

Wednesday, December 6, 2023

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Aviation hub tailwind likely for airlines in India ▶ P1



Adani stocks contribute 65% of Tuesday's market gain ▶ P1

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Making the internet safer for kids.





DESTINATION UTTARAKHAND

GLOBAL INVESTORS SUMMIT 2023

8th - 9th December, 2023 Dehradun (Uttarakhand) *Peace To Prosperity*



“The construction of a developed India for the 21st century rests on two primary pillars, pride in our heritage and second, every possible effort for the development. Today, both these pillars are being strengthened by Uttarakhand. This decade will surely be the decade of Uttarakhand.”

Narendra Modi
Prime Minister



*Unveiling
Uttarakhand's
Opportunities*
**YOUR GATEWAY
FROM
PEACE TO
PROSPERITY**

our state is open for business, offering a spectrum of investment opportunities across industries. From streamlined clearances to enticing incentives, we're committed to creating a thriving ecosystem for your ventures. Let's shape the future together, under the guidance of the honourable prime minister, it's evident that there's a strong commitment to economic development and growth in Uttarakhand.

Pushkar Singh Dhama
Chief Minister of Uttarakhand

AYUSH Policy 2023

Eligible Projects

- Drive investments and private sector participation across the 5 segments of the AYUSH ecosystem – 1) cultivation of medicinal plants, 2) AYUSH manufacturing (medicines and consumer products), 3) healthcare, 4) wellness and 5) education & research
- Creation of distinctive brands around the key endowments for AYUSH in the State
- Promote adherence to established national and international standards across the ecosystem to improve the quality of products and services

Type of project

Activities eligible for incentives across the different segments of AYUSH ecosystem:

- AYUSH manufacturing units
- NABH accreditation of AYUSH Hospitals in the State in the next 5 years
- Investment in AYUSH wellness in category B and category C regions as defined in Tourism Policy, 2023 of the Government of Uttarakhand
- NAAC Accreditation of AYUSH colleges which get NAAC grading between A++ and B++

INCENTIVES

Capital Subsidy

- Up to 10% extra capital subsidy for all AYUSH manufacturing units as per MSME Policy 2023
- An additional top-up of 5% capital subsidy for wellness centers, hotels and resorts

Fees for NABH Accreditation

- Reimbursement of fees required for an AYUSH hospital or healthcare clinic to be NABH accredited provided that the same is achieved in the next 5 years

One-time incentive for NAAC Accreditation

Upto - INR 15 Lakh

Institutional Support

- The State AYUSH Department will act as a nodal agency for institutional support
- Collaboration with other relevant State departments (Industries, Tourism, Health, Agriculture, Horticulture, Higher Education, etc.)

TOURISM Policy 2023

Eligible Projects

Under the policy, assistance is provided to hospitality projects and tourism products & services including:

Type of project

Hospitality Projects

- Expansion of existing Hotels/Resorts etc. (min. expansion/addition of 15 rooms per Hotel/Resort unit)
- Floatels / Floating resorts • Heritage Hotels / Entities
- Hotels, Motels • Other accommodation projects.

INCENTIVES FOR INVESTORS

The policy supports and incentivizes both existing and planned tourism projects.

Capital Subsidy for Hospitality Projects

REGION CATEGORY	MAXIMUM CAPITAL SUBSIDY
Projects in Category A regions	25% of Eligible Capital Assets
Projects in Category B regions	35% of Eligible Capital Assets
Projects in Category C regions	50% of Eligible Capital Assets

Tourism Products & Services

- Operation of helium and hot air balloon, blimps • Taxi operation (Electric vehicle taxis only) • Helicopter / Waterplane services – For Tourism Purposes • Caravan, Motor Houses, Cruise boats, Yachts, house boats • Adventure activities • Other amusement & recreation activities

INCENTIVES FOR FOREIGN TOURISTS'

Eligible Tourism Units receiving foreign customers/providing services to foreign customers can avail incentive of 1% of Eligible Turnover generated from foreign customers. Such units would need to submit necessary proofs for the nationality of the customers.

INCENTIVES

Capital Subsidy

Hospitality Projects*	Tourism Products & Services*
Upto 50% on eligible capital assets	Upto 50% on eligible capital assets

SOLAR Policy 2023

Eligible Projects

Two types of Projects:

Utility Scale	Distributed
• Residential	• Institutional
• Commercial and Industrial	• Agriculture

All projects who have signed the Power Purchase Agreement can benefit from following incentives for 25 years.

INCENTIVES

Capital Subsidy

Category	Capacity	Quantum of Subsidy (INR/kW)
Rooftop Solar	0-1	23000
	1-3	17000
Community Solar	5-500	8000
Solar Villages	50-200	15000
Behind the meter	<1 kw	23000 (without Energy Storage)
		28000 (with Energy Storage)

Further the following incentives may be availed:

- 50% SGST reimbursement for 5 years
 - No transmission and Wheeling charges or losses
 - Cross-subsidy and additional surcharge exemption.
- Incentives for Solar Production for Livelihood include:**
- 50% stamp duty exemption/reimbursement
 - 50% Net SGST reimbursement
 - 100% reimbursement on custom duty for input devices
 - Low-cost finance provided under self-employment schemes

Solar Production for Commercial and Industrial Use may avail the following incentives:

- Intra-State Open Access**
 - Exemption from transmission and wheeling charges
 - Exemption from cross-subsidy surcharge and additional surcharge
- Industrial Consumers**
 - Interest Subsidy upto 10% (max. 8 Lakhs)
 - Capital Subsidy of 40% of capital cost (max. 40 lakhs)
- 50% SGST Reimbursement for a period of 5 years**
- Interest Subsidies applicable under Heavy Industrial and Employment Promotion Scheme 2018.**

Solar Production for Government can avail the following incentives:

- There shall be no cross-subsidy surcharge, additional surcharge, transmission, and distribution Losses
- Benefits such as banking facilities and payment of surplus energy by Discoms
- 50% SGST reimbursement for a period of 5 years.



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Global Investors Summit 2023

8th-9th December 2023

Forest Research Institute, Dehradun

Wednesday, December 6, 2023

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Think Ahead. Think Growth.

mint primer

Decoding the fall and rise of India's forex reserves

BY VIVEK KAUL

On 14 July, India's foreign exchange (forex) reserves stood at \$609 billion. On 20 October, it hit a recent low of \$583.5 billion before rising again slightly to \$597.9 billion on 24 November. What explains this yo-yo-like behaviour? *Mint* examines the ups and downs of the rupee:



1 What exactly are our forex reserves?
Primarily, foreign currency assets and gold. At the beginning of November 2022, gold made up around 7% of the overall forex reserves of \$530 billion. As per the latest data, gold comprises around 7.7% of foreign exchange reserves of \$597.9 billion. This has primarily been on account of the price of gold in dollar terms going up by close to 15% during the course of the last one year. While gold reserves are maintained for any financial emergency, foreign currency assets, especially US dollars, are used by the Reserve Bank of India (RBI) to actively manage the value of the rupee against the dollar.

2 How does RBI manage the value of the rupee?
India imports much of the oil that it consumes. During April to September, the country imported 87.5% of the oil that it consumed. In such a scenario, a weaker rupee makes oil imports expensive, and either the end-consumers or the primarily government-owned oil marketing companies need to pick up that bill, making it important for the RBI to ensure that the value of the rupee doesn't fall too much and too fast against the dollar. It ensures this by selling dollars it has in its foreign currency assets hoard and buying rupees. Doing this ensures the availability of dollars so the value of the rupee against the dollar doesn't fall quickly.

3 How has the RBI managed the value of the rupee?
The RBI doesn't reveal its forex operations. But news reports suggest that over the last few months as the rupee has come under pressure against the dollar, it has been actively managing the value of the rupee. As the RBI has sold dollars from its reserves, forex reserves fell. Foreign currency assets dipped from \$540.2 billion in mid-July to \$515.2 billion on 20 October.

4 Why has the rupee come under pressure?
The returns on US government bonds had been going up. The per-year return on a 10-year US government bond stood at 4% in end-July. This went up rapidly in September, touching 5% in late October. Higher returns prompted foreign institutional investors (FIIs) to sell Indian stocks and move money to the US. In September and October, FIIs sold stocks worth ₹39,316 crore. In order to move this money out of India they had to sell rupees and buy dollars. This put pressure on the rupee, forcing the RBI to act.

5 Why have the reserves now gone up?
The return on the 10-year US government bond fell in November and now stands at around 4.2%. The fall in returns has encouraged FIIs to bring money back into India. In November, they bought Indian stocks worth ₹9,001 crore. In fact, the interesting thing is that FIIs bought bonds worth close to ₹15,600 crore during the month. So, with FII dollars coming into the country again, the RBI hasn't needed to draw on its dollar reserves to defend the rupee. This is why forex reserves have risen to close to \$598 billion.

QUICK EDIT

Adani upsurge

Adani Group stocks have been on a roll lately. They leapt after 24 November, when the Supreme Court reserved its judgement on petitions asking for an inquiry of January's crash triggered by a Hindenburg Research report charging the group with stock manipulation, accounting fraud and much else, all flatly denied by the group. The report's veracity was not known, observed the apex court. Together with reports of benign findings by India's market regulator, that was taken as good news for Adani shares. On Tuesday, these hit the spotlight again, rising between 10% and 20% after Adani Green said it had secured \$1.36 billion in additional funding. This was another sign that its ability to raise big capital was intact, so all listed group firms would enjoy a rub-off. But was there another significant wind in its favour? Reports surfaced that a US government agency had deemed the Hindenburg allegations irrelevant, enabling a loan to Adani for a container terminal in Sri Lanka, whose ports are seen to be in geopolitical contest. This may have been taken as a big prospect brightener for the group. Of course, political stability helps and recent poll results tick that box as well.

MINT METRIC

by Bibek Debroy

Bawarchi Biryani will make your mouth water,
Unless a dead lizard makes you totter.
This Hyderabad restaurant has done it before,
The present incident is an encore.
Its famous cuisine quite a rotter.

QUOTE OF THE DAY

Each decade since the 1990s has been warmer than the previous one and we see no immediate sign of this trend reversing. We are losing the race to save our melting glaciers and ice sheets.

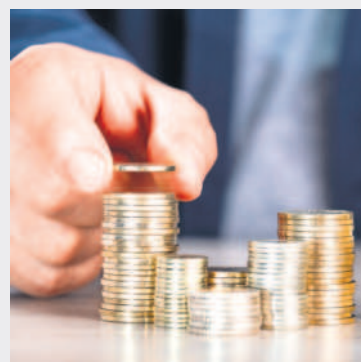
PETTERI TAALAS
secretary-general, World Meteorological Organization



MINT NEWSLETTERS



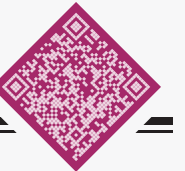
TICKER
BY VIJAY L. BHAMBWANI
A newsletter that delves into the markets, providing insightful and forward-looking analysis from one of India's leading capital market gurus. 'Ticker' is recommended reading for a weekly guide to investing, whether you are an active investor or a passive one.



EASYNOMICS
BY VIVEK KAUL
Understand how the economy impacts your everyday life with 'Easynomics'. This weekly newsletter sits at the intersection of macroeconomic trends and popular culture, with Vivek Kaul, the author of *Bad Money*, providing his own sharp social commentary.



COMPANY OUTSIDER
BY SUNDEEP KHANNA
Track the business of companies with Sundeep Khanna, who brings with him over three decades of reporting on India Inc. With crisp insights on the goings-on in the corporate world, 'Company Outsider' is essential reading for CEOs and all those who aspire to the C-suite.



Serious criminal cases: Telangana MLAs lead

BY SHUJA ASRAR & TANAY SUKUMAR

Over 37% of the MLAs elected in the five state elections held last month face at least one criminal case against them, and nearly 45% have assets worth ₹5 crore or more, a *Mint* analysis of data compiled by the Association for Democratic Reforms (ADR) showed. Both shares have seen an increase since the previous election in these states.

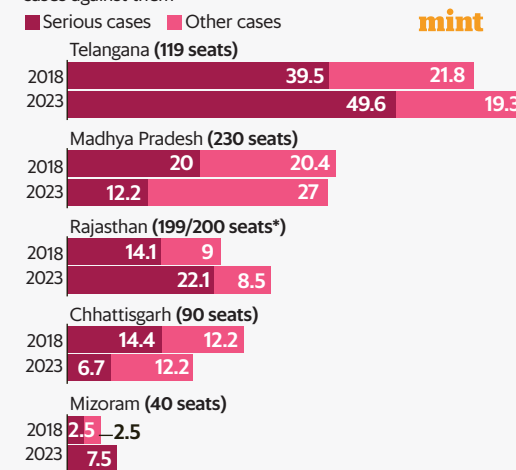
Among the five states, Telangana had the highest prevalence of legislators facing criminal cases, with 82 out of 119 having this dubious distinction, up from 73 in 2018. Among them, 59 (or 50%) faced "serious" cases (those involving non-bailable charges, or those punishable with five years or more, or offences such as murder, attempt to murder, rape, etc.). As many as 52 of the 64 MLAs of the winning party, Congress, have cases against them. The state is one of just four where the share of MLAs facing serious criminal cases exceeds the 40% mark, the others being Delhi (53%), Bihar (51%) and Jharkhand (42%).

The data is based on declarations made by candidates in their affidavits while filing their nominations ahead of the polls. Facing a criminal case does not imply criminality, as it's common to face bogus cases filed by political rivals.

A similar Plain Facts analysis in 2022 (<https://bit.ly/3F8QBjd>), covering over 122,000 candidates from the period 2008–2022 had shown that over 26% of the candidates of the top parties in state-level polls had declared criminal cases against them, and the share had risen to nearly one-in-three since 2018. Candidates facing criminal charges were more successful in winning since they likely belong to larger parties that are more prone to vendetta-related bogus cases.

Telangana, Rajasthan see rise in MLAs facing criminal cases

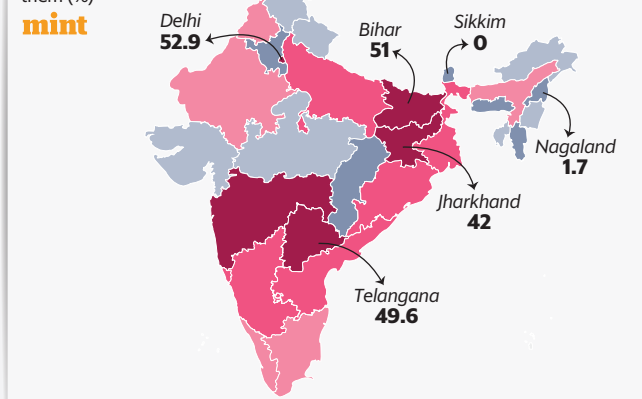
Share (%) of election winners who declared criminal cases against them



Criminal cases do not imply criminality as they may not have resulted in conviction. *Poll adjourned for one seat in 2023.

Telangana is among the few states where more than 40% MLAs face serious cases

Share of MLAs who have declared serious criminal cases against them (%)



Data refers to the MLAs elected in the most recent election to each Assembly, but excludes by-elections.

Source: MyNeta.info, Election Commission of India, Mint calculations

Super-rich MLAs

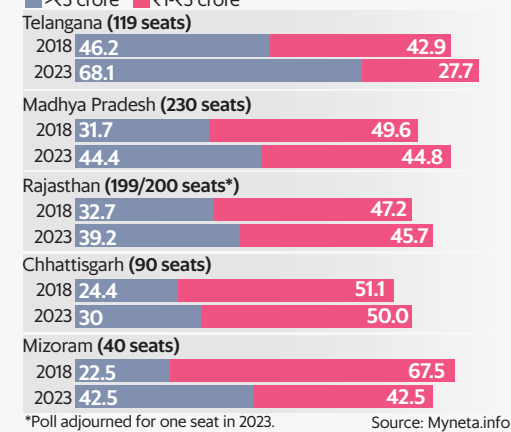
AS MANY as 87% of the MLAs elected across the five states are crorepatris, a sharp rise from 82% in 2018. The share of those worth ₹5 crore or more rose from 33% to 40%. Again, the prevalence of super-rich MLAs was the highest in Telangana, with 68% being worth ₹5 crore or more, up from 46%. All but five were crorepatris. The median assets of a Telangana MLA increased from ₹6 crore to ₹11 crore—the highest among the five states.

Congress leader Gaddam Vivekanand from Telangana's Chennur constituency was the richest winner across the five states (₹606 crore), followed by another Congress leader, Komatireddy Raj Gopal Reddy, from Munugode constituency (₹458 crore). Eleven MLAs across the five assemblies had assets worth more than ₹100 crore—seven in Telangana, three in Madhya Pradesh and one in Rajasthan.

Our analysis last year had shown that the share of crorepati election candidates had doubled in the past decade and a half. While Congress candidates tended to be richer consistently, those of the BJP were seen catching up rapidly. Here, too, richer candidates were more likely to emerge victorious.

MLAs with assets more than ₹5 crore see increase in count

Share (%) of winners, by assets declared by them



*Poll adjourned for one seat in 2023.

Source: Myneta.info

Learned Lawmakers

WHILE THERE is an overall surge in the share of MLAs holding at least a graduate degree across the five states, Chhattisgarh stands as the exception, experiencing a decline from 68% in 2018 to 60% in 2023. Mizoram and Madhya Pradesh emerged as the leaders in terms of MLAs with higher education, boasting 80% and 70%, respectively, with a minimum of a graduate degree.

The 2022 Plain Facts analysis had shown an improvement in the share of election candidates who were graduates over the period 2008–2022.

Telangana, however, presents a contrasting scenario, with nearly a third of its MLAs not going beyond high-school education. Rajasthan follows suit, with almost 10% of its MLAs reporting educational qualifications below Class X.

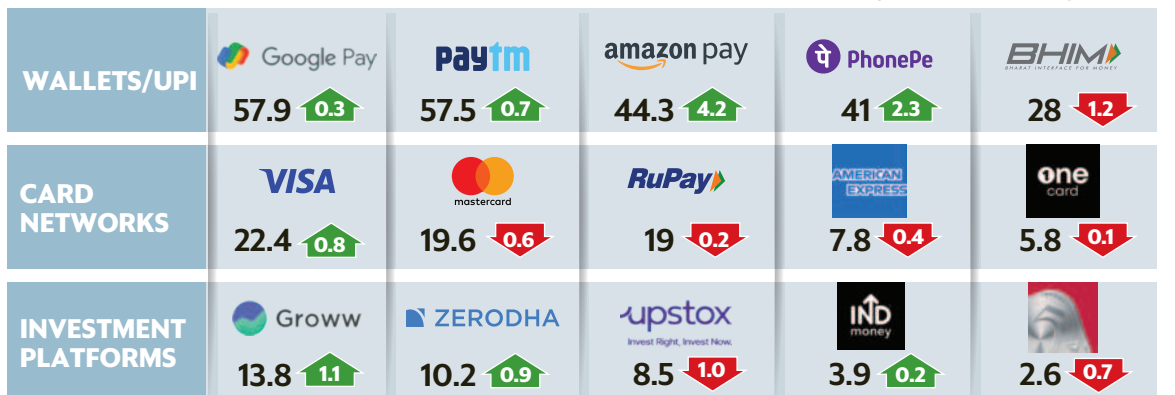
A noteworthy trend is the rise of MLAs with doctoral degrees. Rajasthan leads the pack with nine such elected representatives, yet Mizoram claims the highest share, with 5% of its MLAs (two out of 40) holding a doctorate.

YouGov BRAND DASHBOARD

How Indian consumers rate various brands

This monthly dashboard captures how leading brands in new-age sectors are perceived by urban Indian consumers. The sector in focus this month is **fintech**. The numbers represent "Future Consideration" metric*, i.e. the share of respondents in a daily online poll who showed interest in using each brand in its respective category.

▲▼ Quarter-on-quarter change in share (in percentage points)



Respondents could select multiple options. The data is based on YouGov's proprietary brand tracking solution, BrandIndex. *Future Consideration is one of the 16 metrics captured by the BrandIndex surveys. The data relies on ~3,000 interviews on average over a period of three months. The poll covered 180 cities. The survey period was September to November; the comparison is with June to August.

PARAS JAIN/MINT

PEANUTS by Charles M. Schulz



Wednesday, December 6, 2023

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Build in India: Inside the great construction boom ▶P10



Wipro Consumer acquires three soap brands ▶P7

SENSEX **68,865.13** ↑ 1,383.94 NIFTY **20,686.8** ↑ 418.9 DOLLAR **₹83.36** ↓ ₹0.06 EURO **₹90.66** ↑ ₹0.13 OIL **\$80.03** ↑ \$0.47 GOLD **₹62,038** ↓ ₹990

Hub tailwind likely for Indian airlines

Hub policy lays ground for competitive fares by domestic carriers

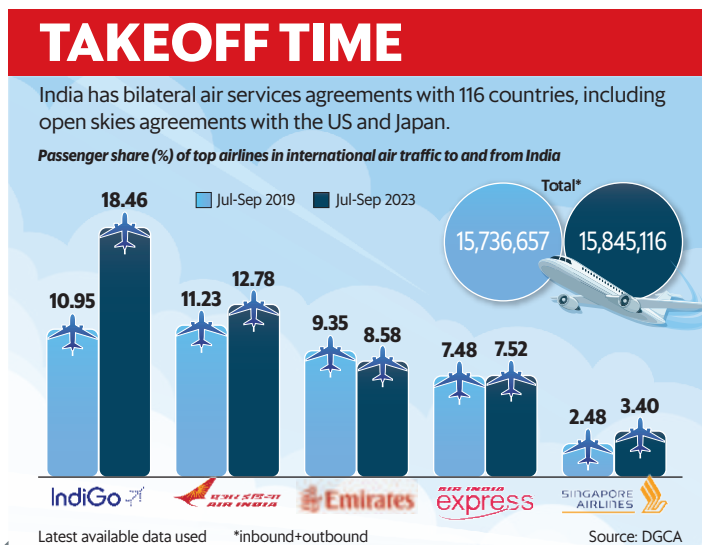
Anu Sharma
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NEW DELHI

Indian airline companies brewing plans to increase international flights might just get a fillip from the government. Under the draft national aviation hub policy, the government proposes to introduce differential charges for Indian and foreign airlines at airports in the country, two officials said. That would mean foreign airlines would have to pay more than their Indian counterparts for landing, parking, and ground handling, among others.

Differential charges would allow India's airlines to provide more competitive fares for international destinations compared with foreign airlines, and therefore help them establish a stronghold in international travel.

Last month, the ministry of civil aviation sent a draft policy note to other ministries—home, finance, external affairs, and tourism, among others—airlines and airports, seeking their feedback before issuing the policy note for public comment, said one of the two officials cited above, both of whom spoke on the condition of anonymity.

"Our plan is to ensure that Indian



GROUND SUPPORT
MOCA has started consultations with stakeholders
UAE and countries in Europe already have such provisions
DEDICATED spaces for large Indian airlines being mullied

airlines are encouraged to induct more wide-body aircraft as that will facilitate an increased number of long-haul, non-stop connectivity, which is preferred in international flights," the second official said. Currently, Tata Group-backed Air India and Vistara are the only two wide-body aircraft operators in

India. India's largest airline IndiGo has also been in talks with aircraft manufacturers for wide-body aircraft, *Mint* had reported earlier.

Queries sent to the civil aviation ministry and the Delhi airport, India's busiest by passenger traffic,

TURN TO PAGE 6

Adani upswell adds 65% to Tuesday's stock market gain

Anirudh Laskar
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MUMBAI

The Adani group was the star of the stock markets on Tuesday, with its 10 listed companies contributing over 65% of the day's overall market gains. The surge also erased much of the 10 stocks' losses since the explosive Hindenburg report in January. On a day the market gained ₹2.9 trillion, investors in Adani group companies turned wealthier by ₹1.9 trillion, marking the biggest single-day jump in value for the infrastructure conglomerate.

On Tuesday, three Adani stocks shot up 20% each to hit their upper circuit limits—Adani Green Energy Ltd (₹1,348.50), Adani Energy Solutions Ltd (₹1,084.40) and Adani Total Gas Ltd (₹878.70). The group's market cap neared ₹14 trillion on Tuesday. While that is a fair bit away from the ₹19.2 trillion market cap of 24 January, just before Hindenburg hit, the group has still recovered a large chunk of the ₹12.5-trillion fall in market cap it had suffered.

In the two trading sessions since the Bharatiya Janata Party (BJP) triumphed in three



Gautam Adani, Chairman, Adani Group.

state polls, the 10 Adani companies have gained ₹2.7 trillion, contributing 30% to the ₹8.79-trillion addition in investor wealth in the markets.

The Gautam Adani-led infrastructure conglomerate had briefly turned capex-cautious after the scathing report by US-based short-seller Hindenburg Research slammed its stocks. The group, which had pledged to control debt levels in April, on Tuesday raised \$1.36 billion from a consortium of eight foreign lenders

TURN TO PAGE 4

MSCI India premium near record on FPI inflows >P4

Nov services activity rises, but at slower pace: Survey

Rituraj Baruah & Gireesh Chandra Prasad

NEW DELHI

India's services sector activity expanded in November though at the slowest pace in a year, prompting businesses to maintain a positive outlook for the next 12 months. However, concerns about inflation are still high on their minds, a private survey showed.

S&P Global said on Tuesday that its India Services Purchasing Managers' Index (PMI) fell to 56.9 in November from 58.4 in October. A reading above 50 shows an expansion, while that below 50 shows a contraction.

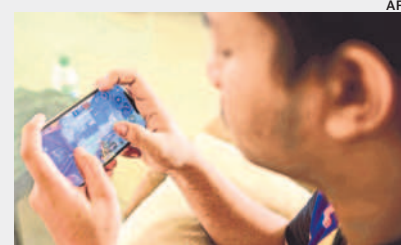
The survey of 400 service sector businesses covers sectors such as transport, information, communication, finance, insurance, real estate, and business services.

Experts pointed out that although growth moderated in November, some segments that have cooled should pick up in the coming months, lifting the overall growth of the sector.

While "electricity, gas, water supply and other utility services" and construction had seen double-digit growth in

TURN TO PAGE 6

DON'T MISS



Online gaming firms issued over 70 GST notices for ₹1.12 trillion

Online gaming companies have been issued 71 show-cause notices relating to Goods and Services Tax (GST) in FY23 and in the current financial year up to October. The notices involved GST dues of ₹1.12 trillion, junior finance minister Pankaj Chaudhary said. >P2

Go First RP does not allow access to aircraft, lessors tell Delhi HC

The lessors of Go First informed the Delhi high court on Tuesday that they have not received any record on aircraft maintenance from the Go First resolution professional (RP) since May, and were not even allowed to physically inspect the assets. >P7

Recruiters scout for niche tech skills in IIT campuses

Recruiters prowling the premier engineering schools at this year's hiring season are shunning students with the regular academic profiles, instead picking to-be-engineers who have worked in complex projects. Blame AI. >P2

AQI crisis: Worst Delhi November in five years, but fewer farm fires

The air quality in Delhi saw no improvement in November despite a significant fall in stubble burning in neighbouring states, pointing to weather patterns as the probable culprit for what has ballooned to an air pollution crisis in the NCR. >P2



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From enjoying local delicacies here

to a diverse menu around the world





'India to be world's third-largest economy by 2030'

Reuters
feedback@livemint.com

India will remain the fastest-growing major economy for at least the next three years, setting it on course to becoming the world's third-largest economy by 2030, S&P Global Ratings said in a report.

S&P expects India, currently the world's fifth-largest economy, to grow at 6.4% this fiscal and estimates growth will pick up to 7% by fiscal 2027. In contrast, it expects China's growth to slow to 4.6% by 2026 from an estimated 5.4% this year.

India's gross domestic product (GDP) grew a bigger-than-expected 7.6% in the second quarter of fiscal 2024, data showed last week, which prompted several brokerages to raise their full-year estimate.

However, S&P, which had raised its forecast even before the latest data, said India's growth will depend on its successful transition to a manufacturing-dominated economy from a services-dominated one.

"A paramount test will be whether India can become the next big global manufacturing hub, an immense opportunity," S&P said in its Global Credit Outlook 2024 report, dated 4 December.

While Prime Minister Nar-



S&P expects India to grow at 6.4% this fiscal. HT

The S&P report says India's growth will depend on its transition to a manufacturing economy

In contrast, services account for over half of India's GDP.

S&P said that developing a strong logistics framework is key to India becoming a manufacturing hub and services-dominated one.

that the country also needs to "upskill" its workers and increase female participation in the workforce to realize its "demographic dividend".

India has one of the youngest working populations in the world, with nearly 53% of its citizens under the age of 30.

Farm fires subside but Delhi air quality remains perilous

Weather patterns probable cause of persisting air pollution problem in national capital region

Puja Das
puja.das@livemint.com
SANGRUR/SIRSA

The air quality in Delhi saw no improvement in November despite a significant fall in stubble burning in neighbouring states, pointing to weather patterns as the probable culprit for what has ballooned to an air pollution crisis in the national capital region.

Although the incidence of stubble burning in Punjab and Haryana dropped 26.5% on year to 36,663 and 37% to 2,303, respectively between September 15 and November 30, the dangerous PM2.5 level in Delhi this November was 33% worse than the corresponding period last year.

The average air quality index last month was 372, the second highest for the month since 2017, after an average of 377 recorded in 2021.

This is higher than the average of 320 recorded last year, 327 in 2020, and 312 in 2019, according to data from the Central Pollution Control Board (CPCB) and Consortium for Research on Agroecosystem Monitoring and Modeling from Space (Creams) laboratory.

There has been a downward trend in farm fire cases observed over the last few years. While Punjab registered 49,922 cases in 2022, 71,304 in 2021 and 83,002 in 2020, Haryana recorded 3,661 such events in 2022,



The drop in farm fires is attributed to a series of measures like crop residue management, machinery support and awareness programmes. HT

6,987 in 2021 and 4,202 in 2020.

However, according to CAQM (Commission for Air Quality Management), the "significant reduction" in the number of farm fires did not reflect proportionally in the daily average AQI of Delhi/NCR in November.

This, it said, is "primarily owing to highly unfavourable meteorology and climate conditions prevailing over the region particularly since the last week of October, with low-speed winds from the north-westerly direction, very low rainfall and near-calm wind conditions over Delhi which badly impeded the dispersion of pollutants, thus reflecting in

a much higher AQI during November 2023 as compared to the November months in preceding years."

The drop in stubble burning is attributed to a series of measures like crop residue management in the soil, machinery support, awareness programmes, financial incentives to farmers, and setting up biomass power plants to use the stubble. "Initiatives such as machinery support and incentives to farmers for in-situ and ex-situ management, the compulsion of using 20% paddy straw pallets by coal-based plants, and diversion of paddy straws for ethanol production have helped reduce

the cases," said Onkar Singh Sidhu, officer on special duty to the Punjab chief minister.

"An ethanol plant based in Jahangir village of Sangrur has collected 40,000 tonnes of paddy straws from Dhuri tehsil alone this season and the next season's target is 60,000 tonnes."

In-situ management involves incorporating the stubble into the soil using machines, while ex-situ management involves lifting the stubble from the fields and supplying it to industrial units.

"It is difficult to say when it can fully be prevented, but there has been significant improvement, which will continue in the coming years," Singh added. A Haryana agriculture ministry official from Sirsa district said that there should be a supply chain linkage, be it by the government or the private sector, to manage crop residue better.

"Sirsa has 234,000 hectares area under Kharif paddy, and the paddy straw is 20 quintals per acre on average. There is no consumption of paddy stubble at the commercial level due to the lack of industrial plants in the district. If supply and demand are in sync, we may see no stubble burning cases next year," the official said. "Farmers are realizing the perks of not burning paddy stubble and hence cases are coming down every year," said Ramesh Chauhan, a farmer holding 40 acres of farmland in Fatehabad's Ratia.

26.5% drop in stubble burning cases y-o-y in Punjab

372 average air quality index in Delhi last month

UN agency cites worrying warming trend Over 70 GST notices issued to online gaming firms, ₹1.1 tn due

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The United Nations weather agency is reporting that glaciers shrank more than ever from 2011 and 2020 and the Antarctic ice sheet lost 75% more compared to the previous 10 years, as it released its latest stark report about the fallout on the planet from climate change.

The World Meteorological Organization served up more evidence of what scientists already know—the earth is heating—on Tuesday, but this time looking at the trend over a longer period with its latest Decadal State of the Climate report.

"Each decade since the 1990s has been warmer than the previous one and we see no immediate sign of this trend reversing," its secretary-general Petteri Taalas said. "We are losing the race to save our melting glaciers and ice sheets."

Warming oceans and melting ice sheets caused the rate of sea-level rise to nearly double in less than a generation, he said, and WMO says that bodes ill for low-lying coastal regions and countries.



Petteri Taalas, secretary-general, World Meteorological Organization. AP

Experts are divided about one of the most important metrics: the rate of warming. Former NASA top scientist James Hansen, nicknamed the

Godfather of Global Warming for his early warnings, has reported that the rate is accelerating. University of Pennsylvania climate scientist Michael Mann has argued warming has been steadily increasing since 1990, but isn't speeding up. "The surface of the planet

and the oceans both continue to warm at a steady rate, not an accelerating rate, and that's bad enough," Mann said in an email. He warned that such

warming is fueling increasingly dangerous extreme weather events, coastal flooding and many other "disastrous" impacts. "And the warming and its consequences

will continue as long as we continue to generate carbon pollution through fossil fuel burning and other activities,

highlighting the critical need for progress at the COP28 climate summit in Dubai taking place right now," he wrote.

The WMO report said that glaciers measured around the world thinned by roughly one metre (about 3 feet) per year on average from 2011 to 2020, and a look at over 40 "reference glaciers" showed the lowest mass balances of any decade. "The remaining glaciers near the Equator are generally in rapid decline. Glaciers in Papua, Indonesia are likely to disappear altogether within the next decade," WMO said. "In Africa, glaciers on the Rwenzori Mountains and Mount Kenya are projected to disappear by 2030, and those on Kilimanjaro by 2040."

As for the ice-sheet thaw, Greenland and Antarctica lost 38% more ice from 2011 to 2020 than in the previous decade. It also said that sea level rise has accelerated during the decade because of the melting.

WMO deputy secretary general Elena Maneenkova said the report is different from other warnings in the past because it provides a long-term perspective and sustained trends from the 2010s which can help discern where the warming is headed.

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Online gaming companies have been issued 71 show cause notices relating to Goods and Services Tax (GST) in FY23 and in the current financial year up to October, minister of state for finance Pankaj Chaudhary informed the Rajya Sabha on Tuesday.

The minister said in a written reply that the notices involved GST dues of ₹1.12 trillion.

However, since these notices are pending adjudication, the respective GST demand is not yet determined under the provisions of Central GST Act, the minister said.

Mint had reported on 26 October that the GST authorities had issued show cause notices to online gaming platforms and casinos regarding their alleged short payment of tax to the tune of ₹1 trillion but that the recovery would depend on how the Supreme Court will decide on a dispute on this matter.

The apex court has now



Minister of state for finance Pankaj Chaudhary.

stayed a favourable order a gaming company had received from the Karnataka High Court.

While the levy of 28% GST on online gaming companies, casinos and horse racing clubs is under dispute for the period up to end of September, the government has amended tax laws to make sure that the highest GST slab applies to these sectors with effect from 1 October.

At the end of March 2024, the GST Council intends to review the implementation of the revamped tax regime.

Chaudhary also informed Parliament that there has been a steady rise in the detection of GST evasion in the last five years.

In the current financial year, the amount of tax evasion detected is about ₹1.5 trillion. Of this, over ₹1,541 crore has been recovered and 154 people have been arrested, the minister said.

In FY23, the authorities had detected tax evasion of about ₹1.3 trillion. Of this, ₹33,226 crore has been recovered. In the last financial year, 190 people were arrested. In FY21, 460 people were arrested, the largest number in the last five years. In that year, over ₹49,300 crore of tax evasion was detected, the minister said.

The rise in the detection of alleged tax evasion comes in the context of a gradual scaling up of data analytics, greater reporting requirements placed on businesses and extensive use of technology. With data from various sources, the authorities are able to detect information mismatches and under-reporting of taxes.

MINT SHORTS

Banks seize ₹15,183 cr in ED action under PMLA: FM

New Delhi: The Enforcement Directorate (ED) has confiscated assets worth ₹15,186.64 crore under the stringent prevention of money laundering act (PMLA) and almost all of it has been restituted to public sector banks, finance minister Nirmala Sitharaman told Rajya Sabha. She said that as of 31 March 2023, legal suits were filed for recovery against 13,978 loan accounts. PTI

Global South must adopt digital public infra: Kant

New Delhi: The global south needs to adopt digital pub-

lic infrastructure to technologically leapfrog and achieve sustainable development goals, India's G20 sherpa Amitabh Kant said on Tuesday. Addressing an event organized by Carnegie India, Kant said the world will grow on the back of digital public infrastructure. He said if the world has to grow equitably then the global south is important. PTI

Kolkata safest city in India, says NCRB report

Kolkata: Kolkata has emerged as the safest city in India for the third consecutive year, recording the least number of cognisable offences per 100,000 population among metropolises, a report published by the National Crime Records Bureau (NCRB) said. The eastern metropolis, which reported 86.5 cases of cognisable offences per 100,000 people in 2022, was followed by Pune (280.7) and Hyderabad (299.2). PTI

Revanth Reddy to be next Telangana chief minister



New Delhi: Telangana Congress chief A. Revanth Reddy, who switched from the TDP in 2017 and spearheaded the successful electoral campaign against the BRS, was on Tuesday named as the new chief minister of the state. Announcing the decision at the party headquarters, AICC general secretary K C Venugopal said the swearing-in will take place on 7 December in Hyderabad. PTI

Tea exports fall 4.93% during January-September

Kolkata: Indian tea exports during January to September declined 4.93% to 157.92 million kg, according to the latest Tea Board data. During the first nine months of 2022, exports stood at 166.11 million kg. Exports from Assam and West Bengal dropped 6.61% to 96.28 million kg in the reporting period, compared with 103.09 million kg in the corresponding nine months a year ago. PTI

India to provide \$250 million to Kenya, says PM

New Delhi: Prime Minister Narendra Modi on Tuesday announced India's decision to provide \$250 million to Kenya for modernization its agriculture sector following his wide-ranging talks with visiting Kenyan President William Samoei Ruto. PTI

CORRECTIONS AND CLARIFICATIONS

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MINT SHORTS

CoreEL Technologies secures \$16 mn in maiden funding round

Bengaluru: Aerospace and defence products manufacturer CoreEL Technologies has secured \$16 million (₹133.4 crore) in a Series A funding round from 360 ONE Asset Management Ltd (formerly IIFL Asset Management Ltd). The funds will be utilised for research and development (R&D), product expansion and increasing manufacturing capacity. Notably, this is the first funding exercise of the firm. "This investment will allow us to accelerate our growth plans, including improving manufacturing capacity, and strengthen our ability to participate in large aerospace and defence programs," said Vishwanath Padur, managing director, CoreEL Technologies. **K AMOGHAVARSHA**

SenseAI Ventures launches maiden early-stage VC fund

Bengaluru: Early-stage investment firm SenseAI Ventures has launched its maiden venture capital (VC) fund, as it looks to invest in early-stage startups. The fund, which is an artificial intelligence (AI)-based startups focused investment thesis, has a target corpus of ₹200 crore (\$25 million). SenseAI aims to invest in 18-20 AI-first startups, in the seed to pre-Series A stage. In terms of its investment thesis, the firm aims to invest in AI-based startups, with an emphasis on intellectual property in technology and products. Additionally, the firm has also onboarded Raja Gopalakrishnan as the general partner for the fund. **K AMOGHAVARSHA**

India's EU-style charger rules will hit production target, warns Apple

New Delhi: Apple has told the Indian government its local production targets will be hit if it follows the European Union and requires existing iPhones to have universal charging ports, a government document shows as the US tech giant lobbies for an exemption or delay. India wants to implement a European Union rule that will require smartphones to have a universal USB-C charging port, and has been in talks with manufacturers about introducing the requirement in India by June 2025. In a closed-door 28 November meeting chaired by IT ministry, Apple asked officials to exempt existing iPhone models from the rules, warning it will otherwise struggle to meet production targets set under India's production-linked incentive (PLI) scheme. **REUTERS**

R&D spends of Indian IT majors on a decline

Lower R&D spending underscores the challenges faced by tech leaders

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India's top five information technology services firms have reduced research and development (R&D) expenses as a percentage of their revenue in the past five years. Experts said this move is driven by a strategic effort to trim discretionary spending and bolster profitability. In FY23, Tata Consultancy Services Ltd, Wipro Ltd, and Tech Mahindra allocated less than 0.5% of their revenue to innovation, while Infosys Ltd and HCL Technologies Ltd spent 0.71% and 0.54% of their revenue on innovation, respectively.

The IT giants' modest R&D investment is in stark contrast to Accenture Plc, which allocated around 2% of its revenue, totalling \$1.3 billion, for research and development in 2023. In fact, Accenture's ₹10,700 crore R&D expenses were more than four times the cumulative innovation spending of the five companies in the last five years, totalling ₹2,361 crore, according to a *Mint* analysis.

"Organisations worldwide continued to face a slowdown through multiple macro-economic headwinds and challenges such as inflation, recessionary fears, global conflict, and supply chain disruptions assault their strategic goals," Tom Reumer, managing director at IT outsourcing advisory, HFS Research, said. "They are also in a big hurry to drive innovation to respond to challenges and stay relevant. With that, discretionary spending came under continuous scrutiny."

Lower R&D spending by the five companies underscores the challenges faced by Indian technology leaders to promote newer business services, including generative artificial intelligence (AI) tools, to Fortune 1000 companies.

The \$245 billion IT services industry in



The \$245 bn IT services industry in India is witnessing diminishing profitability. **BLOOMBERG**

India is witnessing diminishing profitability as traditional tasks such as application development and infrastructure maintenance are being commoditized. Predictably, profitability of the firms has decreased over five years, while Accenture marginally improved its operating margin.

Accenture has reported a 62% jump in revenue since 1 September 2018 to \$64.11

and 21%, respectively, while Tech Mahindra's R&D spending fell 59%. Infosys and HCL Technologies, saw their revenue rise 66% and 60.6%, respectively.

HCL Technology's R&D spending was at ₹141 crore in the year ended 31 March 2018, rising by 1.54% the following year. But since then, spending on innovation has been gradually declining, like its peers.

There is an overall decline in R&D spending as financial cost controls are in place, said Ray Wang, principal analyst and founder, Constellation Research Inc. This will lead to less original Intellectual Property and will hurt their operating margins, Wang added.

Tech Mahindra, which ended with \$6.6 billion in revenue last year, spent only ₹18 crore or 0.03% of its revenue. Its operating margin fell to 4.7% as of 30 September.

Emails sent to TCS, Infosys, HCL Tech, Wipro, and Tech Mahindra for comments remained unanswered till press time.

INTEREST IN RESEARCH

ACCENTURE allocated around 2% of its revenue, totalling \$1.3 billion, for R&D in 2023	TCS, Wipro, and Tech Mahindra allocated less than 0.5% of their revenue to innovation in FY23	IN FY23, Infosys and HCL Tech, spent 0.71%, and 0.54%, of their revenue on innovation
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billion in the year ended August 2023. Its R&D spending rose 63% during this time.

From 1 April 2018, to March 31 2023, TCS, Wipro, and Tech Mahindra's revenues grew 46%, 41.3%, and 38.5%, respectively. During this period, TCS and Wipro witnessed a rise in R&D expenses by 28%

Circulate Capital raises new fund

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Circulate Capital, an environmental impact investment firm that has backed several Indian recycling and waste management companies including Recykal and Dalmia Polypro, has marked the final close of a new fund at \$76 million.

The Circulate Capital Ocean Fund I-B takes the firm's assets under management to \$255 million, the Singapore-based firm said.

The final close comes as it also raised \$7 million in fresh capital from British International Investment, UK's development finance institution. BII joins International Finance Corporation, European Investment Bank and France's Pro-

parco as the new fund's limited partners.

"To close our climate tech fund with the support of prominent partners including global corporations, family offices, foundations, and now four of the biggest DFIs in the world signifies that the sector is ripe for the capital it needs to achieve circularity and mitigate the negative effects of climate change," said Rob Kaplan, CEO and founder of Circulate Capital.

Circulate Capital said it is looking to invest in firms combating plastic pollution and climate change across several markets in Asia from the new investment vehicle. The new fund aims to prevent 5 million tonnes of plastic pollution from entering the environment, according to a press release by the UK Prime Minister's Office.



The company has reached an annualised revenue run rate of around ₹350 crore as of September 2023.

The Sleep Company raises ₹184 crore in Series C funding

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The Sleep Company, an omnichannel leader in the comfort-tech business, has raised ₹184 crore in Series C from existing investors Premji Invest and Fireside Ventures. The company, which provides both sleep and seating technology, will use the funding to grow its offline presence, expand in other regions and widen its product basket, the founders said in an interview.

This is the second funding round in 12 months from the same set of investors. The company raised ₹174 crore in November 2022 and it has grown 2.6x in revenue since then, the founders said. Before that, it had raised ₹13.4 crore in pre-Series A. Through the current funding round, the company is also looking to buy back employee stock options to offer them some liquidity.

The company has grown its store strength to 60 across 20 cities. "Our aim is to be across 30 cities with almost 100 stores by end of the current financial year and another 100 stores by FY 2025," said Priyanka Salot,

cofounder, The Sleep Company. According to her, the company's valuation has grown two-fold since the last funding round.

With this omnichannel approach, the company now earns around 50% of its revenue from offline channels while the rest comes from online.

The company has reached an annualised revenue run rate of around ₹350 crore as of September 2023 and is expected to close the current financial year at ₹500 crore in ARR, Harshil Salot, another cofounder, said.

The company, co-founded in 2019 by the husband-wife team of Harshil and Priyanka Salot, achieved contributory margin profitability and is looking to achieve Ebitda (earnings before interest, taxes, depreciation and amortization) profitability by FY25.

The company is aiming for a ₹1,000 crore revenue run rate over the next two years, according to Harshil Salot.

The Sleep Company produces patented SmartGrid mattresses and has also diversified into seating comfort solutions. The direct-to-consumer company claims to have around 200,000 customers.

Acquisitions on the horizon in real-money gaming sector

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India's nascent real-money gaming industry is going through a phase of consolidation, with larger firms looking at smaller startups that may help improve the former's net user base, and in the long run, revenue. Industry stakeholders such as Mumbai-based unicorn Games24x7, as well as publicly-listed gaming firm Nazara Technologies, are among those that believe that consolidation across the industry is inevitable—but finding offers with the right valuation poses a challenge.

In an interview with *Mint*, Sudhir Kamath, chief operating officer of Nazara, said the company will make strategic acquisitions in the long run, as and when it finds the right opportunities.

"We won't be rushing to make acquisitions, but they are certainly a part of our overall strategy in the near term. We typically identify opportunities that are at least on track



Sudhir Kamath, chief operating officer, Nazara.

towards profitability, and once we locate the right ventures, we'll consider them," Kamath said.

He added that such consolidation is inevitable—not just for Nazara—but across the industry. "Smaller ventures will be affected in terms of the cash available to them, since most firms across the industry aren't passing on the impact of the 28% GST on net revenue on to users. As a result, it makes sense for larger firms to come in by helping mitigate tech infrastructure costs, and other operating expenditures," he said.

Smaller firms are eager to stay independent in the near term, although acquisitions are seen by most as "inevitable" in 2024.

A senior industry official who works with multiple gaming startups said, on condition of anonymity, that at least 20 such startups are already considering offers for acquisition. However, companies are currently more cautious with their acquisition offers, since valuations of gaming startups have significantly dropped over the past 18 months—especially since the implementation of the new tax regime on the sector in August this year.

"Many founders are holding out, hoping that there will be a revision of some form in the near term on the taxation rate. They're hoping for this as startup valuations have significantly altered, which, in turn, isn't matching the offers on the table," Kamath added.

Projections of acquisitions in the real-money gaming space come despite reports stating a potential drop in the overall revenue share of the sector.

'RMG revenue may fall by FY28'

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India's online gaming market is expected to grow to ₹33,243 crore by FY28, but the real money gaming (RMG) segment will be under pressure in the wake of the 28% GST levy on the industry, according to a new report.

Consulting company EY's latest report titled 'New Frontiers: Navigating the Evolving Landscape for Online Gaming in India' said India has a gaming community of about 42.5 crore gamers, the second largest globally after China. The entire online gaming market, after growing at a 28% CAGR from FY20-23 to ₹16,428 crore, is projected to drop to a 15% CAGR till FY28.

The RMG sub-segment, a major contributor to the online gaming sector, accounted for 83% of the market share in FY23, with over 400 startups. But despite its dominance, the segment's revenue share is expected to dip to 75.4% by FY28, due to recent GST amendments. Industry estimates this sub-segment to generate ₹6,500-6,800 crore



The entire online gaming market is projected to drop to a 15% CAGR till FY28. **AFP**

in direct taxes and ₹75,000-76,000 crore in indirect taxes (GST) for the exchequer during FY24-28.

The government increased the tax rate on online gaming firms to 28% in September this year, a significant hike from the previous rate of 18% was implemented following a recommendation from the 51st GST Council meeting.

The decision was notified by the finance ministry's revenue department via an amendment to Central Goods and Services Tax Act, 2017. This change had a substantial impact on the profitability of online gaming companies,

potentially leading to higher costs for consumers and a slowdown in industry growth.

In FY23, RMG constituted 83% of the total online gaming market share, yielding ₹1,700 crore in GST. However, the industry believes with the revised GST rates and valuation methods, annual GST collections could soar by 113% CAGR from FY23 base to reach about ₹75,000-76,000 crore by FY28. The top 2-3 RMG companies reported an Ebitda margin at 10-30%, while others are on the road to profitability, it added.

The RMG sub-segment may be under pressure, while non-RMG and e-sports will flourish, it added. "The impact on the sector is going to be temporary because 42.5 crore gamers will become 53.8 crore in the coming years. About ₹22,000 crore worth of investment has also come into the sector. The regulation has brought clarity on taxable amounts and approval process for legitimate games, bringing positivity in the space given investors now have clear visibility," said Raghav Anan, partner and leader, digital, new media and convergence.

Meta, IBM create AI alliance for industry

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Meta Platforms Inc. and International Business Machines Corp. (IBM) are joining more than 40 companies and organizations to create an industry group dedicated to open source artificial intelligence work, aiming to share technology and reduce risks.

The coalition, called the AI Alliance, will focus on the responsible development of AI technology, including safety and security tools, according to a statement Tuesday. The group also will look to increase the number of open source AI models—rather than the proprietary systems favored by some



Meta and IBM are joining together with more than 40 firms and organizations. **REUTERS**

companies—develop new hardware and team up with academic researchers.

Proponents of open source AI technology, which is made public by developers for others to use, see the approach as

a more efficient way to cultivate the highly complex systems. Over the past few months, Meta has been releasing open source versions of its large language models, which are the foundation of AI chatbots.

"We believe it's better when AI is developed openly—more people can access the benefits, build innovative products and work on safety," Nick Clegg, Meta's president of global affairs, said in the statement.

The group will eventually establish a governing board and technical oversight committee.

Participants include Oracle Corp., Advanced Micro Devices Inc., Intel Corp. and Stability AI, as well as academic and research organizations like the University of Notre Dame and the Mass Open Cloud Alliance.

The recent chaos at ChatGPT-creator OpenAI, which fired and rehired its well-known chief executive officer, has intensified a global debate about how transparent companies should be in developing powerful AI technology. OpenAI wasn't listed as an AI Alliance participant.

S&P BSE Sensex			Nifty 50			Nifty 500			Nifty Next 50			Nifty 100			S&P BSE Mid-cap			S&P BSE Small Cap		
CLOSE	PERCENT CHANGE		CLOSE	PERCENT CHANGE		CLOSE	PERCENT CHANGE		CLOSE	PERCENT CHANGE		CLOSE	PERCENT CHANGE		CLOSE	PERCENT CHANGE		CLOSE	PERCENT CHANGE	
69,296.14	0.63		20,855.10	0.81		18,588.55	0.76		49,937.35	1.04		20,949.25	0.92		35,049.27	0.14		41,099.21	0.12	
PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN		PREVIOUS CLOSE	OPEN	
68,865.12	69,168.53		20,686.80	20,808.90		18,448.50	18,541.30		49,424.80	49,568.00		20,757.95	20,870.40		34,999.76	35,145.89		41,051.01	41,241.03	
HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW		HIGH	LOW	
69,381.31	68,954.88		20,864.05	20,711.15		18,594.90	18,453.65		49,956.60	49,405.70		20,957.65	20,783.60		35,216.47	34,798.06		41,317.67	40,825.66	

MINT SHORTS

Black Sea storms batter Russia crude exports to 3-month low

Russia's four-week average seaborne crude exports fell to the lowest in three months, with storms in the Black Sea disrupting shipments for a third week. Loading activities remained sluggish at the port of Novorossiysk even after they restarted on 30 November. About 3.04 million barrels a day of crude were shipped from Russian ports in the four weeks to 3 December, tanker-tracking data monitored by Bloomberg show. That was down by 125,000 barrels a day from the revised figure for the period to 26 November. Russia will deepen its oil export cuts to 500,000 barrels a day below their average May-June levels during the first quarter of next year. The cuts will be shared between crude shipments, which will be reduced by 300,000 barrels a day, and refined products. For the rest of 2023, the reduction is set at 300,000 barrels a day, spread across both crude and refined products in undefined proportions.



The MSCI China Index slid as much as 2.3%, on track for a third straight day of declines.

China stock slump deepens as traders fret over economy

A selloff in mainland China and Hong Kong stocks deepened as investors remained concerned about the health of world's second-largest economy heading into next year. The MSCI China Index slid as much as 2.3%, on track for a third straight day of declines. The gauge was headed for its lowest close since November 2022. On the mainland, the benchmark CSI 300 Index finished 1.9% lower as foreigners sold the largest amount of shares since mid-October. Moody's Investors Service cut its outlook for Chinese sovereign bonds to negative on Tuesday afternoon, the latest blow to investor sentiment. Equity losses have continued in December following last month's lacklustre performance, as traders saw policy support falling far short of what's needed to rescue the economy out of the doldrums. Sentiment remains so fragile that traders on Tuesday looked past data that showed a private gauge of China's services activity continued to expand in November.

BLOOMBERG

Short term rates hit 8% on tight liquidity

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Yields on short term money market instruments are beginning to inch up again with rates on one-year commercial paper (CP) touching a high of 8%.

Liquidity deficit, non-banking finance companies looking to raise short term money post the Reserve Bank's decision to increase risk weights on loans to these companies are some of the factors behind the increase in CP yields.

"There is a general upward movement in money market yields. But more pronounced in NBFC spreads over T-bill rates after the recent action by the RBI," said Dhawal Dalal, Edelweiss Asset Management.

"Additional risk weights should result in 20-30 bps increase in cost of funds and thereby lending rate. But mutual funds may offer at slightly better levels depending on the credit, tenor and other considerations," he said.

Yield on 12-month CP jumped by 13 basis points to 8.1% as on 5 December as compared to 7.97% as on 15 November, a day after which RBI increased risk weights on loans against NBFCs by 25 basis points. Similarly yields on 2-3 month CPs issued by NBFCs jumped by 20 basis points to 7.87% during the same period.

"CPs rate may be better than NCD rates. But NBFCs will be looking to issue more non-convertible debentures



Yield on 12-month CP jumped by 13 basis points to 8.1% as on 5 December.

instead of CPs. Short term rates going up. Rates are going to remain higher for a longer period of time," said Ajay Manglunia, managing director and head of the investment grade group, JM Financial.

Banking liquidity has been in a deficit mode for most of November with the RBI injecting liquidity at an average of ₹1.4 trillion during the past week. This tight liquidity has been due to rising cash demand during the festive season, higher credit demand and foreign fund outflows.

According to data compiled by Prime Database, commercial paper issuances stood at ₹8.85 trillion during April to November this year compared to ₹9.23 trillion during the corresponding period last year.

Besides the larger ones, other NBFCs are not looking to tap the money market to raise funds. Despite the increase in lending rates, these NBFCs feel that they would prefer bank funding.

Two-wheelers race ahead in Nov

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The two-wheeler category outperformed other automotive segments in November, with companies clocking a robust year-on-year volume growth.

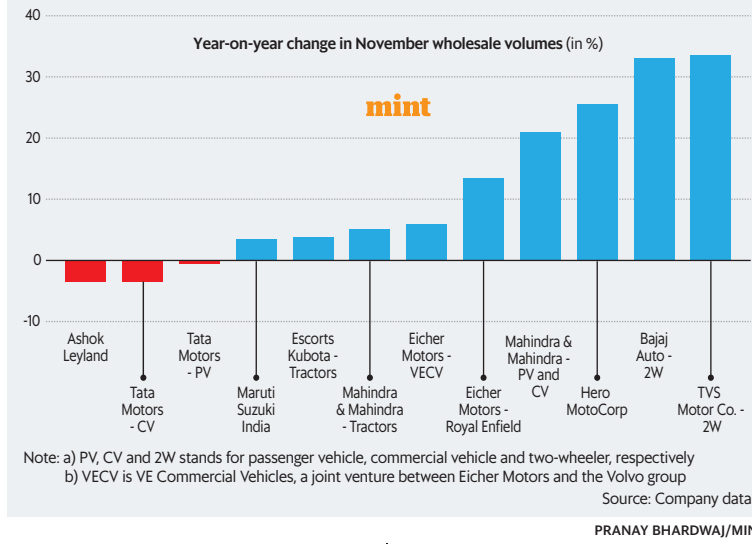
Post-festive season inventory corrections, however, led to a 14-16% month-on-month volume decline for major players such as Bajaj Auto, Hero MotoCorp, and TVS Motor Co. But Eicher Motors' Royal Enfield witnessed a comparatively modest fall of 5%. The trend towards premiumization may have worked in favour of the company and that could explain the 8% rise in Eicher Motors' stock on Monday.

Currently, shares of the two-wheeler manufacturers are hovering near their 52-week highs, but the moot question remains whether this demand recovery is sustainable.

Hero Moto's domestic volume in November, at 476,286 units, was still nearly 6% lower than pre-covid levels, indicating the need for a stronger rural market recovery, as it mainly operates in the mass segment. Bajaj Auto's positive post-festive season demand com-

In full throttle

In November, two-wheeler companies' volumes grew at a faster pace than other automobile segments



Note: a) PV, CV and 2W stands for passenger vehicle, commercial vehicle and two-wheeler, respectively b) VECV is VE Commercial Vehicles, a joint venture between Eicher Motors and the Volvo group Source: Company data PRANAY BHARDWAJ/MINT

mentary offers some relief.

However, the two-wheeler export segment faces challenges, including currency unavailability and macro economic headwinds. Bajaj Auto reported year-on-year decline in export volumes for the third consecutive month. This segment is particularly crucial for the

company as exports form a significant portion of its volumes.

Despite these challenges, the two-wheeler industry is expected to outperform other automotive segments. "We are already witnessing a reversal in demand patterns, especially in the two-wheeler segment, wherein we anti-

pate better growth potential compared to other segments over FY23-25E," Motilal Oswal Financial Services analysts said in a report on 1 December.

The broking firm prefers two-wheelers, followed by commercial vehicles (CV). They turned cautious regarding passenger vehicles (PV) amid a demand slowdown, and a high base effect. Sport utility vehicles (SUVs) remain on a strong footing, but lower-end models are weighing on the overall PV segment.

"With dealers carrying stocks of up to 40 days (for mass segments) going into the year-end, and waiting periods coming off, some original equipment manufacturers will need to take production cuts in December (possibly the first time since covid) and also launch

more attractive year-end offers than during the past three years," Nomura Financial Advisory and Securities (India) said in a 3 December note.

Maruti Suzuki India Ltd derives a significant portion of its volumes from the mass segment. A strong uptick in its utility vehicle volumes was offset by a

drop in small car segments leading to a mere 3% year-on-year wholesale volume growth in November. The automaker's plan to increase prices in January may boost December volumes as consumers tend to advance their purchases.

CV volumes in November were disappointing, with companies like Tata Motors and Ashok Leyland reporting a 3.5% year-on-year decline each, possibly due to weak demand in states following assembly elections. Demand conditions need closer tracking ahead of the upcoming Lok Sabha elections.

Meanwhile, the tractor segment witnessed healthy growth, with companies such as Mahindra & Mahindra and Escorts Kubota clocking volume growth.

Demand recovery is also expected to continue, helped by government support. Most automakers' shares are near their 52-week highs, reflecting market optimism. Consistent volume growth along with improved margin are likely to ensure a smooth ride for investors going ahead.

LOOKING BEYOND

DESPITE challenges, the two-wheeler industry is expected to outperform other automotive sectors

SUVs remain on a strong footing, but lower-end models are weighing on the overall PV segment

Bioenergy, exports to drive Praj Industries' revenue growth

Dipti Sharma
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Praj Industries Ltd's investors find themselves in a sweet spot with its shares rising by almost 67% in the past six months. The company aims to triple its revenue by FY30, it said in an analysts meet.

The management said it has a two-pronged strategy focussing on bio-mobility (decarbonizing transportation with advanced, next-gen, and conventional bio-fuels) and bio-prism (technologies to produce green chemicals and material). Praj Industries' bioenergy segment, which provides technologies and equip-

ment to ethanol plants and technologies to produce compressed biogas (CBG) and future fuels like sustainable aviation fuel (SAF) will be driving growth. This vertical contributed 79% to its revenues in HIFY24.

The Centre's order mandating blending CBG with CNG for transportation and PNG for domestic use for city gas distribution firms is expected to be a big catalyst for growth. Its management is confident the directive will accelerate order awards in the CBG business. Along with CBG, the SAF business is likely to be a key driver in achieving its FY30 revenue target.

The firm's strategic partner-

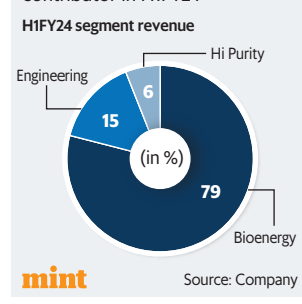


The company aims to triple its revenue by FY30.

ships with Indian Oil Corp. Ltd, Gevo, and Axens is expected to enhance opportunity in the SAF space. Besides, as India joins the

Large share

Praj Industries' bioenergy segment was the biggest revenue contributor in HIFY24



Source: Company PRANAY BHARDWAJ/MINT

open up opportunities. "The firm has multiple high-growth opportunities across its segments in the near to medium term, CBG and Ethanol Gen 1 export has started seeing traction and engineering has shown strong traction in FY24," said Prathamesh Sawant, an analyst at Axis Securities.

In bioenergy and engineering, exports will enjoy a higher margin profile compared to domestic business, he added. Engineering business revenue in H1 was at 15%.

It is seeking a 50:50 split in its order book from domestic and international (exports) orders. In FY23, 82% of its revenue was

from domestic orders, with the rest coming from exports.

After a sharp rally, the stock trades at 33 times its estimated earnings for FY25, according to Bloomberg data.

As such, any further re-rating may be capped. Revenue prospects appear bright at the least. Amit Anwani, analyst at Prabhudas Lilladher, said monitoring government tenders for CBG will be crucial, as a slow pace of expected export ordering may derail growth momentum. Investors should also track the order inflows from the US markets as the current focus in international market remains in the US and Europe, he added.

Adani stocks lift Tuesday's market gains

FROM PAGE 1

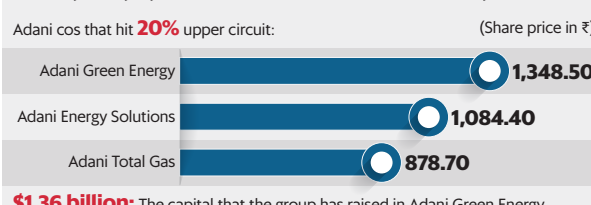
for its renewables arm Adani Green Energy that is planning a 45-GW project in Gujarat's Khavda. Just six weeks ago, Adani took a \$3.5-billion loan to refinance its cement acquisitions—Ambuja Cements Ltd and ACC Ltd.

"There was already a massive short-covering post the assembly poll outcomes and those looking for an opportunity to buy found it expedient to invest in the group," said Rajesh Palviya, SVP (research) at Axis Securities.

The biggest gainer of Adani's latest leap was Rajiv Jain-led US-based boutique asset manager GQG Partners Llc, which on 2 March entered the Adani group at its historic lows. GQG Partners has

Big rally

Tuesday's rally by Adani stocks left investors wealthier by ₹1.9 trillion.



\$1.36 billion: The capital that the group has raised in Adani Green Energy

GQG Partners Llc: Biggest gainer from Adani group rally with stake valuation at ₹64,648.74 crore, 73% above value of original investment Source: Stock exchanges

pumped in at least ₹37,440 crore into five Adani group firms since March, with the last bulk purchase worth ₹8,811 crore on 16 August in Adani Power. On Tuesday, GQG Partners' investment in Adani Group was worth ₹64,648.74 crore.

"Typically, indications of

no-change-in-government prior to assembly polls are considered to be positive for any corporate group, since changes in the ruling party often force companies to alter business strategies, especially those engaged in infrastructure, ports and construction-oriented businesses," the head

of a large foreign investment bank said on the condition of anonymity.

"The group stocks got a further leg-up today on reports of a US government official terming the Hindenburg allegations irrelevant before sanctioning a loan to the conglomerate," said Palviya, adding that the rally will continue in the ports and gas businesses, and the flagship AEL.

Earlier in the day, Bloomberg reported quoting an official from the US International Development Finance Corp. as saying the agency was satisfied that the accusations in the Hindenburg report weren't applicable to Adani Ports & Special Economic Zone Ltd.

Mayur Bhalerao contributed to this story.

US checked facts before Adani loan

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The US government concluded that short-seller Hindenburg Research's allegations of corporate fraud against billionaire Gautam Adani weren't relevant before extending his conglomerate as much as \$553 million for a container terminal in Sri Lanka, a senior US official said.

The allegations, which erased around \$100 billion from the Adani Group's market value earlier this year, were front and centre as the International Development Finance Corp., or DFC, conducted a due diligence investigation of the conglomerate, an official from

the US agency told Bloomberg. The DFC was satisfied that the accusations in the short-seller's report, which said Adani was pulling off "the largest con in corporate history," weren't applicable to Adani Ports & Special Economic Zone Ltd, the subsidiary spearheading the Sri Lankan project, the DFC official said, declining to be named to detail the negotiations.

The US agency will also continue to monitor the Indian firm to ensure the US government doesn't unintentionally support financial misconduct or other inappropriate behaviour, the official said, noting that it's critical that the US approaches infrastructure projects differently than China.

FPI inflows push MSCI India Premium to near-record high

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In an indication of the Indian market's outperformance compared to other emerging markets (EMs), the MSCI India index traded at a premium of 141.08% to MSCI Emerging Markets (EM) index, the highest in 11 months, on 4 December. The premium is also nearing its record high of 145.67% achieved on 31 October 2022.

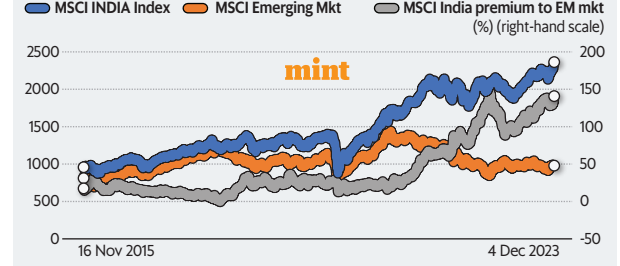
Analysts expect this premium to test its previous peak, following Tuesday's surge in the Nifty and Sensex to new highs, driven by provisional

foreign portfolio investment (FPI) flows of ₹5,223.51 crore. Nifty reached a fresh high of 20,864.05, and the Sensex hit a new peak at 69,381.31. Also, the Bank Nifty index hit a record 47,230.55, driven by ICICI Bank and the State Bank of India, both gaining over 2% each.

MSCI data for 5 December will be updated on Wednesday, but the rally to record highs in Indian markets may have widened the spread.

Widening the spread

The MSCI India index traded at a premium of 141.08%, highest in 11 months



Source: Bloomberg PRANAY BHARDWAJ/MINT

native Research. "With the continuation of the present leg of the rally, underway since 26 October, it's likely that we may witness the

premium testing its record sooner than later," said Pagaria. Pagaria said large-cap banks will be the main beneficiaries of the resumption in FPI flows to

India in November-December, after a two-month hiatus.

In India, financials, including banks, constitute 32.5% of the total assets under custody (AUC) held by the FPIs, according to NSDL data of 15 November.

Pagaria said the banks' share as a percentage of the total FPI assets is now at 32.5%, against 35-37% in favourable years. Resumption of inflows suggests that the AUC of financials would rise, reflecting in the MSCI Index.

The AUC of financials stood at \$213 billion against total assets of \$655.8 billion (32.5%), in the fortnight to 15 Novem-

ber. It was at 34.85% as of the fortnight ended 31 December, 2020, which saw FPIs pump in the highest ever monthly sum of ₹6,2016 crore.

"Large-cap banks that have been laggards, will be attracting incremental FPI flows," Sudip Bandyopadhyay, non-executive director, Indiatrade, said. "Our markets are in a goldilocks scenario due to political stability, falling inflation and yields globally. This will attract more FPIs to stand-out markets like India," he added.

ICICI, HDFC, Axis Bank and Bajaj Finance are among top 10 on the MSCI India index.



FAI ANNUAL Seminar 2023

December 6-8, 2023 HOTEL PULLMAN & NOVOTEL, AEROCITY, NEW DELHI

THEME : INNOVATIONS IN FERTILIZER AND AGRICULTURE SECTORS



Fertilizer - Pillar of Agriculture Sector

Use of fertilizers is indispensable for agricultural development in the world. India is no exception. It has played and will continue to play pivotal role in enhancing agricultural production on sustainable basis. Fertilizers are plant food. There are seventeen nutrients required for normal growth of the plants. Carbon, hydrogen and oxygen are taken up by plants from atmosphere and water. Remaining 14 nutrients such as nitrogen, phosphorus and potash (primary nutrients); calcium, magnesium and sulphur (secondary nutrients); zinc, boron, molybdenum, iron, manganese, copper, chlorine and nickel (micronutrients) are taken up by the plants from the soils. Plant roots absorb the nutrients in ionic forms. Therefore, plant nutrition is very specialized. If a specific ionic form of a nutrient is present in the soil, the roots are capable to absorb it otherwise unable to do so. Fertilizers contain such ionic forms. Further, the roots are unable to distinguish either the ionic form comes from fertilizers or organic manures and the chances of absorption are the same. However, fertilizers contain the essential nutrients in more concentrated forms compared to organic manures. Therefore, farmers should use fertilizers with more care and attention as the content of nutrients in organic matter cannot meet the demand of the crops.

Ensuring Food Security through Fertilizers

Food security has always been the national priority since independence to rapidly growing population. It has been documented that 50% increase in food grain production is on account of fertilizer use. Therefore, fertilizer security is prerequisite to food security. So long as agriculture is there, use of fertilizers would continue to be there. Intensification of agriculture was driven by Green Revolution in mid 1960s through adoption of fertilizer responsive high yielding varieties (HYVs) of wheat and rice and later on of other crops. Use of fertilizers to meet the demand of HYVs, better irrigation facilities, adoption



of better farm practices by the farmers, backed by favourable policy environment transformed India from ship to mouth to the food surplus country within 5 decades. Food grain production showed an increase of 4.4 times from 1966-67 to 2022-23 and outpaced the growth of population which went up by 3.1 times during the period. Production of horticultural crops, comprising of fruit and vegetable, oilseed, sugarcane, cotton, jute & mesta also showed remarkable growth. During 2022-23, there had been record production of food grain and horticultural crops to the extent of 329.7 million MT and 352 million MT, respectively. The population will continue to rise. Change in food habits is also being witnessed these days. There are challenges in ensuring food and nutrition security on sustainable basis but there is no room of complacency except to have it.

Consumption of fertilizers increased from mere 65,000 MT in terms of nutrients in 1951-52 to 29.8 million MT in 2022-23. Production of food grain showed remarkable increase of 6.3 times more during the period signifying the importance of fertilizers in agriculture. Nearly 70 crore people would have starved of hunger if fertilizers would not



have been used. Fertilizer will continue to play a major role to meet food and nutrition demand of burgeoning population. Figure 1 shows the relation between fertilizer consumption and food grain production from 1951-52 to 2022-23. Realizing the vital contribution of fertilizers in growth of agriculture, Government of India promulgated Fertiliser (Control) Order, 1957 under Essential Commodities Act, 1955 to regulate the sale, price and quality of fertilizers. Due to nearly 70 amendments in the order, a comprehensive revised order with effect from 25th September, 1985 known as FCO 1985 was issued.

To give fillip to indigenous production and consumption of fertilizers, Government of India implemented Retention Price Policy on nitrogenous fertilizers in 1977 and on NP/NPK complex fertilizers in 1979. The basic objective of the policy was to enhance production of fertilizers and provide fertilizers to farmers at an affordable price by bridging the gap of cost of production and MRP through subsidy which is routed through the industry for administrative convenience. Since then, there has been a lot of changes in the policies i.e. decontrol of phosphatic and potassic fertilizers effective from 25th August, 1992, introduction of concession scheme on such P&K fertilizers from Rabi 1992-93, new pricing scheme for urea units from kharif 2003; nutrient based subsidy scheme on P&K fertilizers from kharif 2010; new investment policy for urea 2012; etc. To insulate the farmers from any hike in prices of fertilizers and raw materials in the international market due to Covid-19 and geopolitical situation, the Government of India noticeably increased the subsidy in last 3 years. It implies that use of fertilizers for improving farm productivity cannot be compromised at any cost?

There are certain myths at certain quarters about the use of fertilizers. The reality of the direct correlation between

fertilizers use and agricultural production must be understood by all concerned.

Nutrient Deficiencies and Use Efficiencies

Shall we allow people die of hunger or should we continue to debate on the myth of fertilizer use? We fully endorse that use efficiency of fertilizer nutrients is low due to imbalance in use of the nutrients. The Indian soils are deficient in 89%, 80%, 50%, 41%, 36%, 23% and 12-13% in case of N, P, K, S, Zn, B and Fe-Mo, respectively. Such deficiencies should be addressed properly with application of fertilizers in balanced proportion. N:P₂O₅:K₂O use ratio is now 11.8:4.6:1. Balanced fertilization that leads to balanced crop nutrition is linked to concepts of fertilizer use efficiency and efficient nutrient management but one definition revolves around ensuring supplementation of nutrients in correct physiological ratio for optimum growth of specific crops. Balanced fertilizer is more focussed towards N, P and K due to removal of these nutrients in large quantities and it has considerable economic implications to the farmers.

From the long-term experiments in the country, sustainable yield index, a derivative of actual yields, observed with balanced use of N, P and K rather than only N or NP treatments amply demonstrate that the practice of balanced fertilizers is capable of producing better yields of different crops over the years. Further, balanced application of N, P and K always leads to convincing improvement in agronomic as well as recovery efficiencies of N. Every nutrient be it primary or secondary or micronutrient plays a vital role in plant metabolism. Therefore, secondary (S) or micronutrients (Zn, B, Mo, Fe, Mn, etc.) wherever deficient, if the same is addressed properly with fertilizers containing these nutrients will result further improvement in overall nutrient

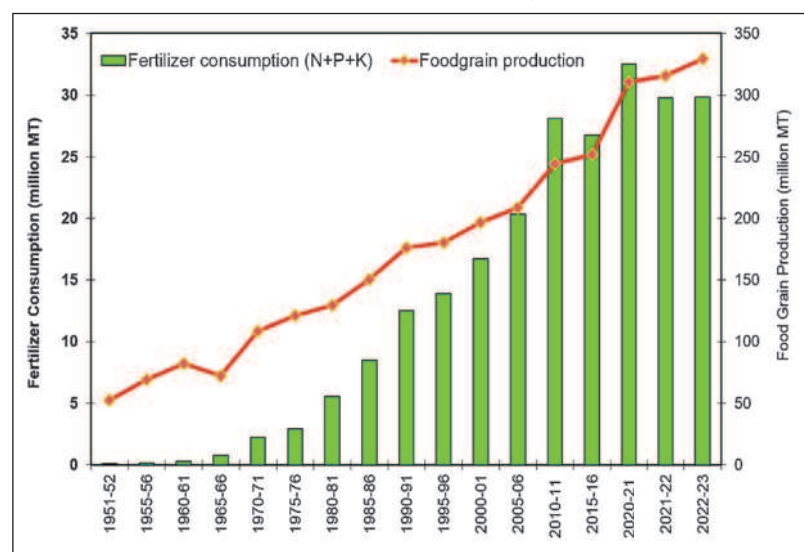


Figure 1: Fertilizers: Indispensable for Food Security

use efficiency. Therefore, the need of the hour is to have a holistic approach to nutrient application as per need of the crop to ensure maintenance of soil health along with long-term food and nutrition security including environment protection.

Balanced fertilization can easily be adopted by following soil test-based recommendation and the same needs more emphasis enabling farmers to accept this concept. Why so? Because use efficiency of applied N, P₂O₅, K₂O, S and micronutrients is, 35-50%, less than 20%, 50-60%, 8-12% and 2-5%, respectively. The farmers need to make use of the scheme of distribution of soil health cards of Government of India in the right fitness for their benefits. About 80% of N demand in the country is met by neem coated urea. Use efficiency of N applied through urea has been reported in the literature to be 35% in waterlogged rice cultivation and 50% in other upland crops. The products such as neem coated



N. Suresh Krishnan
Chairman

The Fertiliser Association of India

Food security has always been the national priority since independence to rapidly growing population. It has been documented that 50% increase in food grain production is on account of fertilizer use. Therefore, fertilizer security is prerequisite to food security.

urea, sulphur coated urea, slow release N fertilizers and nitrification inhibitors have been reported to enhance nitrogen use efficiency. Realizing the importance, Government of India made 100% coating of urea with neem mandatory effective from 25th May, 2015. Further, a technology for production of sulphur coated urea (Urea Gold) has been developed by Rashtriya Chemicals and Fertilizers Limited. Use of Urea Gold will result in better use efficiency of applied N and also address the problem of sulphur deficiency as 41% of Indian soils are deficient in sulphur. Production of Urea Gold may commence shortly. As already mentioned, if a farmer makes use of fertilizers sensibly, the chances of leaching of nitrate nitrogen in the soil profile and ammonia volatilisation from the soil surface in the atmosphere will be minimum.

A study conducted earlier amply brought out that concentration of NO₃-N in groundwater was found to be considerably less in Sangrur and Bathinda districts of Punjab where fertilizer use was quite high compared to Mahendergarh

and Hisar districts of Haryana where fertilizer consumption was quite low. The chances of movement of NO₃-N enriching groundwater either contributed by animal excreta, or decomposition of soil organic matter, or natural soil nitrate or fertilizers are identical. Use of fertilizers in terms of nutrients i.e. 138 kg per hectare in India is considerably low compared to neighbouring countries like China and Bangladesh. Average productivities of crops in kg per hectare in China are far better than India.

In our country, there exist inter-area, inter-crop, and inter-state variations in fertilizer use. In the states where fertilizer consumption is low, average yield of crops are also low and vice-versa. The reasons for low consumption in such states are due to lack of irrigation facilities and adoption of traditional varieties & farm practices, etc. However, every effort needs to be made to enhance fertilizer consumption in low consuming states to improve farm productivity and farmers' income. While balanced use of fertilizers needs to be given more impetus in high consuming states.

The Intervention

The growing requirement of high quality crops, environmental concerns and thrust on improved nutrient use efficiency have driven the growth of specialty/innovative fertilizer products. Such fertilizers lead to additional benefits to growers by way of improving nutrient availability to crops. Among such products, 100% water soluble fertilizers have been witnessing good growth. Application of 100% water soluble fertilizers with drip irrigation has great potential in agriculture, particularly for horticultural crops. Drip fertigated greenhouse technology is the best example of climate resilient agriculture. This technology becomes more relevant and useful for the small and marginal farmers to realize better returns even during off-season. Some of the state governments giving subsidy to promote greenhouse technology can be utilized by the farmers for more productive uses and realizing better net returns.

Malnutrition is a cause of concern in women and children due to poor purchasing power of poor peoples' inability to go in for nutrient-rich food like fruits, vegetables, pulses, meat, milk, etc. The problem can be addressed through bio-fortification of crops with minerals. Indian scientists are working seriously towards developing varieties enriched in zinc and iron. Millets are an excellent source of nutrition. Production and use of millets for nutrition security should also be given more impetus.

Water is the most important natural resource for civilization to survive. Agriculture is the major consumer of water. Over exploitation of ground water resource is leading to falling ground water and creating hydrological droughts. In canal irrigated areas due to seepage losses and over use of water



for irrigation, problems of salinity and alkalinity are the major issues. Scientific management of water is indispensable to agricultural growth, and sustainability of ecosystems. Proper synchronization of application of fertilizers before or after irrigation as per the situation improves nutrient as well as water use efficiency.

Proper nutrient management is also one of the major factors bringing success in precision agriculture. Modern tools and technologies such as remote sensing, artificial intelligence, drone technology, variable rate technology, crop modelling, site specific nutrient management, leaf colour chart and mobile applications are helping farmers make informed decisions about better

nutrient management, reduce waste and minimize environment footprints. The tools also help in improving farm productivity and farmers' income.

Conservation agriculture (CA) is an area, in which nutrient management requires reorientation. Under CA, there are scientific evidence for lower nutrient requirements, higher efficiencies. Refining fertilizer practices, promoting high nutrient use efficiency, crop variants, advancing sub-surface application, mechanization, exploring fertigation, and real-time nutrient management tools are crucial for improving CA's productivity and sustainability.

The objective of PM Programme for Restoration, Awareness Generation, Nourishment and Amelioration of Mother-Earth (PM PRANAM) notified by the Government of India is to restore fertility of the Mother Earth. The scheme is to promote balanced and sustainable use of fertilizers along with organic manures, alternative fertilizers, nano fertilizers, bio-fertilizers, etc. Conversion of retail outlets to Pradhan Mantri Kisan Samridhhi Kendras will enable the farmers to purchase fertilizers under one roof and will also get farm advisory services in a better way. Market development assistance scheme of Rs. 1500 per MT to support marketing of liquid/fermented organic manures, phosphate rich organic manures produced as by-product from bio-gas plants/compost bio-gas plants set up under the Umbrella of Gobardhan initiatives will also help in promotion of these organic based fertilizers for sustenance of soil health. The scheme will address the on-going issue of management of crop residues and Parali burning on one hand and help in minimizing the environmental footprint on the other in addition to providing additional income to the farmers.

The Way Forward

Scientific and technological innovations are essential for maintaining food and nutrition security on sustainable basis. Climate-smart agriculture is a comprehensive approach intended to preserve sustainability, resilience, and mitigation in the agricultural production system. An integrated, evidence-based, and transformative approach to address the food and climate issues requires coordinated efforts at all levels, from research to policies, and across commercial, governmental, and civil society sectors. Identification, creation, and adoption at field levels of suitable location-specific climate-smart agriculture technologies will go a long way in enhancing agriculture production, farmers' income, elevating poverty and ensuring food and nutrition security on sustainable basis.

Adoption of 4Rs of nutrient stewardship i.e. right source, right rate, right time and right place is essential for getting better net returns from applied fertilizers. All stakeholders need to educate the farmers on adoption of the same. Further, balanced use of fertilizers on the concept of 4Rs stewardship along with organic manures, bio-fertilizers, nano urea, recycling of organic wastes, etc. will go a long way in improving soil health and farm productivity.

Fertilizer companies have been playing onus task of making fertilizers available to the farmers across the country of having geographical area of about 329 million hectare with net cultivated area of 140 million hectares. Numerous examples from all over the world have underlined the importance of chemical fertilizers in enhancing farm productivity. The alternative sources such as organic fertilizers, bio-fertilizers, nano-fertilizers etc. can supplement the nutrient requirement of various crops. The concerns of over use and impact on soil environment can be addressed by suitable policy intervention and engagement of all stakeholders. With the comprehensive approach, the government may have a concrete plan for the growth of chemical fertilizer in such a way so that food and nutrition security for the burgeoning population is not compromised. As such fertilizer is and will continue to remain a strong pillar of agriculture sector.





EXPERT VIEW
MADAN SABNAVIS

Respond to this column at
feedback@livemint.com

WITH RATES LIKELY ON HOLD, LISTEN TO RBI'S COMMENTARY



Food inflation can have an impact on policy decisions. MINT

Two factors are of utmost importance whenever the Reserve Bank of India presents its monetary policy. The first has everything to do with numbers: the repo rate, GDP and inflation forecasts, and the policy stance, which is observed keenly by everybody. The other factor, which is not overt but always read carefully, is the language. No change in the policy rates or forecast can still have the market guessing and conjecturing if the language is different. The tone of the policy can make a difference, which is first felt on the bond yields.

So what will it be this time? The repo rate will be kept unchanged. The reason is that inflation is still around 5%, which is well over the 4% target reiterated by the RBI governor. Also, with the prices of onions and tomatoes going up, and which will be exacerbated by the unseasonal rains, consumer price index (CPI) inflation rate will likely move towards the 6% mark again.

Add to this the not-so-good news on the two harvests. Kharif, or monsoon crop, output is already declared to be lower than that of last year, with pulses showing higher inflationary signs. Besides, reservoir levels are lower this time, which can affect the rabi, or winter, crops. Also, rabi sowing so far has been lower than that of last year. Therefore, food inflation has to be monitored closely as these factors play out. Besides, with Q2 GDP growth exceeding projections, RBI need not really worry about growth. The pandemic stance of doing everything to protect growth is not relevant now.

On the other hand, core inflation is quite benign at 4% or so, and will continue to be in this region. Hence, there is no case for increasing the repo rate, although the overnight indexed swap (OIS) rates are in the 6.80-90 region. How about the stance? RBI had mentioned earlier that as the transmission of the repo rate hike

The pandemic stance of doing everything to protect growth is not relevant now

had not yet been completed there was scope still for withdrawal of accommodation. The increase in the weighted average lending rate (WALR) on fresh loans has been of the order of just 200 basis points so far, as against the 250 bps hike in the repo rate.

In the case of deposits, it was better for fresh deposits, where the average rate increase was 228 bps. Therefore, it

remained unanswered till press time.

A senior executive with a foreign airline, who spoke on the condition of anonymity, said it would be difficult for India to implement differential charges as this may not be in line with global aviation norms.

However, some countries have similar policies in place already. India's policy, therefore, won't be unique.

Analysts said the move would help Indian carriers, adding the entire foreign flying rights regime needs an overhaul. "Differential charges are a standard phenomenon in foreign countries as well to provide a fillip to local airlines. If you want to charge them (foreign carriers) more, then charge them more but, in that case, bilateral seat limitations should not act as a deterrent," Mark D. Martin MRAEs, chief executive officer of aviation firm Martin Consulting said, adding the country should then move to an open skies policy to ensure fair competition.

Bilateral air services agreements (bilaterals) are agreements between two countries to either limit the number of flights operated between the countries or to allow unlimited access. India has bilaterals with 116 countries, including open skies agreements with the US and Japan, which allows unlimited number of flights from carriers of both countries. With most other countries, though, the bilaterals specify a limit on the number of flights. For instance, India and Dubai have a bilateral agreement that allows airlines

to the weakest since November 2022, it was sharp and above the series trend. "Despite falling from 58.4 in October to a one-year low of 56.9 in November, the seasonally adjusted S&P Global India Services Business Activity Index pointed to a sharp increase in output across the sector. The rate of expansion was also considerably stronger than its long-run average. Survey participants that signalled growth mentioned favourable demand trends and new business gains," it said.

Pollyanna De Lima, economics associate director at S&P Global Market Intelligence, said in the statement, "India's service sector has lost

Services activity rises in November, but at slower pace: S&P survey

FROM PAGE 1

the September quarter, trade, hotels, transport, communication and services related to broadcasting had seen a moderation in the July-September period, as per GDP data released on 30 November.

This segment is expected to pick up in coming months, said D.K. Srivastava, chief policy adviser, EY India, adding a GDP growth of 6% in the third quarter as forecast by the Reserve Bank of India seems realistic.

"In the whole year, the economy is expected to grow at 6.5% (as projected by RBI) or cross it by a small margin," Srivastava said. In the second

quarter, India's economy had grown at 7.6%.

A notable growth story is in domestic air travel, with passenger traffic recording a near 27% growth in the April-October period.

The main factor that comes in the way of economic growth is the external sector, Srivastava said.

S&P pointed out that cooling inflation price pressures and demand resilience inducing sales growth aided activity in November.

Rates of both input cost and output charge inflation slipped to eight-month lows, it said.

There was softer expansion in new work intake and out-

put, the slowest in a year, but they were nevertheless sharp and well above their respective long-run averages, S&P said.

Services PMI was reported at 61 in September, 60.1 in August, 62.3 in July, 58.5 in June, 61.2 in May, 62 in April and 57.8 in March.

"Granular data showed widespread slowdown in rates of growth for both new orders and output across the four broad areas of the service economy. Finance and insurance topped the rankings, while real estate and business services came last," said the S&P Global statement.

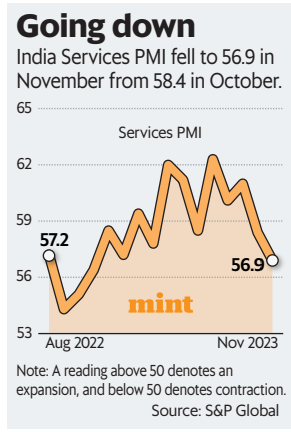
It showed that international demand for Indian services improved further, but as for



Air passenger traffic saw 27% growth in Apr-Oct. HT

total new orders, growth lost momentum.

The latest increase in new export orders was moderate and the slowest since June.



As per official figures, India has an export surplus in services.

S&P noted that although the overall rate of growth softened

Recruiters scout for niche tech skills in IIT campuses

Students with regular profiles in less demand as companies hire for complex projects

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Zomato is scouting for algorithm engineers at IIT campuses. High frequency trading companies are looking for statistical process control experts with high scores in quant. Consulting companies want associate product managers. And conglomerates are seeking chemical engineers for their ESG operations.

Recruiters prowling the premier engineering schools at this year's hiring season are shunning students with the regular academic profiles, instead picking to-be-engineers who have worked in complex projects. Blame AI.

"If we wanted regular coders, engineers, or get impressed with presentations, we would have relied on ChatGPT," said a partner at a leading consulting company that has hired more than 10 students from the Indian Institutes of Technology at Mumbai, Delhi, Kharagpur, and Kanpur.

"We are looking at students who can run complex projects and work in operations that require them to bring more than one skill set," the partner said.

The campus hiring season this year began on 1 December.

Placements offices across the IITs said food-delivery platform Zomato was seeking out algorithm engineers and students with a combination of software developer, machine-learning and data science chops.

Ride-hailing and electric vehicle maker Ola is targeting students familiar with autonomous technologies, artificial intelligence, machine-learning, silicon design, vehicle engineering, and research experience in cell development.

The demand is for engineers who can do more of a consulting role as well as be armed with digital skills beyond coding,



Recruiters say the demand from the market is for engineers who can do more of a consulting role and also be armed with digital skills that go beyond coding. MINT

say recruiters.

"Companies are figuring out which roles will get automated... they will not hire from IITs for profiles that will become redundant," said Sunil Chemmankotil, chief executive at staffing firm TeamLease

Quant firms, known to offer salaries exceeding Rs1 crore, are stressing on higher levels of maths and statistical modelling, say students who are part of the placement cells at the IITs. But "modelling scenarios are tough and not

panies have been garnering attention at a time when global markets are going through crests and troughs. So far during this year's IIT placements, such companies including Quadeye, Graviton Research Capital, Maverick Derivatives, Da Vinci, and Quantbox Research have offered a few roles outside India as well, including in the US, the UK, Singapore, and Hong Kong.

Then there are companies looking at green energy profiles.

"EV makers, battery companies, and conglomerates such as Reliance Industries are coming to campus for their new energy business units," said a person who is part of the placements team at one of the top three IITs. Reliance Industries Ltd, for instance, is offering about Rs15 lakh in annual pay for its new energy business, this person said.

many are qualified for these roles," said a student at IIT-Delhi.

High-frequency trading (HFT) firms and quant companies employ quantitative analytics and algorithms to predict global market movements. HFT compa-

FOCUSED SEARCH

ZOMATO looked to hire students with skills in software development, ML, and data science

OLA wanted skills in AI, ML, autonomous technologies, silicon design, vehicle engg, and cell R&D

QUANT firms are stressing on higher levels of math and statistical modelling

COMPANIES look to not hire from IITs into profiles that are likely to become redundant

Hub tailwind likely for Indian airlines

FROM PAGE 1

remained unanswered till press time.

A senior executive with a foreign airline, who spoke on the condition of anonymity, said it would be difficult for India to implement differential charges as this may not be in line with global aviation norms.

However, some countries have similar policies in place already. India's policy, therefore, won't be unique.

Analysts said the move would help Indian carriers, adding the entire foreign flying rights regime needs an overhaul. "Differential charges are a standard phenomenon in foreign countries as well to provide a fillip to local airlines. If you want to charge them (foreign carriers) more, then charge them more but, in that case, bilateral seat limitations should not act as a deterrent," Mark D. Martin MRAEs, chief executive officer of aviation firm Martin Consulting said, adding the country should then move to an open skies policy to ensure fair competition.

Bilateral air services agreements (bilaterals) are agree-



Many of India's bilaterals with other nations have limits. BLOOMBERG

ments between two countries to either limit the number of flights operated between the countries or to allow unlimited access. India has bilaterals with 116 countries, including open skies agreements with the US and Japan, which allows unlimited number of flights from carriers of both countries. With most other countries, though, the bilaterals specify a limit on the number of flights. For instance, India and Dubai have a bilateral agreement that allows airlines

Analysts said the move would help Indian carriers, and added that foreign flying rights regime needs overhaul

to the weakest since November 2022, it was sharp and above the series trend. "Despite falling from 58.4 in October to a one-year low of 56.9 in November, the seasonally adjusted S&P Global India Services Business Activity Index pointed to a sharp increase in output across the sector. The rate of expansion was also considerably stronger than its long-run average. Survey participants that signalled growth mentioned favourable demand trends and new business gains," it said.

Pollyanna De Lima, economics associate director at S&P Global Market Intelligence, said in the statement, "India's service sector has lost

not require the passenger to go out of the secure area. Getting all stakeholders like Bureau of Civil Aviation Security, airports and customs onboard will be an uphill task," Joshi added.

Under the draft national aviation hub policy, the government is also assessing the possibility of dedicated terminals—one terminal exclusively for one airline—for large Indian airlines to ensure economies of scale. This would provide seamless transit to passengers of large airlines like, say, an IndiGo or an Air India, whose international travellers could then avail domestic flights from the same terminal and vice-versa.

This is also a global norm, where local airlines get a dedicated terminal at their airport like, for example, British Airways has at London's Heathrow airport.

"Consultations with Delhi International Airport have been under way for nearly a year now, as the strategy is to set up the country's first hub at Delhi, make it a success and then replicate the same model at other key airports such as Mumbai, Hyderabad and Bengaluru," the first official added.

work thoughts, said that bringing all agencies together will be key to create efficiencies at Indian airports.

"The challenges in India becoming a hub will be infrastructure bottlenecks and transit across terminals. Large transit hubs such as Singapore and Frankfurt have seamless inter-terminal transfer, which does

Goldman working on 'innovative' swaps

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Goldman Sachs Group Inc. is working on its first ever deals in a corner of the debt market that's increasingly being touted as a way for struggling emerging markets to attract risk-averse private capital.

John Greenwood, co-head of Americas structured finance at Goldman in New York, said he and his team are now "looking at a number of debt-for-nature swaps" in Latin America. The goal is to finalize the deals next year, he said in an interview.

The products represent a "really innovative way" for a country to cut its debt burden while stepping up commitments to the environment, Greenwood said. "That is important and will be a trend that we continue to see."

Goldman is the latest major bank to explore such swaps, which represent one of the fastest growing areas of so-called blended finance. The funding construction, which is dominating finance talks at the COP28 climate summit in



Goldman is eyeing the debt market in Latin America. GETTY

Dubai, is supposed to make it more attractive for private capital to move into high-risk markets, thanks to backstops provided by public institutions such as multilateral development banks.

Wall Street's growing interest in such deals coincides with new developments in the wider infrastructure around the market. On Monday, a group of eight international organizations and development finance institutions said they plan to support the market for nature-linked sovereign financing as part of a new global effort.

demand as 2023 draws to a close, De Lima said.

"Understandably, given the lack of pressure on operating capacities signalled by stable backlog levels, services firms became more cautious when it comes to hiring. Net employment still rose in November, but the rate of job creation was marginal and the slowest in seven months," she added.

Chief economic adviser Anantha Nageswaran had said last month that with the economy growing at 7.6% in real terms in the September quarter, India is now set to achieve 6.5% growth comfortably in the current fiscal.

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Royal Enfield roars into used mkt

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Mid-sized motorcycle maker Royal Enfield on Tuesday said it has forayed into the pre-owned bike segment.

Royal Enfield has introduced—Reown, a new company-operated, pre-owned motorcycle business initiative, that enables existing and prospective customers to buy or sell their Royal Enfield motorcycles, and exchange their motorcycles and upgrade to a new bike with ease.

The initiative is envisaged to create easier access to ownership and upgrading while ensuring trust, convenience and complete assurance by the brand for customers.

“We see Reown as an initiative to address the issue of accessibility and trust that customers have when purchasing pre-owned Royal Enfield motorcycles,” Royal Enfield CEO B. Govindarajan said in a statement.

With a wide retail network, and an even wider ecosystem of Enfield collectors and workshops, the company has the ability to bring together an array of pre-owned Royal Enfield motorcycles to aspiring riders, ensure thorough checks on the motorcycle for quality and to guarantee and assurance by the brand, Govindarajan said in the statement.

“We believe this initiative will usher in a new set of customers into Royal Enfield’s motorcycle line-up,” Govindarajan noted.

Reown outlets would be available in Delhi, Mumbai, Kolkata, Bengaluru and Chennai, the company stated.

Go First lessors tell HC they’ve been denied access to aircraft

Delhi HC tells RP to file affidavit by 10 December stating whether court order was followed

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The lessors of Go First informed the Delhi High Court on Tuesday that they have not received any records related to aircraft maintenance from the Go First RP (Resolution Professional) since May, and were not even allowed to physically inspect the assets. The lessors claim that the RP is in contempt of court for not complying with the Delhi High Court’s order issued on 12 October. The court had directed the RP to provide all maintenance and technical records within a specified time frame.

The lessors said this at a hearing before a single bench of the high court as part of a newly-filed contempt petition by the Go First lessor DAE (SY22) 13 Ireland Designated Activity. The lessor alleges that the RP wilfully failed to comply with the court’s order by not providing the necessary maintenance and technical records for the aircraft.

The lessors sought issue of a contempt notice by the court to the RP, but the court refused and only ordered the RP to file an affidavit by 10 December, stating whether the court order was followed.

The court made it clear that if it finds that the RP has not complied with the court order, it will be compelled to take action in the contempt proceedings.

On 12 October, the high court had instructed Go First’s RP to supply key aircraft documents to lessors within a week. These documents include records on the removal of engine parts and airframe, storage, historical data, online records, and any documents relevant to the airworthiness of aircraft, including updated technical records and statements. Similarly, in its 5 July order, the



On 12 October, the high court had instructed Go First’s RP to supply key aircraft documents to the lessors within a week. PTI

high court allowed the RP to take responsibility for maintaining the aircraft but allowed lessors the right to inspect, an order later upheld by the division bench of the high court and the Supreme Court.

Senior Lawyer Kevic Setalvad, who

maintenance has taken place since 19 May. The lessors have not received a list of records of parts removed from the aircraft or any records of robbery and replacement.

The last records provided to them pertained to storage records from 4

that they are cannibalizing the aircraft, as the engines have been removed. He questioned whether the airline is capable of flying without putting risk to life and limb.

In response, senior lawyer Neeraj Kishan Kaul, representing the RP, pleaded that these new contempt petitions are a strategic move by the lessors. According to the RP, he cannot immediately respond to the allegations made by the lessors and needs time to get back with instructions. He assured that everything will be stated in the affidavit.

The court clarified to the RP that the aircraft must be maintained as per the court order and deferred the hearing to 12 December. Meanwhile, the court will continue hearing the RP’s arguments in the ongoing aircraft registration case.

LEGAL WRANGLE

THE lessors claimed that the RP has wilfully failed to comply with the court’s order

THE court made it clear that if the RP has not complied with the order, it will take action

IN its 5 July order, the high court allowed the RP to take responsibility for maintaining aircraft

LAWYER for the RP said the contempt petitions are a strategic move by the lessors

appeared on behalf of the lessor that filed the contempt case, stated that the court must take action against the RP for not maintaining the aircraft despite court orders.

According to the senior counsel, no

May to 19 May 2023. Additionally, historical and hardware records do not adhere to guidelines and are not in proper condition, making comprehension difficult.

The senior lawyer further argued



Neeraj Khatri, chief executive, Wipro Consumer Care and Lighting, India and SAARC business.

Wipro Consumer buys 3 soap brands

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NEW DELHI

Wipro Consumer Care and Lighting has acquired personal care brands Jo, Doy and Bacter Shield from VVF (India) Ltd, marking the company’s 15th acquisition till date and the third in the past year.

The acquisition signals further expansion for Wipro Consumer Care in the personal wash segment, where it already sells Santoor and Chandrika soaps.

“Apart from Santoor, we have two other offerings in the toilet soap business, with Chandrika being a sub-premium offering and Yardley a premium offering,” said Neeraj Khatri, chief executive, Wipro Consumer Care and Lighting, India and SAARC business. “One of the segments we were not present in was the sub-popular segment. That segment is around 25% by volume and 20% by value of the overall soap market. So, this deal is a strategic fit in the personal wash space.”

Khatri declined to share the size of the deal. However, the

three brands generated sales over ₹200 crore in FY23.

The Jo toilet soap is primarily available in the North, East and West markets. Doy operates in the premium-soaps segment, and Bacter Shield has a range of antibacterial soaps and handwashes.

To be sure, India’s bathing-soap market is highly penetrated and competitive, and includes heavyweights such as Hindustan Unilever Ltd, Godrej Consumer Products, and ITC.

The latest acquisitions, announced on Tuesday, will help the company participate in the ₹5,000 crore mass-end of the soap market.

It already has a large presence in the premium soap market with brands such as Santoor and Yardley that typically operate in the broader ₹15,000-17,000 crore toilet-soap market.

Santoor is among the top-selling soap brands in the country.

The move also underscores the company’s appetite to snap up regional brands and diversify its portfolio beyond personal care.

Arka Fincap wants to grow assets by 25-30%

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Arka Fincap, a step-down subsidiary of Kirloskar Oil Engines Ltd, is witnessing loan demand in all its lending verticals and has set an internal target to expand its asset book by 25-30% on a year-on-year (y-o-y) basis, a senior official said on Tuesday.

“While specific numbers are not being discussed today, it would be our aim—internally as a target to the management—that we must grow our asset book in the range of 25-30% year-on-year,” Vimal Bhandari, executive vice-chairman and chief executive officer of Arka Fincap told reporters.

As on 30 September, the company’s assets under management (AUM) stood at ₹4,033 crore. Its gross bad loan ratio was at 0.19% in the same period. “Demand for money in a growing economy is always



Arka Fincap CEO and executive vice-chairman Vimal Bhandari.

there,” said Bhandari.

The lender, he said, is seeing loan demand originate from the secured small and medium enterprise (SME) business vertical. On the corporate side, he said there is a granularization of borrowing units in the region of ₹25-50 crore and a lot of companies need money mainly for long-term working capital. The third segment, he said, is

construction financing for the real estate sector. “As you know, the (real estate) sector is doing really well and the demand for money is coming from there too. If you see an aggregate macroeconomic perspective of credit growth, India is still experiencing rea-

sonably good credit growth. It is just a question of picking and choosing the segments you want to operate in,” said Bhandari.

The lender has announced the public issue of its secured, rated, listed, redeemable non-convertible debentures of up to ₹300 crore, including an option to retain oversubscription up to an amount of ₹150 crore. The NCDs offer coupon rate of 9-10% per annum with quarterly and annual interest options. These securities have

three tenors of 24 months, 36 months and 60 months.

“We have done a large number of privately placed debenture issues but this is the first listed debenture issue, basically with an objective of retailization,” said Bhandari.

He said the bond issue was planned as part of its liability diversification strategy. The company has been raising money from each component of the institutional market like banks, mutual funds and family offices.

Asked if the promoter would look at a capital infusion, Rahul Kirloskar, non-executive, non-independent director of Kirloskar Oil Engines Ltd said the lender does not require an additional infusion right now. “We might have to look at it in July or August. I cannot predict what I will do,” said Kirloskar.

As on 30 Sep, the company’s AUM stood at ₹4,033 crore. Its gross bad loan ratio was at 0.19% in the same period

FICO sees major opportunities in India

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MUMBAI

US-based analytics company FICO, the maker of FICO credit score used by lenders to assess credit worthiness of borrowers, sees business opportunities in the upbeat consumption potential of the Indian economy, chief executive officer Will Lansing said in an interview.

Founded in 1956, the company uses predictive analytics, artificial intelligence (AI) and data science to improve operational decisions of businesses, primarily in the financial services space. On Tuesday, FICO launched its cloud-based platform in India with lenders like HDFC Bank, Axis Bank and AU Small Finance Bank, being the early users.

“We are in a moment in time when the Indian economy is poised to spring with consumer

consumption and credit, unsecured lending, all of which are to happen in a significant way.” Lansing said the platform was built over a decade ago and has been sold to 100 of the top 300 global financial institutions. He said the data used by the platform will reside in India.

While the FICO score is also available in India apart from other markets, it is not big here since it is built on credit card payment data and India does not have significant credit card penetration. India had 95 million credit cards at the end of October, as per data from the Reserve Bank of India. “India has very low credit card penetration, sub-100 million cards, and so we do not have the credit card payment data like most other countries and that is what we build our score on,” he said.

However, the software platform takes into account all kinds of data that’s predictive of good behaviour, he said. These



Will Lansing, chief executive officer, FICO.

include rental payment data, utility payment data, income coming into bank accounts, besides others, and Lansing said all of that can predict whether an individual is a good credit or bad. “India is uniquely positioned because everyone has a bank account and that is a big opportunity,” said Lansing. Lansing said FICO has been in India for 20 years and has

employees in Bengaluru who do research and development (R&D) work. In fact, the FICO Platform was largely built in India. The company has about 1,300 employees in India and a majority of them are in the R&D division in Bengaluru.

“I was with a CEO yesterday who said in order to grow the Indian economy at 7%, we need consumer credit to grow at over 20% and the only way you can really do that is with some technology around lending. We are here because the market is big and excellent and we know how to help,” he said.

Asked about concerns surrounding a section of retail borrowers getting overleveraged, Lansing said it is an issue not just in India but in the US too. “The government is very focused there as it is here on not getting consumers overextended and not having them borrowing money that they cannot afford to repay,” he said.

ADVERTISEMENT

Experts' View

Balfour Manuel
Managing Director
Blue Dart Express Limited

What are some of the key milestones in Blue Dart's journey as a value creator?

In 1983, our founders revolutionized India's logistics sector by focusing on efficiently delivering small packages crucial for the nation's expanding exports. The launch of India's first international air package express service marked a pivotal achievement for the company in its early history.

In 2005, the majority stake acquisition by DHL Group, while allowing us to operate independently, provided the synergy needed to offer a comprehensive range of domestic and international express services. We have made strategic technological investments, such as advanced tracking systems and online booking, positioning Blue Dart as a technology-driven leader.

Our meticulously planned network expansion, with strategically positioned hubs, ensures nationwide operational efficiency, and plays a pivotal role in the

company's success. Additionally, our strategic partnerships in e-commerce drive accelerated growth, underscoring our adaptability and dedication to innovation. Blue Dart is a value-driven logistics powerhouse, seamlessly integrating adaptability, customer-centricity, and technological innovation.

What are company's key strategies for building resilience and preparing for future disruptions?

We have implemented key strategies to fortify our resilience and readiness for the future. With a robust air and ground infrastructure, a comprehensive solution portfolio, and extensive reach, Blue Dart is the Provider of Choice for its customers. Customer centricity remains a priority for us, driving our pursuit of operational excellence and expansion of our customer base across India.

In terms of the business outlook, we are vigilant about costs in the current business environment but well-positioned to continue significant investments in future growth, thanks to strengthened earnings power. Significant investments are ongoing to enhance capacity, digitalization, and process automation. Recent procurements, such as the two B737-800 aircraft in the 2022-23 fiscal year have supported our capacity requirements. Given India's economic aspirations, Blue Dart's presence in Tier I and II markets has expanded, facilitating strategic, scalable solutions for our customers.

What are company's key ESG priorities, and how are they integrated into the company's overall business strategy?

Blue Dart is a purpose-driven organization and has strategically

embedded various Environmental, Social, and Governance (ESG) priorities into our business strategy, aligning with the triple bottom line of profit, people, and the planet. We recognize the critical importance of Ecosystem Restoration and have initiated steps to contribute to environmental sustainability. Through collaborative efforts, efficient risk mitigation strategies, and sustainable resource use, we anticipate that sustainable practices will create substantial business opportunities while adhering to ESG parameters. Blue Dart is committed to environmentally friendly operations for climate protection (Environment), being a great company to work for (Social), as well as being a highly trusted company (Governance). Complying with ESG requirements, we continue to innovate in this area to reach our goal of being a Sustainable Logistics Provider of Choice.

Blue Dart introduced India's first end-to-end GoGreen Carbon Neutral Services in December 2011. Since 2017, annually planting 111,000 trees demonstrates our tangible commitment to environmental conservation. We aim to achieve Zero Carbon Emissions by 2050 under DHL Group's 'Mission 2050', aligning with global efforts to limit global warming to less than 2°C. Blue Dart's dedication has earned recognition and certification from the United Nations Framework Convention on Climate Change (UNFCCC) under its #ClimateNeutralNow initiative, highlighting our unwavering commitment to sustainability.

For more information on Dun & Bradstreet India's Top 500 Value Creators 2023
Contact: 022 4941 6666 | Email: india@dnb.com



NEWS
NUMBERS

19%

THE YEAR—on-year growth in registration of two-wheelers in India, partly boosted by the later timing of festive season this year, according to estimates by Jefferies.

5.1%

THE GROWTH in TV consumption this year, an additional 53 minutes a week, led by people in 15-30 age group, according to Indian Broadcasting & Digital Foundation.

3

THE NUMBER of soap brands acquired by Wipro Consumer Care and Lighting from VVF (India), a contract manufacturer, marking its fifteenth acquisition to date.

18

THE PERCENTAGE of leadership roles occupied by women in India's healthcare sector, says a report by Dasra. They earn 34% less than their male counterparts.

\$185 mn

THE VALUE of Meta shares sold by CEO Mark Zuckerberg in November, the first time he offloaded shares since November 2021, according to Bloomberg.

HOWINDIALIVES.COM

FedEx Express sets up tech hub in Hyd

FedEx Express, an arm of the New York Stock Exchange-listed global express transportation firm FedEx Corporation, on Tuesday inaugurated its first tech hub in India at Hyderabad, set up at an investment of \$100 million.

Envisioned as a hub for technological and digital innovation, the facility is aligned with the Telangana government's strategic emphasis on nurturing a thriving pool of tech talent, the company said in a statement.

In addition to boosting employment opportunities, it will also contribute to the development of new capabilities and meeting the technological requirements of FedEx operations worldwide, it said.

"This investment in talent and innovation is part of our broader plan to drive excellence and deliver unparalleled smart logistics solutions worldwide," said Raj Subramaniam, president and CEO of FedEx Corporation. **PTI**



Crisil expects the industry to record revenues of ₹4.45 trillion in FY23. **MINT**

Liquor industry eyes 12% revenue jump

India's organized liquor industry is expected to report 12% to 13% growth in revenue this fiscal driven by strong demand as well as consumers buying more pricey spirits, according to a report by Crisil released on Tuesday.

Crisil expects the industry to record revenues of ₹4.45 trillion in FY23. Last fiscal, the industry reported a 15% jump in annual revenues.

"Growth will be driven by a rebound in tourism and hotel industries, rising disposable incomes and premiumization trend. The premium segment, which is over ₹1,000 per 750 ml bottle, is expected to grow at over 20%, albeit on a lower base. On the other hand, the price sensitive mass consumer segment comprising of liquor priced below ₹700 per 750 ml bottle and contributing to over 3/4th of the liquor industry revenues will see volume growth of 5-7% as prices in this segment have remained largely unchanged," said Rahul Guha, director, Crisil Ratings. Crisil studied 33 liquor companies that account for roughly 15% of industry revenues. **SUNEERA TANDON**

LANDFALL



National Disaster Response Force personnel clear uprooted trees from a street following the landfall of Cyclone Michaung in Nellore, Andhra Pradesh, on Tuesday. The cyclone, which made landfall near the town of Bapatla in the state, had weakened to 'cyclonic storm intensity'. **PTI**

Michaung weakens as it makes landfall in coastal Andhra

Rain-related incidents claim 13 lives; more than 140 trains, 40 flights cancelled in AP

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BHUBANESWAR

Cyclone Michaung barreled into the southern Indian coast on Tuesday with winds of up to 110 kph (70 mph), its arrival preceded by intense rain and flooding that killed 13 people, as officials assessed the damage by the storm.

The Indian weather office said Michaung, which had weakened to 'cyclonic storm intensity' by late Tuesday, implying wind speeds of 65-75 kph, was likely to maintain this strength over the next 6 hours.

Up to 200 mm (8 inches) of rain is expected in Andhra Pradesh state, where it made landfall, over the next 24 hours.

Torrential rains sent tall waves crashing into coastal towns of southern states over the last two days as the cyclone approached, submerging roads and spurring the cancellation of train

services and flights. The 13 killed included a 4-year-old boy who died after a wall collapsed.

The cyclone made landfall near the town of Bapatla in Andhra Pradesh, the India Meteorological Department said, adding late on Tuesday on the X platform that the landfall process was completed.

Officials from Andhra Pradesh said no casualties were reported on Tuesday. More than 140 trains and 40 flights were cancelled in the state, and at least 8,000 people were evacuated, they said. "The damage reports are yet to come because some low-lying areas have stagnant water. There were road blockages and trees were uprooted," a senior state disaster department officer, who did not want to be named, said.

In Tamil Nadu's capital city Chennai, a major electronics and manufacturing hub, residents were seen wading through waist-deep floodwaters, which also swept away cars.

For Chennai residents, the floods triggered memories of similar rains eight years ago which killed 290 people.

The city's airport—one of the busiest in the country—was closed on Monday after a runway was submerged and reopened at 9am on Tuesday, a spokesperson for the union civil aviation ministry said. Taiwan's Foxconn and Pegatron halted Apple iPhone production at their facilities near Chennai due to the heavy rains on Monday. Sources familiar with the matter said Foxconn had resumed operations on Tuesday.

Taiwan's Foxconn halted Apple iPhone production at its facility near Chennai due to heavy rains on Monday but has since resumed work

No. of microfinance loans down in Q2

The number of microfinance loans extended by all lenders declined in the September quarter, but an increase in the average ticket sizes helped in the quantum of lending to grow, a report said on Tuesday.

The industry's self-regulatory body Microfinance Industry Network (MFNI) said the overall loan portfolio grew to ₹376,110 crore at the end of September, up from ₹355,977 crore in the previous quarter and ₹300,974 crore in the year-ago period.

The financiers made loans of ₹76,054 crore in the September quarter as compared to ₹71,916 crore in the year-ago period, but the number of loans declined to 16.9 million from 18.1 million.

The average loan size increased to ₹45,124 at the end of September as against ₹39,725 in the year-ago period, and ₹43,298 in the quarter-ago period, the report said. MFNI's chief executive and director Alok Misra said the industry added 19 million unique borrowers in the first six months of the new fiscal, helping the wider agenda of financial inclusion. **PTI**

Manipur tense after gunfight kills 13



Family members, relatives arrive to claim the bodies of 13 people killed after a gunfight. **PTI**

The bodies of 13 suspected cadres of the banned People's Liberation Army (PLA) who were killed during an ambush near the Indo-Myanmar border were brought to Imphal for postmortem and legal procedures, officials said on Tuesday. The cadres, including two

teenagers, are believed to be part of a group attempting to cross into Myanmar for arms training at a camp run by the PLA.

The PLA is an insurgent group primarily composed of members from the Meitei community in the valley region. The Centre's ban on this organization under the stringent Unlawful Activities (Prevention) Act (UAPA) was extended by five years recently. Among those killed on Monday, the eldest was 47 years old and the youngest was 17, the officials said.

Authorities are currently searching for other members of the group who may have managed to escape during the gunfight that took place in the hills of Leithu village, approximately 15 km from the Myanmar border. Monday's incident took place in an area unaffected by the ethnic conflict in Manipur. The village is situated in Tengnoupal district, which shares a porous border with Myanmar and is often used by insurgent groups as a crossing point. **PTI**



Director, South Asia, Drug for Neglected Diseases Initiative (DNDI) Kavita Singh.

Bangladesh wipes out kala-azar

Bangladesh recently achieved a major public health goal when it eradicated visceral leishmaniasis, commonly known as kala-azar, raising the question of when India would wipe out the debilitating, often fatal, parasitic disease—the fight very much on but far from complete.

Challenges in sustaining the momentum of the fight persist, particularly in tackling post-disease symptoms and HIV co-infections, experts said as the 'VL spotlight' swivelled to India. "Disease incidence has gone down to approximately 463 in 2023 from the previous 44,533 in 2014, a 99% decrease in case numbers," said Shyam Sundar, programme director of the Kala-Azar Medical Research Centre in Bihar, one of the four states most affected by the disease. "The spotlight is currently on India as we eagerly await its announcement," Kavita Singh, director, South Asia, Drug for Neglected Diseases Initiative (DNDI), told PTI. Visceral leishmaniasis (VL) is caused by protozoan parasites transmitted by the bite of an infected female phlebotomine sand fly. In over 95% of cases, the disease is fatal if left untreated. **PTI**

Chandrayaan-3 propulsion module moved to Earth's orbit

The propulsion module (PM) of Chandrayaan-3 has been moved from an orbit around the Moon to an orbit around Earth, Isro has said, terming the operation a unique experiment. The primary objective of the Chandrayaan-3 mission was to demonstrate a soft landing near the lunar south polar region and perform experiments using the instruments on the 'Vikram' lander and the 'Pragyan' rover.

The spacecraft was launched on 14 July 2023, on board the LVM3-M4 vehicle from the Satish Dhawan Space Centre (SDSC-SHAR). On 23 August, the Vikram lander made its historic touchdown on the Moon and subsequently, the Pragyan rover was deployed. The scientific instruments in the lander and rover were operated continuously for one lunar day as per the defined mission life. "The mission objectives of Chandrayaan-3 have been completely met," the Indian Space Research Organisation (Isro) said in a statement. For the PM, the main objective was to ferry the lander module from the Geostationary Transfer Orbit to the final lunar polar circular orbit and separate the lander, it said. **PTI**



The spacecraft was launched on 14 July 2023, on board the LVM3-M4 vehicle from the SDSC-SHAR. **PTI**

Jupiter Wagons QIP raises ₹403 crore

Jupiter Wagons Ltd on Tuesday said it has raised ₹403 crore through qualified institutional placement (QIP) and the funds raised will be used for funding the company's growth plans, including setting up of a new foundry at Jabalpur.

"In addition to an increase in backend capacity which will aid production enhancement across multiple business verticals this will also lead to savings on transportation of products from Kolkata foundry to Jabalpur," the company statement said.

The qualified institutional placement has received an overwhelming response from investors like Tata Mutual Fund, HSBC Mutual Fund and Morgan Stanley, it said.

Jupiter Group is a manufacturer of railway wagons, passenger coaches, wagon components and castings in the country. **PTI**



In August 2021, Bank of India had raised ₹2,550 crore through a QIP. **MINT**

Bol to raise up to ₹4,500 cr via QIP

State-run Bank of India is planning to raise up to ₹4,500 crore via a qualified institutional placement (QIP) of new shares this week, fixed-income news service IFR reported on Tuesday.

The base size of the issue will be ₹2,250 crore with an option to retain over subscription of the same amount, IFR reported, quoting people with knowledge of the transaction.

Lead managers to the issue include BNP Paribas, BoI Merchant Bankers, DAM Capital, IDBI Capital, IIFL Capital, Nuwama Wealth and SBI Capital Markets, according to the report.

In August 2021, Bank of India had raised ₹2,550 crore through a qualified institutional placement.

Bank of India did not immediately respond to a Reuters' email seeking comment. **REUTERS**

Air India moves to cloud-only IT infra

Air India has shut down its two data centres and has moved its computational workload to the cloud, a move that will help the loss-making airline save nearly \$1 million annually. In a release on Tuesday, the Tata Group-owned airline said it has successfully migrated to a cloud-only IT infrastructure, having closed its historic data centres located in Mumbai and New Delhi.

"The closure of the data centres will further result in net savings of nearly a million dollars every year," it said.

The entire process of migration to the cloud was managed by Air India's people in Silicon Valley in the US, Gurugram and Kochi in India.

The computational workloads were migrated to the cloud from several mainframes, hundreds of servers, a large amount of data, and hundreds of pieces of equipment. **PTI**

Vested expands its alt assets portfolio

Digital investment platform Vested on Tuesday said it is expanding its alternative investment portfolio by offering of peer-to-peer (P2P) lending via Vested Edge, and rupee bonds and solar projects via Vested Solar.

With its solar offering, Vested is looking to give individuals the opportunity to earn while helping India transition to clean energy, a company statement said. Through Vested Solar, investors can own solar panels in rooftop projects and earn 10-13% rate of return from the electricity generated over the panel's lifetime.

Vested offers a curated selection of listed corporate and government bonds, with corporate bonds rated A and above, and government bonds backed by the Indian government, offering 9-12% returns. "We are excited to add additional alternative assets to our existing US investing offering. We believe that alternative assets are the future," Vested CEO Viram Shah said in the statement. **PTI**



MINT SHORTS

Moody's cuts China credit outlook to negative on rising debt

Moody's Investors Service cut its outlook for Chinese sovereign bonds to negative, underscoring deepening global concerns about the level of debt in the world's second-largest economy. Moody's lowered its outlook to negative from stable while retaining a long-term rating of A1 on the nation's sovereign bonds, according to a statement. China's usage of fiscal stimulus to support local governments and its spiraling property downturn is posing risks to the nation's economy, the grader said. The government pushed back soon after the outlook change was announced, saying it was "disappointed" with Moody's decision and the nation's economy "will be highly resilient and has large potential."

BLOOMBERG

Kremlin says Putin to visit UAE, Saudi Arabia on Wednesday



President Vladimir Putin will visit Saudi Arabia and the UAE on Wednesday, the Kremlin has announced, as Moscow courts allies abroad despite being isolated by the West over the Ukraine conflict. Putin has limited his international travel since deploying troops to Ukraine and the International Criminal Court issued an arrest warrant for him, accusing the Russian leader of deporting Ukrainian children. In Saudi Arabia, Putin will discuss trade, international politics and humanitarian aid with Crown Prince Mohammed bin Salman, the Kremlin announced. He will meet his counterpart Sheikh Mohamed bin Zayed Al Nahyan in the UAE for talks on trade, energy, tourism and education, it added.

Tesla strike spreads to Denmark, halting shipments to Sweden

Tesla Inc.'s labour dispute is expanding to Denmark, where the country's largest union said it will halt shipments of the cars to Sweden in support of striking workers in the biggest Nordic country. Harbour workers and drivers at the Danish 3F union will in about two weeks stop offloading Sweden-bound cars in Danish harbours and driving them to Sweden, preventing Tesla from circumventing a weeks-long blockade there. The protest won't affect Tesla's operations in Denmark, a spokesperson for the union said. In Sweden, Tesla has for more than a month been locked in a dispute with labour unions after the carmaker repeatedly refused to sign a collective bargaining agreement with IF Metall.

BLOOMBERG

Israel expands ground offensive in south Gaza

Israeli forces drop new leaflets, instructing residents to stay inside shelters

Reuters
feedback@livemint.com
GAZA

Israeli forces stormed the main city in the southern Gaza Strip on Tuesday and hospitals struggled to cope with scores of Palestinian dead and wounded.

In what appeared to be the biggest ground assault since a truce collapsed last week, residents said Israeli tanks had entered the eastern parts of Khan Younis for the first time, crossing from the Israeli border fence and advancing west.

Some took up positions inside the town of Bani Suhaila on Khan Younis's eastern outskirts, while others continued further and were stationed on the edge of a Qatari-funded housing development called Hamad City, residents said.

After days of ordering residents to flee the area, Israeli forces dropped new leaflets on Tuesday with instructions to stay inside shelters during the assault.

"In the coming hours, the IDF (Israel Defence Forces) will begin launching an intensive attack on your area of residence to destroy the terrorist organization Hamas," said the leaflets, addressed to residents of six districts amounting to around a quarter of Khan Younis.

"For your safety, stay in the shelters and the hospitals where you are. Don't get out. Going out is dangerous. You have been warned."

The Israelis, who seized the northern half of Gaza last month before pausing for the week-long truce, say they are now extending their ground campaign to the rest of the enclave as they try to annihilate its Hamas rulers.

"We're moving ahead with the second stage now. A second stage that is going to be difficult militarily," government spokesperson Eylon Levy said.

Israel is open to "constructive feedback" on reducing harm to civilians as long as the advice is consistent with its aim of destroying Hamas, he added.



Israeli tanks entered the eastern parts of Khan Younis for the first time, crossing from the Israeli border fence and advancing west, according to Gaza residents.

Israel started its campaign in retribution for a 7 October attack by Hamas fighters who rampaged through Israeli towns, killing 1,200 people and seizing 240 hostages, according to Israel's tally.

According to Gaza health officials, more than 15,900 Palestinians are confirmed to have been killed in Israeli air strikes and other actions, with thousands more missing and feared buried under rubble.

Israeli bombardments have driven 80% of Gaza's 2.3 million residents from their homes, most fleeing south. The enclave is more densely populated than London and crowded southern areas are now sheltering triple their usual population.

Washington has urged close ally Israel to do more to reduce harm to civilians in the next phase of the Gaza war. Israel says blame for harm to civilians falls on Hamas fighters for operating amongst them, including from underground tunnels that can be destroyed only with huge bombs.

Hamas denies fighting among civilians.

Since the truce collapsed, Israel has been posting an online map to tell Gazans which parts of the enclave to evacuate. The eastern quarter of Khan Younis was marked on it on Monday, home to hundreds of thousands of people, many of whom took flight on foot.

"What civilians should do to stay safe is listen to the instructions that are coming out from our website, and also to look at the leaflets that are landing in their areas," Israeli military spokesperson Richard Hecht said.

Gazans say there is no safe place, with remaining towns and shelters already overwhelmed, and Israel continuing to bomb the areas where it is telling people to go.

The UN children's agency Unicef said the few small areas designated "safe" by Israel were inadequate for the hundreds of thousands of people in desperate need of shelter.

Israeli bombardments have driven 80% of Gaza's 2.3 mn residents from their homes, most fleeing south

UK seals Rwanda treaty as Sunak takes on courts

Bloomberg
feedback@livemint.com

The UK struck a deportation treaty with Rwanda as Prime Minister Rishi Sunak seeks to force his controversial plan to fly asylum seekers to the east African nation past the UK courts.

Home secretary James Cleverly sealed the deal with his Rwandan counterpart Vincent Biruta in Kigali on Tuesday, telling reporters that the government believes it will allay concerns expressed by British courts, including that deportees faced a risk of "refoulement," or being forcibly returned to their home country from Rwanda.

"We feel very strongly that this treaty addresses all the issues raised by their lordships in the Supreme Court," Cleverly said, referring to last month's judgment that the deportation policy is unlawful. "I really hope that we can now move quickly," he said, adding that the pact would be supplemented soon by domestic UK legislation. Cleverly later told broadcasters he saw "no reason" why deportation flights couldn't begin in the next few months.

Sunak is focusing on immigration policy as he seeks to chisel away at the double-digit poll lead enjoyed by the opposition Labour Party ahead of a general election he's expected to call next year. On Monday, Cleverly announced a series of measures designed to cut down the number of people arriving in Britain by legal routes by an annual 300,000.

But the prime minister has



British Prime Minister Rishi Sunak.

also spent considerable political capital on delivering on the Rwanda plan, which the government regards as a key deterrent against those arriving without permission across the English Channel. Indeed at the start of the year, Sunak made "stopping the boats" one of his five key pledges to voters.

The proposal has been divisive since it was first announced by former premier Boris Johnson in 2022. Refuge charities say the plan doesn't align with British and international human rights conventions, while more broadly, Rwanda's limited capacity has led to questions about the plan's effectiveness as a deterrent.

In the courts, the strategy fell foul an inherent contradiction, that ministers simultaneously try to present deportation to Rwanda as both a major deterrent for migrants while also saying the country is a safe enough place to send them to. Last month, the UK Supreme Court decided it wasn't, and that asylum seekers risked of refoulement

The proposal has been divisive since it was first announced by former premier Boris Johnson in 2022

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FACTS WITHOUT FILTER, NEWS WITHOUT BIAS

Infographic titled 'NUMBER THEORY' with sub-headline 'Poll math: Is Cong where Jan Sangh was in '60s-'70s?'. It contains three numbered points with bar charts and text: 1. The Congress was much smaller than its prospective allies in the 2014 and 2019 elections. 2. The Jan Sangh was in an even weaker situation in its initial years... 3. ...but ideology-agnostic opposition alliances managed to keep the Congress out of power in many states.

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BUILD IN INDIA: INSIDE THE GREAT CONSTRUCTION BOOM

Growth in housing, transport infrastructure and warehousing projects is creating opportunities and jobs



A general view of residential buildings amid the coastal road construction work in Mumbai on 1 December. The Mumbai metropolitan region (MMR) currently has 592,650 residential units under construction

REUTERS

Madhurima Nandy
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BENGALURU

A drive from Baiyappanahalli on Old Madras Road, via KR Puram, leads to Bengaluru's eastern periphery—Whitefield. Known as the city's oldest tech corridor, where the International Tech Park was set up in the 1990s, the suburb is dotted with high-end gated enclaves and shopping malls.

The drive is dusty and slow during office hours. Nonetheless, many commuters found relief when the Whitefield-Challaghatta Purple Line of Bengaluru Metro opened up this year. It connected the eastern and western parts in a 76-minute ride.

The opening of the metro line signalled a turnaround for Whitefield, a corridor plagued by oversupply and slow home sales during the pre-pandemic real estate slowdown. Construction activity has picked up now and public capital expenditure is crowding in private sector participation here. Private developers are actively looking for and buying land near the metro stations.

"Construction activity and launches have been strong in Whitefield and Sarjapur Road (another tech corridor) and will further pick up with metro connectivity. We are looking to acquire more land here, and will launch more projects," said Praveer Shrivastava, senior vice president, residential, Prestige Group.

In the past two years, the Prestige Group has sold nearly 12,000 homes in Whitefield and Sarjapur Road, worth ₹15,000 crore.

Whitefield, in short, is a microcosm of the huge spurt in construction across Indian cities—even in smaller towns. The evidence is in numbers. The construction sector grew 13.3% in the September quarter of 2023-24 from a year earlier in terms of gross value added (GVA), estimates from the National Statistical Office, released on 30 November, showed. About 15,68,281 residential units were under construction in the top seven tier-1 cities between April-September 2023, as per Liases Foras Research, a real estate research company.

In the years leading up to the pandemic, the pace of real estate construction was slow. Developers faced weak sales and cash flows leading to huge project delays,

And then, during the pandemic, most construction activity came to a standstill.

The pick-up in construction started in the last quarter of 2021, gained some momentum in 2022, and further pace in 2023.

What led to this spurt? An ongoing residential real estate boom. As companies started asking employees to head back to the office after allowing work from home during the pandemic years, the demand for homes in cities shot through the roof. On the other hand, transport infrastructure projects have picked up pace, too.

"This year, the maximum construction activity in infrastructure is in railways and highways/roads. About 40% of the Union budget for infrastructure (₹10 trillion) was allocated towards these sectors. Projects that were going slow till 2022 have picked up significantly. There is also huge construction on the Smart Cities Mission front," said Kushal Kumar Singh, partner at Deloitte India, a consultancy.

In some ways, the current boom in India is similar to the rapid growth the Chinese construction market saw in the 2010s.

Construction expenditures benefited from growth in government-funded infrastructure construction projects. "The Chinese government has realized the importance of developing transportation infrastructure as a key part in sustaining the country's economic growth and, to this end, the government has recently announced a budget of \$543 billion for transportation infrastructure projects in its eleventh five-year plan. This includes roads, bridges, ports and railways," advisory firm PWC had noted in a 2008 paper.

In India, construction activity in housing and third-party logistics is growing faster than infrastructure at the moment, Singh of Deloitte added.

"Mumbai, Pune, Hyderabad and Ahmedabad are leading in home launches and construction activity," said Pankaj Kapoor, managing director, Liases Foras. "In the 2005 real estate boom, prices and construction were not in sync. Today, it's a prudent market, and governed by RERA. Builders are launching projects but also constructing aggressively," he added.

RERA or the Real Estate (Regulation and Development) Act, 2016, seeks to protect home-buyers while helping boost investments in the real estate industry.

The boom in construction is great

news for sectors that feed the industry—such as steel and cement. And it creates jobs mopping up the workforce at the bottom of India's labour pyramid. The construction business, the second largest employer after agriculture, is expected to employ 100 million by 2030 from the current 70.6 million, estimates Knight Frank India, a property advisory. In economic terms, the output generated from India's construction sector is estimated to grow to \$1 trillion by 2030 from about \$650 billion now, the company estimated.

HOME RUSH

First, let's delve deeper into the housing boom.

While a record number of project launches is boosting construction across cities, it is important to look at the project completion data to understand the scale. In 2022, about 400,000 housing units were completed in the top seven cities compared to less than 300,000 units in 2019, data from Anarock states. In January-September this year, 274,000 units were completed.

"Unsold home inventory is at an all-time low. Homebuyers are more discerning and developers know that they need to construct fast for better sales and cash flows," said Prashant Thakur, regional director and research head at property advisory Anarock Group.

Leading property developers are also entering new cities leading to a further expansion in construction. Bengaluru's Shriram Properties Ltd, which has 13 ongoing projects, plans to close 2023-24 with 11 new launches, and enter the Pune market. "We are starting construction on a project within six months of its launch, without delay," said chairman and managing director M. Murali.

Similarly, Bengaluru's Puravankara Ltd launched 3.46 million sq. ft in the first half of this year, and has a launch pipeline of another 12.42 million sq. ft in the latter half of 2023-24, across multiple cities.

The country's hottest property market, the Mumbai metropolitan region (MMR) currently has 592,650 residential units under construction, the largest share among all cities.

MMR's largest developer Macrotech Developers Ltd has 33 ongoing projects and is aiming at 50 projects in two-three years. "We've expanded into new locations in the eastern and western suburbs in Mumbai, and Pune. This expansion has not only increased the number of projects but also scaled up our construction activities," said chief sales officer Prashant Bindal.

mint SHORT STORY

WHAT

India is witnessing a huge spurt in construction across cities and towns. The construction sector grew 13.3% in the September quarter from a year earlier in terms of GVA.

WHY

There's an ongoing residential real estate boom as companies have started asking employees to work from office. On the other hand, transport infrastructure projects have picked up pace.

SO

The boom is great news for sectors that feed the industry, such as steel and cement. The construction industry also mops up the workforce at the bottom of India's labour pyramid.

BEYOND METROS

It's not just the tier-1 cities that have witnessed a spurt in construction. Smaller cities have been the beneficiaries of major infrastructure investments as well.

Take Ahmedabad for example. The city has seen a huge boost in real estate construction, overtaking metro cities like Chennai and Kolkata by a wide margin. As of September, Ahmedabad has 130,000 residential units under construction compared to 75,550 units in 2018-19, according to Liases Foras.

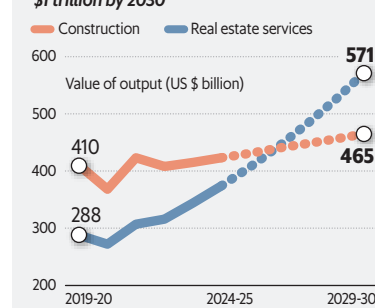
Chennai and Kolkata have 71,344 units and 70,064 units under construction, respectively.

Around 13,375 units were launched in Ahmedabad between April and September this year. That is nearly similar to the 13,846 units launched in the national capital region (NCR) during the same period, which was the largest property market till a few years back.

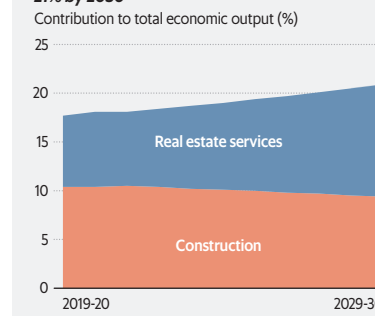
"Significant infrastructure development has happened in Ahmedabad boosting connectivity. Newer areas are getting included for planned city expansion, which also creates new real estate locations. With the metro line reaching GIFT City in Gandhinagar, surrounding areas will also bene-

FAST TRACK

The output generated from India's construction sector is estimated to grow to \$1 trillion by 2030



Contribution of construction sector to total economic output is expected to increase to 21% by 2030



Note: FY24-FY30 are estimates

Source: CSO, Knight Frank Research

SARVESH KUMAR SHARMA/MINT

Chennai, Hyderabad, Ahmedabad, Bhopal, Indore, Kanpur, Surat and Patna—have metro projects under construction. About 895 km of metro network is operational in 20 cities today, from just 248 km in 2014, Hardeep Singh Puri, minister of housing and urban affairs, recently said.

With improving transport connectivity and demand from e-commerce, auto, manufacturing and retail, cities such as Lucknow, Coimbatore, Ghaziabad, Bhubaneswar, Ludhiana and Patna are also emerging as major warehousing hubs. Grade A and B supply in the warehousing and industrial sector—A being the highest standard—is expected to reach 516 million sq. ft by 2026, from the 344 million sq. ft as of June 2023, property advisory JLL recently noted.

THE IMPACT

Like we mentioned earlier, industries closely related to infrastructure—such as cement and steel—are direct beneficiaries of the boom.

The demand for steel in India is expected to register a growth of 8.6% compared to the overall global rise of 1.8% in 2023, and is expected to continue its high growth momentum, industry body World Steel Association said in October. Cement volumes, meanwhile, are expected to rise by 9-10% in 2023-24, supported by demand from infrastructure and urban housing sectors, rating agency ICRA said in October. In the first half of the year, volumes rose by 11-12% year-on-year.

Shree Cement Ltd, a supplier to housing and infrastructure projects like highways and refineries, has earmarked ₹7,000 crore to expand capacity from the current 50 million tonnes per annum to 70 million tonnes per annum by 2028.

"Cement consumption is closely linked to housing demand. Rising urbanization, urban migration and housing shortage have all led to a surge in demand, and impacted the cement industry. The demand for larger homes, more amenities post-pandemic is driving housing demand," said Neeraj Akhoury, managing director of Shree Cement. Real estate is currently outperforming the infrastructure sector, Akhoury added.

Anuj Khandelwal, business head, grey cement division, JK Cement Ltd, said that in the last two years, tier II and III cities as well as rural markets have witnessed disproportionate growth in residential construction and, thereby, increased cement consumption. Construction growth across the rural markets in Uttar Pradesh, Rajasthan, Madhya Pradesh and Maha-

fit," said Kamal Singal, managing director and chief executive at Arvind Smartspace Ltd, the real estate arm of Arvind Ltd.

Like Ahmedabad, Nashik in Maharashtra is also in construction aided by a slew of new infrastructure projects.

SPEEDING INFRA

Meanwhile, large public infrastructure projects, smart city developments and the growth of India's warehousing sector are also boosting construction activities.

The 21.8-km Mumbai Trans Harbour Link (MTHL), India's longest sea bridge connecting Mumbai with its satellite city Navi Mumbai, is expected to open early next year.

"Infrastructure projects like MTHL are likely to create future development in the island city's eastern belt, which is mostly an industrial stretch. The new coastal road will reduce commute time and benefit areas like Juhu and the suburbs," said Ramesh Ranganathan, CEO, K Raheja Corp Homes.

The new metro lines in Mumbai, connecting the distant parts of suburban Thane to the city, may lead to residential and office demand in these locations.

Not just Mumbai, many cities—Delhi,



Can hybrid vehicles help you save more than EVs?

Subsidies on EVs reduce their upfront cost. There is no registration fee and road tax either

Shipra Singh
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Sales of electric vehicles (EVs), particularly cars, in India is gathering momentum. Government data, as per the parivahan website, show that 73,000 EVs have been sold this calendar year so far. However, concerns linger about the range, or the distance these EVs can travel in one charge, limited charging infrastructure and expensive insurance. Amid these concerns, there has been a spurt in sales of hybrid cars, particularly in the last two months. But are hybrids economical, as compared to EVs?

To be sure, a hybrid car works on both a fuel engine and an electric motor. Those looking to go green get lower emissions, as with an electric car, and better fuel efficiency while not having to worry about the charging cycles of the vehicle. But here's the catch. Strong hybrids in India currently start at about ex-showroom price of ₹17 lakh. In comparison, EVs come in affordable price ranges of below ₹15 lakh. MG Comet EV is the cheapest electric car in India starting at ₹7.98 lakh, ex-showroom price.

Hybrids come in three types—mild hybrid, plug-in and strong hybrid engines. In mild hybrids, the electric motor and the internal combustion engine (ICE) work together and the former gives a mild push to the latter. This means that the fuel engine does most of the work, resulting in lower efficiency. Take for example the Maruti Grand Vitara. The automatic mild hybrid variant offers a mileage of about 20 kmpl, as claimed by the company, while the strong hybrid variant promises a mileage of 27 kmpl. The mileage of a comparable petrol car from Maruti, say Brezza, is also about 20 kmpl, akin to a mild hybrid car.

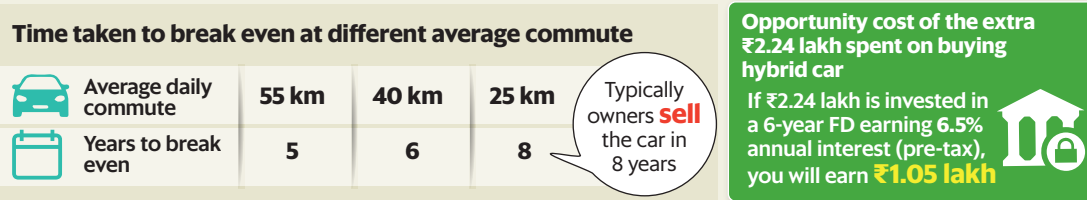
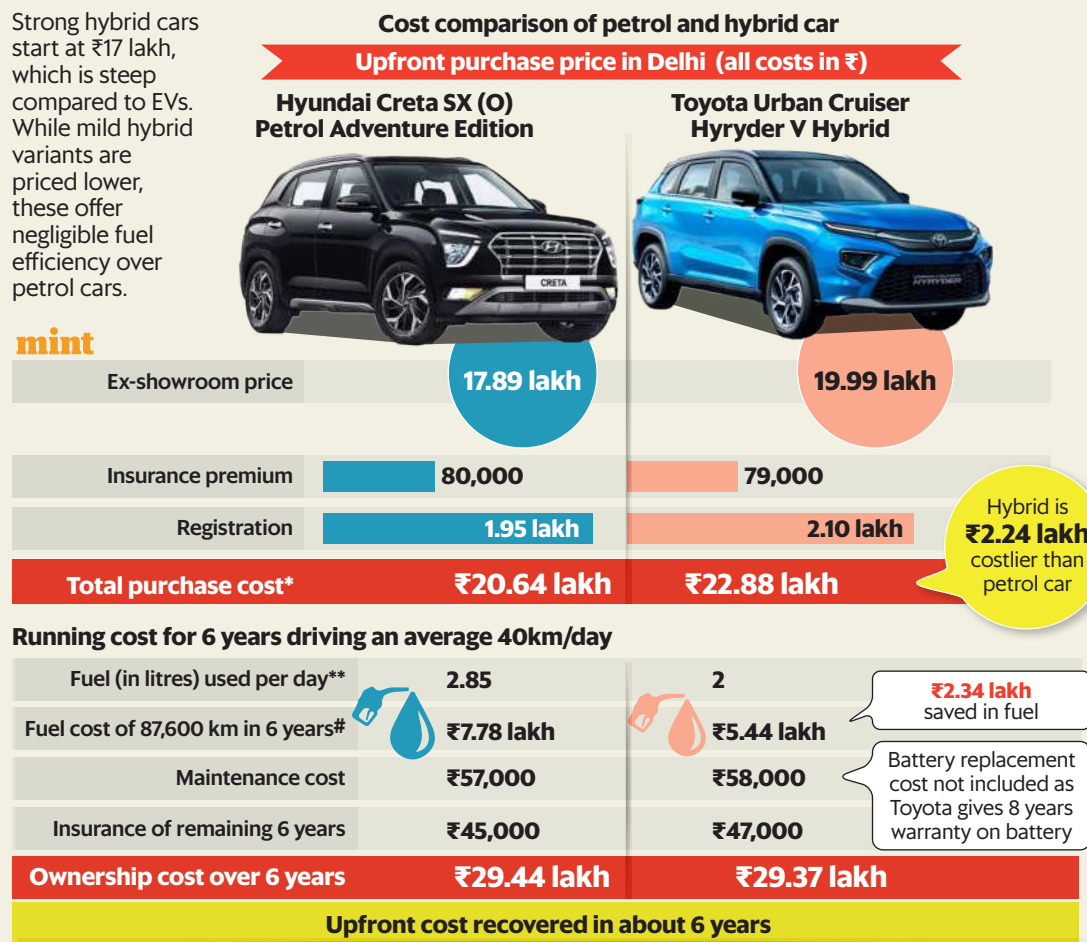
A plug-in car has the option of charging the battery separately, which means these too come with a limited range like EVs. A strong hybrid car truly delivers better fuel efficiency with longer driving range. The battery in a hybrid car gets charged from the energy captured from various parts every time its brakes are applied.

Not only are hybrid car options expensive, their purchase price is higher compared to ICE cars in the same segment. While better fuel efficiency of hybrid cars will certainly reduce your fuel bills, is the saving worth the high upfront cost one has to pay over a fuel powered car? *Mint* did some number crunching to find out.

Time taken to recover extra cost
To calculate the time taken by a hybrid car to recover the extra premium paid at the time of purchase, *Mint* compared the cost of ownership of a Toyota Urban Cruiser Hyryder V Hybrid and Hyundai Creta SX(O) Petrol Adventure Edition. The two cars are of the same segment and are top variants of their respective category with comparable features.

You have to pay an extra ₹2.24 lakh to buy Hyryder Hybrid compared to Creta. Fuel savings cover this cost by the time the car covers roughly 87,600 km. At an average daily driving distance of 40 km (14,600 km annually), it will take about five years and 10 months to cover this distance (see graphic). We have assumed a 10% annual increase in the per litre rate of petrol. Thereafter, savings on the

Are hybrid cars worth the high purchase cost?



fuel expenses will be the car owner's net savings. Typically, a car owner drives the same car for about eight years before switching to another car.

The number of years taken to recover the cost will change depending on the daily average commute of the user (see graphic). For instance, those travelling longer distances of about 2,000km per month (65km daily) will take about four years to offset the extra upfront cost. Whereas those with shorter daily average commute of 25km or less will take over eight years to recover the cost. Do note that most car manufacturers offer a warranty of eight years on the EV batteries. So, after you break even in eight years, it might be time to replace the battery, which currently costs about ₹15,000.

Since the running cost of hybrid cars recovers the extra purchase cost, net saving on fuel bills is possible only for those with higher average commute distances. People who mainly use a car for office commute and driving 30 km or less daily are better off buying an EV in the affordable range. Hybrid cars are better suited for those who travel inter-

city frequently and have higher daily commute average.

Are EVs more economical?
When the same numbers are run for an EV vs ICE counterpart, time taken to offset the extra cost is lesser in the case of EVs when compared to hybrid cars. This is due to mainly two reasons: EVs enjoy a host of subsidies from the central government aimed at promoting wider adoption and these save about 85-90% on fuel bills, while hybrid cars save about 30-40%.

Subsidies on EV reduces its upfront cost. For one, there is no registration fee and road tax on electric cars. Many state governments offer incentives over and above this on purchase of EVs. That's not all. Even loans on EVs are incentivised as one can claim deduction of up to ₹1.5 lakh on interest paid on a loan taken to purchase an electric car. These benefits are not extended to hybrid cars, except in a few states like Haryana that offer some form of subsidies on hybrid vehicles too. In October, *Reuters* reported that Toyota Motor is lobbying the government to prune taxes on hybrid vehicles, arguing that

these are far less polluting than petrol cars.

Electric cars also have lower maintenance costs as the battery is the only major component, which doesn't require frequent maintenance. However, take note that the cost of replacing a battery of an electric car can be as high as ₹4 lakh—a cost that owners have to most likely incur after about 10 years of driving the car, as per industry experts. In the case of hybrid cars, maintenance costs are similar to ICE counterparts. Battery replacement cost is lower compared to EV as hybrid cars are powered by a 0.76kWh battery, while a mid-range electric car's battery is 30-40 kWh.

These factors keep the total ownership cost of EVs lower compared to hybrid cars over a period of eight years—the average time an owner keeps a car. However, if taxes are indeed cut on hybrid vehicles, just as EVs, the gap in purchase price with ICE models will reduce considerably and definitely make hybrids a preferred option over EVs. (For an extended version of this story, go to [livemint.com](#))

Compare your bank FD rates

Bank fixed deposits (FDs) continue to be popular investment products not just among senior citizens, who are looking for guaranteed income, but also among investors who can't stomach risk. But overexposure to FDs is not good, and you need to assess your asset allocation and goals to decide how much money you should park in them. For instance, saving for your child's higher education that's 15 years away through FDs may not be effective as the post-tax interest rate of an FD may not give you a real return (return that's above the rate of inflation). But if you plan to take a holiday in two years, an FD can help. Before choosing an FD, you should compare the interest rates on offer. Here is a list of banks that offer the highest FD rates for deposits up to ₹1 crore over various tenures.



Interest rates (%) for fixed deposits up to ₹1 crore					
	6 months to < 1 year	1 to < 2 years	2 to < 3 years	3 to < 5 years	5 years and above
DCB Bank	6.25-7.25	7.15- 7.75	7.55-7.90	7.40-7.90	7.25-7.65
Axis Bank	5.75-6.00	6.70-7.10	7.10	7.10	7.00
HDFC Bank	4.5-6.0	6.6-7.10	7.00-7.15	7-7.20	7.00
IndusInd Bank	5.00- 6.35	7.50-7.85	7.25-7.50	7.25	7.00-7.25
IDFC First Bank	4.5-5.75	6.50-7.75	7.25-7.75	7.00-7.25	7.00
RBL Bank	5.5- 6.05	7.50-8.00	7.50-8.00	7.10-7.50	7.00-7.10
YES Bank	5.00-6.35	7.25-7.75	7.25	7.25	7.00-7.25
ICICI Bank	4.75- 6.00	6.7-7.10	7.00-7.10	7.00	6.9-7
Canara Bank	6.15-6.25	6.85-7.25	6.85	6.80	6.70
Union Bank of India	4.4-5.25	6.3-7.00	6.30	6.5-6.7	6.70
Dhanlaxmi Bank	6.75	6.75-7.25	6.50-6.75	6.50-6.60	6.60
Federal Bank	5.00-6.00	6.80-7.40	7.05	7.00	6.60
Bank of Baroda	5.00-6.25	6.75-7.15	7.25	6.50-7.25	6.50
Indian Overseas Bank	4.95-5.35	6.80-7.10	6.80	6.50	6.50
Punjab National Bank	6.00-6.25	6.75-7.25	6.80-7.00	6.50-7.00	6.50
State Bank of India	5.25-5.75	6.80-7.10	7.00	6.50	6.50
Jammu & Kashmir Bank	4.75-6.60	7.10-7.50	7.00	6.50	6.50

Data taken from respective bank's website as on 30 November 2023; Only main entity of the merged banks are taken. Banks which merged with its main entity are removed from the table. The list of 15 banks is based on highest fixed deposit rates available for 5 years and above
Pranay Bhardwaj/Mint Source: www.BankBazaar.com

Build in India: Inside the great construction boom

FROM PAGE 10

rastra have also seen growth in the building of independent houses.

Between 2017-18 and 2022-23, JK Cement has more than doubled its capacity—from 10 million tonnes per annum (MTPA) to 20.7 MTPA. "Government housing programs like Pradhan Mantri Awas Yojana (a scheme that facilitates access to affordable housing), favourable demographics and a lot of activity in infrastructure projects have propelled this demand further. Cement demand in 2023-24 is expected to end with 10-11% growth given the pre-election momentum and this has also played out in the first half of the year," Khandelwal said.

WILL THIS CONTINUE?

The question is if the momentum in construction can continue next year.

Some experts said that the pace of construction may see a blip next year, as fresh investments and project sanctions may be put on hold for some time due to the general elections. Highway construction activity could slow.

"Next year, highway construction activity is likely to slow down as the National Highways Authority of India



File photo of labourers at a construction site of the Ahmedabad-Mumbai High Speed Rail corridor in Ahmedabad. REUTERS

has been asked not to award any new project till the revised approval for Bharatmala Pariyojana is in place," Deloitte's Singh said.

Bharatmala Pariyojana is the central government's umbrella programme to develop the highways sector.

Second, metro rail projects are likely to slow down as well. While many cities have ongoing metro rail projects, no new projects have been announced in the last three years, Singh said. "There is a consensus that these projects are a costly affair. However, there are rapid passenger transport projects and new proposals to improve connectivity being floated," he added.

On the other hand, some market watchers remain hopeful, particularly about the continued growth of the housing sector. Liases Foras' Kapoor estimates that India has added nearly 1,000 new developers in the last two years, implying that the market is only expanding. Thakur from Anarock said that in the first half of 2023-24, nearly 25-30% of cash collected by most listed developers in India has gone into business development—land acquisition for future launches.

The implication? Construction activity will continue at the same pace. The more optimistic would tell you that the pace will further accelerate.

WHY INVESTORS MUST HAVE HIGHER DEBT ALLOCATION OVER THE NEXT 12-18 MONTHS



POWER POINT
DEVANG SHAH

India bond markets have witnessed quite a bit of volatility in the last few months. The yields on the 10-year government bonds fell from 7.45% to 7% and have risen back to 7.25-7.35% due to rise in US bond yields and crude prices

There is enough reason to believe that the market dynamics are changing from three facets:

Fundamental—Macro picture highlighting the case for adding bonds.

Structural—Changing market demand-supply dynamics and a case for long bonds (duration).

Relative—Perspective from history highlighting outperformance of bonds markets over other asset classes.

Fundamental theme

Inflation: Headline inflation is at -5%. Decline in core inflation continues and this could be likely go below 5% as slowing growth in China and the weak global economy will likely keep commod-

ity prices muted.

Growth: India's GDP growth seems to be peaking off and could remain subdued at sub 6% levels over the next two years. This is due to the fall in fiscal impetus, and weakness in global economies.

Favourable external position: India's external position remains comfortable considering the trinity (Forex reserves, balance of payments and current account deficit). Is China's loss India's gain?—Perhaps yes!

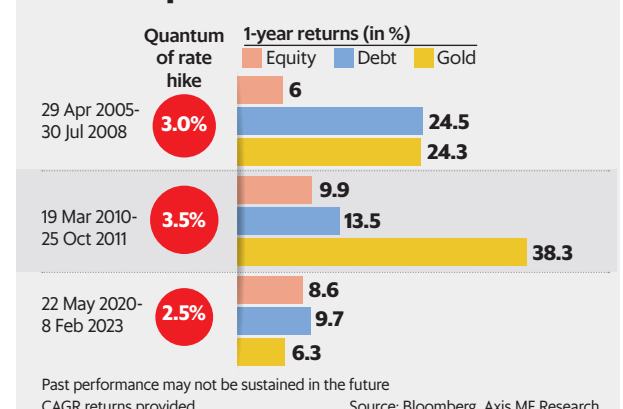
Narrowing US-India interest rate differential: To combat the pandemic, the US government increased spending to unprecedented levels leading to wider fiscal deficits (from sub 3% to 8-10%), a significant expansion of the US Fed balance sheet from \$1-2 trillion and an easy monetary policy stance for 2.5 years.

Resultant impact of easy fiscal and monetary policies over the last 3-5 years has led to strong growth and inflation spiral. In the last 12 months, the US Federal Reserve hiked interest rates to the tune of 500 basis points, or bps, and shrank US Fed balance sheet from \$3 trillion to \$1 trillion. One bps is one-hundredth of a percentage point.

The narrowing interest rate differential has kept the Reserve Bank of India (RBI) on tenterhooks. However, unless we see a large depreciation on the rupee or higher outflows, we do not expect RBI to raise interest rates. RBI has already engineered a 25bps rate increase in the last two months through tight liquidity conditions.

Therefore, bond markets are pricing in most of the negatives,

Returns post rate hikes



macro theme augurs well, and fundamentally, the rates cycle looks positive

Structural theme

A question that arises for bonds is high fiscal deficits and large government bond supply, which, in turn, raises concerns on bond yields. If we analyse the trend over last 5 years, we have generally witnessed a structural demand-supply gap of ₹50,000 to ₹1.5 trillion every year, where supply was higher than demand, which in

turn is met by open market operations (OMO) purchases by RBI. Nonetheless, in the last few years, there has been a growing trend of a significant increase in assets under management/flows with real money investors from ₹55 trillion to ₹85 trillion. This has been helping to fill in the massive demand supply gap despite huge government borrowing plans over the last few years.

In addition, we expect the fiscal deficit to normalise over the next 3 years from 6% to 4.5% and hence don't expect a significant jump in borrowing numbers. Also, with India Sovereign bonds being included in JP Morgan Global indices, we expect \$25 billion of flows in next 12-18 months which would be highly favourable for demand-supply dynamics for bonds.

Relative theme

While bonds are always looked upon as an asset class that provides stability over a longer period, surprisingly and contrary to opinions, debt has outperformed other asset classes over the period's extreme/long interest rate hikes and tight financial conditions.

To conclude, after analysing the fundamental, structural and relative themes, we advise a higher allocation for debt for next 12-18 months. A few macro risks that stand out are rising crude oil prices, China's recovery and a possibility of China devaluing its own currency to attract flows.

Devang Shah is co-head, fixed income, Axis Mutual Fund.

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URGENT Requirement
Wanted 300-500 Yd
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Facing North East Mandatory
Should Be A North East Corner
No Gaumukhi/Shermukhi.
Budget no issue.
Full payment in 30 Days.
For an End User.

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Fac, Civil Structure Done (9000
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1000Y Shatoot Marg (DLF-I)
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500Y B-Block on 12mtr
500Y Park Facing, North
500Y E Block (12mtr East)

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Floor Semi Furnished Separate
Kitchen & Servant Room Free. Fee:
Raj Singh M-91111885

Gujarat Electricity Regulatory Commission
6th Floor, GIFT ONE, Road 5C, Zone 5, GIFT City, Gandhinagar,
Gujarat-382355.
(O) 079 23602000, (F) 079 23602054/55
e-mail-gerc@gercin.org Website: www.gercin.org

NOTICE INVITING REQUEST FOR PROPOSALS (RFP)

Gujarat Electricity Regulatory Commission (GERC) has issued following Request for Proposals (RFP) from consulting firms:

To provide assistance in the work of determination of methodology for calculation of Banking Charges leviable from the Renewable Energy Consumers of the State of Gujarat keeping in mind the overall economic development and investment in the State.

For more details, please visit 'Latest News' at <https://gercin.org/all-news/>. Last date of Bid Submission : **26.12.2023**. For future announcement, if any, in this regard, please keep referring to the above website.

-Sd-
(Ranjeeth Kumar J., IAS)
Secretary,
Gujarat Electricity Regulatory Commission
Gandhinagar

Place: Gandhinagar
Date: 05/12/2023

SATELLITE FINANCE PVT LTD
CIN: U32204DL1996PTC184912
Regd Off: 8 Commercial Complex, 4th Floor, Masjid Moth,
Greater Kailash, Part II, New Delhi - 110048
Phone No.: 011-30689006, Email: satellitefinance96@gmail.com

NOTICE

Notice is hereby given that the Company has received request(s) for issuance of Duplicate Share Certificate(s) in lieu of Original Share Certificate(s) reported to have been lost/misplaced, details of which are given below. If no objection is received within 7 days from the date of publication of this notice, the Company will initiate action for the issuance of duplicate share(s).

Folio No.	Name of Shareholder	No. of Share	Distinctive No(s)	Share Certificate No(s)
A008	Manju Nahata	24,02,100	01-100, 21201-23200 & 58201-2458200	001, 006 and 009

For Satellite Finance Private Ltd.
Sd/-
(Tarun Katra)
Director

Place : New Delhi
Date : 05.12.2023

GUJARAT METRO RAIL CORPORATION (GMRC) LIMITED
(SPV of Govt. of India and Govt. of Gujarat)
Block No.1, First Floor, Karmayogi Bhavan, Sector 10/A,
Gandhinagar: 382010, Gujarat. (CIN): U60200GJ2010SGC059407

TENDER NOTIFICATION No: GMRC/ROAD RESURFACE/PH-I&II/2023
Date : 06.12.2023

E-Tenders are invited from reputed and experienced Contractors for the following tender:

Tender Name	Tender Fees
Road Regrading / Resurfacing works for Phase II Project and Thaltej to Thaltej Gam Stretch of Phase I Project	INR 25,000/-

Interested bidders are requested to visit <https://tender.nprocure.com> for eligibility criteria, applying/ downloading the tender document. Last date and time for Bid Submissions is **15:00 Hrs. on 20-12-2023**. Any alterations in Eligibility Criteria cum Qualification Requirements, and terms of the Tender Document, or any amendment to the Tender Document, etc, will be uploaded on <https://tender.nprocure.com> and GMRC's Website www.gujaratmetrotrain.com without any obligation or press notification or other proclamation.

Sd/-
Managing Director,
GMRC, Gandhinagar

REC POWER DEVELOPMENT AND CONSULTANCY LIMITED

GLOBAL INVITATION (Through e-bidding Only)

FOR SELECTION OF SOLAR POWER DEVELOPER FOR SETTING UP OF 250 MW ISTS-CONNECTED SOLAR (PV) POWER PROJECT(S) IN INDIA THROUGH TARIFF-BASED COMPETITIVE BIDDING (TCB) PROCESS WITH GREENSHOE OPTION OF ADDITIONAL CAPACITY OF 250 MW ON BUILD OWN OPERATE (B-O-O) BASIS UNDER SCHEME FOR FLEXIBILITY IN GENERATION SCHEDULING OF THERMAL/HYDRO POWER STATIONS THROUGH BUNDLING WITH RENEWABLE ENERGY AND STORAGE POWER

REC Power Development and Consultancy Limited (a wholly owned subsidiary of REC Limited, a Maharatna company under the Ministry of Power) invites proposal for setting up of the above-mentioned Solar PV Power Project through TCB process on Build, Own, Operate (B-O-O) basis following single stage two envelope process of "Request for Selection (RIS)". Interested bidder may refer to the Request for Selection (RIS) notification and RIS document available on websites www.recpdcl.in, www.recindia.nic.in and <https://www.bharat-electronictender.com> w.e.f. 06.12.2023.

The bidders may obtain the RIS documents on all working days between 1030 hours (IST) to 1600 hours (IST) from **06.12.2023** up to bid submission due date on payment of non-refundable document fee of Rs. 29,500/- (Rupees Twenty-Nine Thousand and Five Hundred Only) or equivalent US\$ prevailing on date of purchase of documents (including GST), as per details provided in the RIS document available on the website www.recpdcl.in, www.recindia.nic.in & <https://www.bharat-electronictender.com>. The Request for Selection (RIS) Documents can also be downloaded from websites www.recpdcl.in, www.recindia.nic.in & <https://www.bharat-electronictender.com>. Interested parties can submit Response to RIS only on submission of non-refundable bid processing fee as mentioned in RIS document. The timelines related to bid submission and opening is given hereunder:

Online Bid Submission end date & time	28.12.2023 up to 18:00 Hrs (IST)
Bid Submission end date & time (Hard Copy)	01.01.2024 up to 18:00 Hrs (IST)
Bid Opening date & time	02.01.2024 at 12:00 Hrs (IST)

Response to RIS will be opened in presence of bidders' representatives who wish to attend. The clarifications to RIS documents shall be issued to those bidders, who have obtained/purchased RIS document by paying requisite fee.

All corrigenda, addenda, amendments, time extensions, etc. to the RIS will be hosted on websites www.recpdcl.in, www.recindia.nic.in & <https://www.bharat-electronictender.com>. Bidders should regularly visit our websites to keep themselves updated.

Note: RECPDCL reserves the right to cancel or modify the process without assigning any reason and without any liability. This is not an offer.


Chief Executive Officer
REC Power Development and Consultancy Ltd.
Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India


Bid Process Coordinator
REC Power Development and Consultancy Ltd.

An initiative of
Ministry of Power
Government of India


The Procuree
Mithoon Power Limited


उर्जा ही जीवन है, इसे बचाएं। Give a missed call on toll free number 18002003004 to get our Apps



Government of Haryana



**Nation Remembers
Babasaheb
Dr. Bhimrao Ambedkar
on
Mahaparinirvan Diwas
December 6, 2023**


"On Mahaparinirvan Diwas, I pay homage to Dr. Babasaheb Ambedkar and recall his exemplary service to our nation. His struggles gave hope to millions and his efforts to give India such an extensive Constitution can never be forgotten."
- Narendra Modi



Information, Public Relations, Languages and Culture Department, Haryana www.prharyana.gov.in | [Follow us on](#)  @dipharyana

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OUR VIEW



Scanning markets could serve security purposes

That some traders may have acted on a tip-off about the Hamas attack of 7 October suggests that intelligence agencies could use AI scanners to spot signs of danger in market patterns

A new study in the US suggests some market players placed bets in anticipation of Hamas's 7 October attack on Israeli targets in which more than 1,200 people were killed. While it's unsettling to contemplate profits made off terror, could trading patterns serve as intelligence inputs for agencies tasked with thwarting such attacks? If market participants have information about what's going to happen, no matter how few they are, it might be useful to watch out for suspicious activity. But linking any market trades to foreknowledge of violence is easier said than done. In the case of Israel, suspicions have been stoked by a study titled *Trading on Terror?* by Robert Jackson Jr and Joshua Mitts, who teach law at New York University and Columbia University, respectively. Jackson Jr has also been commissioner of the US Securities and Exchange Commission. Their research has revealed a spike in apparent punts made just days before October's outrage on the value of some Israeli company shares dropping. This was done through short-selling on the Tel Aviv Stock Exchange of a top exchange-traded fund invested in these firms.

According to the study, the scale of the short bets placed was "really extraordinary," even more so than when the financial crisis of 2008 hit, 2014 Israel-Gaza war erupted and the covid pandemic broke out. "The stock market was screaming, 'There's something going on!'," Mitts told *CBS News*. Short-selling is the sale of borrowed securities in anticipation of their prices falling, so that they can then be bought cheaply to complete the deal and pocket the difference. Since the study's findings are preliminary, the quantum of profits cornered has not

been determined, although the authors are reported to estimate that millions of dollars were made. Conclusions can be drawn only once a full probe is done; Israeli authorities have said "all the relevant parties" are on it. Typically, the difficulty in such cases would be for sleuths to establish a link between trading activity and actual knowledge of a plan. Price volatility can occur for varied reasons and it is the job of markets to accommodate divergent views, even extremes that go by hunches or odd theories that most of us may dismiss. Trading algorithms that act on complex cues could make drastic moves of their own too. Some can mirror trades and amplify patterns that would otherwise fly under the radar. Inferences of what exactly who knew are not easy to draw. Yet, ill-gotten gains made this way are probably a reality of our times. "Our findings suggest that traders informed about the... attacks profited from these tragic events," notes the report.

While 'insider trading' that involves access to data on malevolence may be hard to prevent, what's relevant is whether unusual trading can serve as a red flag in sufficient time to pre-empt the very adversity that's being bet upon. With the bad guys getting more sophisticated, maybe the good guys need the aid of artificial intelligence (AI) in scanning vast volumes of data for signs of danger. The noise-to-signal ratio of such an advance warning system may be dismal to start with, but machines are reputed to have steep learning curves, so actionable leads could emerge from the exercise. Of course, care must be taken to ensure that this does not result in regulatory overreach or privacy violations. But if capital markets can tempt dark secrets out of people, then we should do our best to decode what's being revealed by such trades.

RAHUL MATTHAN



is a partner at Trilegal and the author of 'The Third Way: India's Revolutionary Approach to Data Governance'. His X (formerly Twitter) handle is @matthan.

In his book *Guns, Germs and Steel*, Jared Diamond explains why the transition from a nomadic hunter-gatherer lifestyle to settled farming was such a major shift in the human story. Once humans learnt to farm, they could put down roots, both literally and metaphorically. Once they were able to grow food instead of having to forage for it, they were forced to organize themselves better, develop specialized tools and skills to use them, and learn to rely on fellow humans. As these agricultural communities grew, people began to differentiate themselves by the skills they had and roles they performed, forming guilds and 'caste' groups based on these. This gave rise to the complex modern society that we inhabit.

But it was not until the invention of writing that humankind was able to transform itself into a civilization. While trade-based guilds implemented apprenticeships that were designed to pass skill-sets down from one generation to another, writing allowed information that resided only in the memo-

ries of those who shared it to be given permanence, so that anyone with access to this knowledge—from mundane administrative records to epic cultural narratives—could disseminate it much more efficiently.

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That said, writing was not without its limitations. When information had to be inscribed painstakingly by hand, only those who had access to handwritten manuscripts could benefit from this new invention. It was only after the invention of the printing press that we had a radical transformation of

access and witnessed a dramatic increase in the volume and velocity at which knowledge was disseminated. This set off a series of technological advances that successively deepened humanity's access knowledge—all the way to the internet, which today offers anyone with web access the ability to locate and use the sum total of human understanding in quantities that far exceed the ability of any given human to consume in a lifetime.

In many ways, this rapid acceleration of information availability is the reason for many of the problems we face today. There is a limit to how much information the human brain is capable of processing, despite its remarkable capabilities of analy-

sis and comprehension. Given the vast volumes of raw information that is now available on tap, we struggle to contextualize and synthesize it all in a way that makes sense.

Which is where Large language models (LLMs)—our most recent innovation that uses the invention of writing—comes into play. LLMs are trained on vast amounts of written information scraped off the internet—to the point where they are capable of providing answers to pretty much any question posed to them. Since LLMs are capable of holding in most contexts more information than possible for humans, given the limitations of our brain, they are capable of augmenting our human abilities to process, contextualize and utilise information in ways that human minds simply cannot.

LLMs also internalize the form and structure of human writing—to the point where they are capable of so accurately identifying repeatable patterns in data that the responses they generate cleverly mimic

human responses, often doing it so well that they are indistinguishable from human creative outputs.

If we continue down this path, is it possible that writing, once the quintessential expression of human creativity and communication, will eventually be most frequently produced by a non-human intelligence? I am often called upon to provide my views on the implications of AI technology on our lives. The discussion mostly veers towards the usual tropes of artificial general intelligence, the fear of bias, and the concern that, at least in the near and medium terms, the jobs that many of us are doing will no longer be relevant. The more serious worry, in my view is that we stand to lose the very essence of human communication and knowledge.

Yet, I retain hope in the potential of this technological evolution. I believe that AI can augment our abilities and help us navigate the global ocean of information more effectively. But for that to happen, we need to strike a balance between leveraging AI's strengths and retaining the humanness of our knowledge and communication.

Only if we manage to do that will we be able to shape a future in which technology complements, rather than supplants, the human experience.

MY VIEW | ON THE OTHER HAND

What explains the obsession of retail level investors with IPOs?

Initial public offers in hot demand yield quick listing-day gains that are modest in absolute terms



VIVEK KAUL is the author of 'Bad Money'.

A key life-skill is the ability to know when to use percentages and when to use absolute numbers. But many retail investors in the stock market never really get around to learning this skill, which may explain why they go chasing initial public offerings (IPOs) of companies for listing day gains.

Take the recently concluded IPO of Tata Technologies. The issue price was ₹500 per share, with the stock listing on the exchanges at around ₹1,200. So, retail investors who managed to sell their newly issued shares at ₹1,200 would have made a huge gain of 140% on the issue price, and that too in a very short period of time from the day of applying for the company's shares to the day of its listing. Investors investing up to ₹2 lakh in an IPO are categorized as retail investors.

So, did it make sense for retail investors to get excited about this IPO? Not really. The retail portion of the IPO was subscribed around 16.5 times, implying that on the whole, investors got two shares for every 33 they applied for. Of course, this was on average, and hence, many retail investors did not get any allocation at all.

Now, let's consider someone who had applied for and got the minimum order quantity of 30 shares. At an issue price of ₹500, this meant an investment of ₹15,000. Investors who had sold their

shares at the listing price of ₹1,200 would have received ₹36,000 for it and made a profit of ₹21,000 or a gain of 140%, ignoring taxes, the fact that the money was locked for a few days and other expenses. Now ₹21,000 is pretty good for a day's income. But other than a brief thrill, it didn't change the investors' lives in any meaningful way, implying that looking for listing day gains cannot be a wealth generation strategy.

Another example here is that of Zomato, which listed in late 2021. The retail part of its IPO was subscribed 7.5 times. Given such huge demand, on its listing day, the share price opened at a premium of a bit more than 51% over the issue price. But many retail investors didn't get an allotment at all. And among those who did, the gains were limited to a few thousand rupees—delivering brief excitement, a small gain in absolute terms and a talking point for a few days among peers, but nothing more than that.

The chance of getting an allotment is inversely proportional to the demand for an IPO. Given this, even if the share lists at a very large premium, the gains made often do not amount to much in absolute terms.

Also, not every IPO which opens with great fanfare delivers returns over longer spans of time. Take the case of Reliance Power's IPO in early 2008. The retail portion of the IPO was subscribed 13.6 times. The issue price of the share was ₹450. It listed on 11 February 2008 at ₹547.8, a premium of around 22% on the issue price. It touched a high of ₹599.9 during the day, finally closing at ₹372.5. So, those who sold as soon as trading started would have made listing day gains, but those who held on were sitting on losses. Of course, the company has been a huge wealth destroyer over the years, with its current share price of around ₹22.

Then there is the case of Infosys. When the company came up with its IPO in February 1993, it was in danger

of being undersubscribed, with the underwriters of the issue having to pick up the unsubscribed portion of the issue. Investors back then had not adequately recognized the potential of Infosys and hence were reluctant to invest in a company that would later go on to become a retail favourite.

Another great story is that of Bharti Airtel, which had its IPO in early 2002, with an issue price of ₹45. The stock was listed on 18 February 2002, but by the end of the year, its price had halved to around ₹22-23. Again, as was the case with Infosys, investors did not immediately realize the potential of this telecom company.

So, what does all this tell us? First, demand for an IPO doesn't necessarily translate into substantial gains over the long-term. Second, higher the demand for an IPO, better the chances of good listing day gains in percentage terms, but since the chances of getting an allocation are lower too, the scope for absolute gains is also lower. Third, an IPO is not the only chance a retail investor gets to invest in a company's stock. It can be bought at any point of time after listing. Fourth, if retail investors estimate that a stock has a good potential, they should gradually accumulate that stock over a period of time, given that their financial position may not allow them to make large purchases of the stock at one go. Indeed, genuine wealth creation for retail investors from stocks happens from purchases after the IPO. Fifth, making money over the long-term is boring. For a retail investor, nothing can beat the excitement of getting an allocation in a hugely oversubscribed IPO, followed by friends and acquaintances talking about it, perhaps even feeling jealous, and finally, making listing day gains. But do remember that these gains look large only in percentage terms. And, as said at the beginning of this piece, in life, it is important to understand when to consider absolutes and when to use percentages.

10 YEARS AGO



JUST A THOUGHT

An IPO is like a negotiated transaction: the seller chooses when to come public—and it's unlikely to be a time that's favourable to you.

WARREN BUFFETT

MY VIEW | EX MACHINA

Human communication should not fall prey to AI bots

RAHUL MATTHAN



is a partner at Trilegal and the author of 'The Third Way: India's Revolutionary Approach to Data Governance'. His X (formerly Twitter) handle is @matthan.

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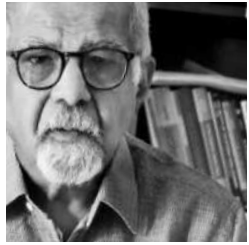


MY VIEW | RASHOMON DIARIES

MINT CURATOR

Facts about India's GDP growth challenge the narrative of critics

An objective look shows investment-inflation low, real investments high and India's GDP growth exceeding expectations



SURJIT S. BHALLA is former executive director at the International Monetary Fund and former part-time member of the Prime Minister's Economic Advisory Council.

The narrative of India's low GDP growth, overstated growth, mis-measured growth, K-type growth, etc, reached a crescendo just before news broke that economic growth was 7.4% in the first six months of fiscal 2023-24; much like Virat Kohli getting out, critics were rendered silent. And then the double whammy of state election results endorsing the current path of development and growth. Critics will need to regroup, re-assess and re-formulate. Of course, as general elections near, one should expect more disinformation and narrative peddling till May 2024.

Expert commentary on the Indian economy has changed since May 2014, and a convenient shorthand is the classification BM (Before Modi) and AM (After Modi). AM has a nice waking-up ring to it. Expert critics during the AM period are a who's who of economists and former policymakers. These experts, at various points, have emphasized the following 'facts' about the economy in the post 2014 period.

One, GDP data no longer reflects reality; GDP growth is significantly less (about 2 to 3 percentage points) in 'expert' reality. Think of arguments made by Arvind Subramanian, former chief economic advisor, that were echoed by many.

Two, the recovery since covid, and perhaps continuously since May 2014, has been K-shaped; for those alphabetically challenged, this means the rich are getting richer and the poor are getting poorer. Kaushik Basu, former chief economist, World Bank; and also echoed by many.

Three, women have been particularly hard hit since 2014; there is the rich 'evidence' provided by a private data agency, CMIE, that female labour force participation rates in India are the lowest in the world, at 8-10 percentage points (ppt) lower than even Yemen. Raghuram Rajan, former RBI governor; also echoed by many.

In striking contrast, C. Rangarajan, former RBI governor and major economic advisor to Prime Minister Manmohan Singh, makes a *legitimate* query about Indian growth by stating that, "The potential for India to grow at 7% exists. We need an appropriate strategy to quicken the pace of investment," where the pace of investment is defined as the rate of *nominal* gross fixed capital formation (*Growth, Fiscal Policy and Monetary Policy in India*, Rangarajan and Srivastava, 2023).

Previously, the debate on growth in India was oriented around policies, reforms and broad political philosophies (crudely, socialism versus capitalism). I remember writing sometime in the late 1980s that Indian economic policy was socialism for the rich and capitalism for the poor. Starting in 1991, a broad consensus appeared among both the economic and political glitterati that economic reforms were productive, so we should do more



A real comparison

Real investment as a proportion of real GDP has held steady from UPA to NDA years, though real growth rates differ

Indicator	Old GDP series		New GDP series	
	Fiscal Years	Quarters	Quarters	Quarters
	2004-13	2014-23	2023 Apr-Sep	
Shares (in %)				
Nominal savings/nominal GDP	33.8	30.2		
Nominal investment/nominal GDP	30.6	28.7	30.3	
Real investment/real GDP	32.6	31.8	35.8	
CAGR (% per annum)				
Real GDP	7.2	5.2*	7.4	
Inflation: CPI	8.2	4.8	5.4	
Inflation: WPI	6.3	3.7	-1.8	
Inflation: Investment goods	5.5	2.9	1.0	
Inflation: GDP deflator	6.7	4.3	0.8	

Note: Old GDP series is base 2004-05, new GDP series is base 2011-12 *GDP growth averaged 7.4% per annum between 2014Q2 and 2018Q2

Source: Mospi, IMF WEO data

reforms. Hence, the discussion was about which party did what. Now that growth is solid, and reforms entrenched, the debate, unfortunately, has shifted to narratives—a polite term for dis- and mis-information.

Narrative peddlers rely on questioning data. Whether it is employment, female labour force participation, nutrition, wages, prospects for employment, GDP growth, the list of alleged "false government data" is very long. One data-set that has, so far, not been questioned is on the prime driver of growth—investments. The importance of investment for growth is recognized by academics, the government and critics. Indeed, a common refrain (also expressed by Rangarajan-Srivastava) is that India is investing considerably less as a proportion of GDP than in the strong (and unquestioned) growth era of 2004-2013 (under the United Progressive Alliance or UPA).

While analysing growth, it is not the nominal investment ratio that matters, but the real investment ratio: i.e. the ratio of real investments to real GDP. Only if the price of capital goods increases at the same rate as the price of GDP (the GDP deflator) will the nominal and real ratios be broadly the same. As seen in the table, this is manifestly not the case. It has data for three time-periods: the UPA 'high growth' period of 2004-13 (Period I), the Prime Minister Narendra Modi-led National Dem-

ocratic Alliance (NDA) growth period of 2014-23 (Period II), and for fiscal year 2023-24 to date (Period III of April to September 2023). One of the major achievements of the Modi administration has been a strong and persistent decline in average inflation between Periods I and II: The consumer price index (CPI) is down 3.4 ppt per annum, and wholesale price index (WPI) is down by 2.6 ppt per annum. Investment goods (the deflator for gross fixed capital formation) had a decline of 2.6 ppt per annum. This results in only a real marginal decline in the real investment to GDP ratio—from 32.6% in period I to 31.8% in period II.

The growth rate, however, is lower by 2 ppt—from 7.2% in period I to 5.2% in period II. Is this because there has been some inefficiency in the growth process? Two facts to note before any hasty conclusions are drawn about GDP growth post 2014. First, despite demonetization in November 2016 and the GST launch in July 2017, GDP growth between the second quarters of calendar year 2014 and 2015 averaged a robust 7.4% per annum. No decline there, or inefficiency. As a footnote, what matters for prosperity (and elections) is per capita growth, and population growth has averaged a lower 0.4% per annum post 2014.

Two important factors explain the lower growth in period II. First is the unusual tightening of monetary policy starting in 2018-19, a period when real policy (repo) rates reached the highest levels on record in India (upwards of 2.5%). In October 2019, the IMF had forecast GDP growth of 6.7% for 2019-20. Actual GDP growth that year was a low 3.7%. The second 'exogenous' shock to the growth process was the covid pandemic.

Fiscal year 2023-24 is the first 'clean' year after the covid dip and recovery. Note the nominal investment rate: a low 30.3% in 2023-24. A magnitude close to the lamented 29% average for period II and one that Rangarajan emphasizes needs to be increased to the mid-30s for India to achieve its potential of 7% growth. But wait, India is already there; the realized GDP growth for 2023-24 to date (first two quarters of 2023-24) is 7.4%. Also, and more importantly, note the real investment rate for 2023-24—a high 35.8%, one of the highest levels achieved for a six-month period.

All the data points to a new sustained growth period for India. In my view, growth exceeding 7% and the highest per capita growth ever. Surely, the narrative must change. Or is that politically and ideologically an unrealistic expectation?

These are the author's personal views.

Oil output reduction is better than plugging methane leaks

Hydrocarbon industry efficiency matters less than scaling it back



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What sort of climate deal is a summit hosted by the world's third-largest net oil exporter most likely to pull off? The type that boosts revenues for petroleum companies.

The Oil and Gas Decarbonization Charter unveiled at the United Nations CoP-28 summit in Dubai counts as one of the most substantive pacts to have emerged from the conference so far.

The agreement includes most of the traditional Western oil majors, state producers from Saudi Arabia and hosts the United Arab Emirates, between them accounting for about 40% of global oil output. The agreement talks about cracking down on tonnes of methane pumped into the atmosphere through leaks at oil and gas fields and flares burning off surplus gas.

Campaigners will rightly complain that the pledges are unenforceable, making the deal little better than a pinky promise. A similar vow to end routine gas flaring was agreed upon at CoP-21 in Paris, and there's precious little evidence it's going to meet its targets.

The Global Methane Pledge was one of the centerpieces of the Glasgow CoP-26 conference. Roughly a quarter of the warming to date has been caused by methane. Over the coming century, each tonne of CH4 emitted will heat the atmosphere by as much as 28 tonnes of CO2.

Petroleum producers must be motivated to do something about the problem. Natural gas, which is almost entirely methane, is still running at elevated prices, with European futures for the 2024-25 winter peak season at more than double the level they were at three years ago.

Capturing that valuable commodity and selling it—instead of venting it or burning it as waste gas—should be extremely profitable. About 41% of methane emissions from oil and gas facilities can be eliminated at no net cost, according to the International Energy Agency.

There's a more cynical reason for fossil-fuel producers to get on board. Since the warming impact of CH4 is so front-loaded, a quicker reduction in methane emissions might eke out a few more years to sell down those petroleum reserves before the chaos of climate change forces tougher action.

The main issue is that the easiest way to tackle this is to cut petroleum production as a whole. Oil companies aren't stupid. If they are throwing away CH4 as waste gas, it's very often because capturing it and selling it is a lot harder to do in practice than it is on paper. If you're managing an oilfield, a pipeline or a storage tank, you don't



Gas flares sometimes let methane escape into the air

always have good alternatives to releasing methane into the atmosphere. A large share of pollution comes from blow-downs—deliberate releases—to prevent build-ups of gas that may make equipment inoperable or dangerous. Burning this gas off in a flare is cheaper and easier than installing the infrastructure needed to capture and sell it, but even then, about 9% of the CH4 coming out of the pipe doesn't get set alight and gets released in its raw form into the atmosphere.

Since the mid-1980s, attempts to reduce the share of flaring in global petroleum production have shown only limited effectiveness. Much of the success of late has likely been a result of the US increasing its share of the global oil market.

Even a complete elimination of petroleum's methane emissions won't make much of a difference, unless the rest of the industry cuts back. CH4 from oil and gas facilities released the equivalent of 2.3 billion tonnes of CO2 into the atmosphere in 2022, according to the IEA. Reduce that by two-thirds by 2030, and you still won't have cut emissions enough to offset the 1.8 billion tonnes of additional CO2 that would be produced if the Organization of the Petroleum Exporting Countries' forecast for oil output over the period plays out.

The more effective action against the oil and gas industry's carbon footprint may be happening closer to OPEC's headquarters in Vienna than the CoP-28 talking shop in Dubai. The crude oil cartel's supply cuts of 2.2 million daily barrels announced last week, if they're not offset by increases elsewhere, will cut CO2 emissions by about 347 million metric tonnes, equivalent to about 1% of the annual total.

OPEC would argue that those cuts are temporary. If they are the first signs of a peak and decline in petroleum production, that's the real action the world needs—and it's not being done out of altruism.

An Oil and Gas Decarbonization Charter is an oxymoron because the carbon is locked into the chemical structures of oil and gas molecules themselves. The only viable way to tackle that is to stop burning fossil fuels. It's a looming decline in oil and gas production itself, rather than any attempt to make the industry's operations more efficient, that will make the real difference to the planet. ©BLOOMBERG

GUEST VIEW

Must OTT platforms and cable TV have the same rules?

SHRUTI SHREYA & KAZIM RIZVI



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The introduction of the Draft Broadcasting Services Regulation Bill, 2023 (Draft Bill), marks a significant shift in the regulatory approach taken by India towards over-the-top (OTT) streaming and digital news platforms available on the internet. The Draft Bill proposes extending traditional broadcasting regulations to digital publishing services, with requirements of mandatory registration, the establishment of content evaluation committees and adherence to common programme and advertising codes put in place for platforms across broadcasting mediums.

Imagine a world where every show you stream, every news clip you watch online and every podcast you listen to is regulated under the same stringent guidelines that govern your traditional TV channels. Will such a framework align with the doctrine of reasonable classification, considering that the underlying business models and content delivery mechanisms of OTT and digital news platforms differ substantially from

TV and traditional films? How will this approach impact the dynamism of digital content creation? And most importantly, is it practically possible for one law to balance the drastically varied contours of digital publishing and traditional broadcasting?

The nub of the issue is this: Should OTT platforms be regulated the same way as traditional TV channels in India?

Across ecosystems, there's a noticeable push to unify regulations for internet-based services and other technology mediums, exemplified by the Telecommunication Bill, 2022. Now, a parallel approach is being undertaken for traditional cable and film broadcasting versus OTT and digital news platforms. These convergence efforts pose critical questions about the feasibility and effectiveness of imposing a single regulatory framework on fundamentally distinct technologies and business models.

Let's take a closer look. Traditional TV and cinema businesses operate on a 'push' model, which delivers content to bulk audiences at pre-determined times. In contrast, OTT platforms, which use tech advancements including an ability to 'stream' content from internet storage onto individual devices, are designed to 'pull' viewers in with choice, giving the users of their apps

the autonomy to select what and when they want to watch from a wide range of content. This model has revolutionized content consumption, providing a platform for niche genres and unconventional narratives that may not find space in traditional TV, which must serve the needs of bulk audiences.

Regulating OTT platforms under a single broadcasting regulatory framework risks diluting the OTT model's uniqueness, which is the ability to offer diverse, unorthodox and tailored content experiences. It may compel content creators to opt for safer, universally acceptable themes, which could limit creative freedom and diminish the rich tapestry of content available online to viewers.

What is the need for a whole new regulatory framework when India already has information technology rules in place that cover digital platforms? This is unclear, as most of the measures proposed in the Draft Bill are already covered under the IT Rules of 2021.

The proposed programme and advertisement codes appear to be a replication of the code of ethics that exist under the IT Rules, 2021. Existing research shows that these codes generally tend to be vague, leading to concerns about the chilling effect they could have on free speech. Our study

showed that the vagueness in terms like "half-baked truth," "indecent" and "obscenity" under the IT Rules's Code of Ethics has revitalized portions of Section 66-A of the IT Act, which was struck down by the Indian judiciary in the *Shreya Singhal* judgement for vagueness.

The Draft Bill also proposes the establishment of content evaluation committees by all broadcasters to self-certify their content. Digital publishers already undertake content rating exercises under the IT Rules, 2021. Research by The Dialogue based on industry feedback suggests that the current content rating process is working quite well. Further, extending the established norms further by mandating more onerous

content evaluation procedures can be impractical on account of the unique nature of the ever-expanding internet. The web's continuous influx of material, including news and other content on current affairs, is so voluminous that it is virtually impossible for any panel to effectively review and certify everything. Moreover, ensuring objectivity and similar standards of certification across all publishers can be a significant challenge.

Another significant aspect of the law that will come to bear if the Draft Bill is enacted in its current form is a three-tier system of grievance redressal, comprising a grievance officer at the broadcaster level, a self-regulatory organization at the industry level, and a government-led broadcast advisory council for oversight. This three-tier mechanism mirrors the self-regulatory system that currently exists under the IT Rules, 2021. And a primary impact assessment of the OTT ecosystem shows that, apart from a few concerns of principle, the three-tier regulatory mechanism under the IT Rules is functioning effectively.

Moves to re-invent the wheel should only emerge from actual needs and anticipated benefits—evaluated through thorough analysis and evidence-based research.

Their differing business models shouldn't be ignored, nor should we reinvent the wheel of rules



Indian volleyball's high point

Ahmedabad Defenders, winners of the 2023 Prime Volleyball League, will represent India at a key club world event

Deepti Patwardhan
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For decades, it has been one step forward two steps back for Indian volleyball. On 6 December, the sport hopes to step into the spotlight once again as it debuts at the Men's Club World Championships as hosts. Ahmedabad Defenders, champions of the 2023 Prime Volleyball League, will represent India at the premier club world event, which will take place at Bengaluru's Koramangala Indoor Stadium from 6-10 December.

Launched in 1989, the men's club world championships in volleyball pre-dates the more popular Fifa Club World Cup that follows a similar format. Top teams from different confederations compete for the title. Sir Safety Susa Perugia (Italy), Sada Cruzeiro Volei and Minas Tênis Clube (Brazil), Suntory Sunbirds Club (Japan), Halkbank Spor Kulübü (Turkey) and India's Ahmedabad Defenders will participate in the 2023 Men's Club World Championships.

GOLDEN OPPORTUNITY

Italy (ranked No 3 in the world) Brazil (4), Japan (5) and Turkey (14) are all volleyball powerhouses. India, meanwhile, doesn't have a national federation and has slumped to 73 in the men's rankings, below sub-continent teams like Sri Lanka, Bangladesh and Pakistan.

"This is the greatest opportunity for us, for players as well as Indian volleyball," says Dakshinamoorthy Sundaresan, former player and coach of the Ahmedabad Defenders. "Our players have a lot of talent, finally they will get a world platform to display it."

It is a rare period of optimism for Indian volleyball. The participation in the club



Ahmedabad Defenders' participation at the club world championships is a rare period of optimism for Indian volleyball.

world tournament comes on the back of a defiant performance at the 2022 Asian Games in Hangzhou. India defeated 2018 silver medalists Korea 25-27, 29-27, 25-22, 20-25, 17-15 in a thriller before scoring a 25-22, 25-22, 25-21 win over the Chinese Taipei, ranked 30 places ahead of India at the time, to finish at the top of Pool C and enter the quarterfinals. Though they lost to Japan in the last eight and later to Pakistan, the team finished a creditable sixth at the continental event.

Especially considering that the team was starved of competition. India played just one international tournament – the Asian Men's Volleyball Championship in

Iran – in 2023 before the Asian Games.

"In 2018, we didn't do very well in the Asian Games," says Mohan Ukkrapandian, a veteran India player and setter for the Ahmedabad Defenders. "We had finished twelfth. This time, a few of us, who were in the team in 2018 as well, were keen on doing better. We were very focussed while training. We had to something to prove; we knew only if we do well, we can bring volleyball back

into the limelight."

With no federation to fall back on, it's the players that have taken it upon themselves to revive volleyball in India. The

men's team was a force to reckon with in Asia from the 1960s through to the 1980s. India has won three medals in men's volleyball

at the Asian Games – a bronze in 1958 (Tokyo, Japan), silver in 1962 (Jakarta, Indonesia) and another bronze in 1986

(Seoul, South Korea).

But the sport's footprint has steadily faded over the decades, mainly due to the power struggle between the warring factions in the federation. The Volleyball Federation of India (VFI) has been under suspension since December 2019 due to the internal feud, and the Indian Olympic Association (IOA) finally set up an ad-hoc committee in May 2023 to look after the daily operations of the federation.

In the run up to the Asian Games, the Indian team suffered another setback as they were withdrawn from the 2023 Asian Men's Volleyball Challenge Cup, in Taiwan, mid-way through the tournament. India had won their opening match 25-22, 25-18, 25-17 against Hong Kong, but the Indian ad-hoc committee disallowed India's participation in the tournament hence the result did not count.

NO NATIONAL CHAMPIONSHIPS

Due to the VFI suspension, there have been no national championships for the past four years. Despite India's encouraging show at the Hangzhou Asian Games, volleyball did not feature in this year's National Games, held in Goa in October-November, since the ad-hoc committee decided they did not have enough time, or money, to select eight teams.

"There is no federation in India, there are no national championships at any age group," Dakshinamoorthy adds. "All the volleyball players in India depend on public sector jobs for their income. But since there are no national tournaments anymore, younger players coming through satisfy the formal norms required for them to get a job. For the last four years, the players are suffering. We have a year-long programme for all players in the League. But we cannot motivate players because they have nothing else to play. They are questioning, 'What is the purpose of playing volleyball?' Parents are also not willing to send their children to the sport."

For Ashwal Rai, one of the mainstays of the Indian team, the pro volleyball League, re-launched as the Prime Volleyball League in 2022, without any VFI support or interference, has given the sport a new lease of life in India.

"For a long time, we did not get any international tournaments, international exposure," says Rai, who will play as a middle blocker for the Defenders at the Club

World Championships.

"But we get to play with some of the best international players in the Prime Volleyball League. The League has helped unearth some great talent. Those players who earlier didn't get an opportunity are getting one now. We saw the results at Asian Games. This is what we want," adds Rai.

The Prime Volleyball League is not as cash-rich as some of the other franchise-based leagues in the country: at the PVL 2023 auction, Rohit Kumar was the most expensive buy at Rs 17.5 lakhs ahead of the second season. Meanwhile in Pro Kabaddi, which is seen as a benchmark for non-cricket sports in India, players breached the Rs 1-crore mark in 2018 (season 6) and Pawan Kumar Sehrawat became the most expensive player in league's history when he was snapped up for Rs 2.6 crore by the Telugu Titans for season 10 in 2023-24. Though at a much smaller scale, PVL has provided players with some financial security.

And a wealth of experience.

"We have learnt a lot from the international players, how they stay calm but aggressive. They are technically superior, we have learnt how to manoeuvre the ball better," Rai says.

He continues: "Playing the League for the first time was a strange experience. A game would last 15 points and the ace would be worth two points. We needed some time to adapt to those because 15 points fly by. But once we started playing, we realised the importance of each point in a game, how to fight for each point. Implementing that attitude in a 25-point game has seen our performance improve. I think it was one of the reasons why we did well at the Asian Games as well. We had problems till now, being in this volleyball set up. But now we are seeing the way ahead."

The way ahead is still long and arduous for Indian volleyball, but the pieces of the puzzles are slowly falling into place. While the PVL pushed volleyball to prime time on Indian television, the Club World Championships could be the players' gateway to international stardom. Having trudged through the trenches for so long, Indian spikers are ready to leap into the spotlight.

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