India's EU Exports: Carbon Quandary

Project Finance Norms: RBI's Tough Stand

India Business Journal

VOL. XIX No. 12 Rs 100 JUNE 2024

SLIPPERY SLOPE

Despite longing to shed their 'small' label, many SFBs would find it challenging to meet RBI's stringent norms to transform into universal banks.

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PATANWALA ESTATE,
GHATKOPAR (W),
MUMBAI 400 086. INDIA
PHONE: +91 7977515091
EMAIL: mail@ibj.in

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The country's food safety regulations and enforcement still have a long way to go.

Food Safety In A Mess

Nine years ago, *Maggi* hit the headlines for all the wrong reasons. The popular noodle brand of Nestle India was found to have contained MSG and lead well over permissible limits. The matter came to light when Food Safety and Standards Authority of India (FSSAI) seized packets of *Maggi* from Uttar Pradesh and found them to be contaminated with MSG and lead. The two-minute snack was banned for several months in the country. But in 2015, a court set aside the ban, and Maggi was back on the shelves and breakfast tables across the country.

Cut to 2024, and Nestle India finds itself embroiled in another row. This time, the issue is with the Swiss food company's baby food brand *Cerelac*. Campaigners from Public Eye, a Swiss investigative organisation, have found that the company adds sugar and honey to infant milk and cereal products sold in African and Asian countries, including India.

Nestle has denied these findings and added that its infant food products adhere to the global standards across the world without any discrimination. The jury is still out as the charges against Nestle have not been proved as yet. But if they turn out to be true, it would be rather damning. Nestle will be seen as being lax in relatively-poorer countries, while it follows the law down to the last letter in developed countries.

Nestle India is not the only one to find itself in the dock when it comes to food safety. Top Indian spices brands, like *MDH* and *Everest*, are also in trouble, with their products being banned by regulators in Singapore and Hong Kong. These brands are found to be laced with unsafe levels of ethylene oxide, a known carcinogen that carries over to food from fumigating agents.

Charges against these popular food brands – both Indian and multinational – are indeed serious. But what is of greater concern is the recurring issue of unsafe food and beverage that people end up consuming in India despite several safeguards. The FSSAI came into being in 2008, two years after the enactment of the Food Safety and Standards Act. However, the agency has had a chequered record. It has consistently been hamstrung by shortage of staff and infrastructure. This has meant that a large section of the market views regulation as paperwork rather than regular inspections followed by expert guidance.

The recurring issue of unsafe food and beverage that people end up consuming in India despite several safeguards is certainly unsettling. The FSSAI came into being in 2008. However, the agency has had a chequered record. It has consistently been hamstrung by shortage of staff and infrastructure.

Poor regulation and sketchy monitoring are the usual suspects in any developing country. Add to them corporate greed, and you have a deadly concoction that could turn food into poison. Another dangerous trend occurring in recent years is a false sense of hyper-nationalism that is compounding the problem manifold. The FSSAI seems to be taking a proactive stance when it comes to cases of multinational companies. But the food regulator is found wanting in cases where Indian companies seem to be on the wrong side of the law.

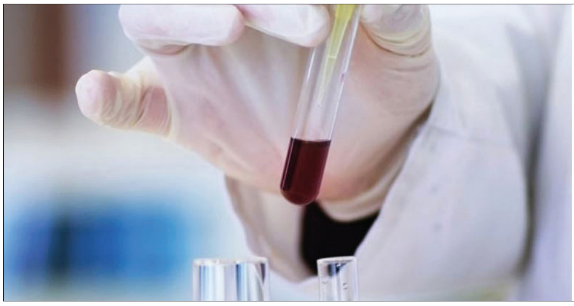
India's food safety regulations and enforcement have come a long way from the earlier shoddy standards. But a lot more needs to be done. A recent report of the Comptroller and Auditor General reveals that in more than 50 per cent of cases tested and checked during the audit, licences were issued based on incomplete documentation.

The FSSAI and the government must ensure that standards are constantly updated based on scientific assessment and global health advice. The food regulator must be adequately staffed and well equipped to ensure that food sold across the country is safe for consumption. A country with a growing food market and rising global aspirations cannot afford to be lax when it comes to food safety.

REMEDIUM LIFECARE LIMITED

Remedium Lifecare Board Approves 3:1 Bonus Issue Of Shares, Reports Robust FY24 Earnings

Remedium Lifecare Ltd (BSE: 539561), a company engaged in trading API intermediates (KSMs and CRMs) and various other raw materials essential for API trading, has announced its financial results for the quarter and year ended March 31, 2024. Further, the board has approved and recommended a bonus issue of three equity shares for every 1 equity share held as on the record date decided for this purpose, subject to approval from members and appropriate authorities. The record date for the bonus issue is July 6, 2024, (if approved by shareholders in AGM).



Remedium has emerged as one of the fastest-growing organisations in the global pharmaceutical industry.

For the year ended March 31, 2024, the company recorded revenues of Rs 4,042 crore, recording growth of 692 per cent YoY. The EBITDA jumped by 312 per cent YoY from Rs 8 crore to Rs 33 crore (FY24). The PBT grew by 614 per cent from Rs 7 crore (FY23) to Rs 50 crores (FY24). PAT jumped by 560 per cent YoY from Rs 5 crore (FY23) to Rs 33 crore (FY24). The EPS was reported at Rs 90.92 per share.

Remedium Lifecare has bolstered its performance and presence within the pharmaceutical and healthcare domains by trading in amino isophthalic acid, tellurium oxide, grignard reagent, iodine, selenium metal powder, trimethyl sulfoxonium iodide (TMSI). As a leading contract trader and brand owner of advanced intermediates and APIs, Remedium has shifted its paradigm into trading of intermediates and APIs.

Reflecting the ethos of its chairman, who believes in "working hard in silence and letting success make the noise", Remedium is dedicated to upholding uncompromising quality standards. It has consistently raised the industry's benchmarks through its commitment to developing intermediates (KSMs & CRMs) and APIs that deliver unique value to patients and societies worldwide. Adapting swiftly to evolving demands, the company has emerged as one of the fastest-growing organisations in the global pharmaceutical industry.

Quality is an ongoing process of building and sustaining relationships." This is the firm belief at Remedium. Its unwavering commitment to quality products is backed by a highly-qualified team of professionals, cutting-edge infrastructure and deep industry knowledge. Remedium strives to create mutually beneficial partnerships, adhering to high-quality standards as a matter of habit rather than chance.

The company is passionate about excellence and strives to deliver products with 0 per cent defects, earning trust as a reliable source for quality pharmaceutical and healthcare products. It is committed to a rigorous product development process that involves constant modernisation and adherence to international standards since it has one of the largest portfolios of intermediates and APIs responsible for the therapeutic effects of various medicines.

Besides contributing to society's well-being and health, the company's vision is to become a well-known pharmaceutical multinational corporation in the pharmaceutical and healthcare industries. Remedium remains steadfast in its commitment to excellence, innovation and societal well-being, driving positive change in the healthcare landscape.

MISCELLANEOUS

India inks 10-year Chabahar deal with Iran India has signed a 10-year contract with Iran to develop and operate the Iranian port of Chabahar, strengthening relations with a strategic Middle-Eastern nation. India has been developing the port in Chabahar on Iran's south-eastern coast as a way to transport goods to Iran, Afghanistan and central Asian countries, bypassing the port of Karachi and Gwadar in its rival Pakistan. US sanctions on Iran, however, had slowed the port's development. "Chabahar Port's significance transcends its role as a mere conduit between India and Iran; it serves as a vital trade artery connecting India with Afghanistan and Central Asian Countries," Shipping Minister Sarbananda Sonowal has said.

India third-largest solar power generator Rapid solar energy deployment in India pushed the country past Japan to become the world's third-largest solar power generator in 2023, according to a report by global energy think-tank Ember. The report points out that India had ranked ninth in solar energy deployment in 2015. India saw the world's fourth-largest increase in solar generation in 2023 (+18 terawatt hour or twh), behind China (+156 TWh), the US (+33 TWh) and Brazil (+22 TWh). Together, the top-four solar-growth countries account for 75 per cent of growth in 2023, adds the report. Solar energy produced a record 5.5 per cent of global electricity in 2023.

India's broadband link will need Rs 4.2 l cr The country will require over Rs 4.2 lakh crore in investment by 2030 for ubiquitous broadband penetration, according to estimates by EY. The huge sum of money assumes significance as the country lags in fixed or wired broadband penetration compared to that of developed nations. According to Broadband India Forum, even as the average data consumption of 187 gb per month in India on fixed broadband is 10 times higher than mobile data consumption, the same is still significantly lower than the US data consumption of 641 gb per month. Fixed broadband subscriptions in India are a mere 2.85 per 100 persons, almost one-fourth of the global average.

SEBI's guidelines to tackle market rumour The SEBI has issued fresh guidelines to manage stock market impact arising out of market rumours. The norms are aimed at excluding price disruption caused by rumours while arriving at the price for an acquisition. The regulation requires a listed entity to verify market rumours once there has been a material price movement. In this regard, the SEBI circular states: "Unaffected price shall be considered for transactions on which pricing norms specified by SEBI or the stock exchanges are applicable, provided the rumour pertaining to such transaction has been confirmed within 24 hours from the trigger of material price movement."

Onion export ban lifted with MEP and levy The government has lifted the ban on onion exports with a minimum export price of $550 per tonne. The decision can help a large section of farmers, and it came ahead of the Lok Sabha polls in key producing regions, including Maharashtra. The government has imposed a minimum export price (MEP) of $550 per tonne (around Rs 46 per kg) as well as a 40 per cent Export Duty. Taking duty into account, the shipments will not be allowed below $770 per tonne (around| Rs 64 per kg). Last December, the Centre had banned onion exports to control retail prices amid concerns over likely fall in production.

Big surge in Australian chickpea prices Australian desi chickpea prices have risen sharply after India suspended tariffs on imports

recently. This has opened the door to a revival of a trade. Australian desi chickpea prices have risen from around A$810 a tonne in February to more than A$900. Higher prices and increased demand from India will encourage farmers to plant more chickpeas in the coming months, industry body Grains Australia has said. India, the world's biggest chickpea consumer, on May 4 had suspended tariffs until March 31 next year following a poor local harvest. Australia, the largest exporter of chickpeas, is in pole position to benefit from this move.

India stares at huge power deficit in June India is projecting its biggest power shortfall in 14 years in June after a slump in hydropower generation, the government has said. Stepping up measures against the power crisis, the government is racing to avoid outages by deferring planned plant maintenance and re-opening idled units. The deficit also follows delays, a government source has said, in commissioning of 3.6 gw of new coal-fired plants which had been targeted to be operational before March. A peak shortage of 14 gw is forecast in June during night-time hours, when solar capacity is offline, the Central Electricity Authority, the country's planning body for the power sector, has estimated.

Urban jobless rate dips in Q4 of FY24 Unemployment rate for people aged 15 years and above in urban areas has declined to 6.7 per cent in the January-March period from 6.8 per cent a year ago, according to the National Sample Survey's (NSSO) 22nd Periodic Labour Force Survey (PLFS). Joblessness or unemployment rate is defined as a percentage of unemployed people in the labour force. Unemployment rate in the March quarter of FY23 was 6.8 per cent. It was 6.5 per cent in October-December 2023. Unemployment rate among women in urban areas has also declined to 8.5 per cent in January-March 2024 from 9.2 per cent in the same quarter a year ago.

Strict norms out to check EtO in spices India has come out with detailed guidelines to prevent EtO contamination in spices for exports covering all stages of supply chain, including sourcing, packaging and transportation. EtO is ethylene oxide, a carcinogenic chemical. The government has put in place other preventive measures like mandatory testing of spices exported to Singapore and Hong Kong. The steps assume significance amid reports on the recall of two Indian spice brands, MDH and Everest, in Singapore and Hong Kong due to the presence of EtO residue in certain spices. Periodic sampling is also being done from exporters by the Spices Board, based on which corrective measures are enforced.

RBI's record Rs 2.11-l cr dividend for FY24 The board of the Reserve Bank of India (RBI) has approved a record surplus transfer of Rs 2.11 lakh crore to the government for the financial year that ended in March 2024, sharply above analysts' and the government's projection s. The government had budgeted a dividend of Rs 1.02 lakh crore from the RBI, State-run banks and other financial institutions, interim Budget estimates for 2024-25 show. For FY23, the RBI had transferred Rs 87,400 crore to the government.

Verbatim...

"I am sure there are loads of opportunities in countries like India. The question, however, is whether we have any advantage or insights into those businesses in India, or any contacts that will make possible transactions that Berkshire would like to participate in."

Warren Buffett
CHAIRMAN, BERKSHIRE HATHAWAY

"Thus far, today's fragmentation is not significantly different from the initial years of the Cold War. However, compared to the average 'between-bloc trade shortfall' during the entire Cold War period, fragmentation so far is an order of magnitude smaller."

Gita Gopinath
DEPUTY MD, IMF

"Multiple rules are preventing our businesses at the local governments or State governments from utilising our land resources properly. We need to address factors of production, land and labour to transition from a lower-middle income to an upper-income country."

V Anantha Nageswaran
CEA TO GOI

"Algorithms play an important role in digital markets from shaping user experiences to making pricing and product placement decisions. However, the opacity of algorithms can make it challenging to assess their impact on competition issues."

Ravneet Kaur
CHAIRPERSON, CCI

FINANCE

Shriram to sell home finance arm to Warburg

Financial services company Shriram Finance will sell its housing finance arm to private equity major Warburg Pincus for Rs 4,630 crore. This is reportedly Warburg Pincus' single-biggest deal in India in over two decades. Warburg will invest another Rs 1,000 crore in the 2011-incorporated Shriram Housing Finance (SHF) after the closure of the deal, which is expected by the end of this financial year in March 2025, Shriram's Executive Vice-Chairman Umesh Revankar has said. SHF has grown at a compounded annual rate of over 50 per cent, and the Shriram Group wishes to focus on its mainstay of small business and vehicle lending, Mr Revankar has added.

EPFO expands auto-mode advance claims

Employees' Provident Fund Organisation (EPFO) has introduced auto-mode settlement of advance claims for medical, education, marriage and housing purposes. Auto mode of claim settlement was introduced in April 2020 for the purpose of advance for illness. The facility has now been extended to education and marriage under Rule 68K and for housing under Rule 68B. The claim limit has been enhanced to Rs 1,00,000 from Rs 50,000 earlier. During the current year, around 2.25 crore members are expected to reap the benefits of this facility, EPFO has said. In the auto-claim settlement, in-claim is processed automatically by IT system without any human intervention.

BSE companies' m-cap hits $5 trillion BSE-listed companies' total market capitalisation (m-cap) crossed the $5-trillion mark last month for the first time, following a run-up in mid- and small-cap stocks. In the last five months, BSE's m-cap has increased by $633 billion. At the beginning of this year, the total m-cap of BSE was $4.14 trillion. The Indian stock market ranks fifth in m-cap in the world with $5 trillion. The US is in first place with an m-cap of $55 trillion, China is second with an m-cap of $9.4 trillion, Japan ranks third with an m-cap of $6.4 trillion, and Hong Kong's stock market is in the fourth spot with a $5.4-trillion m-cap.

Zomato to surrender payments aggregator licence

Zomato has said that its subsidiary, Zomato Payment, has decided to surrender the certificate of authorisation it had obtained from the RBI to operate as an online payment aggregator. "At Zomato, we do not see ourselves having a significant competitive advantage against the incumbents in the payments space, and hence, we don't foresee a business in payments space as commercially viable for us at this stage," the food aggregating company has said. The development comes months after the company had received the licence from the central bank to operate as an online payment aggregator with effect from January 24, 2024.

Banks' underwriting standards at risk: Fitch

Asset quality of banks' consumer loans has held up well so far, but an accumulation of "untested risks" may challenge lenders' underwriting standards and risk controls, Fitch Ratings has said. "Fitch's assessment of Indian banks' risk profiles also factors in lower transparency in terms of data disclosures on retail underwriting than most Asian banking systems," the rating agency has said in a statement. Banks have reported strong loan growth over the last few quarters, boosted by consumer spending amid firm economic growth. Retail loans, which constitute about 10 per cent of all bank loans, have grown at an annual rate of 20 per cent since 2020-21.

Creditors' haircuts in bankruptcy jump to 73%

Haircuts taken by creditors in bankruptcy resolutions have increased to 73 per cent in FY24 from the 64 per cent in FY23, ICRA has said in a report. A total of 269 resolution plans have been approved by the National Company Law Tribunals (NCLTs) in FY24, up from 189 in the year-ago period, the report by the ratings agency adds. Haircuts or the amount of outstanding loans that banks forgo in corporate insolvency resolutions has led to some concerns.

OBITUARY

Narayanan Vaghul (1936-2024)

Narayanan Vaghul, a renowned banker and former chairman of ICICI Bank, died last month at the age of 88 in Chennai. He is survived by his wife, daughter and son. A Padma Bhushan awardee, Mr Vaghul is considered as the Bhishma Pitamah of banking in the country. The processes established by him went on to become strong and sustainable practices in the Indian financial ecosystem. He has been instrumental in mentoring several powerhouses of banking talent and actively groomed more women CEOs in banking. He had joined ICICI as chairman and CEO in 1985. Under his leadership, ICICI transformed from a development bank to the country's second-largest commercial bank.

APPOINTMENTS

Ujjivan Small Finance Bank has appointed **Sanjeev Nautiyal** as its managing director and chief executive officer for three years from July 1, 2024.

Digital payments platform Visa has appointed **Sujai Raina** as country manager for India.

SALASAR TECHO ENGINEERING LIMITED

Salasar Techno Engineering Successfully Concludes The Payment For Acquisition Of EMC Ltd.

Salasar Techno Engineering (BSE: 540642, NSE: SALASAR) is a one-stop engineering and infrastructure solutions provider. The company is engaged in providing turnkey engineering, procurement and construction (EPC) services for railway and power sectors and is also into designing and manufacturing of telecom towers, monopoles and other heavy steel structures.

In continuation of the company's press release, dated March 16, 2024, Salasar has effectively completed payment of balance amount of Rs 1,680 million for acquisition of EMC Ltd (formerly known as Electrical Manufacturing Company Limited). This demonstrates a pivotal moment in Salasar's continuous pursuit of expanding market presence and capabilities.

Commenting on the above status, the management team of Salasar said: "We are thrilled to announce the timely completion of the payment for the acquisition of EMC Ltd, marking a monumental milestone in our journey of strategic expansion. Our ability to swiftly settle the full amount underscores our commitment to executing our plans with precision and agility."

Salasar adds that the acquisition represents more than just a business transaction; it symbolises the company's dedication to inorganically expand into allied areas within the engineering and infrastructure solutions sector. By integrating EMC Ltd's capabilities into its operations, Salasar is not only broadening its service offerings but also strengthening its market position and enhancing its ability to cater to evolving needs of its clients.

The company's decision to pursue this acquisition aligns seamlessly with its long-term strategic objectives. It reflects its confidence in the growth potential of the EPC industry and its readiness to seize opportunities that align with its vision for sustainable expansion.

The successful completion of the payment for the acquisition of EMC Ltd is a testament to its unwavering commitment to creating value for its stakeholders. Salasar is confident that this strategic investment will yield significant returns, further solidifying its position as a leader in the field of engineering and infrastructure solutions.

As the company embarks on this new chapter of growth, it remains focused on leveraging its combined strengths to drive innovation, deliver excellence and achieve sustainable success. The company is looking forward to realising the full potential of this acquisition in the years to come.

Incorporated in 2006, Salasar Techno is a provider of customised steel fabrication and infrastructure solutions in India. It provides 360-degree solutions by carrying out engineering, designing, fabrication, galvanisation and deployment. Salasar Techno's product portfolio includes telecommunication towers, power transmission line towers, smart lighting poles, utility poles, high-mast poles, stadium lighting poles, monopoles, substation structures, solar module mounting structures, railway electrification, road and railway over-bridges and customised galvanised & non-galvanised steel structures. Salasar Techno's services include providing complete EPC for projects such as rural electrification, power transmission lines and solar power plants. The company is among the leading manufacturers with the current installed capacity of 2,11,000 MTPA having supplied, 50,000+ telecom towers, 746 km of power transmission lines and 629 km of railway tracks to more than 600 clients in over 25 countries.

SALASAR
Building a stronger future

Salasar is confident of the strategic acquisition further solidifying its position in engineering and infrastructure business.

PUBLIC SECTOR

BSNL workers urge govt to use Vi's network Employees of State-run telecom company Bharat Sanchar Nigam (BSNL) have urged Telecom Minister Ashwini Vaishnaw to allow the public sector undertakings (PSU) to utilise the 4G network of Vodafone Idea (VI) temporarily to curb exodus of customers. In a letter addressed to the minister, the BSNL Employees' Union (BSNLEU) has pointed out to the government about the number of customers leaving BSNL due to non-availability of 4G and 5G services. The union has said that 23 lakh customers had left BSNL in March 2024 alone. Citing a media report, the BSNLEU has said that the State-run company has lost about 1.8 crore subscribers in FY24.

REC gets RBI's nod to set up arm in GIFT City REC, a non-banking finance company under the Union Ministry of Power, has received no-objection certificate (NOC) from the RBI to set up a subsidiary in Gujarat International Finance Tech-City (GIFT City) in Gandhinagar, Gujarat. REC is expanding operations into GIFT City, a burgeoning hub for financial services in India, as it continues to diversify its portfolio and explore new avenues for growth. The proposed subsidiary will engage in a range of financial activities as a finance company within the GIFT City, including lending, investment and other financial services. REC finances the entire power infrastructure sector, comprising generation, transmission, distribution and renewable energy.

225% jump in m-cap of PSUs in past 3 years Combined market capitalisation (m-cap) of 81 listed PSUs, including banks and insurance companies, has grown by 225 per cent in the last three years, aided by the government's higher capital expenditure, better capital management and professionalism, Finance Minister Nirmala Sitharaman has said. In a rebuttal to the Congress Party and Rahul Gandhi's claim that PSUs are being "dismantled" and are in disarray under the Modi government, in a post on the X, Ms Sitharaman has said that the facts reveal a very different picture. PSUs which had suffered by the Congress-led UPA government, such as HAL, have seen a resurgence under the Modi government, she has said.

ONGC eyes 19.3% rise in oil and gas output ONGC is aiming to increase its total oil and gas production by more than 19 per cent by FY27. In its latest earnings call, the company has said that its total production may grow to 47 mt of oil equivalent by FY27. This is a 19.13 per cent increase from the 39.45 mt of oil and gas produced in FY24. The oil producer's oil and gas output in FY24 had stood at 19.5 mt and 20 billion cubic metres respectively, the company has said. ONGC had recorded 22.5 per cent rise in capital expenditure in FY24 at Rs 37,000 crore over that of the previous year.

BoM tops PSBs in business growth in FY24 State-owned Bank of Maharashtra (BoM) has recorded the highest growth rate in FY24 in terms of total business and deposit mobilisation among public sector banks (PSBs) at a time when most banks are facing difficulty in achieving double-digit growth. The Pune-headquartered lender has registered a 15.94 per cent rise in the total business in FY24, followed by the country's largest lender, State Bank of India (SBI), with 13.12 per cent growth, according to published financial numbers of the PSBs. However, SBI's total business (deposit and advances) was about 16.7 times higher at Rs 79,52,784 crore compared to Rs 4,74,411 crore of BoM in absolute terms.

IREDA eyes FPO route to raise funds Indian Renewable Energy Development Agency (IREDA) is planning to issue a follow-on public offer (FPO) to raise equity capital and for lending for renewable energy. The State-owned non-banking financial company is aiming to raise Rs 24,200 crore in FY25. "We feel we would require more equity capital. Raising debt is not a problem for us. The project size in green energy is getting bigger, and we intend to support the sector's growth. For this, we believe an FPO is the route to raise more equity capital," IREDA Chairman and Managing Director Pradip Kumar Das has said while addressing a media round table discussion recently.

PNB Housing eyes 17% rise in loan book PNB Housing Finance aims to grow its portfolio by 17 per cent in FY25 on the back of an increase in branch network and focus on affordable housing loan. It had closed FY24 with a loan book of Rs 63,000 crore. The housing finance company has enough capital to sustain this kind of high growth, PNB Housing Finance Managing Director Girish Kousgi has said. For the next two to three years, "we don't need capital as we just raised capital through the rights issue last year", Mr Kousgi has added. Last year, the mortgage company had raised about Rs 2,500 crore from the rights issue.

LIC gets 3 years to meet public holding norm Life Insurance Corporation of India (LIC) has said that it has received the SEBI's approval to continue to have higher promoter's holding at 96.5 per cent for three more years. Listed companies are mandated to limit their promoter's stake to 75 per cent. The national insurer has added that the SEBI has relaxed the norms mainly because LIC is a government-owned company. LIC had gone public with nearly Rs 20,500-crore public issue in May 2022, making it the largest-ever IPO the market had even seen. The government had divested a paltry 3.5 per cent through the primary share sale.

One Point One Solutions Adds Key Asset Management Client, Boosts Fintech Support

One Point One Solutions Limited, a leading provider in technology-enabled business process management (BPM) services, has announced that it has secured a new client with one of the prominent players in the asset management sector. Concurrently, One Point One Solutions has also augmented the seat capacity for the leading fintech player in the country.

Under the terms of the agreement with RazorPay (payment solutions provider), One Point One Solutions has been entrusted to manage the end-to-end merchant origination and servicing with the expansion of its operational capacity to an impressive 160+ seats from seven seats. This remarkable multifold increase from the initial contract signifies the client's confidence in the capabilities and reliability of One Point One Solutions' services.

Under the terms of this strategic alliance, One Point One Solutions is entrusted with the management of end-to-end merchant origination and servicing through its Bengaluru Delivery Center, marking a pivotal moment in the company's evolution. Commencing this operation, One Point One Solutions has become a full-service player in the fintech sector, enabling to transform operations to bridge the gap and create compelling experiences for on-boarding merchants. Key activities of the fintech company involve verification, documentation processing, customer support, banking operations, ticket management and international payment enablement.

Under the terms of the agreement, One Point One Solutions will provide ICICI Prudential Mutual Funds (Asset Management Company) with services of activation and renewals of systematic investment plans (SIPs). Building on this partnership, One Point One Solutions is poised to broaden its horizons by venturing into activation, cross-sell/up-sell and servicing domains. Commencing the operations from One Point One Solutions' Navi Mumbai delivery centre will enable the team to focus on delivering tailored experiences with unparallelled customers' services and driving business growth.

On-boarding of the mutual fund and fintech brand as its partners underscores the company's dedication to agility and client-centricity, reaffirming its stature as a prominent player in the industry.

1POINT
BUSINESS PROCESS PARTNERS

One Point One Solutions is a full-stack player in BPO, KPO, IT services, technology and transformation and analytics.

One Point One Solutions is a full-stack player in BPO, KPO, IT services, technology and transformation and analytics. The company was incorporated in 2006 and offers comprehensive solutions in technology, accounting, skill development and analysis. In 2024,the company acquired a major stake in IT Cube Solutions Pvt Ltd, which is an IT, BPM and KPO services company, headquartered in Pune and Cincinnati, Ohio. IT Cube Solutions with over two decades of experience, employs 600+ professionals, serves clients across sectors and has robust presence in the USA, England, the Netherlands, Germany, Kuwait, Oman, the UAE, Qatar, India, Singapore, and Australia. The shares of One Point One Solutions Limited are listed on NSE (ONEPOINT).

CORPORATE

Godrej set to launch Rs 30,000-cr projects Godrej Properties plans to launch residential projects worth Rs 30,000 crore in this financial year. These projects will come up across the country's major cities to achieve 20 per cent growth in sales bookings amid strong demand, its Executive Chairperson Pirojsha Godrej has said. "We have given a sales bookings guidance of Rs 27,000 crore for the current financial year (FY25), a 20 per cent growth from a high base in 2023-24," Mr Godrej adds. In FY24, the company's sales bookings had jumped by 84 per cent to a record Rs 22,527 crore, from Rs 12,232 crore in the preceding year.

Rs 10.6-l cr corporate bonds to hit market ICRA has said that corporate bond issues are likely to rise to Rs 10.6 lakh crore in FY25 from Rs 10.2 lakh crore in FY24 . Accordingly, the overall corporate bond outstanding is likely to increase by 9.5 per cent to Rs 50.3 lakh crore by March 2025. Higher competitive funding conditions in domestic markets compared to those of developed markets have led to big corporate entities tapping more domestic funding sources over the last two years, ICRA adds. Recent regulatory actions, including the risk weight hike by the RBI on unsecured retail loans, may constrain the incremental credit growth of banks, ICRA has said.

JSW Steel's Rs 20,000-cr capex in FY25 JSW Steel will spend Rs 20,000 crore in 2024-25 amid the steelmaker's ambitious target to scale up its capacities to 50 mt by FY31. The company had pegged FY24 capex of Rs 20,000 crore but revised it earlier in the year to Rs 18,000 crore, citing a timing issue. It had said that the balance capex amount would be passed on to the next financial year. The company slated its consolidated capex at Rs 64,434 crore, with Rs 19,125 crore set aside for Dolvi phase-III project and Rs 4,665 for growth, mining projects and Italy Rail Mill modernisation, according to an investors' presentation last month.

FMCG companies bullish on growth in FY25 FMCG companies expect volume-led growth in FY25, with a revival in consumption supported by a lower inflationary environment, projections of a normal monsoon and good Rabi crop. In their latest March quarter earnings calls, Britannia, Marico, Dabur, GCPL and HUL have said that they expect revenue growth in the new financial year. The companies were forced to slash prices of their products as raw material prices had fallen, which had in turn impacted their top line and value growth in the last two quarters of FY24. Besides, they expect a gradual uptick from the rural market, which contributes over one-third of the FMCG sales in the country.

Disney to sell 30% in Tata Play to Tata Group- Walt Disney Co has struck a deal to sell its minority stake in Tata Play to the Tata Group. This allows the US media giant to focus on the merger of its Indian unit with billionaire Mukesh Ambani's media arm. The transaction values Tata Play at about $1 billion. The Tata Group will take full control of the TV platform after buying the 29.8 per cent stake from Disney. The deal takes place at a time when India's media landscape is going through a major shakeup. Disney had signed a binding agreement in late February to combine its India unit with Viacom18 Media, creating an $8.5 billion entertainment giant.

APPOINTMENTS

Sanjiv Puri, the chairman and managing director of consumer goods conglomerate ITC, has taken over as president of the Confederation of Indian Industry (CII) for 2024-25.

ReNew signs five PPAs to supply 2.2 gw ReNew has signed five power purchase agreements (PPAs) to supply 2.2 gw of clean energy. It has also received a letter of award to set up 5.8 gw of renewable energy capacity. Of the five PPAs, ReNew has signed three solar PPAs totalling 800 mw with NTPC, Damodar Valley Corporation and Solar Energy Corporation of India at an average tariff of Rs 2.59 per kwh. The company has signed another PPA with SJVN for 1-gw firm and despatchable renewable energy project at a Rs 4.39 per kwh. It has also signed a PPA for a 438 mw of power supply to a multinational customer.

Tata Power lines up Rs 20,000-cr capex Tata Power has planned a 66 per cent higher capex of Rs 20,000 crore in this financial year compared to the capex a year ago. It will mainly focus on projects supporting energy transition and India's net-zero emission target by 2070. During the year ended March 2024, the capex was around Rs 12,000 crore, the company's CEO Praveer Sinha has said. "This year we are targeting to spend around Rs 20,000 crore," he has added. Sharing the breakup of the investment plan, Mr Sinha has said that about 50 per cent will be on renewables (projects). The remaining will be a mix of transmission, distribution and conventional projects.

Ola to move from Microsoft to Krutrim Ola founder and CEO Bhavish Aggarwal has said that his company has decided to move its entire workload out of Microsoft Azure to its own cloud platform, Krutrim, within the next week. The move is a reaction to Microsoft-owned LinkedIn removing Mr Aggarwal's post on 'pronoun illness', in which he called out the platform for imposing a 'forced ideology' over gender pronouns. This move will lead to a loss of over Rs 100 crore for Microsoft in India as Ola is a big customer. Krutrim is a made-in-India generative AI platform that was launched by Mr Aggarwal last year. Krutrim recently launched AI cloud services called Krutrim Cloud.

Standard Capital Markets Incorporates Subsidiary For Insurance Broking

Standard Capital Markets Ltd, a leading player in the financial services sector, has announced that it has incorporated a subsidiary to act as a direct broker under the Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018.

Recently, the company's board had approved the declaration of special dividend at the rate of 1 per cent. The board had also approved the preferential issue of 26,00,00,000 equity shares of face value (FV) of Re 1/- each towards conversion of outstanding unsecured loans for an aggregate loan amount of Rs 70,72,00,000/- at an issue price of Rs 2.72/- each, as per the applicable laws, subject to the approval of members of the company. Earlier, the company had effected a stock split in a 10:1 ratio (subdivision of 1 equity share of FV Rs 10 into 10 shares with FV of Re 1 each) and bonus issue in 2:1 ratio (two bonus share of FV Re 1 for every existing equity share of FV Re 1 held).

Embracing the uniqueness of each client, Standard Capital Markets has been consistently striving to deliver personalised and professional services. It upholds an unwavering commitment to every client, while adhering rigorously to the best professional norms and practices, exuding dynamism in every interaction. The company offers a diverse range of personal loans, ensuring not only competitiveness but also flexible repayment terms. For businesses seeking financial support, the company extends business loans with flexible overdraft options.

The company empowers clients to stay ahead of the competition by providing prompt financial assistance and fostering business growth with ease. The Flexi Overdraft feature simplifies cash flow management, allowing easy access to funds as needed and eliminating the complexities of traditional loan applications.

Upcoming products from Standard Capital Markets include fee financing and gold loans. The fee financing offerings cater to aspiring students and parents, simplifying educational expenses. The tech-driven platform enables swift and effortless applications for fee financing, ensuring accessible and affordable education for all. Simplified gold loans offered by the company provide an instant solution for urgent financial requirements, leveraging gold holdings without delays or excessive paperwork.

Standard Capital Markets Limited

The financial services provider is coming with new products in educational, gold and agricultural loan categories.

The company is dedicated to nurturing a culture of learning and progress, reflected in its offerings of educational loans. It is an upcoming product aimed at supporting aspiring learners in accessing quality education. With a focus on flexible repayment options, the company alleviates financial constraints for students, enabling them to pursue academic aspirations. Its financial assistance endeavours ensure academic pursuits are within reach, offering competitive interest rates and streamlined online application processes.

In line with its commitment to empowerment, the company is working towards extending agriculture loans (upcoming product), recognising farmers as the cornerstone of the agriculture loan offering. Timely financial assistance for various farming activities, including crop cultivation, equipment purchases and farm modernisation, among others, underscores the company's dedication. The advanced loaning platform will ensure transparency and minimal formalities, facilitating instant access to funds for all contributors to India's agrarian sector. The securities of the company are listed on BSE (BSE: 511700).

CORPORATE

Zoho mulls foray into chipmaking, seeks sops Zoho is planning a foray into chipmaking and seeking incentives from the Central government. Zoho, established in 1996 and now headquartered in Tamil Nadu, offers software and related services on subscription to businesses in 150 countries, competing with the likes of Microsoft and Salesforce. It is the latest company to seek financial sweeteners from the government to set up a chip fabrication plant. Zoho is proposing to manufacture compound semiconductors, which have specialised commercial applications and are made from alternatives to the more-commonly used silicon in chipmaking. Semiconductors are a key plank of India's business agenda, with a $10-billion government package in place to boost the industry.

OYO to re-file IPO papers after bond deal Softbank-backed OYO is set to re-file its much-awaited IPO as the global travel tech player is close to finalising its refinancing plans to raise up to $450 million via sale of dollar bonds. JP Morgan is the likely lead banker for the refinancing through the sale of dollar bonds at an estimated interest rate of 9 to 10 per cent per annum. In preparation for the refinancing, OYO has already moved its application with markets regulator SEBI to withdraw its current offer papers. Oravel Stays, OYO's parent company, had last November prepaid a significant chunk of its debt amounting to Rs 1,620 crore through a buyback process.

Google to invest $350 million in Flipkart Google is investing nearly $350 million in Flipkart, becoming the latest high-profile name to back the Walmart-owned Indian e-commerce startup. The Android-maker will also provide Flipkart with cloud offerings as a part of the deal, the Bengaluru-headquartered startup has said in a brief statement. Google's investment is a part of a nearly $1-billion funding round that Flipkart had kicked off in 2023. Walmart has led the round, having invested $600 million in it late last year. Microsoft is also an investor in Flipkart. Flipkart, without disclosing the funding amount, has said that Google's proposed investment will help expand its business and advance modernisation of its digital infrastructure.

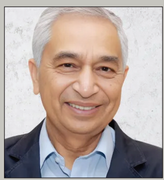
NCLT sees 43% jump in FY24 debt resolution The National Company Law Tribunal (NCLT) has achieved a 43 per cent increase in resolutions in FY24, jumping from 189 cases in FY23 to 270 in FY24. Bankruptcy regulator Insolvency Bankruptcy Board of India (IBBI) is set to submit a report to the government for including mediation in the Insolvency and Bankruptcy Code (IBC), which is currently under discussion and scrutiny. The regulator is also working on pre-packaged insolvency for large corporate cases, which is only allowed in MSME cases as of now. The IBBI has said that resolutions worth Rs 3.5 lakh crore were achieved in the last seven years, making IBC a powerful tool for debt resolution.

EaseMyTrip CEO opts out of Go First bid More than three months after jointly bidding for Go First, travel portal EaseMyTrip's CEO Nishant Pitti has said that he is withdrawing the bid for the bankrupt airline. Busy Bee Airways, majority-owned by Mr Pitti, along with SpiceJet Chairman Ajay Singh, had put in a bid for Go First, which is undergoing an insolvency resolution process, in February. Mr Pitti has added that after careful consideration, he has decided to withdraw the bid for Go First in his personal capacity. The latest move also comes less than a month after the Delhi High Court allowed lessors to take back 54 planes leased to Go First.

BharatPe, PhonePe settle dispute over 'Pe' Fintech unicorns BharatPe and PhonePe have announced that they have amicably settled all long-standing legal disputes pertaining to use of trademark with suffix Pe. BharatPe and PhonePe had been involved in long-drawn legal disputes across multiple courts over the course of the last five years. The settlement will put an end to all open judicial proceedings, the companies have said in a joint statement. As a next step, the parties have already taken steps to withdraw all opposition against each other in the trademark registry, which will help them to proceed with the registration of their respective trademarks, the statement has added.

OBITUARY

Vineet Nayyar (1939-2024)



Vineet Nayyar, 85, the former vice-chairman of Tech Mahindra, passed away last month. Mr Nayyar is known in the tech industry to have played a crucial role in Tech Mahindra's growth and revival of Satyam Computer Services. After his master's degree in development economics from Williams College, Massachusetts, Mr Nayyar donned many hats before becoming a tech evangelist. In his over 40-year career, Mr Nayyar helmed both private and public sectors. A former IAS officer, Mr Nayyar had served in various designations, including district magistrate and agriculture and rural development secretary for the Haryana government, among others. He was also the first chairman and MD of GAIL.

Vikas Lifecare Infuses Rs 85 Mn Into Step-Down JV For Establishing Noida Plant

Vikas Lifecare has infused further capital amounting to Rs 85 million into its step-down JV, i.e. IGL Genesis Technologies Ltd. (IGTL) – a joint venture between the company's subsidiary, Genesis Gas Solutions Pvt Ltd (GGSPL), and Indraprastha Gas Ltd (IGL) towards capital expenditure (capex) for establishing a plant in Noida, Uttar Pradesh, for manufacturing smart gas meters in India.

IGTL is a 51:49 JV company of IGL and Vikas Lifecare's subsidiary GGSPL, and with this round of capital infusion, both the JV partners have infused capital of Rs 544 million in the JV company incorporated to establish India's first integrated smart meter manufacturing plant with a total estimated capex of Rs 1,100 million.

The strategic location of the plant in Noida, coupled with its planned capacity to manufacture 1 million smart gas meters annually, indicates a substantial step towards meeting the country's growing demand for smart meter solutions. Furthermore, the progress in land acquisition, building development and equipment readiness underscore the efficient execution of the project.

IGTL has acquired technical know-how from Hangzhou Beta Meter Co Ltd (Holley Group), a global leader in gas meter production, and it adds another layer of expertise to the endeavour. This collaboration should help ensure that IGTL's smart gas meters meet international standards of quality and performance. Overall, the initiative holds great promise for advancing India's capabilities in smart meter manufacturing and contributing to the country's efforts towards modernising its energy infrastructure.

IGTL was incorporated during June 2023, pursuant to the JV agreement signed between IGL and GGSPL in March 2023. IGTL is in advanced stages of establishing India's first facility to produce smart gas meters, which is expected to be erected by the beginning of the second quarter of FY25 and start production during the end of the third quarter of FY25.

IGTL is at the forefront of the smart gas meter industry since its inception. With a team of skilled professionals and state-of-the- art manufacturing facilities, the company is committed to delivering the highest quality products to its customers. IGTL's gas meters have been designed to meet the needs of industrial as well as residential applications.

GGSPL pioneers in smart gas and water metering solutions and commands about 17 per cent share of the domestic gas metering business in India, supplying das meters to industry leaders, including Gujarat Gas, Avantika Gas and many more renowned companies engaged in gas exploration, transportation and distribution.

IGTL is setting up India's first integrated smart meter manufacturing plant with a capex of Rs 1,100 million in Noida.

Vikas Lifecare is an ISO 9001:2015 certified company, conventionally engaged in manufacturing and trading of polymer and rubber compounds and specialty additives for plastics, synthetic and natural rubber. Polymer and rubber commodity (bulk consumption) compounds and master-batches (manufacturing up- cycled compounds from industrial and post-consumer waste materials like EVA, PVC, PP, PE, etc), contributing to environment protection initiatives from the Government of India and fulfilling the mandated EPR obligations for the conglomerates consuming hundreds of thousands of tonnes of plastic products and packaging materials. The securities of the company are listed on both BSE (Scrip Code: 542655) and NSE (Symbol: VIKASLIFE).

Raising The Stakes

The RBI's draft norms on provisioning for advances to long-gestation projects put both lenders and developers in a spot.

SHIVANAND PANDIT

India's infrastructure sector stands on the brink of robust expansion, with projected investments totalling $1.4 trillion by 2025.

In early May, the Reserve Bank of India (RBI) issued draft regulations for consultation to enhance the regulatory framework for financing projects with long-gestation periods, including those in infrastructure, non-infrastructure and commercial real estate sectors. These regulations aim to create a "harmonised prudential framework" for project financing and propose revisions to the criteria for altering the date of commencement of commercial operations (DCCO) for such projects. According to the RBI, this initiative follows a review of existing guidelines and an analysis of risks inherent in this type of financing. Stakeholders are invited to submit their comments on the draft regulations by June 15.

Infrastructure projects often have extended gestation periods and a higher risk of financial non-viability. Projects like these frequently face numerous challenges, resulting in delays or cost overruns. For example, the Ministry of Statistics and Programme Implementation's March review of 1,837 projects reveal that 779 are delayed and 449 have experienced cost overruns. These overruns amount to Rs 5.01 lakh crore more than the original estimates. The heightened uncertainty due to legal and procedural hurdles affects both investors' and banks' willingness to fund infrastructure development.

Important revisions

The RBI is concentrating on preventing a 'credit event', such as a default, the necessity to extend the original DCCO, the need to inject additional debt, or a reduction in the project's net present value (NPV). A significant update involves provisioning, which means setting aside funds in advance to cover potential losses.

In the proposed framework, before commencing construction and following the completion of financial assessments, a standard provision of 5 per cent will be applicable for both existing and new exposures, representing a notable uptick from the prior rate of 0.4 per cent. This adjustment has spurred concerns regarding its potential effect on debt expenses. CareEdge Ratings has indicated that such a modification might "diminish the enthusiasm of infrastructure developers for bidding shortly". The 5 per cent provisioning will be introduced gradually: 2 per cent in FY25, 3.5 per cent in the following financial year and reaching 5 per cent by FY27.

The framework specifies that provisioning can be decreased to 2.5 and 1 per cent upon entering the operational phase, that is, when commercial operations commence. For the latter reduction, the project must demonstrate a positive net operating cash flow sufficient to fulfil all repayment obligations, and the total long-term debt should have decreased by at least 20 per cent from its outstanding amount at the time of achieving the DCCO.

CareEdge notes in its report that projects with consistent cash flows, such as road annuities, transmission and commercial real estate, typically experience a credit profile enhancement within a year of establishing a payment track record with the counterparty. Consequently, the mandate may defer the realisation of interest rate advantages for these projects despite an improved credit profile. It is crucial to recognise that infrastructure projects, being capital intensive, are particularly sensitive to interest rates. Nevertheless, the initiative would mitigate risks linked to substantial back-ended repayments and subsequent refinancing.

Take lenders on board

Proposed regulations regarding provisioning for advances to ongoing projects have caused quite a stir in the banking industry. Commercial banks are gearing up to appeal to the RBI for leniency, while the government is said to be evaluating the suggested guidelines. Meanwhile, both banks and non-banking financial companies (NBFCs) have witnessed a decline in their stock prices. Apprehensions among lenders are clear cut. Increased provisioning for project financing portfolios will impact their profitability, potentially leading to higher lending rates and rendering certain projects financially unfeasible. This could, in turn, have broader ramifications on capital expenditure and overall economic growth.

The recent decision by the RBI has caused concerns about whether the regulator is adopting an overly-cautious stance, with some labelling certain proposals as excessively stringent. Apart from the significant increase in provisioning by over tenfold, what has unsettled lenders is the suggestion to apply it retrospectively.

Lenders are primarily worried about the potential adverse impact on their tier-1 capital or core capital due to the capital being tied up. The implementation of a 5 per cent standard asset provisioning could lead banks to make additional provisions ranging from 0.5 to 3 per cent of net worth, resulting in a dent of 7 to 30 basis points on common equity tier-1 capital. Infrastructure-focused NBFCs like REC, PFC and IREDA may face a potential reduction in their capital ratio by 200 to 300 basis points.

India's infrastructure sector stands on the brink of robust expansion, with projected investments totalling \$1.4 trillion by 2025. The government's ambitious National Infrastructure Pipeline programme entails a significant infusion of capital across various sub-sectors, including energy, transportation and urban development. Finance Minister Nirmala Sitharaman has earmarked Rs 11.11 lakh crore for capital expenditure in FY25, marking a 17 per cent increase from the revised estimate of Rs 9.5 lakh crore for FY24.

However, such substantial expenditure necessitates considerable funding from lenders. The RBI's draft guidelines may potentially dissuade more lenders from engaging in infrastructure lending, a practice that many private sector lenders have historically pursued diligently. Consequently, banks are advocating for reduced provisions, possibly around 1 or 2 per cent. Furthermore, there is resistance to other proposals such as imposing a cap on the number of lenders and constraints on the moratorium period. The RBI must consider the concerns of lenders and alleviate the provisioning burden to prevent unintended repercussions such as hesitancy in financing under-construction projects.

The RBI's new norms for project financing may potentially dissuade more lenders from engaging in infrastructure lending.

The Big Surge

- **A big jump in standard provisioning on advances for projects before commencement of construction from 0.4% to 5%**
- **Provisioning to drop to 2.5% and 1% on entering operational phase**
- **The 5% provisioning to be introduced gradually from 2% in FY25 to 3.5% in FY26 and to 5% in FY27**

Certainly, while the proposal remains in its preliminary stages and the RBI intends to gather inputs from all relevant parties, the final decision should adhere to two fundamental principles that are agreeable to all stakeholders.

Firstly, the paramount importance lies in maintaining the stability and robustness of the banking system. Recent history in India underscores the repercussions of lenient lending practices, which can lead to an unsustainable capital expenditure cycle and subsequent economic instability. The RBI's rationale behind advocating a 5 per cent provisioning rate warrants clarification to ensure alignment with this principle.

Secondly, there should be equitable treatment for projects across both public and private sectors. Arguments favouring preferential treatment for public-sector projects could disadvantage private-sector counterparts, leading to an artificial imbalance. Consistency in norms across private- and public-sector banks is essential to avoid such disparities. Additionally, while heightened provisioning may deter banks from financing long-term projects inherently fraught with risk, it is crucial to acknowledge India's overreliance on banks and NBFCs due to the absence of a robust corporate debt market. While caution is warranted in bank financing for long-term projects, policymakers should concurrently explore avenues to facilitate the raising of long-term debt finance.

Overall, while emphasising prudence in banking practices, policymakers must also foster an environment conducive to alternative avenues for long-term financing. ■

(The author is a tax specialist based in Goa.)

Green Gains

Servotech Power Systems logs robust Q4 and FY24 results, powered by its advanced solar products and EV chargers.

IBJ BUREAU

Servotech Power Systems Ltd (NSE: SERVOTECH), a prominent manufacturer of cutting-edge solar products and electric vehicle (EV) chargers, unveiled its financial results for the quarter and year ended March 31, 2024, during the board of directors' meeting on May 9, 2024.

Reflecting on these stellar results, Servotech Managing Director Raman Bhatia commented: "We have reported a powerhouse results, and our impressive growth can be attributed to our goal of delivering cutting-edge, technologically-advanced solutions in the EV and solar sectors. We've made significant strides in enhancing product quality and efficiency, which has made our products the preferred choice of our target audience, consequently driving market growth. We have increased our manufacturing capacity and have also introduced impactful innovations in EV chargers and solar solutions. Having deployed more than 5,600 EV chargers, we are delighted to maintain a strong foothold as a key player in the EV charging industry, holding the potential to capture significant market share in the EV charging solutions segment."

Mr Bhatia further added: "As we step into the future, we are closely aware of the substantial potential within the markets we serve and are well prepared to seize the growth opportunities that lie ahead. We take immense pride in our role in advancing the EV charging infrastructure and solar industry and are dedicated to maintaining our leading position in this dynamic industry."

Servotech Power Systems is an NSE-listed organisation that develops tech-enabled EV charging solutions, leveraging its over two decades of experience and expertise in the electronics space. The company offers an extensive range of AC and DC chargers which are compatible with different EVs and serve multiple applications such as commercial and domestic. With its comprehensive engineering capabilities, the company plans to play a pivotal role in developing India's EV tech infrastructure. A trusted brand with a strong pan-India presence, Servotech Power Systems' legacy is marked by proven innovation and development of the advanced technologies.

With its comprehensive engineering capabilities, Servotech is playing a pivotal role in developing India's EV tech infrastructure.

Total Revenue witnessed growth of 13.89 per cent in Q4 FY24 to Rs 136.65 crore and growth of 27.49 per cent in the year ended FY24 to Rs 355.26 crore on a YoY basis respectively, led by robust demand for its tech-enabled solutions in the solar and EV space by its targeted customers. PAT increased by 6.69 per cent to Rs 11.80 crore in FY24. EBITDA rose by 18.05 per cent to Rs 22.36 crore in FY24 on account of an increase in scale of operations led by improving efficiencies and higher-value products.

Fineotex Chemical Ltd. Receives In-principle Approval for Preferential Issue of Warrants, In Advanced Discussions for Potential Acquisition

Fineotex Chemical Ltd (BSE: 533333, NSE: FCL), a leading speciality chemical producer, has announced that it has received an in-principle approval from BSE and NSE for preferential issue of warrants. Earlier the board of directors of Fineotex had approved raising of funds through issue and allotment of 42,00,600 convertible share warrants at an issue price of Rs 346 per warrant, aggregating up to maximum amount of Rs 146 crore.

Fineotex Chemical has manufacturing facilities in Mumbai and Ambernath (India) and Selagnor (Malaysia).

Further, the company is currently engaged in advanced discussions with a speciality chemical manufacturing company regarding a potential acquisition. The target company's product portfolio and customer base aligns well with its current business operations. The company further added, "we wish to inform you that negotiations and due diligence are underway and this initiative reflects our commitment to both organic and inorganic growth, enhancing stakeholder value."

FINEOTEX'S SUBSIDIARY IN MALAYSIA, BIOTEX MALAYSIA, DRIVES ALL THE R&D INITIATIVES OF THE COMPANY AND OVERALL NEW PRODUCT DEVELOPMENT. BIOTEX SPECIALISES IN HIGH-END SPECIALITY FINISHING TEXTILE CHEMICALS LIKE WATER AND OIL REPELLENTS, ANTIMICROBIALS, ETC FOR TEXTILES.

Founded in 1979, Fineotex Chemical is a market leader in speciality chemicals both in the domestic textile industry as well as in international business. The company manufactures chemicals for the entire value chain of the textile industry, including pre-treatment, dyeing, printing and finishing processes. It has successfully expanded into home-care, hygiene and drilling speciality chemicals sectors which is already supporting the next phase of growth for the company. The company manufactures over 470 products and exports them to over 69 countries.

Fineotex Chemical has manufacturing facilities in Mumbai and Ambernath (India) and Selagnor (Malaysia) with a combined capacity of 1,04,000 MTPA. The newly set up facility in Ambernath with a capacity of 61,000 MTPA (initial planned capacity 40,000 MTPA) will cater to customers' demand for existing textile specialities and the fast-growing home-care, hygiene and drilling specialities businesses.

Fineotex's subsidiary in Malaysia, Biotex Malaysia, drives all the R&D initiatives of the company and overall new product development. Biotex specialises in high-end speciality finishing textile chemicals like water and oil repellents, antimicrobials, etc for textiles. It has critical industry certifications such as Bluesign, Global Organic Textile Standard, REACH, Bhive, ISO 9001:2015, ZDHC and OEKO-Tex, which makes the company a preferred choice for global textile manufacturers.

Apollo Micro Systems Ltd Announces Robust Earnings For Q4FY24, PAT Grows 79% YoY

IBJ BUREAU

Apollo Micro Systems Limited (BSE: 540879, NSE: APOLLO), a pioneer in design, development and assembly of custom-built electronics and electro-mechanical solutions, has reported its earnings for quarter and year ended March 31, 2024.

Apollo achieved significant financial growth in FY24, driven primarily by robust order execution. The revenue for Q4 of FY24 was Rs 1,354.37 million, up from Rs 1,068.46 million in Q4 of FY23, with the full-year revenue in FY24 standing at Rs 3,716.34 million compared to Rs 2,975.26 million in FY23, showcasing healthy growth of 24.91 per cent. The company's EBITDA for Q4 of FY24 increased to Rs 287.43 million from Rs 228.83 million in Q4 of FY23, and for the entire financial year of FY24, it reached Rs 838.66 million, up from Rs 640.91 million in FY23, marking growth of 25.61 per cent for the quarter and 30.85 per cent for the year, attributed to the increased scale of operations and cost-efficient execution. Profit after tax (PAT) for Q4 of FY24 was Rs 129.31 million, compared to Rs 72.15 million in Q4 of FY23, and for FY24, it stood at Rs 311.07 million, compared to Rs 187.38 million in FY23. PAT margins were 9.55 per cent in Q4 of FY24 and 8.37 per cent for the full financial year of FY24.

Currently, Apollo operates a 55,000-sq ft manufacturing facility, with two additional facilities of 40,000 sq ft and 3,50,000 sq ft under development. These expanded plants will significantly enhance its manufacturing capabilities, supporting increased production and meeting growing demand. Apollo boasts over 700 on-board technologies and is actively involved in more than 150 indigenous programmes and 60 DcPP programmes as a sub-system partner.

Commenting on Apollo's performance, the management team states: "We are pleased to present an overview of Apollo Micro Systems Limited's performance for Q4 and FY24. This year has seen Apollo Micro Systems make significant strides in several key areas, demonstrating our commitment to innovation, operational excellence and sustainable growth."

The company is a pioneer in design, development and assembly of custom-built electronics and electro-mechanical solutions.

The statement adds: "Our order book has strengthened on account of several programmes moving from development and production to more production-based contracts which provides us added visibility for future revenue growth. The company is participating in Make-II Defence Projects and is likely to collaborate with other companies in building larger platforms."

The company has announced the groundbreaking ceremony for its Integrated Plant for Ingenious Defence Systems (IPiDS) in Hyderabad, making its foray into defence and space sector growth even stronger with in-house capabilities. This would cater to developing products in missile, unmanned aerial and ground systems development. IPiDS signifies its dedication to national security and technological advancement.

"Looking ahead, we are optimistic about the future growth prospects of Apollo Micro Systems. The robust demand for electronic solutions in defence, coupled with our strategic initiatives, positions us favourably for continued success. Apollo Micro Systems remains committed to creating value, and we look forward to a successful future together," stresses the statement.

Apollo Micro Systems, established in 1985, offers solutions based on state-of-the-art technologies for aerospace, defence and space sectors as primary customers and also caters to the solutions for railway, automotive and home land security markets. The company is into development of indigenous technologies and is one among the first companies in Hyderabad working for the Department of Space and Defence, offering design services. Its wide spectrum of technological solutions and end-to-end design, assembly and testing capabilities gives it an edge over competition. It has a pool of engineers who demonstrate their design, engineering capabilities and offer product lifecycle support. Its engineering services team offers build-to-specifications (BTS) and build-to-print (BTP) services.

INTEGRA ESSENTIA LIMITED

Integra Bags Order For Supplying 500 MT Of Rice From Prestigious ITC Group's Agri Division

Integra Essentia Limited has received its first-ever order from the prestigious ITC Group's Agri Division for supplying 500 MT of rice. This present trial order will make way for the company being a long-term associate supplier of the conglomerate. The order will be serviced as soon as the next 15 days' time.

The ITC Group is a conglomerate with business interests in FMCG (fast-moving consumer goods), hotels, information technology, paper boards and packaging and agri-business. It is one of India's largest integrated agri-business enterprise with significant presence across the value chain of agri-products. ITC Agro Business is the country's second-largest exporter of agricultural products. It currently focuses on exports and domestic trading of foodgrains – wheat, wheat flour, rice, pulses, barley and maize – feed ingredients such as soymeal, processed fruits, fruit purees, concentrates, IQF/frozen fruits, organic fruit products, coffee and marine products, like shrimps and prawns.

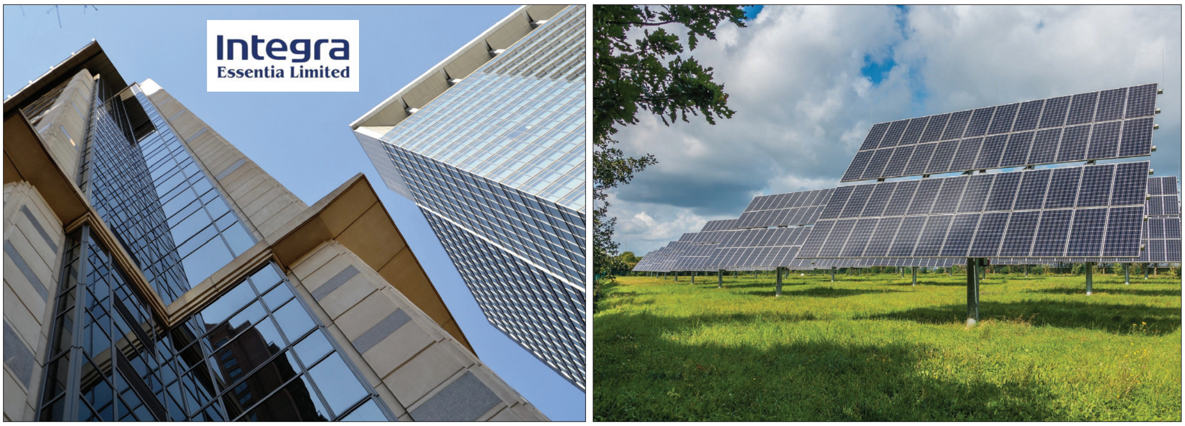
Integra is a company engaged in business of life essentials, i.e., food (agro-products), clothing (textiles and garments), infrastructure (materials and services for construction and infrastructure development) and energy (materials, products and services for renewable energy equipment and projects) and many more products and services required to sustain modern life.

To serve the society, nation and global requirement by exploring and utilising their available resources deliverable at minimum cost to end users, the company is committing significant investments in food essentials and remains focused on establishing itself as the leading player in the foods industry. Besides food essentials and other businesses, the company is currently supplying bulk and speciality materials and services for infrastructure needs of the nation.

Integra Essentia is a business with a substantial role to play both in creating and providing effective basic life materials and services, and on the other hand, to enhance aspiring living standards, opulent lifestyle through its wide offering of agro, health and nutrition, clothing, energy and infrastructure, bulk materials and other lifestyle-related products.

Marching ahead on a fast-growth track, Integra Essentia had recently acquired CHATEAU INDAGE Winery as a part of its long-term business growth strategy and to strengthen its presence in the entire supply chain spectrum of consumable goods. Rise in disposable incomes, rapid urbanisation, access to reasonably-priced domestic wines, the perceived health benefits of consuming low alcohol beverages and changing consumer attitudes have led to a significant increase in wine consumption.

The company is promoted and managed by a core team of experts of diverse experience relevant to the company's businesses. The securities of the company are listed on both the nationwide stock exchanges – BSE (Scrip Code: 535958) and NSE (Scrip Code: ESSENTIA).



Besides food essentials, the company is supplying bulk and speciality materials and services to the infrastructure sector.

Carbon Quandary

India mulls options to tackle EU's upcoming carbon tax on imports of select products into the trading bloc.

SHIVANAND PANDIT

India, a significant force in the global economy, finds itself at a pivotal juncture between pursuing economic growth and maintaining environmental stewardship. As the third-largest emitter of carbon dioxide (CO2) worldwide, following China and the United States, India's CO2 emissions are anticipated to surge by 50 per cent by 2030. India does not levy an explicit carbon tax. Yet, it has introduced various cesses on fossil fuels, like coal, gas and oil, to reduce their emissions and decrease their use.

In a recent development, the European Union (EU) has decided to impose a carbon tax known as the Carbon Border Adjustment Mechanism (CBAM), effective January 1, 2026. This tax will apply to imports into the EU from seven carbon-intensive sectors: steel products, iron and iron ore concentrates, cement, aluminium products, fertiliser, hydrogen and electrical energy. These industries combined account for approximately 12 per cent of India's exports to the EU, amounting to $8.5 billion. The tariff on imports of these high-carbon goods ranges from 20 to 35 per cent. India, along with other Asian nations, has reacted unfavourably to this decision, with the bloc strongly objecting to the EU's new tax policy, which they consider unfair.

What is CBAM?

The CBAM is a crucial element of the EU's Fit for 55 policy proposals or package which was introduced in 2021 as a part of the EU's green transition initiative. The Fit for 55 package aims to cut greenhouse gas emissions by 55 per cent below the 1990 levels by 2030 and achieve carbon neutrality by 2050. Based on their embedded carbon emissions, the CBAM imposes a carbon price on import of products of the seven carbon-intensive sectors.

The seven sectors targeted by the CBAM represent 50 per cent of emissions within the EU Emission Trading Scheme (ETS) sectors. The EU's ETS uses a cap-and-trade system that requires polluters to pay for their greenhouse gas emissions. The revenue generated from this scheme supports the EU's green transition efforts. To protect energy-intensive industries and maintain their competitiveness against non-EU producers, the EU initially provided these industries with free emission allowances under the ETS.

The discussion surrounding the CBAM underscores the convergence of trade, climate policy and economics.

Starting in 2026, the complimentary allowances will be progressively reduced over eight years until 2034. Throughout this process, importers will encounter a carbon pricing mechanism on their emissions, alongside the EU's complimentary emission allowance. This fee will escalate as the complimentary allowances diminish until 2034, resulting in a notable uptick in carbon expenses for EU enterprises. Importers will also be under the purview of the CBAM during this timeframe.

The EU is implementing a transition period until December 2025, along with a mandate for carbon emission reporting by all importers into the EU. This initiative aims to collect emission data globally, aiding the EU in assessing and potentially adjusting the scope of its CBAM in the future. Import tariffs will be determined by emissions surpassing the EU's allocated allowance, multiplied by the current carbon price within the EU ETS (currently nearing $100).

Impact on industry

At the recently-concluded WTO summit in Abu Dhabi, India took the opportunity to express its concerns over the EU's CBAM. India's worries were heightened by announcements from other major players like the UK and Japan regarding their carbon pricing strategies.

The reporting period under the CBAM has begun, spanning from October 2023 to December 2025 despite objections regarding its implications. Industries within countries exporting to the EU are now mandated to disclose their embedded emissions following CBAM guidelines. However, the Indian industry and the government have expressed concerns about sharing sensitive data with the EU's customers to meet these requirements. Nevertheless, CBAM seems poised to establish itself as a lasting measure.

India's aluminium and iron and steel exports are set to bear the brunt of the EU's new levy, considering the EU's significance as a destination for these goods. Around 27 per cent ($2.7 billion) of India's aluminium exports and 38 per cent ($3.7 billion) of its steel exports find their way to the EU. With the current emissions scope of the CBAM, the levy is anticipated to range from 7 to 15 per cent ad valorem duty. Notably, as CBAM currently excludes electricity emissions (Scope 2) from tax calculations, its impact remains relatively contained. However, if the EU opts to incorporate these emissions following the subsidy phase-out, the repercussions could escalate significantly, potentially reaching 25 to 50 per cent. This move could effectively shut down the Indian export market to the EU.

Production of aluminium and steel in India is largely dependent on electricity generated from coal, leading to higher carbon emissions per tonne compared to alternative power sources. Transitioning to renewable energy is difficult due to the requirement of consistent power supply around the clock, and other options like hydro, gas and nuclear energy face limitations in availability within India.

The way ahead

With little time for strategising against CBAM, India's opposition is met with challenges. While contesting it as an unjust trade practice at the WTO, the resolution may linger. Exploring alternatives, India is pursuing four main avenues.

Firstly, it is engaging in free trade agreement (FTA) talks with the EU and the UK, aiming for market access gains. Yet, CBAM could nullify these benefits. Hence, there is consideration of inserting clauses in bilateral negotiations to delay the CBAM's impact, safeguarding Indian interests. Secondly, India is

India's aluminium and steel exports to EU – accounting for 27% and 38% of their total exports respectively – will bear the brunt of carbon tax.

crafting its Carbon Credit Trading Scheme (CCTS), akin to the EU ETS. This 'One Nation One Carbon Tax' approach enables industries to claim adjustments under CBAM or other foreign carbon taxes.

Thirdly, India is seeking to negotiate the allocation of CBAM funds with the EU, proposing redirection to support green transitions in developing countries, aligning with the Paris Agreement's 'common but differentiated responsibilities' principle. Lastly, India is mulling over imposing its carbon tax on exports to the EU, directing the proceeds to domestic green initiatives rather than diversion to the EU. This could serve as a stopgap until India's CCTS is fully operational.

To conclude, the discussion surrounding the CBAM underscores the convergence of trade, climate policy and economics. India's apprehensions underline the potential repercussions on its sectors, notably in carbon-heavy industries such as aluminium and steel. To tackle these challenges comprehensively, a multifaceted strategy is essential. This includes participating in trade negotiations, establishing a domestic CCTS, advocating for equitable distribution of CBAM revenues and considering the imposition of a carbon tax on EU exports. By tackling these issues, India can actively contribute to global sustainability objectives while protecting its economic concerns. ■

(The author is a tax specialist based in Goa.)

India's Policy Choices On CBAM

- **Inserting clauses in FTAs with EU and UK to delay CBAM's impact and safeguard Indian interests**
- **Crafting its own carbon trading scheme, akin to EU ETS, enabling Indian industries to claim adjustments under CBAM or other foreign taxes**
- **Negotiating allocation of CBAM funds with the EU to support green transitions in developing countries**
- **Mulling imposing its own carbon tax on exports to EU to direct the proceeds to domestic green initiatives**

Steely Surge

Amid buoyant growth in revenue, JTL Industries is expanding production capacity and venturing into new segments to broaden its market reach.

IBJ BUREAU

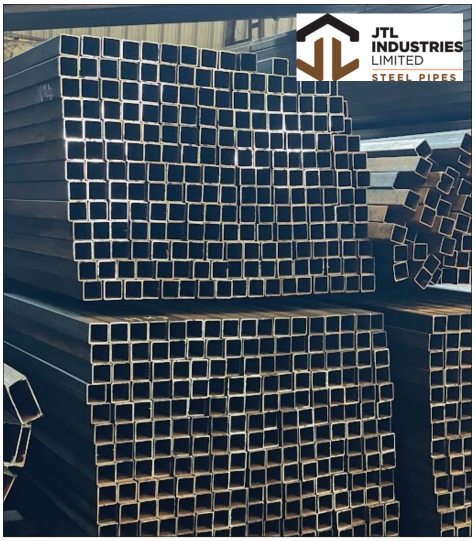
JTL Industries Limited, in its board meeting held on May 10, 2024, announced financial results for Q4 and FY24. JTL Industries, a fast-growing, dynamic steel tube manufacturing company, specialises in producing black steel pipes, pre-galvanized and galvanized steel pipes, large-diameter steel tubes and pipes and hollow structures.

Commenting on JTL's performance, its Executive Director Pranav Singla said: "JTL industries achieved one of the most notable achievements by reaching its highest-ever sales volume of 3,41,846 MTPA for FY24 and with revenue clocking a significant milestone of Rs 20,402.3 million. This exceeds the sales volume of the previous financial year, FY23, which stood at 2,40,316 MTPA, demonstrating robust growth rate of 42.3 per cent. Moreover, JTL experienced a significant uptick in sales of value-added products (VAPs), witnessing a notable increase of 34.5 per cent, rising from 74,243 MTPA in FY23 to 99,818 MTPA in FY24."

Mr Singla adds: "We remain committed on gradually increasing our profitability since EBITDA for this financial year was reported at Rs 1,521.9 million with an EBITDA margin at a healthy rate of 7.5 per cent. This performance was supported by several key factors, which include increase in the share of VAPs, overall increase in scale of operations and continuous focus on enhancing efficiency across our plants."

The company has declared dividend of Re 0.25 per share on the nominal value of Rs 2, that is at the rate of 12.50 per cent for FY24, showcasing its steadfast dedication to enhancing shareholders' value.

It has recently acquired a 67 per cent controlling interest in Nabha Steels and Metals in Mandi Gobindgarh, Punjab. With a capacity of 200,000 MTPA, this acquisition bolsters its backward integration capabilities. This strategic move enables JTL to venture into new product segments and broaden its market reach. Additionally, it will enhance coil production at the Raipur plant from 150,000 to 250,000 MTPA and increase long product output by 100,000 MTPA across Chhattisgarh and Punjab.



The steel tubes manufacturer recorded its highest-ever sales volume of 3,41,846 MTPA for FY24.

Furthermore, JTL intends to increase production capacity in Maharashtra and Chhattisgarh through expansion initiatives. The initial phase aims to raise the overall capacity from 600,000 to 1,000,000 MTPA by introducing Direct Forming Technology (DFT) lines alongside traditional forming technology. This expansion will focus on manufacturing galvanised steel tubes and pipes.

This strategic initiative is set to improve plant capacity utilisation, streamline manufacturing processes and broaden the range of VAPs, facilitating entry into new geographical markets. Following this, a significant expansion is planned for the Maharashtra plant to increase its manufacturing capacity to 2,000,000 MTPA. This expansion will enable JTL to meet market demand effectively and diversify its product portfolio.

JTL's strong financial results for FY24 highlight its strategic direction in navigating challenging market conditions. The robust revenue growth led by strong volume growth and consequent increase in profitability reflects the effectiveness of its business strategies and the dedication of its team. The company remains committed to driving sustainable growth, delivering value to its stakeholders and contributing to the economic development of the regions it serves.

JTL Industries is among the fastest-growing steel tube manufacturers, and its registered office is in Chandigarh. The company has manufacturing facilities in Punjab, Maharashtra, and Chhattisgarh. The cumulative capacity of the company is 5,86,000 MTPA for steel pipes. The company is a recognised Star Export House, and its product offering includes GI pipes, MS black pipes, hollow sections and solar structures, which cater to diverse industrial and infrastructural applications. All the products are available in hot dip galvanised, pre-galvanised and without coated (MS black) grades.

Sellwin Traders To Make Strategic Investment In Patel Container; Reports 56% Growth In FY24 Total Income

The board of director of Ahmedabad-based Sellwin Traders Ltd has approved a proposal to make strategic investment in Patel Container India Pvt Ltd. The company will acquire a 36 per cent stake in Patel Container which is extendable up to 51 per cent over the next two years. Investment by Sellwin Traders will be utilised to support the establishment of a new manufacturing facility for logistic containers in Bhavnagar District, Gujarat.

Patel Container had signed an MoU in Vibrant Gujarat Global Summit 2024 to invest Rs 45 crore in a logistic containers manufacturing facility in Bhavnagar. The project is estimated to generate employment for 100 people and expected to commence operations in 2025. Bhavnagar offers strategic advantages for the unit, including proximity to major ports and trade routes, which will optimise logistics and distribution.

During FY24, Sellwin Traders turned around its business operations and reported 56 per cent growth in total income to Rs. 61.7 crore as compared to Rs 39.60 crore in FY23.

Sellwin Traders Managing Director Vedant Panchal said: “The MoU for making strategic investment in Patel Container India Pvt Ltd was executed on May 15, 2024. This venture not only diversifies Sellwin Traders’ portfolio but also positions it advantageously in high-growth logistics and metals industries. By leveraging advanced manufacturing technologies and establishing efficient operational setups, Sellwin Traders can expect fruitful outcomes from this investment in Patel Container India Pvt Ltd.” Sellwin has also announced plans to invest around Rs 200 million in Shah Metacorp Ltd (a BSE- and NSE-listed company) over the next two years to align with the company’s long-term growth strategy and aims to capitalise on the promising opportunities in the metal industry. The investment will be utilised to support Shah Metacorp’s expansion initiatives, enhance production capacities, strengthen research and development capabilities and explore new market segments. Shah Metacorp is known for its strong operational capabilities, innovative products and sustainable business practices and presents a compelling investment opportunity for Sellwin.

In its board meeting, dated May 17, 2024, Sellwin appointed Vedant Rakesh Panchal as managing director and chairperson of the company with effect from May 17, 2024, subject to the approval of shareholders.

The company has also completed conversion of preferential allotment of 1.2 crore warrants into 1.2 crore equity shares of face value of Rs 10 each. Pursuant to conversion, the issued, subscribed and paid-up equity share capital of the company stands increased to Rs 20.26 crore, consisting of 2,02,60,000 fully paid-up equity shares of Rs 10 each. The company has issued the 1.20 crore equity shares at a price of Rs 12.95 per equity share upon receipt of balance amount at the rate of Rs 9.7125 per equity share.

Sellwin’s new deals diversify its portfolio and position it advantageously in high-growth logistics and metals industries.

In April 2024, the company had entered into a share-purchase agreement to make a strategic investment in Patel & Patel E-Commerce And Services Pvt Ltd. The company had agreed to acquire 66.67 per cent of the total paid-up share capital in the form of equity shares of Patel & Patel E-Commerce And Services Pvt Ltd. Patel & Patel E-Commerce And Services Pvt Ltd is currently engaged in the business of software designing, development, customisation, implementation, maintenance, testing and benchmarking and dealing in computer software and solutions.

In The Pink Of Health

With impressive financials and a robust order book, Paramount Communications is poised to turn debt-free in FY25.

IBJ BUREAU

Paramount Communications Limited, established in 1955, a leading player in India's wire and cable industry, has announced its earnings for the quarter and year ended March 31, 2024.

The company recorded a robust order book of Rs 4,951.6 million, coupled with strong performance across product range, especially led by strong growth in power and railway cables. Exports continue to remain healthy as it achieves similar volumes as compared to those of FY23. Increasing production has been driving economies of scale and profitability. Paramount has a healthy balance sheet with debt-to-equity ratio of 0.16 and current ratio of 3.40.

The company is poised to become debt-free during FY25 after full repayment of ARC debt of Rs 862.5 million. Revenue from domestic operations in FY24 amounted to Rs 7,944.8 million, showing a 100.5 per cent Y-o-Y increase from Rs 3,961.8 million in FY23. The company's domestic sales rose by 74.2 per cent and exports went up by 25.8 per cent.

Consolidated Financial Performance

Rs In Mn	Q4FY24	Q4FY23	Y-o-Y (%)	FY24	FY23	Y-o-Y (%)
Total Income	3,261.4	2,086.7	56.3	10,785.6	8,127.2	32.7
EBITDA	298.8	178.5	67.4	972.6	642.0	51.5
EBITDA Margin (%)	9.2	8.6		9.0	7.9	
PAT	294.9	138.0	113.7	856.3	477.7	79.3
PAT Margin (%)	9.0	6.6		7.9	5.9	

Commenting on the results, Paramount Communications Chairman and CEO Sanjay Agarwal said: "FY24 has been a remarkable year for Paramount Communications Limited. We have achieved the strongest-ever performance in terms of revenue and profitability. This year, we reached a significant milestone by surpassing Rs 1,000 crore in revenue, showing growth of 34.4 per cent y-o-y. This achievement is underpinned by strong demand for our product portfolio and not only highlights the strength of our client relationships but also reaffirms our consistent delivery on commitments. Our order book, which currently stands at Rs 4,951.6 million, provides strong visibility of revenues. Paramount is optimistic about further expanding its order book, bolstered by significant support from the railway and power sectors."

Mr Agarwal adds: "Our focus on operational excellence has led to significant improvements in our financial performance. In FY24, our EBITDA has increased to Rs 972.6 million, showcasing growth of 51.5 per cent as compared to Rs 642.0 million in FY23. This growth, coupled with an EBITDA margin of 9.0 per cent, reflects the benefits of operating leverage and a sharp focus on cost control."

In FY24, Paramount achieved a significant milestone by substantially repaying its ARC debt and positioning itself to become debt-free by FY25, demonstrating its commitment to prudent financial management. This achievement strengthens the company's balance sheet and ensures sufficient capital to pursue growth and enhance capabilities.

Strategically positioned, Paramount is poised for strong and sustained growth, with a focus on diversifying its product range and delivering top-notch quality solutions in the wires and cables sector, while continuously innovating with new products. The company is prepared to leverage the anticipated increase in orders and position itself adeptly for potential opportunities. With these positive advancements, Paramount remains confident in its capability to consistently deliver strong results for all its stakeholders in the times ahead, stresses Mr Agarwal.

Incorporated in 1955, Paramount Communications is a prominent player in India's wire and cable industry, renowned for manufacturing high-quality products catering to diverse infrastructure segments. The company operates through two state-of-the-art manufacturing facilities situated in Khushkhera, Rajasthan, and Dharuhera, Haryana. These facilities hold certifications from various Indian and global agencies, testifying their strict compliance with high-quality standards.

Paramount boasts of an expansive product portfolio that comprises over 25 distinct products and an impressive array of over 2,500 SKUs. This diverse selection serves a wide spectrum of markets, including government, B2B and B2C segments, encompassing industries like power, railway, telecom, construction, defence and space research and residential spaces. The company has extensive pre-qualifications, credentials and competencies and has been instrumental in establishing its nationwide and international presence, notably in the US. Paramount holds the prestigious status of a three-star export house from the Government of India. ■

Sigachi Industries Reports Robust Earnings For Q4FY24, PAT Surges 108% YoY

Sigachi Industries Limited, a leading pharmaceutical company engaged in active pharmaceutical ingredients (APIs), quality excipients, vitamin mineral nutrient blends and O&M services, in its board meeting held on May 27, 2024, announced its audited financial results for the quarter and year ended March 31, 2024. The board also recommended a dividend of Re 0.10 per share, subject to approval of its members.

Sigachi Industries has emerged as a trusted partner for pharmaceutical companies spread across 62 countries.

For the quarter ended March 31, 2024, the company reported revenue from operations at Rs 1,041 million, registering growth of 43.78 per cent YoY. The EBITDA went up by 33.60 per cent YoY from Rs 122 million (Q4FY23) to Rs 163 million (Q4FY24). EBITDA margin fell by 116 bps from 16.81 per cent to 15.65 per cent (Q4FY24). PAT grew by a staggering 108.22 per cent YoY from Rs 73 million (Q4FY23) to Rs 151 million (Q4FY24).

For the year ended March 31, 2024, the company saw 32.08 per cent growth in its revenue from operations, growing from Rs 3,020 million (FY23) to Rs 3,989 million (FY24). EBITDA grew by 30.49 per cent YoY from Rs 587 million (FY23) to Rs 766 million (FY24). EBITDA margin stood at 19.20 per cent. PAT recorded robust growth of 31.19 per cent YoY from Rs 436 million (FY23) to Rs 572 million (FY24).

Sigachi Industries Limited, a publicly-listed company on NSE and BSE, is a globally-recognised pharmaceutical company known for its unwavering commitment of delivering APIs, high-quality excipients, vitamin mineral nutrient blends and O&M services. With over 33 years of experience, Sigachi has emerged as a trusted partner for pharmaceutical and nutraceutical companies spread across 62 countries.

The company's diverse product portfolio is manufactured in five multi-locational facilities present in Telangana, Gujarat and Karnataka which are certified with global standard certifications like WHO GMP, EXCiPACT GMP, ISO, KOSHER, HALAL and many others. Headquartered in Hyderabad, Sigachi Industries has subsidiaries in the US and the Middle East.

SLIPPERY SLOPE

Despite longing to shed their 'small' label, many SFBs would find it challenging to meet RBI's stringent norms to transform into universal banks.

SHIVANAND PANDIT

Track record of banks driven by promoters in India over the past few decades has understandably made regulators wary. While some of these banks have performed well, others have encountered significant challenges. For example, Bandhan, which transitioned from a microfinance institution (MFI), is currently facing difficulties. The catastrophes of banks such as Global Trust Bank and Yes Bank highlight that not all promoters meet the 'fit and proper' touchstones. As a result, the Reserve Bank of India (RBI) has been hesitant to allow even well-established non-banking financial companies (NBFCs) to convert into banks if they are connected to any business group. In this context, the RBI recently established the eligibility criteria for small finance banks (SFBs) to transition into universal banks.

On April 23, 2024, the RBI announced a roadmap for voluntary transition of SFBs to universal banks, detailing specific criteria for eligibility. To qualify, SFBs must have minimum net worth of Rs 1,000 crore and must have recorded net profit in the last two financial years. Additionally, they must maintain a low non-performing asset (NPA) ratio and a diversified loan portfolio.

The RBI specified that aspiring

universal banks need to have held scheduled status with a satisfactory performance record for at least five years, and their shares must be listed on a recognised stock exchange. The SFBs must also have gross NPAs (GNPAs) and net NPAs (NNPAs) of 3 and 1 per cent or less respectively in the last two financial years. Furthermore, they must have a Capital To Risk-Weighted Assets Ratio (CRAR) of 15 per cent.

Regarding the shareholding pattern, the RBI has stated that there is no mandatory requirement for an eligible SFB to have an identified promoter. However, if there are existing promoters, they must continue in their roles during the transition to a universal bank. The addition of new promoters or any changes in the promoter structure will not be permitted during this transition. There will be no new mandatory lock-in requirement of minimum shareholding for existing promoters in the transitioned universal bank.

Small is beautiful, but...

Around a decade ago, nearly a dozen founders and promoters of SFBs had applied to the RBI for licences to establish these small banks. Except for the two – Ujjivan Financial Services has reverse-merged with its subsidiary, Ujjivan SFB, while AU SFB is amid a merger with Fincare SFB, which was initially announced in October 2023 – most SFBs have successfully listed on stock exchanges. If we were to ask these founders about their journey, many would likely admit that they aspire to shed the "small" label and evolve into universal banks. They would collectively welcome the RBI's recent decision to allow SFBs to transition into universal banks.

The RBI had initially introduced the SFB model to provide financial services to underserved borrowers that universal banks overlooked. Most SFBs originated as MFIs and have excelled in serving these customers. However, they have faced challenges in attracting deposits, competing directly with established universal banks. The prospect of becoming universal banks represents a significant relief and opportunity for these SFBs.

Of all SFBs, only AU Small Finance Bank, the largest among them, meets all the required conditions. Among the others, only Ujjivan SFB meets the NPA criterion. However, Ujjivan SFB lacks a diversified loan book, a feature that Equitas SFB, Jana SFB and possibly one other SFB possesses. Any eligible SFB will need to provide a detailed rationale for its transition. Following this, the RBI will scrutinise the application according to the on-tap licensing norms for universal banks.

Constricted World Of SFBs

- **Small label in their name a significant challenge to raise deposits**
- **Higher interest rates on deposits leading to a surge in their cost of funds**
- **75% of loan portfolio mandated to be advanced to priority sector as against 40% for universal banks**
- **CAR mandate higher at 15% of total loans compared with 11.5% for universal banks**

A logical transition

All SFBs operate two distinct divisions: one focused on assets, functioning as an SFB, and the other on liabilities, akin to a universal bank. While they extend loans to individuals and enterprises typically overlooked by universal banks, they compete for deposits in metropolitan markets by offering higher interest rates. However, the "small" label in their name poses a significant challenge. Prospective depositors often hesitate to trust these banks, questioning the implications of the "small" designation. Despite their status as scheduled banks, there remains a lingering doubt about the safety of keeping money in such institutions.

The primary challenge for SFBs is attracting deposits. As they offer higher interest rates, their cost of funds is higher compared to that of universal banks. However, SFBs can still operate profitably because they typically charge higher interest rates to small borrowers. If the "small"

In April, the RBI announced a roadmap for voluntary transition of SFBs to universal banks.

Norms For Transition

RBI's eligibility criteria to transform from an SFB to a universal bank

- **Minimum net worth of Rs 1,000 crore**
- **Net profit in the last two financial years**
- **GNPAs of 3% and NNPAs of 1% or less in past two financial years**
- **Capital To Risk-Weighted Assets Ratio of 15%**
- **Must be a scheduled bank**
- **Shares of aspiring banks to be listed on a recognised stock exchange**
- **Existing promoters to continue in their roles during transition**
- **No new promoters or no changes in promoter structure permitted during transition**
- **No mandatory lock-in requirement of existing promoters' minimum shareholding in transitioned universal bank**

designation were removed from their names, their cost of funds would decrease. According to a recent report by Investec Bank, transitioning to a universal bank could reduce the cost of funds of SFBs by 20 basis points, which would increase their return on equity by 60 basis points. (One basis point is one-hundredth of a percentage point.) Additionally, SFBs are currently required to allocate 75 per cent of their loan portfolio to the priority sector, whereas universal banks only need to allocate 40 per cent. Reducing the priority sector lending requirement would allow an SFB-turned-universal bank to manage its loan assets more efficiently and profitably.

There will be a significant reduction in the capital requirement. SFBs need to maintain a Capital Adequacy Ratio (CAR) of 15 per cent. This means that for every Rs 100 worth of loans, they need to have about Rs 15 in capital. This assumes a 100 per cent capital requirement, although, for certain loans, like personal loans, the requirement is higher at 125 per cent. In contrast, universal banks have a much lower requirement – only 11.5 per cent (comprising 9 per cent plus an additional 2.5 per cent as a capital conservation buffer). The lower capital requirements for universal banks will lead to higher leverage. Previously, SFBs needed approximately Rs 15 to provide a Rs 100 loan. As a universal bank, they would need just around Rs 11.5 for the same loan amount. This change will make them more profitable overall, with a higher return on equity.

In India's banking landscape, universal banks reign supreme, alongside various other types, like cooperative banks, regional rural banks, local area banks, payments banks and SFBs. While SFBs and payments banks emerged in the latter half of the previous decade, the latter (payments banks) has generally been perceived as unsuccessful. After all, what unique value does a payments bank offer that a universal bank does not already provide? What exactly is the business model of a bank solely focused on payments services? Conversely, SFBs present a contrasting narrative. Overall, they have shown commendable performance. Events such as demonetisation and the COVID-19 pandemic have underscored the importance of diversifying their loan portfolio, especially given the vulnerability of small unsecured loans to external shocks.

In addition to the formidable task of accumulating deposits, SFBs are grappling with the burdensome costs associated with compliance. Privately, some promoters concede that had they been aware earlier, they might have refrained from pursuing a banking licence; the days as NBFCs seemed comparatively more favourable. Even with the transition to universal banks looming, the outlook remains uncertain, as the RBI has adopted a stricter stance on inspection and supervision.

However, for many SFBs, being a small bank is perceived as a phase within their journey rather than the ultimate destination. As they eagerly await the opportunity to transition into universal banks, once eligible, there is scepticism among many about whether the RBI will extend a warm welcome to new entities seeking to operate as SFBs to further the cause of financial inclusion. Henceforth, the landscape of Indian banking is poised to evolve with established SFBs progressing towards universal banking status. At the same time, fresh entrants are ushered in through a revolving door, symbolising a dynamic shift in the sector's architecture.

Need more competition

Though it remains uncertain whether current SFBs will promptly utilise the outlined process, introduction of well-defined policies for a long-standing objective is indeed promising. Nevertheless, the stringent requirements set forth by the RBI imply that the majority of SFBs may not meet the criteria. Except for AU SFB, all existing SFBs possess net worth below approximately Rs 1,000 crore. Notably, AU SFB's ongoing merger could potentially facilitate expansion into new territories, particularly in South India.

The broader trajectory is indeed promising. The ultimate aim should be to foster heightened competition within the banking sphere, alongside well-defined regulatory guidelines. Most SFBs, a category introduced in 2014, originated from NBFCs. They are now poised for a transition to universal banking status. Consequently, there exists a clear framework of safety, dependability and regulatory supervision that the financial products sector can adhere to in its journey towards conventional banking. Prioritising enhancement of competition within the banking domain should be imperative for regulatory authorities. Studies have demonstrated that during India's period of bank consolidation, initiated in 1998, the efficacy of monetary policy transmission experienced a notable decline. This is unsurprising, given that increased market dominance provides individual banks with more diverse financing alternatives.

The original aim of the SFB category was to enhance financial inclusion, making it an interesting area for further investigation into its effectiveness in achieving this goal. Moreover, it is evident in theory that banks emerging from the regulatory framework of SFBs are poised to contribute to the expansion of universal banking. This is because they possess specialised knowledge in mobilising deposits from the under-banked segment. Looking ahead, the augmentation of deposits within the banking sector is likely to be of paramount importance.

Recent research conducted by Standard & Poor's (S&P) reveals that loan growth in banks outpaces deposit growth by 2-3 percentage points. Some experts within the banking industry attribute this trend to various factors. For instance, household financial savings are facing pressure,

SFBs' transition into universal banks remains uncertain, with RBI adopting a stricter stance on inspection and supervision.

while alternative investment avenues like mutual funds are demonstrating appealing performance.

Returns on bank deposits have been relatively low in recent times when adjusted for inflation. On the contrary, demand for credit remains strong. According to S&P, loan growth is outpacing the growth of nominal GDP by 1.5 times, while deposit growth is merely keeping up with growth in nominal GDP. This misalignment could potentially lead to a scenario where loan growth must slow down unless there is a significant boost in deposit growth. Such a situation could have unintended consequences on the macroeconomy, investment and overall growth. One solution to address this challenge is to encourage greater competition among banks, focusing on expanding their customer base to attract more deposits.

Exercise caution

Eight out of the 12 SFBs were previously MFIs, but they are progressively diversifying their portfolios

Of the dozen small banks, only AU SFB meets all conditions to turn into a universal bank, while Ujjivan meets the NPA norm.

According to a recent report, transitioning to a universal bank could increase SFBs' return on equity by 60 basis points.

and venturing into secured lending products, such as home loans, gold loans, micro, small and medium enterprise (MSME) loans and vehicle financing. Consequently, the proportion of microfinance loans in their total loan portfolios has decreased from 40 per cent in March 2020 to approximately 33 per cent by the end of March 2023. This shift is positive, particularly considering the challenges faced by lenders like Bandhan Bank, which still retains a significant microfinance focus.

However, SFBs have also encountered significant difficulties recently. The pandemic has led to a surge in delinquencies among their financially-vulnerable borrowers, resulting in decreased profits and, in some cases, losses. The apparent improvement in their financial health today is partly attributable to substantial write-offs. Many SFBs have found it necessary to raise additional capital after the pandemic. Currently, only AU Small Finance Bank meets the eligibility criteria for such endeavours.

In addition to evaluating a range of financial indicators, the RBI will also consider qualitative factors such as a consistent five-year performance track record. While some have raised concerns about the subjective nature of such evaluations, they are essential as figures alone do not fully capture the narrative. The stipulation that an SFB must have been profitable in only the last two financial years may appear lenient. However, a requirement of profitability in the last four years would be more fitting.

Once again, the SFBs must maintain an NNPA ratio below 1 per cent over the past two financial years. This criterion may appear lenient at first glance, but it is crucial to consider alongside factors such as write-offs and recoveries during the same period. Based on data as of March 2023, several SFBs have failed to qualify for transition due to their inability to meet the NPA ratio requirement and insufficient diversification of portfolio. However, some of these metrics have likely improved in FY24. For instance, AU SFB, Equitas and Jana have reduced their exposure to MFIs to less than 20 per cent. Consequently, SFBs find themselves increasingly competing with universal banks. Obtaining a licence to operate as a full-fledged bank would empower SFBs to broaden their product offerings and attract more current account and savings account (CASA) deposits, which are profitable to banks with their lower interest outgo unlike fixed deposit accounts. As of September 2023, SFBs held a 27 per cent share of CASA deposits compared to 38 per cent share of universal banks. This shift would potentially boost their net interest margins, which saw a decline from 8.7 per cent in FY20 to 7.5 per cent in FY23.

The regulator must meticulously scrutinise candidates to prevent further failures, as we cannot bear any more setbacks. Additionally, fostering competition solely for its own sake may not yield favourable outcomes. Instead of fostering numerous small banks that struggle to compete and are prone to failure, the RBI should encourage the merging of weaker SFBs with their stronger counterparts. This strategy will enable banks to better pursue the objectives of financial inclusion.

On the whole, the transition is anticipated to be advantageous for SFBs as it enables them to broaden their loan portfolios and attract new depositors who may have been hesitant due to the SFB label. Moreover, it opens avenues for offering a wider range of products, potentially boosting fee income. Conversely, some argue that certain SFBs should prolong their operations in their current capacity before pursuing a universal bank licence. This is due to their established expertise in serving small-ticket individual and business loan segments, their relatively short tenure as SFBs and the limited likelihood of significantly expanding their exposure to large corporate loans. Nonetheless, given that many of these banks are publicly traded, pressure from shareholders for increased returns might accelerate the transition to universal banking status.

STANDARD CAPITAL MARKETS LIMITED

Standard Capital Markets Reports Stellar Earnings For FY24, PAT Jumps 380% YoY

Standard Capital Markets Ltd, a leading player in the financial services sector, has announced its earnings for the quarter and year ended March 31, 2024.

For the quarter ended March 31, 2024, the company reported revenue from operations at Rs 1,069.67 lakh, reporting growth of 200.31 per cent YoY. The EBITDA jumped by 273.94 per cent YoY from Rs 218 lakh (Q4FY23) to Rs 817 lakh (Q4FY24). PAT grew by 57.39 per cent YoY from Rs 159.99 lakh (Q4FY23) to Rs 251.81 lakh (Q4FY24).

Standard Capital Markets Limited is a leading player in the financial services sector. Embracing the uniqueness of each client, the company consistently strives to deliver personalised and professional services. It upholds an unwavering commitment to every client while adhering rigorously to the best professional norms and practices, exuding dynamism in every interaction. The company offers a diverse range of personal loans, ensuring not only competitiveness but also flexible repayment terms. With the company's support, its clients can confidently pursue their goals without confusion or worry. For businesses seeking financial support, the company extends business loans with flexible overdraft options.

Embracing the uniqueness of each client, the company consistently strives to deliver personalised and professional services.

For the year ended March 31, 2024, the company saw a 142.72 per cent growth in its revenue from operations, rising from Rs 1,128.77 lakh (FY23) to Rs 2,739.76 lakh (FY24). EBITDA grew by 146.50 per cent YoY from Rs 938.17 lakh (FY23) to Rs 2,312.63 lakh (FY24). PAT grew by a staggering 380.69 per cent YoY from Rs 222.81 lakh (FY23) to Rs 1,071.02 lakh (FY24).

Earlier, the company had announced that it has partnered with a leading fintech company to provide educational loans to individuals seeking higher education. This collaboration aims to make education more accessible and affordable for students, empowering them to pursue their academic goals.

Through this strategic partnership, Standard Capital Markets Limited will leverage the fintech company's innovative platform and expertise in student financing to offer competitive loan options tailored to the needs of students. The loans will cover tuition fees, living expenses and other educational costs, ensuring that financial constraints do not hinder students from receiving quality education.

The company empowers clients to stay ahead of the competition by providing prompt financial assistance, fostering business growth with ease. The Flexi Overdraft feature simplifies cash flow management, allowing easy access to funds as needed and eliminating the complexities of traditional loan applications.

In line with its commitment to empowerment, the company is working towards extending agriculture loans (upcoming product), recognising farmers as the cornerstone of the agriculture loan offering. Timely financial assistance for various farming activities, including crop cultivation, equipment purchases and farm modernisation, among others, underscores the company's dedication. The advanced loaning platform will ensure transparency and minimal formalities, facilitating instant access to funds for all contributors to India's agrarian sector. The securities of the company are listed on BSE (BSE: 511700).

"Lead By Example"

Manikanth Challa's early experience in US startups helped shape his entrepreneurial journey. It was this rich experience that nudged Mr Challa to set up Workruit, an AI-powered recruitment platform. He has designed Workruit with a unique, dating app-like interface. Workruit transforms talent acquisition and job hunting by employing a swipe-to-match mechanism, gaining widespread recognition for its effectiveness.

The concept has rippled across India, with governments exploring its integration into their digital employment platforms. The Telangana government, in fact, has already partnered with Workruit, giving rise to the Digital Employment Exchange of Telangana.

Before Workruit, Mr Challa honed his skills in various startups, providing him with a comprehensive understanding of their visions. He pursued Information Science Technology at Pennsylvania State University with a minor in theatre, fostering a practical approach to life.

The founder and CEO particularly stands out for his exceptional concentration skills and professional respect, complemented by a creative perspective derived from his design background. All these attributes have helped him in enhancing his decision-making process.

Mr Challa emphasises on the importance of passion and determination in achieving goals. His story illustrates that staying true to one's convictions leads to success. In a competitive landscape, Mr Challa remains a beacon of innovation and determination, shaping the future of recruitment platforms and inspiring aspiring entrepreneurs.

Sharmila Chand catches up with the Workruit chief to know more about Mr Challa and how he operates. After an interesting conversation with the successful entrepreneur, Ms Chand is impressed with his thought-provoking and result-oriented management principles and practices.

> "My philosophy of work is to have passion in what you do. Passion drives a human into achieving greater things with a clear line of thought and focus. Love the work that you do, and enjoy the ride, irrespective of failures and successes, and believe in the process."

What are your five management *mantras*?

- ***Clear Communication:*** Communication is the key for successful management.
- ***Lead By Example:*** Set the standard by demonstrating integrity and a strong work ethic.
- ***Empower And Delegate:*** Empower your team, and delegate tasks effectively for productivity and growth.
- ***Continuous Learning:*** Stay adaptable by embracing continuous learning and growth.
- ***Focus On Results:*** Prioritise outcomes over activities for meaningful impact.

Do you play any game that helps your career?

I enjoy playing badminton, squash and swimming. These sports are fast paced, and they thrive in being active every second and provide stress relief and rejuvenation. I love watching cricket as a sport. It teaches me resilience, teamwork and sharp decision-making, essential skills in both sports and business. Beyond that, cricket provides stress relief and rejuvenation, helping me stay focused and energised for work challenges.

How do you de-stress?

Workout is definitely a stress-buster. Alongside, I enjoy watching sit-coms and thrillers which have a continuous story. It offers a break from the routine of work, allowing me to focus on the present moment and immerse myself fully in the activity. I love travelling as well.

Would you share with us the turning point in your career?

The turning point in my professional career was when I had the experience working as a head of product for a few product-based startups in New York. This was early in my career after graduation when I was building consumer-driven applications in fintech and social networking sectors. This experience has given me huge confidence in believing that any problem can be solved with a focused approach and a vision towards keeping things simple yet able to solve and make users' journey seamless. This experience led me into pursing my entrepreneurial journey and having faith and belief in starting my own venture.

What is the secret of your success?

It's simple: Relentless dedication, continuous learning and a fearless attitude towards challenges. I embrace failure as a stepping stone, take calculated risks and never lose sight of my goals.

MANIKANTH CHALLA

Founder & CEO, Workruit

What is your philosophy of work?

My philosophy of work is to have passion in what you do. Passion drives a human into achieving greater things with a clear line of thought and focus. Love the work that you do, and enjoy the ride, irrespective of failures and successes, and believe in the process.

Is there any particular person you admire who has inspired you?

Ever since I was in college in Penn State, one of the people I have followed and admired was Mark Zuckerberg for his relentless pursuit in making people's life easy and overcoming obstacles and challenges over his professional life. Despite the controversies, his passion towards connecting people and the impact it had created on digital world has reshaped innovation.

What is your fitness regime?

I hit the gym daily, focusing on a combination of strength training and cardio exercises to maintain overall fitness and strength. Additionally, I make it a point to engage in one sport per week, whether it's tennis, basketball or soccer to keep things fun and varied while also improving agility and coordination. Alongside regular exercise, I prioritise a healthy diet, emphasising whole foods, lean proteins, fruits and vegetables to fuel my body and support my fitness goals. This holistic approach to fitness ensures that I stay physically active, mentally refreshed and energised to tackle the demands of daily life.

Would you share with us five business *mantras* for success?

- ***Stay Flexible:*** In business, change is constant. Being open-minded and adaptable helps us overcome challenges and seize new opportunities.
- ***Put People First:*** Our customers are more than transactions; they're individuals with needs and emotions. Prioritising their satisfaction builds trust and loyalty.
- ***Build Supportive Communities:*** Our success relies on the people around us. Creating a culture of respect and collaboration empowers everyone to do their best work.
- ***Think Creatively:*** Innovation drives progress. By embracing creativity and taking risks, we find new solutions to challenges and stay ahead of the curve.
- ***Manage Finances Wisely:*** Smart financial decisions ensure stability and growth. By controlling expenses and making strategic investments, we secure the future of our business.

These mantras remind us that success in business isn't just about numbers and profits. It's about people, adaptability, creativity and more! ■

The author is a columnist and freelance writer. She can be contacted at Chand.sharmila@gmail.com

"Our customers are more than transactions; they're individuals with needs and emotions. Prioritising their satisfaction builds trust and loyalty."

Microsoft to put 4 bn euros in France

Technology and software company Microsoft will invest 4 billion euros in France as a part of the annual 'Choose France' business summit, its President Brad Smith has announced. "We're going to spend 4-billion euros to build a world-leading AI and data centre and cloud infrastructure here in France. We're going to bring to France 25,000 of the world's most advanced GPUs (graphics processing units). We will build the computing capacity here in France, we will put this infrastructure to work for everyone in France," Mr Smith has said. French President Emmanuel Macron recently visited the Microsoft office in the Paris suburb of Issy-Les-Moulineaux.

UAE ranks first in global fibre connectivity

The UAE has once again been recognised as the global leader in fibre to the home (FTTH) penetration. This marks the eighth consecutive year that the country has held this top position with a penetration rate of 99.3 per cent, as reported by the FTTH Council in its latest annual report. The report analysed data from 20 countries that have exceeded 50 per cent FTTH availability and compared global statistics on fibre optic network penetration. It has placed the UAE above Singapore (97.1%), Hong Kong (95.3%), China (92.9%) and South Korea (91.5%). The ranking solidifies the UAE's position as a global leader in high-speed fibre connectivity.

Pakistan to privatise State-owned companies

Pakistan plans to offload dozens of State-owned enterprises, including the ailing national flag carrier, as the cash-strapped country seeks another bailout package from the IMF. The government's biggest State-owned asset going on sale is Pakistan International Airlines (PIA) which has racked up losses of approximately $3.6 billion in the last 20 years. The other State entities set to be privatised are Roosevelt Hotel in New York, State Life Insurance Corporation, Lahore Electric Supply, Pakistan Reinsurance and dozens of other enterprises in losses. Privatisation of PIA is seen as the real test case for the government's move to liquidate state-owned enterprises to bolster the economy.

Biden hikes tariffs on Chinese chips, EVs

US President Joe Biden is hiking tariffs on a wide range of Chinese imports, including semiconductors, batteries, solar cells and critical minerals, in an election-year bid to bolster domestic manufacturing in critical industries. The US will also raise levies on port cranes and medical products, in addition to previously-reported increases on steel, aluminium and electric vehicles (EVs). The changes are projected to affect around $18 billion in current annual imports. The moves represent Mr Biden's most comprehensive update to the China tariffs first imposed by his predecessor, former President Donald Trump and recognition that a hawkish approach to trade with Beijing remains popular with US voters.

Amazon infuses Rs 1,660 cr in Indian arm

US e-commerce company Amazon has infused Rs 1,660 crore into its Indian arm, Amazon Seller Services, according to regulatory documents filed with the RoC. This is the second time in five months that Amazon has pumped money into its Indian arm as competition in the e-commerce space intensifies in the country. The US parent had earlier invested Rs 830 crore in its Indian entity in February. Last year, Amazon had announced that the company would invest $15 billion in India by 2030,

China takes steps to boost property sector

China has announced "historic" steps to stabilise its crisis-hit property sector, aiming to clear inventory and boost home buyers' demand. The package includes cutting down-payment requirements and removing the floor for mortgage rates to entice buyers back into the market. Local governments can instruct State-owned companies to purchase completed unsold apartments from property developers and convert them into social housing. China's central bank is setting up a 300-billion yuan re-lending facility, which it has said may result in 500 billion yuan worth of commercial bank financing for government companies' purchases, equivalent to 0.4 per cent of the country's GDP.

US Fed may cut capital hike for big banks

The Federal Reserve and two other US regulators are moving towards a new plan that will significantly reduce a nearly 20 per cent mandated increase in capital for the country's biggest banks, The Wall Street Journal has reported. Required increases in capital for banks like JPMorgan and Goldman Sachs meant to ensure that they have sufficient buffers to absorb potential losses – would on an average be about half as much as originally floated, the newspaper has added. Top officials from all three agencies involved in the pending capital rules are still discussing substantive and technical revisions, and there is no guarantee that an agreement will be reached.

Nandan Denim Reports Solid Earnings For Q4FY24, PAT Jumps 880% YoY

Nandan Denim Ltd (BSE: 532641, NSE: NDL), a leader in the denim industry, has reported solid earnings for the quarter and year ended March 31, 2024.

For the quarter ended March 31, 2024, the company reported revenue from operations at Rs 579.12 crore, recording growth of 26.68 per cent YoY. The EBITDA jumped by 68.69 per cent YoY from Rs 23.12 crore (Q4FY23) to Rs 39 crore (Q4FY24). The company's EBITDA margin improved by 168 basis points (bps) from 5.06 per cent to 6.73 per cent (Q4FY24). PAT grew by a staggering 881.88 per cent YoY from Rs 2.76 crore (Q4FY23) to Rs 27.10 cr (Q4FY24).

The company produces more than 2,000 denim products every year and supplies them to its clients across the world.

For the year ended March 31, 2024, the company saw a 0.82 per cent decline in its revenue from operations, dropping marginally from Rs 2,026.76 crore (FY23) to Rs 2,010.08 crore (FY24). EBITDA grew by 40.67 per cent YoY from Rs 84.1 crore (FY23) to Rs 118.30 crore (FY24). EBITDA margin recorded an improvement of 174 bps and stood at 5.89 per xent. PAT grew by a staggering 8,384.91 per cent YoY from Rs 0.53 crore (FY23) to Rs 44.97 crore (FY24).

A leading global denim manufacturer, Nandan Denim is redefining the denim industry for more than 27 years. With a passion for fashion and design, it produces more than 2,000 denim products every year. The company manufactures and supplies denim fabric, yarn and dyed yarn, cotton fabric and shirting fabric to renowned clients across the globe. Along with an extensive range of products, the company reaps the benefits of economies of scale and continues to sustain its market leadership across key products even in the most challenging circumstances.

The Chiripal Group – Nandan Denim is a part of this illustrious conglomerate – incorporated in 1972, has an extensive presence across diverse business segments, including petrochemicals, spinning, weaving, knitting, fabric processing, chemicals, infrastructure, packaging and educational institutions.

taking its total investment in the country to $26 billion. Amazon's investment comes shortly after Walmart had infused $600 million into its arm, Flipkart.

Yellen calls for joint G7 action against China

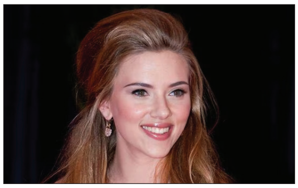
US Treasury Secretary Janet Yellen has urged the US and Europe to respond to China's industrial overcapacity in a "strategic and united way" to keep manufacturers viable on both sides of the Atlantic. Speaking to reporters during a recent visit to Frankfurt, Ms Yellen has said that G7 finance ministers share US concerns about Chinese efforts to dominate clean energy industries, but do not engage in "detailed coordination" on trade actions following the imposition of steep US tariffs on Chinese goods. China's excess industrial capacity threatens both American and European companies as well as industrial development of emerging market countries, Ms Yellen adds.

Apple challenges EU's $2-bn antitrust penalty

Apple has challenged at Europe's second-highest court a $2-billion fine imposed by EU antitrust regulators for impeding Spotify and other streaming rivals via restrictions on its App Store, according to a court filing. Apple had already said that it would appeal after the European Commission had handed down the fine in March, its first-ever penalty for infringing EU antitrust rules and third-biggest penalty meted out to a company. A ruling by the Luxembourg-based General Court could take several years, while an appeal against its judgment to the Court of Justice of the European Union, Europe's top court, could drag out the litigation by a few more years.

Johansson accuses OpenAI of using her voice

Lawyers for actress Scarlett Johansson are demanding that OpenAI disclose how it developed an AI personal



assistant voice that the actress says sounds uncannily similar to her own. Ms Johansson's legal team has sent OpenAI two letters asking the company to detail the process by which it developed a voice that the tech company dubbed Sky, Ms Johansson's publicist has said. After OpenAI had held a live demonstration of the voice last month, many observers compared it to Ms Johansson's voice in the 2013 Spike Jonze romantic sci-fi film, Her, which centres on a man who falls in love with the female voice of his computer.

WIPO pact to end theft of ancient knowledge

Member States of the World Intellectual Property Organization (WIPO) have agreed to a groundbreaking new treaty addressing intellectual property (IP) in relation to genetic resources and associated traditional knowledge. The Treaty on Intellectual Property, Genetic Resources and Associated Traditional Knowledge also includes key provisions aimed at protecting the rights of indigenous peoples and local communities. The treaty marks the conclusion of negotiations that had begun in 2001.

OpenAI's ChatGPT4o chats like a human

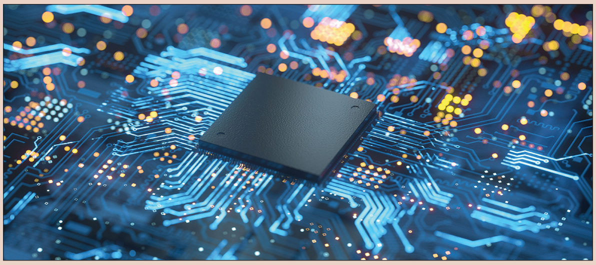
ChatGPT-maker OpenAI has released a new AI model called GPT-4o, capable of realistic voice conversation and able to interact across text and image. This is OpenAI's latest move to stay ahead in a race to dominate the emerging technology. New audio capabilities enable users to speak to ChatGPT and obtain real-time responses with no delay as well as interrupt ChatGPT while it is speaking, both hallmarks of realistic conversations that AI voice assistants have found challenging, OpenAI researchers have shown.

Telstra to cut 2,800 jobs to slash costs

Telstra will be slashing over a tenth of its workforce by the 2024-end and stopping its traditional annual inflation-linked price adjustments for mobile plans as it grapples with stiff competition, the Australian telecom company has said. The country's largest telecommunication company will be slashing up to 2,800 jobs from its enterprise workforce as it moves to streamline operations and cut costs as a part of a review of its network applications and services business. Telstra had more than 31,000 employees as of August 2023, according to its annual report. The company expects to record one-off restructuring costs of A$200-250 million in 2024 and 2025.

South Korea plans fund to boost chip business

South Korea has announced a 26-trillion won support package for its chip businesses, citing a need to keep up in areas like chip design and contract manufacturing amid "all-out warfare" in the global semiconductor market. Under the package, President Yoon Suk Yeol has said that a financial support programme worth about 17 trillion won has been planned through State-run Korea Development Bank to back investments by semiconductor companies. South Korea, home to the world's top-memory chipmakers Samsung Electronics and SK Hynix, has fallen behind some rivals in areas such as chip design and contract chip manufacturing.



ERAAYA LIFESPACES LIMITED

Eraaya Lifespaces Submits Proposal To Acquire 100% Of Equity Of Ebix Inc, USA

Eraaya Lifespaces Limited (BSE: ERAAYA) has announced that a consortium of members led by Eraaya has submitted a term sheet to the independent directors of Ebix Inc to acquire 100 per cent of the equity of Ebix which, if accepted by the company, will be effectuated under a Chapter 11 Plan of Reorganization to be negotiated between the parties and other major stakeholders. The plan would be subject to Bankruptcy Court's approval in accordance with the provisions of the United States of America Bankruptcy Code.

The terms submitted by the consortium, led by Eraaya, has the support of the Ebix's senior management led by the Ebix CEO, and they intend to work collaboratively with the debtors' representatives to take Ebix out of Chapter 11 through the sponsored plan.

Eraaya Lifespaces is a premier lifestyle and hospitality company dedicated to curating unforgettable experiences worldwide.

The consortium will submit a 5 per cent cash deposit to the debtors upon execution of a binding stalking horse agreement. The proposal provides for the acquisition by the consortium of 100 per cent equity and assets in the worldwide subsidiaries of Ebix while excluding all liabilities in the North American company, other than those liabilities which may be expressly assumed by the consortium to be identified in the stalking horse agreement.

Ebix Inc (NASDAQ: EBIX) is a leading international supplier of on-demand software and e-commerce services to insurance, financial and healthcare industries. The company provides endto-end solutions ranging from infrastructure exchanges, carrier systems, agency systems and risk compliance solutions to custom software development for all entities involved in the insurance industry.

The "phygital" strategy at Ebix combines 320,000 physical distribution outlets in many South-East Asian (ASEAN) countries. EbixCash's forex operations have emerged as a leader in India's airport foreign exchange outlets with over $4.8 billion in gross transactions per year. EbixCash's inward remittance business in India conducts approximately $5 billion gross annual remittance business. EbixCash, through its travel portfolio of Via and Mercury, has processed an estimated $2.5 billion in gross merchandise value per annum.

Eraaya Lifespaces is a premier lifestyle and hospitality company dedicated to curating unforgettable experiences worldwide. Rooted in a passion for excellence, it blends luxury, comfort and style to create immersive environment that transcends mere existence. The company's diverse portfolio celebrates India's rich culture and heritage, offering unique escapes in iconic destinations. Whether it is crafting flawless events or producing innovative content, Eraaya Lifespaces is committed to exceeding expectations and creating memories that last a lifetime.

Eraaya is seeking to thrive and expand beyond its current scope as a strategic option by embracing new business fields, which present a promising avenue for growth, diversification and sustained relevance in an ever-evolving market. Eraaya has set its sight on exploring new business fields, driven by a vision to expand its horizons and unlock fresh opportunities via mergers and acquisitions of a varied bunch of businesses.

As Eraaya Lifespaces embarks on this transformative journey of expansion into new business fields, the company is poised to carve a new path of success, driving innovation and creating value for stakeholders while shaping the future of business in dynamic and unprecedented and unforeseen ways.

Srestha Finvest Ltd. Reports Excellent Earnings for Q4FY24, Revenue Jumps 462% YoY

Srestha Finvest Ltd, a leader in financial solutions, has announced its earnings for the quarter and year ended 31 March 2024.

For the quarter ended 31 March 2024, the company reported revenue from operations at Rs 391.85 lakhs, a growth of 462.36 per cent YoY. PAT was reported at Rs 506 lakhs (Q4FY24), and Net PAT (total comprehensive income) came in at Rs 1767.74 lakhs (Q4FY24).

For the year ended 31 March 2024, the company saw a stellar 269 per cent growth in its revenue from operations, growing from Rs 274.56 lakhs (FY23) to Rs 1013.01 lakhs (FY24). PAT came in at Rs 173.86 lakhs (FY24), while the Net PAT (total comprehensive income) stood at Rs 2404 lakhs (FY24).

Srestha Finvest is a leading player in the field of financial solutions.

Srestha Finvest Ltd is a leader in the field of financial solutions, offering comprehensive solutions to both individuals and businesses. In an Indian financial landscape predominantly reliant on traditional financing avenues, Srestha Finvest recognizes the gaps that stem from a lack of specialized players in the sector. The company, observing the absence of structured financial solutions, limited skill sets and regulatory constraints that restrict tailored offerings from financial institutions, discerns an opportunity to innovate and deliver customized solutions. Focusing on the lending business segment, Srestha Finvest is committed to providing specialized and comprehensive solutions to both Indian corporates and individuals, nurturing and empowering their growth endeavors.

The company prioritizes structured credit products supported by robust cash flows, ensuring a secure and high-quality wholesale lending portfolio. Within the wholesale lending business, the company facilitates diverse credit solutions encompassing project funding, mezzanine financing, acquisition financing, bridge financing, working capital requirements and personal finance, among others.

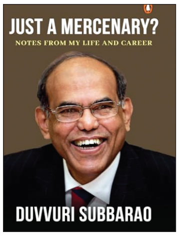
Besides lending, Srestha Finvest invests and trades in stocks and shares. These investments are made with both strategic intent and trade purposes, aligning with the company's goal to evolve its business model towards bespoke product offerings for its clientele soon. The company's core business activities encompass lending money against various securities, movable and immovable properties, finance, hire purchase and leasing. Operating as a Category 'B' NBFC company registered with the Reserve Bank of India, the company upholds the highest standards of financial governance and compliance. The company continues to believe in its philosophy that corporate governance envisages the attainment of the highest level of transparency, accountability and equity in all areas of its operations and interactions with customers, shareholders, investors, employees, and government authorities. The company emphasizes on good corporate governance and believes in maintaining highest standards of quality and ethical conduct in all activities of the company as it would not only encourage value creation but also provide accountability and control systems commensurate with the risks involved.

With a vision to expand and diversify its business verticals, Srestha Finvest aspires to emerge as a comprehensive hub, offering all-encompassing solutions for finance and investment-related products. The securities of the company are listed on BSE (BSE: 539217).

Earnest Soul-Searching

Former RBI chief Duvvuri Subbarao recounts his long and eventful public life with courage and candour.

JUST A MERCENARY?



Author:
Duvvuri Subbarao

Publisher:
Penguin Random House India

Pages:
336

Price:
Rs 799

At the start of his career as sub-collector of Parvathipuram sub-division in north-coastal Andhra Pradesh way back in 1974, Duvvuri Subbarao learnt the hard way that tribal development requires more than enthusiasm; it requires, most of all, an understanding of poverty.

Nearly 40 years later, in 2013, as the governor of the Reserve Bank of India (RBI) in the midst of a fierce exchange rate crisis, Mr Subbarao learnt once again the hard way the harsh challenges of emerging economies in an unequal world.

Bookended by these assignments is the remarkable journey of a small-town boy from a modest background to the top echelons of India's civil service and then on to the helm of the country's central bank. Mr Subbarao recounts that journey, his hopes and despair, his successes and setbacks, his mistakes and misdeeds and the lessons he learnt along the way with rare candour and honesty. The subtext of that story though is his constant soul-searching about whether he has given back to society more than he received. One of the central themes that emerges from Mr Subbarao's memoir is the persistent pressure exerted by the Finance Ministry under the late Pranab Mukherjee and P Chidambaram on the RBI to soften interest rates and present a more optimistic picture of economic growth.

"Having been both in the government and in the RBI, I can say with some authority that there is little understanding and sensitivity within the government on the importance of central bank autonomy," writes Mr Subbarao, highlighting the disconnect between the two institutions.

In a chapter titled, *Reserve Bank As The Government's Cheerleader?*, Mr Subbarao recalls that the pressure from the government extended beyond just the interest rate stance, with the RBI occasionally being asked to present rosier estimates of growth and inflation that diverged from its own objective assessments.

Mr Subbarao's tenure as RBI Governor coincided with a pivotal moment in global economic history – the Lehman Brothers crisis. Just a few days before the collapse of the investment bank, Mr Subbarao had taken over the reins of the central bank, facing the daunting task of steering India's economy through the ensuing turmoil.

In his memoir, Mr Subbarao reflects on the harsh challenges that emerging economies like India faced in an unequal world, where the reverberations of a crisis thousands of miles away could have such a profound impact on the country's financial landscape.

Mr Subbarao also writes at length on his role as the Union finance secretary in 2007-08 in the decision-making on the pricing of the 2G spectrum, an issue that later ballooned into a huge controversy for UPA-II government as the 2G spectrum scam. The former central bank governor asks: "If a democratically-elected government decides to forgo revenue in order to serve the larger public good of deepening telecom penetration, is it open to the CAG to substitute his own judgement for the government's and call it a 'presumptive loss'?"

This book is a warm, engaging and earnest account of an extraordinary career that is bound to inform and inspire young professionals trying to find their way up their career ladders and discover meaning in their journeys.

About the author

Duvvuri Subbarao *served as governor of the RBI for five years (2008-13). Prior to that, he was Union finance secretary to the Government of India (2007-08) and secretary to the Prime Minister's Economic Advisory Council (2005-07). In a career spanning nearly 40 years, he held various positions at the State level in the Government of Andhra Pradesh and at the Central level in the Government of India. Mr Subbarao is currently visiting faculty at the Kautilya School of Public Policy in Hyderabad and at Yale University in the US.*

Assessing Landmark Verdicts

The book innovatively analyses the impact of key decisions made by the Supreme Court on economic matters. It assesses the direct effects of these rulings on relevant sectors and suggests that the courts could have achieved comparable outcomes with less cost to both society and the economy. Author Pradeep S Mehta proposes that the courts could have used expert advice to attain more balanced resolutions.

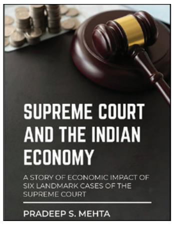
The remarkable work is adorned by no less than three forewords by eminent people and advance praise blurbs from 46 luminaries.

"Merely making courts and the body politic aware of such issues, educating the citizenry in non-jargon language about the nuts and bolts of such jurisprudence and simply flagging such issues, irrespective of the merits or otherwise of such writing, constitutes a service to society, to the judiciary and to our body politic," writes Abhishek Singhvi – an eminent jurist, senior member of Parliament and former chairman of the Parliamentary Standing Committee on Law – in his foreword.

Writing in his foreword, Amitabh Kant, the former chief executive officer of the NITI Aayog, notes: "This book is a timely and topical work on an increasingly-relevant area of research and analysis. It will lay the foundation for future discussions on the economic impact of judicial decisions."

Highlighting a positive stance, the book acknowledges the Supreme Court's forward-looking interpretation of the law. It serves as a valuable resource for lawyers and academics who have an interest in the field of adjudication on economic matters.

SUPREME COURT AND THE INDIAN ECONOMY



Author: Pradeep Singh Mehta

Publisher: Academic Foundation

Pages: 392

Price: Rs 1,495

About the author

***Pradeep Singh* Mehta** *is the founder secretary general of Jaipur-based Consumer Unity and Trust Society (CUTS International), one of the largest consumer groups in India with offices in London, Lusaka, Nairobi, Hanoi and Geneva. Mr Mehta has studied at The Scindia School, Gwalior, St Xavier's College in Kolkata, and law at the Rajasthan University, Jaipur. He has served on several policy-making bodies of the Union government related to trade, environment and consumer affairs and other issues.*

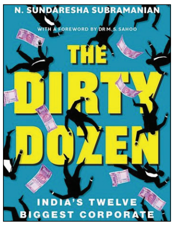
Decoding Defaulters

The book delves into sensational rise and shocking downfall of India's twelve largest corporate defaulters. In June 2017, the RBI sent shockwaves through the nation as it disclosed a list of the country's twelve biggest defaulters who were responsible for approximately a quarter of all bad loans in the Indian banking system. The alarming discovery of the 'dirty dozen' pulled back the curtain on the murky landscape of corporate irresponsibility and regulatory neglect, revealing the harsh reality of gross economic disparity, complacent governance and coordinated deceit.

In this book, business journalist N Sundaresha Subramanian investigates the cause and impact of India's chronic bad loan issue. In doing so, he makes an eye-opening diagnosis of the nation's financial health since the economic liberalisation.

In a country where millions struggle for basic sustenance, this book offers a brave, hard-hitting and much-needed portrayal of crooked business moguls who have orchestrated deeply-damaging financial manoeuvres and amassed millions, enjoying impunity nonetheless and leaving India's economy teetering on the edge.

THE DIRTY DOZEN



Author: N Sundaresha Subramanian

Publisher: Pan Macmillan India

Pages: 310

Price: Rs 499

About the author

N Sundaresha Subramanian *is a business journalist and newsroom leader. With his rich experience in hard-hitting journalism and a keen focus on public interest, he has driven award-winning coverage in critical areas, including corporate and regulatory affairs, corporate governance and wrongdoing, policy, geopolitics and emerging areas of ESG and energy transition. Currently, he is the executive editor of* The Economic Times' ET Prime.

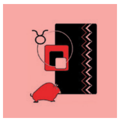
Aries

Mar 21-Apr 20

In the beginning of this month, you will be good at negotiating some important deals as you may get situations where you will have to use your skills. Don't bring emotions in between while taking any vital decisions regarding your money matters. You will be forced to start taking stock of your finances. If your finances are not balanced, and spending exceeds savings, this then can be the ideal time to implement some corrective measures.

Taurus

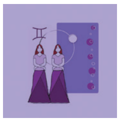
Apr 21-May 20



As the month begins, good luck will await you. This month will bring some good opportunities amid some stiff challenges. But as the month advances, there will be some tricky issues to face. It is better to consult with experts while investing in any projects or securities. Do not take investment decisions on your own. The period from around the middle of this month will be very successful financially.

Gemini

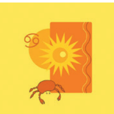
May 22-Jun 21



You will be having some difficulty in the beginning of this month. Don't let yourself get involved in over-spending habits in order to avoid the problems that may come your way. As the month advances, you will be able to make some smart financial decisions. Don't get distracted or go too far off the course though. The period around the middle of this month will remain important for making systematic long-term investments. With respect to your finances, you will need to work with financial expert.

Cancer

Jun 22-Jul 21



It will be very necessary to have a solid plan during this month. There is a possibility that the money you have earned will get a new dimension. However, remain careful about financial transactions. As the month advances, the positive impact of planets will give an upward push to your finances. Some pending financial issues may also get resolved. Now, you need to decide all your financial goals clearly. The period around the mid-month looks significantly eventful regarding your finance and investment matters. You will come across new avenues to enhance your income.

Leo

Jul 23-Aug 23

You will face some difficulties at the start of the month. You will also witness a few hurdles in your financial planning. You should be cautious of trusting any stranger and must take decisions with utmost focus. Despite good income flow, you may have some pressure in money matters during the first half of the month. You must avoid risky investments for quick gains to avoid problems in your financial planning. But the period from the mid-month would lead you towards more of enjoying all the possible material comforts and luxury. There are chances of some excellent financial gains during the latter half of the month.

Virgo

Aug 24-Sep 23

The beginning of this month will remain favourable for your financial status. It will be a phase of new energies because you are likely to see the good results of some decisions that you have taken in the past. As the month advances, the financial situation looks satisfactory, and there would also be some chances of financial gains. The auspicious impact of planets indicates that your financial strength may increase. You are likely to find some good earning opportunities amid some complex conditions.

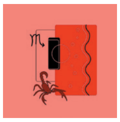
Libra

Sep 24-Oct 23

This month altogether would bring ease in your life. Planets may help you attain all the goodness, and your financial status may become stronger. There will be some complex planetary energies around the mid-month. Hence, do not make any major hasty commitment. Here, you need to concentrate on making your system more efficient. Do keep your best qualities and flexibility in top shape as this will help you take maximum advantage of the opportunities.

Scorpio

Oct 24-Nov 23



In the beginning of the month, planets may cause some disruptions in your financial planning. You may have to cut down on all unnecessary expenses in order to maintain your budget. Here, you need to value your own hard-earned money and make adequate provision for unexpected issues. However, as the month advances, your positive outlook will help you to work on the weak areas of your financial management and make your financial condition stable. With necessary modification, you will be able to manage your finance much more efficiently. The period around the middle of the month could be the time to plan and prepare for higher financial growth.

NECC Ltd. Reports Robust Earnings for Q4FY24, PAT Jumps 154% YoY

North Eastern Carrying Corporation Ltd. (NECC) (BSE: 534615, NSE: NECCLTD), a leading player in domestic, international, commercial and industrial goods transportation, has announced its earnings for the quarter and year ended 31 March 2024.

For the quarter ended 31 March 2024, the company reported revenue from operations at Rs 9184.16 lakhs, a growth of 15.15 per cent YoY. The EBITDA jumped 21.82 per cent YoY, from Rs 575.92 lakhs (Q4FY23) to Rs 701.60 lakhs (Q4FY24). PAT grew 154.78 per cent YoY, from Rs 112.39 lakhs (Q4FY23), to Rs 286.35 lakhs (Q4FY24).

For the year ended 31 March 2024, the company saw a robust 9.52 per cent growth in its revenue from operations, growing from Rs 30599.22 lakhs (FY23) to Rs 33511.52 lakhs (FY24). EBITDA grew 5.08 per cent YoY, from Rs 1975.04 lakhs (FY23), to Rs 2075.39 lakhs (FY24). PAT grew 39 per cent YoY, from Rs 577.09 Lakhs (FY23), to Rs 802.20 lakhs (FY24).

North Eastern Carrying Corporation has established itself as a leading freight forwarding company in India.

Earlier, the company announced that it bagged an order from GAIL (India) Ltd for transportation of polymer under a contract value of Rs 52.48 crores for a period of three years. The company had recently entered into MoU with SG logistic Management Pvt Ltd. to invest up to Rs 20 crores for up to 20 per cent of shares/securities for the purpose of trucking through electric vehicles.

Since its inception, North Eastern Carrying Corporation has been providing clients with flexible, responsive and affordable services that they deserve. The company utilizes its deep operating knowledge to offer extraordinary solutions tailored to the unique needs of its clients. Specializing in domestic, international, commercial and industrial goods transportation along with warehousing services, North Eastern Carrying Corporation has established itself as a leading freight forwarding company in India.

For those seeking to transport goods from one destination to another, North Eastern Carrying Corporation offers cost-effective solutions. Its services encompass a wide array of freight management and customized logistics solutions, supported by an automated ERP-based software system. Leveraging its operational expertise, extensive transportation network, and advanced technology, the team is dedicated to providing nationwide transport services in Nepal, Bhutan, and India. Currently, NECC offers services including part truck load (PTL), full truck load (FTL), bulk movements, ODC movements, warehousing, and 3PL.

With its part truck load (PTL) NECC facilitates the movement of goods and small parcels (<50 kgs) from various locations across India to the eastern and north eastern regions of the country. This segment represents the flagship business of the company, which prides itself on being the foremost player in the entire region in terms of network density and serviceability. In full truck load (FTL), NECC extends its service to major corporate clients, providing the flexibility to transport trucks from any origin to any destination as per the specific requirements of the client.

As one of the top freight forwarding companies in India and one among the best goods transport agencies in the region, North Eastern Carrying Corporation continues to set the standard for excellence in the industry.

Stay Away From M&M After October 26

Mahindra & Mahindra (M&M) is an Indian multinational car manufacturing corporation. The company was established in 1945 as Mohammad & Mahindra, but was later renamed Mahindra & Mahindra. It is one of the largest vehicle manufacturers by production in India and the largest manufacturer of tractors in the world.

Planetary positions indicate that it is advisable to book profit in M&M after consulting an expert.

Astrological Observations

Swagruhi Saturn, exalted Moon, Swagrahi Jupiter and exalted Mars – what an excellent planetary alignment! This chart is amazing, says Ganesha! You have stayed with M&M for so many years and got almost 100 per cent profit every time. But this time, there is no fun. In such a situation, it is advisable to book profit after consulting an expert. According to Ganeshji, do not trade in this stock this year. The Nifty will continue to trade around or on the soft side till June 12, 2024. From June 13, 2024, to October 25, 2024, wherever the Nifty is plus, this stock will be slightly plus, and wherever the Nifty is down, the stock will plunge deeper. Do not do anything in this stock after October 26, 2024, and focus on other stocks instead, advises Ganesha.

Sagittarius

Nov 24-Dec 21

As the month begins, you may have ample planetary support. But you will have to wait patiently for getting a chance to strike big. Till then, remain satisfied with gains in the routine. Act with caution during the first half of the month. As the month advances, you may be required to change your line of thought and adopt a new strategy to make things more effective. However, this also indicates some delays and difficulties to achieve your financial goal. Stars will be highly favourable and help you organise your actions effectively. You will get opportunities to gain and there will be increase in your earnings.

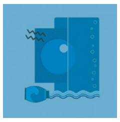
Capricorn

Dec 22-Jan 20

Planets may help you strengthen your financial status during this month. But the first few days of this month are going to bring you many challenges on the financial front, and a lot will depend on how diligently you handle your money matters. Gradually the money flow will increase, and the pressure will ease out. But you need to make sure that you don't loosen the purse strings too much around the middle of the month. Start making a provision for some unexpected expenses. You will be very keen to make your financial planning more effective and check the expenses you incurred in the recent past.

Aquarius

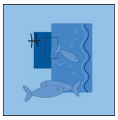
Jan 21-Feb 18



There will be increased materialistic gains in the beginning of this month. The influence of planets would bring happiness in your life. Your financial status may become stronger. But you must avoid making big purchases. Otherwise, you may feel pressure on your financial budget. Gradually, the matters related to finances and investments may get positive momentum. There will not be any major negative influences. So, your financial status may get better and likely reach at a very comfortable position. The favourable planets will give an upward push to your finances around the mid-month.

Pisces

Feb 19-Mar 20



Planetary situations during the beginning of this month may not be helpful for your financial future. In other words, your financial activities demand more efforts to accomplish your undertakings. You should avoid new activities and ventures as they may not be beneficial. The entire first half of the month may remain challenging and stressful as far as your financial segment is concerned. However, you may get support from your well-wishers and benefit from elders in the family. The middle of the month may bring up hopes for some positive results. Do not expect immediate money.

LORENZI APPARELS LIMITED

Lorenzi Apparels Board Approves Allotment Of Equity Shares Against Conversion Of Warrants

Lorenzi Apparels Ltd (BSE: 540952, NSE: LAL), a prominent player in the realm of manufacturing, designing and marketing readymade garments, has announced that it its board has approved conversion of 2,47,230 warrants into 2,47,230 equity shares of face value of Re 1 each, out of the 10,38,370 warrants allotted on October 5, 2023, on a preferential basis upon receipt of an amount aggregating to Rs 3,74,99,846.4 (being 75 per cent of the issue price per warrant) from Kiwi Dealcom Private Limited.

Earlier, the company had announced its earnings for the year ended March 31, 2024. Revenue from operations stood at Rs 54.76 crore, and EBITDA came in at Rs 10 crore, reporting growth of 29 per cent YoY. PAT more than doubled, growing from Rs 2.52 crores (FY23) to Rs 5.30 crores (FY24).

Lorenzi Apparels is a prominent player in the realm of manufacturing, designing and marketing readymade garments, catering to the diverse fashion needs of both men and women. With a comprehensive array of formal, semi-formal and casual wear, it prides itself on delivering quality attire that resonates with contemporary trends and timeless styles. Operating through retail outlets and e-commerce platforms, the company ensures accessibility and convenience for its clientele.

At the heart of its operations lies a meticulous garment manufacturing process encompassing cutting, stitching, sewing, finishing, inspection and packing. While maintaining stringent quality standards, Lorenzi Apparels also engages in strategic partnerships with third-party contractors for garment production on a job-work basis. These collaborations involve dissemination of detailed technical specifications, including designs, patterns, quality standards and fabric preferences. By leveraging the expertise of external manufacturers and providing precise guidelines, the company ensures the realisation of its vision for exceptional apparel, while fostering a network of trusted collaborators.

Lorenzi Apparels is not only committed to delivering superior quality garments but also places a strong emphasis on sustainability and ethical manufacturing practices. The company actively seeks to minimise its environmental footprint by implementing eco-friendly production processes and sourcing materials responsibly. Moreover, it upholds fair labour standards throughout its supply chain, fostering safe working conditions and equitable treatment for all involved parties.

Driven by a passion for innovation and customer satisfaction, Lorenzi Apparels continually strives to stay ahead of industry trends and consumer preferences. Its dedicated team of designers and stylists is dedicated to crafting collections that reflect the latest fashion sensibilities while maintaining the brand's signature aesthetic. Through a blend of creativity, craftsmanship and attention to detail, the company endeavours to exceed the expectations of its discerning clientele, establishing itself as a trusted name in the world of fashion.

Lorenzi Apparels is a prominent player in the realm of manufacturing, designing and marketing readymade garments.

AT THE HELM

SRINIVAS PALLIA

Wipro is returning to its roots to steer itself through stormy times. The fourth-largest Indian software services company has roped in a veteran insider to head its operations. In April, the Bengaluru-headquartered information technology (IT) company appointed Srinivas Pallia as its MD and CEO after Thierry Delaporte quit the top post.

Wipro's four-year experience with the foreign CEO has had mixed results. Mr Delaporte did bring in radical changes in the software services company, which many analysts opine as too many in a comparatively shorter time. To be fair, Mr Delaporte put in place mechanisms to push Wipro to the next level. However, things did not seem to go as planned, and the foreign chief departed 15 months before the end of his five-year term.

In his new role Mr Pallia – who is known as Srini in industry circles –will continue to be based in New Jersey, the US, and report to Chairman Rishad Premji. Interestingly, the new Wipro chief was the head of Americas – the IT company's largest and fastest-growing strategic market, including the US – before taking over as the Wipro chief. Mr Pallia's appointment signals two key messages. One, the focus, needless to say, will remain on the US to drive Wipro's growth. Two, that growth will be driven by the man who knows the US market like the back of his hand.

Young Srinivas completed his bachelor's degree in engineering and a master's in management studies from the Indian Institute of Science, Bengaluru. He also graduated from Harvard Business School's Leading Global Businesses executive programme and the Advanced Leadership Program at McGill Executive Institute. Mr Pallia joined Wipro as a product manager in 1992. Since then, he has held numerous leadership roles, including that of president of Wipro's consumer business unit and global head of business application services, among many others.

Throughout his career at Wipro, Mr Pallia – who is also a member of the company's executive board – has been overseeing diverse industry sectors, establishing their vision and implementing growth strategies, resulting in increased market shares of those sectors. Over three decades of his career has helped deepen and broaden his understanding about Wipro's

FACTS FOR YOU

GOLDENE

Scientists at Sweden's Linkoping University have succeeded in developing a new material that they call goldene, an extraordinarily-thin version of gold. This comes after graphene, a material composed of single-layer graphite atoms, was successfully produced. Goldene is extremely strong and conducts heat and electricity far more effectively than copper which has led to it being heralded as a miracle material.

Goldene is based on the same idea, where scientists disperse gold until it is only one layer of atoms thick. Much like graphene, scientists claim that the technique provides it with a host of new properties that may pave the way for significant discoveries.

As you know, gold is usually a metal, but if single-atom-layer thick, the gold can become a semiconductor instead."

Goldene could find future applications in a diverse range of industries and other sectors.

The new properties of goldene are due to the fact that the gold has two free bonds when two-dimensional. Thanks to this, goldene could find future applications in a diverse range of industries and other sectors. The new substance could find a wide range of potential applications in communication technologies, water purification, carbon dioxide conversion and much more. Further, modern technologies that require gold can employ far less of the metal, substituting it with goldene.

Researchers have been trying for years to create thin gold of this kind but have been foiled by the fact that the metal tends to clump up. The various geographies, functions, service lines and business units.

Wipro has been passing through a bad time for the past few years, with its performance lagging behind its industry peers. The company has been pushed to the fourth place from the third after HCL Technologies in the pecking order of the top-five Indian IT companies. Besides, there are concerns about high attrition of its senior leadership over the past two years.

A slowdown in the major Western markets has roiled the Indian software services industry quite badly last year. And the situation does not seem to be getting better this year too. Moreover, artificial intelligence (AI) holds out hopes to the beleaguered IT industry. The new Wipro chief has a daunting task at hand to place his company further up in the pecking order. Mr Pallia incidentally is an avid hiker, and that passion, along with his rich and diverse experience, could help him get Wipro back its sheen. ■

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breakthrough finally came with a century-old technique inspired by Japanese craftspeople. It is called Murakami's reagent, which etches away carbon residue and changes the colour of steel in knife-making, for example. It also came about partly by luck. The new material relies on gold being embedded between layers of titanium and carbon in a base material – and that was found when looking for something else.

Researchers suggest that gold could be just one of a range of similar materials. Further work is currently happening to understand if the same findings can be used on other metals. The next step could be creating a single layer of silver using aluminas as the base. ■

SPIRITUAL CORNER

Contempt – Dismiss With Scorn

You Fear That What You Despise

Dadashri: *You will fear anyone or anything that you have contempt for. Why do you fear the policeman? It is because you have scorn for him. Whatever you disdain will cause you fear. If you have scorn for mosquitoes, they will not leave you alone at night. If you have contempt for courts or lawyers, you will have a fear of entering the courthouse. Why do you not fear someone you know? It is because you do not feel any scorn for him.*

Questioner: *Does contempt come first, or does fear come first?*

Dadashri: *First there is contempt. It is not fear that comes first. How is that? Somewhere, you may have heard that policemen are really bad. So, you have a prior knowledge because of which you develop contempt for them. That scorn gives rise to fear which increases gradually over time. Then when you see a policeman, you become nervous, even if he approaches to ask you for an address.*

How Harmful Is Dismissing With Contempt?

Questioner: *What is the difference between scorn (*tiraskar*) and* tarchhod *(dismissing with contempt)?*

Dadashri: *At times, one may not even be aware of scorn (*tiraskar*). Scorn is a completely a mild thing, whereas* tarchhod *(dismissing with contempt) is fierce, and it can instantly cause a person to 'bleed'. This bleeding is not of the physical body. It is the mind that bleeds.*

Questioner: *What are the consequences of* tarchhod *and* tiraskar*?*

Dadashri: *You may not even discern the consequence of* tiraskar*, but that of* tarchhod *is huge.* Tarchhod *causes all kinds of obstacles. So, it will not allow you to attain things, and it will create all sorts of misery. What can* tarchhod *not do? It has given rise to the entire world. That is why I tell you one thing, and that is, "Let go of your enmity and vengeance (*veyr*), and beware that you are not contemptuous towards anyone".*

I would not even be scornful with the person who lovingly gave me 'poison'. What if you throw a stone in the mud? Is it going to mess up the mud? The mud is already soiled, but you will get splattered. Hence, the Vitarags *were very clever indeed; they would move around without contempt for any living being.* Tarchhod *closes all the doors. The person you dismiss with contempt (*tarchhod*) will never again open his door to you. Physical scars may heal, but the scars caused by speech do not heal throughout a person's entire lifetime. Many scars will not heal even after a hundred lifetimes.*

What Is The Solution For* Tarchhod*?

Questioner: *What should we do to make sure that we do not have to suffer the consequences of* tarchhod*?*

Dadashri: *There is no solution for that other than to keep doing* pratikraman*. You have to do that until the other person's mind comes around. And should you come face to face with him, ask for his forgiveness nicely: "My friend, I am sorry that I was wrong. I am such a fool. I have no sense." And so, his scars will begin to heal. A person likes it when you criticise yourself, and that will heal his scars.*

If you want to be happy in life, then don't do tarchhod *towards anyone! Whom are you doing* tarchhod *to? To God Himself as God resides in every being!*

For more information on Dadashri's spiritual science, visit dadabhagwan.org

A Multifaceted Personality

DEVIPSHITA GAUTAM, ***Entrepreneur & Life Coach***

Devipshita Gautam nurtures a lofty ambition of creating a human community without any barriers. This goal has inspired the entrepreneur from West Bengal to build a thriving career rooted in education, mentorship and community service. Born in Siliguri, West Bengal, Ms Gautam has an honours degree in Geography from Delhi University and an MBA in Environmental Business Management. Indian Hotel Academy, a leading institution founded by her, has trained over 800 students in various hospitality courses. She is also the founder and general secretary of the Gautam Budh Educational Society, which manages a chain of hotel management institutes. Additionally, Ms Gautam is a driving force in promoting environmental awareness. She has organised many student rallies and initiatives to engage young people in addressing climate issues. She also collaborates with NGOs such as Thalesemics India and Udaan, organising blood donation drives and supporting various charitable causes. In an engaging chat with Ms Gautam, **Sharmila Chand** *offers deep insights into the multifaceted entrepreneur.*

How do you define yourself?
Workaholic, spiritual and happy soul who loves to travel

What is your philosophy of life?
Be the human first, and heal the world with happiness.

Your *mantra* for success...
Respect time and life around you. Be the best version of yourself.

What is your work philosophy?
Don't complain; don't explain; of course, a little old-school philosophy.

Your source of inspiration...
Every creation of the Almighty around me

How do you manage work and personal life balance?
With honest efforts and discipline in life

Business leaders you admire the most...
Sudha Murty (a shining soul) and of course, Ratan Tata (an inspiration)

How do you de-stress?
I don't take stress at all. I have surrendered my life to the Almighty.

What is your fitness regime?
Morning walk, meditation and Yoga and eating fresh food as much as possible

What is your wellness *mantra*?
Complete surrender to the Super Power

What is your passion in life?
To bring happiness and joy to people in society

Your dream...
Creating a place for the human community with no barrier of religion, gender, caste or creed

Ten years from now, where do we see you?
In my Ashram – Happiness Club – aspiring to heal millions of lives with happiness

Your message to upcoming women entrepreneurs and professionals...
Keep pushing boundaries, breaking barriers and inspiring change. Your determination and innovation are shaping the future of business and beyond. Be aware of your Shakti Roop, and respect your Shiva.

The author is a columnist and freelance writer. She can be contacted at Chand.sharmila@gmail.com

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