

TN investors' meet: ₹57,000 cr worth MoUs inked on Day 1

THE BIGGIES. Vietnam firm VinFast to invest ₹16,000 cr, Tata Electronics ₹12,000 cr

Our Bureau
Chennai

Memoranda of Understanding worth ₹57,354 crore were signed between various investors and the government of Tamil Nadu on the first of the two-day Global Investor Meet which began here on Sunday.

Among the larger investment proposals are those of VinFast, a Vietnamese company, that intends to build an EV manufacturing plant near Thoothukudi (₹16,000 crore), Tata Electronics (₹12,000 crore) and JSW group (₹12,000 crore).

The event also saw the release of the 'Tamil Nadu Semiconductor and Advanced Electronics Policy 2024', which aims to raise the State's contribution to India's electronics exports from 30 per cent to 40 per cent and create a skilled talent pool of 200,000 people, by 2030.

Singapore is collaborating with Tamil Nadu for building 'India's first Net-Zero Industrial Park'. The park is expected to be set up in northern Chennai. A comprehensive framework for setting up the industrial park is expected to be ready in a year.

Reliance, whose telecom business has invested ₹35,000 crore in Tamil Nadu, will open a data cen-



SHOWCASING THE STATE. MK Stalin, Tamil Nadu Chief Minister (second from right), along with (from left) Nguyen Dang Quang, Deputy CEO India, Vinfast; Nisaba Godrej, Executive Chairperson of Godrej Consumer Products; Venu Srinivasan, Chairman Emeritus, TVS Motor Company, Piyush Goyal, Union Minister of Commerce and Textiles; and TRB Rajaa, TN Industries Minister, at the unveiling of Tamil Nadu Semiconductor and Advanced Electronics Policy at the Tamil Nadu Global Investors Meet 2024, in Chennai BIJOY GHOSH

ter in Chennai next week, Reliance Industries Chairman, Mukesh Ambani said, addressing the GIM over video.

LOGISTICS HUB

Danish shipping major AP Moller - Maersk (Maersk) has shown interest in investing in land development to create logistics hubs in Tamil Nadu. The hubs will implement the best practices from global examples to drive maximum efficiency while delivering resilience to customers' supply chains. Maersk signed a MoU with the Tamil Nadu government today. Chip de-

signer Qualcomm announced a ₹177-crore expansion in Chennai with a new design centre, which will create jobs for 1,600 skilled professionals. The centre will specialise in wireless connectivity solutions, with a focus on innovations that complement wi-fi technologies and contribute to Qualcomm's global Research and Development endeavours in 5G cellular technology.

In the session on Tamil Nadu's aim to become a \$1-trillion economy by 2030, economist Arvind Subramanian observed that the target meant that the State

had to grow 18 per cent every year. He said that China's decline in manufacturing would be an opportunity for India. Former RBI Governor, Raghuram Rajan, suggested that the State should target specialised manufacturing.

Perhaps the biggest endorsement for Tamil Nadu was the statement of Sajjan Jindal, whose JSW group has been present in the State since 2005. Jindal said that the JSW had not lost a single day's operations in the State due to supply chain disruption, labour issues or any other reason.

Also read p4

'India, a beneficiary of global power shifts'

Janaki Krishnan
Mumbai

Global power shifts, with India being an undisputed beneficiary of the changing power dynamics, are expected to be one among the five major investment themes that are expected to play out in 2024, according to researchers at MSCI.

Macroeconomics, with interest rates as the overriding element, will obviously dominate short-term concerns but other strategic shifts such as an acceleration in private credit growth, ongoing global power shifts, and the widespread deployment of artificial intelligence (AI) will determine the investments in the new year, said MSCI's Chief Research Officer Ashley Lester in a blog post 'Investment Trends in Focus: Five Key Themes for



2024. Both 2022 and 2023 were dominated by geopolitical tensions, first through the outbreak of a war between Russia and Ukraine and more recently the tragic events in the Middle East that have again polarised world economies along religious and political lines.

"However, the ongoing tensions between China and the US may have greater significance for global investment flows, as they call into question the globalisation paradigm

that has dominated the past thirty years," wrote Lester.

COUNTERING CHINA

Corporations, that have relied on China so far for global supply chain, are reassessing and diversifying, as India — among other countries such as Mexico, Thailand, Malaysia, and Vietnam — is proving to be a suitable alternative in the 'China-plus-one' or 'China-plus-many' strategies.

"Holders of Indian equities, for example, have been the early beneficiaries of this shift. India's weight in the broader MSCI EM IMI benchmark has nearly doubled throughout the Covid-19 era to a record high..." said the blog.

Lester pointed out that a reset of expectations within emerging economies, aided by expanded

market depth, has helped fuel India's rise.

However, "whether this pattern continues amid rich valuations and looming Indian elections will be top of mind for emerging-market investors in 2024," he cautioned.

OTHER THEMES

Unprecedented soaring inflation and the consequent rise in interest rates gripped major economies over the last two years.

The US Fed Reserve has signalled its readiness to cut rates in 2024 and while the European Central Bank and the Bank of England have not been so explicit, there is an expectation that they will follow suit.

Private credit, which is based on floating rates, benefited in the higher interest rate environment and this is set to accelerate this year.

A year when the cookies will finally crumble

As Google rolls out testing to phase out third-party cookies, not all marketers are prepared for the shift that could impact digital advertising

Chitra Narayanan
Meenakshi Verma Ambwani
New Delhi

The New Year has begun with Google rolling out a feature that restricts access to third-party cookies — small files that collect analytic data — on Chrome to a small batch of users, and reiterating its commitment to phase it out fully by second half of 2024, to meet privacy diktats.

The move to end third-party cookies is expected to trigger a big shift in digital marketing strategies of brands in India where digital advertising market was estimated to have reached nearly ₹48,000 crore at end of 2023, in a total ad pie of nearly ₹99,000 crore. It is expected to escalate digital advertising costs while pushing brands to focus on first-party data, AI and contextual ads.

In a blogpost, Google's Anthony Chavez said, "On January 4, we'll begin testing Tracking Protection, a new feature that limits cross-site tracking by restricting website access to third-party cookies by default. We'll roll this out to 1 per cent of Chrome users globally, a key milestone in



TO INCREASE COSTS. The move is expected to escalate digital advertising costs while pushing brands to focus on first-party data, AI and contextual ads REUTERS

our Privacy Sandbox initiative to phase out third-party cookies for everyone in the second half of 2024."

While big brands in India seem unfazed by the move and many like Maruti have already put in place first-party data management and consent management tools that still give them a single unified view of consumers, it's the small publishers and ad-tech companies that are likely to be hit. Email newsletters is an alternative that many have explored but not every consumer is willing to keep sharing email IDs and login on every website she visits.

ALTERNATIVE OFFER

Google is offering an alternative with its Privacy Sandbox technology and FLoC (Federated Learning

of Cohorts), a type of web tracking that clubs people in interest-based groups. But analysts are not wholly convinced about its effectiveness.

Kashyap Kompella, CEO of RPA2AI Research, believes that a lot of the marketers are still not prepared for this shift. "With Chrome browser having nearly two-thirds of the browser market share, Google's phasing out support for third-party cookies will have significant ramifications for both adtech and martech. Using Google's new privacy sandbox approach, marketers will only be able to target user categories, based on their interests, but not at the individual level."

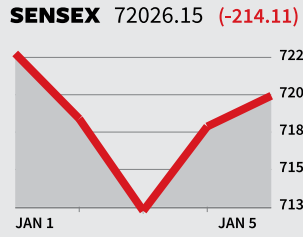
Jessie Paul, CEO, Paul Writer, said, "Advertisers

will see a drop in their ability to finely target their audiences. Companies need to focus more on delivering value that makes their customers want to stay in touch with them and invest in a good customer data platform. First party cookies remain and advertisers will shift to real-time targeting."

DISRUPTIVE FORCE

Karan Taurani, Senior Vice-President Elara Capital, said the transition towards a cookie-less environment, especially considering the dominance of Android in the global smartphone ecosystem, is expected to be a "disruptive force." "The restrictions imposed on platforms for third-party data usage for advertising is expected to lead to a substantial increase in data costs," he added.

Himanshu Arora, Co-Founder of Social Panga, pointed out that "cookies" have played a crucial role in the realm of digital advertising. "However, the landscape is evolving, and as advertisers, we must adapt and make necessary adjustments," he said, adding that advertisers are actively exploring alternative strategies.



IN FOCUS

	Week's close	Week's change
Nifty 50	21710.80	-20.60
P/E Ratio (Sensex)	25.52	-0.05
US Dollar (in ₹)	83.16	-0.04
Gold Std 10 gm (in ₹)	62290.00	-703
Silver 1 kg (in ₹)	71550.00	-1845

SLIPPERY GROUND

Crude oil imports in December slipped to second lowest level during 2023 on weak domestic demand **p3**



MUTED GROWTH

Banks' earnings will moderate in Q3 of the current fiscal on weak margins, increasing expenses **p2**

MONDAY SPECIALS.

BRANDLINE
The six yard drape weaves a stunning growth story



The saree's amazing comeback saga continued in 2023. In its year-end report Flip Trends 2023, online retailer Flipkart said that the most shopped lifestyle product in the year gone by was the saree **p8**

QUANTUM
Nuclear fuel for India's green energy transition

An invention by an American company, set up by a person of Indian origin, is making waves in the nuclear establishment of North America. If adopted in India, it can guarantee green energy security for the subcontinent **p7**

LOGISTICS
Ferrying the world's medical supply



Given that a whopping 70-plus per cent of exports passing through Hyderabad airport consists of pharma products it is no surprise that the airport is pulling out all the stops to handle this specific cargo **p10**

CLEANTECH
Bankers now favour clean energy over fossil fuel



Recent trends show a clear global tilt towards funding renewable energy. With banks adopting a calibrated approach to lending for fossil fuel plants and focussing on renewables, funding has begun to shift towards renewable energy projects in India **p11**

FPIs raise liquidity concerns over shift to same-day settlement

MARKET FRAGMENTATION. Pre-funding of cash, securities an issue; to seek more time

Ashley Coutinho
Mumbai

Foreign portfolio investors (FPIs) have raised concerns over the move to T+0, or same day, settlement, stating that the shift may fragment market liquidity or trading volumes. They have sought more time for suggestions on viable alternatives given the year-end holiday season, said two people in the know.

The Securities and Exchange Board of India has proposed a phase-wise transition to instant settlement of trades in the equity cash market and sought feedback by January 12. The first phase will see T+0 settlement for top 500 listed shares in three tranches from the lowest to highest market capitalisation. Trades till 1:30 pm will be settled on the same day by 4:30 pm, according to the consultation paper released last month.

T+0 settlement will be optional for retail investors but will not be applicable for institutional investors. This means that the same security may trade in two different segments: T+0 and T+1. So when retail investors want to sell the securities there may not be in-

ON THE EDGE

- Market expected to move to T+0 settlement in H1CY24 and to instant settlement a year later
- Two simultaneous settlement cycles — T+0 and T+1 — may lead to liquidity fragmentation and affect efficient price discovery
- Funds and securities will have to be made available upfront before placing the orders, increasing cost of trading
- Move aimed at enabling faster pay-out of securities and funds and improve market efficiency



stitutional buyers available; similarly when FPIs want to sell, there may be few or no retail buyers available as they would want to settle on T+0.

SECURITIES TRANSFER
For T+0 or instant settlement, pre-funding of both cash and securities will be needed, according to experts. This is because before the trade is executed, the seller will have to transfer the securities to their trading/clearing members via their depository participant so that the clearing corporation (CC) has access to it. As soon as the trade is done and the counterparty stamp is put, the CC

will know who to give it to for settlement. "Pre-funding of both cash and securities will be an issue for institutions," said a senior official who deals with FPIs.

Even domestic institutions do not know upfront the quantum of securities they will buy on a given day, the person said. This is because the buy requests typically come in by 2-2:30 pm based on credit of subscription monies.

"This will make it difficult, if not impossible, for institutions to trade on a T+0 or instant basis," the official said.

According to SEBI, a price band of 100 bps may be applied

for T+0 trades to ensure there is not too much divergence from T+1 prices. So, if a security is trading at ₹2,800 on T+1, the price range for T+0 can be ₹2,772-2,828.

Instant settlement will be applicable to all investors, including institutions, on an optional basis. An API-based interface will be built between depositories and CCs to facilitate real-time intimation of early pay-in, according to the consultation paper.

Only limit orders will be allowed, so that adequacy of pre-funding can be validated by the CCs against the limit price. All orders placed on the exchanges will be first sent to CCs for validation of pre-funding. In case of buy orders, the CC will check the availability of adequate pre-funding to cover the trade value along with other charges.

"Institutional trades, along with cross-currency trades, present a unique set of complexities. Coordinating seamlessly across global financial markets, each operating on its own time zone, will demand a strategic and collaborative approach in synchronising settlement processes," said Bhavik Gandhi, Head - Operations, Mirae Asset Capital Market.

Rich valuations may weigh on equity returns in CY24: CLSA

Ashley Coutinho
Mumbai

Foreign brokerage CLSA has cautioned that the top-decile valuations of Indian equities may weigh on returns this year, notwithstanding the prospect of a third term for the incumbent government at the Centre.

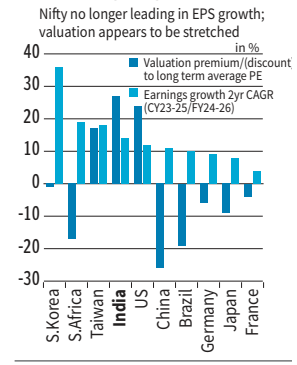
At 20.2x, the Nifty's price-to-earnings multiples have been higher on only 8 per cent of days over the past 18 years.

The market's valuation premium to its historical average is the highest recorded among the 19 largest global markets and India is no longer the EPS growth leader that it has been for the past three years.

VALUATION PREMIUM
India's valuation premium to China, for instance, is close to 14-year high. The brokerage's proprietary India bull/bear index has had an extended 95 per cent bullish sentiment reading as well.

"A delayed cool-off in inflation and dramatic growth slowdown in the US could raise fears of recession and will be negative for global equities, including India. A risk-on environment, on the other hand, could shift flows to laggards like China from India, given

On high ground



Source: Bloomberg, CLSA

the extended valuation premiums," CLSA analysts said in a note.

Retail investors' direct ownership in the BSE 500 stocks has climbed to over \$300 billion. Their allocation to small caps is at a multi-year high of 15.9 per cent. At 21 per cent, their ownership of mid-caps is nearing the previous high of December 2021. Their share of large caps has fallen to multi-year lows of 63.1 per cent.

"Given stretched valuations and extended ownership, we recommend investors remain selective in SMIDs. Any disappointment in this space could hit retail investor sentiment," the brokerage said.

The Nifty earnings yield

discount to the Indian 10-year government security yield, at 2.2 percentage points, puts equity valuations relative to bonds at levels only seen on 3 per cent of days since 2005. This is a position from which one- and two-year returns have historically been negligible. The Indian equity risk premium has fallen to 5.1 per cent versus the long-term average of 5.4 per cent.

CLSA emphasised shifting to debt from equity with better return potential for bonds given the tailwinds in the form of rate cuts by the RBI (up to 100 bps) and inclusion of Indian bonds in the JP Morgan index. "This may draw retail money away from equity markets and limit Nifty's upside," it said.

FPIs inject over \$1b in 1st week of 2024

Foreign portfolio investors (FPIs) continued to show increased buying interest in Indian equities and debt, pumping in about ₹8,772 crore (little over a \$1 billion) in the first week of 2024.

Of this ₹8,772 crore, as much as ₹4,773 crore went into equities and ₹3,999 crore into debt securities, data with depositories showed.

More on p12

US wants more clarity on India's import management system for laptops, PCs

Amiti Sen
New Delhi

The US wants more clarification on India's import authorisation mechanism for laptops, computers and tablets, and how the system will play out in the future. The issue is likely to be pursued by US Trade Representative Katherine Tai during her visit to India from January 12 to 14.

"Washington is not satisfied with the explanation offered by India so far on reasons behind putting in place the import management system for certain identified IT hardware items. As the import authorisations issued are valid only till September 30, 2024, there is also uncertainty about what happens after that. The matter is likely to be taken up by the USTR in her



Katherine Tai, US Trade Representative

meeting with Commerce Minister Piyush Goyal last week," a source tracking the matter told *businessline*.

BILATERAL MEETING

On January 12, she will hold a bilateral meeting with Goyal in New Delhi, following which the two will co-chair the 14th India-US Trade Policy Forum. Tai will also meet industry representatives. Under the new 'import management system' for monitoring ship-

ments of electronics such as laptops, tablets and PCs since October 1, 2023 importers have to apply to the Directorate General of Foreign Trade for automatic import authorisations.

As many US-based companies, including Dell, HP and Apple, have a considerable presence in India, the US government has been in touch with the Indian government since August 2023, when the initial notification on import restrictions was issued.

"The import authorisations for the identified items are issued by the Directorate General of Foreign Trade in India are automatic and fast and there are no curbs on the quantity of imports. But the US wants more clarifications...to address industry apprehensions about the curbs becoming more stringent," the source said.

Global cruise majors want to sail into Indian waters

Buoyed by MV Ganga Vilas, Cordelia and Costa's success, MSC Cruises, Royal Caribbean eye entry

Abhishek Law
Forum Gandhi
New Delhi

The success of MV Ganga Vilas, and other river cruises in India has floated the boat of global cruise companies that are hoping to sail into Indian waters. It has also spurred Indian players to look at global routes. At least two global majors are exploring cruises along India's waterways, and are in discussions with the Ministry of Shipping, Ports and Waterways (MoPSW) on routes.

An official tracking the developments said international majors like MSC Cruises, which specialises in cruises on the Mediterranean Sea, and Royal Caribbean, which operates in Singapore, Thailand, and elsewhere, are eyeing an entry here.



SMOOTH SAIL. The cruise tourism market is valued at ₹35,500 crore by 2041 with a passenger count of 4 million

include Mumbai-Goa, Mumbai-Lakshadweep, Mumbai-Daman & Diu, and Chennai-Sri Lanka, among others. Most of the routes under discussion focus on Mumbai being the hub.

"There are global players that are eyeing operations along the west coast routes and to Sri Lanka. Compared to the east coast, where the sea and waters are relatively rough, the western waters are calmer and hence more popular," the official told *businessline*. India is also ex-

ploring cruise or waterways travel along India-Bangladesh protocol routes.

REVENUE PROJECTION

The global river cruises market is projected to touch revenues of around \$1.71 billion by 2032, up from \$1.45 billion in 2022 with a CAGR of 2 per cent during 2022 to 2032.

Meanwhile, existing cruises are sailing strongly. Ministry officials say MV Ganga Vilas is already booked till March and the

second journey of the cruise ship is expected soon. Cordelia Cruises also saw good growth. It covered ports like Mumbai, Goa, Kochi, Lakshadweep, Diu, Chennai, Visakhapatnam and three others in Sri Lanka — Hambantota, Trincomalee and Jaffna. Total sailings have been over 200 with passenger count exceeding 400,000.

Italian cruise line Costa has been coasting along well too. According to Rajeev Kale, President & Country Head - Holidays, MICE, Visa, Thomas Cook (India) Ltd, an initial surge (post launch of Cordelia) saw sustained momentum of 100 per cent month-on-month during the year.

The Tourism Ministry expects the cruise tourism market to be valued at ₹35,500 crore by 2041 with a passenger count of 4 million.

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QUICKLY.

PM hails Navy on rescuing sailors of merchant ship

Jaipur: Prime Minister Narendra Modi on Sunday hailed as "heroic" the successful conduct of an operation by the Indian Navy to free a merchant ship from the clutches of pirates in the North Arabian Sea. Addressing the 58th conference of the DGPs and the IGP's here, Modi said there were 21 sailors in the ship of which 15 were Indians. The ship was about 2,000 km away from the Indian coast. He hailed that the Navy rescued all the sailors from danger. **PTI**

Nepal, India to strengthen power transmission systems

Kathmandu: India and Nepal have decided to strengthen the power transmission systems between the two countries, according to a statement issued by the Indian Embassy in Nepal. The statement came two days after the Nepal-India Joint Steering Committee on Power Sector Cooperation meeting concluded in Chitwan district of central Nepal on Friday and was followed by the signing of the agreement on long-term power trade between the two nations. **PTI**

Banks' earnings to moderate in Q3 on weak margins, rise in expenses

MUTED GROWTH. Net interest income is expected to be much lower at 8-9%

Anshika Kayastha
Mumbai

Earnings of banks are seen moderating to 15-18 per cent in Q3 of the current financial year on the back of weaker margins and lower pre-provisioning operating profits due to elevated operating expenditures, employee wage costs, and cost of funds. "We expect banks to report muted operating profit growth in Q3FY24, on lower NII and higher opex, even as the sequential pace of NIM decline moderates. Repricing of term deposits will continue to drive funding costs higher. Credit costs should remain benign," Axis Capital said in a note.

While loan growth for the sector is seen at around 16 per cent y-o-y, growth in net interest income (NII) is expected to be much lower at around 8-9 per cent, while the increase for private banks is seen higher at around 15 per cent compared with around 6 per cent for PSU



STEEP FALL. Net interest margins have fallen by 8-15 bps sequentially due to continued re-pricing of deposits **REUTERS**

banks. The recent regulatory changes to increase the risk weights and signs on asset quality stress in pockets of consumer lending could lead to a slowdown in unsecured consumer credit, which could adversely impact smaller banks, Bernstein India said.

DECLINING NIM
Net interest margins (NIM) are seen declining by 8-15 bps sequentially due to continued re-

pricing of deposits, albeit lower than 7-35 bps in the previous quarter, analysts said, highlighting Bank of Baroda and State Bank of India as the top PSU bank picks. Among private banks, HDFC, ICICI, CSB, Axis, Kotak, and IndusInd Bank were the top choices.

Deposit growth for the sector is seen at around 13 per cent, with Motilal Oswal Securities saying that the elevated CD ratios across most private banks,

coupled with healthy credit volumes in the seasonally strong second half, will likely sustain high competitive pressure on liabilities.

ASSET QUALITY

"Asset quality is expected to remain healthy, benefiting from low corporate slippages, limited residual outstanding restructured books, and steady recoveries (especially for PSU banks). With healthy PCR levels, many PSBs and mid-sized banks should continue to make contingent provisions in preparation for the eventual transition to the ECL framework," Dolat Capital said.

Banks' commentary on the impact of the higher risk weights on capital requirements, the pick-up in corporate credit, and falling CASA deposits will be watched, analysts said, adding that guidance on managing deposits, low-ticket delinquencies, and any unsecured loans-led growth slowdown will also be key.

GST authorities drop ₹7.08 cr service tax demand on CCI

KR Srivats
New Delhi



In a relief for the Competition Commission of India (CCI), GST authorities have dropped a ₹7.08 crore service tax demand on the competition watchdog, ruling that the regulator is not liable to take service tax registration and hence no demand for service tax arises.

This order came from an CGST Commissioner audit on an appeal filed by the CCI against the show cause notice issued by the Directorate General of GST Intelligence (DGGI), Delhi Zone.

SHOW CAUSE NOTICE

In 2020, the DGGI issued a show cause notice on the back of an "intelligence report" that CCI was not paying service tax on the fees/consideration received by it while providing the services to various persons.

The show cause notice highlighted that CCI was collecting fees from persons or enterprises that approached

the competition watchdog for various purposes like acquisitions, mergers, or amalgamations. However, the CCI had not registered under the Finance Act nor discharged their service tax liability, the show cause notice said.

Based on an appeal filed by CCI, the Commissioner of CGST and Central Excise, Delhi Audit-1, has now ruled that the competition watchdog is a body constituted by an Act of Parliament and its accounts are audited by CAG.

CCI is not liable for service tax registration, and hence no demand for service tax arises, the order said. As there is no demand for ser-

vice tax, the demand for penalties also does not arise. It is settled law that where the entire demand itself is unsustainable, the imposition of a penalty cannot be sustained.

Also, since CCI is a body constituted by an Act of Parliament and its accounts are audited by CAG, the competition watchdog is not involved in rendering any taxable service, and hence the liability related to non-filing of returns does not arise, the latest order said. The demand for interest also does not arise as the demand for service tax is not sustained, it added.

CCI had earlier submitted that it was an expert enforcement authority entrusted with the administration of the Competition Act, that the proceedings before the CCI are statutory in nature, and that the functions of CCI cannot be regarded as any "economic activity" in the sense of commerce. It was submitted that the functions of the Commission are in the nature of a tribunal.

Rajnath Singh on UK visit from today

Dalip Singh
New Delhi



Defence Minister Rajnath Singh **PTI**

After calling off his visit in 2022, Defence Minister Rajnath Singh is finally flying to London on Monday to hold bilateral meetings over two days on security and industrial cooperation, ending the 22-year hiatus of a ministerial tour to the UK.

During his visit, Singh will hold a bilateral meeting with his UK counterpart, Secretary of State for Defence Grant Shapps, to discuss a wide range of defence, security, and industrial cooperation issues, the Ministry stated on the eve of the trip.

The British regime is open

to the "create in India" idea of the government under the Aatmanirbhar Bharat scheme.

MEETING WITH SUNAK

He will be accompanied by a high-level Ministry of Defence (MoD) delegation, comprising senior officials from DRDO, Service Headquarters, Department of Defence, and Depart-

ment of Defence Production, said the MoD.

Singh, as per the Ministry, is also expected to call on the UK Prime Minister Rishi Sunak and hold a meeting with the Secretary of State for Foreign, Commonwealth, and Development Affairs David Cameron.

He will also interact with the CEOs and industry leaders of the UK Defence Industry and meet with the Indian community there, it pointed out.

Rajnath Singh had earlier called off his official UK tour in July 2022 for "protocol reasons," *businessline* had reported. The last time an Indian defence minister went to the UK was the BJP's George Fernandes in January 2002.

Centre imposes stringent quality controls on pharma firms

Abhishek Law
New Delhi



COMPLIANCE MUST. All pharma companies must follow the revised manufacturing practices, comply with rules over 6-12 months

The Centre has tightened rules to ensure mandatory compliance with good manufacturing practices, which look at bringing in quality control on materials, machines, processes, personnel, and facilities, by pharma companies.

All pharma companies must follow the revised good manufacturing practices and comply with the rules over 6-12 months. While for small companies or MSMEs with a turnover of less than ₹250 crore, compliance and certification processes are to be

completed over a 12-month period, larger ones or those with a turnover more than ₹250 crore need to put in place these compliances over the next six months. The rules were notified recently, thereby making good manufacturing practices and adherence to Revised Schedule M mandatory for everyone.

According to a Union Health Ministry official, of the 10,500 manufacturing units in the country, around 8,500 fall under the MSME category. Around 2,000 MSMEs, mainly exporters, have a WHO GMP certification. "The CDSCO has inspected 254 manufacturing units and 112 public testing labs till now. Major is-

suces found during inspections are poor documentation, lack of process and analytical validations, absence of self-assessment, absence of quality failure investigation, absence of internal product quality review, absence of testing of incoming raw material, infrastructural deficiency to avoid cross-contamination, absence of professionally qualified employees, faulty design of manufacturing and testing areas, etc," the official told *businessline*.

MAJOR CHANGES

Major changes post-notification of rules will lead to the introduction of a pharmaceutical quality system (PQS),

quality risk management (QRM), product quality review (PQR), qualification and validation of equipment, change control management, self-inspection and quality audit team, supplier audit, and approval, among others.

According to Sudarshan Jain, Secretary General of the Indian Pharmaceutical Alliance, the revision of Schedule M will elevate the quality standards of medicines.

"Regulations of Schedule M will help ensure compliance with international quality standards and will benefit both patients and the industry by promoting the manufacturing of safe, effective, and high-quality drugs," he said.

Despite roadblocks, we will continue to shine globally: Audi India Head

bl.interview

S Ronendra Singh
New Delhi

German luxury car manufacturer Audi has grown by 89 per cent y-o-y in its 2023 retail sales with 7,931 units and is now preparing to grow even more in 2024. However, in the current quarter, the company said it is facing some issues due to the re-routing of ships from the Red Sea, though that is not only for Audi but for the entire luxury car market, and therefore some critical components are taking longer to reach India.

In an interview with *businessline*, Balbir Singh Dhillon, Head, Audi India, also shared that Tesla coming to India will be good for the country as that will help in setting up more infrastructure for charging, and customers will also have more choices. He also

said that the government should attempt to level the playing field and not make policies that favour only a few companies. Excerpts:

After a successful 2023, what are your expectations for this year?

I think 2023 was a very good year for the industry. Not only did the luxury car space grow by 20 y-o-y, it was also at an all-time high. Still, it remains to be a little more than one per cent in the overall car segment. But I think we are in the right direction, and this year also, we believe the industry will continue to grow, may not by 20 per cent, but may be in the range of 10-12 per cent and to that extent, we also expect our sales to grow.

Of course, there are challenges, like the supply chain for this quarter suddenly changing because of the Red Sea situation,

where the containers need to be rerouted, and that puts a challenge on production for two to six weeks. So, we will have fewer cars to sell, but I hope that we recover this subsequently and no more problems come. But prediction is a bit of a challenge now; it's difficult to predict for the whole year. We can predict only a quarter at the most.

We are in a very new world. Something or another is happening around. Sometimes, it puts this kind of challenge where production becomes a risk. Sometimes the cost gets escalated because of multiple reasons: shipment costs, material costs going up, metal prices changing. It's a dynamic world.

Is this shipment problem only for you or for the whole industry?
I think for most of the industry, but especially for

In terms of benefits to Tesla (from the government), as I said, a level playing field is all we expect. I am sure the government will be mindful of this

BALBIR SINGH DHILLON
Head, Audi India



the luxury space, because there is a lot of dependency for everybody in the supply chain overall. More in the luxury car segment and less in mass-market cars.

We already have a high base year, and you said there is an estimated growth of 10-12 per cent this year. So is that over and above what you sold in 2023? Do you think this trend can continue?
Yes, correct. Because I do

believe that we will grow to that extent. I think the Indian economy is destined to grow by 7-odd per cent in the coming decade, and I believe this kind of growth will continue to give us an impetus to grow every year, unless there is something that we are not able to predict right now.

But, with the way things are, I think we will continue to grow. We are one of the shining markets globally, and we will continue to be

so. **What is your plan for electric vehicles this year? Will the prices become closer to those of internal combustion engine (ICE) vehicles or will they still be upward?**

I will not be able to share more details right now, but we are also working on new products that will be available globally, and some of them will also make it into India. This year or next year, it depends on when they are available globally, and we will also get them here.

But, of course, in the pyramid, we are only sitting at the top in terms of pricing ₹1.20 crore and above. We also need to get to the next level. So there are three levels: right now it is the top-end, then we need to get into below ₹1 crore (pricing) as a fully built unit (FBU), and then obviously

whenever it is also decided to make cars locally, then we will also bring down the price points.

So, these are the three structures in the price point strategy. Right now, we are only addressing the top one. We need to get into the middle and the bottom to address a wider section of potential buyers.

What are your expectations from the Budget this year?

Most of the topics are addressed in the GST Council now in terms of taxation. I think we have come a long way in asking for many things. Whatever the government does, we have to comply, and we will comply with it as long as it is a level playing field for all the manufacturers.

We just need a stable policy regime — policies for the next three to five to 10 years so that we can plan accordingly because our

planning cycles are longer.

Tesla is coming to India, and there are various reports that the government may be favouring them. What's your view?

Tesla coming to India, I think, is more the merrier because everybody will help in setting up more infrastructure for charging, so that should help everybody. It will grow the industry, and of course this brings in more competition, and competition is always good for the customer, as they will be able to fetch the benefits.

In terms of benefits to Tesla (from the government), as I said, a level playing field is all we expect. All should have the possibility to grow, and I am sure the government will be mindful of this.

The correspondent was recently in Raipur at the invitation of Audi India

LIC gets ₹382-crore GST demand notice from Gujarat

KR Srivats
New Delhi



Life Insurance Corporation of India (LIC) has received a GST-related demand order for ₹382 crore from the tax authorities of Gujarat.

The demand notice covers GST dues of ₹191 crore and a penalty of ₹191 crore besides applicable interest, according to an exchange filing by LIC. The demand, penalty, and interest have been levied for FY18 and FY19.

'NO IMPACT'

LIC has said there is no material impact on the Corporation's financials, operations, or other activities from this demand order.

LIC would file an appeal before the Commissioner (appeals), Ahmedabad, against the said order within prescribed timelines, the life insurer added in the filing. Meanwhile, LIC's Mauritius

Branch has received a demand order for a penalty from the Mauritius Revenue Authority of Mauritius Rupees 5,000 (about ₹9,500). The demand for a penalty was levied for FY18-FY22 for non-compliance with the income tax (common reporting standard) Regulations 2018 of Mauritius.

On January 3, LIC received a combined demand order of ₹667.5 crore from tax authorities in Tamil Nadu, Uttarakhand, and Gujarat. Tamil Nadu's GST demand was for ₹663.45 crore, Uttarakhand's tax authority had asked for ₹4.28 crore, and Gujarat's tax authority had put a tax demand of ₹39.39 lakh.

To plug leakage, CBIC tightens registration for pan masala, gutkha-makers from Apr 1

Shishir Sinha
New Delhi

To plug the revenue leakage, the Central Board of Indirect Taxes and Customs (CBIC) has reworked the special procedure for registration to ensure capacity-based taxation from manufacturers of pan masala, gutkha, and similar items. This will come into effect on April 1.

The procedure is based on recommendations from the GST Council. In its meeting on July 11, it recommended the issuance of a notification prescribing a special procedure to be followed by the manufacturers of tobacco, pan masala, and other similar items for the registration of machines and the filing of special monthly returns. Now, it is expected that a new section (122A) will be inserted in the CGST Act, provid-

ing for a special penalty for non-registration of machines by such manufacturers.

THE PROCEDURE

All the registered persons engaged in manufacturing the mentioned goods will be required to furnish the details of packing machines in Form GST SRM-I, electronically on the common portal within 30 days from April 1, 2024.

Any person who has been granted registration after the issuance of this notification will be required to furnish the details of packing machines in FORM GST SRM-I within 15 days of registration.

The registered person shall submit a special statement for each month in Form GST SRM-II, electronically on the common portal, on or before the tenth day of the month succeeding such month. The notification clarified that here "brand name"

here means brand name or trade name, whether registered or not. It includes a name or a mark, such as a symbol, monogram, label, signature, or invented word or writing, that is used in relation with such specified goods.

The special procedure is based on suggestions given by a Group of Ministers (GoM). The group said that tax evasion in tobacco products is an internationally common practice and emphasised that alternative systematic enforcement and administrative mechanisms need to be devised to curb evasion and enhance compliance.

Accordingly, it was suggested that a track and trace method be applied. It is an internationally accepted practice used to curb illicit trade in the tobacco sector with the help of electronic means.

PM to visit Gujarat on January 8-10, will inaugurate Vibrant Gujarat Global Summit

KR Srivats
New Delhi

Prime Minister Narendra Modi will visit Gujarat from January 8 to 10 to inaugurate the tenth edition of the Vibrant Gujarat Global Summit 2024 at Mahatma Mandir, Gandhinagar.

The theme of the summit, held from January 10 to 12, is "Gateway to the Future" to celebrate 20 Years of Vibrant Gujarat as the Summit of Success.

VIBRANT GUJARAT SUMMIT

On Tuesday, Modi will hold bilateral meetings with world leaders, followed by a meeting with the CEOs of top global corporations.

On the same evening, he will also inaugurate the Vibrant Gujarat Global Trade Show, an official release said. Modi will then travel to GIFT City, where he will interact with prominent business

leaders at the Global FinTech Leadership Forum.

According to the release, the Vibrant Gujarat Global Summit, conceptualised in 2003 by Narendra Modi as then Gujarat Chief Minister, has evolved into one of the most reputed global forums for business collaboration, knowledge sharing, and strategic partnerships for inclusive growth and sustainable development.

There are 34 partner countries and 16 partner organisations participating in this year's Summit. Furthermore, the Ministry of Development of the North-Eastern Region will utilise the Vibrant Gujarat platform to showcase investment opportunities in the North-Eastern regions, the release added.

The Summit will host various events, including seminars and conferences on globally relevant topics such as Industry 4.0, Technology and Innovation, Sustainable Manu-

facturing, Green Hydrogen, Electric Mobility, Renewable Energy, and Transition towards Sustainability.

According to the release, in the Trade Show, companies will display products made from world class state of the art technology.

E-mobility, Start-ups, MSMEs, Blue Economy, Green Energy & Smart Infrastructure are some of the focus sectors of the Trade Show.

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ONGC seeks premium over Govt price for coal seam gas



New Delhi: ONGC is seeking a premium over the government gas price for the gas it plans to produce from coal seams in Jharkhand, according to a tender document issued by the company. PTI

IIFCL to raise ₹2,000 crore through green bonds

New Delhi: India Infrastructure Finance Company Ltd (IIFCL) is planning to raise ₹2,000 crore through its maiden green bonds in the next six months to fund sustainable projects. It could be a mix of both domestic and foreign issuances, depending on the cost of funds, IIFCL Managing Director P R Jaishankar told. PTI

Crude oil imports slip on weak demand, bearish European outlook in December

SEASONAL HEADWINDS. At 3-month low of 4.32 million barrels/day; crude imports 2nd lowest in 2023: Vortexa

Rishi Ranjan Kala
New Delhi

India's crude oil imports during December 2023 slipped to their second lowest level during the calendar year due to weak domestic demand coupled with a bearish outlook on diesel consumption in Europe, a key export destination for private refiners.

According to energy intelligence firm Vortexa, India imported 4.32 million barrels per day (mb/d) of crude last month, the lowest since September 2023 (4.12 mb/d).

Besides, imports in December 2023 by private refiners, Reliance Industries and Rosneft-backed Nayara Energy, fell to its lowest during the last calendar year at 482,000 barrels per day.

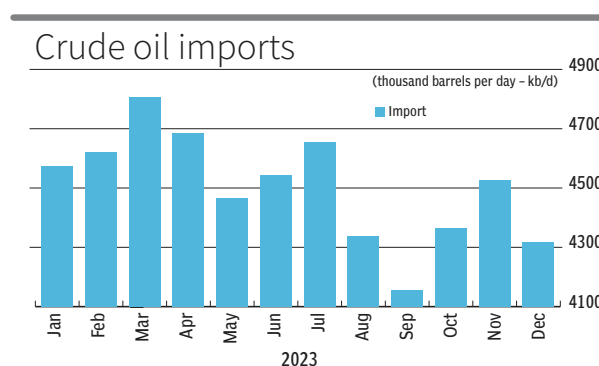
Most of the diesel exports from India is from the

private refiners. Imports by public sector refiners also slumped to its second lowest during CY23 at 804,000 b/d in December.

DOMESTIC SLOWDOWN "Lower crude imports into India in December is reflective of refiners' anticipation of a seasonal demand slowdown domestically as we step into Q1 (2024), potentially further dampened by a bearish demand outlook in Europe, its key export market," Vortexa's Head of APAC Analysis, Serena Huang told *businessline*.

A trade source pointed out that India's consumption of petrol and diesel has fallen for two consecutive months during November and December, 2023.

Another noteworthy feature in the import dynamics last month was the in-bound shipments of crude oil from



Source: Vortexa

Russia slipped to their lowest since January 2023. Shipments of Urals also fell to its third lowest at 1.06 mb/d last month.

India's imports of Russian crude totalled 1.29 mb/d in December, down from 1.56 mb/d in November, Huang said.

S&P Global Commodity Insights said, Indian refinery appetite for Russian crude

has slowed recently compared to the first half of 2023. However, it maintains the position with over 35 per cent share of total imports.

Last week, Oil Minister H S Puri said that there are no payment problems with Russia, from which where India buys 1.5 mb/d of crude. The declining imports are more of a function of price (discounts).

India continued to import higher volumes of crude oil from its second largest supplier, Iraq, which stood at 964,000 b/d in December compared to 979,000 b/d in November.

An Oil Marketing Company (OMC) official said that Iraqi prices have been competitive. Data from Iraq's State Oil Marketing Organisation show that Basrah prices in December 2023 averaged at \$76.96 a barrel compared to \$82.82 per barrel in November and \$87.58 in October.

"Crude imports/ lifting indications from major Middle Eastern suppliers, Iraq, and Saudi Arabia, have experienced an uptick in the fourth quarter and for Q1 2024. This increase may be attributed to the necessity of fulfilling the current year's term commitments by public refiners," S&P explained.

E-way bills without e-invoice details for B2B, B2E deals to be blocked from March 1

Shishir Sinha
New Delhi

Select GST payers will not be able to generate e-way bills without details of e-invoice with effect from March 1, 2024, the National Informatic Centre (NIC) has said.

"This is applicable for e-invoice-enabled tax payers and for the transactions related to supplies under B2B (Business to Business) and B2E (Business to employees) and exports. However, EWBs for other transactions such as B2C (Business and non-supplies) will function as usual without any change," NIC said in a circular.

10 LAKH ASSESSEES

As on date, businesses with an annual turnover of ₹5 crore or more are mandatorily required to generate e-invoices, which means

10-lakh assesseees are required to comply with this. This number does not include exempted categories such as banks, non-banking financial companies, or insurance companies.

An e-way bill is an electronic document generated on a portal, evidencing the movement of goods and indicating whether tax has been paid. As per Rule 138 of the CGST Rules, 2017, every registered person who causes the movement of goods (which may not necessarily be on account of supply) of consignment value of more than ₹50,000 is required to generate an e-way bill.

This requirement applies to movements between two States and within a State. However, a State or UT with a legislature can decide the threshold for the value of goods applicable for movement within its boundary.

Millets can help address global food security: Arjun Munda

Our Bureau
Bengaluru

Millets or Shri Anna can play an important role in addressing global food security, said Union Agriculture Minister, Arjun Munda on Sunday.

Addressing the valedictory of the three-day Millets and Organics International Fair 2024 organised by the Government of Karnataka in Bengaluru on Sunday, Munda said millets offer solutions to problems such as climate change, water crisis and help contain soil degradation and help address food and nutritional security. The millennium goals can be achieved through the farmers of India, he said.

CHEMICAL OVERUSE The overuse of agrochemicals and fertilizers has reduced the



Union Agriculture Minister, Arjun Munda at the valedictory of International Trade Fair on Millets and Organics, 2024 in Bengaluru on Sunday

capacity of the soils, which will affect livelihoods. Growing millets can help fight climate change and help maintain the quality of the soils. With the world returning to

vegetarianism, millets play an important role, Munda said adding that start-ups, FPOs, educational and research institutes should play an important role in creating awareness on the benefits of millets, he said.

Munda also said that the Government is looking at options to encourage millet consumption among children so that they get the nutritional benefits of the cereals.

HORTICULTURE SECTOR Karnataka Revenue Minister, Krishna Byre Gowda said Bengaluru is not just the IT or BT capital, but a global hub for millets. Karnataka Government's policy and efforts on creating awareness of millets way back in 2016 ended up in the declaration International Year of Millets in 2023 by the UN, he said.

Earlier interacting with the farmers, students and scientists at the Indian Institute of Horticulture Research in Bengaluru, Munda said there was a lot of potential for the development of the horticulture sector in the country.

Horticulture's share in the agriculture economy is 33 per cent, which can be further increased and has great potential, Munda said.

He asked the farmers to adopt best practices and aim at produce at par with the international standards, so that their produce can compete in the international markets.

Munda asked to the scientists to bring more and more farmers to their laboratories and share the latest research techniques to them, which will help them increase productivity, yield and income in a sustainable manner.

India continues to be net steel importer in April-Dec

Abhishek Law
New Delhi

Following increased shipments coming into the country in previous months, especially from China, India continued to be a net importer of steel for the first nine months of the fiscal year (April-Dec). Imports exceed exports by 0.9 million tonnes for the period under review.

IMPORTS PIP EXPORTS

As per a report by the Steel Ministry, accessed by *businessline*, imports stood at 5.6 mt (vs 4.4 mt), while exports stood at 4.7 mt (vs 4.75 mt). While imports rising 26 per cent y-o-y, exports dipped 2-odd per cent.

The gap between finished

steel imports and exports has widened between the April - Nov and April-Dec periods too. Imports in April-Nov were 4.3 mt, and exports were 4.0 mt, indicating a gap of 0.3 mt.

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

Category-wise numbers show a 59 per cent rise in non-alloyed steel imports at 4.0 mt for the 9M FY24, while exports rose by 51 per cent to 4.2 mt. In alloy and stainless steel categories, there was a 17 per cent drop in imports to 1.6 mt, but exports in the segment took a 73 per cent hit to 0.6 mt.

"So Indian mills are witnessing some demand from global markets, particularly Europe. On a month-on-month basis, December

numbers are up; while on a year-on-year comparison, December 2023 exports improved on the back of removal of export duty that impacted shipments in 2022," an official said.

EXPORT DUTY

Last year, India imposed an export duty till November's end, which impacted outbound shipments.

Arounding to the Ministry report, finished steel exports surged to 0.65 mt in December, up 175 per cent sequentially (vs November) and up 46 per cent to the year. In November, exports stood at 0.24 mtm while in December 2022, they were 0.44 mt.

Re-stocking in the EU, ahead of the new year holidays and global price recovery, has supported Indian

steel exports, market research firm BigMint, formerly SteelMint, said in a report. Also, towards end-December, 2023, Indian mills resumed hot rolled coil export offers for the Middle East after a three-month hiatus,

On a m-o-m basis, imports witnessed a slight 3 per cent decline to 0.73 mt in December 2023 as against 0.78 mt in November.

But on a y-o-y basis, imports showed an 11 per cent rise. Imports stood at 0.653 mt in December 2022.

India continued to see a steady flow of domestic supplies, which competed with Chinese offerings on price. Chinese hot rolled coil offerings also saw an increase in price/offers - at \$575 / tonne in Dec vs \$559 / t in Nov.

TN releases vision document to achieve \$1-trillion economy by 2030

OPPORTUNITIES GALORE. Tata Electronics, VinFast, Pegatron, TVS Group, Mitsubishi, Hyundai, Ashok Leyland exchanged MoUs with the State government; spirit of collaboration among States to drive India's growth

Our Bureau
Chennai

Tamil Nadu on Sunday released its vision document for ways and means to achieve the target of being a \$1-trillion economy by 2030. The document highlights the areas which the State government should focus to achieve the ambitious target. The State government also released the Semiconductor and Advanced Electronics Policy 2024 to attract companies to invest in semiconductor and advanced electronics manufacturers in the State.

Chief Minister MK Stalin released both documents, which were received by Union Commerce Minister Piyush Goyal at the two-day Tamil Nadu Global Investors Meet 2024.

"Our aim is to have inclusive growth across the State. This is one of the reasons that the industries are being set up across the State," he said in his address. The State government is preparing youngsters in the State to meet the needs of industries. The State is one of the most preferred and welcomed destinations for attracting investment, he said.

MOUS EXCHANGED

Leading companies like Tata Electronics, VinFast of Vietnam, Pegatron, TVS Group, Mitsubishi, Hyundai, and Ashok Leyland exchanged MoUs with the Tamil Nadu government on Sunday.

VinFast will invest ₹16,000 crore to set up an integrated electric vehicle factory in Thoothukudi, while Tata Technologies will invest ₹12,082 crore to expand its facility at Krishnagiri. Pegatron will invest ₹1,000 crore, and TVS will invest ₹5,000 crore for its expansion plans. While Hyundai



CHARTING A ROADMAP. Piyush Goyal, Union Minister of Textiles, MK Stalin, Tamil Nadu Chief Minister; TRB Rajaa, TN Industries Minister with Sajjan Jindal, Chairman, JSW Group, at the signing of MoU for renewable energy projects at the Tamil Nadu Global Investors Meet 2024 in Chennai on Sunday. BUJOY GHOSH

signed an MoU to invest more than ₹6,000 crore, Qualcomm inaugurated a new design centre set-up at a cost of ₹172 crore in Chennai.

Union Minister Piyush Goyal, in his remarks, said Tamil Nadu aspires to reach \$1 trillion by 2030 with 18 per cent growth every year. This will drive the country's people and industries, leading to new jobs, new work opportunities, and youngsters aspiring for big goals in life. The Chennai Trade Centre, where the event is hosted, is a model of the partnership between the State government and the Centre.

TAKING THE LEAD

This spirit of collaboration, co-operation, and competition among states will drive economic growth and prosperity for the people of India, he said.

Tamil Nadu's Industries Minister, TRB Rajaa, said the State, which is the second

largest economy in India, is number one in many sectors.

"We are the most industrialised State in India, with over 45,000 factories. Tamil Nadu is a manufacturing powerhouse. We are No. 1 in automobile and automobile component manufacturing. We are also number one in tyre manufacturing, and the country's top electronics manufacturer contributes to over 30 per cent of India's exports," he said.

Last year, we did \$5.6 billion of electronic exports, and this year, we have already crossed that number. Tamil Nadu is also the No. 1 electric vehicle manufacturer in India, producing nearly 70 per cent of all EV two-wheelers that are sold in India and around 40 per cent of the EV four-wheelers sold in the country.

"We are the country's number one leather manufacturer and are emerging as a world leader in the non-leather sec-

tor. We are No. 1 in R&D, enabled by the fact that we produce the highest number of research scholars, especially women. Tamil Nadu is also number one in filing patents. This speaks volumes about the availability of talent pools," he said.

WOMAN POWER

The Minister said nearly 43 per cent of all the women working in India are from Tamil Nadu.

Bhavish Agarwal, founder of Ola Electric, said three years ago, the company started to bring the EV revolution to India. Then, the company envisioned making India and Tamil Nadu a global EV hub. Today, the company has come a long way towards making that vision a reality, he said.

"We were able to set up our factory, called the Future Factory, within eight months, starting the construction in February 2021 and completing it in

October of the same year, setting a benchmark in the industry. This is possible only in India and in Tamil Nadu," he said.

"This is India's decade, and it is our destiny to make the country an economic superpower. We are committed to building a robust EV ecosystem," he said.

Ola is building the largest EV hub in Tamil Nadu with a vision to set up manufacturing facilities, including India's first and world's largest gigafactories, with an envisioned capacity of 100 gigawatts at full capacity, headed.

JOB GENERATION

Venu Srinivasan, Chairman Emeritus, TVS Motors, said the GIM is a landmark and flagship programme that has driven investment in Tamil Nadu, creating large-scale employment and meeting the aspirations of the people in the State. "Tamil Nadu is one of the best-performing States in the country," he said. CII President R Dinesh said Tamil Nadu has become the key industrial destination in the country. The government is rightly focussing on creation of jobs, he said.

Sajjan Jindal, the chairman of Indian steel-to-power conglomerate JSW Group said the ambitious target of Tamil Nadu will be well achieved due to the State's robust policy framework; exceptionally skilled workforce and world-class infrastructure; and reliable and renewable power supply.

Across decades, there has been consistency in the governance and unwavering support for the industries, irrespective of changes in the political leadership. This is what I find to be the most unique trait of doing business in Tamil Nadu, he said.

Semiconductor and Advanced Electronics Policy aims to boost investment in the sector



TO NEW BEGINNINGS. (from left) Nguyen Dang Quang, Deputy CEO India, Vinfast; Nisaba Godrej, Executive Chairperson of Godrej Consumer Products; Venu Srinivasan, Chairman Emeritus, TVS Motor Company; Piyush Goyal, Union Minister of Commerce and Textiles; MK Stalin, Tamil Nadu Chief Minister and TRB Rajaa, TN Industries Minister, at the unveiling of Tamil Nadu's Semiconductor and Advanced Electronics Policy. BUJOY GHOSH

Our Bureau
Chennai

The Tamil Nadu Semiconductor and Advanced Electronics Policy 2024, launched on Sunday, aims to propel Tamil Nadu to the apex position in the value chain of the semiconductor and advanced electronics industry. This in turn will help in generating highly skilled employment opportunities, and accelerating innovation and technological advancements.

The focus of the policy launched by Chief Minister MK Stalin at the Global Investors Meet is on incentivising strategic investments, nurturing talent, and fostering collaborations across industry, academia, and government.

ANCHOR INVESTMENTS

The policy's objectives include attracting anchor investments in semiconductor and advanced electronics manufacturing, enabling a semiconductor design ecosystem in the State through incentives, funding, and industry-academic collaboration, contributing 40 per cent of India's electronics exports by 2030 — it is over 30 per

cent now — and creating a skilled talent pool of 2,00,000 talents in this sector by 2030.

The eligible units will be offered a capital subsidy by the Government of Tamil Nadu, up to 50 per cent of the capex assistance provided by the Government of India.

On capital subsidy, the policy says an escrow account (escrow 1) will be opened between State Industries Promotion Corporation of Tamil Nadu Ltd. (SIPCOT) and the project company. All pro rata payments in a year shall be released after the corresponding share is mobilised by the project company and is deposited in the escrow 1.

STAMP DUTY

In the first year, based on cash requirement projections for the upcoming quarter, the project company shall release the amount first, and then SIPCOT shall release the grant from the Tamil Nadu government. The combined amount of the project company and SIPCOT in escrow 1 will be transferred to the Government of India escrow account (escrow 2). From the second year onwards, SIPCOT shall release the grant after verification that the

Government of India has released the relevant share.

A 100 per cent stamp duty exemption will be given for the lease or purchase of land, sheds, or buildings intended for industrial use on land obtained from SIPCOT. In the case of private lands, a stamp duty concession will be provided as a 100 per cent back-ended subsidy for up to 50 acres.

Investments in the electronics sector are eligible for a structured package of incentives and standard incentives under the existing policies, namely Tamil Nadu Industrial Policy 2021 (or) Tamil Nadu Electronics Hardware Manufacturing Policy 2020.

The structured package of incentives for Advanced Electronics Manufacturing shall be applicable for 'new/expansion projects' in the State with investments made from January 1, 2024. The companies should meet a minimum investment threshold of ₹200 crore and a minimum employment threshold of 150 jobs for the initial ₹200 crore investment. Further, for every additional ₹50 crore of investment, a minimum of 35 jobs should be generated, the policy said.

'State has potential to achieve the \$1-t goal'

Balachandrar G
Chennai

Tamil Nadu needs to focus on both high-value manufacturing and services as well as low-skilled manufacturing which generates large-scale jobs, while keeping a tab on public debt, argued top economists, Raghuram Rajan and Arvind Subramanian.

The State has set an ambitious goal of becoming a \$1-trillion economy by 2030. Rajan and Subramanian felt that the State's goal is achievable, the economists said while addressing a session at the Global Investors Meet here.

However, the State needs to grow at 18 per cent over the next 7-8 years to achieve its trillion-dollar economy target. Even China had managed to grow only between 10-12 per cent over 40 years. The State's goal is ambitious and if there is any State in India that could do it, it is probably Tamil Nadu. Also, if there is any point of time in history where it could be done, it is now," said Subramanian.

SKILLED WORKFORCE

While Subramanian felt China's decline in manufacturing



BRAINSTORMING IDEAS. Raghuram Rajan, former Governor, RBI and Arvind Subramanian, former CEA at a session on 'The Big Bets for TN's Trillion Dollar Economy' BUJOY GHOSH

would be a big opportunity for India to grab and provide opportunities in some select sectors where large-scale jobs could be generated, Rajan felt that it was time that the State focused more on high-end value-addition segments. "China is still an attractive place for manufacturing. But, we have more high-skilled engineers than Europe and should target specialised manufacturing," Rajan added.

However, both economists agreed that skilling the workforce would be need of the hour to compete with China

in manufacturing as most industries are facing a lack of skilled workers. Despite rising labour costs, Tamil Nadu has attracted manufacturing companies and it is an indication that the State offers a better skilled workforce.

While shifting its focus on high-end value addition jobs, Tamil Nadu could use migrant labourers to maintain its position in attracting low-skilled workers.

However, Subramanian said the State should rise above the political challenges that migration could cause.

Both economists agreed that skilling the workforce would be the need of the hour to compete with China in manufacturing

Discussing the high public debt of Tamil Nadu, both economists felt it was not alarming, but required attention. Subramanian said 1/3rd of the debt was accounted for by the discom and the State was committed to institutional reforms.

Rajan pointed out that a combination of factors could help the State to maintain its public debt. Tamil Nadu should ensure steady growth in revenues, minimise expenditure and continue to attract big investments.

Answering the scope to boost FDI in the State, Subramanian said while the State is creating the trajectory for the FDI, it should continue to focus on offering stable policies, ensuring social stability and improving ease of doing business while effecting some institutional reforms.

Landing on the moon was not just a scientific event but an emotional issue for every Indian

Our Bureau
Chennai

Chandrayaan-3's success connected with the hearts of the people. The successful landing of the Rover on the moon was not just a scientific event but an emotional issue for every Indian, said S Somanath, Chairman, Indian Space Research Organisation (ISRO).

The success of Chandrayaan-3 had many secondary effects. It was a high-end scientific accomplishment. India was the fourth country in the world to land on the moon and the first at the south pole of the moon.

It created an emotional exuberance in the minds of youngsters and children and showcased it to everybody. There is so much enthusiasm among youngsters who want to be astrophysicists; they want to join ISRO and work on space technology, said Somanath while speaking at the TN Global Investors Meet 2024 on Sunday.

"It was a motivational factor as to how a great scientific accomplishment appropriately put in front of the



S. Somanath, Chairman, ISRO at the Tamil Nadu Global Investors Meet 2024. BUJOY GHOSH

public can create a major impact in the minds of people," he said.

"Unfortunately, we could not collect the debris back from the moon, but it has been reconstructed to understand what went wrong, and hypotheses had to be created. It had to be recreated again and again. Not one element but multiple issues could have gone wrong for the failure. Understanding what went wrong was the crucial part, and making sense out of it," he said.

The second issue was to overcome the failures and modify them. This is always easy, as people will find a way

to do it. But this has to be validated again. "We can't have another failure. The validation process went on for another two years. Then we started building the space system, testing it rigorously, and looking at many more such possibilities, he said.

"After I took charge, in the last two years, a great deal of time was spent on ensuring that the simulation part was complete. You don't leave any uncertainty in the hold. You exert the system to extreme conditions. Even if something fails, you still land. The only goal was to land softly. Unless everything was proven, I did not authorise to land. We delayed this for nearly six months to make sure that the process was completed. This includes software and hardware validation. This ultimately led to the success," he said.

WAY FORWARD

The year 2024 is going to be the year of the Gaganyaan in terms of preparedness. ISRO will do the unmanned missions this year, followed by all the test flights to demonstrate crew abort capability. The crew

module is under development. Everything is on track. "We need to achieve the manned mission by the end of 2025. That's our target. With 100 per cent confidence only we will go. Schedule is important, but safety is more important," he said.

On the newly planned Kula-sekarapattinam rocket launch site in Thoothukudi in southern Tamil Nadu, Somanath said the purpose of the new launch station was not to replace Sriharikota or de-cluster it but to create an alternative launch site. Today, the Satish Dhawan Space Centre in Sriharikota is the only launch site. We must have geographically placed another launch centre. The second issue is to support the emerging launch actors, especially those building small satellites and rocket building. They must have a more exclusive and free place to operate in their own facilities. This is the second objective, he said.

The third objective is that around any new launch site, an industry cluster should come up to support manufacturing and launching small rockets and satellites.

SIPCOT-Singapore to set up India's 1st net zero industrial park

G Balachandrar
Chennai

A comprehensive framework for India's first net zero industrial park, as a result of the collaborative efforts of the Tamil Nadu and Singapore governments, is likely to be finalised in the next one year, said Senithil Raj, Managing Director, SIPCOT (State Industries Promotion Corporation of Tamil Nadu), at the Tamil Nadu Global Investors Meet (TNGIM).

The framework will guide the establishment of a net zero industrial park, which SIPCOT plans to design and build in the North of Chennai.

Last year, SIPCOT signed an agreement with the Singapore-India Partnership Office (SIPO) under the Ministry of

Trade and Industry (MTI) to cooperate on a sustainable industrial park during the visit of Tamil Nadu Chief Minister MK Stalin and other State ministers and key officials from the Tamil Nadu to Singapore to promote the TNGIM.

KNOWLEDGE PARTNERS

The co-operation between SIPCOT and MTI-SIPO brings together Singapore agencies like the Centre for Liveable Cities and JTC Corporation as knowledge partners for SIPCOT, the developer of industrial spaces in Tamil Nadu.

"After last year's visit to Singapore and the signing of the MoU, we have been closely working with SIPCOT. Conversations have been going on between us. We keep learning from models of parks from



GREEN MASTERPLAN. Simon Wong, High Commissioner of the Republic of Singapore in India, addressing the gathering at a session on Singapore. BUJOY GHOSH

several countries, such as Vietnam and Singapore, and trying to figure out how to arrive at our framework. We hope to conclude this in the next one year," he said during a session at the TNGIM.

Highlighting the net zero framework, Professor Tai Lee Siang, Head of Pillar, Architec-

ture and Sustainable Design, Singapore University of Technology & Design, said the net zero industrial park project could be executed with a green masterplan and the establishment of green buildings that would tackle 'business as usual. Other scopes would be "over" provision of

renewable energy at the district and building level and increasing the network effect of a green district to mitigate logistics and supply chain carbon emissions.

"The issue of climate change can no longer be tackled by increasing green spending without addressing business as usual thoroughly and systematically. We need a major reset," added Siang.

Earlier, Simon Wong, Singapore High Commissioner to India, said Singapore has been a long-standing partner for Tamil Nadu, and Singapore companies have committed to investing about ₹31,000 crore in Tamil Nadu across high-growth sectors such as sustainability and infrastructure, as well as collaboration in technology and skills.

Reliance-Brookfield to open data centre in Chennai next week

Our Bureau
Chennai

Reliance Industries has partnered with Canada's Brookfield asset management and US-based Digital Realty to set up a data centre in Chennai. It will be opened next week, said the company's Chairman and Managing Director Mukesh D Ambani.

Addressing virtually at the inaugural function of the Tamil Nadu Global Investors Meet 2024, Ambani said, "Under the leadership of Chief Minister MK Stalin, Tamil Nadu has become one of the most business-friendly States in the coun-



Mukesh Ambani, Chairman and MD, Reliance Industries in a video message to the audience. BUJOY GHOSH

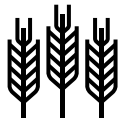
ty. Therefore, I have every reason to believe it will soon become a \$1-trillion economy, which is the apt slogan of this summit," he said.

In Tamil Nadu, Reliance has opened nearly 1,300 retail stores across the State, investing over ₹25,000 crore. Jio has invested over ₹35,000 crore in Tamil Nadu, bringing the fruits of digital revolution to 35 million subscribers in every town and village in the State. The company has committed to making new investments in Tamil Nadu in renewable energy and green hydrogen, he said. "We shall work closely with the State government to promote sustainable development, which is necessary to save mother earth from the climate crisis. I am confident that the State government will support our forthcoming initiatives with viable policies," he added.

Farm fresh

Reforms revolve around private investment, FPOs

Removed from the media glare, Indian agriculture is coming up with interesting solutions to deal with manifold uncertainties, displaying entrepreneurial dynamism in the supply chain and fintech spaces. *businessline's* agri summit held in the Capital last week underscored the need for reforms, technological and institutional, in agriculture, and the processes unfolding in that space. The meet, attended by multiple stakeholders, discussed issues in finance, marketing and output of farm produce.



Policymakers are aware that institutional and technological reforms should go together. If the latter is about fintech and innovation in crop varieties, the former deals more with aggregation of produce and credit to overcome problems associated with small and marginal holdings. The role of the repealed farm laws can indeed be re-examined here. In any case, small farmers, who are most vulnerable to climate change, would have to be at the centre of policymaking.

As for policy approaches, the Chairman of the Commission for Agriculture Costs and Prices said that the share of household investment in agriculture was too high (above 80 per cent) for farming to be viable — given that 86 per cent of India's farmers have small and marginal holdings. Hence, the share of corporate investment at 2 per cent (public investment at about 16 per cent) must be stepped up to 5 per cent or 10 per cent, he said. However, this step-up can happen only if 'collectives' such as FPOs are in place to mobilise a critical amount of capital. An ecosystem of collective farming, led by FPOs, primary agriculture credit societies and SHGs seems to be gaining some traction, with banks such as SBI looking at integrated lending for multiple farming activities. A key stress point in farming, as identified by NABARD, is that just a third of small and marginal farmers have access to institutional credit, with large farmers whipping away more than half of it. This skew opens up the space for fintechs in providing short-term credit to the former. However, the question is whether pursuing multiple options — be it FPOs, PACS and multi-State cooperative societies — while also promoting more individualised solutions such as fintechs, will complement each other. Concerns around fintech cannot be wished away. Efficiencies in marketing and storage are crucial, as wastage of produce is in excess of 35 per cent. Amul is trying to replicate its success in dairy products to organic produce in general. If private investment in processing, storage and marketing has been poor, it is perhaps worth asking whether this area is better suited to cooperatives and their variants.

The discussions rightly pivoted around small farmers. NABARD officials noted that tenant farmers are of the order of 50 per cent in some States, but lack access to credit. This ties in with the fact that just 13 per cent of women agriculturists own land. Finally, agri reforms must take all farmers, many of them women, along.

FROM THE VIEWROOM.

Test cricket: Pitch imperfect

Baskar

The recent Test match between India and South Africa that ended in less than two days — the shortest Test match since 1932 — obviously provided enough grist for a heated debate. How can sports survive without a good verbal joust off the field? Players, coaches, commentators, sports journalists and fans all revel in it by pitching in with their "two cents worth" and more.

An incredible 23 wickets fell on the first day, with Mohammed Siraj bagging six of them — five in a single session. On Day 2, India were 154 for 4 at one stage and lost six wickets to end their innings at the same score.

After India won the match the conversation naturally shifted to the state of the pitch. First off the blocks was Rohit Sharma, Indian Captain, who quite rightly called out the double standards of the ICC match referees at the post-match press conference. He minced no words in saying that ICC match

referees who routinely slammed spinner-friendly pitches in India were remarkably quiet over bouncy tracks outside India, which could actually be dangerous for batters despite their protective gear.

Sunil Gavaskar in characteristic bluntness said that Indian ground staff were always accused of preparing pitches that suited India bowlers, but ground staff abroad were always let off by saying that "they got it wrong". Of course such benefit of doubt is never accorded to Indian ground staff.

But beyond this "us vs them" debate there is a larger issue at stake. A Test ending in less than two days is certainly not a good advertisement for the oldest format. It also hurts the commercial interests of both cricket boards and broadcasters — TV ad revenues and gate collections take a hit. At a time when franchise-based T20 cricket is forging ahead, having more "sporting" pitches where Tests last at least until the last session of the fourth day are desperately needed.

The irrelevant Left-Right debate

The paradox of democracy is individuals choose governments that oppress them by ignoring them

LINE&
LENGTH.

TCA SRINIVASA RAGHAVAN

An old and completely pointless debate and allegations regarding Right and Left has gained in intensity after the BJP won the last three Assembly elections. But this debate is nonsensical in the Indian context.

Soon after Rajiv Gandhi presented his first Budget in February 1985, a debate started whether India was turning 'Right' merely because taxes had been cut a little bit. Much ink flowed, literally over a few tax rates.

Those days Right and Left were terms reserved for economic policy. But after the Congress made the economic Right respectable in 1985, they have been applied only to social policy.

Thus overall, regardless of how Left a government's economic policy — distribution oriented, that is — Right is now what the Left says it is. And that too mainly in the attitude — not policy, mind — with respect to Muslims. Nothing else matters.

So reforming Hindu social practices was progressive in the 1950s but reforming Muslim social practices now is regressive. Indeed, the moment you say Muslims, instead of minorities, you get labelled Right.

The 'liberal' Left is thus making the Muslims invisible. You can't talk about them or their problems even though there are 200 million of them. Half of them vote.

BANE OF LABELS

To this Left habit of labelling people and then binning them have now been added the terms fascist and democratic.

The Right is fascist by definition and the Left is democratic by assumption.

Fascism has three major characteristics: group over individual; nationalism; and strong government.

If you applied this test to, say, the governments between 1952 and 1964 they were all fascist. Indeed it applies to all countries.

But Jawaharlal Nehru was not at all a fascist. He was merely woolly headed and often acted in very contradictory ways.

But this was inevitable because, the world over, governments have to put



POLITICAL COLOURS. The Left-Right divide in the political spectrum is largely in the realm of social policy VEDHAN M

group interests over individual interests.

And that's the paradox of democracy: individuals choose governments that oppress them by ignoring them.

Meanwhile, for the liberals, a practice is automatically democratic if the Left does it and automatically fascist if the Right does it, regardless of the fact that this is actually the opposite of what's true.

If you look closely, all regional parties, the Congress and the CPM are actually all quite fascist.

The Congress therefore prefers family rule.

The regional parties therefore prefer caste based groups as well as family rule. And the CPM prefers collectivism where the individual can go and, well, you know what he can do to himself.

Since the Congress made the economic right respectable in 1985, it is over social policy where much of the Right-Left labels are attached

IRRELEVANT LABELS

In short, the Left-Right labels are totally irrelevant in India. They have become mere terms of abuse. And it's the Left that is solely responsible for this because it has used labels to mask its intellectual bankruptcy.

In all this labelling, a good but old fashioned term has been lost sight of: appropriate. Thanks to the Left, no one any longer asks if a policy is appropriate. It's either fascist or undemocratic.

But you know what? These Left-Right terms mean nothing to Indian voters. This is what successive elections in India since 1952 have proved.

There's a reason for this. These terms are European, or to be absolutely precise, French.

Left and Right were the terms used in the French National Assembly in the period leading up to the French Revolution in 1789.

Those wanting reform sat on the left of the Speaker and those with the monarchy sat on the right. In India, it's the Left that doesn't want reform. That's another Indian paradox.

WHAT SORT OF OPPRESSION?

That said, the fear of oppression is

justified. But it's important to look at what the politicians won't tell you.

This is that in India oppression is not ideological.

A Hindu India will not be any different from British India or Congress India because we have retained the colonial system of governance, which was based on brute force.

The colonial system, at its core, was based on two principles. One, repression and two, the extraordinary empowerment of the lowest rungs of government. This wasn't the case in Britain.

Think of the police constable or the tax inspector in India. Their powers are inversely proportional to their rank as is their freedom to act against the citizens on mere suspicion.

All political parties use this system to their own political advantage. This is also why so many people want to work in the government. It's for the power to oppress.

But I don't see anyone from the Left asking to change this. Instead, they bang on about democracy, secularism, freedom and so on. They forget that you can have all this and yet, if you have the colonial structure, it's all just hot air.

Telecom Bill — bridging the digital divide

It crucially addresses the management of telecom towers and streamlining of Right-of-Way processes

Arun Moral

The introduction of the Telecommunications Bill of 2023 heralds a major reform in India's telecom sector, signalling a transformative shift in the regulatory paradigm.

This landmark legislation is set to overhaul the existing norms, specifically targeting the management of telecom towers and the streamlining of Right-of-Way (ROW) processes.

These reforms are crucial in an era where telecommunications technology is rapidly advancing, especially with the impending nationwide rollout of 5G networks.

The Bill's introduction is timely, as it seeks to address the burgeoning need for a more robust and efficient telecom infrastructure while tackling the complexities introduced by new technologies.

With the current count of telecom towers in India exceeding 7.5 lakh, and an anticipated doubling due to the onset of 5G technology, there is an urgent need for a well-structured regulatory framework.

The unchecked growth in the number of telecom towers raises concerns about radiation exposure and the efficient use of resources.

A closer look at international standards, notably Singapore's method

of handling telecom towers, offers insight into the success of government-led regulation in this domain. Singapore's model efficiently controls tower proliferation while concurrently addressing health concerns related to radiation exposure.

This approach serves as an effective blueprint that India could consider adopting, demonstrating how strategic government intervention can lead to a more optimized and safer telecom infrastructure.

THE INDIAN SCENARIO

In India, the prevalent practice of telecom operators erecting their exclusive towers has led to an unsustainable surge in the number of towers.

This situation underscores the need for specific regulations in the Telecommunications Bill of 2023.

The introduction of clear regulatory guidelines is crucial, demanding stringent norms for the commissioning and management of telecom towers. Equally important is promoting shared infrastructure use, which can significantly reduce the unnecessary proliferation of towers.

Finally, it's essential to strike a balance between safety and growth. The expansion of telecom infrastructure must align with public health standards.

The Bill's approach to the



TELECOM BILL. Paving the way for more reforms JSTOCKPHOTO

Right-of-Way (ROW) for telecom infrastructure is another critical aspect that requires attention.

The current absence of a centralised regulatory framework for ROW leads to delays and inconsistencies, particularly impacting rural connectivity.

UNIFIED APPROACH

The absence of uniform Right-of-Way (ROW) processes significantly widens the digital divide, an issue that gains urgency considering the substantial investment earmarked for rural digital connectivity.

The Bill's introduction offers a critical opportunity to develop and implement a standardised set of ROW guidelines. This step is crucial to ensure that the benefits of technological advancement reach all corners of the

country equally. A 'Time-to-Serve' framework, as seen in other global contexts, could be instrumental in expediting service delivery.

This model mandates a time-bound response to ROW requests, which is critical for the timely implementation of rural connectivity projects.

The rebranding of the Bharatnet project as 'Bharat Nidi' is a significant move by India to close the rural-urban digital divide.

However, the success of this ambitious project hinges on its ability to motivate telecom operators to share and augment their existing dark fibre networks.

To facilitate this, the Bill proposes a strategy centred on offering attractive incentives to telecom operators.

An essential aspect of this strategy is the empowerment of rural youth by ensuring that the digital divide does not impede the growth and development of India's future leaders in rural areas.

The Telecommunications Bill of 2023 has the potential to significantly enhance India's telecom infrastructure, aligning it with the demands of the digital age. By addressing the twin challenges of telecom tower regulation and streamlining ROW processes, the Bill can pave the way for sustainable and equitable growth in the telecom sector.

The writer is Managing Director at Primus Partners

BELOW THE LINE



Jayen Mehta, MD, GCMMF BUOY GHOSH

Post-lunch stupor

The fireside chat that *businessline* Editor Raghuvir Srinivasan had with Amul Managing Director Jayen Mehta, at the recent bl agri summit, was marked by quick wit and riposte by Mehta.

To the point that Srinivasan made about it being the first session post-lunch, Mehta was quick to say that there are three things difficult in life: kissing a girl who's leaning away; climbing a wall slanting against you and addressing a soporific audience immediately after lunch!

Needless to say, the hall erupted in laughter, all wide awake.

Malayalee Mehta

Amul Managing Director Jayen Mehta surprised the audience when he replied to bl Editor Raghuvir Srinivasan's question about knowing Malayalam.

So, how does a Gujarati know the rather difficult language? Mehta said that he's fluent in Malayalam and can

even read and write. So, when he was growing up in the port city of Veraval, where his father worked with Indian Rayon, there were many Malayalee families, who didn't know a word of Gujarati.

The Malayalee kids were learning Gujarati but losing touch with their native language so special language classes were organised for them. Since Mehta found his friends all attending, he too attended the class and picked up Malayalam too.

Women farmers' agency

One of the problems that organisations that work with women farmers who slog it out on the farm is their reluctance to adopt new technology.

Rupali Mehra, Chief Marketing Officer of Sweden-based Spowdi, said when the organisation has conducted workshops for farmers, it has found women reluctant to try new technologies due to lack of agency, whereas men are more willing to take risks. Sugandha Ghosh, Lead Gender Specialist at IRR, said no one imagines a woman as a farmer despite the dominant role they play in farming.

Upside surprises

First it was the Q2 GDP data for current fiscal that 'surprised on the upside' with a print of 7.6 per cent. Now the first advanced estimate of GDP growth for 2023-24, released on Friday, too has 'surprised on the

upside' at 7.3 per cent. Now the chatter in the corridors of power is brace up for two more 'surprises on the upside' next month. First Budget 2024-25 (although vote on account) will 'surprise on the upside' with a much higher than anticipated GDP growth forecast for 2024-25.

If all goes well, the First Revised estimates of national income for 2022-23 to be released on February 28 will also 'surprise on the upside'. Don't be surprised if the ruling dispensation too 'surprises on the upside' in terms of the number of winning seats in upcoming Lok Sabha elections, quipped an economy watcher. **Our Bureaus**

Nilgiris: The hills are alive

Fascinating essays on the Blue Mountains

Sandip Ghose

When I shifted to Coonoor in the pristine Nilgiris post Covid, many would ask me — why Coonoor? I would reply — why not Coonoor, which would invariably draw a blank and move the conversation in another direction.

But, had I read this collection of essays on the Nilgiri Hills, compiled by Paul Hockings, before dropping anchor in the Blue Mountains, I would have stumped my interrogators with the answer “where else but the Nilgiris?”. As the editor writes in the blurb, the Nilgiris is one of the most heavily researched areas of India. But, it is still a well kept secret for the rest of the world. And, luckily so.

Though the district is spread over barely 1,000 square miles — it is a microcosm of climatological, ecological and cultural diversity. The editor has done well to capture its various facets in essays by an eclectic set of writers as diverse as filmmakers and musicologists. Each article gives a fascinating view of the region that is both esoteric and intimate without being pedantic.

The book begins with Hockings' own account of the curious turn of events after the Fourth Anglo-Mysore War and the death of Tipu Sultan in the Battle of Seringapatam, in which the creation of the Nilgiris was a minor footnote but of immense socio-anthropological significance. From there emerged the histories of the indigenous tribes of the Nilgiris — the Todas, Kotas, Badagas, Kurumbas and Iruulas.

The biodiversity and conservation challenges of the Nilgiris are much talked about. Similarly, the history of the tribes has been chronicled with academic rigour. But what makes for truly mesmerising reading is what Frank Heidemann calls “the social construct of the cultural landscape” built upon mythology and legends of the Badagas — a socio-geographic matrix of kinship and marital relationships, as it were.

AMBIVALENT MONEY

Obviously the advent of commercial tea cultivation was the pivot of socio-economic transformation of the region. But the Badagas have an ambivalent relationship with money — which one can appreciate only after living in the Nilgiris. While money is important it was never the sole pursuit in life. “No money



Title: The Nilgiri Hills: A Kaleidoscope of People, Culture, and Nature
Editor: Paul Hockings
Publisher: Orient Blackswan
Price: ₹975

prospers without relations' and “without relations there is no money” — is the other side of the coin that Badagas grapple with. Thus there is a veiled contempt towards outsiders who come to the hills for commercial exploitation, especially land and real estate. Statements such as “in earlier times we did not know the value of money and (conversely) today we are running only after money” may sound anachronistic but are very much part of the Badaga psyche.

I was often amused by my botanist friend Nandur's — a Badaga Royal — faith in traditional medicine. But a peek into the Iruula and Alu Kurumba holistic health narratives gives me an idea of where he is coming from. What is surprising, however, is that such old heritage has still been preserved however tenuously even till this age. This is perhaps explained by the symbiotic culture that tries to marry myth with metaphor, idealism with pragmatism — as Indu K Mallah puts it so poetically in the concluding essay. She says the Nilgiris people are attuned to their environment and live by the credo of a reverent relationship with nature — the Devar Bettas (Divine Hills) and Devar Sholas (Divine Forests).

Call of duty has brought me away, temporarily I hope, from the Nilgiris. But this book has aroused my longing to return soon, as there is so much yet to learn and explore. I am already feeling pangs of guilt for not using the three consecutive years I spent there more productively, instead of relying solely on the auditory history of the region from my “Badu” buddies at the Coonoor Club Bar.

The reviewer is a corporate chief train, writer and current affairs commentator.

+influence — the magic potion

The book holds a mirror to oneself and helps figure out what one can do to become more effective in one's domain

BOOK REVIEW.

Ambi Parameswaran

As an executive coach working with CXO-level coachees, I am often asked the question, ‘How can I build a better working relationship with XYZ, especially when I have no authority over them?’.

The challenge of building relationships is highest when it comes to engaging with peers and bosses. Your subordinates are easiest to manage since they are under your control.

But if a coachee identifies an area for development and if that calls for him or her to build a better relationship with someone who is in a different vertical or division, how do they start?

A veteran Executive coach introduced me to the book *Influence Without Authority* by Allan Cohen and David Bradford.

The book presented some interesting ways of exercising influence even when you have no authority over a person. It starts with your understanding of the other person's situation, and not just your own need.

When you are able to figure out what the other person values, you will be able to develop a way of building empathy and may be influence that person's decisions.

I am already a convert to the fine art of exercising positive influence. So when I was offered a chance to review the book *Positive Influence – The First and Last Mile of Leadership*, I took on the task with alacrity.

The author, Tsun-Yan Hsieh, is a veteran management consultant who had a stellar track record in McKinsey; his co-author, Huijin Kong, is also a McKinsey alumnus. Tsun-Yin has

served on the boards of respected companies such as Singapore Airlines, Sony, Dyson and Bharti Airtel. He has taught subjects related to leadership influence at NUS Singapore.

In 2010 he founded the LinHart group specialising in leadership development; Huijin works with Tsun-Yin at LinHart Group. The authors have rich experience in working with hundreds of leaders across all the major geographies. And, as a welcome relief, they have worked extensively with companies in South Asia, South-East Asia and China.

INFLUENCE VS PERSUASION

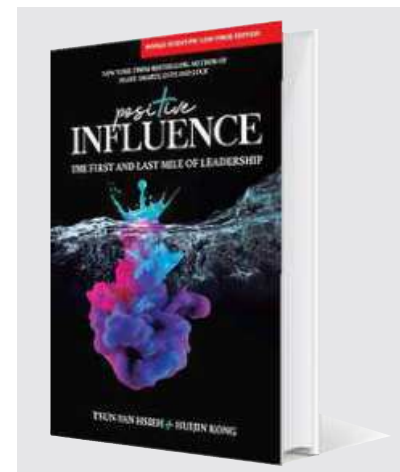
What is influence? Is it the same as persuasion? The authors clarify that they are not the same: “Influence is an attempt to mobilise oneself and others to positively impact an interaction, a task, a relationship, a group of people, or a community without the use of raw power [such as coercion] or authority, to produce good outcomes beneficial to all stakeholders”.

They define + influence as a pathway that benefits ourselves and others simultaneously. The intent behind the attempt differentiates positive influence from all other influences, including coercion and manipulation.

The book covers the topic of positive influence through three sections. In the first section we look at ‘Fundamentals of Influence’.

How it depends on the context of interactions, what makes good +influence, how we can all get better at +influence and influencing against all odds. The first section also introduces us to a self-test to measure the extent of our own skills at +influencing. The test is simple but makes an interesting point on how to self-test our ability to exert +influencing skills.

The second section of the book looks at how to transform our +influencing



Title: Positive Influence: The First and Last Mile of Leadership
Authors: Tsun-Han Hsieh & Huijin Kong
Publisher: World Scientific
Price: ₹995

ABOUT THE AUTHORS

Huijin Kong is a co-founder of LinHart Group and has pioneered its group leadership programs that have made deep learning and leadership development scalable
Tsun-Han Hsieh is an author, Professor at the National University of Singapore, and co-founder of LinHart Group

effectiveness. We are introduced to the basics of +influence: need to be deliberate, understanding the context, setting +influence objectives, draw insights, seize the moments, pace and engaging our whole being. This section

also has a chapter on +influencing through the written word; an areas that is often ignored. How to craft a mail, when to send a mail, when to reply to a mail; the chapter shares many practical tips.

The third section is about becoming a better self through +influence. How by using +influence we can go on a self-development journey.

How to use others in this journey and how to transition from +influence into leadership. The authors repeatedly point out that +influence is not just meant for the board rooms but is equally applicable to the shop floor as well.

CANDID STORIES

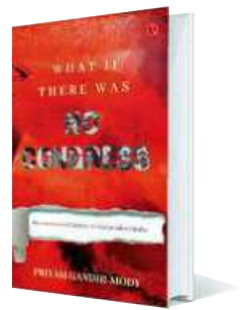
The book is filled with personal anecdotes and stories from the lives of Tsun-Yan and Huijin.

The authors share some very candid tales of how they failed to use +influence and how they learnt from their mistakes. In addition to the personal tales, there are numerous short cases that present a variety of challenging situations. The authors clarify that +influence is not meant for just the CXO-level executives, and they bring it alive by presenting scenarios where the protagonist in a tricky situation is a youngster, who has no authority over his boss or his super boss.

Many of us lament that ‘no one is listening to me’ ‘my ideas get rejected’ ‘what can I do different to be heard’. The book *Positive Influence* holds a mirror to you and makes you take a deep breath to figure out what you can do to become more effective in your domain, be it as a junior executive, a Director or an entrepreneur. +Influence may be the magic potion.

The reviewer is a best selling author of 11 books. His latest ‘All The World's A Stage’ is a personal branding story

NEW READS.

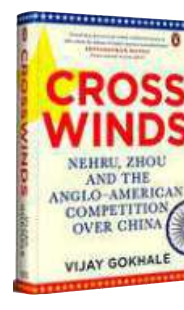


Title: What If There Was No Congress: The Uncensored History of Independent India

Author: Priyam Gandhi-Mody

Publisher: Rupa

The book revisits some of the key events that shaped India's political history over the last 80 years

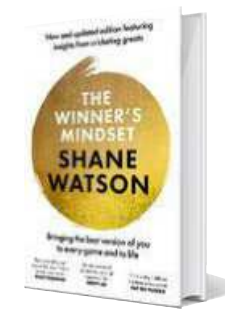


Title: Crosswinds: Nehru, Zhou and the Anglo-American Competition over China

Author: Vijay Gokhale

Publisher: Vintage

This book outlines India's efforts to craft a foreign policy in the context of the Anglo-American competition in Far East



Title: The Winner's Mindset

Author: Shane Watson

Publisher: HarperCollins

Watson shares the secrets that helped him tap into his skillset at will by using his own in-game experiences, and scientific methodology

businessline.

TWENTY YEARS AGO TODAY.

January 8, 2004

SEBI to usher in margin trading

In a bid to impart liquidity and further increase the depth of the equity market, SEBI has decided to introduce margin trading and stock lending and borrowing system. Speaking to newsmen on Wednesday, the SEBI Chairman, Mr G.N. Bajpai, said that the decision was taken when the board met in Kolkata on Tuesday.

Reliance to take over Nocil division

Reliance Industries Ltd on Wednesday said it had agreed to take over the ailing petrochemicals and plastics division of erstwhile rival National Organic Chemicals Industries Ltd (Nocil) through its business associate, Sunbrite Cement Agencies Pvt Ltd.

Cabinet okays norms for PSU wage negotiations

The Union Cabinet on Wednesday approved guidelines for all Central public sector undertakings (PSUs) under various Ministries/Departments to enable the PSU managements to negotiate the wage structure of workers for five years, effective from January 1, 2002. According to the guidelines approved, the PSU managements will be free to negotiate the wage structure for their employees not covered by the Justice Mohan Committee report in respect of pay revision of Central PSUs.

Short take

Quantum Computing and AI – force of the future

Satyam Priyadarshy
Rajesh Mehta

Governments, venture capitalists, and private companies have invested billions of dollars in quantum computing in the last 10 years. Recently, at the Puzzle X conference held in Barcelona, it was evident that Europe is preparing to take on the leadership role to push the boundaries of quantum computing ecosystem. So, what is quantum computing?

In simple words, quantum computing combines the fields of quantum mechanics and computer science. It moves us beyond Bits to Qubits. In traditional computer science, the

information is stored and manipulated using bits that have two discrete states, 0 and 1, while in the quantum computing world, Qubits can represent both states at the same time, thus allowing for a high degree of parallelism, enabling by phenomena of “interference, superposition, and entanglement.” Such parallelism allows quantum computers to tackle computational challenges that become a limiting factor for traditional computers.

Many companies in the quantum computing field are engaged in solving complex problems that could significantly impact the fields of drug development, material design, energy transition, finance, security, and defense. All nations must address various aspects

of the quantum computing ecosystem sooner than later due to China's quantum computing activities.

The National Quantum Mission (NQM) was approved by Prime Minister Narendra Modi, on April 19, 2023.

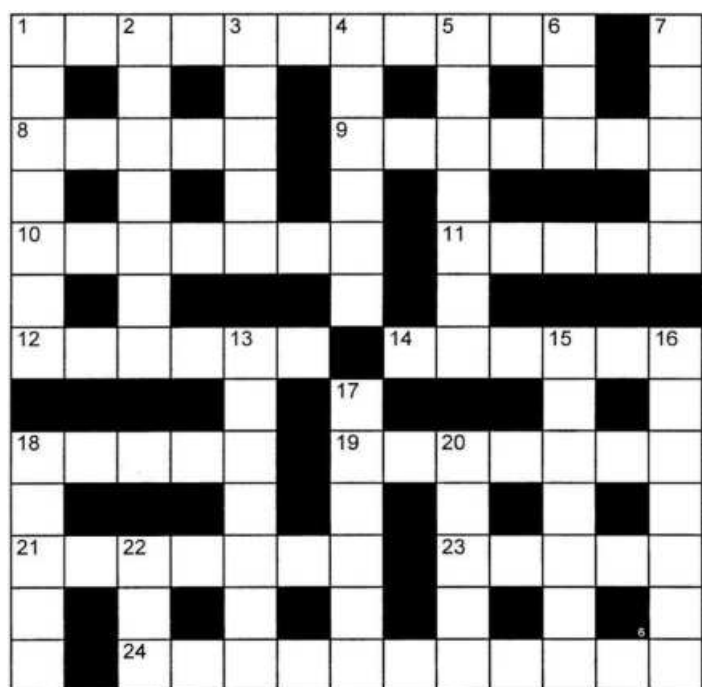
With a budget of ₹6,003 crore over eight years, it aims to create, develop, and nurture the quantum technology ecosystem in the country. The goal of the mission is to develop intermediate-scale quantum computers with 50-1,000 physical qubits in various platforms like superconducting and photonic technology. Satellite-based secure quantum communications between ground stations over a range of 2,000 km within India, long-distance secure quantum communications with other

countries, inter-city quantum key distribution over 2,000 km, as well as multi-node quantum networks with quantum memories, are among the other deliverables. The technology is expected to break ground in communications, cryptography, intelligence, fossil fuel exploration, space research, and drug design.

As we step into 2024, an increased set of activities to solve complex challenges will be addressed by combining the tools of Artificial Intelligence and Quantum computing.

Priyadarshy is a pioneer in the fields of Quantum Mechanics, Data Science, Big Data and Emerging Technologies; Mehta is an International Consultant in the field of Market Entry, Innovation and Public Policy

BL TWO-WAY CROSSWORD 2350



EASY

ACROSS

- Not countable (11)
- Giant (5)
- Hypodermics (7)
- To drive backwards (7)
- Target ring next to the bull (5)
- Book of mass services for the year (6)
- Large, voracious sea predators (6)
- To exult over (5)
- One in charge of trained dog (7)
- They plunder (7)
- To depart (5)
- The faculty of discriminating (11)

DOWN

- Time that intervenes (7)
- Those born to a place (7)
- Lesser (5)
- A sprinter (6)
- Defect, stain (7)
- Cylindrical, scaleless fish (3)
- A niggard (5)
- Simple, guileless (7)
- Let go of (7)
- A snake (7)
- Modest, virtuous (6)
- Thickness round middle (5)
- A man-made fibre (5)
- Unopened leaf or flower (3)

NOT SO EASY

ACROSS

- Involved ale in number of changes that can't be counted (11)
- A giant bird with an additional part (5)
- Although almost unnecessary, they have their point (7)
- It is a setback that's concerned with poetic writing (7)
- With no starter to main meal, it's still on-target (5)
- Girl I'm returning service book to (6)
- They are extortioners and voracious, in the main (6)
- Billy, about fifty, will look wickedly exultant (5)
- Man with a dog could land in her embrace (7)
- Bob errs about them being criminals (7)
- Don't take a service vacation (5)
- Minds recent development with which one discriminates (11)

DOWN

- There's an intervening period of merit in adapting to it (7)
- Going around in a vest, as those born to the place (7)
- One not old enough for a musical sort of key (5)
- Sort of bean for an athlete (6)
- Limb he's broken shows a flaw (7)
- A fish starts eyeing every lure (3)
- He hoards a well-boring instrument (5)
- Can there be no painting without guile? (7)
- Let go of the film for public viewing (7)
- Something that crawls could be present (7)
- How pure cheats are turned out (6)
- Rig up the uncompleted belly-band (5)
- Yarn only the North can produce (5)
- A rudimentary shoot is indubitably held up (3)

SOLUTION: BL TWO-WAY CROSSWORD 2349

ACROSS 1. Doric 4. Grandam 8. Window shopper 10. Stern 11. Gale 12. Wing 16. Event 17. Exceptionally 19. Talents 20. Sheer **DOWN** 1. Downing Street 2. Run 3. Choose 4. Gusher 5. Adorns 6. Deploying 7. Morning prayer 9. Political 13. Deepen 14. Remiss 15. Stones 18. Lie

ON THE CAMPAIGN
TRAIL.

The New Year seems to have put the zing back into brand campaigns, with fresh takes, refreshed content and a peppy outlook.

The magic of doing nothing

Cadbury 5 Star and Ogilvy India have teamed up to deliver yet another quirky "Do Nothing" campaign, taking the brand proposition of keeping things light a notch further. In the past, we have seen this proposition pushed through campaigns like hijacking Google Assistant with a



'Do nothing mode', riding the crypto trend with 'Nothing coin', and more recently, a 'Nothing University' to train people for an AI-powered future where humans can finally upskill themselves in the art of 'doing nothing'. The new ad titled 'Elevator' features a person whose phone rings when he's too absorbed in enjoying his Cadbury 5 Star to pick it up. What ensues is hilarious. Explains Sukesh Nayak, Chief Creative Officer, Ogilvy India, "5 Star is back with another crazy interpretation of 'Do Nothing'. Over the years, the brand's counter-culture stance has resonated strongly with the youth. We hope our latest avatar continues to surprise and entertain people."

Showing pizzazz

"When life is happening, when life rocks, aksar milta hai wahan Domino's ka box" goes the catchy anthem from the pizza maker in its new campaign, that unveils a vibrant refreshed look for the brand. Tapping into the idea that whether it is a celebration or a tense moment, a good meal elevates one's



mood, Domino's has relaunched itself with a fresh, youthful and vivacious persona. The intention behind the new 'It Happens Only with Pizza' campaign is to get Domino's to gain a share of occasions in the \$51 billion food service market, where pizza is just \$1 billion.

Brewing excitement

Platinum Outdoor, a unit of Madison World, brewed some excitement for Continental Coffee with a robust outdoor campaign that included a 3D anamorphic display in



Bengaluru with sampling activity, billboards across Chennai and Hyderabad and Metro train wraps. The high-visibility awareness-building campaign with the tagline "Start Strong. Stay Strong" sought to promote Continental Xtra's chunky granules, rich aroma and flavour. It did succeed in capturing attention.

New guy, a familiar family

Coca-Cola's new year campaign launched in the US is worth a mention as it is for the first time that its family of beverages feature in one solo spot together. In a year when Coca-Cola will be sponsoring big sporting events, including the Paris Olympics, fittingly the situation is a chaotic game



night party where a girl introduces her boyfriend to her family, each of whom have a different favourite Coca-Cola beverage, ranging from Sprite to Fanta to Coca-Cola.

Chitra Narayanan

The saree's amazing comeback saga continued in 2023. In its year-end report Flip Trends 2023, online retailer Flipkart said that the most shopped lifestyle product in the year gone by was the saree. Other online retailers too reported a big uptick in saree sales. According to Meesho, it witnessed a 1.5X growth in saree orders during the 2023 festive season as compared to the year before. More interesting, it says 60 per cent of the customers were under 30.

The ₹80,000 crore Indian saree market is booming. A whole bunch of reasons are behind the saree's spectacular showing — but the most compelling one seems to be the way new age saree brands like Suta, Shobitam, Chidiyaa Online, Raw Mango, Byloom, Taneira and many more have made the six yards very cool through hassle-free drapes, exciting blouses and accessories, cool hashtags, and a whole new narrative that includes sustainability, support for artisans, and a big saree sisterhood. Also, new exciting brands are bursting through in this category, creating more niches.

Stylists like Dolly Jain are also playing a part, as are Bollywood celebrities who are now seen draped in Suta, Shobitam and other D2C brand creations.

YOUTHFUL STYLING

"It's beautiful to see how sarees have come back. We have had a role to play," proclaims Sujata Biswas, co-founder of Suta, the brand that has sashayed into Gen Z's imagination and heart with its cool weaves and funky content. "Sarees are no longer a wedding, and temple visit wear — we have made it cool for any occasion," asserts Taniya Biswas. And, indeed, it's no idle claim. The two sisters, who created a label from the first two letters of their names (Su and Ta) in 2016, have seen their digital first brand go places. The brand saw a big jump in festive season sales last year — it sold 1.1 lakh sarees between July and November 2023 as compared to 60,000 units in the same period in 2022. In 2023, Suta launched eight offline stores to add to the Bangalore store it opened in 2022. "We are going to open our



SAREE SISTERHOOD. Sujata and Taniya Biswas of Suta (top) have made the saree a fun garment for youngsters, while Ramya Rao and Kavea Chavali have put the lustre back in the Andhra Uppada

ninth offline store in Pune," says Taniya, pointing out how most of the stores are less than a year old but already contributing 15 per cent of Suta's business. Suta has got customers to bond with its sarees more by naming each one of them (eg: Laal Chumki, Jheel, Bossy Caramel).

The sisters say the biggest chunk of their saree customers are in the 25 to 35 age group while the second largest chunk is 18 to 25. A few years ago it would be unthinkable for anyone in this age cohort to wear sarees

● TIMELESS THREADS

The six yard drape weaves a stunning growth story

THE SAREE SAGA. How different styling, trendy blouses, cool hashtags and a new narrative from D2C saree brands has made the category boom



to casual lunches or date nights. But the starchy formality has now gone out of the garment. Messy drapes are regarded as hip. Wear it with a halter neck blouse, add a belt and style it with boots, and you are ready to compete against the LBD (Little Black Dress) at swank parties.

Taneira too is going all out to woo the young. "Our styling is focused on making the saree look conducive for the young. Today, a saree appeals to a young office goer as much as it is dear to our grey-haired grannies,"

says Ambuj Narayan, CEO, Taneira.

Jermima Menon, a strategy consultant based in Bengaluru, and a saree evangelist, says that the garment has got a boost from two things — one, the blouses that range from styles that are backless to halter to crop tops and even shirts. Two, from different draping styles that have made sarees more contemporary and stylish. She also says that the handloom space has seen a big boost post pandemic with even weavers going direct online.

Menon points one to Kalaneca, again being built by two sisters, twins Ramya Rao and Kavea R Chavali, that is resurrecting the Andhra Uppada. What started as a hobby for the sisters, who were working professionals and Kuchipudi dancers, to help the weavers get more business, is now a full-fledged brand with a marketing strategy and a mission to get more consumers to experience the weave. "It's grand yet so light and easy to wear," extols Rao. The Rao sisters are also building another brand Etram (derived from Arangetram).

ONE STOP SHOPS

The growth of the saree is also because many of the pain points associated with wearing sarees — getting a matching blouse stitched (and a good fit is always a problem), arranging the falls and petticoat — have all vanished. "There was a perception that there was just too much *kaam jham* involved in a saree. For people to wear it instantly, we had to solve the problem," says Taniya.

Just like other apparel, which you can wear straight off the rack, a shopper can now go to a store like Taneira or Suta and get the whole look, sarees, blouses, tailoring et al. And that has spawned a whole new profitable business for saree brands. Suta says earlier blouses were 20 per cent of its revenues, but now 35 to 40 per cent of its nearly ₹70 crore annual revenue comes from blouses.

For Taneira too, from the house of Tatas, ready-to-wear blouses category is seeing good traction. "We are expanding our portfolio of blouses and have also introduced in-skirts, aiming to become a comprehensive one-stop solution for sarees," says Narayan. Taneira, which has already got 50 stores, is targeting a topline of ₹1,000 crore by 2027.

Taneira has also launched the JAM (Just-a-minute) collection, featuring pre-styled and pre-draped sarees starting at ₹8,000. "There's a growing inclination towards fashion that offers both speed and comfort without compromising on style. The introduction of pre-draped and pre-stitched sarees intends to make wearing them more enjoyable, eliminating any stigma associated with not knowing how to drape a sari," says Narayan.

The outlook for 2024 — "Sarees will become the next casual wear," predict Sujata and Taniya.

Indian OTT dilemma in 2024: Growth vs profitability



India's OTT market, sized at \$2.5 billion (this includes YouTube), went through a major disruption in 2023, as Jio Cinema offered the most premium content — Indian Premier League — free to users. This negatively impacted subscription revenue growth for peers and the industry at large and led to Disney Plus offering cricket World Cup free for mobile customers.

The OTT market in India is currently battling the dilemma between growth and profitability in a price-sensitive market. 2023 was a year of disruption for cricket content, as Jio Cinema used it to build a large customer base for itself. But expect some serious changes in the OTT landscape in 2024 as platforms now look to chase profitability.

Since the advent of affordable 4G service and video OTT in India in 2017, none of the video streaming platforms have been able to reach break-even point, which



CONTENT COST CORRECTION. Expensive buys like The Archies may be curbed by OTT platforms in 2024

could lead to some structural changes in this market.

ECONOMICS

Content cost correction is the need of the hour, as most big OTT platforms are making hefty losses. According to our assessment, the Indian OTT industry's revenue (excluding YouTube) is \$1.3 billion. However, the content cost alone comes around \$1.5-2 billion, which is approximately 65-70 per cent of the OTT platforms' cost base (other costs include marketing, manpower and technology).

Thus, one can expect some rationalisation in this area as platforms become selective in their approach towards new shows. There will be a sharp decline in experimentation within web series and a more selective approach when it comes to purchasing digital rights of films in 2024, which will help lower losses.

Consolidation is another big change for the OTT industry, with the Zee/Sony merger and potential talks of RIL/Disney coming together. A merger between these entities will provide much needed respite as these four platforms (Jio

Cinema, Sony Liv, Hotstar and Zee5) together command a market share of more than 40 per cent in video advertising (including YouTube). This may shift the bargaining power aggressively in favour of platforms and arrest content costs across various types of content (movies, web series etc).

PRICING

A freemium pricing model is here to stay for video OTT platforms in India, as we don't foresee the scale up of pure play video advertising models given that the digital advertising market is fragmented with presence of search, social and e-commerce giants.

Subscription revenue is a sticky revenue stream which will provide a predictable cash flow for OTT platforms and take care of their content budgets. Given the wide variety of audience in India across multiple languages, a freemium model with a mix of free and pay based content augurs well over the long term. OTT platforms may not be able to raise prices extensively just as yet, and hence will find innovative means like 1) curbs on password sharing, 2) ad-supported content within pay-based video services, to drive better monetisation.

CENSORSHIP

Regulation is an overhang in a diverse market like India. However, don't expect blanket censorship as that will stall the growth of digital consumption. Self regulation will continue to exist going ahead too; however, there could be a potential set up wherein content on OTT is constantly monitored and platforms making content hurting religious or minority sentiments may be penalised with hefty fines.

VIEWERSHIP TRACKING

Video OTT has the best advantage of tracking consumption and viewership trends across markets. Netflix recently started sharing data, providing details of time spent on various shows globally.

Transparency from the OTT platforms will increase, as they start sharing selective data around viewership trends. This could benefit 1) advertisers for better ROI and 2) content creators to predict what kind of content actually does well.

All in all, things are poised well for the Indian OTT market, which seems set for strong growth coupled with profitability.

The writer is Senior VP, Elara Capital, and closely tracks the media and entertainment sector

Peaches and fitness — searching for new insights in the New Year

Here are some unconventional places where marketers can look for new ideas



HARISH BHAT

Welcome to 2024! This is the time when marketers are looking for new trends and insights that can power their brands during the new year. Several consulting and research firms have duly produced reports on the big consumer trends for the year ahead. However, there is a boring sameness to many of these reports. So, even while we scan these, where can we turn to for fresh consumer insights?

Here are some interesting places:

NEW YEAR'S RESOLUTIONS

So many people make resolutions

for the New Year. These resolutions also signal some of their most important needs for the year. For 2024, many surveys have thrown up "improve fitness" as a top resolution for over 40 per cent of all affluent and middle class consumers. This immediately throws us key opportunities for several diverse categories, ranging from food and beverage products to wearables to yoga garments. Similarly, resolutions such as "improve mental health", "make more time for loved ones" and "lose weight" feature in the top 10 resolutions for the year.

Interestingly, something as specific as "prioritise time in nature" is emerging as a key new year's resolution for many people this year. Each of these sharp needs can help marketers think of new products, prioritise existing ones or even develop communication that emotionally vibes with

these areas. For brands which have built their own first-party consumer databases, it may be worthwhile to check out the top new year's resolutions of specific segments of these consumers. This could potentially lead to powerful and targeted marketing campaigns.

PEACH FUZZ

At the start of each year, Pantone, the global company synonymous with colours, sets the mood by announcing the colour of the year. This is based on research carried out by the company. "Peach fuzz" has just been declared as the colour of 2024. This is a velvety gentle peach shade, which, according to Pantone, helps bring a "heartfelt feeling of kindness and tenderness, communicating a message of caring and sharing, community and collaboration". Clearly, in a world



MOVIE MUSE. Brands can draw inspiration from big bang releases like Kalki 2898 AD

that has been torn apart by wars, conflicts and sharp polarisation, the need for deep warmth and cocooned comfort has been a key factor in arriving at this choice. Marketers can leverage this beautiful insight in many interesting ways. For instance, brands can

consider introducing peach fuzz colour options of existing cars, launching brand new peach fuzz inspired garments or bringing back the delicious peach melba flavour of ice creams. In addition, brands can also engage consumers with this mood of warmth through many other touch points such as advertising, retail stores and digital websites.

SPORTS AND ELECTIONS

2024 is a huge year for sports. Apart from the usual much anticipated annual events such as IPL and the tennis grand slam tournaments, the Olympics will be hosted in Paris this year. The ICC T-20 cricket World Cup is scheduled in the US and West Indies. Copa America will be played in Argentina. Between athletics, cricket, football and more, marketers will be presented with a wide choice of how and where to associate their respective

brands with sports. From sponsoring tournaments or individual sportspeople to smart guerilla marketing opportunities, there are many interesting directions that can be considered if marketers are proactive enough.

Quite coincidentally, this is also a big year for elections, with as many as 40 countries, including India, the US and the UK heading to the polls. This combination of sports and elections is likely to have a multiplier effect in generating strong feelings of patriotism and nationalistic pride. Marketers may wish to consider how best to constructively leverage these high emotions.

THE BIG SCREEN

Finally, I would urge marketers to take a look at the most anticipated movie releases of 2024, both in Bollywood and Hollywood. Successful blockbuster movies

tend to spark off consumer trends quite spontaneously, and brands can proactively think of how best to ride the hype. 2024 has a promising line-up here too. From big bang films such as *Kalki 2898 AD* with a cast full of superstars to women-centric films including *Do Patti* and *The Crew*, there is much on offer in Bollywood this year. Similarly, big Hollywood releases are likely to include *Dune: Part Two* and perhaps even the next movie of the *Spider-Man* franchise.

I conclude with a broader point for marketers. It pays to look for market and consumer insights in unconventional places. These should be a necessary supplement to formal market research studies.

Harish Bhat is a marketer, author and poet. He has recently retired as Brand Custodian, Tata Sons. These are his personal views.

FROM THE LABS.

Bye bye plastic!

A biopolymer nanocomposite film synthesised with chitosan, sodium alginate and mushroom that has high mechanical strength and high chemical resistance to different solvents, could be useful for food industries.



Plastic materials are widely used in the food packaging industry

because of their affordability and convenient durability. However, they are non-biodegradable, contributing to the accumulation of solid waste on the Earth's surface. Biopolymer-based polymer material offers a more eco-friendly and biodegradable packaging solution as an alternative to plastic material.

Scientists from the Institute of Advanced Study in Science and Technology (IASST), led by Prof Devasish Chowdhury, have developed a biopolymer xerogel film composed of chitosan, sodium alginate and mushroom. The biopolymer nanocomposite film was synthesised using a green fabrication approach with a solution casting technique. They first synthesised carbon quantum dots, a nanomaterial derived from banana corm, and used it as a cross-linker in biopolymers to tune the properties of biopolymers. In addition, they used mushroom powder and converted it to cellulose nanofibre.

The fabricated xerogel nanocomposite film has high mechanical strength and possesses high chemical resistance to different solvents. The nanocomposite film is also very flexible and printable on the film surface, which widens the scope of its use in packaging materials. The scientists demonstrated that the fabricated nanocomposite film was non-toxic and biodegradable within 55 days of soil burial. "Such innovative, non-toxic, biodegradable and sustainable packaging material can be scaled up to an industrial level and used especially in food packaging," said Prof Chowdhury.

Cooling solution

Traditionally, EV batteries are cooled by circulating a fluid, like water or other liquid coolants, across their surfaces through metal pipes or channels. The area of contact between the coolant and a battery, referred to as the contact area, remains constant. But, as the coolant absorbs heat from each battery



in a battery pack, its own temperature keeps increasing, reducing the amount of heat removed from subsequent batteries. To continue removing the same amount of heat from successive batteries, the contact area must increase too.

To overcome the drawback in conventional cooling of batteries, researchers led by Prof Lalit Kumar, Department of Energy Science and Engineering, at IIT Bombay, have come up with a pioneering method to improve heat transfer.

"Instead of using a one-size-fits-all method for the coolant carrying channels, they suggested a 'variable contact area' method — by adjusting the area where the coolant meets the battery. They propose increasing this 'contact area' along the direction of coolant flow to ensure that the same amount of heat is removed from each battery," says a write-up on IIT Bombay's website. In this design the contact area between the battery and the coolant increases along the flow direction of the coolant, maintaining a uniform temperature across the module.

By computer-simulating various scenarios, where the batteries are put through various charge-discharge cycles, and analysing the results, they noted significant improvements in temperature distribution among the batteries. Their findings indicate a reduction of around 70 per cent in the maximum temperature difference in the different regions within the battery module as compared to conventional methods.

POWERING INDIA

This new nuclear fuel can guarantee India's green energy transition

THE THORIUM BREAKTHROUGH. Invented by a person-of-Indian origin, ANEEL is said to be the next generation nuclear fuel

M Ramesh

An invention by an American company, set up by a person of Indian origin, is making waves in the nuclear establishment of North America. If adopted in India, it can guarantee green energy security for the subcontinent by fast-tracking the use of Thorium in nuclear reactors.

India has the world's largest reserves of Thorium, estimated at 1.07 million tonnes, enough to last over a century. If India uses this Thorium, it can then produce enough green energy and easily turn net-zero by its target date of 2070.

However, Thorium is a fertile material and not a fissile material. This means, it must be paired with Uranium-235 or Plutonium-239 to be used as fuel in a reactor. As neutrons from these fissile materials bombard Thorium, it mutates into Uranium-233, which is also a fissile material. So, to use the Thorium in India, you need sufficient stocks of Uranium-235 (which India has very little of), or Plutonium-239 (which is produced using Uranium-235). So, the question has been, how to use Thorium with minimal use of (precious) Uranium.

This is where the invention of Mehul Shah, Founder and CEO of Clean Core Thorium Energy, comes in. The Chicago-based company has developed (and patented) a fuel, which is a mix of Thorium and Uranium of a certain level of enrichment, called HALEU (High Assay Low Enriched Uranium). Clean Core



PERFECT PAIR. Clean Core's nuclear fuel bundle made from Thorium and HALEU

calls this concoction ANEEL (Advanced Nuclear Energy for Enriched Life) — named so to honour one of India's foremost nuclear scientists, Dr Anil Kakodkar.

GAMECHANGER ANEEL can be used in the existing Pressurized Heavy-Water Reactors (PHWRs), an indigenous reactor system that is the workhorse of India's nuclear fleet. India has 18 PHWR reactors of a total capacity of 4,460 MW and is building ten more of 700 MW each.

If pursued, Clean Core's ANEEL fuel can prove to be a game-changer for India. According to the World Nuclear Association, most of the current reactors run on uranium fuel enriched up to 5 per cent Uranium-235. HALEU is Uranium enriched to more than 5 per cent but less than 20 per cent.

uranium-233. However, ANEEL provides an easier and quicker alternative for the deployment of thorium leveraging imported HALEU.

NUCLEAR WASTE REDUCTION Furthermore, in utilising this fuel, reactor operators can enjoy a dramatic reduction in nuclear waste volume and operating costs.

Another significant advantage is the inherent operating characteristics of the ANEEL fuel bundle — it lasts much longer and burns more efficiently. Its burn-up is 60,000 MW-days per tonne, compared with the 7,000 MW-days per tonne of the conventional natural uranium fuel in PHWRs. This higher burn-up significantly impacts the waste volumes and economics of reactor operations compared with the currently used natural uranium.

For example, in an existing Indian 220 MW PHWR, while using natural uranium fuel, an average of eight bundles would need to be replaced daily for the rest of the reactor's operating life of 60 years. That is about 1,75,000 bundles used over the life of a reactor. With the ANEEL fuel, an average of only one such bundle would need to be replaced daily resulting in about 22,000 bundles used over the lifetime of the reactor. This leads to significant reduction in waste generation and cost savings.

Due to the inherent benefits of using thorium, the spent ANEEL fuel cannot be used for weapons — a source of comfort for foreign uranium suppliers and reactor operators, says Mehul Shah.

With all these benefits, Shah believes that ANEEL-powered



Mehul Shah, Founder & CEO, Clean Core

220 MW Indian PHWR can fill a growing need for clean, baseload energy production, as highlighted by the pledge to triple nuclear capacity by more than 20 countries at the recently held COP28.

Other countries are also showing interest in using ANEEL. "This is the first-of-its-kind nuclear fuel, in that it combines HALEU and thorium in proprietary unique compositions that can drive a global clean energy future," says Dr Sean McDevitt, Director of the Nuclear Engineering and Science Center and professor in the Department of Nuclear Engineering at Texas A&M University.

In April 2023, Canadian Nuclear Laboratories signed a MoU with Clean Core "to further the development and deployment of Clean Core's ANEEL fuel," according to a press release. Under the MoU, CNL would support Clean Core's activities, including R&D and licensing.

We value your feedback. Do send your comments to quantum@thehindu.co.in

WOW. Bringing back the dead

M Ramesh

In Roald Dahl's *William and Mary*, the dead William's brain, optic nerve and the eye are kept 'alive' in solution — the eye can 'see' and the brain can know what the eye is seeing. When he lived, William was a wife-abuser and now Mary took revenge by smoking a cigarette in the eye. The short story opens a scientific question: when is one really dead?

Until the 1960s, a person died when the heart stopped beating, but then came 'Cardiopulmonary resuscitation' — CPR, which means that a still heart was not cessation of life. Now, scientists are taking it much further. Work is on to show that hours after 'death', brain functions can be revived. "Under appropriate conditions, certain molecular and cellular functions in the large mammalian brain may retain

at least partial capacity for restoration after a prolonged post-mortem interval," says a scientific paper on 'Restoration of brain circulation'.

The brain stops functioning minutes after it stops receiving oxygen through blood pumped from the heart. But who is to say that if it starts receiving oxygen again after, say, a few hours, the cells will not come alive? In other words, it is possible to "treat" death. Yale University professor, Stephen Latham, who was part of a research that was able to revive brain functions of dead pigs, using a blood-infusing device that they call OrganEx, has told *MIT Technology Review*, that the line between life and death isn't as clear as we once thought, and "death takes longer than we thought and at least some of the processes can be reversed."

The brain surviving long periods of oxygen deprivation is a big breakthrough, which opens possibilities of reviving dead people with all organs intact — such as those who drowned.



A CLEAR SOLUTION

Can transparent wood replace plastic and glass?

Nabodita Ganguly

Conventionally, wood is used in making furniture, construction and as a source of fire. But now, researchers are exploring the possibility of making wood transparent as an eco-friendly alternative to glass.

Researchers are looking to tune wood's optical, thermal, mechanical and ionic transport properties by chemically and physically modifying its naturally porous structure and chemical composition. "Such modifications can be used to produce sustainable, functional materials for various emerging applications such as automobiles, construction, energy storage and environmental remediation," says a paper titled 'Engineered Wood', published in *Annual Reviews*.

Transparent wood is created when wood from the fast-growing, low-density balsa tree is treated to a room temperature, oxidising bath that bleaches it of nearly all visibility. It is then penetrated with a synthetic polymer called polyvinyl alcohol (PVA), creating a product that is virtually transparent, according to the US Department of Agriculture.

In 1992, German scientist Siegfried Fink developed the initial transparent wood, a creation that researchers have refined further. In simple words, it is made by removing the lignin (a polymer that's found in the cell walls of plants) from wood and replacing it with clear plastic materials.

The advantages of using wood over plastic are numerous. Apart from being abundant and renewable, wood is also an eco-friendly alternative to high-carbon footprint materials.

Despite advancements, the widespread use of natural wood is constrained by its opaque appearance, modest mechanical strength compared with metals like aluminium and steel, and el-



WOOD YOU BELIEVE IT? Removing a polymer from wood called lignin can make it see-through. ISTOCK.COM

evated thermal conductivity when compared to foams and woods, according to researchers.

Adopting transparent wood could also be cost-effective. It offers about five times better thermal efficiency than glass, reducing energy expenses.

FOR A GREEN FUTURE

In recent research, scientists created transparent wood using acrylic derived from natural basswood and examined its resistance to various elements. The research paper "Comprehensive assessment of transparent wood degradation" was published in 2023 by Igor Wachter et al of University of Technology in Bratislava, Slovakia. The transparent wood showed strong resistance to fungi. In fire tests, it ignited later and produced less harmful carbon monoxide than regular wood. The material also experienced changes in colour and transmittance when exposed to UV radiation, with significant changes occurring in the first few hours.

The challenges identified by the researchers include ensuring durability against fire, microorganisms and weathering, along with the need to scale up production and reduce environmental impact. To overcome these challenges, efforts are directed towards exploring stability improvement methods, optimising production processes, and adopting environmentally friendly chemical approaches.

Now, is transparent wood market-ready?

Researchers say not yet. "Government incentives for engineered wood to displace petroleum-based polymers will accelerate market penetration."

However, 'transparent wood' is not problem-free. A study at the University of Maryland highlighted three important challenges.

It says, the first challenge is creating high-performance materials with good product durability and service life. Currently, most modification methods have focused on enhancing the performance of wood. Little research has been conducted on the durability of wood-based materials when exposed to fire, microorganisms, water, or weathering. "This is a crucial factor to consider due to the hydrophilicity and biodegradability of the wood components."

The second challenge is scaling up fabrication and reducing manufacturing and installation costs. One approach to tackle this is the use of high temperature and pressure to facilitate the diffusion of chemicals in the wood microchannels, resulting in a more homogeneous modification. The third challenge the paper mentions is that of reducing environmental pollution. Toward this goal, researchers are investigating the use of green solvents for wood de-lignification such as deep eutectic solvents or organic acid, which lead to much lower environmental impacts.

SONIC BOOM

New light weight anode material for Li-ion battery

IIT-M researches have developed a novel battery using ultrasonic waves by breaking the boron-boron bonds

M Ramesh

The discovery of new, functional materials is all about manipulating the elements to form compounds as needed. This, in turn, often involves breaking the bonds.

Sonochemistry, or using high-frequency sound waves, way above human hearing range, is one of the techniques for breaking the bonds. When high-intensity sound waves slither through a watery medium, they create extremely tiny bubbles that form and collapse rapidly. This process produces extremely high temperatures and pressures.

Sonochemistry is not something new. It has been long known to scientists but seems to be making a come back for newer applications today.

Prof Kothandaraman Ramanujam of the Department of Chemistry, IIT Madras, has synthesised a

new material called 'hydride-stabilised boron nanosheets' (H-BNS) through this technique. There are many applications of this material, but the notable three include its use as — anode material for Li-ion batteries, reducing agent for organic reactions and a medium for storing hydrogen.

Their experiments have been published in a paper in the journal *ChemComm*.

MAKING OF H-BNS

Kothandaraman and his students, Swati and Dr Anand, fired sonic waves into the water that had boron, after which they allowed time for unreacted boron particles to settle down—which were removed by a centrifuge. Then the supernatant solution was centrifuged at much higher speeds and longer to collect the 'hydride-stabilised boron nanosheets'.

What happens is, the sonic waves break the bonds between hy-



ISTOCK.COM

drogen and oxygen in water molecules simultaneously boron-boron bonds freeing boron atoms to form 2D materials. Some of the nascent hydrogen atoms pick up an extra electron from 2D boron sheets and become 'hydrides'. These hydrides go and 'sit' on the boron slabs (or 'borophenes', which are multiple layers of borophene sheets). "Sonochemical helps in breaking 'boron-boron bonds and production of hydrides," explains Kothandaraman. The hydride settles down on the boron

nanosheets, forming H-BNS.

The team measured the thickness of H-BNS using 'atomic force microscopy' and found it to be ~ 20 nm thick. This indicates the formation of borophenes (a one-atom thick, 2-dimensional sheet of boron).

Now, if you 'intercalate' (or insert) lithium into H-BNS, you have yourself a potential anode material for a lithium-ion battery. Boron is lighter than carbon (graphite) and hence these batteries could have higher energy densities if optimised. And, boron is plentifully available in nature. "The potential use of H-BNS for lithium-ion battery applications was successfully demonstrated in half-cell mode," says Kothandaraman.

Furthermore, the use of H-BNS as a reducing agent has also been studied and confirmed. Since H-BNS has hydride, it is a potential hydrogen storage material, useful for fuel cells.

GLOBAL BYTES.

US navy acquires Boeing's uncrewed sub

Boeing has delivered the first Orca extra-large uncrewed undersea vehicle (XLUUV) to the US navy following testing this month. The XLUUV, designated by the navy as 'Orca', is a new class of autonomous submarines that can perform long-duration critical missions to achieve undersea maritime dominance in changing environments and contested waters.

"This is the culmination of more than a decade of pioneering work, developing a long-range, fully autonomous undersea vehicle with a large payload capacity that can operate completely independently of a host vehicle," said Ann Stevens, Boeing Maritime and Intelligence Systems vice president.

MoU for green methanol bunkering

AP Moller-Maersk has announced a memorandum of understanding with Yokohama city and Mitsubishi Gas Chemical for the development of green methanol bunkering infrastructure in Yokohama.

Maersk's 16,000-TEU green methanol-powered container vessels will be delivered from 2024 in a targeted commitment to sustainable initiatives and transition towards a greener future.

Maersk targets net-zero emissions by 2040 throughout its entire business. For shipping, it will equip its 25 container vessels with dual-fuel engines capable of sailing on green methanol. The successful implementation of this initiative relies on the establishment of port bunkering infrastructure for methanol worldwide.

Oneworld joins IATA's CO2 Connect

The International Air Transport Association (IATA) and the oneworld Alliance will work together in carbon dioxide emission calculations, with all 13 oneworld member airlines committing to contribute operational data to IATA's CO2 Connect emissions calculator. This will improve the quality and accuracy of the tool, as the percentage of airline-specific fuel burn data used by the calculator will substantially increase

with the data provided by the following oneworld member airlines: Alaska Airlines, American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Japan Airlines, Malaysia Airlines, Qatar Airways, Qantas, Royal Air Maroc, Royal Jordanian, and SriLankan Airlines.



Berthing a new performance record

India's major ports recorded significant improvement in key operational parameters during April to November 2023, from a year ago

Operation parameter	Performance during current FY (April-November 2023)	Performance during last year (April-November 2022)	Growth
Cargo handled	500.82 million tonnes	475.06 million tonnes	5.42 %
Daily output per ship on berth	18,457 tonnes	17,127 tonnes	7.71 %
Turnaround time	48.46 hours	55.61 hours	6.10 %
Vessels handled	15,285	14,171	7.86 %
Share of idling time on berth	16 %	21 %	23.81 %
Pre-berthing detention of vessels	6.15 hours	15.05 hours	59.14 %

Source: Ministry of ports, shipping and waterways

RE POSTS.

India is expanding its transport infrastructure at a rapid pace. In the last 9 years, there has been a massive expansion of the Highway network with Expressways coming up. The National Highways Network has increased by 60% to 1,45,240 kms. Railways has improved capacity and is bringing new trains such as Vande Bharat. The pace of railway track construction increased more than 3 times from 1,452 km/year to 5,243 km/year. Air travel has expanded and is breaking records. There has been 100% growth in Airports from 74 to 148. Let's sustain this pace of development for a Viksit Bharat @ 2047 Share the ideas that can take India forward and win prizes at: <http://viksitbharat2047.mygov.in>

NITI Aayog
@NITIAYog

New Year. New Experiences. India's most awaited aircraft, our first A350-900, is commencing its Domestic operations from 22nd January 2024. Know more about the sectors our A350 will be flying to.

Air India
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Arrived at the airport with your OWN vehicle before departure? Simply park it in the 'Park and Fly' facility, a convenient and spacious area, prior to your departure.

Chennai (MAA) Airport
@aachnairport

Truck rental rates

Round-trip rentals for 1.8-tonne payload

Truck route	Rentals as on		% change
	Dec 20	Jan 4	
Delhi-Mumbai-Delhi	1,56,000	1,57,000	0.64
Delhi-Nagpur-Delhi	1,42,000	1,42,500	-0.35
Delhi-Kolkata-Delhi	1,50,000	1,51,000	0.66
Delhi-Guwahati-Delhi	1,93,500	1,92,500	-0.52
Delhi-Hyderabad-Delhi	1,77,000	1,77,500	0.28
Delhi-Chennai-Delhi	2,17,500	2,18,000	0.23
Delhi-Bengaluru-Delhi	2,15,000	2,14,000	-0.47
Delhi-Ranchi-Delhi	1,45,500	1,45,000	-0.34
Delhi-Raipur-Delhi	1,45,400	1,45,000	-0.28
Delhi-Kandla-Delhi	1,25,500	1,26,000	0.40
Mumbai-Chennai-Mumbai	1,40,500	1,40,000	-0.36
Ludhiana-Hyderabad-Ludhiana	1,92,800	1,92,000	-0.42
Mumbai-Kolkata-Mumbai	2,07,500	2,07,800	0.14
Chennai-Ahmedabad-Chennai	2,12,000	2,13,000	0.47
Bengaluru-Kolkata-Bengaluru	1,97,000	1,98,000	0.51
Bengaluru-Mumbai-Bengaluru	1,17,000	1,18,000	0.85
Delhi-Thiruvananthapuram-Delhi	2,82,500	2,81,500	-0.36
Guwahati-Mumbai-Guwahati	2,69,000	2,68,500	-0.19
Nagpur-Chennai-Nagpur	1,45,500	1,45,000	-0.34
Kolkata-Guwahati-Kolkata	1,25,000	1,25,600	0.48
Indore-Delhi-Indore	1,32,500	1,32,000	-0.38
Ahmedabad-Indore-Ahmedabad	1,04,000	1,05,000	0.95
Vijayawada-Mumbai-Vijayawada	1,41,000	1,42,000	0.70
Vijayawada-Kolkata-Vijayawada	1,41,500	1,41,000	-0.35

Figures in ₹

Source: Subham Freight Carriers India Pvt Ltd

FLYING PILLBOXES

Ferrying the world's medical supply

BOOSTER DOSE. Airports are revamping to handle steadily increasing international cargo, especially pharma products

Aneesh Phadnis

Given that a whopping 70-plus per cent of exports passing through Hyderabad airport consists of pharma products — formulations, biologics, drug intermediates and bulk drugs — it is no surprise that the airport is pulling out all the stops to handle this specific cargo.

And that includes expansion of temperature-controlled facilities and infusion of technology for added efficiency. GMR-run Hyderabad airport is in advanced talks with vendors to bring in robotic arms, conveyor system, and automated storage and retrieval system (ASRS) for its cargo operations. While a robotic arm will speed up loading and unloading of cargo, ASRS will help cut processing time, boost throughput, and optimise storage space.

Like other airports around the country, Hyderabad airport too is seeing higher growth in international cargo than domestic cargo. "The main driver is the significant 14 per cent year-on-year increase in pharma exports. Additionally, engineering goods and marine commodities have seen 25 per cent growth year-on-year," according to a spokesperson for Hyderabad airport.

DEDICATED PHARMA ZONES

The Hyderabad airport spokesperson says that the cargo terminal will be doubled in size to handle 300,000 tonnes of freight. It would include a dedicated domestic and international courier terminal. A second cargo terminal is being planned with 50,000 tonnes capacity in phase I, expandable to 100,000 tonnes. The additional facilities will increase temperature-controlled storage, which is critical for pharma and perishable goods.

The existing warehouse at Hyderabad airport has a temperature-controlled export zone with dedicated chambers cooled to 2-8 degrees C and 0 to minus-40 degrees C for pharma shipments. After the planned expansion of the terminal, the temperature-controlled area of the warehouse will increase by 66 per cent.

Additionally, the second cargo terminal would have dedicated temperature-controlled zones capable of handling



LENDING A ROBOTIC HAND. GMR-run Hyderabad airport's cargo service plans to introduce an automated storage, retrieval system

15,000-20,000 tonnes of pharma cargo per annum.

Pan-India, pharmaceutical exports rose 8 per cent year-on-year during April-November, driven by vaccine sales and demand recovery in the African market. "We expect the growth trend to continue. In FY2025 we expect pharma exports to register double-digit growth," says Udaya Bhaskar, director general, Pharmaceutical Exports Promotion Council (Pharmexcil).

In Gujarat, a key manufacturing hub for pharmaceuticals, the airport at Ahmedabad is adding a new integrated cargo terminal, capable of handling 200,000 tonnes, alongside a pharma excellence centre.

"We intend to make the integrated cargo terminal up and running during the first quarter of FY2025. The development work, process standardisation, and regu-

latory approval processes are being worked out," an airport spokesperson says. "Pharmaceuticals is one of the key commodities and its contribution to the total volumes is significant," he adds.

EXPORT CARGO GROWTH

Indian airports cumulatively handled 2.18 million tonnes of cargo during April-November 2023, which is 2.3 per cent more compared to a year ago. While international volume rose by 3.8 per cent, growth in domestic cargo tonnage was flat.

To tap the burgeoning international cargo business, foreign airlines are introducing additional flights and increasing their marketing efforts.

Last month Oman Air introduced a freighter service to Bengaluru and Hyderabad. Kenya Airways plans to start a twice weekly freighter service between

Nairobi and Mumbai.

The aircraft will offer 20 tonnes of payload per flight and cater to pharma and perishable goods. The airline plans to gradually increase frequencies to Mumbai and connect more destinations in the country.

Turkish Airlines operates both passenger and cargo flights, and targets growing its India business through new services and products.

At a recent event, the airline's vice president of cargo sales (Middle East and South Asia), S Burak Omeroglu, had stressed, "India is an extremely important market for us."

We value your feedback.
Do send your comments to
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FUEL-EFFICIENT TRANSPORT

AP to harness waterways



FLOWING FREIGHT. Andhra Pradesh aims to develop its waterways for industrial cargo movement. VIJAYA BHASKAR CH

G Naga Sridhar

The combination of an extensive 978-km national waterways and a thriving cement and power plant sector promises to bestow on Andhra Pradesh a unique advantage.

The AP Inland Waterways Authority (APIWA) is taking up a slew of initiatives to ease the movement of cargo for major industries in the state.

According to D Dilip Kumar, Board Chairman, APIWA, the immense potential for logistics development along the state's waterways can be better harnessed through result-oriented projects.

The APIWA has formulated two such major projects for the movement of domestic and export-import cargo from cement and power plants through national waterways.

The modalities for these are being worked out.

Currently a major chunk of this freight is transported through railways.

WATERY SPEEDWAYS

Andhra Pradesh has 57 rivers — small, medium and large — with deltas spread across the length

and breadth of the state, and a 975-km coastline.

This intricate network of waterways serves as an alternative and cheaper mode of transport.

The national waterways in Andhra Pradesh include the Godavari river-Krishna canal system (NW-4) comprising the Godavari (Bhadrachalam-Rajahmundry), Krishna (Wazirabad-Vijayawada), Kakinada canal (Kakinada port-Dowleswaram), Eluru canal (Rajahmundry-Vijayawada), Commamuru canal (Vijayawada-Pedaganjam), and North Buckingham canal (Pedaganjam-Tada); Penna river (NW-79 — Pothireddypalem-Kudithipalem/ Bay of Bengal); and the Tungabhadra river (NW-104 — K Singavaram-Joharapuram).

The connectivity can be further enhanced to link the cluster of cement factories at Muktyala and Jaggaiahpet with Kakinada and Machilipatnam ports through the Krishna river (NW-4) and Bandar canal.

Connectivity for the cement factories and power plants in the Kadapa region will also be augmented.

There is potential for transport of nearly 14 million tonnes per annum cargo (coal, cement, gypsum and bauxite) by linking Krish-

napatnam port with the inland water transport system along the Penna river (NW-79).

Other important projects on the anvil include roll-on, roll-off or RoRo ferry services at Muktyala and Ibrahimpatnam on the Krishna river and Seethanagaram on the Godavari river (NW-4), and water-bound tourism circuits on a host of rivers and other isolated waterbodies.

The feasibility studies for these projects are at an advanced stage.

Andhra Pradesh currently moves about 8 million tonnes per annum cargo through inland water transport.

UNTAPPED POTENTIAL

India has about 14,500 km of navigable waterways, including rivers, canals, backwaters, and creeks.

The country currently moves about 55 million tonnes per annum cargo through inland waterways — a fuel-efficient and environment-friendly mode of transport.

The operations are, however, restricted to a few stretches on the Ganga-Bhagirathi-Hooghly rivers, the Brahmaputra, the Barak river, rivers in Goa, the backwaters in Kerala, inland waters in Mumbai, and the deltaic regions of the Godavari-Krishna rivers.

ON-OFF PATRONAGE

It's a road-vs-RoRo tussle for containers



NO JAMS. Willingdon Island-Bolgatty RoRo service cuts transit time to Vallarpadam container terminal. H VIBHU

V Sajeew Kumar

It was meant to help cargo trailers avoid the congested roads of Kochi and instead sail smoothly to the International Container Transshipment Terminal (ICTT) at Vallarpadam. The roll-on/roll-off or RoRo service connecting Willingdon Island and Bolgatty in 30 minutes was greeted with much enthusiasm when it was launched by the Inland Waterways Authority of India (IWAI) in 2021. Today, however, its attraction seems to be waning, mainly due to reduced cargo load from a sub-dued export demand.

Each of the two RoRo vessels deployed was designed to carry 15 twenty-foot equivalent units (TEUS). Kerala Shipping and Inland Navigation Corporation (KSINC) operates the service under a memorandum of understanding with IWAI.

The twin services had ferried nearly 73,000 TEUS until FY23, but a drop in cargo volumes forced authorities to discontinue the service of one vessel, says Mathew George, Director, IWAI.

IWAI had invested ₹25 crore to procure the two RoRo vessels from Cochin Shipyard, besides constructing the RoRo jetties at Willingdon Island and Bolgatty.

Back then, container-laden trucks had to traverse across Kochi city to reach the Vallarpadam terminal. The shorter and faster RoRo connectivity found itself in demand. However, the subsequent construction of flyovers on the national highway at Kundannur, Vytilla and Palarivattom allowed trailers to bypass crowded roads to reach ICTT rapidly. Many of them shifted back to road movement to avoid the wait for the RoRo vessels at the jetty. The drop in export cargo further reduced the patronage for the RoRo service.

PA Shamseer, All Container Carrier Owners Welfare Association, suggests extending the service to 14 hours instead of 12, to avoid unnecessary waiting. Currently the charges are ₹800 for 20-ft containers and ₹400 for trailers without cargo.

The beginnings of the RoRo service date back to 2011, when it was launched by a private shipping company. After moving nearly 2.5 lakh TEUS, it was discontinued six years later due to legal disputes.

Binu KS, president of Kerala Steamer Agents Association, says the single RoRo vessel makes 16 daily trips. With the right kind of support, the twin services can be restored profitably to move all cargo from, or to southern Kerala and decongest the national highway, he says.

CLEAN FACTS.

On eDNA and mapping wildlife



The Zoological Survey of India will soon be studying, mapping and monitoring wildlife using environmental DNA or eDNA.



In broader terms, eDNA is nuclear or mitochondrial DNA that is released from an organism into the environment. Sources of eDNA include secreted faeces, mucous and gametes; shed skin and hair; and carcasses. eDNA can be detected in cellular or extracellular (dissolved DNA) form.

Studying eDNA may allow for quick and cost-effective collection of data about species distribution and relative abundance. This could help in biodiversity assessments.

The Kolkata-based Zoological Survey of India (ZSI) has reportedly started a pilot project to collect eDNA using air filters and air quality monitoring stations. The project sources filters from air quality monitoring stations which have two filters PM10 and PM2.5 to identify the levels of particulate matter and pollutants in the air. But the filters also capture eDNA data which provide valuable data on local biodiversity.

This can be used by researchers in quantifying wildlife, flora and fauna. eDNA can also help scientists in finding elusive and invasive species in a particular region. It is estimated that India lost \$127.3 billion in the last 60 years due to 10 invasive alien species.

THEY SAID IT.

“We need more solutions to unleash faster. And unleash at a wider scale.”



INGER ANDERSEN Executive Director at the United Nations Environment Programme

Bankers now favour clean energy over fossil fuel

THE GREEN SHIFT. Backed by strong policy support, the drift towards renewables has found new acceleration as India ramps up RE capacity

V Rishi Kumar

India is at a crucial juncture on the climate change pathway when it has to step up its renewable energy capacity while gradually weaning away from its dependency on fossil fuels. With renewable energy deployment costs moderating and renewable power storage getting competitive with coal plants, the transition process could see an acceleration.

This is because recent trends show a clear global tilt towards funding renewable energy (RE). With banks adopting a calibrated approach to lending for fossil fuel plants and focussing on renewables, funding has also begun to shift towards renewable energy projects in India.

Points out Joe Athialy, Executive Director, Centre for Financial Accountability, an independent platform which aims to improve financial ac-

countability in India: “Cost of renewable energy with storage is now comparable and cheaper than new coal plant construction. Besides losing out to renewable energy on per unit cost of electricity, coal power plants will have to be retired within a decade from now. Financial institutions are reluctant to fund coal projects, be it power plant construction or coal mining.”

GREEN PUSH

A recent report by Climate Trends shows that for the second year in a row, 100 per cent of the value of project finance loans in India in 2022 went to renewable energy projects. Solar power was the dominant renewable energy, accounting for six out of eleven deals. Hybrid projects for both solar and wind accounted for 56 per cent of financing.

India has already installed close to 132 GW of renewable energy from its earlier target



CHALLENGES REMAIN. Striking a right balance between climate action and development goals with RE targets is crucial.

of 175 GW and is determined to meet additional power demand from renewables where possible.

Driven by strong policy support and moderate solar module prices, ICRA in its outlook predicts India's installed renewable energy capacity to reach 170 GW by March 2025. The increase is

supported by improved tendering activity in the current fiscal, with over 16 GW projects bid so far and another 17 GW bids underway by Central nodal agencies. The number of RE-based round-the-clock (RTC) projects is expected to rise in upcoming tenders to mitigate intermittency risk associated with re-

newables. Challenges however remain in execution, including delays in land acquisition and transmission connectivity.

Further, the rise in RE capacity over the next six years is estimated to increase the share of large hydro projects in the all-India electricity generation from 23 per cent in FY23 to around 40 per cent in FY30.

BALANCING ACT

At COP28 India pushed for an equitable, inclusive and a realistic approach in shaping and sustaining its development goals and balancing climate action. While there was a commitment to triple the global renewable energy capacity to 11,000 GW by 2030 and double the annual energy efficiency rate, India aims at striking a right balance towards its net zero goals. Given the current energy basket, India may have to rely on coal in the medium term (possibly about 15 to 20

years) as fossil fuels make up 75 per cent of its power supply.

“The shift from fossil fuels to RE is inevitable, but what matters is the speed. A delayed shift will have negative consequences for air quality, climate change and the financial competitiveness of industry, not to mention higher costs for electricity consumers. Renewable is the cheapest source of new electricity and accelerating the shift will mean big savings for the Indian economy,” says Ashish Fernandes, CEO, Climate Risk Horizons.

The financial logic is clearly in favour of renewables. There is no economic case for the construction of new coal plants. That the world has finally agreed on the need to phase out fossil fuels is significant, even if it comes decades too late. But a balance is needed given economic compulsions and the growing demand and supply situation.

Tackling ocean-bound plastic through a supply chain ecosystem

A tech start-up hopes to ensure that plastic waste from all coastal districts in the country is diverted to recyclers

Preeti Mehra

About a fortnight before the new year, Hyderabad-based tech start-up, Recykal, made an eye-catching announcement. It claimed it had managed to collect over 70,000 metric tonnes (mt) of plastic from 207 districts in 19 States across India under its project ‘Samudra Manthan’.

Of these districts, 33 were in coastal areas and 173 were located on the banks of rivers. The company promised that this year it will widen the target to all 66 coastal districts to

divert ocean-bound plastic to recyclers who often depend on imported plastic waste to pump their revenues. Even the 70,000 mt ocean-bound plastic it has collected seems like a herculean task for a start-up. So, how did the Hyderabad-based Recykal achieve this?

“It all starts on land and not in the ocean,” says Chetan Baregar, Founder Member of Recykal. According to him, the strategy is to convince aggregators in coastal areas and close to riverbeds to connect with the company's technology ecosystem.

The platform works like an e-



WASTE TO RESOURCE. After the baling process, plastic waste undergoes the entire circular cycle

commerce supply chain and has a user interface for each of the players — the waste collector, the aggreg-

ator, the recycler and the commercial brand that needs to fulfil its extended producer responsibility mandated by the Central Pollution Control Board. The waste is then allocated to each recycler depending on their needs through AI matching of the supply with the demand. The tech ecosystem is also customised for brands.

“The economics works out,” Baregar says explaining that the SaaS platform helps businesses manage their waste generation and disposal while ensuring all their compliance needs are met. The waste dispatched from the facility reaches the recycler

through SIM-based tracking and GPS integration thereby avoiding theft, spillage or improper disposal.

Recykal is working with several big brands and is doing more than only ocean-bound plastic. It uses the same technology to promote a circular economy in paper, metal, e-waste, tyres and batteries. It also runs a non-profit arm, Anubhuti Welfare Foundation. The aim is to improve livelihoods, better safety practices and working conditions. And while helping this crucial first link in the waste chain, Recykal is slowly establishing a lucrative w-commerce supply chain for a circular economy.

Diagnostics, faster and more precise

BY INVITATION

DR GAUTAM WANKHEDE



CRYSTAL BALL GAZING. Comprehensive remote monitoring has the potential to revolutionise healthcare

In the post-pandemic era, medical diagnostics is seeing growth, fuelled by innovative technologies and increased demand for precise services. And the industry is stepping up its game, focusing on delivering quality, cutting-edge technology.

We've seen the implementation of precision diagnostics and personalised medication, and the future holds great promise, considering the rapid adoption of deep-tech in the healthcare community. Artificial intelligence (AI) and machine learning (ML) have transformed medical diagnostics — as they analyse radiology images and blood smears, pattern recognition and data interpretation, making diagnostics faster and precise without a radiologist or pathologist.

Companion diagnostics — which help identify the most effective treatment for a patient based on individual characteristics — is gaining momentum. And as we get more knowledge about individuals and their genetic makeup, evaluating the effectiveness of a new drug can be achieved solely using a computer model.

Another domain to watch out for is wearable diagnostics powered with AI algorithms. Besides heart rate, ECG and blood sugar levels, these wearables might be able to monitor other biomarkers in future that can predict and prevent catastrophic medical events, enabling people to take control of their health.

We witnessed the power of home testing during Covid-19 and as more data comes in, diseases such as

cancers, heart diseases and other infections can be added to the list. Furthermore, telemedicine and remote monitoring are enabling patients to receive diagnostic consultations and follow-ups from their homes, increasing convenience and reducing the burden on healthcare facilities.

Continuous health data-driven remote monitoring and care pathways are a lasting technological trend. However, for this to become commonplace and readily available, the technology involving potent sensors, miniature chips, high-capacity microprocessors and regulations governing human implants must evolve. The future of healthcare technology will integrate engineering, data science, biology and psychology.

Comprehensive remote monitoring has the potential to alter healthcare and could well be the steam engine moment for health-tech. The diagnostics sector stands on the brink of these transformative changes, driven by technology and evolving healthcare landscapes. The industry's adeptness in harnessing these developments will be crucial in advancing healthcare outcomes and meeting the ever-evolving needs of patients and healthcare professionals.

The writer is Director - Medical Affairs, MyLab Discovery Solutions. Views are personal.

Drugmakers chart a specialised course to navigate choppy waters

SHIFTING GEARS. India's pharma industry is moving from volume to value, investing in quality manufacturing

PT Jyothi Datta

There is a sense of optimism in the domestic pharmaceutical industry, as they roll up their sleeves and take some defining steps to move up the value chain. Charting its course through choppy waters of intense global competition, geo-political bottlenecks and quality concerns, the estimated \$50 billion industry is taking course-changing steps to fortify its place in the pharmaceutical landscape, with a more specialised basket of products, say industry-insiders.

An industry known for its prominent export footprint, is also seeing much activity in the domestic market, says Vikram Venkateswaran, Partner with Deloitte India. And that comes on the back of improved local consumption and economic growth. But exports also are getting a leg-up, as domestic drugmakers shift from generics to value-driven products and even buy brands abroad, to strengthen their presence, he adds.

Mapping some overarching trends, Venkateswaran says, drugmakers are not shying away from making investments, in superior automated life-sciences plants, for example. And the interest in wellness products has shot up, buoyed by those with the purchasing ability. The pharmaceutical industry is projected to gross \$130 billion by 2030.

Other factors fuelling growth include the strategy of international companies to not rely on just a single source for products. On the regulatory front, India being home to the largest number of US Food and Drug Administration-inspected plants, outside of the US, would mean the frequency and depth of the in-



KEY CONCERNS. There is the overhang of cyber security targeting Indian pharma.

spectations would increase, he points out.

Back home, the industry will see traction on manufacturing initiatives, because of the Centre's PLI (Production Linked Incentive) schemes to make active pharmaceutical ingredients, bio-pharmaceuticals etc. Meanwhile, drugmakers are also pushing ahead with initiatives to digitise production plants across operations, he added. As personalised medicines and biosimilar products become a larger part of company portfolios, Venkateswaran expects collaborations to increase between industry and public or research institutions in areas like cell therapy and molecular biology.

'INFLECTION POINT'

Looking through a regulatory lens, the industry is at an “inflection point”, as it makes the shift from delivering in volume to value now, says Anil Matai, Director General, Organisation of

Pharmaceutical Producers of India (OPPI), a platform largely of multinational drug companies. Conversations are centred on investments, sustaining innovation and holding the industry to higher standards of quality, given the cough syrup incidents reported from other countries. And while it takes times for all of this to come to fruition, the industry veteran says, he is “starting to see action”.

Sudarshan Jain, Secretary General with the Indian Pharmaceutical Alliance (IPA), expects 2024 to be “transformative” for the industry, as multiple initiatives to spur quality manufacturing and research, come together. Jain expects a greater focus on developing skills in frontier technologies like Artificial Intelligence and genomics, for example, and points to harnessing the country's demographic advantage and entrepreneurial outlook. (IPA is a platform of large domestic

drugmakers.) But there are some overhangs, and a critical one that Venkateswaran red-flags is cybersecurity. It is a discussion point at board levels, he says. State-sponsored and non-State actors could target Indian drug companies — said to be the second largest target after the US, he says, for reasons including IP (intellectual property). This impacts the revenues of companies, and they need to have measures in place to address them, he adds.

Climbing the innovation stairway brings with it long-standing sticky issues including aspects of IP protection. That becomes important for companies investing in research to transition from making “incremental” developments to “disruptive” innovation, says Matai, adding that domestic drugmakers were also investing in pursuing novel products. The idea is not to elbow out generic drugmakers, but striking a balance to keep affordable alternatives also in the marketplace.

Other challenges that need to be streamlined, he says, include clinical trials — getting greater clarity and certainty on the process, so drugs can be brought into the country in line with international timelines, without a delay. And if Covid-19 saw companies on either side of the IP divide collaborating, Matai says, that will be the way forward in the best interest of the country.

“We are there directionally,” and the critical part is to “walk the talk”, so the regulatory infrastructure is strengthened to cope with changing needs of the bio-pharmaceutical and medical devices industry. “We are at the cusp of transformation, and the important thing is to not take the foot off the pedal,” he says, as the general elections come up this year.

pulse • bl

MY FIVE.

Manish Bhatnagar (Managing Director, SKF India)

Nutrition, hydration & neighbourhood runs

1 Sustainable pace: A marathoner, my workouts rotate between cardio, strength and stability. An hour is dedicated to a dynamic routine including running and occasional biking at a sustainable pace, crucial for marathon success.

2 Consistency: I've followed the same fitness regime for over 20 years, though the intensity has reduced over time.

3 Prioritise: I prioritise training and incorporate runs into my travels, exploring neighbourhoods wherever I go!

4 Recovery: Post-run recovery is a priority — involving rejuvenating cold showers, targeted stretching and crucial 7-8 hours restful sleep.

5 Non-negotiables: Nutrition and hydration. Carb-loading before long runs and replenishing electrolytes during, are integral to sustaining energy levels throughout the day. I consume 2.5-3 litres of liquids daily. (Not alcohol though!)

COMING UP.

Immunisation turns 50

Vaccines are a cornerstone of public health. This year, the Expanded Programme on Immunization (EPI) — an initiative of the World Health Organization (1974) turns 50. It was started to ensure equitable access to vaccines for every child, regardless of geographic location or socio-economic status.

FPIs inject ₹8,772 cr in 1st week of 2024

GOOD START. Of this amount, ₹4,773 crore went into equities and ₹ 3,999 crore into debt securities

KR Srivats
New Delhi

Foreign portfolio investors (FPIs) continued to show increased buying interest in Indian equities and debt, pumping in about ₹8,772 crore (little over a \$1 billion) in the first week of 2024.

Of this ₹8,772 crore, as much as ₹4,773 crore went into equities and ₹3,999 crore into debt securities, data with depositories showed. This came on top of a record \$8 billion injected by FPIs in equities and \$2 billion in debt in December 2023.

The robust FPI inflows in the first week this year has added some weight to market talk that 2024 could be an even better year for FPI inflows than 2023. 2023 saw a complete reversal after record selling of \$17 billion in



ROBUST INFLOWS. The dominance of India-dedicated money in FPI inflows may be a recognition of the country's deep liquid market and its economic potential

2022 and was the highest-ever yearly inflow of \$21 billion, surpassing the 2020 record.

TAILWIND FOR EMS

Meanwhile, a CLSA India note said that falling interest rates and cool-off in the US dollar could be potential tailwinds for emerging markets (EMs) as an asset class in 2024. "This may drive a rise in inflows into

EM funds, some of which should trickle down to the Indian market despite its premium valuation. Valuation (in Indian markets) still remains an overhang. Strong FPI inflows will be necessary to sustain the positive momentum of the Indian markets", CLSA note added.

PREFERRED DESTINATION India has now become the

most-preferred destination for FPIs, which made net inflows for eight months in 2023.

India-dedicated money hit a three-year high in 2023 and dominates the FPI inflows with 75 per cent of the \$21 billion coming through India-dedicated funds, showed a CLSA research note of January 4.

This dominance of India-dedicated money in overall FPI inflows may be a sign of recognition for the country's deep, broad and liquid market over and above its economic potential to attract money on its own, it added.

Vikash Kumar Jain, Strategist, CLSA India, said "We believe equities are pricing in a perfect US soft landing and any disappointment on growth or sticky inflation will hurt stocks. In this consensus soft landing scenario, a bigger share of foreign institutional inflows

(FII) will come from non-India dedicated funds, which should support mega-caps over small-/mid-caps."

V K Vijayakumar, Chief Investment Strategist at Geojit Financial Services, said "Since 2024 is expected to witness further declines in US interest rates, FPIs are likely to increase their purchases in 2024 too, particularly in the early months of 2024 in the run up to the general elections. FPI inflows into debt will also see acceleration in 2024."

FPI inflows can help accelerate the uptrend in the main benchmark indices since bulk of the FPI flows will be into large-caps, he added.

The current year is going to see debt getting more attractive than equities with impending inclusion of sovereign debt in global bond indices like JP Morgan EM Bond Index.

Gift City sees registrations from 26 aircraft leasing companies

Forum Gandhi
New Delhi



IFSC Gift city has seen the registration of 26 aircraft leasing companies in the past three years, with over 129 transactions, officials in the know told *businessline*.

In February 2021, the International Financial Services Centre Authority (IFSCA) issued a framework for aircraft leasing in India. Sources say, since then, 26-odd aircraft leasing companies have set up shop here, and activities are picking up in the sector. "Over the past three months alone, three companies have been given approvals to set up aircraft leasing unit at Gift city," the official said.

Businessline had previously reported that Air India was the first commercial airline from India to establish a presence in the Gift City. This was subsequently followed by In-

diGo. The Adani Group has joined the ranks as well, although it is awaiting formal approval.

Sources said that, so far, "over 129 aviation assets have been leased through Gift city, including 18 aircraft, 55 engines and 56 ground support."

Air India has already leased its first A350 from the Gift city. The company said its A350s will come through the leasing firm AI Fleet Services IFSC Ltd under a financial lease. The estimated project cost is ₹7,253 crore.

IndiGo too established an aircraft leasing venture and said that the company would invest approximately ₹11,500 crore in the IFSC aircraft leasing segment.

CHALLENGES

However, despite the positive momentum, there are challenges to be addressed. Out of the 26 aircraft leasing firms established, only 10 have actually engaged in transactions, revealing existing gaps.

An industry player at IFSC noted the lack of a conducive ecosystem in India and concerns over aircraft repossession norms. The PWC report also mentions the same. "At this juncture, it is vital to develop this business line in the IFSC in India, given the immense demand for aircraft from airlines, high growth in passenger traffic and aircraft leasing's position as the most profitable leg in the aviation supply chain," it noted.

Blackstone-backed Nexus Select Trust eyes R City Mall in Mumbai

Janaki Krishnan
Mumbai

Blackstone-sponsored Nexus Select Trust is understood to be keen to add R City Mall in Mumbai to its REIT portfolio, three sources said.

Talks have been on for some time between the REIT and mall owner Runwal Developers, and sources indicated that it was not certain whether a transaction would emerge from the discussions.

A lot would depend on whether Runwal was willing to sell it. In response to a query from *businessline* over WhatsApp, Managing Director Sandeep Runwal

R City, which has been operational for around 13 years, is spread over 1.2 million sq ft of retail space and is one of the largest malls in the city

replied, "No plans whatsoever to sell R City."

In May, Runwal Developers acquired Singapore's sovereign wealth fund GIC's 50 per cent stake in the mall for ₹1,000 crore, roughly valuing it at around

₹2,000 crore. Runwal's intention in acquiring full ownership of the mall was to grow his company's annuity business and have a dominant share in the city's retail landscape. The developer owns three other malls in the city. R City, which has been operational for around 13 years, is spread over 1.2 million sq ft of retail space and has grown over the years. One of the largest malls in the city, it is the only mall that has an Ikea store on its premises.

STRATEGIC LOCATION

Nexus Select Trust, the country's only mall-focused REIT owns 17 malls across 13 cities and has only one in the Mum-

bai Metropolitan Region - Nexus Seawoods in Navi Mumbai, which it acquired from Larsen & Toubro. It has been scouting for more malls in the financial capital.

R City is strategically located in the busy eastern suburb of Ghatkopar, which has a rich catchment of residences and consumers across a wide spectrum, assuring it of ready footfalls. A metro line already connects it to the western suburbs, while another under-construction metro line passes right over the mall and once operational will provide connectivity to more and distant areas.

Nexus Select Trust declined to comment.

Maldives suspends 3 ministers over 'derogatory remarks' against Modi

Press Trust of India
Male

The Maldivian government on Sunday suspended three ministers who posted "derogatory remarks" against Prime Minister Narendra Modi as it distanced itself from their comments on social media and said these opinions are "personal and do not represent the views of the Government".

The development came after opposition leaders slammed the "appalling language" used by the officials against the Indian leader.

"Government officials who posted derogatory re-

marks about neighbouring India have been suspended," State broadcaster PSM News reported, citing the President's Office.

SWIFT ACTION

The Maldives government has affirmed its commitment to taking swift action against individuals on social media whose conduct undermines international relations, it added.

The *Sun Online* identified the officials who were suspended over the posts as three deputy ministers from the Youth Ministry; Malsha Shareef, Mariyam Shiuna and Abdulla Mahzoom Majid. Earlier on Sunday, the

Maldivian Foreign Ministry said they were aware of the "derogatory remarks on social media platforms against foreign leaders and high-ranking individuals".

"These opinions are personal and do not represent the views of the Government of Maldives," it said in a statement, amidst uneasy relations between the Maldives and India after Mohamed Muizzu assumed charge as the new president in November.

A row erupted on social media last week when a minister and some other leaders in the Maldives used derogatory remarks against Prime Minister Modi after he pos-

ted a video of him on a pristine beach in Lakshadweep.

The Maldivian government said it believes that the freedom of expression should be exercised in a democratic and responsible manner, and in ways that do not spread hatred, and negativity, and hinder close relationships between the Maldives and its international partners.

Amid the row, many prominent personalities like cine stars Salman Khan and Akshay Kumar and cricket icon Sachin Tendulkar on Sunday appealed to people to explore "Indian islands" and coastal destinations.

FMCG players expect low single-digit volume growth in third quarter of FY24

Our Bureau
Mumbai

Fast-Moving Consumer Goods (FMCG) players are expecting low to mid-single-digit domestic volume growth for the quarter that ended on December 31, 2023. The sector saw steady demand from the urban markets and an uptick in rural demand.

"Domestic volumes grew in low single digits on a year-on-year basis with a slight sequential improvement in our core portfolio. Among key inputs, copra and edible oil prices remained at lower levels and crude derivatives also exhibited some downward bias, thereby leading to robust gross margin expansion on a y-o-y basis. A&P



spending was ramped up in line with our strategic intent to continually strengthen the long-term equity of both the core and new franchises. Consequently, we expect low double-digit operating profit growth on the back of a healthy expansion in operating margin, thereby staying on track to deliver on the margin guidance for the full year," FMCG major Marico stated.

Parachute coconut oil registered low single-digit volume growth while Saffola oils had an optically weak quarter owing to a high base and persistently cautious trade sentiment, even while off-takes remained healthy.

Meanwhile, Godrej Consumer Products witnessed broad-based growth across home and personal care with Park Avenue and KamaSutra brands reporting double-digit volume growth. "At a consolidated level (organic), we expect to deliver mid-single digit volume growth, double-digit constant currency sales growth but low single-digit sales decline in rupee terms due to GAUM and LATAM currency and hyperinflation accounting impact. Reported volume

growth is likely at high-single-digit and reported sales growth to be flattish in rupee terms," the company stated.

INTERNATIONAL BIZ

International businesses for FMCG makers delivered mid-single to double-digit growth during the quarter. Marico stated that its international business delivered mid-single-digit constant currency growth amidst transitory macro headwinds in the Bangladesh market, while the other geographies held strong.

Godrej Consumer stated that its Indonesia business continued to deliver double-digit volume growth and high-single-digit constant currency sales growth during the quarter.

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SCAN HERE FOR MORE

Gen AI gives a new lease of life to Chandamama

Launched in Telugu, the small language model can help build solutions for other languages

KV Kurmanath
Hyderabad

Remember the famous Chandamama magazine, which used to publish much loved mythological stories and local folklore? While the magazine is no longer printed, those stories are now getting a GenerativeAI push. As many as 10,000 volunteers, mostly from different engineering colleges, have helped a small team of techies build a repository of stories in Telugu for a Small Language Model (SLM).

While GenerativeAI models such as ChatGPT and Bard were built on Large Language Models (LLMs) and can churn out lengthy output, the SLMs can generate focused and smaller amounts of content. Students from 30 engineering colleges participated in a four-hour hackathon that witnessed uploading of



AI MAKEOVER. Chandamama stories have got a new twist

40,000 pages of stories from Chandamama.

TINY TALES

As it gets the feed (digital text), the SLM model - AI Chandamama Kathalu - has started learning. "For now it is churning out meaningful content, small though. We are planning to release an LLM model in March, which will have the potential to generate lengthy outputs," Kiran Chandra, Founder of Sweenha and a Free Software Movement of India activist,

told *businessline*. Kiran teamed up with Chaitanya (Chief Product Officer and Co-Founder, Ozonetel) and Gaurav Raina (Professor at IIT Madras) to work on the SLM with an aim to build a Language Model for local Indian languages and building an AI solution for short stories.

"To build a story oriented AI language model, we don't need a large language model, which is very resource intensive; a small language model (SLM) should be ad-

equated," he said. The stories are available in PDF form. Now it is all available on the internet for anyone to download and / or improve upon. The old popular stories thus can get a new twist. Says Chandra, "This whole effort reminds me of the effort we put 20 years ago in creating the first Telugu Operating System, creating the font and the glossary."

After getting the data ready, the team fed it into the AI model for training and making it develop its own content. Chaitanya, whose company is also involved in deploying Generative AI for building customer-relationship management solutions, chipped in to make this happen.

Gaurav Raina said that the learnings would help the team to work on developing Generative AI solutions for other Indian languages.