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Tuesday, December 10, 2024

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India targets speed on Brics trade track ▶P1

Sanjay Malhotra to lead next leg of RBI's war on inflation ▶P1


#DIY
@curlytalesdigital / 3.7M
#FOODASMR
Coke STUDIO भारत
10%
increase in consideration
#WHATIEATINADAY
@thepaayaljain / 3.6M
#MINIVLOG
#UPSCMOTIVATION
@Dushyant_kukreja / 46M
#TECHHACKS
Colgate
18%
increase in purchase lift
#SLOWCOOKING
@rajshamani / 4.3M
#DUSKYBEAUTYSTORIES
#BRIDALMAKEUP
@Littleglove / 16.5M
#MODESTFASHION
GIVA
30%
higher store footfall
#MINECRAFTBUILDS
@rjkarishma / 7.7M
#GRWM
#SKINCAREROUTINE
@iamneetubisht / 30M
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18%
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@ShortsBreak_Official / 43M
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Brands, scan for an expert consult

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Think Ahead. Think Growth.

mint primer

Should India pay for academic journal access?

BY SOUMYA GUPTA

Last month, the Union government announced a new "One Nation, One Subscription (ONOS)" scheme to give students and researchers free access to international scientific research. Why is the government paying for this? Shouldn't knowledge be free? *Mint* explains.

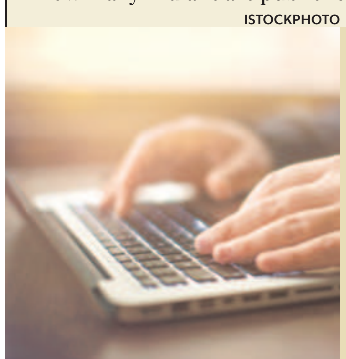
ISTOCKPHOTO

1 What is this initiative all about?

ONOS will allow national access to academic research and journals publishing scientific papers free of charge starting next year. To coordinate free access, India is setting up a central agency, the Information and Library Network, or INFLIBNET, under the University Grants Commission. It will cover more than 6,300 institutions with over 18 million students, the Centre said. All state and central higher education institutions are covered, besides central government R&D labs. India's Anusandhan National Research Foundation, or ANRF, is to manage the scheme, and review how many Indians are published.

2 What can academics access under ONOS?

ONOS will include 13,000 journals from 30 publishers, including top names such as Wiley (publisher of scientific journal *Advanced Materials*), Elsevier (health journal *Lancet*), Springer Nature and AAAS (publisher of academic journal *Science*). These publishers own thousands of journals across niches in scientific research in India and abroad. Individual subscriptions to these journals can cost thousands of dollars; India is spending ₹6,000 crore ($700 million) to make these subscriptions free over the next three years. Academics will be able to access these journals via a single ONOS portal.



3 Why is this a significant initiative?

Most students and researchers cannot afford to pay for subscriptions or even an article on their own. If their institution does not offer access, many resort to what some call piracy, using websites such as Sci-Hub and Z-Library. Now government institutions, including those in tier-II and tier-III cities, need not worry about raising funds for access to scientific knowledge.

4 How have publishers fought piracy in India?

Elsevier, Wiley, and the American Chemical Society sued Sci Hub and LibGen in the Delhi high court in 2020. These platforms host freely accessible versions of published research and are widely used by students, teachers and academics. This case is ongoing. In 2023, a similar case was filed in a Delhi district court by tax law publisher Taxmann India against online platform Z-Library, which has subsequently been blocked in India. Publishers have filed similar copyright cases around the world against such platforms.

5 Shouldn't academic knowledge be free?

Many academics believe publishers unfairly profit from scientific progress while blocking access to new knowledge. Universities benefit from public funding, too. Worldwide, there is a growing "open access" movement demanding academic knowledge be freely available. Its most famous proponent was Aaron Swartz. In 2012, the US authorities sentenced Swartz to jail for "stealing" paywalled research papers from digital academic library JSTOR. The next year, Swartz died by suicide at the age of 26.

QUICK EDIT

Cars in the slow lane

Close on the heels of a surprisingly weak gross domestic product (GDP) growth reading, automobile sales data, seen as a an important indicator of economic activity in India, has spelt another round of disappointment. Retail sales of passenger vehicles in November fell 14% from a year earlier, according to data issued by the Federation of Automobile Dealers Associations on Monday. The bump-up that countless weddings last month were expected to provide doesn't seem to have materialized. This has accentuated concerns over flagging demand even for relatively expensive consumer durables, with weaknesses in lower ticket-price categories a longer-running story. Automobile dealer inventories had risen to as high as 80 days recently. Though it is now down to about 65 days, there's still much stock left to offload. This implies that discounts to lure buyers will likely continue. December anyway sees an increase in price-offs and special gifts as buyers tend to defer year-end purchases to the new year. With input costs rising, several manufacturers have said they will raise prices in January. With sales already in the slow lane, that might dampen prospects of a new-year revival.

QUOTE OF THE DAY

We were lucky to capture the opportunities of the internet 20 years ago. In the future 20 years, AI will bring changes far beyond the imagination, AI will bring on an even greater era.

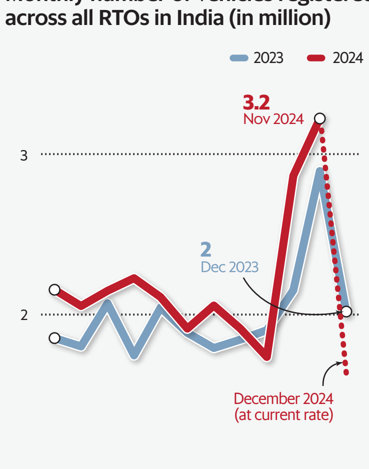
JACK MA
CHINESE BILLIONAIRE

INSIDE

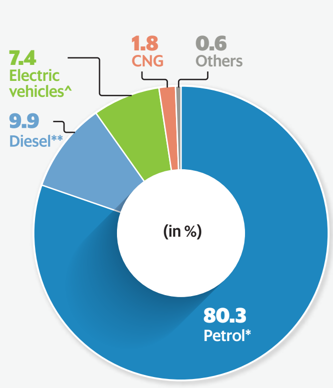
mint Data Bites

2024 IN REVIEW: HOW VEHICLE SALES PERFORMED THIS YEAR

Monthly number of vehicles registered across all RTOs in India (in million)



Share of vehicles registered in 2024, by fuel type



*includes petrol, petrol/CNG, petrol/ethanol, petrol/hybrid,petrol/LPG | **includes diesel, diesel/hybrid, dual diesel/LNG | ^ includes electric (battery-operated vehicles) and pure EV

Top five makers of two-wheelers and four-wheelers in 2024, by sales (in million)

Four-wheelers

Maruti Suzuki	1.34
Hyundai Motor India	0.51
Mahindra & Mahindra	0.44
Tata Motors	0.44
Toyota Kirloskar	0.22

Two-wheelers

Hero MotorCorp	5.26
Honda Motorcycle and Scooters India	4.57
TVS Motor	3.09
Bajaj Auto	2.08
Suzuki Motorcycles India	0.91

Data: Shuja Asrar, design: Sarvesh Kumar Sharma

Source: Vahan dashboard, ministry of road transport and highways

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PLAIN FACTS

AI cos' hunger for data ignites copyright wars

BY SHUJA ASRAR

ANI's case against OpenAI is just the tip of the iceberg. AI companies are hungrier than ever for more and more data as they are racing against time to build competitive models.

A timeline of key cases of legal action by publishers against AI companies

- Plaintiff
- Defendant
- Domain of copyrighted content

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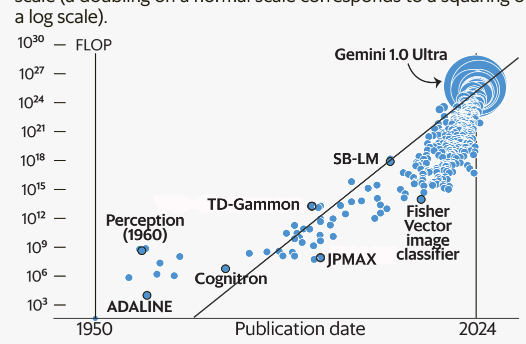
- **Feb 2023** — Getty Images · Stability AI · Images
- **Jul 2023** — Sarah Silverman (actress & comedian), Richard Kadrey (novelist), among others · Meta · Books
- **Sep 2023** — Authors Guild and 17 authors, including John Grisham and George RR Martin · OpenAI, Microsoft · Books
- **Oct 2023** — Concord Music Group · Anthropic · Music
- **Dec 2023** — New York Times · OpenAI, Microsoft · News
- **Feb 2024** — Alternet, Intercept and Raw Story · OpenAI, Microsoft · News
- **Mar 2024** — Authors Abdi Nazemian, Brian Keene, and Stewart O'Nan · Nvidia · Books
- **Jun 2024** — Center for Investigative Reporting · OpenAI, Microsoft · News

AI models' hunger for training data has grown exponentially in the last decade

Training compute* of major AI models launched since the 1950s

Each circle denotes an AI model, and its size denotes its training compute. The x-axis shows the launch date. The y-axis uses a log scale (a doubling on a normal scale corresponds to a squaring on a log scale).

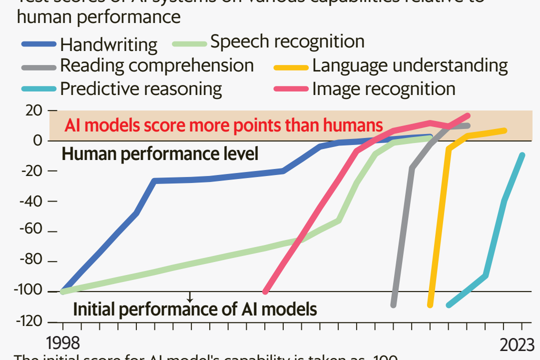


*The total number of FLOPs (floating-point operations) required to train a machine learning model. A higher value signifies a more complex and computationally intensive training process.

Source: Epoch AI

Some AI models are now capable of outperforming humans in basic tasks

Test scores of AI systems on various capabilities relative to human performance



The initial score for AI model's capability is taken as -100.

Source: Kiela, D., Thrush, T., Ethayarajh, K., & Singh, A. (2023) 'Plotting Progress in AI', Contextual AI Blog; processed by Our World in Data

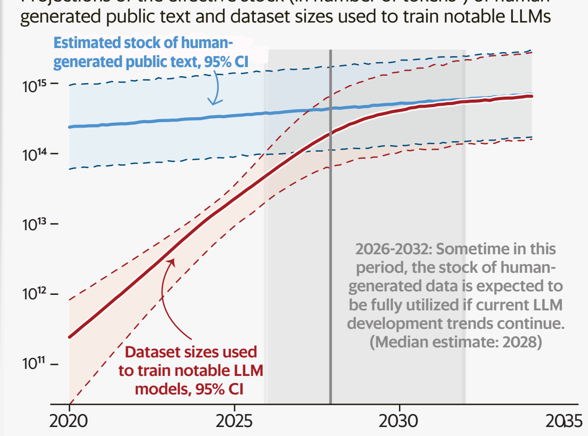
AI companies are inking deals with publishers to avoid legal trouble

Publisher	AI company
rediff.com	Google
shutterstock	Meta, OpenAI, amazon, Apple
yelp	perplexity
Taylor & Francis Group (an informa business)	Microsoft
Le Monde, The Atlantic, AP, Vox, CONDÉ NAST, FINANCIAL TIMES	OpenAI

Source: News reports

AI models could run out of training data as early as 2026, research claims

Projections of the effective stock (in number of tokens*) of human-generated public text and dataset sizes used to train notable LLMs



*A dataset size is defined as the number of tokens in a training dataset: One token usually corresponds to around 0.8 words. CI: confidence interval.

Source: "Will we run out of data? Limits of LLM scaling based on human-generated data" by Pablo Villalobos et al, Epoch AI (2024)

Last month, news agency *ANI* filed a lawsuit against OpenAI alleging that it had used its content to train ChatGPT, its popular chatbot. This is likely the first such case in India, but the lack of clear policies on AI tools' use of public data has sparked similar conflicts globally. At the core of it is AI tools' relentless demand for high-quality data, and the fact that readily available online information could be nearing its limit. Without expanding to more data sources—printed novels, personal files, videos, and news content—the growth of AI chatbots could plateau.

But this pursuit of data is colliding with copyright concerns and the very business models of publishers.

THE STORY SO FAR

In the US, publishers, musicians, and authors have taken legal action against AI firms for using their content to train their models. Last year, Getty Images sued Stability AI, accusing it of using 12 million of its photos for its platform. *The New York Times* moved against OpenAI, claiming that its actions had made it a direct competitor in providing reliable information. Several writers have also initiated lawsuits.

AI companies argue that their language models are built on public data, which they contend is protected under fair use policy.

After being trained on massive datasets, advanced AI models like OpenAI's ChatGPT 4.0 and Google's Gemini 1.0 Ultra have achieved computational efficiency comparable to the human brain. Some models have even outperformed humans in tasks such as reading, writing, predictive reasoning, and image recognition.

To deliver precise, error-free, and human-like outputs, AI systems need vast amounts of human-generated data. The most advanced models are trained on trillions of words of text from the internet. But this pool is finite, raising questions about how these models will sustain their growth as readily available information runs out.

Researchers at Epoch AI estimate the internet holds around 3,100 trillion "tokens" of human-generated data—though only about 10% is of sufficient quality to train AI models. (A token, in this context, is a fundamental text unit, such as a word, used by AI models for learning.) This stock is growing slowly, and as large-language models scale, they could exhaust this supply by 2030, according to an Epoch AI study published earlier this year.

OpenAI, facing a data crunch before ChatGPT's 2022 launch, turned to unconventional methods. According to a *New York Times* report, it built Whisper, a speech recognition tool that transcribed millions of hours of YouTube videos, potentially breaching Google's terms and the rights of content creators. Google itself allegedly did the same, and expanded its privacy policy to allow itself to tap into Google Docs and Sheets to train its bots.

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

THE HUNT

AI firms are scouring every possible source to feed their models. Students' assignments, YouTube videos, podcasts, online files, social media posts—nothing is off limits. The endless pursuit has fuelled fierce competition among AI companies to secure lucrative data deals with publishers. Reddit struck a $60 million annual deal with Google, granting the tech giant real-time access to its data for model training. Top legacy publishers and news agencies have done the same. AI companies are also turning to synthetic data—that created by AI models themselves, which can be reused to generate even more AI data. As per Gartner, synthetic data could surpass human-generated data used for training AI models by 2030.

But synthetic data could come with its own risks. A *Nature* study by Ilia Shumailov and colleagues warned of a "model collapse": when AI models recklessly learn from data generated by other models, the output becomes prone to errors that replicate and amplify over time.

There have also been attempts to improve the algorithmic efficiency of AI models, which will let them get trained on less data for the same output.

The rat race of AI models to outsmart each other—and the human brain—is shaping tech's future. As AI grapples with data scarcity and copyright cases, ethical questions over their data-hungry pursuits are looming large.

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SENSEX 81,508.44 ↓ 200.68 NIFTY 24619.00 ↓ 58.80 DOLLAR ₹84.73 ↑ ₹0.03 EURO ₹89.54 ↓ ₹0.05 OIL $72.43 ↑ $0.82 POUND ₹108.19 ↑ ₹0.12

India targets speed on Brics trade track

Pact in place with Russia, coming next to South Africa, Brazil

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

India's trade with Brics countries may be poised for a take-off as officials work to extend customs-related privileges to trusted merchants from these nations, which would also fetch similar benefits to Indian exporters to those markets, two persons aware of the matter said.

While such a mutual recognition agreement (MRA) is already in place with Russia, the next one will be signed with South Africa, one of the two people said. "This is expected by the end of January 2025. Work has already started to sign a similar deal with Brazil," the person said on the condition of anonymity.

This may be followed by negotiations for a similar pact with China, India's immediate neighbour and biggest trading partner.

Once the agreements are signed, India would speed up customs clearances for so-called authorized economic operators (AEOs) from these countries, reduce inspection levels, allow deferred duty payments and quicker tax refunds for their partners in India who are not covered by India's own AEO programme, and accept self-declaration on the origin of goods. The same benefits will be available to Indian merchants, customs brokers and logistics players involved in trade with the partner country.

Queries emailed to the Central Board of Indirect Taxes and Customs (CBIC), Union finance ministry and the Chinese embassy in New Delhi seeking comments for the story remained unanswered.

Extending customs-related privileges is common in international trade to boost goods movement. The European Union operates an AEO scheme across all its member states. Countries including China, Singa-

TURN TO PAGE 6

TRADE WINDS

SMOOTH SAILING

A DEAL is likely with China as well, India's biggest trade partner

AFTER the pact, India will speed up customs clearances for AEOs

INDIA'S wide MRA network will reduce compliance burden

Malhotra to lead next leg of RBI's war on inflation

Gireesh Chandra Prasad & Shayan Ghosh
NEW DELHI/MUMBAI

The war on inflation has a new general leading the charge, as India's top revenue officer Sanjay Malhotra moves from North Block to Mint Road. On Monday, the Union cabinet's appointments committee named the 1990 batch IAS officer to lead the Reserve Bank of India, a day before governor Shaktikanta Das leaves at the end of six years at its helm.

Malhotra becomes the latest finance ministry official to steer RBI, after outgoing governor Das, as well as previous governors D. Subbarao, Y.V. Reddy and Bimal Jalan. The officials come with a deep understanding of fiscal matters and the pressures on the government, even as they take the reins of India's inflation-targeting central bank.

Malhotra, who currently oversees the Centre's direct and indirect tax administration, will serve for three years beginning Tuesday, the appointments committee comprising Prime Minister Narendra Modi and home minister Amit Shah said. The Rajasthan cadre officer has previously led the department of financial services and worked across power, mining and information technology.

Like Das, Malhotra will have to deal with stubborn food prices that have pushed headline inflation beyond the monetary policy committee's (MPC) flexible target of 2-6%. In October, inflation as measured by the consumer price index was 6.21%, higher than 5.49% in September. The panel now expects retail inflation to sof-

TURN TO PAGE 6

Sanjay Malhotra is the latest FinMin official to lead RBI. PTI

Das's legacy; New faces at MPC >P6 See edit >P12

Blackstone ends bumper year with IGI public offer

Ranjani Raghavan & Sneha Shah
MUMBAI

With more than $3 billion garnered through exits in 2024, Blackstone Inc is looking at one of its most profitable years out of India, according to a *Mint* analysis. Importantly, the PE giant would be sitting on much more in potential future gains, as it holds big chunks in almost all the companies it is selling stakes in.

The latest public offering from the US-based private equity firm, the listing of diamond and jewellery certification firm International Gemmological Institute (IGI), will be its seventh profit booking milestone this year.

The selloffs assume significance as Blackstone is in the process of raising its third Asia fund targeting at least $10 billion, according to news reports. Typically, investors want to see previous fund exits at the time of new fundraising.

IGI will launch its initial public offering (IPO) today to raise ₹4,225 crore. Of this, Blackstone will pocket ₹4,050 crore ($477 million at the

TURN TO PAGE 6

DON'T MISS

HT

Growth in capex by Centre, states, CPSEs may fall in FY25

Capital expenditure by central infrastructure ministries, central public sector enterprises (CPSEs) and state govts is expected to slow in FY25 after rising to a five-year high in FY24 due to reduced spending in the first two quarters, two people familiar with the matter said. >P2

Air India places order to buy 100 more Airbus jets

Tata Sons-owned Air India on Monday said it has placed a firm order for 100 more aircraft with Airbus. The firm order comprises a mix of 90 narrow body A320 family aircraft including A321 , and 10 widebody A350 planes. >P5

Mahindra's undertaking to not use '6E' for EVs gets Delhi HC nod

The Delhi High Court on Monday recorded an undertaking from Mahindra Electric Automobile Ltd, agreeing not to use the "6E" trademark for its upcoming electric car model, the BE 6, during the pendency of a lawsuit filed by InterGlobe Aviation Ltd. >P5

Car sales slide 14% in Nov as inventory pile-up persists

Retail sales of passenger vehicles fell 13.72% year-on-year in November, reflecting subdued post-festive demand and lingering inventory challenges, according to data released by the Federation of Automobile Dealers Associations (FADA) on Monday. >P5

'Centre, state, CPSE capex growth may slow in FY25'

The likelihood has prompted policymakers to address the slowdown in the Union budget.

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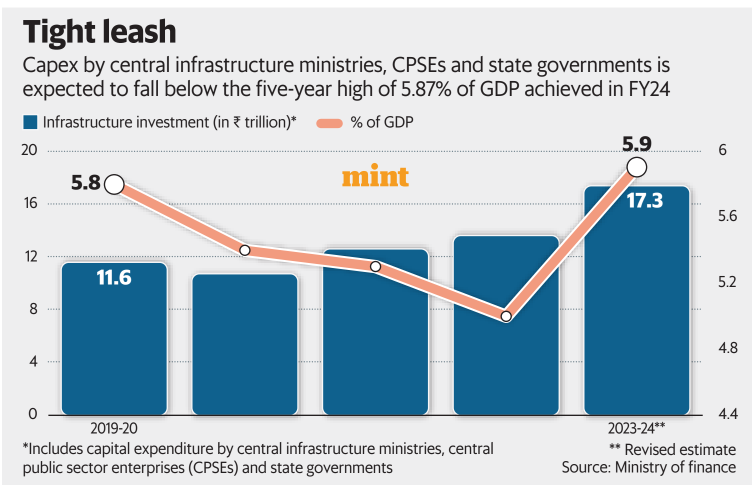


SARVESH KUMAR SHARMA/MINT

Capital expenditure by central infrastructure ministries, central public sector enterprises (CPSEs) and state governments is expected to slow in FY25 after rising to a five-year high of 5.87% of GDP in FY24 due to reduced spending in the first two quarters, two people familiar with the matter said.

The likelihood has prompted policymakers to address the slowdown in the upcoming Union budget.

In FY24, capital expenditure by the Centre, CPSEs, and state governments reached ₹17.35 trillion, or 5.87% of GDP, marking an increase from ₹13.57 trillion, or 5.03% of GDP, in FY23, according to data from the Ministry of Finance.

Capital expenditure had fluctuated in the preceding years. In FY20, it stood at ₹11.57 trillion, or 5.76% of GDP, which decreased to ₹10.70 trillion, or 5.39% of GDP, in FY21. The figure then rose again to ₹12.57 trillion, or 5.33% of GDP, in FY22.

To be sure, the Indian economy was recovering from the pandemic during FY21 and FY22.

Capital expenditure by the Centre, which saw a significant decline in the first half of FY25, is anticipated to improve in the second half, to meet the targeted levels mentioned in the last annual budget, the first person mentioned above said.

₹17.35 tn
Capex by Centre, CPSEs and states in FY24

"While the overall capital expenditure (by the Centre, states and CPSEs) in FY25 is expected to meet the target or reach close, the growth could be lower than the previous fiscal," the first person mentioned above said on the condition of anonymity.

"The Centre will continue its capital expenditure push in the upcoming budget to bolster economic growth, while also encouraging states to follow suit through initiatives such as the 'Special Assistance for Capital Investment' scheme and interest-free loans," the first person mentioned above added.

During FY25, a realistic target for the capital expenditure by central infrastructure ministries, CPSEs and state governments is expected in the ₹18-₹19 trillion range in FY25, both the people mentioned above added.

According to the latest budget documents, the Centre's capital expenditure plans stand at about ₹11.11 trillion during FY25, up from ₹10 trillion in the previous year.

₹13.57 tn
Capex by Centre, CPSEs and states in FY23

The capital expenditure plan for 20 major states stands at about ₹8.5 trillion.

A ministry of finance spokesperson didn't respond to emailed queries.

The GDP for Budget FY2024-25 is estimated at ₹326.37 trillion which is 10.5% over the provisional estimates of FY 2023-24 at ₹295.36 trillion.

India's gross domestic product (GDP) growth slowed to 5.4% in the September quarter, down from 6.7% in the previous quarter, marking the slowest pace in nearly two years due to a downturn in manufacturing, urban consumption and corporate earnings.

In FY24, India recorded a GDP growth of 8.2%, with quarterly growth rates of 8.2% in Q1, 8.1% in Q2, 8.6% in Q3, and 7.8% in Q4.

According to a November report by CareEdge, India's public capital expenditure (capex) saw a notable decline in the first half of FY25, with central Capex shrinking by 15.4% and aggregate state capex falling by 10.5% year-on-year.

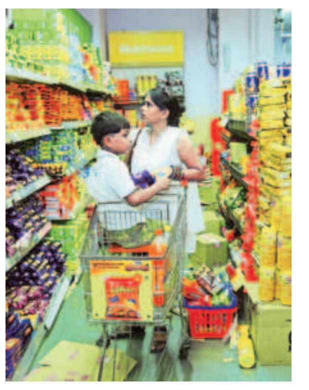
During the April-September period, the Centre achieved only 37% of its budgeted capex target, while 20 major states collectively met just 28%.

The report noted a marginal recovery in public capex in the September quarter, driven by a 10.3% year-on-year growth in central capex.

Meanwhile, state capex continued to contract, falling by 3.8% year-on-year, during the same period.

However, the central government's capex is expected to surge by 25% on-year during October-March, according to a recent report by Jefferies.

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


Weaker urban demand was among reasons for Q2 GDP growth decline. MINT

Q2 growth below expected number: SBI CAPS

Rhik Kundu
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NEW DELHI

The Indian economy faced a sluggish start to FY25, with Q2 GDP growth falling below expectations due to monsoon disruptions, subdued government spending, weaker urban demand and a slowdown in lending, SBI CAPS said in a report on Monday.

But it also highlighted improvements in high-frequency indicators such as auto sales and fuel consumption in October-November 2024, signalling the prospects of a recovery in the second half of the fiscal year.

"The Q2GDP slowdown stems from four key factors: monsoon disruptions hitting industry (industry GVA at a 7-quarter low of 3.6% y-o-y), subdued government spending stalling capex, weakening urban demand curbing consumption, and lending slowdown due to RBI norms," it said.

The report titled *FY25 - A tale of two halves or one of full despair?* however warned that external volatility remains a risk, and is expected to have a major impact in FY26.

SBI CAPS is a wholly-owned banking subsidiary of the State Bank of India (SBI).

"The US President-Elect's comments on tariffs and de-dollarization have sparked debate, but market volatility has remained subdued. However, a few emerging market currencies are already feeling the heat," the report said.

"Even as the US faces risks from imported inflation, and China is ramping up stimulus, market stability is expected to hold for now. We anticipate volatility will pick up once Mr Trump takes office in Jan'25 and his policies begin to unravel," it added.

India's real GDP grew by 5.4% in the September quarter, the slowest in nearly two years, due to a slowdown in manufacturing, urban consumption and low corporate earnings, showed the MoSPI data released last month.

Gross value added (GVA) grew by 5.6% in the September quarter, down from 7.7% in the same period last year.

Coal corridors suggested to meet power demand

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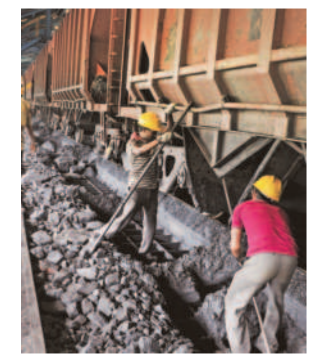
Dedicated coal corridors will ease the fuel's movement. MINT

The standing committee on coal, mines and steel has recommended dedicated coal corridors and real-time tracking systems to bolster coal transportation and address India's growing energy needs.

In its latest report on demands for grants for FY25, the parliamentary panel highlighted how these measures could optimize routes, improve transparency, and enhance the monitoring of coal movement across the supply chain.

The recommendations come as India's coal production hits record highs, following the supply crisis of September-October FY22. Domestic output is expected to surpass 1 billion tonnes for the first time in FY25.

The measures could also facilitate better coal delivery to remote coastal regions, where several power plants are heavily reliant on imported coal.

"The committee notes the significant strides made by the ministry in modernizing coal transportation infrastructure to meet the growing demands of the sector.

"However, certain challenges persist, such as road damage, coal spillage, and logistical inefficiencies, which require targeted interventions to further enhance the system's efficiency and sustainability," the report said. The panel recommended prioritizing rail-based coal corridors to reduce road dependency and cut transportation times.

For regions reliant on road transport, it suggested reinforcing concrete roads with durable surfacing to mitigate wear and tear caused by heavy coal-laden vehicles.

Mechanized loading systems, a cornerstone of the government's coal logistics plan, also came under focus. Known as first-mile connectivity (FMC), these systems aim to streamline coal evacuation and minimize manual intervention.

The government's push for a railway-based logistics model under FMC projects is expected to reduce rail costs by up to 14%, saving an estimated ₹21,000 crore annually. By FY30, the government aims to achieve 90% mechanized coal loading and evacuation.

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

Official monthly jobs data from FY26

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NEW DELHI


The government has signed off the proposal to increase the frequency of Periodic Labour Force Survey. HT

Official data on job creation and unemployment will be available every month, likely from April next year, as the government has signed off a proposal to increase the frequency of the Periodic Labour Force Survey, or PLFS, the statistics ministry's quarterly assessment of the labour market, two officials said.

On 13 August, *Hindustan Times* reported that the Rao Inderjit Singh-headed Union ministry of statistics and programme implementation, as part of a series of reforms, had decided to conduct the PLFS more frequently than it currently does.

Aside from putting out PLFS-based urban-jobs data on a three-monthly basis, the ministry currently also publishes an annual PLFS report that contains data on rural employment-unemployment scenarios.

Lack of official high frequency—or frequently available—data on India's labour market tends to stymy policies and stock-taking of employment generation, analysts say.

The Centre for Monitoring Indian Economy, a private-sector data firm, is currently the only provider of monthly unemployment data. The firm however uses a wholly different statistical model from the one used by the government.

Urban joblessness during July-Sept 2024 stood at 6.4%, compared with 6.6% in the same period last year

"Both urban and rural employment and unemployment data will be available on a monthly basis from most likely around the beginning of the next fiscal year. It will fulfil a widely-felt need of government departments, state-level officials, economists and the industry," one of the officials said.

Joblessness in urban areas during July-Sept 2024 stood at 6.4%, compared to 6.6% in the same period last year, according to the latest PLFS data. According to CMIE data, unemployment rate in Asia's third-largest economy fell to 8% in November 2024 against 8.7% in October.

The methodology recommended by an expert panel for the monthly surveys will largely remain the same as the one used for quarterly surveys, a second official said. These gauge employment based on "current weekly status or CWS".

For job surveys, statisticians pick different reference periods, depending on what they want to assess. A reference period of CWS means the PLFS considers a person employed if he or she had been engaged in any economic activity in the week prior to the survey and is particularly relevant for high-frequency data.

The PLFS annual report on employment and unemployment rates is based on both CWS and usual status (US), which is a reference period of 12 months. Since in a largely informal economy, people tend to do multiple jobs, the US is divided into principal status and subsidiary status.

Principal status considers the major portion a person worked in a year, while subsidiary status considers a person employed even if he or she worked for a far shorter duration.

Govt okays rules for exploring oil and gas deposits in forests

Jayashree Nandi
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NEW DELHI

The Union environment ministry has streamlined the approval process for surveys and exploratory drilling in forest areas to search for oil and gas, according to a letter sent last month to the principal secretaries and additional chief secretaries (forests) of all states and Union territories (UTs).

Hindustan Times reported on 5 August that the ministry's FAC (forest advisory committee) had exempted surveys involving drilling and felling of up to 100 trees for prospecting hydropower and other development projects in forest areas from obtaining prior clearance.

Hindustan Times

The FAC noted that such preliminary drilling is crucial for project design, preparation of a detailed project report and estimating the financial provisions of the proposed development project.

Now, the ministry has issued detailed guidelines and timelines to state governments or Union territories to permit such projects.


The environment ministry has exempted surveys involving felling of up to 100 trees. MINT

It has asked states to authorize the nodal officer dealing with land diversion under *the Van (Sanrakshan Evam Samvardhan) Adhiniyam* "to grant permissions" to proposals of survey and exploratory drilling in a forest area involving drilling of a 25-bore hole of 4-inch diameter per 10sq. km, 80 shot hole of 6.5-inch diameter per sq. km and/or felling of 100 trees in the entire prospecting/survey area.

The divisional forest officer, within a period of one month after receiving of the proposal, shall record his observations and recommendations and directly forward the online application to the nodal officer along with a demand for making the payment of net present value (NPV) and other compensatory levies (to be paid against diversion of forest land), as applicable, it said.

The nodal officer, after receipt and examination of the proposal from the divisional forest officer, within a period of 15 days, shall give permission, through the Parivesh portal along with a demand for making the payment of NPV and other compensatory levies, the letter added.

"We had sought streamlining and relaxation of environmental permits for all minerals. This will help exploration of iron ore, bauxite, coal and all other critical minerals. For oil and gas, the streamlining is being done through an amendment which separates the oil and gas sector from the mining sector completely," said an industry body member who declined to be quoted.

MINT SHORTS

PM Modi launches insurance awareness scheme for women

Panipat (Haryana): Prime Minister Narendra Modi inaugurated the Bima Sakhi Yojana, an initiative of the Life Insurance Corp. of India to empower women through financial literacy and insurance awareness. "The Bima Sakhi Yojana will not only provide employment but also enhance women's role in financial inclusion," Modi said. DHIRENDRA KUMAR


PTI

Rabi crop sowing up by 1.5%, but oilseed area shows decline

New Delhi: The sowing of rabi crops, including wheat, pulses, oilseeds, and coarse cereals, is progressing steadily across the country, supported by abundant soil moisture from surplus monsoon rainfall and favourable market prices. But there is a decline in the sowing area of oilseeds, despite the government's target to achieve self-sufficiency in edible oils by 2030, through various initiatives. DHIRENDRA KUMAR

MFI disbursals drop 10% in Q2 as credit quality takes a hit

Mumbai: Disbursements by microfinance institutions dropped by more than 10% in July-September compared with the year-ago period as the industry started witnessing stress on asset quality. The proportion of loan amounts unpaid for 31-180 days more than doubled to 4.4% as of 30 September as against 2% in the year-ago period, data shared by Microfinance Industry Network (MFIN) on Monday showed. PTI


MINT

India, Aus review pact for economic cooperation


@DOC_GOI/X

New Delhi: India and Australia conducted a detailed review of their Comprehensive Economic Cooperation Agreement during a three-day meeting held from 4 to 6 December, the ministry of commerce and industry stated on Monday. The countries evaluated critical areas under the pact, including trade in goods and services, mobility, and agri-tech cooperation, it added. RHIK KUNDU

Centre moves to discourage import of Chinese solar cells


MINT

New Delhi: The Centre on Monday moved to curb imports of Chinese solar cells, stating only specific models from approved manufacturers can be supplied to government-backed projects from 1 June 2026. The Union ministry of new and renewable energy attributed its decision to the increase in domestic capacity to make solar cells. RITURAJ BARUAH

PSB loan write-off in the first half of FY25 at ₹42,000 crore

New Delhi: Public sector banks have written off loans worth ₹42,000 crore in the first six months of the current fiscal, Parliament was informed on Monday. Among others, State Bank of India wrote off loans worth ₹8,312 crore, and Punjab National Bank, ₹8,061 crore. PTI

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PE investors to win big in Sai Life Sciences' IPO

TPG Asia, HBM stand to make gains of 4x to 13x at upper end of price band

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BENGALURU

Sai Life Sciences investors such as TPG Asia and HBM Private Equity India are expected to make windfall gains in the company's ₹3,000-crore initial public offering (IPO) that opens for subscription on Wednesday, according to a *Mint* analysis.

The IPO consists of a fresh issue of shares worth ₹950 crore and an offer for sale (OFS) of 38.1 million shares with a face value of ₹1 each, bringing the total issue size to ₹2,940-3,043 crore. The company plans to use 75% of the IPO proceeds to repay or prepay in full or part certain outstanding borrowings, and the remaining for general corporate purposes.

The company has fixed the price band at ₹522 to ₹549 per equity share. At the upper end of this range, Sai Life Sciences will have a market capitalization of ₹11,419 crore. TPG Asia and HBM Private Equity India will sell about 29.3 million shares combined under the OFS component. With an average acquisition price of ₹127.27 and ₹42.71, respectively, they stand to make gains of 4x to 13x at the upper end of the price band.

The OFS also includes the sale of 6.4 million shares by promoter group Sai Quest Syn Pvt. Ltd (average acquisition price: ₹10.11). Other shareholders who will sell shares include Bharathi Srivari (₹1), Raju Penmasta (₹0.82), Jagdish Viswanath Dore (₹127.30), Rajagopal Srirama Tatta (₹6.78) and Dirk Walter Sartor (₹10.40)

The company has appointed Kotak Mahindra Capital, IIFL Capital Services, Jefferies India and Morgan Stanley India to help with the IPO. Its shares are expected to list on the BSE and National Stock Exchange on 18 December.

In 2018, TPG Capital invested around $135 million in Sai Life Sciences for a 43.4% stake. HBM Private Equity India had a 6% stake, while the balance was held by the founder family and promoter group. Earlier this year, American private equity major Bain Capital was the frontrunner to acquire a majority stake in the company while TPG and other investors were looking to make a complete exit, according to a report by *Moneycontrol*.

Founded in January 1999, Hyderabad-based Sai Life Sciences Ltd collaborates with leading pharmaceutical and biotechnology companies, offering services in drug discovery, development, and the manufacturing of small-molecule new chemical entities (NCEs).

As a contract research, development and manufacturing organization (CRDMO), the company uses its expertise to address critical challenges in healthcare. It works with global pharmaceutical and biotech innovators, and has more than 170 pharmaceutical products in its portfolio, including 38 products for manufacturing 28 commercial drugs.

Sai Life Sciences reported revenue from operations of ₹1,465.1 crore in FY24, up from ₹1,217.1 crore a year earlier. Profit rose to ₹83 crore from ₹9 crore over the same period. In the six months to September, it reported revenue of ₹675.2 crore against ₹642.3 crore in the same period last year.

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

Sai Life Sciences' IPO consists of a fresh issue of shares worth ₹950 cr and an OFS of 38.1 mn shares with a face value of ₹1 each, bringing the total issue size to about₹3,000 cr.

THE IPO GAME

SAI Life Sciences has fixed the price band for its IPO at ₹522 to ₹549 per equity share

AT the upper end of this range, the company will have a market capitalization of ₹11,419 crore

TPG Asia and HBM Private Equity India will sell 29.3 million shares under the OFS component

Global investors see India as key mkt: report

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BENGALURU

Global investors are increasingly seeing attractive opportunities for private equity (PE) investments in India followed by Japan and South Korea within Asia Pacific private markets, according to an analysis by investment firm Coller Capital.

Nearly two-thirds, or 68%, of respondents see an improving risk to reward balance in India, followed by the other Asia Pacific markets, the report said. The limited partners in these regions have shown the strongest appetite for secondaries with about 42% planning to boost allocations ahead of other developed nations like Europe (38%) and North America (13%). The survey has a sample size of 107 private capital investors from around the world and they oversee a combined value of $1.9 trillion in assets under management (AUM).

"I think India is a very interesting market when it comes to private investments. The country has been getting a lot of attention from global as well as domestic investors who have expressed intent to increase presence," William Yea, investment principal at Coller Capital, told *Mint*.

"Additionally, the public markets are also able to offer great exit opportunities for a lot of these managers which contrasts with the other Asian markets that do not have the same vigour currently," he said, adding that India, unlike other markets, has shown a strong rebound and an ability to offer liquidity to companies at an earlier stage.

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

	S&P BSE Sensex		Nifty 50		Nifty 500		Nifty Next 50		Nifty 100		S&P BSE Mid-cap		S&P BSE Small Cap	
	CLOSE	PERCENT CHANGE	CLOSE	PERCENT CHANGE	CLOSE	PERCENT CHANGE	CLOSE	PERCENT CHANGE	CLOSE	PERCENT CHANGE	CLOSE	PERCENT CHANGE	CLOSE	PERCENT CHANGE
	81,508.46	-0.25	24,619.00	-0.24	23,292.00	-0.09	72,708.10	-0.45	25,594.20	-0.27	47,821.82	0.32	57,313.61	0.46
	PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN	PREVIOUS CLOSE	OPEN
	81,709.12	81,602.58	24,677.80	24,633.90	23,312.10	23,289.40	73,040.40	72,894.50	25,663.90	25,622.75	47,669.72	47,738.75	57,050.71	57,250.66
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
	81,783.28	81,411.55	24,705.00	24,580.05	23,351.90	23,243.30	73,001.40	72,538.60	25,687.65	25,556.05	47,888.43	47,658.13	57,405.83	57,124.38

Godrej adds to FMCG gloom

Pallavi Pengonda
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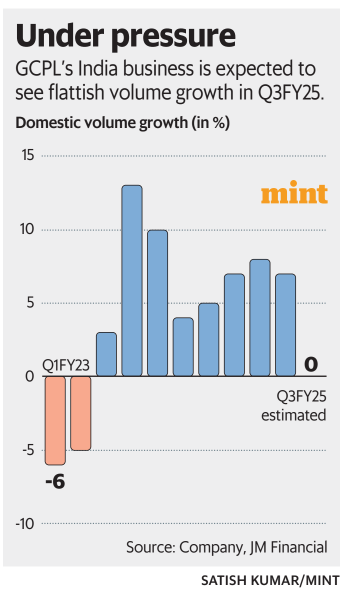
Shares of Godrej Consumer Products Ltd's (GCPL) plummeted over 8% on Monday after it warned of weaker margin and volumes in the three months to December (Q3FY25). After market hours on Friday, GCPL said its India business is expected to report flattish volume growth this quarter. For perspective, in the first half of FY25, GCPL's domestic volumes grew 7-8%.

Q3 volume growth is expected to be impacted by a poor show in the soaps and home insecticides (HI) segments. Soaps form a third of India business and the 20-30% on-year rise in palm oil and derivatives prices has hurt. To offset surging costs, GCPL hiked prices, lowered the grammage of key packs, and reduced trade schemes. This reduced inventory across wholesale and household pantry. Further, a delayed winter in north India and a cyclone in the south have not been conducive to growth in the HI segment, which makes up a third of India business.



SATISH KUMAR/MINT

The inflationary environment is putting pressure on margins. Standalone Ebitda margin is expected to be below the normal range of 24-27%. Notably, the margin in the base quarter of Q3FY24 was high at about 30%, helped partly by favorable commodity prices.

But investors should not lose sleep over margins. "GCPL's raw material basket saw steep inflation in FY21/22 with sharp uptick in both palm oil as well as crude. As a result, we had seen standalone/consolidated gross margin compression of about 700-800bps over FY19-23," said a JM Financial Institutional Securities report dated 8 December. "Once the inflation cycle reversed, it recouped the majority of the losses in FY24 (standalone/consolidated gross margin expansion of about 600-700 bps). Currently, palm oil is inflationary while crude prices have been stable to benign," it added. What also helps this time is that GCPL's international business margins are in a better shape.


Shares of GCPL plummeted over 8% on Monday. MINT

Indonesia is likely to deliver mid-single digit volume growth in Q3. The GAUM (Godrej Africa, USA, and Middle East) organic business is expected to see volumes drop.

GCPL's update prompted analysts to cut their earnings estimates. Nomura Global Markets Research cut its FY25-27 forecast for earnings per share by about 8%. It reduced the premium assigned earlier to GCPL's India and international EV/Ebitda multiples to 39x and 35x (from 41x and 37x) to arrive at a sum-of-the-parts-based revised target price of ₹1,450 (₹1,550 earlier), implying a target price-to-earnings multiple of 53x.

TROUBLE IN THE BASKET

Q3 volume growth is expected to be impacted by a poor show in soaps and home insecticides

GCPL's commentary adds to the already subdued sentiment on the sector's demand conditions

GCPL's stock is down 27% from its 52-week high of ₹1,541.85 on 11 September. Needless to say, a recovery in soaps, especially in the light of elevated competition from Hindustan Unilever Ltd (HUL), and the growth trajectory of the HI category are key.

GCPL's commentary adds to the already subdued sentiment on the sector's demand conditions. Shares of other FMCG companies, including HUL, also fell on Monday. "The release from GCPL will likely raise concerns on the industry as a whole, given mixed signals on demand pick-up," said Jefferies India's analysts. "Of course, GCPL's management has attributed the pain points to specific issues in both categories, some of which would also impact peers. In addition, recent analyst meetings (HUL, Colgate) have not provided confidence in a recovery, at least as yet," they added in a report on 9 December.

Vodafone Plc's stake sale may ease Indus's chronic pain

Ashish Agrawal
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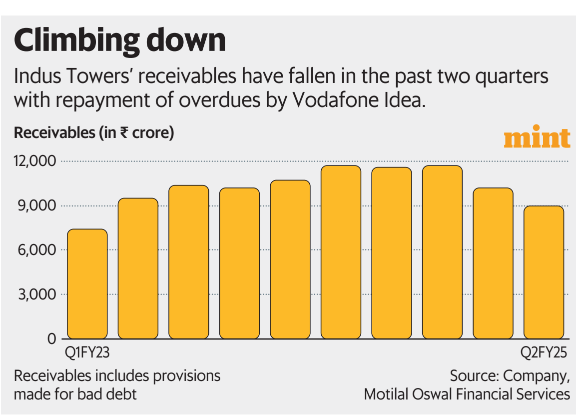
Indus Towers Ltd is set to get some relief from Vodafone Plc's announcement that it will sell its stake of 3% in the company. Out of the estimated proceeds worth ₹2,800 crore, an amount of ₹1,900 crore would be used to repay Vodafone Idea Ltd's (Vi) past dues to Indus, which stood at ₹3,500 crore in September.

The development can boost Indus's FY25 free cash flow (FCF) to ₹6,200 crore, said IIFL Securities Ltd, adding that the firm has a payout policy of 100% of FCF, implying a potential dividend of ₹3,600 crore for the rest of FY25.

Indus owned and operated nearly 230,000 towers at September end, with an average tenancy ratio of 1.65. Vi accounts for 32% of Indus's tenancy but had been facing cashflow issues until a few quarters ago, leading to a pile-up of dues. The reduction in past dues could also help Vi in its efforts to raise debt for its expansion plan, which, in turn, also means a better growth outlook for Indus.

Much depends on Vi's debt raising which should become easier with the company's announcement that it is raising ₹1,980 crore through issue of fresh shares. IIFL's December 2025 target price for Indus is ₹445 that assumes successful debt raising by Vi. But if Vi's debt raising fails to materialize and it is forced to cut its capex programme, IIFL's target price will fall to ₹380, said the analysts in a 5 December report.



SATISH KUMAR/MINT

After rallying about 80% so far in 2024, Indus's shares now trade at about ₹362 apiece. Investors have been excited about the improving FCF outlook. Note that Indus completed ₹2,600 crore share buyback in the September quarter (Q2FY25). According to *Bloomberg* data, the stock trades at an enterprise value of 6.7x its FY26 estimated Ebitda, which seems pricey. Vi's debt-raise would be an important cue for investors.

The company has seen a moderation in its average revenue per tower (ARPT) in Q2. It dropped 5% year-on-year. While the total number of towers rose 12%, the number of tenants increased at a lower rate of 7%, implying lower revenue from newer towers, although projected to increase going forward.

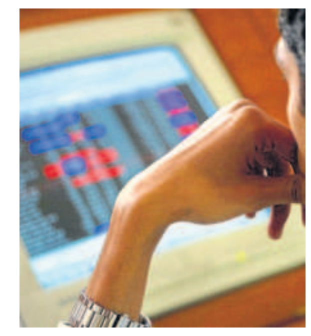
"We expect our loading revenues to be gradually supplemented by a demand for new sites once a certain penetration level is achieved to aid the network decongestion," the management said in its Q2 earnings call. JPMorgan projects ARPT to grow 5% on-year in FY26 after falling 3.6% in FY25.

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

Pre-policy Nifty option volatility may face scrutiny

Ram Sahgal & Neha Joshi
MUMBAI

The advent of single-expiry index options last week introduced a fresh layer of volatility to the Nifty, which witnessed dramatic price swings a day ahead of the Reserve Bank of India's biannual policy announcement on 6 December. The unusual gyrations likely caught the attention of regulators, including the Securities and Exchange Board of India (Sebi) and stock exchanges, according to derivatives analysts.


Traders appeared to double down on Nifty contracts, analysts noted. AP

Traders, previously focused on the now-discontinued weekly Bank Nifty options, appeared to double down on Nifty contracts, driving the volatility, analysts noted.

"With multiple index option expiries behind us, it looks like traders specialised in trading weekly Bank Nifty option contracts shifted to the Nifty on Thursday, before the RBI meeting, causing option prices to swing wildly," said Rajesh Palviya, senior vice president and head of technicals & derivatives at Axis Securities.

Index options trading surged to 823.4 mn last Thursday versus 538 mn on 4 June after BJP fell short of majority alone

Palviya believes that regulators will closely monitor whether this was a one-off event or indicative of a pattern.

Data from the NSE shows the number of index options contracts traded last Thursday soared to 823.4 million compared with 538 million on 4 June, the day after Lok Sabha election results showed the BJP falling short of a majority.

While the market had tanked 1,379 points to 21,884.5 on 4 June, it subsequently rallied 20% to a fresh high of 26,277.35 by 27 September.

On 5 December, a day before RBI held policy rates steady, the Nifty swung 562 points between an intraday high of 24,857.75 and a low of 24,295.55 before closing at 24,467.45, just 10 points above its previous close. Despite the smart intraday recovery, option prices fluctuated wildly.

A social media post by a Sebi-registered research analyst encapsulated the volatility. The Nifty 24,600 strike put option expiring on 5 December surged from ₹5 to ₹267 in nine minutes through 2:58 pm as the index fell from its high. By 3:15 pm, as the market rebounded, the same contract had dropped to just ₹0.05.

"The huge volatility would have come on the regulatory radar, given its recent directives aimed at curbing retail frenzy in options trading. A possible increase in margins for in-the-money strikes can't be ruled out," said the derivatives research head at a large broking outfit on the condition of anonymity. An in-the-money call option is one where the strike price is below the current market price (CMP), while an in-the-money put option has a strike price above the CMP.

A Sebi official didn't respond to a request for comment.

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Former Swiggy CTO launches stock-trading platform Sahi

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MUMBAI

Dale Vaz, a former chief technology officer (CTO) of e-commerce company Swiggy, launched a stock trading platform Sahi on 10 December, after raising $7 million in its seed funding round last year.

"A lot of people, especially from the younger generation, share a passion for making their money work for them. However, publicly available data shows that individual traders are currently losing money," Vaz told *Mint*.

A recent Securities and Exchange Board of India (Sebi) study revealed that over 1 crore F&O traders lost ₹1.81 trillion during FY22-FY24, with 91% losing money in FY24.

Vaz, along with Manish Jain, former vice-president of Kotak Securities, have raised funds from several investors including Accel and Elevation Capital to build Sahi. The company aims to empower such active investors and traders with access to professional-grade tools.

"It's about combining sophistication with simplicity, allowing people to access these products that helps them truly understand their actions, make informed decisions, and improve their trading or investment strategies," he added.


Dale Vaz and Manish Jain (R), cofounders of Sahi.

Both co-founders, Vaz and Jain, have experience as retail traders in the stock market, with Vaz actively trading to this day.

Sahi's mobile trading terminal offers AI-driven market insights, in-house charting and execution tools, integrated market scanners, and a customizable interface. The mobile app is now available for download on the Apple's App Store and Google Play Store.

Sahi has acquired registration with NSE and BSE, and has also secured the depository licence from CDSL

Vaz joined Swiggy in 2018 as the head of engineering and data science, and stepped into the role of group CTO in early 2020. He oversaw the technology operations for Swiggy Food, Swiggy Instamart, Dineout, SuprDaily, Swiggy Genie, Minis, Meat, and the alcohol delivery service. "At Swiggy, we were obsessed with ensuring every order was delivered on time, and we're bringing that same level of focus and dedication to Sahi," said Vaz.

Sahi has acquired registration with NSE, BSE and has also secured the depository licence from Central Depository Services Ltd to operate as a Sebi-registered broker, said Vaz.

The platform will compete with Zerodha and Groww. According to the latest data collated by Motilal Oswal, the market share of Groww stood at 25.1%, while Zerodha's slipped to 17.1% in July.

"Most brokers have created one blanket solution which works for everyone, but they've not handcrafted it for a particular user cohort or user segment. We are trying to do that," Jain told *Mint*.

The duo is using the funds raised to enhance product features, leveraging AI and analytics to simplify market insights, ensure platform stability and fast execution, and offer personalized experience, Jain said.

Why Raamdeo Agrawal is betting on Asian Paints

Satish John & Dipti Sharma
MUMBAI

There is one company that market veteran Raamdeo Agrawal sorely misses not investing in at the right time: Asian Paints Ltd. "It is really iconic. I missed it three times. I am watching it from the 1980s and I have still not made a single penny out of it. But this time, I think I am going to make money."

Agrawal is banking on the "bruised blue chips" theory—or investing in quality, large companies when they go through a lean patch. "Nothing comes to my mind which is that bruised a blue chip besides Asian Paints," he said, referring to a near 30% year-to-date decline in the shares of Asian Paints as consumption growth eased.

The chairman and cofounder of Motilal Oswal Financial Services sat down with *Mint* at his office in Mumbai's Prabhadevi to discuss the 2024 wealth-creation study.

Citing how his earlier strategy differed from that of his late friend Rakesh Jhunjhunwala's, he said, "I always wanted to buy blue chips in good shape, so I used to pay full price."

But the beauty of buying a bruised blue chip is that the downside is limited, while the upside is unlimited, he said. It all depends on a bit of luck and brilliance in choosing the right stock, Agrawal said.

Edited excerpts:

When most market mavens are touting blue chips as a safety net, your wealth creation report is titled, 'Creating Wealth Through Bruised Blue Chips'. What is your key to profiting from these blue chips?

For our analysis, we've defined blue chips as the top 50 NIFTY companies or those with an average return on equity (ROE) of over 20% for the past 10 years. This is a stringent criterion. Essentially, companies that meet both size and profitability benchmarks qualify as blue chips.

From a pool of the top 250 companies, we identified 107 that meet these criteria, showcasing stability and a competitive edge. But no blue-chip company is immune to challenges. Every company experiences rough patches—what we call "bruising times". These bruises can stem from internal issues, external factors, or overall market downturns. During such periods, stock prices can drop significantly—sometimes by 50%, 60%, or even 70%.

INTERVIEW

This creates an opportunity for asymmetric payoffs. If a ₹100 stock drops to ₹50 and eventually recovers to its original price, it doubles in value. Over two years, that equates to a 40% annualized return; over three years, it's around 25%. If the stock falls by 75% (to ₹25) and recovers, it can triple.

While there is no exact formula, the trick is to buy when the stock is near its point of maximum pessimism. Since these are blue chips, they are unlikely to die, ensuring your money remains relatively safe.

The downside risk is minimal, but the potential for an asymmetric upside is huge.

The report mentions that financials are both the biggest wealth destroyer and the largest wealth creator. This is intriguing since financials are being viewed as a major theme for 2025.

What you're asking about relates to the last five years. During that period, ICICI and several other large banks generated substantial wealth. At the same time, there were banks that faced significant challenges—some even collapsed. For example, two or three banks lost a considerable amount of money, with losses reaching ₹60,000-70,000 crore. So, within the banking sector, you had both major wealth creators and notable wealth destroyers. This kind of dynamic is always a possibility.

You very early on identified Hero MotoCorp as a blue-chip opportunity. In today's market, do you see similar return potential in any of the newly listed or IPO-bound companies?

In the '90s, markets were very young, small, and quite cheap. Institutional investors were few, mutual funds were practically non-existent, and investing was largely an individual pursuit. This made the markets reasonably priced and filled with opportunities.

The beauty of buying a bruised blue chip is that the downside is limited, while the upside is unlimited
Raamdeo Agrawal
Chairman & cofounder, Motilal Oswal

Markets now are much more developed, with complex and liquid entities like insurance companies adding layers of efficiency. The deep undervaluation seen in the mid-'90s is rare to find today. Back then, it was possible to identify iconic leadership companies with high ROEs of 25-30% at very attractive valuations—for example, companies valued at just ₹1,000 crore with profits exceeding ₹100 crore.

Such opportunities are much harder to come by in today's market, which is far more competitive and efficient. Markets are not that easy.

You have said earlier that foreign investors can pivot to China or Korea, and if they reenter India there would be a hefty premium to that--perhaps when Nifty is at maybe 30,000. What would prompt FIIs to come back to India at such elevated levels?

I believe if corporate earnings grow by 15-20%, foreign investors will return to India. There's no doubt they will eventually come back. As global allocations to India decrease and the market rises, they will need to allocate more to India, especially since we represent only about 3.5% of global market cap. Their allocations might still be around 1-2%, so there's room for more investment.

However, I am worried that so much money is currently flowing into the US...

At some point, the tide will shift, and foreign investors will want to come back. By then, domestic investors will already be active.

Foreign investors often prefer to buy when domestic investors are selling... Once both domestic and foreign investors want to buy, promoters will likely start selling, which will drive prices higher.

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Cox & Kings readies for revival

Wilson & Hughes, its new owner, will infuse ₹1,000 crore to rebuild the company as a digital-first travel agency

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Ramalingam Subramanian, president, Wilson & Hughes India and Cox & Kings.

Wilson & Hughes India Pvt. Ltd plans to invest as much as ₹1,000 crore in Cox & Kings over three years to resurrect the liquidated and repurchased travel company as a digital-first entity catering to post-pandemic leisure and corporate travel needs, a top executive said.

"The funds will primarily be used for developing the technology part of the business, investing in skilled human capital, marketing and partnerships," Ramalingam Subramanian, president of Wilson and Hughes India and Cox & Kings, told *Mint* in an exclusive interaction.

The travel agency's brand portfolio will be enhanced, its services expanded, and market presence strengthened with physical stores.

The Singapore-based private equity firm acquired the 260-year-old travel company and about 200 sub-brands through the insolvency process in November 2024.

Cox & Kings is expected to begin functioning in three to six months. It has already started soft operations.

Cox & Kings halted its services in 2019 due to financial difficulties. Wilson & Hughes confirmed that the acquisition is free from any of Cox & Kings' past liabilities and is unrelated to its previous management. Subramanian did not disclose the amount spent on the acquisition.

This is Wilson & Hughes' first investment in the travel sector, he said.

In the past, the PE firm has invested in sectors such as fast-moving consumer goods, and cement.

As earlier, the revived Cox & Kings will focus on leisure and business travel. In its previous avatar, the company had franchised 20-25% of its work to mom-and-pop travel stores.

This is also something that Wilson & Hughes will explore.

"Our intent is to reduce the effort going into planning holidays, which includes not just long-haul but short-haul travel too," Subramanian said. "The opportunity for leisure travel is quite extensive now. India has changed in terms of travel since the pandemic, and a lot of travellers are focused heavily on it now. Luxury group travel like Arctic expeditions and small-group around-the-world trips is also a new category we're seeing emerge out of Indian travellers. So that's something we will also be setting our sights on."

Before Cox & Kings shut down, its mainstay came from planning leisure holidays, which accounted for 70% of its business.

Outbound travel to Europe from India was one of the hottest-selling itineraries. Inbound to India too, especially from the US and the UK, was strong and another big part of the company's business.

"When the NRIs would want to travel to India, Cox & Kings was the usual choice," he said.

Subramanian said corporate and business travel has also changed considerably in the past five years.

"As we are re-entering the business, corporate travel also needs more tech enablement. That's where we see a strong play as well. MSMEs (micro, small and medium enterprises) and SMEs, which aren't getting the cost advantage, also need solutions which can be used. That's also where we see some opportunity," he said.

About 70% of the business earlier came from Indians living in the country and the rest from overseas. In FY17, Cox & Kings had gross revenue of about ₹7,200 crore. It went into bankruptcy court in 2019 after it defaulted on payments of loans close to ₹5,500 crore.

According to data from the World Travel and Tourism Council, tourism in India was expected to have contributed ₹16.5 trillion to the economy in 2023, which is 3.5% lower than in 2019.

BACK FROM THE DEAD

COX & Kings may start functioning in three to six months. It has already started soft operations.

AS earlier, the primary focus of the revived Cox & Kings will be on leisure and business travel.

Car sales slide 14% in Nov as inventory pile-up persists

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The entry-level segment is grappling with competition from used cars. MINT

Retail sales of passenger vehicles fell 13.72% year-on-year in November, reflecting subdued post-festive demand and lingering inventory challenges, according to data released by the Federation of Automobile Dealers Associations (FADA) on Monday.

Passenger vehicle registrations dropped to 3,21,943 units in November, from 4,83,159 units in October, marking a steep 33% decline month-on-month as well.

Overall retail sales of vehicles across categories rose more than 11% to 32,08,719 units in November, from 28,85,317 units a year ago, lifted by a near 16% increase in two-wheeler sales, FADA said in a statement.

A rush of festivals in October and Diwali, an auspicious occasion for high-value purchases, falling on 1 November meant that consumers advanced their purchases, pulling the auto sales figures down for the month. A strong wedding season, which begins soon after the festivals, also failed to bring much cheer to the car retailers. While rural demand offered support, it wasn't enough to offset sluggish sales in urban markets.

"Inventory levels have come down by around 10 days since October, but they remain uncomfortably high at 65 to 68 days," C.S. Vigneshwar, president, FADA, said in the statement.

"The industry started October with over 85 days of inventory. Though there's been some reduction, many dealers still carry 40 to 50 days of stock. OEMs (original equipment manufacturers) need to cut dispatches more aggressively," he added.

Manufacturers have been trimming dispatches to align supplies with demand, but the adjustment has been insufficient. The inventory pain has also spread to the SUV segment, which accounts for one in every two passenger vehicles sold in India.

The entry-level segment, meanwhile, is grappling with competition from a surprising source—used cars. Vigneshwar said robust four-year-old used vehicles in excellent condition are pulling customers away from smaller, budget-friendly new cars. Rising vehicle prices, which have surged by nearly 40% since 2020, have further dampened demand for entry-level car models.

Overall retail sales of vehicles across categories rose more than 11% y-o-y in Nov, lifted by a 16% rise in two-wheeler sales

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HC accepts Mahindra's undertaking to not use '6E' for EVs

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The Delhi High Court on Monday recorded an undertaking from Mahindra Electric Automobile Ltd, agreeing not to use the "6E" trademark for its upcoming electric car model, the BE 6, during the pendency of a trademark infringement lawsuit filed by InterGlobe Aviation Ltd, the operator of India's largest airline IndiGo.

Mahindra committed to rebranding the model from BE 6E to BE 6 but signalled its intent to contest IndiGo's claims in court. In turn, IndiGo informed the court it would not pursue an interim injunction against the automaker.

After accepting the undertaking, the court disposed of IndiGo's plea for interim relief, issued summons to Mahindra, and scheduled the matter for April 2025.

The lawsuit, filed on 4 December, asserts that IndiGo's "6E" trademark is not merely a call sign but a cornerstone of its branding. Representing passenger-focused services such as 6E Prime, 6E Flex, and premium add-ons like lounge access and extra baggage allowances, the airline argues that '6E' is integral to its identity and protected under trademark law. IndiGo has sought an injunction to prevent Mahindra from using the designation.

"Any unauthorized use of the '6E' mark, whether standalone or in any form, constitutes an infringement of IndiGo's rights, reputation, and goodwill," the airline said. "We will take all necessary steps to protect our intellectual property."

IndiGo had registered the trademark '6E Link' in 2015 under multiple classes, including Class 9 for advertising, Class 35 for promotional services, Class 39 for transport, and Class 16 for printed advertising materials.

Mahindra had secured approval from the trademark registrar on 25 November 2023, to register "BE 6E" under Class 12, which encompasses motor vehicles and related components.

In a 7 December statement, Mahindra announced the rebranding while affirming its determination to challenge the lawsuit. The company emphasized that its "BE" mark, registered under Class 12 for motor vehicles, was part of its broader "Born Electric" platform.

Mahindra agreed to rebrand the model from BE 6E to BE 6 but signalled its intent to contest IndiGo's claims in court

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In 2023, Air India placed an order for 470 aircraft with Boeing and Airbus worth $70 billion.

Air India places order to buy 100 more Airbus jets

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Tata Sons-owned Air India on Monday said it has placed a firm order for 100 more aircraft with Airbus. The firm order comprises a mix of 90 narrow body A320 family aircraft including A321, and 10 widebody A350 planes.

With the latest order, Air India's total order book now stands at 570 aircraft, which has overshadowed IndiGo's previous order of 500 aircraft. Industry experts said the new deliveries are expected to commence after 2027.

The company did not reveal the financial details of the order.

In 2023, Air India placed an order for 470 aircraft with Boeing and Airbus worth $70 billion, which consisted of a good mix of both narrow and wide body aircraft. Air India's order book with Airbus now stands at 350 aircraft, up from 250. Its order is expected to boost not only its international long-haul plans but also its domestic coverage.

In a statement, N. Chandrasekaran, chairman, Tata Sons and Air India, said, "We see a clear case for Air India to expand its future fleet beyond the firm orders of the 470 aircraft placed last year. These additional 100 Airbus aircraft will help to position Air India on the path to greater growth and contribute to our mission of building Air India into a world-class airline that connects India to every corner of the world."

Experts believe that a resurgent Air India could give its rivals a tough competition.

"Air India's firm order of 100 more aircraft with Airbus has signalled its aggressive intent to take the battle for the skies to its rivals. The airline's point to point vision for Vihaan.AI is clear and hence the long-haul market is key for Air India's international dominance. The enhanced A350 order may be just what AI needed," Sanjay Lazar, chief executive of Avialaz Consultants, said.

Air India group is in the middle of its five-year transformation journey called Vihaan.AI. As per the plan, unveiled after Tata Sons acquired it in January 2022, the group is in its third phase or 'the climb phase', which commenced in April 2024 and will end in March 2027. The group is confident about the passenger demand next year, and believes that 2025 will be a year in which the airline will put all pieces together that it worked on in the last two years.

The airline is in the third phase of its transformation journey which commenced in April 2024 and end in March 2027

Gentari to sell green power to AM Green Ammonia

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Renewable energy major Gentari, through its subsidiary Gentari Renewables India Castor One Pvt. Ltd, will supply 650 MW of round-the-clock green power to AM Green Ammonia India Pvt. Ltd (AMG Ammonia) under a power purchase agreement.

In a joint statement on Monday, the companies announced that the deal would provide carbon-free energy to AMG Ammonia's upcoming green ammonia facilities. To meet the demand, Gentari plans to establish approximately 2,400 MWp (megawatt peak) of renewable energy capacity, comprising solar and wind projects, integrated with 350 MW/2,100 MWh of energy storage. The projects will be executed across Andhra Pradesh and Karnataka.

"The solar project will be constructed at a single location and the wind projects will be spread across multiple locations connected through the ISTS network," said Navjit Gill, country head for India, Gentari.

"This will be a one-of-its-kind project, integrating with energy storage to supply firm and dispatchable green energy to AMG Ammonia's facilities. With our aligned vision and extensive expertise, we aim to drive rapid progress in expanding India's renewable energy capacity and fostering sustainable growth in the green electron-to-molecule chain," Gill added.

The deal is tailored to meet AMG Ammonia's green ammonia plant needs, ensuring uninterrupted energy supply throughout the year.

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NEW GOVERNOR-SPEAK


Sanjay Malhotra

We are here not only for revenue, but also for the economy...if in the process of garnering revenue, we are hurting industry and the economy, that is not the intent.
December 2024

Revenue comes in only when there is some income, so we have to be very cautious so that we do not in the process, as they say, kill the golden goose.
December 2024

While the Centre will endeavour to rationalise GST rates, we are mindful that states are equal partners, if not more. Our effort will be to bring about a consensus.
July 2024

On GST, our effort has been to simplify the law. Similarly, the review of GST rates are aimed at making life simpler for the taxpayers and the common man.
July 2024

The growing emphasis on green energy, energy transition and electric vehicles because of climate change... there is going to be good capex in years to come.
July 2024

Das wraps up RBI tenure

Much of Das's tenure was marked by actions that earned him acclaim, but challenges arose in his second term

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Shaktikanta Das will step down as the 25th governor of Reserve Bank of India (RBI) on Tuesday, at a time when the war on inflation is ongoing and economic growth has taken a sudden slow turn.

Union ministers Nirmala Sitharaman (finance) and Piyush Goyal (commerce and industry) had called for rate cuts after GDP growth slowed to 5.4% in the July-September quarter. But Das stuck to the RBI's inflation targeting mandate and held the repo rate steady on 6 December following his last meeting with the central bank's monetary policy committee (MPC).

Das, one of RBI's longest-serving governors, took charge in 2019 following his predecessor Urijit Patel's sudden departure.

One of his first actions was to set up a committee to review RBI's economic capital framework. Following the recommendations of the committee, the RBI has been transferring its surplus to the Centre each year.

Das, who joined from the department of economic affairs, played a crucial role in handling the economic impact from the covid-19 pandemic. Under his leadership, the MPC cut policy rates to a historic low of 4% and infused liquidity into the system.

The MPC gears to focus on inflation after the Ukraine war erupted in 2022. For at least a year thereafter, RBI hiked rates by 250 basis points, which brought inflation down from 7.8% to 4.25%. However, food and fuel price shocks kept inflation above MPC's medium term target of 4%, forcing it to pause for nearly 11 policies.

The extended status quo hit home when the second quarter GDP growth came in at a seven-quarter low. Das had chosen to ignore the warnings of the two former MPC members who had repeatedly said that extended period of pause could hurt growth.

Das earned the government's appreciation for his deft handling of the banking system. He also "smelled the crisis" in the unsecured loan portfolio early. Many applaud him for measures to improve compliance and governance.

While much of Das's tenure was marked by actions that earned him acclaim, challenges arose in his second term. For instance, RBI had to write to the Centre in 2022 explaining why the inflation target was missed. Before that, he had sought an exemption from this rule.

Then, RBI's draft regulations on infrastructure project financing and its handling of non-bank lenders didn't go down well.

"Tight monetary policy, arbitrary regulations may have affected credit delivery," said Abheek Barua, former economist, HDFC Bank. "While Das managed to get core inflation down, his fretting over food inflation is seen as a misstep. He could have pushed for an easier policy regime given the credibility he had built for himself."

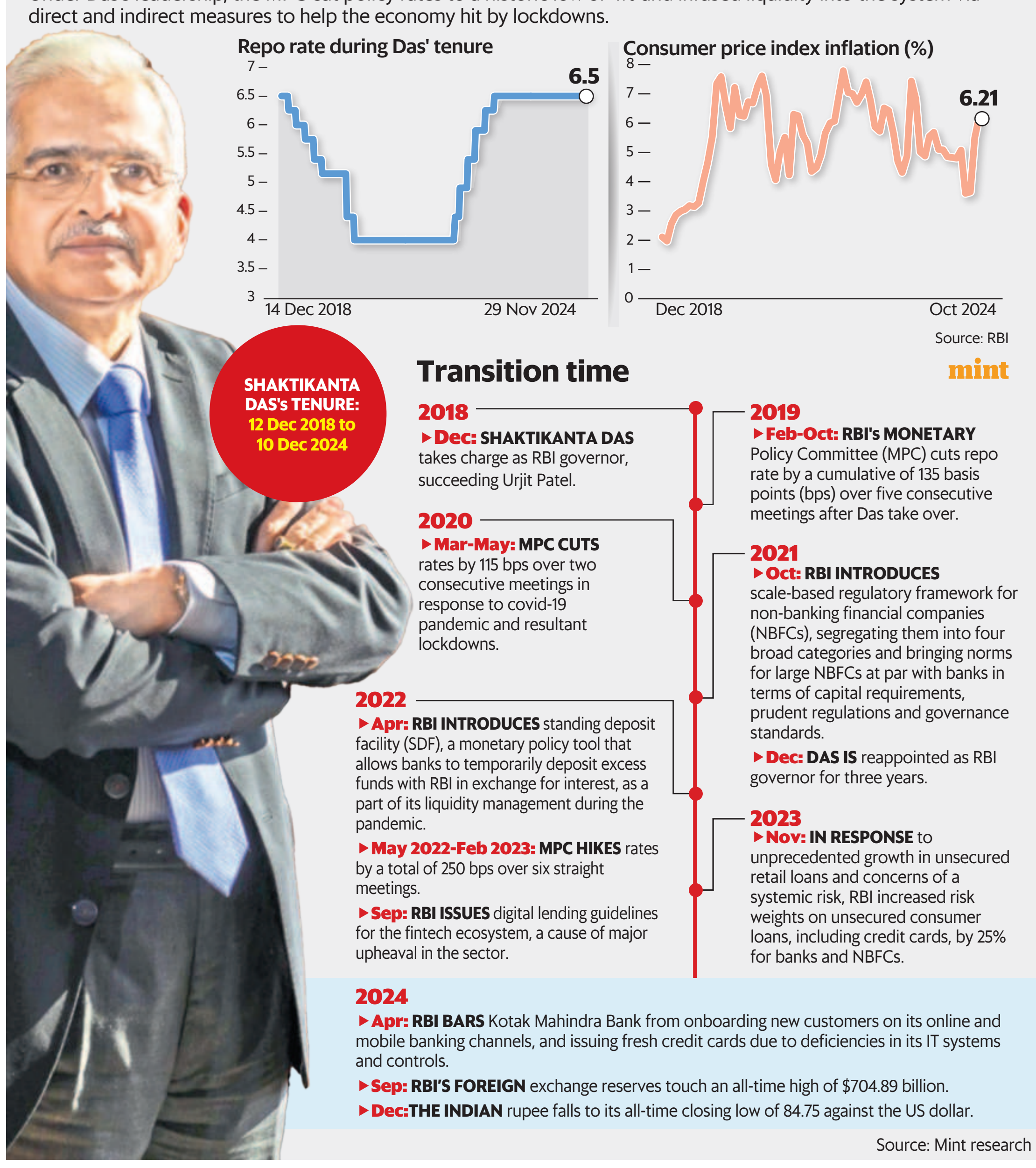
Rakesh Mohan, former deputy governor of RBI, said that Das restored a harmonious relationship between RBI and the government after more than a decade, and also kept the credibility of RBI intact by not coming under pressure to cut rates.

"That said, RBI's forex reserve management could have been more flexible and taken signals from the market. RBI needs to keep an eye on real exchange rate and do it in such a way that it remains competitive. But it has been far too stable at the nominal level," Mohan said.

Mint Road will surely miss his inspirational quotes on Gandhi, animal analogies and his penchant for cricket.

Leadership legacy

Under Das's leadership, the MPC cut policy rates to a historic low of 4% and infused liquidity into the system via direct and indirect measures to help the economy hit by lockdowns.



Source: RBI

Transition time

2018
▸**Dec: SHAKTIKANTA DAS** takes charge as RBI governor, succeeding Urjit Patel.

2019
▸**Feb-Oct: RBI's MONETARY** Policy Committee (MPC) cuts repo rate by a cumulative of 135 basis points (bps) over five consecutive meetings after Das take over.

2020
▸**Mar-May: MPC CUTS** rates by 115 bps over two consecutive meetings in response to covid-19 pandemic and resultant lockdowns.

2021
▸**Oct: RBI INTRODUCES** scale-based regulatory framework for non-banking financial companies (NBFCs), segregating them into four broad categories and bringing norms for large NBFCs at par with banks in terms of capital requirements, prudent regulations and governance standards.
▸**Dec: DAS IS** reappointed as RBI governor for three years.

2022
▸**Apr: RBI INTRODUCES** standing deposit facility (SDF), a monetary policy tool that allows banks to temporarily deposit excess funds with RBI in exchange for interest, as a part of its liquidity management during the pandemic.
▸**May 2022-Feb 2023: MPC HIKES** rates by a total of 250 bps over six straight meetings.
▸**Sep: RBI ISSUES** digital lending guidelines for the fintech ecosystem, a cause of major upheaval in the sector.

2023
▸**Nov: IN RESPONSE** to unprecedented growth in unsecured retail loans and concerns of a systemic risk, RBI increased risk weights on unsecured consumer loans, including credit cards, by 25% for banks and NBFCs.

2024
▸**Apr: RBI BARS** Kotak Mahindra Bank from onboarding new customers on its online and mobile banking channels, and issuing fresh credit cards due to deficiencies in its IT systems and controls.
▸**Sep: RBI'S FOREIGN** exchange reserves touch an all-time high of $704.89 billion.
▸**Dec: THE INDIAN** rupee falls to its all-time closing low of 84.75 against the US dollar.

Source: Mint research


A report quoting economists said they expected a 25 basis point cut in the repo rate at Malhotra's first MPC meeting in Feb. REUTERS

Malhotra to lead next leg of RBI's war on inflation

FROM PAGE 1

ten to 4% only by the September quarter of FY26. Meanwhile, the rupee trades near all-time lows, amid strong demand for the dollar and portfolio outflows.

At his final policy statement on Friday, Das said RBI's anti-inflationary policy stance has been a crucial factor in bringing about a significant disinflation. "Going forward, as food price shocks wane, headline inflation is likely to ease and realign with the target as per our projections," he said, adding that at present, it is necessary to wait for and monitor incoming data for confirmation of the decline in inflation.

A *Reuters* report quoting economists at Capital Economics said they expected a 25 basis point cut in India's repo rate at Malhotra's first MPC meeting in February, compared to April under Das's leadership.

The external environment remains challenging. US President-elect Donald Trump has promised heavy tariffs on Chinese goods and a loose fiscal policy. In a recent interview with the Financial Times, Das said "protectionism and tariffs", as well as "geo-economic fragmentation", supply chain bottlenecks and surging commodity prices due to conflict are the "biggest potential challenges" for India.

Malhotra's appointment comes just months after the government appointed 3 new members to MPC

Malhotra's appointment comes just months after the Centre named three new members to MPC. With new external members, a new governor, and a new deputy governor who is yet to be named—present deputy governor Michael Patra is expected to retire in January—the committee's February meeting will be keenly watched.

The six-member MPC has three external candidates with four-year terms. In October, the government appointed Ram Singh, director, Delhi School of Economics, University of Delhi; Saugata Bhattacharya, former economist, Axis Bank; and Nagesh Kumar, director and chief executive, Institute for Studies in Industrial Development, New Delhi to the committee. The internal members include RBI executive director Rajiv Ranjan and Patra, apart from the governor.

Madhavi Arora, chief economist at Emkay Global Financial Services said the new governor and MPC members will also have different policy challenges and macro and global landscape in 2025, as against what Das and the erstwhile MPC faced at the start of 2024. The policy trade-offs are getting acute, said Arora, pointing to the state of India's stagflation; the small window for conventional rate cuts as global dynamics turn more fluid; mounting forex pressures and the rising cost of forex intervention.

Under Malhotra's watch as revenue secretary from year 2022, tax authorities rolled out plans to simplify income tax, reduce litigation, rationalize customs tariffs, eliminate fake GST registrations, ensure tax certainty and enhance voluntary tax compliance. In his current role, he has frequently advocated a finely balanced approach to policy making and administration.

The top revenue officer has, on multiple occasions, told the tax administration to focus on real issues of tax evasion, rather than issues prone to interpretation. Last week, he cautioned field officials to place the economy's interest before that of revenue, comparing high-pitched tax assessments to killing the goose that lays golden eggs.

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Rhik Kundu and Rituraj Baruah contributed to the story.

FIVE OF MPC'S SIX MEMBERS MAY SOON BE NEW

EXPERT VIEW
PUJA MEHRA

Respond to this column at feedback@livemint.com

The nearly brand-new monetary policy committee (MPC) will be up against challenging times ahead as India's post-covid recovery may have entered a phase of fragility already, and Donald Trump's second presidency promises to be a period of disruption and uncertainty.

How should the appointment of the new governor of Reserve Bank of India (RBI) at this critical point for the economy be read?

Continuity was not seen as an advantage in a phase of fragility. Unless deputy governor Michael Patra, whose term ends next month, is given an extension, the six-member monetary policy committee is all set to have five new members. Its three external members were appointed just weeks ago in October. Of the three RBI members, the governor is set to be replaced. In his long years, Patra—he was executive assistant to governor Bimal Jalan two decades ago—has served as an important bridge between the RBI's research department and successive governors, the board and in recent years the finance ministry.

The nearly brand-new MPC will be up against challenging times ahead: India's post-covid recovery may have entered a phase of fragility already, going by the government's latest estimates of GDP that showed a sharp slowdown in growth and Trump's second presidency promises to be a period of disruption and uncertainty.

The new governor must hit the ground running without the advantage of an overlap with the outgoing governor. As governor-designate, Raghuram Rajan, worked in the RBI along with the outgoing governor, D. Subbarao, before succeeding him subsequently. Rajan even got to attend meetings of the RBI's board in this overlap phase as governor-designate.

Arun Jaitley used to say two things about the RBI. First, the government sees the central bank as an extension of the ministry of finance. Two, gravitas is the quality most critical to be the RBI's governor. But the third unstated qualification seems to be that governors must be from the IAS. Globally, central bank governors aren't necessarily economists. The US Federal Reserve's Jerome Powell is not an economist. He worked in the financial industry and a think tank before joining the Fed, and even had a stint in the US treasury in the George Bush administration.

It appears that in India, the government's choice has become restricted—perhaps permanently—to bureaucrats. Bureaucrats are generally skilled at making allies and forging consensus, which gives them an edge in managing the fault lines between the central banks and governments, such as over lowering of interest rates, transferring surplus profits as dividends and regulation of banks. Lately, managing these tensions has become the more significant of the governor's job responsibilities. The government has, thus, come to demonstrate a preference for picking bureaucrats over economists with domain expertise who don't usually have prior exposure to the ministry or experience of working with it.

The nearly brand-new MPC will be up against challenging times ahead

The Economic Survey in July suggested that government could improve farmers' incomes by changing the RBI's inflation target. More specifically, by asking the RBI to control inflation minus food prices. The outgoing governor, who, as the economic affairs secretary had steered the amendments in the RBI Act for introducing the inflation targeting monetary framework, said he did not agree with the survey's recommendation. It remains to be seen if the finance bill in February's budget will amend the RBI Act again to change the RBI's inflation target, going by the survey's recommendation.

The author is consulting editor, Mint, and the author of The Lost Decade (2008-18): How India's Growth Story Devolved into Growth Without a Story.

Blackstone ends bumper year with IGI public offer

FROM PAGE 1

upper end of the issue price) from selling 23.5% stake through a combination of offer for sale and sale of shares in IGI's overseas entities.

IGI's IPO valuation has been set at around ₹18,612 crore ($2.19 billion) on the upper end of the price band, which translates to close to 4x in unrealized gains in less than two years since investing.


Blackstone will continue to hold 76.5% stake in IGI after selling 23.5% in the IPO. BLOOMBERG

Other partial exits this year include PGP Glass, which fetched Blackstone around $150 million through a dividend recapitalisation—where a company takes on debt to pay its shareholders a special one-time dividend. It had earlier considered a secondary stake sale of shares, but abandoned the process after valuations were unsatisfactory.

The PE firm also sold some stake in wealth platform ASK Holdings to its wealth clients, taking out around $120 million. Earlier in June, Blackstone sold 15% stake in IT services company Mphasis for ₹6,700 crore ($790 million), after offloading a partial stake of around ₹2,000 crore ($235 million) in Aadhar Housing Finance at the time of the company's IPO in May.

In August, it sold a portion of its shares in real estate investment trust Nexus Select Trust for ₹4,335 crore ($510 million). In October, *Mint* reported that Blackstone is booking a partial exit from visa outsourcing and technology services platform VFS Global for $950 million.

To be sure, the company is sitting on vast unrealized gains as it still holds stake in most of these companies.

For instance, Blackstone will continue to hold 76.5% stake in IGI after selling 23.5% in the IPO. In Aadhar Housing Finance, it holds over 75%. In Nexus Select Trust, it holds around 21% stake; in VFS it holds over 50%. It holds a little over 40% in Mphasis and owns at least 90% in Ask Holdings, according to data from the exchanges.

Blackstone first invested in IGI when it acquired stake from Fosun International & IGI's promoters for in May 2023

Blackstone first invested in IGI when it acquired stake from Chinese firm Fosun International as well as IGI's promoters for $570 million in May 2023.

"What we bought was a loosely held confederation of diamond certification operations in 10 countries," said Prateek Roongta, managing director of Blackstone Advisors India Pvt. Ltd. "What we are selling is a consolidated world leader in diamond certification, one IGI."

Roongta added, "From hiring key CXOs across functions to building a single strategy, Blackstone has been involved in taking the company to the next level of growth unlocking."

India to speed up trade with Brics

FROM PAGE 1

pore, South Korea, US and Canada have AEO programmes. India's latest effort in this respect is essentially an integration of the AEO scheme with Brics nations.

Enhancing cooperation in trade and customs is the next logical step, explained Biswajit Dhar, distinguished professor at the Council for Social Development. The freeze in bilateral relations, which had spilled over to economic matters, has now been lifted at the political level, and overall, there could be a lot of cooperation between India and China, said Dhar. "It would also pave the way for the removal of uncertainties and a new beginning in economic ties between the two nations in 2025," said Dhar.

India's petroleum, gems and jewellery exports fell steeply in the first half of this fiscal year, hurt by slow growth in developed countries, although pharmaceutical, electronics and engineering goods bucked the trend. India's trade with Brics nations expanded 8.3% annually to $215.3 billion in FY24.

India's trade with Brics nations rose 8.3% yearly in FY24. REUTERS

A second person said the road is clear for negotiating a similar deal with China, a major trade partner and India's largest source of imports. "However, work is yet to start. There are many factors to be taken into account," said the person. A deal with China could help Indian exporters as India has a huge trade deficit with the world's second-largest economy.

India's expanding network of MRAs with countries like South Korea, Hong Kong, US and Russia, along with the negotiations with Brics nations, will reduce compliance burden, foster trust and solidify India's position as a trusted and interconnected trade hub within the Brics bloc and internationally, said Agarwal.

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

Scan the QR code to follow this author's work.

Pan-India developers 'redevelop' in Mumbai

Developers are drawn to the massive opportunity also in the SRA space

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Mumbai's redevelopment scene includes development agreements with housing societies, slum rehabilitation model as well as redeveloping cessed buildings. MINT

Developers from across India are seizing opportunities to redevelop Mumbai's old, dilapidated buildings, housing societies and slums to expand their footprint in the land-starved financial capital.

In May 2022, Bengaluru-based Prestige Group launched Daffodils, an uber luxury redevelopment project in Pali Hill, Bandra West with a carpet area of 1.2 lakh sq. ft. The project has sold close to 70% residences since launch. Puravankara Ltd also secured redevelopment rights for two housing societies in Mumbai last year, with a gross development value (GDV) of ₹1,500 crore. In September, the group acquired rights for another project—Miami Apartments at Breach Candy, entering the uber-luxury south-Mumbai market.

In 2023, Delhi-based DLF Ltd forayed into Mumbai to jointly develop a slum rehabilitation project with a subsidiary of Trident Buildtech Pvt. Ltd in Mumbai's Andheri West. A year earlier, Ahmedabad-based Adani Properties Pvt. Ltd had won the mandate to execute the redevelopment of Dharavi, one of the world's largest slums that sprawls across 600 acres.

"With limited opportunities of greenfield land parcels in Mumbai, a massive opportunity exists in the redevelopment and SRA space," said Tariq Ahmed, CEO, West India at Prestige Group. "So, I think that's where there is a lot of focus for developers considering the significant ongoing redevelopments of regular societies or Mhada societies and with multiple opportunities still out there." Mhada is the Maharashtra Housing and Area Development Authority.

Mumbai's redevelopment scene includes development agreements with housing societies, slum rehabilitation model as well as redeveloping cessed buildings, which have been constructed before 1960 in Maharashtra and the government collects cess from the residents of these buildings. Over 25,000 buildings in Mumbai's metropolitan region (MMR) alone have outlived their useful life and are eligible for redevelopment, Dhaval Ajmera, secretary of Credai-MCHI, had said at a press conference.

25,000
No. of Mumbai buildings that have outlived useful life

"Mumbai is a redevelopment market," said Abhishek Kapoor, group chief executive and executive director at Puravankara. "We are actively pursuing opportunities on the redevelopment side in Mumbai. We've already signed three redevelopment projects, and we are working on a few more. So, the pipeline is quite robust."

Redevelopment is an attractive space to be in for developers due to FSI benefits, potentially higher profit margins and for expansion opportunities amid a paucity of clean developable land in Mumbai. The developers can get access to prime land parcels in Mumbai, where there is less opportunity for acquiring land.

"Whether it is SRA or non-SRA buildings, such projects have the potential for higher FSI and higher returns, which is attracting all these developers to the segment," said Pankaj Kapoor, founder and managing director, at Liases Foras. "Around 60% of today's supply of launches comes from redevelopment—whether society or slum redevelopment."

While the market poses an attractive opportunity, it is becoming highly competitive. The boom in real estate has encouraged a lot of players to take up redevelopment projects. Developers such as Hiranandani group, Keystone Realtors Ltd, Raymond Realty, etc. have a pipeline of such redevelopment projects.

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NSEIT rebrands to focus on global mkt

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BENGALURU

Investcorp-backed digital and cybersecurity solutions provider NSEIT, will rebrand itself as NuSummit.

Investcorp-backed NSEIT, which provides digital and cybersecurity solutions, will rebrand to NuSummit and will pivot to focus extensively on global markets, according to the company's top executive.

"The journey forward lies in expanding our presence in global markets where we are aggressively investing more into our offerings," Ananthara-man Sreenivasan, managing director & group CEO, NuSummit, told *Mint*. "We are looking to pivot in a very big way into becoming a globally relevant niche domain centric entity that has cutting edge technology solutions across cybersecurity, digital and cloud."

The development comes after Bahrain-based Investcorp acquired the National Stock Exchange's digital services business for ₹1,000 crore in April. The transaction was its largest private equity deal in India, signalling its ambition to double down on the country's information technology and cybersecurity space. However, the deal excludes the examinations business that is also housed inside NSEIT.

"We will be closely working with the NuSummit team as they explore newer geographies offering innovative and tailored solutions to modernize their IT landscapes, with a focus on tangible business outcomes," said Varun Laul, partner at Investcorp.

Over the last eight months, Investcorp has invested about $25–30 million to fund NuSummit's expansion plans. The company has used the proceeds for building its capabilities in the North American region, which it sees to become one of its biggest revenue contributors in the future.

Currently, the company receives nearly a third of its revenues from North America while India continues to be its dominant (about 60%) market. Investcorp may invest additional capital as the company penetrates deeper into North America and other international markets.

"I think North America in many ways is going to accelerate growth for us as we are making significant investments there. We also have a footprint in Western Europe and are actively looking at the APAC region," Sreenivasan said. "As we will be pivoting more towards global markets, we also expect the revenue composition to change."

"We are constantly on the lookout for the right entities to kind of bolster and complement what's already going well for us. So we will infuse more capital in these specific areas over a period of time," Sreenivasan said, adding that the company expects to scale to $400 million in revenue over the next 3-4 years with part of this coming through acquisitions.

NuSummit has also invested in generative artificial intelligence and aims to use technology as a business differentiator to service its vast clientele that spans capital markets, insurance, banking and other industries.

The company will leverage Investcorp's global connections and NSEIT's strong presence in India, North America and the Middle East to further deepen its offerings.

Investcorp manages about $50 billion in assets globally but has less than 2% of its total assets under management in India. However, it aims to double down on the market and take it to $5 billion AUM over the next five years.

The investment firm has backed several IT services firms globally, including the Netherlands-based Netrom Software and the UK's Ubisense.

Metropolis acquires Core for ₹247 crore

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MUMBAI

India's second largest pathology lab chain Metropolis Healthcare Ltd on Monday announced that it had acquired a 100% stake in Delhi-NCR headquartered Core Diagnostics, a prominent player in India's specialised diagnostics sector, for ₹246.8 crore.

This acquisition will enhance Metropolis' capabilities in advanced cancer testing, while deepening its presence in north and east India. "Cancer is now globally one of the fastest growing diseases and will continue to be for the next 5-10 years, and Indians need access to the best cancer care diagnostics as well as early diagnostics...oncology is an obvious space for us to want to take leadership in. And with this acquisition, it catapults us to the leading cancer testing chain of labs in the country," Ameera Shah, promoter and executive chairperson, Metropolis Healthcare, told *Mint*.

The acquisition will take place through a combination of cash and stock, with 55% of the transaction in cash and 45% via a preferential issue and allotment of equity shares of the company (by way of share swap). The equity issuance is subject to shareholder approval, and the acquisition could be completed within 60 days. No government or regulatory approval is needed, the company said in a BSE filing.

Core Diagnostics registered revenue of ₹110 crore in FY24. In the first half of this year, the company's revenue was about ₹59-60 crore. Going by run-rate, it would be at about ₹120-122 crore for the year. "When we were looking at valuing the business, we looked at it from two angles, it comes to about two times the revenue on the back of Core's FY 2024-25 revenue, and about 1.6 times revenue when you look at FY 2025-26," Shah said.

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

Biden is ceding presidential influence to Trump, and some Democrats are furious

The president-elect doesn't take office until Jan. 20, but he's negotiating with foreign leaders and many are taking cues from his comments

Aaron Zitner & Ken Thomas
WASHINGTON/LOS ANGELES

The American tradition is that the nation has only one president at a time. Right now, that president looks like Donald Trump —because President Biden is ceding the spotlight.

While Biden remained in Washington, it was the president-elect who met on Saturday in Paris with French President Emmanuel Macron and Ukrainian leader Volodymyr Zelensky , who is lobbying Trump to continue wartime aid.

At the time they met, Damascus was falling to rebels in Syria. While Trump briefly spoke to reporters about Ukraine and posted online about U.S. interests in Syria—saying "this is not our fight"—Biden didn't make a public appearance on Saturday and waited until Sunday to comment on Syria. The fragility of these two regions in the world has many leaders and businesses on edge.

Trump is already dictating trade and immigration policy and has moved rapidly to remake the U.S. government. He doesn't take office for six weeks, but many people who had been his fiercest critics in Washington—and the White House—have mostly stood aside.

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This has left a number of Democrats perturbed that Biden and party leaders, after spending years casting Trump as a threat to democracy, have left a communications and policy vacuum during the transition period. These critics believe top Democrats have bypassed chances to make the case against nominations by the president-elect that they see as instruments of his promised "retribution."

"We should be less hobbled and more spurred. We should be vocal, pushing back against these nominees who are nothing but a disaster in the making," said Washington's Democratic Gov. Jay Inslee .

Fury from the Democrats' progressive wing has been even sharper: "This is one of the lamest of lame ducks we've seen with a Democratic administration. A massive missed opportunity," said Usamah Andrabi , spokesman for the progressive group Justice Democrats, who says the consequence is that Trump has grabbed the public's attention uncontested.

After Trump's promise to raise tariffs put U.S. neighbors on edge, he dined with Canadian Prime Minister Justin Trudeau at Mar-a-Lago and started diplomacy with Mexico's president, Claudia Sheinbaum . Trump has named his intended cabinet and senior staff with unusual speed, dominating the news environment and forcing lawmakers to react to several nominations at once, including to some who have prompted even Republicans to flinch.

Biden's muted presence is a contrast to how President Barack Obama handled Trump's first election victory in 2016. When Trump, as president-elect, called on the administration to veto a United Nations Security Council resolution criticizing the expansion of Israeli settlements, Obama brushed off the pressure and allowed the measure to pass, while his deputy national-security adviser admonished, "There's one president at a time." Obama also held a formal White House press conference after the election, which Biden so far hasn't done.

To some Democrats, Biden is forfeiting the transition period. They say the vacuum is emblematic of one of the biggest problems the party must face—its inability to drive a consistent, clear message to voters who increasingly get news from social media—as it lays plans for revival after its defeat in the presidential race and loss of its Senate majority.

Biden pardoned his son, Hunter—then left for a trip to Africa rather than pressing his party's case in person that Trump is presenting a broad threat to the justice system that imperils not just the president's son but a range of civil servants and Trump's perceived enemies. (Biden didn't hold a press conference during his Africa trip, even though U.S. presidents often do hold such briefings during visits abroad.)


Some Democrats and their allies are urging a more muscular use of Joe Biden's current powers. AFP

When Trump visited the White House after defeating Vice President Kamala Harris , Biden greeted him personally with a polite "welcome back." The cordiality was intended to show the Democrats' commitment to continuity of government and democratic norms. Some Democrats hoped he would use the moment to make a public point of urging Trump to respect the independence of the Justice Department and other institutions.

"Most voters don't know Kash Patel or even who Matt Gaetz or Tulsi Gabbard are," said Waleed Shahid , a progressive Democratic strategist, referring to Trump's nominees to lead the Federal Bureau of Investigation and the U.S. spy agencies and the failed effort to install Gaetz as attorney general. "But many more Americans would know, if President Biden spoke about them...The only way to win the war of attention is by going to the voters and explaining things to them, which President Biden has consistently avoided doing."

Harris, the vice president, vowed in her postelection concession speech to continue "the fight that fueled this campaign," but she has essentially been silent since then, vacationing in Hawaii and returning to more mundane duties in Washington. Democrats on Capitol Hill have done little to shape voters' views of the incoming administration. The campaign of Rep. Adam Schiff of California, newly elected to the Senate, this week circulated a newspaper story headlined: "Sen.-elect Adam Schiff doesn't want to talk about Trump. He wants to talk about the economy."

A White House spokesman, Andrew Bates , noted that the president had traveled recently to Africa and South America to strengthen international relationships and that the Senate continues to confirm Biden's judicial nominees. "President Biden is making every day of this term count as he accelerates the implementation of an unprecedented agenda that will benefit hardworking Americans for generations," he said.

In addition to swiftly assembling a cabinet full of people who are largely loyal to his vision for leading the country, the president-elect appears very focused on following through on many of his campaign promises, including ones that could lead to federal investigations of Democrats next year. Trump said in an NBC interview that aired Sunday that the members of the House committee that investigated the Jan. 6, 2021, riot at the Capitol "should go to jail," though he also said he wouldn't direct his cabinet nominees to make arrests.

When asked if Trump would prosecute Biden and his family, the president-elect said: "I'm not looking to go back into the past. I'm looking to make our country successful. Retribution will be through success."

There are signs that voters have formed a warm impression of Trump's early moves. A CBS/YouGov poll in late November found that 59% of voters approve of his handling of the transition so far. But other surveys show that many voters don't have firm opinions of many of the nominees, suggesting there is room for Democrats to shape impressions.

How the party moves forward during a second Trump administration was a major focus for Democratic governors who gathered this weekend in Los Angeles to discuss the aftermath of the 2024 election. The governors said they need to strike a balance—adopting pragmatism in countering Trump policies that conflict with the party's principles while finding ways to help their states.

"If your values are being attacked, or you've got communities or people who are being attacked that don't deserve it, you've got to fight like hell," said New Jersey Gov. Phil Murphy . "And then over here, you've got to have a relationship with the guy."

Biden's muted presence is a contrast to how President Barack Obama handled Trump's first victory in 2016

"Every diner I go to, it's the same message: 'How are you going to make my life more affordable?'" said Rep. Josh Gottheimer (D., N.J.), who recently launched a campaign for New Jersey governor.

To other Democrats, it's a natural consequence of defeat that Biden and other party leaders would take a more muted posture now and pause in order to develop a considered response to Trump. But even some who urge a deliberative pause say the party could be doing more both to set policy before Biden leaves office and to shape public opinion of the incoming administration.

Making a case against Trump "won't be done by outraged tweets about the latest things he says but by showing the consequences of his agenda on the middle class," said Jesse Ferguson , a Democratic strategist. Still, he said, Democrats could tell voters that Trump's 1.5-point win in the popular vote was relatively narrow. "I do think it's important to debunk the notion that he has a mandate from the voters, given how close the final result is," Ferguson said.

The narrow margin of victory in some ways masks the breadth of Trump's win. He won every swing state and made inroads with Black, Latino and young voters, groups that have traditionally provided solid Democratic support. Some Democrats still appear shell-shocked by the election results, in part because they are unsure what message they need to focus on headed into the 2026 midterms and beyond.

Some Democrats and their allies are urging a more muscular use of Biden's current powers. They are urging him to extend pardons to a range of potential targets of Trump's new Justice Department, as well as others who they say deserve clemency. Sen. Catherine Cortez-Masto (D., Nev.) wants Biden to provide additional protections to undocumented immigrants vulnerable to deportation.

In the Senate, which will vote on the Trump nominations, most Democrats are stopping short of taking direct shots at the nominees and instead are warning that Trump and his team risk installing flawed candidates because of a faulty vetting process. Democrats control the Senate now, but Republicans will take control of the chamber in early January when Trump's picks will be up for confirmation votes.

Senate Majority Leader Chuck Schumer (D., N.Y.) last week refrained from directly criticizing Trump's picks, instead emphasizing the importance of putting nominees through background checks and hearings. But some Democrats are getting worried about Trump's selections and are coming close to saying that they needed to be voted down.

"It's not usually something we're talking about at this point in the process, but given the people that Trump has put forward, it's very much on everyone's mind," said Sen. Elizabeth Warren (D., Mass.).

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Why Disney is plowing cash into a cruise line expansion

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Strains of "When You Wish Upon a Star" drifted across lower Manhattan on a recent November evening, echoing from Disney 's newest cruise ship on its path south down the Hudson River toward Florida.

Chief Executive Bob Iger had christened the 1,119-foot-long Disney Treasure the previous evening while 1,000 drones hovered overhead in the shape of a Champagne bottle. The fleet of drones transformed into shapes of images from "Aladdin," "Coco," "Moana" and other movies as pop star Jordin Sparks belted out a song written specially for the new ship.

The spectacle was a coming-out party of sorts for a business that for years has played a bit part in Disney's overall entertainment empire, but is now increasing in prominence. Growth is slowing in the entertainment company's parks businesses, and its legacy TV business is suffering from cord-cutting , but Disney fans worldwide can't seem to get enough of cruises.

When Disney announced plans last year to "turbo-charge" investment in its Experiences division, which includes theme parks, resorts and consumer products, the company said 20% of the $60 billion over the next decade would go toward its cruise business and other projects that haven't been announced yet. Disney plans to more than double its fleet from six to 13 ships by 2031 and further expand its service internationally. undefined undefined "Given the fact that we are still a relatively small player and we see this strong demand, it's only natural and actually the best time to invest in this business," said Thomas Mazloum, who leads the part of Disney's Experiences division that includes cruises.

Cruise travel overall surpassed prepandemic levels last year, attracting 31.7 million passengers, up from 29.7 million in 2019, according to the Cruise Lines International Association, a trade group.

More affluent millennials are choosing cruises over land-based vacations in part because a host of new, larger ships with premium amenities make them feel they get good value for the money, JPMorgan Chase said in a June research note. Rising international airfares have also made cruises that leave from ports in their home country more attractive to some overseas families.

Most cruise lines offer chaperoned children's activities. On the Disney Treasure, parents can sunbathe with cocktails by the pool while children are entertained until as late as midnight with activities such as playing in a "Star Wars"-themed workshop, completing hero's missions set in the Marvel Comics universe or designing a virtual theme-park ride to their specifications.

The Disney Treasure offers "Moana" and "Beauty and the Beast" themed stage shows, a piano bar themed after the movie "The Aristocats," and a Mexican eatery where you can watch mariachi musicians sing songs from "Coco" while you sip a margarita and eat enchiladas. On a typical Disney cruise, costumed characters such as Pluto, Goofy and Donald Duck roam the decks and movie theaters show Disney films that are playing on land in cinemas.


Growth is slowing in Disney's parks businesses, and its legacy TV business is suffering from cord-cutting. REUTERS

Disney is betting that interest in cruises will prompt travelers to pay more for its cruises, which tend to cost more than mass-market cruise lines such as Royal Caribbean or Carnival. A four-day cruise to the Bahamas for a family of four on the Disney Wish ship, leaving from Florida's Port Canaveral during a popular spring-break week next April, starts at $7,692. On Royal Caribbean, a much larger cruise line, a comparable trip starts at $3,368.

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"You're paying up to cruise with Mickey," said Matt Hochberg, editor of Royal Caribbean Blog, which focuses on the cruise industry and isn't affiliated with the cruise line.

Disney says that some of the cost of cruise tickets comes from docking fees charged at ports, which are largely passed on to the customer. Entertainment and dining options and even free unlimited soda—a perk harder to come by on competitors' cruises—are part of the value proposition that passengers find attractive, the company said.

"You want it to feel like part of the mythology," said Danny Handke, one of Disney's parks and attractions designers who helped create the Haunted Mansion-themed bar aboard the Treasure.

The company discloses certain financial metrics for its cruise business but doesn't share its full financials. In the year ended in September, Disney said a 5% increase in revenue for the Experiences division that includes cruises was driven in part by higher average cruise line ticket prices.

"Passenger cruise days," the number of passengers aboard Disney ships multiplied by the days they spend on voyages, rose 14% in the company's 2023 fiscal year (the most recent time period for which such figures are available) and 32% the previous year.

Mazloum, the head of the division that includes cruises, said that with only 5% of the Caribbean market and 2.5% of the global market, Disney is still a small player in cruising. But among Disney's menu of entertainment options, it is one of the experiences that rates the highest among guests.

Consumer satisfaction surveys show that 82% of Disney's cruise passengers intend to take another and that sea journeys are the highest-rated experience in Disney's Entertainment division portfolio, Mazloum said.

At Disney's busiest cruise port, Port Canaveral, two of the line's ships launched 157 voyages that were on average 92.4% full in the year ended in September, publicly available port information shows. That metric, the average number of passengers per vessel as a proportion of each vessel's maximum capacity, has returned to prepandemic levels for Disney.

Disney is now increasingly focused on the Asian market, where hundreds of millions of potential Disney Experiences customers live without a nearby theme park.

Launching next year, the Disney Adventure, which can hold up to 6,700 passengers and will initially operate in Southeast Asia, is Disney's biggest ship yet. It will sail out of Singapore—the company's first-ever service there—and aims to attract affluent Indian, Indonesian and Malaysian travelers.

Ad giant Omnicom acquires Interpublic in $13.25 bn deal

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Omnicom Group has struck a $13.25 billion all-stock deal to buy rival Interpublic Group, creating the world's largest advertising agency as traditional players look to better compete with big tech firms amid accelerating use of AI.

The deal, announced on Monday, is expected to attract regulatory scrutiny as it seeks to merge the world's third-largest ad buyer, Omnicom, with the fourth-largest - Interpublic. Both companies are based in New York.

Interpublic shareholders will receive 0.344 Omnicom shares for each share held, or $35.58 based on Omnicom's last close. This represents a premium of 21.6% to Interpublic's close on Friday.

Interpublic's shares, down more than 10% year to date, were up nearly 15% in premarket trading. Omnicom fell 4%.

The combined company would have revenue of more than $25 billion, based on 2023 figures. It would compete with the UK's WPP and France's Publicis Groupe SA, which generated annual revenue of 14.85 billion pounds ($18.97 billion) and 13.10 billion euros ($13.86 billion), respectively.

Omnicom, valued at $20.2 billion, owns brands such as BBDO and TBWA, while Interpublic owns McCann, Weber Shandwick, and Mediabrands, among others.


The combined company would have revenue of more than $25 billion, based on 2023 figures. ISTOCKPHOTO

Tech giants such as Alphabet-owned Google and Amazon.com have in recent years attracted marketing dollars away from traditional agencies by offering both advertising tools and marketplaces to buy and sell them.

Soaring use of AI tools that allow businesses to create ads cheaper and faster has also squeezed traditional agencies, forcing them to scramble to develop similar in-house tools to retain clients.

The deal is expected to close in the second half of 2025 and generate annual cost savings of $750 million

With more tech-driven solutions coming into the market, MoffettNathanson analyst Michael Nathanson said he was concerned the underlying value proposition of an ad agency's offering would remain pressured.

"An integration of this size would be unprecedented and likely challenging. The winners in this kind of transaction could end up being the newco's biggest rivals who would use the deal to try to steal clients and talent," Nathanson said.

Regulatory roadblocks had forced Omnicom and Publicis to call off their $35 billion merger, which would have created the world's biggest advertising group, in 2013.

Meanwhile, Publicis' early investments in data and AI technology have helped it weather the changes in the industry better than rivals.

Omnicom shareholders will own 60.6% of the combined company and Interpublic investors the rest. The deal is expected to close in the second half of 2025 and generate annual cost savings of $750 million.

John Wren will remain Omnicom's chairman and CEO, while Interpublic boss Philippe Krakowsky will serve as co-chief operating officer along with Daryl Simm.

NEWS IN NUMBERS

8 bn
THE NUMBER of spam calls flagged by Bharti Airtel on its network in two and a half months since the launch of its AI-powered spam-fighting solution

₹7.5 tn
THE AMOUNT Adani Group said it will invest in Rajasthan, half of it in the next five years, across sectors including green energy and infrastructure

26,15,953
THE NUMBER of two-wheelers sold in India in November 2024, up 15.8% from 22,58,970 units a year ago, driven by the festive spillover, according to Fada

$765 mn
THE VALUE of a 15-year deal signed by baseball star Juan Soto with the New York Mets, the largest in Major League Baseball history

₹1,000 cr
The amount private equity fund Wilson and Hughes India plans to invest in Cox & Kings over three years to revive the travel company

HOWINDIALIVES.COM

CE Info scraps plan to invest in CEO co

CE Info Systems, the parent firm of digital maps provider MapmyIndia, said on Monday that it has scrapped plans to invest in a company being set up by its outgoing CEO after receiving investor feedback, with its shares closing 16% higher.

MapmyIndia powers Apple Inc's maps in the country and garners 99% of its revenue from providing map-related services to other businesses. On 29 November, CE Info Systems said that CEO Rohan Verma would establish a mapping services company that caters to customers directly after stepping down, with the former set to pick up a 10% stake in the new entity and investing an additional ₹35 crore.

CE Info Systems did not provide details on the feedback from its investors.

"MapmyIndia's board has reversed its decision to make any equity or debt investment in the proposed new company," CE Info said in a statement. REUTERS

TOUCHDOWN IN JEWAR

The first test flight gets a ceremonial water cannon salute upon its landing at Noida International Airport in Jewar, Uttar Pradesh, on Monday. PTI

Media sector to hit ₹3.65 tn by 2028

India's media and entertainment sector is poised to grow at a compound annual growth rate (CAGR) of 8.3%, reaching ₹3.65 trillion ($19.2 billion) by 2028, far outpacing the global growth rate of 4.6%, according to PwC India's report, *Global Entertainment & Media Outlook 2024–28: India Perspective*. The surge is being driven by improved internet connectivity, rising advertising revenues, and favourable government policies around foreign direct investment (FDI).

Bolstered by India's economic expansion and rising consumption, the advertising market is expected to grow at a 9.4% CAGR, from ₹1.01 trillion in 2023 to ₹1.58 trillion by 2028—1.4 times the global average. Digital advertising will be the primary driver, with internet advertising projected to grow at a staggering 15.6% CAGR, reaching ₹85,000 crore by 2028. LATA JHA

Forex traders said the rupee remains in a weakening mode due to dollar demand. REUTERS

Rupee plunges 20p to close at 84.86/$

The rupee saw its steepest fall in over a month and plunged 20 paise to settle at lowest-ever level of 84.86 against the US dollar on Monday, amid volatile geopolitical situation and muted trend in domestic equities.

Forex traders said the rupee remains in a weakening mode due to dollar demand from importers and foreign banks.

At the interbank foreign exchange, the rupee opened at 84.70 and touched the lowest level of 84.86 against the greenback during intra-day trade. The unit ended the session at its all-time low level of 84.86 against the dollar, registering a sharp fall of 20 paise over its previous close.

On Friday, the rupee appreciated by 5 paise to settle at 84.66 against the dollar.

The rupee's previous lowest closing level was at 84.75 against dollar on 4 December, while the steepest fall was recorded on 6 November when it had closed 22 paise down from preceding session. Meanwhile, the dollar index, which gauges the greenback's strength against a basket of six currencies, was trading lower by 0.09% at 105.96. PTI

Govt functioning but challenge looms: Syrian PM Ghazi Jalali

Israel has also seized a buffer zone inside Syria after Syrian troops withdrew

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DAMASCUS

Syria's prime minister said Monday that most cabinet ministers are still working from offices in Damascus after rebels entered the capital over the weekend and overthrew President Bashar Assad. Streams of refugees crossed in from neighbouring countries, hoping for a more peaceful future.

But there were already signs of the difficulties ahead for the rebel alliance now in control of much of the country, which is led by a former senior al-Qaida militant who severed ties with the extremist group years ago and has promised representative government and religious tolerance. The rebel command said Monday they would not tell women how to dress.

Israel said it is carrying out airstrikes on suspected chemical weapons sites and long-range rockets to keep them from falling into the hands of extremists. Israel has also seized a buffer zone inside Syria after Syrian troops withdrew.

In northern Syria, Turkey said allied opposition forces seized the town of Manbij from Kurdish-led forces backed by the United States, a reminder that even after Assad's departure to Russia the country remains split among armed groups that have fought in the past.

The Kremlin said Russia has granted political asylum to Assad, a decision made by President Vladimir Putin. Kremlin spokesperson Dmitry Peskov declined to comment on Assad's specific whereabouts and said Putin was not planning to meet with him.

Damascus was quiet on Monday, with life slowly returning to normal while most shops and public institutions were closed. In public squares, some people were still celebrating. Civilian traffic resumed but there was no public transport. Long lines formed in front of bakeries and other food stores.

> Damascus was quiet on Monday, with life slowly returning to normal while most shops and public institutions were closed

In some areas, small groups of armed men were stationed in the streets. "We have nothing against you, neither Alawite, nor Christian, nor Shiite, nor Druze, but everyone must behave well, and no one should try to attack us," the fighter said.

Prime Minister Mohammed Ghazi Jalali, who remained in his post after Assad and most of his top officials vanished over the weekend, has sought to project normalcy.

Kia India said it will increase prices of its entire model range by 2% from January.

TaMo, Kia India to hike vehicle prices

Tata Motors and Kia India on Monday announced plans to hike vehicle prices from January to offset the impact of rising input costs. Tata Motors said it will hike the price of its passenger vehicle portfolio, including electric vehicles, by up to 3% from January next year.

The price hike is being undertaken to partially offset the rise in input costs and inflation, the Mumbai-based auto major said in a statement. "Effective January 2025, the price increase will vary depending on model and variant," it added.

Kia India, which sells models like Seltos and Sonet, said it will increase prices of its entire model range by 2% from January.

The price hike, effective from 1 January 2025, is primarily due to rising commodity prices and escalating supply chain-related costs, the automaker said in a statement. PTI

Hyundai to set up 600 EV stations

Hyundai Motor India on Monday said it will install around 600 public EV fast charging stations across the country in the next seven years. The company plans to have a network of 50 fast public charging stations by the end of December 2024, the automaker said in a statement.

The ambitious initiative underscores the company's commitment to fostering sustainable mobility and is poised to play a pivotal role in India's transition to cleaner energy, it added.

Hyundai Motor India function head—corporate planning Jae Wan Ryu said the EV market in India is expected to grow robustly by 2030. Studies conducted by HMIL have highlighted that customers are apprehensive about driving their EVs for long-distance commutes on highways due to a lack of charging infrastructure, he noted. PTI

Inventurus IPO to open on 12 Dec

Inventurus Knowledge Solutions Ltd, which provides healthcare support services, on Monday set a price band of ₹1,265-1,329 per share for its ₹2,498-crore initial public offering (IPO). The initial share sale will be open for public subscription during 12-16 December, with bidding for anchor investors scheduled for 11 December, the company announced.

The company has reduced its issue size, which now comprises an Offer For Sale (OFS) of 1.88 crore equity shares by promoters and individual shareholders, with no fresh issue component. Earlier, the OFS size was 2.82 crore, as per the draft papers.

The company has reserved 65,000 shares worth ₹8.64 crore for its employees.

Since the issue is completely an OFS, the company will not receive any proceeds from the IPO and the entire fund will go to shareholders.

At present, promoters and promoter group entities hold close to 70% stake in the company, which is backed by Rekha Jhunjhunwala and RARE Enterprises. PTI

DMEDL raises ₹775 cr via green bonds

DMEDL has raised around ₹43,000 cr for the Delhi-Mumbai Expressway project. PTI

DME Development Ltd (DMEDL), an arm of National Highways Authority of India (NHAI), has raised ₹775 crore through issuance of green bonds in roads and highways sector, an official statement from the ministry of road, transport and highways said on Monday.

The proceeds from the issue of 'green bonds' has been used for activities such as expenditure on avenue plantation, median plantation, construction of animal underpasses, natural stormwater drainage, streetlight on renewable energy (solar), waste recycling and reuse and rainwater harvesting, the statement said.

NHAI chairman Santosh Kumar Yadav said, "This first of its kind initiative for the roads and highway sector will set a benchmark and encourage participation from a diverse set of investors."

The aggregate size of the issue was ₹775 crore with a base issue size of ₹500 crore and a green-shoe option to retain oversubscription up to ₹275 crore, with a yield at 7.23% per annum.

DMEDL aims to raise about ₹48,000 crore from banks and financial market and has successfully raised around ₹43,000 crore for implementation of the flagship Delhi-Mumbai Expressway project. PTI

Adani Group chairman and billionaire founder Gautam Adani. PTI

Adani's $88 bn India investment plan

Adani Group will invest over ₹7.5 trillion ($88.5 billion) in Rajasthan, a top executive said on Monday, marking the group's first major investment since the US indictment of its billionaire founder.

The announcement, at an event in Jaipur attended by Prime Minister Narendra Modi, comes less than a month after US authorities accused founder Gautam Adani and some top executives of being part of a scheme to pay bribes worth $265 million to secure Indian power supply contracts.

The group has called the charges "baseless".

The indictment has sparked political wrangling in India as many opposition parties accuse Modi and his Bharatiya Janata Party (BJP) of favouring Adani and blocking investigations against him in India, allegations both have denied. BJP has said it had no reason to defend Adani and that the law will take its course.

The allegations have raised concerns among some partners and investors of the group, with at least one Indian state reviewing its power deal with Adani, and TotalEnergies halting further investments in the conglomerate. REUTERS

Vi to raise $234 mn via share issue

Vodafone Idea will raise up to ₹1,980 crore ($233.8 million) through the issue of preferential shares, the Indian telecom company said on Monday.

Vodafone Idea (Vi) said it will issue shares to Vodafone Group entities Omega Telecom Holdings and Usha Martin Telematics worth up to ₹1,280 crore and ₹700 crore, respectively.

The fundraise will likely help the debt-saddled firm pay some of its dues to network infrastructure provider Indus Towers, to which it owes about ₹5,000-6,000 crore, according to Ambit Capital's Vivekanand Subbaraman.

Vodafone Idea did not specify details about its plans to use the funds.

As of September-end, its total debt pile stood at ₹2.16 trillion, including deferred spectrum payment obligations it owes to the government.

The firm, formed by a merger between the Indian arm of the UK's Vodafone Group and Aditya Birla Group's Idea Cellular in 2018, has so far raised about ₹24,000 crore in the year. PTI

India, Bangladesh foreign secretaries meet in Dhaka

Foreign secretaries of India and Bangladesh met here Monday for the high-level talks between the two nations amid strained bilateral ties following the ouster of prime minister Sheikh Hasina in August.

Foreign secretary Vikram Misri arrived in Dhaka earlier in the day on an Indian Air Force jet for a day-long visit. Soon after his arrival, Misri met his Bangladeshi counterpart Mohammad Jashim Uddin and held one-on-one talks before the formal meeting with delegates from both sides.

It is the first high-level visit by an Indian official since 5 August when Hasina was ousted. "The meeting between our foreign secretary Jashim Uddin and his counterpart Vikram Misri is taking place as scheduled at the state guest house Padma. They first held brief one-on-one talks and then the formal meeting began with delegates from both sides," a Bangladeshi foreign ministry official said. The official added that the Bangladeshi side would hold a media briefing later Monday about the talks, which were expected to feature all issues of bilateral ties. PTI

India's foreign secretary Vikram Misri with chief adviser of Bangladesh Muhammad Yunus during a meeting in Dhaka on Monday. PTI

HOW LIVSPACE IS READYING FOR AN IPO

With metros saturated, India's largest home interior startup is looking for growth in the heartland

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BENGALURU

mint SHORT STORY

WHAT

The lossmaking Livspace last raised funding in 2022. The home interiors segment has seen muted investor sentiment in recent years and all the big names are in the red

AND

The company's revenue growth has slowed in FY24. On a positive note, it managed to cut losses substantially—over the last 12 months, it has focused on reducing its cash burn

NOW

Livspace is looking to expand into smaller towns and cities, largely in the franchise format. A successful expansion is important to drive growth in its core business

Ankita Vashistha, founder and managing partner of venture capital firm Arise Ventures, had a disappointing experience with Bengaluru-based home interior company Livspace when she hired it to design a rented-out home three-four years ago. While she initially admired the concept and the experience centres, the whole process and the final outcome left her disappointed. "Timelines weren't met, materials didn't match specifications, and the installation and after-sales service were terrible," recalled Vashistha. "Customer service was unresponsive, and I had to settle for what they provided."

Mumbai-based Kiran More, a sales professional working for a tech company, went through a similar experience this year, dealing with inferior parts, incorrect installation and delayed timelines. Vashishta and More are not alone. There is no dearth of complaints and reportage on the internet around the abysmal experiences Livspace's customers have had to endure.

Seated in a light blue shirt in a conference room at Livspace's Bengaluru office, chief operating officer (COO) Ramakant Sharma acknowledges the mountain of complaints. In his view, because interiors are a big-ticket investment for customers, when issues arise, the impact is felt strongly. But Sharma claims that despite everything over 90% of customers report a satisfactory experience. *Mint* has not been able to verify the veracity of that claim.

While Livspace has always made headlines for consumer complaints, its latest challenge goes beyond the consumer experience. The company's revenue growth has slowed. On a positive note, it managed to cut losses substantially (see chart).

ROOM TO IMPROVE

While Livspace has managed to cut losses, its pace of growth slowed in FY24.

(in Singapore $ million)

	Revenue	Loss/profit
FY22	102	-182
FY23	188	-130
FY24	192.5	-64.5

Funding pattern

Livspace was valued at $1.2 billion during its last fund raise, in 2022.

Round (date of funding)	Amount (in $ million)
Series A (Dec 2014)	5
Series A (Aug 2015)	9
Series B (Aug 2016)	15
Series B (Aug 2017)	11
Series C (Jan 2018)	29
Series C (Sept, 2018)	70
Series D (May 2019)	45
Series D (Jan 2020)	90
Venture Debt (Oct 2020)	4
Series E (Jun 2021)	6
Series F (Oct 2021)	58
Series F (Feb 2022)	184

Source: Tracxn

Livspace chief operating officer Ramakant Sharma. RAJESH KUMAR/MINT

Livspace last got a funding infusion in February 2022, when it raised $180 million at a valuation of $1.2 billion. The funding was around nine times the company's revenue at the time, said an industry executive, requesting anonymity. This, he said, has become its biggest problem. "You have raised at such a high value and even three years later, you are not there," said the industry executive.

While investors have been optimistic about the growth in the sector, expecting a 50% compound annual growth rate (CAGR) in the next few years, industry experts feel this optimism may not align with reality. Amid all this, Sharma is looking to take Livspace public in the next 18 months. In a two-and-a-half-hour interaction with *Mint*, he outlined how he aims to get the company there amid the slowdown in its pace of growth.

THE BEGINNINGS

Sharma, who studied metallurgical engineering from IIT Kanpur, worked with a few startups before he joined Myntra as VP of engineering. Myntra, according to Sharma, is where he learnt about ecommerce and Indian consumers. "From a cultural and learning perspective, as well as understanding the consumer internet of India when it really began, it (his stint) was fortunate," Sharma said. Myntra's success helped him realize new entrepreneurs could succeed, and so he decided to take the plunge.

After studying at Indian School of Business (ISB), Sharma started a beauty and fashion ecommerce startup called Violetbag. But it could never raise capital and had to be shut down. "We were getting good traction—about 500 orders a day. But cosmetics was a low-average-order-value segment at that time. The cost of logistics, payment gateway, and packaging was higher than our margin," he said, noting that investors stayed away for that reason.

Sharma continued looking for a complex problem to solve and found one when he bought a home in Bengaluru and was doing the interiors. "That was the largest money I have ever given to anyone. The interior process, even if I didn't want anything fancy, just basics—curtains, bed, dining table, couch and a living room—was not easy," he said.

"I realized Indians spend almost $20 billion every year on home renovation, furniture and interiors, and there's not even one company attempting to solve it," he said. That's how Livspace, cofounded by Sharma and Anuj Srivastava, was born in 2014.

SUSTAINABLE GROWTH

The home interiors segment has seen muted investor sentiment in recent years and all the big names have been struggling with losses. HomeLane, Livspace's direct competitor, recently acquired smaller rival DesignCafe as the latter could not raise capital to survive.

Over the last 12 months, Livspace has focused on reducing its cash burn. In a major shift, the company has hired in-house designers instead of outsourcing projects and charging a commission, as it did earlier. Today 90% of Livespace's designers are on the payroll. This has helped with control over quality and execution, and kept costs in check.

> Livspace currently has a presence in 65 cities with 105 stores and plans to expand to 250 cities over the next 2-3 years

The company has also been hiring freshers and training them to cut some costs, according to over half a dozen employees who spoke to *Mint*. "They have reduced the salary bracket for new employees. For example, the salary of an assistant general manager was around ₹14-15 lakhs, now they are hiring for a pay of ₹10-12 lakhs," said one former employee.

Discounts have come down from about 30-35% to about 18-20%, according to current and former employees.

The CEO confirmed that discounts have indeed been slashed.

PULLING THE PLUG

In another major decision, last year, the company shut its business-to-business (B2B) vertical, which was a category bigger than ₹120 crore, according to former employees.

The average ticket size was at least ₹30 lakh and the category was not restricted to offices. There was retail, hospitality, healthcare and many more sub-segments making it a complex category, according to a second industry executive.

"The vertical did not take off because they tried to implement the same process into commercials and adapt the same technology," said the executive cited above. "Also, it is a very price-sensitive market, so you have to be very competitive with the pricing. Plus, the profit margin is very low compared to residential," the executive added.

Sharma confirmed the closure of the B2B vertical. "We discontinued most low-margin businesses. Last year, growth was lower because we shut down the one business that actually could have grown. So, it was largely a year for profitability and optimization," he said.

While residential has 55% margin, commercial has a single-digit margin or so, Sharma said. "A B2B business, I believe, is never going to make money in this industry. It is a very thin margin business and requires very hard negotiation," he added.

On the other hand, HomeLane founder Srikanth Iyer believes the company's commercial vertical, branded Cubico, has the potential to become a ₹1,000-crore business on its own in the next five years.

Livspace also experimented with providing individual services such as painting and false ceilings to customers, as Urban Company does. But that, too, did not take off and had to be shut down, according to former employees.

"We are already offering these services to Vesta and Vinciago (top-end verticals) customers in a bundled format. We thought of selling them as individual services. That hypothesis is still there but we have paused it," Sharma clarified.

Livspace has four verticals: Bello (budget offering with a ₹1-3 lakh price point), Select (₹3-8 lakh), Vesta (₹8-30 lakh), and Vinciago (₹30 lakh-1 crore). Another business, Casantro, a B2B vertical, sells modular interior solutions, including cabinets and wardrobes, to designers or stores, which eventually sell it to the end consumer.

Vesta and Select are the biggest categories. While Vesta covers designing of the entire house, Select includes the kitchen and wardrobes.

TIER 2 AND TIER 3 EXPANSION

The company, having fairly penetrated metros, is now looking to expand into smaller towns and cities, largely in the franchise format. A successful expansion is important to drive growth in the core business.

Sharma is confident the expansion will work. "We have four different offerings based on the same technology and supply chain. Let us say we have to go to a new city; we can choose to launch all four of them or just one of them. We can open in even the smallest city, where I can go with Bello," he explained.

At the moment, tier three cities only have the Select model. The launch of Bello six months ago seems aimed at making the tier 2 and tier 3 expansion work.

Livspace currently has a presence in 65 cities with 105 stores and plans to hit 250 cities in the next two-three years. "With the four solutions we can even go to 300 cities," Sharma declared. "At the moment 35-40% is coming from tier 3 or 4 cities and 60% from the large cities. Some day, I think we'll see a 50-50 situation."

In a sense, Livspace may have no choice but to go to lower tiers. "Metros/tier-1 cities account for the majority of demand today, but have started saturating, with key players observing lower growth in these cities," said Mit Desai, practice leader, consumer and internet, at Praxis Global Alliance, a consultancy. "That being said, tier-2 and tier-3 cities, contributing 30-35% of demand, hold immense potential, driven by urbanization and the rising affluence of an aspirational middle class," he said.

But there are challenges too: small-ticket-size projects, lack of resources, logistics and perhaps a lower appetite as compared to metros.

"Maintaining quality and service consistency across diverse product categories and geographies is a key challenge as they scale up operations across cities. A shortage of skilled labour could further complicate timelines and budgets," said Desai.

RIDING THE BRAND

The company is now into the biggest experiment it may have ever seen, launching its own branded products, specifically furnishings and appliances. This is the first time it will retail Livspace products.

Furnishings, according to Sharma, will include about 4,000 stock keeping units (SKUs), including bedsheets, pillows, pillow covers, quilt covers, and blankets. Last month, Livspace launched hobs and chimneys in Bengaluru for Livspace customers and plans to launch furnishings and appliances such as dishwashers next March.

Earlier, Livspace sold kitchens and asked customers to buy chimneys from a third party. With the recent launch, it is selling chimneys to Livspace customers, and plans to open up to customers outside the platform as well.

Sharma believes that furnishings could become a ₹1,000 crore business by itself.

"We are creating dedicated showrooms and retail showrooms in malls and high streets, so furnishings is going to be a full-fledged business in itself," he said. There will also be a separate website, which will launch sometime by March, for a pure-play e-commerce business with furnishings.

OPTIMISTIC OUTLOOK

According to Sharma, since October last year, Livspace has been a cash-flow positive company. "Operations have not burnt money at all. In our business, consumers pay 50% advance and then we deliver. So, we are operating cash flow profitable because of the working capital, which was in our favour. Next quarter, we will be a fully Ebitda profitable company," he asserted.

While the pace of growth has slowed, Sharma is confident it will pick up. "When we talked about the platform, the fundamental thing is the capability to spawn new businesses and grow them independently. This is what we have been doing," he said. "There is a lot of leverage of the infrastructure, including the same supply chain, same warehouses, same logistics, same packaging, and same technology. I think this will keep multiplying for the next 15-20 years."

The Livspace founder said the company has $95 million in the bank and isn't actively seeking funding, nor is valuation a primary concern. However, Sharma is far from stress-free—the company's top priority is ensuring the success of its new initiatives. "If we go public, we really want to say that this thing is working," Sharma said. Livspace's customers, no doubt, will want to say the same thing.

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Hedge funds, asset managers are bullish on dollar

Bloomberg
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A resilient US economy and deepening geopolitical tensions around the world are making asset managers rethink their expectations for a weaker dollar.

Investors such as pension funds, insurance firms and mutual funds halved their net dollar short positions to $2.05 billion as of 3 December from a week earlier, the least since April 2017, according to Commodity Futures Trading Commission data compiled by *Bloomberg*. Hedge funds boosted their bullish bets by 9.3%, having held a favorable view on the US currency since October, the data show.

Bloomberg's dollar gauge has advanced about 5% since dropping to an eight-month low in late September as traders positioned for higher US inflation under a Donald Trump presidency. Growing risks to Federal Reserve's interest-rate cuts and haven demand amid geopolitical tensions are also supporting the greenback, though Wall Street banks are forecasting it to trend lower next year.

Last week some Fed speakers sounded cautious over rate cuts, which supported the dollar. St. Louis Fed president Alberto Musalem said that it may be appropriate to pause interest-rate cuts as soon as this month, while his San Francisco counterpart Mary Daly said there's no sense of urgency to lower interest rates.

Chicago Fed president Austan Goolsbee said he expects interest rates to be "a fair bit lower" a year from now.

"It's clear from Fed comments last week that officials, excluding Goolsbee, are worried about sticky inflation and therefore preparing the markets for a pause," Brown Brothers Harriman & Co. strategists including Win Thin wrote in a note.

Traders ramped up expectations for a rate cut this month to 80% after a mixed employment report on Friday. They're now watching November inflation data release this week with Fed speakers in a blackout period before the central bank's 18 December decision.

Why to avoid biz payments from personal credit cards

Banks repeal rewards or close accounts if they find business transactions from personal cards

Shipra Singh
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Credit cards come in two broad categories—personal and business. The fine print of personal cards clearly says that they cannot be used for business spending. However, the majority of self-employed or business owners bill some of their business expenses to their personal cards. How do banks allow this?

Banks monitor spending activities, regularly auditing suspicious transactions and on finding any misuse, they repeal the accumulated rewards, or worse, suspend the card.

How banks monitor

As per the most important terms and conditions (MITC) of banks, non-commercial credit cards can be used for personal expenses only. Non-personal usage includes buying goods or making payments to run a business, making commercial payments to merchants, and any other expense not for personal consumption, which includes buying things for others to maximise spending.

However, certain expenses are difficult to classify as personal or non-personal. For instance, flight or hotel bookings made by an employee for a business trip that the company reimburses later. Or say a freelancer works out of a home office and pays the house's power bill with a credit card.

For merchants that accept both retail and business payments such as utilities, flights, hotels, and vendor payment platforms like BharatNXT, there are no separate Merchant Category Codes (MCCs) for retail and business. So, there is no straight method for banks to know if it's a business or personal expense.

HDFC Bank, ICICI Bank, Axis Bank and Kotak Mahindra Bank did not respond to *Mint*'s emailed queries.

With such grey zones, high-value transactions done solely to maximise rewards are generally flagged and audited. Ajay Awtaney, founder and editor of LiveFromALounge.com, said banks generally go after card owners when they notice a pattern.

"Banks do not track cardholders individually. When the bank approves a card, they put the cardholder in a certain portfolio based on their income, spending capacity and types of spends they are likely to make. Based on these factors, the bank develops a model and when a cardholder starts making high-value payments that don't fit this model, they get suspicious," he explained.

An example is when business owners started paying power bills, running into several lakhs of rupees, of their factories with their personal credit cards.

"A family's power bills are unlikely to cross ₹20,000 in a month, so anything beyond that is an immediate red flag for banks," said Sumanta Mandal, founder of Technofino. "As a result of this misuse, most banks have either completely exempted utilities from earning rewards on credit cards or where allowed, they have imposed a fee on payments made beyond a certain threshold, which is typically ₹50,000 per month."

The consequences

"When you pay a business expense with your personal credit card, you have violated the bank's MITC," Mandal said.

There haven't been instances of banks scrutinising expenses in the range of ₹5,000 to ₹10,000. However, that doesn't mean the bank won't ever enquire about them.

On the other hand, high spending on utilities, fuel, offline points of sale, and travel are almost always scrutinised by banks, especially when they suspect that expenses are being maximised to claim benefits and rewards. Even when smaller business spends are done across different merchants and they total up to exceed the cardholder's income month after month, banks can investigate.

"One-off smaller amounts don't matter but when the spends start running into crores or several lakhs, it becomes a problem as the bank is essentially underwriting unsecured loans and hence taking credit exposure. Also, there is the cost of rewards in such big-ticket transactions," said Awtaney.

Banks take action by demanding proof of the payments suspected to be business transactions. If the cardholder fails to establish the payments were personal, banks repeal the rewards earned on the transactions and, in some cases, cancel the all accumulated rewards.

In March this year, Axis Bank blocked reward redemption of several users on the suspicion of personal cards being used for business spends. In the email sent to cardholders, the bank said, "...a pattern of nonpersonal usage of your credit cards has been observed for the transactions undertaken by you with the following merchants... We request you to reply with invoices/evidence, if you wish to establish that the transactions undertaken by you with the above-mentioned merchant were only for your personal expenses and purposes."

In extreme cases, banks can also close the card. Mandal said American Express is the most stringent. "Amex asks for income proof, tax returns and on finding satisfactory proof that the cardholder was manufacturing spends for rewards, it closes the account and bars the cardholder from applying for an Amex card for a couple of years," he said.

To avoid this, better get a business credit card for commercial payments.

Business cards on offer

Business cards are different from corporate cards. Corporate cards are given by multinational companies to employees for expenses specific to the job. For instance, to book flights for business trips or pay for meals with clients. The liability in this case is with the company.

Business cards are personal credit cards for business expenses. These are issued on the individual's name and permanent account number (PAN) and not on the company's PAN. These are typically given to owners of sole proprietors or directors/founders of companies.

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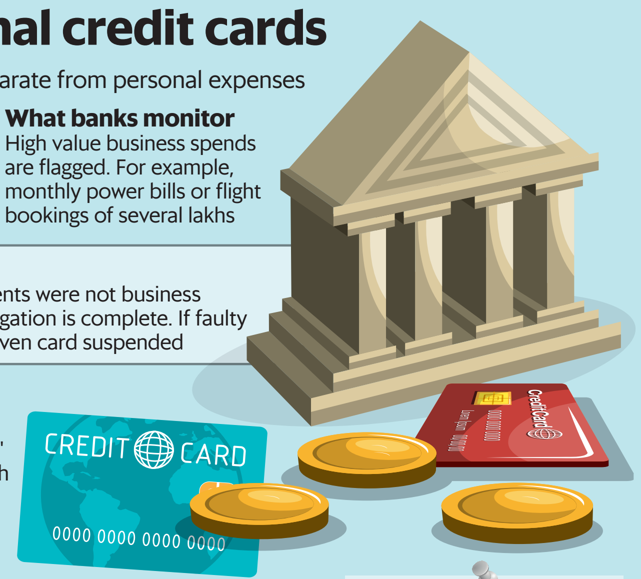
Business and personal credit cards

It is advised to keep business expenses separate from personal expenses

The issue
Banks prohibit business expenses made on personal credit cards

Ambiguous terms
Business expenses not specified; the onus to not violate bank's terms is on cardholder

What banks monitor
High value business spends are flagged. For example, monthly power bills or flight bookings of several lakhs



Actions that bank can take
Asks for documents to prove suspicious payments were not business related. Freezes rewards redemption till investigation is complete. If faulty spends found, rewards can be withdrawn and even card suspended

What is the right way to bill business expenses on personal credit cards?
There is no right way and doing so violates banks' terms. While small spends may go unnoticed, high value spends draw investigation

What's the alternative?
Business credit cards

HDFC Biz Black highest rewarding business credit card

Joining fee
₹11,800 (includes 18% GST)
Joining fee waived on spending ₹1.5 lakh in first 90 days

Renewal fee
₹11,800 (includes 18% GST)
Fee waived on spending ₹7.5 lakh

Eligibility:
Self-employed with ITR of above ₹30 lakh

Rewards earning rate: 1 reward point (RP) = up to ₹1

	Reward earning rate	Spend category	Reward rate
Regular reward	₹150 = 5 RP	Retail spends	up to 3.33%
Accelerated 5X rewards	₹150 = 25 RP	TDS, advance tax, GST bill payments on PayZapp* Hotel & flight booking on MMT MyBiz Business tools** bought on SmartBuy BizDeals	up to 16.5%

*except rent, EMIs, wallet load, education, clubs, hospital, credit card payments
**like Tally, Office 365, AWS, Google, Credflow, Azure & more via SmartBuy BizDeals

Key points to note
- **5X** rewards applicable on minimum **₹50,000** monthly spends
- Max **7,500** RPs given in a month under 5X accelerated program
- Max **75,000** RPs can be redeemed per month
- Max RPs on insurance are **5,000** and groceries **2,000** per month
- **70%** RPs can be redeemed per transaction, while **30%** payable by card

BUSINESS CREDIT CARD USERS

ZAKHIL SURESH, BENGALURU
Founder of global crypto investment platform

Cards he uses
HDFC Regalia Business Credit Card

Uses it for: Licence renewal fee in different countries where firm registered and consultant charges towards accounting, tax and other compliance costs in those countries

The reason
- **55** day interest free credit period
- Relatively low forex charge
- Rewards an added bonus; use them for Cleartrip, Uber vouchers

ABHAY DAGA, PUNE
Owns an e-commerce medical devices company

Cards he uses
- HDFC Biz Black
- HDFC Corporate Premium
- IDFC Business Credit Card

Uses them for: GST, TDS & ITR payments, online advertising, courier charges, staff travel expenses, utilities, marine insurance

The reason
Rewards: Used **2.74 lakh** reward points accumulated on the HDFC cards to book 2 SQ Suites for return flights to Singapore

mint

PARAS JAIN/MINT

POWER POINT

RANJITH KRISHNAN & USHA GANAPATHY SUBRAMANIAN

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

ESG INVESTING REMAINS FRAUGHT WITH CHALLENGES

With global warming, dwindling biodiversity and rising pollution threatening posterity and widening economic disparities, campaigns such as Race to Zero and the United Nations' Sustainable Development Goals matter more than ever. Investors these days are conscious about where their money goes, and environment, social and governance (ESG) has evolved as a framework to back businesses that take the conscientious route to profits. ESG funds have found favour among investors globally because they help meet responsible-investing goals while entrusting the arduous stock-selection process to fund managers.

ESG funds are mutual funds or managed investment schemes that take into account the ESG performance of companies when deciding stocks in the portfolio. An ESG fund may be actively managed, with fund managers cherry-picking the stocks, or passively managed like index funds or exchange-traded funds (ETFs).

ESG funds have the potential to play a significant role in promoting sustainability measures. They are not project finance, meaning they may not back specific sustainability projects of businesses. Rather, they ensure funds flow to companies that are deemed well-governed and socially and environmentally responsible based on the ESG criteria evolved by fund managers.

The fund managers score these companies based on the data available from their sustainability reporting – including from the business responsibility and sustainability reports (BRSR) mandated by Sebi for the top 1,000 companies by market capitalisation. If such reporting is not available, they may seek information from companies to evaluate their ESG performance.

Baby steps

While ESG investing in India still in its nascence, the concept has gained ground globally. The assets under management (AUM) in sustainable investing have touched $30 trillion and are projected to grow further. In this context, providing an enabling ground for foreign investors to back sustainability oriented entities in India sounds fitting.

ESG funds can play a significant role in promoting sustainability measures

The International Financial Services Centre (IFSC) in GIFT City, Gujarat, is evolving as a centre for sustainable finance under the aegis of its able regulator International Financial Services Centre Authority (IFSCA). The latest IFSCA bulletin shows that the cumulative ESG labelled debt-listing in IFSC exchanges is over $14 billion as of September.

Green/sustainable loans by international banking units in IFSC was over $1.5 billion in 2023-24, backing projects ranging from renewable energy, energy efficiency to social education and affordable housing. With India's net-zero transition by 2070 requiring $10 trillion, and more required for the social sector, these may seem baby steps – but we are getting there.

To support sustainable finance, IFSCA said on 27 September it will waive the filing fees for the first 10 ESG funds filed by registered fund management entities at GIFT-IFSC. A statement said one of the fund management entities has already availed the incentive.

Prevent greenwashing

While these moves mark significant progress towards aligning fund flows with sustainability goals, the journey is fraught with challenges. Globally, even as the AUM of sustainability labelled funds has been touching new highs, the pace of growth has moderated. Though Europe and other non-US markets have witnessed growth in ESG investing, in the US, the concept has become politicised and is facing debates over its effectiveness.

It is important to maintain credibility by preventing greenwashing, in which entities only seem environmentally friendly but in reality are not. Ensuring the regulatory framework has robust safeguards backed by enforcement measures is necessary.

Tracking the end use of funds may be simpler for green bonds as they are often tied to specific projects. ESG funds, however, usually invest in equity, and assessing how the investee companies adopt sustainability can only be done from a broader evaluation of their financial and ESG reporting.

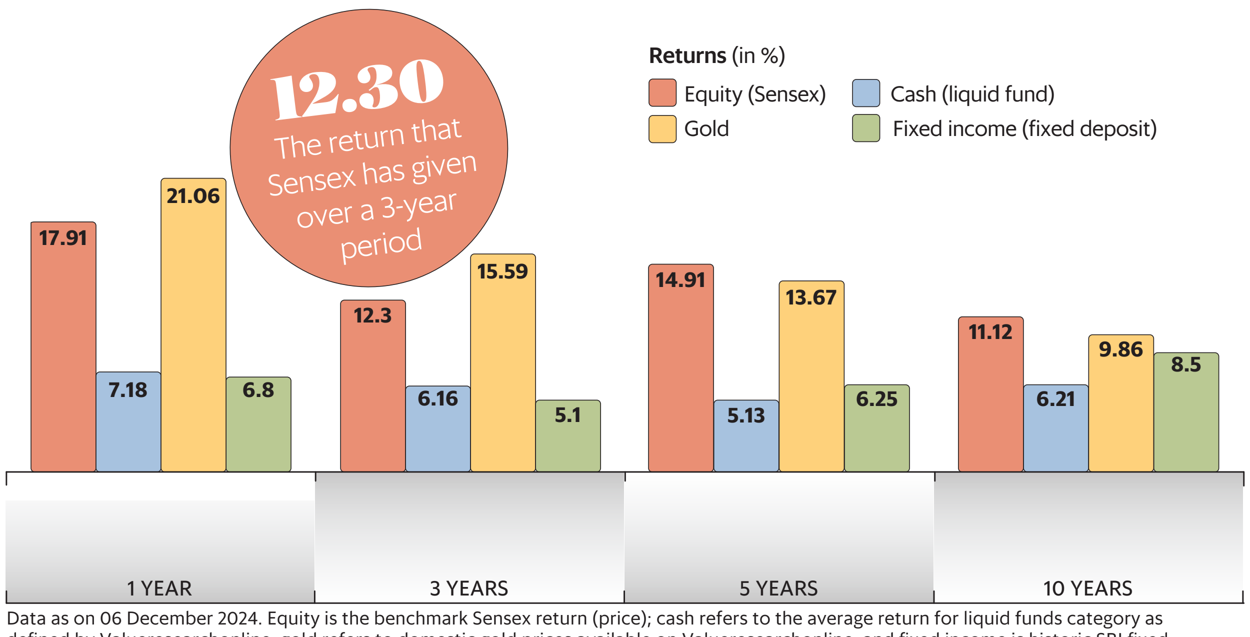
Investors can take heart from Sebi's mandate of obtaining assurance for the core ESG parameters starting with the top 150 listed entities from FY24. Adopting uniform taxonomy and strengthening the granularity of disclosures by ESG funds on the rating methodology can further deepen trust.

ESG investing matters to India, where both climate change and social inequity can have disastrous consequences, given the sheer size of the population. ESG funds could well accelerate the transition to sustainability, elevating it from a trend to the new normal.

Ranjith Krishnan is a sustainability consultant based in Thane and Usha Ganapathy Subramanian is a practising company secretary in Chennai.

Returns on my investments

Building a portfolio is a complex exercise, and it has to be maintained too. A person's portfolio holds different types of assets based on her financial goals, and each asset class gives different types of returns, which is why a portfolio must have an ideal mix of financial products. One must also keep in mind the volatility risk of the asset class, liquidity, lock-in rules and taxation. Here's a look at how four commonly used asset types—equity, cash, gold and fixed income—have done in different periods.



Data as on 06 December 2024. Equity is the benchmark Sensex return (price); cash refers to the average return for liquid funds category as defined by Valueresearchonline; gold refers to domestic gold prices available on Valueresearchonline; and fixed income is historic SBI fixed deposit rates. All returns are annualized.

SATISH KUMAR/MINT

Source: BSE, SBI, Value Research

Is it possible to sell property without PAN?

Harshal Bhuta

My sister and I inherited a property from our mother in 2020. I am a US citizen with an Overseas Citizenship of India (OCI) card, while my sister lives in India. Both of us are now selling the property to an Indian. The buyer has requested my PAN details to deduct TDS (tax deducted at source). However, I do not have a PAN in India. What are the consequences of not having PAN for this transaction?

—*Name withheld on request*

ISTOCKPHOTO

ASK MINT
TAXATION

The property in question qualifies as a long-term capital asset. The sale of such immovable property in India by non-residents is now subject to a tax of 12.5% (plus surcharge and cess) on the capital gains, with no benefit of indexation. Consequently, the buyer is required to deduct the corresponding tax amount when making the payment of sale consideration to you. (In practice, in the absence of a lower/nil tax deduction certificate from the tax officer, the buyer will deduct tax based on the full sale consideration, rather than just the capital gains amount.)

However, if you do not have a PAN, the buyer is obligated to deduct tax at the higher of the prescribed rates —20% as per Section 206AA of the Income Tax Act, 1961, which is assumed to include both surcharge and education cess. After deducting TDS, the buyer will provide a transaction-based report (instead of Form 16A) detailing the transaction for non-resident deductees without a PAN.

Without a PAN, you will neither be able to file your income tax return in India nor claim a refund of any excess TDS the buyer may have deducted. This could lead to a significant loss if the actual tax liability is lower than the TDS amount. Also, not having a PAN could cause complications in the future, particularly if there is a reopening of the assessment, as you may face practical challenges in claiming the TDS deducted in the transaction. Therefore, it is strongly recommended that you obtain a PAN to avoid potential losses.

Harshal Bhuta is partner at P. R. Bhuta & Co. Chartered Accountants

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

OUR VIEW

PTI

Malhotra has his task cut out as RBI's next leader

As RBI governor-designate Sanjay Malhotra moves from North Block to Mint Street, he will need to tread a fine line on monetary-fiscal policy coordination in favour of India's economy

On Monday, we finally got the news that every Indian with even a passing interest in the economy had been waiting for. Ending weeks of speculation over whether Shaktikanta Das would be given an extension of an already extended term, the government announced that revenue secretary Sanjay Malhotra will take over as the next governor of the Reserve Bank of India (RBI). This brings the curtains down on an eventful term under Governor Das, whose time at the central bank's helm was marked by many challenges, such as guiding the economy through the pandemic, new kinds of inflationary pressures and various global uncertainties. RBI was also at the forefront of innovation, whether in the field of digital finance or with an e-rupee. Malhotra steps into the shoes of someone who came into RBI as a relative newbie (a history student with a long civil-service career), but soon went on to prove himself as more than equal to the task. No doubt, the governor-designate's training in information technology, together with his long years as a bureaucrat, will help him make the transition from North Block to Mint Street.

Unlike Governor Das, who had the advantage of a seasoned deputy governor in charge of monetary policy, Michael Patra, and an experienced Monetary Policy Committee (MPC) when he took over, the new governor will have to learn the ropes in a very short period, given his last-minute appointment, and with a relatively new team. Patra is due to retire and is expected to step down shortly, while the MPC was reconstituted less than three months ago. At least Malhotra has his task cut out for him. Governor Das has often spoken of the value of monetary-fiscal policy coordination. At the Southeast Asian central banks forum earlier this year, Das said, "India's coordinated policy response in the face of a series of adverse shocks can be a good template for the future. While monetary policy worked on anchoring inflation expectations and quelling demand-pull pressures, supply side interventions by the government alleviated supply-side pressures and moderated cost-push inflation." This is sound advice for such circumstances; both policy levers must act in unison. At other times, though, RBI has the onerous job of limiting potential damage from fiscal policy, especially if it threatens to be inflationary, if needed, by "withdrawing the punch bowl just as the party gets going," in the words of William McChesney Martin, who led the US Fed for almost two decades. This isn't always easy. The fiscal dominance of monetary policy means much of RBI's work is circumscribed by the Centre's decisions. Given their different time horizons and the vulnerability of governments to fickle electorates, differences with the central bank are par for the course. Not only in India, but the world over. Successful central bank governors are those who know how to tread the fine line between cooperating with the Centre when the situation requires it and speaking truth to power at other times. Sanjay Malhotra too must frame policy with the long-term interests of the country in mind.

Kristalina Georgieva, managing director of the International Monetary Fund, put it well: "Central bank independence matters for price stability—and price stability matters for consistent long-term growth. Risks of political interference in banks' decision making and personnel appointments are rising. Governments and central bankers must resist these pressures."

THEIR VIEW

Trump's victory calls upon us to reshape our globalization game

India should let in Chinese FDI and technology to make the most of its China-plus-one opportunity

MANOJ PANT
is visiting professor, Shiv Nadar University

US President-elect Donald Trump is now firmly set at the centre of the country's polity, with control on the Senate, House of Representatives and judiciary. During his election campaign, he announced some radical measures on immigration and trade relations. Importantly, with an anti-China hawk Marco Rubio as secretary of state, Trump might actually proceed on his China agenda. There is no doubt that international relations and the global geo-economic order are in for a shake-up.

A separate but not unrelated development in recent weeks is the emerging thaw in India-China border relations and a return to the situation that prevailed before the Galwan clash between the militaries of the two countries in 2020. As observers have rightly noted, this thaw is a consequence of China's declining economic fortunes in the last one year, strained relations with the US in the last few years and a desire to not fight too many external battles at this point in time. One thing is clear. Now that Trump will be firmly in the saddle, come 20 January, China's economic relations with the US and EU will not improve much for at least the coming year. Technology theft bothers the US the most, as it has been running the largest trade deficits for the last decade or, while depending on technology for a large chunk of its exports. On the other hand, the EU finds its eastern borders unsettled in Ukraine and is forced to support America's anti-China stance.

So, how do these geo-economic realities affect India? The first takeaway is the increasing role of economics in determining international tensions and even conflicts. Consider the Ukraine issue. When the Ukraine War started in early 2022, a major worry was the disruption in world supplies of food grain, as Ukraine and Russia account for almost 30% of world exports. The Russians were quickly persuaded by all countries not to block Ukrainian exports, as that was in nobody's interest. Similarly, the US embargo of Russian hydrocarbon exports allowed exceptions for crude oil so long as its export price did not exceed $60 per barrel. This was greatly beneficial to Russia's largest trade partner, the EU, while India was able to build a good stockpile of oil for domestic inflation control. Finally, despite Israeli Prime Minister Benjamin Netanyahu's resolve to keep the Gaza War going till the Hamas was wiped out, he was asked by its principal ally, the US, to leave Iran's oil depots and nuclear facilities alone in any retaliation to Iranian missile attacks.

How does this impact India? All indications are that post-covid pent-up demand is winding down. In addition, personal consumption financed by liberal bank loans (one striking example of which is real estate) is now also winding down. There is a limit to how long government expenditure can keep the economy going. One silver lining for India, though, is the export growth of mainly electronic items, as a few companies such as Apple have chosen to diversify their supply chains away from China. Regardless of who is president of the US, its best inflation control strategy has been to import cheap manufactured goods from China. No US president can change this strategy without risking higher domestic retail prices.

Here is where India comes in. In terms of large assembly stations, the only alternative to China is India. But it is also clear that India is not ready yet in terms of labour skills or technology to replace Chinese exports to the US. The next best strategy is to attract foreign direct investment (FDI) to India.

As the *Economic Survey* noted, it might be time to consider Chinese FDI in India with all the necessary security exclusions. I have written extensively in these columns that FDI and trade are two sides of the same coin. FDI, in fact, tends to promote trade in the long run. In the case of Apple, its entry to India had to be facilitated by allowing a Chinese investor whose parts were critical to the final assembly of the iPhone.

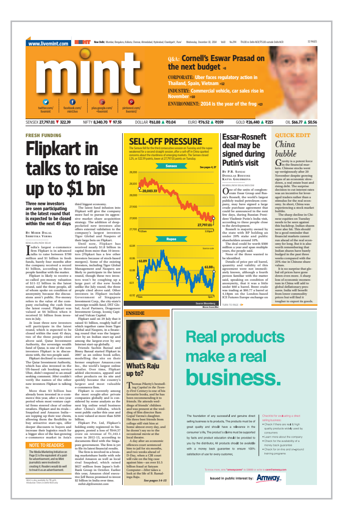
On the one hand, India worries about its burgeoning trade deficit with China, but is unwilling to allow Chinese companies to produce here. At the same time, whenever it negotiates a free trade agreement (FTA), its primary concern is over Chinese shipments sneaking in via that route. We know that FDI (which entails setting up or acquiring producing units in any country) does not exit quickly. Investors can't pick up and take their factories away. Xiaomi products are everywhere (phones, air purifiers, fridges) anyway. How would FDI hurt?

As far as India is concerned, traditional exports like oil, jewellery, machine tools, etc, are unlikely to drive an export boom, which is more likely to be led by electronic products. Incidentally, China's principal exports are electronics and office machines.

A China-plus-one strategy is India's best bet in the next few years. But this cannot work on Apple exports alone. A more broad-based strategy would be to let Chinese technology in for some time. This means letting in Chinese FDI.

Whatever the US leader says about tariffs and domestic production, Americans wouldn't want their cheap imports to stop, the Chinese need to keep their export engine going and Indians need 8-9% GDP growth. It would make little sense to let politics get in the way of an economic 'triumvirate.'

10 YEARS AGO


mint
Flipkart in talks to raise up to $1 bn
SELL-OFF PRESSURE
Real products make a real business.

JUST A THOUGHT

The power of population is indefinitely greater than the power in the earth to produce subsistence for man.

THOMAS MALTHUS

MY VIEW | MUSING MACRO

Demography is destiny: It's a law that cannot be shaken

AJIT RANADE
is a Pune-based economist

Earlier this year, Singapore's government noted with alarm that the country's total fertility rate (TFR) in 2023 had fallen to a record 0.97. TFR is the average number of children born to a woman during her lifetime. For several years, it has been falling, while the share of the elderly, those above 65 years, has been rising. From 11.7% in 2013, it hit 19.1% in 2023 and is expected to reach 24.1 % in 2030. In Singapore, the pendulum of population policy has swung from one extreme to the other. In 1966, a Family Planning and Population Board was set up to encourage birth control. There was a 'Stop-at-Two" programme, with disincentives for families having more than two children. Sterilization was rewarded. By the early 1980s, the government became pro-natalist, launching a 'Have-three-or-more' campaign in 1987. Its population control policies had been too successful and needed reversing. But despite baby-bonus schemes and cash incentives, the fertility rate keeps falling. Hence, immigration policy is being relaxed. Roughly 40% of Singaporeans are immigrants and 39% are non-citizens. The current policy seems to aim simply to stabilize the population rather than raise or lower the TFR.

Just like Singapore, almost all major countries have tried social engineering and population control. As per the *United Nations 2021 World Population Policies* report, nearly two-thirds of all countries had policies on fertility: 69 governments to reduce, 55 countries to increase and 19 to maintain it. Half the countries trying to reduce TFR are developing, implying that they think that high TFR hurts economic development.

India too has traditionally subscribed to that Malthusian view. In 2022, a private member's bill was introduced in Parliament, proposing incentives for limiting children in a family to two. More than six states have the two-child norm as mandatory for panchayat members. Policies to limit family size are being pursued in India even as nearly half of all states have reached a TFR of 2.1 or below. That is the 'replacement rate' that leads to a stable population. It is a little over two progeny from two parents to account for factors like mortality, infertility and often also a gender ratio in favour of males.

In a sign of a reversal, Andhra Pradesh has scrapped a 30-year-old law barring those with three or more children from contesting local elections. It has a TFR of 1.6 and is worried about an ageing society. Many other southern states will follow suit in relaxing the norm. Echoing this sentiment, RSS chief Mohan Bhagwat recently said that India should aim for a TFR of 3. With a lower TFR, "a society can gradually fade away on its own," he said. That may be too alarmist, but clearly the sentiment in India is shifting to tackling a low TFR, not high fertility.

> **Policies must aim not to control fertility but promote human capital, innovation and prosperity**

The actual relationship between population and economic growth has not been settled. Does high population growth cause growth to slow down or the reverse? As per the research of Angus Maddison, continued as the Maddison Project after his death in 2010, there is strong evidence that the long-term link between population and economic growth was stable for about 1,000 years before the industrial revolution. For instance, in England from 1,000 CE to 1820 CE, the average annual population growth rate was 0.29% and annual per capita income growth was 0.12%, so that overall economic growth (the sum of the two) was 0.41%. But in past two centuries, this relationship has broken. Per capita GDP in England has risen 11-fold since 1820. Between 1820 and 2010, the average population growth was 0.57%, whereas per capita income was rising at 1.28%. During this phase, agricultural output outpaced population, disproving the gloomy food scarcity forecast of Malthus.

Technological innovation seemed to be winning the race against resource scarcity. But Malthus followers have not given up. Paul Ehrlich, a contemporary Malthusian, and Julian Simon had a famous bet on commodity prices in 1980, in which the latter said that "brains would solve the mineral scarcity problem." Simon won the bet, as by 1990, the world's population had risen by nearly one billion but commodity prices had fallen.

Such techno optimism still drives policymakers who argue that human capital is the ultimate resource critical for economic growth. Population growth, which parallels growth in productivity, wages and family incomes, is required. India's predicament is that despite being one of the fastest growing economies, its per capita income at around $3,000 is the lowest in the G20. In the early 1990s, the economies of India and China were of comparable size and shared a similar rank by per capita income. Three decades later, China's economy is six times bigger, and its per capita GDP rank is 70 compared to India's 141. Growth in China has been more inclusive than India's.

Demographic changes are driven by multiple factors. Declining mortality and rising fertility both lead to population growth, but have opposite effects on economic growth. Rising family incomes tend to increase the opportunity cost of raising children, leading to a lower TFR. There is a high correlation between female education and incomes on one hand and family size on the other.

Controlling TFR is doomed to fail. We need policies that raise per capita income, enhance human capital and encourage technological innovation; and state policies that are immigrant friendly and compensate for inter-state TFR differentials.

THEIR VIEW

Why Bidenomics did not deliver in spite of its working class focus

Joe Biden's policies failed to recognize the changed nature of the US economy and so they were unable to achieve their aims

DANI RODRIK
is president of the International Economic Association and author of 'Straight Talk on Trade: Ideas for a Sane World Economy'

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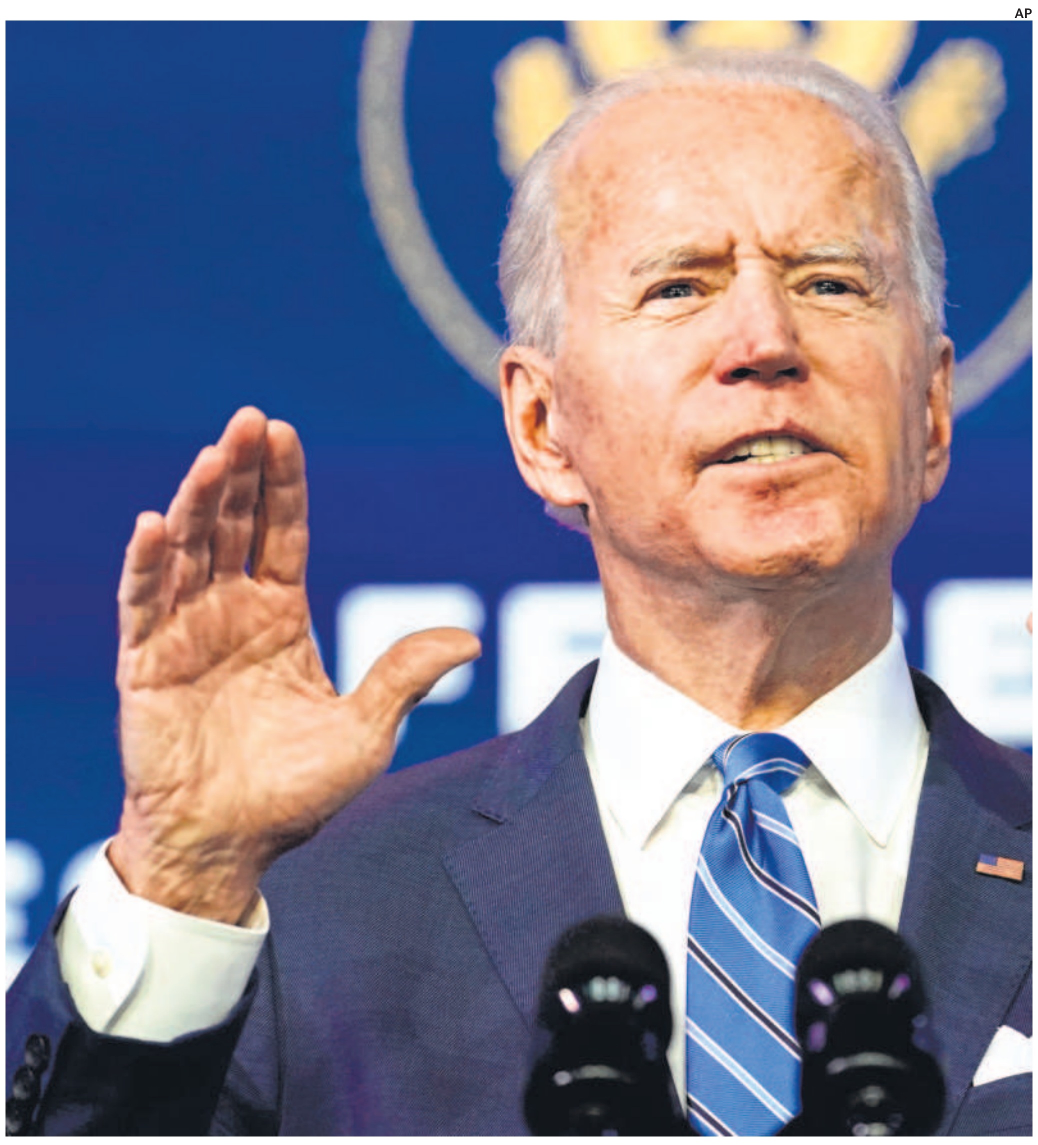


As US president, Joe Biden charted a new economic path for the Democrats by siding unabashedly with the working class and introducing a wide range of industrial policies to reinvigorate US manufacturing, reshore supply chains and promote the green transition. Most of these new policies made economic sense, and like many other progressives, I thought they made political sense as well. What, then, accounts for Vice-President Kamala Harris's disappointing electoral performance, especially with working-class voters?

Donald Trump's appeal, like that of right-wing ethno-nationalists elsewhere, owes much to rising levels of economic insecurity, which many regard as the result of deregulation, increased corporate power, globalization, deindustrialization and automation. As the traditional champions of the underdog, centre-left parties could have benefited from these developments. But they had come to speak more for educated professional elites, and they were slow to alter course. Faced with the growing perception that they'd abandoned their working-class roots, Biden's move toward economic populism seemed like the right strategy.

One interpretation of Trump's re-election is that economic populism was a mistake, implying that the Democratic Party should have moved more forcefully to the centre-ground instead. But Harris's apparently fruitless efforts to woo middle-of-the-road Republican voters was not much of a success either.

There are at least three other possibilities. The first is that Biden's strategy did work, but not enough to win the election. Inflation and the increased cost of living produced a generalized backlash against governments everywhere. A widely circulated chart in the *Financial Times* shows that incumbents have fallen short of their previous share of the vote in every election in 2024. To Bidenomics' credit, Democrats did much better by comparison.

The second possibility is that it takes time for new policies to show effect and result in new political coalitions. Bidenomics is still new, and it faced the daunting challenge of dislodging more than three decades of voter experience with Democratic centrism. Perhaps it was too much to expect Biden's pro-worker rhetoric and strong manufacturing construction numbers to overcome the cleavages that have emerged (and deepened) since president Bill Clinton's administration. It takes more than a few years of well-designed policy to engineer a political realignment.

The third, and least discussed, possibility is that Bidenomics was economic populism of the wrong kind. By focusing on manufacturing, old-style union power and worker organizations, and geopolitical competition with China, it paid too little attention to the changing structure of the US economy and the nature of its new working class. In an economy where only 8% of workers are factory employed, a policy that promises to restore the middle class by bringing manufacturing back home is not only unrealistic; it also rings hollow, because it does not align with workers' aspirations and everyday experiences.

The typical US worker today is no longer rolling steel or assembling cars. Rather, s/he is a long-term care provider, food preparer or someone running an independent small business (perhaps via gig work). Addressing the problems of low pay and precarious working conditions in such services requires a different strategy than manufacturing incentives or import tariffs. Class solidarity also needs to be built differently than through appeals to unions or bargaining power. Biden had the right idea, in this view, but failed to hit the right targets.

Our new economic structure requires a 21st-century version of 'industrial policy' that focuses on creating good jobs in services. Such a strategy entails organizational and technological innovations to upgrade work in low-pay activities and improve the provision of inputs such as digital tools, customized training, and credit. One can find local and national examples of such initiatives, but they remain small-scale and largely incidental to federal programmes.

New technologies that help workers rather than displace them are critical to this effort. Green industrial policies show that innovation can indeed be redirected from carbon-intensive activities to more sustainable ones. Now we need a similar push for labour-friendly technology policies to promote innovation that enables workers with less than a college education to perform more complex tasks in care and other personal services. By developing new visions of economic specialization and mobilizing the needed resources, cross-sectoral coalitions, often led by public agencies, can foster local job creation in regions that have been scarred by long-term unemployment.

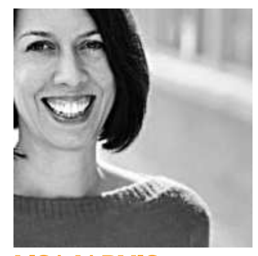
It is worth noting that in one poll taken before the election, Hispanic voters in Texas said that their biggest problem with Democrats is that it is "the party of welfare benefits for people who don't work." While social transfers to the poor—those who either cannot work or face temporary unemployment—are a necessary and integral part of the contemporary welfare state, parties of the left cannot allow themselves to be defined exclusively in such terms. They need to be seen as advocates for those who want to contribute to their community through decent work, and as facilitators for those who face obstacles in doing so.

Reconnecting the Democratic Party with its roots must start with the recognition that today's working class has changed and has different needs. The provision of social insurance and countervailing power against business interests will always remain important elements of the progressive left. But these goals must be augmented with a revamped set of 'good jobs' policies that neither fetishize manufacturing nor view it through the lens of geopolitical competition with China.

MINT CURATOR

The HPV vaccine saves lives: The US must not mess with it

Anti-vaxxers in charge of public health might endanger women



LISA JARVIS
is a Bloomberg Opinion columnist covering biotech, health care and the pharmaceutical industry.

Data shows that the HPV vaccine is playing a useful role in women's health ISTOCKPHOTO

New research has again shown the enormous value of the HPV vaccine, which protects against the virus responsible for more than 90% of cervical cancer cases. Studies had already shown that the vaccine dramatically reduces rates of HPV infections and cervical cancer. Now comes evidence of what has long been suspected: The vaccine also saves lives. This message needs reinforcing in the US, where vaccination rates continue to lag behind pre-pandemic levels—which were already behind health officials' targets for population-level coverage. Officials will now contend with a new administration that is stacking US public health agencies with leadership like Robert F. Kennedy Jr, who is well known for his scepticism of vaccines, including the HPV shot.

In a letter published in *JAMA*, researchers narrowed in on cervical cancer deaths among women who were younger than 25 between 2016 and 2021—the first group with widespread uptake of the vaccine as adolescents following its approval in 2006. While cervical cancer deaths among young women had been steadily dropping for years, thanks to screening, researchers found a sharper decline among this group, leading to 26 fewer deaths over that period.

The number may sound small. But consider that the vaccine hasn't been around long enough for researchers to comprehensively assess its long-term benefits. Most women are diagnosed with cervical cancer when they are older—typically in their mid-30s to mid-50s. That means we won't see the larger impact of vaccination until five to 10 years from now, says Ashish Deshmukh, a professor at the Medical University of South Carolina who led the study.

Cervical cancer isn't the only disease linked to HPV, and women aren't the only ones affected. The virus is also implicated in oral, anal, vaginal, vulvar and penile cancers. Imagine if vaccination against HPV (eventually allowed the US to cut the 4,000 annual deaths from cervical cancer to zero—or dramatically reduce or even eliminate the nearly 38,000 HPV-related cancers diagnosed in the country each year.

Both are achievable goals, but it means propping up vaccination rates. Tweens are first eligible for the shots at age 9, yet recent data from the Centers for Disease Control and Prevention show the number of 13- to 17-year-olds who had completed the series of shots (two doses if initiated by age 14 or three doses if initiated at 15 or older) dipped to 61.4% in 2023 from 62.6% in 2022. Health experts weren't surprised that routine vaccination rates were affected by covid shutdowns, but getting HPV rates back to pre-pandemic levels—let alone to officials' goal of 80% of adolescents vaccinated by 2030—has been a slog. Efforts have been focused on addressing disparities in coverage, such as improving access and uptake among people living in rural areas or without insurance, helping paediatricians make more effective pitches for vaccination, and clearing barriers to starting the shots during early adolescence when protection can be achieved with two rather than three doses.

Yet, there's reason to worry all this work could be unravelled by President-elect Donald Trump's picks to lead public health agencies. The HPV vaccine is among those aggressively targeted by Children's Health Defense, a non-profit known for its anti-vaccine rhetoric and misinformation. It was founded by Kennedy, Trump's nominee to lead the Department of Health and Human Services. Kennedy has been involved in multiple lawsuits related to the HPV vaccine, including one filed in 2022, claiming Merck's Gardasil has caused injuries to teens. Numerous studies have shown the side effects are mild.

Meanwhile, Dave Weldon, Trump's pick to head the Centers for Disease Control and Prevention, has been embraced by anti-vaccine groups. Most of the former representative's problematic proposals while in Congress focused on the debunked link between MMR vaccination and autism. But he did criticize the HPV vaccine as lacking long-term safety data. In fact, at the time of its approval, Gardasil had been tested in thousands of women. They were followed for up to four years, long past the time when a safety issue would likely emerge—something Weldon, a physician, should know.

The new leadership combo could undermine vaccine access and uptake (the number of people vaccinated with a certain dose in a certain time period). Beyond the reasonable worry that Kennedy might publicly question the benefits or safety of vaccines, the CDC also plays a significant role by providing recommendations on vax schedules, which influences insurance coverage. The HPV vaccine prevents unnecessary suffering and deaths from HPV-related cancers. What a colossal shame it would be to go backward—at the cost of women's lives.

MY VIEW | IT MATTERS

Data brokers pose hidden dangers that must be tackled

SIDDHARTH PAI

is co-founder of Siana Capital, a venture fund manager.

In the US, a multibillion-dollar industry thrives on an invisible commodity: personal data. This sector, dominated by data brokers, collects, processes and sells vast amounts of information on individuals, often without their knowledge. It is an opaque ecosystem with far-reaching implications for personal privacy, financial security and national interests. Despite its outsized influence, the industry remains largely unregulated, raising urgent questions about the need for oversight and consumer protection.

Data brokers operate as intermediaries, aggregating information from sources like online browsing histories, credit applications, social media interactions and public records. This data is packaged into detailed profiles of individuals with sensitive information such as credit scores, financial history, health conditions and behavioural patterns. These profiles are sold to advertisers, corporations, political campaigns and sometimes foreign entities. While these practices enable tailored advertising, marketing and individually targeted services, they also pose dangers. Commodifying sensitive data—such as financial or health records—opens a Pandora's box of ethical, legal and security concerns. There are many risks associated with data brokering. Armed with detailed personal information on us, criminals can craft sophisticated phishing scams, defraud individuals and even steal identities.

Beyond personal harm, there are broader implications. Unregulated data flows can exacerbate systemic inequalities. Errors in aggregated data, such as incorrect credit information, can unfairly deny individuals access to loans, housing or employment. These errors often go uncorrected as we have few accountability mechanisms for data brokers. Selling personal data to foreign entities can undermine national security. For example, foreign adversaries could buy detailed demographic and psychographic data to manipulate public opinion, identify vulnerabilities in government personnel, or sow discord through misinformation.

By analysing behavioural patterns, they could craft campaigns to widen societal divides, manipulate elections or erode trust in institutions—all without any need for hacking or direct espionage. Consider a scenario where a foreign actor legally purchases data-sets with details on US military personnel or government employees. This data could be used for blackmail.

The US's lack of comprehensive federal data privacy laws contrasts sharply with frameworks like the EU's General Data Protection Regulation (GDPR), which mandates transparency, consent and accountability, giving individuals significant control over their data. In the US, however, data privacy is addressed in a fragmented manner, with state-level initiatives such as California's Consumer Privacy Act offering piecemeal solutions. The US needs a unified regulatory framework that addresses transparency, consumer control and broker accountability.

Profiles being hawked without tight oversight puts not just individuals but entire countries at grave risk

The Consumer Financial Protection Bureau (CFPB) has emerged as a key player in addressing the darker side of data brokerage, particularly in the financial domain. Established in the aftermath of the 2008 financial crisis, it is tasked with safeguarding consumers in the financial services sector. In recent years, it has acted against credit reporting agencies that are closely tied to the data broker ecosystem. For instance, the CFPB has issued fines for mishandling consumer data and failing to address inaccuracies in credit reports. It has also initiated probes of how credit reporting agencies share data with third parties.

While all this marks progress, the CFPB's reach is limited by existing legislation, such as the Fair Credit Reporting Act (FCRA), which primarily governs the financial aspects of data handling. This leaves a regulatory gap for non-financial data brokers, which operate with even fewer constraints. The CFPB's head Rohit Chopra has just announced new steps to expand the FCRA and let his agency police data brokers (*shorturl.at/xovZq*).

While the CFPB's focus is on financial data, it has the potential to spearhead broader regulatory efforts. Its work in holding credit reporting agencies accountable could serve as a model for overseeing other data brokers. But it would require legislative backing to expand the CFPB's mandate beyond its current financial scope. Collaboration between the CFPB and other agencies, such as the Federal Trade Commission (FTC), could create a more comprehensive oversight framework. The FTC, which has jurisdiction over unfair business practices, could complement the CFPB's efforts by keeping the data broker industry in check. However, where such regulation might go after Donald Trump takes office is unknown. It appears the proposed Department of Government Efficiency may have the CFPB in its cross-hairs (*shorturl.at/7U6ol*).

Whatever course the regulation of data brokers may take in the US, public awareness is critical. Consumers must be informed about the data broker risks and empowered to demand greater control over their personal information. Advocacy groups, journalists and tech companies can play a pivotal role in pushing for transparency and accountability. Without regulation, the risks will only multiply, spanning personal harm, financial exploitation and threats to national security. As we grapple with challenges of the digital age, reining in the data broker industry should be a priority. After all, in the hands of the unscrupulous, your data isn't just a commodity—it can be a weapon.

Enjoy year-end parties without social burnout

Keep your social battery on high charge for year-end gatherings by setting firm boundaries, opting for quality interactions and oodles of self-care

Divya Naik
lounge@livemint.com


ISTOCKPHOTO

As the year draws to a close, there is a whirlwind of parties, gatherings and social commitments. These occasions foster a sense of connection and joy, but they also bear the risk of bringing on emotional and physical exhaustion, commonly referred to as "social battery burnout."

Most of us are familiar with the idea of "burnout" in professional settings. Social exhaustion is just as real and can leave us feeling drained, irritable and overwhelmed during what should be the happiest time of the year.

What is social battery? The term serves as a metaphor for the fluctuating reserves of energy we bring to social interactions. "It represents a combination of emotional, cognitive and physiological resources available to an individual during social engagements," explains Komal Kaira, an integrative psychologist based in Mumbai.

Socializing isn't just about showing up and talking—it requires effort to read social cues, manage reactions and empathize with others, all of which expend energy. As Gurugram-based clinical psychologist Shevantika Nanda notes, "Our social batteries, much like those in devices, need recharging after depletion."

Meenakshi Atawnia, a trauma-informed counselling psychologist and founder of The Cognitive Factor in Delhi, adds another pertinent point—the quality of social interaction too plays a significant role in how energised or enervated you feel. "Negative or poor-quality interactions can drain your social battery faster than multiple positive ones," she says.

THE PERSONALITY FACTOR

There are a host of factors that influence how quickly someone's social battery is depleted. Personality traits play a key role. Introverts often process social interactions deeply, which can quickly exhaust their emotional reserves. Neurodivergent individuals or those with social anxiety may find socializing more draining due to heightened sensitivity to external stimuli or the effort involved in masking behaviours to conform to societal norms.

According to Kaira, past trauma also can make socializing more taxing. "For individuals with a history of unsafe social interactions, hypervigilance during conversations can deplete their social battery as their nervous system remains in a constant state of high alert, scanning for threats even in seemingly benign settings."

Environmental factors, such as crowded spaces, bright lights, or loud music too make social situations particularly exhausting. Physical states, such as being sleep-deprived, stressed or unwell can add to the toll. At events like weddings in the family, societal expectations can weigh heavily too.

"This constant need to meet expectations—such as dressing appropriately, maintaining relationships, or attending out of obligation—can drain you out," says Wilona Annunciation, a psychiatrist and founder of Catalysts Clinic in Thane.

CUES TO WATCH FOR

It is critical to identify signs of a drained social battery. Physically, you may feel fatigue, headaches or tension in the body. Emotionally, irritability, impatience or a lack of enthusiasm for further engagement can set in. Cognitively, zoning out during conversations or difficulty concentrating may signal that it's time to recharge.

Unchecked social burnout, over time, can erode self-esteem and make future interactions feel more daunting. And so, recognizing and respecting these signals is key to maintaining emotional health.

Here are a few strategies that can help you navigate the busy season with minimal burnout:

▶ **Solo activities:** Engage in activities like reading, journaling or watching a favourite show that allow you to reset emotionally and mentally. Time spent in nature or with pets also offers restorative benefits.
▶ **Mindfulness practices:** Mindfulness techniques such as deep breathing, meditation or grounding exercises can help regulate stress.
▶ **Physical self-care:** Prioritize gentle exercise, hydration and mindful eating. Avoid overstimulation and ensure sufficient sleep as well.
▶ **Set boundaries:** Boundary-setting is vital to conserving energy. Politely decline invitations that feel obligatory rather than joyful.
▶ **Focus on quality over quantity:** Instead of attending every event, prioritize meaningful interactions. This reduces stress and makes social engagements feel more fulfilling.
▶ **Manage sensory overload:** Avoid overstimulating environments when possible. Opt for smaller, quieter gatherings that align with your preferences. Set a time limit for larger events and prepare mentally beforehand to manage expectations.
▶ **Cultivate a guilt-free mindset:** Many people view taking time for themselves as selfish. Reframing self-care as a form of self-respect can help overcome this mindset.

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ISTOCKPHOTO

Pre-workout supplements: Aye or nay?

Good quality pre-work supplements can help boost your energy to exercise

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If you're a regular gym goer, chances are you consume a pre-workout supplement. These usually have 150-300mg of caffeine, which serves as a wake-up call to the system to work out. But consuming that much caffeine is equivalent to three cups of coffee in a very short time rather than over the course of the day. The recommended amount of caffeine for adults per day is not more than 400mg.

It is important to know which type of pre-workout powder you might want. "Blends generally fall into two categories: stim and non-stim. Stim, or stimulant pre-workout, contains caffeine, while non-stim options claim to provide alertness and focus via one or more nootropic ingredients like taurine, which haven't been conclusively shown to provide benefits," states a *Time* article titled *Pre-workout Powders Are Gaining Popularity. Do They Work?*

There are some advantages to pre-workout supplements. Caffeine is a great mood and energy booster, and consuming top quality pre-workout powders can help reduce muscle soreness and fatigue.

Mumbai-based nutritionist Shivali Chauhan recommends factoring in your mental health before you start taking a pre-workout supplement with caffeine. "It's smart to avoid it if you have conditions like hypertension, anxiety, caffeine sensitivity or poor gut health." She suggests that people experiment with complex carbs and protein as a fuel to kick start a workout. "Try having just peanut butter on multigrain toast and your protein shake with water. And maybe a teaspoon of coffee powder for a little kick," she says.

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