that generate travel demand, the city's existing infrastructure for mobility, which dictates new investment requirements, and the varying operational logic of different systems—walking, for example, requires good pavements, whereas railways require dedicated lines, and the two should never clash. Users being able to switch modes smoothly is the most important feature of a well-planned system. Special attention must be given to planning for the expansion of public transport networks, and this requires accurate and updated transport-related data, a 'single source of truth' for all stakeholders.

Effective planning calls for the establishment of a Unified Metropolitan Transportation Authority for large urban agglomerations, or a regional authority for small and medium-sized towns. It is a 'best practice' enshrined in the National Urban Transport Policy of 2006, as it creates a single point of coordination and decision-making. A unified authority can shepherd long-term transportation infrastructure investment plans. Such plans would give investors confidence in the government's foresight. It would also guarantee the required policy continuity. For example, if a metro system is designed to shift people away from congested roads, road widening along the same routes must be avoided to protect the metro project's bottom-line.

A single entity can ensure 'value for money' and maximize leverage by treating every project as catalytic. For example, a metro rail company could successfully also run a bus or para-transit system that grants its riders last-mile connectivity. The newly created Indian Port Rail Corporation does precisely that, by operating the railway that connects a port with its hinterland. A unified authority can aggregate all transportation related revenues and feed them back into public transportation. Hard decisions like regular and publicly agreed fare revisions can be justified better by an agency that commands a holistic view. It can also leverage information and communication technologies for seamless connectivity through passenger information systems, ease of fare collection and delivery of incentives such as discounts on retail transactions at stations.

Cities with long-term plans for transportation become magnets for credit enhancement and sovereign guarantees and can alleviate the debt burden of state governments that bear the cost of 'white elephant' metro systems. A comprehensive financial model for the city could help plan public-private-partnership concessions for life-cycle management, manage contracts, resolve disputes and attract investors to buy stakes in public transportation companies.

Local governments also need to remove hidden subsidies for personal vehicles, such as the constant widening of roads, free parking and easy financing. Until fossil fuels are phased out, petrol and diesel vehicles will be sources of pollution, and governments need to make "polluters pay" through congestion taxes and tightening of exhaust and noise pollution controls. Similarly, a "beneficiaries pay" policy implies that property owners who benefit from proximity to public transportation should pay a premium, possibly through property tax increments and cesses.

India has rightly placed a major bet on urbanization. For it to pay off, it must reduce externalities caused by unplanned urbanization and reap the benefits of well-planned cities. Every city must plan its own transport solutions and finance them sustainably. With transportation to be planned for almost 8,000 cities, governments at the central, state and local levels must get moving.

QUICK READ

Smooth public transportation has various social and economic benefits. It would not only make the people of our cities more productive but also upgrade the quality of their lives.

We also need to disincentivize private vehicles by levying more taxes on their use and ending their hidden subsidies. Unified transportation authorities could draft and implement urban plans.

THEIR VIEW

The world confronts four major economic challenges right now

Conventional economics needn't be dumped but economists must apply their tools to the objectives and constraints of the day

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PTI

Another tumultuous year has confirmed that the global economy is at a turning point. We face four big challenges: a climate transition, good-jobs problem, an economic-development crisis and the search for a newer, healthier form of globalization. To address each, we must leave behind established modes of thinking and seek creative workable solutions, while recognizing that these efforts will be necessarily uncoordinated and experimental.

Climate change is the most daunting challenge, and the one that has been overlooked the longest, at great cost. If we are to avoid condemning humanity to a dystopian future, we must act fast to decarbonize the global economy. We have long known that we must wean ourselves from fossil fuels, develop green alternatives and shore up our defences against the environmental damage that past inaction has already caused. However, it's clear that little of this is likely to be achieved through global cooperation or economists' favoured policies.

Instead, individual countries will forge ahead with their own green agendas, with policies that best account for their specific political constraints, as the US, EU and China have already been doing. The result will be a hodge-podge of emission caps, tax incentives, R&D support and green industrial policies with little global coherence and occasional costs for other countries. Messy though it may be, an uncoordinated push for climate action may be the best we can realistically hope for.

But our physical environment is not the only threat we face. Inequality, an erosion of middle classes and labour-market polarization have caused equally significant damage to our social environment. The consequences are now widely evident. Economic, regional and cultural gaps within countries are widening, and liberal democracy (and the values that support it) appears to be in decline, reflecting rising support for xenophobic, authoritarian populists and the growing backlash against scientific and technical expertise.

Social transfers and the welfare state can help, but what is most needed is an increase in the supply of good jobs for less-educated workers. We need more productive and well-paid employment opportunities that can provide dignity and social recognition for those without a college degree. Expanding the supply of such jobs will require not only more investment in education and more robust defence of workers' rights, but also a new brand of industrial policies for services, where the bulk of future employment will be created.

The disappearance of manufacturing jobs over time reflects both greater automation and stronger global competition. Developing countries have not been immune to either factor. Many have experienced 'premature de-industrialization': their absorption of workers into formal manufacturing firms is now very limited, which keeps them from pursuing the kind of export-oriented development strategy that was effective in East Asia and a few other countries. Together with the climate challenge, this crisis of growth strategies in low-income countries calls for a whole new development model.

As in advanced economies, services will be low- and middle-income countries' main source of job creation. But most services in these economies are dominated by small informal enterprises and there are essentially no ready-made models of service-led development to emulate. Governments will have to experiment, combining investment in the green transition with productivity enhancements in job-giving services.

Finally, globalization itself must be reinvented. The post-1990 hyper-globalization model has been overtaken by the US-China geopolitical rivalry, and by the higher priority placed on domestic social, economic, public-health and environmental concerns. No longer fit for purpose, globalization as we know it will have to be replaced by a new understanding that rebalances national needs and the needs of a healthy global economy that facilitates global trade and long-term foreign investment.

Most likely, the new globalization model will be less intrusive, acknowledging the needs of all countries (not just major powers) that want greater policy flexibility to address domestic challenges and national-security imperatives. One possibility is that the US or China will take an overly expansive view of its security needs, seeking global primacy (in the US case) or regional domination (China). The result would be a 'weaponization' of economic interdependence and significant economic decoupling, with trade and investment treated as a zero-sum game.

But there could also be a more favourable scenario in which both powers keep their geopolitical ambitions in check, recognizing that their competing economic goals are better served through accommodation and cooperation. This scenario might serve the global economy well, even if (or perhaps because) it falls short of hyper-globalization. As the Bretton Woods era showed, a significant expansion of global trade and investment is compatible with a thin model of globalization, wherein countries retain considerable policy autonomy with which to foster social cohesion and economic growth at home. The biggest gift major powers can give the world economy is to manage their own domestic economies well.

All these challenges call for new ideas and frameworks. We do not need to throw conventional economics out the window. But to remain relevant, economists must learn to apply the tools of their trade to the objectives and constraints of the day. They will have to be open to experimentation and sympathetic if governments engage in actions that do not conform to playbooks of the past.

QUICK READ

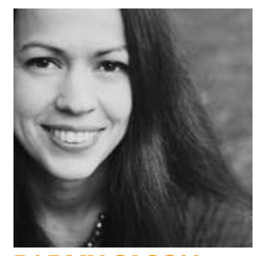
We face a climate transition, good-jobs problem, an economic-development crisis and the search for a better form of globalization. Each requires economists to think afresh.

As the world shifts its policy priorities, economic advisors must be open to experiments and sympathetic if governments act in ways that do not conform with conventional advice.

MINT CURATOR

Beware: OpenAI is going after the global attention economy

Bots based on its AI model will make money by engaging people



PARMY OLSON
is a Bloomberg Opinion columnist covering technology.

Online-engagement business models have already had adverse effects AP

OpenAI is expanding beyond nifty products like ChatGPT and has announced that it is following through with its pledge to distribute AI's benefits to all of humanity. Just kidding! It's actually launched a 'store' to monetize its language model technology and share that wealth with other businesses. And it's using an incentive structure that has a history of unpleasant side effects on, yes, humanity. The 'GPT Store' is available to OpenAI's enterprise customers and anyone who pays $20 a month to use ChatGPT Plus, offering a selection of specialized versions of the tool for research, education, design, etc, that are created by third-party developers. Think of them like apps you can talk to. For instance, I asked AllTrails GPT to recommend running routes and it gave me a list of ideas with links to maps. Coloring Book Hero generated pictures of copyrighted characters for my kids to scribble over and Books GPT churned out a list of wilderness survival novels after I told it that I'd re-watched *The Revenant*.

OpenAI says developers have already created more than 3 million of these GPTs, which led *The Atlantic* to point out that this was ChatGPT's "FarmVille Moment." Indeed, it harks back to when Facebook allowed other software engineers to create apps for the site in 2007. But OpenAI's store is similar to Facebook in a more disturbing way too: It has an engagement-based revenue structure.

Builders "will be paid based on user engagement with their GPTs," OpenAI has said, which means that the more popular and potentially addictive a GPT service is, the more money its developers can make. OpenAI might be the world's leading AI firm, but it is harnessing one of the oldest business models on the internet. Companies from Facebook to YouTube to e-com sites and news outlets use engagement as their primary metric for paying, or charging, third parties. That has made attention the currency that drives our online economy. Facebook's business model, for instance, revolves around maximizing user engagement to drive ad revenue. The more time people spend on the platform, the more ads they can be shown. YouTube pays creators based on the number of views their videos receive, while TikTok pays influencers based on their followers' engagement with their posts.

The great benefit of this model has been to make most internet content free. But there are downsides. By prioritizing content that keeps people on Facebook for longer, its algorithms often show posts that spark outrage. That has created political echo chambers and lured people into groups that spread conspiracy theories.

YouTube's model has led creators to focus on sensational or controversial content to drive views, motivating influencers to post provocative videos, while news sites have gravitated towards click-bait headlines, many of them focused on trending topics, instead of in-depth journalism. The engagement-based model has even hit TV. David Chase, creator of *The Sopranos*, recently complained that the golden age of TV had come to an end after he was warned by executives to not make shows that "require an audience to focus."

Sam Altman has previously denied that OpenAI used engagement as part of its business model. When he testified before Congress last year, OpenAI's CEO concurred with a lawmaker who warned the company against repeating the mistakes of social media networks. "We try to design systems that do not maximize for engagement," Altman said. "We're not an advertising based model. We're not trying to get people to use it more and more." But other developers likely will, and the GPT Store doesn't have to be ad-based to maximize for engagement. Subscription models like Netflix do that too. They are part of today's attention economy.

One thing that seems to draw people's attention to AI is relationships. Based on a cursory search of what's currently available, dozens of developers have already submitted 'girlfriend' bots to OpenAI's store. Users can only seek relationship advice or engage in friendly chatter with these bots, since OpenAI forbids developers from launching bots that foster "romantic companionship." Yet with more than three-million-and-counting GPTs to oversee and likely more to come, it'll get harder to ensure all of them follow those rules.

OpenAI is cracking open a Pandora's Box of potential side effects with its adoption of a business model that has reshaped human behaviour in repugnant ways. Social media firms whose algorithms subtly encouraged toxic activity often failed to enforce their guidelines against such behaviour. OpenAI can set itself apart from its predecessors if it can enforce those guidelines properly. That would be a welcome change, but it'll be tough to pull off.

MY VIEW | PEN DRIVE

Tee-off or not to tee-off: The dilemma of Delhi's smog

RAHUL JACOB

is a Mint columnist and a former Financial Times foreign correspondent.

Air quality levels plummeting may be front-page news in New Delhi this week, but on its pristine golf courses where peacocks roost among medieval tombs, the game carries on with a few adaptations. For the first tee-offs of the early morning, visibility is so low that caddies run ahead to call from the next hole on mobile phones to indicate that the players ahead have moved on. They sometimes resort to shouting to help these fearless first golfers get a general sense of their target—and then hide behind the nearest tree. Many golfers use glow balls, which can be spotted in the smog, but the local rule is that a first ball that lands in the rough is not penalized.

Imagine that you have landed in India's capital city from another end of the country. The experience is akin to being from Mars, rather than in my case merely from Bengaluru, while one tries to make sense of the capital's idiosyncratic responses to its frequent pollution spikes. As so often in Lutyens' Delhi, acronyms, rather than action with long-term benefits, are the order of the day. GRAP III is once again in place as the government responds with familiar, ineffectual measures: banning certain kinds of fossil-fuelled vehicles, demolition work and construction activity; and using water trucks that leave an ephemeral mist on traffic-choked roads.

Delhi is often a case of *déjà vu* all over again, as the old line goes. And life goes on in an air bubble of exuberant cognitive dissonance from the reality of acrid air. I heard the Wodehousian golfing story at an outdoor party on Sunday from a renowned Delhi doctor passionate about his daily round of golf. I did not therefore ask the obvious question: Was it sensible to be playing a sport outdoors for a couple of hours? I had arrived in New Delhi via Terminal 3 and thought I saw smoke in the baggage terminal. The smog inside was because the city and the states around it were celebrating Lohri, a pre-harvest festival, in time-honoured tradition by burning wood-fires.

I lived in Delhi a decade ago before moving away, in large part because it was so hazardous to do any kind of high-intensity sport outdoors. So I know Delhi and I know Delhi smog—or so I thought before this week.

The haze as I emerged from the airport bordered on an apocalyptic vision. The rationalizations offered by many of the city's residents seem to have grown over the past decade. At a dinner on Monday, friends complained about the nightmare of... traffic in Bengaluru. I have lost count of the living rooms I sat in this week with air purifiers turned off. These new-age, Godrej almirah-like motifs of what might be called Resurgent India are everywhere. (And never mind that India last year preponed the usual year-end G20 summit of world leaders to September to avoid Delhi's high winter pollution.)

I spoke with a fitness trainer who specializes in biodynamic movement and Reiki, and he said he was certain his clients who used such machines lost their immunity as a result.

Indians, as Jan Morris observed in an essay on New Delhi of the 1970s, delight in making the prosaic mystic.

At the other end of the capital's spectrum are people such as my hosts who monitor air quality as if their three-year old toddlers' lives depended on it. Last month, they replaced their 10 air-purifier machines with a retrofitted central air purifying unit. The earlier machines had led to a CO2 and moisture build-up in the house, which required dehumidifiers. Their current Yoga Air system, which is like an old-fashioned window AC, had a PMI 2.5 reading of just one this morning. Intrigued by how well it worked in keeping away the persistent Delhi sore throat that has replaced Delhi belly, I interviewed one of the four founders of the Gurgaon-based firm Yoga Air. In a sign of how the capital's pollution problems are increasingly characteristic of cities across north India and Kolkata, Rahul Sehrawat spoke to me from construction-crazed Mumbai, which now has AQI readings that rival Delhi's on some days. He reported that his firm has seen a huge increase in demand; business is growing exponentially in both cities. Putting its systems in costs about ₹1.6 lakh plus taxes for a 1,500-square-foot apartment, which includes a year's maintenance.

As Yamini Aiyar, head of the Centre for Policy Research, pointed out last November in a column for *Deccan Herald*, such high-end solutions for those who can afford them are another example of the well-off in effect 'migrating' further away from the realities faced by the rest of India, a widening gulf that can be traced to the grossly inadequate provision of public services by the government, especially in the fields of education and medical care.

This week's release of the Annual Survey of Education Report has confirmed again that more than half of our 14-to-18-year-olds in rural India struggle with simple math problems. Yoga Air's team is impressively efficient in providing clean air indoors, but its very name is an inadvertent metaphor for the ultimate gated community: 'Yoga' stands for 'Your Own Green Area.' As with quality school education, clean air is a privilege in urban India.

QUICK READ

Visibility is so low that caddies run ahead and call from the next golf hole on their phones to say players ahead have moved on, often hiding behind the nearest tree as golfers take their shot.

At the other end of the city's spectrum are people who install air purifiers, a boom business not just in north India, and then monitor their indoor air quality as if their lives depend on it.

A bike custom-made for the rider

Royal Enfield's latest, the Shotgun 650, inspired by custom-built bikes, takes the rough with the smooth in style

Rishad Saam Mehta

Just as the English sailed to the far ends of the planet to make the world 'England' a household name in the 18th century, Royal Enfield seems to be on a worldwide mission, but theirs isn't one of imperialism. Royal Enfield is trying to build motorbikes for every kind of rider. And motorcyclists everywhere are celebrating.

The Indian motorcycle company now has four capable and reliable engines in its portfolio, which it uses to manufacture purpose-built motorcycles that appeal to a wide spectrum of motorcyclists.

There is the 411 engine that did duty in the previous Himalayan and continues to power the Scram 411. The new Sherpa 452cc engine takes the new Himalayan to greater heights. The J-Series 350 cc engine powers the Classic 350, the Meteor, the new Bullet and the Hunter—all of which have become a style statement for motorcyclists, ranging from Gen X to Gen Z. And then there is the twin-cylinder 650cc engine, which made the motorcycling brotherhood sit up and pay attention to Royal Enfield.

The shift from the archaic 'dug-dug' to a brand new burble is the soundtrack to the story of the 123-year-old motorcycle company's rise from the red when it had been all but written off about two decades ago.

The Interceptor and Continental GT, powered by the 650cc twin-cylinder engine, took the motorcycling world by storm with their delicious hark-back-to-the-past design married to modern convenience and reliability, along with a muscular and potent engine in 2017. Then came the Super Meteor, a cruiser powered by the same engine, which has spawned clubs that regularly organize rides.

And now comes the Shotgun 650, which was first showcased as the Royal Enfield SG650 Concept at the two-wheeler exhibition EICMA 2021 in Milan. It received a favourable response, was put into production, and made its India debut earlier this week.

I rode the Shotgun 650 in and around Los Angeles, US, in December 2023, as part of the Royal Enfield global media ride. There were reviewers from South-east Asia, Australia, India, Europe and the Americas—in short the whole world.

Custom bike builders love the Interceptor 650 because it lends itself so well to customization. Custom bike builders have had a field day with the Interceptor and the GT, turning them into scramblers, bobbers and racetrack machines. This was the genesis of the Shotgun 650, a motorcycle inspired by all these custom builds for the customer.

I had been drooling over the motorcycle ever since I'd first seen it at Motoverse in Goa in November last year.

> It can handle the anarchy of suburban Mumbai traffic as well as it does the streamlined traffic of downtown Los Angeles

Its short front mudguard, the smooth and rounded rear on which sits a floating single seat, the upside down 43mm chunky Showa front forks with a nice rakish angle, the matt black engine, the minimalistic design of the headlight nacelle , vintage inspired tail-lamp and the beautiful paint job—everything sends out a "let's go for a ride" vibe.

My first experience with it was while battling 9am traffic in downtown Los Angeles. I was mostly at ease with the bike. The ergonomics are good but they would have been great if I did not have to lean forward as much I had to. I would have preferred to sit further back on the seat rather than so close to the tank and a tad more upright.

POWER HOUSE

WHEELBASE: 1465 mm

GROUND CLEARANCE: 140 mm

LENGTH: 2170 mm

WIDTH: 820 mm

HEIGHT: 1105 mm

KERB WEIGHT: 240kg (with 90% fuel and oil)

FUEL CAPACITY: 13.8 litres

ENGINE TYPE: Parallel twin, 4 stroke, SOHC, air-oil cooled

GEARBOX: 6-speed constant mesh

FRONT TYRE: 100/90 R18 (tubeless)

REAR TYRE: 150/70 R17 (tubeless)

The 18-inch and 17-inch front and rear tyres and the 1465mm wheelbase with a seat height of 795mm translate into a low centre of gravity that told me it would handle the anarchy of suburban Mumbai traffic as well as the streamlined traffic of downtown Los Angeles.

I am familiar with Royal Enfield's 650cc engine and it was no surprise that its reassuring low-end torque made the motorcycle go about traffic with minimal fuss. We soon left Los Angeles behind and headed towards the Angeles National Forest through twisty roads. It is here that I could fully appreciate how much fun this motorcycle is. The grippy Ceat tyres (specially developed for the weight and suspension set-up of this bike) allowed me to scrape pegs, throwing up a shower of sparks around smooth tarmac corners. On straight roads, I could give the engine's 45 horses a free rein.

I have never had so much fun with the 650cc engine. This was mostly because the route was so well selected and I had the reassurance that there wouldn't be any nasty surprises in the form of cattle, carts or wayward motorists around a corner. This knowledge gave me the courage and confidence to explore the full potential of the engine and the cornering capability of the suspension set up. Since I have never ridden a Royal Enfield motorcycle with this engine so freely in India, I was convinced the engine had been tweaked for the Shotgun 650. It hasn't.

The Shotgun 650 features a single digi-analogue meter that tells the speed in analogue. It gives information like the amount of fuel left, time of day, distance and current gear in a digital readout in the centre. There is no rpm meter, something I sorely missed. The very nature of the 650cc engine with its short six-speed gearbox begs for it to be kept in the powerband and for this, a rpm meter would have been handy.

On the few sections where the tarmac was uneven, some of it around corners, the motorcycle didn't lose its composure. The Showa suspension up front and rear keeps things rather tidy.

The route got even more scenic and exciting after our lunch stop at Palmdale. During our return, we rode through the Angeles Crest Highway with its wide sweeping corners through which I could carry speeds in the realms of 110kmph. The motorcycle was absolutely game for it. The exhaust note through the twin pipes is distinctive but definitely muted. It would have been more exciting if the decibels were a bit unruly.

The photograph here shows the motorcycle with a single seat. It can be set up with a pillion seat. In fact, Royal Enfield is offering 31 accessories, ranging from bar-end mirrors to wheel rims, to further customize the bike, keeping in tune with its original concept idea of 'by custom for custom'. The Shotgun 650 is on sale, with prices starting at ₹3.59 lakh.

If you want a motorcycle for a daily A to B commute, this might not be the right fit. But if you are looking for exciting yet relaxing recreational motorcycling and a bike that allows you to customize it as per your style, the Shotgun 650 is the one to pick.

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