HT NEW DELHI, MUMBAI, BENGALURU, KOLKATA, CHENNAI, AHMEDABAD, HYDERABAD, CHANDIGARH*, PUNE*, LUCKNOW* VOL. 18 NO. 313

Monday, December 30, 2024

mint

Think Ahead. Think Growth.

mint primer

How H-1B visas got caught in the MAGA debate

BY SHELLEY SINGH

Controversy over H-1B visas is heating up in the US. Elon Musk and politician Vivek Ramaswamy are in favour of expanding skilled immigration. This has upset many of US president-elect Donald Trump's supporters. *Mint* looks at the visa issue:

A file photo of Tesla CEO and X owner Elon Musk. REUTERS

1 What purpose does H-1B serve?

It allows companies to hire foreign workers for specialized roles in the US. America's tech industry heavily relies on engineers and professionals from countries like India, with over 70% of H-1B visa holders being Indian, highlighting their role in the US tech economy. Another 12% of these visas go to Chinese nationals. The programme caps H-1B visas at 65,000 per year, with an additional 20,000 for individuals holding a master's degree from US institutions. This visa addresses the shortage of top-tier talent in the US, particularly in STEM fields (Science, Technology, Engineering, and Mathematics).

2 What is the current issue around H-1B?

The latest debate erupted after Sriram Krishnan, an Indian-origin venture capitalist, was appointed to lead artificial intelligence (AI) policy in Trump's administration. Krishnan's call to ease green card restrictions for skilled workers sparked accusations of an 'India First' agenda. Trump's Make America Great Again (MAGA) supporters are urging him to prioritize American workers and tighten immigration restrictions. While Trump supporters demand a H-1B freeze, Republican Vivek Ramaswamy and billionaire Elon Musk, both immigrants, advocate attracting talent through H-1B visas.

AFP

Vivek Ramaswamy.

3 How have these work visas helped the US?

Skilled foreign workers fill a crucial gap in the US labour market, especially in the STEM fields. The American Immigration Council notes that H-1B workers' economic contributions may boost job opportunities for native-born workers by expanding those businesses, keeping unemployment rates low in occupations with many H-1B holders.

4 Who is on which side of the debate?

Trump backed Musk. "I have many H-1Bs on my properties. I have been a believer in H-1B visas," he told the *New York Post* after a backlash from his supporters. Far-right commentator Laura Loomer criticized the push for skilled immigration as 'not America First', accusing Musk and Ramaswamy of prioritizing foreign workers. Ramaswamy argued tech firms hire foreign-born engineers not due to a lack of local talent, but because a culture that celebrates mediocrity over excellence will not produce the best engineers.

5 How will it impact Indians?

Prompted by high denial rates for H-1B visas, the $260 billion Indian IT services sector, including firms such TCS, Infosys, HCL, Wipro, hire more local Americans or increase work offshore, rather than send workers from India. During Trump's first term as president, there were curbs on immigration, prompting Indian companies to look at other options. American multinational technology companies, though, are using H1Bs to get foreign workers to fill gaps in their talent pools.

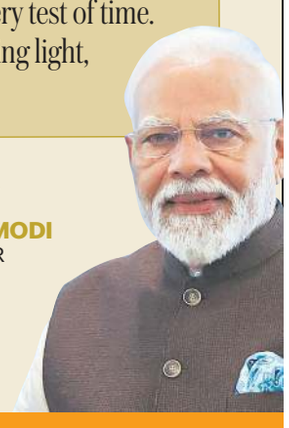
QUICK EDIT

Telecom relief

The government has reportedly waived the requirement of about ₹33,000 crore worth of cumulative bank guarantees that private telecom players needed to provide against spectrum auctioned before the 2021 reform package. With advance proof of finance arrangements no longer needed, telecom operators will only have to pay for spectrum on the scheduled dates. This will let them breathe easier—especially Vodafone Idea, which owed ₹24,800 crore or three-fourths of the total. The lightened burden could enable it to get capital more easily and invest in 5G services, where other players had rushed ahead while it struggled financially. If the government's move helps turn the market more competitive, it would serve the cause of consumers. What will also help is a rethink of revenue maximization as the prime objective of spectrum auctions. If pressure to secure this limited resource results in excessively expensive bids, the whole sector ends up suffering from the "winner's curse" even if it fills government coffers. But telecom is an industry on which many others depend in today's internet era. Its interests must never be taken lightly and sufficient rivalry must prevail.

QUOTE OF THE DAY

It is a matter of immense pride for all of us. The Constitution which its makers gave to us has stood every test of time. It is our guiding light, our guide.



NARENDRA MODI
PRIME MINISTER

INSIDE

Reshaping Indian ads with AI storytelling >P6
JSW Energy-O2 Power: Buying is better than building assets >P4
Money hacks that can help you achieve New Year fitness goals >P13
Let's make the case for trade optimism globally >P14
How to make 2025 the best year for your life >P16

THE WEEK AHEAD

30 DEC-5 JAN — CAR PRICE HIKES
Cars by Maruti Suzuki, Hyundai and Tata Motors, among others, set to be costlier by 2-4%

30 DEC — BUDGET MEET
Nirmala Sitharaman set to meet industry leaders for pre-Budget talks

30 DEC — ISRO MISSION
Isro to launch its space docking experiment—SpaDeX—mastered by US, Russia, and China only

31 DEC — IDBI BANK FUNDRAISE
IDBI Bank board to consider a proposal for long-term rupee bond borrowings

31 DEC — INDO FARM IPO
₹260.15 crore public issue of Indo Farm Equipment to open for subscription

1 JAN — BRICS ENTRANTS
Nine countries to officially join the Brics bloc as partner-states

2 JAN — PMI DATA
Purchasing Managers' Index (PMI) manufacturing data to be released

5 JAN — GOLDEN GLOBES
Annual Golden Globes to be held; Payal Kapadia's *All We Imagine as Light* earned two nominations

mint

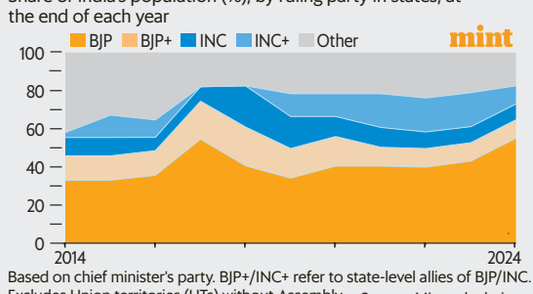
PLAIN FACTS

BEST OF PLAIN FACTS IN 2024

We continued to bring you incisive data-based storytelling, covering poll results, electoral bonds, India's consumption survey, the climate crisis, and more. Here's a glimpse of our best works from 2024. Scan the QR codes to access each story, and the one on the right for all stories in one place.

The Flips of the Poll Year

Share of India's population (%), by ruling party in states, at the end of each year



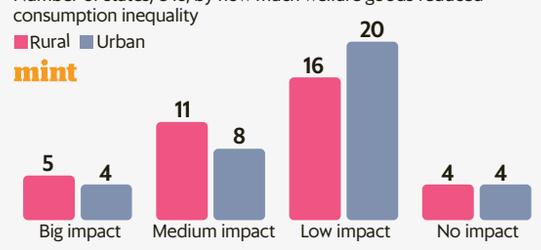
Based on chief minister's party. BJP+/INC+ refer to state-level allies of BJP/INC. Excludes Union territories (UTs) without Assembly

Source: Mint calculations

THE LOK Sabha elections of 2024 handed Prime Minister Narendra Modi his anticipated third term—but with a weaker mandate. This gave India its first coalition government in a decade, going against exit poll predictions. Our special full-page package and data analysis showed how a large share of Bharatiya Janata Party (BJP) candidates secured over half the votes in their seats, even as the party faced setbacks in rural India. We analysed long-term data to investigate the mystery of lower voter turnouts that made the poll panel tense. By year-end, however, it was back to business as usual, with the BJP rebounding strongly in key state polls.

How India Spends

Number of states/UTs, by how much welfare goods reduced consumption inequality



Based on the gap between Gini coefficient when welfare goods are considered and the one when they aren't. More details online.

Source: Household Consumption Expenditure Survey (2022-23), Mint calculations

THE YEAR saw the first release of a Household Consumption Expenditure Survey (HCES) in India since 2011-12 (a second partial release, too, came last week). Avoiding tempting but misleading historical comparisons due to significant changes in survey methodology, we focused on the present realities. We highlighted troubling gaps, including possible weak welfare scheme coverage among the poor, and stark inequality: top 10% of urban Indians spend ₹16,612 per head monthly—over three times the median. We also explored how free welfare goods and services played a role, albeit inconsistently, in narrowing the divide.

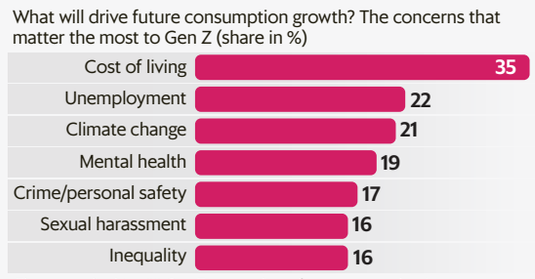
88%

Decoding Young Indians

OUR BIANNUAL survey with YouGov India and the Centre for Policy Research found that most (88%) young urban Indians identify as middle-class, even many of those with top-end pay. How much income will make you rich, we asked. For over half, the magic figure is less than ₹1 lakh a month per person. The survey also offered insights into politics, views on policy, and the impact of social media on relationships.

India's Growth Story

What will drive future consumption growth? The concerns that matter the most to Gen Z (share in %)

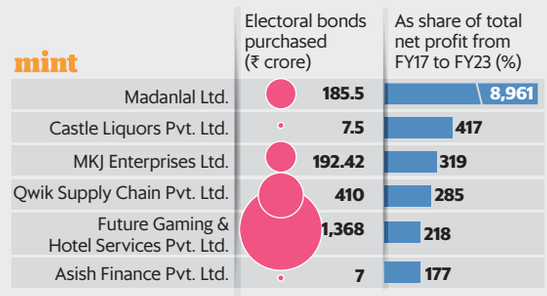


The survey had 14,483 Gen Z respondents from 44 countries. It was conducted online in late 2022.

Source: Deloitte Global 2023 Gen Z and Millennial Survey

INDIA'S ECONOMY looks resilient, with a 6%-plus GDP growth despite the slowdown. But 2024 saw some signs of erosion in optimism amid price rises and lack of adequate job opportunities. Our stories showed how the informal sector shrank, a dip in unemployment mainly came from a shift towards farms and self-employment, and high US interest rates deterred foreign investments. The hope hinges on the next consumption wave, but with Gen Z becoming influential, that may not be the sole driving force to put India on a sustainable growth path *(see chart)*. And as we explained in a piece, India also needs to update its GDP calculation methods first.

Political Bonds



Source: Election Commission of India; howindialives.com calculation based on CMIE data

ONE OF the biggest data stories of 2024 came out of a set of endless tables released by the Election Commission of India in March. The data detailed how Indian companies had donated to political parties in half a decade of the electoral bonds scheme, which the Supreme Court axed this year. The Plain Facts team and our partners at howindialives.com scoured through the data to find many donors were opportunistic rather than ideologically-driven while picking their parties, and how the scheme ended up potentially compromising corporate governance standards. The chart shows how the donation sizes far exceeded profits in several cases.

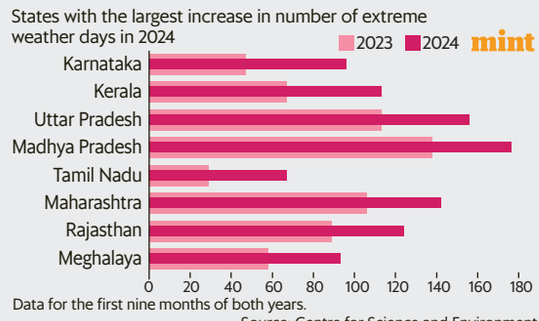
2,899

Business Matters

OUR SERIES on India Inc.'s health had three key points: Leaner post-covid operations helped smaller firms find their feet; the dull investing mood belies the fat operating cash purse firms now have; and instead, they are using that money to pay off debt. We also wrote on high pay ratios between the C-suite and staff (2,899 times in one case). Also read our deep dive into Gopal Vittal's tenure at the helm of Bharti Airtel.

The Heat is On

States with the largest increase in number of extreme weather days in 2024



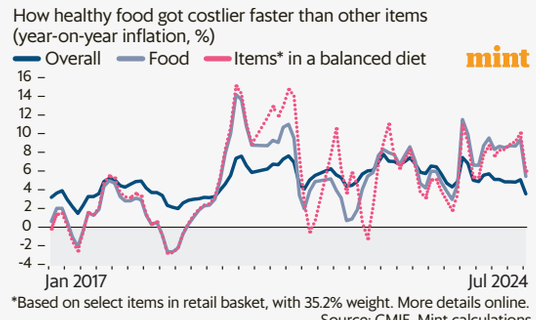
Data for the first nine months of both years.

Source: Centre for Science and Environment

MOST EDITIONS of our monthly wrap of the global economy featured the growing climate crisis: So much of what we foresee for the world's economy and demography with hope is increasingly coming under peril. Global warming exceeded the dreaded 1.5 degrees Celsius mark nearly throughout 2024. Climate finance stays frosty, and the United Nations summit (COP29) failed to add hope on the matter, even as tens of thousands died from extreme weather events. Our frequent data dives explained various aspects of the crisis. Read our pieces on heat stress amid the elections, the toll on India's marginal farmers, sketchy progress on renewable energy targets, and more.

India's Nutrition Crisis

How healthy food got costlier faster than other items (year-on-year inflation, %)



*Based on select items in retail basket, with 35.2% weight. More details online.

Source: CMIE, Mint calculations

THIS YEAR, a large company came under pressure for sugary baby food; another briefly faced flak for the kind of cheese it was allegedly using; a third was ordered to not call its popular children's beverage a 'health drink'. The discourse on nutrition is rising, and we have tracked the issue closely in the past few years. Nearly 70% of the respondents to our survey claimed they had improved their diets—but, wait for it. When prodded more, many of those who had 'improved their diets' expressed comfort with frequent oily, fried, or sweet foods. Do also read our data dive on Indians' junk food craze. 'Healthy' food may now be trendy, but the ticking time bomb of devouring junk is still alive.

PARAS JAIN/MINT

HT NEW DELHI, MUMBAI, BENGALURU, KOLKATA, CHENNAI, AHMEDABAD, HYDERABAD, CHANDIGARH*, PUNE*, LUCKNOW* VOL. 18 NO. 313 Rs. 10.00 . Price with Hindustan Times Rs. 15.50 18 PAGES

Monday, December 30, 2024

mint

livemint.com

12 books that can change how you think ▶P12

Temper return expections: WhiteOak's Khemka ▶P4

SENSEX **78,699.07** ↔ **0.00** NIFTY **23,813.40** ↔ **0.00** DOLLAR **₹85.54** ↔ **₹0.00** EURO **₹89.11** ↔ **₹0.00** OIL **$74.31** ↑ **$0.92** POUND **₹107.01** ↔ **₹0.00**

Govt to deregulate more sectors, reduce red tape

Union budget set to offer road map to reduce compliance burden on businesses

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

The central government is assessing regulations across sectors to identify the ones that can be relaxed in the upcoming budget and beyond to cut red tape and help revive growth in a slowing economy, according to three people familiar with internal deliberations.

POWERING PROGRESS BUDGET 2025

Preliminary discussions are underway to identify the sectors where regulatory easing could stimulate growth, the people said on the condition of anonymity as details have not been finalized yet.

One area that will get attention in the deregulation effort is the impact of existing rules and actions of regulatory bodies on the entities under their jurisdiction, according to one of the three people quoted earlier. If there are areas of over-regulation, it will be addressed, the person said.

ISTOCKPHOTO

HANDS OFF

SMOOTH SAILING

TALKS are on to spot sectors for easing curbs to lift growth

INDUSTRY lobbies have backed easing to boost growth

FY25 budget had set the scope for next-generation reforms

None of the people quoted above, however, mentioned sectors or specific regulations that are under review.

Queries emailed on Friday to the finance ministry, Niti Aayog, and the Prime Minister's Office remained unanswered at the time of publishing.

Finance minister Nirmala Sitharaman's budget proposals for the next fiscal 2025-26 —to be presented on 1 February —will be keenly watched as India's urban consumption has slowed and the pace of growth cooled.

GDP expanded 5.4%, its slowest pace in seven quarters, in the second quarter ended September, compared with 8.1% a year earlier and 6.7% in the three months prior.

Improving the ease of doing business by reducing compliance burden and fostering a more dynamic business environment is on the agenda, said the second person quoted earlier. "The issue of deregulation also came up during Prime Minister Narendra Modi's recent budget consultation with economists. We could expect budget announcements."

India's industry lobby Confederation of Indian Industry (CII) backs easier regulations to boost growth.

There is a need to maintain the momentum of deregulation, said Chandrajit Banerjee, director-general at CII. He cited labour, environment, land, energy access, credit availability, and agriculture as the sectors that present opportunities for further deregulation to create a dynamic and competitive market ecosystem.

"Streamlining Industrial Disputes Act, Factories Act, and Contract labour Act, through the implementation of labour codes would provide great flexibility in

TURN TO PAGE 2

Insurers may get nod to sell related services, products

Subhash Narayan
subhash.narayan@livemint.com
NEW DELHI

Auto repair from your car insurer and fire extinguishers courtesy your home insurer? Not outlandish ideas, but part of the government's plans to allow insurance companies to sell related products and services.

The government may allow general insurers to bundle their core insurance products with non-insurance products and services to increase insurance penetration and allow companies to offer competitively priced insurance products, two persons aware of the plans said.

The plan, if rolled out, will allow the sale of gym memberships and basic healthcare by health insurers; vehicle repairs, diagnostic services and roadside assistance by car insurers; and safety consultations, fire extinguishers and safety alarms from home insurers.

The thinking is that insurers would provide comprehensive risk mitigation solutions that would help reduce the incidence of losses for them, resulting in better-priced products and lower overall risk for the nation, one of the two persons cited above said on the condition of anonymity.

The move may boost insurance penetration. ISTOCKPHOTO

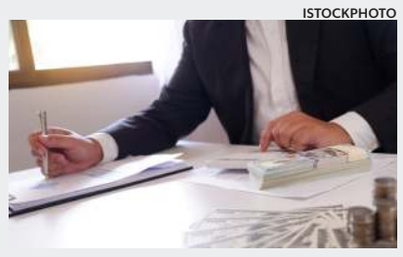
Insurers have sought amendments to permit the sale of value-added services as they try to deliver new and valuable services to customers, the finance ministry said, citing the Insurance Regulatory and Development Authority of India (Irdai). "The proposal to enable insurers and insurance intermediaries to provide services related or incidental to the insurance business as specified by Irdai is under consideration," the ministry said in response to the observations of Parliament's standing committee of finance on the matter.

The second person cited

TURN TO PAGE 2

DON'T MISS

ISTOCKPHOTO



Fintech companies take a liking to high-interest venture debt

Fintech firms, hobbled by a fall in venture equity capital investments amid stringent regulatory oversight this year, have found an alternative: venture debt, high-interest loans extended to early-stage firms eyeing secure capital without diluting equity. >P3

Getting organizational strategy right critical to AI adoption: TCS

Building the right organizational strategy by getting all teams together and modifying the role of human employees is the biggest roadblock to adoption of artificial intelligence by businesses, Harrick Vin, global CTO of TCS said. >P3

Number of public sector bank employees at lowest in 13 years

The number of employees at India's public sector banks is at its lowest in 13 years, showed latest data released by the Reserve Bank of India, with mergers leading to slower branch expansion and many finding greener pastures elsewhere. >P5

179 killed in South Korea plane crash, two flight crew rescued

A Jeju Air plane carrying 181 people from Thailand to South Korea crashed on arrival Sunday, smashing into a barrier and bursting into flames, killing everyone aboard except for two flight attendants plucked from the wreckage. >P11

Consumer goods cos step up rural recruits

Devina Sengupta & Suneera Tandon
MUMBAI/NEW DELHI

India's consumer goods companies are on a hiring spree to cater to the emerging clout of the rural buyer, who has been the sector's saving grace this year amid rising material costs, shrinking margins, and increasing competition.

Companies such as Godrej Consumer Products Ltd, Dabur India Ltd, and ITC Ltd are expanding their workforce in rural markets to align with their revamped marketing and distribution strategies. Rural consumer demand has outpaced urban markets this year, with good monsoon showers and rich harvests allowing rural shoppers to indulge in their fondness for packaged foods, energy drinks, and hair dyes.

Rural consumption grew more than urban this year. MINT

Mumbai-based Godrej Consumer Products, for instance,

TURN TO PAGE 5

IT investors shrug off muted growth

Jas Bardia & Varun Sood
BENGALURU/NEW DELHI

Are investors of the country's five largest IT services companies getting ahead of themselves?

The largest homegrown IT services firms—Tata Consultancy Services Ltd, Infosys Ltd, HCL Technologies Ltd, Wipro Ltd and Tech Mahindra Ltd—grew at a slower clip in the first nine months of the current calendar year compared with the year-ago period, defying analysts' and management's estimates that 2024 will be better than 2023 when the $254 billion industry reported its weakest growth.

Still, except Wipro, shares of the other four IT firms fared better this year than in 2023.

The $254 bn industry reported slowest growth in 2023. MINT

In the first nine months of the current calendar year, TCS, Infosys, and HCL reported dollar revenue growth of 4.21%, 2.02%, and 6%, respectively. Wipro and

TURN TO PAGE 4

Corporate America drew back from DEI. The upheaval isn't over.

Theo Francis & Chip Cutter
feedback@livemint.com

Corporate America pulled back on diversity programs in 2024 under pressure from activists. In the new year, it will face an even more powerful challenger.

Trump's second administration is gearing up to end diversity, equity and inclusion, or DEI, policies in dozens of government and business programs after many of the same concepts came under attack at some of the biggest U.S. companies.

"The pendulum is swinging back and swinging back very hard against DEI," said Mike Davis, a former Senate lawyer who runs the Article III Project, a conservative legal advocacy group, who is a close outside adviser to Trump. "Until DEI is eradicated from society there's still work to be done."

From Ford to Walmart, several big companies have dialled back their diversity efforts amid pressure from activists. AP

Wisconsin Institute for Law & Liberty, which has sued companies over DEI policies, is pointing to 61 federal programs it considers ripe for litigation and elimination, including technical assistance for minority farmers and contracting preferences for minority-owned law firms helping to collect U.S. debts. It will have an ally inside the White House: Trump adviser Stephen Miller, who ran a group that has also sued companies over DEI policies.

THE WALL STREET JOURNAL.

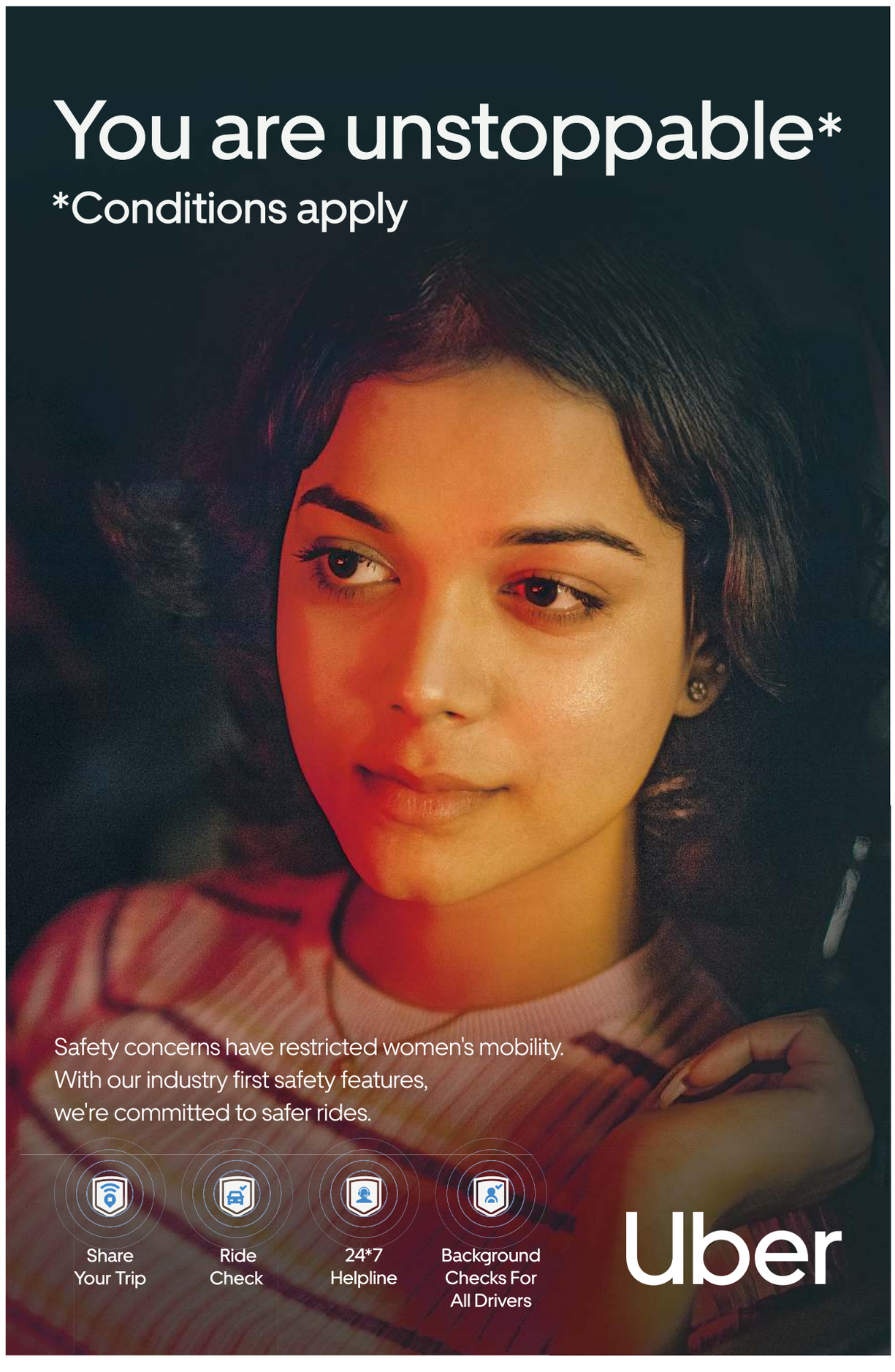
The assault on DEI—an umbrella term for policies designed to create more opportunities for minorities and their businesses—took off after the Supreme Court in 2023 struck down affirmative action in college admissions. In the wake of the decision, activists challenged corporate policies—and many businesses retreated.

Ford Motor said it would stop providing workplace data to a gay-rights lobbying group. UBS stopped giving out $25,000 grants directed at businesses led by women of color. Walmart said it wouldn't renew funding for a charity it created to address racial disparities.

This month a federal appeals court rejected Nasdaq's yearslong push to set racial and gender targets for the boards of its listed companies.

Supporters of DEI say most

TURN TO PAGE 11



STRAIGHT FORWARD
SHASHI SHEKHAR

Respond to this column at
feedback@livemint.com

A PM WHO KEPT HIS WORDS FEW AND WORK ELOQUENT

How will I be judged by history? Would this question have crossed Manmohan Singh's mind? Maybe. That was why he once said, "History would judge me more kindly." He was right.

Look at the newspaper headlines of the last three days. They are all filled with praise for him. Social media is replete with posts and videos related to him. For a society quick to forget even its greatest luminaries, such respect for a person who faded into political oblivion a decade ago is rare. The society will continue to respect the late former Prime Minister's work.

I'll give you a few examples to prove my point. One instance is from a time the Manmohan Singh government was considering a nuclear deal with the US. The leftist parties, whose support was vital to the government's survival then, opposed the deal. They threatened to withdraw support if the government went ahead with the deal. And the PM seemed to concede when he told the media: "Not all our wishes need to be realized, at times we have to step back for the greater good."

But in reality, Singh's withdrawal was tactical. His party, the Congress, had been in secret talks with Mulayam Singh Yadav, whose Samajwadi Party had enough members in parliament to save the government from falling even if the Left withdrew support. The government also held hectic parleys with the US to finalize the deal.

Singh revealed his intentions during a flight to Japan. We asked him if he would discuss the nuclear deal with the president of the US when he met him in Japan. He said, "Sure." We then asked him what would happen if the Left stood firm on withdrawing its support to government. Singh said that at times risks had to be taken in the interest of the nation and that it was up to the Left to stay with the government or not.

The Left parties withdrew their support as was expected. Samajwadi Party stepped in to keep the government from falling. And not only did his government complete its term, but also went on to win the next general election.

Singh was a soft-spoken man of few words. Loudmouth politicians spent their energies trying to prove he was weak. But was he? Absolutely not. This incident during another Japan trip proves this.

> Loudmouth politicians spent energies trying to prove Singh was weak. He wasn't

I had requested Sanjay Baru, his media adviser, for a meeting with Singh. After lunch on board, while all were resting, Baru signalled to me that the PM was ready to meet me.

During my meeting with Singh, I told him that he should go for the election campaign in Punjab. Besides addressing public rallies, he should stay for a night in Amritsar and visit the Golden Temple. It may not win him the elections, but as he was the first Sikh PM of the country his actions will help assuage the hurt nursed by the Sikh community after Operation Bluestar and the anti-Sikh riots in 1984. Along with Punjab, I suggested that he should visit Sikh-dominated areas in Uttar Pradesh and Uttarakhand where elections were due in a couple of months as it would help the party.

Baru later came to me smiling and told me I had increased his workload: The PM had ordered him to schedule a visit to Punjab, Uttar Pradesh, and Uttarakhand. Those days reports were appearing in newspapers that the Congress hadn't invited Singh to address any election rally.

Let me give you another example of his resolve.

We were in the beautiful Russian city of Yekaterinburg. This is the same place where Czar Nicholas and his entire family were murdered in a church after the Bolshevik Revolution. During the visit, a photo shoot was organized for him with Pakistan's then president Asif Ali Zardari. At such events, international leaders generally keep quiet, or utter generalities. The global media was watching when the two met. Singh knew the event was being telecast live. Before Zardari could smile, Singh dropped a verbal bomb. He said, "Mr President my country hasn't elected me twice to tolerate anyone exporting terror on our soil." Zardari wasn't prepared for this assault. Before a stunned Zardari could recover, the photo session was over.

Can a weak person act so boldly?

Coming generations will remember him as one of India's prime ministers who not only dreamt of a developed India in the 21st century but paved its path in the 20th century as he was a matchless visionary. Manmohan Singh, you will always be fondly remembered.

Shashi Shekhar is editor-in-chief, Hindustan. *Views are personal.*

CII seeks excise duty cut in fuel, hike in minimum wages

Selling price of petrol and diesel was last revised in March by govt-owned oil marketing cos

Rituraj Baruah
rituraj.baruah@livemint.com
NEW DELHI

The Confederation of Indian Industry (CII) has suggested excise duty cuts in petrol and diesel and a hike in key minimum wages in the upcoming Union budget to boost consumption amid high inflation.

In a statement on Sunday, the industry body said it wants to see targeted interventions to boost consumption, especially at the lower income level, including an increase in the daily minimum wage under the Mahatma Gandhi National Rural Employment Guarantee Scheme and raise in the annual payout under the PM-KISAN scheme.

Confederation of Indian Industry director general Chandrajit Banerjee. @FOLLOWCII/X

"Domestic consumption has been critical to India's growth story, but inflationary pressures have somewhat eroded the purchasing power of consumers. Government interventions could focus on enhancing disposable incomes and stimulating spending to sustain economic momentum. Persistent food inflationary pressures particularly impinge upon low-income rural households who allocate larger share to food in their consumption basket," said Chandrajit Banerjee, director general, CII. He further noted that while recent quarters have shown promising signs of recovery in rural consumption, targeted government interventions, such as increasing per unit benefit under its key schemes like MGNREGS, PM-KISAN and Pradhan Mantri Awas Yojana, and providing consumption vouchers to low-income households, can speed up the process. Noting that reducing excise duty on fuel is crucial as fuel prices significantly drive inflation, forming a substantial portion of the overall household consumption basket, the CII statement said: "The central excise duty alone accounts for approximately 21% of retail price for petrol and 18% for diesel."

21% The share of petrol price central excise duty accounts for

Since May 2022, these duties have not been adjusted in line with the around 40% decrease in global crude prices, it said, adding that lowering excise duty on fuel would help reduce overall inflation and increase disposable incomes.

The selling price of petrol and diesel was last revised in March this year by the government-owned oil marketing companies, ahead of the general elections with cuts of around ₹2 per litre for both the fuels. The previous revision was in May 2022 in line with the excise duty cut amid high international crude oil prices due to the Russia-Ukraine war.

2022 The year since the excise duties remain unchanged

Further, highlighting high inflation and the eventual reduction in the buying power of lower- and middle-income earners, CII said that the budget should consider reducing the marginal tax rate for personal income up to ₹20 lakh per annum. This would help trigger the virtuous cycle of consumption, higher growth and higher tax revenue, it said.

It also suggested an increase in the daily minimum wage under MGNREGS from ₹267 to ₹375 as suggested by the 'Expert Committee on Fixing National Minimum Wage' in 2017. According to CII Research estimates, it would lead to an additional expenditure of ₹42,000 crore. On the higher support to farmers, CII statement said: "Raise the annual payout under the PM-KISAN scheme from ₹6,000 to ₹8,000. Assuming 10 crore (100 million) beneficiaries, this will entail an additional expenditure of ₹20,000 crore."

For targeted approach towards people in the low-income group, CII has suggested the government to introduce consumption vouchers to stimulate demand for specified goods and services over a designated period. The vouchers could be designed to be spent on designated items, specific goods and services and could be valid for a designated time period, to ensure spending. The beneficiary criteria can be defined as Jan Dhan account holders who are not beneficiaries of other welfare schemes, it said.

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

Economy in FY25 to grow at 6.5-6.8%, says Deloitte

PTI
feedback@livemint.com
NEW DELHI

The economy is likely to grow at 6.5-6.8% this fiscal and slightly higher between 6.7-7.3% in FY26, boosted by domestic consumption, Deloitte said on Sunday.

Deloitte India economist Rumki Majumdar said the growth in the first half of the fiscal year 2025 turned out to be slower than estimated as election uncertainties followed by disruptions in activity due to heavy rainfall and geopolitical events weighed on domestic demand and exports.

However, India continues to show resilience in certain pockets that are worth noting—be it in consumption trends, services growth, the rising share of high-value manufacturing in exports, or the capital market.

The government's continued focus on infrastructure development, digitization, and attracting FDI will be the additional growth booster, enhancing overall efficiency.

"We remain cautiously optimistic and expect the growth rate to remain between 6.5% and 6.8% this fiscal year and slightly higher between 6.7% and 7.3% in FY26," Majumdar said. Earlier this month, the Reserve Bank of India cut its growth forecast for the current fiscal to 6.6% from 7.2% projected in June.

Govt to deregulate more sectors, reduce red tape in Union budget

FROM PAGE 1

employment and reduction in compliances," said Banerjee. In banking, he said, it can broaden credit access and financial inclusion; while in energy, it can drive technological innovation and service quality through competition.

Deregulation has been the key feature of economic reforms in India since 1991 and has picked up momentum over the last decade, according to Banerjee. The central and state governments have in recent years rationalized over 42,000 regulatory provisions at pan-India level, he said.

Sitharaman, in the full budget for FY25 presented in July, promised an economic policy blueprint setting the scope of next generation of reforms to boost employment and growth.

"Efforts are [on] in this direction: if the economy has the potential to expand at a particular rate and we are not able to realize that potential fully due to various headwinds, can deregulation help us unlock that untapped potential? Union budget will offer guidance on this," said the third person quoted earlier.

Key areas where deregulation can make a significant difference are land and labour laws . ISTOCKPHOTO

Amit Maheshwari, tax partner, AKM Global, a tax and consulting firm, said, "Deregulation can act as a catalyst to strong economic growth as it will remove barriers to business and also encourage investment."

Key areas where deregulation can make a significant difference are land and labour laws by streamlining processes to reduce costs and complexities for businesses; and by simplifying environmental clearances, particularly for sectors like renewable energy and infrastructure, said Maheshwari.

Regulations should be eased in areas such as fintech and e-commerce so that innovation is encouraged, he said.

Banerjee, however, added that while deregulation holds immense potential to unlock entrepreneurial creativity and drive economic expansion, it must be approached with caution and be complemented by robust safeguards.

Without appropriate oversight, excessive deregulation can lead to market imbalances, exploitation of resources and systemic risks undermining long-term stability, he said.

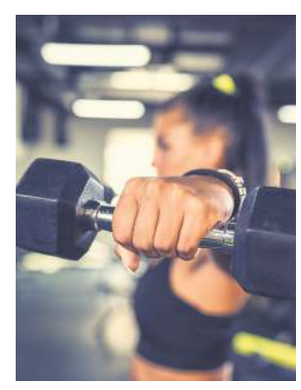
Insurers may sell related services

FROM PAGE 1

above said that the finance ministry is working on the Insurance Amendment Bill, which will also redefine insurance. The bill is expected to be presented in Parliament's budget session after securing Cabinet approval, the person added. This will allow the Centre to notify any other or ancillary business that insurance companies may be permitted to undertake beyond their core operation of providing insurance and risk coverage products to customers in consultation with Irdai, the person added.

A query emailed to the finance ministry remained unanswered till press time.

"In my opinion, this is fine. To provide better auxiliary services while selling insurance products is a must-have, as customer demands have changed and they are looking for combined products. Like, if I am going to the gym, then I need better pricing for a health product; if I drive better, then I need a competitive quote on my motor insurance. So, allowing these frills baked into the insurance products will not only ensure innovation and provide a competitive edge to insurers,



Health insurers may get to sell gym memberships. ISTOCKPHOTO

but will also help customers get very personalized coverages. So, it's in the right direction," said Debashish Banerjee, partner and insurance sector leader at Deloitte India.

However, insurers may still not be allowed to sell financial products such as mutual funds, as the government and regulators fear these specialized financial products could add more risk to their insurance operations. Irdai had earlier suggested permitting insurance companies to sell MFs, but the proposal did not find favour with the government, the first person said.

"These are good suggestions theoretically. In practice, insurance is still a push product," said C.R. Vijayan, former secretary general of industry body General Insurance Council. "If an insurance company runs a diagnostic centre, does it mean that their customers should only use that to get an insurance claim? Car repair is still a domain of OEMs and dealers. No dealer makes money in selling a car. They make money in service/repair of vehicle. My view is that insurers should focus on their core business," Vijayan added.

According to Banerjee of Deloitte, keeping insurers out of mutual funds is fair, since MFs are regulated by the Securities and Exchange Board of India (Sebi), while insurance comes under Irdai.

The department of financial services and Irdai would decide on a list of related activities or activities incidental to the core insurance business. These may include services and wellness packages clubbed with general insurance.

A note on insurance amendments by law firm Cyril Amarchand Mangaldas said insurers need to be customer-driven in their approach towards products and services and offer a range of value-added services to their customers besides the core insurance product.

Night safaris in zoos, backed by global tech expertise, to give rare glimpse

Puja Das
puja.das@livemint.com
NEW DELHI

You may no longer need a forest reserve to experience a night safari–zoos might do the trick.

The ministry of environment, forest and climate change (MoEFCC) is planning to set up a committee to surveil night safari in zoos. It will come up with guidelines with the help of technological expertise from Singapore, two officials said.

As of now, night safaris are allowed only in the buffer zones of some national parks, in order to not disturb the wildlife and avoid human-animal conflict.

Night safaris were ended inside forest reserves as they were affecting the wildlife in Kanha, Pench and Satpura Tiger Reserves.

Recently, a Lucknow-based social activist Alok Singh approached the National Green Tribunal raising concerns over night safaris in Kukrail reserve forest in the state capital for which around 1,500 trees are proposed to be felled. A detailed project report (DPR) of the night safari, coming up in Kukrail forest, was presented before chief minister Yogi Adityanath on 19 November.

Night safaris within forest reserves ended because of the adverse impact on wildlife in Kanha, Pench and Satpura Tiger Reserves. MINT

"We are setting up a subcommittee to prepare the guidelines for the zoo. Right now, we have guidelines for protected areas, not for the zoo. Whatever night safari was being conducted that was in the buffer area of national parks," one of the officials cited above said.

"The objective behind coming up with guidelines for night safari in zoos is to end the poaching and give a different experience to visitors. Another is having an eye that helps in protection," the official explained.

"There are many proposals to establish night safaris here in India. So, this will be a separate set of guidelines, seeking technological expertise from Singapore," the official added.

One problem in zoos is lack of proper illumination in large enclosures.

"So, we need to have that sort of illumination which doesn't disturb the biological cycle of the animals as well as giving visitors a certain experience where they can see the animal. In that case, the dimensions of the enclosures must be different because the enclosure is very large and if the animal goes to one corner of that enclosure, the visitor may not be able to see. Therefore, there must be a different design, a different set of illumination, like in the theatre, like how the stages' lighting is done," the other official explained.

Queries sent to the secretary and spokesperson of MoEFCC on Thursday remained unanswered at press time.

India is home to a few national parks that offer night safaris, giving visitors a rare glimpse of the nocturnal lives of wildlife. They allow visitors to observe animals in their natural habitat after dark, which is when they are most active. Bandhavgarh, Pench and Kanha are some national parks that offer night safaris.

"You cannot do any commercial activity, but this is something which is needed for conservation education," said Debadityo Sinha, senior fellow and lead at the climate & ecosystems team of Vidhi Centre for Legal Policy.

CORRECTIONS AND CLARIFICATIONS

Mint welcomes comments, suggestions or complaints about errors.

Readers can alert the newsroom to any errors in the paper by emailing us, with your full name and address to **feedback@livemint.com.**

It is our policy to promptly respond to all complaints. Readers dissatisfied with the response or concerned about *Mint's* journalistic integrity may write directly to the editor by sending an email to **asktheeditor@livemint.com**

Mint's journalistic Code of Conduct that governs our newsroom is available at **www.livemint.com**

FOR ANY QUERIES/DELIVERY ISSUES
CALL: 60004242, Monday-Saturday, 10am-6pm (Delhi, Mumbai, Bengaluru, Kolkata, Chennai, Hyderabad, Ahmedabad, Chandigarh, Pune and Lucknow) **MAIL: delivery@livemint.com TO SUBSCRIBE:** Give a missed call on **7039035039** or visit **www.mintreaders.com** or write to us at **subscription@livemint.com**

First published in February 2007 to serve as an unbiased and clear-minded chronicler of the Indian Dream.

RAVI KRISHNAN (EDITOR) - Responsible for selection of news under PRP Act, @ All rights reserved. Reproduction in whole or in part without written permission of Publisher is prohibited; PUBLISHED/PRINTED BY **MANHAR KAPOOR** ON BEHALF OF HT MEDIA LTD, 18-20 Kasturba Gandhi Marg, New Delhi 110001

Printed at HT Media Ltd presses at •Plot No. 8, Udyog Vihar, Greater Noida, Distt Gautam Budh Nagar, Uttar Pradesh 201306; •MNSPrinters Pvt. Ltd, 345/4, Bhatrahalli, Near KR Puram RTO, Old Madras Road, Bangalore 560049; •Saraswati Print Factory Pvt. Ltd, 789, Chowbhaga (W), Near China Mandir, Kolkata 700 105; •MNSPrinters Pvt. Ltd, 76/1, Poonamallee High Road, Velappanchavadi, Chennai 600077; • Bhaskar Print Planet, Survey No. 148P, Changodar Bavla Highway, Sanand (Tal), Distt Ahmedabad, Gujarat. •Jagati Publications Ltd, Plot No. D75 & E52, APIE Industrial Estate, Balanagar, Rangareddy Distt. Hyderabad 500037 *Also available in Chandigarh, Pune and Lucknow.
RNI Registration DELENG/2007/22485; Mint welcomes readers' responses to all articles and editorials. Please include your full name, address and telephone number. Send in your views to the editor at letters@livemint.com. ©2024 HT Media Ltd All Rights Reserved

THE MONDAY QUIZ

1) WHICH Paris-based consulting firm did Aurionpro acquire for $10 million?

2) WHO is the newly appointed chief digital officer at Yes bank?

3) WHICH entity established a committee to create an ethical AI framework for India's financial sector?

4) WHICH company did Coforge merge with, resulting in a 32.68% stake acquisition?

5) WHICH institution did Renault Nissan Tech Center sign an MoU with for skill development?

GLOSSARY

Zero-trust architecture: A security approach requiring strict verification of users and devices. It removes implicit trust within networks, enforcing authentication and authorization for every access request. It enhances protection against breaches by continuously validating all interactions to prevent unauthorized access and mitigate potential risks.

Privacy-enhancing computation: A set of technologies that secure data during processing, allowing sensitive information to remain confidential. It enables analytics and computation without revealing underlying data, ensuring privacy. It's essential for compliant data sharing in collaborative systems, safeguarding information while facilitating insights and adhering to privacy regulations.

Secure access service edge: A cloud-based framework combining networking and security services, including WAN optimization and zero-trust access. It integrates secure web gateways and firewall capabilities into a single solution. It ensures scalable, efficient and protected network access for distributed enterprises, addressing modern security challenges in cloud-driven environments.

Escrow passwords: A secure system for storing passwords, retrievable only under predefined conditions by authorized personnel. It provides a failsafe for accessing critical systems when users are unavailable. Escrow passwords ensure operational continuity, protect against unauthorized access, and maintain compliance with security standards in emergencies or organizational transitions.

THE MONDAY QUIZ ANSWERS: 1) Fenixys 2) Naveen Chaluvadi 3) The Reserve Bank of India 4) Cigniti 5) IIT Madras

Fintechs turn favourites for venture debt firms in 2024

Regulatory curbs, uncertainty in the fintech landscape kept venture equity capital at bay

Mansi Verma
mansi.verma@livemint.com
MUMBAI

Fintech companies, hobbled by declining venture equity capital investments amid stringent regulatory oversight this year, have found an alternative: venture debt, high-interest loans extended to early-stage firms looking to secure capital without diluting equity.

To be sure, although venture debt has gained significant ground, venture capital remains the main source of finance for startups.

This year, fintech has emerged as the top sector for venture debt, with firms securing $671.1 million across 49 funding rounds, up from the $307.2 million raised in 25 rounds in 2023, according to data from analytics firm Tracxn.

Regulatory sanction and uncertainty in the fintech landscape kept venture capital funds at bay, reducing equity funding to Indian firms by almost half. Equity funding to the fintech sector in January-November dropped from $2.6 billion in 2023 to $1.6 billion in 2024, down 38% year-on-year, data showed.

"Many of the (fintech) firms have scaled well, become profitable, and increased their retained earnings, which gives us the comfort to lend, even as venture capital funding has slowed," Apoorva Sharma, managing partner, Stride Ventures, a venture debt firm, said.

Fintechs were followed by consumer startups raising $459 million in venture debt across 55 rounds this year, up 10% from the $416.4 million they had raised in 2023.

Total venture debt funding in India is up 10% so far in 2024 at $1.48 billion ($1.35 billion in 2023). This was driven by demand for non-dilutive financing, and came amid disagreements between equity investors and startup founders at lofty valuations that was decided during the startup boom of 2021.

Venture debt is increasingly becoming mainstream for businesses across stages, from early-stage funding to pre-IPO, said Ankur Bansal, co-founder and director of BlackSoil Group, an alternative credit platform. "It's becoming strategic from a capital-efficiency perspective, from avoiding dilution, and for maintaining fiscal prudence at the business level." Bansal said there's 15-20% year-on-year increase in demand from startups in 2024 for venture debt.

As per Tracxn data, venture debt funding rounds increased 33% to 144 in 2024 from 108 in 2023, on the back of optimism in alternative startup funding sources as equity funding to emerging firms and sector leaders, is scarce.

"There is a 'missing middle' primarily because VC activity in Series B to Series D rounds has been more muted," said Sharma of Stride Ventures. Series B equity financing is typically raised by well-established startups that are yet to reach next growth phase, while Series D is for more advanced companies.

Credit flows by venture debt funds this year were directly linked to overall venture capital activity in early-stage financing rounds having smaller ticket sizes or in later-stage, IPO-bound companies, Sharma said. This year has seen a revival in late-stage funding, which is likely to continue in near term as more marquee companies prepare to go public, *Mint* reported earlier this month.

Stride Ventures—which has backed startups such as electric scooter maker Ather Energy, construction materials marketplace Infra.Market, trading platform Upstox, and online pharmacy PharmEasy—launched its fourth fund earlier this month with a target corpus of $300 million, its largest yet.

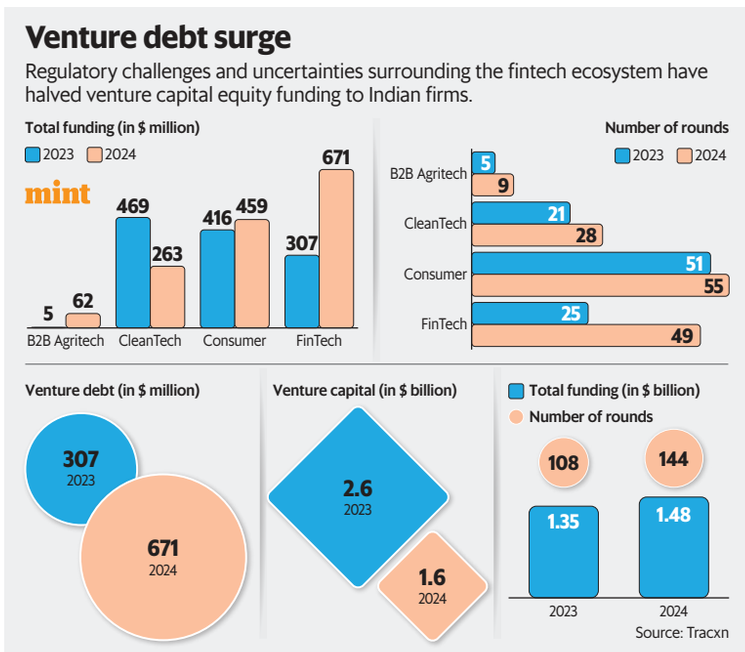
Sharma said the firm plans to allocate 10-15% of the corpus to profitable startups that aren't backed by venture capital or private equity firms.

Venture debt firms Alteria Capital and Trifecta Capital have raised funds this year. In March, Alteria announced the final close of its third fund at ₹1,550 crore, while Trifecta launched its largest ever venture debt fund with a corpus of ₹2,000 crore in August.

While venture debt firms continued to favour fintech and consumer startups in 2024, cleantech, once a prominent segment for such funds, faced challenges this year, reflecting a strategic recalibration across the landscape.

Venture debt funding to cleantech fell by 44% from $468.6 million in 2023 to $263.4 million this year, though the number of rounds rose slightly to 28, signalling shrinking cheque sizes to the sector.

Business-to-business agritech sector posted a significant jump, raising $61.6 million in venture debt across nine rounds, against just $5.3 million in five rounds last year, but remains among the least funded sector in terms of venture debt. "We have a calculated view on agritech. Despite a large GMV (gross merchandise value), some of the issues are thin margin, little value addition, and minimal technology integration," said Bansal.



SATISH KUMAR/MINT

DEBT WISH

WHILE venture debt has grown, venture capital remains the primary funding source for startups

FINTECH emerged as the top sector for venture debt in 2024, with firms securing $671.1 mn in 49 deals

CONSUMER firms raised $459 million in venture debt in 55 deals, up 10% from $416.4 million in 2023

VENTURE debt has become mainstream for businesses, from early stages to even pre-IPO funding

Stakeboat to buy stake in Botanic Healthcare

Sreeja Biswas & Debjyoti Roy
MUMBAI/NEW DELHI

Mid-market private equity (PE) firm Stakeboat Capital, which invests in healthcare, life science and manufacturing companies, signed an agreement to acquire a minority stake in a botanical extracts company, two people aware of the development told *VCCircle*.

The PE firm, which is diversifying into a new asset class by launching a private credit platform, has invested in Botanic Healthcare Pvt. Ltd as part of its maiden PE funding round.

Hyderabad-based Botanic has a presence in several countries including the US and New Zealand, and is raising about ₹250 crore, a person said.

The round will see the participation of a Mumbai-based PE firm, which, along with Stakeboat and its limited partners (LPs), will jointly contribute ₹250 crore for a 25% stake, valuing it at about ₹1,000 crore, he said. VCCircle couldn't ascertain the name of the PE firm.

Botanic Healthcare's board will meet next week to deliberate on onboarding the second PE firm. A formal announcement is likely in the first few weeks of January, he added.

Investment bank Veda Corporate Advisors is helping the company scout for investors, said a second person.

Email queries to Stakeboat Capital, Healthcare and Veda did not elicit a response till press time. *VCCircle* first reported that Botanic was in talks with PE firms to secure funding.

sreeja.biswas@livemint.com

Building AI strategy a challenge: TCS CTO

Shouvik Das
shouvik.das@livemint.com
NEW DELHI

Harrick Vin, global chief technology officer at TCS.

The biggest roadblocks for businesses to adopting artificial intelligence are building the right organizational strategy, aligning teams, and redefining human roles, Harrick Vin, global chief technology officer at Tata Consultancy Services (TCS), said in an interview.

Speaking about core challenges in the enterprise adoption of AI and generative AI technologies, Vin said: "Organizations must design an AI strategy to balance value, complexity and risks. To do so, they must get multiple teams together, which makes it a big challenge for the company, since each team will have different requisites and philosophies. But, for a cohesive AI strategy to become AI-mature, creating a common take is crucial. This is why the adoption of AI is not up to expectations. A relatively small percentage of use cases are actually going into production, because they are failing on not being engineered to a company's needs, or because a firm not knowing how to drive organizational changes to take AI deployment from experimentation to value-driven production."

To help improve it, Vin said while TCS, India's largest software services firm by market cap and revenue, continued to incrementally raise research and development (R&D) costs, there will unlikely be significant rise in the figure. In FY24, TCS spent ₹2,751 crore on its R&D initiatives, or just 1.2% of its ₹2.41 trillion annual net rupee revenue.

"We've stayed around the 1.2% figure for a while, keeping research expenditure consistent. It is difficult to project any change for the future—right now, the magnitude of investments is not limited by any arbitrary figure, but based on where we need to invest in R&D. We're constantly observing various industries, which helps us decide upon where and when to invest," Vin said.

Vin said TCS is using its R&D expenditure to develop solutions that make AI more palatable to enterprises

The affirmation of the R&D approach to address technical challenges comes against the backdrop of India looking to set up target-linked incentives programme to help private companies raise R&D spending. The programme, senior government officials told *Mint* last week, is designed to help create technical patents and intellectual properties within India—instead of licensing technology from overseas economies. In a proposal for a $3-billion incentives package to boost the tech industry, up to $1 billion could be earmarked to boost private-sector technical R&D expenditure, Mint had reported.

Vin said that TCS is using its R&D expenditure to develop solutions that make AI more palatable to enterprises.

For an extended version of the story go to livemint.com

Funding slows in closing week of 2024

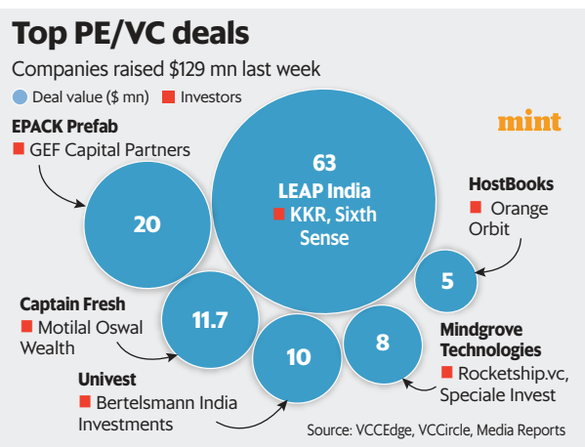
Priyal Mahtta
priyal.mahtta@livemint.com
BENGALURU

Overall funding activity in the last week of the year was quieter, slipping to almost one third of last week's funding value, data collated by VCCircle showed.

Companies backed by venture capital and private equity firms cumulatively secured about $130 million during the week ended 27 December, due to smaller cheque sizes and weaker volumes. Total number of deal announcements slipped to 14 versus the preceding week's 25. However, a key announcement was that of Canadian pension fund investor Ontario Teachers' Pension Plan's (OTPP) 33% stake buy in healthcare-focussed IT company Omega Health Management Services Pvt Ltd.

While the stake was bought from Everstone Capital, financial details of the transaction were not disclosed. VCCircle, reported the firm could have been valued at $1.5-2 billion for the deal. Goldman Sachs Asset Management, existing investor, partially exited.

Global PE giant KKR said it will double down on its investments in LEAP India Pvt Ltd, that is already majority-owned by the investor. The company is raising ₹535 crore or around $62.7 million in its latest round led by KKR. Sixth Sense is investing ₹70 crore and First Bridge and Madhurima International are investing ₹60 crore and ₹50 crore, respectively.



SARVESH KUMAR SHARMA/MINT

Climate-focussed investor GEF Capital Partners infused $20 million in EPACK Prefab, a turnkey solutions provider. This is GEF's maiden investment in the firm, to help further its efforts for sustainability in modular construction.

Last week, mergers and acquisitions activity was slow, but better than the preceding week when only a single such announcement was made.

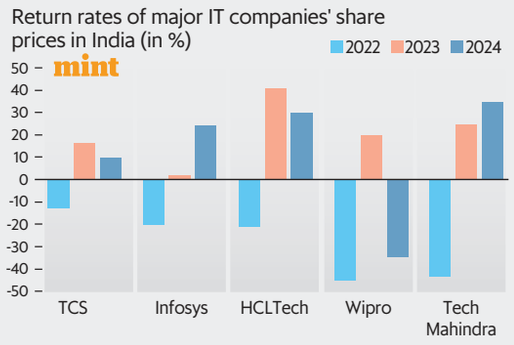
Aditya Birla Group-owned UltraTech Cement said it is set to pick a nearly 9% stake in Star Cement. The move is strategic as it comes weeks after it was reported that Adani Group was considering acquiring Star Cement, the biggest cement maker in the Northeast.

Among tech M&As, Aurionpro Solutions Ltd snapped up French consultancy Fenixys for about $10 million, a move that will help Aurionpro continue its geographical expansion into Europe.

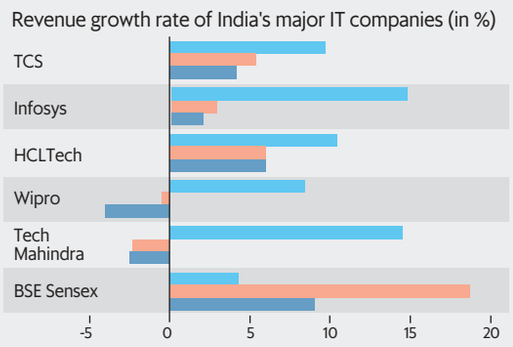
	S&P BSE Sensex	Nifty 50	Nifty 500	Nifty Next 50	Nifty 100	S&P BSE Mid-cap	S&P BSE Small Cap
CLOSE	78,699.07	23,813.4	22,445.2	68,557.15	24,632.00	46,325.58	55,048.12
1-WEEK CHANGE (%)	0.20	0.25	0.15	-0.40	0.14	0.11	0.42
1-MONTH CHANGE (%)	-1.38	-1.32	-1.06	-2.99	-1.67	0.55	-0.27
3-MONTH CHANGE (%)	-6.47	-7.54	-7.27	-10.91	-8.22	-6.03	-3.58
6-MONTH CHANGE (%)	0.04	-0.28	0.00	-3.50	-0.97	0.82	6.03
1-YEAR CHANGE (%)	10.35	11.02	16.85	30.14	13.79	26.95	29.75

Muted show

Return rates of major IT companies' share prices in India (in %)



Revenue growth rate of India's major IT companies (in %)



*Revenue growth rate is calculated from 1 January to 30 September; shares returns for 2024 are calculated from 1 January to 27 December.

Mint research, BSE

JSW-O2 Power: Buying is better

Manish Joshi
feedback@livemint.com

JSW Energy Ltd has announced the acquisition of O2 Power Pooling, a company engaged in renewable power, for an enterprise value (EV) of ₹12,468 crore. While the total consideration is ₹15,154 crore, the net working capital is ₹2,686 crore largely made up of cash, thus resulting in a lower net EV. Additionally, ₹14,000 crore capital expenditure will be required to reach total capacity of 4.7 gigawatts (GW), which means the total cost for the entire capacity works out to about ₹26,000 crore. Note that 4.7GW of capacity is split into 3GW of solar and 1.7GW of wind—building this capacity would have come at the same cost, that is approximately ₹26,000 crore, as setting up solar power plants that cost ₹4 crore per megawatt (MW), and ₹8 crore per MW for wind.

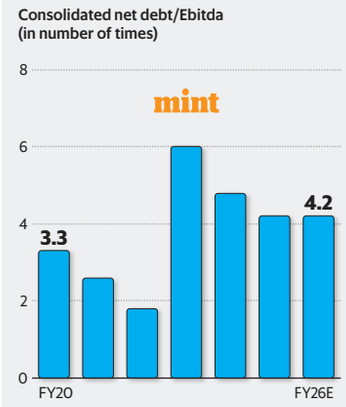
Even then, the acquisition is excellent for JSW Energy. Here's why.

Building new plants involves a gestation period. There are inordinate delays in land acquisition, regulatory clearances, arranging for power evacuation (transmission connectivity) and most importantly, finding the right customer for power at an attractive price for a long duration. For JSW Energy, building new capacity would have meant uncertain timeline and a lack of revenue visibility.

JSW Energy is set to acquire O2 Power Pooling for an enterprise value of ₹12,468 crore. REUTERS

Leveraged play

JSW Energy's consolidated net debt/Ebitda could spike further if there is no equity fund raise



Note: Ebitda is earnings before interest, tax, depreciation and amortization; E is estimated

Source: Company, Motilal Oswal Financial Services

O2 Power has everything in place and it has already tied up for offtake of power. It has blended tariff rate of ₹3.37 per kilowatt-hour (kwh) (simplified as one unit of power consumed at home) and the remaining life at 23 years.

The tariff rate is attractive considering the current power offtake rates. Based on the resource mix of the acquired assets, the weighted average realization would have come to ₹2.9 per unit, as the current bidding trends suggest that solar power rates have dropped to ₹3 per unit and wind power to ₹3.5 per unit. O2 Power has contracted 87% of the power offtake with utilities that reduces the risk of receivables turning bad.

Also, there is high visibility for 4.7GW capacity. About 1.2GW capacity is operational and likely to reach 2.3GW within six months. O2 Power has already acquired 40% of the required land for the under-construction projects of 2.4GW and there is visibility for acquiring the rest of the land.

A GOOD BET

BUILDING new capacity would have meant uncertain timeline and a lack of revenue visibility.

O2 Power has everything in place and it has already tied up for offtake of power.

The part that is unclear is how this acquisition will be funded. The management said the details of funding will become clear later as the transaction is likely to be closed in about six months. Generally, the debt-equity ratio in such projects is 3:1.

The management estimates equity IRR (internal rate of return) of the entire transaction at higher than 17%. However, it should be noted here that JSW Energy's net-debt-to-Ebitda (earnings before interest, taxes, depreciation, and amortization) ratio is already high at 4.1x at September-end.

This is the second big acquisition in renewable energy space by JSW Energy through JSW Neo Energy, a wholly-owned subsidiary, in a span of two years. The first was of Mytrah Energy, which was done at ₹10,150 crore for 1.75GW.

Interestingly, both acquisitions have been done at the same price of around ₹5.5 crore per MW, if the total cost of completion of 4.7GW of ₹26,000 crore is taken. The cost per MW is competitive especially as it shortens the time for scaling up of capacity.

Since FY27 will be the first full year of 2.3GW capacity getting operational, the acquisition is valued at EV/Ebitda of 8.3x, much cheaper than JSW Energy's own valuation of 12x based on *Bloomberg* consensus estimates for FY27. Thus, the acquisition is positive for JSW Energy.

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

Investors in tech stocks unfazed by bleak growth

FROM PAGE 1

Tech Mahindra saw their full-year revenue fall 4% and 2.5%, respectively.

TCS, Infosys, and HCL reported higher growth of 5.4%, 2.8%, and 6%, respectively, in the calendar year 2023. Wipro and Tech Mahindra fared better last year, as revenue fell 0.5% and 2.3%, respectively.

Still, shares of TCS and Infosys were up 9.5% and 24% between 1 January and 27 December, as against a 9% return on Sensex-30. Stocks of HCL and Tech Mahindra were up 30% and 35%, while Wipro's shares fell 35%.

The outperformance by the largest IT services firms comes on the back of a good return made last year, which saw the weakest full-year growth by the five companies. TCS, Infosys, HCL, Wipro, and Tech Mahindra returned 16.2%, 2%, 41%, 20%, and 25%, respectively, in 2023. Last year, Sensex was up 19%.

So what gives? And can this rally continue?

Analysts say investors are buying stocks of the largest IT firms because they hope a recovery in tech spending and further rate cuts by the US Federal Reserve could lead to more tech spending by Fortune 500 companies.

"When the US Fed indicated (in September) that it was done with rate hikes from March 2023, the market had started to factor in growth," said Pramod Gubbi, founder of Marcellus Investment Managers. "Revenue growth lags share price performance and as interest rates ease, discretionary spends can pick up, translating to more business for IT service providers," said Gubbi.

Considering that Indian IT firms follow an April-March fiscal year, *Mint*'s analysis of their performance considers the performance in the first half of the year.

The second half has been historically weaker for these companies because of fewer billing days and more holidays. For this reason, the performance in FY25 will not be incrementally better than the growth posted in the first nine months of the current calendar year.

jas.bardia@livemint.com

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

After a bad year for bonds, investors lose faith in a turnaround

Sam Goldfarb
feedback@livemint.com

Wall Street investors entered each of the past two years brimming with optimism about U.S. Treasurys and other types of high-quality debt. Each time, they were disappointed.

Now, they are far more guarded. In recent weeks, money managers have been dumping Treasurys, while savers have been rushing out of longer-term bond funds.

All that selling has pushed Treasury yields to the upper end of their two-year range. Still, investors remain worried that a tough environment for bonds could get even worse if President-elect Donald Trump pursues inflationary policies such as new tariffs. Many are debating whether hiding out in short-term T-bills could again be the smarter play.

"Cash is yielding 4-plus percent," said Ed Al-Hussainy, global interest-rate strategist at Columbia Threadneedle Investments. "That's a pretty tough bogey to beat."

Such doubts represent a big shift on Wall Street.

Just a few years ago, bonds were enjoying a decadeslong bull run and investors hardly feared higher rates. They generally assumed rates couldn't rise much above zero without triggering a recession.

When the Federal Reserve raised rates aggressively in 2022, most investors still believed it was only a passing phase. Through 2023, they consistently bet on a quicker and sharper turn to lower rates than the Fed itself was forecasting.

Now, though, more investors have come to believe that the economy can handle higher rates and that inflation will persist as a threat.

Starting in November, investors were ahead of the Fed in betting that the central bank would reduce rates just twice next year, rather than the four times officials signaled in September. When most Fed officials also forecast two cuts in their Dec. 18 economic projections, traders immediately stepped up bets that the central bank would cut once, or not at all.

Those wagers have taken a toll on bond returns.

As of Dec. 26, an ICE BofA index of U.S. Treasurys was poised to deliver worse returns than T-bills for the fourth straight year, having returned 0.4% compared with T-bills' 5.2%. The widely tracked Bloomberg U.S. Aggregate Index, which includes investment-grade corporate bonds and mortgage-backed securities as well as Treasurys, has returned 1.1%, after barely outperforming T-bills in 2023 and falling short the previous two years.

Rising yields create their own headwinds for the economy because Treasury yields set a floor on an array of borrowing costs. AP

THE WALL STREET JOURNAL.

In the past, bonds would usually follow a bad year with a good year. That hasn't happened recently, prompting "this reluctance to deal with the asset class," said Brian Nick, head of portfolio strategy at NewEdge Wealth.

Investors have pulled $5.3 billion out of BlackRock's iShares 20+ Year Treasury Bond ETF this month, according to FactSet. If that number holds to the end of December, it would be the largest monthly outflow in the fund's 22-year history.

Tumbling bond prices pushed the yield on the benchmark 10-year U.S. Treasury note up to 4.619% as of Friday, according to Tradeweb. That was up from 4.192% at the end of November and 3.860% at the end of 2023.

Not everyone is so pessimistic. Economists at Goldman Sachs have forecast that inflation will resume its downward trajectory next year, allowing the Fed to cut rates three times. Rates strategists at the bank predicted that 10-year Treasurys would outperform bills in 2025, arguing that the market has already priced in strong U.S. growth and hefty federal budget deficits.

Rising yields create their own headwinds for the economy because Treasury yields set a floor on an array of borrowing costs. Their recent uptick has already driven average 30-year mortgage rates back up near 7%, extending a deep slump in home buying.

Pressure on bonds can also squeeze riskier assets. Stock valuations are currently lofty by most measures, but particularly so when weighed against the risk-free return investors can get by holding a 10-year Treasury note to maturity. Historically, that has meant that stocks have struggled to outperform bonds over the next 10 years, according to data compiled by the economist Robert Shiller.

Investors should own "at least as many bonds in your portfolio as you normally would, and maybe even more if you are sort of setting this and forgetting it for a very long period of time," said Nick of NewEdge Wealth. "Bonds are offering you more value than the broad equity market is."

Still, many others are hesitant. The 10-year yield could easily climb above 5% if Trump adds to inflation by raising tariffs and can't curb increases in the supply of Treasurys by reducing the budget deficit, said Yung-Yu Ma, chief investment officer at BMO Wealth Management.

In hindsight, it is the low-rate world of the 2010s that is starting to look as though it was "a complete bubble" for bonds, he added.

©2024 DOW JONES & CO. INC.

'Equity market returns can't have fixed-income-like consistency'

Dipti Sharma
dipti.sharma@livemint.com
MUMBAI

INTERVIEW

India has been in one of the longest bull markets, with this phase starting in March 2020, said Prashant Khemka, founder of WhiteOak Capital Management. He thinks that we have been somewhat spoiled by the returns over the past five years. In the recent months, the stock market has come off its highs, but that's nothing unusual.

"We've come to expect equity-market returns with fixed-income-like consistency, which isn't a reasonable expectation," he said, adding, "We should temper both our return expectations—aiming for low double digits rather than mid-teens—and our expectations for consistency".

Looking ahead to 2025, Khemka expects pre-tax market returns of 10-11%.

Edited excerpts:

To begin with, if you were to get ₹10 lakh, where would you invest?

Assuming all living expenses are covered, my approach is always the same. Essentially, all available money is entirely invested in the stock market. These days, my wife handles these investments based on standing instructions. If there happens to be any excess money, we invest it in mutual funds or other investment vehicles of WhiteOak. Occasionally, I even say jokingly that the only times my wife and I argue are when she might slip up and leave money idle in the bank for a few days instead of deploying it into the market. We are always fully invested in equities and have never prioritized fixed deposit as investment. So, that continues to be the case.

Considering what you said, how would you look at diversification, given that many have pointed out that diversification is key in a volatile market. So, how would you look at that?

Diversifying across asset classes comes at a cost. Equity has been the best-performing asset class over extended periods of time. Since I entered the markets in 1985, both personal experience and historical data show that equity markets deliver the highest long-term returns for passive investors. While running a business may yield higher returns, I firmly believe equity markets will continue to lead as investments. Our team also strives to generate returns above the market average, creating a total return that is hard to match in other asset classes. From my perspective, the additional returns from equity investments more than compensate for the lost diversification benefits.

I understand that you believe equity offers long-term superior returns and are quite optimistic about the asset class. However, given the past rally and current uncertainty, should investors consider tempering their return expectations?

It depends on what the return expectations are. However, at any point in time, if you ask me about expected returns over the next 12 months or any specific period, I would estimate low double digits on an annualized basis. That hasn't changed, and it remains my base case expectation at this time, too.

It's like flipping a coin ten times—my expectation would always be five heads and five tails. In reality, the outcome could be six-four, eight-two, or even ten-zero, but with enough flips, it averages out to 50-50. Similarly, Indian equity returns over a long period have consistently averaged in the low double digits if you look at the historical performance.

Looking ahead, I expect similar returns of low double digit, roughly 10-11%, pre-tax.

Many are worried about slowing earnings growth and the possibility of earnings downgrades. Do you share this concern?

Concerns are always present in the market; there's never a time without them. People naturally look for risks, and there will always be something to focus on. These concerns aren't new. It's possible that, in the near term, with slightly slower economic growth last quarter, we could see this trend spill over into corporate earnings this quarter as well. However, that's just part of the business cycle. Over the years, there have been periods of slower economic and earnings growth, followed by times of faster growth. If we experience slower growth in the coming months, it is entirely possible, but it does not necessarily mean the markets will perform poorly.

Are these factors already priced in? Geopolitical concerns and elections were major worries—have we moved past them? What are the other concerns, and has likelihood of earnings downgrades or slowing growth been factored in?

Yes, in my view, macro concerns are always factored in on a probabilistic basis—weighted by the likelihood of various outcomes. However, reality can sometimes turn out far worse or better than what the market has anticipated at a point in time. Also, what we think is priced in may differ significantly from what the market has actually accounted for.

> We don't make market timing calls; we are typically fully invested, with cash levels of less than 1%
>
> **Prashant Khemka**
> Founder of WhiteOak Capital Management

For example, if we look back five years to the end of 2019 and if we were told everything that would unfold during covid-19, we might have expected markets to perform very poorly. Most people, including myself, could have been tempted to stay in cash or shift to safer assets. Yet, 23 March 2020, marked the market's bottom, even when the total reported covid-19 cases in India were only around 500, with just about 100 cases reported for that day. Despite the subsequent surge in cases, millions of deaths, and extended lockdowns, the market began rallying from 24 March. Why? Because it had already factored in these outcomes and more. The market assessed the long-term impact of these developments on corporate cash flows and determined that the present value of those cash flows was not materially affected as one might have feared just a few days prior.

Since you brought up holding cash, some fund managers are currently maintaining cash levels as high as 50-80%. What's your perspective on this?

Our team is always able to find opportunities. Forget about holding 50-80% cash—our team generally does not even have 50 to 80 basis points of cash in the portfolio, meaning we don't even have 0.5% to 0.8% in cash on many of the days because we are fully invested. We don't make market timing calls; we are typically fully invested, with cash levels of less than 1%. Our approach is that the market is fairly valued overall, but within that, some stocks will be overvalued and others undervalued. In a relative performance approach, it's about identifying those undervalued names. To outperform the market and our peers, that's what we focus on.

Scan the QR code to read an extended version of this story.

mint must read

Positive on stocks' long-term potential

Nishant Kumar
nishant.kumar@htdigital.in

Devina Mehra, founder of First Global, is optimistic about the long-term growth potential of India's stock market. In an interview with *Mint*, she said that stock indices have yet to reach their long-term compounding trend lines or extremes in terms of rolling returns. The risk of big, sustained crashes manifests when the market goes way above the trend line, she highlighted.

Mehra is overweight on pharma and healthcare, IT services and auto components, but underweight on capital goods and industrial machinery- sectors she had been overweight on for three years.

She is cautious about small-caps as this segment has seen huge drawdowns in the past: nearly 80% in 2008-9 and 65% in 2018-19. Plus, risk management is near impossible here because when these stocks fall, there is often no exit.

Scan the QR code to read the story.

Mehra suggests that investors consider more than just profit growth when picking stocks. They should also consider cash flow trends, return ratios, and other factors. The key, she says, is to decide on the parameters and stick to them rather than getting sidetracked by tips from friends, TV etc.

She emphasized that it is nearly impossible to predict the course of the market, and that a reasonable percentage of one's stock bets will not work out. Investors must keep a strict stop loss for ideas which did not work out as expected, because investing is a loser's game.

PSB headcount slips to 13-yr low

Between FY17 and FY24, PSBs lost more than 100,000 employees even as staff in the banking sector increased

Shayan Ghosh & Devina Sengupta
MUMBAI

The number of employees at India's public sector banks (PSBs) is at its lowest in 13 years, showed latest data released by the Reserve Bank of India (RBI), with mergers leading to slower branch expansion and many finding greener pastures elsewhere.

Thirteen years ago, in FY11, public sector banks employed 755,102 people, while at the end of FY24, the number stood at 756,015, the RBI data showed. These banks have lost about 12% of their employee base in the last seven years. Between FY17 and FY24, public sector banks lost more than 100,000 employees even as staff across the country's banking sector increased by nearly half a million, the data showed. Interestingly, private sector banks have doubled their staff count to 845,841 in the same period.

The number of employees in public sector banks was at its peak in FY17, when they had a total of 857,500 staff.

The number of employees in public sector banks was at its peak in FY17. MINT

These include three categories of employees: officers, clerks and sub-staff. Clerks are present in bank branches where they act as tellers, cashiers and are also responsible for filing documents. They are also employed at administrative offices of banks, assisting officers. The primary difference between a clerk and an officer is the latter's ability to sanction loans.

Mint reported in September 2022 that the share of clerical jobs in India's banking system has declined over the past years, from the highs of over 50% in the early '90s to 22% as of FY21, showed the latest segregated bank employment data released by the Reserve Bank of India last week. This has further declined to 17.8%.

Experts said that jobs available in the PSU and private sector are becoming similar with higher cash payout in the private sector, attracting more employment seekers.

"In the mid-senior level, PSUs offer housing facilities which work in their favour. More jobs and new-age opportunities are available across the finance sector and therefore more avenues to the new generation workforce," said Upasana Agarwal, partner (professional and financial services), ABC Consultants, a recruitment services firm.

23% of all branch additions done by PSBs in FY24

Agarwal said that there is demand for experienced risk and regulatory jobs and the talent at public sector banks is mobile. Private sector firms, she said, are willing to recruit from metros and non-metros from this available talent pool. "Private sector offers more cash-in-hand and PSUs give more benefits which may not be very attractive to the younger workforce but if you have worked in PSUs for over two decades, then you are much in demand."

According to a senior public sector bank executive, recruitments by PSBs have fallen after the merger of several such lenders. In April 2019, Dena Bank and Vijaya Bank merged into Dena Bank. This was followed by 10 state-owned banks merging into four the next year.

"Most PSU banks are just hiring to replace attrition, instead hiring in large numbers like earlier," the banker said. "The pace of addition of branches has also slowed down in the last few years following the mergers. If there are not that many branches, why will banks recruit people?"

RBI data showed that PSBs accounted for 23% of the total branch additions in FY24, while the rest was by private lenders. Even in FY23, private sector lenders outstripped their public sector counterparts in branch additions, opening 3,473 new branches, as against 932 by state-owned lenders.

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

Consumer goods companies turn their focus to rural hiring

FROM PAGE 1

has increased hiring in rural areas alongside introducing smaller and more affordable packs across key consumer goods categories to drive deeper penetration in rural markets. "To support this initiative, we have increased our rural workforce, enabling us to double our outlet and village coverage," said Krishna Khatwani, head of sales (India), Godrej Consumer Products, which has warned of weaker margin and volumes for the December quarter chiefly because of higher input costs.

Delhi-based Dabur is deploying more on-ground sales force, particularly for its foods business, which the company said has "significant rural potential".

"We have been focusing on strengthening our competitive edge in the marketplace by investing in scaling up our rural footprint and rolling out consumer-centric innovations," said Biplab Baksi, executive director-human resources, at Dabur, which sells hair oils, toothpaste, and spices, among other products. "We have expanded our rural footprint to 122,000 villages. This expansion drive will continue," Baksi added. Recruitment firms estimate that fast-moving consumer goods (FMCG) companies have ramped up hiring in rural markets by 10–15% this financial year.

Recruitment firms estimate that FMCG companies have ramped up hiring in rural markets by 10–15% in FY25

Balasubramanian Ananthanarayanan, senior vice-president at recruitment firm Teamlease Services, estimates a 10% growth in hiring by FMCG firms in the rural segment. "Urban inflation is high, especially house rentals, leading to sluggishness. This has pushed FMCG players to focus on rural markets whose growth has far outstripped their urban counterparts in the last three quarters," he said.

A spokesperson for ITC said that as part of the company's ITC Next strategy, "we have been actively looking at enhancing penetration and reach of our FMCG products across geographies, including in rural markets. The objective has been to expand markets and salesforce across rural geographies through a hub-and-spoke distribution model."

ITC's rural stockist network has increased by over 1.3 times over the last two years, the spokesperson added.

Consumer demand in rural areas surpassed that in urban areas for a third straight quarter in Q2FY25, according to NielsenIQ, a consumer intelligence company. Volume growth in rural markets was 6%, against 2.8% in urban markets.

Consumers in smaller cities and rural areas are increasingly demanding higher quality and a wider selection of products, and improved buying experience. "Hence, there's a projected increase of 60% in the number of SKUs that FMCG firms are deploying in rural areas," said Ananthanarayanan of Teamlease. SKUs are stock-keeping units and denote the unique number attached to a product.

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

Celebrate love and legacy with Elvy's bespoke wedding gifts

At Elvy, we believe that weddings are more than ceremonies—they are moments that echo through generations. With a legacy rooted in 75 years of excellence under Stalwart Overseas, and 18 years as one of India's leading names in luxury décor, tableware and gifting, Elvy crafts pieces celebrate love, tradition and sophistication. Guided by the visionary duo, Vandana Khosla and Lovy Khosla, Elvy is the preferred choice for bespoke wedding gifts, adored by both Bollywood's elite and connoisseurs of fine living. Elvy presents an unparalleled selection of wedding gifts for those most memorable celebrations, meticulously designed to bring joy and elegance to life's most cherished occasions.

When it comes to wedding gifts, nothing speaks of elegance and thoughtfulness like timeless treasures. Elvy's exquisite range of **dinner sets and premium tableware** stands out as a perfect choice. Designed to elevate every dining experience, these pieces are crafted from the finest materials, blending sophistication with timeless beauty. Our complementing **cutlery and premium table linen** ensures that every meal—whether a grand celebration or an intimate gathering—becomes an occasion of luxury. **Premium bar sets** make the ideal wedding gift for couples who appreciate the finer things in life. With an emphasis on both elegance and functionality, each piece—from artfully designed decanters to exquisite bar carts—is crafted to transform the home bar into a statement of style. Elvy's **exclusive centrepieces** are designed to captivate and elevate any space with their unparalleled elegance. These timeless treasures not only enhance the beauty of a home but also serve as enduring reflections of a couple's journey together.

mint Brand Studio
ELVY

Elvy understands that every wedding is a celebration of love and legacy. Our bespoke gifting solutions are designed to reflect the grandeur of the occasion, ensuring that every gift becomes a cherished memory. Celebrate the spirit of weddings with Elvy—because timeless elegance makes for unforgettable gifts.

Website: **www.elvy.com**
Contact us: **9599121888**
Instagram: **@elvylifestyle**

Created by Mint Brand Studio

DPCC

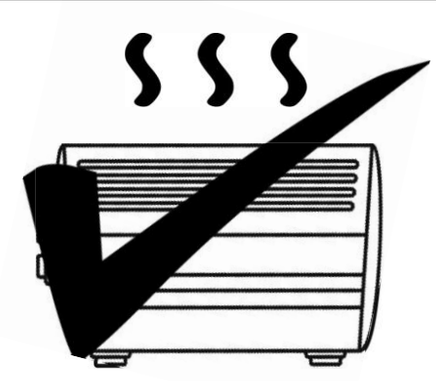
LiFE Lifestyle for Environment

KIND ATTENTION

RESIDENT WELFARE ASSOCIATIONS/ BUILDERS/ PROJECT PROPONENTS/ NGOs/ CITIZENS

AVOID OPEN BURNING
AVOID AIR POLLUTION

PROVIDE ELECTRIC HEATERS AND WARM CLOTHING TO SECURITY AND OTHER STAFF



✓ *Avoid open burning of biomass & solid waste*

✓ *Do not use coal and wood for heating purpose*

LET'S PROTECT OUR AIR TOGETHER !

Delhi Pollution Control Committee
https://dpcc.delhigovt.nic.in

Scan QR code to Download Green Delhi App

Reshaping Indian ads with AI storytelling

From bridging linguistic divides to crafting laser-focused personalization, AI has evolved as a creative partner

A screenshot from a Christmas video for Kansai Nerolac Paints. REDIFFUSION AI DESIGN (RAID) STUDIO

Gaurav Laghate
gaurav.laghate@livemint.com
MUMBAI

A light breeze drifted through a small creative agency in Mumbai's Dadar district one summer morning. The design team, huddled around their laptops, felt the pressure mounting: a major client had just announced a nationwide campaign rollout, with deadlines looming. Miles away in a Delhi high-rise, a senior brand manager scrolled through social media feedback, worried their latest ad push wasn't connecting outside metro cities. Meanwhile, in Bengaluru, an e-commerce startup was about to launch a new fashion line but struggled to craft messaging that appealed both to cosmopolitan millennials and more conservative families.

Three different corners of India, three distinct advertising challenges, yet one transformative solution—artificial intelligence (AI)-driven storytelling. Once considered futuristic, AI is now rapidly reshaping the nation's advertising landscape. From bridging linguistic divides to crafting laser-focused personalization, AI has evolved from buzzword to essential creative partner.

The human touch—amplified

Unlike traditional automation tools, generative AI models like ChatGPT do more than just speed up repetitive tasks. They tap into vast datasets—ranging from pop culture references to local dialects—and produce creative outputs. When a Bengaluru-based fashion retailer tested AI-generated ad copy, the variety of taglines in English, Kannada and colloquial Hinglish was impressive. After feeding the AI a few prompts about the brand's vibrant identity, the marketing team was flooded with punchy lines that mixed local phrases with pop culture references.

But human creativity remained essential. Marketers shortlisted the best lines, refined the tone and added finishing touches that gave the copy its unique personality. The campaign's success showed how technology and a human touch can combine to create something genuinely engaging.

Personalization at scale

India's cultural and linguistic diversity is both a treasure trove and a major hurdle for advertisers. A national fast-moving consumer goods (FMCG) company in Delhi embraced AI-driven storytelling for a tea promotion and segmented its audience by region, language and age. Using AI, the brand generated video scripts and social media captions in multiple languages, each infused with local cultural references—Punjab's robust chai traditions, Assam's proud tea heritage and more. This approach was not only faster but also more effective: engagement and brand recall skyrocketed, validating the power of personalized, localized content.

Yet, as Sreeraman Thiagarajan, chief executive officer (CEO) at Agrahyah Technologies, notes, marketers should look beyond tactical AI uses like ad copy generation and think bigger. "The real power of AI lies in weaving it into every touchpoint with the consumer, not just in isolated tasks."

> AI models trained on extensive linguistic datasets can easily switch languages ensuring brand messages stay culturally relevant

Meanwhile, Yesudas S. Pillai, founder of Y&A Transformation and strategic advisor at Channel Factory, believes AI can address India's diversity head-on. "AI's ability to craft hyper-personalized messages is a game-changer, especially in a market like India, where diversity in language, culture and preferences poses significant challenges. AI can help create campaigns that are rooted in relevant languages and contextual narratives for different sets of consumers."

Multiple angles, one unified message

A media house in Mumbai used AI to maintain narrative consistency across platforms—from print ads to social posts to radio jingles. Creative directors, copywriters and scriptwriters fed a core brand story into the AI, complete with emotional undertones and character sketches. The AI then spun multiple versions, each tailored to a specific channel. For instance, the radio jingle was short and catchy, while the social posts captured a fun, quippy brand tone. Print ads used more formal language.

In today's hyper-competitive market, cohesive multi-channel experiences are crucial. AI's ability to preserve a brand's spirit while adapting to different formats has helped unify campaigns like never before.

Breaking language barriers

The rise of regional over-the-top (OTT) platforms, vernacular news portals and local YouTube channels shows how deeply Indians value content in their mother tongues. AI models trained on extensive linguistic datasets can easily switch between Marathi, Tamil, Telugu, Bengali and more, ensuring brand messages stay culturally relevant.

Mandar Natekar, co-founder and CEO of VisualDub.Ai, observes that Indian social culture is moving toward "language and cultural pride," making it more important than ever for brands to speak consumers' languages authentically. "For the longest time, ad films were shot in Hindi and then dubbed for regional audiences, but that risked losing authenticity. With GenAI, brands can connect with consumers in their own language quickly and at a lower cost."

Insights beyond creation

Part of AI's appeal lies in its ability to analyze the impact of content, not just create it. Marketers gain real-time insights into which scripts or visuals drive higher engagement or lead to more sales. At a startup in Gurugram, the marketing team ran two AI-created campaigns—one comedic, one inspirational—for a mobile app launch. Within hours, analytics showed the inspirational tone resonated far more with the target audience. Budgets and creative focus were swiftly adjusted, improving efficiency and impact.

According to Pillai, "AI-driven storytelling can transform data into impactful engagement opportunities," but he cautions against sacrificing genuine human experiences for last-click ambitions. "I hope we don't devolve into transactional, stereotypical representations. Ultimately, the goal isn't to replace human imagination with cold algorithms, but to harness AI to amplify creativity, speed and relevance. In a land as dynamic and diverse as India, that meaningful connection is more crucial than ever. And AI, when balanced with human insight, just might be the key to forging it."

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

INTERVIEW

Platinum Guild rides double-digit surge as Young India seeks more

Gaurav Laghate
gaurav.laghate@livemint.com
MUMBAI

India's fascination with gold is legendary, but platinum is quickly carving out its own space, especially among young consumers who want jewellery to mean more than a mere "store of value." High awareness and consideration levels, sustained double-digit growth, and expanding reach into tier-2 and tier-3 towns underscore just how potent platinum's appeal has become. Sujala Martis, consumer marketing director at Platinum Guild India (PGI), discusses the evolving consumer mindset, marketing strategies for the rare and emotive metal, and the next wave of growth. *Edited excerpts:*

Scan the code for an extended version of this interview.

Platinum is still relatively new in India compared to gold. Is this niche image limiting its reach, or have you broken through to a broader market?

Platinum may still feel "niche" compared to gold's long-standing dominance, but we've observed strong, consistent double-digit growth. What might seem surprising is how rapidly awareness and consideration have risen in just the past year. Our latest brand track with Nielsen IQ, which surveyed 15 cities, shows awareness at 93%, up from 86%. More importantly, top-two-box consideration is at 90%, up from 82%. These numbers tell us that young consumers especially are thinking about platinum as more than an afterthought. They're seeing it as a meaningful piece that marks a special moment in their lives, whether that's an engagement ring, a birthday present, or a self-purchase symbolizing personal milestones.

> While metros and tier-1 cities remain core markets, we're now in tier-II and tier-III as well
> **Sujala Martis**, consumer marketing director, Platinum Guild India

How has Platinum Guild India managed to expand its distribution so widely, especially given the perception that platinum is an "urban" product?

We've always believed that if you build a strong emotional value proposition, you can transcend geography. While metros and tier-I cities remain core markets, we're now in tier-II and tier-III as well, facilitated by partnerships with national chains, regional chains, and independent jewellers. This push is reflected in our numbers: 60% of our retail footprint is in metros and tier-I, 30% in tier-II, and 10% in tier-III. A key factor has been online discovery—40% to 58% of our digital traffic comes from tier-II and smaller cities. These consumers do their research online, compare designs, understand the purity and rarity factors, then either transact directly on e-commerce platforms or head into stores to see the products in person.

Is there a fundamental change in the way Indians view jewellery, particularly among millennials and Gen Z?

Absolutely. For earlier generations, precious metals were often about financial security; the emotional or design-driven angle was secondary. Today's buyers place more emphasis on individuality, self-expression, and commemoration of important occasions. Gold is seen as deeply traditional, which still resonates in many contexts, but platinum is emerging as a modern alternative, one that offers emotional significance. Our research consistently shows that the top five reasons consumers choose platinum—across both women and men—start with celebrating an important occasion or milestone. Design and the "gift of love" factor also come up strongly. Then there's the metal's rarity and premium feel. So, it's clear that we're not just another precious metal competing on price; we're offering something that feels personally meaningful and aspirational.

ADS WE LIKE

When a fan became a beacon of hope

In a tiny village, a young boy holds on to a dream sparked by his father's words: "*Pehle pankha, phir bijli*" (First a fan, then electricity). He sets out to prove that the fan his father once promised can bring light to their home and hope to their village, but is met with ridicule on the way.

The Adani Group's new campaign, part of its ongoing "*Hum Karke Dikhate Hain*" series, brings this story to life. The narrative, beautifully crafted by Ogilvy India, focuses on the power of hope, instead of technology or jargon. As the boy's dream takes flight, the film subtly weaves in the role of Adani's wind turbines, which harness the power of nature to light up homes and transform lives.

DRIVERS OF BRAND DESIRE AMONG NEW-AGE CONSUMERS

MARKETING MANTRA

N. CHANDRAMOULI

Respond to this column at
feedback@livemint.com

When times are brimming with hope, options and changing consumer expectations, the only way for brands to stay relevant is by becoming consumer-focused and dipping into the innermost desires of customers. Desire is an emotional force deeply rooted in the human psyche; the same vigour drives discoveries and inventions and fuels breakthroughs. In India today, where cultural heritage intersects global ambition, understanding and igniting this desire in consumers requires balancing rational value with emotional resonance, creating compelling communication that connects to consumer aspirations.

Every time a brand has a human interface, it arouses deep-rooted physical, psychological, sociological and cultural reactions in the audience, exerted as a 'force of attraction' by the brand. This intrinsic capacity of a brand to arouse the audiences' interest and create a magnetic pull towards itself is brand desire.

Brand desire is built on four critical foundations: rational, emotional, communication and aspirational appeals. At the most basic level is rational appeal, providing consumers with a clear reason to buy. Rational appeal implies that a brand must present practical value that reassures consumers it can deliver on consumer expectations. This is crucial in India's discerning market, where consumers demand uncompromising quality and high dependability at a reasonable price.

Emotional appeal, the second foundation of brand desire, deepens desire by helping the brands connect with consumers personally, speaking to memories, values and identity. Going beyond functionality, emotional appeal creates a bond that aligns with shared experiences and values. Brands which use emotional appeal generate primary and derivative emotions such as love, joy, surprise, anger, sadness and sometimes (though rarely) fear. These emotions trigger automatic, involuntary audience responses, making communication more persuasive and impactful.

The third foundation of desire, communication appeal, and hope lies in a brand's charisma—which refers to a brand's visual, auditory and cognitive attractiveness, such that it naturally aligns with the cultural and contextual preferences of the consumers. Brands that focus on communication appeal create an intense pull that makes the brand memorable and engaging. The other part of this appeal is oration, which highlights the power of how the message is delivered. Compelling oration involves strategic phrasing, tone, and timing, ensuring the brand's message resonates emotionally and intellectually with consumers. Effective communication acts as a telescope, bringing the brand closer to the audience by enhancing its external attributes and making them more relatable. Simultaneously, it functions as a microscope, uncovering the brand's intricate nuances and core values that help it resonate with consumers.

The fourth pillar, aspirational appeal, holds special significance. The aspirational appeal allows consumers to see a better version of themselves, with the brand as a partner on that journey. Whether through the brand's vision, innovation, progress or technology, aspirational brands symbolize growth and help consumers evolve. They offer more than products; they offer consumers a way to connect with their potential.

To elevate their desirability quotient, brands adopt strategies that foster genuine connections. One powerful approach is quality communication, where brands create transparent, relatable narratives across digital platforms. By engaging with influencers and creating interactive content, brands are not just reaching audiences but are building personal connections. This type of storytelling demonstrates an understanding of consumers' lives and values, helping brands stand out in an overcrowded market.

> Brand desire is instinctive to a brand, yet it must be consciously sought

Another approach is evoking deep emotional resonance. Brands that succeed here tap into family, resilience and community themes, celebrating shared experiences that unify rather than divide.

Brand desire is instinctive to a brand, yet it must be consciously sought. Ultimately, brands that understand and integrate these appeals can resonate more intimately with today's consumers, building loyalty that withstands time and trends. In a world where consumer allegiance is increasingly hard to secure, brands that inspire lasting desire hold a unique power in the consumer's life.

N. Chandramouli is chief executive officer at TRA Research, the publisher of TRA's Most Desired Brands

IEW INDIA ENERGY WEEK 2025
MINISTRY OF PETROLEUM AND NATURAL GAS Government of India
11 - 14 February 2025
Yashobhoomi, Dwarka, New Delhi | India

Reimagining the Future of Energy in India, for the World.
India Energy Week 2025

70,000+ Energy Professionals | 500+ Conference Speakers | 6,000+ Conference Delegates | 10+ Country Pavilions | 700+ Exhibiting Companies | 100+ Conference Sessions

Visit www.indiaenergyweek.com or scan the QR Code to know more.
Connect with us: #IndiaEnergyWeek | www.indiaenergyweek.com

Narendra Modi
Prime Minister

Investors question PIL that led to stay on Religare AGM

Key shareholders dispute premise that ownership will be concentrated in the hands of a few

Nehal Chaliawala
nehal.chaliawala@livemint.com
MUMBAI

Several large investors of Religare Enterprises Ltd (REL) have criticized the public interest litigation (PIL) filed by an investor that led the Madhya Pradesh high court to indefinitely stay the company's upcoming annual general meeting (AGM).

The investors disputed the premise of the writ petition filed by the individual named Vijayant Mishra, who argued that a takeover of Religare by the Burman family will concentrate the ownership of the company in the hands of a few, which is against the interests of minority shareholders.

Mint spoke with multiple investors, who collectively control about a tenth of Religare's total share capital.

"This is a mockery of shareholders' rights and shareholders' democracy," said Umeshkumar Mehta, chief investment officer, Samco Mutual Fund. "Holding of the AGM has got nothing to do with RBI approval or open offer. AGM is an independent business matter," he said, speaking for Samco's fund house and not its promoters.

Religare's AGM was scheduled for 31 December. BLOOMBERG

Samco Special Opportunities Funds holds a 1.37% stake in Religare. Separately, Samco's promoter Modi family owns an 8.19% stake in the company through two holding companies.

"Today also the shareholding is concentrated with the Burman family. If they make an open offer, minority investors can always say no to selling their shares. If such arguments are made then no takeovers can happen in India," said a senior executive at one of the large institutional investors of Religare, asking not to be named. The AGM was scheduled for 31 December.

"It is odd for a high court to pass such an order against Sebi and RBI regulations. The order itself didn't have any compelling logic on why an AGM, that is outlined by the Companies Act, needed to be withheld," said Shriram Subramanian, the managing director of proxy advisory firm InGovern. "Any acquisition will have one or two acquirers and the consolidation of shareholders, that's how the market works."

The Burman family, the promoters of consumer goods maker Dabur India Ltd, control 25.12% stake in Religare.

Religare's management, led by chairperson Rashmi Saluja, and the Burmans, the company's largest shareholders, are at loggerheads after the latter made a takeover bid for the company.

Religare Enterprises and the Burman family didn't respond to queries. *Mint* could not reach Vijayant Mishra for a comment.

"Due to the PIL, the AGM has been delayed. This is not a good thing for shareholders; the share price has also fallen," said Sanjay Kaul, director at FE Securities Pvt Ltd, a Delhi-based brokerage which owns just over 0.02% of the company.

Kaul argued that a takeover could be good for the company. "It is good to have a strong promoter. It could be anyone. Today, there is no shareholder director on the company's board," he said.

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

Loans for EVs no longer risky: Shriram Finance's Revankar

Manas Pimpalkhare
manas.pimpalkhare@hindustantimes.com
NEW DELHI

Financing electric vehicle (EV) purchases is no longer risky compared with about five years ago, as more established players are now manufacturing such vehicles and the zero-emission mobility ecosystem has grown in the country, Shriram Finance's executive vice-chairman Umesh Revankar said.

"I do not see a risk in lending for electric vehicles now because I feel technology is getting established and becoming more reliable because of the presence of large and established manufacturers. Once large entities come and build technology, reliability and infrastructure, then automatically that industry goes for a big change. This is happening in the two-wheeler segment. Similarly, that is happening in three-wheeler. Now we can see that it will happen in four-wheeler also," Revankar told *Mint* in an interview.

Umesh Revankar, executive vice-chairman, Shriram Finance. MINT

He emphasized that five years ago, he wouldn't have thought of lending for EVs, but feels comfortable doing so now because green mobility is viable to individuals today.

"I do not see a big risk in lending for electric or any other alternative fuel vehicle as long as it is viable to the individual buyer who buys it. Five years ago, I would not have thought about financing electric vehicles at all. And now things are established, there are generally accepted standards, battery charging infrastructure," Revankar stressed.

Product viability is justified when the cost of owning that product is less than its alternatives, he said. "For businesses to adopt electric vehicles, the product must be superior, and the overall cost of acquisition must be more favourable than diesel or other alternatives. The technology needs to be advanced enough to justify ownership," he said.

Leading automakers such as Bajaj Auto and TVS Motor announced their foray into the EV segment in 2020, while Mahindra & Mahindra launched electric three-wheelers in 2018, indicating the rise in presence of large automobile manufacturers in the EV sector over recent years.

Revankar's assessment of the sector followed Shriram Finance's announcement of a specialized green vertical to cater to electric mobility and green projects. Shriram Green Finance will raise global and domestic funds over the next 3-4 years with a target of having assets under management worth ₹5,000 crore, Revankar said.

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

mint Matters
See Why Industry Leaders Trust Mint

"Mint as a publisher is rocking the wealth management & overall Personal Finance space with some brilliant journalism."

Varun Sridhar
CEO,
Paytm Services

Mint App | www.livemint.com | Mint Newspaper

Have fun with facts on Sundays

Catch the latest column of HT TWTW
THE WEEK THAT WAS
A quiz on the week's development.

Chhatrapati Sambhajinagar Municipal Corporation
Executive Engineer-Building Department
Phone: (0240) 2333536-40, 2348001-05, Fax: (0240) 2331213

Ow/CSMC/EE-Building/2024/112 — Date: 27/12/2024

Corrigendum-2

Extension of Last Date for Submission of Bids

Subject: Development of Museum using Modern Technologies at Dr.Babasaheb Ambedkar Research Centre, Chhatrapati Sambhajinagar
Reference: 1) Tender ID 2024_AMCA_1121228_1
2) Corrigendum-1: Ow/CSMC/EE-Building/2024/103 dated 17/12/2024

In reference to the Tender mentioned above for the work of Development of Museum using Modern Technologies at Dr.Babasaheb Ambedkar Research Centre, Chhatrapati Sambhajinagar where in the last date of submission of Proposals was "30th December 2024 by 5:00 PM" is rescheduled as per the discussion in pre bid meeting. Revised dates are as follows:-

1. Last Date and Time for receipt of Bids: 13th January, 2025 by 5:00 pm
2. Time and Date of Opening Technical Bids: 15th January 2025 by 11:00 am.

The Common set of Deviations to the Tender issued dated 5th December, 2024 would be provided soon. Please take note.

Sd/-
Executive Engineer (Building)
CSMC, Chhatrapati Sambhajinagar

जा.क्रं./मनपा/काअ/इमारत/2024/113, दि. 27/12/2024

INDORE SMART CITY DEVELOPMENT LIMITED, INDORE
Smart City Office, Nehru Park Campus, INDORE-452003, Ph. No.: 0731-2535572
E-mail: smartcityindore16@gmail.com, Website: www.smartcityindore.org

NIT No.: 18/ ISCDL/2024-25 — **NOTICE INVITING TENDER** — **Date : 27.12.2024**

Online percentage rate tenders (as per MPUADD SOR) are invited for following works. Tender forms may be purchased online by the eligible contractors registered with the government of Madhya Pradesh from public procurement portal **www.mptenders.gov.in**

S. No.	Name of Work	Estimated Cost put to work (₹)	Cost of Tender Form (₹)	Earnest Money Deposit (₹)	Duration (Months)
1	Request for Proposal for Selection of Contractor for Construction of Part of 45m Wide MR-6 Road (Master Plan Road) from Mhow Naka-Gangwal Bus Stand Road upto the Boundary of MOG Line Land Parcel-2 (Kukkut Palan Kendra Land Parcel) toward Samajwadi Indra Nagar, Indore	₹ 9,26,73,040/- (Rupees Nine Crores Twenty Six Lakhs Seventy Three Thousand Forty Only)	₹ 20,000/- (Rupees Twenty Thousand Only	₹ 4,63,366/- (Rupees Four Lakh Sixty Three Thousand Three Hundred Sixty Six Only)	11 (Eleven)

Key Dates:-

S.No.	Description	Date & Time
1.	Last date for Purchase of Tender (Online)	27/01/2025 till 17:30 Hrs.
2.	Last date for submission of tender (Online)	27/01/2025 till 17:30 Hrs.
3.	Technical bid opening (Online)	28/01/2025 From 17:30 Hrs.

Notes:
(1) Tender Document and other details shall be available on Website-**www.mptenders.gov.in**
(2) Amendment to NIT, if any would be published on website only.
(3) The EMD shall be deposited online through portal via Debit card/Credit card/ Net banking or System Generated Challan.
(4) In case any of the dates specified above is Government holiday, day after the same shall be considered.
(5) In case of any clarification bidder may contact@0731-2535572

Chief Executive Officer
Indore Smart City Development Limited, Indore

Chart a course to clarity!

Data rich, visual reporting with
Mint Plain Facts
Read only on mint

All signs point to a spurt in luxe homes

Real estate developers are keen on premium, luxury and ultra-luxury apartments even as the share of affordable housing takes a dip

Khushi Malhotra
khushi.malhotra@livemint.com
MUMBAI

Come 2025, India's real estate developers will double down on luxury and premium housing, leaving the affordable segment to catch up.

Developers from across India are stacking their portfolios with premium, luxury and uber-luxury projects. Delhi NCR-based M3M India has two luxury developments lined up for next year. Gaurs Group is looking at a series of ultra-luxury residential developments, townships and luxury projects in FY26. Among others, Bengaluru-based developer Sobha Ltd is planning to launch about 10 million sq. ft of projects in FY26, including venturing into the uber-luxury category.

"We are strategically leveraging the robust demand in the luxury real estate segment by curating projects that align with the evolving preferences of modern buyers," said Robin Mangla, president, M3M India. "We have an exciting pipeline of new launches planned for next year in the luxury category."

In the premium segment, Mahindra Lifespace Developers Ltd is turning away from affordable and launching more projects with ticket size starting from ₹2 crore. "We used to play mostly in affordable and mid-premium," said Amit Kumar Sinha, managing director and chief executive officer of Mahindra Lifespace. "Now, we will exit affordable after our commitment is over and will play in mid-premium and premium. These are two of our bread and butter segments."

Consequently, the supply of homes in the luxury and premium segment has gone up significantly since last year. In the first three quarters of 2024, the supply of luxury homes priced over ₹2.5 crore surged by 59.27%, rising to 52,400 units from 32,900 units in the same period last year, according to data from Anarock Group. The ₹80 lakh to ₹1.5 crore segment saw modest growth of 2.26%, increasing from 85,475 to 87,410 units. In contrast, affordable housing supply declined significantly, with homes priced at ₹40-80 lakh dropping 14.64% from 1,04,000 to 88,770 units. This trend underscored a slowdown in affordable housing supply, while demand for higher-end homes continues to grow.

The supply of homes in the luxury and premium segment has gone up significantly since last year. MINT

"The luxury and mid-segments have seen an uptick in supply, driven by strong demand and developer confidence," said Amit Masaldan, chief revenue officer, Housing.com. "In contrast, the affordable segment faces supply constraints due to rising construction costs and slim margins, making it less appealing for developers."

"To make the affordable segment more appealing, it is crucial to address the high cost of land, which remains a major barrier. Since land prices are market-driven, government intervention is essential to promote affordable housing, said Amit Modi, director at County Group. "Additionally, developers could be incentivized through subsidies or tax benefits to encourage their entry into this space, thus bridging the gap between demand and supply."

> Millennial and Gen Z buyers have been dominating the real estate space, accounting for over 60% of the purchases

The residential market has continued to strengthen, with demand reaching an 11-year high during H1 2024, said Shishir Baijal, chairman and managing director at Knight Frank India in its India Real Estate H1 2024 report. "A notable shift toward premiumization has taken root in the residential market, with higher priced homes driving market volumes."

The demand for luxury housing in India has been rising since the outbreak of covid-19. Growing interest from non-resident Indians, high-net-worth individuals, and rising affluence are among the reasons that driving demand for high-priced residential apartments.

"The pandemic prompted wealthy buyers to seek larger, amenity-rich homes suitable for remote work," said Anuj Puri, chairman of Anarock Group. "Additionally, increased financial market gains, growing business profitability, and a desire for wealth preservation through real estate have fuelled this segment."

NRI interest is at an all-time high at a time the dollar is strengthening, said Parthh K. Mehta, CMD at Paradigm Realty. "What has been observed is that there is an increased NRI interest towards purchasing a residence in their homeland, especially in the luxury category. Reason being the cost parity, for instance–if there is 2 BHK in the foreign country that is priced ₹7 crore and above, the same can be invested in India to buy an elevated lifestyle."

There has also been an unprecedented emergence of young, tech-wealthy professionals, which has created a new buyer demographic for luxury properties.

Millennial and Gen Z buyers have been dominating the real estate space, accounting for over 60% of the purchases. Their penchant for premium living has driven strong demand for houses priced at ₹1 crore and above this year, said Saurabh Garg, co-founder, NoBroker. "There is a sizable chunk of these buyers that are inclined towards buying properties that have premium amenities that align with their aspirational lifestyle," Garg said. "To cater to the growing demand for premium properties, developers are increasingly focusing on this segment."

The proof of the pudding is in the rapid sales this year. Experts expect this trend to continue well into 2025.

DLF Ltd, India's largest listed real estate company, sold all 1,113 high-end luxury residential units of its DLF Privana South project in Gurugram for ₹7,200 crore within 72 hours of its official launch, the company said in a regulatory filing. Gaur Group's NYC Residences at NH24 was also completely sold out within two and a half days of its launch. Birla Estates sold 50% of its ₹30-40 crore apartments within three months of the launch of its Silas tower at Birla Niyaara project in Mumbai's Worli.

Prestige Group sold 60% of its apartments costing over ₹20 crore at the Prestige Ocean Towers project in Marine Lines within a year of launch, while the same kind of ticket size used to take at least seven to eight years to sell pre-covid.

"Notable examples through early 2024 include DLF's projects in Gurugram and Oberoi Realty's developments in MMR, where units priced above ₹4 crore were sold out within weeks of launch," said Puri from Anarock. "Looking ahead, this trend is likely to continue into 2025. The luxury segment is poised for sustained growth."

The luxury segment (apartments priced above ₹3 crore) saw a notable surge in sales during the first half of 2024, with a year-on-year growth of 109%, according to JLL's September report on residential market. The share of luxury in total quarterly sales rose from 7% in H12023 to 12% in H12024. This increase was particularly prominent in Delhi NCR, where over 45% of sales in H12024 were in the luxury segment.

The share of the affordable housing segment (apartments priced below ₹50 lakh), however, dropped from 18% to 14% in the same period, according to the report.

Gaurs Group, which is preparing for an initial public offering, is planning to use the proceeds to expand its ultra-luxury residential segment among other developments. "We have several exciting projects lined up for FY26, including ultra-luxury residential developments," said Manoj Gaur, CMD of Gaurs Group and chairman of CREDAI National.

Housing prices in India's top eight markets rose 11% year-on-year in Q3 2024, averaging ₹11,000 per sq. ft, according to a combined report by CREDAI, Colliers and Liases Foras. This marks the 15th consecutive quarter of price increases. Delhi NCR saw the highest rise at 32%, followed by Bengaluru at 24%. While demand remains strong, the momentum in top cities is stabilizing after record sales in the past two years.

"A major price correction seems unlikely in the short term," said Masaldan from Housing.com. Strong demand in the luxury and mid-segments has supported price stability. While adjustments may occur as buyer expectations evolve, factors like urbanization and infrastructure growth will sustain current pricing trends in the foreseeable future."

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

Indian airlines may see fewer aircraft joining their fleets in the year ahead

Daanish Anand
daanish.anand@livemint.com
NEW DELHI

The year 2024 saw India's aviation industry grow on the back of American aircraft manufacturer Boeing's white tail planes-those that are built without any pre-existing customer.

However, the new year is likely to see slower deliveries of Boeing aircraft, leading to Indian airlines inducting fewer planes than they did in 2024. Still, India's largest air carrier IndiGo could add to its fleet in the Indian skies if it's able to get some of its grounded planes airworthy with the availability of engines.

According to media reports, Indian carriers were expected to induct around 150 aircraft in 2024.

India's largest air carrier IndiGo could add to its fleet in the Indian skies if it's able to get some of its grounded planes airworthy with the availability of engines.

Data shared by Cirium, an aviation analytics firm, showed Indian airlines have already taken delivery of 97 commercial aircraft so far in 2024, with 10 scheduled deliveries in the remaining days of December.

By contrast, Cirium's fleet data indicates Indian airlines expect to add 86 new commercial aircraft in 2025.

In 2024, deliveries by two main global manufacturers, Airbus and Boeing, were affected due to global supply chain challenges, precipitated by geopolitical tensions.

However, deliveries by Airbus to Air India group and IndiGo remained in line with expectations. But deliveries by Boeing were affected by the weeks-long workers' strike at its manufacturing facility in the US.

As per data available on Boeing's website, the American firm delivered only 30 B-737 MAX aircraft to Air India group and Akasa.

In 2025, Indian air carriers will not be able to induct white-tail aircraft. According to a Cirium official, "Neither Airbus nor Boeing has any stock of white-tail aircraft remaining; so, this is unlikely to be a route to fleet expansion for Indian carriers."

Of the of 86 aircraft that are likely to be delivered in 2025, a majority—about 55—will go to IndiGo, followed by Air India. As per Cirium, Indigo will get deliveries of 22 A320neo, 30 A321neo (including 5 A321neoXLR) and 3 ATR 72-600).

Air India is likely to induct 19 new aircraft in 2025. This would include 8 A320NEO, 6 A321NEO, 1 A350-1000 and 4 A350-900. From Boeing, the Air India group is expected to get only 3 deliveries of B-737 MAX 8 aircraft for budget carrier Air India Express.

> The revival of the grounded fleet, which is around 90 in India, is an important area to focus on in 2025, experts say

IndiGo currently has over 60 grounded A320NEO and A321NEO, due to issues with Pratt & Whitney's PW-1700G engines.

The airline anticipates that groundings will moderate going forward. The number of grounded aircraft is expected to reduce to a little over 40 aircraft in the first half of 2025.

Currently, the US Federal Aviation Administration (FAA) has imposed a cap on the production of 737 MAX.

As per this cap, in 2025 Boeing, will be able to manufacture only 38 MAX aircraft a month. It is expected to attempt to ramp up MAX production in 2025.

Cirium said, "Potentially, Boeing is expected to expand production beyond 38 aircraft every month once certain conditions are met. With that in mind, we expect to see increasing numbers of 737 MAX by 2026, including 22 for Akasa Air and four for Air India," Cirium analysts said.

Cirium's data indicates that both Indian domestic and outbound international capacities are expected to grow 12% year-on-year in the first quarter of 2025. Cirium's fleet forecast projects the passenger aircraft fleet in service to reach almost 900 aircraft at the end of 2025.

Experts believe that revival of the grounded fleet, which is around 90 in the country, is a more important area to focus on in 2025.

Mark D. Martin of Martin Consulting believes that the government needs to take a stern action against Pratt & Whitney. "India fleet induction and deliveries need to be fast-tracked. Along with it, OEMs (original equipment manufacturers) need to work on component and engine reliability. The catch-22 we deal with today is brand new aircraft being inducted and simultaneously getting grounded as a result of the Pratt and Whitney GTF engine," Martin said.

"Today, there around 90 aircraft grounded because of engines failing, and now it's time the government did something about this by taking up stern action on Pratt and Whitney," said Martin.

SATISH KUMAR/MINT

2025: A year of bumper EV launches

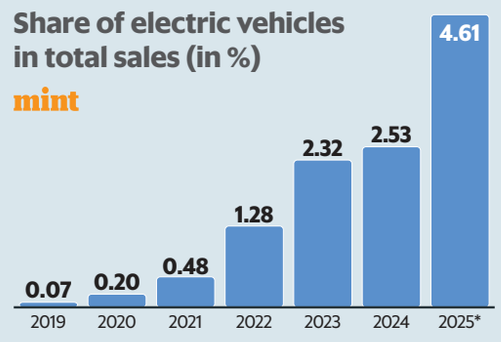
By Alisha Sachdev
alisha.sachdev@livemint.com

The year 2025 is poised to supercharge India's electric vehicle (EV) market, with 18 new models slated for launch, creating a robust set of offerings to drive adoption. Government initiatives, such as a 5% tax slab on EVs apart from several state-level incentives, including subsidies and road tax waivers, could further sweeten the deal for consumers. With EV penetration projected to cross 4% in 2025, the market is primed for a breakthrough year, marking a significant leap in India's sustainable mobility revolution after what has been a lacklustre 2024.

EV models going to be launched in 2025 (tentative)

BYD	Dolphin, Sealion, Seagull
KIA	EV3
Mahindra	XUV.E8
Maruti Suzuki	EVX
MG	Bingo, Cyberster, MIFA 9
Nissan	Ariya
Renault	Megane E-Tech
Skoda	Elroq, Enyaq
Tata	Sierra
VinFast	VFe34, VF7
Toyota	Urban SUV
Volkswagen	ID.4

Share of electric vehicles in total sales (in %)



*Projection

26 Total major new model launches planned for 2025

18 EV model launches planned for 2025

EV policy and government schemes set to play a key role in EV growth:

IMPORT REGULATIONS:

- In 2024, the Centre announced a **15%** customs duty on completely knocked down (CKD) electric vehicle units
- This applies to imported EVs with a minimum cost, insurance, and freight (CIF) value of **$35,000** or more, and is effective for five years
- The government capped the annual import of electric vehicles at **8,000** units

GOVERNMENT SUPPORT AND INCENTIVES:

- PM E-Drive scheme provides incentives for EV charging infrastructure.
- **9** states currently offer direct subsidies for EV purchases
- **14** states have implemented a **100%** road tax waiver for EVs
- But **12** states still maintain road tax on EVs, indicating varying regional approaches

Source: JATO Dynamics

Brisk hiring set to continue next year

Outlook stays positive for employees and employers in the Year of the Snake, which represents flexibility, growth and change

Devina Sengupta
devina.sengupta@livemint.com
MUMBAI

The Chinese zodiac says 2025 will be the Year of the Snake—associated with flexibility, growth and change. India Inc is expected to see it all happen as employees will scout for jobs at a quicker pace than the last couple of years. Companies will have to go beyond compensation hikes and look at upskilling their talent with the promise of newer roles if they want to retain their performers.

"Our hiring outlook remains positive in the medium term, especially in high-demand skills such as AI/ML, data science/analytics, IoT, ESG, cloud and digital transformation, while we continue to have aggressive plans to hire in 2025 on the back of strong demand across all our business," said Reena Wahi, partner and head of people, performance and culture, KPMG in India.

While a larger part of 2025 will remain an employer's market, those who manage to get the skillsets in demand are expected to command a premium price during a job shift.

"IT and Global capability centres will see an uptick in the attrition numbers," said Aditya Narayan Mishra, chief executive officer of CIEL HR Services, a staffing firm. "There is also a demand for junior investment bankers at companies headed for listing on the bourses is expected to increase."

India saw a record mop-up of about ₹1.8 trillion in 2024 through initial public offerings (IPOs), according to data collated by Motilal Oswal Financial Services. Analysts expect the momentum to continue well into 2025.

Over the last couple of years, the fast-moving consumer goods (FMCG) segment has seen cyclical hiring and rural consumption is expected to propel the pace of recruitment in 2025. To be sure, demand for goods is likely to remain subdued next year as high inflation hurts real incomes, eroding consumer confidence, market research firm Kantar said in its outlook for 2025.

A 9.5% average hike is expected in 2025 across sectors versus an actual raise of 9.3% in 2024. MINT

Still, Balasubramanian Ananthanarayanan, senior vice-president for Teamelase Services, expects a 10% growth in hiring by FMCG firms in rural segment. "Urban inflation is high, especially house rentals, leading to sluggishness. This has pushed FMCG players to focus on rural markets whose growth has outstripped their urban counterparts in the last three quarters," he said. "Consumers in smaller cities are increasingly demanding higher quality and variety of products and a better buying experience too. While labour is relatively cheaper, multiple skills need to be imparted for them to be effective."

During festive seasons, quick commerce is expected to attract temporary talent with daily incentive rewards. It is getting tougher to attract workers from one state to another and the battle to hire will continue between manufacturing, construction and real estate, and hospitality sectors in the coming year.

> While a larger part of 2025 will be an employer's market, those with the skillsets in demand are set to command a premium

In October, *Mint*, citing data from property advisor CBRE India, reported that office leasing is likely to see a historic high of 70 million sq. ft in 2024, across nine cities, surpassing the peak of 66.6 million sq. ft seen in 2019. That is a sign companies want to ensure that more employees are back at the office and flexible work hours are a manager's prerogative.

Yet, in the offices, the clash between the generations may become starker as the older alphas (the generation born after 2010) share workspace with Gen Z (born between 1996 and 2010), the millennials (born between 1981 and 1996) and Gen X (1965-1980). Companies will have to work on their diversity parameters, customize benefits to suit the different age groups and be open to dealing with such confrontation. A company's brand image as an equal-opportunities employer and efforts to deal with employee angst will be a prominent factor while attracting talent.

The coming year will, however, not see any big jumps in compensation and a job hop will no longer command the 50%-plus hikes, with little negotiating power in the hands of the candidate. "A 15-25% compensation hike is a balanced demand and will sit comfortable with both the candidate and the employer," said Shiv Agrawal, managing director of ABC Consultants. "The CXO's compensation will increase but the emphasis will be on the variable and bonus payouts."

Consulting firm Aon estimates a 9.5% average hike in 2025 across sectors versus an actual raise of 9.3% in 2024. Engineering, manufacturing and retail industries project double-digit increases at 10%, followed by financial institutions at 9.9%.

Investment bankers are set to get record bonuses for 2024, after fetching the decade's highest fee income driven by share sales, mergers and debt funding rounds. According to Native, a search firm that also works with the financial services sector, bonuses may cross ₹1,000 crore in 2024, of which ₹700 crore may go to over 350 top executives. These include managing directors, partners and directors at global and domestic investment banks earning an average fixed salary of ₹15-25 trillion. These bonuses will roll out in the January-March period of 2025.

The hikes and bonuses need to be considered on the back of inflationary pressures. Retail inflation was expected to be lower this year. However, it saw a sharp spike from September onwards due to the rise in vegetable prices. That said, Reserve Bank of India expects this trend to reverse next year.

And while the employers will be keener to bring in experienced hands, the campus graduates may have better luck in finding jobs than in the early part of 2025. The initial reports of campus placements in engineering colleges show a healthy appetite among public sector units, startups, and banking, financial services and insurance firms to recruit young graduates.

A notable difference in 2025 will be a larger number of hiring from campus placements. The initial phase of hiring from India's leading engineering colleges in second half of 2024 came as a solace to colleges. Consultants, algo-trading companies, PSUs, banks and startups recruited from engineering colleges and a similar need for talent is also expected to propel hiring from B-schools. The placements at management colleges will start from February onwards.

Although the demand will not be on a par with the second half of 2021, 2022 and first part of 2023 when companies were making up for the momentum lost during the pandemic, it is still expected to be better than most of 2024.

However, students will have to look at the skillsets in demand and may have to make a quick change in their profiles and learn more about artificial intelligence (AI), a top skill that recruiters are looking for.

Once in the workforce, employees will see increased scrutiny of the data that they have access to. This is because the ever-bulging employee databases of companies are increasingly getting leaked into the internet for want of adequate security measures.

Cybersecurity analysts note that there has been a 20% increase in data breaches from corporates since 2022, including employee data.

IBM's global 'Cost of a data breach, 2024' report said that employee personally identifiable information (PIIS) was a part of 40% of all breaches reported this year, which increased 10% over 2023. The average cost of leaked employee information to businesses rose to $189 million for each breach—a 4.4% year-on-year rise. The overall cost of a data breach, $4.88 million this year, is at its highest ever.

Companies will ask both their recruitment vendors and HR teams to be aware of the risks of data breaches while hiring. While matching job hiring mandates with the candidate's skills, many HR heads upload resumes on ChatGPT, which means the data of the candidate is available to others.

Nonetheless, for the job seeker, the year of the snake may slither in better times.

Businesses must prepare for tougher regulations in 2025

Krishna Yadav
krishna.yadav@livemint.com
NEW DELHI

In 2024, Sebi led significant changes, including enforcing rigorous ESG norms and introducing T+0 settlements. PTI

Corporations must brace for heightened regulatory scrutiny in 2025 with various regulators preparing to enforce stricter oversight and actions.

The Securities and Exchange Board of India (Sebi), Competition Commission of India (CCI), Central Consumer Protection Authority (CCPA), and tax authorities are expected to tighten their stance, forcing businesses to enhance compliance, streamline processes, and adapt to evolving governance standards.

Transparency, sustainability and accountability will remain priorities in the coming year, top legal experts told *Mint*.

"The increase in the volume and complexity of transactions, coupled with India's integration into global markets, has kept regulators busy," said Alok Sonkar, partner at law firm Cyril Amarchand Mangaldas. "Regulatory scrutiny is strict, focusing on public policy, investor protection, and long-term market impacts. However, challenges persist around compliance costs, misalignment with global norms, and overlapping frameworks."

Akhil Chowdary Unnam, partner at Unnam Law, said: "In 2025, corporations and investors should expect greater emphasis on sustainability, technology and financial transparency. Corporations must invest in robust compliance mechanisms, while stricter regulations on cryptocurrency, artificial intelligence and data mining markets are inevitable..."

As for investors, Sameena Jahangir, partner at Kochhar & Co., emphasized that they "should diversify portfolios and closely monitor regulatory developments, especially in technology-driven sectors."

In 2024, Sebi enforced rigorous ESG (environmental, social, and governance) guidelines, introduced T+0 settlements for select stocks, and revamped disclosure rules to include objective criteria for material events.

Sebi streamlined processes for initial public offerings by mandating quarterly results publication within 21 days of listing to ensure timely disclosures and stabilize market conditions. It took proactive steps to protect retail investors by cracking down on unregistered bond platforms, prohibiting foreign portfolio investors (FPIs) from issuing offshore derivative instruments (ODI) and enforcing detailed ownership disclosures for ODI subscribers.

> GST authorities demanded ₹803 crore from Zomato, while Volkswagen faced a $1.4 billion tax evasion notice

"Regulators have raised the governance bar with stricter due diligence for AIFs and performance evaluations for market infrastructure institutions, ushering in greater transparency," said Kaushik Mukherjee, partner, IndusLaw.

India's competition watchdog introduced the CCI (General) Regulations, 2024, simplifying filing procedures, strengthening confidentiality, and permitting external agencies to monitor merger orders.

CCI raised its thresholds for merger approvals, mandating transactions exceeding ₹2,000 crore or those with substantial Indian operations to seek its clearance, particularly in the digital market. Key enforcement actions included a ₹213-crore fine on Meta over WhatsApp's privacy policy, and investigations into Flipkart, Amazon, Zomato, and Swiggy for anti-competitive practices. Additionally, CCI reduced the merger review timeline from 210 days to 150 days, expediting regulatory processes.

Tax authorities took proactive measures in 2024, issuing significant compliance notices. Goods and services tax (GST) authorities demanded ₹803 crore from Zomato, while Volkswagen faced a $1.4 billion tax evasion notice.

Initiatives like the Direct Tax Vivad Se Vishwas scheme, revised compounding guidelines, and operationalization of the GST Appellate Tribunal (GSTAT) aimed to ease litigation burden.

"Businesses can anticipate heightened scrutiny, increased audits, and broader use of technology by tax authorities. This is likely to include a stronger focus on GST reconciliations, cross-border transactions, and sector-specific compliance in areas such as e-commerce, manufacturing, and automotive industries," said Sandeep Sehgal, partner-tax, AKM Global, a consulting firm.

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

2025 FOR INDIAN CREATOR ECONOMY

2025 will be a crucial year for India's creator economy as the industry is expecting to see some stark trends. While some of these trends will be inspired by the current waves in western social media, others will address critical challenges in the Indian creator ecosystem. Here is a list of the top 10 upcoming trends in the Indian creator economy, curated by **Pratishtha Bagai**:

MINT

1. GROWTH IN MEME MARKETING

With memes breaking all barriers and running the show as the marketing strategy for so many brands, in the coming year, analysts tracking the industry believe it will grow further. According to a report, meme marketing will become a ₹3,000 crore ($360 million) industry next year. 2024 was the year of memes and meme marketing. Memes like viral Serbian song Moye Moye hit 4.5 billion views in 2024 according to YouTube. Ganji Chudail featured in many ads for brands such as YouTube, Netflix, Nykaa etc.

2. GROWTH IN CHANNEL MEMBERSHIP REVENUES

Channel memberships have grown significantly for creators like Samay Raina, he told *Mint*. Posting viral exclusive content on memberships for example his show India's got latent, is a great strategy to monetize content and YouTube and creators are expecting for this model to grow further next year.

3. RISE OF CREATOR-LED STARTUPS

This year, creator-led startups like Flying beast's Rosier Foods and Tech Burner's Layers have made their mark in their respective markets. Analysts expect this trend to continue further as creators look at diversification of investments and income streams and starting their businesses. Not just that, creators Flying Beast and Tech Burner told *Mint* that they will look for fundings after scaling up next year.

4. GROWTH IN LONG-FORM CONTENT

After intellectual properties like Samay Raina's "India's got latent" blew up, brands are keen on sponsoring long-form content. This is incentivising creators to make original long-form content. Viewers showing interest and buying subscriptions for creators' long- form content further boosts its demand. In 2025, Ashish Solanki's 'Pretty Good Roast' show will come back with its second season that would be sponsored, along with Samay Raina planning to upload a web series for his channel members, both told *Mint*. Comedian Harsh Gujral has rolled out The Escape Room for confessions, whereas Raina, Rohan Cariappa and Seedhe Maut announced a rap show called The SoundCheck.

5. MORE CREATORS MOVE INTO THE ENTERTAINMENT SECTOR

Creator talent management agencies have started strengthening their ties with broadcasters and production houses promising social media talent a ticket to big screens. Some have already started offering roles in advertisements and web series.

6. BRANDS HIRE IN-HOUSE CONTENT CREATORS FOR STRONG SOCIAL MEDIA PRESENCE

Realizing the power and importance of social media, many brands have started investing in and hiring in-house content creators for their social media pages. This trend is set to grow with more brands joining next year.

7. INDIAN CONTENT CREATORS COLLABORATING WITH CREATORS GLOBALLY

After Carryminati's collaboration with Mr Beast, followed by the world's biggest creator and his "gang" flying into India to launch their brands, a path for global collaborations has opened up. During their visit, Mr Beast, KSI and Logan Paul shot content with a bunch of Indian creators which is yet to be released. Heads of influencer marketing companies believe there will be a rise in global collaborations for content creators creating high-budget content together going forward.

8. RISE OF AI INFLUENCERS

After the launch of AI influencers like Influencer Marketing Firm Collective Artist Network's Kavya Mehra and AI firm Avtr's Naina and Virat, India is witnessing a revolution in content creation and influencer marketing. Brands like Ajio, Joyalluka's etc. have already started using AI to generate models for their advertisements. This is poised to increase further.

9. MORE FINANCIAL PRODUCTS FOR CREATORS

After the launch of financial services like prepaid cards by fintech Wyld and Giga by HDFC, next year, creators are expecting more from the BFSI sector. Looking at the cybersecurity threats, social media insurance is one of the most anticipated services for creators. Dedicated professional wealth management is also one of the financial services creators are looking to subscribe to next year.

10. RISE OF TIER II-III INFLUENCERS

As smartphones have penetrated to over 50% of India according to the data from IDC, the participation of "Bharat" in India's creator economy is set to rise. Platforms like Instagram and Snapchat are anticipating this and working to make content creation easier and more lucrative for tier II-III India.

The progressive moment that defined global politics for two decades is over

Weak economic growth, record immigration and growing rejection of traditional parties are driving gains by the right, especially populists

Bertrand Benoit, David Luhnow & Vipal Monga

THE WALL STREET JOURNAL.

The progressive moment is over—at least for now.

This past year showed that the progressive politics that dominated most industrialized countries over the past two decades or more is shifting to the right, fueled by working-class anxieties over the economy and immigration, and growing fatigue with issues from climate change to identity politics.

The return of Donald Trump to the White House is the most dramatic and important example—but it is far from the only one.

Across Europe, where economic growth has largely stalled, conservatives and populist right-wing parties are making unprecedented gains. Three-quarters of governments in the European Union are either led by a right-of-center party or are ruled by a coalition that includes at least one.

The shift is set to continue. Canada appears poised to kick out a deeply unpopular progressive prime minister and Germany is expected to dump its center-left government. Polls show the top two parties in Germany represent the center-right and the far-right.

Part of the shift is the normal pendulum of politics swinging back and forth between established parties on the left and right. The difference this time is a strong strain of populism and a growing rejection of traditional parties.

In country after country, many working-class voters—especially those outside the biggest cities—are signaling the same thing: They mistrust the establishment—from academics to bankers to traditional politicians—and feel these elites are out of touch and don't care about people like them.

Years of increased migration and trade, coupled with low economic growth, have led to a backlash and a rise in nationalism, where people want more of a sense of control, political analysts say. The rise of social media has exacerbated divisions and led to an upsurge in anti-establishment parties.

"It's a broad shift that goes across countries," said Ruy Teixeira, a lifelong Democrat who now works for the center-right American Enterprise Institute think tank. "Working-class people are just pissed off—about immigration, about all the culture war stuff, and the relatively poor economic performance that has shaped the working-class experience in the 21st century."

While one of the two establishment parties won in the U.S., the Republicans have largely been taken over by the insurgent figure of Trump, who clearly has a mandate from voters to shake things up, said Teixeira. He said he doesn't see either the left or conventional right easily recapturing Trump's populist, multiracial working-class majority.

The return of Donald Trump to the White House is the most dramatic and important example of how progressive politics is shifting to the right—but it is far from the only one. REUTERS

In Canada, Prime Minister Justin Trudeau's center-left Liberal Party looks to be careening toward a decisive election loss, trailing the Conservative Party by roughly 20 points in opinion polls. Trudeau must hold a vote by October 2025.

Voters are experiencing "Trudeau fatigue" after a rocky nine years in power and are frustrated with high inflation, elevated housing costs and anger over Canada's open-door immigration policies, said Shachi Kurl, president of polling firm Angus Reid.

One recent poll by Abacus Data showed more Canadians had a positive view of Trump than of Trudeau.

Pierre Poilievre, the leader of Canada's Conservative Party, has taken up much of the same populist rhetoric used by other right-wing movements around the world. In 2022, he aligned himself with Canada's trucker convoys, a protest movement ignited by opposition to vaccine mandates and Covid-19 lockdowns.

Poilievre also has called for curtailing many of the policies introduced by Trudeau to curb climate change, including a carbon tax; pressed Trudeau about voters' affordability concerns; and said he would reduce immigration.

Kurl noted that even though the Conservative Party is leading in polls, Canadians still hold an unfavorable opinion of Poilievre. Voters aren't so much choosing Poilievre and his right-wing politics as they are rejecting Trudeau, she said.

In Europe, politicians also face a far more skeptical electorate after years of stagnant real wages and rising migration . That has fueled support both for the establishment right—made up of social conservatives and free-market champions—and for antiestablishment populists, who want protection from migration and trade, said Manès Weisskircher, a political scientist at the Dresden University of Technology.

The rapid reshuffling of voters' priorities in the past few years has made issues associated with the center-left—such as climate change, social justice and identity politics—seem less relevant, said Ursula Münch, director of the Academy for Political Education in Tutzing, Germany. That could mean governments become more concerned with national rather than international priorities, reducing cooperation in areas from security to the environment.

"It turns out people [in the West] value their own jobs more than whether some islands are going to sink into the ocean," she said.

The U.K. this year seemingly went the opposite direction, kicking out the Conservative Party and electing the Labour Party. But that was after 14 years of Tory rule and marked more of a rejection of the incumbent, said Tony Travers, a political scientist at the London School of Economics.

In many ways, the U.K. has the same dynamics as the rest of the West, with growing voter anger over the economy and immigration. The anti-immigration Reform UK party has surged at the expense of the Conservatives. And Prime Minister Keir Starmer is deeply unpopular after just six months in power.

"Reform is taking advantage of the same thing that's happening across Europe, which is the unpopularity of all the other establishment parties," said Travers. A weak economy and record migration provide an opening for populists to say, "All these people that run the traditional parties have failed you. The system has failed you. Only we can fix it," he added.

Last June, voters across the EU elected a new European Parliament. The clear victor was the conservative European People's Party. About half of government heads in the 27-country bloc belong to parties affiliated with the EPP.

But further to the right, gains were even bigger. Parties such as Germany's AfD, France's National Rally and Italy's Brothers of Italy are scattered across multiple—and sometimes mutually hostile—groups in the chamber. Yet together, they now form the second biggest contingent in the house after the EPP, a big jump from the last election.

The rise of social media has exacerbated divisions and led to an upsurge in anti-establishment parties

National Rally scored about one-third of the votes at the European election and in the first round of the French general election a few weeks later. Despite a mixed second-round performance, it is now the largest single party in France's National Assembly.

The nationalist, anti-immigration AfD won its first state election in eastern Germany this autumn and finished a strong second in two others. Ahead of February's general election, opinion polls suggest it could get 16% to 20% of votes, behind only the conservative Christian Democratic Union at 30% to 34%.

The center-left government of Chancellor Olaf Scholz is the least popular since 1949, according to Manfred Güllner, the head of public polling firm Forsa.

Support for the CDU is rising because of a weak economy, while the AfD is gaining traction among those worried about immigration, said Güllner.

A key difference between conservatives, who tend to favor the status quo, and far-right populists often is that the latter can more credibly criticize established parties because most haven't held power. Where they have, as in Italy, they have moderated to govern.

Far-right parties "have solidified around a constant, ongoing critique of elites," said Stefan Marschall, professor of political science at Heinrich Heine University in Düsseldorf. "Whereas right-of-center parties, which are much more firmly anchored in the political system, can't really engage in this classic elite criticism."

While European voters are increasingly leaning right, this won't always translate into more center-right governments because of animosity between establishment conservatives and insurgent populists—which are much more skeptical of the EU, free trade and man-made climate change, and take a harder line on immigration. They are also more wary of spending or welfare cuts.

In France, National Rally leader Marine Le Pen recently voted to topple the government of conservative Prime Minister Michel Barnier.

In Germany, the CDU has ruled out a coalition with the AfD. That leaves the more likely option of it partnering with the center-left Social Democrats or the Greens. The risk with such awkward coalitions of opposites is that they lack the political common ground to govern decisively, said Münch. "This could increase dissatisfaction as voters see that political paralysis sets in," she said. "This is exactly what the extremists want."

© 2024 DOW JONES & CO. INC.

feedback@livemint.com

The elusive crime boss linked to billion-dollar 'pig butchering' scams

Feliz Solomon & Clarence Leong

SINGAPORE

THE WALL STREET JOURNAL.

Earlier this year, a video surfaced online showing a man identified as the Chinese businessman and reputed mafia boss Wan Kuok-koi giving a thumbs-up and smiling while flying a paraglider over limestone crags in central Laos.

Law-enforcement officials around the world say Wan—better known by the nickname Broken Tooth, which he received after a motorcycle crash as a teenager in Macau—has played a central role in the emergence of a virulent new form of cyber fraud known as "pig butchering."

In pig butchering schemes, scammers meet people online, win their trust and persuade them to pour money into bogus investments. U.S. officials say the scams are costing Americans billions of dollars a year. Yet no one seems to be trying very hard to get Broken Tooth.

He keeps popping up on social media traveling around Asia. In one video that appeared on Chinese social media, Telegram and Chinese news websites this year, he was seen stepping off a plane in Laos wearing a T-shirt with the logo of Russia's paramilitary Wagner Group, meeting another alleged Chinese crime boss.

The case of Broken Tooth—who served about 14 years in a Macau prison after he was convicted of participating in organized crime, money laundering and other crimes before his release in 2012—shows how a fragmented global response to cyber scams allows suspects to roam free as pig butchering spreads.

The U.S. Treasury Department imposed sanctions on Broken Tooth in 2020 for corruption. The Treasury Department also designated three entities it said were owned or controlled by Broken Tooth, including a company called Dongmei Group, which was behind a development called Dongmei Zone in Myanmar. The site later became known as one of the earliest scam compounds.

Washington also said he owned or controlled the World Hongmen History and Culture Association, which U.S. authorities describe as a criminal network inspired by Chinese secret societies that has a presence at Dongmei.

United Nations officials and researchers believe thousands of people have been trafficked and forced to participate in cyber scams at Dongmei. Investigators say people are lured into the compounds with promises of legitimate work. Inside, they are forced to surrender their passports and use fake social-media profiles, often of beautiful young women, to seduce lonely people who have money.

The scams are called pig butchering because the swindlers "fatten" their victims by building relationships and then "butcher" them by taking their money and ghosting them. Thousands of Americans are believed to have been victims.

While at least four governments have investigated Broken Tooth and his associates, there is no public record of charges against him since his prison days. Law-enforcement officials in Asia say they lack resources or jurisdiction to go after people such as Broken Tooth, and don't know his whereabouts.

Wan has publicly denied involvement in criminal activity. In a video posted to social media after the U.S. sanctioned him in 2020, Wan, flanked by China's national and Communist Party flags, said his Hongmen association follows the law.

A post on the Chinese social-media platform WeChat, describing itself as the Hongmen association's official account, said he "has retired from the underworld" and now promotes legitimate business.

China has worked with neighboring countries to carry out raids that rounded up people suspected of victimizing Chinese nationals, but it appears to have done little to target Broken Tooth. China's Ministry of Foreign Affairs declined to comment, and its Ministry of Public Security didn't respond to questions.

Humble beginnings

Wan was born in 1955 in what was at the time the Portuguese colony of Macau. A biography published on the Hongmen association's WeChat account said he dropped out of school and worked in a dim sum restaurant.

He soon joined local gangsters, according to the bio, and rose up the ranks of the 14K Triad, a Chinese criminal syndicate based in Hong Kong and active in Macau. He became one of the most prominent mafia figures in Macau, which had emerged by the 1990s as an important gambling and crime center.

In 1998, he produced a film called "Casino" featuring a protagonist named Broken Tooth, a ruthless thug. The character had one vice—baccarat—but didn't drink or smoke, so he would always be "battle ready." The film, a minor hit in Asia, carried a disclaimer that it was entirely fictional.

U.S. officials say pig butchering scams are costing Americans billions of dollars a year. REUTERS

Back in action

Rebranding himself as an ordinary businessman, Broken Tooth set up the Hongmen association in Cambodia in 2018. The name Hongmen, which roughly translates as "vast clan," is associated with centuries-old secret societies that historians say morphed into the organized-crime triads.

The Hongmen association had a logo of a dragon's head that it used to sell swag from luxury watches to cigarettes and beer in shops. The group's other stated purposes were to promote Chinese culture and perform good deeds such as building schools and nursing homes.

As the Hongmen association expanded, Broken Tooth zeroed in on Myanmar, a fragile state where border areas are controlled by militia groups.

In February 2020, he appeared in photos at a ribbon-cutting ceremony for the Saixigang Industrial Park, later renamed Dongmei Zone, in front of militiamen dressed in camouflage holding rifles.

About a week later, Dongmei Investment Group was registered in Hong Kong, with no reference to Broken Tooth. The Hongmen association's WeChat account said the project would include an industrial park, a logistics hub and nightlife.

Later that year, the U.S. sanctioned Broken Tooth, his Hongmen association and the Dongmei Group. The U.S. Treasury Department also said he was a member of an influential Chinese government advisory group, which both the Foreign Ministry and Broken Tooth denied.

A perfect storm

Meanwhile, pig butchering took off. With the onset of the Covid-19 pandemic, many people in the U.S. and elsewhere were isolated, making them more susceptible online to scams. Lu Yihao, a Chinese man who said he was trafficked into Dongmei and enslaved for seven months before being released in 2023, told *The Wall Street Journal* that he was constantly watched and allowed to wander only short distances.

Working as a bookkeeper, he said that he saw others perpetrating cyber scams, and that there were no signs of legitimate commerce. "As far as I could tell, from my personal experience, Dongmei was specifically built for criminal purposes," he said.

Lu said he never saw Broken Tooth. A website called bodu365.com, which advertised rental space at Dongmei, carried an ad featuring a photograph of a karaoke bar with Broken Tooth's dragon head logo out front, next to the name "Hongmen KTV."

Pulling threads

By 2022, reports of a sharp rise in pig butchering scams were reaching U.S. authorities. But Asian law enforcement showed limited inclination to pursue kingpins such as Broken Tooth.

Broken Tooth's case shows how a fragmented global response to cyber scams allows suspects to roam free

In early 2023, Thai police raided two Hongmen offices in Bangkok, after local Thai media and social-media reports claimed the offices were linked to the 14K Triad. They found little more than smuggled booze and shut down the offices before dropping their investigation.

Malaysian police said they had launched an investigation into allegations of human trafficking related to Dongmei. People familiar with the case told *the Journal* that the investigation was later closed and no charges were brought against anyone. Malaysian authorities declined to comment.

The Journal's efforts to track Broken Tooth found dead ends.

The 22nd-floor office listed as Dongmei's headquarters in Hong Kong corporate records was occupied by a company called "Innovative Development Co." A woman at the door said that it processes license registrations and that the previous tenant had left a year earlier.

At a Macau address for the Hongmen association's headquarters listed on the group's WeChat account, a woman said that Hongmen had been a previous tenant, but that she didn't know when it moved or where it went.

Macau's government declined to comment. Hong Kong's government declined to comment specifically about Broken Tooth but said it doesn't implement sanctions imposed by other countries.

The Journal also tried to locate the Malaysian individuals listed in corporate records as Dongmei's directors, Yong Mun Hong and Abdul Shakor bin Abu Bakar. The latter appeared with Broken Tooth in photos of the zone's ribbon-cutting in 2020, and at a promotional event in Kuala Lumpur afterward.

At a house in Kuala Lumpur, a woman who identified herself as Yong's sister-in-law connected *the Journal* by phone with her brother. He said he would relay a message to Yong, who hasn't replied.

At another Kuala Lumpur location listed in Dongmei documents, a man who matched photographs of Abdul Shakor appeared in a driveway with BMW and Mercedes cars. He threatened to call the police and appeared to take a photograph of *the Journal*'s vehicle as it drove it away.

Abdul Shakor's wife, Mashitah Ibrahim, is a Malaysian politician who has served in several senior government roles. A person who responded to messages to her phone said corporate records listing Abdul Shakor as a director were fraudulent. When asked if the couple knew Broken Tooth, the person answered, "What a stupid question."

The Journal also visited two Hongmen storefronts in Cambodia. Both sold Hongmen brand alcoholic beverages and merchandise such as blue-jeans.

A woman working in the storefront in Phnom Penh, Cambodia's capital, said that she had seen Broken Tooth at events but that he lived in Macau and rarely came to the shop.

A man working in the store in the coastal city of Sihanoukville said he had never seen Broken Tooth there, though a banner inside featured Broken Tooth advertising Hongmen brand betel nut, a mild stimulant known for staining users' teeth red.

The man acknowledged his boss had a dark past, but said he was now a legitimate businessman.

In September, Broken Tooth resurfaced in a video posted on Douyin, the Chinese version of TikTok, celebrating the opening of a Hongmen center and investment company office in Macau. The user who posted the video identified himself as "Hongmen beer Master Lu."

Standing before a small audience, the man identified as Broken Tooth was dressed in all black with white sneakers.

"I feel very honored and thank everybody for coming," he said. "As the chairman..."

Then the video cut off.

© 2024 DOW JONES & CO. INC.

feedback@livemint.com

NEWS IN NUMBERS

£1.5 bn

THE AMOUNT United Kingdom's centre-left Labour government wants to raise to fund public education by removing tax exemptions for private schools.

270GW

THE PROJECTED peak power demand in the summer season in 2025, up from the record high of 250 GW in May 2024, according to government estimates.

6.5-6.8%

THE RATE at which the economy is likely to grow this fiscal, slightly accelerating to 6.7-7.3% in FY26, boosted by domestic consumption, according to Deloitte.

₹25 lakh

THE MAXIMUM limit of death-cum-retirement gratuity for Haryana state government employees starting 1 January 2025, up from ₹20 lakh at present.

53,000

THE NUMBER of housing units that came up in Delhi-NCR this year, up 44% YoY, driven by ultra-luxury homes priced above ₹2.5 crore, according to Anarock.

HOWINDIALIVES.COM

Manufacturers to invest more in tech

Manufacturing companies are likely to ramp up investments into technology integration to 11-15% of their overall budget in the next two years, compared with the existing 10%, a report by the Confederation of Indian Industries (CII) showed.

These increased investments are likely go into IoT (Internet of Things), robotics and Big Data, the report titled 'Smart Manufacturing: Unlocking India's Potential' said.

This could be important as the share of the manufacturing sector in the gross domestic profit (GDP) has remained flat at about 13-17% over the last few years, even as services leads growth in India's economic output.

Capital-intensive industries like semi-conductors, aerospace, and automotive are leading the charge in adopting these technologies, the report said, while traditional industries like textiles are transitioning towards digitization. **MANAS PIMPALKHARE**

The airport's domestic operations are expected to start from the second half of May. PTI

First commercial flight test at NMIA

The upcoming Navi Mumbai International Airport (NMIA) is set to be functional from early next fiscal year with the expected inauguration of the facility on 17 April, a senior Adani Group official said on Sunday.

Earlier in the day, an IndiGo A320 passenger aircraft landed successfully at runway 26/08 of the under-construction Navi Mumbai International Airport, paving the way for securing an aerodrome licence to start commercial operations.

"Our ambition is to do the commercial inauguration of the airport by 17 April," Adani Airport Holdings Ltd chief executive Arun Bansal told media after the successful trial landing of the first civil passenger aircraft.

Bansal said that the domestic operations will start from the second half of May as after the inaugural flight some procedures will have to be followed which will take about four weeks.

"This is a momentous day for Navi Mumbai International Airport. The successful completion of the validation flight is a major milestone," said Bansal. **PTI**

YEAR-END DISASTER

The deadliest air accident ever in South Korea killed 179 people on Sunday, when an airliner belly-landed and skidded off the end of the runway, erupting in a fireball as it slammed into a wall at Muan International Airport. A bird strike was cited by authorities as the likely cause of the crash. AP/PTI

179 killed in South Korea plane crash, 2 flight crew rescued

Apart from 2 Thais, all of the passengers were Korean; 65 have been identified

AFP
feedback@livemint.com

A Jeju Air plane carrying 181 people from Thailand to South Korea crashed on arrival Sunday, smashing into a barrier and bursting into flames, killing everyone aboard except for two flight attendants plucked from the wreckage.

A bird strike was cited by authorities as the likely cause of the crash—the worst ever aviation disaster on South Korean soil—which flung passengers out of the plane and left it "almost completely destroyed", according to fire officials.

Video showed the Jeju Air Boeing 737-800 landing on its belly at Muan International Airport, skidding off the runway as smoke streamed out from the engines, before crashing into a wall and exploding in flames.

"Of the 179 dead, 65 have been identified," the country's fire agency said, adding that DNA retrieval had begun.

Inside the airport terminal, tearful family members gathered to wait for news.

An official began calling out the names of the 65 victims who had been identified, with each name triggering fresh cries of grief from waiting relatives.

> Video showed the Jeju Air Boeing 737-800 landing on its belly at Muan International Airport, skidding off the runway, before crashing into a wall

Only two people—both flight attendants—were rescued from the crash, the fire department said.

"Passengers were ejected from the aircraft after it collided with the wall, leaving little chance of survival," a local fire official told families at a briefing, according to a statement released by the fire brigade.

"The plane is almost completely destroyed," he was quoted as saying.

Both black boxes—the flight data recorder and the cockpit voice recorder—have been found, deputy transport minister Joo Jong-wan said at a briefing.

Under floodlights, rescue workers used a giant yellow crane to lift the burned-out fuselage of the orange-and-white aircraft on the runway at Muan, some 288 kms southwest of Seoul. Bits of plane seats and luggage were strewn across the field next to the runway, not far from the charred tail, offering a glimpse into the catastrophic impact of the crash.

Adani's DRPPL changes name

Dharavi Redevelopment Project Pvt. Ltd (DRPPL), the Adani-backed company undertaking the ambitious plan of revamping Dharavi slums, is rebranding itself in line with the company's "promise of building a modern, inclusive and vibrant community," the firm said.

DRPPL will now be called Navbharat Mega Developers Pvt. Ltd (NMDPL) in response to the holistic value proposition and renewal of its corporate vision, it said in a statement.

"The name Navbharat Mega Developers is rooted in the company's commitment to growth, change and hope and the rebranding exercise that has received the affirmation of its board of directors and the ministry of corporate affairs," it said.

In DRPPL, Adani Group held an 80% stake and the government held the rest. Shareholding will remain unchanged in the new firm. **PTI**

Grandmaster Koneru Humpy is only the second player to clinch the title more than once. PTI

Koneru Humpy is rapid chess champ

Grandmaster Koneru Humpy capped a wonderful year for Indian chess, defeating Irene Sukandar of Indonesia to emerge the FIDE Women's World Rapid Chess champion here on Sunday.

Humpy had won the event back in 2019 at Georgia and the Indian No. 1 is only the second player after China's Ju Wenjun to clinch the title more than once. Humpy's achievement laced a sensational year for the chess fraternity after D Gukesh defeated China's Ding Liren to emerge champion in the classical format World Championship recently in Singapore. In September, India had also won its first-ever gold medals in Open and Women's categories in the Chess Olympiad in Budapest.

The Indian was the lone winner in the 11th and final round, helping her to top the tables with 8.5 points, half a point clear of six others including compatriot D Harika. **PTI**

CCI chief: AI could aid cartelization

Artificial intelligence (AI) has the potential to aid cartelization by automating collusive behaviour through predictive algorithms, Competition Commission of India (CCI) chief Ravneet Kaur has said, asserting that the watchdog is focused on developing ecosystems that ensure algorithmic transparency and accountability while promoting innovation.

The CCI, which works to curb unfair business practices in the market place, has commenced the study on AI and competition that is expected to be completed by mid-2025.

The study will look at various elements, including AI in the area of logistics and algorithms in general.

In an interview to *PTI*, Kaur said mere use of algorithms cannot be anti-competitive but in case the algorithms are manipulated, then that is a competition issue. **PTI**

DGTR seeks duty on PVC paste resin

The commerce ministry has recommended imposition of an anti-dumping duty of up to $707 per tonne on imports of PVC paste resin, used to make artificial leather and other technical textiles' products, from six countries, including China, for five years, with an aim to guard domestic producers.

In its findings, the directorate general of trade remedies (DGTR), a wing of the ministry, has concluded that 'Poly Vinyl Chloride Paste Resin' has been exported to India at a price below the normal value from certain players of the six nations—China, Korea, Malaysia, Norway, Taiwan, and Thailand.

The move has resulted in dumping of the product into Indian markets.

The notification of the directorate said imports from these countries have caused material injury to the domestic industry.

The recommended duty ranges between $89 per tonne and $707 per tonne. Finance ministry takes the final decision to impose duties. **PTI**

Corporate America drew back from DEI. The upheaval isn't over.

FROM PAGE 1

boards and executives still support diversity efforts, even if they avoid the term, bend to the demands of activists or try to sidestep skirmishes with Trump's administration. CEOs also risk backlash among customers and employees.

"Diversity is a core American feature," said Daniella Ballou-Aares , chief executive of the Leadership Now Project, a business group that hasn't taken a position on DEI. "Do I think every company will emphasize the benefits of diversity in the workforce? No, and I don't think everyone is doing that right now, either. But it won't go away all together."

Tractor Supply was among the first prominent companies to say it would pull back from DEI commitments: cutting roles and withdrawing support for LGBTQ events. "We have heard from customers that we have disappointed them," the retailer said in June.

Tractor Supply made the announcement just weeks after social-media provocateur Robby Starbuck took aim at the company on social media.

Ford and a few others soon followed, saying they would stop working with the Human Rights Campaign, an organization Starbuck had singled out. The gay-rights lobby had over decades won support from big companies for policies hospitable to lesbian, gay, bisexual, transgender and queer employees and customers.

Changes to training programs

Human-resources professionals retreated during the summer as well. SHRM, a group with members across hundreds of companies, said it would drop the "e" from DEI, instead promoting inclusion and diversity.

"Equity" to HR professionals means companies should guarantee a level playing field for all workers. But anti-DEI activists slam equity as pursuing diversity at the expense of merit.

Companies also revamped training programs that once expounded on societal racism, instead favoring narrower efforts with broader support, such as closing pay gaps between women and men, said Josh Bersin , a longtime workplace analyst and corporate adviser.

"Inclusion and diversity and pay equity is still huge," Bersin said. "But they've toned down the approach."

In other cases, companies extended training opportunities—on improving communication techniques, for example—to all employees, said Sheila Abron, co-chair of the affirmative action and federal contract compliance practice at law firm Fisher Phillips. The goal: ensuring equal access.

"That's where we're seeing the legal challenges, when there is not an equal opportunity for all," Abron said.

Tractor Supply was among the first prominent companies to say it would pull back from DEI commitments.

Some companies facing litigation or public criticism reaffirmed their commitments to diversity. Ford CEO Jim Farley said the carmaker was still committed to having an "inclusive workspace." Walmart HR chief Donna Morris told staff that the retailer still wanted to create a sense of "belonging" internally.

Courts take up the fights

Separate federal courts this spring tossed two lawsuits accusing Amazon.com of discriminating through grants for delivery services with Black, Latino and Native American owners. Plaintiffs in both cases lacked grounds to sue because they hadn't even applied to provide delivery services to Amazon and so weren't eligible for the grants regardless of race, the courts found. Their appeals are pending.

Honeywell and Pfizer have also had cases against them dismissed: Honeywell, after an employee argued he was wrongly fired for refusing to complete a workplace DEI seminar, and Pfizer, which was accused of discriminating by sponsoring a fellowship open to Black, Latino and Native American applicants.

In June, a federal appeals court ordered Fearless Fund, an Atlanta investment firm championing minority women, to halt a program providing $20,000 grants for Black woman entrepreneurs. The court rejected an argument that the spending amounted to protected speech. Fearless Fund in September settled the lawsuit and shut down the grant program .

Representatives for Fearless Fund and Pfizer didn't respond to requests for comment.

Activists also lobbied investors to help oppose what they called "woke" corporate policies. They filed dozens of shareholder proposals at S&P 500 companies. Often framed as getting politics out of business, such proposals found little traction—few won more than 2% of voted shares.

The activists say to brace for more anyway.

If the Trump administration adds to the pressure, "corporations are going to be even more receptive to the types of shareholders we work with," said Jeremy Tedesco, senior counsel of the Alliance Defending Freedom, which rates companies on free-speech and religious-freedom policies and helps shareholders submit proxy proposals.

Internal backlash at Walmart

In November, Walmart joined the list of companies talking about winding down DEI programs. Among other moves, the retailer said it wouldn't participate in HRC's surveys or renew funding for the Center for Racial Equity, a nonprofit it had funded in 2020 with $100 million over five years.

Inside the company, some workers bridled at the reversal—a few years after the company trumpeted support for such efforts.

On Dec. 13, Walmart CEO Doug McMillon sent an all-staff email saying he had heard from many employees about the changes. "Some of the notes shared appreciation while others shared concern and disappointment," he wrote. "We aren't changing our values, but our approach is always evolving as we learn and receive feedback."

The public pronouncements may not reflect sweeping policy changes. Walmart hasn't announced changes to health insurance coverage or other policies that underpin its top ranking with the HRC.

Supporters of DEI initiatives spent most of 2024 on the defensive. Now they are waiting for the Trump administration to take shape before they decide how to respond.

"Trump is a charismatic leader who says things off the cuff, but you have to see what really happens," said Bianca Agustin , co-executive-director of United for Respect, which is asking Walmart shareholders to support a racial-equity audit.

Among the strategies DEI supporters are considering: suing to support key programs or organizing public protests of the kind that helped lead to new diversity initiatives in 2020.

Like some allies, Agustin said she recognizes DEI efforts have to change. "We need to be able to articulate alternative visions," Agustin said. "We can't just defend the old programs."

Sarah Nassauer and Erin Mulvaney contributed to this article.

©2024 DOW JONES & COMPANY, INC.

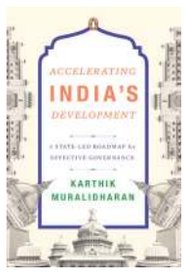
12 BOOKS THAT CAN CHANGE HOW YOU THINK

Industry captains and policy makers recommend books they loved to read in 2024

In the fascinating book, *The Soul of an Octopus*, naturalist Sy Montgomery writes about her encounters with the eight-armed mollusks. Turns out, they have a mind of their own. They can be gentle, assertive, curious and joyful. Above all, they are clever. "It doesn't take long for an octopus to figure out who his friends are," Montgomery writes. While this book, the favourite of a *Mint* editor, didn't make it to the recommendation list, another one around the octopus did—it promises to be an equally good read, particularly if you are interested in the evolution of intelligence.

This year, we sourced our picks from industry captains, policy markers, and even *Mint*'s opinion editor. Many of these books weren't published in 2024, but in their narrative and content, they remain enduring—artificial intelligence; economic history; organisational culture; the markets, and human resilience. Do not miss what Harsh Mariwala and Anu Aga read.

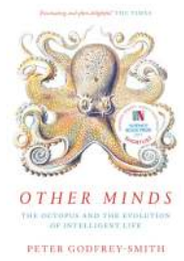
ISTOCKPHOTO



ACCELERATING INDIA'S DEVELOPMENT
Karthik Muralidharan

India delivered on democracy but faltered on prosperity. Why (the past) is not as important as how (the future). Yet most economic books attempt to describe the world rather than change it. Karthik's book (*Accelerating India's Development: A State-led Roadmap for Effective Governance*) is different. He recognises we campaign in poetry but govern in prose; new recipes beat more cooks in improving state capacity, and 29 chief ministers matter more than one prime minister. His case—that economic reforms have fixed many sins of commission (what the state did wrong), but many sins of omission (what the state doesn't do) remain—is persuasive. Technocratic reform agendas often fail because they defy accepting the world of politics and policy as second best. But this book's many specific, finite, and actionable recommendations on education, healthcare, civil services, justice, police, etc. make it useful for anybody working on our new tryst with the destiny of combining mass prosperity with mass democracy.

—Manish Sabharwal, vice chairman, TeamLease



OTHER MINDS
Peter Godfrey-Smith

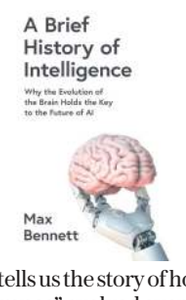
The last common ancestor of humans and octopuses lived 600 million years ago. Given their large brains and complex behaviour, octopuses are "an island of mental complexity in the sea of invertebrate animals... probably the closest we will come to meeting an intelligent alien." *Other Minds: The Octopus and the evolution of intelligent life* takes us deep into how senses developed and how the start of predation in the Cambrian period triggered the evolutionary spiral that accelerated movement and sensory and brain development. It meditates on consciousness, the evolution of aging and examines similarities and differences between octopuses and humans. They have long-term and short-term memory, engage in play with novel objects that aren't food and have no apparent use, and some can recognise individual humans. Their vivid and sophisticated colour displays, sometimes without any apparent reason, also show remarkable abilities to process information. All this in an animal that lives for just 1 to 2 years? Why did such sophisticated intelligence evolve? The explanations make the reader appreciate the role of serendipity in the evolution of intelligence and better appreciate how we came to be who we are.

—Neelkanth Mishra, chief economist, Axis Bank

THE MANIAC
Benjamin Labatut

This is "a work of fiction based on fact," says Labatut. In this genre-defying follow-up to his equally compelling *When We Cease To Understand The World*, Labatut ventriloquizes mathematician John von Neumann and others in his life. Neumann (the "smartest human being of the 20th century") fathered game theory, laid the foundations of quantum mechanics, and heralded the arrival of artificial intelligence (AI). He believed that gods were necessary but had lost their glory, and the only candidate to fill this void was technology. As we finally approach what Neumann, on his deathbed in 1957, called "an essential singularity beyond which human affairs cannot continue", Labatut is required reading for those wishing to explore the limits of human comprehension and the philosophical consequences of machine intelligence. While others writing on AI tend to be annoyingly didactic and breathtakingly boring, Labatut's hubristic tale is refreshingly original, elegantly crafted and thrillingly propelling. A real treat.

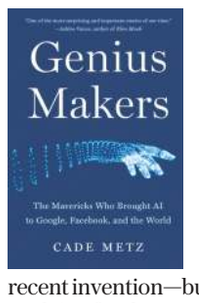
—Alok Sama, former president and CFO, SoftBank Group



A BRIEF HISTORY OF INTELLIGENCE
Max Bennett

A Brief History of Intelligence: Why the evolution of the Brian holds the key to the future of AI by Max Bennett tells us the story of how biological "intelligence" evolved over millions of years and how artificial intelligence (AI) mimics or recreates many of the forms of intelligence. This provides us with a good map of how AI would approach human intelligence or what it may be able to do in order to surpass us.

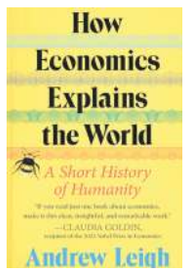
—Sanjeev Sanyal, member, Economic Advisory Council to PM



GENIUS MAKERS
Cade Metz

In the last few years, artificial intelligence has become the single idea that drives every conference. Many think it is a recent invention—but it is not. It has been evolving for the past many decades; it has had its ups and downs. In the recent past, the petabytes of data coming from data aggregators like Google and Facebook, coupled with high-performance chips that can handle this volume of data, gave a massive push to the application of neural networks, which has been languishing for many years. *Genius Makers: The Mavericks Who Brought AI to Google, Facebook, and the World* by Cade Metz tells this story in the most readable fashion, giving equal importance to the technology and the people who bet on this without making it too technical. Particularly, it helps those of us who are suddenly bombarded with this idea on a day-to-day basis but have no context of it.

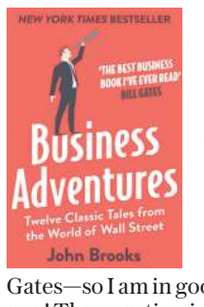
— Thampy Koshy, MD and CEO, ONDC



HOW ECONOMICS EXPLAINS THE WORLD
Andrew Leigh

For all its monumental marvels, was Ancient Egypt less developed as a civilization than Harappa? If your guess is yes, but wonder why, get a copy of Andrew Leigh's *How Economics Explains the World* (2024, Mariner Books). It delves into history to unearth gems that sparkle under the lens of an economist, tracing an arc across millennia all the way from artificial light to artificial intelligence. As a refresher course in Economics 101 that ploughs up the past to make points that still need to be made—on markets, trade, institutions, inequality and more—for everyone's well-being, it's refreshingly reader-friendly. To cite two pleasant surprises, it quotes an endearing rap by John Papola and Russ Roberts in its discussion on Keynes versus Hayek and compares India's 1991 reforms with Britain's 1846 repeal of corn laws and China's 1978 farm rebellion-led embrace of private property. This slim volume is a jolly good year-end read.

—Aresh Shirali, deputy managing editor, Mint



BUSINESS ADVENTURES
John Brooks

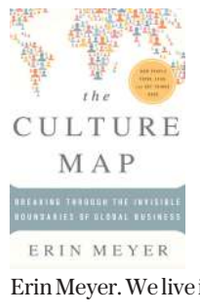
Business Adventures by John Brooks has been listed among the favourites by the likes of Warren Buffett and Bill Gates—so I am in good company on this one! The question is why read business stories from decades ago because that's what this book consists of. The answer lies in the fact that human nature hasn't changed that much in over 50 or 100 years. For instance, the ways people lose or make money in the stock markets, or the way the market insiders find neat explanations for just about anything that happens in the markets, has remained unchanged from the time the first 'modern' exchange came into being in the 17th century. From the nuances of what constitutes insider trading, multiple crises, from the Pound Sterling to the New York stock Exchange to the (remarkably short) history of income tax, from business success to failures, there are some riveting stories here.

—Devina Mehra, chairperson, managing director and founder of First Global

SIMPLE WEALTH, INEVITABLE WEALTH
Nick Murray

Nick Murray is often regarded as the king of wealth management in the US. His book, *Simple Wealth, Inevitable Wealth*, is a masterpiece. Murray's insights on asset allocation are incredibly sharp. He emphasizes that 90% of wealth creation does not come from picking the right stocks but from choosing the right asset allocation. He argues that being heavily invested in equities—80%, 90%, or even 100%—yields significantly higher compounded returns over the years, leading to vastly superior outcomes compared to fund managers who diversify across various asset classes with poor results. His clarity on the role of a planned wealth manager is truly enlightening.

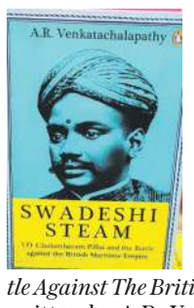
—Raamdeo Agrawal, chairman and co-founder, Motilal Oswal Financial Services



THE CULTURE MAP
Erin Meyer

The book that I will remember in 2024 is *The Culture Map: Breaking Through the Invisible Boundaries of Global Business* by Erin Meyer. We live in a connected world where it is common to have a wide network of suppliers, customers, colleagues, and stakeholders. It is increasingly important to understand how to conduct ourselves and get the most out of interactions with individuals who come from cultures different from your own. The book demystifies aspects of cross-cultural collaboration and gives us a practical guide on how to communicate, evaluate, persuade, lead, decide, trust, disagree and schedule work in a multicultural world. Peppered with relatable examples and tips, I have found the book immensely useful in understanding and collaborating with others.

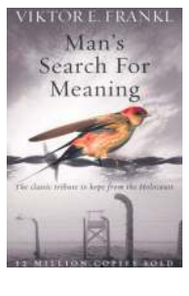
—Nandini Piramal, chairperson of Piramal Pharma



SWADESHI STEAM
A. R. Venkatachalapathy

The book that I enjoyed reading recently was *Swadeshi Steam: V.O. Chidambaram Pillai And The Battle Against The British Maritime Empire*, written by A.R. Venkatachalapathy, a well-known historian. V.O. Chidambaram Pillai was a renowned lawyer and a great freedom fighter who lived in Tamil Nadu 125 years ago. He chose to challenge the British monopoly on the Indian seas by launching an indigenous ship. Today, we see many startups building companies in democratic and free India but it was a different ball game to be an entrepreneur under British rule—more than a century ago. In addition to standing up against an institution that enjoyed the full backing of the British government, Pillai also had to face other challenges entrepreneurs deal with. He found an innovative way to raise capital through an almost crowdfunding approach!

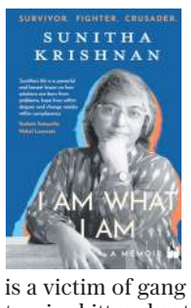
—Vijay Sankar, chairman, Sanmar Group



MAN'S SEARCH FOR MEANING
Victor E. Frankl

A book that has deeply influenced me is *Man's Search for Meaning* by Viktor E. Frankl. His account of surviving Nazi concentration camps is a great example of the strength of the human spirit. One idea from the book that stayed with me is his belief that life's meaning comes from how we respond to challenges. It is not our circumstances that define us but the purpose we find in them. This perspective has shaped the way I approach adversity in both life and business. In the world of business, challenges are inevitable. Whether it is dealing with market uncertainties or guiding a team through change, having a clear sense of purpose has always provided direction and clarity. Man's Search for Meaning offers timeless lessons on resilience and the importance of staying anchored to something bigger than ourselves. For anyone seeking strength in difficult times, it is a book that provides both guidance and inspiration.

— Harsh Mariwala, founder and chairman, Marico Ltd



I AM WHAT I AM
Sunitha Krishnan

Recently, I read *I Am What I Am: A Memoir* by Sunitha Krishnan. It is a true story, and I know Sunitha. She is a victim of gang rape. But instead of turning bitter, she started working to help young people come out of prostitution. It is a beautifully written book. The book's message is about how bitterness is all-consuming and it doesn't help you. Bitterness only eats you up. Whereas if you take up a cause and give your energy there, it makes you a better person and it helps people. That was a very strong message. For example, when my son died in a car accident, my daughter (Meher) was very upset because someone said it was the truck driver's fault. She wanted to take him to court. But I felt we should rather take up the cause of traffic, which is chaotic.

—Anu Aga, social worker, former Rajya Sabha member and former chairperson of Thermax

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

Money hacks that can help you achieve New Year fitness goals

From triathlons to yoga and gym sessions: Smart and practical ways to pursue your fitness goals on a budget

Jash Kriplani
jash.kriplani@livemint.com
MUMBAI

New Year is often the time to make resolutions for a healthier and fitter lifestyle. And gyms, running or swimming are not your only options. Try a new sport like pickelball. But staying fit can be expensive. Here are money hacks to enjoy a healthier lifestyle in 2025.

Fitness goals

Bengaluru-based Ajinkya Deshmukh, 37, who is training for triathlon competitions, prefers cycling and swimming. "After getting an ACL tear (anterior cruciate ligament) in my left knee, I wanted to incorporate other exercises into my fitness regimen, and not just stick to running as the latter can put more pressure on the knees," said Deshmukh.

As the IT professional prepares to participate in Ironman 70.3 towards the end of next year, he will need a quality road bike to improve his cycling skills. But it would cost anywhere between ₹1.5 lakh and ₹2 lakh.

However, instead of buying an expensive cycle, he plans to rent it for a month before the triathlon starts in November. That, he says, will only cost him ₹10,000 for a month. Meanwhile, he will continue practicing on the bicycle he already owns.

He also wants to bring his weight below 70kg to reduce the load on his knees as he pursues his active lifestyle. His triathlon preparation should help him to reach this goal.

Mumbai-based Smriti Tomar, 24, prefers yoga. She is taking advantage of a New Year offer at a yoga studio, which is offering a six-month membership at a 50% discount.

"The studio's monthly membership is ₹3,000, so this works to ₹18,000 for six months. A fee of ₹9,000 for six months works out to just ₹1,500 per month," Tomar says.

Her New Year fitness resolution is to follow a more consistent regimen. "This is also the reason why I don't mind paying for a longer-term membership, instead of paying monthly fees ... [That] should also force me to be more disciplined."

Several gyms are also offering their memberships at discounts as part of their New Year offers. From Durg, Chhattisgarh, Rachit Agrawal, 22, who is preparing for MBA entrance exams, also took advantage of it. He availed a six-month membership for ₹7,500 instead of ₹9,000. His New Year resolution is to gain muscle mass and weight.

In Mumbai, several popular gym chains are running year-end discounts of 10-40%. The offers, however, may vary with city.

5-star swimming

You can also check the swimming pools and gyms at 5-star hotels. Several of these properties allow pool access to non-guests on a daily payment and even annual memberships.

In Mumbai, The Lalit offers gym and pool access for a day at ₹1,770. Those looking for an annual membership for the pool can avail it for ₹94,400. A combined gym and pool membership costs ₹1.18 lakh.

Those in Bengaluru can avail a day's pass for either using the pool or gym at Taj Yeshwantpur for ₹1,000. An annual membership, offering both the services, costs ₹90,000.

You may also find municipal pools in your city offering membership for a nominal fee. But check the maintenance quality before opting for them.

Group sports

Group sports are another way to stay fit. You can find slots at football turfs, badminton or pickleball courts—a relatively new sport gaining popularity—on various aggregator apps. You can also find groups looking for participants on these apps.

Compare the pricing, and costs can be split up among members.

For example, a game of pickleball—which blends table tennis and lawn tennis—will cost anywhere between ₹600 and ₹1,000 for an hour's slot. The game is played by a minimum of two people and a maximum of four. You can also rent the paddles (racquets to play pickleball) and the ball at the venue.

Fitness passes

Fitness passes allow you to try out new activities across different gyms in your city. These are available for annual charges of ₹15,000-18,000, besides offering a wide range of physical activities and gym options to choose from. The options include FITPASS and cultpass.

Fit body, fitter wallet

A healthier lifestyle doesn't have to cost much; make the most of New Year deals on gym memberships and money hacks on other fitness activities

	SMRITI TOMAR, 24	AJINKYA DESHMUKH, 37	RACHIT AGRAWAL, 22
City	Mumbai	Bengaluru	Durg (Chhattisgarh)
Profession	Finance professional	IT professional	Preparing for MBA entrance
New year fitness resolution	Be more consistent	Reduce weight to below 70kg after ACL tear in left knee	Gain weight and muscle mass
Preferred exercise	Yoga	Cycling	Gym
Cost-saving hack	Will avail New Year offer for 6-month membership by a yoga studio; available at **50%** discount	Plans to avail a road bike on rent for triathlon training	Received special offer on gym membership
Savings	▶ 6-month fee (₹3,000 per month) is **₹18,000 for 6 months** ▶ New year offer: 6-month fee (₹1.5k per month) is **₹9,000 for 6 months**	▶ Cost of buying premium road bike is **₹1.5 lakh** ▶ Rental: **₹10,000** for a month	▶ **₹9,000** for six months ▶ New year offer: **₹7,500** for six months

Pool pass

- ▶ Accessing hotel swimming pools at **₹1.5k–3k/hour**
- ▶ Some hotels offer per-day access
- ▶ Annual gym and pool membership for **₹1-3 lakh**
- ▶ Municipal pools: Lower rates, but hygiene maybe a concern

5-star pool and gym access

MUMBAI	Short-term	Long-term
Grand Hyatt	**₹2.4k** for 2 hours: pool or gym	**₹2.24 lakh** p.a. for pool & gym
JW Marriot	**₹3.5k** for day access: pool only	**₹4.13 lakh** p.a. for pool & gym
The Lalit	**₹1.7k** for day access (both gym and pool)	**₹94.4k** p.a for pool; ₹1.18 lakh p.a. for pool & gym
BENGALURU	**Short-term**	**Long-term**
Grand Sheraton	**₹1.4k** for day: pool or gym	**₹2.12 lakh** p.a. for pool and gym
Taj Yeshwantpur	**₹1k** for day: pool or gym	**₹90k** p.a. for pool and gym
Conrad	Not available	**₹1.47 lakh** p.a. for pool; **₹2.65 lakh** for gym & pool

Check for availability of 6-month memberships; prices may vary by property.

Group sports

- Deals on football turfs, badminton, pickleball
- Be part of group activities to split costs
- Use apps to connect with groups: Playspots, Turf Town, Playo, KheloMore, Hudle, myMaidan

Gym chains with year-end offers

Offers may vary from city-to-city, centre to centre

	3 MONTHS	6 MONTHS	12 MONTHS
Cultpass Elite			
Regular price	₹18,000	₹32,600	₹63,500
Year-end offer	₹14.7k (for 3+1 months)	₹17.4k (for 6+1 months)	₹22.4k (for 12+1 month)
Gold's Gym			
Regular price	₹16,400	₹19,400	₹25,500
Year-end offer	₹15k (for 3+1 months)	₹18k (for 6+1 months)	₹23.4k (for 12+1.5 months)
FitnessFirst			
Regular price	₹26,300	₹37,000	₹49,900
Year-end offer	Not available	₹40k (for 6+6 months)	₹44.9k (12+3 months)
Anytime Fitness			
Regular price	₹15,000	₹22,000	₹32,000
Year-end offer	₹14,000	₹19,000	₹25,000 (12+1 month)

Note: Hotels, gym chains and aggregator platforms mentioned here are not endorsements. p.a: per annum

Source: Offers provided by select gym chain centres in Mumbai upon enquiry

Stay fit, save on insurance premiums

You can get discount on insurance premium if you meet certain fitness goals. Some insurers offer discounts on renewal premiums if a customer accumulates wellness points by opting for various fitness activities like taking 10,000 steps daily for set durations, run marathon, get a gym membership or a sports activity or having an annual health check-up. You can show proof of meeting the fitness goals by registering on designated apps provided by insurers and making sure the records are logged on your wearable device.

Insurers offer varying levels of discounts on premium. For instance, Aditya Birla Health Insurance offers 100% wellness discount on meeting certain goals, available for senior citizens also. In family floater health insurance policies, discounts are proportionate to all adult members maintaining the fitness goals. Galaxy Health Insurance also offers wellness programmes for kids. With a fit body and a fitter mind you can also avail your health policies for less. So, remain active.

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

POWER POINT

PRASHANT JOSHI

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

WHAT'S THE RISK OF CHASING THEMATIC, SECTORAL TRENDS?

The promise of big returns from thematic and sectoral funds comes with equally high risks. With nearly half of the 147 thematic and sectoral mutual funds trading below their issue price as of December, it is important to assess whether thematic funds should be part of your portfolio or are better avoided.

Why are thematic and sectoral funds so popular?

Thematic and sectoral funds have gained investor interest by offering exposure to high-growth market areas. Unlike traditional equity funds, they focus on companies within sectors or themes (environmental, social, and governance (ESG), defence, banking, or infrastructure). Investors are attracted to these funds for their potential to capitalize on trends like electric vehicles (EVs), artificial intelligence (AI), and policy-driven opportunities such as defence and solar energy. However, with the Securities and Exchange Board of India (Sebi) allowing only one scheme per category, asset management companies must differentiate their products to appeal to investors seeking unique opportunities.

Where do investors go wrong?

Past performance analysis is the most common mutual fund selection method retail investors adopt. Many are drawn to sectoral funds after seeing recent success but may enter when a sector's growth cycle is nearly complete. Sectoral funds are cyclical, fluctuating dramatically due to macroeconomic factors. A sector showing strong growth may have peaked, leaving new investors vulnerable to declining returns as the cycle reverses. AMCs often introduce thematic funds at market peaks, driven by a sector's enthusiasm. Motilal Oswal (fund 1), Aditya Birla Sun Life (fund 2), and Groww (fund 3) launched their defence funds at the sector's peak, struggling to deliver returns since.

> Many investors fail to recognize that each sector has its own cycle, separate from the market

Many retail investors fail to recognize that each industry operates on its own business cycle, independent of the broader market. For instance, while the technology sector might be growing, manufacturing could be in decline. Understanding these sector-specific cycles is crucial for informed decisions. While investing in such funds, investors may unknowingly over-allocate to a sector. For example, defence MF investors might already have exposure through diversified equity funds. Retail investors often concentrate portfolios on trending sectors, especially during bull markets, leading to losses when sector-specific risks materialize. Factors like technological advancements and shifting regulations can permanently alter a sector. What worked in previous cycles may not apply later, especially in rapidly evolving sectors.

Avoiding sectoral and thematic investment pitfalls

Seasoned financial advisors recommend limiting sectoral and thematic funds to 10-15% of total investments to manage downside risk while still capitalizing on market opportunities. The core portfolio should remain focused on diversified equity funds for stable, long-term growth. Sectoral and thematic fund investments are best suited for savvy investors with a high-risk appetite, deep market knowledge, and analytical skills. For those less experienced, consulting a qualified financial advisor is advisable to navigate these complex investment decisions.

Prashant Joshi is co-founder and partner, and head–family office and private wealth, at Upwisery.

What a personal loan costs you

Personal loans are a way to use tomorrow's income today, and the process involved is simple. But you must note that the interest rates are much higher than, say, for a car loan. This is because personal loans are unsecured loans. This means that the loan is not backed by any asset. The loan amount and interest rate depend on parameters such as your income, existing credit, repayment capacity, and others. As personal loans come with high interest rates, continuous default will put you on a downward spiral. Here are some of the lowest personal loan interest rates offered by various banks.

Loan amount: ₹1 lakh; tenure: 5 years

Lender	Interest rate (%)	EMI (₹)	Processing fee
Union Bank of India	9.30-13.40	2,090-2,296	Up to **1%**; Nil for women professionals
Bank of Maharashtra	10.00-12.80	2,125-2,265	**1%** + GST
Indian Bank	10.00-11.40	2,125-2,194	**1%** (Max **₹10,000**); Nil for Govt/PSU Employees
Bank of India	10.85-14.85	2,167-2,371	Min **₹1,000** and Max **₹10,000**
Indian Overseas Bank	10.85-13.00	2,167-2,275	**0.40%** to **0.75%**
HDFC Bank	10.85-24.00	2,167-2,877	**Up** to **₹6,500**
ICICI Bank	10.85-16.25	2,167-2,445	Up to **2%**
Canara Bank	10.95-16.25	2,172-2,445	Applicable charges are **0.50%**, Min **₹1,000** + GST and Max **₹5,000** + GST*
UCO Bank	10.95-13.95	2,172-2,324	**1%** (Min **₹750**)
Kotak Mahindra Bank	10.99-16.99	2,174-2,485	Up to **5%** + taxes
IDBI Bank	11.00-15.50	2,174-2,405	**1%** (Min **₹2,500**) + taxes
Axis Bank	11.00-22.00	2,174-2,649	Up to **2%** + GS
Punjab & Sind Bank	11.25-14.00	2,187-2,327	**0.50%** to **1%** + GST
Bank of Baroda	11.40-18.75	2,194-2,580	**1%** to **2%** (Min **₹1,000** and Max **₹10,000**) + GST; **
Punjab National Bank	11.40-16.25	2,194-2,445	**1%** (**₹270** for loan up to **₹2 Lakhs** and **₹450** for loan above) ***

Data as on 25 December 2024, as per banks' websites. The EMI range is indicative and calculated on the basis of interest rate range. In an actual situation, it may include other fees and charges. The interest rates are for salaried individuals and pensioners for unsecured personal loan. Actual applicable interest rate may vary based on the credit profile, loan amount, tenure, company you work for and as per bank's discretion. *shall be collected till 31.12.2024, **Nil for Govt. Employees who maintain salary account with Bank of Baroda

SATISH KUMAR/MINT

MyMoneyMantra.com & bank websites

How US rental income is taxed in India

Ajay R. Vaswani

Should a resident Indian receiving rental income from the US take advantage of depreciation and other tax reliefs allowed in the US, and then report the house property income on a net basis for tax purposes in India?

—Name withheld on request

ISTOCK

ASK MINT
TAXATION

No, a resident Indian earning rental income from a property located in the US cannot directly claim depreciation and other deductions allowed under US tax laws to compute the net rental income when offering it for tax in India.

While income should be reported in India, the taxation of such income falls under the head "income from house property", and specific provisions under the Indian Income Tax Act, 1961, must be adhered to. Indian tax authorities do not allow direct deductions for United States (US)-specific tax reliefs, such as depreciation, when calculating the taxable income in India.

Taxation in India:

Under Indian tax laws, rental income from a property, irrespective of its location, is taxable on a gross basis, which allows limited deductions. Only municipal taxes paid and a standard deduction of 30% on the net annual value (gross rental income minus municipal tax) are permitted. Depreciation and any other expenses allowed under US tax laws (maintenance, insurance or utilities) are not recognized in India. Thus, the rental income calculated in the US for US tax purposes cannot be directly used for Indian tax filings.

India has signed a Double Taxation Avoidance Agreement (DTAA) with the US to prevent double taxation of the same income. While the rental income may be taxed in the US under US laws, the taxes paid there can be claimed as a foreign tax credit in India. This reduces the overall tax burden but does not exempt the income from being taxed in India. It is essential to compute the FTC in accordance with Indian tax rules and maintain appropriate documentation, including tax filings in the US.

Compliance obligations:

Resident Indians should report all foreign assets, such as property in US, and associated income in Indian income tax return under the Foreign Asset and Income Schedule. Proper records of expenses, receipt and US tax filings must be maintained for audit and compliance purposes. Any discrepancy or non-reporting can result in penalties in India.

While US tax system allows deductions like depreciation, they are not valid for Indian tax purposes. In India, the rental income must be taxed based on gross rental income, with limited deductions under tax laws in India. To mitigate double taxation, benefits under Double Taxation Avoidance Agreement can be availed provided certain conditions are met. NRIs and resident Indians earning foreign income are advised to follow compliance rules meticulously and consult tax experts to ensure proper reporting of income. Ensuring proper documentation and disclosures is crucial to avoid potential compliance issues with tax authorities and to ensure the correct application of applicable tax credits.

Ajay R. Vaswani - Founder - ARAS AND COMPANY, Chartered Accountants

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

OUR VIEW

AP

Let's make the case for trade optimism globally

Globalization stares at further reversals even as India's economy needs an export-led boost. Advocacy of low-barrier trade would serve us well and honour Manmohan Singh's legacy

In the long sweep of global history, will India's 1991 reforms, led by Manmohan Singh (1932-2024) as finance minister under the Narasimha Rao government, mark a turning point as impactful as Britain's 1846 repeal of corn laws and China's 1978 embrace of private property? Both the earlier moves were in favour of a freer market. So was India's opening up. That remix of our 'mixed economy' marked a reduced role of the state, designed to let resources be allocated more efficiently, directed less by the Centre and more by free interactions of demand and supply. It also opened our borders to capital and trade, exposing India Inc to global rivalry. These would combine to spell the idea whose time had come: the rapid rise of our economy. For those familiar with Singh's academic work and advocacy of export-led growth, a big hint of it was dropped ahead of his 1991-92 budget in the rupee's two-step devaluation, done to re-price exports. While internal liberalization yielded quick results, globalization, alas, has not panned out satisfactorily. But then, across the world, economists struggle to explain the virtues of free trade to others. In 2009, when Singh as prime minister reprised Keynes for the G20 to fend off a financial crisis, rich-world leaders were all ears. In 2025, a fitting tribute to Singh's legacy would be for us to convince the globe to reverse its rising trade barriers.

The basic rationale of world trade rests on elementary economics. As with Adam Smith's imaginary pin factory, where much more is produced if workers do what each is best at, it works to everyone's benefit if producers specialize and then exchange. The part that's not so obvious is that trade partners can make mutual gains even if one of them is better at everything. In theory, it's win-win if each partner focuses on its comparative advantage—by specializing in what it does best, thereby gaining a sharper market edge. Signs of such trade patterns go back to Harappan times in history, and the math that backs this theory still holds up. So, why does trade theory fail to survive its first contact with the real world so often? At home, politics: the imperative of jobs can overcome the prospect of distant gains. Globally, geopolitics: a barrier-free planet needs mutual trust as a basis. Here, we all face a 'tragedy of commons': all must play fair for it to work. And make it work, we must. As China and the US face off in Cold War II, globalization going awry would expose not just prosperity but also world peace to risk. Recall the role that tariff battles played in the run-up to World War II.

India's own effort to globalize, with export optimism the post-91 bet, has faced headwinds that threaten to worsen now. We achieved foreign-exchange sufficiency long ago, and with trial and error, we got our macro balances broadly right. But our partially afloat rupee rises and falls on flows of capital more than trade, which warps global price signals. Plus, India Inc's exposure to foreign competition has been patchy. Today, our share of world trade remains tiny and an asymmetry of the autarky era still persists. If what we export is broadly more price-elastic than the bulk of what we import (think crude oil), then pain tends to loom larger than gain, making it harder to align policy knobs for an export thrust. Should we sign bloc or bilateral deals? It's up for debate. What's clear is that 1991 was a historic inflexion point for our economy. It reset policy and set the stage for Viksit Bharat. To get there, we need trade peace—not war. In Manmohan Singh's honour, New Delhi should play peacemaker.

MY VIEW | THE INTERSECTION

Dodging a middle-income trap may take extra-economic efforts

While India must allocate resources better and innovate, public trust and originality matter too

NITIN PAI
is co-founder and director of The Takshashila Institution, an independent centre for research and education in public policy

As we come to the end of the year, I want to draw attention to a debate that ought to have received greater attention. In August, Indermit Gill, World Bank's chief economist, shocked everyone by arguing that on current trends, it would take India 75 years to achieve a quarter of the United States' per capita gross domestic product (GDP). China would achieve this in just 10 years. Gill called for a new approach and structural reforms for India to escape what he calls "the middle income trap" (a situation where growth slows down once per capita income is in the range of $1,100 to $13,000 per annum).

No one can say if Gill's prediction is accurate. While he has received criticism and brickbats for challenging the euphoric popular narrative, he actually deserves appreciation for offering a dose of negative feedback that can help us reflect on our economic policies. There are useful recommendations in the latest *World Development Report* that Gill's team has produced. Whether or not you believe in the existence of a middle-income trap, promoting competition, leveraging human capital and improving energy efficiency are sensible policy directions. India, like other middle-income countries, is likely to benefit from adopting them.

In an earlier work, Gill and his co-author Homi Kharas have inferred that middle-income countries grow when they have mechanisms for increasing investment in physical and human capital, incentives for innovation and institutions that can successfully carry out structural reforms. If we aspire to be a developed country by 2047, we should pay attention to these underlying factors. One aspect of it is macroeconomic policy: about interest rate regimes, tax rates, financial sector regulations, digital public infrastructure, research and development (R&D) expenditure and so on. But there are other aspects that economists and technocrats tend to overlook: concerning society, attitudes and mindsets.

First, the policy flexibility that a middle-income country requires is constrained by the political space that its leaders have. India's attempt to reform farm laws failed because that space did not exist and the government hadn't tried to create it. People prefer to stay with a known devil if they do not sufficiently trust that the unknown god will arrive as promised.

According to opinion polls, a majority of Indians say they trust their government. However, we distrust politicians, public officials, and, more generally, each other. This means, as in the case of our revoked farm laws, we will not be able to attain a better equilibrium. Policy reforms often involve addressing the misallocation of resources. For this, those who stand to lose out must trust the social mechanisms that will compensate them for their sacrifices. As this column has consistently argued over the year, building social capital must become a national priority.

Second, the tendency to unthinkingly adopt socioeconomic narratives from rich Western countries could be distracting or counterproductive. Inequality, universal basic income and high taxes on the 'rich' are imported luxury beliefs that are unaffordable at Indian incomes. As Gill and Kharas point out, for India, "the dangers for policymaking lie with lobbying and incumbency rather than with inequality itself. In fact, the degree of social tolerance for inequality is often linked with perceptions of future mobility. When the latter is high, then tolerance for inequality is also high and vice-versa."

Similarly, old-fashioned exhortations that one should work hard are disparaged on social media as being out of touch with today's realities. Well, the reality is that labour productivity in India is one-tenth that of the US, a quarter that of China and Brazil, and lower than that of South Africa. To be globally competitive, Indians will have to work harder and learn faster, even as policy changes improve education, skills and public services in the longer term.

Finally, a lot of countries became rich because they innovated first and set norms afterwards. Slave labour preceded human rights. Copying preceded patents. Empires preceded self-determination. Mercantilism came before multilateral free trade. More recently, artificial intelligence startups swallowed all the content on the internet before the world woke up to data ownership rights. Ergo, it is unlikely that a country can become a world leader by following the rules set by incumbents.

China's global leadership in electric vehicles and the broader climate transition offers useful lessons. Creating new engines of growth in sectors where technology is changing fast and where norms are not settled is risky but can be massively rewarding.

Remember, it is firms that compete. The policy question then is how India can create companies that become global leaders in emerging sectors. Can we, for example, get there if domestic firms are protected from international competition? Meagre private investment in R&D, especially by India's largest companies, tells us a story.

Tailpiece: India is one of the world's big powers today, but many geopolitical strategists have yet to adopt a more confident approach to foreign policy. Many traps are those of the mind.

10 YEARS AGO

mint

NDA eases rules to acquire land

PARLIAMENTARY PERFORMANCE

Economy better but banking sector subdued, says RBI report

No more doubts about e-commerce survival

Flipkart's aggressive 2015 plans

JUST A THOUGHT

"No power on earth can stop an idea whose time has come. The emergence of India as a major economic power is one such idea. India is now wide awake. We shall prevail.

MANMOHAN SINGH

MY VIEW | MODERN TIMES

Why we're lucky to be Indians in such a terrible world

MANU JOSEPH

is a journalist, novelist, and the creator of the Netflix series, 'Decoupled'

Of late, I am hearing Indians say an un-Indian thing. When they think about a world in turmoil—the devastating wars in the Levant and Ukraine, the cruelty of militias in Africa, the upheavals in Bangladesh, the recent collapse of Sri Lanka's economy, and of Afghanistan and Pakistan, which do not require descriptors—I hear them say, "Actually, we are quite lucky to be Indians."

This sentiment is new. Indians have for long said some good things about India, but many were probably faking it, or talking about an ancient India, or did not quite know what they were talking about. But what I hear now, that we are lucky to be Indians, is honest, and even true. In the past, many of us have thought of the worst places on Earth and broadly thanked our stars that at least we are in India, but never before have so many regions made us feel so lucky.

In any relationship, saying that you are lucky to have it is high praise. And so too when people feel that way about their nation, even if it is just that half the world around us appears to be in ruins or under threat.

The world was always in turmoil, and there were always writers who told us about it. But now we can see extraordinary videos that show just how violent modern violence is. Even when there is no war, a cartel of thugs can make generations suffer. A mere five years is half the span of a childhood, and in that period a whole generation can lose its future. In that way, many regions of the world have regressed.

Sometimes I do wonder, though, if we are really luckier than war-torn places. A few weeks ago, when Israel declared that it was going to attack some hideouts in southern Lebanon, the region's residents fled north. I saw a photograph of cars leaving southern Lebanon—in three orderly lanes. And as an Indian, I could only think there appeared to be a greater quality of life in the way Lebanese fled than in how Indians in Bengaluru drove every day to work.

Maybe Indians don't need a war to be war-torn. Surely, bad air and filthy water kill more Indians than any war anywhere in the world. There are places in Gurgaon that are so filthy, poverty-stricken and filled with rubble, shanties and miserable people that I could fool half the world into thinking these are snapshots from Gaza. But then, there is a difference between the effects of violence and of mere bad governance, even if they look and feel the same. That is why our flaws, even though they are destructive, appear trivial compared to what many places endure. India's gift to its own is a shot at a peaceful life, even if it is an unnecessarily difficult one.

India is so large, and there are so many of us, that the nation cannot entirely escape everything that human nature can inflict. There are regions that have seen long periods of strife—like Punjab and parts of the Northeast. But still, broadly, most of us are right in feeling lucky for being Indian.

While much of the world reels under violence, India remains largely peaceful. Disturbances, if any, are rare

How come? Why have we got away? Why is there relative peace? Considering all the corruption and atrocities and poor quality of governance, how has India pulled off a largely peaceful society?

In some regions, India's political wounds have been weaponized. But, outside Punjab and the Northeast, and some jungles in the south, they could not be sustained. One of the reasons is the nature of Indians.

After independence, ordinary Indians in most of India did not have a motive to risk their lives for a cause. For instance, as a proportion of their population, few Indian Muslims have been involved in acts of terror. Even those who tried it turned out to be lousy at it, compared to people from other nations. A confidential report prepared in 2015 by the intelligence agencies of several nations suggested that the Islamic State thought that the few Indian Muslims who joined it were pretty bad at terror and could not be exploited as suicide bombers. The Islamic State's analysis was based on the mere two dozen or so Indians it had managed to recruit. Also, at the peak of its fame, Al Qaeda failed to draw in Indians.

In the 1980s, Velupillai Prabhakaran, who founded the Sri Lankan terror syndicate LTTE, seemed to have immense emotional support among Tamilians in Tamil Nadu, even though India officially was at war with the outfit. In fact, a popular DMK government was dismissed in 1991 by the Centre because of its ties with the LTTE. But Prabhakaran may have miscalculated the nature of Tamilian sympathy for his cause. The LTTE assassinated former Indian prime minister Rajiv Gandhi in vengeance for sending in a peacekeeping force to fight his guerrillas. DMK leader Karunanidhi went around Madras in an open jeep, his palms joined in unspoken apology. I saw the sight myself, standing on the street as a boy. In the polls that followed, his party lost in all but two constituencies. The people of Tamil Nadu had expressed their disgust. Apparently, they could support a violent struggle far away in a foreign land, but not if it had come home.

But then, the nature of people is not enough for peace. Just a few violent men can create and sustain violence in a region. This did occur in some places in India, but a very Indian phenomenon always nipped it in the bud—in practice, there are few human rights for the poor, the sort of people who are hired by ideologues to carry out violence. Security forces swiftly killed or made suspects vanish. The consequences of going to war against the Indian state were and are severe.

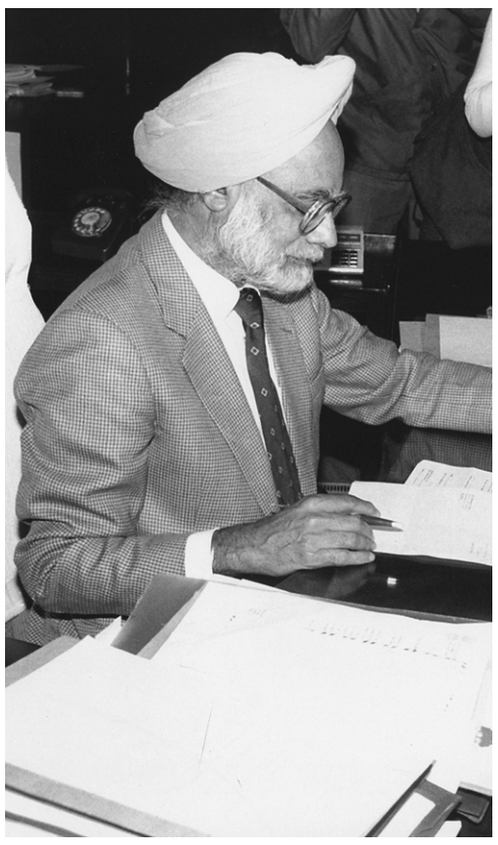
In a way, a part of our luck comes from some dark place.

GUEST VIEW

Manmohan Singh: A persuasive leader who made a big difference

A deliberative, transparent, clear-headed and decisive approach to policy formulation must live on as a tribute to his legacy

MONTEK SINGH AHLUWALIA
is former deputy chairman, Planning Commission, and currently distinguished fellow at the Centre for Social and Economic Progress.



I sat down to write this piece on Dr. Manmohan Singh immediately after attending the cremation ceremony at Nigambodh Ghat. I have known Dr. Singh for more then 50 years, during which period he was for me a role model, mentor and friend. It is not easy to compress in an oped all that I would like to say about him, but much that needs to be said has already been said in the press coverage of the last two days. The reforms of 1991, which he introduced as finance minister in the P.V. Narasimha Rao government, are undoubtedly the most important part of his legacy. They brought about a decisive change in India's economic policies and performance, and it is now widely recognized that this change of direction set the stage for India's emergence as one of the world's fastest-growing emerging economies.

While economists and businessmen know that the reforms were truly transformational, I do worry that two-thirds of our population was born after 1991 and even the young adults among them have only a vague idea of the damaging policies they replaced. As the world re-arranges its views on protectionism and greater government intervention gains popularity around the world, there is a real danger of some of the earlier discredited policies creeping back.

One reason why this may happen is that the reforms were not made into a politically compelling narrative. While the Rao government backed the reforms, it did not speak loudly enough about the reforms or make them into a winning political slogan. Prime minister Narasimha Rao once said to me: "The trouble with you fellows is that you haven't come up with a good word in Hindi for economic liberalization." He was right. '*Aarthik sudhaar*' had none of the connotation of 'freedom' that should be associated with liberalization. Someone suggested '*chhoot*' as an alternative, but this conjured up images of 'loss of control' rather than liberty. As a result, the younger generation today does not really understand the importance of freedom from controls as an essential element of the ease of doing business, especially for smaller and new firms.

A common criticism in the earlier stages of the reforms was that we were moving too slowly. Dr. Singh was not an advocate of the sort of 'big bang' reforms that were championed by US academics for Russia and East Europe. The Deng Tsiao Peng formula of gradualism—"crossing the river while feeling the stones"—was more appropriate for India, and that was the course we adopted. However, while gradualism should permit the stretching of a time-table to make change more palatable, it should be accompanied by a clear vision of what the destination will be, with steady steps towards it.

This is precisely what Dr. Singh achieved as finance minister. He set up external expert committees on tax reforms (chaired by Raja Chelliah) and banking sector reforms (chaired by M. Narasimham). Both panels included outside experts and former government officials and made recommendations on the changes needed. The reports were published to elicit public comments. Subjecting proposals to public debate increases transparency in decision-making and helps stimulate public discussion. It may seem onerous for those in government, but it helps generate a true 'buy in' for a change in policy direction.

This approach was not followed by all ministries. The process of liberalization in industrial licensing and import licensing of consumer goods was fitful, with no clear time-table. For example, import restrictions on consumer goods were removed only in 2003 and reservation for small-scale industries was phased out far too slowly, a mistake in my view, since these were the areas where we had a comparative advantage in exports. In my book *Backstage*, I have said this is not "gradualism" but "opportunistic liberalisation." It amounts to giving a policy signal in terms of direction, but making changes only when an appropriate opportunity arises. This is clearly sub-optimal.

The process of rationalizing GST that has been ongoing for some time provides a good example. Finance ministry spokespersons have repeatedly stated that the number of GST rates will be reduced to two, with a third higher rate for luxury goods. Would it not be a good idea to produce a paper making specific proposals and use public discussion to build opinion in favour of the change? It may become necessary to modify the proposals based on feedback received, but some progress would be better than none.

Similar issues arise with respect to income tax and customs duty reforms. It has been stated that these issues have been referred to an internal committee. It would have been much better if they had been referred to external expert committees, which could include former income tax and customs officials. As it is, we have to wait until the budget to see what comes out of this internal exercise. The trouble is, once the ministry has put something in the budget after full consideration, it becomes very resistant to change it in the light of *ex-post* criticism.

The need for greater clarity on how we move forward is especially important today as we try to achieve the objective of Viksit Bharat. There is no doubt that India's economy is doing well, at a time when most countries are performing poorly because of the difficult global situation. However, our growth rate at present is somewhere between 6.5% and 7%, whereas Viksit Bharat needs 8% and possibly more. And, we must maintain this over the next 25 years! We did grow at over 8% for four years from 2005 to 2008, and we may be able to achieve that again, but to do so over a 25-year stretch will be difficult. It will certainly not happen if we continue on a business-as-usual path.

The challenges before us are well known. We need a revival of private investment, for which we need to identify concrete measures. And these measures must be implemented on a well-defined time-table. We need much better export performance in goods. Much store was put in concluding free trade agreements, but they have yet to fructify. More recently, government spokesmen have suggested that we need to reconsider joining the Regional Comprehensive Economic Partnership and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. This would be a major signal and should be done quickly. The agenda for the future must also include initiatives in health and education. These need to be spelt out. And we need initiatives to combat climate change. In all these areas, careful design of the plan of action is essential and that requires advance consultation.

Dr. Singh's personality explains a great deal of his success and we can learn from it for the future. He was internationally acclaimed as an 'econocrat' *par excellence*, and this reflected the combined effect of his technical skill as an economist and his experience as a civil servant and politician. Yet, he never used his standing to assert pre-eminence . He was always willing to engage with those who disagreed with him, encouraging them to express their views, relying on persuasion rather than bluster to bring them around.

I saw this first-hand in G20 summit meetings in the wake of the 2008 financial crisis. He was one of the most respected voices in the room. This is what led president Barack Obama to state: " When the Prime Minister speaks, the world listens."

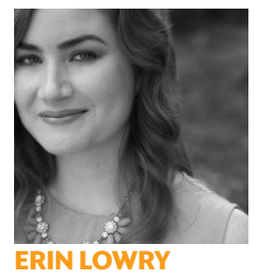
Finally, I must mention his firm belief that in a country of India's immense size and staggering diversity, differences are bound to arise and they needed to addressed sensitively. He had a deep conviction that sincere efforts to understand the constraints that make others take a different view would help find a way of overcoming differences. On one occasion, in an internal meeting of the Planning Commission, someone said the problem was that policies laid out in the Plan were not implemented on the ground. Dr. Singh responded: "We must remember that in India, planning must be seen as the art of persuasion." I believe he felt much the same about politics.

Funerals are supposed to bring closure and the official funeral did just that for me, bringing closure to a long relationship. Manmohan Singh is no longer with us, and that is a great loss to those of us who were close to him personally. But I hope India will preserve his legacy of deliberative, transparent, yet decisive and clear-headed policymaking. Keeping that legacy alive would be the finest tribute to this great son of India.

MINT CURATOR

US consumer protections look likely to be deleted by Trump

Expect the financial sector's discomfort with them to win the day



ERIN LOWRY
is a Bloomberg Opinion columnist covering personal finance.

The Consumer Finance Protection Bureau may get axed in the US REUTERS

As the weeks tick down on the Biden presidency, the administration has been trying to drive through a slew of consumer-finance protections. The new rules, including caps on credit card late fees, would add to some achievements notched on behalf of American consumers, including tighter rules on banking fees and buy-now-pay-later deals. But some of the changes face legal challenges, as Republicans push back against policies that have angered the financial industry. The outcome of these battles is just one area where consumers have a lot at stake in the coming year. Here is what I'll be keeping close tabs on once Donald Trump takes office:

What will happen to the CFPB?: The US Consumer Finance Protection Bureau was created under President Obama in 2010 in the wake of the 2008 financial crisis. Its addition of guard-rails for retail banking, medical billing and consumer finance are often opposed by the financial industry. During Trump's first term, the Supreme Court upheld the president's authority to fire the agency's head. So he may dismiss current director Rohit Chopra and install someone unlikely to sustain initiatives like capping credit-card late fees, closing a loophole that allows high overdraft fees and fighting improper medical billing. The agency may even be dismantled.

Will boycotts return?: Under Trump 1.0, there were many calls to boycott Trump products and companies that did business with the Trump family. Shoes.com and Nordstrom's dropped Ivanka Trump's fashion line and Under Armour's chief had to address consumer complaints after he made favourable comments about Trump. In his second administration, Trump's cabinet picks of wealthy business owners and other controversial characters could incite a new round of protests. The app formerly known as Twitter, though, may no longer serve as a platform to rally protests, as it's now owned by Elon Musk and called X. But Musk, who along with biotech company founder Vivek Ramaswamy is slated to lead Trump's government-efficiency initiative, may see a backlash to his Tesla brand.

Will the estate tax exemption be extended?: The tax reform legislation enacted in 2017 as part of the Tax Cuts and Jobs Act significantly reduced the federal tax on big estates. But the increase in the basic exclusion amount to $13.99 million for an individual will sunset at the end of 2025, reverting to its base of $5 million if Congress doesn't intervene. Trump has promised to reduce income taxes on tips, overtime and Social Security, but he hasn't indicated whether he would support extending the estate tax exemption. A higher exclusion would be in line with his overall ethos of reducing taxes on individuals. The exemption only affects wealthy Americans, but cutting it in half would impact estate planning in 2025. Funds distributed during the exemption, even while the owner of the estate is alive, will be held to the currently high basic exclusion amount. That is motivation for those with multimillion-dollar estates to consider gifting funds to heirs by the end of 2025 to shield the money from a potentially higher tax liability starting in 2026.

Will retirement plans be refreshed?: The SECURE (Setting Every Community Up for Retirement Enhancement) Act 2.0 has been in effect for a few years, but 2025 will usher in the requirement that employers automatically enrol eligible workers into 401(k) or 403(b) plans. This includes a minimum contribution rate of 3%. Employees can opt out, but the auto-enrol feature will hopefully increase participation and help more Americans prepare for retirement.

But lower-income Americans may not find this move particularly helpful. Some might find it impossible to sacrifice part of a paycheque for a retirement kitty, while others work for employers who don't offer retiral plans. While it's hard to know what the new administration will focus on, a possible bipartisan solution, proposed by economists Teresa Ghilarducci and Trump first-term veteran Kevin Hassett, would make a version of the federal Thrift Savings Plan available to private-sector workers.

Hassett, who served as the head of the Council of Economic Advisors in the first Trump administration, will be returning to the White House as director of the National Economic Council, though it's uncertain whether he'll take up the mantle of retirement plans. The proposal would generally be good for Americans' financial well-being—and it probably would be popular with Trump's base.

If Trump 2.0 is anything like his first term, then we should expect a frenetic and sometimes-disjointed approach to policymaking. Democrats and consumer advocates will surely fight efforts to halt or roll back consumer protections, but with the US Congress and White House in Republicans' hands, the deck would be stacked against them.

©BLOOMBERG

MY VIEW | GENERAL DISEQUILIBRIUM

Prospects for 2025 are visible in the end-of-year haze

RAJRISHI SINGHAL

is a senior journalist and author of 'Slip, Stitch and Stumble: The Untold Story of India's Financial Sector Reforms'
@rajrishisinghal

Wintry January mornings are known to obscure clear 20/20 vision. When combined with year-end revelries, a chemically-induced mist occludes the faculty of foresight. But, as 2024 fades into the history pages, the year-end miasma might still hold some clues to prospects in 2025.

Among the many elements that will influence events, four global factors are critical because their impact will be felt on global interest rates, commodity prices, currency values and equity indices; these ripples promise to travel far and wide, including to India. Two of these elements involve strongmen engaged in a game of one-upmanship.

One thing is certain: the incoming government in the US is sure to keep risk managers, forecasting agencies, scenario planners and geopolitical analysts busy. With Donald Trump promising to weaponize tariffs and clamp immigrant flows, while mocking climate change and taking an axe to the US's multilateral commitments, large-scale unpredictability is likely to undergird the next 12 months. This has the potential to upset growth and inflation projections, forcing Federal Reserve action that could shave values from global markets.

The trailer of another future volatile scenario was available recently when Republican members in the US Congress defied a Trump diktat to freeze a spending bill. With Trump and these Republican lawmakers certain to butt heads on more issues in the coming months, analysts should be prepared for a greatly impetuous White House impacting governance and the economy.

The second variable with an oversized effect on the global economy is the behavioural response from another strongman half-way across the world from Washington DC. The world will not only be watching how Chinese President Xi Jinping reacts to Trump's sabre-rattling, but will also be tracking his policy response to China's economic slowdown, which has so far refused to respond to all manner of stimuli. The Chinese economy has been tormented by slow growth, rising unemployment, deflationary impulses and a menacing debt overhang.

The policy response has so far shied away from transferring resources to individual consumers, but statements from official sources indicate larger stimulus packages to come in 2025. Consumption has traditionally contributed only 35-40% of China's gross domestic product (GDP); the Chinese government, after resisting putting more money in individual pockets, seems to be finally adopting an expansionary and deficit-financed expenditure programme. The need for an aggressive domestic consumption revival plan seems to have been necessitated by Trump's threats of punitive tariffs on Chinese goods. Data shows Chinese exports to the US contribute close to 3% of GDP, though the jury is out whether a stimulus programme can make up for the GDP loss if Trump follows through on his threats. In fact, with tariff walls going up in the US, China may turbocharge its hunt for alternate export markets, including India.

India will have its hands full as the US and China clash, geopolitics thickens and AI impacts jobs

The Xi-Trump sparring contest may have multiple ripple effects on the Indian economy. One direct outcome of Trump imposing reciprocal tariffs against Indian exports will be a marginal erosion in GDP, since the US is among India's top export markets. But if Trump's China tariff policy becomes a reality, the larger problem will emanate from rising US inflation and the Fed's interest rate response, imperilling even India's domestic economic equilibrium.

The third incalculable variable is the West Asian geopolitical flux and the Russia-Ukraine war. Israel's sledgehammer military response to the October 2023 Hamas attack has not only razed Gaza, but also defanged Hezbollah and, by extension, weakened Iran. The Iranian need to temporarily withdraw and regroup created a vacuum long enough for rebels to overthrow the Syrian regime and establish a new ruling class. The Syrian episode threw up two other pointers: the emergence of Turkey as a regional power broker and Russia's withdrawal from Syria to better marshal its Ukraine assault. It is still unclear where the chips will fall in the Middle East.

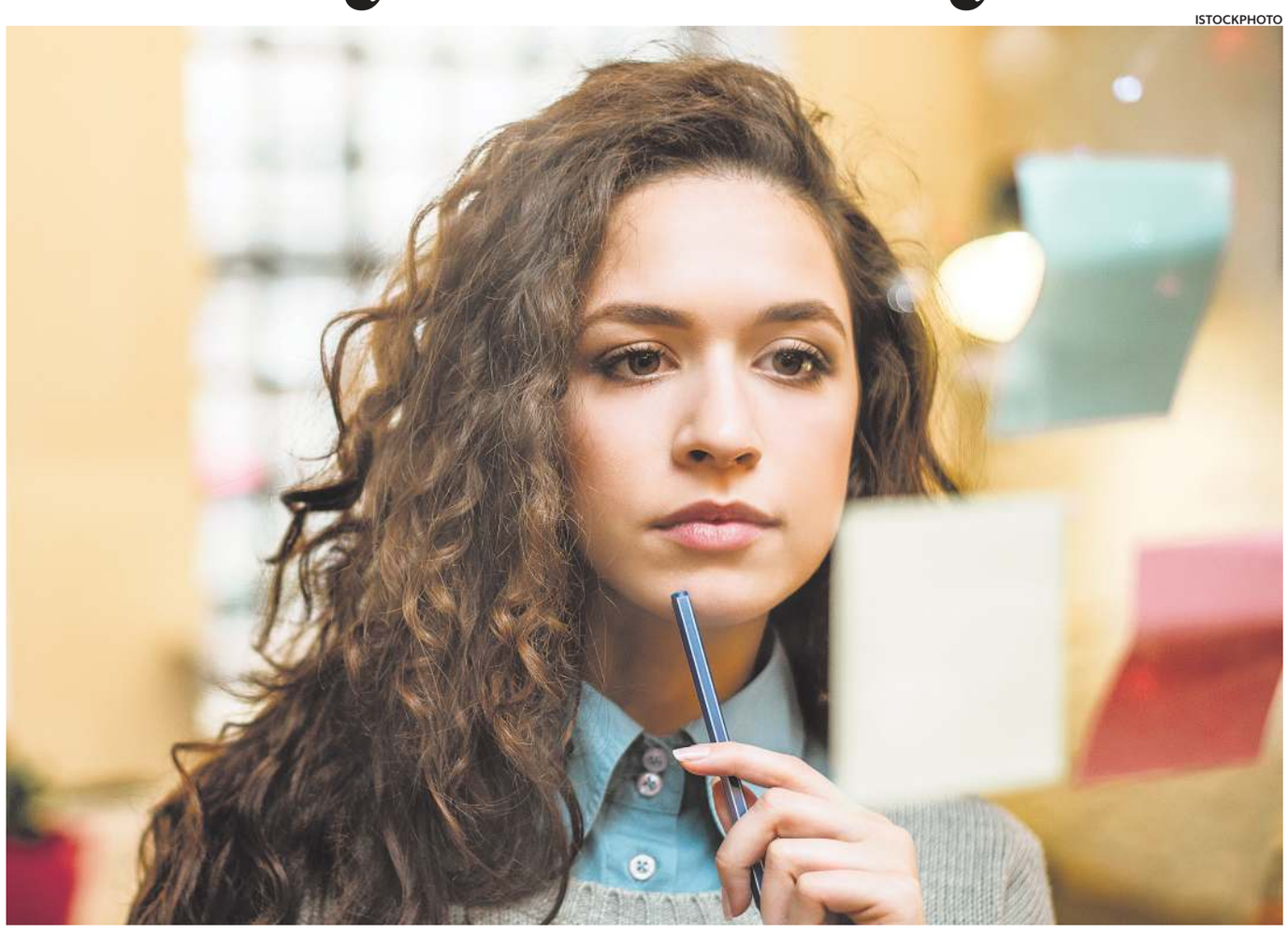
This geopolitical instability in the region throws cold water on India's planned trade routes: the India-Middle East-Europe Economic Corridor and North-South Corridor passing through Iran, Central Asia and Russia to Europe. In addition, Recep Erdogan's frosty ties with India over Kashmir, in the midst of Istanbul's tightening grip over Middle East politics, adds a new element of West Asian discomfort for New Delhi.

The fourth global source of uncertainty will be the direction artificial intelligence (AI) takes over the next few months, especially in workplaces and national security matrices. The debate over AI regulation and guard-rails found expression for the first time in the Peru agreement between the US and China, which accords priority to human intervention in national nuclear command structures. However, there is no clarity on how governments plan to use the new tool at home, especially for surveillance. The next challenge is to see how businesses embed AI and its impact on jobs, consumer rights or data privacy. July's *Economic Survey* had voiced concerns over AI's harm to the economy, specifically jobs across the spectrum.

To be sure, Indian planners and analysts will have their hands full, trying to second-guess the nature of fluidity and crafting appropriate policy responses.

How to make 2025 the best year for your life

ISTOCKPHOTO



It's time to take stock, course correct and plan for a future filled with career success, and better mental and physical health

Jahnabee Borah
jahnabee.b@livemint.com

As the year draws to a close, the process of review and reset begins. Typically, it involves taking stock of your career, personal growth, health and finance. And then comes the annual task of setting resolutions for the new year, to become a better, happier version of oneself. According to experts, the foundation for a better life is rooted in asking yourself the right questions, to know exactly what you want.

Like, what's that one thing you want from your job, besides, of course, the monthly salary? What's stopping you from being completely present emotionally and mentally during family time? These are simple but complex questions.

We asked experts for tips that can help people—managers, CXOs, newbies joining the workforce or anyone looking to make 2025 a better year for themselves—self reflect and plan resolutions in a way they are mindful and, most importantly, achievable.

STAY IN DEMAND

One of the most popular new year resolutions is the desire for a professional reinvention. More so now, when upskilling and reskilling have become the need of the hour in a volatile job market.

"Deeply reflect on your career," suggests Amit Nandkeolyar, associate professor of organisational behaviour at Indian Institute of Management Ahmedabad (IIM-A), as a starting point when it comes to upskilling or reskilling. "Is this a skill that may still be in high demand in the future, or do you need to learn? Maybe you are in a sweet spot, and don't have to worry about it. But if you are concerned, start upskilling by attending online classes, workshops and certified courses."

Platforms like Coursera and EdX provide several flexible online courses, so do premium educational institutes like IIMs and Harvard.

Besides upgrading your skills, continue to focus on good-old network building as well.

To reiterate the point, Prof. Nandkeolyar shares the example of Sriram Krishnan, the newly appointed senior White House policy advisor on artificial intelligence (AI).

On a recent episode of his podcast with his wife, The Aarthi & Sriram Show, Krishnan talked about how much he enjoys networking and before joining a job that he had secured, he used to send emails to five people saying he would love to connect with them.

> The foundation for a better worklife is rooted in asking yourself the right questions, to know exactly what you want

KNOW YOURSELF

While knowing the right people is important to climb the career ladder, it's also vital to keep a check on one's mental health.

A conversation that continued throughout 2024 was the constant race to meet deadlines and work taking over personal life. Is it even possible to meet deadlines and prevent brain rot—Oxford's word of the year that refers to mindless consumption of social media content, causing brain atrophy—while enjoying personal time?

Yes, says Sharmilee Agrawal Kapur, the founder-director of Atmantan Wellness Centre in Maharashtra. "Make an elevator pitch for yourself and be its biggest champion," Kapur says. In other words, specifically know your ambitions, growth areas and people who matter, and then become a "cheerleader" for them to see yourself thrive.

To nurture relationships, communicate, be fully present and keep away from digital distraction, suggests Bengaluru-based emotional and mental health professional Arouba Kabir.

One of the reasons people are unable to realise their resolutions is the amount of pressure they put on themselves. It's essential to polish the self-awareness muscle and be kind to yourself, says Kabir. For instance, it's okay if you missed the morning workout. Make time for it in the afternoon instead of chiding yourself for not sticking to a preplanned time.

Building self-trust also helps. "Self trust means you are capable of solving problems, and you can take clear decisions by weighing pros and cons," says Kabir, explaining that if something falls apart at work, have enough trust in yourself that you'll be able to solve the problem or, if need be, delegate and ask for support. "Trusting yourself implies if you don't know something, you'll take help."

Self trust and clear communication are useful while job searching or discussing promotions.

Kabir shares the example of an employee who came to her for a promotion, saying she deserved it after working for two years. While the reportee had spent considerable time, she had not taken promotion-worthy responsibilities, recalls Kabir. "Instead of feeling weighed under self-doubt or misguided by feelings of distrust, she asked me for three months with more responsibilities. After that period ended, she earned that promotion."

MIND AND BODY

A large part of 2024 included several conversations around the rising stress levels, and unhealthy sleep and eating patterns among Indian workers.

Drishti Chhabria, founder of the Mumbai gym, Orangetheory Fitness, recommends approaching physical and mental health like a management student. Make a plan using the SMART format: S stands for specific, M is for measurable, A is achievable, R for relevant, and T is time-bound. Start with something specific, measurable and achievable, like a 15-minute daily walk. Measure the distance and pace with a fitness tracker. Increase it over time and raise the speed. It can be taken to the next level by shifting to jogging or cycling.

People need to ensure that cardiovascular exercises, such as walking, jogging and cycling, comprise 50% of regular workouts, she says, adding adequate nutrition is a must.

The third area that needs special focus is sleep, something that often gets compromised because of hyper-connectivity, extreme social media consumption and work pressure.

Clock in about seven-eight hours of shut eye every day, says Kapur. One of the things that she did for herself this year is improve sleep hygiene. She eats dinner at least three hours before going to bed, keeps her phone away in a separate room, has an old-school alarm close to her bed and does gentle stretches before getting out of bed in the morning.

MONEY MATTERS

Now comes the reason why most workers are working non-stop: to build wealth.

If one of top goals in 2025 is to build wealth, then Abhishek Kumar, an investment advisor and founder of the Delhi-based investment advisory service SahajMoney suggests beginning with a "clean slate." A clean slate starts with paying off high interest borrowings—be it credit cards or personal loans. The next step is to create an emergency fund to avoid bad debts. Typically, salaried professionals should put aside six months expenses in an emergency fund, while freelancers and business owners need to account for a year's, he says.

It requires habit building over time and setting small goals—similar to incorporating physical activity for better health. A key guideline is to inflation-proof your investments.

Another option, he suggests, is recurring deposits in a bank to nurture the investment habit. "Whether you opt for mutual funds, stocks or recurring deposits depends entirely on your risk appetite. Understand yourself to create an investment portfolio that suits you," he explains, echoing the "know thyself" mantra.

"It means not investing in products that you don't understand. These could include Bitcoins, not regulated by SEBI," says Kumar.

EQ WILL ALWAYS BE HOT

Finally, one of the things that will ensure your growth at the workplace is emotional intelligence, or emotional quotient—the ability to identify and regulate your own emotions, to understand the emotions of people in the office and beyond. Harnessing this intelligence can even help you "manage" your boss. Develop the soft skill of syncing with your manager's goals, priorities and working style, says Prof. Nandkeolyar. "Job performance goes up when you are able to better manage your boss, because managers are also juggling many responsibilities and lack time," he explains.

A little bit of empathy—to yourself as well as the stakeholders in your career—will go a long way.

A daily habit to fight burnout at work and beyond

Prioritize what truly matters, suggests Borges India's head Vishal Gupta

Shail Desai

When Vishal Gupta took over as the India managing director of Borges, the company famous for its olive oil, in 2017, he realised the country's market was still learning about the importance of different cooking oils.

"It wasn't just about promoting a product; this was about changing mindsets," says Gupta, 46. "We worked to adapt our approach that suited Indian cooking habits."

So, Gupta went back to the basics of marketing that he picked up as a student at the Indian Institute of Management, Lucknow, and the Institute of Management Technology, Ghaziabad, to educate the consumer and build trust. The brand eventually collaborated with nutritionists, chefs and fitness experts to raise awareness about olive oil and how it could be incorporated in Indian cooking.

In an interview with *Lounge*, Gupta talks about the importance of mentorship and why he emphasizes on high-impact tasks. Edited excerpts:

Who do you consider your mentor?

I've been fortunate to receive timely advice from my seniors over the past two decades. When I am asked about the one important thing that people overlook while building successful careers, my response is simple: good mentors. Their impact lasts beyond their immediate advice, shaping the leaders of tomorrow.

> 'An effective leader balances short-term needs with long-term team growth'

What does being a mentor mean to you?

An effective leader must balance immediate project demands with long-term team growth. By focusing on both, leaders can add value, foster continuous improvement and engagement, and ultimately drive organisational success and sustainability.

Mentorship is pivotal in creating a dynamic workplace.

What are some of the productivity principles you follow that have made your professional and personal life easier?

I prioritize what truly matters, focusing on high-impact tasks in both my professional and personal life. This approach helps me avoid burnout and ensures critical goals remain a priority. I'm also committed to continuous learning, staying open to new ideas and seeking growth through reading, teamwork and self-improvement.

A positive work routine you have developed in the recent past?

I incorporated daily team check-ins during the pandemic to maintain connections and foster open communication. These check-ins enable real-time project discussions, updates and issue resolution, enhancing collaboration, strengthening relationships and creating a supportive environment.

Monday Motivation *is a series in which business leaders and creative individuals discuss their mentors and their work ethics.*

Write to us at lounge@livemint.com

The joy of finding a notebook-diary to plan the new year

Whether you plan every hour of the day or just enjoy doodling, these diaries are just what you need to start 2025

Shalini Umachandran
shalini.umachandran@htlive.com

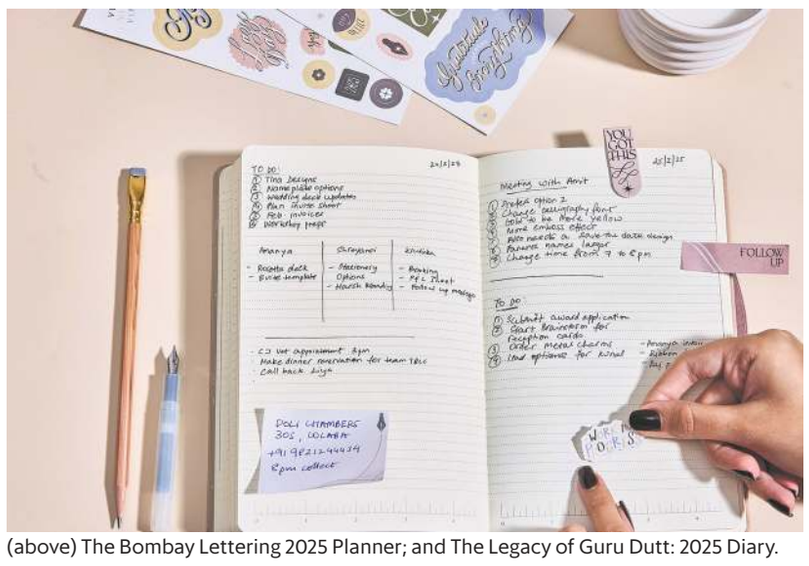
Digital diaries and apps are convenient but there's something about making a list with pen and paper that makes you focus on a task. Whether you're jotting down ideas, writing reminders, making to-do lists, tracking meetings or planning meals for the family, committing to paper is a good way to break tasks down into manageable parts and ease stress. And to keep track of those tasks, as we move towards 2025, it's time to invest in a good planner or diary.

There are a few things to keep in mind before you pick a planner. Firstly, check the paper inside—you don't want blots and splodges marring your day. Layout is the other thing to decide on—do you need a daily, weekly, monthly or quarterly planner? In general, daily planners that have a page for each day are best suited for those with lots of daily tasks. Planners also come in a range of sizes, so pick what works best for you. If you commute a lot, a compact, light, softcover one is best. Heavier hardback planners are great if you're mostly at your desk. Pocket diaries are good if you're listing meetings and things to do.

Overall, if you want to carry just one notebook-diary that combines scheduling with note-taking and general planning, a softcover A5 diary is what you need—and we've picked out a selection for you.

THE LEGACY OF GURU DUTT: 2025 DIARY

This might not be the most functional diary, but Nasreen Munni Kabir's tribute to Guru Dutt—by making sure you learn a factoid about the filmmaker every day of 2025, his centenary year—is a keepsake. Friends, colleagues and family members remember Dutt's best and worst moments, sharing anecdotes and photographs with Kabir. These are laid out alongside the pages of a daily planner, helping you make memories while remembering a great director. *Available online and in stores, softcover, ₹599.*



(above) The Bombay Lettering 2025 Planner; and The Legacy of Guru Dutt: 2025 Diary.

BOMBAY LETTERING 2025 PLANNER

This compact diary works for daily or weekly planning as well as doodling and note-taking. With ruled as well as blank pages and a "vision board" section, there's plenty you can do to customise it for yourself. The inspirational inserts ('let the beauty of what you love be what you do'; 'a new era of me') are irritatingly trite but layout itself is practical. It comes in three colours (blush, sage and charcoal) along with a brass book mark, three sets of stickers with inspirational messaging ('hydrate', 'love', 'take it easy'), Post-its and three magnetic bookmarks. *Available online, hardcover, ₹1,999.*

MD NOTEBOOK DIARY

Known for their Traveller's Notebooks, Midori's MD Notebook Diary is a light one that includes an annual calendar, a monthly schedule, lined pages for notes and blank pages for doodles. It's designed for both productivity and creativity, as every page has enough space to allow you to write, stick notes or Post-it reminders, draw ideas as well as make everyday plans. It opens flat, which means the two-spread page can become a single canvas, and comes in three sizes. It's an unassuming-looking white notebook, but the paper is smooth and fine yet tough and the finish subtle yet beautiful. Typically subtle and functional Japanese design. *Available in stores and online, softcover, ₹1,100.*

HOBONICHI TECHO 2025 ENGLISH PLANNER BOOK

The compact Hobonichi Techo ("*techo*" is Japanese for planner) has a cult following around the world, and now ships to India as well. Its Tomoe River paper is light yet durable, and it comes with plenty of writing space along with a weekly and yearly calendar. The graph paper is a departure from the usual lines and is light enough to guide your writing while not getting in the way of your work. The colour scheme on the inside is a classy grey and red, and the daily pages comes with a quote from Japanese philosophy. The A6 diary comes with a black leatherlike cover but you can brighten it up by pairing it with any of the other covers—cactus flower green to cherry-blossom pink. *Available on Hobonichi Techo website, softcover, ₹2,150.*

MARG 2025 PLANNER

Each month starts with a work of art based on the year's theme, and a honeycomb-like calendar, followed by about five pages. This is more a notebook than a planner, since the lined pages are undated, making it ideal for long-term goal-setting. The 2025 theme is Take a Seat—rather apt since diary devotees are likely to spend most of their lives in that position—and feature contemporary and past art about sitting. If you're not the kind to save your diaries after the year is done, the art inserts can be cut to create postcards or be framed as miniatures. *Available on the Marg website, softcover, ₹550.*

FABRIANO DAILY DIARY 2025 ISPIRA

Made from fine yet durable paper, this light diary comes in two sizes and six colour combinations. There's a lined page for every day of the week, and has a practical back pocket in which you can tuck tickets, photos, notes or business cards, and a ribbon bookmark. For a more playful iteration, check out the Diary Flock, which has a cover with velvet polka dots that give it a three-dimensional effect. *Available on Fabriano Boutique website, hardcover, ₹2,200.*