HT NEW DELHI, MUMBAI, BENGALURU, KOLKATA, CHENNAI, AHMEDABAD, HYDERABAD, CHANDIGARH*, PUNE*, LUCKNOW* VOL. 18 NO. 35 Rs. 10.00 . Price with Hindustan Times Rs. 15.50 22 PAGES

Friday, February 9, 2024

mint

livemint.com

Ditched by the rich, vodka needs a new spirit ▶P10

Food inflation may be benign this yr: Nestlé's Narayanan ▶P5

SENSEX 71,428.44 ↓ 723.56 NIFTY 21,717.95 ↓ 212.55 DOLLAR ₹82.96 ↑ ₹0.01 EURO ₹89.45 ↓ ₹0.10 OIL $80.86 ↑ $1.11 POUND ₹104.78 ↑ ₹0.04

Rates on hold in last mile on disinflation

RBI expects GDP growth at 7%, inflation at 4.5% in 2024-25

Gopika Gopakumar
gopika.g@livemint.com
MUMBAI

The Reserve Bank of India's (RBI's) monetary policy committee (MPC) kept the benchmark interest rate unchanged for the sixth straight time, citing persistent risks from food inflation and incomplete transmission of monetary policy, pouring cold water on hopes of an early rate cut.

Five out of six committee members on Thursday voted to keep the policy repurchase rate unchanged at 6.5%, and stance unchanged at withdrawal of accommodation. Only Jayanth R. Varma voted in favour of a rate cut and a change in policy stance to neutral. RBI last raised the repo rate to 6.5% in February 2023, and has left it unchanged since then.

RBI governor Shaktikanta Das highlighted that the "last mile of disinflation" towards the 4% inflation target is the most challenging, signalling that rate cuts may not be imminent.

"The MPC will carefully monitor any signs of generalization of food price pressures that can fritter away the gains in easing of core inflation. Monetary policy must continue to be actively disinflationary to align inflation to the target of 4% on a durable basis. The MPC will remain resolute in this commitment. The MPC also decided to remain focused on withdrawal of accommodation to ensure fuller transmission and anchoring of inflation expectations," said Das.

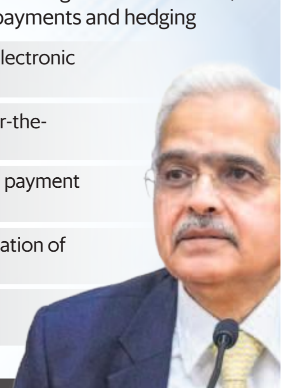
The MPC marginally lowered its inflation forecasts for the fourth quarter of 2023-24 and 2024-25. Inflation is expected to come down to 4.5% in 2024-25 from 5.4% in 2023-24. It pegged the gross domestic product (GDP) growth for

TURN TO PAGE 6

ROAD AHEAD

The central bank, which kept the repo rate unchanged for a sixth time, is planning a series of measures in trading, payments and hedging

- **REVIEW** of the regulatory framework for electronic trading platforms
- **HEDGING** gold prices to be allowed in over-the-counter segment in IFSC
- **ENHANCED** security for Aadhaar-enabled payment system transactions
- **A** principle-based framework for authentication of digital transactions
- **PROGRAMMABILITY** and greater functionality in central bank's digital rupee



Source: RBI

Monetary policy must continue to be actively disinflationary to align inflation to the target of 4%

SHAKTIKANTA DAS, governor, RBI

Disclose true cost of debt to borrowers: RBI >P6

We give all enough time to comply: Das on Paytm

Shayan Ghosh
shayan.g@livemint.com
MUMBAI

The central bank on Thursday said it imposed restrictions on Paytm Payments Bank because of persistent non-compliance, insisting that it resorted to such measures only after prolonged engagement with the entities involved.

At the central bank's monetary policy briefing on Thursday, RBI governor Shaktikanta Das and his deputies faced several questions regarding the restrictions on Paytm Payments Bank, an associate company of One97 Communications Ltd.

Their responses were largely accompanied by a disclaimer that such decisions were applicable to all regulated entities, not specifically to Paytm Payments Bank.

"We give sufficient time to every regulated entity that is supervised by RBI to comply with the regulatory requirements... if everything had been complied with, why should we act?," Das said.

He emphasised that RBI supports innovation and technology in the financial sector.

TURN TO PAGE 6

How fears of China link shut the doors on a Paytm venture

Mihir Mishra & Shayan Ghosh
NEW DELHI/MUMBAI

Paytm's troubles with the authorities started much before India's central bank announced strictures on its associate company, Paytm Payments Bank, on 31 January.

Early last year, concerned over Chinese investments in One97 Communications Ltd, the listed entity of the Paytm group, the Centre had rejected a proposal by the company for a post-facto approval of investments made in its subsidiary, Paytm Payments Services Ltd (PPSL). PPSL offers digital payments solutions and financial tools for businesses.

The external affairs ministry had recommended against the approval from a "political angle", mentioned in an internal government note that *Mint* has seen. The "post-facto" FDI proposal was for One97 Communications to invest in its subsidiary Paytm Payments Services, showed the note.

As per the note cited above, One97 Communications was termed at that point as a "foreign-owned and controlled company having certain Chinese shareholders".

After the external affairs ministry, the Department of Promotion of Industry and Internal Trade (DPIIT) and Department of Financial Services also did not approve the investments in March and May 2023, respectively.

"As per Paytm Payment Services Ltd, its creation and the capital infusion therein were both undertaken to comply with newly introduced regulations of RBI," according to the note cited above.

The note further said PPSL had applied to RBI (Reserve Bank of India) for a payment aggregator licence but was

TURN TO PAGE 6

PAYMENT FAIL

- **Mar 2020:** Non-banks told to separate payment biz from marketplaces
- **Oct 2020:** One97 incorporates Paytm Payments Services
- **Aug 2021:** One97 says it will shift payment aggregator biz to new unit
- **Nov 2022:** RBI asks PPSL to resubmit application within 120 days
- **2022- 23:** MEA, DPIIT, DFS say no to One97's FDI proposals

DON'T MISS

HT

Govt targets wheat hoarders, halves stock limits again

The Union government has imposed another round of curbs on stocking of wheat, drastically lowering the limit for the second time since December as it seeks to prevent hoarding and speculation that could spike prices. >P2

OVL in talks with Venezuela govt for two oil and gas projects

With US sanctions on Venezuela lifted, state-run ONGC Videsh Ltd (OVL) is in talks with the Venezuelan government for operating two oil and gas projects in the country, said Rajarshi Gupta, managing director of the company. >P2

Disney+Hotstar sees rise in paid subscribers after IPL rights loss

Disney+ Hotstar, Walt Disney Co's video streaming service in India and other Asian markets, witnessed its first ever increase in paid subscribers since it lost digital rights to stream the Indian Premier League (IPL) last year. >P5

Jan inflation likely fell to 5% due to cooling food prices: *Mint* poll

India's retail inflation may have eased from 5.7% in December to a three-month low of 5.0% in January, primarily on account of cooling food inflation, according to the median estimate of 18 economists in the latest *Mint* poll. >P4

White paper triggers govt-opposition clash

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

The ruling National Democratic Alliance (NDA) government and the opposition Congress party locked horns on Thursday, over a paper tabled in the Lok Sabha by finance minister Nirmala Sitharaman accusing the previous United Progressive Alliance regime of undermining the country's macroeconomic fundamentals, and the Congress hitting back at the government citing price rice and unemployment.

The debate over the economic track record before and after 2014 highlighted major shocks that India's economy underwent under both regimes, how the respective governments dealt with them, the effectiveness of the fiscal stimulus, given as well as the persisting issues of price rice and job creation not being commensurate with the demand from a large working age population.

The government's white paper accused the UPA of excessive revenue spending,

Union finance minister Nirmala Sitharaman. PTI

TURN TO PAGE 6

IT casts skill filter for campus picks

Jas Bardia & Devina Sengupta
BENGALURU/MUMBAI

In a year of thinning campus recruitments, two of the three large IT companies that still plan to hire freshers have told engineering colleges that they will prefer only those with certifications in advanced software skills.

Mumbai-based Tata Consultancy Services Ltd (TCS) and Teaneck, US-based Cognizant Technology Solutions Corp. will prefer to recruit only those certified in Amazon Web Services (AWS), Oracle and Java, among others, placement executives at engineering colleges said. The move, aimed to reduce training time and costs, will be a blow to many aspirants, given that not all colleges have students opting for these subjects.

Colleges said the decision by TCS and Cognizant reduces the number of students who can sit for placements. Since only three large IT firms will hire from campus this year (HCL Technologies Ltd is the third), the students don't have an option either.

"TCS is hiring for three roles at salaries of ₹3.5 lakh, ₹7 lakh

Fewer students will be able to sit for placements. BLOOMBERG

TURN TO PAGE 6

Musk opens new front in Disney fight

Joseph De Avila
feedback@livemint.com

Elon Musk is intensifying his feud with Disney. Musk, the billionaire owner of X, is soliciting people who want to sue Disney for discrimination. He says he is willing to help pay for their cases.

"If you were discriminated against by Disney or its subsidiaries (ABC, ESPN, Marvel, etc), just reply to this post to receive legal support," Musk said Tuesday in a post on X.

The outreach came the same day actress Gina Carano sued Disney and Lucasfilm, with Musk's financial backing, for wrongful termination from "The Mandalorian," a television series inspired by the Star Wars franchise.

The lawsuit and solicitation of additional complaints are the latest escalations in Musk's beef with Disney and its CEO Bob Iger, a feud that kicked off several months ago and has shown little sign of letting up.

On Tuesday and Wednesday, Musk published several tweets that were critical of Disney.

In an interview with CNBC Wednesday, Iger declined to comment about Musk.

Debra Aho Williamson, an independent tech analyst, said Musk's Disney fight is a warning sign for brands that advertise on X, as it shows he is willing to target companies that anger him.

"He clearly wanted to call out Disney," she said. "Does an advertiser want to get caught up in that? Do they want to be the next Disney that is going to be the target of Musk's ire? I think a lot of brand advertisers don't want to be in that position."

Since the feud started, Musk has called for Iger to be fired. He has also thrown his support behind Nelson Peltz, the activist shareholder trying to shake up Disney who is seeking a seat on the company's board.

Representatives for X, Disney and Peltz didn't respond to requests for comment.

On Tuesday, Carano alleged in a lawsuit that she was wrongfully terminated from "The Mandalorian" over her social-media posts and the ensuing backlash. Carano shared an Instagram story in

TURN TO PAGE 8

Elon Musk, the billionaire owner of X, is soliciting people who want to sue Disney for discrimination. REUTERS

THE WALL STREET JOURNAL.

HT NEW DELHI, MUMBAI, BENGALURU, KOLKATA, CHENNAI, AHMEDABAD, HYDERABAD, CHANDIGARH*, PUNE*, LUCKNOW* VOL. 18 NO. 35

Friday, February 9, 2024

mint

Think Ahead. Think Growth.

mint primer

High rise: Why rents will spiral again this year

BY MADHURIMA NANDY

Rents went through the roof in 2023—the rise was the highest in a decade—as demand outstripped housing supply in many cities. Will the trend change this year? If so, to what extent? *Mint* explains how the rental story may play out:

On a tear

Monthly rents accelerated faster than property prices in many prime cities.

Average monthly rent for 2BHK (1,000 sq ft) in key micro-markets at the end of 2023

Areas	Rental value (in ₹)	Year-on-year growth (in %)
Whitefield (Bengaluru)	30,200	34
Sarjapur Road (Bengaluru)	31,600	32
Gachibowli (Hyderabad)	30,500	30
Hitech City (Hyderabad)	31,000	26
Hinjewadi (Pune)	25,600	22
Wagholi (Pune)	20,600	21
Chembur (MMR)	60,000	18
Sector 150 (Noida)	22,000	16
Sohna Road (NCR)	32,700	15
Mulund (MMR)	46,500	13
Golf Course Road (Gurugram)	41,500	12

Source: Anarock Property Consultants

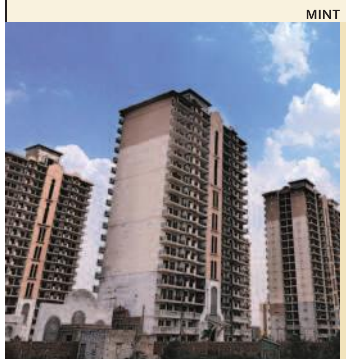
SATISH KUMAR/MINT

1 How much did rents spike in 2023?

Residential rents have seen a remarkable turnaround post-pandemic. Last year, average monthly rentals in parts of the top 7 cities soared over 30%, according to Anarock Property Consultants. Bengaluru saw the steepest rise, with high demand due to the 'back to office' mandate by firms, and low supply of ready projects. Other IT-dominant cities such as Hyderabad and Pune too saw a sharp rise. After a long dry spell, Gurugram and Noida/Greater Noida saw high double-digit rent appreciation along with a rise in capital values. Monthly rents accelerated faster than property prices in many prime cities.

2 Should we brace for more rent hikes?

Yes. Rents are likely to build up further steam in 2024. The increase in rents is a demand-supply game. The fact is that ready housing inventory remains in short supply and the spike in demand continues. On a high base, the escalation is likely to be in the range of 10-15% this year, as per estimates by Housing.com. Rents may start picking up in the current quarter, and gain momentum in the June quarter, when people usually relocate for better job opportunities—a new financial year typically sees new hiring in many industries. The sustained growth in rents signals promising opportunities for investors.



MINT

3 Have house rents set a new benchmark?

Home rents scaled a peak in 2023. The unprecedented rise in the past two years has led to a re-rating of rentals across cities and are unlikely to come down in some neighbourhoods. But there's always scope for negotiation if renters offer a higher deposit. However, newer homes near a metro, expressway or airport will command a higher rent.

4 Which cities are likely to see a rise this year?

Bengaluru, already in the limelight for its astronomic rents, continues to stand out. Likewise Hyderabad and Pune. Within cities, certain localities and gated communities or homes near major employment hubs will see higher rise. Noida, which saw rapid growth monthly rents, is expected to attract more global companies with the Jewar airport. This could lead to a further rise in rents. Rental values along Golf Course Road, Golf Course Extension and Cyber Hub in Gurugram are projected to maintain an upward trajectory.

5 When will rents stabilize?

As the gap between demand and housing supply eventually narrows, it could lead to a more controlled increase in rents. The slew of residential project launches in the last two years will bring in new inventory, but that is still two-three years away. Until then, the momentum in rental demand will persist—it will continue to be an owner's market. Rents may stabilize sooner in cities such as Kolkata and Chennai, than in other major employment hubs such as Gurugram and Bengaluru where demand will remain high.

QUICK EDIT

Inflight pitch

The classic "elevator pitch" conveys a unique business idea snappily, before the recipient reaches her or his exit floor. On board an aeroplane, one may imagine that one's audience is captive and there's no stopwatch in operation. Not if the concept being proposed is to a minister, though. Brevity, of course, is the soul of a win even here. Even a scribble on a paper napkin can do the job. It's what entrepreneur Akshay Satnaliwala did on 2 February when he came across railway minister Ashwini Vaishnaw on a Delhi-Kolkata flight. He pitched a plan involving solid-waste movement by railway freight. It won him an audience with railway officials to flesh his proposition out. Paper napkins, of course, have a hallowed record of efficacy across the world. The most legendary was a large tax cut brought on by the Laffer Curve, showing how a higher taxation rate could lead to sliding tax revenues beyond a point, after it was drawn by the economist Arthur Laffer on a napkin for a US presidential candidate in 1974, as the story goes. Southwest Airlines is said to have first taken shape on a napkin too. Can Satnaliwala's idea join this hall of fame? We can't say, but at least his pitch cost nothing.

MINT METRIC

by Bibek Debroy

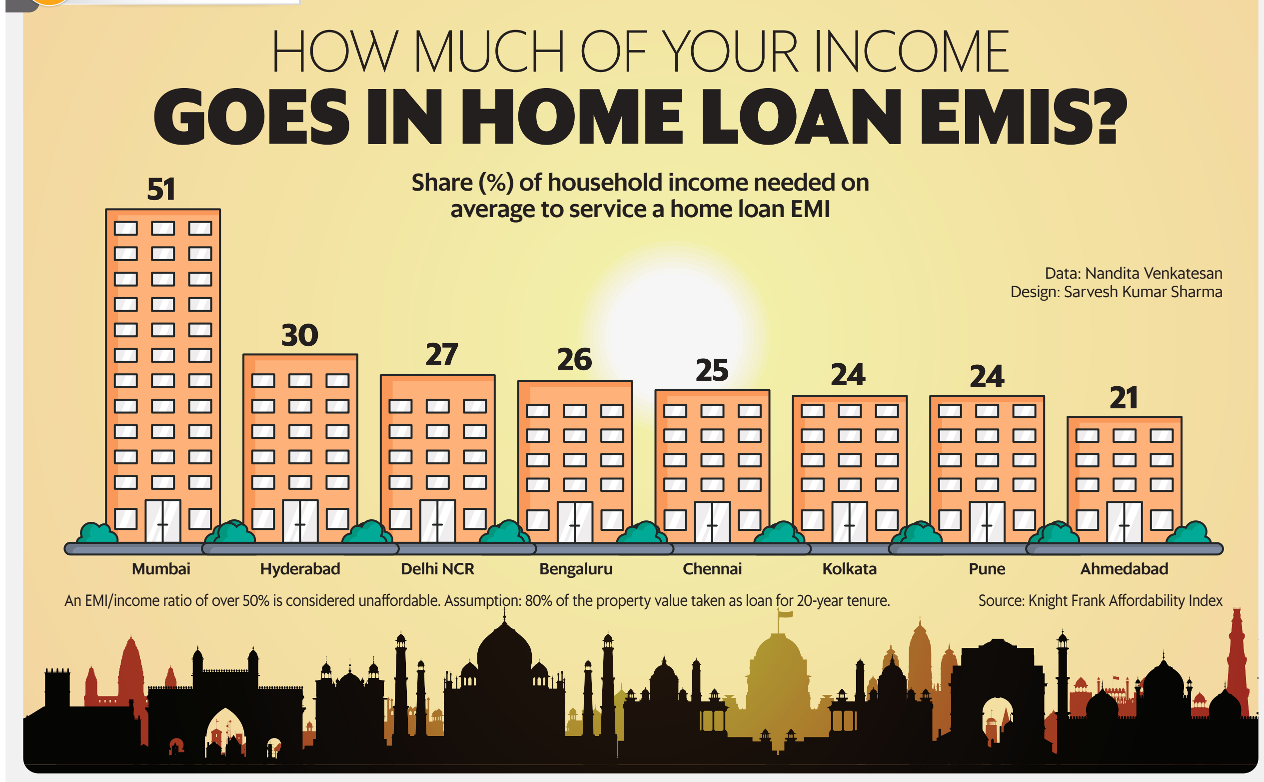
Rajendra Netam, teacher in a primary school,
Turned up drunk, thinking it cool.
Since he did it all the time,
Students video taped his crime.
In Jabalpur, authorities have suspended the fool.

QUOTE OF THE DAY

With its inherent resilience and the enabling structural reform measures announced in the last decade, we are confident that the Indian economy will be able to reach the $7 trillion GDP mark before 2030, the official timeline indicated by the government.

NIRMALA SITHARAMAN
FINANCE MINISTER

mint Data Bites



mint

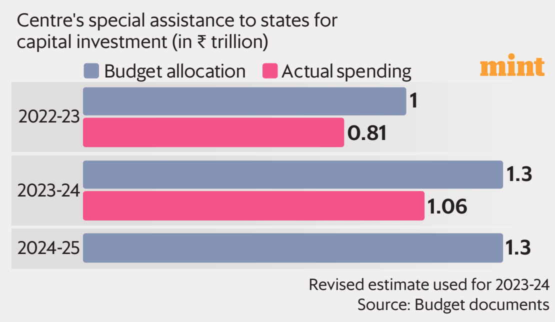
PLAIN FACTS

Data recap: Analysis of Budget, output growth

CURATED BY PAYAL BHATTACHARYA

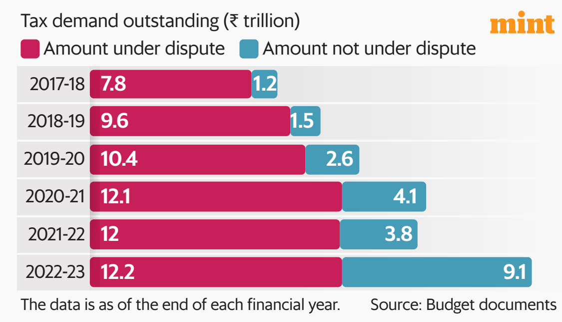
Every Friday, Plain Facts publishes a compilation of data-based insights, complete with easy-to-read charts, to help you delve deeper into the stories reported by *Mint* in the week gone by. On 1 February, finance minister Nirmala Sitharaman presented the interim budget for 2024-25, and made certain proposals for capital expenditure and withdrawal of pending tax demands. Industrial output surged over 35% during 2021-22 compared with 2020-21, freshly released government data showed.

Conditional Loans



THE CENTRE plans to tie much of the 50-year interest-free loans to states with specific outcomes and reforms that they carry out, a *Mint* report said. Interest-free loans with a tenure of 50 years have been a key pillar of the Centre's capital expenditure push to spur economic growth after the pandemic. In the interim budget 2024-25, the Centre earmarked ₹1.3 trillion for the purpose, of which about 58% will be linked to outcomes and reforms, Union finance secretary T.V. Somanathan told *Mint*.

Tax Relief



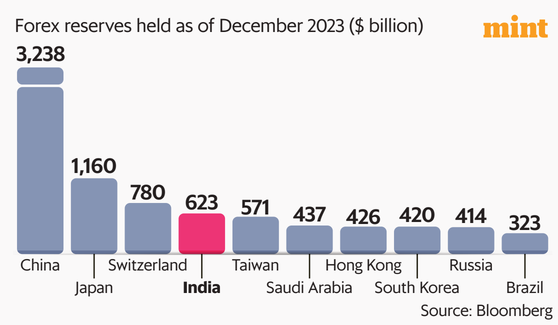
FINANCE MINISTER Nirmala Sitharaman proposed in her budget speech that the government would withdraw several low-ticket outstanding direct tax demands that were under dispute. Between March 2022 and March 2023, the total disputed tax amount that the government was yet to receive increased from ₹15.8 trillion to ₹21.3 trillion. The proposal will lead to the closure of only 11 million pending demands, worth around ₹3,500 crore, revenue secretary Sanjay Malhotra said.

35%

Factory Rebound

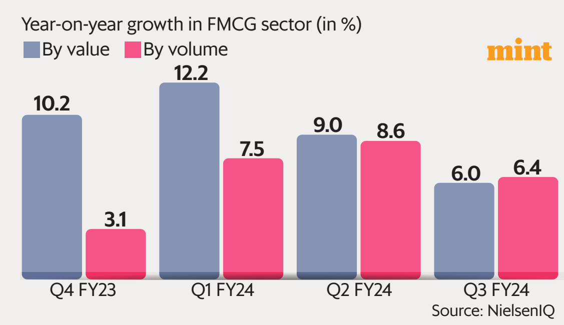
THAT'S THE surge in industrial output during 2021-22, the annual survey of industries conducted by the ministry of statistics and programme implementation showed. Industrial output reached ₹119.27 trillion in 2021-22 in value terms, surpassing both the pre-pandemic figures of ₹89.83 trillion in 2019-20 and ₹88.09 trillion in 2020-21. The recovery was evident across various manufacturing sectors, indicating a broad-based resurgence.

Reserves Kitty



INDIA'S FOREIGN exchange reserves have doubled over the last decade, positioning it among the world's top 10 countries in terms of reserve holdings, a *Mint* report showed. As of December, the Reserve Bank of India (RBI) boasted $623 billion in reserves. However, former RBI governor Raghuram Rajan recently called upon emerging market economies, including India, to build up forex reserves further as a hedge against the "populist and extreme" policies in advanced countries.

FMCG Slump



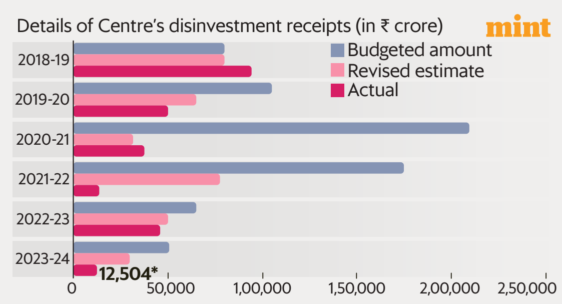
AFTER TWO years of robust expansion fuelled by high prices, India's packaged consumer goods sector may experience a slowdown in 2024, *Mint* reported. In the December quarter, the FMCG industry saw a 6% year-on-year increase in value, but both volumes and value growth slowed down sequentially. Various segments of the sector are projected to achieve growth rates of 4.5–6.5% by value this year, lower than 8.4% in 2022 and 9.3% in 2023, market researcher NielsenIQ said.

₹78,672 crore

Extra Spend

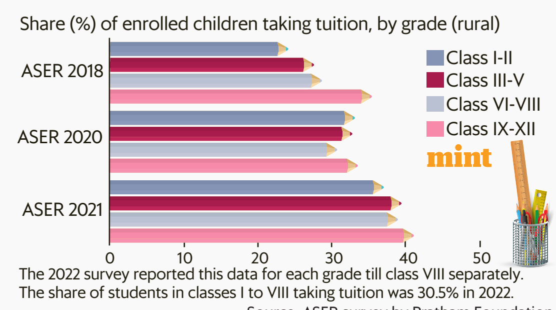
THAT'S THE amount for which Sitharaman sought Parliament's approval as additional spending to address funding needs for various initiatives such as income support to farmers, crop insurance, fertilizer subsidy, and rural jobs. The government sought a total extra spending of ₹2 trillion, but the net requirement would be just ₹78,672 crore, as the rest would be covered by additional receipts, recoveries, or savings from various ministries.

Accounting Shift



MARKING A departure from past practice, the Centre will no longer incorporate disinvestment and asset sales targets in future Union budgets, *Mint* reported, quoting Tuhin Kanta Pandey, secretary in the department of investment and public asset management. He said there would be no specific disinvestment target going forward, as the government now views disinvestment from a capital management perspective, acknowledging its volatile and binary nature.

Chart of the Week: Tuition Fad



MORE STUDENTS, particularly in class IX and above, are opting for private lessons after school, as per the Annual Status of Education Report. This is in focus as the Centre proposes curbs on admissions to coaching institutes amid a huge number of students taking competitive exams for a low number of seats.

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

PARAS JAIN/MINT

MINT SHORTS

Fuel demand rises 8.2% in Jan on strong industrial activity

Bengaluru: India's fuel consumption rose 8.2% year-on-year in January, government data showed on Thursday, helped by strong industrial activity in the world's third largest oil consumer. Total consumption, a proxy for oil demand, totalled 20.04 million tonnes (mt) in January, up from 18.51 mt a year earlier, data from the oil ministry showed. Consumption held relatively steady month-on-month from December's 20.05 mt. **REUTERS**

'Centre's emphasis on capex highlight of the interim budget'


PTI

New Delhi: The highlight of the interim budget is the emphasis given by the government on capital expenditure and sustaining the pace of economic growth, which will improve ease of living for the public while giving market access to farmers and small manufacturers, said finance minister Nirmala Sitharaman on Thursday. Speaking at the Rajya Sabha, Sitharaman said the government will ensure fiscal deficit targets are achieved without hurting any infrastructure projects fuelled by its capex plan. **RHIK KUNDU**

Parl approves interim budget FY25, returns finance bill to Lok Sabha

New Delhi: Parliament on Thursday completed the exercise of passing the interim Budget for 2024-25, with Rajya Sabha returning the Finance Bill 2024 and the relevant appropriation bills. The Upper House also returned the appropriation bills related to the Union Territory of Jammu and Kashmir. The bills were returned to Lok Sabha after finance minister Nirmala Sitharaman's reply on the discussion. **PTI**

Highway monetization in top gear, raises ₹15,625 crore via InvIT mode

New Delhi: The state-owned National Highways Authority of India (NHAI) has raised the highest ever monetization value of ₹15,624.90 crore through 'InvIT Round-3'. This was achieved by monetizing 10 stretches of highways with an aggregate length of about 890 km, a statement from the ministry of road transport and highways said. **SUBHASH NARAYAN**

Krishi Rakshak portal, a learning platform, launched for farmers

New Delhi: Union minister of agriculture, farmers welfare and tribal affairs Arjun Munda on Thursday launched the centralized Krishi Rakshak Helpline 14447 and Portal, Agri-Insurance Sandbox Framework Platform SARTHI and Learning Management System (LMS) Platform for the farming community under the Pradhan Mantri Fasal Bima Yojana (PMFBY). **PUJA DAS**

Q A with mint

EDITOR'S NOTE

Dear Reader,

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

— **Ravi Krishnan**
Editor-in-Chief

Govt targets hoarders, cuts pvt wheat stock limits again

Move comes after the consumer food price index rose to 9.5% in Dec from 8.7% in November

Puja Das
puja.das@livemint.com
NEW DELHI

The Union government has imposed another round of curbs on private wheat stocks, drastically lowering the limit for the second time since December as it seeks to prevent hoarding and speculation that could spike prices.

The limit for traders and wholesalers has been squeezed to 500 tonnes of wheat, from 1,000 tonnes earlier, the government said on Thursday.

"Officials of Central and state governments will be closely monitoring enforcement of these stock limits to ensure that no artificial scarcity of wheat is created in the country," the ministry of consumer affairs, food and public distribution said.

The government has taken a series of measures to tame food inflation and ensure availability of key kitchen staples ahead of the upcoming national election.

Big retail chains can continue to hold up to five tonnes of wheat in each depot. But the overall stock they can hold across all their depots has been halved to 500 tonnes.

For processors, the limit has been lowered to 60% of the monthly installed capacity until April, from 70% earlier.


For processors, the stock limit has been lowered to 60% of the monthly installed capacity until April, from 70% earlier. PTI

"In case the stocks held by the above entities are higher than the above-prescribed limit, they shall have to bring the same to the prescribed stock limits within 30 days of the issue of the notification," the government said.

"All wheat stocking entities are required to register on the wheat stock limit portal and update the stock position every Friday," it added.

500 tonnes is the new limit for traders and wholesalers

"Any entity which is found to have not registered on the portal or violated the stock limits will be subject to suitable punitive action under Sections 6 & 7 of the Essential Commodities Act, 1955."

The Centre had in early December halved the stock limit on wheat for wholesalers to 1,000 tonnes.

The government has taken a series of steps under the Open Market Sale Scheme (OMSS) to ensure food security.

A quantity of 10.15 million tonnes of wheat at a subsidized price of ₹2,150 per quintal has been allocated for calibrated release into the domestic open market by the Food Corporation of India (FCI), through weekly e-auctions.

1,000 tonnes was earlier the stock limit set in December

An additional 250,000 tonnes was allowed to be offloaded under OMSS between January and March if required.

So far, FCI has offloaded 8.4 million tonnes to processors through weekly e-auctions, which has increased the availability of wheat in the open market at affordable prices.

FCI is also issuing wheat to the National Agricultural Cooperative Marketing Federation of India Ltd (Nafed), the National Cooperative Consumers' Federation of India Ltd (NCCF), and Kendriya Bhandar (fair price shops) for processing and subsequent sale under the government's 'Bharat Atta' brand of wheat at a subsidized price of ₹27.50 per kg.

Areas where prices are reigning higher have been identified, and the agencies are undertaking targeted sales in these areas. About 750,000 tonnes of wheat have been allocated for sale under the 'Bharat Atta' brand, according to the food ministry.

Reserve Bank of India governor Shaktikanta Das, in a briefing on Thursday following the regulator's rate-setting meeting, said the inflation trend was still somewhat volatile due to rising food prices. The central bank maintained its 5.4% inflation projection for 2023–2024.

As per a *Mint* poll of economists, however, India's retail inflation is likely to have moderated to a three-month low of 5% in January, from 5.69% in December, mainly on account of cooling food prices.

Indian team heads to Peru for FTA talks

Dhirendra Kumar & Rhik Kundu
NEW DELHI

India is sending a high-level delegation led by the joint secretary in the commerce ministry for trade talks with Peru, home to a major deposit of lithium.

The Indian team of around a dozen members will be in Lima from 12 February to negotiate a proposed free trade agreement (FTA), two people aware of the matter told *Mint*. This comes after representatives from India and Peru participated virtually in a special round of negotiations last October.

The next round of dialogues after this one will be held in India and New Delhi is hoping an agreement will conclude in the following few rounds.

Gerardo Antonio Meza Grillo, director for Asia, Oceania and Africa in Peru's ministry of foreign trade and tourism, will head the Peruvian team.

An agreement may further consolidate India's search for steady supplies of lithium, a metal that is used in the manufacture of batteries of electric vehicles. India is one of the largest importers of lithium batteries, while the South American country has large deposits of lithium. Besides lithium, Peru is also a major producer of lead, zinc, gold, copper and silver.

dhirendra.kumar@livemint.com

Petronet to start gas supply for Sri Lankan power plants in '25

Rituraj Baruah
rituraj.baruah@livemint.com
BETUL (GOA)

State-run Petronet LNG is expected to supply liquefied natural gas (LNG) to Sri Lanka starting 2025, said the company's managing director and chief executive officer A.K. Singh.

Speaking to reporters on Thursday on the sidelines of the India Energy Week (IEW), Singh said the company would also set up an LNG terminal at Colombo port with an investment of about Rs 2,500 crore.

"They (Sri Lanka) have already installed a 300 MW gas-based power plant. They have approached us to set up an LNG terminal which is going to take more time—3 to 4 years time to set up an FSRU (floating storage regasification unit)-based terminal. As a stop-gap arrangement we are working out to supply through ISO containers," he said.

He said daily supplies would be about 50 containers with each having 17 tonnes of LNG, which would amount to 850 tonnes per day.

Sri Lanka has been looking to source LNG to run its gas-based power plants along with other industries. The proposed FRSU has been under discussion for a few years now.


Petronet LNG managing director and chief executive officer A.K. Singh.

The Petronet CEO said that from the date of commencement of the project, the FSRU or the LNG terminal would take about three-and-a-half years to be completed. He also said that the company will prepare a detailed feasibility report (DFR) once the Sri Lankan government gives formal approval to the project.

The supplies would from the Kochi LNG terminal and the CEO said that the proposed supplies would be a "good utilization" of the terminal which is currently underutilized.

Petronet LNG has long-term LNG purchase agreements from Qatar and Australia, and operates two land-based regasification terminals at Dahej in Gujarat with a capacity of 17.5 million tonnes per annum (mtpa) and a 5-mtpa unit at Kochi in Kerala.

The development comes on the heels of Petronet signing a long-term LNG sale and purchase agreement on Tuesday for around 7.5 million tonnes per annum of LNG with Qatar-Energy.

This 20-year deal is an extension of an existing contract for LNG supply of signed in 1999 for supplies till 2028. Under the new agreement, LNG supplies will run from 2028 till 2048.

The company is also expanding capacity of the Dahej terminal by 5 million tonne per annum (mtpa) to 22.5 million tonnes and is also looking to build a new terminal in Odisha.

OVL eyes Venezuelan projects

Rituraj Baruah
rituraj.baruah@livemint.com
BETUL (GOA)


OVL currently owns 40% stake in the San Cristobal project, a producing asset, and 11% in Carabobo. REUTERS

With US sanctions on Venezuela lifted, state-run ONGC Videsh Ltd (OVL) is in talks with the Venezuelan government for operating two oil and gas projects in the country, said Rajarshi Gupta, managing director of the company.

OVL currently owns 40% stake in the San Cristobal project, a producing asset, and 11% in Carabobo, which is under development.

The MD said the company would invest further in the existing projects in Venezuela in a bid to increase production. He also said the company is awaiting cargoes from Venezuela in lieu of stuck dividends. *Mint* earlier reported that OVL is in talks with its Venezuelan partner PdVSA to secure oil cargoes in lieu of unpaid dividends totalling $600 million.

"The lifting of the sanctions is a very positive sign. We are in very advanced discussions with the government of Venezuela to get further cargoes to liquidate our dividends and at the same time to get the operatorship of the two projects that we have there and increase the production from there. The two projects we will have to invest to get more production. That's still being worked out," Gupta said. "We will have to invest, because Venezuela has the largest reserves in the world. So, if we invest more, we will get more production."

The company would invest further in the existing projects in Venezuela in a bid to increase production

Currently OVL and PdVSA jointly operate the projects and going forward the company expects to have "more say" in the projects.

The overseas arm of Oil and Natural Gas Corporation (ONGC)—OVL—acquired 40% in San Cristobal Project in Venezuela in 2008, with PdVSA owning the balance 60%. ONGC Videsh holds 40% through ONGC Nile Ganga (San Cristobal) BV, a wholly owned subsidiary of ONGC Nile Ganga B.V.

The Carabobo project is part of a consortium which also includes Indian Oil Corporation, Oil India, Repsol YPF (Repsol) and Petroliam Nasional Berhad (PETRONAS).

Seven textile parks in PM MITRA scheme to get developers by March '24

Dhirendra Kumar
dhirendra.kumar@livemint.com
NEW DELHI

The selection of infrastructure developers for seven mega-textile parks will be completed by the end of March, two officials said, as India makes a push for becoming a textile manufacturing hub.

These so-called master developers will build the seven parks—under the Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) scheme—with an investment of ₹12,000 crore.

They will be selected by the union textiles ministry.

Master developers are infrastructure development companies, which will be given the mandate to develop all parks with their own investment.

These master developers will be selected through a tender. As an incentive, each developer will get 100-acre piece of land on a 99-year lease for 'commercial exploitation' in each textile park.

Before floating the tender, the textile ministry will conduct a round-table with stakeholders, one of the officials said.

As per the guidelines of textile parks, the Centre will provide ₹500 crore to the master developers, which will then invest around ₹1,200 crore to create plug-and-play facilities in each textile park.


The seven mega parks will come up in Tamil Nadu, Telangana, Gujarat, Karnataka, Madhya Pradesh, UP and Maharashtra. MINT

Each textile park is expected to be of 1,000 acres in area.

PM MITRA parks refer to plug-and-play facilities for textile businesses offered by the Centre and state governments to increase investment, promote innovation, create job opportunities and make India a global hub for textile manufacturing and exports.

These parks can play a pivotal role in catalyzing scale in the textile industry and boosting exports. Discussions on the request for proposal (RFP) document is currently underway, with three rounds of inter-ministerial deliberations already completed.

The seven parks will come up in Virudhnagar (Tamil Nadu), Warangal (Telangana), Navsari (Gujarat), Kalaburagi (Karnataka), Dhar (Madhya Pradesh), Lucknow (Uttar Pradesh), and Amravati (Maharashtra).

The special purpose vehicles (SPVs) for Gujarat, Uttar Pradesh, Madhya Pradesh, and Tamil Nadu have been finalized, and they will soon be asked to float tenders to engage master developers.

Land for the parks will be provided by the respective state government.

Queries mailed on 22 January to the textiles secretary, and spokesperson of the textiles ministry remained unanswered till press time.

The government is aiming to position itself as a textile sourcing and investment destination through the seven parks with an investment of ₹70,000 crore in the next five years.

The domestic apparel & textile industry contributes about 2.3% to the country's GDP, 13% to industrial production, and 12% to exports.

Holding a 4% share in the global textiles and apparel trade, India's total export value in textiles reached $24.70 billion in the first nine months of the fiscal year 2023 (April-December). India ranks among the top global producers of cotton and jute and is the world's second-largest silk producer, and accounts for 95% of the world's hand-woven fabrics.

CORRECTIONS AND CLARIFICATIONS

Mint welcomes comments, suggestions or complaints about errors.

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

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

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

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

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

RAVI KRISHNAN (EDITOR); PUBLISHED/PRINTED BY **MANHAR KAPOOR** ON BEHALF OF HT MEDIA LTD, 18-20 Kasturba Gandhi Marg, New Delhi 110001

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

VITEEE 2024
B.Tech. Admissions
APPLY NOW

VIT®
Vellore Institute of Technology
(Deemed to be University under section 3 of UGC Act, 1956)

Learn, Believe, Lead and be the

CHANGE

A++ Grade
IN THE 4TH CYCLE*
*Vellore & Chennai

Times Higher Education
World University Rank - 2024*
601-800

NATIONAL INSTITUTIONAL RANKING FRAMEWORK
(MINISTRY OF EDUCATION, GOVERNMENT OF INDIA)
8TH* BEST UNIVERSITY | 11TH* BEST IN RESEARCH | 11TH* BEST IN ENGINEERING

QS WORLD UNIVERSITY RANKINGS®
ASIA | 2024
RANKED #163*

HIGHEST CTC
₹1.02 Cr.
HIGHEST CTC OFFERED FOR 2023 BATCH

OVERALL OFFERS#
14,565
#includes internships & placements of 2023 Batch

45 Diverse UG Engineering Programmes

• Aerospace • Biotechnology • Chemical Engineering • Civil Engineering • Computer Science and Engineering
• Electrical and Electronics Engineering • Electronics and Communication Engineering
• Fashion Technology • Mechanical Engineering

Option for minor/specialisation credentials in emerging areas

• AI • Machine Learning • Robotics • Data Science • Cyber Security • IoT *and more...*

www.vit.ac.in ugadmission@vit.ac.in
FOR ENQUIRIES +91-44-462 77 555
vituniversity VIT_univ VITUniversityVellore
vellore_vit vellore-institute-of-technology

VIT® Vellore Institute of Technology (Deemed to be University under section 3 of UGC Act, 1956) VELLORE, CHENNAI
VIT-AP UNIVERSITY
VIT® BHOPAL www.vitbhopal.ac.in

	Close	Percent change	Previous close	Open	High	Low
S&P BSE Sensex	71,428.43	-1.00	72,152.00	72,473.42	72,473.42	71,230.62
Nifty 50	21,717.95	-0.97	21,930.50	22,009.65	22,011.05	21,665.30
Nifty 500	19,987.55	-0.61	20,109.55	20,207.55	20,209.05	19,949.35
Nifty Next 50	57,660.70	0.48	57,386.60	57,754.20	57,927.70	57,388.45
Nifty 100	22,202.75	-0.72	22,363.70	22,456.40	22,459.95	22,150.80
S&P BSE Mid-cap	39,895.42	0.08	39,863.75	40,166.88	40,282.49	39,830.33
S&P BSE Small Cap	46,279.83	-0.44	46,484.65	46,780.12	46,787.20	46,259.35

MINT SHORTS

Trillions of yen pile up at negative rates in Japan banks

Japan's biggest commercial banks are letting money accumulate in negative interest-rate accounts at the central bank — another sign that the world's last sub-zero rate policy is coming close to the end. When the Bank of Japan started charging -0.1% interest on certain accounts where lenders parked excess funds eight years ago, policymakers got the result they wanted: cash flowed elsewhere, to more productive parts of the financial system, supporting the BOJ's campaign to revive the economy and spur inflation. That changed in recent months, with the latest data for December indicating that the nation's major banks have ¥3.2 trillion ($22 billion) sitting in the accounts, the most since the then Governor Haruhiko Kuroda introduced his unconventional policy in early 2016. Banks that had been reluctant to hold negative interest-rate balances seem to be changing their minds. BLOOMBERG

Chinese assets are out of sync with the world, with global market volatility trending lower this year. BLOOMBERG

As China markets flail, rest of the world is roaring ahead

This year's turmoil in China has sparked a stock meltdown, blown up structured financial products, led to public disgruntlement, and now President Xi Jinping has put a new market regulator in control. Yet powered by the US tech euphoria, global equities are approaching records, haven assets are out of favour and even neighbouring Asian markets are relatively unscathed. Chinese assets are out of sync with the rest of the world, with a measure of global financial market volatility trending lower this year. It's a stark contrast to what happened when China's bubble burst in 2015 and the world's two largest economies engaged in a trade war in 2018, which led to a synchronized drop in global shares. This time around Beijing's woes remain an isolated affair. With the selloff extending after three straight years of declines, even once-staunch China bulls including Goldman Sachs have been forced to rethink their views. BLOOMBERG

Trent continues to grab eyeballs

Vineetha Sampath
vineetha.s@livemint.com

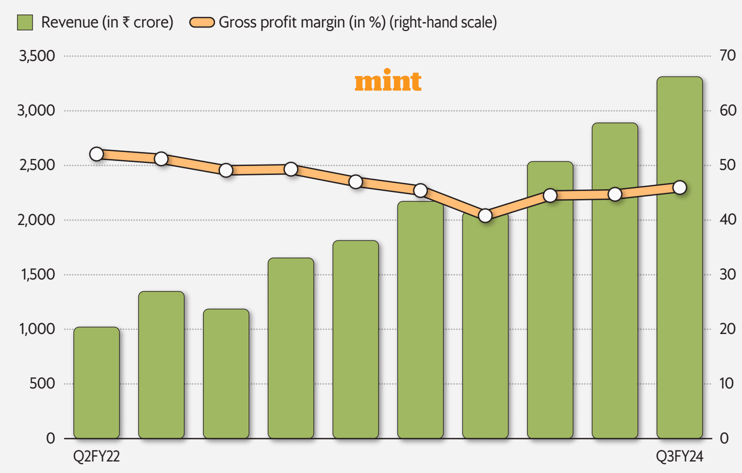
Just when you thought Trent Ltd had done its best, the apparel retailer surprised its investors, yet again. The rapid store expansion in its value-fashion format Zudio has been a key driving force behind the strong revenue growth over the past few quarters. The December quarter (Q3FY24) was no exception.

In Q3, the Tata group company added four Westside stores and 49 Zudio stores. "Zudio per-sqft revenue is about 1.5 times that of Westside and overall revenue pool is 1.3 times, on our calculations," said analysts at Jefferies India in a report on 7 February. As on 31 December, Zudio's store count stood at 460, twice that of Westside, which is Trent's other crucial fashion concept.

Collectively, Trent's standalone revenue in Q3 rose by 52.5% year-on-year to ₹3,312 crore on the back of 10% like-for-like growth across its fashion concepts and store additions. On a four-year compound annual growth rate (CAGR) basis, Trent's revenue growth stood at close to 40%, which is nothing to sneeze at.

Looking chic

Trent's revenue and gross margin increased year-on-year and sequentially in Q3FY24



Note: Standalone numbers

Source: Company, Motilal Oswal Financial Services

PRANAY BHARDWAJ/MINT

Investors are over the moon, which is reflected in the 27% jump in Trent's share price in the past two days following the Q3 results. "Admittedly, we underestimated the ramp-up in Zudio as well as management execution," said Jefferies' analysts. The broking firm has sharply raised their earnings per share (EPS) forecasts again. Building in higher growth and margin, Jefferies raised EPS estimates for Trent by 17-21% over FY24-26.

It's commendable that Trent's performance comes at a time when the discretionary demand environment is still muted. "We believe that superior merchandising and value proposition to customers are driving growth that continues to defy the overall weakness in discretionary consumption trends," said analysts at Kotak Institutional Equities in a report on 8 February.

It also helps that Q3 margin performance has been decent. After many quarters of gross margin contraction year-on-year, the metric rose by 57 basis points to nearly 46%. One basis point is one hundredth of a percentage point. This uptick is despite an increasing share of Zudio, comparatively lower-margin business compared to Westside, in the overall pie. Furthermore, Trent's Ebit margin (pre-Ind AS) rose by 450 basis points year-on-year to 13%. Ebit is earnings before interest and taxes.

GREAT GOING

IT is vital to monitor if Trent's strong revenue and margin trajectory continues ahead

TRENT'S outperformance has led to a surge of 211% in the co's share price in the past year

On better-than-expected margin performance, Kotak said it's possible that more stores are being added in a franchisee format. It will be vital to monitor if the strong revenue and margin trajectory continues amid store expansion. Emerging categories, such as beauty and personal care, innerwear and footwear, can aid revenue growth. These categories form over 19% of Trent's revenue. Meanwhile, Trent's supermarket business, Star, is seeing strong customer traction with growing sales densities. This business is a 50:50 joint venture between Trent and Tesco Plc UK. Star saw revenue growth of over 26% in Q3 almost entirely driven by like-for-like growth. Further, an increase in the share of own brands to 69% in Q3 versus 57% a year ago augurs well for profitability.

To be sure, Trent's outperformance has led to a surge of 211% in the company's share price in the past one year. This also means valuations are rich. "Trent's disciplined working capital management and well-capitalized balance sheet do not allow us to fault the business," said analysts at HDFC Securities in a report on 8 February. "However, its heady valuation (about 104x FY26 price-to-earnings multiple) restrains us from becoming constructive on the stock," said HDFC while maintaining a Sell rating on the Trent stock.

Can Berger Paints sustain margin amid growing competition?

Dipti Sharma
dipti.sharma@livemint.com

Berger Paints India Ltd outperformed its larger peers on revenue growth in the December quarter (Q3FY24). Consolidated revenue increased by 7% year-on-year to ₹2,882 crore, while Asian Paints Ltd and Kansai Nerolac Paints Ltd saw 5.4% and 5% revenue growth, respectively.

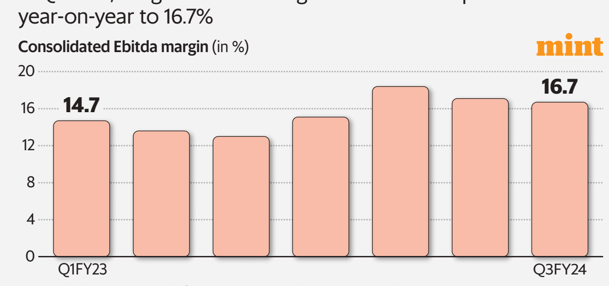
Berger's management stated that it had likely increased market share during the quarter, based on the results of the top four paint companies. Berger maintained its market share at around 20% in value terms.

However, the competitive landscape warrants caution as Grasim's Birla Opus enters the market. While Berger prefers to maintain balance between margin and market share, if push comes to shove, it won't mind a slight margin dilution to maintain its share.

In its Q3 earnings call, the company said rapid expansion of distribution network in under-represented regions may swiftly compensate for any minor losses incurred from the entry of a new player. Berger may be aggressive in dealer additions for at least the next year or two. Even so, ICICI Securities sees multiple headwinds to market share and Ebitda margin expansion. Ebitda stands for earnings before interest, taxes, depreciation, and amortization. ICICI Securities also expects a significant rise in competition, particularly for mass and economy products, which has been a key segment for Berger. There were also two rounds of price cuts (in November and January), and advertising spending has increased. With all this, ICICI sees Berger's Ebitda margin falling from 16.7% in FY24 to 15.4% in FY25. Berger is looking to maintain its Ebitda margin in the range of 15-17%. In Q3, Ebitda margin rose 370 basis points (bps) year-on-year to 16.7%, while gross margin expanded 640 bps to 41% thanks to lower input costs and some formulation savings. That said, Berger expects gross margin to moderate sequentially owing to price cuts and, thus, believes that Ebitda growth in Q4 could be a shade lower than the 37% in Q3.

Brighter side

In Q3FY24, Berger's Ebitda margin rose 370 basis points year-on-year to 16.7%



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

Source: Company, Nirmal Bang Institutional Equities

PRANAY BHARDWAJ/MINT

Demand may also be a dampener. After witnessing a strong October, demand has been relatively subdued in the past three months. It is expected to pick up after the general elections, with inflation cooling.

Against this backdrop, Berger's shares have fallen 9% so far in 2024. The stock trades at 48.5 times estimated FY25 earnings, showed Bloomberg data. Moreover, "deteriorating category dynamics is an overhang," Amit Purohit, analyst at Elara Securities (India), said. The brokerage has cut its FY25 and FY26 earnings estimates by 6.3% and 6.5%, respectively, to factor in the lower-than-anticipated margin.

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

Jan inflation likely fell to 5%: *Mint* poll

Manjul Paul
manjul.paul@livemint.com
NEW DELHI

India's retail inflation may have eased from 5.7% in December to a three-month low of 5.0% in January, primarily on account of cooling food inflation, according to the median estimate of 18 economists in the latest *Mint* poll.

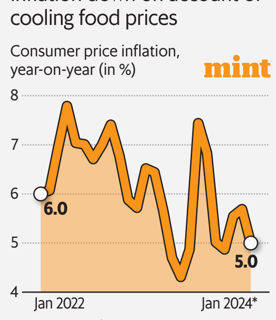
While this moderation may provide some relief to Reserve Bank of India which expressed concern in its monetary policy review on Wednesday about significant uncertainty in food prices due to "the possibility of adverse weather events" it said supply-side measures will be required to control them. Official data is scheduled to be released on 12 February.

In the poll, economists' projections ranged from 4.7% to 5.4%. Cooling food inflation may bring relief, but prices are expected to remain at elevated levels with cereal prices showing resilience for over a year.

"We expect food prices to rise 8.1% year-on-year in January (December: 8.7%). In spite of the climbdown in inflation, at 8%-plus, it still remains elevated, though largely due to transitory factors," said Rahul Bajoria, managing director for Asia-Pacific at Barclays, in a 6 February report. On a sequential basis, food prices may have cooled marginally, with declining vegetables, pulses, spices, sugar and eggs prices offsetting the rise in prices of cereals and fruits, Bajoria added.

Declining trend

Inflation down on account of cooling food prices



*January 2024 figure is the median estimate of 18 economists in a *Mint* poll.

Source: MoSPI, *Mint* poll

PRANAY BHARDWAJ/MINT

With food items constituting 40% of the inflation basket, it exerts a considerable influence on headline inflation.For most of 2023, core inflation, which excludes volatile segments like food, fuel and light, witnessed a downward trend. In the Monetary Policy Committee (MPC) meet, that concluded yesterday, members expressed concerns over the uncertain outlook for food prices and called for effective supply-side responses, that are usually done by the Centre, to keep them in check.

"Continuing pass-through of monetary policy actions and stance is keeping core inflation muted," it said.

The rate-setting panel retained its inflation projection for FY24 at 5.4%, expecting inflation to average 5% in Q4. Even though inflation is likely to moderate further, it will still be far from the medium-term target of 4%.

As such, most economists do not expect policy rate cuts to commence before August.

RBI's inflation outlook, policy stand fail to soothe markets

Ram Sahgal
Ram.sahgal@livemint.com
MUMBAI

The Indian stock markets tumbled nearly 1% on Thursday following the Reserve Bank of India's decision to keep rates unchanged for the sixth time in a row, signalling its reluctance to lower interest rates anytime soon.

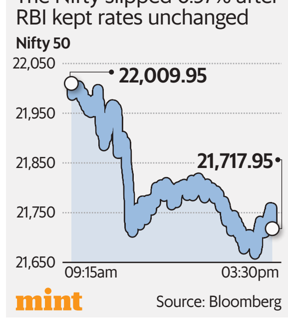
Despite the RBI's projection of a drop in average retail price inflation to 4.5% for FY25 from 5.4% for FY24, the RBI governor's indication that the target of 4% has yet to be achieved spooked rate-sensitive sectors such as banks and fast-moving consumer goods, dragging the benchmarks down.

The Nifty slipped 0.97% to 21717.95, marginally above the 20-day simple moving average of 21,691.57, while the Sensex fell 1% to 71,428.43. The Bank Nifty index fell 1.76% to 45,012, close to its 200-day moving average of 44,877.62, while the Nifty FMCG index cracked 2.06% to 53646.20. India's benchmark 10-year bond yield settled a tad higher at 7.08%.

The fall in the Bank Nifty exerts downward pressure on the Nifty as financials have a 33% weightage on the index.

Dragged down

The Nifty slipped 0.97% after RBI kept rates unchanged



Source: Bloomberg

PRANAY BHARDWAJ/MINT

The FMCG index has an 8.78% weightage. The drags on Nifty were Kotak Bank falling 3.53%, ICICI Bank droping 3.34% and Axis Bank by 2.95%. ITC, with 4.04% and Nestle with 3.02% fall were the top laggards for the FMCG sector.

"Markets were disappointed with no dovish tinge to the policy or cut in cash reserve ratio to ease liquidity in the banking system," Andrew Holland, CEO, Avendus Capital Public Markets Alternate Strategies, said. "We might see rate cuts at or post August policy, which means banks' net interest margins may continue to be under pressure. Rate-sensitives could face pressure in near term, given possible FPI outflows from such sectors. The market will be under pressure in the near-term in the absence of catalysts back home, but might rally ahead of the general elections," he added.

The fall in Bank Nifty exerts downward pressure on Nifty as financials have a 33% weightage on the index

Nifty failed to close above the down gap resistance of 21,970 set on 17 January, and ended near the day's low, said Deepak Jasani, head of retail research, HDFC Securities. "However, the index showed a one-day up-day-down phenomenon over the last few weeks. Nifty could now face resistance at 22,053, while 21,448 could offer support in the near term."

The Nifty PSU Bank was the outlier, rising 2% to 6,878.50, led by SBI, which hit all-time high of ₹718.90. Bank of Baroda, Canara Bank and Bank of India rallied 3.25-3.6%. Analysts expect continued pressure on banking sector's margins as they will be required to raise deposit rates amid rising loan demand till RBI implements rate cuts.

RBI MAINTAINS STATUS QUO: A YEAR WITHOUT RATE CHANGES

EXPERT VIEW

R. SIVAKUMAR

Respond to this column at
feedback@livemint.com

It is now exactly one year since the Reserve Bank of India last changed rates—a hike of 25 basis points to 6.5% last February. In the intervening six policy statements, nothing has changed. The rates have been left alone and the stance of monetary policy has remained unchanged (withdrawal of accommodation). The bond market has been volatile in the interim, but on a point-to-point basis, is largely unchanged with the benchmark 10-year yield a little over the 7% mark.

While the rates have remained unchanged, much has changed in the macro-economic situation. Growth has stabilized. Indeed, RBI now expects growth at 7% for FY25. Inflation has softened and is broadly expected to remain close to 4.5% next year. The softening of inflation without a deceleration in growth is a clear win for the economy. This is something that we also see in several other economies such as the US. This is the no-landing scenario which was seen as outlandish a year ago. From a central bank's perspective, disinflation without deceleration in growth is a best-of-both-worlds outcome.

As expectations of lower inflation took hold, the bond markets moved into anticipation of rate cuts. In India, the yield curve is essentially flat with one-year treasury bills and 10-year G-Secs trading at the same levels. In the US, the yield curve has been inverted for a while. Flat or inverted yield curves only make sense if the market expects short-term rates to be much lower in the future. Stronger-than-expected growth has led to a postponement of such rate cut expectations. For a central bank, premature rate cuts may put inflation at risk of rising through overheating of the economy. RBI appears to be concerned with such an overheating. Recent policy actions targeting consumer loans and the comment that the transmission of past rate hikes have yet to be completed suggests that RBI wants to see higher rates and slower loan growth. William Martin, a former US Fed chairman, once said it was the main job of a central bank to "take away the punch-bowl just as the party gets going."

For the moment if we assume rate cuts are not coming any time soon, what does that mean for investing in bonds? The implication is that the current flat yield curve may remain flat or inverted. The demand-supply dynamics for G-Secs is likely to be positive on the back of large inflow from overseas investors this year as Indian gilts are added to emerging market bond indices. There is good reason to expect RBI to not sterilize inflows. The inflows could address a large part of the liquidity needs of the system. Short-term rates may remain elevated as RBI keeps rates on hold and manages liquidity very actively. Long-term rates may outperform. A strategy to hold short-term bonds for "carry" with some allocation to long bonds—a classic bar-bell approach—could be optimal. The rise in the repo rate along with tighter liquidity conditions have pushed up the spread of corporate bonds over the equivalent G-Secs. Spreads on low rated bonds have also seen some widening. If the RBI gets its wish, the residual transmission of past rate actions into credit markets could further push bond yields up. Investors should look to build their allocation to corporate bonds/credit this year.

RBI now expects growth at 7% for the next financial year

Last, we must consider the global context. China's growth continues to be weak, and is in deflation. Stresses in the US commercial real estate market is threatening to impact regional banks in a possible repeat of last year's fears. Global trade looked weak even before the recent geopolitical events, including the blockages in Red Sea. If growth weakens, we should expect central banks to start cutting rates as they have built sufficient cushion for such an eventuality. Investors should look at maintaining a reasonable duration position in their portfolios.

R Sivakumar is the head of fixed income at Axis Mutual Fund

Disney+Hotstar picks up

In December quarter, paid subscriptions have increased—the first time since it lost IPL rights

Lata Jha
lata.j@htlive.com
NEW DELHI

Disney+ Hotstar, Walt Disney Co.'s video streaming service in India and other Asian markets, witnessed its first ever increase in paid subscribers since it lost digital rights to stream the Indian Premier League (IPL) last year.

In the first quarter (the company follows an October to September financial year), its paid users went up by 2% to 38.3 million from 37.6 million at the end of the September quarter.

However, core Disney+ subscribers dropped by 1% to 46.1 million. The Disney+ Hotstar service has seen a steady decline in its subscriber base in recent months. It had 61.3 million subscribers at the end of September 2022 but witnessed a dip since Disney Star lost the digital rights to stream IPL last year to rival Viacom18. Disney had said in its quarterly earnings report last August that it had lost more than 12 million streaming subscribers in India in three months due to the result of customer cancellations after losing IPL rights.

However, the company continues to hold other sports rights in the country. At the same time, Star India widened operating losses to $315 million due to the airing of the ICC Cricket World Cup in the current quarter compared from $129 million due to the ICC T20 World Cup, a smaller event in the prior-year quarter.

Disney+ Hotstar has seen a steady dip in subscriber base in recent months. REUTERS

"This resulted in an increase in programming and production costs attributable to higher average costs per match and more matches aired (besides) advertising revenue growth due to more units delivered and an increase in average viewership, partially offset by a decrease in rates," Disney said in a statement.

Starting 31 March 2023, Disney Star also decided not to renew its deal with Warner Bros Discovery for the exclusive streaming rights of 144 HBO originals in an attempt that media experts attribute to cost cuts. The platform, known as Disney+ Hotstar in India and other Asian countries such as Malaysia, Thailand and Indonesia, has continually stressed on a move to general entertainment programming beyond sports.

"We are on track to meet or exceed $7.5 billion in cost savings as we continue to look for further efficiency opportunities across the company," chief executive officer Bob Iger said during an earnings call.

In Q1, Disney+ Hotstar Arpu (average monthly revenue per user) increased from $0.70 to $1.28 due to higher advertising revenue and increases in retail pricing, partially offset by a higher mix of subscribers from lower-priced markets, the company said.

A media industry expert pointed out that one reason for sports-related losses was the phasing of cost for eight-year ICC rights where almost 40% of the total rights value was placed on the last event of the cycle in 2023, which fell in this quarter. "The other reason for this expanded loss is the high allocation of rights fee, over 80%, to the linear business," the person added.

Walt Disney that has collaborated with Fox Corp and Warner Bros Discovery to create a new sports streaming service, has also invested $1.5 billion to acquire an equity stake in Epic Games. The transaction is subject to customary closing conditions, including regulatory approvals. "This marks Disney's biggest entry ever into the world of games and offers significant opportunities for growth and expansion," Iger said in a statement.

Food inflation may be benign this year: Nestlé 's Narayanan

Suneera Tandon
suneera.t@htlive.com
NEW DELHI

Nestlé India expects food inflation to be more "benign" this year, and the government's infrastructure spending to boost jobs and incomes, bolstering consumption of essential items, said a top executive at the packaged foods company.

"I think in overall terms, this year looks to be more benign as far as food inflation is concerned. And therefore one is expecting that with an infusion of investment, of incomes into the economy, there will be signs of an uptick," Suresh Narayanan, chairman and managing director, Nestlé India, told reporters at the company's head office in Gurugram.

"Since there is economic stability and a lot of programmes are being put around infrastructure investment—₹11 trillion has been committed in the last vote-on-account budget that we've had—all this will definitely add to employment and to incomes. A lot of it will be flowing into consumption of essentials," he added.

Overall household consumption is seeing a duality—with more affluent Indians lapping up premium goods while middle-income households are showing some "signs of stress", he added.


Suresh Narayanan, CMD, Nestlé India. MINT

"Overall, if you look at demand, there are some stress points there. It's fair to say that the last festival season wasn't as buoyant as expected. People were expecting a lot more buoyancy in consumption. During the Diwali period, maybe people bought more cars and more luxury items, but the (demand for) common man's products was relatively muted...I think there is a phenomenon that one is noticing—there are polarities now developing, that is, boom in premiumization and tepidness in the mainstream," he said.

Nestlé India reported its full-year and fourth-quarter earnings on Wednesday. Its full-year revenue from operations jumped 13% year-on-year to touch ₹19,126.30 crore.

The company reported a full-year volume growth of 5%-6%. For the three months ended 31 December, the company reported an 8% jump in revenues to ₹4,600 crore. Net profit for the quarter rose 4.3%.

Meanwhile, commenting on commodity inflation, the company said coffee prices continue to be volatile and are historically high due to limited availability. Healthy milk flush in winter is expected to keep prices stable. Commodities such as wheat and rice are stable as of now. Rain deficit is expected to impact the production of maize, sugar, oil seeds and spices that may impact pricing, the maker of Maggi noodles and sauces said.

Narayanan said that while the headline inflation is certainly down, food inflation continues to be choppy. "I do hope overall inflation levels are certainly down as compared with 2023 and as compared with 2022. One hopes that if there is stability in some of the commodity prices then you might start seeing the uptick in consumption," he added.

Grasim Q3 profit falls by 40%

Naman Suri
naman.suri@livemint.com
NEW DELHI

Aditya Birla Group flagship, Grasim Industries Ltd, reported a 39.80% decline in its consolidated net profit for the third quarter of FY24, down from ₹2,515.78 crore a year ago to ₹1,514.44 crore.

"Financials from previous period are not comparable on account of the acquisition of a 9.99% stake by ADIA entities in Aditya Birla Health Insurance," the company said in an exchange filing. Consolidated operating revenue rose 11.61% from ₹28,637.86 crore in Q3FY23 to ₹31,965.48 crore in Q3FY24, driven by the performance of key subsidiaries UltraTech Cement and Aditya Birla Capital.

Ultratech reported consolidated net sale of ₹16,740 crore, up 7.85%, while the financial services arm's consolidated revenue rose 27% to of ₹8,800 crore. Earnings before interest, taxes, depreciation, and amortization on a consolidated basis rose 34% to ₹3,834 crore with a margin of 15.44%, the company added.

On a stand-alone basis, the textile manufacturer reported a decline of 8.17% in net profit from ₹257 crore a year earlier to ₹236 crore.

MUNJAL SHOWA LIMITED

CIN: L34101HR1985PLC020934
Registered Office & Works: Plot No. 9-11, Maruti Industrial Area Sector-18, Gurugram-122015 (Haryana), Tel.:+91-124-4783000
Email: pgupta@munjalshowa.net | Website: www.munjalshowa.net

EXTRACT OF STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED DECEMBER 31, 2023

(₹ in Lakhs, except per equity share data)

S. No.	Particulars	3 months Ended 31.12.2023 (Unaudited)	Year Ended 31.03.2023 (Audited)	3 Months Ended 31.12.2022 (Unaudited)
1.	Total Income from operations	30,331.50	1,24,053.90	30,752.83
2.	Net Profit for the period before tax and exceptional items	1,010.16	3,865.42	594.31
3.	Net Profit for the period before tax and after exceptional items	1,010.16	4,218.74	489.83
4.	Net Profit for the period after tax and after exceptional items	864.41	3,190.32	313.55
5.	Total comprehensive income for the period (after tax)	863.05	3,184.91	343.48
6.	Equity Share Capital	799.93	799.93	799.93
7.	Reserves excluding revaluation reserve as on March 31, 2023		64,323.90	
8.	Earnings Per Share (after extraordinary item/s) (of Rs. 2/- each)	2.00	2.00	2.00
	Basic: (In rupees)	2.16	7.98	0.79
	Diluted: (In rupees)	2.16	7.98	0.79

Note:

The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchange websites www.nseindia.com and www.bseindia.com and on the Company's website www.munjalshowa.net.

For and on behalf of the Board
Sd/-
(Yogesh Chander Munjal)
Chairman & Managing Director
DIN 00003491

Place : Gurugram
Dated : February 08, 2024

IndiaShelter Home Loans

INDIA SHELTER FINANCE CORPORATION LIMITED

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

(All amount in Rupees lakhs unless otherwise stated)

Sl. No.	Particulars	Standalone				Consolidated			
		Quarter ended 31 December 2023 (Unaudited)	Quarter ended 31 December 2022 (Unaudited)	Nine months ended 31 December 2023 (Unaudited)	Year ended 31 March 2023 (Audited)	Quarter ended 31 December 2023 (Unaudited)	Quarter ended 31 December 2022 (Unaudited)	Nine months ended 31 December 2023 (Unaudited)	Year ended 31 March 2023 (Audited)
1.	Total Income from Operations	20,862.45	15,000.36	59,412.02	58,391.32	20,887.19	15,020.04	59,486.29	58,452.96
2.	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	8,091.86	5,234.01	21,879.32	20,146.50	8,115.92	5,196.48	21,951.70	20,195.22
3.	Net Profit / (Loss) for the period before tax (after Exceptional and/ or Extraordinary items)	8,091.86	5,234.01	21,879.32	20,146.50	8,115.92	5,196.48	21,951.70	20,195.22
4.	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	6,213.42	4,011.60	16,912.71	15,497.75	6,231.43	4,025.38	16,966.88	15,534.21
5.	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	6,445.27	3,979.62	16,652.42	15,435.48	6,463.28	3,993.40	16,706.58	15,471.94
6.	Paid up Equity Share Capital	5,352.56	4,376.47	5,352.56	4,376.47	5,352.56	4,376.47	5,352.56	4,376.47
7.	Reserves (excluding Revaluation Reserve)	2,15,440.98	1,14,074.72	2,15,440.98	1,19,639.74	2,15,531.59	1,14,095.89	2,15,531.59	1,19,676.20
8.	Securities Premium Account	1,48,172.28	68,709.78	1,48,172.28	68,716.08	1,48,172.28	68,709.78	1,48,172.28	68,716.08
9.	Net worth	2,20,793.54	1,18,451.19	2,20,793.54	1,24,016.21	2,20,884.15	1,18,472.36	2,20,884.15	1,24,052.67
10.	Paid up Debt Capital / Outstanding Debt	3,51,270.61	2,66,837.76	3,51,270.61	2,98,886.90	3,51,270.61	2,66,837.76	3,51,270.61	2,98,886.90
11.	Outstanding Redeemable Preference Shares	-	-		-	-	-		-
12.	Debt Equity Ratio	1.59	2.25	1.59	2.41	1.59	2.25	1.59	2.41
13.	Earnings Per Share (of Face Value Rs 5/- each) (for continuing and discontinued operations) * –								
	• Basic:	6.73*	4.58*	18.84*	17.72	6.75*	4.60*	18.90*	17.75
	• Diluted:	6.33*	4.51*	17.68*	17.43	6.35*	4.53*	17.74*	17.47

*EPS for quarter not annualized.

Note:

1. The Company is a Housing Finance Company registered with National Housing Bank ('the NHB').
2. The above is an extract of the detailed format of condensed standalone and consolidated financial results for the quarter and nine months ended as on December 31, 2023 which had been reviewed by the audit committee and approved by the Board of Directors in their meetings held on February 08, 2024 and subjected to limited review by the statutory auditors and filed with the Stock Exchanges under Regulation 33 and Regulation 52 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the condensed financial results is available on the website of the Stock Exchange, BSE (www.bseindia.com) and the website of the company (www.indiashelter.in) and at the registered office of the Company at India Shelter Finance Corporation Limited, 6th Floor, Plot No.15, Institutional Area, Sector 44, Gurgaon, Haryana-122002.
3. For the other line items referred in regulation 52 (4) of the Listing Regulations, pertinent disclosures have been made to the Stock Exchange(s) (Bombay Stock Exchange) and can be accessed on the URL (www.indiashelter.in).
4. These financial results for the quarter and nine months ended as on December 31, 2023 have been prepared in accordance the accounting principles generally accepted in India, including the recognition and measurement principles laid down in the Ind AS, prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, and have been presented in compliance with Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
5. The Company has made an Initial Public Offer (IPO), during the nine months ended 31 December 2023 for 24,340,768 equity shares of Rs. 5 each, comprising a fresh issue of 16,227,180 equity shares of the Company and 8,113,588 equity shares offered for sale by selling shareholders. The equity shares were issued at a price of Rs. 493 per equity share (including a Share Premium of Rs. 488 per equity share). Pursuant to the aforesaid allotment of equity shares, the issued, subscribed and paid-up capital of the Company stands increased to Rs. 535,255,680 (107,051,136 Equity shares of Rs. 5 each). The Company's equity shares got listed on National Stock Exchange of India Limited (NSE) and on Bombay Stock Exchange (BSE) on 20th December 2023.

For INDIA SHELTER FINANCE CORPORATION LIMITED
Sd/-
Rupinder Singh
(MD & CEO)
DIN: 09153382

Date: February 08, 2024
Place: Gurgaon

CIN: U65922HR1998PLC042782
Regd. Office: 6th Floor, Plot No.15, Sector 44, Institutional Area, Gurgaon, Haryana-122002

Delhi HC's ruling to hit social media sharing

Experts say users could face legal action for reposting libellous posts

Krishna Yadav
krishna.yadav@livemint.com
NEW DELHI

A recent ruling by Delhi high court that reposting or sharing libellous content constitutes criminal defamation, has broad implications for freedom of expression on social media platforms, legal experts said.

The high court delivered the ruling on Monday in a criminal defamation case involving Delhi chief minister Arvind Kejriwal. The court refused to quash the summons issued to the chief minister regarding an allegedly 'defamatory' video that YouTuber Dhruv Rathee posted on X (then Twitter) in 2018, which Kejriwal had reposted. The court also upheld the summoning order passed by the magistrate and the sessions court's order rejecting Kejriwal's revision plea.

The high court delivered the ruling on Monday in a criminal defamation case involving Delhi chief minister Arvind Kejriwal. PTI

"After the Delhi high court ruling, merely stating that the content represents the original poster's views when reposting it won't protect someone from liability under Section 499 (defamation) of the Indian Penal Code," said Manmeet Kaur, partner at Karanjawala & Co. "Therefore, the freedom of expression in resharing such content on social media is now subject to reasonable restrictions, which was previously applicable to print and other media platforms."

Abhimanyu Kampani, partner, Luthra and Luthra Law Offices India, said, "The ruling will have significant impact on ongoing and future defamation cases involving social media. The court has emphasised the importance of protecting an individual's reputation from being tarnished through reckless and unsubstantiated statements on social media."

Experts also said the ruling would have a bigger impact on public figures who have large numbers of followers.

Kaur said social media users, especially public figures, should refrain from posting or sharing any opinion, personal comment, image or narrative that has no basis in reported documents, court orders, or information in the public domain, or statements that are not indisputably truthful. Kampani noted that a post is seen by more people if shared by someone with a big social-media following.

Experts advised users to exercise caution when sharing content that could be seen as defamatory. "From now, merely stating that 'reposting doesn't mean endorsement' in bio will not confer any legal immunity," said Sagar Aggarwal, managing partner at Areness. "The future of criminal defamation law appears to hinge on maintaining a delicate equilibrium—protecting people's freedom of speech while preventing them from disparaging another's reputation."

POST HASTE

SHARING content stating that views in it are only the original poster's is not adequate

IT will not protect someone from liability under Section 499 of the IPC for defamation

RESHARING of defamatory content on social media is now subject to reasonable curbs

The issue of criminal defamation garnered attention last year when Congress MP Rahul Gandhi was disqualified from the Lok Sabha after he was convicted of criminal defamation by a Surat court.

In India, defamation can attract a civil or criminal case. Criminal defamation, a colonial-era law, has been criticized for its alleged misuse and for infringing on freedom of expression. Governed by Indian Penal Code, it can attract up to two years in jail or a fine. Civil defamation, according to Code of Civil Procedure, involves lawsuits seeking compensation for reputational harm. In civil cases, the petitioner must be able to demonstrate malicious intent and resultant harm to reputation or livelihood.

China fears shut doors on Paytm unit biz

FROM PAGE 1

directed to "seek government approval for downstream investment". In November 2022, RBI had sent a letter to PPSL asking it to resubmit the licence application within 120 days after seeking approval for "past downward investment from the company (One97) in to PPSL, to comply with FDI Guidelines", and not onboard new online merchants.

Meanwhile, RBI's website shows that as of 1 February, Paytm Payments Services is an existing payment aggregator whose application was returned on 25 November 2022.

On Thursday, RBI said the regulatory restrictions on Paytm Payments Bank were a result of persistent non-compliance and such measures are taken only after prolonged engagement with the entities involved.

A government official aware of the matter said Paytm management, including chief executive Vijay Shekhar Sharma, have also been informed about the concerns with regards to Chinese investments in more than one meeting.

Vijay Shekhar Sharma, founder and CEO, Paytm. REUTERS

Emails sent to the external affairs ministry and RBI remained unanswered.

In an email response to *Mint*'s queries, a Paytm spokesperson said: "Paytm founder Vijay Shekhar Sharma remains the largest shareholder in the company. He acquired the ownership and voting rights from Antfin (Netherlands) Holdings BV and now holds a 24.3% stake, making him the single largest shareholder in the company. Hence, the investment from Antfin is now reduced to less than 10% and doesn't account them as a beneficial owner." Therefore, questions on addressing concerns of Chinese investments and replacing Chinese investors in the company doesn't arise, the spokesperson added.

Currently, One97 has investments from 34 investors classified as foreign direct investment, including Antfin (Netherlands) Holding B.V., that hold a little over 45% in One97 Communications, and foreign portfolio investors (FPIs) hold 18.64%. The rest of the shares are with Sharma, retail investors, mutual funds and others.

The issue started in 2020 after RBI issued rules on regulation of payment aggregators and payment gateways. This required One97 Ltd to hive off its payment aggregator business into a separate entity and ensure minimum net worth. Payment aggregators are intermediaries that facilitate digital payments between consumers and merchants or businesses. In October 2020, One97 incorporated PPSL, a wholly owned subsidiary with a paid-up capital of about ₹50 crore. It is this investment in the company that is under scrutiny, said the official cited above.

As per FDI rules, investments of up to 49% are allowed under the automatic route in the private banking sector, extendable up to 74% with the approval of the government. However, India tightened its foreign investment policy to regulate investment from neighbours during the covid-19 pandemic when valuations of companies were at a record low and the country saw tensions rise with China after clashes in Ladakh's Galwan..

mihir.mishra@livemint.com

Rates on hold in last mile on disinflation

FROM PAGE 1

2024-25 at 7%, in line with the government's estimate.

Economists see the central bank holding off on rate cuts till the second half of 2024.

"Given the configuration of RBI's view on inflation and growth—a Goldilocks scenario, we do not see the rate cut cycle beginning before August 2024. Moreover, the balance of risks is now tilted towards the rate cut cycle starting later rather than sooner, than we expect," said Sakshi Gupta, principal economist at HDFC Bank.

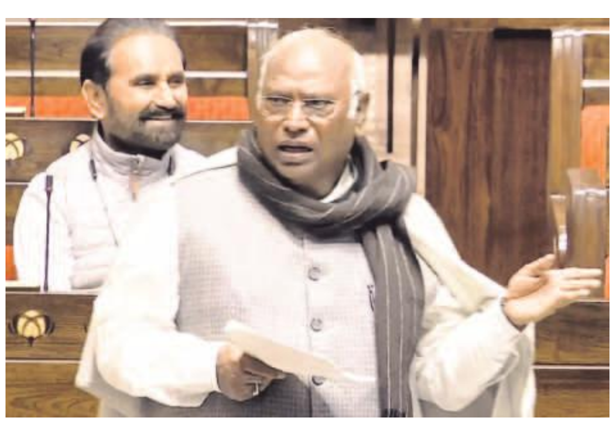
According to Madhavi Arora, lead economist at Emkay Global Research, "a stance change, thus, may wait until April or even later, and will give RBI some elbow room to understand and adjust to fluid global dynamics."

Indian benchmark bond yield rose 5bps after the MPC decision to close at 7.08%, while equities settled 1% lower

Indian benchmark bond yield rose 5 basis points (bps) after the MPC decision to close at 7.08%, while equities settled 1% lower, on concerns rate cuts could be delayed. The governor's emphasis that the retail inflation target of 4% was yet to be achieved on a durable basis spooked rate-sensitive counters like banks and FMCG, dragging the benchmark indices lower.

Das also said the committee will be nimble in managing banking system liquidity and look at anchoring money-market rates around the repo rate. During December to January, RBI injected liquidity into the system, when liquidity deficit widened to a record ₹3.46 trillion on 24 January, from a deficit of ₹44,284.92 crore on 14 December, on account of outflows due to goods and services tax. In February, the banking system liquidity turned surplus, as government spending gathered pace, prompting the central bank to conduct six variable rate reverse repo auctions to absorb the excess liquidity.

"We continue to expect RBI to fine-tune liquidity conditions to manage the overnight (rate) to inch towards the repo rate. The change in stance could follow towards the end of 1QFY25 and subsequently shallow rate cuts starting in 2HFY25," said Upasna Bharadwaj, chief economist, Kotak Mahindra Bank.



Congress president and Rajya Sabha member Mallikarjun Kharge released a document that he described as a 'black paper'. PTI

Govt, opposition clash over white paper on economy

FROM PAGE 1

misguided stimulus, high fiscal deficit, inflation, failure to sustain reforms and political interference in commercial lending decisions of state-owned banks leading to toxic assets in the banking system. Following this, Congress president and Rajya Sabha member Mallikarjun Kharge released a document that he described as a 'black paper' titled 'anyay kaal (unjst era) 2014-24' accusing the NDA government of rampant unemployment, economic blunders, price rise of essential items like cooking gas, milk and flour, distress among farmers, stagnant wages, social disharmony and low labour force participation.

The government's white paper said that the NDA regime has overcome every challenge of the pre-2014 era

The government's white paper said that the NDA regime has overcome every challenge of the pre-2014 era through its economic management and governance. "These have placed the country on a resolute path of sustained high growth. This has been possible through our right policies, true intentions, and appropriate decisions," the white paper said.

"The Modi government's tenure is marked by high rates of unemployment, economic catastrophes such as demonetisation and flawed GST, which have only increased the divide between the rich and the poor and devastated the future of millions of farmers and daily wage workers," the document brought out by the Congress said.

Both administrations had to deal with major shocks—the global financial crisis of 2008 and the covid pandemic that broke out in 2019, which impacted the exchequer.

Experts said it is not the size of the economy or the magnitude of government's fiscal deficit that should be the barometer to assess the performance of an administration but how it makes meaningful difference to the well-being of people.

"It has to be measured from the perspective of the citizens. They want to be able to participate in the growth of the economy with dignity and be able to be on their feet, which means they want their incomes to increase," said former Planning Commission member Arun Maira.

We give everyone enough time to comply, says Das on Paytm

FROM PAGE 1

After RBI's action on the payments bank, several startup founders had rallied behind the company, saying such regulatory measures could sound the death knell for fintech startups.

Citing a statement by RBI deputy governor Swaminathan J that the restrictions on the payments bank did not apply to the Paytm app, a spokesperson for the company said the app remained fully operational and its services were unaffected.

"We assure our merchant partners that Paytm QR, Soundbox and card machines will continue to work as always," the spokesperson said.

On 31 January, RBI barred Paytm Payments Bank from accepting customer deposits after 29 February following an audit that revealed "persistent non-compliances" and "continued material supervisory concerns".

Following the decision,

RBI will answer a set of FAQs next week on the issue. REUTERS

Paytm founder Vijay Shekhar Sharma met both RBI officials as well as finance minister Nirmala Sitharaman earlier this week. The finance minister, however, made it clear that the government couldn't help the company with what is essentially a regulatory issue, Mint reported citing a person familiar with the development.

On Thursday, RBI said it would issue answers to a set of frequently asked questions next week on the Paytm Payments Bank matter.

The regulatory curb came almost two years after the payments bank was restricted from onboarding new customers.

"There is no worry about the system... I would like to make some general observations which include all our regulated entities," said Das, laying down several points related to compliance in regulated entities and how the central bank deals with instances of deviation.

Over the last few years, Das said, RBI had deepened its supervisory systems, approaches, and methods, but added that "sufficient time is given [to companies] to undertake such corrective action."

RBI's actions, Das said, are in the best interest of systemic stability and protection of depositors' or customers' interests.

"These aspects cannot be compromised. Individual entities should be mindful of these aspects for their long-term success."

Disclose true cost of debt: RBI

Shayan Ghosh
shayan.g@livemint.com
MUMBAI

The Reserve Bank of India (RBI) will soon issue guidelines mandating all lenders to provide retail and small business borrowers a 'key fact statement' that shows the true cost of their debt.

Earlier, key fact statements were required for loans by banks to individual borrowers, digital lending by regulated entities, and microfinance loans. In September 2022, RBI had directed lenders engaged in digital loans to provide the key fact statement to borrowers before executing contracts.

The key fact statement should include details of the annual percentage rate (APR) or the effective annualized rate, recovery mechanism, and details of grievance redressal officers designated to deal with digital lending or fintech-related matters.

In the 2022 circular, RBI had specified that any fees or charges not mentioned in the key fact statement cannot be charged to the borrower at any stage during the term of the loan.

RBI's move will lead to enhanced transparency.. HT

RBI governor Shaktikanta Das on Thursday said that to enhance transparency, the regulator had mandated certain categories of lenders to provide the borrower a key fact statement containing essential information.

"The requirement of KFS (key fact statement) is now being extended to cover all retail and micro, small and medium enterprise (MSME) loans. This measure will lead to enhanced transparency in lending and enable customers in making informed decisions," said Das.

He said while loan term sheets list out all charges even now, including processing fees, a common borrower does not always read the entire term sheet.

"This has been mandated in customer interest. Banks currently do give out loan interest details but experience tells us that customers do not read all of it," said Das.

Industry experts said this would aid borrowers, who would now benefit from the extra layer of transparency.

"This is a win-win situation for both the lenders and borrowers," said H.P. Singh, chairman and managing director, Satin Creditcare Network Ltd, a microfinance institution.

While this will enable borrowers to be more prudent while taking loans, it will enable lenders to perform due diligence of customers more effectively and understand their needs better," he added.

TCS, Cognizant insist on advanced software skills at campuses

FROM PAGE 1

and ₹10 lakh. While earlier all students who were keen on the firm were allowed to apply, this time, preference will be given to students who are certified in AWS, Oracle, Java, etc," said the placement head of a leading engineering college based in Tamil Nadu that has over 5,000 students graduating this year. Cognizant, which offers ₹6.5 lakh onwards, is also looking at similar skill sets; more than 1,000 students will apply for the two firms, the placement head added.

The compensation varies depending on the profiles and the ones above are part of the bulk hiring roles. The roles offered to an Indian Institute of Technology (IIT) graduate will be different along with higher compensation.

So far, TCS, HCL and Cognizant have said they will head for the campuses while rivals Infosys and Wipro had earlier said they will not. HCL has said it will continue to hire as planned, but TCS is cutting down campus hiring plans.

Emails sent to Cognizant and HCL were unanswered till press time.

A TCS spokesperson said: "There is no change in our campus recruitment process and approach from previous years. As always, we are seeking the best talent available based on our business needs, and we continue our investments in their training and deployment into client projects."

"HCL Tech will keep hiring to meet 5.5% growth guidance," the company's chief

So far, TCS, HCL and Cognizant have said they will head for the campuses while rivals Infosys and Wipro had said they will not MINT

executive officer (CEO) C. Vijayakumar had said in an interview earlier. "We'll see the hiring momentum continue into Q4 and beyond."

K. Krithivasan, CEO of TCS, said in an interview in January that the company was doubling down on in-campus hiring. "Last year we hired about 40,000 people. This year we'll start with a smaller number. But we'll see how it plays out basis the demand situation."

This is where added certifications help; many aspirants are eliminated if they don't have these 'stamps'. "If there is one vacant position and two candidates apply for the job, companies will take the one who is more skilled," said Savitha Rani M., training and placement officer at Ramaiah Institute of Technology in Bengaluru.

Meanwhile, global capability centres or GCCs of MNCs have hired in large numbers from engineering colleges

"Certification numbers are an important criteria in contracting, too. Those are factors looked at by IT companies' clients," explained Apurva Prasad, vice-president of institutional research, HDFC Securities. "What you're effectively doing is that by having your employees certified, your talent pool is ready to be deployed into projects faster."

Meanwhile, global capability centres or GCCs of MNCs have hired in large numbers from engineering colleges. That has reduced the pool available to the IT services majors.

In another college in Tamil Nadu, both TCS and Cognizant are late to the hiring party, even though they are recruiting for salaries around ₹9 lakh. "Most of the students are placed in GCCs and 125 have applied for these two firms," said its placement head. The college has more than 5,000 students in its 2024 graduating batch.

jas.bardia@livemint.com

Indian airports seek digital boost: SITA

Indian carriers are also showing interest in the firm's tech to cut emissions

Anu Sharma
anu.sharma@livemint.com
NEW DELHI

Indian airports are increasingly looking at ways to deepen digitalization, as they seek to boost efficiency at passenger touchpoints, technology provider SITA said, as traffic soars in the world's fastest-growing aviation market.

SITA is a European IT company that provides technology and telecommunications services to the aviation industry.

The company, which is involved in facilitating the DigiYatra programme at 40 state-run airports, is also in discussions with the Adani Group on increasing technology adoption at the infrastructure conglomerate's seven airports. The DigiYatra app helps facilitate a smooth, paperless air-travel experience.

"They (Adani Group) are looking for a lot in terms of digitalization. We are working with them on certain things in terms of how we can help them to digitalize some of their processes, how we can use data to serve the passenger better. So, we are talking about this," Sumesh Patel, president of Asia-Pacific at SITA, told *Mint*.

The company recently revamped the group's passenger processing system and implemented airport management system, which automates and streamlines core airport operations, at the Adani Group-run airports of Ahmedabad, Jaipur, Lucknow, Guwahati, Thiruvananthapuram, Mangaluru, and Mumbai.

In December last year, the company won a contract to implement DigiYatra at 40 airports of the state-owned Airports Authority of India. This will be undertaken in two phases, whereby 12 airports will be covered in the first phase by June, and 28 in the second. These will include airports at Coimbatore, Chennai, Dabolim, Indore, Visakhapatnam, Raipur, Patna, Ranchi, Srinagar, Bagdogra, among others.

In December last year, SITA won a contract to implement DigiYatra at 40 airports of the state-owned Airports Authority of India. HT

Under the DigiYatra scheme, the government aims to create a seamless travel experience for travellers with the use of facial technology for contactless identification at touchpoints such as check-in, security, and boarding zone. The contactless passenger identification facility was launched in December 2022, and is currently available at 13 airports of Delhi, Bengaluru, Varanasi, Hyderabad, Pune, Kolkata and Vijayawada, Ahmedabad, Mumbai, Cochin, Guwahati, Jaipur and Lucknow.

SITA said that greenfield airports such as Jewar and Navi Mumbai are also keen to adopt technologies that will ensure a faster turnaround time for aircraft operations. In July, it had signed up with Noida international airport for airport management system. This will include the provision and operation of systems to allocate gates and counters, boarding bridges, traffic-flow management on the airfield as well as display of flight information to passengers.

"Navi Mumbai is currently going through the evaluation. They have issued the RFPs (request for proposal) and they are going through the evaluation. So, we are participating and are in discussion," Patel said.

The company is also seeing an increased interest among Indian airlines to adopt technological tools to improve fuel efficiency and lower carbon emissions. In October, full-service carrier Vistara became the first Indian airline to deploy SITA's technology solutions that will provide pilots with better weather awareness data and enable the airline to save 80 tonnes of fuel per year per aircraft on average and reduce carbon emissions by roughly 250 tonnes annually. For Vistara's entire fleet, yearly fuel savings are estimated to be more than 5,000 tonnes.

TECH FLIGHT

SITA is a European IT company that provides tech services to the aviation industry

THE firm is also in discussions with the Adani Group for technology adoption at its seven airports

THE passenger identification facility DigiYatra is currently available at 13 airports

THE LITTLE HELICOPTER THAT COULD

A MATTER OF NUMBERS

DILIP D'SOUZA

Respond to this column at
feedback@livemint.com

They've taken to calling it "the little helicopter that could." For nearly three years, it could and did, charming plenty of aviation and other enthusiasts everywhere. As of a few weeks ago, it sits idle, an image of the shadow of its rotor the only indication of what's preventing its flight.

For what the shadow tells us is simple: one of the blades on the rotor has been damaged at the tip. This means it can no longer fly. No longer, sadly, is it the little helicopter that could. But 72 times, it could and did.

This is Ingenuity, the tiny helicopter that the National Air and Space Administration (NASA) transported to Mars with its Perseverance rover, landing on our friendly neighbouring planet in February 2021. At first glance, it might seem like just a fanciful indulgence. Why did NASA send to Mars what might, on Earth, qualify as a toy?

For one thing, it isn't a toy. It stands about half a metre tall, with rotor blades that span over a metre. It weighs just under two kg. But it's not those numbers that say it isn't a toy—after all, there are recreational drones that are comparable in size and weight. What Ingenuity amounts to is an incredibly sophisticated experiment in science and engineering.

Think of all that's packed in that two kg package. It has a solar panel that recharges its batteries with energy from the Sun. It carries heaters that keep it at a reasonable temperature, especially during nights on Mars when the temperature can drop to well over a hundred degrees Celsius below zero (-100°C). It has two rotors stacked, one below the other, each with two blades that are made of carbon fibre. The rotors rotate in opposite directions, at 2400 rpm—which means that during this rotation, the blade tips are moving at nearly 550 kmph.

There's more. Ingenuity has communication equipment that sends data to Perseverance for onward transmission to the Earth—and, of course, the data can travel in the reverse direction too. It has its own on-board computers and sensors, used for navigating the unfamiliar surface of Mars. It carries a camera that shoots in colour and another that shoots in black-and-white. Finally, for when it settles on the surface of Mars, it has four legs to stand on.

All that, again, in two kg. By itself, all that would be a triumph of engineering. But the truly remarkable characteristics of Ingenuity go beyond engineering. They lie instead in everything the helicopter is designed for.

It has those four legs to stand on, but as with all helicopters, Ingenuity is really defined by its four blades. In its case, there's a fundamental challenge that no other helicopter has ever had to face: rising off the surface of that other planet. I don't mean that in the trivial sense that Mars has never seen a helicopter before. Instead, the issue is that the atmosphere on Mars is about 1% as dense as on Earth. As I asked in a previous column here (*https://www.livemint.com/science/news/pisa-to-mars-ingenuity-all-the-way-11619116975602.html*), "would there be enough air for Ingenuity's blades to push down on, to create enough lift to get the little chopper off the surface of Mars?"

This is why Ingenuity's blades were so carefully crafted to, in particular, spin so fast. Compare to a typical helicopter on Earth, whose blades rotate at about 500 rpm. Simply to "create enough lift", Ingenuity works nearly five times harder.

But what's it doing this hard work for? After all, Ingenuity isn't supporting the Perseverance mission in any way—meaning, as it gathers stones and Martian dust to possibly send to Earth someday, as it looks for evidence of life or at least its primitive building blocks.

Instead, Ingenuity is an experiment designed solely to test the feasibility of powered flight on Mars.

As NASA explains, Ingenuity's flights "will help inform decisions relating to considering small helicopters for future Mars missions, where they could perform in a support role as robotic scouts, surveying terrain from above, or as full standalone science craft carrying instrument payloads. [They will offer] new perspective on a region's geology. In the distant future, they might even help astronauts explore Mars."

What's more, "after receiving commands from Earth relayed through the [Perseverance] rover, each test flight is performed without real-time input from Mars Helicopter mission controllers." (*https://mars.nasa.gov/files/mars2020/MarsHelicopterIngenuity FactSheet.pdf*)

This is how, and why, Ingenuity has taken off from the surface of Mars 72 times now. It first flew on April 19, 2021, two months after Perseverance landed. Rather like the first flight by the Wright Brothers, Ingenuity's first didn't last very long, nor get too far off the ground. It rose 3 metres into the Martian air and hovered there for 39 seconds before coming back down. But also rather like the Wright Brothers' first, that was itself a triumph.

> Ingenuity is an experiment designed to test the feasibility of powered flight on Mars

It showed that Ingenuity could do exactly what it was designed to do - fly on Mars. From that beginning, for nearly three years, there was no looking back.

On 25 April 2021, for example, the little craft rose to 5 metres and then flew 100 metres horizontally over 80 seconds. Doing so, it reached a speed of 7.25 kmph—faster than your typical walk. But Ingenuity was just shaking off its stiffness. On 5 July that year, it climbed as high as 10 metres - the height of a 3-storey building. That day, it spent nearly three minutes in the air, zipping along at up to 18 kmph to cover 625 metres.

That was its 9th flight. That was also almost its longest flight—one, in August that year, lasted about three seconds longer, and three have traversed slightly longer distances. But it has flown higher several times, reaching a maximum of 24 metres—almost an eight-storey building - in October last year. It has broken its own speed record several times too, to a maximum of 36 kmph that it reached on a flight, also last October.

Altogether, and through 72 flights, Ingenuity has spent over two hours aloft on Mars, flying a total of about 17 km. Those are impressive numbers for an experimental helicopter.

But at the end of that 72nd flight, Ingenuity landed hard, and that broke the tip of one of its blades. Too bad, for the little helicopter that could. But it convincingly demonstrated what was possible, and NASA already has plans for more advanced flying machines.

Very good, for the little helicopter that could.

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

NEWS IN NUMBERS

149.6 mn
THE NUMBER of streaming subscribers Walt Disney Co reported in Dec quarter, down from 150.2 mn in the prior quarter, even as overall losses in streaming shrank.

$100.7 bn
GAUTAM ADANI'S net worth as of Wednesday, making him the world's 12th richest person per Bloomberg, as he recovered from a slump last year.

6.5%
INDIA'S CURRENT repo rate, as the Reserve Bank of India's Monetary Policy Committee left it unchanged for the sixth time in a row.

4
THE NUMBER of Test matches against England that star cricketer Virat Kohli is set to miss, including the two upcoming matches at Rajkot and Ranchi.

₹138 cr
THE NET profit posted by food delivery major Zomato in the December quarter of FY24, up from a net loss of ₹347 crore in the year-ago period.

HOWINDIALIVES.COM

Equity MF inflows at near 2-yr high in Jan

Inflows into equity mutual funds hit a 22-month high in January, led by sustained investments in sectoral, small- and mid-cap funds. Large-cap funds also performed well, with inflows at an 18-month high.

Net equity mutual fund inflows rose 28% sequentially to ₹21,780.56 crore in January, the highest since March 2022, according to data from the Association of Mutual Funds in India (Amfi) on Thursday. The equity segment was also aided by three new fund launches in January which together garnered ₹967 crore.

"...it is abundantly clear that we are in an era of growth and participation through financial savings instruments. The surge in SIP accounts to an unprecedented 79.20 million in January 2024, coupled with the milestone of 5.18 million new SIP registrations, underscores the unwavering commitment of investors towards disciplined wealth creation," said Venkat Chalasani, CEO, Amfi. MAYUR BHALERAO

India is Unilever's largest market by volume of products sold. MINT

'India biz grew mid-single digit in 2023'

Consumer goods company Unilever's India unit reported mid-single-digit growth through "balanced" price and volume increase for the full year 2023, according to the parent company's earnings released Thursday. "India grew mid-single digit through balanced price and volume growth. Sales were flat in the fourth quarter as pricing turned negative, mainly driven by price reductions in fabric cleaning and skin cleansing bars as a result of commodity movements. We are focused on driving competitive volume growth while pricing is expected to remain marginally negative if current commodity prices persist," the company said, announcing earnings for the year ended 31 December 2023 as well as for the fourth quarter. To be sure, India is the company's largest market by volume of products sold.

The company's India unit, Hindustan Unilever Ltd, recently announced its December quarter earnings. Unilever expects net material inflation to be back to more "normal" levels in the current year, the company said in its forecast for 2024. STAFF WRITER

SACRED GATHERING


Devotees gather at the Sangam—the confluence of the rivers Ganga, Yamuna and the mythical Saraswati—in Prayagraj on Thursday to offer prayers on the eve of *mauni amavasya* during the annual religious Magh Mela. PTI

Spectrum sale, rail projects of ₹12,300 crore get Cabinet nod

Spectrum auctions to be a tame affair compared to previous bids in 2022

Gulveen Aulakh, Puja Das & Somrita Ghosh
gulveen.aulakh@livemint.com
NEW DELHI

The Union cabinet on Thursday approved auction of 10,523 MHz of telecom spectrum in multiple bands, including 5G, and aims to mop up ₹96,317.65 crore, minister for information and broadcasting Anurag Thakur said.

Auctions will take place in the 800, 900, 1800, 2100, 2300, 2500, 3300 MHz and 26 GHz bands, and the telecom department will use indexation on previous auction price to determine auction price for the sale, which he said will take place in the coming months.

"Additional spectrum will improve the quality of telecom services and coverage for the consumers," the government said in a statement, following the cabinet meeting. According to the statement issued separately after the briefing, spectrum held by certain companies undergoing insolvency is expiring in 2024 on completion of the term, and this spectrum will also be put on the block.

Mint reported last month that the government was expecting at the most ₹10,000 crore from the upcoming spectrum auctions, since telcos would focus primarily on renewing licences that are set to expire between February and August this year. The pricier 600 Mhz and 700 Mhz bands have not been made part of the sale this time.

The planned auctions this time will also be a tame affair compared to the previous bids in 2022, when the government amassed a record ₹1.5 trillion when it put on sale 72,097.85 MHz of spectrum and sold 5G airwaves for the first time. Since the spectrum sale in 2022, more than 130 million subscribers are using 5G services, making India the world's second-largest 5G ecosystem.

> Since the spectrum sale in 2022, more than 130 mn subscribers are using 5G services, making India the world's 2nd-largest 5G ecosystem

Meanwhile, the cabinet committee on economic affairs approved six rail projects worth ₹12,343 crore. These projects, to be funded by the Centre, will ease travel, minimize logistics cost, reduce oil imports and lower carbon emissions.

The six projects will cover 18 districts across six states—Rajasthan, Assam, Telangana, Gujarat, Andhra Pradesh and Nagaland. The projects are expected to increase the existing network of Indian Railways by 1,020 kms. This expansion programme is likely to create jobs totalling 3 crore man-days to the people of these states.

Sebi bars market experts, analysts

The Securities and Exchange Board of India (Sebi) has restrained several entities, including market experts, research analysts and guests appearing on the TV channel *Zee Business*, from the securities market. In an interim order issued on Thursday, the markets regulator accused them of engaging in fraudulent activities that allegedly influenced innocent investors.

According to the order, the guest experts on the channel made unlawful gains amounting to ₹7.5 crore, which Sebi has directed be impounded. The regulator has also prohibited them from buying, selling or otherwise dealing in securities for an appropriate period. Those barred by the regulator include Simi Bhaumik, Mudit Goyal, Himanshu Gupta, Ashish Kelkar, Kiran Jadhav, Ramawatar Lalchand Chotia, SAAR Securities India Pvt. Ltd and Kanhya Trading Co. KRISHNA YADAV

India's largest insurer's net premium income grew by 4.6% to ₹1.17 trillion. REUTERS

LIC Q3 profit up 49% at ₹9,444 cr

The Life Insurance Corporation of India (LIC) reported a 49% year-on-year increase in net profit in the December quarter of FY24, reaching ₹9,444.4 crore, compared to ₹6,334.2 crore a year ago.

The improved performance was mainly driven by an increase in net income from investments and growth in net premium income. India's largest insurer's net premium income grew by 4.6% to ₹1.17 trillion compared to ₹1.11 trillion.

The company's board proposed an interim dividend of ₹4 per share for FY24, with the record date set for 21 February 2024. Additionally, LIC's net income from investments during the December quarter rose by 12% year-on-year to ₹95,266.8 crore from ₹84,869 crore in Q3 FY23, while management expenses increased by 32% year-on-year to ₹18,193.8 crore. MAYUR BHALERAO

Airbus to make A220 doors in India

Airbus SE, a European aerospace major, on Thursday signed a deal with Dynamatic Technologies for the production of door variants for Airbus A220, the latest addition to its aircraft line-up. The order value was not disclosed. This marks Airbus's second engagement with an Indian company for the manufacture of aircraft doors, following a contract in March last year with Tata Advanced Systems for the Airbus A320's cargo doors. Currently, Airbus sources components worth $750 million from India, with plans to increase this figure to $1.5 billion over the next few years. Indian firms manufacture fuselages, electrical wire harnesses, tailfin structures, emergency chutes, among others, for Airbus.

Despite its global presence since 2016, with over 300 A220s currently in service and more than 900 orders placed, Indian carriers are yet to add the A220 to their fleets. ANU SHARMA

India to replace its troops in Maldives with technical personnel

India said on Thursday that it will replace its troops stationed in the Maldives with technical personnel, in a move that could ease strained bilateral relations. India has provided the Maldives with various types of defence equipment, but the presence of about 80 Indian troops who operate these equipment has been a bone of contention ever since Maldivian President Mohamed Muizzu rode to power on a campaign pledge to remove foreign troops from the country.

The ministry of external affairs (MEA) confirmed the move. "The present personnel will be replaced by competent Indian technical personnel," MEA spokesperson Randhir Jaiswal said, in response to a question at a press briefing in New Delhi. The matter was discussed at the second meeting of the India-Maldives High Level Core Group last week, after which the external affairs ministry said both countries had agreed to a set of "mutually workable solutions" to allow "the continued operation of Indian aviation platforms that provide humanitarian and medvac (medical evacuation) services to the people of Maldives". SHASHANK MATTOO


Presence of 80 Indian troops operating defence equipment has been a bone of contention ever since President Muizzu came to power. AP

CAR-T cell cancer therapy by Apollo

Indigenous Chimeric Antigen Receptor-T or CAR-T cell therapy, which is known to be the last resort for treating the cancer patient is now gaining momentum in the country with Apollo Hospitals starting to provide this facility.

The Apollo Cancer Centre on 8 February announced that the hospital chain has successfully completed CAR-T cell programme, claiming themselves to be the first private hospital to do so. So far, the hospital chain has successfully treated a total of 16 patients with one more patient to be administered through the process by the end of this month. SOMRITA GHOSH

Billionaire Elon Musk opens new front in Disney fight

FROM PAGE 1

2021 that said, "most people today don't realize that to get to the point where Nazi soldiers could easily round up thousands of Jews, the government first made their own neighbors hate them simply for being Jews. How is that any different from hating someone for their political views."

She also made comments about pronouns and transgender people that drew criticism.

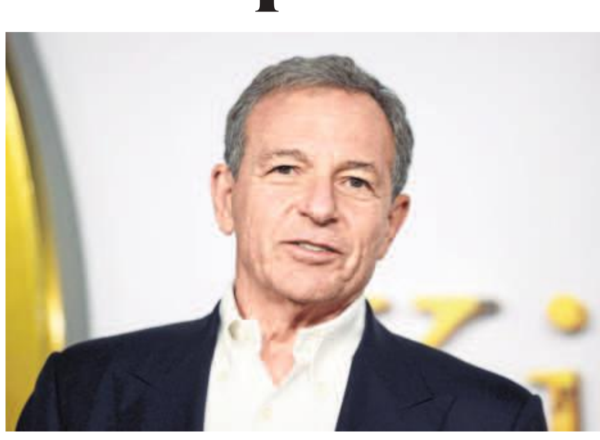
Carano said Musk's platform was assisting with the lawsuit against Disney and Lucasfilm.

The financial backing to Carano comes after Musk said last year that X would fund lawsuits from people who claimed they were unfairly fired for their posts on the social-media platform.

"As a sign of X Corp's commitment to free speech, we're proud to provide financial support for Gina Carano's lawsuit, empowering her to seek vindication of her free speech rights on X and the ability to work without bullying, harassment, or discrimination," X said in a statement.

Lawyers for Carano didn't respond to a request for comment.

The fight between Musk and Disney started in November after the company was part of an advertiser exodus from his social-media platform. The move followed Musk supporting an antisemitic tweet and a liberal watchdog group saying pro-Nazi content was running near advertisements from major companies on the platform.


The lawsuit and solicitation of additional complaints are the latest escalations in Musk's beef with Disney and its CEO Bob Iger. REUTERS

X later sued the group, Media Matters for America, alleging the publication misrepresented how content appears on the platform and was trying to scare away advertisers. A representative for Media Matters said at the time that the organization stood behind its reporting.

During an interview at the New York Times DealBook Summit in November, Iger was asked about suspending Disney's advertising on X. "We just felt that the association with that position, and with Elon Musk, and X, was not necessarily a positive one for us," Iger said.

In a separate interview at the same conference, Musk singled out Disney as one of several companies that he said were trying to blackmail him by suspending their advertising campaigns.

"Go f—yourself," Musk told those advertisers. "Is that clear? I hope it is. Hey Bob," he said, which many observers interpreted as a response to Iger.

Musk said at the conference that he had previously tried to clarify that he hadn't meant anything antisemitic by his post. "Essentially, I handed a loaded gun to those who hate me, and arguably, to those who are antisemitic," Musk said. He added: "I'm quite sorry. That was not my intention."

> Musk has also thrown his support behind Peltz, the activist shareholder seeking a seat on Disney's board

In December, Musk called for Iger to be fired, saying "Walt Disney is turning in his grave over what Bob has done to his company." Disney declined to comment on Musk's comments at the time.

Musk has also thrown his support behind Peltz, the activist shareholder seeking a seat on Disney's board. Peltz has pushed for better management of the Disney+ streaming service, an improved strategy for ESPN and greater investment in the company's theme parks.

"Brutal track record," Musk said about Disney's board in January, responding to a post by Peltz's Trian Group. "Shareholders have been incredibly poorly served by the @Disney board!"

Musk and Peltz were photographed together in Los Angeles over the weekend at the movie premiere of "Lola," a film that Peltz's daughter, Nicola Peltz Beckham, wrote, directed and starred in. The feud shows how Musk will use his own platform to his advantage, said Williamson, the tech analyst. "For many years it has been his mouthpiece," she said.

"Now that it's his company, he is continuing to use X to promote the causes that he believes in."

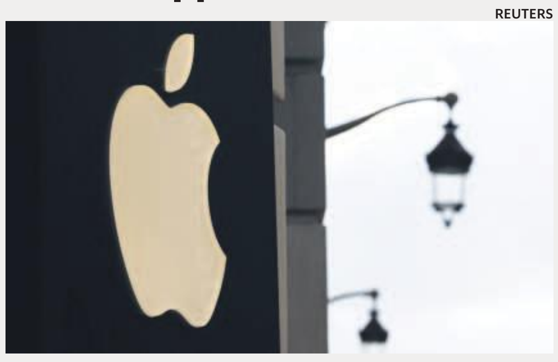
MINT SHORTS

UN investigates 58 cyberattacks worth $3 billion by North Korea

United Nations sanctions monitors are investigating dozens of suspected cyberattacks by North Korea that raked in $3 billion to help it further develop its nuclear weapons program, according to excerpts of an unpublished UN report reviewed by *Reuters*. Since 2006, it has been subject to UN sanctions, which the council has repeatedly strengthened to try and cut off funding for its weapons of mass destruction (WMD) development. REUTERS

Spain's HC suspends $209 mn fines on Apple, Amazon

REUTERS



Spain's high court (HC) suspended €194 million in fines imposed on Amazon and Apple by the local antitrust watchdog in July, pending an appeal by the tech giants, an Amazon spokesperson said on Thursday. CNMC, as the watchdog is known, fined Amazon and Apple for colluding to prevent dealers other than Amazon from selling Apple wares on Amazon's websites in Spain. REUTERS

ArcelorMittal profit falls after Kazakhstan mine disaster

Global steel giant ArcelorMittal Thursday posted a tenfold drop in net profit in 2023, taking hits from a withdrawal from Kazakhstan following a fatal mining accident and from its faltering Italian operations. ArcelorMittal said its profit reached $919 million last year, down sharply from $9.3 billion in 2022. Sales fell 14.5% to $68 billion. ArcelorMittal said its withdrawal from Kazakhstan cost the company $2.4 billion. AFP

Honda reports 3.5% profit rise on the back of US demand

AP

Japanese automaker Honda's profit rose 3.5% in the October-December quarter from a year earlier on the back of solid demand in the US and Europe and a recovery in its home market, the company said Thursday. Tokyo-based Honda Motor Co.'s profit in the last quarter was 253.3 billion yen, or $1.7 billion. Quarterly sales jumped 21% to 5.39 trillion yen. AP

Google rebrands Bard chatbot as Gemini, rolls out paid subscription

Google on Thursday renamed its Bard chatbot after the new artificial intelligence that is powering it, called Gemini, and said consumers can pay for better reasoning capabilities as it vies with Microsoft to win subscriptions. Subscribers will receive two terabytes of cloud storage that typically cost $9.99 monthly, and they will soon gain access to Gemini in Gmail and Google's productivity suite. REUTERS

China's consumer prices drop at fastest pace since 2009

China's consumer prices fell last month at the fastest pace since the global financial crisis, piling pressure on the government to support a stumbling economic rebound that's roiling markets. The consumer price index dropped 0.8% in January from a year ago, the National Bureau of Statistics said Thursday, the weakest since September 2009. The producer price index fell 2.5%, compared with projections for a 2.6% decrease. Factory-gate costs have been stuck in deflation for 16 straight months. BLOOMBERG

Amazon's newest competitors are stepping into its territory

Shein, TikTok are seeking to poach Amazon's employees and building out workspaces in the same office tower

Sebastian Herrera
feedback@livemint.com

Fast-fashion company Shein and TikTok's shopping unit are expanding in Amazon.com's territory, seeking to poach Amazon's employees and building out workspaces in the same Seattle-area office tower.

The two companies are bolstering their staff at a 22-story tower near Seattle known as the Key Center, and both are recruiting current and former Amazon employees as they expand their U.S. logistics and supply-chain operations.

The move into Amazon's home city represents a new front in what has quickly grown into one of the tech giant's greatest retail threats. Shein, TikTok and e-commerce company Temu, all of which have Chinese roots and close ties to sellers in Asia where many products sold on Amazon originate, are investing heavily in U.S. online shopping.

TikTok launched a shopping tool on its app last year, and Shein has become America's largest fast-fashion seller. Many of the e-commerce products TikTok creators market on that platform are from Shein, though TikTok says hundreds of thousands of products come from other sellers.

Seattle has long been a hub for logistics talent because of Amazon's presence, said Will Gordon, a former Amazon executive and co-founder of Latchel, which sells home-maintenance services.

But companies that try to replicate Amazon's success aren't guaranteed to do well, Gordon said. Logistics firms like Flexport and now-defunct Convoy have relied on former Amazon talent and struggled.

"What works at Amazon may not work at another company," Gordon said. "The Amazon way—the process and metrics-driven approach—has to be adapted."

The threat from Shein, TikTok and Temu has become a pressing issue for Amazon. BLOOMBERG

Shein, which operates a large office in Los Angeles, appears to be just getting started in the Seattle area, with only a handful of employees there now, including head of logistics, Wei "Andy" Huang, who formerly worked at Amazon and Chinese conglomerate Alibaba. Its newest employees there are setting up what will be a major logistics hub, people familiar with the matter said.

The goal is to build out its U.S. warehouse presence, although planning is still in the early phases. In a LinkedIn post, Huang wrote that the company was hiring for senior logistics roles in Seattle.

Similarly, the growing TikTok staff at the Key Center includes roles in logistics and e-commerce. Dozens of ex-Amazon employees work at TikTok in the Seattle area in various roles. TikTok owner ByteDance recently subleased an additional 66,000 square feet of space at the Key Center after first subleasing 44,000 square feet in 2021, according to real-estate brokerage Broderick Group. The company's staffing strategy there includes hiring Amazon employees, a person familiar with the matter said. TikTok says it hires people from many different work backgrounds.

In a statement, Amazon said it is "always listening to customer feedback and continually innovating to offer an outstanding shopping experience." A spokeswoman said that healthy competition is good for customers, businesses and innovation. She also said employees go to Amazon because of its innovation and opportunities to develop new skills.

Shein and TikTok's attention on U.S. logistics fits a growing need for the companies if they are to successfully take on Amazon in the U.S. TikTok last year launched its TikTok Shop platform, a marketplace on its app that relies on merchants to ship out their own products. Shein, meanwhile, operates at least one warehouse in Indiana.

The U.S. is Shein's biggest market. Shein currently ships the bulk of its products from China. The company has made a push to diversify its supply chain outside China and has been focused on building fulfillment facilities in the U.S. It is building a second U.S. warehouse in Cherry Valley, Calif.

Building out U.S. warehouses could help Shein be closer to its consumers. It could also help Shein attract U.S. sellers and brands to its platform, which could lead to higher-margin revenue for the company, analysts say.

Much of what has kept Amazon in a commanding position in the U.S. is its logistics and supply chain, which has set a standard for efficiency and boasts hundreds of warehouses throughout the country that enable it to deliver packages in two days or less. Amazon in January said that more than four billion items arrived the same or next day in the U.S. in 2023.

Shein and TikTok's push for Seattle staff comes at an opportune time. Amazon has slashed jobs in recent months across its healthcare, entertainment, devices and gaming divisions, citing shifting priorities—including a focus on artificial intelligence—across its businesses. The cuts arrived after the company laid off roughly 27,000 employees about a year ago. Amazon is accustomed to talent wars in Seattle. In years past, competitors such as online pet retailer Chewy opened major offices in the area and filled their ranks with current and former Amazon employees. Some Amazon executives have also gone on to form their own companies.

The threat from Shein, TikTok and Temu has become a pressing issue for Amazon. Shein and Temu have seen soaring popularity in the U.S. due to low-price items that make up much of the companies' sales. They have also faced scrutiny from U.S. lawmakers over their sourcing and shipping practices. Shein, which has filed for a listing in the U.S., faces a spate of lawsuits alleging copyright infringement from independent designers to major brands, including one from Uniqlo, the Japanese fashion brand owned by Fast Retailing.

Analysts have estimated that Shein and Temu's online traffic growth at times has been higher than Amazon's. Amazon last year hadn't matched prices of items on Temu, a rare strategy for a company that typically scours the internet with a variety of price-matching tools to ensure its site has some of the lowest prices online. Amazon has said that the number of customers across its website and apps continues to grow and that independent studies have found its prices are frequently the lowest online among major U.S. retailers.

TikTok, meanwhile, has been spending heavily to build a logistics operation and tried to lure third-party sellers by offering them a bigger cut of sales than Amazon. The company is also planning studios in Los Angeles, New York and elsewhere where its creators can make shopping videos and livestreams, people familiar with the matter said. News website the Information earlier reported on the studio plans.

Amazon's recent financial performance has proved that it remains the go-to online store for Americans. The company said this month that its profit in the three months through December surged to $10.6 billion, its strongest level in two years.

Amazon has maneuvered to defend its retail empire. It struck recent logistics deals with Canadian e-commerce company Shopify, as well as Salesforce, and also partnered with Meta Platforms' Instagram for product sales.

In December, Amazon sharply reduced the fees it charges merchants that sell clothes below $20, a move industry analysts saw as a response to the popularity of Shein and Temu. In a statement about the fee changes, Amazon said it sought to "help drive and incentivize even greater selection for customers and competitive prices."

Georgia Wells contributed to this article.

SoftBank returns to health with a bump from AI

Megumi Fujikawa
feedback@livemint.com

Global tech investor SoftBank is finally getting something out of AI. SoftBank shares surged 11% Thursday in their biggest daily jump in nearly two years, thanks to a jump in sales at its subsidiary Arm, a giant chip-design company that has benefited from enthusiasm about artificial intelligence.

SoftBank also reported its first quarterly profit in more than a year after Tokyo markets closed. It earned 950 billion yen, equivalent to $6.4 billion, in the last three months of 2023, thanks in part to a slight rebound in its startup investments.

SoftBank's founder and chief executive officer, billionaire Masayoshi Son, has been evangelizing the promise of AI for more than a decade—but his record thus far has largely been characterized by flops and misses on a giant scale. He said the company's Vision Funds, which have spent over $140 billion, were devoted to ventures focusing on AI, a technology he has said will reshape humanity. But the money went mostly to companies with tenuous or unclear links to AI, such as WeWork and now-defunct lender Greensill Capital, causing painful losses for SoftBank.

Meanwhile, Son mostly missed out on companies in the booming field of generative AI, such as OpenAI, which makes ChatGPT. Arm is starting to make up for some of those losses.

Arm surprised Wall Street Wednesday with a forecast that its revenue for the first three months of the year would hit at least $850 million, 34% above the $633 million it reported in the first quarter of 2023. Shares in Arm, which is 90% owned by SoftBank, jumped 27% in off-hours trading. The company mostly focuses on licensing the designs of chip components that power smartphones and PCs, getting a cut of each chip sold.

While a tiny portion of its revenue comes from chips that go into the supercomputers that are used for AI data processing, that segment is growing quickly, and many investors have bet on Arm as a way of betting on AI.

With its strong Wall Street performance, the chip company has filled a void in the SoftBank empire. For years, SoftBank was lifted by its nearly 25% stake in Alibaba, a fantastically successful startup investment made in 2000 that allowed SoftBank to borrow tens of billions of dollars. Over the past two years, SoftBank has gradually sold out of Alibaba, leaving it largely with its holdings in Arm—worth around $90 billion based on Arm's after-hours share surge—its poorly performing startup portfolio and holdings in a large Japanese telecom business.

"Arm is the company that can contribute the most to AI, which is the biggest theme in the world," SoftBank's chief financial officer, Yoshimitsu Goto, told reporters at the company's earnings presentation Thursday afternoon in Tokyo. He declined to say whether SoftBank planned further sales of Arm shares, but he said the group could make use of the shares in raising funds.

Further lifting the company's results was the receipt of $7.6 billion in shares of T-Mobile —a relic of SoftBank's 2020 deal to sell U.S. carrier Sprint to T-Mobile. SoftBank agreed at the time to forfeit shares on the condition they would get them back if T-Mobile's shares rose to a certain level.

SoftBank also benefited from a modest turnaround in its startup portfolio. Its Vision Fund segment lost over $70 billion of value between its 2021 peak and the third quarter of 2023, as higher interest rates punctured a bubble that had formed in the loftily valued tech startups SoftBank favored. The company said its Vision Fund holdings grew by $4 billion in value in the fourth quarter, thanks in part to strong growth at TikTok maker ByteDance, as well as numerous other companies including India-based hotel company Oyo, said Navneet Govil, Vision Fund's CFO.

Technology shares have regained ground recently as inflation shows signs of moderating globally and the Federal Reserve has suggested it is done with interest-rate increases. SoftBank's CEO, formerly a regular presenter at the company's quarterly earnings meetings, again stayed out of the spotlight Thursday. He has said he wants to focus on Arm's business and innovations in artificial intelligence.

Write to Megumi Fujikawa at megumi.fujikawa@wsj.com and Eliot Brown at Eliot.Brown@wsj.com

American CEOs visiting China can't escape having to dance on stage

Raffaele Huang and Sha Hua
feedback@livemint.com

American CEOs traveling to China face big challenges. Perhaps the most terrifying? The local tradition that business leaders dance and sing on stage to huge crowds.

When Jensen Huang, the Taiwan-born American chief executive of Nvidia, the trillion-dollar Silicon Valley chip company, visited local employees in Shanghai last month, cheering staffers summoned him onto stage to participate in a Chinese folk dance.

The 60-year-old Huang, who was raised in Oregon and is now among the world's richest men, had swapped his signature black-leather jacket for a floral-patterned vest. He twirled a red handkerchief in each hand while trying to swing his hips and lift his legs to the rhythm of "The Dearest," a Chinese song about yearning for one's home and parents, according to videos, which weren't released by Nvidia but independently distributed anyway.

The moving parts weren't exactly in alignment, as they might say back at the office.

"His dance moves were kinda stiff and his legs and arms were uncoordinated," says David Chen, a Nvidia engineer in Shanghai.

But he also found Huang's demeanor appealing, and he says he now feels more connected to the company. For Chen, a corporate leader's personality sets the tone for the staff.

The invite is coming

Heads up to Western executives visiting China: CEOs are vulnerable to being thrust into the spotlight, especially now when Lunar New Year bashes held for employees tend to involve MCs, lavish prizes and entertainment—possibly you.

And it doesn't matter if you're better at giving a keynote than singing on-key.

Dancing and crooning are socially acceptable ways for executives to appear relatable in China, where it is less common for leaders to discuss personal struggles or shortcomings than in the U.S., says Hugo Barra, a Silicon Valley veteran who spent years in the country as vice president of global operations at Chinese smartphone maker Xiaomi.

"In China, CEOs are allowed to be dorky," says Barra, who danced and sang a lot while there, often with other senior Xiaomi leaders, who he says would set aside time from their busy schedules to practice their footwork.

Barra remains thankful that not all of his performances were public, and thus not all searchable online.

Tesla CEO Elon Musk broke into a dance while he was on stage in China in early 2020, celebrating the first deliveries of Model 3 sedans made at Tesla's Shanghai plant.

Among the CEOs who've hit the stage is Nvidia's Huang. REUTERS

Musk tore off his blazer, and theatrically flung it aside before doing the "walk like an Egyptian" dance and peacocking along in front of a rapturous Chinese crowd.

Later on, he tweeted an 18-second clip of his jig, calling it "NSFW," meaning not safe for work.

"He only did a few impromptu shakes to the beat. I wouldn't call it a legit dance," says Emma Liu, then a marketing manager at Tesla. Musk's moves reminded her of former president Donald Trump, who would pump his arms back and forth to the Village People's "YMCA" during campaign rallies.

"He danced like a teenager who went clubbing for the first time," a Tesla manager recalls of Musk's techniques. "It was still fun to watch your boss dance. I'm a fan."

Corporate shuffle

Though less common in the West, American CEOs have shown their moves at home. Apple co-founder Steve Wozniak cha-chaed on the competition show "Dancing With The Stars," as did sleeveless, hip-gyrating billionaire entrepreneur Mark Cuban. Microsoft founder Bill Gates did the robot in a commercial with Jerry Seinfeld.

In China the business-leader-boogie plays a special role. Corporate life tends to be hierarchical and regimented, says Chris Pereira, who founded the business consulting firm iMpact, and has experience helping Chinese and Western companies understand each other's customs. Thus company parties are an opportunity for leaders to build rapport and show gratitude.

It is common for Chinese bosses to get on stage: Some get dragged up, others go more willingly.

Alibaba Group co-founder Jack Ma famously wore a black leather jacket with spiked shoulder pads and belted out a Chinese rock anthem to 60,000 employees in a stadium to celebrate his retirement and Alibaba's 20th anniversary in 2019.

Dancy footwork

Huang, the CEO of Nvidia, made his first trip to China in four years last month and found himself on stage at Nvidia's Lunar New Year party. His employees wanted him to learn steps to the Yangge, a festive dance popular in northern China.

Huang took on a difficult challenge by tackling the folk dance, since it requires a lot of practice and understanding of the music to get the body coordination right, noted Beijing-based dance instructor Fan Xiao after watching the footage.

"We usually have to teach the moves of arms and legs separately," Fan says. "It seems that his brain was still digesting the music and the dance while his arms and legs were already moving."

Still, he adds, Huang "learned pretty fast."

When asked about the dancing, a Nvidia spokeswoman replied that "Jensen is resuming his annual tradition of celebrating Chinese New Year with our local employees."

Fan says Musk's walk-like-an-Egyptian move was much simpler: "As long as you don't have two left feet, it's basically not that difficult."

What advice would Fan give a CEO who might be expected to dance before employees? The instructor suggests executives master a go-to move (the ability to circle back or do a paradigm shift doesn't count).

One option, he says, is the slickback dance, which has gone viral on TikTok and makes the dancer appear to be gliding.

One of the biggest misconceptions first-time visitors to China have about the country is that one cannot have fun there, says business consultant Pereira.

"Dancing and singing may not be common among Western CEOs now," he says. "But perhaps that's actually something they can learn from their Chinese counterparts."

Write to Raffaele Huang at raffaele.huang@wsj.com and Sha Hua at sha.hua@wsj.com

DITCHED BY THE RICH, VODKA NEEDS A NEW SPIRIT

Indians buy tons of cheap vodka, but gin is the runaway leader in consumption growth when it comes to premium white spirits

Varuni Khosla
varuni.k@livemint.com
NEW DELHI

Yangdup Lama, co-founder of Sidecar Bar in Delhi, knows a thing or two about alcohol—his bar has made it to the list of Asia's 50 Best Bars and the World's 50 Best Bars. A keen observer of trends in the business, Lama says vodka's time in the limelight has passed. "Five years ago when we opened Sidecar, we always assumed vodka would be more popular than gin, but it has become the other way around. Gin consumption has been consistent, unlike vodka," he said.

A decade ago, for every 10 bottles of whisky Lama ordered, he would order an equal number of vodkas and just two or three bottles of gin. Today, while the whisky count remains the same, gin stands at about eight bottles and vodka is down to just four.

Vir Kapoor, 37, who regularly hosts parties at his west Delhi home, has also observed this shift. "A lot of my friends have become gin drinkers," he said. Vodka, long the go-to white spirit for those who weren't into brown drinks such as whisky and brandy, has fallen out of favour in his circle. "Gin never existed for a lot of us a decade ago. It was primarily whisky, vodka, and a little bit of dark rum in the winter, and a lot of beer in the summer," recalled Kapoor. It would be the norm to have at least two bottles of Absolut (Pernod Ricard's premium vodka), or Belvedere (a Polish vodka distributed by LVMH) in his bar. Later, Grey Goose (Bacardi's) made an appearance. "But today, a lot of my friends are becoming gin drinkers. These are people who don't have brown spirits. They have almost exclusively switched over to gin from vodka and something like a Bacardi white rum," he said. And so, Kapoor's bar today features four-five bottles of gin such as Bombay Sapphire, Greater Than, or Stranger and Sons during parties. Of late, his friends have also begun to ask for high-end sipping tequila. Greater Than and Stranger and Sons are craft gins made in India.

This change at Lama's bar and Kapoor's parties is playing out across the country. For decades, vodka reigned supreme in India's white spirits scene, serving as a reliable companion to whisky at social gatherings. Today, even those who want to get into the vodka business are having second thoughts, said consultants. This is because a juniper-infused revolution has swept the nation in recent years, with premium gin dethroning entry-level vodka as the drink of choice (all gin contains juniper, a berry-like seed cone). Consequently, the white spirits arena has become crowded, with vodka facing stiff competition not just from premium gins but also from high-end tequila, agave-based spirits and white rum. Agave is a plant that mostly grows in arid regions and is native to the Americas.

COMING OF AGE

Gin has been part of the overall liquor portfolio in India for over a hundred years. However, despite its history and visibility, it was always on the fringes in terms of its market size and acceptability. For years, gin had seen very little innovation and became stagnant, with Indians hardly ever touching the stuff.

But around 2017, gin came into its own. The likes of Nao Spirits and Third Eye Distillery, makers of Greater Than and Stranger & Sons gins, respectively, arrived on the scene and began churning out premium gins that were both easy and expensive on the pocket. Pretty soon, gin had dethroned entry-level vodka.

According to industry estimates, India's gin industry has grown from a mere 12,000 cases in 2017 to about 320,000 cases now. Typically, a case comprises nine bottles of 750ml or 1,000ml each, depending on the category.

Looking to tap this surge in demand, in 2023, nearly half a dozen companies, including Radico Khaitan, Spaceman Spirits, Third Eye Distillery, and NV Distilleries & Breweries, launched new brands and variants of gins and even some white and golden rums.

Today, many other larger companies have also jumped onto the white spirits bandwagon with much gusto. Allied Blenders and Distillers (ABD), which is primarily a brown spirits whisky maker, launched a premium gin, Zoya, this month. Associated Alcohol & Breweries Ltd has launched its own premium gin, Nicobar.

Indian gins priced above ₹1,000 have been growing rapidly, and are outpacing imported premium gins. They accounted for just over a quarter of the premium segment four years ago but today, the number has risen to over 40%, said the Confederation of Indian Alcoholic Beverage Companies (CIABC), noting that the share of imported gins has fallen from 74% to 59% in just four years.

PREMIUMIZATION

Clearly, this shift within the white spirits world isn't just about taste. It's a story of premiumization, where consumers are increasingly willing to pay more for quality and experience. Gin, with its versatility and burgeoning craft spirits scene, has capitalized on this trend. "10-15 years ago, vodka was the most sought-after spirit, but gin and craft spirits came in. What the dark-spirit making companies did was capitalize on the craft market, which vodka couldn't," said Lama.

Siddharth Banerji, owner and managing director of Kyndal Group, the spirits manufacturer behind well-known scotch brands such as Cutty Sark and The Famous Grouse, said the premiumization of higher-quality spirits is the backbone of the growth of the white spirits sector, specifically gin. The sheer number of brands in the premium segment has gone up across many spirit categories. The biggest beneficiary of this has been gin, since all these spirits come with appealing packaging and innovation.

"All this has resulted in people trying a lot of new brands. This was not the case some years ago, when people were completely inflexible about the brands and categories they consumed. Today, there is also huge growth in per capita income and that is clearly reflected in India's 'premiumization' story. Also, more people are consciously drinking better quality over quantity since the pandemic," Banerji added.

His company is in the process of adding an international tequila to its portfolio. In his view, India's biggest spirit growth story will be in the premium drinking segment, in the ₹1,000–2,000 per bottle range. To be sure, while a battle is raging within the white spirits universe, brown spirits still command a staggering 97% share of the overall market, which is largely driven by mass-produced value offerings.

And while gin is reporting the fastest growth, vodka's volumes are still four times larger—it has maintained growth momentum, but only in the much larger economy category. Premium vodka, however, has seen only a modest increase in market share. According to IWSR, a drinks consultancy, in calendar year 2021, volume-wise, growth across the overall vodka segment was higher, at 35%, while gin trailed behind at 28%. However, that same year, in the 'premium and above' category, it was gin that grew faster than the vodka segment, surging 177% versus just 66% growth for vodka.

WIDENING MARKET

It isn't just gin that is making waves in the white spirits market. Competition is hotting up from other white spirits, with tequila, agave-based spirits and even white and golden rum becoming popular in the market, especially among young upwardly mobile Indians. This segment has seen new players such as Allied Blenders, Himmaleh Spirits, Associated Alcohol & Breweries wade in and experiment with a range of drinks for tipplers. The trend also led Diageo to launch its Don Julio tequila two months ago.

Vikram Achanta, co-founder and chief executive of Tulleeho, an independent beverage training and consulting firm, said tequila has been trending heavily of late. "It's very interesting to note that while agave consumption has gone down in America—one of its biggest markets traditionally—in India, it has gained immense popularity in the last six to eight months. Mexican and Spanish-themed restaurants and bars that are sprouting up are fuelling this demand," said Achanta. "There is also in-home consumption. America's lack of consumption has freed up allocation of the spirit to markets like ours. The supply of agave spirits is not likely to be a problem now and we could see more companies coming in and innovating in this category."

In fact, Diageo and Bacardi, two of the largest liquor companies in the world, are now focused on promoting their tequila brands Don Julio (Diageo), and Patron (Bacardi) in India and will look at expanding the market heavily here. DesmondJi, an Indian company that cultivates agave in India, has also come up and supplies companies looking to develop the agave-based spirit here. Its clients include Maya Pistola Agavepura, which was launched by Indian restaurateur Rakshay Dhariwal last June.

"Tequila, especially sipping tequila, is very sexy from a consumer perspective right now and there is a lot of interest from both genders because it supposedly gives people a 'clean' high. Not sure how much of this is true, but it is encouraging demand," he added.

All in all it's a good time to be in the white spirits business. Premium white rums, gins, and agave account for over a million cases per year, said Achanta, with the entire white spirits hemisphere accounting for about four to six million cases.

"It (white spirits) is a very, very exciting category right now with a lot of innovation going on in some spirits," said Alok Gupta, ABD's managing director. "Gin has had this astounding growth because it offers new experiences. Globally, today, the only two white spirit categories spoken of are gin and tequila. There is a lot of curiosity around mezcal- and agave-based spirits and Indians really want to know what the hype is all about."

The industry is yet to put out any official data for this fiscal year, but Gupta estimated the market for tequila to be about 75,000–80,000 cases per annum, growing at a rate of 40%.

TIME TO GET WITH IT

Meanwhile, vodka, said some aficionados, appears to be suffering from a bit of an identity crisis. It has been stuck in the 'value' spirits rut, and is struggling to keep up with gin. While its volume growth continues, that growth is primarily in the lower-priced segments under ₹1,000, according to data from CIABC.

Indeed, Indian brands haven't made any significant inroad in the premium vodka segment, leaving the space dominated by foreign players, such as Diageo's Smirnoff, Absolut and Grey Goose. A few players such as NV Distilleries & Breweries, which sells the Smoke brand of vodka, and has innovated with flavours such as saffron and mango, are the exception. Somewhere, this lack of homegrown innovation has hindered vodka's appeal.

Gupta said India needs to introspect as to how to grow the vodka category again. "We believe there is a gap in the super-premium vodka segment and we will launch something in the higher-end category soon," he said.

The expectation from vodka was always that it was "clean" and delivered the same standard experience every time it was consumed, said Gupta. But with other white spirits, it has become more about who is offering newer flavours. "I don't think gin is taking away the consumption of any other white spirit. The biggest share of white's growth is possibly from someone who normally drinks brown; women and other newer age drinkers," he added.

Anand Virmani, co-founder of Nao Spirits, appears to concur with Gupta. "To my mind, it is not a vodka versus gin debate. There is some migration from other categories. Some are beer drinkers, some are new drinkers. In fact, India is adding 20 million new drinkers each year. New drinkers generally begin with lighter spirits," he said.

While the battle for India's white spirits market is far from over, one thing is crystal clear: Premiumization is the name of the game today.

SARVESH KUMAR SHARMA/MINT

mint SHORT STORY

WHAT

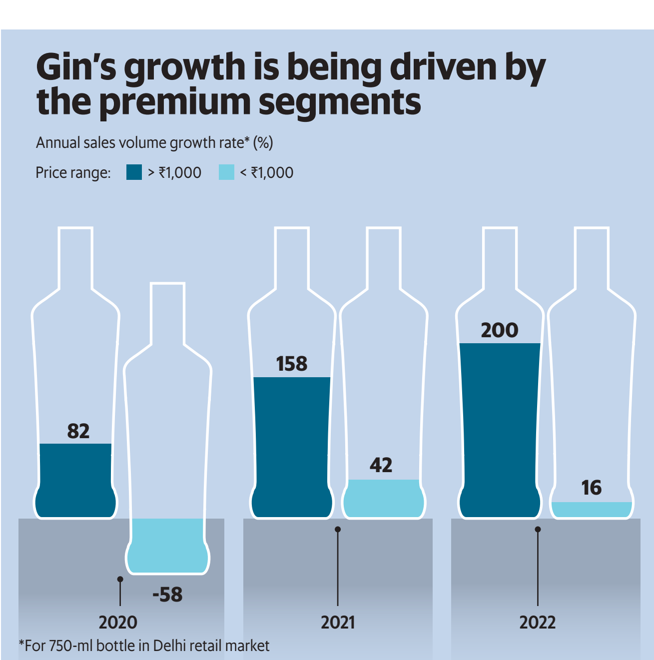
Vodka, long the go-to white spirit for those who weren't into brown drinks such as whisky and brandy, has fallen out of favour with tipplers, who have switched to gin.

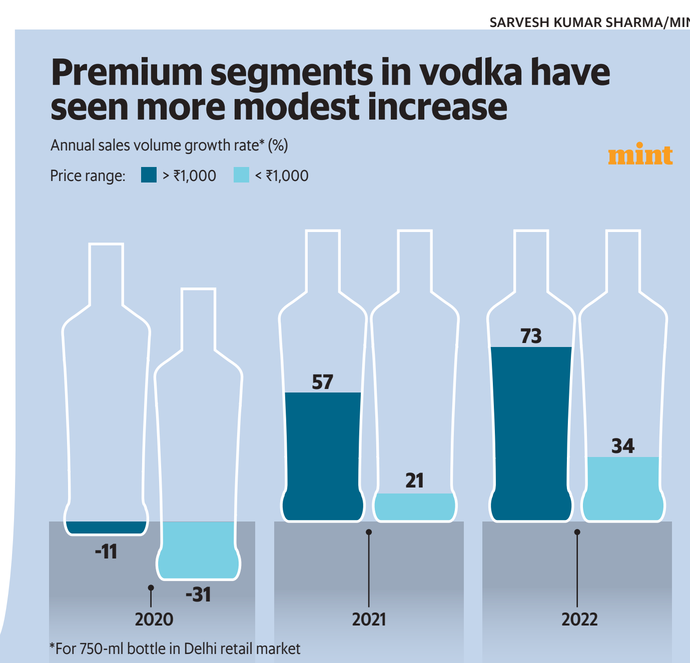
WHY

Consumers are increasingly willing to pay more for premium quality and experience. Gin, with its versatility and burgeoning craft spirits scene, has capitalized on this trend.

NOW

While gin is recording the fastest growth at the top end, vodka's overall volumes are still four times larger—it has maintained growth, but only in the much larger economy category.





How to access assets when breadwinner is incapacitated

Sebi has proposed giving more powers to nominees in case the asset owner is incapacitated

Aprajita Sharma
aprajita.sharma@livemint.com

We work hard to ensure that our family lives in comfort in the present and in the future. We earn money and invest it. But what if we fail to ensure its smooth transition to our legal heirs? Wealth transmission post-death is a challenging process. What does not gain much attention is accessing a breadwinner's investments while she is alive but incapacitated, that is, physically or mentally unfit to manage one's financial affairs.

Niranjan Vemulkar, co-founder and chief executive officer of Yellow, a digital will-making platform, shares an example. "We know of a case where the breadwinner went into a coma. His assets were frozen and a good amount of money was needed to pay the hospital bill. The family had to move court to release some of these assets. But the court cannot allow transferring or withdrawing all assets in one go. They open the tap in a controlled manner only for specific purposes," Vemulkar says. To be sure, an incapacitated person may get better in the future, and a court cannot allow transferring assets of a living person.

While there are laws like the Rights of Persons with Disabilities Act, 2016 and the Mental Healthcare Act, 2017 that offer guardianship provisions to manage an incapacitated person's property, obtaining guardianship can be complex. There is no standardized procedure. "The absence of a unified law addressing access to an incapacitated person's accounts leads to varied procedures based on the type of incapacity, often complicating the process and opening avenues for exploitation by dishonest agents," says Sumit Agrawal, managing partner at Regstreet Law Advisors and a former Securities and Exchange Board of India (Sebi) officer.

A simple solution is having a joint holding with a reliable family member with an 'either or survivor' clause. Married couples commonly do it, but this cannot be an option for everyone. Another option is creating a power of attorney in favour of someone you trust. "It shouldn't be a blanket PoA. It should come into effect upon a condition, such as a medical or a financial reason. Everyone—be it young or old—should create a PoA along with nomination and get it registered," says Mohini Mahadevia, founder of SOLUFIN, an investment and estate planning firm. Notably, the registration is mandatory only for power of attorney involving real estate. One can create it by reaching out to a legal practitioner such as a lawyer/estate planner or a consultant. *(See graphic for details.)*

If you have multiple movable and non-movable properties, you can consider creating a trust for better estate planning. In this case, the trust will be authorized to act on your behalf if something happens to you within specified conditions.

One may wonder about the role of a nominee in case someone gets incapacitated. In the existing scenario, a nominee has no role to play in it unless she has the PoA in her favour. Without a court guardianship certificate, nobody can access a living person's assets. However, Sebi on 2 February released a consultation paper on nomination in which it has proposed to give more powers to nominees of incapacitated people, suggesting that they can act on behalf of the latter. The suggestions are in the context of shares, bonds, units of mutual funds, real estate investment trusts (REITs), alternative investment funds (AIFs) and other securities held in dematerialized form.

Sebi has suggested that in case of a single nominee of an incapacitated investor, she will be authorized to conduct transactions. In case of multiple nominees, the investor can specify which nominee will be authorized to conduct transactions.

If the incapacitated investor has the 'capacity to contract', then power of attorney or a mandate letter or authorization letter may be used. If the incapacitated person lacks the 'capacity to contract', a guardianship certificate from a court would be required. In both cases, a doctor's certificate, in-person verification by the relevant depository or registrar, the thumb impression of the investor instead of her signature, and online login credentials will be needed.

A simple solution is having a joint holding with a reliable family member with an 'either or survivor' clause

How is this different from the existing scenario? Currently, court guardianship is crucial for nominees or legal heirs to transact on behalf of the incapacitated investor. As per Sebi's proposals, if the owner has the capacity to contract, one does not have to get court guardianship. In the existing scenario, even with court guardianship, one can only partially redeem investments. If the proposals are accepted, the nominee will be able to conduct transactions on behalf of the investor. It is to be noted, on selling assets, the proceeds will go to the owner's linked bank account. The nominee will have to follow banking regulations to withdraw funds from the bank account.

Are Sebi's proposals in the right direction?

The intent is right, but there could be consequences. "If a nominee sells the securities in the demat account and redeems the mutual fund investments, it means it has assumed the stature of the deemed investor even though the investor is alive, though incapacitated," says Rajat Dutta, founder and initiator, Inheritance Needs Services.

He cautions that this may lead to caretakers, caregivers and servants having a field day while taking care of the elderly while their children are overseas and they are alone. "Such a regulation would catalyse fraud and may tantamount to a bac-door entry to succession through the nomination route," he adds.

Vikash Jain of Share Samadhan expresses concerns over the requirement of power of attorney when the incapacitated person has the capacity to contract. "Sebi hasn't specified whether it is special PoA or regular. It seems to be the latter. It would be best if Sebi only permits registered PoA the way it is mandatory for immovable properties. A general PoA which is notarized or merely attested by an authority or authorization letter or mandate letter may create unnecessary disputes in courts among nominees or between other legal heirs and nominees".

That said, experts advise that the Sebi should limit the scope of 'conducting transactions' on behalf of an incapacitated person. "The nominee should not get a free run, otherwise the interest of the investor and their legal heirs or beneficiaries will get compromised," says Dutta.

A better approach would be standardizing the procedure across financial entities for all types of incapacity. "A uniform process for nominations and claims in cases of incapacity is crucial. Sebi should ensure that financial institutions are equipped with well-trained staff and effective procedures to authenticate and process such requests efficiently, balancing security with simplicity." says Agrawal.

Most importantly, simplifying the process of obtaining court guardianship needs attention.

"While the Sebi consultation intends to simplify account operation in cases of incapacity, it should also address the complexity of obtaining court guardianship certificates," he says.

Since court guardianship is a time-consuming process and involves physical presence of a senior official from the financial institution concerned, Vemulkar recommends it be replaced with two medical certificates. "One by the treating doctor and another by an independent doctor. The role of a financial institution should be limited to verifying the identity of the nominee," he says.

The regulator has sought public comments on its proposals before 8 March.

Consider a joint ownership, conditional power of attorney or a trust to make things easier in case you suddenly go into a vegetative state.

For foolproof estate planning, combine it with a will so that your near and dear ones can claim the money expeditiously, with minimal paperwork, after you are gone.

Too unwell to conduct financial transactions?

Power of attorney (PoA) in favour of a trusted person can ensure your assets remain accessible to your family.

mint

The issue

- Incapacitated people cannot operate their assets
- No uniform procedure to access money by family members
- Different types of incapacity involve different rules
- Obtaining court guardianship is complex and time-consuming

What Sebi has proposed

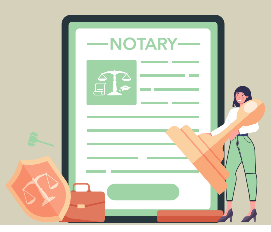
Nominees can conduct transactions on behalf of investors

When the incapcitated investor

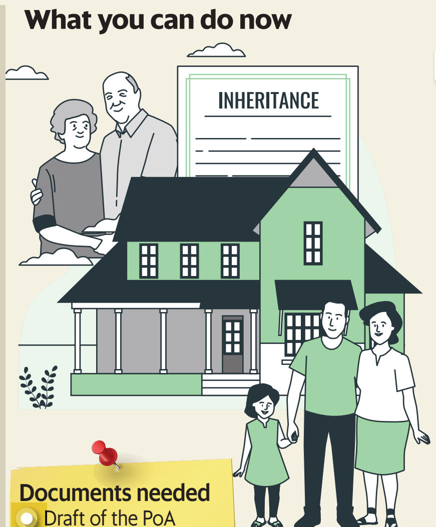
is in 'capacity to contract'	is not in 'capacity to contract'
PoA/mandate letter/ authorization letter	Court guardianship certificate

And

Doctor's certificate, in-person verification by relevant depository or registrar, thumb impression of investor



What you can do now



Documents needed
- Draft of the PoA
- Identity proof*
- Address proof*
- Photographs*
- Proof of property (in property-related PoA)

*For donor, holder and 2 witnesses

Charges involved (Maharashtra)

Stamp duty ₹500

PoA registration ₹100

Actual charges will be much higher considering lawyer/advisor/agent fees

Create power of attorney
- **DECIDE** the reason for making the PoA (Illness, physical limitations, onset of mental illness, etc)
- **LIST** assets and powers to be assigned
- **APPOINT** the person you want to give powers to
- **APPROACH** a legal practitioner (lawyer/estate planner/consultant)
- **GET** the document drafted
- **ENSURE** freedom to take the powers back/revoke them
- **ADD** conditions for PoA to come into effect
- **CHECK** specific stamping requirements concerning real estate
- **CHECK** stamp duty, registration, witness and document requirements
- **EXECUTE** the PoA by visting the sub-registrar's office along with holder and 2 witnesses
- **KEEP** the document in safe custody

Donor: Who gives the PoA. Holder: Who receives the PoA

Source: SOLUFIN

PRANAY BHARDWAJ/MINT

WHAT'S THE FOREX RATE?

Whether you are planning overseas travel or want to send money abroad, it is always a good idea to shop around for the best forex exchange rate. From banks, travel aggregators to money changers, various small and big players sell foreign exchange. To simplify your work, here is a list of INR to USD forex rates offered by some of the major banks and travel aggregators. We recommend that you also check the commission being charged by these players to ensure that you are getting the best deal.

mint

FOREX RATES (₹/$)

Bank/travel aggregator	Wire transfer*		Buy forex	
	inward	Outward	Forex/travel card	Cash
SBI	82.64	83.49	83.66	83.95
Bank of Baroda	82.64	83.47	83.90	84.30
Canara Bank	82.69	83.41	83.61	NA
IndusInd Bank	81.52	84.52	85.31	85.61
Kotak Bank	81.59	84.50	84.90	85.47
HDFC	81.75	84.37	84.62	85.19
ICICI	81.18	84.59	84.61	86.19
Axis Bank	80.89	85.53	86.20	85.95
Yes Bank	81.59	84.47	85.39	85.39
Thomas Cook	81.48	84.37	83.55	84.91

Note: Data collected from website of respective entities as on 7 February 2024; Rate denotes INR/USD; Rates are as mentioned on the website of the bank/FI and it may vary according to different amount slabs; *Telegraphic Transfer (TT) buying and selling rates used.

Compiled by BankBazaar.com

Will going 100% cashless raise my health insurance premium?

Abhishek Bondia

ISTOCKPHOTO

ASK MINT
INSURANCE

How does the implementation of a 100% cashless network affect my current health insurance coverage? Will my premiums increase as a result? What is the relevance of the network hospital of my insurer now if all hospitals have become cashless. Additionally, can the service quality be expected to remain consistent across all insurers in light of this change?

—Name withheld on request

Going 100% cashless is a very positive development taken by the regulator. This allows policyholders to avail cashless treatment across many hospitals and comes at no additional cost.

So, your premium would not increase. To avail this facility, the policyholder is required to intimate the insurer 48 hours in advance, giving it sufficient time to make arrangements with the hospital.

The network of an insurer represents the list of hospitals with pre-existing tie-ups. This allows for direct settlement between the insurer and the hospital, on an agreed tariff. An existing arrangement would also allow for faster turnaround of cashless approval. Also, the agreed tariff is generally lower than the open tariff of the hospital. The lower tariff gets passed onto the policyholder as a lower utilization of their sum assured.

The service quality of an insurer is determined by several parameters, including transparency in policy terms, claim settlement approach and process, and overall responsiveness. For instance, in a cashless claim, the manner of coordination between the hospital and insurer would define the policyholder experience. Within their existing network hospital, the turnaround time of cashless approval varies substantially across insurers. Some provide approval within 30 minutes; others take around 4 hours. The back-and-forth on insurer queries regarding treatment papers and final approval after discharge will still vary across insurers. While the regulator is putting in place a framework to ensure a minimum level of service quality experience across insurers, execution quality is likely going to vary.

How do the new group gratuity insurance rules in Karnataka affect the average employee? Has the amount gone up?

—Name withheld on request

The recent changes do not affect the eligibility of an employee for gratuity. The amount payable remains the same. However, the new rules would increase the certainty of payout.

As per the old rules, it was optional for employers to subscribe to a group gratuity policy of a life insurer. The new rules require specified employers to compulsorily subscribe. This will primarily affect private organizations, for whom the Gratuity Act is applicable, present solely in Karnataka. The act, however, provides exemptions to a few types of companies. So, it is important for the employer to check the applicability before implementation.

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

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

TOWARDS FAIRER INVESTMENT PRACTICES: A CALL FOR EMBRACING 'ADVISED PLANS'

POWER POINT

LOVAII NAVLAKHI

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

I recall a circular issued by the Securities and Exchange Board of India (Sebi) towards the latter half of 2007, suggesting that asset management companies—those running mutual fund (MF) schemes—introduce a concept called 'direct plans', which allowed for a lower cost to investors who do not need an MF distributor to make and manage their investments. That became law only in January 2013, a few weeks before the issue of the registered investment advisor (RIA) regulations.

What did this mean for investors? Those who understood where and when to invest (and also when to exit) and, hence, did not need any type of advice or hand-holding could avoid paying the costs of intermediation, which was largely equal to the commission distributors got. The returns that such investors made on their investments were obviously higher than that of those who paid the cost of intermediation.

The investors of RIAs who paid fees for the advice did not want to be charged double the amount and would ideally have invested in direct plans. However, the data of investment, namely the units allotted and cost-per-unit, would be accessible only to investors. For RIAs to receive this information and consolidate the statement would have been cumbersome, and there would need to be manual interventions to ensure such statements were up to date. This problem was resolved after an October 2018 circular from the Association of Mutual Funds in India allowing the feeds of direct plans to be received by RIAs based on specific consent from an investor. Of course, the process was smoothened only after about a year as cases were resolved with trial and error.

Two types of direct investors

While the cost structure of direct plans is defined—cheaper than the regular plans that banks or MF distributors offer—what muddles the mix when analysing the impact of direct plans is that it includes both types of direct investors—those who need no advice, and those who are dependent on, and pay for advice.

So, what is the issue? For the regulator, investor and the RIA, it is essential to track the behaviour of investors and determine the value-add from the intermediary. Did investors who were advised behave differently from the ones that went "direct" when the markets fell in a heap during the onset of the pandemic? Was there value for the fees that the investor paid?

Financial planners who are a subset of RIAs, as per the regulation, know too well that creating an elaborate financial plan and offering advice is not enough—what is essential is that the investor acts on such advice. A few days ago, I read an article in another publication that analysed how direct plans were growing, but ignored the fact that they were also the cheaper plans, which may be advised by RIAs.

ISTOCKPHOTO

What's the solution?

It is obvious that the purposes of the two types of investments, currently named as direct for both, are poles apart—one is self-directed, while the other is dependent on the RIA. There is a simple solution: create a new term, 'advised plan', which can be used for investments made through RIAs. The net asset value can be the same as a direct plan, but the questions raised could be answered.

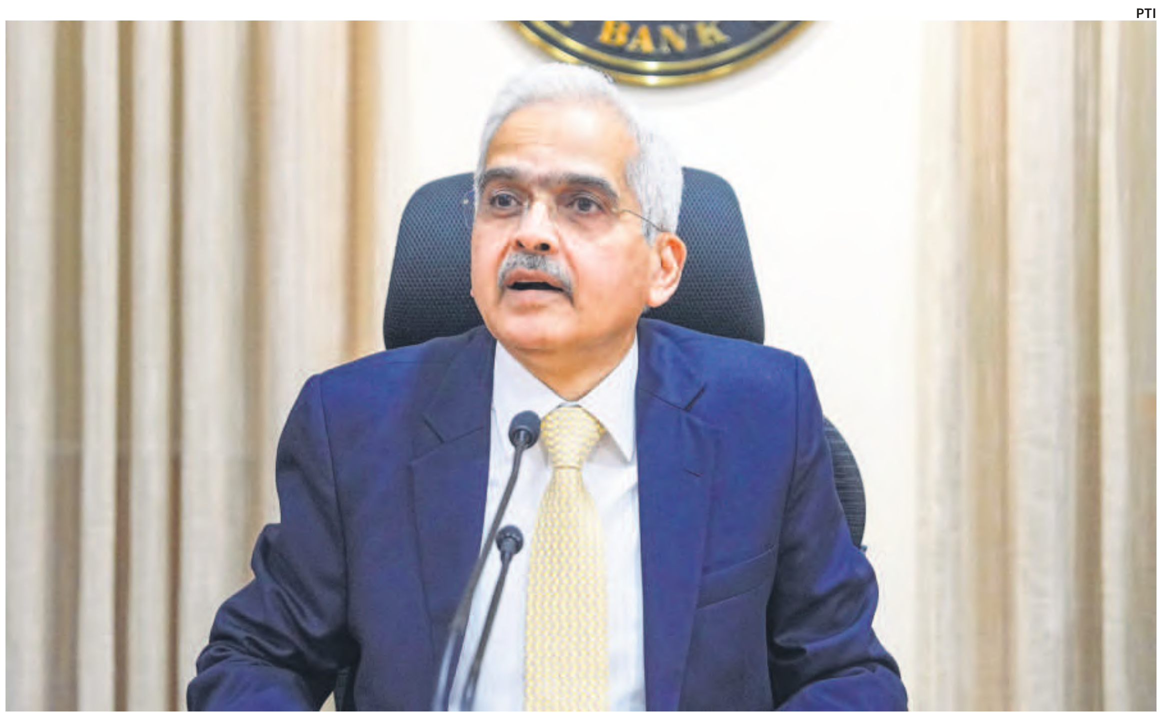
It will also answer a question I often get asked from new investors when I suggest that as an RIA, we shall invest in direct plans of Sebi-administered financial products: "Will I have to do it all by myself?" It is a small tweak that will result in more than commensurate benefits. Of course, a smart investor recognizes that advised plans are cheaper, transparent and the honest way to go, if only they could find a reliable investment advisor.

Unfair advantage for PMS/AIF?

Sebi has made it clear that the difference between the costs of regular and direct plans of MFs is equal to the commission paid to a distributor. The RIA's role stretches well beyond investment products to include risk protection, cash-flow and estate planning. In investment products, RIAs would recommend not only MFs, but also bonds, portfolio management schemes (PMS) and alternative investment funds (AIF) for larger portfolios. Why should these product manufacturers benefit at the cost of an investor? At the heart of it, the RIA acts as a fiduciary in the interest of investors—let us make a start by ensuring that all PMS and AIF product manufacturers follow the lead of MFs in providing a clean and fair pricing mechanism of advised plans to their investors. Today, only some do. Is Sebi listening?

Lovaii Navlakhi is managing director and chief executive officer of International Money Matters, an RIA firm.

OUR VIEW



PTI

A policy pivot is not on the central bank's cards

Inflation uncertainty means an extended wait for a shift in RBI's stance that could lead to a rate cut. Luckily, policymakers are placed well to keep their focus firmly on price stability

After a broadly non-inflationary budget, central-bank watchers were looking for a signal of when policy easing could begin. The Reserve Bank of India (RBI) offered no hint on Thursday when it declared the outcome of its latest policy review. Not only did it leave its key rates steady, it held on to "withdrawal of accommodation" as its stance, with a hawkish eye on inflation that pushes forth expectations of a repo rate cut well into the next fiscal year. This rate, at which RBI lends overnight money to banks, stays at 6.5% for now. Other linked rates are also unmoved as a result. Even though average inflation dipped to 5.5% during April-December 2023 from 6.7% in 2022-23 and is tipped to ease further to RBI's 4% target by the July-September quarter, it is projected to reach 4.6% and 4.7% respectively in the subsequent two quarters. For RBI to earn its spurs as an inflation-vanquisher—though it has had some government help—it needs the transmission of its past actions complete and price stability achieved durably. "The job is not yet finished, and we need to be vigilant about new supply shocks that may undo the progress made so far," said Governor Shaktikanta Das.

It is clear that RBI wants inflation not just to drop to 4%, but also stay there sustainably, serving as a basis for prosperity free of rupee-erosion-variability risk as we go along. However, with food prices seeing sharp volatility, an air of uncertainty hangs over our retail-price trajectory. Crop sowing has made late-season gains and the Centre's commodity containment efforts have had an effect, but normal monsoon rains will surely have to chip in for food prices to be held in check. Even then, given our energy imports, external geopolitical rumbles could send calculations awry. All this explains RBI's caution. So, while a prolonged repo 'pause'—following a 250 basis points increase from May 2022 to February 2023—forms a plateau that may suggest a downward move is due, the fact that the central bank is not yet ready to adopt a "neutral" stance indicates otherwise. In his speech, Das said that RBI would keep up its use of a wide range of tools to manage systemic liquidity, including those for fine-tuning. While money and bond market signals may suggest some tightness, we could expect sponge-ups of liquidity as well as money-infusing operations by RBI, with their balance based on a finely calibrated calculus.

Fortunately, the economy has been chugging along firmly. RBI's forecast of a 7% increase in real GDP for 2024-25 points to a fourth straight year of expansion at or above that important mark. With several indicators vouching for the economy's strength, RBI may not need to worry about a cost-of-capital squeeze on economic activity. Another relief is that external-sector turbulence now looks distant in our rear-view mirror, so risks on that front need not distract RBI in its three-way trapeze act under the 'Impossible Trinity' of macro-economics. Rupee volatility, for example, is not expected to be a big problem and the governor reiterated that its exchange rate would be market determined. Should the US Federal Reserve reduce its Fed funds rate, then dollar borrowings by Indian businesses could rise and other capital flows may be influenced, but RBI has a solid stash of reserves and inflows have been robust. These conditions place monetary policymakers in a favourable position to pursue low and stable inflation. RBI, laudably, seems in no mood to relent on that goal until it has been achieved.

THEIR VIEW

RBI Governor Shaktikanta Das does an encore after the budget

An interim budget devoid of fireworks was followed by a no-nonsense status-quo monetary policy

MYTHILI BHUSNURMATH
is a senior journalist and a former central banker.

Exactly a week to the day that India's Finance Minister Nirmala Sitharaman presented her pragmatic/no-nonsense/business-like/no-frills/poll-gimmick/farewell budget (take your pick, depending on your political proclivities), the Reserve Bank of India (RBI) did an encore. Presiding over his 32nd Monetary Policy Committee (MPC) meeting, Governor Shaktikanta Das announced a *status-quo* policy with no change in either the repo rate (at which the central bank infuses liquidity into the system) or stance (focused on withdrawal of liquidity).

Despite mounting pressure from market aficionados to take his foot off the brake and signal a return to easy money, the MPC stood its ground. The only difference between its latest resolution and its earlier one in December is that this time, MPC member Jayanth Varma dissented on both the repo rate decision as well as stance! It did not change anything. The MPC stayed put. The war against inflation is not yet won.

It's a different story on the growth front. If the FM was measured in her praise of the economy during her budget speech, contenting herself with saying it is doing well, Governor Das was more emphatic, citing the government's 7.3% growth estimate for 2023-24 while keeping RBI's inflation estimate unchanged (5.4%). "The Indian economy has performed remarkably well in the recent years. Growth is accelerating and outpacing most forecasts, while inflation is on a downward trajectory."

Earlier, in Davos, Das had declared, "Fiscal consolidation is on course and its quality has improved." That was almost a fortnight before the FM presented her fiscal scorecard showing she has indeed lived up to the governor's faith in the government's commitment to fiscal rectitude. On paper, the lower-than-budgeted fiscal deficit (5.8% of GDP as against the budgeted 5.9%) should have eased pressure on RBI and granted it the luxury of taking its eye off one of the many balls it juggles—managing the government's borrowings—while focusing on reducing inflation to 4%.

Except that the governor, wisely, kept his and the MPC's eye on the long haul: "The MPC will carefully monitor any signs of generalization of food price pressures which can fritter away the gains in easing of core inflation. Monetary policy must continue to be actively disinflationary to align inflation to the target of 4% on a durable basis." He added, "The MPC also decided to remain focused on withdrawal of accommodation to ensure fuller transmission and anchoring of inflation."

While giving credit to the government, "Monetary policy was supported by pro-active supply-side measures by the government," he made no bones about the fact that, "The job is not yet finished, and we need to be vigilant about new supply shocks that may undo the progress made so far."... 'Importantly, the CPI inflation target of 4% is yet to be reached."

Das then walked his talk. Aware that monetary policy acts with long lags and, thanks to its broad-brush approach, is often regressive. An easy money policy leads to inflation and ends up hurting the poor far more than the rich. And, for all the talk of inflation being "stable and within the notified tolerance range of 2-6%" as stated by the FM in Parliament a day earlier, it is far from obvious how much of the reduction in inflation is due to monetary-policy actions and how much due to government measures (of which lentils to be sold below market prices under the label Bharat Dal is only the latest example). He probably also knows a time of reckoning will come, but later. In all probability, after elections, in the form of a wider fiscal deficit!

Hence, the need to remain "vigilant." Indeed, the language of Das's speech was more hawkish than earlier, with repeated references to a need to stand his ground. No one can complain he did not make himself clear. His speech and post-policy press conference made it amply clear he sees no contradiction between RBI's stance and liquidity.

Market mavens can count themselves lucky. Unlike Jerome Powell, who seems to be following in former Fed Chair Alan Greenspan's footsteps, Das does not speak in riddles. Contrast Powell's reply when asked what conditions needed to be in place for an eventual rate cut, "It doesn't need to be better than what we've seen, or even as good. It just needs to be good," with Das's "Monetary policy, in the midst of these lingering uncertainties, has to remain vigilant to ensure that we successfully navigate the last mile of disinflation." Inflation is on the policy radar. Growth can take care of itself, thank you. And that's unambiguously good news for the *aam aadmi*!

QUICK READ

Like the pragmatic interim budget, RBI's monetary policy stuck to its core aim of curbing inflation, on which gains made so far risk being lost if food price pressures get generalized.

Governor Shaktikanta Das minced no words in making it clear that RBI's fight against inflation is not yet over. Stable inflation favours growth and is also good for the *aam aadmi*.

10 YEARS AGO


www.livemint.com
mint
NATION: US looks to mend fences with Modi
CORPORATE: IDBI, four others in talks with PEs to sell stakes in Care
EDUCATION: IITs may not get additional govt funds to meet escalating costs
ECONOMY: Battle against high inflation far from over
SENSEX 20,193.35 ▼ 255.14 | NIFTY 6,001.10 ▼ 82.90 | DOLLAR ₹62.44 ▲ ₹0.33 | EURO ₹85.29 ▲ ₹0.94 | GOLD ₹30,330 ▼ ₹60 | OIL $108.09 ▼ $0.70
CORPORATE GOVERNANCE
Minority shareholders get bigger say
New Sebi norms to improve transparency in listed firms; more stringent rules on independent directors
Auction sets stage for next round of telecom competition
QUICK EDIT
Pepper attack
Norms for fuel efficiency to put auto makers under pressure
NOTE TO READERS
SALE = Price – Discount = VALUE
Invest Correctly
ICICI PRUDENTIAL MUTUAL FUND

JUST A THOUGHT

There is always more misery among the lower classes than there is humanity in the higher.

VICTOR HUGO

MY VIEW | FARM TRUTHS

How have Indians at large fared over the past decade?

HIMANSHU

is associate professor at Jawaharlal Nehru University and visiting fellow at the Centre de Sciences Humaines, New Delhi

A significantly large part of Finance Minister Nirmala Sitharaman's interim budget speech last week was devoted to outlining the performance of the incumbent government. With general elections only months away, this was expected. And like a political speech, her delivery on 1 February highlighted an increase in the per capita income of Indians by more than 50% over the last decade, along with the government's claim of about 250 million Indians having moved out of multidimensional poverty during the same period.

But how realistic are these claims? The claim of poverty reduction is based on extrapolated estimates of poverty using the Multi-Dimensional Poverty (MPI) measure adopted by the Niti Aayog. While the claim may be right, it is not a substitute for the conventional measure of poverty based on consumption expenditure that India has been using since independence. The fact that we don't have consumption expenditure data after 2011-12 makes it difficult to arrive at any estimate based on consumption poverty in the country. But the only available estimate from the leaked report of 2017-18 and several other estimates from alternative sources of data suggest that the pace of India's poverty reduction slowed down after 2011-12 from the 2004-05 to 2011-12 period.

On Indian per capita income, the finance minister is right that it has increased by more than 50% over the past decade (i.e., between 2013-14 and 2023-24). However, the same data from the national accounts also shows a clear trend of deceleration, with per capita income increasing by 35% in the first five years, but decelerating to less than half (i.e. 17%) in the most recent half decade.

But then, per capita income estimates from national accounts are not the perfect measure if one wants to understand how Indians at large have fared on average. While there are no income surveys available for the country after 2011-12, an idea of the income earned by workers can be obtained from the Periodic Labour Force Surveys (PLFS), which have been collecting data from all workers since 2017-18. The most recent round for which we have information is that of 2022-23. Note that PLFS data is conceptually different from the broad estimates of national accounts, as it does not include transfers from the government as subsidies and pensions or any private remittances. Nonetheless, it offers a good indicator of how much Indians have earned from their participation in economic activity.

Since this government was re-elected in 2019, the appropriate comparison would be between 2018-19 and 2022-23. These numbers suggest that the real average earnings of Indians from work have increased only by 9% in the last four years, with a higher increase of 19% in rural areas but a negligible rise of only 4% in urban areas. While PLFS data suggests a moderate increase in the wages of casual workers, at more than 3% per annum, it also reports decline in the real wages of regular workers, with a sharper decline among urban regular workers. Self-employed workers in rural areas witnessed a marginal increase, whereas urban workers experienced a decline.

These estimates are not at variance with other sources of data for different categories of workers. Labour bureau estimates, for example, are available until November 2023; these point to a decline in wages for non-farm labourers of 0.9% per year in the last five years, while agricultural wages increased at a rate of 0.2% per annum. Compared to the level of real wages in May 2014, when this government took over, non-farm wages have declined at 0.4% per year, although agricultural wages show an increase of 0.5% per annum. Together, this decline in rural wages is the longest spell of declining wages experienced since independence.

What about farmers, who constitute India's largest occupational group?

We have no easily available direct sources of data from which to estimate what our farmers earned. The only available source is the Situation Assessment Survey (SAS) of farmers, which reports a decline in cultivation income of farmers of 1.5% per annum between 2012-13 and 2018-19, the last year for which this report is available. What about farmer incomes under the present government? The easiest option is to make estimates using the Niti Aayog's methodology that relies on national accounts. Thus, using disaggregated data from national accounts, the real income of farmers actually declined at 4.4% per annum between 2018-19 and 2021-22, with real income in 2021-22 about 13% lower than what it was in 2018-19.

Clearly, multiple data sources suggest a decline or at best a deceleration in the income earned by working Indians in the last five years. While this may be at variance with claims of the finance minister, it also warrants a more realistic approach to policymaking.

The budget was only a 'vote on account,' but it signals a misplaced understanding of the reality faced by a majority of Indians. While claims of increasing incomes and declining poverty can always be justified as political rhetoric during an election year, ignoring the reality of distress among vast multitudes of working Indians is unlikely to help the recovery of an economy that is emerging too unevenly from a pre-pandemic slowdown followed by a covid contraction in an uncertain global environment.

QUICK READ

While we have no survey data on incomes since 2011-12, multiple data sources suggest a decline or at best a deceleration in the money earned by working Indians in the last five years.

These grim readings may be at variance with claims made in the interim budget speech but the reality of mass distress warrants a more realistic approach to policymaking.

THEIR VIEW

A services-led export strategy holds appeal only up to a point

Indian policy can't afford to focus on service exports at the cost of our current employment-oriented manufacturing thrust

SOUMYA KANTI GHOSH & DISHA KHETERPAL
are, respectively, group chief economic advisor and an economist at SBI.

MINT

The recently announced interim budget resonated with the government's aim of making India a developed economy by 2047. Instead of going for populist policies, the budget focus on infrastructure and R&D will go a long way in making India a manufacturing hub. The budget has been a confluence of measures aligning with the broad vision of the government to increase the contribution of manufacturing to 25% of GDP by 2025. Greater investment in physical and digital infrastructure will go a long way to make India an important player in global supply chains.

Notably, the last decade witnessed the share of manufacturing in India's real GDP move up from 17.3% to 17.7%. Meanwhile, the share of the agriculture sector declined from 16.5% to 14.4% and that of the services sector rose from 51.1% to 54.6%, of which an 89% increase is attributable to the financial, defence and public administration sub-sectors. This is not surprising, given that the government has taken several initiatives for the financialization of savings and modernization of Indian defence, among other steps.

Against this background, we would like to introspect on the suggestion made in the recent book, *Breaking the Mould: Reimagining India's Future* by Raghuram Rajan and Rohit Lamba, that India should focus primarily on high value-added services rather than low-value-added manufacturing exports to boost its exports.

Interestingly, notwithstanding the brouhaha over export-led growth, the share of average weighted contribution of private consumption to GDP growth has been at 55.6%, while that of net exports has been at a negative 9.8% (its positive contribution being outstripped by imports) for the past two decades ending 2023-24. Thus, India's economic story has always been led by robust consumption, with net exports acting as a drag.

Coming back to the Rajan and Lamba argument, at the onset, we must congratulate them for taking the time to put forth suggestions on how India could shape its policies. However, the arguments made might be too far-fetched in terms of pushing service exports as an engine of growth.

Firstly, India's labour market does have a large informal component and thus any attempt to push service exports will militate against the low-skill lower end of the mass-manufacturing value chain and thereby deepen the divide.

India's manufacturing exports comprise 34% of total goods and services exports, and are catching up with the country's service exports share at 42%. Indian exports of leather, gems and jewellery, plastic and rubber, and textiles are primarily labour-intensive and the share of low-skill manufacturing exports (leather, textiles, etc) in overall exports is declining. This raises a serious need to reflect on the composition of manufacturing-sector exports and provides an opportunity for India to become an export powerhouse in low-skill manufacturing sectors such as leather, clothing and footwear, which provide mass employment. There is no harm in doing what works in favour of our mass population.

Secondly, the share of manufacturing employment in India (International Labour Organization's latest available data) is 11.7% of total employment. This is lower than in Asian developing counterparts like Vietnam (21.4%), Thailand (16.0%), Malaysia (16.7%), Indonesia (13.9%), Bangladesh (14.4%) and China (28.7%), thus making a clear case for pushing manufacturing-sector growth further to generate mass employment.

Thirdly, and most importantly, the aspect that is paradoxically missed by our fellow economists and is not revealed by traditional trade statistics is the domestic value addition generated by exports of a good or service in a country. When we look at the value added by manufacturing in service exports of India, it is merely around 3% (in 2018 as per the OECD's TiVA origin of value added in gross exports database). However, value added by services in the manufacturing exports of India increased to around 22% in 2018 from 13% in 1995, indicating the 'servicification of manufacturing.' In terms of actual numbers, services embodied and embedded in Indian exports of manufacturing goods have increased more than eight times since 2000. This 'servicification' is a global phenomenon, as the same has changed over 3.5 times for the Organization of Economic Cooperation and Development (OECD) since 2000. More and more companies are now using labour services in their processes. Ignoring this trend would only be at our own peril.

Fourthly, digging deeper shows that the wholesale and retail trade contribute the most to value added in manufacturing exports, followed by transportation and storage. However, their contribution in terms of value addition in total exports is significantly low when compared to information and communication. Thus, these components of service exports (i.e., wholesale and retail, transportation and storage) should be focused upon, so that our manufacturing exports also benefit.

Moreover, this will clearly help India expand its share of global value chains (GVCs). The latest data for 2020 shows that India's integration with GVCs through forward participation (i.e., domestic value added in foreign exports as a share of gross exports by a foreign exporting country) has become higher than the country's backward participation (i.e., foreign value-added share of gross exports by the value-adding origin country).

QUICK READ

Recent arguments made by Raghuram Rajan and Rohit Lamba for focusing on high-value services seem far-fetched in their expectation that such exports would act as a growth engine.

The government's substantive efforts to ensure sustainable manufacturing-sector growth and employment generation are showing results, so why should this approach be abandoned?

There is no denying the fact that service exports have sometimes acted as a cushion amid the recent sluggish demand for our merchandise exports, but this does not mean we ignore manufacturing exports altogether. Data reveals that India has a comparative advantage in the case of textiles and clothing, consumer goods, chemicals, footwear, ores and metals.

Services and manufacturing should complement each other and not act as substitutes, as they are often assumed to be.

The government has been making substantial efforts to ensure sustainable manufacturing-sector growth and employment generation. The 'Make in India' initiative, Stand-up India, Startup India, National Logistics policy, Indian Footwear and Leather Development Programme, PM MITRA, FAME India and other programmes all are playing distinct roles in transforming the manufacturing sector. The Production Linked Incentive scheme has ensured that MSMEs are moving up the value chain, as recent RBI data also shows.

We thus ask a simple question: Why abandon such initiatives that are currently paying off?

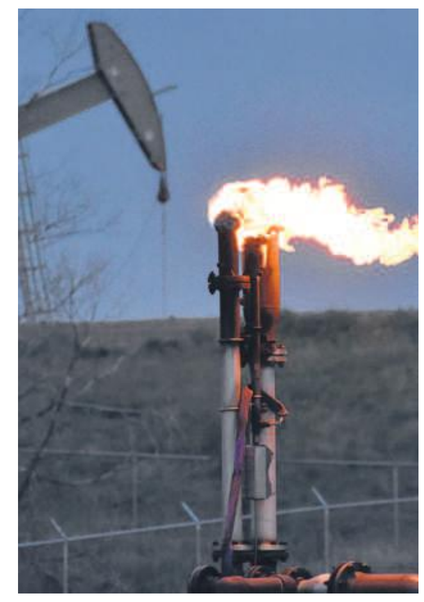
These are the authors' personal views.

MINT CURATOR

India could look to China as it works on an energy transition

Carbon capture can't achieve much while emission reduction can

DAVID FICKLING
is a Bloomberg Opinion columnist covering energy and commodities.



The Niti Aayog's carbon capture plans seem over-ambitious AP

You know an electricity policy is bankrupt when its advocates start touting the virtues of carbon capture and storage. Decades of promoting the technology, also known as CCS—which filters carbon dioxide from smokestacks and injects the pollution deep underground—have failed to produce more than a handful of operating plants. So plans by India's government think-tank Niti Aayog to capture as much of 70% of the country's power-sector emissions should be seen as wishful thinking at best and a dangerous form of short-sightedness at worst. "We have abundant coal and we want to use it, in a sustainable way," the body's energy adviser Rajnath Ram told *Bloomberg News*.

That sounds a lot like what China said about its energy planning about 15 years ago—but the technological revolution since then has opened up new, cheaper and cleaner options and India would do well to follow that path.

For CCS to work anywhere, two challenging conditions must be met. One, there must be ample underground reservoirs to store the waste gas that's produced; and two, the cost of fossil power plus that of CCS itself must be lower than any alternative technology. India fails on both counts.

Take the reservoirs first. More than 80% of the carbon dioxide being pumped underground at a commercial scale globally is being used in oilfields. Forcing gas into petroleum deposits is a long-established technology to draw extra crude to the surface, which produces a revenue stream to help pay the substantial expense of capture and storage.

India is desperately short of domestic oilfields. Just 2.6 billion metric tonnes of its estimated 359 billion tonnes of carbon storage capacity is in petroleum reservoirs—enough to store just one year of the country's emissions.

That brings us to the second challenging condition for CCS: cost. The most viable slice of that 359 billion-tonne capacity comes from injecting carbon into briny water deposits deep underground. That technology only works in the presence of a credible and rigorously enforced carbon price. There's no suggestion that India is promising anything of the sort.

The winners in the transition race are technologies that Beijing has been pushing hard for nearly a generation.

Wind and solar are already cheaper than new coal generation in India, and even adding a four-hour battery to ensure power is available after sunset leaves them less expensive than coal with carbon capture, according to BloombergNEF.

Hydroelectricity is another under-exploited resource. India, like China, benefits from its proximity to the fast-flowing waters of the Himalayas. While China has been busy developing this resource that dam-building is now approaching its geological limits, India has neglected the sector. More than 17 gigawatts of projects have been abandoned due to bureaucratic tangles and local opposition. The country is at only about 29% of its capacity for hydropower, with a further 10% under construction. Lifting that ratio would provide terawatt-hours of electricity to India's cities and control floodwaters that periodically devastate the country's rural areas.

It's a somewhat similar situation with atomic power, where the government plans to roughly triple generating capacity by 2031. It's unlikely to achieve more than about two-thirds of that target, having connected just two reactors in the past decade, compared to 35 in China.

India's energy consumption, however, is climbing at an astonishing pace, with peak levels rising from 130 gigawatts in 2014 to 230GW last year and projected to reach 400GW in 2030.

India needs to be more realistic about its advantages and disadvantages. It is blessed with abundant solar and wind power, whose potential has been recognized in New Delhi's long-term policies. Under its latest 10-year plan released last month, the National Electricity Authority expects annual fossil-fired generation over the coming decade to grow by about 162 terawatt-hours, roughly the same increase as has been seen over the past two years. That would put power-sector emissions well within reach of the peak and decline the planet desperately needs.

Getting there depends on hitting targets for zero-carbon power that the country has repeatedly missed. If renewable energy falls short, coal is going to make up the difference. Rather than depending on an unrealistic and unproven new technology to lock away carbon pollution, India must give zero-carbon developers the certainty and policy backing to stop the soot from getting burnt in the first place. The best way to decarbonize India's coal sector is not to bury its emissions—it's to bury the industry as a whole.

GUEST VIEW

Data in the AI Age: From abundance to sudden scarcity

ABRAHAM THOMAS

is venture partner at Merak Ventures.

We are living through a data explosion. When Steve Jobs released the Apple II in 1977, a terabyte of memory occupied a large warehouse and cost over $100 million. Today, you can buy a 1TB hard drive smaller than your palm for under $100. That's a million-fold reduction in price and size: the effect of Moore's Law, compounding over 50 years.

When storage is cheap, more data gets stored. The most successful businesses in the world are built around this simple fact. Facebook, YouTube and Instagram rely on cheap plentiful storage to host the user-generated content that attracts eyeballs and advertisers. Amazon, Uber and Zepto collect data on customer preferences to relentlessly optimize their products. Nvidia, Apple and Microsoft build the hardware and software infrastructure that powers these loops. Data rules the world.

Then came artificial intelligence (AI), and the world changed. Software and data are two sides of the same coin. Software is useless without data to apply itself to, and data is worthless without software to interpret it. Economists call these "perfectly complementary inputs": the abundance of one increases demand for the other. The data explosion over the past two decades has turbo-charged the usage and value of software. Generative AI flips this equation. Language models like GPT, Llama and Bard are voracious consumers of data; they also make software dramatically easier to create. As a result, we suddenly find ourselves in a world where computation is abundant and data is the (relatively) scarce resource.

This benefits companies that already own data. But what's valuable to AI is subtly different from what was valuable in the past. There are at least five different flavours of data value that AI unlocks.

In a world of competing models trained on the same few data-sets, unique data is more precious than ever. Also valuable is latent data: information that hasn't been used effectively in the past, but can be now, thanks to AI. Domain-specific custom data is critical to unlocking tangible business value from AI. Data of exceptional accuracy, known as golden data, is always in high demand. And finally, some data-sets hold value not in themselves, but in how they unlock the value of other data assets; such catalyst data can be enormously lucrative. The very best data assets are the new AI gold mines. But there are also big opportunities for picks and shovels to mine this gold: tools to build new data assets, connect these assets to AI infrastructure, extract latent data using AI, and train models on unique, small or custom data. There's also an entire commercial framework waiting to be built around these tools: new pricing and usage models, data valuation and validation, data compliance and rights, data marketplaces and commons.

The story doesn't end there. Generative models don't just consume data, they produce it. As a result, we're entering a world of unlimited content. With the proliferation of spam bots, image generators, hallucinations, deepfakes and content factories, it's hard to tell counterfeit apart from real. Who created this content; can you prove they created it; are they who they say they are; is what they created 'good'; and does it match what I need or want? We'll see the emergence of tools to answer each of these questions, building a 'confidence chain' comprising signatures, provenance, identity, quality and curation.

Many of these will be mediated by software agents. In place of a human-in-the-loop approach to improve software processes, we'll increasingly see software-in-the-loop to streamline human processes. This manifests as AI co-pilots and research assistants, AI tutors and curators, and a plethora of AI productivity apps.

QUICK READ

As large language AI models are voracious consumers of data and also ease software creation, we now find that computation is abundant and data is the relatively scarce resource.

Artificial scarcity is also a possibility as players might seek to capture the gains, although the bigger question is what happens to human work. We must explore AI to find out.

The economist William Jevons observed a paradox in the coal industry. Even though individual coal plants got more efficient over time, the quantity of coal used by industry went up. Efficiency lowered the price of coal energy, leading to more demand for it.

Something similar is happening with data and AI. It's not just that data and software reinforce each other in a productivity flywheel. It's not just that generative models produce and consume both data and code. It's that the price of 'smart computation' has fallen and the consequence is that there will be a lot more smart computation in the world.

So, where are the new areas of scarcity? The hardware that powers computation and data is one candidate: as the latter grows exponentially, the former cannot keep up. Persistent chip shortages are a symptom of this. Energy is another candidate, for similar reasons. More generally, as technologies built on 'bits' become ever more powerful and ubiquitous, technology built on 'atoms' becomes ever more valuable.

Artificial scarcity is another possibility. Society may benefit from abundance, but individuals and corporations may seek to selfishly constrain or capture the gains from ubiquitous, cheap, powerful data and computation.

Finally and most provocatively, what happens to human beings in this brave new world? Are we a scarce and valuable resource, and if so why? For that nebulous entity we call 'creativity' or for our ability to accomplish physical tasks? Will AI augment human capacity or automate it away? I believe in abundance and I'm optimistic; the only way to find out is to go exploring!

What Gens X, Y, Z need: older women in fashion

DRESS SENSE

SUJATA ASSOUMULL

Write to us at businessoflife@livemint.com

Breaking age barriers will not only help reshape the industry but also serve as a powerful narrative for a generation challenging stereotypes

GETTY IMAGES

Diana Ross for Saint Laurent's spring 2024 campaign, Sheetal Mallar at Sabyasachi's recent high jewellery runway showcase, Abu Jani Sandeep Khosla's *Return Of The Muse* campaign with supermodels, Maggie Smith for Loewe's spring 2024 pre-collection campaign, Mehr Jesia and Madhu Sapre as the cover stars for a recent *Vogue* India issue— fashion finally seems to be playing catch-up when it comes to the inclusion of older women.

The change in attitude started becoming more visible towards the middle of 2023 when Apple TV+ released the documentary series *The Super Models* that follows the lives and careers of supermodels Naomi Campbell, Cindy Crawford, Linda Evangelista and Christy Turlington Burns—all in their 50s. There's no denying that fashion has an age issue. It chases youth. But then, the fashion industry is full of ironies. It can be a powerful voice for highlighting social issues, be it gender equality or environmental concerns; yet it can have a diversity problem (more white men as creative heads of international brands) and continue to pollute the planet.

A MARKETING BUZZWORD?

With issues around diversity, equity and inclusivity (DEI), things seem to come in waves. At one point, in fashion, it was all about gender, then it became about size, and now, it's age. As a woman of a certain age (50), I am hoping this current championing of age is more than just a trend.

'From a commercial standpoint, older women cannot be ignored. They have money and an understanding of luxury'

"From a commercial standpoint, 'women of a certain age' cannot be ignored," says Nonita Kalra, a Gen Xer and a veteran fashion editor. "They have the money, the taste and the understanding of luxury. If you don't address them, you lose customers. In the past, women allowed themselves to be excluded from the conversation, but now they will not stand for it." She cites the example of brand Lancôme and Italian actor-model Isabella Rossellini to explain her point. "This is no longer the lone case of Lancôme reinstating Isabella Rossellini—20 years after dropping her for being too old. Age inclusivity, or 'pro-aging' as brands prefer to use, is here to stay because it makes business sense."

The good news is that campaigns such as Abu Jani Sandeep Khosla's *Return Of The Muse* have received positive feedback from across age categories. "To grow older is a privilege–it is to grow wiser and bring a world of experience to the table. We wanted to put our OG supermodels centre stage once again because old is truly gold," says Abu Jani, explaining why they chose Arjun Rampal, Nayanika Chatterjee, Sheetal Mallar, Carol Gracias, Lakshmi Rana, Dino Morea, Dayana Erappa and Rikee Chaterjee. Perhaps that's why the response has been unbelievable, adds Sandeep Khosla.

So, there is hope supermodels and other personalities in campaigns and on runways is more than just a passing phase. With many brands choosing faces such as Helen Mirren or, in India, Zeenat Aman—both have a strong social media presence and a big follower base across age groups, especially Gen Z—it does look like it has more to do with marketing and profit than positive messaging.

"I do believe many of these inclusivity campaigns are because of marketing buzzwords—but even if they start as a trend, I think the larger idea is that representation matters," says fashion influencer Tarini Manchanda, a millennial. "Just by virtue of seeing certain imagery again and again, we normalise it, and I think, for me, that is the most important thing."

In other words, healthy conversations are a by-product than intention. These campaigns need to become far more encouraging, promoting positive attitudes towards aging, especially at a time when 15-year-olds are worrying about looking old.

COURTESY INSTAGRAM/ABU JANI SANDEEP KHOSLA/RAM SHERGILL

COURTESY INSTAGRAM/ZEENAT AMAN

(from top) Beyoncé with Diana Ross (in black); Sheetal Mallar in *Return Of The Muse*; and Zeenat Aman.

Gen Z, those born between 1997 and 2012, is spending more than ever on beauty products, which might work well for the bottom lines of beauty corporations but it is a sign of how social media has created unrealistic standards when it comes to looks and beauty.

Today's youngsters are worried about "aging like milk" (as opposed to like fine wine) and using retinoids and applying face tape. Scroll through your Instagram feed and you will meet many 14-year-olds obsessing over aging. Campaigns featuring mature women can act as an antidote to that. "I like to see older women living their lives the way they want, because, for me, that gives me hope," Manchanda says. "The thing is we're told that aging is this super scary process and that we are completely invisible once we are old. Repeatedly seeing more mature women looking so full of life and looking so cool, it does help change the perception of aging."

With many supermodels and veteran actors aging as naturally as possible, allowing their wrinkles and smile lines to shine, it is not only the 30-somethings that enjoy these campaigns. "I like to see women who look like me. Not better than me. Or something I need to aspire to—because to be perfectly honest, at my age, I am more than happy with myself. I made peace with my imagined shortcomings a long time ago," says Kalra. "Now I want to see a woman with lines on her face because I know her experiences match mine. That she has allowed herself to live and love."

Dress Sense *is a monthly column on the clothes we wear every day.*

Sujata Assomull is a journalist, author and mindful fashion advocate.

From Gucci's show in Milan on 12 January AF

The new 'it' thing in men's fashion : scoop necklines

Designers and high-street labels are experimenting with a deep-neck trend

Manish Mishra

At recent men's fashion shows, many models sported variations of the great scoop neckline. Whether it was the beaded tank top at Gucci, round-neck T-shirts crafted in luxurious fabrics at Hermès or Dries Van Noten's more bohemian style, several fashion houses are offering their take on what seems to be a big trend of 2024 when it comes to menswear.

Even high-street labels like Zara and Asos are selling men's clothes with scoop necklines in sheer knits, signalling a rise in affection for the deep-neck trend.

It is a step forward in breaking traditional gender barriers in fashion, according to Sean Ashby, the chief executive of aussieBum, a Sydney-based men's underwear and swimwear brand that recently entered India. "This signifies a shift towards inclusivity and I see this as an exciting evolution. In formal attire, men can subtly incorporate this trend into tailored shirts and blazers, offering a modern twist that maintains a professional aesthetic."

The classic round necks can certainly work for AM-to-PM dressing, but if you balance the scoop neck garment with complementary pieces and accessories to create a well-coordinated ensemble, keeping in mind the venue and the environment, it could work even in semi-formal settings.

Elevate the outfit with subtle accessories like a sleek watch or leather belt

STYLE IT RIGHT

Harshal Panchal, designer at menswear fashion label XYXX, suggests keeping accessorising around the neck to the minimum. "Scoop-neck T-shirts and vests act as a base for layering up. You can add interesting textures and silhouettes for a stylish look," he says. Scoop necks also help create a leaner look, since you are highlighting the neck length and the collarbone. "Try a classic solid coloured vest with a pair of wide-legged jeans," suggests Panchal. "Pair them with comfortable pants or throw on an open shirt to give that extra oomph. Scoop-neck outfits can easily become a weekend uniform."

When it comes to including them in formal wear, layering is key. Designer Sonam Modi of label SVA suggests some tips: "Pair a scoop neck tank or T-shirt with a well-tailored blazer or jacket. Opt for neutral colours like black, navy, or gray for a sophisticated, more formal look. Ensure the scoop neck garment fits well and isn't too revealing." What's more, elevate the outfit with subtle accessories like a sleek watch, leather belt, or minimalist necklace to maintain a polished look.

For casual off-duty wear, Modi has another recommendation: "Pair a scoop neck T-shirt with jeans and a bomber jacket for that laid-back look. You can experiment with vibrant colours and playful patterns," she adds. "Just remember to not overdo things, be it in terms of colours or accessories."

Write to us at businessoflife@livemint.com

For young, rich globetrotters, vacations are me-time

Young travellers are seeking out luxurious, bespoke, adventurous experiences when they plan holidays

Reuters

PHOTOGRAPHS FROM ISTOCKPHOTO

Yuwei Zhangzou represents a new type of Chinese tourist.

Last month, the Shanghai-based fashion influencer had close encounters with reindeer, visited Santa's village and stayed in a glass-enclosed treehouse during a trip that she organised herself to Finland. Very little shopping was involved.

"I was hoping to get lucky and see the Northern Lights and I got it! I was happy," she said.

As Chinese travellers gear up for the Lunar New Year holiday, which this year runs from 10-17 February, more of the people who can afford to travel abroad are eschewing the group tours and shop-til-you-drop holidays that were popular before the pandemic and opting for more adventurous, experience-based trips like Zhangzou's, industry experts say.

"Independent travellers might be spending a bit more on travel and accommodation and so on, but they may well offset it by not spending as much in the luxury goods shops," said Steve Saxon, a Shenzhen-based partner at McKinsey & Co. "There's a trend to be more active and that is flowing through into the types of trips people want to take," he added. "You don't just go to Thailand, you go to Thailand to do a kayaking or diving trip. Or if you go to Europe, you're going to ski."

While a record high number of Chinese will be holidaying at home amid a lacklustre economy, a smaller, wealthier but still significant number of people are opting for adventure, gourmet or cultural holidays abroad as flight schedules, and visa processing times, return to their pre-pandemic "normal".

China's international travel recovery remains a tick under 70% of 2019 levels, McKinsey's Saxon said, and that percentage would be higher without the US, where levels are at just 19% of pre-pandemic levels due to limited flight capacity and geopolitical tensions.

On flights between Europe and China, seat bookings are at 93% of pre-pandemic levels, according to the data, independent travellers, rather than tour groups, driving the increase.

Zhou Weihong, deputy general manager at Shanghai-headquartered Spring Tour, the tour agency arm of budget airline Spring Airlines, said its Lunar New Year offers for Europe sold out weeks before the festival, even though prices remain above pre-pandemic levels.

Trips that involve a chance to see the Northern Lights have been particularly popular, Zhou added.

SHIFTING PRIORITIES

Globally, more younger travellers have embraced the trend towards more bespoke, "special interest" holidays since the pandemic ended, and Trip.com, China's largest online travel agency, has taken note.

Chief executive Jane Sun told Reuters the agency was changing its approach to group tour offers to accommodate travellers' desire for more independence and flexibility.

"Consumer behaviour is changing. So we have new products... private tours where the family will hire a driver, a tour guide, and design their own tour. For young families, these are very popular," Sun said, adding that such trips were growing in the "triple digits".

Younger travellers were gravitating to trips focused on meditation, cooking or photography, Sun said.

Trip.com data shows popular outbound destinations for this year's Lunar New Year holiday include Southeast Asia, Japan and Australia.

European luxury brands that relied on big-spending Chinese tourists for growth before the pandemic have resigned themselves to making fewer sales to Chinese travellers. Last month, Louis Vuitton owner LVMH CFO (chief financial officer) Jean-Jacques Guiony told analysts sales to Chinese consumers in France were at about 70% of 2019 levels.

"It's not the same customers, fewer groups, much more independent travellers with a higher worth," he said. "We don't see the big bus loads of Chinese customers coming in groups."

For fashion influencer Zhangzou, the less packaged and more off the beaten track the holiday, the better.

This year, she is planning a safari trip to Kenya over the summer, and maybe a trip to Mexico or Cuba before Christmas."In 2023 I went to places I was familiar with, 2024 for me is about going somewhere different, I want to do some new things," she said.

Write to us at businessoflife@livemint.com