

quick BITES

INDICATORS	%
Sensex	78,248.13 -0.57
Nifty 50	23,644.90 -0.71
S&P 500*	5,892.00 -1.32
Dollar (₹)	85.02 0.08
Pound Sterling (₹)	107.58 0.53
Euro (₹)	89.25 0.16
Gold (10gm)* (₹)	76,301*243 0.32
Brent crude (\$/bbl)*	74.50 0.44
IN 10-Yr bond yield	6.775 0.012
US 10-Yr T-bill yield*	4.593 -0.026

* As of 8:30 PM IST

Adani to exit from FMCG JV Adani Wilmar

Billionaire Gautam Adani's group on Monday announced its exit from FMCG joint venture Adani Wilmar by selling its entire stake to the Singaporean partner and in the open market for over \$2 billion in a first major deal since the US bribery indictment. Adani Enterprises Ltd, which held 43.94 per cent stake in Fortune brand cooking oil, wheat flour and other food product maker Adani Wilmar Ltd, said it will sell 31 per cent stake to Wilmar International.



Air Kerala to start operations by June 2025

Upcoming airline Air Kerala on Monday said it is planning to start operations by June next year with the first flight from the Kannur International Airport. Without disclosing the maiden destination, the upcoming airline, which has already put in place all key positions, including of the CEO and CFO, said it has inked a pact with private airport operator Kannur International Airport Ltd to start flight services on regional routes.

SAIL to promote advancements in mining, metals

State-owned Steel Authority of India Ltd's IISCO Steel Plant, Burnpur, entered into a pact with IIT (ISM) Dhanbad's Technology Innovation and Exploration and Mining Foundation for developing technologies to promote technological advancements in mining and metallurgy with focus on strengthening intellectual capacity skills through specialised programmes in advanced domains.

UFlex to invest \$200 mn as part of expansion

Flexible packaging and solutions firm UFlex is investing around \$200 million (₹1,710 crore) in Egypt on two projects as part of its backward integration strategy, in a bid to serve markets neighbourhood countries and Europe, besides catering to domestic requirements. The company is putting in around \$70 million on a facility of polyethylene terephthalate, a raw material for thin polyester packaging.

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RBI flags rising multiple loans

Central bank report highlights rising impairment in personal loans, credit cards

FALAKNAAZ SYED
MUMBAI, DEC. 30

The Reserve Bank of India (RBI) on Monday flagged risks in microfinance and consumer credit, which make up 15 per cent of the total schedule commercial bank loans with delinquency rates reaching 8.2 per cent in small personal loans and 3.8-4.3 per cent in microfinance. The central bank in its December 2024 Financial Stability Report released on Monday noted that borrowers who had availed loans from multiple lenders and those with high credit exposure showed high impairment.

"The microfinance sector is showing signs of stress, with rising delinquencies across all types of lenders and ticket sizes. During H1:2024-25, share of stressed assets increased, with 31-180 days past due (dpd) rising from 2.15 per cent in March 2024 to 4.30 per cent in September 2024. Importantly, among borrowers who had availed loans from multiple lenders and those with higher credit exposure, impairment remained high," it said.

Alongside rising delinquencies, borrower indebtedness has risen notably: the share of borrowers availing loans from four or more lenders has increased from 3.6 per cent to 5.8 per cent during the last three years (September 2024 over September 2021). Also, the quarterly average ticket size of microfinance loans disbursed has risen by 43 per cent over this period

FRAGILE POSITION

BORROWERS' HIGH CREDIT EXPOSURE SHOWS HIGH IMPAIRMENT.



MICROFINANCE SECTOR SHOWING SIGNS OF STRESS.

FIRST DEFAULT mostly observed in unsecured advances.

RISING IMPAIRMENT in unsecured retail loan portfolios such as personal loans and credit cards.



NEARLY HALF of the borrowers availing credit card and personal loans have another live retail loan outstanding, which are often high-ticket loans like housing and/or vehicle loan. — RBI IN FINANCIAL STABILITY REPORT

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India growth prospects improving: Malhotra

FALAKNAAZ SYED
MUMBAI, DEC. 30

Amidst an uncertain global macroeconomic and financial environment, the Indian economy is exhibiting resilience and stability with the Gross Domestic Product (GDP) projected to grow at 6.6 per cent in 2024-25. The growth would be aided by revival in rural consumption, pickup in government consumption and

investment and strong services exports, said the Reserve Bank of India's (RBI) Financial Stability Report December 2024 released on Monday.

In his foreword to the Report the RBI Governor Sanjay Malhotra wrote, "Notwithstanding the uncertainties shrouding the global macrofinancial ethos as it unfolds, prospects for the Indian economy are expected to improve after the slow-

ment overdue between 61 days to 90 days) to NPAs are on the rise.

"Nearly half of the borrowers availing credit card and personal loans have another live retail loan outstanding, which are often high-ticket loans (i.e., housing or vehicle).

down in the pace of economic activity in the first half of 2024-25. Consumer and business confidence for the year ahead remain high and the investment scenario is brighter as corporations step into 2025 with robust balance sheets and high profitability." The Financial Stability Report (FSR) is a half yearly publication, with contributions from all financial sector regulators.

Given that a default in any loan category results in other loans of the same borrower being treated as non-performing by the lending financial institution, these larger and secured loans are at risk of delinquency from slippages."

Markets end lower on weak global trends

Mumbai, Dec. 30: Benchmark Sensex declined by nearly 451 points on Monday due to selling in heavyweight stocks HDFC Bank, ICICI Bank and Reliance Industries, weak global trends and unabated foreign fund outflows.

In a volatile trading session, the 30-share BSE barometer dropped by 450.94 points or 0.57 per cent to settle at 78,248.13. As many as 23 of its constituents closed lower while seven closed with gains. The barometer opened lower but recovered losses in the mid session to hit a high of 79,092.70.

The index failed to hold onto gains in the second half due to selling in

bluechips and tanked 621.94 points or 0.79 per cent to touch a low of 78,077.13.

The NSE Nifty declined 168.50 points or 0.71 per cent to settle at 23,644.90 as 38 of its components fell and 11 closed higher. Among Sensex shares, Tata Motors fell the most by 2.24 per cent. Titan, Tata Steel, State Bank of India, Mahindra & Mahindra, NTPC, ICICI Bank, Maruti, HDFC Bank, Reliance Industries and Infosys were among the laggards.

Zomato, Tech Mahindra, HCL Tech and IndusInd Bank made gains.

The BSE smallcap gauge declined 0.47 per cent and midcap index went up by 0.13 per cent.

Industry discusses tax rates, inflation, jobs with Nirmala

MADHUSUDAN SAHOO
NEW DELHI, DEC. 30

Amid slowing the consumption demand in both rural and urban areas, India Inc on Monday met finance minister Nirmala Sitharaman and discussed burden of high tax for middleclass, inflation, job opportunities among others.

Besides, the industry representatives also flagged concerns over an issue of dumping of excess stock by China

INDUSTRY REPRESENTATIVES flagged concerns over an issue of dumping of excess stock by China in India and challenges posed to food security as well.

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Ahead of the Union Budget for 2025-26, which will be presented on

February 1, this is the fifth customary pre-Budget meeting of the FM with industry bodies. Apart from the finance minister who chaired the meeting, top officials of the ministry including finance secretary, secretary of department of investment and public asset management (Dipam), secretaries of the department of economic affairs and the chief economic adviser to the Government of India also attended the meeting.

Emerging technical skills to drive 1 million jobs by 2030

New Delhi, Dec. 30: Emerging technologies like quantum computing and Generative AI are expected to create over 1 million jobs by 2030, a report by Quess IT Staffing said underlining just how skills in domains of artificial intelligence and machine learning (ML), cybersecurity, cloud computing, data science, and blockchain are transforming industries.

Emerging technologies also are expected to contribute over \$150 billion to India's economy by 2030, cementing its position as a global technology leader. In all of this, Bengaluru remains the hotbed of tech hiring.

"Emerging technologies

TECH. DRIVE

Emerging technologies also are expected to contribute over \$150 billion to India's economy by 2030. Emerging technologies like Quantum Computing and Generative AI are expected to create over 1 million jobs by 2030. Bengaluru continues to dominate the hiring landscape.



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like Quantum Computing and Generative AI are expected to create over 1 million jobs by 2030," according to the "Technology Skills Report 2024". Capabilities in emerging areas like AI/ML, cybersecurity, cloud computing, data science, and blockchain are transforming industries

with innovative applications. AI/ML enhances efficiency in healthcare, Banking, Financial Services and Insurance (BFSI), retail, automotive, and manufacturing through diagnostics, fraud detection, and quality control. "India's technology workforce is witnessing a

Govt seeks int'l travellers' info

UNDER WATCH

NEW RULE FROM CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS IN FIVE POINTS:

- All airlines should mandatorily share details of foreign travellers with customs authorities.
- Details must be shared 24 hours before the flight's departure.
- New rules come into effect from April 1, 2025.

Details will include mobile number, payment mode and travel itinerary.



FC CORRESPONDENT
NEW DELHI, DEC. 30

Central Board of Indirect Taxes and Customs (CBIC) said that all airlines should mandatorily share details of foreign travellers with the Indian customs authorities from April 1, 2025, and non-compliance can attract heavy penalties. It further said that details ranging from mobile number, and payment mode to travel itinerary need to be shared with the authorities 24 hours before the departure of an international flight.

"All air transport service providers operating flights to/from India will have to register with the National Customs Targeting Centre-Passenger (NCTC-Pax) by January

10, 2025, in order to comply with the requirement," according to a communication issued by the CBIC under the Union finance ministry.

On August 8, 2022, the CBIC notified the 'Passenger Name Record Information Regulations, 2022' under which airlines were required to share passenger name record (PNR) details of foreign travellers with the Customs department. In case an airline fails to share the data, the customs department can impose a fine ranging from ₹25,000-50,000 for every act of non-compliance, as per the regulations. This system is intended to enhance interdiction capabilities of authorities and risk analysis of passengers.

Tea production falls, but exports increase

Kolkata, Dec. 30: The tea industry is likely to witness a fall in total production by over 100 million kg this year due to erratic weather conditions coupled with early annual closure of gardens, resulting in an increase in cost per kg for planters, stakeholders said on Monday.

However, the silver lining this year was better price realisation and growing exports.

As compared to around 1,178 million kg output during the first 10 months of 2023, the country produced around 1,112 million kg of tea in the January-October period of the current calendar year, while exports were expected to touch 240-250 million kg in 2024, up from around 231 million kg in the previous year, they said. The production is down by around 66 million kg during the January-October period

in 2024, while there is expected to be a dip in production by another 45-50 million kg as plucking has been stopped after November, Indian Tea Association chairman Hemant Bangur said.

Despite geo-political challenges and currency issues, India's tea exports were healthy and the rise in shipment was due to a high-risk appetite of merchants, Indian Tea Exporters Association chairman Anshuman Kanoria said. "The performance of the tea industry this year was not very good as crop output was down while per kg cost of production was up with the costs mostly being fixed. There was no commensurate increase in price. The industry was in the red in 2023, and the situation now is better than last year but the industry is still in doldrums," Bangur said. — PTI

GOVT TO FOCUS ON GIG WORKERS

New Delhi, Dec. 30: Speedy implementation of labour codes, providing social security to informal workers, especially gig and platform, and bringing transformative policies would be the government's priority in 2025 to empower all and boost the economy.

All 36 states and UTs are expected to complete harmonization and pre-publication of draft rules under the four labour codes by 31st March 2025, according to the labour ministry. The ministry has identified four reforms.

— PTI

HEALTH CLAIMS OF ₹15,100 CRORE DISALLOWED: IRDAI

New Delhi, Dec. 30: Health insurers disallowed claims worth Rs 15,100 crore or 12.9 per cent of the total claims filed during fiscal 2023-24, according to data released by regulator Irdai.

Of the total ₹1.17 lakh crore claims under health insurance of general as well as standalone health insurers, only Rs 83,493.17 crore or 71.29 per cent were paid during the year ending March 2024.

Further, insurers repudiated claims amounting to Rs 10,937.18 crore (9.34 per cent) while outstanding claims totalled ₹7,584.57 crore (6.48 per cent), said the annual report 2023-24 of Insurance Regulatory and Development Authority of India (Irdai).

NEW OFFERS

Slew of tech start-ups readying for market debut following recent IPO euphoria

Indian IT optimistic of revival of demand, bets on AI

New Delhi, Dec. 30: The Indian IT industry steps into 2025 with hope and optimism of improved tech spending and stronger deal pipeline as businesses across-the-board take bold AI bets, but all eyes are on global macroeconomic cues as well as the US' stance on trade and high-skilled immigration as President-elect Donald Trump returns to White House next month.

With Q2 report card of most IT heavyweights fuelling hopes of an improved client demand over the coming quarters - industry pundits predict a notable rebound in growth and profitability metrics materialising by late 2025 or the second half of FY26, if all goes well.

Experts also expect tech M&A counters to buzz right through 2025, with big data, cloud and Gen AI (Generative AI) acting as



major draws for companies with takeover appetites. Meanwhile, the IPO market - heady from

2024 highs - seems all primed up for yet another blockbuster year as a slew of tech startups are readying for a market debut to capitalise on euphoria.

Sindhu Gangadharan, chairperson of IT industry association Nasscom says a full rebound in tech and discretionary spending is projected by late 2025, provided global macroeconomic conditions stabilise and geopolitical tensions ease.

"The year 2024 witnessed a steady but uneven recovery in demand for tech services, with strong growth in areas like AI, cloud computing, and cybersecurity. Companies are increasingly prioritising investments in these transformative technologies to enhance efficiency and resilience," says Gangadharan, who took charge at the helm of Nasscom this year.

After creating a stir in

2024, Generative AI is now at a "transformative inflection point" and poised to redefine industries and fuel global innovation. While tech sector is broadening its services to include GenAI-powered analytics, intelligent automation, and personalised customer experiences, the non-tech sectors are expected to face significant disruption, with GenAI transforming operations.

— PTI