HT NEW DELHI, MUMBAI, BENGALURU, KOLKATA, CHENNAI, AHMEDABAD, HYDERABAD, CHANDIGARH*, PUNE*, LUCKNOW* VOL. 18 NO. 314

Tuesday, December 31, 2024

mint

Think Ahead. Think Growth.

mint primer

Climate targets: How do Nifty-50 companies fare?

BY NEHAL CHALIAWALA

Contributions from the corporate sector are going to be vital if India is to reach net-zero carbon emission target by 2070 as it is committed to doing. Here are the climate targets of Nifty-50 companies, as per a report by Institutional Investor Advisory Services (IiAS):

Green targets

Net Zero targets Carbon Neutral targets

2025	Cipla
2030	TCS, Dr Reddy's, Hero MotoCorp, SBI
2032	HDFC Bank, IndusInd Bank
2035	RIL, Tech Mahindra
2038	ONGC
2039	HUL
2040	APSEZ, BPCL, HCL Tech, Infosys*, LTIMindtree, Tata Consumer, Wipro, L&T, M&M
2045	Tata Motors, Tata Steel
2047	Power Grid
2050	Bharti Airtel, Grasim, Nestle, Ultratech, Hindalco, JSW Steel
2070	NTPC, Maruti Suzuki
No target	19 companies have failed to set targets so far

* Infosys achieved carbon neutrality in 2020

Source: IiAS Research, Company filings

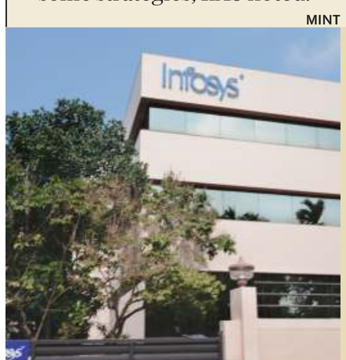
MINT

1 Are Nifty-50 firms going green?

Out of the Nifty-50 constituents, an alarming 19 companies are yet to publicly state a target year for becoming net-zero emitters or carbon neutral. Another 20 companies have publicly announced a net-zero target and 11 have committed to a carbon neutral target year. Adani Ports & SEZ, Infosys, Tata Consumer Products and Tech Mahindra have stated both net-zero and carbon neutral timelines. For the companies having a net-zero target, the median year is 2040. The median target year for carbon neutrality is 2032. Of the 19 with no target, a few have articulated some strategies, IiAS noted.

2 What's the difference between the two?

Net zero means balancing the amount of greenhouse gases (GHG) emitted and the amount removed from the atmosphere. Net-zero includes all GHGs like carbon dioxide, methane and nitrous oxides. To reach net-zero, companies must significantly cut their GHG emissions and may use methods like carbon capture or afforestation to offset residual emissions. Carbon neutrality is focussed mainly on offsetting carbon dioxide emissions. A company may do so through purchasing carbon credits or through investing in emission avoidance technologies without direct reductions in emissions.



3 How do the targets of top companies compare?

Infosys has been carbon neutral since 2020, the first Nifty-50 firm to achieve the status. It plans to be net-zero by 2040. Among companies setting carbon neutral targets, the earliest is for Cipla (2025) and the last is Maruti Suzuki (2070). For net-zero, the earliest target is for Tata Consultancy Services (2030), while NTPC states it will achieve this by 2070.

4 Do the targets very across sectors?

IT companies are the best performers, given their lower emission intensity. All six IT firms in the Nifty-50 have disclosed a net-zero target, with the earliest in 2030 and latest by 2040. Most companies in the hard-to-abate sectors have also disclosed climate targets, with Coal India being the sole exception. Among the two auto companies, Tata Motors has a net-zero target (2045) while M&M has a carbon neutral target (2040). Tata Steel has a net zero target (2045) while JSW Steel is looking to go carbon neutral by 2050.

5 Which companies have no stated targets?

Surprisingly, banking, financial services and insurance (BFSI) firms have the highest representation among those with no publicly stated climate goals. SBI (2030), HDFC Bank (2032) and IndusInd Bank (2032) are the only companies in this space to have declared carbon neutral target years. No BFSI firm in Nifty 50 has so far stated a net zero target. There are also automakers, consumer goods firms and healthcare & pharmaceuticals players in the set of companies without a stated climate target.

QUICK EDIT

Adani's JV exit

Adani Enterprises Ltd is set to sell its entire 44% stake in Adani Wilmar Ltd, its joint venture with the Singapore-based food processing company Wilmar International. Estimated to be worth some $2 billion, the equity sale will take place in two steps, with its proceeds expected to be invested in the group's "core infrastructure" businesses. Lence Pte, a unit of Wilmar International, will buy 31% of Adani Wilmar's shares held by Adani Commodities, a unit of Adani Enterprises, which will offload its own 13% holding. As a consumer-facing business, Adani Wilmar is best known for its Fortune brand of edible oils that was extended to packaged household staples like rice and flour. With this exit, though, Adani seems to have withdrawn from the food processing sector. Management theorists often advocate that business groups should focus on fields of "core competence" and not spread their resources too thin by over-diversifying. Shares of Adani Enterprises shot up 7.7% on Monday, an indication of investors taking the divestment as a good move. Given India's recent failure to ease rigidities in its farm sector, packaged food prospects may also have dimmed lately.

QUOTE OF THE DAY

Consumer and business confidence for the year ahead remain high and the investment scenario is brighter as corporations step into 2025 with robust balance sheets and high profitability.

SANJAY MALHOTRA
GOVERNOR, RESERVE BANK OF INDIA

INSIDE

Lessons for India from a US health CEO killing

BY HOWINDIALIVES.COM

The recent murder of the head of a prominent health insurer in the US, allegedly fuelled by resentment toward the industry's practices, has cast a spotlight on claims policies that have left many policyholders dissatisfied. The act itself has reignited discussions on contentious health insurance practices—an issue that resonates globally, including in India.

In India, health insurance surpassed motor insurance in 2021-22 to become the largest segment by premiums among Indian non-life insurers. From 2013-14 to 2023-24, health premiums collected by non-life insurers grew at an average annual rate of 18.7%, outpacing motor insurance (10.5%) and other segments (14.1%). Consequently, health insurance's share of total non-life premiums surged from 25% to 38%. However, this growth has been accompanied by a surge in policyholder complaints.

Issues like claim rejections, partial or delayed payments, and exclusions that were not clearly understood fuelled dissatisfaction. Among the top 10 insurers by health premiums, most settled claims on only four out of five policies on which claims were raised in 2022-23. Most private insurers also paid much less than the amounts claimed. This gap is particularly stark among insurers that exclusively operate in health. For instance, Star Health, the second-largest health insurer by premiums, paid just 55% of the total amount claimed, leaving many policyholders frustrated and seeking redress through the insurance ombudsman.

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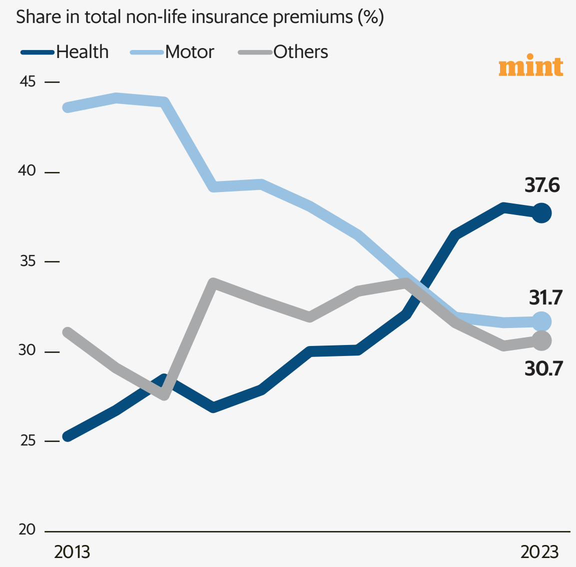
Health has beaten auto as the biggest non-life insurance segment

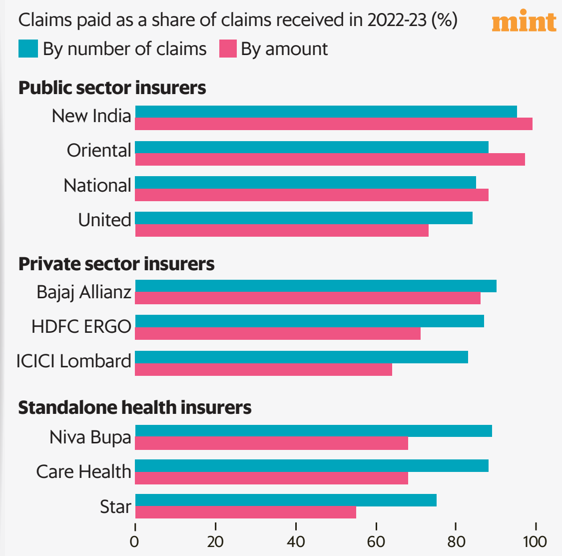
Share in total non-life insurance premiums (%)



Source: Insurance Regulatory and Development Authority of India, General Insurance Council

Health-only insurers are the most frugal in paying claims

Claims paid as a share of claims received in 2022-23 (%)



Data for top 10 non-life insurers by health premiums. Insurers arranged in respective segment by share of amount paid.

Source: Insurance Brokers Association of India

Complaint Desk

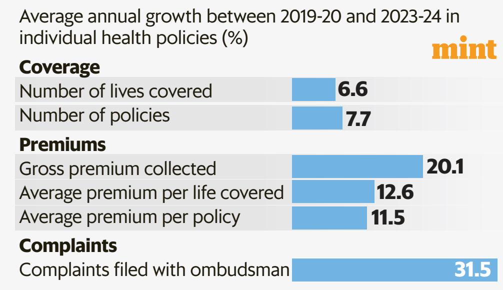
IN 2023-24, policyholders filed 31,490 complaints related to their health insurance policies with the 17 insurance ombudsman centres across India. Most grievances were linked to claims.

Post-pandemic, there has been a heightened awareness of the need for health insurance. As of March 2024, approximately 23 million individual health policies were active, providing coverage to about 56 million individuals. Between 2019-20 and 2023-24, the number of lives covered via individual plans increased at an average annual rate of 6.6%. Average premiums increased at twice that rate. And complaints filed by policyholders—primarily individuals—also rose significantly, increasing by 31.5%.

This surge can be attributed to increasing awareness of ombudsman services, a rise in the number of policies, and the inherent tension between insurers' dual objectives of covering health contingencies and pursuing profitability.

Premiums and complaints have outpaced coverage

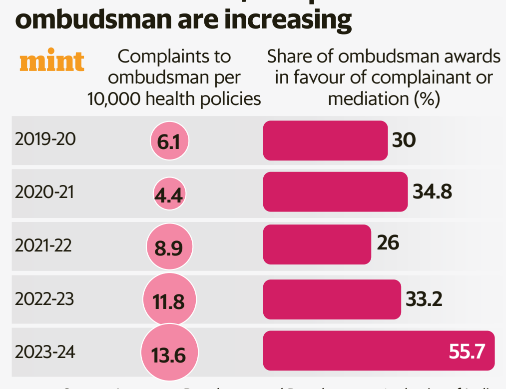
Average annual growth between 2019-20 and 2023-24 in individual health policies (%)



Complaints data is for all health policies (not just those issued to individuals), though it is individuals who mostly approach the ombudsman for redressal.

Source: Insurance Regulatory and Development Authority of India, General Insurance Council, Council for Insurance Ombudsmen

On a relative basis, complaints to the ombudsman are increasing



Source: Insurance Regulatory and Development Authority of India, Council for Insurance Ombudsmen

Ombudsman Rulings

IN 2019-20, the number of health insurance complaints filed with the ombudsman amounted to six per 10,000 policies. In 2023-24, this figure doubled to 13.6 complaints per 10,000 policies. Of these, about 60% related to health policies of three standalone health insurers, namely Star Health, Care Health, and Niva Bupa. These three companies had a combined share of about 25% of health premiums.

Legally, ombudsman awards are directives to insurers, but firms tend to abide by them. If they don't, the next step of redress for policyholders is courts. In 2023-24, of the complaints disposed of by the insurance ombudsman, about 21% were awards in favour of policyholders. Another 35% were interventions of mediation, where the two sides were asked to reach a settlement. The rest were ruled in favour of the insurer (14%), withdrawn (7%), or deemed not entertainable (23%).

Individuals Matter

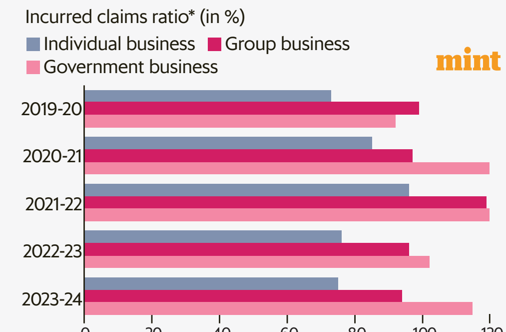
IN 2023-24, the three standalone health insurers cited above paid 55-68% of the premiums they collected in claims. This is called the incurred claims ratio. A lower value means an insurer has effectively managed its risk profile, either by attracting a smaller share of claim-filing policyholders or by rejecting a significant portion of claims.

In the past five years (except 2021-22 due to covid), the industry's incurred claims has been 88-94% of premiums collected. Within this, policies sold to companies account for 52% of premiums. Thanks to the ticket sizes, the balance of power in such policies favours the buyer. Individual health policies, which account for 39% of health premiums, are the most profitable for insurers, with an incurred claims ratio of 75% in 2023-24.

www.howindialives.com is a database and search engine for public data.

The individual segment sees the lowest claims incurred

Incurred claims ratio* (in %)



*Claims paid by insurers as a share of premiums received by them.

Source: Insurance Regulatory and Development Authority of India

PARAS JAIN/MINT

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Stress in unsecured loans may spill over, warns RBI

Individuals defaulting on small loans risk getting larger secured loans tagged NPAs

Shayan Ghosh
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Nearly a year after clamping down on the exuberance in unsecured loans, India's central bank has expressed concern about the stress in such loans spilling over to larger and secured loans. Reason: many borrowers of small, collateral-free loans also have housing and vehicle loans.

"Nearly half of the borrowers availing credit card and personal loans have another live retail loan outstanding, which are often high-ticket loans (housing and/or vehicle loan)," the Reserve Bank of India (RBI) said in its half-yearly financial stability report (FSR) released on Monday.

A default in any loan category typically prompts a lender to treat other loans to the same borrower as non-performing. So, defaults in unsecured loans could turn larger and secured loans bad.

To be sure, unsecured loans such as credit card receivables and education loans have higher bad loan ratios of 2.2% and 2.7%, respectively, than other retail loans, according to RBI.

On the other hand, vehicle loans have a bad loan ratio of 1.4%. And mortgages (home loans), which comprise 48% of all retail loans, have the lowest bad loan ratio of 1%. Bad loan ratio is gross non-performing assets (GNPAs) as a share of total loans outstanding.

"First default is mostly observed in unsecured advances; among the borrowers at risk of default (advances in SMA category), risk of delinquency is trending high among borrowers who in addition to a personal loan or credit card outstanding have availed other retail loans," it said.

SMA refers to special mention account, a classification based on delays in repayment. SMA-0 loans are where the repayment overdue is between one and 30 days; SMA-1 between 31 and 60 days; and SMA-2 between 61 and 90 days. After 90 days of being overdue, an asset turns into an NPA.

According to an analyst tracking financial services, under current norms, when a borrower defaults on a loan, the lender would classify all other loans it has given to the same individual as bad. However, this would not apply in case the first default and the other loans are with different lenders.

"As a proactive measure, lenders could start doing a bureau check of their retail loans on a quarterly basis and raise provisions on loans where the borrower has defaulted elsewhere," the analyst said, requesting anonymity.

The analyst added that this would give a truer picture of asset quality, even as the cost of engaging in this exercise would be expensive, and is unlikely to be done in the absence of a regulatory push.

The RBI said on Monday that the GNPA ratio of unsecured loans was marginally higher at 1.7% as on 30 September. The comparable figure was 1.5% on 31 March.

However, it said that the sharp rise in write-offs of such loans, especially among private sector banks, could be "partly masking worsening asset quality in this segment and dilution in underwriting standards".

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TREAD WITH CARE

Asset quality in retail loans remained largely stable, except for a marginal rise in credit cards, RBI's financial stability report said

TOP VIEW
RESILIENT global economy, Indian financial system. Near-term risks have receded.

GLOBAL RISKS
STRETCHED asset valuations, high public debt, lengthy geopolitical conflicts, emerging tech

STRENGTHS
MACROECONOMIC fundamentals, healthy balance sheets of banks, NBFCs

KEY SEGMENTS

BANKS
ADEQUATE capital buffers even under adverse stress scenarios

NBFCs
HEALTHY with sizable capital buffers, robust margins, rising asset quality.

Insurance
CONSOLIDATED solvency ratio remains above threshold

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Adani will invest the amount in energy, utilities and others. REUTERS

Adani to raise over $2 billion in exit from Adani Wilmar

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Adani Enterprises Ltd (AEL) is exiting its 26-year joint venture with Singapore's Wilmar group, raising over $2 billion that it will invest in core businesses such as energy and utilities.

The Adani Group flagship on Monday said it will sell its entire 43.94% stake in Adani Wilmar Ltd—31.06% stake to its partner Wilmar International, and the balance to the public. The latter transaction will also raise public shareholding in Adani Wilmar to 25%, the mandatory minimum.

"AEL will use the proceeds from the sale to turbocharge its investments in the core infrastructure platforms in energy and utility, transport and logistics and other adjacencies in primary industry. AEL will continue to invest in infrastructure sectors which will further strengthen AEL's position as India's largest listed incubator of platforms playing the key macro themes underpinning India's growth story," Adani Enterprises said in a statement.

Adani Wilmar had a market capitalization of ₹42,824 crore ($5 billion) at market close on Monday, valuing Adani's stake in the fast-mov-

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DON'T MISS

BLOOMBERG

Centre asks states to ease land availability for wind projects

The government has asked states to ease land availability for renewable energy projects with a focus on wind power, two people in the know of the developments said, citing industry concerns over the pace of progress. >P2

Industry seeks budget boost for healthcare, education

Industry leaders urged measures to boost investment, education and healthcare in a pre-budget consultation with finance minister Nirmala Sitharaman on Monday. Key proposals included expanding presumptive taxation to MSMEs and emerging sectors. >P2

Jimmy Carter, longest-living US ex-president, dies at 100

Jimmy Carter, the former Georgia farmer who as US president brokered a historic and lasting peace accord between Israel and Egypt in a single term marred by soaring inflation, an oil shortage and Iran's holding of American hostages, has died. He was 100. >P10

Swiggy carried out its fifth buyback, worth $65 million, in July, ahead of its November initial public offering. MINT

Startup staff hit Esop goldmines as IPOs bloom

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Employees of unlisted startups made a tidy sum from their ownership of employee stock options (Esops) in 2024, with 26 such companies buying back Esops in pre-listing and secondary transactions. Data analyzed by equity management platform Qapita showed the number was 19 in 2023, but was higher at 37 startups each in 2021 and 2022.

"We have seen increased activity surrounding Esop liquidity in 2024 vs 2023," Qapita's senior vice president Vikram Sivaraman told *Mint* in an email. "We believe this has been spurred by the stellar performance of the IPO market with 12 startups successfully listing during the year."

For instance, food-delivery giant Swiggy carried out its fifth buyback, worth $65 million, in July, ahead of its November initial public offering (IPO).

Other IPO-bound startups to launch similar offerings were home services provider Urban Company (encashed Esops worth $63 million in July), software as a service (SaaS) firm Whatfix ($58 million in October), and e-commerce startup Meesho worth $25 million in its fourth and largest round in March.

While Esop buybacks help companies reward and retain employees, they also allow senior management to book profits at a later stage, especially during public listings.

Sivaraman added that pre-IPO investment activity has also increased, especially in startups that plan to list in the next two to three years.

"Most companies allow their employees to sell a portion of their Esops as part of such pre-IPO rounds," he said, adding that he expected the trend to continue in 2025 with more startups going public.

To be sure, late-stage funding, too, saw a revival in 2024, with $5.4 billion raised from 85 rounds compared to $5.1 billion from 75 rounds a year ago, according to data from Tracxn. Much of this recovery happened on the back of pre-IPO rounds that were a mix of primary and secondary transactions.

The total value of these buyback programmes stood at $252 million in 2024, compared to $825 million a year ago.

However, the 2023 number includes adjusted value of close

TURN TO PAGE 8

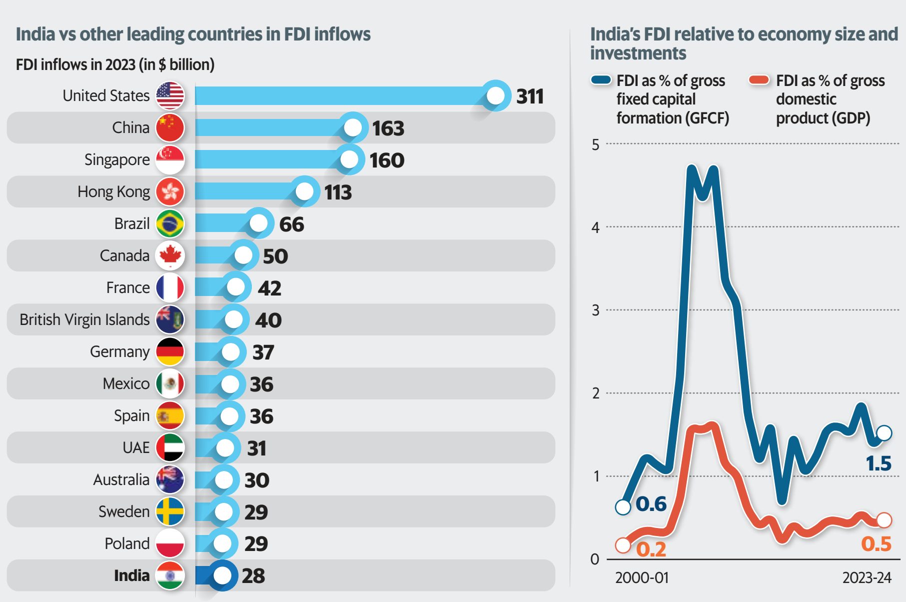
Foreign direct investment

A special pre-Budget series by howindialives.com: Part 1

mint POWERING PROGRESS BUDGET 2025

THE WEAKNESS BEHIND INDIA'S $28 BILLION FDI INFLOWS

Foreign Direct Investment (FDI) inflows into India—investments by foreign entities in Indian businesses—offer significant economic benefits, such as boosting competitiveness and supporting sectors often overlooked by local firms, like semiconductors. In 2023, India attracted $28.1 billion in FDI, but its global share was just 2.1%, ranking 16th, despite being the fifth-largest economy. In comparison, the US and China captured 23% and 12%, respectively (Chart 1). Moreover, India's FDI in absolute terms was lower than the annual average of 2006-2011 and has not kept pace with its economic growth or capital formation (Chart 2). To position itself as a viable alternative to China for global manufacturing, India must streamline policies and improve ease of doing business to attract more robust FDI inflows.



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Source: United Nations Conference on Trade and Development, Reserve Bank of India

SATISH KUMAR/MINT

Sebi brakes slow retail race on options street

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The Securities and Exchange Board of India's (Sebi) recent measures to cool the retail frenzy in derivatives trading are already bearing fruit, even as more curbs aimed at preventing investor losses kick in next month.

Retail and proprietary traders accounted for nearly three-quarters of the drop in premium turnover in index options trading on the National Stock Exchange, signalling the impact of the Sebi's tightened curbs on derivatives trading.

Analysts anticipate a further decline in turnover as the increased contract size mandated by Sebi as part of its curbs will become effective in early January.

Of the ₹3.36 trillion or nearly 25% month-on-month fall in index options turnover to ₹10.31 trillion in November, individual and proprietary traders accounted for ₹2.52 trillion, or 75%, of the decline, shows recently released National Stock Exchange data. Institutional investors, domestic and foreign, and corporates accounted for the rest of the decline.

This is significant given that the National Stock Exchange held an 87.8% three-month rolling market share in equity options (index and stocks) as of November, with BSE accounting for the rest. "It shows that there has been an impact of the Sebi curbs, along with a correction in the markets," said Sudhir Joshi, a consultant at the 104-year-old Khambatta Securities.

"As more measures take effect from January, expect more rationalization in turnover," said Joshi, who set up the oil trading desk at Bharat Petroleum Corp. Ltd.

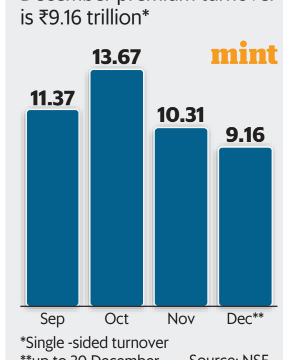
Alarmed by losses of ₹1.8 trillion incurred by individuals trading mainly weekly options between FY22 and FY24, Sebi implemented six measures on 1 October to curb retail enthusiasm for derivatives (futures and options).

Of these, an increase in extreme loss margin on expiry day at the contract level and rationalization of weekly

TURN TO PAGE 8

Taking effect

December premium turnover is ₹9.16 trillion*



*Single -sided turnover
**up to 30 December Source: NSE

SARVESH KUMAR SHARMA/MINT

Syria looks to pick up the pieces of its shattered economy

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THE WALL STREET JOURNAL.

More than a decade of civil war left Syria's economy in shambles. The country lost billions of dollars in oil exports. Inflation forced Syrians to carry massive wads of cash to pay for basic necessities, and nearly one-third of the country was estimated to suffer from extreme poverty.

Now, as Syria's new leaders seek to rebuild, they are confronting a raft of challenges, including convincing Western powers to lift sanctions and regaining control of the country's oil sector. They will need help from foreign businesses and states, and some of the millions of Syrians who fled the country during the civil war.

"We need the know-how for doing business, we need the technology, we need plenty of things," said Mohammad Hallak, owner of a generations-old food-trading company and vice president of the Damascus Chamber of Commerce. "We especially need sanctions to be raised in order to make the banking system work properly and to move forward."

On the streets of Damascus, the downfall of the Assad regime has brought a newfound sense of optimism about the country's future. Prices are dropping, and people are conducting transactions in foreign currencies for the first time in years. Hotel lobbies in Damascus are teeming with Turkish businessmen looking to cut deals with Syrians.

The country's new rulers, the Islamist group Hayat Tahrir al-Sham, say they want to build a free-market economy, revitalize the oil industry and forge international partnerships. But none of that will be easy, with the country still fractured, foreign powers vying for influence and the West wary of a group running the country that began as an offshoot of al Qaeda.

HTS publicly cut ties with al Qaeda years ago and has sought to cast itself as a more moderate Islamist group. But the U.S., European Union and United Nations still designate it as a terrorist organization. They have kept restrictive sanctions in place, giving them leverage while they watch to see how the new government manages the country's diverse populations and handles issues such as women's rights.

For Ankara, which has ties to HTS, a role in Syria's rebuilding would boost its own construction industry and counter Kurdish forces that control swaths of territory along the Turkish border.

"Turkey has emerged as the net winner and main power in Syria, though there is likely to be intense pushback against this by Saudi Arabia and U.A.E.," said Omar Dahi, professor of economics at Hampshire College in Massachusetts. "Turkish industry and infrastructure are best placed to take advantage of reconstruction."

The former rebels trying to manage these challenges for a

TURN TO PAGE 10

The country's new rulers, the Islamist group Hayat Tahrir al-Sham, say they want to build a free-market economy. AFP

Centre asks states to ensure land to install wind projects

States, in turn, are looking to consolidate unutilized government land for wind power projects

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India has a wind power capacity of 47.95GW and plans to more than double this to 100GW by 2030. BLOOMBERG

The central government has asked states to ease land availability for renewable energy projects with a focus on wind power, two people in aware of the developments said, citing industry concerns over the pace of progress.

States are now looking at consolidating unutilized government land for wind power projects as the ministry of new and renewable energy pushes for completion of 500GW of non-fossil power capacity by 2030.

The people quoted above said the government is looking into several issues flagged by industry, including land availability, to ensure faster implementation of projects.

"At several forums including RE Invest 2024 and the 'Chintan Shivir' last month the issue of land availability has been talked about. The Centre has asked states to make efforts and provide land to wind power developers as land is a state subject. Post recent recommendations, a few states are now looking at consolidating government land and offering for green projects," said one of the two persons.

1,163.85GW India's wind power potential at height above 150m

India has a wind power capacity of 47.95GW and plans to more than double this to 100GW by 2030. According to the ministry, the estimated wind power potential is more than ten times that—at 1,163.85GW if turbines are placed at a height of 150 metres above sea level.

The states with the most wind power potential are Rajasthan, Gujarat, Maharashtra, Andhra Pradesh and Karnataka.

The emphasis on land availability and accelerating project implementation comes amid a slow progress in this space. In the last financial year, only 3.25GW of wind power capacity was installed out of a targeted 5.39GW, according to a recent report of the standing committee on energy.

During the April-September period of the ongoing fiscal (FY25) a total of 1.47GW was added and in the third quarter (October-December) another 1.42 GW is projected to be added, showed data from the Wind Independent Power Producers Association (WIPPA).

3.25GW The wind power capacity added in the previous fiscal

WIPPA in a representation to the government in October suggested that government-owned barren land be auctioned to private developers for renewable energy projects and national, state and district-level war-rooms created for monitoring renewable energy projects.

Citing a McKinsey report, the industry body said that about 16.5 million hectares of unused land is available and that green power projects require only half-a-million hectares of land to meet the capacity addition target.

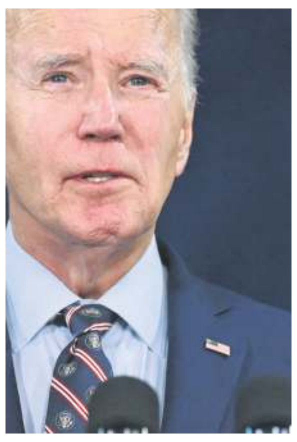
"In the wind energy sector, RoW (right of way) issues are the biggest reason for delay in projects. Industry needs help of local administration to protect the sites," it said.

Wind power sector grew and matured before the solar power ecosystem gained momentum in India, but the growth was subdued as most of the resourceful areas which are adequately windy were taken up.

Also, financial constraints due to reverse auctions and very low tariffs and lack of investor interest in this space resulted in a downturn during 2019-2022. However, the situation has improved in the past couple of years.

Meanwhile, amid scarcity of land, wind-solar hybrid power plants are also gaining momentum. "Renewable energy parks in line with solar parks, which are being conceived by the government would also help in resolving the issue of land availability," said the second person mentioned above. Renewable energy parks would offer land, transmission and other required facilities for setting up both solar and wind energy plants.

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



Joe Biden, President, US. AFP

Biden announces $2.5 billion military aid for Ukraine

AFP
feedback@livemint.com
WASHINGTON

US President Joe Biden on Monday unveiled a $2.5 billion military aid package for Ukraine, as Washington races to provide assistance before Donald Trump takes office in a matter of weeks. Trump's November election victory—he has repeatedly criticized aid to Ukraine—cast doubt on the future of American aid, creating a limited window for billions of dollars in already authorized assistance to be disbursed before his swearing in next month.

Monday's aid includes a $1.25 billion military "drawdown package," which allows the Pentagon to take weapons from US stocks and send them quickly to the battlefield.

An additional $1.22 billion will be funded via the Ukraine Security Assistance Initiative, under which military equipment is procured from the defense industry or partners.

"Today, I am proud to announce nearly $2.5 billion in security assistance for Ukraine, as the Ukrainian people continue to defend their independence and freedom from Russian aggression," Biden said in a statement.

The drawdowns from the defence department shelves will involve drones, ammunition for High Mobility Artillery Rocket Systems, optically guided missiles, anti-tank weapons systems, and spare parts, according to a separate statement from the US State Department.

Biden said his administration has now allocated all the Ukraine aid money appropriated by Congress in the spring of this year.

The president said he has ordered his administration to keep sending Ukraine as much military aid as possible, including older US equipment, and rushing it to the battlefield as Ukraine loses territory to the Russian troops that invaded in February 2022.

The Treasury Department meanwhile announced on Monday the disbursement of $3.4 billion in direct budgetary support for Ukraine.

Reliance seeks premium for oil from KG block

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Reliance Industries is seeking a premium of at least $3.5 per barrel.

Reliance Industries Ltd is seeking a premium of at least $3.5 per barrel over an international benchmark for crude oil it produces for eastern offshore KG-D6 block, according to the tender the firm put out on Monday.

Reliance and its partner BP of the UK sought bids from domestic refiners for sale of 17,600 barrels (2,800 kilolitres) of crude oil every month from April 2025 to February 2026.

The crude oil has been priced at daily average price of Nigerian Bonny Light grade of crude oil plus $1.5 per barrel quality premium. Bidders have to quote a premium over this price, the tender document said.

Bonny Light last traded for $73.5 per barrel. On top of this, $1.5 per barrel is added as a composite premium "reflecting quality differential", it said, adding that interested buyers are required to a "biddable premium, up to one decimal place and greater than $2 per barrel".

The sale period can be extended by three months to one year on the same terms and conditions, including pricing formula.

Oil, which is turned into fuels like petrol and diesel when processed at refineries, will be delivered by the sellers at Gadimoga in East Godavari district of Andhra Pradesh.

Reliance holds 66.67% interest in the predominantly gas-rich KG-DWN-98/3 block (KG-D6) in the Bay of Bengal. BP Exploration (Alpha) Ltd holds the remaining 33.33%.

The two produce about 30 million standard cubic metres per day of gas from the block. A small quantity of crude oil is also produced, for which they have now sought bids.

Bids are due on 24 January 2025, the document said.

"The crude oil sold and delivered shall only be consumed/processed/refined in the buyer's owned and operated facility/(ies)/refinery/(ies) located within India," it added.

All taxes and duties, including excise duty, VAT, GST, will be paid by the buyer.

Health, education seek budget boost

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Finance minister Nirmala sitharaman chairs the pre-budget consultative meeting with stakeholders on Monday. PTI

Industry leaders urged measures to boost investment, education and healthcare in a pre-budget consultation with finance minister Nirmala Sitharaman on Monday.

Key proposals included expanding presumptive taxation to MSMEs and emerging sectors like data centres and cloud computing, aimed at spurring job creation, integrating India into global value chains, and measures to boost domestic consumption, fostering a win-win for taxpayers and the government.

The discussions, held ahead of the Union budget to be presented on 1 February 2025, come at a crucial time for India's economy, which is grappling with slowing growth and geopolitical challenges to trade. The discussions were attended by representatives from health, education and manufacturing sectors.

Industry body CII suggested the government address seven priorities through policy measures, which include employment generation, integration of India into global value chains, continued focus on capex and fiscal consolidation, augmenting central government revenue by divestment and launching the National Monetization Pipeline (NMP) 2.0 for the period 2026 to 2030, rolling out measures to boost consumption, rationalising subsidies, and addressing extreme climate events.

mint POWERING PROGRESS BUDGET 2025

"Building on the remarkable success in manufacturing in certain sectors, similar targeted interventions for sectors with large-scale employment potential like ready-made garments, footwear, furniture, tourism, real estate and construction etc. For example, infrastructure status to tourism, PLI 2.0 for RMG (Ready-Made garments), expedited FTAs with countries like the EU and the UK, besides lower duties on imports of raw materials like cotton and next-gen reforms, particularly labour reforms will go a long way in unlocking the potential of such labour-intensive sectors," said CII's president Sanjiv Puri, who attended the talks.

He added that CII's suggestions to the government to boost consumption included reducing excise duty on fuel to bring down overall inflation and boost disposable incomes, reducing marginal tax rates for personal income upto ₹20 lakh per annum to trigger the virtuous cycle of consumption, higher growth and higher tax revenue, and increasing the minimum wage rate under MGNREGS from ₹267 a day in FY24 to ₹375 a day as suggested by the Expert Committee on Fixing National Minimum Wage.

The consultation with industry bodies featured CII's Sanjiv Puri, Assocham's Sanjay Nayar, FICCI's Vijay Sankar, Neeraj Akhoury, president, Cement Manufacturer's Association (CMA), Bhavna Doshi, IMG Chamber of Commerce, Satish Reddy, Chairman of Dr Reddy's Labrotaries Ltd, Chanakya Chaudhary of Tata Steel, Raj Kumar Gupta of CIFI, Shradha Suri Marwah of ACMA, and Bajrang Bagra, secretary general, Vishva Hindu Parishad.

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

Arai likely to divide PM E-drive upgrade funds among 4 agencies

Manas Pimpalkhare & Rituraj Baruah
NEW DELHI

Arai will distribute ₹780 crore meant for upgrades. BLOOMBRG

The Automotive Research Association of India (Arai) is likely to spearhead the distribution of ₹780 crore earmarked for upgrading the nation's automotive testing infrastructure as part of the government's ₹10,900-crore electric vehicle (EV) subsidy scheme, two persons aware of the matter said.

Being the oldest and largest among these agencies, Arai will formulate a plan to allocate the fund among the four testing agencies enlisted under the PM E-drive scheme —Arai itself, International Centre for Automotive Technology (ICAT), Global Automotive Research Centre (GARC), and National Automotive Test Track (NATRAX).

"Arai is likely to make a plan for the division of PM E-drive scheme's allocation, being the oldest and biggest testing agency among those empowered under the scheme," said the first person mentioned above, requesting anonymity.

The plan assumes importance as it would determine the upgradation of all testing agencies, which have the powers to grant authorization to companies to claim subsidies and incentives under various government schemes.

The decision to allow Arai to formulate a plan is currently under discussion, and has not been fully finalized yet, another government official told *Mint* on the condition of anonymity.

An email query sent to Arai did not elicit a response.

Operated by the ministry of heavy industries, the PM E-drive scheme is the government's flagship scheme for subsidizing electric vehicles.

Under this scheme, consumers can purchase electric two-wheelers, three-wheelers, ambulances, buses, and trucks at a subsidized price, and original equipment manufacturers (OEMs) can claim the subsidized amount from the government.

A crucial part of the scheme also focuses on the upgradation of the four auto testing agencies. Of the ₹780 crore allocated to testing agencies, ₹300 crore will be disbursed in FY25, and the remainder in FY26, as per the scheme.

The allocated funds for testing agencies have not yet been disbursed, said the first person mentioned above.

These agencies are responsible for granting the necessary certificates to OEMs to claim subsidies. One such key certificate is the localization authorization under the government's phased manufacturing programme (PMP).

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

MINT SHORTS

Wheat sowing area up 2.15%, oilseeds' acreage declines

HT

New Delhi: Wheat sowing area rose 2.15% to 32 million hectares in the ongoing rabi (winter) season, while oilseeds acreage fell 5.14% to 9.6 million hectares, agriculture ministry data released on Monday showed. Pulses acreage remained flat at 13.6 million hectares as on 30 December , while gram covered 9.4 million hectares and lentil 1.7 million hectares. PTI

Airlines must share int'l flyers' data with Customs from 1 April

New Delhi: The Central Board of Indirect Taxes and Customs (CBIC) has directed all air transport service providers operating flights to or from India to share details of foreign travellers with the Indian customs authorities from 1 April 2025. Non-compliance can attract penalties. Details, including mobile number and payment mode, must be shared 24 hours before an international flight departs. PTI

Tea industry sees production fall, exports increase in 2024

Mhow: The tea industry may see a fall in total production by over 100 million kg this year owing to erratic weather and early annual closure of gardens, stakeholders said on Monday. India produced 1,112 million kg of tea in January-October 2024 compared with 1,178 million kg in the year-ago period. Exports were expected to touch 240-250 million kg in 2024, against 231 million kg in 2023, they said. PTI

MINT

Defence exports at record ₹21,000 crore: Def minister

PTI

Mhow: Defence minister Rajnath Singh said on Monday that India's defence exports have crossed a record ₹21,000 crore from ₹2,000 crore a decade ago. Addressing officers at the Army War College (AWC) in the Mhow Cantonment, Singh said a target has been set to achieve defence exports of ₹50,000 crore by 2029. He said mastering frontier technologies is the need of the hour. PTI

BPCL buys Middle East grades to replace Russian shortfall

REUTERS

New Delhi: Bharat Petroleum Corp. is buying Middle Eastern crude to make up for the fall in supply of cheaper Russian oil, its head of finance Vetsa Ramakrishna Gupta has said. "There may be a shortage of two to three cargoes per month," he said, adding that its recent purchases included Omani oil. PTI

Countervailing duty probe on Vietnamese chemical started

New Delhi: India has initiated a countervailing duty probe into increased imports of a chemical—Calcium Carbonate Filler Masterbatch—used in the plastic industry, from Vietnam following a complaint from domestic players. The investigation has been initiated by the Directorate General of Trade Remedies. PTI

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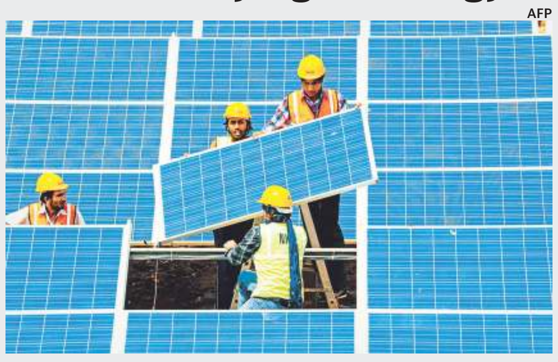
MINT SHORTS

Hospitality startup Guestara scoops pre-seed funding

Bengaluru: Guestara, a guest management startup has raised $500,000 (₹4.2 crore) in pre-seed funding round from a group of led by hospitality industry veteran Sanjay Ghare. The company aims to use the funds to accelerate product development and expand its reach, targeting a diverse range of hotel partners—from boutique independents to multinational chains ROSHAN ABRAHAM

Refex Renewables arm acquires 51% stake in Vyzag Bio-Energy


AFP

New Delhi: Refex Renewables & Infrastructure on Monday said its arm Refex Sustainability Solutions Ltd (RSSL) has completed acquisition of 51% stake in Vyzag Bio-Energy Fuel. Vyzag Bio-Energy Fuel (Vyzag Bio) has become a subsidiary of RSSL and step-down subsidiary of Refex Renewables & Infrastructure from 30 December 2024, according to a regulatory filing. PTI

Automation startup Flo Mobility raises seed funding

Bengaluru: Construction robotics company Flo Mobility has raised an undisclosed amount in a seed funding round led by JITO Incubation and Innovation Foundation, an angel network platform. The latest funding round comes more than three years after the startup raised $400,000 in pre-seed round from Blume ventures, Devx ventures and IISc. ROSHAN ABRAHAM

Donald Trump's return sparks hope for 2025 deals revival

Dealmakers say less regulation, lower interest rates and rising stock markets could fuel activity

Ben Dummett & Ben Glickman
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Wall Street is optimistic that a buoyant stock market, declining interest rates and Donald Trump 's lighter-regulation agenda will prompt a dealmaking rebound in 2025. But jitters remain thanks to the president-elect's unpredictability.

Deal volume has been muted for the past few years following record volumes coming out of the pandemic. While total global deal volume is up roughly 12% in 2024 through Dec. 26 compared with the same period in 2023, the number of transactions is lower and volume remains well below the 2021 high, according to Dealogic data.

THE WALL STREET JOURNAL.

Dealmakers were encouraged when Trump in December picked Andrew Ferguson, the Republican Federal Trade Commission member, to succeed FTC Chair Lina Khan. Ferguson and Republicans are expected to dismantle Khan's guidelines that gave the agency new legal powers to try to block deals.

Still, Jay Novak, global co-head of corporate finance at the investment bank Houlihan Lokey, said it remains to be seen exactly where the new Trump's administration's antitrust policy will land.

"Sentiment is certainly more positive. People don't really know the answer, but they're more positive about the direction," he said.

The year featured a handful of blockbuster tie-ups, including Capital One 's $35 billion agreement to buy Discover Financial Services and Mars's roughly $30 billion deal for the maker of Cheez-It, Kellanova . But the pace of sizable deals, especially in typically busy sectors such as technology and healthcare, has been noticeably slower.

Both Ferguson and Trump's administration are expected to keep the pressure on large technology companies. That could include such giants as Apple and Meta Platforms , which have shied away from deals while under increased regulatory scrutiny.

Declining interest rates and frothy markets should help bring corporate CEOs and private-equity firms, which drive a large portion of merger activity, back to the table. Lower rates make it more affordable to finance deals with debt while rising stock prices embolden corporate chiefs to use their shares as currency to fund deals.


Both Andrew Ferguson and Trump's administration are seen keeping the pressure on large tech firms. REUTERS

"Financing markets are way open such that you can do jumbo deals again," said Dominic Lester, Jefferies's head of investment banking for Europe, the Middle East and Africa.

In mid-December, the Federal Reserve reduced interest rates for the third time in 2024, while signaling another two cuts in the year ahead. If the Fed moves fall short of investor expectations, it could trigger stock-market volatility . That risks weighing on M&A by making it harder for buyers and sellers to agree on price.

The S&P 500 index has gained roughly 25% so far in 2024.

The $13 billion deal between the advertising giants Omnicom Group and Interpublic Group headlined a flurry of announcements since the election, which some interpreted as a sign that activity is already heating up. Omnicom took advantage of the elevated level of its share price to fund its deal with only stock.

Dialogue with companies globally on possible big deals is up meaningfully, suggesting potential growth of 10% to 15% in activity in 2025, said Mark Sorrell, co-head of global M&A at Goldman Sachs.

Meanwhile, pressure has continued to rise on private-equity firms to sell long-held assets and reinvest newly raised funds to generate returns for impatient investors.

"If private equity could afford to wait to sell assets, they did," said Mahvesh Qureshi, a corporate finance partner at the law firm Hogan Lovells. "Those dynamics have shifted."

Still, dealmakers are still trying to parse Trump's likely moves. He has pledged to impose 25% tariffs on products coming into the U.S. from Mexico and Canada. He has also threatened to impose an additional 10% levy on products from China.

But Trump's pick for Treasury secretary, Scott Bessent, has suggested that tariffs are a negotiating tool . Before he was selected, Bessent told investors that the "tariff gun will always be loaded and on the table but rarely discharged."

If steep tariffs do come to fruition, they could encourage foreign companies to acquire businesses in the U.S. as a way of circumventing the levies. They could just as well force American importers to pass on the added costs to consumers, making it harder for the Fed to lower rates, some bankers caution.

The levies could also dent companies' bottom lines by raising costs, making deals less attractive and stymieing demand. Despite the uncertainty, bankers report a mounting backlog of deals that could happen under the right conditions.

	S&P BSE Sensex	Nifty 50	Nifty 500	Nifty Next 50	Nifty 100	S&P BSE Mid-cap	S&P BSE Small Cap
CLOSE	78248.13	23644.90	22357.15	68063.80	24500.75	46386.35	54789.44
PERCENT CHANGE	-0.57	-0.71	-0.39	-0.72	-0.53	0.13	-0.47
PREVIOUS CLOSE	78699.07	23813.40	22445.20	68557.15	24632.00	46325.58	55048.12
OPEN	78637.58	23796.90	22438.15	68624.20	24623.10	46346.38	55117.39
HIGH	79092.70	23915.35	22522.40	68704.00	24732.10	46493.42	55119.95
LOW	78077.13	23599.30	22266.15	67840.50	24436.20	45965.77	54537.51

Cement price pain not over yet

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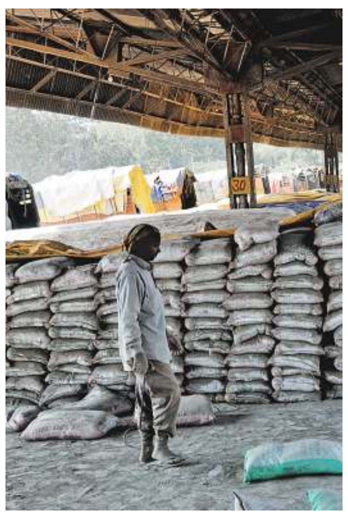
For the cement sector, two themes played out in 2024—rising consolidation and weakening prices.

At the forefront of inorganic expansions were Aditya Birla Group UltraTech Cement Ltd and Adani Group's Ambuja Cements Ltd, who acquired smaller companies to aggressively boost market share and meet capacity expansion targets.

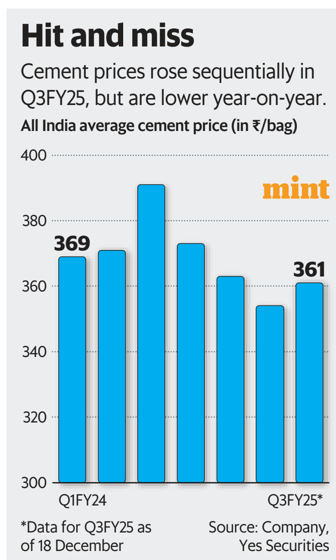
Elevated competition, and muted spending on infrastructure and allied projects by the government weighed on demand and prices during the year. In effect, the industry's key earnings parameters suffered.

Over the past four quarters, the sector's profitability measure Ebitda/tonne declined from ₹1,200 to ₹700 despite cost tailwinds, according to an IIFL Securities report.

While consolidation in the sector is likely to continue, some good news on pricing is emerging. A dealers' channel check by Yes Securities Ltd showed that as of 18 December, all-India average cement price in the trade segment—cement is sold by companies to dealers—rose to ₹366 a bag from November exit price of ₹358 a bag. A bag weighs 50 kg.



The average Q3FY25 cement spread is at ₹2,447/tonne. MINT



Central India led the hike with an increase of ₹11 per bag, followed by the south, north, east and western regions. October and November were challenging for the sector as weak demand kept sharp price improvement at bay.

So, the current price increase may not be enough to compensate for the earlier loss. All-India average cement price in the December quarter (Q3FY25) rose by ₹7 per bag to ₹361 per bag vis-à-vis the exit price of ₹354 in Q2, but remains below the five-year average price of ₹365 per bag, said the Yes Securities report.

Expectations are that the pain on prices may have bottomed out. But due to elevated competition large price hikes may not be likely hereon.

As demand improves over next few months, the chase to meet full year volume targets in Q4 may curtail a meaningful pricing recovery. Markets like south India, where over-capacity has kept utilization levels muted, may see relatively slower revival in prices.

HOLD YOUR CHEER

CAPACITY additions, muted infra spending, etc., weighed on cement demand and prices.

OVER the next few months, the chase to meet full year targets in Q4 may curtail a recovery in pricing.

Moreover, a steep rollback in cement prices may be detrimental for earnings outlook, leading to further downgrades.

Sluggish prices have eclipsed the benefits of easing input costs. According to a Nomura Global Markets Research report on 15 December, average imported petroleum coke prices for Q3FY25-to-date dropped 8% sequentially, while imported thermal coal prices saw a 1% sequential fall.

However, the average Q3FY25 cement spread—a leading indicator of unitary Ebitda—is at ₹2,447/tonne, up just ₹66/tonne sequentially as average fuel cost/tonne has declined 5% sequentially, while cement trade prices have remained largely flattish, said the report.

Increased use of green energy and improved logistics efficiency is expected to aid margins of cement firms amid poor realizations.

The government spending on infrastructure is expected to bounce back in the second-half of FY25. Plus, Q4 is seasonally strong for the sector as construction activity booms.

So, demand in H2 is seen rising 8-9%, translating into industry volume growth of about 6-7%. But FY25 might end with volume growth of 5-6%, lower than around 9% in FY24.

The stock performance of large-cap cement firms was a mixed bag in 2024 on company-specific factors. While valuations are not too expensive, they aren't attractive either.

Ashwin Sheth plans Bengaluru debut, sets sights on IPO

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MUMBAI

Ashwin N. Sheth, CMD, Ashwin Sheth Group.

Real estate developer Ashwin Sheth Group is preparing to launch more than 10 housing projects in 2025 and mark its debut in Bengaluru, as it aims to tap the public market to finance its expansion plans.

The Mumbai-based group's revenue share from the projects, including joint ventures, is expected to be as much as ₹30,000 crore once the projects are developed and sold. While most of these will be in Mumbai, the firm is entering fast-growing Bengaluru for the first time with two projects, Bhavik Bhandari, chief sales and marketing officer, Ashwin Sheth Group, told *Mint*.

To fund these developments, the group plans to launch an initial public offering (IPO) in the next 12-18 months.

"Our aim is to expand our footprint across cities and take a leadership position pan-India in the premium to luxury real estate market," said Ashwin N. Sheth, chairman and managing director, Ashwin Sheth Group. "We will achieve this by leveraging strategic partnerships and aggressive growth with an upcoming IPO to fund our expansion plans and clear whatever little debt that might still be pending by the time of our IPO, in the next 12 to 18 months."

To fund its expansion, Ashwin Sheth Group plans to launch an IPO in the next 12-18 months

The group's upcoming launches include a 1 million sq.ft residential project in Kandivali East with a revenue potential of ₹1,400-1,600 crore, 1 million sq.ft project in Borivali West at ₹3,000 crore and 1.1 million sq.ft development in Goregaon worth ₹3,400 crore among others.

In Sewri, it will launch a massive 3 million sq. ft project with the group's potential revenue share estimated at ₹12,000-₹14,000 crore. The firm also has projects lined up at Nepean Sea Road and Malabar Hill.

In Bengaluru, a 0.50 million sq. ft project is expected to generate ₹600-₹800 crore in revenue, while a farmhouse will have a revenue potential of ₹800-₹1,000 crore.

The group has five ongoing projects in central Mumbai, two in the western part of the city and one in south Mumbai's Marine Drive. Three of these are likely to be completed this fiscal. Previously called Sheth Group, the four-decade-old firm unveiled a new logo and vision in a rebranding in July.

"We have evolved in every single aspect of doing business, whether it is to do with organization structure, scale of growth that we're looking for, entering into new segments, entering into new cities, and looking to get listed," Bhandari said. "As we speak, the audit is going on so that we are ready for the listing in the next 12 to 18 months."

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

Capex plans, robust demand may keep KEI charged up

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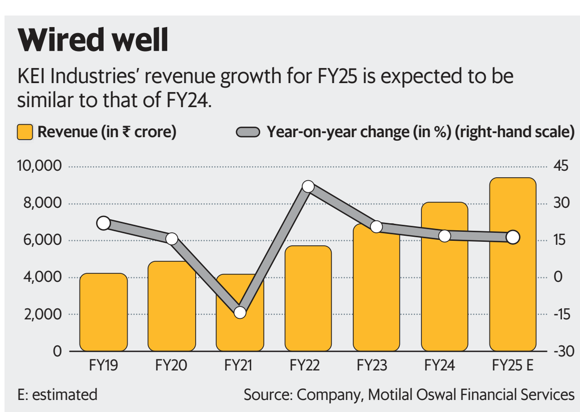
KEI Industries Ltd is preparing to carry out its enhanced capital expenditure (capex) guidance. The cable and wire company recently completed a fundraise of ₹2,000 crore via a qualified institutional placement (QIP) at ₹3,800 a share.

These funds are expected to help its balance sheet and support its greenfield expansion at Sanand in Gujarat, where it plans a ₹1,800-1,900 crore of capex (in phases) to increase its cable capacity. That is expected to generate additional revenue of ₹5,000 crore by FY28.

The company has been expanding its cable and wire capacities across facilities. "Its cable capacity increased about 36% and wires capacity 27% in H1FY25 compared to FY24-end capacity," said a Motilal Oswal Financial Services report dated 27 December.

KEI commissioned brownfield facilities at Chinchpada and Pathredi in H1, which it believes will facilitate revenue growth of 16-17% for FY25. Its revenue grew 17% year-on-year (y-o-y) in FY24.

Motilal Oswal expects KEI's cumulative capex to outpace



SATISH KUMAR/MINT

its cumulative operating cash flow over FY25-27 and estimates free cash outflow of ₹630 crore and ₹21.6 crore in FY25 and FY26, respectively, with free cashflow of ₹170 crore in FY27.

Meanwhile, because of volatile copper prices, Ebitda margin contracted about 70 basis points y-o-y to 9.7% in Q2FY25. Still, the management retained its Ebitda margin guidance of about 10.5-11% for FY25.

The long-term outlook is robust thanks to public and private capex on overall infrastructure development. KEI's retail business appears promising, contributing about 54% of sales in H1, aided by a strong distribution network.

Amid this, KEI's shares are up 33% so far in 2024. The stock trades at 46 times estimated FY26 earnings, showed *Bloomberg* data, which leaves little room for sharp near-term upside. While robust demand in the sector augurs well, sharp volatility in copper prices and a delay in capex are key threats.

"Revival in extra-high-voltage cable and exports (Q2 revenue down 51% and up 7% y-o-y, respectively) are key monitorables in H2FY25," said a report by Systematix Institutional Equities dated 24 December.

Adjusting to enhanced equity share capital (around 6% dilution) and the revised capex plans, Systematix expects a 18% and 20% compound annual growth rate (CAGR) in revenue and Ebitda over FY24-27E (FY19-24: 14% and 14% CAGR).

Mark to Market writers do not hold positions in the companies discussed here unless otherwise informed

Wall Street expects gold to glitter again in year ahead after solid 2024

Ryan Dezember
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Investors tend to flock to gold in times of heightened conflict, and there is plenty of that headed into 2025. BLOOMBERG

Few investments did better in 2024 than gold, which is wrapping up its best year since 2010 and one of its largest annual gains on record. Wall Street's gold bugs think prices will climb even higher in 2025.

Prices for the precious metal are up 27% in 2024 to $2,617.20 a troy ounce. That is better than the S&P 500's 25% gain and not far behind the 31% increase of the technology-stock-laden Nasdaq Composite Index.

Gold futures hit a record ahead of the U.S. presidential election but have declined since then. That was expected, though, as investors who had been nervous about the election's outcome moved money from the haven and back into riskier assets.

Analysts at JPMorgan, Goldman Sachs and Citigroup share a price target of $3,000. Here are some of their reasons:

Lower interest rates

The extent to which the Federal Reserve cuts interest rates remains to be determined, but investors expect further reductions in 2025. The lower rates get, the lower the opportunity cost of owning gold, which pays no interest or dividends.

Analysts expect some portion of the $6.7 trillion held in money-market funds to find its way into exchange-traded funds that hold gold, such as SPDR Gold Shares, as investors become disenchanted with declining yields. "This is the most bullish part of the cycle for gold," said Greg Shearer, head of base- and precious-metals strategy at JPMorgan.

Geopolitical uncertainty

Investors large and small tend to flock to gold in times of heightened conflict.

And there is plenty of that headed into 2025, from wars in Ukraine and the Middle East to President-elect Donald Trump's vows to escalate trade disputes with China and other countries. The prospect that inflation will flare up again also has investors on the edge.

Investors in China have been especially enthusiastic about buying gold lately, given the country's slumping economy and stocks, as well as Trump's threats to levy tariffs on its exports to the U.S.

THE WALL STREET JOURNAL.

Central-bank buying

Central banks around the world, especially in countries that have strained relationships with the West, have been gobbling up gold. China, in particular, is a powerful source of demand, with official gold reserves more than tripling since 2008, according to Goldman Sachs.

Western sanctions on Russia after it started its full-scale invasion of Ukraine in 2022 prompted some central banks to move away from dollar-based assets. Instead, they are keeping more of their reserves at hand and in an asset, gold, that is beyond the reach of foreigners.

The Russia sanctions, Goldman analysts said, "marked a clear turning point, leading many emerging-market central banks to rethink what is risk-free." In a 2024 poll of central bankers, 29% said they intended to increase their gold reserves in the subsequent 12 months, according to the World Gold Council, the most since it started the survey in 2018.

Little industrial demand

Another thing gold has going for it is there are few uses beyond as a store of wealth. There is jewelry, of course. But jewelry isn't just about demand. It becomes an important source of supply when gold prices rise and people have more incentive to sell grandma's old jewelry to scrappers.

"Gold doesn't have the industrial baggage of other commodities that could really get pulled down under this sort of trade-disruption hit," JPMorgan's Shearer said.

That means a slowdown in economic activity, such as what would be expected in a trade war with China, doesn't really hit gold demand the way it would other precious metals with industrial uses, such as silver and platinum.

Momentum

Gold rallies tend to be long-lasting. In five of the past six years that gold futures have risen by at least 20%, prices rose again the following year. And in those five years, the average increase was more than 15%, according to Citi analysts.

The only year in which gold followed a 20% or better gain with a down year was in 2021, when prices fell 3.6% after gaining about 25% in 2020.

Tumble in F&O volumes raises questions on where the money might have headed

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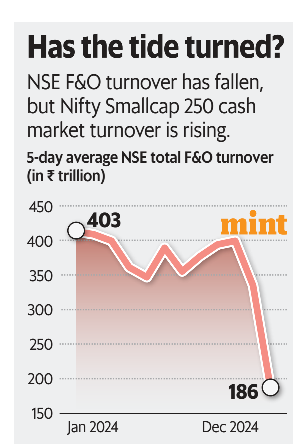
FIIs turned net buyers in December, while DIIs were net buyers throughout 2024. MINT



SATISH KUMAR/MINT

With trading volumes in F&O (futures and options) shrinking dramatically, a pressing question emerges: Where did these volumes go? Some experts speculate the volumes might have shifted to small-cap stocks in the cash market.

To protect investors and rein in speculative trading, India's markets regulator took decisive measures targeting the derivatives segment (F&O), including reducing weekly option products that dominated trading volumes. This has led to a sharp decline in the total F&O turnover since November.

The ripple effects are visible in the cash market as well. After peaking in July, the daily average turnover has been falling, particularly in large-cap and mid-cap segments.

Adding to this narrative, a YES Securities report dated 17 December highlighted a sharp decline in the daily average NSE total F&O turnover, from ₹413 trillion in January to ₹186 trillion in December.

A trend emerging from this data is a likely shift of trading volumes from index derivatives to the small-cap cash market, said Hitesh Jain, lead analyst at YES Securities. "We feel investors are increasingly focusing on small-cap opportunities, given the broader price resilience in these stocks compared to large- and mid-cap counterparts in the last three months."

While some market participants said this could be a valid hypothesis, others cautioned against drawing a clear link between trading volumes in the derivatives and small-cap markets. In the past three months, the Nifty 50 has declined by 8.5% while the Nifty Smallcap 250 has dropped just 5%. The Nifty Midcap 100 shed 6% in this period.

In the past three months, the Nifty 50 has fallen 8.5% while the Nifty Smallcap 250 has dropped just 5%

According to Chandan Taparia, head of derivatives wealth management at Motilal Oswal Financial Services Ltd, the decline in F&O volumes does not imply that these volumes have shifted to the small-cap cash market. "There is no correlation; it is merely a phenomenon," he said.

He said while foreign institutional investors (FIIs) typically hold positions in index derivatives and heavyweights, domestic institutional investors (DIIs) tend to focus on small-cap and mid-cap companies due to their greater understanding of domestic businesses.

With FIIs selling in recent months, F&O volumes dipped, leading to a fall in some heavyweight stocks and gains in select mid-cap and small-caps.

FIIs, however, became net buyers in December after two consecutive months of selling in October and November, National Securities Depository Ltd data showed. In October, FIIs clocked ₹91,933.64 crore in net sales, followed by subdued selling spree of ₹18,258 crore in November. However, by 23 December, FIIs turned net buyers, with purchases totalling ₹20,906.33 crore.

Meanwhile, DIIs were consistent net buyers throughout 2024. They net purchased ₹105,253.33 crore in October, ₹44,483.86 crore in November, and ₹16,546.41 crore up to 23 in December. The investor profile varies significantly between F&O and cash markets, pointed out Kranthi Bathini, director of equity strategy at WealthMills Securities.

While F&O trading primarily caters to those seeking quick gains, the cash market, particularly in the small-cap segment, focuses on value and sometimes momentum investing to achieve higher returns, he said.

The tools and strategies employed in derivative stocks differ entirely from those used in small-cap cash stocks, he added, comparing the difference to that between George Soros and Warren Buffett.

Buffett is renowned for his value investing, focusing on firms with rock-solid fundamentals. Soros, in contrast, is known for his speculative strategies, capitalizing on short-term market fluctuations and highly leveraged trades.

Vinit Sambre, head of equities at DSP Mutual Fund, said small- and mid-cap stocks have become somewhat expensive and could underperform in the short term given the current uncertainty in the market. But when it comes to the long game, he believes both mid-cap and small-cap stocks are primed to build wealth. The Nifty Smallcap 250, with a current price-to-equity ratio of 30.89 times, sits slightly above its five-year average of 29.11. Yet, there is room for growth.

Samhi gives old offices a luxury makeover

The hospitality firm is taking old offices on lease, turning them into hotels

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Going against the trend of building from scratch, which takes long, Samhi Hotels Ltd in November took an empty office building on a long-term lease in the Hitech City area of Hyderabad to convert it into a 170-175-room hotel under the W Hotel brand, to be managed by Marriott International.

The property will metamorphose into a luxury hotel and will be launched by FY27. Ashish Jakhanwala, chairman, managing director and CEO of the Gurugram-based hospitality company, claimed that this will be the first-ever initiative of converting an office building into a hotel in the country.

"No company has done office building conversion to hotel before in India. This shows that we don't always need to rely on converting existing hotels into newer ones. It also creates incremental growth opportunities for us. We think we'll be able to secure two or three more such office conversions to hotels on long leases, where very little capital needs to be put upfront. It is a much more efficient way to invest in and own a hotel. This has been done before in the US, and it has also been done extensively in China," he told *Mint*.


Ashish Jakhanwala, chairman, managing director and CEO of Samhi Hotels Ltd.

The company has 35 hotels that it owns and leases, including three under development, in 13 cities in India. Eight of its hotels are in the upper-upscale or five-star category, running under brands like Westin, Sheraton, and Hyatt Regency, while a majority of the portfolio is in the upscale segment, under the Fairfield by Marriott and Four Points by Sheraton brands. The remaining are in the mid-scale segment, running primarily as Holiday Inn Express hotels.

Jakhanwala said that over the next five years, the hospitality industry is expected to witness significant development. Luxury and leisure hotels are expected to perform exceptionally well in India, while core business hotels in major cities are also likely to thrive due to a growing demand for rooms that will outstrip the incoming supply.

Other segments, however, could see less predictable trends. "The combination of large cities and business hotels is seen as a strong growth story. Rising disposable incomes in India are expected to drive these trends. Weekday occupancies for city business hotels in our portfolio, for instance, is already in the range of 75%, and as Indians spend more on experiences such as concerts and events in other cities and with the rise in urban tourism, weekend occupancies are also expected to improve. In tier-2 and 3 cities, while opportunities exist, faster hotel supply growth compared to the demand for rooms may become challenging," he said.

Samhi went public a little over a year ago in September 2023 and raised ₹1,370 crore. It primarily used the proceeds to retire a large part of its debt of about ₹2,400 crore, including shareholder debt. Stock of the company closed 1.2% higher at ₹199.75 on the BSE on Monday.

Last year, Samhi acquired 9 hotels from Kuwait's Asiya Capital Investments Company that also had about ₹300 crore of debt. The company used ₹1,000 crore to retire its debt which now stands at around ₹1,900 crore.

The company has also identified various opportunities to increase inventory in its existing portfolio like adding rooms in Sheraton Hyderabad, Hyatt Regency Pune, and Holiday Inn Express in Whitefield, Bengaluru.

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

STRENGTHENING PORTFOLIO

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LAST year, Samhi acquired 9 hotels from Kuwait's Asiya Capital Investments Company

SpiceJet's grounded planes to fly again

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Budget carrier SpiceJet Ltd. aims to operationalize 30 Boeing 737 MAX aircraft, grounded for reasons ranging from payment default to lessors and component shortages, in the next 12-15 months as it seeks to expand its services.

Speaking at the company's annual general meeting on Monday, chairman and managing director Ajay Singh also hinted at resuming talks with aircraft manufacturer Boeing for pending deliveries. The airline had placed an order for 200 B737 MAX aircraft with the American firm in 2017.

Singh said, "We will restart our talks with Boeing, we received 13 aircraft, we will talk with the company to restart deliveries, hopefully we can do this in the upcoming months."

India needs to have more airlines to prevent the market from becoming a duopoly, Singh said. The airline aims to have a fleet of 100 aircraft by 2026-end, from the current 28 operational aircraft. India's aviation market is dominated by IndiGo, the country's largest airline, and the Tata Group-owned Air India.


The airline currently has 147 daily flights and connects 38 domestic and 3 international destinations. REUTERS

Experts see SpiceJet's announcement on its grounded planes and restarting delivery talks with Boeing as a welcome step for the market. Sanjay Lazar, CEO of Avialaz Consultants, said, "The announcement...is a bold move in the strangled Indian aviation market. The current duopoly needs to be challenged by both SpiceJet and Akasa and more newcomers. The addition of fresh capacity and accelerated deliveries by Boeing would mean a significant uptick in SpiceJet's flying portfolio. It could also lower airfares and add more frequencies on demand-hungry sectors."

Lazar feels that SpiceJet needs a stronger operations team to regain its position. He added, "While ramping capacity, if SpiceJet can improve passenger services and tighten on-time performance, they will rebuild consumer confidence with the brand."

Earlier this year, the cash-strapped airline raised ₹3,000 crore through a qualified institutional placement to operationalize its grounded planes, and expand into new markets. Singh also emphasized that the purpose of the secured funding is to strengthen the airline and investors need to have patience on interim dividend. Singh hopes that the shareholders will be rewarded with a higher share price in the future as the airline rebuilds itself.

The airline currently has 147 daily flights and connects 38 domestic and 3 international destinations. At present, the airline has 30 Boeing, 24 Q400 aircraft and 6 wet leased aircraft in its fleet, with only 28 aircraft being operational. The airline earlier this month entered into an agreement with US-based maintenance, repair, and overhaul company StandardAero Inc. to restore grounded Boeing 737-8 MAX fleet. Three aircraft are expected to join the fleet by April 2025.

Indian firms raise record debt in 2024

Reuters
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MUMBAI

Indian companies' fundraising through corporate bonds hit a record high in 2024, aided by declining yields and stronger appetite for long-term notes, and investors expect issuances to remain robust in 2025.

Indian firms raised ₹10.67 trillion ($124.81 billion) through the sale of bonds till 27 December, a 9% jump over 2023, data from information provider Prime Database showed.

"Fundraising has seen a boost with corporates seeing a need to diversify, and bank lending seeing some moderation with slower deposit growth," said Vinay Pai, head of fixed income at investment banking firm Equirus.

Indian firms raised ₹10.67 trillion through the sale of bonds till 27 December, a 9% jump over 2023

With nominal growth of the Indian economy expected to remain between 10%-12%, credit should also grow at more than 12% and the demand could be split between banks and bond markets, he said.

"The rise in issuance is likely to be absorbed easily, driven by rising investor demand following Indian government bonds' inclusion in multiple global bond indexes - freeing up more opportunities for domestic investors," said Suresh Darak, founder of Bondbazaar, an online trading platform.

Yields on corporate bonds fell between 25 and 50 basis points this year, tracking government bond yields.

The Reserve Bank of India (RBI) is expected to start lowering rates from February and is likely to cut by at least 50 bps in the first half of 2025, which would further push yields down. Lower lending from banks will see companies making a beeline to borrow funds from corporate bond market in 2025. Banks are cutting credit growth to assuage the central bank's concerns over the widening credit-deposit gap, said an executive director with a state-run bank, requesting anonymity.

Bank of Baroda in October reduced its credit and deposit growth guidance for fiscal year 2025, while State Bank of India lowered its deposit growth forecast last month.

Crafting Bharat: Deep-tech edition—with Fermbox Bio, at the forefront of precision fermentation

India's bioeconomy has witnessed phenomenal growth, surging from US$10 billion in 2014 to over US$130 billion in 2024. With a vision to accelerate technological development and commercialisation, the government's initiatives—such as creating biomanufacturing hubs and biofoundries—are setting the stage for a thriving biotech ecosystem. This decade of innovation has also fuelled the rise of biotech startups in India, expanding from just 50 startups in 2014 to over 9,000 startups in 2024, making India a key contributor to the global bioeconomy.

Subramani Ramachandrappa, co-founder, Fermbox Bio, in conversation with Nithish Kumar, investment analyst at Speciale Invest

To highlight these innovations, *NewsReach* has launched a special edition called *Crafting Bharat: Deep-tech*, powered by *Innovation Venture Studio* in association with *Speciale Invest*, *BYT Avenue*, and *Faad Capital*, that brings you inspiring stories of visionaries shaping India's biotech landscape.

mint Brand Studio
Fermbox Bio

In this episode, join Nithish Kumar, investment analyst at Speciale Invest and Subramani Ramachandrappa, co-founder of *Fermbox Bio*, as they dive into the complexities of the biotech sector.

Can you explain what precision fermentation means and how you use it at *Fermbox*?

Fermentation is a process that has been part of human civilisation for centuries. We've all seen it in action, whether it's brewing beer, fermenting whiskey, or even making yogurt at home. But precision fermentation takes this age-old method to a whole new level. It's about control and specificity.

When you brew beer, for example, you let the microbes work in an uncontrolled manner. But with precision fermentation, we fine-tune everything. We modify the microbes—bacteria, yeast, or fungi—and carefully control their environment so that they produce exactly what we need. As I like to say, 'In precision fermentation, you don't want competing species inside the fermenter. It's about ensuring only one type of microbe produces exactly what you need.' This makes purification much easier and allows us to achieve incredible results.

What motivated you to leave Biocon and start your entrepreneurial journey with Richcore?

The motivation was simple—I needed to make more money. I realised that starting a business would give me the financial growth I needed much faster than staying in a salaried job.

Biocon was an incredible place to work, and Kiran Mazumdar-Shaw was highly supportive of my transition. I started Richcore with minimal capital, using a negative working capital model. Essentially, I would purchase products from Biocon on credit, sell them to my customers, collect payments within 90 days, and then pay Biocon. This approach gave me the breathing room to get started.

How did Richcore transition to producing animal-free biopharma solutions?

The shift wasn't just a business decision—it was deeply personal. I was vaccinating my daughter when I noticed the vaccine package mentioned animal-derived components. That really struck me. I thought, 'How can we use animal-derived enzymes in something we're injecting into humans?'

At the time, Richcore was focused on industrial enzymes, but this realisation opened up a new opportunity. We started developing enzymes free of animal derivatives to make vaccines safer. It wasn't an easy pivot, but it was a necessary one. Today, I'm proud to say that several billion doses of insulin have been made safer using the products we developed at Richcore.

Why did you start *Fermbox* after Richcore's acquisition?

After Richcore's acquisition by *Laurus Labs*, I could have stayed on in a stable corporate role, but I felt there was more to be done. With *Fermbox*, my goal was to disrupt global fermentation by focusing on collaboration and scalability. For instance, we're building a million-litre fermentation facility in Thailand in partnership with BBGI. By co-locating near sugar mills and distilleries, we can use locally available resources like sugars and water, reduce costs and scale faster. This collaborative model is something I want to replicate in other regions, including Africa, India and Eastern Europe. I believe the future lies in openness and partnerships. *Fermbox* is my attempt to build a biotech company that embodies these values.

What drives your happiness and keeps you motivated?

Happiness, for me, is deeply rooted in family. They're central to everything I do. For me, happiness isn't tied to material success or possessions. Problems will come and go, businesses will have their ups and downs, but my family keeps me grounded and motivated to keep going.

The Dream

I dream of seeing *Fermbox* disrupt and reshape global-scale bio-manufacturing and precision fermentation-derived products. I want us to develop cutting-edge biofourdary here in India and deliver commercially viable products worldwide by producing them at massive collaboratively-built precision fermentation plants in multiple countries, leveraging local resources and collaborations to scale efficiently.

Stay tuned to *Crafting Bharat: Deep-tech* edition, where we spotlight India's visionary founders who are transforming bold ideas into realities and redefining the future of technology.

To watch the episodes of *Crafting Bharat*, scan the QR code

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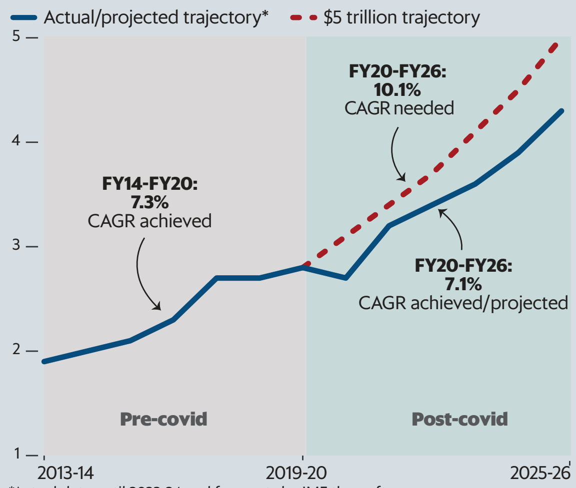
WHERE WE ARE ENDING 2024

India is nowhere close to its original ambitious $5 trillion GDP aim by 2025

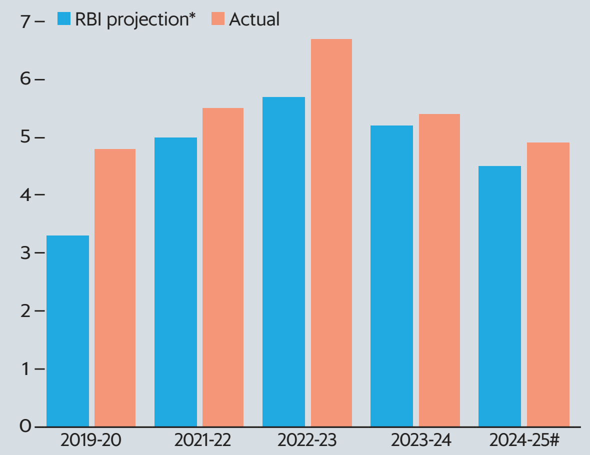
India's GDP at current prices, in $ trillion



*Actual data until 2023-24 and forecasts by IMF thereafter.
Source: International Monetary Fund, Mint calculations

RBI underestimated price pressures again in 2024

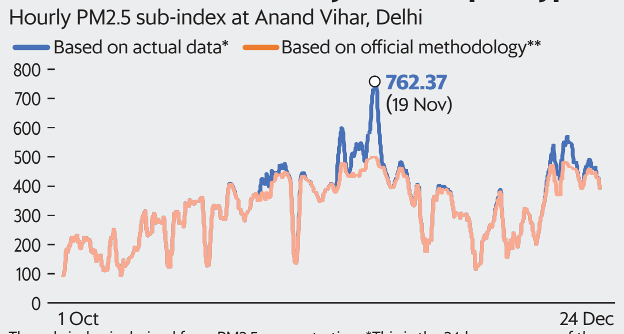
Year-on-year retail inflation in India (in %)



*Given in April of each financial year. #2024-25 data is for April to November.
No projections were given in April of 2020-21 for the year due to the pandemic.
Source: Reserve Bank of India, statistics ministry

On worst pollution days, official data may underestimate the severity of the 'airpocalypse'

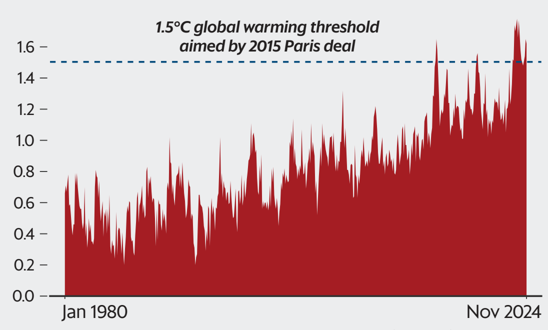
Hourly PM2.5 sub-index at Anand Vihar, Delhi



The sub-index is derived from PM2.5 concentration. *This is the 24-hour average of the actual sub-index based on hourly readings. **The Central Pollution Control Board caps the sub-index at 500 and then uses the capped indices to calculate the 24-hour average.
Source: Central Pollution Control Board, Mint calculations

Global warming exceeded the 1.5°C mark in nine of 11 months in 2024

Increase in global average surface air temperature relative to 1850-1900 average (°C)



Source: ERA5, Copernicus Climate Change Service

2024 proved to be a tough year for incumbents in several national elections

Details of election results in select countries

US (Changed) Donald Trump made a dramatic comeback

India (Weakened) Bharatiya Janata Party forced into a coalition after 10 years

UK (Changed) Verdict swung to Labour, ending 14-year Conservative Party rule

France (Weakened) President Emmanuel Macron faces a hung parliament and ensuing crisis

Botswana (Changed) Botswana Democratic Party lost power first time in nearly 60 years

Japan (Weakened) Liberal Democratic Party lost its parliamentary majority for the first time in 15 years

South Africa (Weakened) African National Congress failed to win a majority in a first since end of apartheid era

Source: Pew Research Center, Mint research

After years of criticism, govt is releasing surveys, and with shorter lags

Details of key government surveys

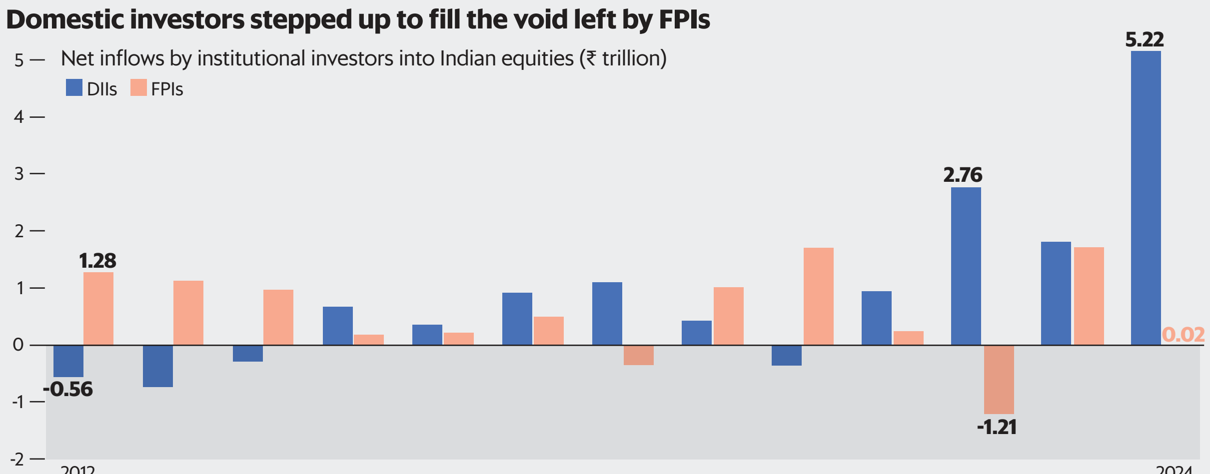
Survey	Period	Time gap before release
PLFS	2021-22	8 months
PLFS	2022-23	4 months
PLFS	2023-24	3 months
CES	2022-23	8 months
ASUSE	2021-22	2 years
ASUSE	2022-23	1 year
ASI	2021-22	1 year 8 months
ASI	2022-23	1 year 3 months

PLFS: Periodic Labour Force Survey; CES: Consumer Expenditure Survey; ASUSE: Annual Survey of Unincorporated Sector Enterprises; ASI: Annual Survey of Industries

Source: Statistics ministry, Mint research

Domestic investors stepped up to fill the void left by FPIs

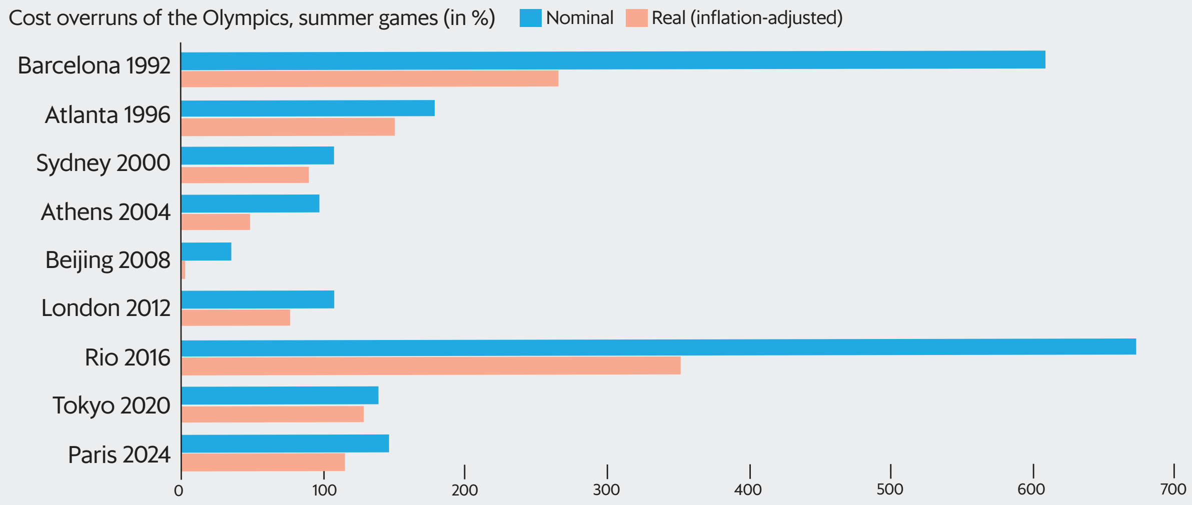
Net inflows by institutional investors into Indian equities (₹ trillion)



DIIs: Domestic institutional investors. FPIs: Foreign portfolio investors. Data for 2024 is as of 30 December.
Source: Bloomberg, National Securities Depository Ltd

Olympics are a costly affair for hosts, with expenses sharply exceeding original budget

Cost overruns of the Olympics, summer games (in %)



Source: The Oxford Olympics Study 2024

India dreams ... challenging ...

In charts: India grappled with a slowdown, climate crisis, rising ... nation needs a well-defined road map to overcome these cha...

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India is always beaming with the extraordinary potential of a massive young population, rapidly growing middle class, and geographical richness. Yet, while commenting on the country, pundits are forced to ring in the praises with a string of "buts". India is a unique mix of hope and despair, and 2024 again offered ample evidence of both.

The hope is intact: the slowdown in the economy will be short-lived, consumption and investments will return, and improvements in statistical systems will lead to finer policy making. But when the macro lens zooms in, despair isn't far behind. Air pollution in many cities remains dangerously high, access to clean water is limited, and quality health care and education remain elusive—all this while stubborn price rises and taxing job hunts still frustrate many.

Seven years ago, the dream was to make India a $5-trillion economy by 2025. As 2024 ends, India is behind, but the pandemic hasn't deterred us from hoping to become a developed economy by 2047.

India's rise on the league tables of gross domestic product (GDP) is bound to continue: it leapfrogged France in 2018 and the UK in 2021, and will soon leave Japan and Germany behind to become the world's third-largest economy. But that tag is hardly a sufficient measure of success: per capita GDP, a more accurate reflection of how that prosperity distills down to its people, will be remarkably lower than the nations it will cross.

Several big and small hurdles are still in India's way.

Airpocalypse now

Each winter, northern India experiences insufferable air pollution. And India underestimates the severity on the worst days. The Central Pollution Control Board's air quality index (AQI) is capped at 500 even if it goes beyond that.

The official AQI on a day is a 24-hour average, with the 500 cap applied on each hour's index, not on the final average, thus bringing down the day's average. Since there are usually a few hours with a sub-500 AQI, the 24-hour average can then practically never touch 500. Without the cap, Delhi's AQI would be 700-plus on 19 November, when it was reported in the 490s.

The lack of political will to address air pollution is unmissable: state and central governments have had only band-aid solutions to offer at the eleventh hour so far.

But is pollution really unbeatable? No. A decade ago, China's major cities were also engulfed in smog. But, ever since the country declared a "war on pollution" in 2014, its air quality has improved rapidly. From prohibiting coal-fired plants to a restricted number of cars on roads, China showed efficient implementation of policies can yield results.

> The hope is intact: the slowdown will be short-lived, consumption and investments will return

India's development trajectory will also be threatened by climate change and it will have to set aside huge budgets to tackle its impact. In 2024, global temperatures surpassed the dangerous mark of 1.5°C over the pre-industrial levels in several months.

Developed countries pledged only a paltry sum to mitigate the climate crisis. India registered a strong protest, but closer home, one could argue, political will is lacking in tackling pollution.

Political landscape

The year was tough for incumbent governments around the world: the BJP, expected to sweep the elections for the third time with a bigger mandate, failed to secure a majority. Over 50 nations (of the

From wealthmakers to newsmakers, and demographic transitions to box office duds, here's the year-ender in charts, compiled by Shuja Asrar.

Where Indian billionaires stand

Rank (change since 2023)		Name	Latest net worth (in $ billion)
1	(◂▸)	Mukesh Ambani	91.3
2	(◂▸)	Gautam Adani	76.6
3	(◂▸)	Shiv Nadar	42.7
4	(◂▸)	Shapoor Mistry	39.1
5	(◂▸)	Savitri Jindal	32.5
6	(▲1)	Azim Premji	31.5
7	(▼1)	Dilip Shanghvi	29.1
8	(◂▸)	Sunil Mittal	24.1
9	(▲3)	Lakshmi Mittal	19.9
10	(◂▸)	Kumar Birla	19.2

Drop in net worth in 2024
Mukesh Ambani $5.1 bn
Gautam Adani $7.7 bn

Data is as of 30 Dec 2024
Source: Bloomberg Billionaires Index

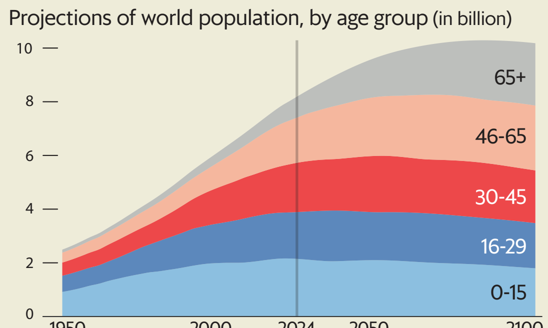
Gen Beta will be the first to be born in a mostly ageing world

Share of world population, by generation groups (in %)

Generation	Share (%)
Generation Alpha (**born in** 2013-2024)	18.3
Generation Z (1997-2012)	25.2
Millennials (1981-1996)	24.4
Generation X (1965-1980)	16.9
Baby Boomers (1946-1964)	12.6
Silent generation (1924-1945)	2.6
The Greatest Generation (1901-1924)	0.007

Population as of 2023

Projections of world population, by age group (in billion)



Data till 2023 are estimates and data 2024 onwards are projections.
Source: World Population Prospects 2024, United Nations Population Division

A mixed year in sports

24/26 Number of T20I matches won by India in 2024, leading to the best **win/loss** ratio for any team in a year.

46 India's third-lowest total in Tests, recorded in a home match against New Zealand in October. The series ended in India's first Test series whitewash (3-0) at home since 2000.

₹27 crore The record amount Lucknow Super Giants will pay **Rishabh Pant** to play in the 2025 Indian Premier League.

Manu Bhaker First Indian woman to win two medals in a single Olympic Games. She won two bronze medals in 10m and 10m mixed team pistol events.

11 The time India had to wait (in years) for an ICC trophy, until the 2024 T20 World Cup win.

Double gold Both men and women chess teams won gold medals at the 45th Chess Olympiad, creating a record for the country.

18 The age of India's **D. Gukesh,** the youngest-ever world chess champion

6 India's disappointing medals tally at Paris Olympics.

Words in vogue

This year as well, dictionaries from around the world selected their words of the year, offering a unique glimpse into the prevailing mood and themes of 2024. While Oxford chose 'brain rot' to reflect the pervasive digital fatigue, Cambridge presented a more optimistic view, selecting 'manifest'. Across internet culture, words such as 'gyatt' and 'quiet quitting' defined the online discourse.

TARUN KUMAR SAHU/MINT

s big as a year ends

prices, political shifts, global uncertainties and more. The llenges in its quest to become a developed economy

70 that went to polls) voted the incumbents out. The changes in the political landscape, especially in the US, could lead to another round of protectionism.

India may have to navigate its growth path amid higher tariffs as opposed to the golden time when the country grew rapidly in a liberalized and globalized world.

As such India cannot continue to underestimate its pressing issues, price rise being one of the burning ones. The Reserve Bank of India underestimated inflation for the fifth year in 2024-25 despite having acknowledged the risks from food price volatility, climate change and global price movements.

If the price trends of the past three years continue, inflation is unlikely to revert to the medium-term aim of 4% in 2025. While rising prices are breaking the back of the poor through costlier cereals and vegetables, the well-to-do and affluent sections of society are also struggling to keep up with the rising cost of health, education and housing. If the situation does not improve soon, India will pay the price by sacrificing growth and inducing frustration among common people.

To address the problem, the country needs to first acknowledge it. A statistical gap emerged when the government decided to bury the Consumption Expenditure Survey of 2017-18, and as several other such surveys, crucial for understanding the shifts in the economy, got delayed due to the pandemic.

In the past couple of years, the government made some progress by releasing reports with smaller time lags. However, 2024 still ended without any progress on the Census. Several policies are still being framed based on the last Census, which was done more than a decade ago in 2011. Since then, India's population would have grown at least by 150 million, which will remain uncounted for a few more years.

People's power

In the latter half of 2024, as foreign portfolio investors (FPIs) withdrew from Indian markets, domestic investors provided support, mitigating a sharper market decline. That reflects both growing interest and an evolving investment culture within India.

Looking ahead to 2025, the outlook is mixed, with debate intensifying over whether the Sensex will reach 100,000 points soon. While rising domestic investment offers some insulation against external volatility, further investor protection remains essential. The market regulator's recent measures to safeguard investors from losses in futures and options (F&O) trading signal potential future interventions in this direction.

In the world of sports, India's improved performance at the Olympics has given it the confidence to send the formal letter of intent to host the event in 2036. Hosting the Olympics has been draining for even many developed nations.

> India's rise on GDP league tables will continue. But per capita GDP will be lower than the nations India will cross

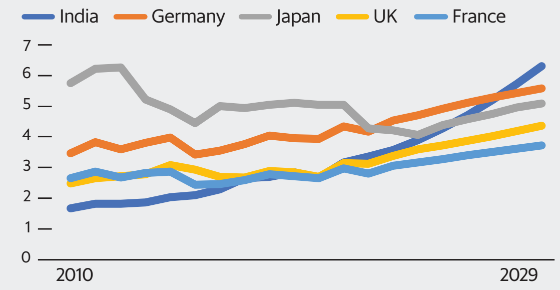
However, China is a great example of how hosting the Olympics could provide emerging economies with a platform to showcase their potential and boost their soft power. India has 12 years to prepare, if its bid is successful. But host nations have secured ranks 1st to 15th since 1992. By that measure, India at the 48th rank is a long way from grabbing eyeballs.

India may have concluded another year grappling with a slowdown, the unresolved climate crisis, rising prices, political shifts, and global uncertainties. Yet, the nation's aspirations remain ambitious. In 2025, it needs a well-defined road map to achieve key goals—clean air, better targeting of welfare schemes, price controls, job creation, and social inclusion—in its quest to become a developed economy.

WHAT THE FUTURE COULD HAVE IN STORE

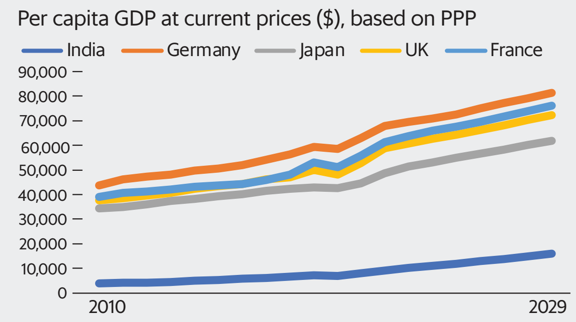
While India will soon become the third largest economy...

GDP at current prices, in $ trillion (Ranks 3 to 7)



...productivity and living standards are likely to remain abysmally low

Per capita GDP at current prices ($), based on PPP

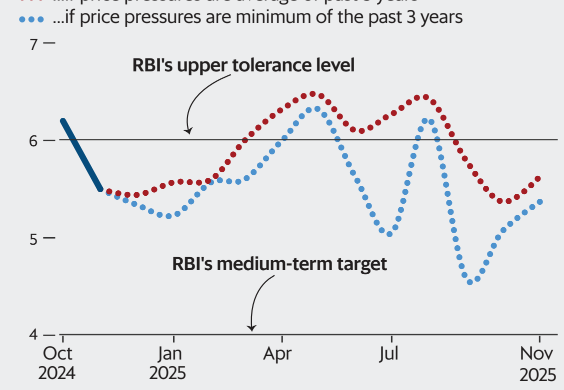


Data for 2024-2029 are based on forecasts by IMF. India's GDP data is for the year starting in April of the marked year.

Source: International Monetary Fund

Inflation could remain above 5% in 2025 unless the price pressures change course

Year-on-year retail inflation (in %)

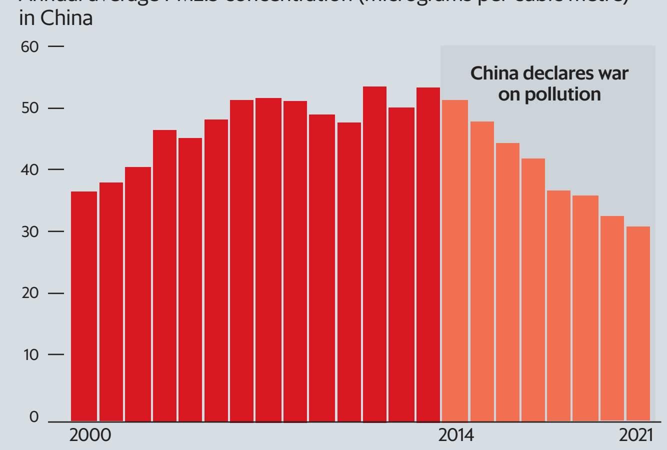


Price pressures refer to sequential pace of change in the consumer price index.

Source: Statistics ministry, CMIE, Mint calculations

India can take inspiration from China's successful fight against pollution

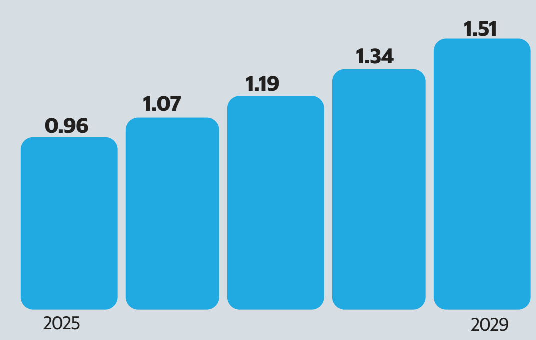
Annual average PM2.5 concentration (micrograms per cubic metre) in China



Source: Energy Policy Institute, University of Chicago

Developing countries will have to shell out trillions of dollars to mitigate climate crisis

Required investments for adaptation and mitigation in developing countries (in $ trillion)

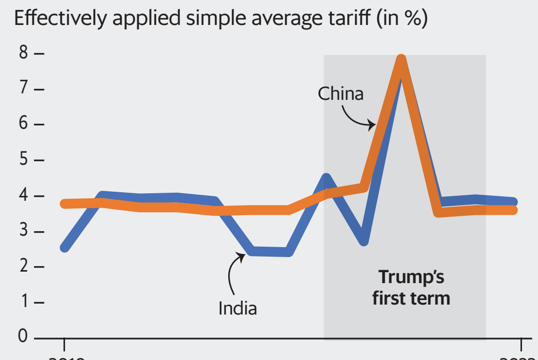


UNCTAD calculations based on scenarios under the United Nations Global Policy Model.

Source: United Nations Conference on Trade and Development

Trump's track record on imposing tariffs may make India nervous in coming years

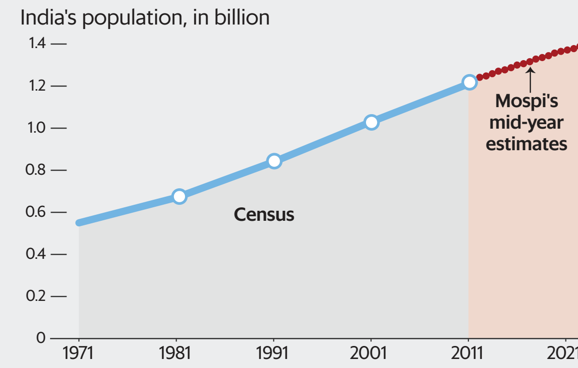
Effectively applied simple average tariff (in %)



Source: World Integrated Trade Solution

2025 will await progress on Census as over 150 million go uncounted

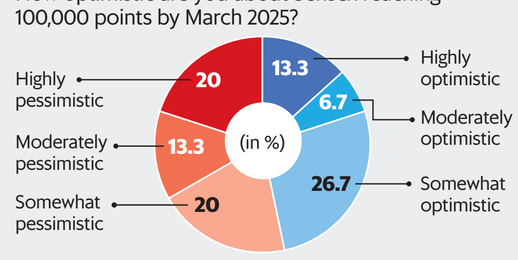
India's population, in billion



Source: Registrar General and Census Commissioner, statistics ministry, CMIE

Sensex @100,000: A tight race between hope and fear

How optimistic are you about Sensex reaching 100,000 points by March 2025?

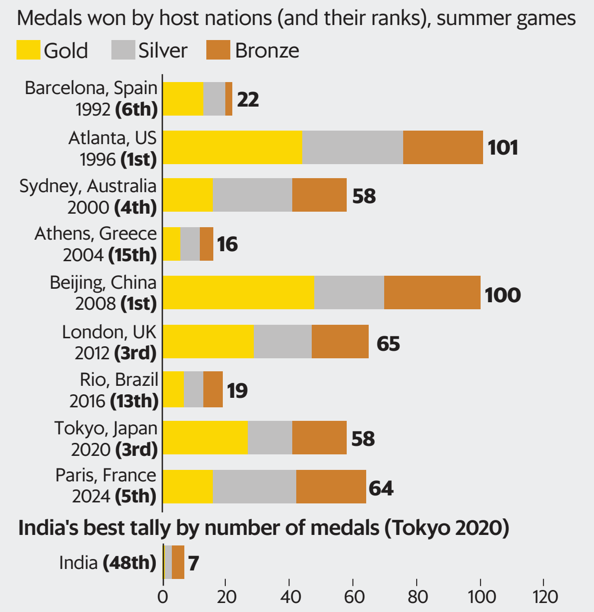


15 market analysts and experts answered this question.

Source: Mint survey (Oct 2024)

India has a lot to catch up on, especially in terms of Olympics performance

Medals won by host nations (and their ranks), summer games



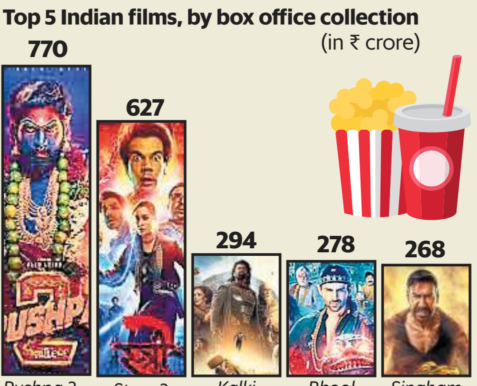
Source: International Olympic Committee

MANJUL PAUL AND NITI KIRAN CONTRIBUTED TO THE DATA AND CHARTS. DESIGN: PARAS JAIN

₹100-crore club erodes

The reception of movies at the box office remained tepid, with only 10 crossing the coveted ₹100-crore mark, compared to 17 last year. Barring *Pushpa 2* and *Stree 2*, very few movies created a buzz.

Top 5 Indian films, by box office collection (in ₹ crore)



Number of movies by box office collection

	<₹100 crore	₹100-199 crore	₹200-299 crore	₹500+ crore
2023	209	10	3	4
2024	219	4	4	2

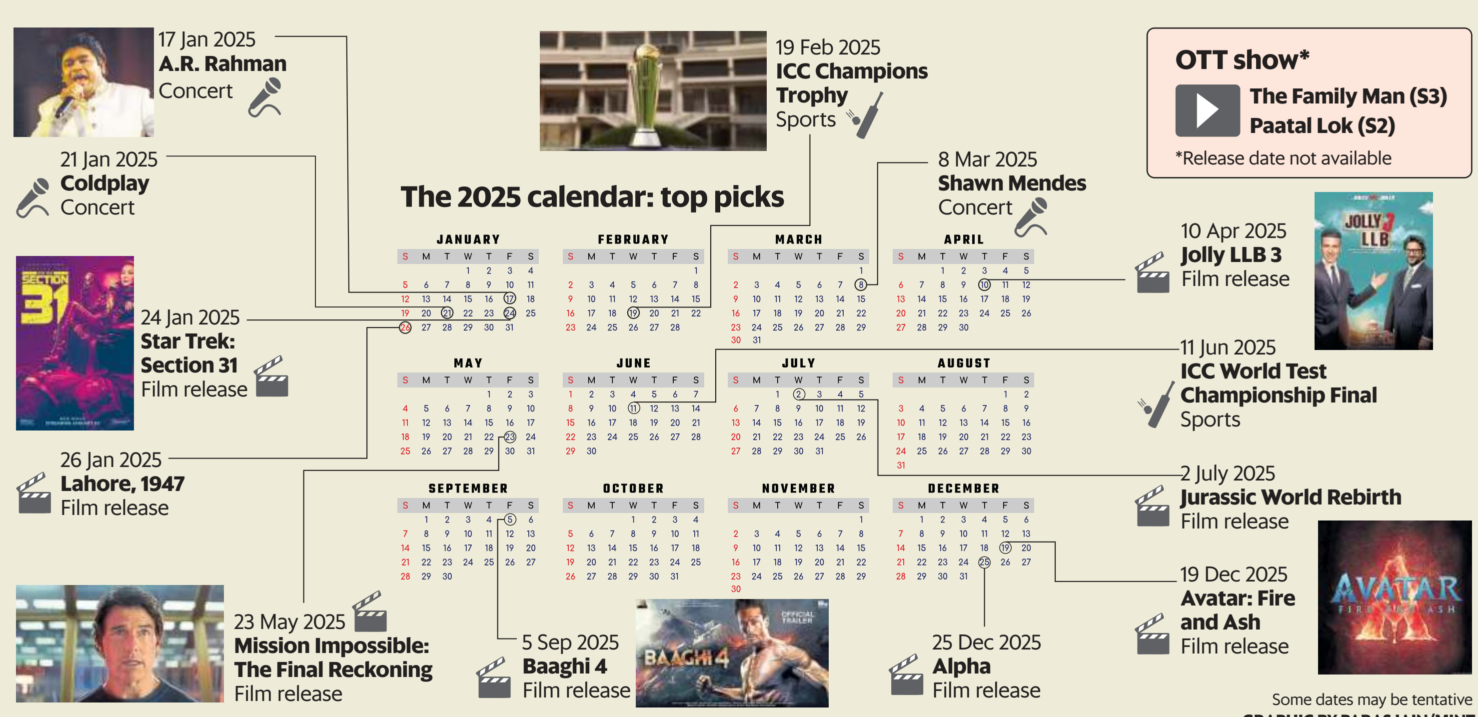
Data as of 30 December 2024

Source: Bollywoodhungama.com

Movies released and box office collections, annually

	No. of films	BO collections (₹ crore)
2018	218	4,422
2019	245	5,616
2020	75	861
2021	49	1,013
2022	164	3,968
2023	226	5,733
2024	229	4,534

The 2025 calendar: top picks



OTT show*

The Family Man (S3)
Paatal Lok (S2)

*Release date not available

Some dates may be tentative

GRAPHIC BY PARAS JAIN/MINT

'Rising confidence to fuel Indian economy'

RBI's FSR pegs real GDP growth for the current fiscal year at 6.6%

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RBI governor Sanjay Malhotra said RBI is focused on maintaining stability of financial institutions, and more broadly, systemic stability, to support a higher growth path. PTI

Prospects for the Indian economy are expected to improve in 2025 thanks to high consumer and business confidence, Reserve Bank of India (RBI) governor Sanjay Malhotra said in his foreword to the Financial Stability Report, which pegged the real GDP growth for the current fiscal year at 6.6%.

In the bi-annual report released on Monday, Malhotra said that despite global uncertainties, the Indian economy is expected to pick up in the second half of the current fiscal. "Notwithstanding the uncertainties shrouding the global macro-financial ethos as it unfolds, prospects for the Indian economy are expected to improve after the slowdown in the pace of economic activity in the first half of 2024-25," said Malhotra, who took over as the central bank's 26th governor earlier this month.

"Consumer and business confidence for the year ahead remain high and the investment scenario is brighter as corporations step into 2025 with robust balance sheets and high profitability," he added.

In its December policy, RBI's monetary policy committee (MPC) revised its GDP growth estimate for the current fiscal to 6.6% from its earlier expectation of 7%.

Malhotra said RBI remains focused on maintaining stability of financial institutions, and more broadly, systemic stability, to support a higher growth path.

"We continue to secure and anchor public trust and confidence to support India's aspirational goals. We remain committed to developing a modern financial system that is customer-centric, technologically leveraged and financially inclusive," he added.

Malhotra assured that stress test results reveal that capital levels of banks and non-banks remain well above the regulatory minimum even under adverse stress scenarios.

While declining inflation continues to brighten global prospects, Malhotra cautioned that the medium-term outlook for the global economy remains challenging with downside risks from geopolitical conflicts, sporadic financial market turmoil, extreme climate events and rising indebtedness. He also highlighted that stretched asset valuations, fragilities in the less regulated non-bank financial intermediaries, and threats from new and emerging technologies also add to the evolving uncertain outlook.

India recorded a slowdown in GDP growth to a seven-quarter low of 5.4% in the September quarter, the third consecutive quarter of declining growth. Real GDP growth in the first half moderated to 6% from 8.2% recorded in the corresponding period a year ago.

After the sharp slowdown in growth in the first half of the year, the Indian economy is exhibiting resilience and stability, and is expected to recover in the third and fourth quarters, the FSR noted.

"In this uncertain global macroeconomic and financial environment, the Indian economy is exhibiting resilience and stability. Real gross domestic product (GDP) is projected to grow at 6.6% in 2024-25 aided by revival in rural consumption, pickup in government consumption and investment and strong services exports," said the report.

GROWTH TRACK

IN Dec policy, RBI's MPC revised its GDP growth estimate for current fiscal to 6.6% from 7%

INDIA recorded a slowdown in GDP growth to a 7-quarter low of 5.4% in the September quarter

AFTER the sharp growth slowdown in first half of the year, Indian economy is showing resilience

'Less than 10% of IT budget in new tech'

Gopika Gopakumar
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MUMBAI

Banks are using cloud computing to reduce the cost of financial services by enabling easier access to their infrastructure. AFP

Banks in India allocated less than 10% of their information technology budgets to emerging technologies this year, the Reserve Bank of India (RBI) has found. This, despite emerging technologies such as artificial intelligence (AI) and cloud computing playing an increasingly significant role in financial services.

RBI, as part of its November survey for its latest Financial Stability Report (FSR), looked into the level of adoption of emerging technologies by banks and any associated risks to the domestic financial sector.

"Cloud computing and artificial intelligence/machine learning (AI/ML) were the two most widely adopted emerging technologies among banks," RBI said in its Financial Stability Report released on Monday. "In terms of spending, 61% of the respondent banks have allocated less than 10% of their IT budget on such initiatives during the current financial year," it added.

The survey also showed that 80% of the banks had fully or partially outsourced such activities owing to a dearth of IT expertise among their staff and for cost-efficiency reasons, opting to focus their resources more on their core competencies.

That said, banks have been using cloud computing to reduce the cost of financial services by enabling easier access to their infrastructure, and AI primarily for customer service, sales and marketing, risk management, and customer-verification, or know-your-customer (KYC), processes.

Mint reported on 26 December that India's leading lender State Bank of India was scouting for an intellectual property rights firm to secure patents for innovations in AI and ML by its analytics department.

RBI's report highlighted opportunities for using AI and other emerging technologies in banking, but also illuminated potential risks to financial stability.

"In response to (a) specific question on threats posed by AI/ML, respondents identified third-party vendor risk, cyber-security vulnerabilities and reputational damage as key risks," RBI said in its report. "Quantum computing is perceived to be another emerging technology in the hierarchy of risks due to its ability to potentially break encryption algorithms," RBI added.

While banks have shown relatively better preparedness in maintaining backups of critical data, the survey showed that larger banks have been proactive in adopting mitigation measures due to the availability of adequate resources and expertise.

Regular compliance audits and training of IT or security personnel are two important areas that require improvement, RBI said, adding that forensic preparedness and business continuity plans also need improvement to strengthen resilience against technology-related incidents.

RBI warns of unsecured loan stress spillover

FROM PAGE 1

On multiple loans availed by the same retail borrower, RBI said that 11% of the borrowers originating a personal loan under ₹50,000 had an overdue personal loan, and more than 60% of them had availed more than three loans so far in 2024-25.

"Lenders are, nevertheless, exercising prudence as the shares of below-prime customers across lenders and product types have been marginally lower when compared to a year ago," it said.

Lenders categorize borrowers based on their credit scores and those at the top of the pyramid are termed super-prime while those a notch below are called prime. The lower the credit score, the higher the probability of default.

According to RBI, asset quality in retail loans remained largely stable, except for a marginal uptick in credit card receivables across bank groups, which also saw the highest credit growth among all retail loan segments and "may require careful monitoring".

RBI said 11% of the borrowers originating a personal loan under ₹50,000 had an overdue personal loan

Signs of stress have also started to appear in small loans.

As per RBI's report, during the first six months of 2024-25, the share of stressed microfinance assets increased, with loans where repayments are overdue between 31 and 180 days rising from 2.15% in March to 4.3% in September.

Moreover, stress remained high among borrowers who had taken loans from multiple lenders and those with higher outstanding loans.

For large borrowers such as companies, the regulator pointed out that even as the asset quality of loans improved—bad loan ratio falling from 4.5% in March 2023 to 2.4% in September 2024—incipient stress or SMA-1 and SMA-2 loans have risen sequentially in September.

The SMA-1 and SMA-2 loans of large borrowers have risen 101% and 67%, respectively, between June and September.

"Furthermore, the SMA-2 ratio for large borrowers increased significantly for public sector banks in September from a year ago, warranting close monitoring," the report said.

Esops grant company shares to employees based on the length of their employment as a part of their compensation package. MINT

Startup staff hit Esop goldmines in 2024 as IPOs rise

FROM PAGE 1

to $700 million of liquidity from Flipkart and PhonePe's 2022 split.

Excluding this outlier, the value of liquidity programmes in 2023 was only $125 million, reflecting the continued weakness in the primary markets due to a prolonged funding winter. Esops grant company shares to employees based on the length of their employment as a part of their compensation package. Shares vest over a period, usually around four years.

These incentives are given to employees for taking the risk of joining the company in its early stages and to align every employee's motivation with the company's growth.

"Most employees prefer to exercise and hold their Esops once they have belief and visibility of a public listing to benefit from capital gains post listing," Sivaraman explained.

While Esops enable a startup to preserve liquidity, they also serve as a tool to reward employees for their loyalty and retain talent. Moreover, these buybacks help startups consolidate their capital base and send positive signals to the market.

Shriram Subramanian, founder and managing director of proxy advisory firm InGovern Research Services, also expects this upswing to continue into 2025. He explained that those employees who are seeking liquidity now rather than wait for an IPO are likely to benefit from such buyback programmes.

"The bullish IPO market also means that unlisted companies are happy to buy back shares so they can offer the same shares at a higher price to public market investors," he said.

Several startup founders and employees booked significant gains from IPOs of new-age cos in 2024

Several startup founders and employees booked significant gains from the IPOs of new-age companies in 2024, including those of Ola Electric, FirstCry, Ixigo, Go Digit, Awfis, Swiggy and Unicommerce. This comes as the number of mainboard IPOs surged 3x to a record high in 2024, with investors buying shares worth ₹1.34 trillion in 76 companies, giving several venture capital and private equity firms profitable exits.

This figure surpassed ₹1.19 trillion raised through IPOs in 2021, according to data from Prime Database.

Adani to raise over $2 bn in Wilmar JV exit

FROM PAGE 1

Adani's exit from the FMCG company has long been speculated, especially since Hindenburg Research's allegations. MINT

ing consumer goods company at ₹18,817 crore ($2.2 billion). The maker of Fortune oils, soya chunks and pulses closed FY24 with revenue of nearly ₹50,000 crore.

Adani Wilmar shares lost 0.17% to close at ₹329.5 on the BSE on Monday, compared to a 0.57% fall in the Sensex. Adani Enterprises gained 7.65% to close at ₹2,593.45. The announcement was made after market hours.

Presently, public shareholders hold only 12.13% of Adani Wilmar, which was listed in February 2022. In India, companies must meet minimum public shareholding requirements within three years of listing if their post-listing market capitalization is below ₹1 trillion.

Adani Wilmar will be changing its name, the company said. Pranav Adani and Malay Mahadevia, Adani Group's nominee directors on the board of Adani Wilmar, resigned on Monday.

The Adani Group's exit from the FMCG company has long been speculated, especially after short-seller Hindenburg Research's allegations in January 2023 resulted in a rout in its shares, sparking concerns over the group's liquidity position in the case of a margin call by lenders. The Adani Group has denied all allegations.

The stake sale will also buffer the Adani Group's liquidity position and its ability to service upcoming debt obligations

"Today, Adani Wilmar is the only misfit in the Adani Group's portfolio. Typically, the businesses that the Adani Group focuses on have a large upfront investment and then generate significant cash flows without day-to-day intervention. Consumer goods business is not that way," said Deven Choksey, managing director of DRChoksey FinServ Pvt. Ltd.

Adani Wilmar's size was too small to provide a meaningful diversification from Adani's infrastructure sector, said Rajesh Palviya, senior vice-president, research (head, technical & derivatives) Axis Securities Ltd.

Adani Wilmar's ₹43,000-crore market capitalization is much lower than other listed Adani companies, most of which are worth above ₹1 trillion.

"Even after exiting Adani Wilmar, the Adani Group will have consumer-facing businesses like airports, Adani Digital and electricity distribution," Choksey said.

The stake sale will also buffer the Adani Group's liquidity position and its ability to service upcoming debt obligations.

Adani Group's net debt to Ebitda across portfolio companies currently stands at about 2.4x.

Retail investors step off options

FROM PAGE 1

NSE held an 87.8% three-month rolling market share in equity options as of November. REUTERS

index options from multiple expiries per week to just one per exchange began last month.

Effective the first week of January, the third measure of increasing Nifty and Sensex contract sizes to ₹15-20 lakh from ₹5-10 lakh will get underway.

"This will probably impact turnover even more as the cost of trading goes up for option sellers," explained Rajesh Palviya, head of derivatives trading at Axis Securities.

In addition to the market correction since September, Palviya attributed "a large part" of the 25% decline in index options turnover in November to Sebi's curbs on margin and single weekly contract.

"I'd estimate 75% of the 25% decline to have come because of the regulatory curbs and the rest to the downturn in markets," he said.

The benchmark Nifty plunged 11.5% from a record high of 26,277.35 on 27 September to a low of 23,263.15 on 21 November following tepid corporate earnings in the September quarter and a rise in US bond yields, which sparked off almost $14 billion in foreign portfolio investor outflows during October-November, according to the National Securities Depository Ltd.

Onitsuka Tiger eyes India manufacturing for faster growth

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NEW DELH

Onitsuka Tiger vice-president Ryoji Shoda said India's market potential for premium footwear and apparel is growing rapidly. HT

Japanese premium footwear brand Onitsuka Tiger, part of Asics Corporation, could consider manufacturing locally in India to accelerate growth, a senior official of the company told *Mint*.

"Establishing a manufacturing base in India is a strategic move that can significantly accelerate Onitsuka Tiger's growth in the region," Ryoji Shoda, the company's vice-president, said in a virtual interview. "India's market potential for premium footwear and apparel is growing rapidly, and setting up local manufacturing will add value."

Demand for athleisure footwear and apparel has shot up after covid ended. More footwear brands are drawing a significant share of their business from the category.

Onitsuka Tiger, which set up shop in India in 2010, currently operates 11 stores in the country where it sells premium footwear and apparel.

"We achieved double-digit growth last year, which can be attributed not to the expansion of new stores, but to the strong performance of our existing stores. This growth has been driven by increased sales from our current locations rather than new store openings," Shoda said.

Additionally, Indian customers visiting Japan are purchasing the brand overseas and continuing to buy in India, he said. "Building on this, we plan to introduce more attractive products to the Indian market next year," he added. It will add two more stores in 2025.

India is a "crucial" market for Onitsuka Tiger, said Shoda. He attributed this to a large consumer base, growing affluence, fashion-conscious youth, and increasing demand for premium goods.

India's footwear market is projected to grow at a CAGR of 4.8% during 2023-2028, with volume crossing 2.2 billion pairs by 2028, per industry estimates. Overall, the footwear market in India was estimated to be worth approximately $17 billion in 2023, driven by increased disposable income and style-conscious consumers, per estimates by broking firm Angel One.

"The country's e-commerce sector is set for continued rapid growth, with online shopping—particularly for premium and luxury products—becoming increasingly popular. This trend offers Onitsuka Tiger an opportunity to expand its reach beyond physical retail stores and tap into a broader consumer base," Shoda said.

He added that local manufacturing will not only enhance supply chain efficiency but also add significant value.

Onitsuka Tiger shoes were the official footwear for the Japanese delegation at the 1968 Mexico City Olympics

Onitsuka Tiger was founded in 1949 by Kihachiro Onitsuka in Kobe, Japan. Onitsuka Tiger shoes were the official footwear for the Japanese delegation at the 1968 Mexico City Olympics.

The brand is worn by celebrities like Hailey Bieber, Uma Thurman and Bella Hadid.

The brand competes with other global brands like Puma and Adidas.

Globally, Onitsuka Tiger clocked 60.3 billion yen (about $382 million) in net sales in 2023, up 15.3% year-on-year, per annual report of parent Asics Corporation.

Advertisement

DR MANMOHAN SINGH

REFORMS WITH A HUMAN FACE

Dr Manmohan Singh 26 September 1932 – 26 December 2024

The Prime Minister walked towards me, his characteristic measured steps exuding grace and purpose. It was 2010 and I had been invited to a book release at Panchvati, the hall attached to 7 RCR (now Lok Kalyan Marg). The occasion was intimate, reflecting the man being honoured — Dr Manmohan Singh, whose humility and intellectual rigour were evident in every aspect of his persona. Having worked extensively on financial inclusion and inclusive growth, I hoped to exchange a few words about his shared passions. But just as he approached, a senior economist and his wife inserted themselves deftly, almost artistically, blocking his path as they walked backwards while pleading their case for a position. Dr Singh, ever polite, smiled and listened patiently, but his time ran out and he was ushered away before we could meet.

That moment stayed with me, not for the disappointment it brought but for how it underscored the humility of a man who never allowed the trappings of power to overshadow his essential decency. I resolved then that the next time I found myself at Panchvati, it would be as Prime Minister's guest for releasing my festschrift in honour of Mr P Chidambaram. On 31 July 2013, that aspiration came true. Dr Singh released the festschrift and hosted the evening, with Gursharan Kaur Ji graciously ensuring every guest was well looked after. The Prime Minister's warmth was evident as he engaged my younger son, Sayan, then 12, in a conversation that made the otherwise introverted child feel at ease. Witnessing this, I understood why so many found in Dr Singh a figure of profound approachability despite the gravity of his office.

The last time I met Dr Singh was during the release of a book authored by Dr Isher Judge Ahluwalia. He was seated among the audience, listening attentively, embodying the humbleness that defined him. At the end of the proceedings, he was surrounded by a throng of admirers. Yet, he noticed me standing at the back. Without hesitation, he walked towards me, his demeanour as warm as ever. We shook hands, exchanging a few words. This time, no one blocked the moment. Life had come full circle and it was a poignant reminder of his grace and accessibility.

Dr Manmohan Singh's humility was matched by his consultative approach to governance. He surrounded himself with an "A-team" of distinguished economists and policymakers, including Dr C Rangarajan, Mr Montek Singh Ahluwalia and Mr Chidambaram. Far from being a gatekeeper's domain, the Prime Minister's Office was accessible to those with constructive ideas. As Mr Ahluwalia once noted, Dr Singh's willingness to take calculated risks—whether in pushing the 1991 reforms or fostering inclusive growth through initiatives like the Direct Benefit Transfer (DBT)—set him apart. Dr Singh famously remarked, "The twin pillars for the success of DBT are the Aadhaar platform and financial inclusion. If either of these pillars is weak, it would endanger the initiative's success." His words reflected a deep commitment to ensuring that economic growth reached every Indian, particularly those at the margins.

Perhaps the most defining feature of Dr Singh's tenure as Prime Minister was his unyielding focus on inclusive growth. "Growth with a human face" was more than a phrase; it was a guiding principle. As Finance Minister in 1991, he steered India through an unprecedented economic crisis with policies that opened up the economy while safeguarding the poor. He often quoted Victor Hugo: "No power on earth can stop an idea whose time has come." For Dr Singh, that idea was the transformation of India into a global economic powerhouse, underpinned by social equity.

"Many thanks for your letter of 2nd July 2016 enclosing a copy of your book entitled *The Untold Story of Indian Reforms 1991-2016*. Your book is an outstanding contribution towards understanding the process of economic reforms. I commend your initiative in this regard."

Dr Manmohan Singh, Member of Parliament, Rajya Sabha, 26th July 2016

> "At that time, reforms were not very much known or popular, but India faced a critical situation, particularly on the balance of payment side. So, all of us had to provide ample support to Manmohan Singh in pushing the reforms."
>
> **Dr C Rangarajan**
> Chairman, EAC to PM Dr Manmohan Singh

> "Macro policy makers have to bear in mind Prime Minister Dr Manmohan Singh's dictum, set out many years ago, that there can be no better anti-poverty programme than the control of inflation."
>
> **Late Mr S S Tarapore**
> Former Deputy Governor, RBI and Distinguished Fellow, SKOCH Development Foundation

This philosophy was evident in his respect for his colleagues and their contributions. At a SKOCH conference marking Dr Rangarajan's 90th birthday, despite being visibly unwell, Dr Singh delivered an eloquent speech, highlighting his friend's pivotal role in shaping the India's economic policies. "Dr Rangarajan was part of the team that shared the dream of an equitable, just and inclusive India," he said. "He sowed the seeds of financial inclusion by integrating self-help groups into the banking system, a reform that empowered millions of women." He added, "Growth and inclusion are two sides of the same coin and Dr Rangarajan acknowledged it well, weaving these together to produce a cohesive pattern of development."

Dr Singh's accessibility and fairness were legendary. Sam Pitroda, a close associate, once recounted how even he was subjected to routine security checks when visiting the Prime Minister's residence, a reflection of Dr Singh's belief in equality before the law. This sense of justice extended to his handling of policies and governance. In an era where "policy paralysis" was often invoked, Dr Singh's calm and consultative style ensured that the machinery of government continued to function effectively. His ability to build consensus across party lines was instrumental in sustaining India's economic reforms.

Late Mr S S Tarapore, reflecting on Dr Singh's philosophy, had quoted him saying, "There can be no better anti-poverty programme than the control of inflation." This succinctly encapsulated his belief that macroeconomic stability was inseparable from social equity. Similarly, Mr Ahluwalia, in discussions on trade policy, noted Dr Singh's boldness in liberalising the economy, emphasising that reforms are not just technical solutions; they require political courage and vision. These reflections underscore his reputation as a leader who valued intellectual rigor and ethical governance.

Dr Singh's tenure also drew admiration for his insistence on institutional integrity. Recently, Mr Chidambaram said, I worked closely with him for many years. I have not met a person more humble and self-effacing than Dr Singh. He wore his scholarship lightly and never claimed credit for any of his historic achievements, he added. Mr Ahluwalia further elaborated, Dr Singh's willingness to relinquish discretionary powers for systemic transparency was a hallmark of his governance style.

Letters from Dr Singh were another testament to his thoughtfulness. In July 2016, I received a letter from him acknowledging my book, *The Untold Story of Indian Reforms*. "Your book is an outstanding contribution towards understanding the process of economic reforms," he wrote. Such gestures were emblematic of a leader who valued ideas and the people behind them.

As I reflect on my encounters with him, I am reminded of the profound grace with which he navigated the complexities of governance. Dr Manmohan Singh was and remains, a statesman par excellence—a man who walked the path of progress with wisdom and a human touch.

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Jimmy Carter, Nobel peace laureate and longest-living US president, dies at 100

In four-plus decades as an ex-president, Carter waged a worldwide campaign against war, disease and the suppression of human rights

Bloomberg
feedback@livemint.com

As US president, Carter brokered a historic and lasting peace accord between Israel and Egypt in a single term marred by soaring inflation, an oil shortage and Iran's holding of American hostages. REUTERS

Jimmy Carter, the former Georgia peanut farmer who as US president brokered a historic and lasting peace accord between Israel and Egypt in a single term marred by soaring inflation, an oil shortage and Iran's holding of American hostages, has died. He was 100.

Carter died on Sunday at his home in Plains, Georgia, surrounded by his family, the Carter Centre said on Sunday in a statement. Public observances are planned in Atlanta and Washington, followed by a private interment in Plains.

The longest-living former US president ever, Carter had opted in early 2023 to spend his remaining time at his home in Plains receiving hospice care. He was there alongside Rosalynn, his wife of 77 years, when she died in November 2023 at age 96. And he lived long enough to fulfill a final wish—to cast a ballot for Kamala Harris in the 2024 presidential election.

A Democrat who rose from running his family's peanut-farming and seed-supply businesses to serving as Georgia governor, Carter won the White House in 1976 over incumbent Gerald Ford by promising to bring honesty to an office tainted two years earlier by the resignation of Richard Nixon in the culmination of the Watergate scandal.

Ascetic, humble and deeply religious, Carter was sceptical of the pomp surrounding the presidency and came to Washington with fewer allies and fixed positions than most who hold the job.

His allegiance to an inner moral compass, his vow to support societies that "share with us an abiding respect for individual human rights" and his tendency to speak his mind collided at times with political realities during his four years in office, from 1977 to 1981, and served as a preview of what was to come in a service-filled post-presidency that lasted decades.

Carter "assembled a new front line on nearly every issue, with no inherited party game plan or ideological playbook to fall back on," Jonathan Alter wrote in a 2020 biography that painted him as often right in his instincts but flawed in executing government responses. The book was among several in recent years that offered a revised and sunnier view of Carter's crisis-plagued tenure.

Carter won the 1976 election by promising to bring honesty to an office tainted two years earlier by Watergate

Though Carter "left the White House a widely unpopular president," his achievements "shine brighter over time, few more than his unique determination to put human rights at the forefront of his foreign policy from the start of his presidency," his chief domestic policy adviser, Stuart Eizenstat, wrote in a 2018 biography of his former boss.

In a statement on Sunday, President Joe Biden eulogized Carter as "an extraordinary leader, statesman and humanitarian" who touched the lives of people around the world with "his compassion and moral clarity." Biden said he'll be ordering a state funeral for Carter in Washington, and he designated 9 January as a national day of mourning.

President-elect Donald Trump, who often brought up Carter's presidency during this year's election campaign to needle Biden, said Carter faced challenges at a pivotal time in US history. He "did everything in his power to improve the lives of all Americans," Trump said on his Truth Social platform. "For that, we all owe him a debt of gratitude."

The signature achievement of the Carter presidency, the Camp David Accords between Israel and Egypt, led to peaceful co-existence between the Middle East neighbours even as it fell short of resolving the conflict between Israel and the Palestinians.

That and other foreign policy breakthroughs, including the establishment of formal ties with China and a treaty granting Panama ownership of the US-built Panama Canal, were overshadowed by the plight of American hostages held in Iran during the last 444 days of his presidency. They were finally released the day Carter turned over the Oval Office to Republican Ronald Reagan.

On the domestic front, the Carter presidency was dogged by economic woes. Inflation reached 13.3% at the end of 1979 compared with 5.2% when he took office in January 1977. The Federal Reserve's actions to stem price increases pushed home-mortgage rates to almost 15%, and Carter had to take emergency action to stem a slide in the dollar. There were energy shortages, and oil prices more than doubled.

A speech to the nation on 15 July 1979 became emblematic of Carter's presidency.

With fuel prices skyrocketing and lines at gas stations lengthening, Carter told Americans that solving the energy mess "can also help us to conquer the crisis of the spirit in our country." He said many Americans "now tend to worship self-indulgence and consumption."

Though Carter never uttered the word, the address became known as the "malaise" speech and contributed to a sense that Carter was powerless to change the nation's course.

"Our memory of the speech comes from those who reworked it, who twisted its words into a blunt instrument that helped them depose a president," historian Kevin Mattson wrote.

Carter's words, he noted, "received immediate applause and yet wound up ensuring his defeat" to Reagan in the 1980 election.

Just weeks after delivering the speech, Carter tapped Paul Volcker, president of the Federal Reserve Bank of New York, to take over as chair of the Federal Reserve, replacing G William Miller, who became treasury secretary. Volcker made it clear to Carter that he would deal head-on with inflation by pursuing tighter monetary policies than Miller. Volcker's policies—which sent interest rates as high as 20%—came at a high price, the fallout contributing to Reagan's landslide victory over Carter in the 1980 election.

Though some of Volcker's policies "were politically costly, they were the right thing to do," Carter commented upon Volcker's death in 2019.

Carter made some of his biggest imprints on the world in the years after he left the White House. He "reinvented the post-presidency," observed Julian Zelizer, a professor of history at Princeton University and a Carter biographer.

In four-plus decades as an ex-president—the longest such tenure in American history—Carter waged a worldwide campaign against war, disease and the suppression of human rights through the Atlanta-based Carter Centre, which he founded with his wife. The centre made particular strides against Guinea worm disease, a parasite spread through contaminated water that can render victims non-functional for months. Worldwide cases dropped to just 14 in 2023 from an estimated 3.5 million in 1986, according to the centre.

Carter was awarded the 2002 Nobel Peace Prize for "decades of untiring effort to find peaceful solutions to international conflicts, to advance democracy and human rights, and to promote economic and social development."

His post-presidential causes were not without backlash. Fourteen advisers to the Carter Centre resigned in protest of his best-selling 2007 book, Palestine: Peace Not Apartheid, which compared Israel to the White governments of South Africa that systematically oppressed Black citizens.

Carter's longevity defied the odds. He revealed in 2015 that he had melanoma, a type of cancer, and that it had spread to his brain. He received treatment, recovered and on 22 March 2019, became the longest-living chief executive in US history. In 2021, Jimmy and Rosalynn Carter celebrated their 75th wedding anniversary.

His Christian faith, he said, made him "absolutely and completely at ease with death."

James Earl Carter Jr was born on 1 October 1924, in Plains, Georgia, the first of four children born to Earl Carter, a farmer, and the former Lillian Gordy, a nurse. He grew up in the nearby hamlet of Archery, where the family owned a peanut farm and a general store. He travelled two miles each day to Plains to attend an all-White school.

Electricity and indoor plumbing didn't reach the Carter farm until 1935.

Carter attended the US Naval Academy in Annapolis, Maryland, from 1943 to his graduation in 1946. He began dating a girl from Plains, Rosalynn Smith, when home on breaks. They married in July 1946 and would have four children—sons Jack, Chip and Jeff, and daughter Amy.

While serving in the Navy for seven years, Carter worked on the development of the nuclear submarine program and rose to the rank of lieutenant. When his father died in 1953, Carter resigned his commission to return to his family's peanut-farming business.

In 1962, he was elected to the Georgia Senate and in 1970 was elected governor, having lost his first bid in 1966. His work to end racial discrimination in the state made him a symbol of the "New South."

At the start of his campaign for the presidency, Carter was not widely known outside of Georgia and was viewed by analysts as a long shot for the Democratic nomination. He began travelling the country before many other candidates had started their campaigns, pitching his outsider status to voters who had endured the revelations of Watergate and Nixon's resignation.

Carter emphasized his religious upbringing—he was a Southern Baptist who often described himself as a "born again" Christian—and promised the American people that he would never lie to them. He won the New Hampshire primary, proving his viability in the North, and defeated Alabama governor George Wallace in Florida to establish himself as the strongest candidate in the South, on the way to clinching the democratic nomination.

With Minnesota democrat Walter Mondale as his running mate, Carter narrowly beat Ford, with 50.1% of the vote, and was sworn into office in January 1977 as the 39th US president. Starting what has become a tradition for new presidents, he stepped out of his limousine during the inauguration parade and walked down Washington's Pennsylvania Avenue to the White House.

Carter's family included colourful characters such as his sister Ruth, a faith healer, and brother Billy, a gas-station operator whose enjoyment of drinking led to the creation of the short-lived Billy Beer brand during his brother's presidency.

The president's mother also grabbed media attention. A nurse who tended to Black and White families in the segregated South, she joined the Peace Corps at age 68 and always had a ready quip for the press.

"When I look at my children," she once cracked, "I say, 'Lillian, you should have stayed a virgin.'"

As president, Carter signed legislation creating the cabinet-level department of education. He appointed women, Black people and Hispanic people to federal posts in large numbers. He stunned the defence contracting industry by killing the Air Force's expensive B-1 bomber project, a step later reversed by Reagan. He signed the law that created the federal Superfund program to clean up hazardous-waste sites.

Carter won praise after his presidency for the steps he had taken toward deregulation, particularly of the airline industry, where the removal of government control of fares and routes promoted competition.

Carter had opted in early 2023 to spend his remaining time at his home in Plains, Georgia, receiving hospice care

One of his longest battles with Congress involved his proposal to scrap 18 dam and irrigation projects, most of them in the West and South. His "hit list" pleased many environmentalists while angering Westerners, including some fellow democrats. Congress restored funding for most of the projects.

From his presidency's earliest days, Carter sought to highlight and utilize energy shortages to raise support for his domestic agenda. The cabinet-level department of energy was created in his administration's first year, and he had solar panels installed on the roof of the White House. In a televised address to the nation two weeks into his term, Carter called for a new emphasis on conservation, mirroring the White House's own push for frugality.

At Camp David, the presidential retreat in Maryland, Carter guided Egyptian president Anwar Sadat and Israeli prime minister Menachem Begin to the 1978 accord that led the next year to the first peace treaty between Israel and an Arab country. The treaty committed Israel to remove its troops and civilian settlements from the Sinai Peninsula and led to billions of dollars in US aid to Israel and Egypt.

The Camp David breakthrough didn't lead to a broader Mideast peace, however, and Carter through the years didn't hide his disappointment. In Palestine: Peace, Not Apartheid, he focused on Israel's occupation of Arab land as the root cause of continued hostilities.

In a 2010 book based on his White House diaries, Carter said the US had "defaulted in carrying out one unchallenged and unique responsibility: mediating a peace agreement between Israel and its neighbours."

In response to the Soviet Union's invasion of Afghanistan in December 1979, Carter imposed a trade embargo and organized the boycott of the 1980 Summer Olympic Games in Moscow. Rosalynn Carter said she tried and failed to persuade her husband to wait until after the Iowa presidential caucuses of 1980 to impose the embargo, which hurt US farmers.

"I am much more political than Jimmy and was more concerned about popularity and winning re-election," Rosalynn wrote in her 1984 memoir, "but I have to say that he had the courage to tackle the important issues, no matter how controversial—or politically damaging—they might be."

The biggest external crisis of his presidency was precipitated by the Islamic Revolution in Iran that overthrew the shah and installed a theocratic government headed by formerly exiled cleric Ayatollah Ruhollah Khomeini.

On 4 November 1979, radical students overran the US Embassy in Tehran and took more than 60 Americans hostage. Fifty two of them were held for the last 444 days of Carter's term.

In April 1980, Carter gave the go-ahead for a military assault on the embassy to rescue the hostages. Of the eight helicopters from the USS Nimitz that headed to a desert staging area, from which the raid on Tehran was to commence, three had problems. The mission was aborted, and during preparations for retreat, a helicopter flew into a C-130 transport plane and exploded. Eight American servicemen died.

Stymied by crisis on the domestic and foreign fronts, Carter lost his bid for re election in a landslide, with Reagan winning 44 states. The hostages were released on 20 January 1981, the day Reagan was sworn into office.

"Over the years, in various classrooms and public forums, I have often been asked if there was one substantive action or decision I made as president that I would have changed," Carter wrote in White House Diary. "Somewhat facetiously, I have answered, 'I would have sent one more helicopter to ensure the success of the hostage rescue effort in April 1980.' But I truly believe that if I had done so, I would have been re-elected."

The Carters returned to Plains after leaving the White House, and Carter taught scripture at the Maranatha Baptist Church as recently as 2020.

In his post-presidency, Carter helped arrange peace talks between North and South Korea and a cease-fire in Bosnia. Through the Carter Centre, he helped monitor elections around the world to help ensure that they were fair.

Syria looks to pick up the pieces of its shattered economy

FROM PAGE 1

country of more than 20 million people are understaffed and short on experience, having governed only a single province before finding themselves in charge.

New government officials from HTS are sharing offices with some low and midlevel staffers from the Assad era, as they learn how to handle large-scale bureaucracy.

Before the civil war, which began in 2011, Syria was a fast-growing, lower-middle-income country with virtually no extreme poverty, according to the World Bank.

Poverty has since crippled much of the country. Roughly 75% of the population is estimated to be living on less than \$3.65 per person a day, according to the World Bank, and 33% on less than \$2.15, which is considered extreme poverty.

Fuel shortages, which have led to frequent blackouts, are a major challenge. Syria was once a net oil exporter—earning \$3 billion to \$5 billion a year, nearly half its export revenue—via sales mainly to Europe. That came apart after 2011, when the Assad regime began a bloody campaign to stay in power following protests against its rule. Sanctions cut into sales, and the regime lost control of many oil fields during the civil war.

Iran, a close partner of the Assad regime, helped fill the gap but halted oil shipments after the rebels took over. Along the border crossing between Syria and Lebanon, dozens of people could be seen smuggling in canisters of gasoline.

Meanwhile, HTS doesn't control Syria's northeast, home to the bulk of the country's oil reserves, which is held by the Kurdish-led Syrian Democratic Forces.

"If we gain control of the country's oil fields, we can gain a level of energy independence, rather than being nearly completely reliant on fuel imports as we are now," said Tareq Asfour, who oversees fuel storage and transport for the state-owned company that manages fuel distribution, now under HTS control.

"There is also much work to do to repair the damage done to our long-neglected oil and gas infrastructure," Asfour said in an interview, as armed men in fatigues shuffled in and out of his office.

HTS leader Ahmad al-Sharaa said talks with Kurdish-led groups controlling the oil fields are under way. Syria's interim oil minister didn't respond to requests for comment.

HTS leader Ahmad al-Sharaa said talks with Kurdish-led groups controlling the oil fields are under way. REUTERS

The civil war and years of international isolation also brought punishing inflation. In the years before the war, roughly 50 Syrian pounds could buy \$1.

In late December, it cost 13,000 Syrian pounds. Many businesses use electronic machines to count the thick stacks of cash consumers use to pay for anything from a meal to clothing.

Foreign currency, which was restricted by the Assad regime, is finally circulating but it is in short supply. "The central bank needs reserves—its foreign reserves are very low right now—not only to pay government salaries and prop up the currency but also to help fund reconstruction," said Randa Slim, a senior fellow at the Middle East Institute, a think tank in Washington.

Foreign currencies are now preferred by some businesses. Freelance currency exchangers roam the streets and get stopped by people asking to take selfies with previously rare U.S. bills.

Hallak, the Damascus business leader, said previously any foreign-currency exchanges, when dealing with international businesses or individuals, had to be conducted through state-controlled entities, which charged fees of around 10%.

"It really drove up costs. Even people abroad who were sending money to try to help their families in Syria had to pay this," he said. "Now that we can freely transact in dollars, we are in a better position."

There are signs of improvement. Several owners of Syrian businesses of various sizes said in interviews that prices have gone down since the fall of the Assad regime, due in part to the elimination of the regime's fees and bribes.

Stores that once hid smuggled foreign goods now display them prominently.

"Take your pick," said Saleh Mustafa, owner of a tobacco shop in Damascus, pointing at a glass shelf stocked with foreign cigarettes. "It is still strange to me that this doesn't get me in trouble."

Businesses and consumers say they are cautiously optimistic about the economic future. Reema Sbiehe, a pharmacist in Damascus, said customers are happy to be able to access foreign medicine brands at cheaper prices since the Assad regime fell.

"There was a reputation that Syrian drugs were not as effective or high quality," she said. "The foreign drugs we would sell were under the table and more expensive. Now, they are more accessible."

The U.S. is weighing various forms of temporary sanctions relief to provide needed aid, a person familiar with the matter said.

Barbara Leaf, U.S. assistant secretary of state for Near Eastern Affairs, met the new government in Damascus in mid-December. She didn't comment on lifting sanctions but said the U.S. has latitude to provide some early assistance to the country's recovery.

The EU has sought assurances from HTS before it lifts sanctions but has also said it would boost humanitarian aid efforts.

Dahi, the economics professor, said the maintenance of sanctions could keep the central government weak and dependent on countries with the ability to finance projects.

"We're likely to see the emergence of dual or multiple 'public sectors,'" he said, describing a scenario in which states that finance large projects bypass the central government for some decision-making within Syria.

"Syria's peace right now is extremely fragile, particularly given the dire economic needs," said Dahi.

NEWS IN NUMBERS

1.1%
INDIA'S PROJECTED current account deficit as a percentage of GDP for FY25, driven by a widening trade deficit and outflow of FPI, according to ICICI Bank.

₹3,760 cr
THE TERM loan that Rosa Power Supply Co., a subsidiary of Anil Ambani-owned Reliance Power, is set to avail from Power Finance Corporation.

233,000
THE NUMBER of people who died in the new and ongoing wars in 2024, half of them in Ukraine, Palestine, and Myanmar, according to ACLED, a non-profit.

150
THE NUMBER of trains cancelled by the Indian Railways due to the ongoing protests by Punjab farmers demanding a legal guarantee for MSP for crops.

1.7mt
THE QUANTITY of corn exported from the US in the week to 19 December, above market expectations, supporting six-month-high prices.

HOWINDIALIVES.COM

New verification facility for NEFT

The Reserve Bank of India (RBI) has asked the National Payments Corporation of India to develop a facility to allow customers using online fund transfer systems, RTGS and NEFT, to verify the name of the bank account to which money is being transferred before initiating the transaction for avoiding mistakes and preventing frauds.

All banks that are direct members or sub-members of Real Time Gross Settlement (RTGS) System and National Electronic Funds Transfer (NEFT) System are advised to offer this facility no later than 1 April, the central bank said in a circular on Monday.

Currently, the Unified Payments Interface and Immediate Payments Service systems enable a remitter to verify the name of the beneficiary before initiating a transfer.

RBI has advised the National Payments Corporation of India to develop the facility and onboard all banks. PTI

The six companies filed their draft IPO papers with Sebi from 10 to 23 September. REUTERS

Ather, 5 others get Sebi's nod for IPO

Securities and Exchange Board of India (Sebi) has cleared proposals of six companies, including Leela Palace parent firm Schloss Bangalore, Ather Energy and Oswal Pumps, to launch their public issues.

The six companies filed their draft IPO papers with Sebi from 10 to 23 September and obtained the regulator's observations on 23-27 December, an update with the markets regulator showed on Monday. The companies are Ivalue Infosolutions Ltd, Ather Energy, Oswal Pumps, Quality Power Electrical Equipments, Fabtech Technologies and Schloss Bangalore Ltd.

In Sebi's parlance, obtaining observations means its go-ahead to float public issues.

The ₹5,000-crore proposed IPO of Schloss Bangalore Ltd, which operates Leela Palaces Hotels & Resorts, is a combination of a fresh issue of equity shares worth ₹3,000 crore and an offer for sale of stocks valued at ₹2,000 crore by promoter Project Ballet Bangalore Holdings (DIFC) Pvt. Ltd.

This could be the country's largest IPO in the hospitality sector. PTI

Senores Pharma has a strong debut

The shares of Senores Pharmaceuticals Ltd on Monday listed with a premium of over 53% against the issue price of ₹391.

The stock made its debut at ₹593.70, rallying 51.8% from the issue price on the BSE.

Later, it jumped 55.8% to ₹609.

At the National Stock Exchange (NSE), Senores Pharmaceuticals listed at ₹600, which was a premium of 53.5%.

The company's market valuation stood at ₹2,657.29 crore.

The ₹582-crore public issue of Senores Pharmaceuticals Ltd received 93.69 times subscription on the final day of bidding on Tuesday amid strong investors' participation.

The initial share sale had a price range of ₹372-391 per share.

Senores Pharmaceuticals' initial public offering had a combination of fresh issuance of shares worth ₹500 crore and an Offer-for-Sale of up to 2.1 million shares valued ₹82.11 crore, by promoters and other selling shareholders, at the upper-end of the price band. PTI

THE NEW YEAR BECKONS

Vehicles stuck in a traffic jam as tourists arrive for new year celebrations, at Manali in Kullu district of Himachal Pradesh Monday. Some areas in the state, including Sissu in Lahaul and Spiti district, recorded fresh snowfall. Cold wave conditions intensified in Gulmarg and Pahalgam in Kashmir where mercury plunged several degrees below the freezing point. Most parts of north-western India were in the grip of a cold wave with upper reaches experiencing fresh snowfall as temperatures fell below zero at several places in the Himalayan region. The cold wintry conditions are likely to continue for another week with a possibility of fresh snow and rain in the region, according to the India Meteorological Department. PTI

Two aeroplane crashes lead to deadliest year in skies since 2018

Passenger fatalities jump to 318 this year

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Commercial aviation has suffered its deadliest year since 2018 after the Jeju Air Co. disaster in South Korea and last week's downing of an Azerbaijan Airlines plane.

Onboard passenger plane fatalities this year jumped to 318 with the two recent crashes, data compiled by Cirium shows. That's by far the highest death toll since more than 500 people died in 2018, a year marked by the first of two Boeing Co. 737 Max crashes.

This year started and ended with tragedies in Japan and South Korea during attempted landings, among the most dangerous phases of flight. Fatal aviation accidents remain very rare, and one major incident can suddenly turn a statistically safe year into one of the worst.

"The recent spike falls into the margins of unpredictability," said Darren Straker, a former head of air accident investigation units in the United Arab Emirates and Hong Kong. He suggested airline crews could be better trained to respond to so-called outlier events.

Investigators have yet to determine why a Jeju Air Boeing 737-800—a predecessor to the Max—careered down the runway at Muan International Airport early Sunday with no landing gear deployed and smashed into a concrete wall. All but two of the 181 people on board died as the wrecked jet exploded into a ball of fire.

After another Jeju plane experienced a landing-gear issue, Korean authorities on Monday ordered maintenance record checks of 101 other 737-800s in operation among local airlines. Boeing shares fell in early US trading. Jeju Air's first fatal crash also marked the worst civil air accident ever in South Korea.

The wider inspections came as investigators started to analyse the cockpit voice recorder and the damaged flight data device, which hold crucial clues into the movements of the jet and the actions and state of the pilots.

In January, a huge Japan Airlines Co. jet collided with a coastguard plane at Tokyo's Haneda Airport. Everyone aboard the commercial jetliner survived, but five people on the smaller aircraft were killed. The year was also marred by a fatal case of severe turbulence in May on a Singapore Airlines Ltd jet flying over Myanmar.

> Year started and ended with tragedies in Japan and South Korea during attempted landings

In July, Nepal's Saurya Airlines crashed after taking off from Kathmandu, killing 18. And in August dramatic footage of a plane operated by Brazilian airline VoePass captured the turboprop freefalling from the sky after encountering icy weather conditions. That accident killed 62.

Global conflicts may also have contributed to this year's aviation fatalities.

BII to invest ₹650 cr in final tranche in M&M's EV arm

Automaker Mahindra & Mahindra Ltd (M&M) on Monday said British International Investment Plc (BII) will make a final tranche investment of ₹650 crore, as against earlier planned investment of ₹725 crore, in its electric vehicles (EV) arm.

In May, the company had intimated that it and BII have mutually agreed to extend the timeframe for the final tranche of BII's planned investment of ₹725 crore in Mahindra Electric Automobile Ltd (MEAL) and would jointly assess whether additional investment is required by 31 December, M&M said. PTI

Super Plastronics targets 1 million TV sales in 2025

Super Plastronics Pvt Ltd, a TV and home appliances manufacturing company with licenses of several global brands for the Indian market, targets to cross the mark of one million units of TV sales in 2025, helped by capacity enhancement, expansion of portfolio and increasing presence in offline channels, said director Avneet Singh Marwah.

The Noida-based company plans to add licensing rights for two more global brands in the Indian market. PTI

Ikea's FY24 loss widens to ₹1,299 cr

Ikea India, a leading furniture and home furnishing retailer, reported widening of losses to ₹1,299.4 crore in FY24, according to an RoC filing by the company.

Its revenue from operations was at ₹1,809.8 crore, up 4.5% in the financial year that ended on 31 March 2024, according to financial data accessed through business intelligence platform Tofler.

Total income of Ikea India Pvt. Ltd was also up 5.12% to ₹1,852.7 crore in FY24.

Ikea India reported a loss of ₹1,133 crore and its revenue from operations was at ₹1,731.6 crore a year earlier. The increase in loss is largely due to investments towards expansion towards omnichannel growth, according to the company.

"Our losses largely reflect the investment we are making towards our omnichannel growth," said an Ikea spokesperson. PTI

The rupee fell due to a decline in the offshore Chinese yuan and broad-based dollar bids. AFP

Rupee slips to record closing low

The rupee slipped to its weakest closing level on record on Monday, pressured by a decline in the offshore Chinese yuan and broad-based dollar bids amid a prevailing bearish bias on the local currency.

The rupee ended at 85.5350 against the US dollar, down marginally from its close of 85.5325 in the previous session.

While the local unit touched a peak of 85.44 during the session, it surrendered its gains in the latter half of the day in the face of broad-based dollar bids from banks and as its regional peers declined, traders said.

On the day, Asian currencies were mostly lower while the dollar index gained 0.1% to 108.1.

The dollar-rupee pair is "is expected to remain in a range of 85.30-85.60 with dips to be bought," Anil Bhansali, head of treasury at Finrex Treasury Advisors, said. REUTERS

Rajat Verma to take over as DBS Bank India CEO

Singapore-based DBS Bank has appointed Rajat Verma as the chief executive officer of DBS Bank India with effect from 1 March, the bank said in a release.

Verma, currently the head of Institutional Banking Group (IBG) at DBS Bank India, will succeed Surojit Shome who will retire on 28 February. In this new role, Verma will also be a part of DBS' group management committee.

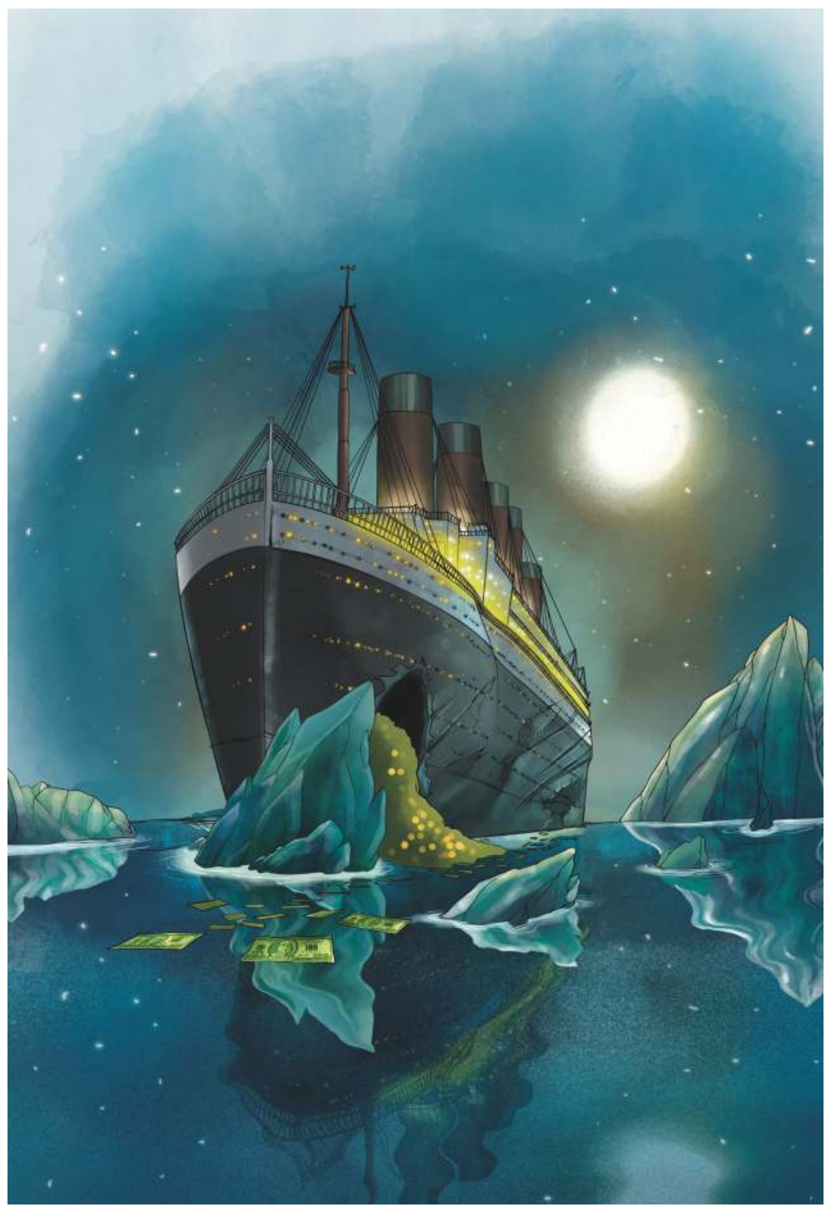
Verma has a 27-year track record across consumer and corporate banking including transactional banking, financial institutions, sustainable finance, micro and SME banking, as well as branch banking.

He joined DBS in June 2023, and has since significantly grown the business across all client segments through deepening existing corporate relationships, accelerating the acquisition of new customers, release said. ANSHIKA KAYASTHA

Rajat Verma will succeed Surojit Shome as CEO. REUTERS

15 AWESOME STORIES YOU SHOULDN'T MISS

In 2024, we published over 200 Long Stories. Here's our recommended year-end list



Mint illustrations (from left): Simplilearn's founder Krishna Kumar; the holding image for the Long Story on General Atlantic; and Deepinder Goyal, chief executive officer of Zomato.

RAJESH KUMAR/TARUN KUMAR SAHU/MINT

Goutam Das
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NEW DELHI

Earlier this year, Varun Sood, *Mint's* writer in Bengaluru, reviewed over 3,000 filings from the last 17 years to piece together a narrative on Quant Mutual Fund. Alisha Sachdev, who covers auto, took a fancy to *makhanas*. She landed up at a dimly lit hut in north Bihar's Purnia district at 3 AM, just to understand how makhana seeds are popped. And Sayantan Bera, our ace agri reporter, braved north India's heat wave in June to arrive at a farm in Amroha, Uttar Pradesh, to report on India's mango exports. Just a few examples that underline what it takes to produce a great Long Story.

Last year, I heard someone comparing Long Stories to a gourmet meal, eaten at a fine dining restaurant. The dishes here take time to cook, with attractive plating and a taste that stays with you for a long time. It's hard to disagree with the assessment.

We report, write and publish over 200 such stories every year, blending research, domain expertise, facts and data with great narrative. This is a curation of 15 such stories, a collection that cuts across trade and investment to films and beer.

They are, in short, unmissable.

WHY SENIOR MANAGERS WALK ON EGGSHELLS AROUND GEN Z AT THE WORKPLACE

Would you miss an official meeting because you had to walk your dog? Well, this happens. Managers across the board, across sectors, and across the world have been grappling with how GenZers think. With their basic needs taken care of, this generation of workers is perceived to have a sense of entitlement when it comes to adhering to policies, processes and standards. Devina Sengupta's excellent narrative on new-age attitudes towards work will keep you engaged till the very end of the story.

STRUCK BY BYJU'S, GENERAL ATLANTIC'S INDIA SHIP IS IN DISTRESS. WILL IT SURVIVE?

Around December 2023, our venture capital and startup sector writers, Ranjani Raghavan and Sneha Shah, picked up a buzz in the market about how contagious Byju's had become for its backers—many venture firms had to write down their investments. The reportage on General Atlantic, which invested nearly $400 million in the edtech firm, took a few months. Where did the PE firm go wrong? An inside story packed with data and great perspective.

THE CURIOUS CASE OF UAE-BASED FUNDS IN INDIA'S SMALL-CAP BUBBLE

Earlier in 2024, Madhabi Puri Buch, chairperson of the Securities and Exchange Board of India, warned about a potential bubble forming in small-cap stocks. She pinned this on the role of some investors and the decisions some companies took. Varun Sood, *Mint's* ace investigative reporter, took the hint and, with the help of two lawyers, scanned hundreds of registration documents of five firms headquartered in the Dubai Multi Commodities Centre, the UAE's free trade zone. The analysis unearthed obscure offshore funds that may have played a role in running up the share price of certain companies. And several of these funds had links with a certain Dubai-based '*hawala* operator'.

URBAN SLOWDOWN: WHAT HAPPENED TO THE GREAT INDIAN MIDDLE CLASS?

In the second quarter of FY25, key urban-focused consumption companies reported weak performance. Demand had slowed due to persistent high food inflation, coupled with elevated interest rates and shifting consumer behaviour. But for investors, there were pockets of opportunity to make money, reported Abhishek Mukherjee. His analysis carried a caveat: "Ferreting out an investing opportunity in the midst of a cost-of-living crisis facing millions might not be the most redeeming feature of modern capitalism, but as most middle-class Indians know too well, morality is currently not an inflation-beating asset."

QUANT MUTUAL FUND: THE UNTOLD STORY BEHIND SANDEEP TANDON'S RISE

This story shines a light on Sandeep Tandon's path to entrepreneurial success—he turned Quant MF into an asset management company that matters. But his path to get there was full of twists and turns. Beyond a handful of people in the mutual fund industry, few know of this winding trail, for it has lain obscured within the dense foliage of corporate filings. Varun Sood stitched up a compelling narrative of this trail as well as Tandon's working style. Is he a lone wolf?

MANGO: KING IN INDIA, NO KINGDOM ABROAD

Mangoes evoke a range of emotions—from pride in one's regional cultivars (the scientific term for variety) to envy and heartburn. During India's annual mango season, plump yellow Banaganapalles from Andhra Pradesh square off with firm green Malgovas from Tamil Nadu. Nonetheless, India cuts a sorry figure when it comes to exports. Less than 0.5% of its annual production of 20-22 million tonnes is exported. Sayantan Bera, our agri and climate writer, travelled to Amroha in Uttar Pradesh, renowned for Dasheri and Langda cultivars, to find out the reasons behind this underperformance.

HOW INDIA TURNED INTO A TRADING NATION

In 2023-24, 9.25 million unique individuals and proprietorship firms traded in the index derivatives segment of the NSE. And cumulatively, they incurred a trading loss of ₹51,689 crore. Approximately 85 out of 100 lost money. Trading in stocks isn't safe either—on average, 71 out of 100 intraday traders in stocks lose money. But many investors feel their luck will soon change. Why is that? Master storyteller Vivek Kaul answers through the lens of a fictional couple, Mairaa and Vivaan.

MADE IN BIHAR: HOW SUPERFOOD MAKHANA WORKS ITS MAGIC

The supermarkets are now stocked with *makhanas*, the gluten-free, protein-rich and low-fat snack. The business is worth millions. But the *makhana* is a product of intense manual labour, demanding precision, endurance, and skill. A hundred thousand mallah families from the Madhubani and Darbhanga districts in Bihar are the only ones engaged in this work, even though the crop is cultivated widely across Asia. Alisha Sachdev travelled to Purnia in Bihar to bring you this delightful story.

FRYING PAN, WETLAND, GAS CHAMBER: IS IT TIME FOR YOU TO LEAVE DELHI?

Delhi, India's capital city, is unbearably hot in the first half of any year. The second half can usher in excess rains and floods. After the frying pan and the flood, comes the gas chamber. By the end of October, north India's infamous winter smog sets in, turning the air unbreathable. In short, people in Delhi only get about 60 days of good weather. This is testing the limits of human endurance, writes Sayantan Bera. He also serves a warning: What has happened so far may only be a trailer of what is to come.

DEEP IN DEBT, HIMACHAL PRADESH IS A CASE STUDY IN HOW NOT TO RUN A STATE

On 25 January 1971, Indira Gandhi, India's former Prime Minister, announced Himachal Pradesh as the nation's 18th state from Shimla's The Ridge. Granting statehood, however, wasn't sound economics—the mountain state has gone downhill since the 1990s. The state's financial position today is such that it is struggling to manage its day-to-day operations. Salaries have been delayed; most contractual payments have been held up; its expenses far outstrip revenue. N. Madhavan, our macro and policy writer, travelled to Shimla to understand how populism has seeped deep inside people's psyche. Unpopular decisions such as raising taxes, cutting expenses or even seeking private investment can invariably result in the government being voted out of power.

HARD LESSON: THE DARK REALITY OF SIMPLILEARN'S JOB GUARANTEE PLAN

Edtech firm Simplilearn, backed by Blackstone, ran a job guarantee programme between late 2021 and mid-2023. It guaranteed job placements after learners completed certain online courses. Over the course of many months, the company enrolled 900 learners. Samiksha Goel, our startup writer, investigated what happened next. A now familiar story from the edtech landscape unravelled—one of aggressive business projections and mis- selling. In one audio recording that *Mint* accessed, a sales executive from the company is heard convincing a learner: "If you go with the job guarantee programme, there is no risk involved. In case you don't get a job, you are eligible for 100% refund."

NOT JUST A COLD PLAY: HOW ZOMATO CAN MAKE DISTRICT A BLOCKBUSTER

In 2024, we published three long stories on Zomato, including one on Blinkit. The reason? Among the cohort of consumer internet companies that hit the bourses around 2021, Zomato clearly stands out. "The company stayed maniacally focused on the evolving customer preferences by making timely strategic choices in terms of new offerings, capabilities, and markets. And above all, keeping a hawk-eye on the execution without being distracted," wrote T.N. Hari in a Long Story headlined *Profits delivered: What Zomato's sizzling results teach investors, VCs*. The company has metamorphosed from food delivery to quick commerce and is now taking baby steps in an events business, District. Can this business, dominated by BookMyShow, give Zomato's investors outsized returns? Soumya Gupta tried to answer in this compelling narrative.

Liked this story? Share it by scanning the QR code.

NETFLIX NEEDS ANOTHER MID-STREAM CHANGE IN INDIA. HERE'S WHY

Many people in India have taken to Netflix shows over the last couple of years, and that has helped the streaming platform add subscribers in India's cluttered over-the-top (OTT) market. The growth has been a shot in the arm for Netflix, which had for long been floundering in the country like a rudderless ship, having drawn flak for its niche, upmarket and often confused strategy. Yet, its original content hasn't been able to match the quality of its rivals' shows. Lata Jha spoke to industry insiders such as film producers to piece together this story.

HOW PIROJSHA GODREJ CHANGED INDIA'S REAL ESTATE BUSINESS

Before the covid-19 pandemic, India's real estate business was in a slump. Many developers defaulted and quit the market. Larger developers, meanwhile, gained share. Godrej Properties, whose shares jumped multiple times in the last five years, was among them. In 2023-24, the developer clocked ₹22,527 crore in sales bookings, an 84% jump from the previous year. In the process, it became the largest listed developer in terms of sales. Madhurima Nandy, our real-estate writer, narrates the inside story of the company's rise—and how a young Pirojsha changed the company's fortunes.

IN PUBS AND HOMES, BIRA'S CRAFT BEERS WERE THE TOAST OF ONE AND ALL. THEN THIS HAPPENED...

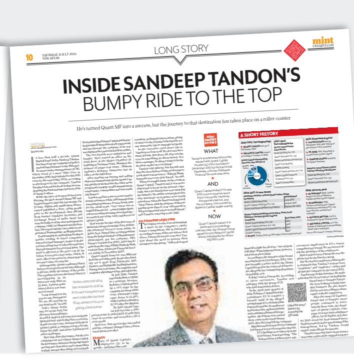
Bira revolutionized India's craft beer scene. Today, the company experiments just too much. Under the Bira 91 brand, it sells beer, cider ale and seltzers. It once sold hot sauce. Apart from Bira Taproom, its bar business also includes The Beer Cafe. Did it stretch itself too thin? The company is tight on funds. When Varuni Khosla and Sumant Banerji reported on the story mid-year, complaints from vendors were doing the rounds—Bira's payments were increasingly getting erratic. The shortage of funds was taking a toll on the availability of its beers, distributors told the writers. Its premium wheat beer, particularly, was in short supply in the national capital region. This engrossing narrative explored what founder Ankur Jain was thinking.

Happy reading!

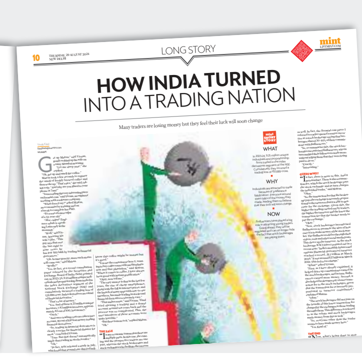
A PEEK INTO 2024

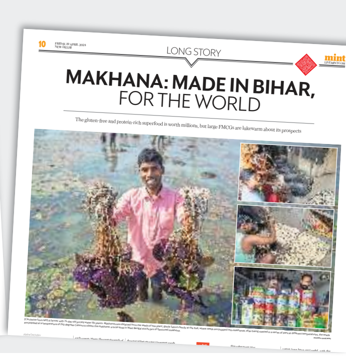

LONG STORY
WHY GEN Z WORKERS ARE A HANDFUL FOR MANAGERS


LONG STORY
WHAT HAPPENED TO THE GREAT INDIAN MIDDLE CLASS?


LONG STORY
INSIDE SANDEEP TANDON'S BUMPY RIDE TO THE TOP


LONG STORY
MANGO: KING IN INDIA, NO KINGDOM ABROAD


LONG STORY
HOW INDIA TURNED INTO A TRADING NATION


LONG STORY
MAKHANA: MADE IN BIHAR, FOR THE WORLD


LONG STORY
DEXIT: IS IT TIME FOR YOU TO LEAVE DELHI?

Should you be hiring a consultant to manage credit card rewards?

From points to travel perks, why credit card consultancies are becoming a must, especially for high-spenders

Shipra Singh
shipra.singh@livemint.com
NEW DELHI

What's the role of a financial advisor? They assess your finances, understand your future goals and make a plan to help you achieve those goals by investing in the right assets. In a parallel universe of financial products, a set of advisors are doing the same for credit cards.

When used correctly, credit cards can earn you anywhere from 3-30% return on your spending. So, there is enough value in the right advisory, says Rohan Varshnei, co-founder of The Points Code, a credit card rewards consultancy platform.

"I used to help out friends and family with optimising rewards on credit cards and planning their travels. It got me thinking, there is enough demand, so why not provide the service to those who need it in exchange for a fee," said Varshnei, who started The Points Code with two other partners, Tejas Ghongadi and Jitu Hemlani, in early 2023.

Like Varshnei, credit card enthusiasts who have developed expertise in rewards, air miles and hotel loyalty points have turned into full-time consultants to help people maximize the value of credit card spends.

Ajay Awtaney, founder and editor of LiveFromALounge.com, one of the early movers in the credit cards space, regularly conducts masterclasses on credit cards that last six to seven hours. "These are for people who know nothing about the world of credit cards and loyalty programmes. These classes address how the cards are linked to the different programmes and used efficiently for travel," he said.

Different types of advice

Credit card advisory is mainly available in two forms: one-time consultations for specific queries and annual enrollment for holistic advisory. In the first model, customers can expect a one- to two-hour-long video consultation or a detailed email interaction that costs ₹2,000-8,000, depending on the range of topics covered. Siddharth Raman, founder of CardExpert, offers a beginner consultation service for ₹2,999.

"Some cardholders have specific queries as per their spending patterns. For example, someone has high foreign currency spending or high insurance spending. Or say, someone is about to purchase a car using credit cards. They want quick information on the cards that can maximize rewards on these specific expenses," he said. "People can email me up to three queries, and I send back one detailed response and one follow-up email if needed."

Other specific cases on which people can get advice include detailed enquiries on select cards, information on ongoing key offers and credit card portfolio rejigging, among other things. Such expert advice can especially come in handy when a cardholder gets in a conflict with the bank and wants to know the right way to take up the matter with the bank or the banking ombudsman.

Awtaney said he got the most requests for one-time sessions in 2023 when the Axis Magnus card was transitioning into its current form. "People wanted to know what they should do with the accumulated points, whether they should continue using it or not, and which card would replace Magnus, etc. The ad-hoc sessions are useful for people keen on getting timely information on the cards they already use," he said.

"A lot of times, I'm simply approached by cardholders with 10 or more cards wanting advice on how they can declutter." Awtaney charges ₹5,000 for an hour-long teleconsultation.

However, advise on how to build a credit card portfolio from scratch and how to redeem the accumulated reward points cost higher. For instance, The Points Code provides a one-time consultation on building a credit card portfolio and introduction to hotel and airline programmes to beginners for a ₹7,999 fee. "We analyse the spends and credit cards already being used, if any. Based on this, we list cards they can get for maximum rewards. Also, we break down how they can maximise the different cards on day-to-day spends," Varshnei explained.

Like wealth advisory, not everyone needs paid consulting for credit cards just because it is available

While the customer is given a list of cards, they have to apply themselves. The KYC norms don't allow a third party to apply on the primary applicant's behalf. However, they can reach out to Varshnei and his team if they face a glitch. "A lot of times, we also connect our clients to our network of relationship managers who can escalate the application process," he said.

One-time redemption services cost ₹6,999 on The Points Code. Both Awtaney and Raman provide redemption services as part of their annual package.

End-to-end services for HNIs

Under the holistic advisory model, credit cardholders are enrolled annually, and the expert consultant manages the card portfolio entirely. This is akin to wealth management but for credit cards.

From creating a portfolio of cards best suited to spending patterns to planning efficient point redemption, the advisor is fully in charge of extracting the best value for the customers enrolled. In between, the card portfolio is reviewed regularly, timely intervention is given when a bank devalues a card, and regular updates on ongoing offers are provided.

"When someone enrols for a year, I work with them in perpetuity to guide them on which cards they should focus on a day-to-day basis and keep course correcting on an ongoing basis. A big part of the job is also to ensure that they don't break bank's terms in a bid to maximize rewards as it can have severe consequences," said Awtaney.

This model is meant for those looking for travel-focused rewards on their spends. The card consultants are often well-travelled themselves and are able to give the right advice based on their own experiences.

Varshnei said they assist their customers in planning and booking annual vacations or business trips using rewards.

Currently, these kinds of end-to-end services are typically available only for high-net-worth individuals (HNIs) and ultra HNIs due to the premium fee structure.

For instance, Varshnei charges 1% of the total annual spends done with credit cards, capped at ₹1 lakh annually. Awtaney said he doesn't have a fixed fee structure and the amount is agreed upon on a case to case basis but he refused to reveal the amount.

Raman charges ₹19,999 for the annual consultation services, catering exclusively to clients with annual spends exceeding ₹50 lakh. "Significant returns are achievable only at high spend levels. At this threshold, cardholders not only recover the fee but also earn 20 times its value easily," Raman said, explaining the reason for having a minimum spend requirement for the annual plan.

"When someone with moderate spends of ₹15-20 lakh reaches out, I prefer to give them a one-time consultation on a case-to-case basis."

When it is not required

Like wealth advisory, not everyone may need paid consulting for credit cards just because it is available.

First, people who use credit cards for cashback may not need advice at all, as the reward system on these cards is quite straightforward.

Even high-spenders who are enthusiastic to carry out their own research to pick a card and hunt good redemptions by staying up-to-date should take the DIY approach.

"What we do is not rocket science. If someone dedicates four to five hours every day reading on credit cards, they can have the same information that we have. But, most people don't have that kind of time, and that's where we can help. This is the reason we target HNIs and UHNIs," said Varshnei.

For those looking at economical options, there are two mobile applications called SaveSage and Cherry Pick that can be used to track rewards and maximize them in an automated way. However, both these apps are in their nascent stage and have limited features.

SaveSage, launched two months ago, lets users track their spends, see all the features of the cards they own and gives redemption options on the rewards accumulated. While these three features are available for free, advanced features like recommendations on which cards to get and where to transfer rewards for maximum value are available under certain packages. The app also offers one-on-one consultation to credit card experts.

"We offer two main annual packages–the first costs ₹999, which unlocks additional features and tools, consultations, and the second comes for ₹4,999 fee, which gives full access to the app and also unlimited consultation," said Ashish Lath, founder and chief executive of SaveSage.

Liked this story? Please share it by scanning the QR code.

Meet the credit card consultants

AJAY AWTANEY, Gurugram

Founder and editor, livefromalounge.com

Masterclass: 6-7 hour session for beginners
₹7,500-10,000

One-time consultation: Specific questions on card features; queries on spending categories
₹5,000

Advisory (annual package)
Not disclosed

"A big part of the job is to ensure cardholders don't violate bank's terms to maximise rewards as it can have severe consequences.

SIDDHARTH RAMAN, Salem

Founder, CardExpert

One-time consultation: For annual spends below ₹15 lakh
₹2,999

Advisory (annual package): For annual spends of over ₹50 lakh
₹19,999

"I provide holistic advisory to those with annual spends over **₹50 lakh** as good returns are achievable only on high spends. At this threshold, not only can one recover the fee but also earn 20 times its value"

ROHAN VARSHNEI, Bengaluru

Co-founder, The Points Code

One-time consultation: To build a credit card portfolio
₹7,999

Redemption service
₹6,999

Advisory (annual package)
1% of annual spends on credit card, capped at ₹1 lakh

"The right advisory holds enough value, as credit cards can offer returns ranging from 3% to 30% on spends.

Consultation highlights

- Get advice on the right cards that suits your spending habits
- Optimize rewards and redemption strategies
- Ideal for annual spends of over **₹50 lakh** as the fees are high
- Guidance on resolving disputes with banks or card issuer, or handling card devaluations
- DIY approach best for low spenders or cashback-focused users

Don't expect

- To find ways of manufacturing spending to max out rewards
- Schemes to earn higher returns

Why expert advice matters

Mr. A's Profile: Salaried CEO with annual spends of **₹50 lakh**
Works with a credit card consultant

Cards suggested:
- HDFC Infinia/Diners Club Black
- Axis Atlas
- Amex Premium Travel

Spending category	Expenses	Return on spending*	Total savings^
Utiltities, fuel, grocery	₹15 lakh	3-5%	₹75,000
Shopping	₹10 lakh	10-30%	₹3 lakh
Education fee, healthcare expenses	₹5 lakh	3-30%	₹1.5 lakh
Travel and forex	₹15 lakh	30%	₹4.5 lakh
Insurance and statutory payments	₹5 lakh	3-6%	₹30,000
			₹10.05 lakh

*The range reflects the return based on where the rewards are redeemed
^Assuming the consultant maximizes the value
Mr A is a hypothetical case and returns shown are indicative. Reward rate can vary on a case-to-case basis

Source: The Points Code, Mint research

POWER POINT
RADHIKA GUPTA

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

2024: THE YEAR OF RIDDLES FOR BOTH MARKETS AND LIFE

Interesting election results in three major world powers. Continued economic uncertainty in another one. And, continued geopolitical tensions in yet another. To cut rates or not, the constant question. The threat and opportunities posed by the two letters, AI. In all this, 13%-plus returns on the NIFTY 100 and 24%-plus on the mid-cap index. Sitting at the beginning of 2024, this was perhaps not the obvious outcome, and a reminder of the lines from *Anand: "Zindagi kaisi hai paheli haye. Kabhi yeh hasaye, kabhi yeh rulaye."*

For all we attempt to predict, economic events remain unpredictable, and the market reaction to event outcomes even more unpredictable (remember 4 June!), and traditional relationships between macro variables and markets don't always hold true. In case you thought markets were the only ones delivering *pahelis*, spare a thought for the movies: The highest-grossing Hindi film was a so-called small-budget horror comedy sequel, *Stree 2,* and the highest-grossing Hindi film in aggregate was a dubbed version pf a Southern film, *Pupsha 2*.

Here is 2024 personal finance, with a touch of help from film quotes: In *Zindagi Na Milegi Dobara*, Abhay Deol encourages a hesitant Hrithik Roshan to take a leap of faith and jump out of a plane during their skydiving adventure. *"Jab tak tum dare nahi, tum jeete nahi."*

Indian investors are truly overcoming their fear of equities as mutual funds and dematerialized (demat) accounts soared, and traditional fixed return investments lagged in 2024. Mutual funds, as a percentage of bank deposits, are nearly 30%. Risk-taking appetite and equity market confidence are rising. The average Indian is more aspirational, more aware, and thanks to digital mediums, has more access.

Forecasting Nifty returns and box-office results is futile, enjoy the show as it unfolds

The *Fight Club* may be as old as 1999, but Edward Norton's conversation with Brad Pitt about the impact of materialism has aged well. Do you remember: *"The things you own end up owning you?"* Once a symbol of convenience and financial freedom, easy access has taken credit cards to a tipping point, with both outstandings and defaults rising. Young Indians, pushed by a culture to live, eat and dress like their role models on social media, risk being stuck in a credit card trap that has got everyone, including the Reserve Bank of India, rightly watching.

Speaking of lures, nothing lures like an exotic fund. In *The Devil Wears Prada*, the iconic Miranda Priestly (Meryl Streep) reminds a young intern, *"You sold your soul to the devil when you put on your first pair of Jimmy Choos."* This year, investors were searching for the Pradas and Jimmy Choos and Guccis in the boring *dal-chawal* world of funds. Exotic themes such as defence and electric vehicles became mainstream, with sectoral funds as a category growing larger than a core giant like flexicap.

"Sona kabhi purana nahi hota." Indeed. Ram told Leela this in *Goliyon ki Ras Leela: Ram Leela* in the context of love, and an old 90s favourite song, *"Sona kitna sona hai"* made a popular comeback in this year's heist film *Crew*. Investors returned to gold, which, at 21% returns, beat the Nifty and S&P500. Interestingly, while an old favourite got investor love, the once futuristic store of value, cryptocurrency, had a hard year with regulatory uncertainty and challenges with multiple crypto exchanges.

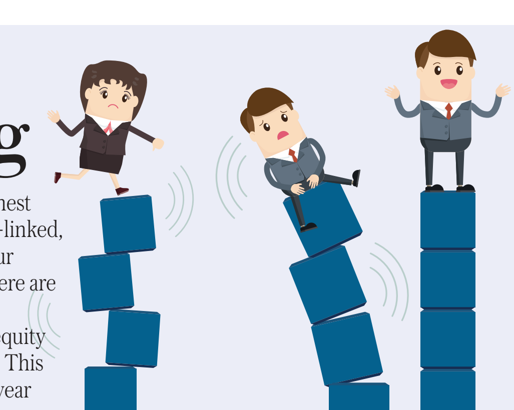
One of the best tweets I read this year said: *"I met a wise fund manager who said: Just stay invested, markets are going up every day. At the same event, I met another wise fund manager who said: Just sit in cash, markets are too expensive."* The conundrum has been real. For all the enthusiasm, there have been warnings, exit calls on mid- and small-caps, cash calls in funds. And yet, stocks at 50 PE became 100 PE six months later. Balancing sanity while delivering returns in an environment of flush liquidity has made fund management harder and harder. As the lines in *Rangeela go: "Kya karein, kya na karen, yeh kaisi mushkil hai"*.

My advice for 2025: Don't forecast. Be bi-focal: Know the potential of long-term returns in this decade in India, and accept the reality of the short-term drama. Portfolios should remain like a good *thali*—multi-asset in nature, with good simple products that are liquid, in quantities that your risk appetite can digest.

Forecasting both Nifty returns and box-office outcomes in the short term is futile, so enjoy the show as it unfolds. Happy New Year and happy investing.

Radhika Gupta is managing director and chief executive at Edelweiss Asset Management Ltd

Check how your NPS investments are faring



There are very few retirement products that help you accumulate a retirement nest egg and one such product is the National Pension System (NPS). It is a market-linked, defined-contribution product that needs you to invest regularly in the funds of your choice. The returns are based on the performance of the fund that you choose. There are eleven pension fund managers to choose from and one of the ways to do that is by tracking the returns. Here is a breakdown of the performance of different funds—equity fund, government bond fund and corporate bond fund—of the private sector NPS. This NPS table show returns for pension fund managers who have completed at least 1 year

Returns (in %); Tier-1 account

Fund Manager	Equity fund 1 year	Equity fund 3 years	Equity fund 5 years	Government bond fund 1 year	Government bond fund 3 years	Government bond fund 5 years	Corporate debt fund 1 year	Corporate debt fund 3 years	Corporate debt fund 5 years
Aditya Birla Sun Life Pension	16.92	15.67	16.05	10.34	7.14	7.57	9.51	6.55	7.62
Axis Pension Fund	18.05	NA	NA	10.20	NA	NA	9.27	NA	NA
HDFC Pension	17.70	15.77	16.71	10.55	6.91	7.57	9.79	6.71	7.81
ICICI Pru. Pension Fund	19.83	17.30	17.44	10.35	6.87	7.41	9.48	6.51	7.37
Kotak Mahindra Pension	17.85	17.03	17.14	10.01	6.85	7.42	9.25	6.33	7.04
LIC Pension Fund	15.68	15.82	16.35	10.58	7.00	7.57	9.03	6.19	7.42
Max Life Pension Fund	17.79	NA	NA	10.21	NA	NA	9.19	NA	NA
SBI Pension Funds	15.05	15.02	15.61	10.48	6.91	7.43	9.51	6.44	7.43
Tata Pension Management	18.22	NA	NA	10.24	NA	NA	9.75	NA	NA
UTI Retirement Solutions	23.18	18.03	17.60	10.53	7.05	7.34	9.33	6.31	7.44
Benchmark index	Nifty 200 Total Return 18.25	16.47	17.29	CCIL All Sovereign Bond-TRI 10.87	7.05	7.08	CCIL Bond Broad-TRI 8.74	6.40	8.23

mint
Returns as on 20 December 2024; 1-year returns are absolute returns

SATISH KUMAR/MINT

Source: Npstrust.org.in

Should NRIs deduct TDS on property sale?

Harshal Bhuta

ISTOCK

I bought a house at a price higher than stamp value. The builder said as an NRI, I don't need to deduct and pay TDS. Is this correct?
—Name withheld on request

Under India's income tax laws, any individual buying an immovable property (excluding agricultural land) from a resident seller must deduct TDS at 1% of the total consideration if the purchase price or stamp duty value is ₹50 lakh or more. The TDS is calculated on the higher of two values, not just the amount exceeding ₹50 lakh. This applies equally to both resident and non-resident buyers.

Therefore, as an NRI, you are required to deduct TDS if the transaction meets the criteria. The deducted TDS must be remitted to the government by filing Form 26QB within 30 days from end of the month in which the tax was deducted. Buyers are not required to obtain a TAN (Tax Deduction and Collection Account Number) for depositing the TDS in such transactions.

ASK MINT
NRI TAXATION

We returned to India in 2022 after living abroad for 15 years. Since my wife is a second holder on my foreign account, does she need to disclose these assets in her tax return, even though I've paid tax on the income?
—Name withheld on request

All individuals categorized as resident and ordinarily resident (ROR) in India must disclose all foreign assets under Schedule FA and report foreign income under Schedule FSI. They may claim foreign tax credit, if applicable, by completing Schedule TR.

The disclosure requirement in Schedule FA applies to both the beneficial and legal owner. A beneficial owner is someone who provided funds for buying the asset for their benefit or another's. If an individual is the legal and beneficial owner, they should mark legal ownership in the relevant column.

Since your wife is a joint holder, she qualifies as a legal owner and must disclose the foreign account in her ITR. But, since you've reported the values under Schedule FA – Table A1, she may enter 'zero' amounts to avoid duplication.

Under Common Reporting Standard (CRS), joint holders are treated as account holders for giving information with the account balance attributed to each holder. If there is discrepancy between CRS reporting and Schedule FA disclosure, you may need to explain the mismatch if an inquiry arises.

Harshal Bhuta is Partner at P. R. Bhuta & Co. CAs

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

OUR VIEW

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Will 2024 events set off a headwind or tailwind?

Old theories of social and economic cycles were back in discussion as politics and economics impacted each other over the past year. Expect the implications to begin unfolding in 2025

Another year recedes for a new one to begin, laden with our collective hopes and expectations. The end of any time cycle is a good moment for honest reviews and barebone analysis. The past 12 months have been quite momentous, etching new lines in the sand and conjuring images that inspire both awe and dread. Students of the social sciences—particularly history—will find many similarities with events from almost a century ago, renewing faith in philosopher George Santayana's famous line that those who do not remember the past are condemned to repeat it. Unsurprisingly, there is also renewed interest in social-cycle theories of sociology which posit that history and societal phases get repeated in cycles. Such theories have counterparts even in economics, which are also getting a fresh relook with the help of analytical tools. This rekindled interest seems motivated by the shape of events in 2024, as well as related developments in preceding years.

In domestic politics, the two big events of the past 12 months were the Lok Sabha elections and assembly polls in Maharashtra, Haryana, Jharkhand, Odisha, Jammu and Kashmir, Andhra Pradesh, Arunachal Pradesh and Sikkim. While India's general election results saw the ruling Bharatiya Janata Party (BJP) lose its majority in Parliament, forcing its dependence on a coalition to retain power, it secured large victories in Odisha, Maharashtra and Haryana. The final tallies can be interpreted as the electorate signalling some discontent with the BJP's performance at the centre, but needing its governance at the state level. Globally, 2024 saw the unchallenged rise of right-wing parties and politicians in various national elections, the intensification of wars and brutality, a regime change in Syria and the deepening of old faultlines in West Asia. Notably, with populations across borders having voiced their frustration with the political *status quo* and elected autocratic leaders in multiple jurisdictions, the tone and tenor of global governance might be poised for a shake-up.

It might be prudent to put economics at the centre of all this flux—for influencing politics and, in turn, being shaped by transformed political forces. The dominant economic model of the 1990s and oughties, which resulted in the 2008-09 financial crisis, is strangely still echoed in economic policies across the world. Excessive financialization of the economy has led to stagnant real wages for factory jobs and other critical professions, alongside outsized salaries and bonuses for finance-sector professionals. Another manifestation of lopsided development has been the heady performance of equity markets and property prices in many parts of the world. Asset prices have stood out starkly for being detached from ground realities. Owners of shares have seen their wealth swell while wage-earners with few assets to count on got left behind. Uneven outcomes have found expression in ballot boxes and it is yet to be seen how elected 'strongmen' respond to economic imbalances, though some of them in Europe and elsewhere have relied on accelerated resource transfers to placate people and keep the peace. Ongoing wars, climate change and health scares have injected an inflationary bias into the global economy while rendering growth uncertain. Decelerating globalization has added further uncertainty. The trillion-dollar question is whether all these forces will add up to act as a headwind or tailwind in 2025.

THEIR VIEW

The recent deposit shortfall is a wake-up call for banks in India

They should treat depositors as business partners if they are to garner enough deposits for lending

DEEP MUKHERJEE
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Since 1998, there have been at least six occasions when deposit growth trailed credit growth. So, the recent brouhaha over a deposit crunch was surprising, considering it was the sixth, extending from April 2022 to October 2024. As surprising is the relative comfort due to better alignment between credit and deposit growth. In the previous five instances, the deposit-credit growth alignment was a result of both a rise in deposit growth and a fall in credit growth. The current alignment is due to a fall in credit growth and no improvement in deposit growth. This is worrisome. It may be a harbinger of more structural changes in the saving behaviour of households. If the banking system aspires to go back to the 14-16% deposit growth rate before 2016, it may have to treat depositors differently.

A deposit crunch per se does not impact credit growth: The popular narrative that a deposit crunch prevents credit growth is inaccurate and not based on any fundamental understanding of banking economics. Current and saving accounts are the cheapest source of funding for banks. Even retail fixed deposits work out cheaper than capital market-based borrowing by banks. Thus, a deposit crunch increases the cost of funds for banks. The hue-and-cry is, therefore, over the unavailability of cheap funds and worries about squeezed margins. To explain, higher cost of funds are more easily passed on to retail borrowers without impacting the lender's margin than they are to commercial borrowers. Banks that are unable to price commercial loans well see a fall in net interest income. Thus, the cries from lenders with high exposure to commercial and large corporate borrowers. To debunk this narrative of deposit growth hurting credit growth, we only need to look at the 2004-2007 period. During this phase, credit growth was typically 8 to 10 percentage points above deposit growth.

Banking cannot rely on assumptions of sustained financial repression: Quite a few economies globally follow financial repression. Financial repression, among other things, also implies that savers get returns often below the inflation rate (i.e., their real interest rate is negative). This is expected to boost economic activity by providing cheap credit to corporates and government. Even market-driven economies such as of the US resorted to financial repression after World War II, and more recently during covid, to boost the economy. Interest rates on savings accounts were deregulated long back. However, the inertia of financial repression may still be continuing. Until recently, Indian savers did not have many options and had to make do with negative real interest rates on most of their bank savings. But things are changing. Former Reserve Bank of India (RBI) governor Shaktikanta Das expressed several times his worries about deficiencies in banks' deposit mobilization, given how depositors are increasingly turning to capital markets and other financial intermediaries.

Between 2013 and 2023, household financial assets increased from 41% of gross domestic product (GDP) to 46%. Further, the annual asset allocation of deposits and currency has dropped from 67% of financial assets to 45% (*Source: Banking for a Viksit Bharat, BCG Report*). This may be a structural shift in savers' behaviour. Maturing capital markets and the digitization of the financial system are helping savers.

So, what can a bank do differently?: First, it must improve the way it typically measures the performance of business units (BU) and make it reflect economic reality. To explain, BUs are notionally charged for the funds they use by a mechanism called fund transfer pricing (FTP). BU performance is measured by taking its interest and fee income and removing FTP, credit cost and operating expenses. The joker in the pack is FTP. If it is driven by the actual cost of funds, which in turn is impacted by economically unjustifiable cost of deposits, it ceases to represent the actual opportunity cost of the funds given to the BU. Arguably, lending-oriented BUs get to show a higher margin, have less motivation to price loans better and still get rewarded. But deposit-raising BUs often get just the operating cost of raising deposits plus some minor incentive for deposit mobilization. Only a few banks estimate the FTP by taking the opportunity cost of the funds, which is much higher than the incurred cost. Unless most banks follow a comparable approach, internal pressures from dominant lending BUs will prevent banks from shifting to a more reasonably priced deposits. Of course, the actual cost of funds and the actual interest income impact overall profitability. But a more economically-balanced incentive structure for deposit-heavy BUs vis-à-vis the lending ones will address deposit mobilization issues.

Second, analytics-driven decision-making is largely missing on the liability side. Analytics can play a role in the optimal pricing of deposits and prevent the attrition of loyal depositors. Depositors can earn 0.5-1.0% higher return by parking savings in debt mutual funds focused on bank debt. If this trend strengthens, banks will see their cost of funds structurally move up. It makes more sense for banks to treat depositors as partners in business and offer a economically rewarding deal.

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> Economic growth doesn't mean anything if it leaves people out.
>
> JACK KEMP

THEIR VIEW

AI cannot replace human instinct in decision-making

ARVIND GUPTA & AAKASH GUGLANI

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The advent of artificial intelligence (AI) has presented both unprecedented opportunities and complex challenges in the rapidly evolving landscape of decision-making. As AI advances, it is poised to revolutionize fields ranging from autonomous vehicles to corporate strategy and sports. However, amid the excitement surrounding AI's potential, it is crucial to recognize its current limitations and the enduring importance of human instinct and situational awareness.

One of the most visible arenas where the challenges of AI decision-making have come to the fore is the arena of self-driving cars. Despite billions of dollars of investment and years of development, even the most advanced autonomous vehicles today are prone to mistakes that human drivers would instinctively avoid. As leading AI researcher Missy Cummings points out, these issues stem from two primary factors: inadequate sensors and recognition technology, and a more fundamental lack of true "situational awareness" in AI systems as they exist today.

Human drivers can draw upon a vast reservoir of common-sense knowledge accumulated through experience over years and adaptively apply it to novel driving situations. We instinctively understand things like the likely behaviour of pedestrians, the physics of traction on a wet road and the urgency implied by the flashing lights of an ambulance. In contrast, autonomous driving systems are essentially trying to learn all of this from scratch based on statistical patterns in their training data. They have no innate model of how the world works.

However, the importance of human instinct and unconventional thinking extends far beyond the realm of autonomous vehicles. This is perhaps best exemplified by the stories of two visionary leaders: Steve Jobs and Howard Schultz. Both these individuals made bold decisions that defied conventional wisdom and transformed their respective industries. Jobs decided to slash Apple's product line and focus on simplicity and design, a move that laid the groundwork for the company's future success with revolutionary products like the iPhone and iPad. Schultz decided to close all Starbucks stores for a few hours to re-train baristas, a costly move but one that ultimately re-energized the company's workforce and set the stage for a remarkable turnaround.

Sports provides an interesting counterpoint and testing ground for AI decision-making. A restricted domain, clear objective function and wealth of detailed data make sports more amenable to AI application. We're already seeing AI-powered decision support being used for things like performance analysis, roster construction and talent scouting. Over time, it's possible that AI systems could become skilled enough to serve as head coaches and general managers. However, top coaches and captains don't just feed historical data into an algorithm. They synthesize myriad subtle factors in real-time and make judgement calls informed by deep experience. As technologist Jensen Huang puts it, "You can't coach resilience and character. And that, in the end, is the most important thing."

> **It can act on data but lacks the situational awareness that guides humans to make good decisions**

Indian chess prodigy D. Gukesh's victory over world chess champion Ding Liren during the 2024 FIDE World Championship underscores the role of human intuition in critical decision-making. Much like Mahendra Singh Dhoni's decision to promote himself in the 2011 Cricket World Cup final, Gukesh's performance demonstrated the ability of human instinct to excel under high-pressure scenarios. By recognizing and exploiting subtle weaknesses in Ding's play, Gukesh exhibited extraordinary situational awareness, blending technical precision with psychological insight. Such decisions, informed by experience and situational awareness, highlight the enduring importance of qualities that AI cannot yet replicate, such as adaptability and emotional intelligence.

The path forward likely involves pursuing multiple complementary approaches in parallel. We should push the boundaries of what AI can do in critical decision-making and look for ways to harness its analytical power. At the same time, we must remain clear-eyed about its current limitations and not expect it to substitute human judgement in the near term. Striking the right balance will require deep inter-disciplinary collaboration and a commitment to rigorous empirical validation.

By bringing together experts from fields like AI, psychology, neuroscience and domain-specific areas, we can push the boundaries of what AI can do, while also staying grounded in the realities of its current limitations. This collaborative approach will be key to developing AI systems that can effectively augment human decision-making while preserving the vital role of human judgement and instinct.

Ultimately, the future of decision-making will likely involve a symbiotic relationship between humans and machines, each playing to their unique strengths to navigate an increasingly complex and fast-paced world. As we stand on the cusp of this new era, it is up to us to shape the trajectory of AI development in a way that enhances rather than replaces the remarkable capacities of the human mind.

By doing so, we can harness the power of AI to make better decisions, while making the best use of human creativity, adaptability and instinct, which have been the hallmarks of our progress throughout history.

GUEST VIEW

Services offer a clear and speedy path to economic development

We must reject the false choice between supporting services and promoting manufacturing. Policymakers need to do both

INDERMIT GILL & AADITYA MATTOO
are, respectively, chief economist and senior vice president for development economics, and chief economist of the East Asia and Pacific region at the World Bank.

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For developing countries around the world, especially the poorest, the economic terrain has seldom been so slippery. Low-income countries have already suffered a lost decade, with virtually zero per capita income growth since 2010. Many middle-income countries are coming to terms with a demographic shift that puts them at risk of growing old before they grow rich. And many high-income countries risk stagnation because of sky-high debt and anaemic productivity growth.

Such conditions are not conducive to international comity, at least not of the kind that fuelled so much progress after the fall of the Berlin Wall in 1989. Developing economies will need to get better at fending for themselves, and while some are already preparing to do so, they are operating with an antiquated policy framework.

In the third decade of the 21st century, does it really make sense for developing countries to place an all-or-nothing bet on manufacturing?

New research from the World Bank shows clearly that it does not. Developing countries would do far better to put services in the lead role, with manufacturing and agriculture serving as the supporting cast.

Services include a wide range of activities—finance, health, tourism and logistics—and the benefits they generate spill over to other sectors. Yet, relative to manufacturing, they continue to get a bad rap. Supposedly, they are notoriously slow to innovate, hard to trade and difficult to free from regulatory restrictions. Yet, services now account for more than two-thirds of global GDP and half of global trade (once you factor in services that are used in manufacturing and agriculture).

Among those seizing the opportunities offered by trade in services, the most striking examples come from the home of the 'Asian miracle.' While the textbook manufacturing-led model of economic growth once worked wonders in East Asia, these countries' circumstances and needs have changed. Their populations are ageing quickly, the global economy is becoming more fragmented, and they are adapting.

Over the past decade, our research shows, the share of services grew from 44% of economic activity in China to 53%, and from 44% to 48% in other economies across East Asia. These sectors now account for nearly 50% of employment in the region, up from 42% a decade ago.

This shift reflects the rapid rise of digital technologies—nearly three-quarters of people in East Asia and the Pacific now have access to the internet, a sevenfold increase from 2000—as well as modest trade liberalization for services. The result is an Asian economic renaissance. Opening services to competition has fuelled higher labour productivity even in manufacturing and agriculture, where firms can check prices, deliver goods and receive payments much more efficiently.

Across all major economies in East Asia and the Pacific, services now contribute more than manufacturing to overall labour-productivity growth, an essential condition for higher wages. In Vietnam, for example, labour productivity climbed by 2.9% after the government eased restrictions on foreign entry and ownership in several services sectors between 2008 and 2016—reform commitments that were part of Vietnam's accession to the World Trade Organization.

Moreover, manufacturing firms that use these liberalized services registered a 3.1% annual increase in labour productivity, and the biggest beneficiaries were small and medium-sized private enterprises.

The rise of services in East Asia has yielded other important benefits. It is powering foreign direct investment, with the growth rate of foreign direct investment (FDI) in services exceeding that of manufacturing by a factor of five. It is also driving demand for higher-skilled workers. Close to 40% of formal workers in digital services in East Asia today have a university degree or higher. That's double the rate for workers in other sectors. And the same trend is unlocking greater economic opportunities for women, because the ratio of female to male workers tends to be higher in the services sector than in manufacturing, and the proportion of women in the workforce grows as the level of economic development increases.

These are all essential ingredients for long-term growth. But because the trajectory of services is so closely tied to the spread of digital technologies, developing economies have not benefited equally. The countries with the fastest growth in services tend to be upper-middle-income economies—especially in East Asia. In such economies, services have gone from a 40% share of GDP in 1970 to about 50% today. In low-income countries, however, services as a share of GDP are still about 40%, pretty much the same as in 1970.

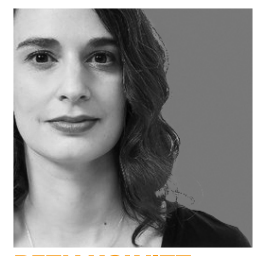
Yet, even in the poorest countries, services represent a promising path to future prosperity. They can help all countries move from low- to middle- to high-income status.

But first, we must reject the false choice between supporting services and supporting manufacturing. Policymakers should do both, while maximizing the potential of the services sector to deliver growth and jobs.

MINT CURATOR

America Inc in 2025: Here are five significant forces to track

Change will range from rollbacks of diversity to CEOs' Trump ties



BETH KOWITT
is a Bloomberg Opinion columnist covering corporate America.

Intel and Boeing could both be major business stories in 2025. BLOOMBERG

The C-suites and boardrooms of America Inc should be on high alert entering 2025. They are facing geopolitical turmoil, the uncertainty of a second Trump administration, an increasingly polarized country and a public that's lost its faith in big business. Existential questions loom over the role of the country's biggest companies during such a tumultuous moment—and who is best to lead them through it.

These intersecting questions will drive the business world's biggest stories next year. Here's what I'll be watching:

CEOs versus Trump: CEOs were willing to act as a moral counterweight during the first Trump presidency, speaking out against actions that went against their purported values, such as the travel ban from Muslim-majority countries and the January 6 riots.

Expect things to look different during Trump 2.0. Most CEOs stayed silent during the campaign season, while some courted Trump behind the scenes and rushed to publicly congratulate him after his victory. Now the likes of Meta Platforms and Amazon.com are taking things a step further by donating to Trump's inaugural fund.

But I suspect the back-slapping and ego-stroking won't last four years. The questions will be: Where does Big Business draw its red lines, and how will it respond when Trump inevitably crosses them.

The great DEI rollback: America Inc has continued to walk back its diversity, equity and inclusion efforts, pushed by right-wing activist Robby Starbuck, whose latest and biggest victory is Walmart. And with the incoming Trump administration set to target and punish companies it considers "woke," expect to see more companies publicly throw their DEI promises on the bonfire. There is some evidence that employers are still investing in DEI—just quietly and without using the now-taboo acronym. But the failure to publicly stand up for the importance of diversity will have real consequences. We already have seen a slowdown in progress for women in business, for example. It's now expected to take five years longer than previously estimated for women to reach parity in the C-suite, while fewer boardroom roles are being filled by women and African-American directors. There's likely to be more backsliding for underrepresented groups in the year ahead.

A crisis of trust: After the killing of UnitedHealthcare CEO Brian Thompson in early December, C-suites around the country were caught off guard by anger directed at the company rather than the killer.

At its core, the vitriol is a symptom of the ongoing erosion of trust in big business. Will the breakdown continue in 2025? Or will companies and executives work to restore it, rather than just doubling-down on their own security?

The C-Suite in the Age of Urgency: This was a tough year to be a CEO, with an unprecedented number forced out of the job, according to Bloomberg News. It all comes down to a word much-beloved word by Wall Street: urgency. Shareholders are increasingly impatient and corporate boards are giving their CEOs less time to get things done—or if needed, to turn the business around. And new CEOs are mostly expected to hit the ground running, which is making the once-standard 90-day listening tour a thing of the past.

Despite the turnover, a consensus has yet to develop on the best model for CEO succession for this era. This year we saw big companies go with insiders (CVS Health Corp), outsiders (Starbucks Corp., Boeing) and boomerang executives (Nike).

The job of a CEO won't get any easier or less complex in 2025, so boards will continue to grapple with how much time to give leaders to execute their strategies—and who is best to replace them when they pull the plug.

Disney, Starbucks and who else?: These two companies were a bellwether for some of the most zeitgeisty corporate narratives in 2024: CEO succession and compensation, labour organizing, corporate governance, return to office and the DEI and 'woke' backlash. Their next chapters will unfold in 2025: Can Walt Disney Company find a capable replacement for longtime CEO Bob Iger in one of the business world's most closely watched succession dramas? Will new Starbucks chief Brian Niccol turn around the coffee giant and prove he's worth his enormous pay package?

And even as these sagas play out, some other company (or companies) will likely emerge as the big, juicy corporate story for the coming year.

If I had to bet, I'd put my money on Intel and its shaky future, Boeing and its continuing crisis, and any number of healthcare businesses that are facing increased public and political scrutiny.

But I'd be interested to hear what you think—any guesses?

THEIR VIEW

Apt spending must win our state-level fiscal tug-of-war

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State governments often walk a tightrope between social demands and fiscal sustainability—a predicament Alberto Alesina captured by warning of "too large and too small" governments. Over-expansion can result in inefficient expenditure without necessarily catalysing growth, while under-investment risks leaving public infrastructure and welfare services inadequate. At the heart of this tension lies the distinction between revenue and capital expenditure, a divide central to the ongoing freebies debate. Revenue outlays—spending on salaries, subsidies and day-to-day administration—can meet immediate needs and provide short-term political dividends. However, excessive reliance on such outlays risks inflating deficits without creating lasting value. Freebies may offer momentary relief but often come at the expense of growth-enhancing capital investments.

This is why the case for prioritizing capital expenditure is compelling. Capital outlays fund the creation of assets that not only bolster productivity, but also generate long-term fiscal dividends by expanding the tax base. The multiplier effect of capital expenditure is well-documented; every rupee spent can stimulate demand across sectors, create jobs and attract private investment. A 2013 study by Sukanya Bose and N.R. Bhanumurthy shows that capex has the highest impact on economic growth, with a fiscal multiplier of 2.45, compared to 0.98 for transfer payments and 0.99 for other expenditures. Similarly, a 2024 Reserve Bank of India analysis highlights that while revenue expenditure multipliers are short-lived and average 1.43, capex has a significantly higher impact with a peak multiplier of 3.84 over three years.

Ultimately, neither an overbearing 'Leviathan' nor a shrunken 'Lilliput' model serves India's growth aspirations. As Thomas Sowell wryly reminds us, "The first lesson of economics is scarcity... The first lesson of politics is to disregard the first lesson of economics." Political promises and economic realities often collide, but this collision can be creatively harnessed if states direct revenue savings toward impactful capital projects rather than freebies. The goal is not to slash essential welfare but to align short-term obligations with long-term developmental strategies—helping infrastructure, education and healthcare systems flourish.

But how are states performing on this metric? RBI has recently published a *State Finances Report,* looking at fiscal reforms by states. According to the report, in 2023-24, states kept their gross fiscal deficit (GFD) at 2.91% of GDP, within the 3% limit set by India's fiscal responsibility law. In 2023-24 (revised estimates), the states with the highest GFDs (excluding northeastern states) were Bihar (8.9%), Chhattisgarh (7.3%), Himachal Pradesh (6.1%), Andhra Pradesh (4.4%), Rajasthan (4.3%) and Punjab (4.1%).

States must spend more on capital projects that can secure future growth than on freebies and subsidies

Capital outlays have improved, rising to 2.6% of GDP from 2.2% in 2022-23. For 2024-25, states aim to maintain fiscal discipline with a budgeted GFD of 3.2% of GDP, while further enhancing expenditure quality.

States have significantly altered their expenditure patterns, with revenue expenditure as a percentage of GDP declining to 13.5% in 2023-24, nearing pre-pandemic levels. Developmental spending in areas such as healthcare and agriculture has tapered off post-pandemic, while allocations for housing and social security have risen. Capex rose to 2.8% of GDP in 2023-24, driven by higher tax devolution and interest-free loans from the Centre. States like Gujarat have demonstrated fiscal prudence by maintaining a balanced approach between revenue and capital expenditures.

The revenue expenditure to capital outlay (RECO) ratio has improved, falling from 6.3 in 2021-22 to 5.2 in 2024-25. Gujarat stands out with a RECO ratio of around 3.5, a healthy balance favouring growth-oriented capital investments. However, disparities persist, with states like Punjab exceeding a RECO ratio of 17, reflecting disproportionate revenue spending. Maharashtra and Tamil Nadu have improved.

Yet, regional disparities in expenditure patterns persist. States like Bihar and Jharkhand continue to allocate a disproportionate share of their budgets to revenue expenditure. States that are heavily reliant on central devolution—such as Bihar, 73% of whose resources are from the Centre—often avoid expenditure reforms or raising their own revenues. Bihar retains prohibition, which loses it tax revenue and reflects a reluctance to optimize fiscal resources.

Competitive populism at the state level poses a threat to the sustainability of India's fiscal framework. State governments, driven by the pressures of electoral politics, seem in a race to outdo one another in offering freebies and subsidies. This dynamic creates a structural disincentive for fiscal prudence.

The federal structure of governance introduces a classic collective action dilemma, where states, operating under the principles of fiscal federalism, externalize the consequences of their budgetary indiscipline onto the Centre, a phenomenon that can be likened to Mancur Olson's theory of "diffuse costs and concentrated benefits." States often claim inadequate fiscal devolution from the Union government (technically, it is the Union finance commission) to rationalize unsustainable spending patterns, deflecting accountability for reforms that would curtail politically expedient but economically inefficient expenditures. This, despite the avenues that exist for expenditure reforms.

Wellness synced with tech and mind-body therapy

From somatic therapy to the rise of wellness realty, 2024 saw the world seeking deeper, sustainable solutions for optimal well-being

PHOTOGRAPHS BY ISTOCKPHOTO

Tanisha Saxena, Shrenik Avlani
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Women's health took the front seat, digital tools democratized therapy and the body came into focus as the seat to heal trauma in 2024. This year's trends also reflected a collective yearning for deeper, smarter, and more sustainable solutions. While biohacking and longevity increased our curiosity, this was also the year when an alternative modality for self-care like 'manifestation' went so mainstream, Cambridge Dictionary declared it word of the year. Everyone's looking for solutions for optimal wellbeing and *Mint's* round up of wellness and fitness trends for the year shares a glimpse into how the world went about accomplishing it.

HEAL THE BODY

In 2024, somatic therapy went mainstream. Rooted in the idea that trauma and emotional experiences are stored within the body, these therapies offer an alternative to traditional talk therapy. "Individuals who have experienced severe trauma, children with intellectual disabilities, or elderly people nearing the end of their lives may struggle to engage with evidence-based therapies like CBT (Cognitive Behavioral Therapy). Somatic and art-based therapies, become crucial in these situations," says Dr Sneha Rooh, a Delhi-based palliative care physician and somatic therapist. Wellness retreats in India are increasingly embracing somatic therapy, blending physical movement with emotional healing. Centers like Oceanic Yoga in Goa and Swar Yog Peeth in Rishikesh now offer immersive retreats focused on trauma release through body-centered practices. "Trauma and memories are stored not just in our minds but deep within our cells, making somatic therapy essential for true healing. This form of therapy works with the body ('Soma' in Greek) to release trapped emotions such as anger and sadness," says Dr Ramon Llamba from Golden age Isvara, a holistic wellness center in Delhi.

WOMEN WENT 'CYCLE SYNCING'

Women's health, an area that had been overlooked and underfunded for long, gained traction this year. For Dr. Amodita Ahuja, senior consultant in Gynecology at PSRI Hospital, Delhi, a notable trend that stood out in women's wellness this year was 'cycle syncing'. The term refers to the practice of aligning your health and lifestyle with the natural rhythm of your menstrual cycle. "With the abundance of period-tracking apps now, integrating this practice has never been easier. By adopting cycle syncing, women are gaining valuable insights into their menstrual cycles, allowing them to reduce PMS, improve mood, and manage stress in more proactive ways," Ahuja notes.

This year also saw a surge in awareness around perimenopause and open discussions and growing acceptance of hormone replacement therapy (HRT). Egg freezing has gained traction as an important reproductive option for young women. All this focus on women's wellness or 'femtech' also translated into Indian wellness brands expanding into the sector. Men's wellness brand Bold Care, for instance, launched a new brand, Bloom, that aims to address key areas in women's wellness: sexual health, menopause, pregnancy, personal hygiene & nutrition. "In recent years, we've seen a shift in how we understand women's wellness. It was once a topic discussed only when issues reached a crisis point, but today, we are increasingly aware of its importance. 2024 has been a bold year in this regard," says Rajat Jadhav, co-founder of the brand.

WIRED FOR WELLNESS

The concept of digital wellness expanded beyond merely limiting screen time to encompass a more holistic approach to how we engage with technology. Leading this charge were initiatives like Narayana One Health's One Health Score, which used AI to deliver personalized health insights, and SehatUP's pioneering integrated digital health clinic that offers tailored care plans for weight management and sexual wellness. Meanwhile, BharatBox and GOQii's innovative wellness metaverse blurred the lines between technology and self-care, creating immersive spaces for fitness and mental health practices.

The *2024 Employee Wellness Industry Trends Report* by Wellable, an employee wellness technology company, indicated that a majority of organizations planned to increase investments in mental health solutions (91%), stress management tools (66%), and telemedicine (63%), reflecting a growing reliance on digital platforms to support employee wellness. "From habit trackers to virtual consultations and global support communities, digital wellness platforms and tools are making health more accessible and personalized than ever before," says Saurabh Bothra, CEO of Habuild. In 2024, gaming and mental health merged more seamlessly with game-based apps and platforms like Betwixt, SuperBetter, Innerworld, Zengence, and EndeavorRx advancing their offerings. These apps integrate AI, gamification, and VR to deliver immersive, evidence-based mental health support to reduce anxiety, ADHD, and improve emotional resilience.

This year, women around the world learnt to 'sync' their daily routines, diet and workouts to their menstrual cycles

YES TO COMBINED EXERCISES

Whether it was exercise or endurance sport, 2024 — both on social media and real life — was all about combining exercises and movements. Endurance events such as the Hyrox race, which involves running a kilometre and then doing one exercise and then repeating it with another exercise every kilometre for 8km, swept through the world and has now announced its arrival in India. In the world of training and fitness, animal flow-inspired body weight exercises that combine two or more exercises grew in popularity thanks to content creators such as Leandro Fornito (aka Leo.Moves) gaining a huge global following. Some examples of these combination exercises include push-up to side plank knee touch, mountain climbers to side kicks, and leg raises to push-ups. These exercises not only improve strength but also mobility and coordination. Some popular weight training combination moves are devil presses, man-makers, clean and press, as well as Olympic lifts such as clean and jerk, and the snatch.

JABS FOR WEIGHT LOSS

If 2023 introduced the world to 'Ozempic' and 'Wegovy', 2024 saw the continuing reign of these semaglutide-based injectable weight loss drugs. This new generation of drugs are known to be effective and have been a game-changer in treating the twin health crises of obesity and diabetes. In fact, they are so effective at helping people drop weight that there is a thriving black market, even in India where these drugs haven't been approved yet. Early research has shown that these drugs also have other benefits such as improving heart health and longevity. Celebrities are openly using it and influencers are even sharing micro-dosing strategies. All this in spite of the undesirable side effects they can cause such as constipation, nausea, stomach pain and dizziness.

BIOHACKING MET AYURVEDA

Biohacking took an unexpected turn this year with wellness companies like Vieroots Wellness Solutions in Bengaluru offering programmes that fuse biohacking techniques with principles of Ayurveda, India's ancient system of holistic health. An example of this synergy would be pairing wearable devices that track sleep cycles along with Ayurvedic detox plans. Another example would be having nutritional supplements that conform to the body's constitution or *dosha* as defined by Ayurveda. At Ayurveda Week, held in October 2024 in the Capital by the National Ayurvedic Medical Association (NAMA), the session titled "Ayurveda: The Original Biohacking," further emphasized how Ayurvedic practices align with contemporary biohacking techniques to promote health and well-being. A concept that's still in nascence, this could well evolve in 2025 and beyond.

HOMES DESIGNED FOR WELLNESS

'Home is where wellness is' got a new meaning this year with the emergence of wellness real estate, globally. The concept underlines the belief that your living environment is just as important as self-care in ensuring your health and well-being. At a time where it's almost difficult to escape air or noise pollution, designing a wellness home seems like a workable solution. Designed to enhance the resident's physical and mental well-being, a wellness home comes with features like enhanced ventilation and water filtration systems, abundant natural lighting, gardens and dedicated spaces for exercise or meditation. Early this year, a report by Global Wellness Institute (GWI), a US-based non-profit research and educational institution, claimed that the burgeoning "wellness real estate sector" is poised for remarkable growth, with earnings projected to grow globally from \$438 billion in 2023 to \$913 billion by 2028. India was ranked as the 10th biggest market for it and that explains why the real industry here is waking up to its potential.

THE POWER OF MUSHROOMS

Edible fungi have been a part of Indian diets for a while now, but this was the year that saw health-conscious consumers getting familiar with functional or medicinal mushrooms such as reishi, lion's mane, chaga and cordyceps. These medicinal mushrooms are known for their adaptogenic and antioxidant-rich properties that help reduce stress and inflammation, regulate blood sugar levels and enhance brain function. This increased awareness of the potency of edible fungi saw wellness brands launching mushroom-infused coffees and teas, dried powders, capsules and oils. Explaining their growing popularity , Richa Jaggi, co-founder of wellness startup Awshad, in an earlier story for *Mint* had said, "An increasing demand for natural, plant-based health products and treatments, and a growing shift from chemical-based synthetic medicines is pushing (medicinal) mushrooms' popularity as alternative solutions to manage stress and strengthen the body's immunity."

(with inputs from Mahalakshmi Prabhakaran)

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In 2025, take smaller, consistent steps to a fitter you

Instead of framing a vague and ambitious fitness resolution, set a super-specific goal with a timeline and track it daily

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ISTOCKPHOTO

New year, new me. That's the image most of us have in our heads while making earnest resolutions for 2025. However, there are multiple studies that show most people give up on their new year resolutions, especially those related to fitness and wellness. In fact, a 2020 research by the popular American digital health platform Strava found that most people quit on their wellness and fitness resolutions as early as the third week of January. So, this year instead of making lofty resolutions and seeing them fail, set yourself some practical, measurable goals when it comes to your diet and exercise. Also, make some small changes in your behaviour and lifestyle that you are more likely to stick to in the long run for a fitter, happier you.

HAVE SPECIFIC GOALS

We live in a world driven by targets and wish lists. And so, just like financial, career and personal goals, you need to have a health and wellness goal. Here's what's important: Do not set yourself vague goals. Be specific. For instance, if you have taken up running, first set yourself a clear goal of 'completing a 5km without a break'. Set a timeline for achieving this goal, which in this case, could be three months. Then have a plan on how you would do this. Track your progress. Once you achieve that, set yourself a new goal of completing 5km non-stop within a certain time. Or, if you have started working out, set yourself a goal of doing one set of 10 push-ups or 5 pull-ups unbroken in three months. In case you want to improve your eating and drinking habits, then instead of going cold turkey, set yourself a weekly limit for foods that stand between you and better health or the number of drinks you consume. There are plenty of apps that record your eating and drinking, use them to keep track. Be practical, know your limits and based on your progress, push yourself by setting yourself tougher targets.

START SMALL

Do not aim for the stars because that way you will just set yourself up for failure and disappointment. Start small and set yourself manageable goals that do not require you to make drastic changes to your lifestyle. So, if you haven't ever exercised, set yourself a simple target of exercising at least 100 days in the year, which is two days per week for the entire year. Or if you have successfully completed a 5km recently, aim to finish 10km and improve your time in both distances before attempting a marathon or full marathon. A study by the National Centre for Sport and Exercise Medicine, UK found that 70 per cent of injuries among runners are from overuse, which includes doing too much too soon. Another study by the Hospital for Special Surgery in New York, found that runners who increased their mileage too quickly were more likely to get injured than those who gradually scaled up. Going for broke is likely to break you and leave you nursing an injury.

BE CONSISTENT AND PATIENT

Physiological changes, without surgical intervention or drug use, come about at a tediously slow pace. So, do not be put off if you do not notice much change in the first few weeks. In the early days, the only thing you are guaranteed is pain. The two secrets to any transformation towards better health and fitness? Consistency and patience. Despite lack of visible progress and the pain, stick with the process and be patient. It takes anything between a few weeks to a few months to start seeing visible changes. It will reward you in more ways as you will also benefit from better cardiovascular and metabolic health, lower stress levels, improved mobility and confidence and mental health too.

FOCUS ON HEALTH , NOT LOOKS

Most of us end up chasing health and fitness goals for all the wrong reasons. While weight, size and looks continue to be the predominant reason why people exercise, they are not necessarily parameters or indicators of either one's health or fitness. Six-pack abs might look good but there is no way anyone can manage to live their entire life sporting those. Truer indicators of good health and fitness are mobility, flexibility, ability to move freely without pain, muscle mass, healthy blood pressure and blood sugar levels, good cardiovascular health and low stress among others. Use your exercise and nutrition to improve these health markers. In doing so, you will inadvertently end up looking better, feeling fitter, happier and stress-free.

BETTER ETIQUETTE

Walking or exercising in a park or a gym can often be a frustrating experience for the majority of us. This is because of a general lack of exercise etiquette. If you are walking or running in a park, stick to the left side, leaving the middle path for faster walkers/runners. If you are with friends, be mindful as not to occupy half the walking path. In the gym, a lot of users do not put their weights back or wipe down the bench and equipment after use. Be mindful of these practices. Finally, if you need music for your walks/runs and workouts in the park, invest in a pair of headphones. It's a public space, not everyone will like your taste in music.

BE KIND TO YOURSELF

In India, our lives are constantly under pressure, right from school days. You don't need to exert that sort of unhealthy pressure and competition when it comes to your health and fitness. If you miss training a few times or miss your target time in a race, or your progress is slower than expected, don't beat yourself up over it. Be kind to yourself. As long as you don't make self-compassion an excuse to skip exercise altogether, you will get there. It's just a matter of time.