Hindustan Unilever:
Game Of Margins

Regulating AI:
India's Dilemma

India Business Journal

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BIG GAINS

Despite some woes, the Indian defence industry transforms into a global player and moves ahead in making the nation self-reliant in defence capabilities.

India Business Journal
YOUR GATEWAY TO INDIA INC

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An RBI report reveals that 42.70% of personal loan borrowers already had three more live loans.

Before The Loan Bubble Bursts

A time bomb of bad loans was ticking rather alarmingly in the unsecured personal loan segment. Such loans grew at breakneck annual rate of 18.69 per cent from Rs 7.4 lakh crore in FY19 to Rs 16.01 lakh crore as of September 2023 (H1 of FY24). In an equally alarming pace, scheduled commercial banks' lending to non-banking financial companies (NBFCs) surged annually by 21 per cent from Rs 5 lakh crore to Rs 14.2 lakh crore during the same period.

Amid this surge, the Reserve Bank of India's (RBI) Financial Stability Report of last November confirmed the worst fears of a rapid build-up of a bubble in the personal loan segment. The report revealed that a very high 42.70 per cent of customers, who had taken a consumer loan, already had three live loans at the time of origination. Moreover, a good 30.40 per cent of borrowers had taken more than three loans in the last six months.

The central bank was clearly uncomfortable with the rapid pace at which consumer assets were being built up. So, last November, the RBI finally cracked the whip. Risk weights on banks' unsecured personal loans and consumer durable loans were increased from 100 to 125 per cent. Risk weights on credit cards were jacked up from 125 to 150 per cent. Risk weights on NBFCs' unsecured personal loans, consumer durables loans and credit cards were also raised from 100 to 125 per cent. And risk weights on loans by banks to NBFCs were hiked by 25 per cent if they were below 100 per cent. All these measures, in effect, will result in loans getting costlier.

Many factors are responsible for the unprecedented growth of unsecured borrowing in India. A part of it may be attributed to rise in consumerism. However, no specific attempts have been made to fathom the reasons behind growth in household net financial savings plunging to their lowest rate in 47 years. The government, many of its agencies and quite a lot of analysts have been pushing forth the idea of financialisation of savings. In other words, they point out that a large number of Indians has been moving their money from savings to investments.

But rising stress in the household sector – which is evident in slowing demand for consumer goods, a fall in wages and incomes in rural areas and many other parameters – tells a different story. Moreover, a cumulative ecosystem of rise in e-commerce and fintech startups is fuelling an unprecedentedly-high and risky level of borrowings by mid- and low-income consumers and smaller businesses.

There is another factor that is directly linked to macroeconomy. During the past nine years, credit growth of large industry and infrastructure sectors has been quite tepid at around 2 per cent. On the other hand, these nine years have witnessed runaway double-digit growth of unsecured loans. Banks and NBFCs are naturally tilting towards this risky segment to push their credit offtake.

The central bank's measures are apt and timely. But the RBI has its limitations. The government, in the meanwhile, is well equipped to tackle this issue from various angles. The ticking time bomb in the small-ticket loans segment certainly needs to be defused through multi-pronged strategies.

The central bank's measures are apt and timely. But the RBI has its limitations. The government, in the meanwhile, is well equipped to tackle this issue from various angles. Firstly, a proper study on household incomes, savings and investments is the need of the hour. There should be no room for any speculative, rosy narratives. Instead, hard facts must decide whether households are financialising their savings or they are in deep distress and hence unable to save. Besides, the much-needed policy shift in favour of the farm sector and rural India must happen soon. The ticking time bomb in the small-ticket loans segment certainly needs to be defused through multi-pronged strategies.

Salasar Techno Engineering Fixes February 1 As Record Date for 4:1 Bonus Issue

Salasar Techno Engineering Ltd (BSE: 540642, NSE: SALASAR), engaged in manufacturing of large and heavy steel structures and providing customised steel structures and engineering, procurement and construction (EPC) solutions to diverse range of industries, including telecom, power, railways and others, has announced that its board has fixed February 1, 2024, as record date for ascertaining eligibility of shareholders for entitlement of bonus shares, subject to approval of shareholders being obtained through a postal ballot notice.

Earlier, the board had recommended the issue of bonus shares in the proportion of 4:1, i.e., four new fully paid-up bonus equity shares of Re 1 each for every one existing fully paid-up equity share of Re 1 each held by the members of the company as on the record date of February 1, 2024, subject to shareholders' and other statutory approvals.

The company was awarded a contract valued at Rs 3,640 million. The contract focuses on execution of loss reduction work in turnkey mode. The contract signals a significant milestone for the company, involving a comprehensive scope of work aimed at enhancing the power infrastructure in Erode district of Tamil Nadu. Under the contract, Salasar is entrusted with supply, erection and installation of feeder segregation and high-voltage distribution system, separation of double distribution transformer and augmentation of 33-kv lines. The contract further strengthens the order book and is expected to get completed within 36 months, yielding healthy EBITDA margins.

Commenting on winning the order, the management team of Salasar has said: "We are delighted to announce a significant achievement that underscores our commitment to excellence and our capabilities in delivering cutting-edge infrastructure solutions. Salasar has secured a monumental EPC contract valued at Rs 3,640 million from the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). The contract focuses on executing loss reduction work in the turnkey mode. We will handle every aspect of the project, from design and engineering to manufacturing, testing, supply, erection and installation of feeder segregation and high-voltage distribution system, separation of double distribution transformer and augmentation of 33-kv lines. The project will be executed in successive phases."

Incorporated in 2006, Salasar Techno Engineering 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's product portfolio includes telecommunication towers, power transmission line towers, smart lighting poles,

The company provides complete EPC solutions for rural electrification and other power projects.

utility poles, high mast poles, stadium lighting poles, monopoles, substation structures, solar module mounting structures, railway electrification, road and railway overbridges and customised galvanised and non-galvanised steel structures. Salasar's services include providing complete EPC solutions for projects such as rural electrification, power transmission lines and solar power plants. The company is among the leading manufacturers with current installed capacity of 2,11,000 mtpa, over 50,000 telecom towers, 746 km of power transmission lines, 629 km of railway track and more than 600 clients in over 25 countries.

MISCELLANEOUS

Maize-based ethanol price up by Rs 5.79 State fuel retailers have raised purchase price of ethanol made from maize by Rs 5.79 a litre to Rs 71.86 per litre to encourage its production for blending with petrol. India is promoting use of maize as an alternative to sugar to boost ethanol production and ensure sufficient supply of sugar. In December, India had directed sugar mills not to use cane juice to produce ethanol as the country's sugar production is expected to decline in the 2023-24 marketing year that began in October 2023. Ethanol makes up about 10.20 per cent of petrol sold in India, and the government aims to raise blending to 20 per cent by 2025.

Vibrant Gujarat gets Rs 26.33-l cr proposals MoUs for 41,299 projects with investment proposals worth Rs 26.33 lakh crore were signed during the 10th edition of Vibrant Gujarat Global Summit 2024, Chief Minister Bhupendra Patel said as the curtains came down on the three-day mega meet early last month. The event saw participation from more than 61,000 delegates from over 140 countries. Among the sectors with highest number of investment proposals were urban development, minerals, chemicals, petrochemicals, animal husbandry and fishing, power, oil and gas, agro and food processing, textile and apparels. Other sectors such as environment, forest and climate change, rural development and housing, among others, also attracted huge investment commitments.

NSO estimates FY24 GDP growth at 7.3% Growth in real Gross Domestic Product (GDP) during 2023-24 is estimated at 7.3 per cent as compared to 7.2 per cent in 2022-23, the National Statistical Office (NSO) has said in its first advance estimates of national accounts. "Nominal GDP in 2023-24 is estimated at Rs 296.58 lakh crore as against the provisional estimate of GDP for 2022-23 of Rs 272.41 lakh crore, released on May 31, 2023. The growth in nominal GDP during 2023-24 is estimated at 8.9 per cent as compared to 16.1 per cent in 2022-23," the NSO has said. The RBI has raised growth forecast for FY24 to 7 from 6.5 per cent.

Footwear industry to hit $90 billion by 2030 Market size of Indian footwear industry can increase by over three times to $90 billion by 2030, provided a host of measures such as a ban on imports, fiscal incentives, more design centres and Taiwanese contract manufacturers setting up shops in the country are taken, a report has said. Economic think tank Global Trade Research Initiative (GTRI) has said that the Indian footwear market, valued at $26 billion, is projected to reach $90 billion by 2030. "This growth will be characterised by two main changes – a significant increase in demand for non-leather footwear, like sports shoes, a shift in leather shoe production from small-scale to large corporate houses," it has said.

Direct tax mop-up in Apr-Jan up by 19.41% Net direct tax collection up to January in this financial year has risen by 19.41 per cent to Rs 14.70 lakh crore, reaching about 81 per cent of the full-year target, the Income Tax Department has said. The government has budgeted to collect Rs 18.23 lakh crore from direct taxes (personal Income Tax and Corporate Tax), 9.75 per cent higher than Rs 16.61 lakh crore mopped up in the last financial year.

No plans to scrap sugar, wheat export curbs Union Minister Piyush Goyal has said that there is no proposal before the government to lift export curbs on wheat, rice and sugar. He has also said that the country will not import wheat and sugar. "There is no proposal as of now to remove export restrictions on wheat, rice and sugar. And

India will not import wheat and sugar," Mr Goyal has said recently. India had banned wheat exports in May 2022, non-Basmati rice exports from July 2023 and extended curbs on sugar exports beyond October 2023 as a part of measures to control rising domestic prices.

New vehicle emission test norms notified The Ministry of Road Transport and Highway has notified new emission test standards for vehicles seeking approval under BS-VI norms. According to the new standards, all bi-fuel vehicles with flex-fuel options will have to take both gaseous pollutant and particulate matter pollutant tests. However, vehicles that run on hydrogen will only have to undergo nitrogen oxide tests. Carbon dioxide emission and fuel consumption will be measured according to procedure laid down in AIS 137 and as amended from time to time, the ministry has added. The notification adds that manufacturers will have the option to choose either gasoline E10 or gasoline E20 as fuel type for production test.

FY23 software services exports up by 12.21% Exports of computer software and services, including IT-enabled services (ITeS) and BPO, logged 12.21 per cent growth during 2022-23 to touch $193 billion, according to estimates by Electronics and Computer Software Export Promotion Council (ESC). "In value terms, export of the IT, ITeS and BPO during 2022-23 is estimated at $193 billion, up from $172 billion estimated in the year 2021-22, registering growth of 12.21 per cent, which is mostly contributed by IT software and services at $126 billion, followed by BPO services ($52 billion), software products development ($5.1 billion) and engineering services ($9 billion)," Sandeep Narula, the chairman of ESC, has said.

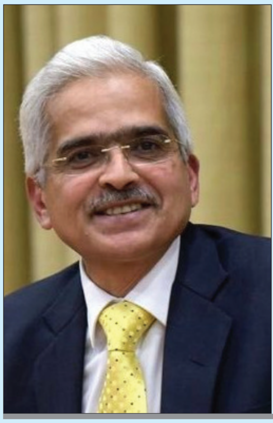
Coal-based power generation up by 10.13% The country's coal-fired power generation showed significant growth of nearly 10.13 per cent from April to December 2023 compared to that of the corresponding period of the previous year. Overall power generation increased by 6.71 per cent during the same period. According to the Coal Ministry, the domestic coal-based power generation from April to December 2023 rose by 7.14 per cent to 872 billion units (bu), up from 813.9 bu generated in the corresponding period last year. "This reflects ample coal supply to meet growing energy demand in the country," said the ministry in a statement. Besides, imports for blending have also dropped by 40.66 per cent to 17.08 mt during the period.

Rural real wages shrink in 21 of 23 months Rural real wages contracted in 21 of 23 months as of October 2023, signalling that consumer demand in the hinterland remains weak. Although rural inflation has tapered off in the 14 months till October 2023 from the high of 7.9 per cent in September 2022, the lot of rural workers has not improved much. The country's agricultural sector fared well in FY23 with the farm gross value added growing at a good 4 per cent on the back of a 3.5 per cent growth in FY22. However, for the current financial year, the sector is estimated to turn in a tepid performance, growing at only 1.8 per cent.

Verbatim...

"If the government lays down a path of regulatory aspects, it should follow. Now, we are taking a U-turn and creating six mandatory airbags as an option for customers, (which the government took a long time to decide). It's a sunk cost engineering-wise."
Venkatram Mamillapalle
MD & CEO, RENAULT INDIA

"The price discovery mechanism of IPOs is imperfect. If you are an investor, which means you want to hold for a reasonable period of time, why do you want to take risk? Wait until the price stabilises. There is no hurry and no impact cost for a retail investor."
Madhabi Puri Buch
CHAIRPERSON, SEBI



"Ground realities keep on changing, and so, banks and NBFCs should check whether their model-based lending is falling behind the curve, or it is in tune with the times, and what are the possible risks the models can create."
Shaktikanta Das
GOVERNOR, RBI

"Every partner needs to collaborate to put India on course to becoming the third-largest economy by 2027-28 with a GDP surpassing $5 trillion."
NIRMALA SITHARAMAN
UNION FINANCE MINISTER

MISCELLANEOUS

FINANCE

LIC gets Rs 806-cr GST notice Life Insurance Corporation of India (LIC) has said that tax authorities have slapped a demand notice of about Rs 806 crore on it for alleged short payment of GST for 2017-18. LIC has received a demand order for collection of GST along with interest and penalty for Maharashtra State, the insurer has said in a regulatory filing. The total tax demand includes GST worth Rs 365.02 crore, penalty of Rs 404.7 crore and interest of Rs 36.5 crore.The insurer will file an appeal before the Commissioner (Appeals), Mumbai, against the order within the prescribed timelines. There is no material impact on financials, operations or other activities of the corporation, it has added.

Nod for short-selling for all investors The SEBI has permitted short-selling for all categories of investors. However, the markets regulator has said that naked short-selling will not be permitted. No institutional investor will be allowed for intra-day trading or settling of their transactions, the SEBI has added. Short-selling refers to selling of stock that is not owned by the seller at the time of trade. The SEBI has added that introduction of a full-fledged Securities Lending and Borrowing Scheme (SLBM) will be simultaneous with introduction of short-selling by institutional investors. Institutional investors have to confirm and share whether the trade is short-sale or not. Retail investors have to make necessary disclosures by the end of trading hours.

Securitisation market set to hit Rs 2 l cr Securitisation market is expected to touch a record of Rs 2 lakh crore in FY24, led by significant expansion in credit growth, which is expected to boost securitisation volumes in Q4 FY24, according to CARE Ratings. Quarterly securitisation market volume has remained in the range of Rs 42,000-45,000 crore so far in the three quarters of FY24, with total securitisation volumes reaching Rs 1.01 lakh crore in H1 FY24, excluding erstwhile HDFC. For the nine-month period ended December 2023, volumes were at Rs 1.44 lakh crore, registering growth of 27 per cent year on year. This implies growth rate of 52 per cent for originators other than HDFC, CareEdge has said.

UPI apps get linked to Singapore's PayNow The Unified Payments Interface (UPI) and Singapore's PayNow cross-border connection makes it possible for Indians to receive instantaneous, safe and affordable remittances from the Indian diaspora residing in Singapore straight into their bank accounts. This facility can be accessed by users of BHIM, PhonePe and Paytm apps. Additionally, Axis Bank, DBS Bank India, ICICI Bank, Indian Bank, Indian Overseas Bank and State Bank of India provide this functionality through their respective apps, a press release issued by National Payments Corporation of India has said. Growing use of UPI in cross-border transactions will facilitate global expansion of India's vibrant digital payment ecosystem.

Direct tax-to-GDP ratio up by 6.11% in FY23 India's direct tax-to-GDP ratio has hit a 15-year high of 6.11 per cent in 2022-23, hovering near its peak of 6.3 per cent reached in 2007-08, according to data released by the Central Board of Direct Taxes (CBDT). The data, released late last month, shows that the contribution of direct taxes – which majorly comprise Corporate Tax and personal Income Tax – to total tax collections has reached the pre-pandemic levels. In 2022-23, direct taxes made up 54.62 per cent of the government's total tax revenue, up from 52.27 per cent in 2021-22 and 46.84 per cent in 2020-21, the lowest in 15 years.

HDFC Bank set for foray in Singapore HDFC Bank, India's biggest private sector lender, is seeking to open its first branch in Singapore, signalling its overseas ambitions after sewing up a landmark merger with mortgage financier Housing Development Finance Corporation last year. The bank has applied to the Monetary Authority of Singapore (MAS) for a banking licence and is awaiting approval. It is not clear what kind of banking licence HDFC Bank is seeking in Singapore. The banking giant is seeking a bigger presence abroad to tap the Indian diaspora for savings and term deposits as well as to cross-sell more products, including mortgages. At home, HDFC has been focusing on deepening its reach through loans to retail customers.

Rs 6.64 l cr pledged at TN investors' meet Tamil Nadu has inked deals worth Rs 6.64 lakh crore at the two-day Global Investors' Meet that concluded in Chennai last month. As many as 631 MoUs were signed during the investment summit, the State government has said in a statement. The investments were from sectors such as green energy, electric vehicles, global capability centres and non-leather footwear. The proposed investments are expected to generate more than 26 lakh direct and indirect jobs across the State, Chief Minister M K Stalin has said. Representatives from nine countries, top captains of India Inc and abroad, industry experts, economists and many dignitaries were present at the investment meet.

No major impact of new FPI norms: SEBI Market regulator SEBI does not expect a large number of foreign portfolio investors (FPIs) to be impacted by the new beneficial ownership disclosure norms. The norms are set to come into effect from February 1, and against this backdrop, the equity market has witnessed significant volatility. FPIs that may be required to provide enhanced disclosures are expected to be significantly less than estimated in the consultation paper and the SEBI board's note of October 2023.

Rushil Decor Awarded 3 Star Export House Certification; Company Eyes Rs 500-Crore Exports

Rushil Decor (BSE: 533470, NSE: RUSHIL), a leading company in laminate and MDF panel boards, has attained 3 Star Export House Certification, signalling a significant triumph in the realm of international trade. This prestigious recognition from the Directorate General of Foreign Trade, Ministry of Commerce and Industry (Government of India), is a testament to the company's unwavering commitment to maintaining quality with innovative design that meets the needs of international market.

"The 3 Star Export House Certification is a moment of immense pride and validation for Rushil Decor. It underscores our commitment to delivering products of the highest quality to the global market. This recognition not only elevates our credibility but also paves the way for expanded horizons and sustained growth," said Rushil Decor Director Rushil Thakkar.

Mr Thakkar further added: "To get 3 Star Export House Certification, we achieved export target of Rs 250 crore. We are now targeting to achieve Rs 500-crore export mark within a span of the next four years and secure 4 Star Export House status. At present, more than 26 per cent of the company's revenue comes from exports. We are currently exporting to more than 51 countries across the world."

In the first half of the 2023-24, Rushil Decor showcased exceptional export performance, surpassing expectations by achieving revenues of Rs 116.89 crore. This outstanding achievement played a pivotal role in elevating its stature to 3 Star Export House status.

As a 3 Star Export House, Rushil Decor now stands to benefit from a range of advantages that will streamline trade operations, which include:

- Authorisation and custom clearance for imports and exports on a self-declaration basis
- Exemption from furnishing bank guarantee for foreign trade promotion schemes
- Priority fixation of input-output forms within 60 days by the Norms Committee
- Exemption from compulsory negotiation of docu ments through banks
- Benefits of the Accredited Clients Programme as per the guidelines of the Central Board of Excise and Customs.
- Eligible to export freely exportable items on free-of-cost basis for export promotion, subject to an annual limit of Rs 10 lakh or 2 per cent of average annual export realisation during the preceding three licensing years, whichever is higher
- Eligible to self-certify their goods as origination from India

Rushil Decor's rapid growth and commitment to international trade have led to this remarkable progression. Previously, the company held the 2 Star Export House status.

The company has achieved revenue of Rs 838.4 crore in FY23.

Founded in 1993, Rushil Decor is committed to shaping a better planet. Leveraging modern technology, inspiring designs, next- generation innovations and a people-first, purposeful approach, Rushil Decor is passionate about setting new industry standards and superior experiences, ensuring high productivity. The company has five state-of-the-art manufacturing plants with an annual capacity of 3,30,000 CBM MDF and 3.49 million laminates, which cater to its customers in more than 51 countries across the world. The company has achieved revenue Rs 838.4 crore in FY23 with EBIDTA and PAT of Rs 149.4 crore and Rs 77.7 crore respectively.

With a strong network of branches, distributors, thousands of dealers and a rich talent pool of experts, Rushil is focused on redefining the future of wood. What makes Rushil special is its unmatched quality, design, customer centricity, value-led DIV green engineered products from agro-forestry and a wide range of high-performance surface engineering solutions.

Driven by automated plants, world-class German technologies and global standards, Rushil relentlessly creates smarter spaces. Its product portfolio includes VIR laminates, VIR MDF boards, VIR MAX-PRO (HDFWR) boards, VIR pre-laminated decorative MDF and HDFWR boards, VIR PVC and VIR WPC boards and doors. Optimal supply chain efficiencies, utilisation of resources and strategic local plantations offer cost advantage in raw material sourcing and manufacturing excellence, enabling Rushil Decor a high output to cover global market demand.

PUBLIC SECTOR

ONGC seeks partners to cut gas flaring ONGC is seeking global technology partners to cut gas flaring and achieve zero-methane emission by 2030. The measures are a part of the country's largest oil and gas producer's ambitious decarbonisation plan, ONGC Chairman Arun Kumar Singh has dislosed. ONGC has substantially cut gas flaring – burning of methane gas that is produced when oil is extracted from below surface – and will look to bring it down to nil as q part of its environmental commitments. Mr Singh adds that India's role in the global energy landscape is progressively becoming pivotal and is likely to account for 25 per cent of global energy demand growth over the next two decades.

BHEL wins bid for Talabira Power Plant NLC India has selected Bharat Heavy Electricals (BHEL) to set up Talabira Power Plant in Odisha worth Rs 19,400 crore. The State-owned power equipment manufacturer was the only bidder in the last round of bidding for the three ultra-supercritical units in Talabira, NLC India has said. A joint venture of Larsen & Toubro and Mitsubishi Heavy Industries did not participate in the last round, NLC has added. The Talabira project consists of three 800 mw ultra-supercritical power projects.

Salem Steel Plant sale called off The Centre has decided to scrap privatisation of SAIL's Salem Steel Plant in Tamil Nadu. This is the third unit of public sector major SAIL where the government has decided not to go ahead with the strategic sale. Earlier in 2019, it had decided to halt privatisation of Durgapur-based Alloys Steels Plant, while in 2022, the sale of Visvesvaraya Iron and Steel Plant in Bhadravati, Karnataka, was called off, citing a lack of interest from bidders.

NHAI lines up Rs 2.1 lakh crore BOT projects The National Highways Authority of India (NHAI) has identified 53 highway projects worth Rs 2.1 lakh crore to be developed through Built Operate Transfer (BOT) model. This marks a big shift in the resource generation strategy after long years of low private risk capital raised its debt burden to very high levels. Around 5,214 km of road stretches with high-traffic density will be developed through BOT. The government wants to push BOT in a big way to bring back private participation in highway construction. In the BOT model, the entity that wins the concession builds and operates the highway for a specified period before transferring it back to the government.

GAIL signs LNG import deal with Vitol GAIL India has signed a ten-year liquefied natural gas (LNG) import deal with trader Vitol to buy about 1 mtpa of the super-chilled fuel from 2026. Indian companies are scouting for long-term LNG import deals as the nation wants to raise the share of natural gas in its energy mix to 15 per cent by 2030 from the current 6.3 per cent. Vitol will deliver LNG from its global LNG portfolio to GAIL at various locations in India, GAIL has said in a statement. "This deal will augment its large LNG portfolio and contribute to bridging India's demand and supply gap of natural gas," GAIL Chairman Sandeep Kumar Gupta has said.

ONGC strikes gas at 2 spots in Mahanadi ONGC has made two significant back-to-back natural gas discoveries in a Mahanadi basin deepwater block in the Bay of Bengal. With this, its calculated game plan of venturing into high-risk deepwater exploration starts yielding results. The company has made the discoveries in Block MN-DWHP-2018/1, which it had won in the third round of auction under the Open Acreage Licensing Policy in 2019. Significantly, the discoveries have been made in an area which previously was classified as a no-go area because of national security interests. The first discovery is in 714 metres of water depth, and the other find is at a water depth of 1,110 metres.

APPOINTMENTS

Ravindra Kumar Tyagi has taken over as chairman and managing director of Powergrid Corporation of India. Prior to this appointment, Mr Tyagi was director (operations) of the State-run transmission company.

Centre gets Rs 2,500 cr from NHPC OFS The Centre has raised around Rs 2,500 crore in disinvestment revenues from the Offer For Sale of 3.5 per cent stake in NHPC. Both retail and institutional investors lapped up NHPC's shares in the two-day OFS last month. "The second day of NHPC OFS closed with good interest from retail investors, with 2.16 times subscription of the total offer, including base and greenshoe (options)," DIPAM Secretary Tuhin Kanta Pandey said on the X. As against the floor price of Rs 66 per share in the two-day offer, the bids were received at an indicative price of Rs 70.2 for non-retail and Rs 71 for retail investors.

Coal India to put Rs 21,000 cr in thermal sector The Union Cabinet has approved investments of Rs 21,000 crore by State-run Coal India in thermal power sector. Coal India subsidiary South Eastern Coalfields will set up a supercritical thermal power plant of 660 mw capacity in collaboration with Madhya Pradesh Power Generating Co at Amarkantak thermal power station in Anuppur district. Mahanadi Coalfields will set up a thermal plant of 2×800 mw capacity through its subsidiary Mahanadi Basin Power in Odisha's Sundargarh district. The Amarkantak project will result in SECL lining up a capex of Rs 5,600 crore. Mahanadi Basin Power will invest Rs 15,947 crore in the Sundargarh project.

Man Infraconstruction Allots 3.50-Cr Convertible Warrants On Preferential Basis To Quant, Forbes & Others

Man Infraconstruction Ltd, a leader in construction management and real estate development, has announced allotment of 3,50,46,100 warrants at a price of Rs 155 with the total amount aggregating to Rs 543 crore. The allotment of the issue on a preferential basis has been done to various non-promoter group entities, including Quant Mutual Fund and FIIs like Forbes EMF, Coeus Global Opportunities Fund, Aries Opportunities Fund Ltd and Minerva Ventures Fund.

Man Infraconstruction is recognised for its superior quality construction and timely project delivery.

Earlier, the company had announced its grand foray into the realm of sophistication and luxury with redevelopment of an exclusive residential marvel at the coveted Pali Hill, Bandra West – the epitome of prestige in the heart of Mumbai city.

Man Infraconstruction's new venture at Pali Hill, Bandra West, is poised to redefine urban living, transcending the ordinary to embrace the extraordinary. In this architectural masterpiece, Man Infraconstruction's unwavering commitment to perfection and meticulous attention to detail come together seamlessly, promising a truly exceptional living experience. With limited residential apartments, this project offers a rare opportunity to those who understand that luxury is not just a statement but a way of life. Man Infraconstruction, through one of its associate entities, wherein it holds a 34 per cent stake, will undertake the redevelopment of property belonging to Virgo Co-operative Housing Society Limited, located at Pali Hill, Bandra (West), Mumbai, Maharashtra. This landmark project has potential to offer carpet area for sale of about 50,000 sq ft and is expected to generate total revenue of about Rs 500 crore.

Man Infraconstruction (NSE - MANINFRA, BSE - 533169) is a net cash-positive company with annual revenue of Rs 1,890.35 crore and net profit of Rs 258.57 crores at the consolidated level for the financial year ended March 31, 2023. It is headquartered in Mumbai and has two business verticals viz., construction and real estate development. Man Infraconstruction is an integrated EPC (Engineering, Procurement and Construction) company with nearly six decades of experience and execution capabilities in port, residential, commercial and industrial and road construction segments with projects spanning across India. As a real estate developer, Man Infraconstruction has delivered 14 residential projects in Mumbai and is recognised for its superior quality construction and timely project delivery. The company has extensive experience in construction management and has inherent skills and resources to develop and deliver real estate projects. For more information, please visit: www.maninfra.com.

CORPORATE

Brookfield clinches ATC deal for $2.5 bn Brookfield Asset Management will buy American Tower Corp's (ATC) loss-making Indian operations for $2.5 billion. The acquisition will make Brookfield the country's largest operator of telecom towers amid booming demand for data and wider use of 5G services. The acquisition is the biggest of Brookfield's three telecom-related deals in roughly four years that the Canadian company has been present in India, the world's second-largest telecom market by number of subscribers. ATC, on the other hand, will exit India after nearly 17 years. Its fortunes have floundered due to struggles of top client Vodafone Idea, and it recently wrote down the value of Vodafone's business by $322 million.

DIAL wins Rs 2,300-cr suit against AAI GMR Group-owned Delhi International Airports (DIAL) has won an arbitration against the State-owned Airports Authority of India (AAI) over revenue sharing during the pandemic period of March 19, 2020, to February 28, 2022. A tribunal's directive entails a refund of Rs 500 crore to DIAL from AAI and a waiver of Rs 1,800-crore payment by DIAL to the authority. According to a regulatory filing by the GMR Group, the tribunal has also ruled that the concession agreement, which gives it the right to operate the airport till 2036, will be extended by one year and eleven months. The AAI is likely to challenge the award.

Mukesh Ambani rejoins $100-bn club Reliance Industries (RIL) Chairman Mukesh Ambani has re-entered the $100-billion club after a sharp rally in shares of the oil-to-telecom conglomerate. Mr Ambani has climbed to the 12th spot on the Bloomberg Billionaires Index as his wealth surged by over $2.76 billion in a day. With this, he has overtaken billionaire industrialist Gautam Adani as Asia's richest person. It may be noted that RIL's shares have witnessed a sharp rally over the past few trading sessions, reflected by a $5.47-billion surge in Mr Ambani's net worth since the beginning of the calendar year. The recently-demerged NBFC, Jio Financial Services, also contributed to Mr Ambani's surge in wealth.

Tatas strike two deals worth Rs 7,000 crore Tata Consumer Products will be buying a 100 per cent stake in Capital Foods, which markets its products under Ching's Secret and Smith & Jones brands, for Rs 5,100 crore in an all-cash deal. The FMCG company added that 75 per cent of the equity shareholding will be acquired upfront and the balance 25 per cent shareholding will be acquired within the next three years. In another deal, Tata Consumer Products has agreed to acquire up to 100 per cent stake in Organic India, a Fabindia-owned business that sells tea, infusions, herbal supplements and packaged foods, for Rs 1,900 crore in an all-cash deal.

Easier IPO norms for startup promoters Entrepreneurs or startup founders, who have done several rounds of fundraising, end up holding less than 20 per cent in the venture. This makes it difficult for them to take their companies public as initial public offer (IPO) norms mandate promoters to have a minimum of 20 per cent stake in their company before floating a public issue. An expert committee of the SEBI has suggested that any non-individual shareholder who holds 5 per cent or more of post-offer equity share capital can be permitted to contribute towards the shortfall in minimum promoters' contribution, subject to the existing maximum of 10 per cent, without being identified as a promoter.

Minda sells Pricol shares in block deal Minda Corporation has offloaded a 15.07 per cent stake in automotive components-maker Pricol for around Rs 631 crore through an open market transaction. ICICI Prudential Mutual Fund (MF), Fidelity India Fund, Tata MF, Aditya Birla Sun Life Insurance Company, Goldman Sachs India, City of New York Group Trust and Carnelian Asset Management & Advisors, among others, have bought Pricol's shares on National Stock Exchange (NSE). Minda Corporation has sold more than 1.83 crore shares, amounting to a 15.07 per cent stake in Pricol, according to the block deal data available with NSE. With this deal, Minda's shareholding has declined to 0.63 per cent from 15.70 per cent earlier.

Foxconn, HCL join hands for chip unit Taiwan's Foxconn will partner with tech firm HCL Group for a semiconductor assembly and testing facility in India, the companies have said in a media release. The companies will set up an outsourced assembly and testing (OSAT) unit in India. An OSAT plant packages, assembles and tests foundry-made silicon wafers, turning them into finished semiconductor chips. Foxconn has said in a regulatory filing that its India unit will own a 40 per cent stake in the joint venture with a $37.2 million investment. HCL has not disclosed financial details from its side. Foxconn is also looking to set up a semiconductor fabrication plant in India.

Sun Pharma to buy remaining Taro shares Sun Pharmaceutical Industries will acquire remaining 21.52 per cent stake in Israel-based Taro Pharmaceutical Industries for Rs 2,891.76 crore, enabling the merger of the two entities. The Mumbai-based drug company has agreed to acquire all of the outstanding ordinary shares of Taro for $43 per share in cash without interest, according to the definitive merger agreement. Sun Pharma already owns a 78.48 per cent stake in Taro. "Over the years, with Sun Pharma's strategic interventions, Taro has remained

VIKAS LIFECARE LIMITED

Vikas Lifecare Announces Acquisition Of Substantial Stake In SKY 2.0 Club, Dubai, for $79 Million

Vikas Lifecare Limited has made the largest investment till date in acquisition of a major stake in the renowned SKY2.0 Club, Dubai. The acquisition is a share-swap deal signed between Vikas Lifecare Limited and the holding company, M/s Blue Sky Event Hall FZ-LLC, Dubai, for acquisition of a 60 per cent stake in the SKY 2.0 Club business and all future business ventures in the relevant business segment at an enterprise valuation of about $130 million. The acquisition process will be completed within this financial year.

The SKY 2.0 is “the largest nightclub in the Middle East and Asia”, a striking, standalone, open-air venue anchored in the heart of the upscale Dubai Design District. The SKY 2.0 is unlike any other venue; it is an experiential trailblazer that promises memorable evenings literally under the skies, offering world-class entertainment, ground-breaking technology and exemplary services. Innovative and experiential, SKY 2.0 offers an interactive experience by employing modern technology in the venue. Bendable screens, grand lighting design and a vivacious and jaunty sound system wrap the walls of the sphere-shaped venue.

Enigmatic and designed to perfection, the architectural marvel of SKY 2.0 emerges from a seamless fusion of visionary nightlife experts and international architects, resulting in a masterpiece that captivates the senses. Sky 2.0 Club has hosted hundreds of star-studded events, including those of the King of Indian Film Industry, Shah Rukh Khan, the Indigenous Rap Star Badshah: the International Rap Sensation Little Baby; the American Rap King 50 Cent; the Moroccan Star French Montana and many more.

SKY 2.0 recorded about $22.10 million of gross revenues accrued from the business during 2023, with about 38.80 per cent net profit margin and about 36 per cent growth in revenues registered while comparing with the preceding year.

The nightclub business on the global level aggregates about $31.46 billion while accelerating at a CAGR of 8.07 per cent, whereas on the one hand, the home turf for Vikas, India, with a 25 per cent of population aged below 25 years, is surfing on the surge in disposable income of Indians, growing at an exorbitant 17.4 per cent, and the shift towards modern cultural paradigm offers a huge, virgin and niche market, which is merely a dot in the numbers put up by the global revenues generated from the clubbing businesses.

Vikas Lifecare’s latest acquisition signals its shift towards a modern cultural paradigm that offers a huge and niche market.

Vikas Lifecare is an ISO 9001:2015-certified company, conventionally engaged in manufacturing and trading of polymer and rubber compounds and speciality 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.

As a long-term business strategy, the company has most recently diversified its business interests beyond raw materials (B2B businesses) and forayed into the B2C segment with a host of consumer products, including FMCG, agro and infrastructure products, paving the way for an aggressive business growth with intricate plans and making continuous additions to the products and services portfolios via acquisitions, joint ventures and tie-ups.

The securities of the company are listed on both the stock exchanges, BSE (Scrip Code: 542655) and NSE (Symbol: VIKASLIFE).

a key player in the generic dermatology market in a challenging environment," Sun Pharma Managing Director Dilip Shanghvi has said in a statement.

Indian companies can list on GIFT City bourses The government has permitted direct listing of shares of Indian companies at GIFT City's exchanges. The eligible exchanges are India International Exchange and NSE International Exchange, according to a Finance Ministry's notification. Finance Minister Nirmala Sitharaman had earlier said that the Centre was going through the process of direct listing of stocks in GIFT IFSC in a "very systematic manner" and that companies should be able to access global funds easily". India had allowed certain classes of public companies to list directly on foreign stock exchanges in July 2023. Direct listing of Indian companies' shares on GIFT City exchanges is the first step in allowing them to list overseas.

RIL to open New Energy Giga Complex Billionaire Mukesh Ambani's RIL will commission a New Energy Giga Complex in Gujarat in the second half (H2) of 2024, the company has said in an earnings statement and investors' call. Reliance is building a giga complex spread over 5,000 acres in Jamnagar in Gujarat. The complex comprises five giga factories for photovoltaic panels, fuel cell system, green hydrogen, energy storage and power electronics. "RIL is on track to commence new energy facilities in phases this year," the company has said in a post-third-quarter earnings call with investors. The Dhirubhai Ambani Green Energy Giga Complex is set be among the largest, integrated, renewable-energy manufacturing facilities in the world.

Sony Pictures scraps $10-billion Zee deal The Sony Group has sent a termination letter to Zee Entertainment Enterprises (Zee), informing the company of its decision to call off the proposed $10-billion media merger deal, bringing an end to a protracted two-year acquisition process. Zee has moved the National Company Law Tribunal against Culver Max Entertainment (formerly Sony Pictures Networks India), calling for the Japan-based company to reverse the termination of the merger scheme. The termination is attributed to Sony citing unmet conditions outlined in the merger agreement. Sony's decision comes after an extended impasse between the two companies and Sony's opposition to Zee Chief Executive Officer Punit Goenka taking the helm of the merged entity.

No additional probe in Adani-Hindenburg case
The Supreme Court has said that the Adani Group need not face more investigations beyond the current scrutiny of the market regulator. This is seen as a major relief for the conglomerate, hit hard by a US short-seller's allegations of wrongdoing. The SEBI has been probing the Adani Group, led by billionaire Gautam Adani, after US short-seller Hindenburg Research in January 2023 had alleged improper use of tax havens and stock manipulation by the group. The Adani Group had denied those allegations, but Hindenburg's report had still chopped $150 billion off its stock market value. Investors' confidence has returned in recent months as Mr Adani has won their backing.

Hyundai to buy GM India's Talegaon plant
Hyundai Motor India has acquired General Motors (GM) India's Talegaon plant in Maharashtra and will invest Rs 6,000 crore in the State, the South Korean carmaker has said. The company has not disclosed the amount it paid the American company for the plant. Hyundai Motor, the second-largest carmaker in India after Maruti Suzuki, had previously signed a term sheet with GM India for the potential acquisition of the plant. The Bombay High Court in January had disposed of two writ petitions filed by an employees' union, challenging an industrial tribunal's orders allowing GM India to close down the Talegaon plant.

Indian airlines set to order 2,000 planes
Indian carriers are expected to have an order book for 2,000 planes by March next year, with long-term rapid growth for both domestic and international air traffic, according to a recent report. The domestic airlines currently have an order book for close to 1,620 aircraft, including the 150 narrow-body Boeing 737 Max order announced by Akasa Air, CAPA India has said. This order book, however, does not include SpiceJet as well as grounded carrier Go First, CAPA India has said. The increase, according to CAPA India, will be achieved as a result of Air India converting some of its 370 options to firm orders every few months.

Gujarat, Karnataka top startup ecosystem list Gujarat and Karnataka are ranked as the best performers in developing startup ecosystem for budding entrepreneurs, according to a ranking of States and Union Territories (UTs) by the Department for Promotion of Industry and Internal Trade (DPIIT). Kerala, Tamil Nadu and Himachal Pradesh are also categorised as the best performers. The ranking is a yearly exercise under the DPIIT that evaluates all States and UTs on their efforts to build an ecosystem conducive to startup growth. A total of 33 States and UTs participated in the exercise. They are ranked under five categories – best performers, top performers, leaders, aspiring leaders and emerging startup ecosystems. ■

HARDWYN INDIA LMITED

Hardwyn's New Arm, Slim-X, Eyes Rs 100-Crore Revenue; Unveils High-Performance Aluminium Profiles

Hardwyn India Ltd's (BSE: 541276, NSE: HARDWYN) newly-formed subsidiary, Slim-X, has unveiled a range of innovative products. The new brand, with cutting-edge technology, now plans to generate revenue of Rs 100 crore in the next two years, leveraging the growth potential of innovative products – ultra-slim, high-performance aluminium profiles – for industries. Hardwyn India Ltd is a leading brand among architectural hardware manufacturers in India.

Announcing the initiative, Mr Rubaljeet Singh Sayal, Managing Director, Hardwyn, said: "Being a pioneer in cutting-edge technology, we are offering our latest innovation through a new brand, Slim-X. For Indian markets, we are unveiling ultra-slim, high-performance aluminium profiles designed for various industries, alongside exquisite glass fittings that redefine elegance in architectural design. With an initial investment of Rs 20 crore, we eye revenue worth Rs 100 crore in the next two years."

The new range of innovative products that come with aesthetics enhancement, convenience and a warranty of up to 10 years are expected to be in big demand from architects, interior designers, builders and contractors, among other industries.

"Our vision is to set new industry standards by transforming the use of aluminium profiles. The company specialises in developing ultra-slim profiles that offer versatility for applications in architecture, interior design, lighting, electronics and more. With a commitment to excellence and sustainability, we ensure that our products meet and exceed industry standards through precision, customisation and the use of recyclable materials," said Mr Sayal.

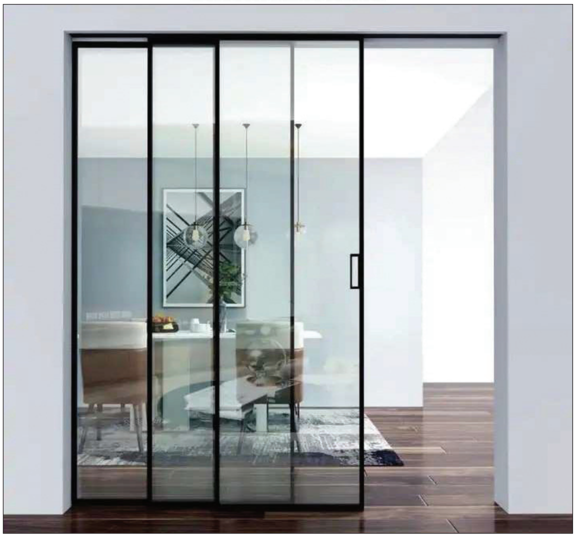
"We're not just providing aluminium profiles; we're shaping the future of design and technology. Our commitment to innovation and sustainability sets Slim-X apart," emphasised the Hardwyn managing director.

Slim-X brings craftsmanship, innovation and design excellence to the forefront. From frameless glass doors to glass balustrades, Slim-X offers a range of fittings that seamlessly blend functionality with elegance.

"Our aluminium profiles and glass fittings not only meet customers' specific requirements but also elevate the overall performance and aesthetics of their projects. We are all set to shape the future of design and technology," concluded Mr Sayal.

For over half a century, Hardwyn India Ltd has been redefining perfection in the realm of architectural hardware. The company offers comprehensive solutions for residential and commercial structures as an unwavering manufacturer of architectural hardware and glass fittings. Through rigorous testing and relentless research and development practices, Hardwyn has earned a stellar reputation for benchmark quality through a customer-centric philosophy and relentless pursuit of world-class quality.

Hardwyn



Hardwyn specialises in developing ultra-slim profiles that offer versatility for diverse applications.

To create a robust global supply chain and establish a trusted distribution network, Hardwyn has continually strived to expand its global footprint. The company has built a large network of dealers and distributors to provide unwavering customer support. Beyond business success, Hardwyn holds a deep commitment to environmental sustainability and community welfare. Sustainability is an integral part of the company's vision, reflecting its commitment to both society and the environment.

For residential and commercial projects across diverse domains, Hardwyn is the trusted partner in progress. As a leader in the industry, the company continues to make significant contributions to the development of the country. In the world of architectural hardware, Hardwyn stands out as a symbol of innovation, quality and reliability.

Game Of Margins

Irked by lower margins, HUL's distributors have begun a phased boycott of products of the country's largest FMCG company.

SHIVANAND PANDIT

Distributors for Hindustan Unilever (HUL), the largest consumer goods company in the country, have had a disappointing start to 2024. The company has restructured the distribution margins, with fixed margins being decreased by 0.6 to 3.3 per cent in urban areas, while variable pay has increased by 1.3 to 2 per cent. It has upset the general trade. In rural areas, fixed margins have seen an even sharper fall from 5 to 3.6 per cent, a drop of 1.4 per cent, while the variable pay has increased by 0.4 to 1.7 per cent.

These changes have come at a difficult time for general or traditional traders, who are considered the backbone of the country's domestic fast-moving consumer goods (FMCG) market worth Rs 5 lakh crore. More than three-fourths, or roughly 80 per cent, of an FMCG company's sales come from general or traditional trade. However, a rural slowdown has put this channel under tremendous stress. Almost two-thirds of the 1.2 crore kirana (street-corner or mom-and-pop stores) stores or around 90 lakh stores, which are an important part of general trade, are in semi-urban and rural areas, with the rest in urban markets.

On January 11, 2024, the Maharashtra State Consumer Products Distributors Federation (MSCPDF) and the All-India Consumer Products Distributors Federation (AICPDF) jointly announced a phased boycott of products manufactured by HUL. The AICPDF is an apex body of distributors in the country.

Thin Margins Get Thinner

- Fixed margins cut by 0.6% to 3.3% in urban areas
- Variable margins increased by 1.3% to 2% in urban areas
- Fixed margins down from 5% to 3.6% in rural areas
- Variable margins up by 0.4% to 1.7% in rural areas

The boycott was initiated following an increase in variable margins and a simultaneous decrease in fixed margins for distributors. The boycott began with HUL's Taj Mahal brand on January 11, 2024, followed by the boycott of Kissan brand on January 25, 2024. If no decision is reached, the boycott of Rin will start on February 10, 2024. Starting March 1, the group plans to launch a "complete non-cooperation movement" in all States, accompanied by a dharna (a peaceful protest) with 1,000 distributors in front of the HUL head office in Mumbai. All of these actions are due to the new margin and incentive plans implemented by HUL in India.

Why this *Kolaveri*?

Distributors are upset that the margin structure was changed at the wrong time, possibly leading to others following suit. They are typically offered two types of margins: variable and fixed. Fixed margins are usually around 4-6 per cent, while variable margins depend on performance parameters. Currently, there is a disagreement over the revision of the fixed margin. The manufacturer of brands like Lux, Kissan Jam and Surf Excel has reduced the fixed margin by 60 basis points and increased the variable margins by up to 100-130 basis points for its distributors. The AICPDF has argued that this revision suggests a shift in management strategy that may put the entire distribution network in jeopardy. They believe that distributors may be pressured and blackmailed into compromising their rightful margins.

Earlier, the umbrella body of distributors had claimed that HUL had a significant gap. About 30 per cent of areas lacked distributors, and efforts to find distributors had been unsuccessful. Distributors are crucial in the supply chain to ensure that products are available in the market at all times, especially at smaller stores with limited stocking capacity. They argue that the revision increases concerns and may force existing distributors out of business.

The distributors' body also contends that demanding parameters may push distributors towards unethical activities like undercutting and infiltration. They have demanded that distributors' basic margin be fixed at a minimum of 5 per cent. Additionally, the proposed incentive parameters should not interfere with distributors' margins. The AICPDF also calls for immediate removal of closed or non-existent outlets from the company's database and enhancement in the central database to address concerns about effective coverage. The group plans to inform retailers about alleged dual policies favouring modern trade and e-commerce companies. They claim that these companies receive double the margin and exclusive schemes and offers.

Can HUL win?

HUL has announced its intention to proceed with its plan. It revealed the new margin structure for 100-150 towns in December 2023 after conducting a pilot. The plan will be rolled out nationwide in phases over the next few months to improve retail coverage. The HUL has the highest reach among FMCG companies, with direct and indirect access to around 90 lakh outlets in India.

HUL has decided to cut fixed margins for general trade as a way of rationalising distribution costs. However, this decision will have significant implications for the domestic FMCG market. The decrease in fixed margins means that the payout to general trade will be lower, which could be a problem for traders who are struggling with weak sales. On the other hand, variable pay is performance-linked and so, increasing it may not be helpful to these traders. HUL had cut distributors' margins earlier too. In 2017, the company had offered nearly 5 per cent as a fixed margin to general trade in urban areas and 6 per cent

Changes in margins have come at a difficult time for distributors amid a slowdown in rural demand.

in rural areas. However, the structure was changed that year with a 3.9 per cent fixed margin for urban areas and 5 per cent for rural areas. The latest round of cuts has revised these figures even further downwards.

HUL has been aggressively pushing for direct distribution in recent years. To achieve this, the company has been using its Shikhar app, initiatives such as smart stores and increasing its field workforce to reach retail outlets directly. It has resulted in the company's reduced dependence on distributors. HUL now directly services nearly a third (or 30 lakh) of its total retail reach of around 90 lakh outlets.

The general trade is currently facing liquidity constraints from consumers to retailers, especially in rural areas. Consequently, retailers are unable to pay distributors for the orders they place, leading to a significant increase in credit cycles within the trade. Furthermore, inventory is getting stuck because the movement of goods is slow due to low consumer demand. All of these factors have possibly led HUL to question the effectiveness of general trade. However, some companies still believe in the effectiveness of general trade despite the challenges it currently faces. For instance, Saugata Gupta, the CEO of Marico, which manufactures under Parachute and Saffola brands, has been vocal about revitalising general trade and considers the current challenges temporary. Dabur has also increased its credit cycle to distributors to help them overcome the liquidity crisis they are experiencing. Meanwhile, Parle Products has streamlined its inventory in retail stores and is focusing on fewer stock-keeping units that sell quickly.

HUL and its distributors have had disagreements over margin issues earlier. In 2022, there was a similar issue regarding alleged price differences, which was ultimately resolved. Despite the ongoing boycott, HUL is dedicated to satisfying the needs of its customers, thanks to its market dominance. ■

HUL has been aggressively pushing for direct distribution in recent years.

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

Organic Growth

Sarveshwar Foods extends presence in Punjab and Delhi NCR, opens its NIMBARK Organic Stores.

IBJ BUREAU

Sarveshwar Foods is extending its food-prints in Punjab and Delhi NCR region by opening its signature NIMBARK Organic Stores, wherein one can experience and buy authentic and premium organic delights from the land of the Himalayas.

The company is delighted to announce extension of its food-prints in Punjab and Delhi NCR region by opening its signature NIMBARK Organic Stores as a part of its pre-defined business strategy to expand its presence through its signature stores, retail counters and online market places beyond the territories. With addition of these two new regions, wherein stores shall be fully operational by the end of the present quarter, the count of company's total exclusive retail stores shall reach 15.

NIMBARK Organic Stores are the company's signature stores, opened and being operated by its material subsidiary M/s Himalayan Bio Organic Foods Limited, which showcases the company's entire range of organic food offerings at one place to provide its existing and prospective customers with an easier, more intuitive and user-friendly shopping experience.

Sarveshwar Foods has adopted a multi-pronged strategy and sells its products through a wide array of store formats that cater to planned shopping needs as well as daily or occasional needs of the customers across major consumption centres. The company, besides its NIMBARK Organic Stores, sells its products through more than 1,200 retail counters in Jammu, Srinagar, Ludhiana, Chandigarh, Lucknow, Kanpur, Punjab, Delhi NCR, along with online Pan-India presence through the company's website and other marketplaces such as Amazon, Flipkart, Big Basket, Jiomart and ONDC.

Sarveshwar Foods belongs to the lands in the foothills of the Himalayas which are nourished by fertile mineral-rich soil, organic manure and snow melted waters of river Chenab, wherein without using any artificial fertilisers and chemicals, they produce full range of organic products, that are sold under the brand name NIMBARK – conceptualised to spread the philosophy of the satvik-conscious lifestyle. With an ambition to help every Indian household get access to the company's quality organic products at reasonable price points, Sarveshwar Foods and its wholly-owned subsidiary, Himalayan Bio Organic Foods, have devised and are executing a detailed plan to double the number of their NIMBARK signature stores, retail counters and presence in all other marketplaces in the coming few quarters.

Sarveshwar Foods is an ISO 22000:2018- and USFDA (United States Food and Drug Administration)-certified company. It also has BRC (biggest global standard for food safety), Kosher, NPPO USA and CHINA along with NOP-USDA organic certifications for its products.

The company is engaged in the business of manufacturing, trading, processing and marketing of branded and unbranded Basmati and non-Basmati rice in domestic and international markets. Its operations are based out of the Jammu region. Sarveshwar has sustainable and eco-positive legacy of serving healthy and tasty rice for more than 130 years. In the last couple of decades, it has proliferated its heritage to other premium categories of FMCG and organic products.

Sarveshwar has adopted three-way strategies to sell its products – first through conventional channels, another to have its own retail outlets, and third through its online store. The company is the first private sector NSE- and BSE-listed food company in Jammu and Kashmir with NSE Symbol: SARVESHWAR and BSE Scrip Code: 543688.

NIMBARK Organic Stores are the company's signature stores, showcasing its entire range of organic food products.

Salasar Tehno Engineering's Board Approves Fund-Raising Of Rs 8,064 Million

Salasar Techno Engineering Limited (BSE: 540642, NSE: SALASAR), engaged in manufacturing of large and heavy steel structures and providing customised steel structures and EPC solutions to a diverse range of industries, including telecom, power, railways and others, has announced that its board in a meeting held on January 25, 2024, has approved fund-raising of Rs 8,064 million by way of issue of shares and convertible warrants on a preferential basis to various promoter and non-promoter entities, subject to approval of shareholders and other regulatory authorities, as may be applicable.

The shares and/or warrants will be issued to North Star Opportunities Fund, NAV Capital VCC, NAV Capital Emerging Star Fund, Coeus Global Opportunities Fund, Elara India Opportunities Fund, etc within the non-promoter group category. Within the promoters, the warrants will be issued to Shashank Agarwal, Shalabh Agarwal, Raghav Agarwal and Bharat Agarwal.

Earlier, the board had fixed February 1, 2024, as record date for the purpose of ascertaining the eligibility of shareholders for entitlement of bonus shares in the proportion of 4:1, i.e. four new fully paid-up bonus equity share of Re 1 each for every one existing fully paid-up equity share of Re 1 each held by the members of the company, subject to the approval of shareholders being obtained through the postal ballot notice. The proposed allottees of equity shares and warrants proposed to be issued on a preferential basis to the persons belonging to "Promoter" and "Non-Promoter, Public Category" shall also be entitled of four fully paid-up bonus shares for each equity share and warrants so issued in the ratio of 4:1 as the issue price for the preferential allotment has been determined before the corporate action and the record date.

Earlier, the company was awarded a contract, valued at Rs 3,640 million. The contract focuses on execution of loss reduction work in turnkey mode. The contract signals a significant milestone for the company, involving a comprehensive scope of work aimed at enhancing the power infrastructure in Erode district of Tamil Nadu. Under the contract, Salasar is entrusted with supply, erection and installation of feeder segregation, high-voltage distribution system, separation of double distribution transformer and augmentation of 33-kv lines. The above contract further strengthens the order book and is expected to get completed within 36 months, yielding healthy EBITDA margins.

Commenting on winning the order, the management team of Salasar said: "We are delighted to announce a significant achievement that underscores our commitment to excellence and our capabilities in delivering cutting-edge infrastructure solutions. Salasar has secured a monumental EPC contract valued at Rs 3,640 million from Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). The contract focuses on executing loss reduction work in the turnkey mode. We will handle every aspect of the project, from design and engineering to manufacturing, testing, supply, erection and installation of feeder segregation, high-voltage distribution system, separation of double distribution transformer and augmentation of 33-kv lines. The project will be executed in successive phases."

Salasar Techno Engineering Limited

The company provides customised steel structures and EPC solutions to a diverse range of industries in over 25 countries.

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. The company'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 & railway over-bridges and customised galvanised and non-galvanised steel structures. Salasar is among the leading manufacturers with 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 over 600 clients in more than 25 countries.

BIG GAINS

Despite some woes, the Indian defence industry transforms into a global player and moves ahead in making the nation self-reliant in defence capabilities.

IBJ RESEARCH BUREAU

Late last September, India's first C-295 transport aircraft was formally inducted into the Indian Air Force (IAF). Union Defence Minister Rajnath Singh performed a brief *puja* (worship) to the medium-lift tactical aircraft at the Hindon Airbase in Uttar Pradesh's Ghaziabad. After the religious ceremony, the transport carrier – manufactured by a collaboration of Europe's Airbus Defence and Space and Tata Advanced Systems (TASL) – joined the IAF's wide range of fleet.

Earlier, last June, the Indian Army had received the first batch of Armado, an armoured light specialist vehicle, from Mahindra Defence and Aerospace. The armoured vehicle, made by the defence division of the Mumbai-based Mahindra & Mahindra (M&M) Group, has also been deployed by various foreign missions, including United Nations.

Over the past few years, the Indian Army has been using Negev light machine guns and Ace and Tavor assault rifles purchased from Israel's IWI. Since 2017, PLR – a former Punj Llyod company which is now a part of Adani Defence and Aerospace – has formed a joint venture with IWI and has been making components for these guns at its plant in Gwalior, Madhya Pradesh. The made-in-India components of these guns have substantially increased, with PLR emerging as one of the few Indian private companies to manufacture guns for the country's defence and police forces.

Larsen & Toubro's (L&T) defence division, in the meanwhile, has delivered 100 K9 Vajra-T self-propelled Howitzer guns to the Indian Army. These Howitzers, made at L&T's Hazira facility in Gujarat in collaboration with South Korea's Hanwha Corporation, have been undergoing gradual indigenisation, with many parts being made at the Hazira plant.

The Defence Acquisition Council (DAC), headed by the defence minister, approved procurement of 307 advanced towed artillery gun systems (ATAGS) for the Indian Army last March. These weapons have been developed by the State-owned Defence Research and Development Organisation (DRDO), and they will be provided by DRDO's production partners Bharat Forge Defence and Aerospace and TASL.

Winds of change are blowing across the South Block, with the private sector finally making its long-awaited presence in the defence industry. Top companies, like L&T, Tata, Mahindra, Adani and Bharat Forge, are rubbing shoulders with State-owned DRDO, Hindustan Aeronautics (HAL) and Bharat Electronics (BEL). These private companies have joined hands with government-run defence public sector undertakings (DPSUs) as well as foreign defence corporations to make deeper inroads into defence manufacturing. With these tie-ups and collaborations, the private sector has gained substantial expertise in making and delivering vital components and assembly systems across a wide range of defence and aerospace sectors.

"The Indian private sector has grown since opening of the defence sector and evolved from producing components and sub-systems to developing complete equipment and systems, system of systems and platform level solutions," notes Jayant Patil, a member of L&T's Executive Committee.

Incidentally, induction of the C-295 stands apart as a watershed development in the Indian defence industry. The initial part of the Rs 21,935-crore deal requires Spain-based Airbus Defence and Space – the partner of TASL – to deliver 16 C-295 aircraft in a fly-away condition (the entire aircraft is delivered after being manufactured elsewhere – in this case, the C-295s will be made in Spain) by August 2025. The first aircraft has already been delivered.

The remaining 40 transport planes will jointly be manufactured by the two partners at the Vadodara plant in Gujarat. Of the 40 transport planes, 24 will be manufactured at the Vadodara facility through a mix of imported kits and 30 per cent of indigenously-sourced content. The remaining 16 C-295s will have 60 per cent of indigenous content in them.

The Airbus-TASL agreement is quite unique in many aspects. The process of acquiring the C-295s, which will replace the 1960s' ageing fleet of the UK-based BAE Systems' Avro-748s, was initiated way

Inside India's Defence Industry

Rs 1,50,000^{+} crore
Total defence market[*]

Rs 40,839.53
Imports[**]

36%
Share of imports[**]

64%
Domestic industry share[**]

Rs 1,06,800 crore
FY23 defence production

79% (Rs 86,172 crore)
Public sector share

21% (Rs 22,428 crore)
Private sector share

Rs 15,920 crore
FY23 exports

[*]Includes both domestic FY23 production and approximated imports for FY23 as official numbers are not available
[**]Figures for FY22, the latest available official figures

"India does not want to remain just an assembly workshop and instead, is looking to engage with friendly countries in sharing expertise and capabilities under the Make In India initiative."

RAJNATH SINGH
Union Defence Minister

Measures To Spur Defence Sector

- Ambitious targets of Rs 1,75,000 crore of domestic production and Rs 35,000 crore of exports by FY25 set by Defence Production and Export Promotion Policy, 2020
- 75% of the government's defence capital procurement budget earmarked for domestic industry
- Licensing process eased and 606 industrial licences issued to 369 companies in the past two decades
- Nearly 65% of components and sub-systems delicensed, paving the way for private sector participation in a big way
- DRDO's 1,464 technology-transfer agreements with Indian companies providing private sector access to vital defence technologies
- DMA's five positive lists comprising 509 components to be compulsorily made and procured in India
- DDP's four positive lists consisting of 4,666 items also to be indigenously produced and purchased
- 74% FDI permitted through the automatic route
- 100% FDI allowed via the government route
- Two new procurement categories – Buy Indian-IDDM and Buy-Indian – unveiled to spur Make In India in defence industry
- iDEX framework with financial support to boost innovations and manufacturing among MSMEs and startups

back in 2010. After 11 years of negotiations over cost and specifications of the aircraft and after many twists and turns that could easily outdo the best of aerial acrobatics, the deal was finally inked in 2021.

"The C-295 deal succeeded because the Ministry of Defence (MoD) and the IAF worked together as a team. They took bold decisions to remove roadblocks with tact and imaginative thinking, but for which the project would not have fructified," emphasises Amit Cowshish, the former additional secretary in the MoD.

There were several hurdles to the deal. The biggest obstacle was the presence of a single bidder, Airbus, in the tender floated for the transport aircraft. Normally, the MoD would not proceed in such a case as it had all the potential of blowing up into a scam and becoming a major political issue. However, the MoD displayed unusual boldness and even went ahead in supporting the idea of developing a parallel aircraft manufacturing facility in the private sector as an alternative to HAL, recalls Mr Cowshish. He further adds that the MoD even permitted the foreign manufacturer to choose the Indian production partner rather than nominating it.

The risks have paid off, and today, the C-295 is a breakthrough deal, with the Make In India initiative finally materialising in defence manufacturing. The path-breaking Tata-Airbus joint venture lays the foundation of a complete defence manufacturing ecosystem in the country.

The project is expected to create 600 highly-skilled and 3,000 semi-skilled jobs besides providing indirect employment to another 3,000 people. Around 100 micro, small and medium enterprises (MSMEs) are expected to be involved in supplying around 13,400 components, 4,600 sub-assemblies and related parts. The Vadodara facility could also become an export hub for the transport aircraft and double up as a maintenance, repair and overhaul (MRO) centre in the Asia-Pacific region.

The big developments in the domestic defence sector go beyond the cream of India Inc. Bengaluru-based Aroo has been supplying extreme cold-weather clothing systems since 2021 to the Indian Army deployed at the Siachen Glacier, where temperatures plunge up to minus 50 degrees Celsius. These specialised clothing used to be imported earlier. Suryadipta Projects, an MSME based out of Thane, had bagged an order for 11 barges equipped with ammunition, including torpedoes and missiles, from the Indian Navy last year. The case of MKU may appear to be straight out of a James Bond flick. The Kanpur-based com-

Airbus-Tata's Vadodara facility, where C-295 transport aircraft are made

The C-295 is a breakthrough deal, with the Make In India initiative finally materialising in defence manufacturing.

pany manufactures and supplies a wide variety of products – including fibreglass helmets, snow boots, bullet-proof jackets, night vision devices and thermal weapon sights – to soldiers in over 100 countries.

Big transformation

Several game-changing developments are under way in the over Rs 1,50,000-crore Indian defence industry. Up until 2001, the defence sector was the sole preserve of the government and its entities. The country's defence landscape was and is still prominently dotted with DPSUs – HAL, DRDO, BEL and others – 41 Ordnance Factory Boards (OFBs) – now converted into seven Defence Public Sector Undertakings (DPSUs) - and more than 50 dedicated research and development (R&D) labs and many other government establishments that have been making and supplying various arms and ammunition to the defence forces.

The private sector has been in the defence industry for over two decades now. Defence production of the private sector was worth a little over Rs 22,400 crore in FY23, accounting for about 21 per cent of the total domestic production. A lion's share of 79 per cent of the defence production still continues to happen in the public sector.

Interestingly, a large part of the private sector's production materialised in the last five years, driven by the big guns of India Inc. But equally breathtaking was the surge of about 12,000 MSMEs and startups, which have been supplying a wide range of crucial components and sub-systems to both public and private sector defence manufacturers. Some of these small enterprises and startups have evolved rapidly and are also exporting their products to overseas military forces.

In fact, the dramatic changes unfolding in the defence industry coincide with robust growth of the private sector, thanks to concerted efforts of the Narendra Modi government. The government appears to be focusing on broad-basing the country's defence manufacturing ecosystem by involving the private sector in a big way. This perhaps is aimed at spreading out the risks, which were earlier solely concentrated in the public sector, and spurring healthy competition between government and private entities.

The Modi government's Atmanirbharata (self-reliance) push and the Make In India programme have opened new a chapter in the Indian defence sector. Incidentally, India's defence manufacturing in FY23 crossed the Rs 1-lakh crore mark for the first time ever and recorded a production of Rs 1,06,800 crore. The record-high defence production coincided with a steady decline in imports from about 46 per cent of the total industry in FY19 to around 36 per cent in FY22 – the latest available official figure.

FY23 was also a record-breaking year for the country's exports, which surged by 24 per cent to Rs 15,918 crore. Moreover, the FY23 numbers are more than significant and record an over ten-fold growth in exports over Rs 1,521 crore registered six years ago in FY17.

Bold measures

The Indian defence industry had been in a sorry state of affairs for quite a

Challenges Galore

- India's exports minuscule and achieving net exporter goal a steep uphill trudge
- Defence procurement hampered by multiple and diffused structures and duplication of processes, leading to inordinate delays
- Funding support for MSMEs and startups in defence manufacturing woefully inadequate
- OEMs extending transfer of technology only for low-value items, leaving Indian partners stuck as tier-I and -II suppliers
- Offset policy a failure with offset obligations of only about half of $13.21-billion contracts, valued at $6.85 billion, having been met

THE MODI GOVERNMENT'S *ATMANIRBHARATA* (SELF-RELIANCE) PUSH AND THE MAKE IN INDIA PROGRAMME HAVE OPENED A NEW CHAPTER IN THE INDIAN DEFENCE SECTOR.

Adani Defence's Ace and Tavor assault rifles and Mahindra Defence's Armado armoured vehicle have been deployed in the Indian Army

The private sector is finally making its long-awaited presence in the defence industry.

Scaling Up Defence Industry

- Need for competency mapping of private sector
- Replicating manufacturing model of MSMEs as suppliers and big companies as integrators in defence manufacturing
- Giving a big push to PPP model
- Developing a separate defence services cadre of technology leaders to expedite procurements and slash time and cost overruns
- Raising funding limit for private sector to 90% of development cost without any cap
- Having many more testing facilities to enable easy access for private companies to test their products
- An independent body to issue clearances and certifications for various tests
- Setting up of Centres of Excellence (CoEs) and R&D centres to promote cutting-edge defence research

long time. State-owned entities called the shots, and their near monopoly even after the sector was thrown open to private players had a telling effect on the defence industry. There were inordinate delays in delivering the projects. Imports formed a substantial part of the defence industry. What passed off as local manufacturing was actually more of an assembling of components and sub-systems. In most cases, the DPSUs tied up with foreign original equipment manufacturers (OEMs) and assembled the latter's components in India. In short, defence manufacturing ecosystem was virtually absent.

The Modi government's first term in office tried to infuse new energy into the defence industry. There were many attempts to replicate the Make In India programme in the defence sector. But there was hardly any change on the ground. Then, five years ago, the Modi government gave another shot at reshaping the domestic defence industry, and things finally began moving.

As a first step, the government began delicensing a large number of components and sub-systems in stages. Prior to this move, the private sector could manufacture these products only after obtaining a licence, which was a cumbersome process. This was the first step in breaking the monopoly of State-run entities and providing a level playing field to private companies. Nearly 65 per cent of components and sub-systems of the defence industry have been delicensed so far.

Besides, licensing process in the case of vital defence components was gradually eased. A total of 606 industrial licences have been issued to 369 companies since opening up of the defence industry for private sector in 2001. A new Transfer of Technology Policy, developed by the DRDO, has facilitated many private companies to access the technologies developed by the State-owned entity. So far, the DRDO has signed 1,464 technology-transfer agreements with Indian companies.

India's defence manufacturing in FY23 crossed the Rs 1-lakh crore mark for the first time ever.

The government took bold steps to prune defence imports in phases and provide a big push to the Make In India programme. The MoD's Department of Military Affairs (DMA) has so far put out five Positive Indigenisation Lists (PILs), which strictly ban the import of items mentioned in these lists. The five PILs comprise a total of 509 defence components – including highly-complex systems, sensors, arms and ammunition – which will compulsorily have to be made and procured domestically. Separately, the MoD's Department of Defence Production (DDP) has notified four PILs consisting of a total of 4,666 items, which have to be indigenously produced and purchased.

Meanwhile, the Defence Production and Export Promotion Policy, 2020, set ambitious goals of Rs 1,75,000 crore of domestic production and Rs 35,000 crore of exports by FY25. The government also mandated to earmark 75 per cent of its defence capital procurement budget for domestic industry. Foreign direct investment (FDI) limit in the defence industry was also raised in stages. Currently, 74 per cent of FDI in the sector is permitted through the automatic route, where no regulatory approvals are needed, and 100 per cent through the government route, where the government's approval is required.

"India does not want to remain just an assembly workshop and instead, is looking to engage with friendly countries in defence and security based on sharing expertise and capabilities under the Make In India initiative," stresses Mr Singh.

Two new categories of procurement were designed. The first one – Buy Indian-Indigenously-Designed, Developed and Manufactured (Indian-IDDM) – is a preferred category that provides a major fillip to domestic defence ecosystem by stressing on indigenisation of design, development and manufacturing. Under this category, any order will require at least 50 per cent of indigenous content. The second category –Buy-Indian – recognises the ground realities of the nascent Indian defence ecosystem. This category permits domestic manufacture of products that have not been designed and developed indigenously and mandates that such products must have 60 per cent of indigenous content.

Strategic Partnership Model was unveiled in 2018 to provide a leg-up to domestic defence manufacturing. Accordingly, the government allowed overseas world-class military equipment companies to tie up with Indian companies and make defence systems and equipment in India.

Besides, Defence Innovation Organisation (DIO) was established to promote startups to take defence manufacturing. The DIO floated the Innovations for Defence Excellence (iDEX) framework to foster innovation and technology development in the defence and aerospace sector. Under the initiative, MSMEs, startups, individual innovators, R&D institutes and the academia were provided financial support to boost innovations and manufacturing in the defence industry.

Meanwhile, two defence corridors are coming up in the country as support infrastructure to drive up defence manufacturing. The Uttar Pradesh Defence Industrial Corridor, being built along the Bundelkhand Expressway, covers six nodal cities of Lucknow, Kanpur, Agra, Aligarh, Chitrakoot and Jhansi. A total of 108 memorandums of understanding (MoUs) have been signed with various industries with a potential investment of Rs 12,191 crore to set up production units in the defence corridor. The Tamil Nadu Defence Industrial Corridor will comprise the nodal cities of Chennai, Hosur, Salem, Coimbatore and Tiruchirappalli. In the Tamil Nadu corridor, various industries have inked 53 MoUs worth Rs 11,794 crore to establish manufacturing plants.


Bengaluru-based Aroo's special cold-weather clothing for Indian soldiers deployed at Siachen Glacier

About 12,000 MSMEs and start-ups have been supplying crucial components to Indian defence manufacturers.

Enemies within

The Indian defence sector has indeed made giant strides with a spectacular rise in defence production and exports. Besides, concrete measures are being taken to cut down the country's defence imports. However, it would be too early to rejoice yet.

Despite a fall in imports, India is still the world's largest importer of defence supplies and has remained at the spot since 1993. It had only slipped to the second place on a couple of occasions. Sweden-based Stockholm International Peace Research Institute (SIPRI) notes that India has had an 11 per cent share of the total global arms imports.

"The C-295 deal succeeded because the MoD and the IAF worked together as a team. They took bold decisions to remove roadblocks with tact and imaginative thinking."

AMIT COWSHISH
Ex-Additional Secretary, MoD

The country's defence spending has been rising over the years, given an increasing threat perception in the neighbourhood. The huge State-owned defence infrastructure has not been able to keep pace with the increasing demand. The domestic private sector too is yet to make any meaningful contribution. Moreover, allegations of corruption in defence deals – ranging from Bofors guns and Rafale aircraft to many other defence equipment – have derailed the country's already snail-paced procurement process. These factors have resulted in India rushing to buy more and more arms, ammunition and equipment from overseas markets.

Under these circumstances, India's goal of becoming a net exporter of defence equipment in the next few years seems too far-fetched, to say the least. According to the SIPRI report, India does not even figure among the top-25 countries with the largest share in arms exports – led by the US, Russia, France, China and Germany.

As is well known, the Indian de-


Allegations of corruption in Bofors and Rafale deals have derailed the country's already snail-paced procurement process.

fence procurement process is hampered by several problems. A recent MoD report notes: "India's weapons procurement process has been severely affected due to multiple and diffused structures with no single-point accountability, multiple decision heads, duplication of processes, delayed comments, delayed execution, no real-time monitoring, no project-based approach and a tendency to find fault rather than to facilitate."

A classic example of how India's defence procurement works is the 19-year-old process to replace its ageing MiG-21s with medium, multi-role, combat aircraft. In 2000, the IAF sounded its interest in fighter jets to replace the ageing MiG 21s. After 18-long years of twists and turns and controversies, in 2019, the first of the 36 ready-to-fly Rafale jets was handed over to India by France's Dassault Aviation.

Make In India in the defence sector is a great idea. However, putting the concept to work on the ground is anything but easy. Companies need to invest heavily in design, development, prototyping, trials and many other processes before their products reach the bidding stage. The entire process would take anywhere around 10 years to reach the bidding stage. Moreover, investments have to be made irrespective of bagging the order. Once selected, installation and commissioning of plant and equipment, followed by pre-production and final production, would require no less than three years.

It may not be a big challenge for the public sector to wait endlessly after putting in huge investments as the projects are funded by the government. Private companies, especially small enterprises and startups, find the entire process too taxing. The government provides up to 70 per cent funding for prototype development, subject to a cap of Rs 250 crore. However, this support is woefully inadequate, given the size of investments that goes into defence projects.

Indigenous defence production can take off only when local players are equipped with modern technologies and huge capacities. Transfer of technology is quite a contentious issue, and getting OEMs to transfer technology to local partners is as good as winning a modern war. Most OEMs extend transfer of technology only for low-value items which are not a part of the core proprietary technology. Such skewed technology transfers lead to lifelong dependence on OEMs. Many times, the low-value technology loses its relevance after the production order is completed.

"Public and private sector defence vendors are smooth talkers. The DPSUs, DRDO, OFBs and even indigenous private defence industry vendors are often long on promise, poor in technology and capability and above all, short on delivery."

LT GEN (RETD) P R SHANKAR
Military Analyst

Offset, in the meanwhile, has become a buzzword in the country's defence manufacturing industry in recent years. The government has been stepping up arms purchases from overseas, with most of such deals containing the offset clause. Introduced in 2005, the offset policy mandates foreign defence suppliers to spend at least 30 per cent of the contract value in India for all contracts worth Rs 2,000 crore or more. Foreign entities can meet their offset obligations in many ways, such as procurement of components from local players, transfer of technologies to domestic companies or setting up of R&D activities in the country.

But despite rising imports, the country is struggling to reap the intended benefits of its offset policy. The total value of all offset contracts is worth \$13.21 billion. However, only about half of these obligations valued at \$6.85 billion have been met so far.

Smart strategies

Challenges before the Indian defence industry are certainly formidable. But a few urgent measures can go a long way in clearing these hurdles and transforming India into a robust defence manufacturing hub. Defence industry experts have been urging the government to conduct competency mapping of the private sector to really get to know the capacity, domain knowledge, skill, expertise and experience of companies in the private sector. So, a quick survey of the status of the private sector, including SMEs and startups, can become the first step in developing an ecosystem for defence manufacturing.

Indian manufacturing sector in general has evolved well over the years, with tier-I companies as integrators and tier-II and -III companies, mostly SMEs, making and supplying a range of parts or products to these integrators. Replicating this model in the defence manufacturing sector can pay rich dividends. Additionally, public-private partnership (PPP) model in the defence industry can work wonders.

A long-drawn procurement process has done more harm to the country as well as its defence industry. The current multi-tier system of defence procurement – handled by the political class, the bureaucracy and the defence forces – leaves no scope for fixing accountability for various omissions and commissions. Defence analysts stress that the acquisition structure must be managed by specialists, with defence services creating their own cadre of technology leaders who understand the requirements and the technologies. Such an approach would minimise time and cost overruns and shortfall in specifications.

A few of the existing measures to boost private sector participation in defence manufacturing have breathed new life into the industry. Yet these measures have their limitations and are hence unable to fulfil their intended objectives. For instance, the limit of funding private entities for developing prototypes up to 70 per cent of the development cost with a cap of Rs 250 crore serves no purpose. Industry experts opine that the limit must be raised to 90 per cent of the development cost without any cap.

The government has already opened its trial-and-testing facilities to the private sector to test their equipment before entering the final defence bidding process. However, a large number of private companies, small industries and startups still find it difficult to access these testing facilities. There is an urgent need to have more such facilities to enable swifter clearance for these tests. All the clearances and certifications for various tests are accorded by government bodies. The government had earlier mooted establishment of an independent body to certify these tests. The need of the hour is to ensure that this independent body materialises soon.

Despite falling imports, India is still the world's largest importer of defence supplies, with a 11% per cent share of total global imports.

Offsets and transfer of technology have failed to deliver to the desirable level. Industry experts have hence been urging the government to set up Centres of Excellence (CoEs) and R&D centres. The government has also been asked to incentivise overseas OEMs to set up such centres. These centres can attract the best engineers and scientists to carry out cutting-edge research. This, in turn, will enable Indian defence manufacturers to graduate from tier-I and -II suppliers to innovators and transform India into a major defence manufacturing hub.

"The Indian private sector has grown since opening of the defence sector and evolved from producing components and sub-systems to developing complete equipment and systems, system of systems and platform level solutions."

JAYANT PATIL
Member of Executive Committee, L&T

The DAC, in the meantime, has cleared around Rs 4.94 lakh crore of defence purchases in the past two years, with over 90 per cent of the acquisitions happening domestically. Defence analysts estimate that India is going to spend about Rs 1.5 lakh crore a year on an average up to 2030 to modernise its armed forces. And as has been the trend, a major portion of the gains of this expenditure will go to domestic players. In short, a Rs 10.5-lakh crore opportunity spread over the next seven years is waiting to be grabbed.

This big opportunity can reshape the Indian defence industry, provided the deals are executed in the way the C-295 pact was clinched. Meanwhile, surgical strikes of a different kind can free up the domestic defence sector besieged by many woes. And that battle must begin right away. ■

Regulating AI

Any Indian attempt to legislate on artificial intelligence must be based on its innovations, risks and industrial applications.

SHIVANAND PANDIT

In 2023, policy on and regulation of artificial intelligence (AI) went from a niche, nerdy topic to front-page news. It is partly thanks to OpenAI's ChatGPT, which helped AI go mainstream and also exposed people to how AI systems work – and do not work. It has been a monumental year for policy: We saw the first sweeping AI law agreed upon in the European Union (EU), Senate hearings and executive orders in the United States (US) and specific rules in China for things like recommender algorithms. If 2023 was the year that lawmakers agreed on a vision, 2024 will be the year that policies start to morph into concrete action.

India is rapidly developing economically and is poised to become a key player in the global technology supply chain. Several key factors are driving this trajectory. Firstly, India's high-tech labour force is experiencing rapid growth. Secondly, the country's economic potential is attracting increasing international investment. According to a recent report, India is predicted to attract over $475 billion in foreign direct investment (FDI) over the next five years.

The AI sector has experienced significant growth by building upon the foundation of India's talent pool and influx of capital. AI technologies are making inroads into various industries in India, including healthcare, education and public utilities. The burgeoning AI sector reflects the Indian government's ambition, as India recognises the pivotal role of AI and aspires to position itself as a global AI hub. India's leadership in the Global Partnership on AI (GPAI) underscores these global aspirations. However, it is essential to assess India's readiness, considering factors such as infrastructure, regulation and public discourse.

Governments all over the world are facing challenges in creating appropriate regulations to govern the use of AI. These concerns are legitimate since AI can have both positive and negative influences. The negative aspects of AI include deepfakes, cybersecurity issues, data theft and the risk of AI-enhanced weapons falling into the hands of terrorist groups, which could pose a significant global security threat. However, the benefits of AI are also numerous, including its use in education, healthcare and agriculture. India has acknowledged that while individual countries need to take responsibility for regulating AI, a global consensus is also necessary, given that the technology is not limited by geographical boundaries.

Sticky situation

India is facing a problem as regards regulation of AI. The Indian government has been fluctuating between a non-regulatory approach and a more thoughtful one, with attention on mitigating user harm. In April 2023, the government stated that it would not regulate AI to create an environment conducive to innovation, which could potentially position India as a global leader in AI-related technol-

Rushil Decor's Q3FY24 PAT Rises By 11%, EBITDA Up by 16% As Capacity Utilisation Hits 120%

Rushil Decor Limited (BSE: 533470, NSE: RUSHIL), one of the leading suppliers of sustainable MDF and laminates, has announced its unaudited financial results for the quarter ended December 31, 2023.

The company is poised to double its exports to Rs 500 crore within the next three to four years, leveraging a synergistic strategy that encompasses initiation of a laminates project and an augmentation of proportion of value-added products in overseas markets.

Last December, the company's Chikkamagaluru plant in Karnataka not only achieved its highest-ever sales volume but also demonstrated exceptional operational efficiency, surpassing 120 per cent in capacity utilisation. Rushil Decor's eco-friendly MDF segment has achieved a noteworthy milestone with value-added products now constituting 52 per cent in value terms. Looking ahead to Q4FY24, the company aims to further elevate this proportion to 55 per cent. This targeted approach is anticipated to have a substantial positive impact on its overall realisations, reinforcing its dedication to product diversification and enhanced value creation.

Speaking on the performance, Mr Krupesh Thakkar, the chairman and managing director of Rushil Decor, said: "The company's significant advancement on its growth path instills optimism for a strong performance in Q4FY24. As we propel towards our long-term vision, we chart a course of expansion, recognising the pivotal role of prudent decision-making and avoid overleveraging. Embracing a forward-thinking approach, we actively seek new areas of business for sustained growth."

The company has five modern plants for manufacturing MDF and laminates.

Mr Rushil Thakkar, the executive director of Rushil Decor, said: "The revenue performance in the quarter has been significant, marked by a sequential growth of 4 per cent. This growth was primarily attributed to strong sales volumes in MDF, which grew by 15 per cent YoY, coupled with increased demand during the festive season."

Founded in 1993, Rushil Decor, a globally leading company in modern interior infrastructure and eco-friendly, composite wood panels, is committed to shaping a better planet. Leveraging modern technology, inspiring designs, next-generation innovations and a people-first, purposeful approach, Rushil is passionate about setting new industry standards and superior experiences, ensuring high productivity.

The company has five state-of-the-art manufacturing plants with an annual capacity of 3,30,000 cubic metres (CBM) for MDF and 3.49 million laminates, which cater to its customers in more than 50 countries across the world. The company achieved revenue of Rs 838.4 crore in FY23 with EBIDTA and PAT of Rs 149.4 crore and Rs 77.7 crore respectively. With a strong network of branches, distributors, thousands of dealers and a rich talent pool of experts, Rushil is focused on redefining the future of wood. What makes Rushil special is its unmatched quality, design, customer-centricity, value-led DIY green-engineered products from agro-forestry and a wide range of high-performance surface engineering solutions.

Financial Highlights For Q3FY24

Particulars	Q3 FY24	Q2 FY24	Q3 FY23	Y-o-Y(%)
Sales Volume MDF (CBM)	65,896	60,413	57,310	14.98
Sales Volume Laminates (Sheets)	7,37,024	7,74,032	7,77,834	-5.23
Revenue from Operations	213.11	204.60	210.30	1.34
EBITDA*	30.65	29.18	26.53	15.54
EBITDA Margin	14.38%	14.27%	12.62%	14.02
PAT	11.36	10.55	10.23	11.03
PAT Margin	5.32%	5.15%	4.85%	9.61

(In Rs Crore)

**For Q3FY24, if forex loss is not considered, EBITDA in terms of value would be Rs 33.74 crore and EBITDA margin would be 15.83 per cent*

The AI sector has experienced significant growth by building upon the foundation of India's talent pool.

ogies. However, immediately two months later, the Ministry of Electronics and Information Technology indicated that India intended to regulate AI through the Digital India Act.

The debate around AI regulation centres upon two main arguments. Those who oppose regulation believe that we should promote and adapt to the rapid advancement of AI technologies rather than restrain their development through regulatory measures. On the other hand, those who argue in favour of regulation are primarily concerned with the risks associated with AI, such as job displacement and other unintended consequences. A recent study from India's Centre for Policy Research highlights the importance of considering job losses due to AI, especially in a labour-intensive economy like India. The emergence of embodied AI is particularly concerning as it could soon enable robots to replace human labour, potentially leading to massive job losses.

Moreover, India is facing a dilemma regarding how to regulate AI within the country. The global regulatory landscape for AI is fragmented, and within India, there are ongoing discussions about which existing regulatory framework to follow. There is a debate on whether India should model the EU's AI Act, or adopt AI regulations from the US, the United Kingdom (UK) or China.

Choosing a path

Is it advisable for India to adopt a pro-innovation policy similar to that of the UK? When equated with the UK, India currently lacks the necessary digital infrastructure to develop AI foundation models. However, India has a large talent pool of software developers and a booming consumer market. It is estimated that India will become a major supplier of AI applications, serving not only its growing domestic market but also the global market.

Should India consider adopting a risk-based policy similar to that of the EU? India, just like the EU, has a fragmented market and heavily depends on US technology conglomerates for most of its AI foundation technologies. However, unlike the EU, India did not have comprehensive data protection legislation until the introduction of the Digital Personal Data Protection Act, 2023. Therefore, it is safe that India strengthens its data protection laws, considering its collaboration with foreign AI foundation technologies.

There is a debate on whether India should model its AI law on those of EU, US, UK or China.

Should India adopt an industry-specific policy like the US? If India is going to partner with foreign technology conglomerates for their AI foundation models in the foreseeable future, it would be best for the Indian government to work closely with these foreign technology partners to draft its data protection and AI regulation policies. It is interesting to note that Microsoft has already made a move to develop an AI regulation proposal for India.

Should India adopt a State-control policy like in China? Such an approach may not be useful, unless there is a sudden change in India's geopolitical stance. Currently, India lacks the digital infrastructure required to develop world-leading AI models independently. Additionally, India is projected to remain an ally of the US, and it is unlikely that access to US AI technologies will be restricted. Therefore, India should focus on developing AI applications on top of AI foundation models from its technology partners to sustain its economic growth.

In conclusion, there are three key steps that India needs to take to tackle the AI regulation quandary. Firstly, India should capitalise on its advantage in software development and take a pro-innovation approach to foster domestic AI applications. Secondly, India needs to refine its data protection laws and adopt a risk-based approach towards foreign AI foundation models. Lastly, it should work closely with major foreign technology partners to develop and improve its AI regulation policy.

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

Servotech Power Systems Bags Rs 120-Cr Order For 1,800 DC Fast EV Chargers From BPCL

Servotech Power Systems Ltd (NSE: SERVOTECH), a leading EV charger manufacturer in India, has bagged a major order for 1,800 DC fast EV chargers from Bharat Petroleum Corporation Limited (BPCL). The project, valued at Rs 120 crore, will involve Servotech manufacturing, supplying, installing and strategically deploying these 1,800 EV chargers across the nation, particularly at BPCL's petrol pumps in major cities, as a part of BPCL's e-drive project. This move is a crucial step in promoting widespread EV charging infrastructure.

With strong pan-India presence, Servotech Power is focusing on innovations and expansion of its reach.

The project encompasses two charger variants – 60 kw and 120 kw –and Servotech aims to complete this extensive project by the end of 2024, contributing to the nation's evolving EV ecosystem. This initiative aims to establish e-mobility touchpoints, optimising transactions, improving availability, simplifying discovery, and facilitating navigation for EV users. The overarching goal is to ensure convenient access to the expanding EV charging network.

Commenting on the order, Sarika Bhatia, a director of Servotech Power Systems Ltd, says: "We take immense pride in accelerating India's e-mobility revolution in collaboration with BPCL. Our partnership focuses on establishing a dynamic EV charging network that makes EV charging accessible for EV owners nationwide. Through cutting-edge DC fast EV chargers, Servotech Power Systems aims to play a pivotal role in realising India's ambitious goals in the e-mobility sector, bringing the nation closer to becoming an EV-powered nation."

She further adds: "As India wholeheartedly embraces electric mobility, Servotech stays at the forefront of developing a robust EV charging infrastructure and has already successfully supplied 4,000 EV chargers across India (as of January 2024). Our active support ensures that the nation's smooth transition towards a cleaner and more sustainable transportation ecosystem. This strategic initiative not only represents a significant milestone but also paves the way for a robust and expansive charging network, essential for the future of high- capacity and rapid EV charging."

Serovtech Power Systems and BPCL had previously worked together to transform the e-mobility landscape. Recently, the company had also bagged an order to supply and install 2,649 AC EV chargers at different locations across the country for BPCL's E-drive project. Servotech has already completed 36 per cent of supply and installation, and the entire project will be completed by March 2024.

Servotech Power Systems is an NSE-listed organisation that develops tech-enabled EV charging solutions, leveraging their 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 in both commercial and domestic sectors. With its comprehensive engineering capabilities, the company plans to play a pivotal role in developing India's EV tech infrastructure. A trusted brand with strong pan-India presence, Servotech Power Systems' legacy is marked by proven innovation and distribution of high-end LED lighting and UV-C disinfection products, along with medical-grade oxygen concentrators and their makings.

"Plan, Do, Review & Repeat"

"I have always believed in encouraging a culture of innovation. Be open to experimentation and learning from failures. It is about taking calculated risks, iterating quickly and minimising the cost of failures to accelerate the learning process."

Rahul Jain is a strong votary of taking calculated risk. A calculated risk that Mr Jain took in his very first job changed the entire course of his personal and professional lives. Working in Singapore at Deutsche Bank's credit structuring department, Mr Jain realised that his true calling was in business. Quitting his plush job, he returned to India and enrolled into an MBA course at the prestigious Indian School of Business (ISB), Hyderabad.

He soon realised the potential in the Indian dairy industry and started an organic milk brand to bridge the gap between demand and supply of quality milk. During the course of the venture, he met Rohan Mirchandani and recognised that they both shared a similar passion. The duo founded Drums Food to build and promote brands in the premium dairy segment.

Mr Jain is a BTech graduate in Metallurgy and Materials Science from IIT Bombay, apart from an MBA from ISB. Coming from a business family, he has grown up with first-hand knowledge of business intricacies and nuances.

Beyond work, Mr Jain loves to meet people from all walks of life and learn from their experiences. He enjoys reading and sports. A big cricket buff, he follows all games religiously notwithstanding which teams are playing. He loves to travel and explore various cultures. He also enjoys trekking and has been to multiple treks in India and South-East Asia.

Sharmila Chand meets up with Mr Jain and comes back impressed about his burning passion for business as well as his deep insights into various management principles and practices.

Your five management *mantras*

- ***Plan, do, review, repeat:*** This *mantra* emphasises the iterative process of continuous improvement. It encourages me to plan a change, implement it, monitor its effects and then adjust the plan accordingly.
- ***People are our greatest assets:*** I am a very strong believer of valuing and investing in my teams. Any organisation's success is heavily influenced by the skills, dedication and well-being of its employees.
- ***Customer is king:*** Their needs, their feedback, and their tastes – all of them have to take centrestage. All our departments are oriented to think and act customer-first.
- ***Work smart:*** Work smart, leverage technology, optimise processes and focus on the high-impact stuff. Don't sweat the small stuff.
- ***Fail fast, fail cheap:*** I have always believed in encouraging a culture of innovation. Be open to experimentation and learning from failures. It is about taking calculated risks, iterating quickly and minimising the cost of failures to accelerate the learning process. We live in a too fast-paced environment to learn slowly.

A game that helps your work

I am an avid Squash player, and it has become a crucial aspect of my routine. Beyond being a fantastic stress reliever, Squash demands intense focus and rapid decision-making. Engaging in this fast-paced game allows me to disconnect from the demands of my professional life temporarily and immerse myself entirely in the present moment. Squash has taught me the importance of strategic thinking, adaptability and maintaining composure in high-pressure situations, all of which are invaluable lessons that seamlessly translate into the challenges of the corporate world.

The turning point in your career life

Things were going smoothly while working at Deutsche Bank in Hong Kong. The turning point came during a chat with my dad. He asked about my long-term plans, and what I would like to do for the rest of my life, making me realise that I did not want to stick to banking forever. I wanted to make a real impact. That conversation was a game-changer! I took a bold step to leave Deutsche Bank, returned to India and took a year at ISB to introspect and figure out my next steps.

During that time, I stumbled upon the dairy sector, and it changed everything. Switching from finance to the dairy industry was not just a career move; it reshaped my life. It all started with a simple talk with my dad and led me to a place where I am passionate about making a meaningful difference in business.

Secret of your success

At the core of any success is a profound ambition. I firmly believe that dreaming big is the ultimate secret to achieving remarkable milestones in life. Once you have that ambition, the journey to success obviously begins with hard work and dedication

The best advice you got

I think the best advice I ever got was to distinguish between "must-haves" and "good-to-haves". It is valuable in various aspects of life, including decision-making, goal-setting and resource allocation.

Your sounding board

Rohan Mirchandani, my co-founder at Drums Food, and my father

Your favourite books

The Psychology of Money by Morgan Housel – it shows you a holistic approach to finance and investing. It helped change my perspective about money and success and made me much calmer and helped to detach the two which are always considered as related topics.

Another book that I absolutely love is *Shoe Dog* by Phil Knight that chronicles the founding and growth of Nike. It is an inspiring example of the determination required to overcome adversity in business. A never-say-no attitude will always bring you closer to your dreams and help you achieve them.

Your fitness regime

I believe that it is crucial to listen to your body and make adjustments on the basis of how your body feels. I am a mindful eater and follow a strict intermittent fasting regime.

RAHUL JAIN
Co-Founder & CEO
Drums Food

> "It is important to be clear in your vision and embrace a mindset of continuous learning. Clarity of thought is more relevant today with so much noise around. It is the strongest anchor for any business."

to turn those dreams into reality. It is the combination of a clear vision and the relentless pursuit of that vision that has been the driving force behind my achievements.

Your philosophy of work

To be effective as a leader, it is imperative to foster capable and motivated individuals and empower them with responsibility and ownership of work. The next piece flows naturally from there – give those individuals the necessary resources and guidance. I am a very strong proponent of empowered teams that actually help create real action.

Any person you admire

Sounds predictable, but it would be Mukesh Ambani. I am amazed by his vision and act of fabulous diversification across sectors. His ability to embrace innovation and bold decision-making is exemplary.

Your message on management to youngsters

It is important to be clear in your vision and embrace a mindset of continuous learning. Clarity of thought is more relevant today with so much noise around. It is the strongest anchor for any business.

How would you define yourself in one sentence?

A collaborative and detail-oriented individual with a keen ability to navigate and build consensus among diverse stakeholders, possessing both micro-level attention to detail and a macro-level strategic perspective. ■

Write to us at chand.sharmila@gmail.com

Sarveshwar Foods Enhances Procurement With 2 New Centres In Kulgam And Doda

Sarveshwar Foods Limited is strengthening its procurement channel further by setting up of two more SFL Chaupals (Procurement Facilitation Centre) for procurement of walnuts, rajma, apple, black morels (gucchi), kala jeera and other authentic Himalayan delights directly from farmers in Kulgam and Doda.

With these new locations, now Sarveshwar Food is operating 12 SFL Chaupals at various locations across the Jammu and Kashmir region, seven in Jammu and five in Kashmir. All these SFL Chaupals are being managed by trained local farmers who help the local agricultural community to access information in their local language.

SFL Choupals – Sarveshwar Food's Procurement Facilitation Centres – are established with two objectives: First, to speed up and smoothen procurement by eliminating unnecessary leakages, delays and logistical challenges and second, to engage with farmers from the start of the crop cycle, assist them at every stage of cultivation and provide full patronage.

SFL Choupals make real-time, up-to-date, relevant information on price discovery, agricultutal knowhow and best practices, etc, readily available. Through SFL-Choupals, Sarveshwar Foods wishes to leverage its expertise in an organised way to address various challenges faced by the farmer and provide a 360-degree intervention platform to trigger a virtuous cycle of higher farm productivity, higher income, enlarged capacity for farmer risk management, which will eventually ensure consistent supply of quality and authentic farm products to the company.

Mr Rohit Gupta, the chairman of Sarveshwar Group, comments on this occasion: "I am delighted to announce the opening of two more SFL Choupals in Kulgam and Doda. These SFL Choupals have been a grand success so far and achieved their objectives very well as with the presence of these SFL Choupals at the doorstep of farmers, farmers have been able to raise productivity, improve quality, manage risk and earn better. On the other hand, by creating a more efficient procurement channel, these SFL Choupals have smoothened the procurement process to a large extent, reduced transaction costs and improved overall supply chain."

Sarveshwar Foods is an ISO 22000:2018 and USFDA (United States Food and Drug Administration)-certified company. It also has BRC (biggest global standard for food safety), Kosher, NPPO USA and CHINA, along with NOP-USDA Organic certifications for its products.

Sarveshwar is the first private sector NSE- and BSE-listed food company in Jammu and Kashmir.

The company is engaged in the business of manufacturing, trading, processing and marketing of branded and un-branded Basmati and non-Basmati rice in domestic and international markets. Its operations are based out of the Jammu region in Jammu and Kashmir. The company has sustainable and eco-positive legacy of serving healthy and tasty rice for more than 130 years, and in last couple of decades, it has proliferated its heritage to other premium categories of FMCG and organic products.

To sell its products, Sarveshwar Foods has adopted three-way strategies, first through conventional channels, another to have its own retail outlets and to tap young and tech-savvy generations' growing tendency of buying products online through www.nimbarkfoods.com. Sarveshwar is the first private sector NSE- and BSE-listed food company in Jammu and Kashmir with NSE Symbol: SARVESHWAR and BSE Scrip Code: 543688.

Vikas Lifecare Approves Allotment Of Equity Shares To FPIs

Vikas Lifecare Ltd, a leader in trading and manufacturing of polymer, rubber compounds and additives for plastics, synthetic and natural rubber, has announced that its fund-raising committee has approved allotment of 10,41,65,000 equity shares to Qualified Institutional Buyers (QIBs). The shares were allotted to FPIs – Coeus Global Opportunities Fund, AG Dynamic Funds Ltd and Nakshatra Stressed Assets Fund.

Earlier, the company had announced that for the purpose of capacity expansion and augmentation of manufacturing operations for the company's conventional business of polymer and rubber compounds, it had acquired a new land parcel, measuring about 1,800 sq m adjoining the existing factories located at RIICO Industrial Area, Shahjahanpur, Rajasthan.

The company has recently diversified its business interests beyond raw materials and forayed into the B2C segment.

The total cost of acquisition and development of the land and the building thereon will be about Rs 30 million, whereas the equipment for the expansion of production capacity will cost another Rs 230 million.

The new expansion will be ready to be utilised within the next three to four months and is expected to add an additional Rs 600 million to the gross revenues from the compounding business segment.

Vikas Lifecare is working in all directions to tap into the vertical as well as horizontal growth options via expanding conventional businesses and venturing into new business segments to fuel the fast-growth plans through various routes, including merger and acquisition of going businesses from diverse fields.

Vikas Lifecare is an ISO 9001:2015-certified company, engaged in trading and manufacturing of polymer, rubber compounds and additives for plastics, synthetic and natural rubber. The company is conventionally engaged in various business segments, such as 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 company is also a Del-Credere agent of ONGC (Oil and Natural Gas Corporation Ltd) Petro Additions Limited, a public sector undertaking producing a wide variety of base polymers and commodity plastic raw materials.

As a long-term business strategy, the company has most recently diversified its business interests beyond raw materials (B2B businesses) and forayed into the B2C segment with a host of consumer products, including FMCG, agro and infrastructure products, paving the way for an aggressive business growth with intricately planned and selected product portfolios via acquisitions, joint ventures and tie-ups. Vikas Lifecare intends establishing and acquiring businesses in these segments, thereby expanding its footprint in the country and beyond.

The company's subsidiary, M/s Genesis Gas Solutions Pvt Ltd, is engaged in the business of smart gas meters that are supplied to all major gas distribution companies for domestic and commercial consumers. Genesis pioneers in smart gas and water metering and commands about 20 per cent of the domestic gas metering business share in India.

The securities of the company are listed on both the stock exchanges, BSE (Scrip Code: 542655) and NSE (Symbol: VIKASLIFE).

Vikas Lifecare Subsidiary Genesis Gas Solutions Incorporates JV Company Indraprastha Genesis Technologies Limited

Vikas Lifecare Limited has announced that its subsidiary company Genesis Gas Solutions Pvt Ltd has accomplished the incorporation of IGL Genesis Technologies Limited, a joint venture company with Indraprastha Gas Limited (IGL). IGL Genesis Technologies Limited has been incorporated with equity participation from IGL and Genesis Gas Solutions in the ratio of 51:49 respectively.

With the incorporation of IGL Genesis Technologies, Genesis Gas Solutions has completed inducement of its share of the paid-up capital amounting to Rs 181 million in the newly-incorporated entity.

IGL Genesis Technologies is setting up a plant in Noida to manufacture smart meters for the city gas distribution sector.

Genesis Gas Solutions had earlier announced having entered into a joint venture (JV) agreement with IGL to establish India's first integrated, state-of-the-art smart meter manufacturing plant with a total capital expenditure of Rs 1,080 million. The JV company, IGL Genesis Technologies, will manufacture diaphragm gas meters equipped with IoT technologies like LoRa, LoRaWAN, Bluetooth, NFC, NB-IoT, etc. IGL Genesis Technologies will also indigenously develop the software and interface programmes with in-built smart analytics, dashboards and predictive maintenance protocols and allied systems for the smart meters manufactured.

The manufacturing facility is being developed on land located at Sector-145, Noida, Uttar Pradesh, with a building initially measuring about 65,000 sq ft, which will be ready by the end of February 2024, and fittings and fixture will be completed by the end of May 2024. Orders for manufacturing equipment have already been finalised and will be placed by January 2024.

This IGL and Genesis JV is being established following the spirit of the Union government Make In India-Make For The World initiative and will be instrumental in a paradigm shift in favour of Indian players in the field. Initially, the smart meter manufacturing plant will have installed capacity to manufacture 1 million meters annually and is planned to be operational by July 2024.

IGL Genesis Technologies is aiming to tap the potential in high demand for smart meters not only for domestic consumers but for international market as well by providing latest technology-based metering solutions meant for long-range communication and capable of working in low-power networks, automated metering and pre-paid metering.

Genesis was co-founded in 2017 by a team of technopreneurs and finance professionals and has been specifically focused on evolving the city gas distribution sector. Genesis is a pioneer in smart gas and water metering in India and commands about 17 per cent of the domestic gas metering share in the country. Genesis Gas has also ventured into commercial pipeline contracts for Indian Oil Adani Gas Pvt Ltd (IOAGPL), a joint venture between Indian Oil Corporation Limited, a Maharatna company of the Government of India, and Adani Total Gas Limited – a city gas distribution company that is a part of country's leading integrated business conglomerate – the Adani Group.

Vikas Lifecare is an ISO 9001:2015-certified company, conventionally engaged in manufacturing and trading of polymer and rubber compounds and speciality additives for plastics, synthetic and natural rubber, contributing to environment protection initiatives of the government. The company is also a Del-Credere agent of ONGC Petro Additions Limited, a public sector undertaking producing a wide variety of base polymers and commodity plastic raw materials.

As a long-term business strategy, the company has most recently diversified its business interests beyond raw materials (B2B businesses) and forayed into the B2C segment with a host of consumer products, including FMCG, agro and infrastructure products, paving the way for an aggressive business growth with intricately planned and selected product portfolios via acquisitions, joint ventures and tie-ups. The securities of the company are listed on both BSE (Scrip Code: 542655) and NSE (Symbol: VIKASLIFE).

US SEC's nod to float 11 Bitcoin ETFs

The US Securities and Exchange Commission (SEC) has approved 11 applications for spot Bitcoin exchange-traded funds (ETFs). This is a landmark decision that could significantly impact the cryptocurrency industry. The move marks a significant shift in the SEC's approach towards cryptocurrencies, particularly Bitcoin. These approvals come after a long history of rejections by the SEC due to concerns about market manipulation and speculative nature of cryptocurrencies. A major turning point had occurred last year, when the largest money manager, BlackRock, had filed for a spot Bitcoin ETF. Besides, a legal victory by Grayscale Investments over the SEC led the SEC to change its stance.

First trillionaire in 10 years: Oxfam

The 2020s are a decade of crisis, and the world today faces a fundamental choice between ushering in an age of "billionaire supremacy" and repurposing the economy to serve the interests of the many, Oxfam has said. The relief agency estimates that if the wealth of the five richest billionaires continues to rise at the same rate as it has over the past half a decade, the world will see its first trillionaire within ten years. "However, we will not eliminate poverty for 230 years," it adds. The past has not just widened the gulf between rich and poor but "between an oligarchic few and the vast majority".

BlackRock, GIP in $12.5-billion deal

BlackRock will be buying Global Infrastructure Partners (GIP) for $12.5 billion in a major bet on alternative assets. It has announced a shake-up of GIP's top management. The deal, which includes $3 billion in cash and 12 million BlackRock shares, will put the asset management giant at the heart of investing in ports, power and digital infrastructure projects around the globe. Once the deal closes, the firm will hold approximately $150 billion in infrastructure assets across a portfolio that ranges from the US liquefied natural gas export market to wastewater services in France to airports in England and Australia.

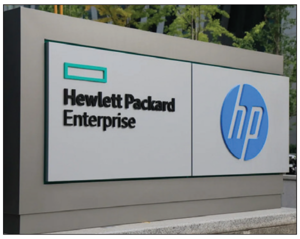
Synopsis to buy Ansys for $35 bn

Semiconductor design and software firm Synopsys has announced that it will acquire Ansys, an engineering and product design software firm, in a cash-and-stock deal valued at approximately $35 billion. The acquisition is one of the largest tech deals announced in recent years. Synopsys will pay roughly $390 per share: $197 per share in cash and roughly one-third of a Synopsys' share for each Ansys' share. The deal is expected to close in the first half of 2025, pending regulatory and shareholders' approval. Evercore and Cleary Gottlieb Steen & Hamilton served as advisors to Synopsys. Qatalyst Partners, Skadden and Goodwin Procter advised Ansys.

Microsoft set to slash 1,900 employees

Microsoft is cutting around 1,900 jobs at Activision Blizzard and Xbox. The cuts represent around 8 per cent of the overall Microsoft Gaming division, with most of the layoffs set to happen at recently-acquired videogame publisher Activision Blizzard. The news follows job cuts at several other big companies, including Alphabet, eBay, and Amazon.com, which have signalled that the widespread pruning seen across the tech industry last year would continue in 2024. Microsoft had closed its $69-billion deal for Activision Blizzard last October, boosting its heft in the video-gaming market with best-selling titles, including Call of Duty, to better compete with industry leader Sony.

HP to snap up Juniper for $14 billion



Hewlett Packard (HP) Enterprise will buy networking gear-maker Juniper Networks for $14 billion in an all-cash deal in an attempt to spruce up the company's artificial intelligence (AI) solutions. HP has offered $40 per share to Juniper shareholders, the companies have said. The acquisition comes at a time when the AI gold rush has led companies to pour billions of dollars into upgrading and developing new wares and is expected to double HP's networking business. HP, grappling with sluggish demand in its traditional server business, is looking to tap into Juniper's businesses such as network security and AI-enabled enterprise networking operations.

AI may impact 40% of global jobs: IMF

The IMF has warned that nearly 40 per cent of global jobs could be affected by the rise of artificial intelligence (AI), with high-income economies facing greater risks than emerging markets and low-income countries. The Washington, DC-based institution has assessed the potential impact of AI on the global labour market and found that, in most cases, the technology is likely to worsen overall inequality. IMF Chairperson Kristalina Georgieva has urged policymakers to tackle this "troubling trend" and to take steps proactively "to prevent the technology from further stoking social tensions". The IMF notes that about 60 per cent of jobs may be impacted by AI in high-income nations.

Court orders liquidation of Evergrande

A court in Hong Kong has ordered liquidation of debt-laden Chinese property giant Evergrande. Judge Linda Chan has said, "enough is enough" after the troubled developer repeatedly failed to come up with a plan to restructure its debts. The company has been the poster child of China's real estate crisis with more than $300 billion of debt. But it is unclear how far the Hong Kong ruling will hold sway in mainland China. The property giant, which has been in hot water with its creditors for the last two years, has filed a request for another three months' leeway. But Judge Chan has turned it down. ■

HMA Agro Enters Into An Agreement With Maharashtra Food Processing & Cold Storage

HMA Agro Industries Ltd (BSE: 543929, NSE: HMAAGRO), a leader in handled foods and agro products, has announced that it has entered into an agreement with Maharashtra Food Processing & Cold Storage, a partnership firm, for providing facilities of slaughtering, chilling, processing, freezing and packing of frozen halal boneless buffalo meat, duly packed in food-grade polythene bags.

Earlier, the company had executed a stock split in the ratio of 1:10, i.e. sub-division or split of each equity share with face value of Rs 10/- each fully paid-up into ten equity shares with face value of Re 1/- each fully paid-up. The record date for the split was December 29, 2023.

For Q2FY24, the company had reported revenue of Rs 11,847 million, EBITDA of Rs 566.44 million, PBT of Rs 530.95 million and PAT of Rs 381.68 million. For H1FY24, the company reported revenue of Rs 21,455 million, EBITDA of Rs 1,178.59 million, PBT of Rs 1,101.66 million and PAT of Rs 808.88 million.

Serving in around 60 nations, HMA Agro has transformed into the world's driving food chain organisation.

HMA Agro Industries operates as a food trade organisation. The company offers handled food and agro products, including frozen fresh buffalo meat, prepared and frozen natural products, fruits, vegetables and cereals. HMA Agro Industries serves customers worldwide. The company has production capacity of 1,472 mt per day. The company's state-of-the-art manufacturing facility is spread across six cities, including Agra, Unnao, Punjab, Aligarh, Mewat and Prabhani. It has a fully-integrated infrastructure for manufacturing and retailing with complete automation. The company is strategically reducing sales to low-margin countries and gradually shifting towards higher-margin markets.

The HMA Group is one of the largest food trade organisations for handled food and agro-products, including frozen fresh de-glanded buffalo meat, prepared or frozen natural products, vegetables and cereals in India and has an experience of 63 years altogether. Today, HMA can be found in various nations, and it has set its sights on expanding substantially further. It currently serves in around 60 nations worldwide and has transformed into the world's driving food chain organisation. The HMA Group has a total strength of around 25,000 employees and works in excess of ten workplaces and five working environments in India.

HMA has accomplished beneficial advancement in its passages, all through the last two decades. The company's products and practices have adorned with some of the top world-class certifications, such as OHSAS, HACCP, ISO 9001, ISO 14001, ISO 22000, FSSC 22000 V 5.1, ISO 45001, GMP, GHP and ISO 37001. As a leading exporter of animal-based food products, HMA Agro is committed to delivering shareholder wealth by achieving exponential growth. With a clear vision and an impactful growth strategy, it is determined to make a sustainable business over medium and long terms.

Dissecting China

Economist and author Keyu Jin reveals the frequently-misunderstood dynamics at play in the world's second-largest economy.

Although China's economy is one of the largest in the world, Western understanding of it is often based on dated assumptions and incomplete information. In this new book, economist Keyu Jin burrows deep into the mechanisms of a unique system, taking a nuanced, clear-eyed and data-based look inside. From the far-reaching and unexpected consequences of China's one-child policy to the government's complex relationship with entrepreneurs, from its boisterous financial system to its latest push for technological innovation, Ms Jin reveals the frequently-misunderstood dynamics at play.

China is entering a new era, soon to be shaped by a radically different younger generation. As it strives to move beyond the confines of conventional socialism stained by shortages and capitalism hindered by inequality, the world is about to witness the emergence of a completely new dynamic between two diametrically-opposite systems.

Ms Jin writes that the US leads the world in "Zero to One" breakthroughs. Education, finance and government combine to produce major advances in energy, technology and medicine. On the other hand, China excels at taking Western business models, like smartphones and ridesharing, and optimising them for China's domestic market. This is what the author calls the advantage of "One to N" innovation.

As an economist, Ms Jin is aware of the current debate between analysts who argue that China has peaked and may stagnate and those who take a more optimistic view. Both agree that the era of rapid growth is over, and the middle-income trap is threatened. They differ in their assessment of the system's capacity to deal with it.

Ms Jin is an optimist: while she acknowledges the well-rehearsed challenges – a ropey financial sector, huge internal debt, collapsing property market and an ageing

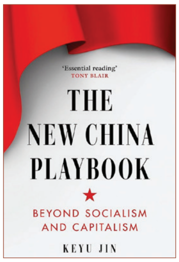
population – she believes that Beijing has a unique and still evolving model that will allow China to grow through these difficulties. In her account of the previous phases of Chinese growth, she rightly points to the role of ambitious local politicians in fostering new companies and industries. Whether she is right to extrapolate from that experience that today's leaders can address the country's contemporary issues in the same pragmatic, incremental and ultimately successful manner, remains contested. Those who disagree point to endemic corruption, increased repression and stalled total factor productivity as obstacles yet to be effectively tackled.

A major problem with this book is the author's disconcerting lack of engagement and a tendency to omit unwelcome information. She acknowledges that there are issues that are likely to concern her readers, but also implies that they are rather beside the point. The author willingly seems to skirt political issues and matters related with the Chinese government that do have an important bearing on the Chinese economy as well as its society.

For instance, Ms Jin refers to a drop in grain production between 1959 and 1961 without mentioning that harvests collapsed because of government policy and between 30 and 50 million citizens starved to death as a direct result. This omission is more surprising since she insists that accountability is the key to the legitimacy that she argues the Chinese Communist Party enjoys. The real cause of that mass starvation is still not officially acknowledged.

Yet the understanding of China's playbook that Ms Jin provides will be essential for anyone hoping to interpret the nation's future economic and political strategy. While China's rise on the world stage has stirred a wide range of emotions, one thing is certain: a deep understanding is essential for successfully navigating the global economy in the 21st century.

THE NEW CHINA PLAYBOOK



Author: Keyu Jin

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About the author

***Keyu Jin** is an associate professor of economics at the London School of Economics and Political Science. She has worked with the China Banking and Insurance Regulatory Commission, the World Bank and the International Monetary Fund. She is currently a global board member for Richemont. Born and raised in Beijing, she holds a BA, an MA and a PhD in economics from Harvard University and resides with her family in London and Beijing.*

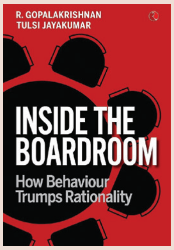
Behaviour Matters

The largest private airline in India went bankrupt, as did the bank that could not say no to its borrowers who defaulted on huge loans. Could these disasters have been foreseen, if not averted? Would it have helped if the directors on the board had spoken up before the corporate failure?

This book explores the downfall of these companies and many more in the light of directors' behaviour and its impact on corporate governance. Authors R Gopalakrishnan and Tulsi Jayakumar believe that corporate success goes beyond having significant knowledge of accounting rules and governance regulations. They boldly assert that directors' behaviour in the boardroom is less rational than may be widely believed! Being human, directors' decisions are naturally subjective and prone to behavioural bias, especially when confronted with manifestations of power, passion and authority in the boardroom, or even a secret desire to be accepted by others. Hence, successful directors and boards need to be deep observers of human behaviour and boardroom dynamics because behavioural and cultural nuances are significant aspects in most incidents of mismanagement leading to governance failure.

Lucidly described with a plethora of real events and insightful instances, the book showcases the authors' experience with governance and boardroom behaviour. It brings to light misbehaviours in the boardroom, early warning signs of failing governance in companies and some magical *mantras* for CEOs and independent directors to prevent failures.

INSIDE THE BOARDROOM



Authors:
R Gopalakrishnan & Tulsi Jayakumar

Publisher:
Rupa Publications India

Pages:
244

Price:
Rs 695

About the authors

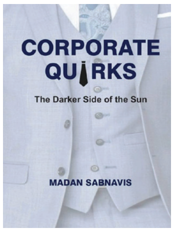
R Gopalakrishnan *has played every type of board role on more than 25 boards of companies over 35 years as CEO, executive director, non-executive director, board chairman and as independent director. His board experience is rich and has provided him a ring-side view of corporate governance.* ***Tulsi Jayakumar*** *is professor of finance and economics and executive director of the Centre for Family Business & Entrepreneurship at Bhavan's SP Jain Institute of Management & Research, Mumbai.*

Laugh Out Loud

The contribution made by the corporate sector to the Indian economy is well documented. Everyone wants to be a part of this canvas. But there are some quirks that run through all companies; and have been written about based on personal experiences. This can be about HR practices, CEOs, awards, communication, bosses, genuflection, conferences, gifts and even mundane things like emails and presentations.

The reader will find this familiar and may wonder over the in-depth knowledge of the author. The answer is that these quirks pervade the corridors and cabins of all companies. They are serious yet funny – serious because they often happen, and funny because one needs to have a sense of humour to savour the way of corporate life. These pages are to be read with a smile and taken in the right spirit because as the bard had said: All of us are actors that speak our lines and walk off the stage!

CORPORATE QUIRKS



Author:
Madan Sabnavis

Publisher:
KBI Publishers

Pages:
212

Price:
Rs 536

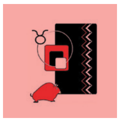
About the author

Madan Sabnavis, an accidental economist, who became one due to his inability to open other career doors, is a postgraduate in economics from Delhi School of Economics and has graduated from St Stephen's College, Delhi, in economics (honours). He has been a corporate economist for 36 years, of which 35 were in the private sector – erstwhile ICICI, ICICI Bank, Larsen and Toubro, NCDEX and CARE Ratings. He is currently the chief economist of Bank of Baroda.

Aries
Mar 21-Apr 20

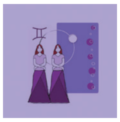
As the month begins, impact of planets will make you able to act wisely, and your determination will never let your finances down. If you have some hurdles in money matters, take a balanced decision with a professional advice and rectify the problems urgently. You are going to have stable conditions in terms of your money as the month advances. However, don't spend too much on things that are not required.

Taurus
Apr 21-May 20



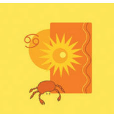
This month is likely to provide you with a good opportunity to strike some good financial deals. Make good use of this supportive time to enhance your financial growth. You need to handle matters related to finance or investments much cautiously though. As the month advances, you may find that your income does not grow or even gets stagnant. Perhaps it is time to change strategies and established ways of earning.

Gemini
May 22-Jun 21



In the beginning of the month, you need to handle matters related to finance or investments much cautiously. You need to formulate a strategy to manage some unexpected expenses. Money matters will get better planetary support gradually. You will be in a position to cater to all your required expenses with no major strain. It will be a good phase to set up savings. The period around the mid-month may lead to some opportunities for growth.

Cancer
Jun 22-Jul 21



The month will remain profitable for monetary growth. You can spend money freely as money supply will remain stupendous. Your financial mentor will also help you progress in financial projects with his valuable impetus. But as the month advances, you will have to put in a sound, long-term strategy for the period ahead. All the financial decisions must be taken with due calculation and expert advice. Trust your instincts, but back them with reason too. Otherwise, you may have to face some cash crunch around the mid-month. There will be some promising opportunities for gain and an excellent time for the finances during the latter half of the month, adds Ganesha.

Leo
Jul 23-Aug 23

You may have many ideas and strategies floating around in your mind to strengthen your financial status during the month. However, planetary influences can be misleading, and you may find it difficult to make headway in the beginning. Financial prospects may be affected by the influence of adverse planetary transits which may lead to expenses related to family. However, with the blessings of planets, you may have gradual improvement in flow of income from around the mid-month. To minimise risk and maximise chances of success, it is recommended to do thorough planning.

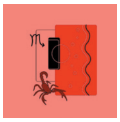
Virgo
Aug 24-Sep 23

Things look set to be encouraging and progressive for the financial realm in the beginning of the month. But there may be some uncertainty over some important financial matters. Planetary alliances may bring a major change to fulfil your financial goals as the month progresses. You will have ample support from planets to empower and manage your finances efficiently. However, planets will also push you to remain attentive about the requirements of your family. Favourable planetary influences may make you ambitious and impulsive which may cause problems.

Libra
Sep 24-Oct 23

As the month begins, you may get some good opportunities for growth and gain, but you must refrain from making any new investments at this time. There may be better opportunities as well as clarity about how to proceed further as the month advances. Impact of planets may strengthen your financial position. But a laid-back attitude can hurt growth prospects. Your financial planning will help you to remove obstacles and achieve the goals. Planets around the mid-month will do their bit to help you.

Scorpio
Oct 24-Nov 23



You will get a handful of financial opportunities for bringing most diverse projects into life as the month begins. There is no need to focus solely on saving money at this point. You must also try to utilise this phase to add some more comfort in your life as the period looks good to purchase some valuables or luxuries for yourself and your family. Better financial position may prompt you to buy luxuries you have hankered for always. Pay due attention to invest surplus funds productively. Your healthy investments will surely bring good returns. The mid-month will turn out to be extremely dynamic.

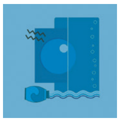
Sagittarius
Nov 24-Dec 21

This month may help you to strengthen your financial status. There will be some good opportunities for gain and growth in the beginning of this month. You may have enough funds at your disposal. But the impact of planets may make you over ambitious and force you to take undue risk as the month progresses, and it could also affect your financial status. Some old issues related to your investments may come to the fore and are likely to demand your attention around the middle of the month. However, the period after the mid-month may bring some good earning opportunities.

Capricorn
Dec 22-Jan 20

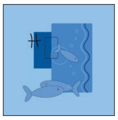
The beginning of the month may call for building new strategies and reviewing plans without taking impulsive financial decisions. As the month progresses, some new opportunities seem to be in the offing for you. Your efforts might bring positive results and gain. Refrain from taking any decision related to a major financial involvement in haste around the middle of the month. Time for result-oriented action in this domain commences after the mid-month. Some intelligent moves will yield encouraging monetary gains during the latter half of the month. You are likely to get some excellent opportunities to empower your financial strength.

Aquarius
Jan 21-Feb 18



The month may begin on an uncertain note. There may be some disturbing conditions on the financial front. But as the month advances, planetary positions seem supportive for increasing earnings. But you must remain careful about financial transactions. Planets will provide you some excellent earning opportunities to make your position stronger gradually. Planets will also help you take advantage of opportunities coming your way. The latter part of the month can be a slightly difficult phase. Carry on your plans with some modifications. There will be improvement in your financial position.

Pisces
Feb 19-Mar 20



The beginning of the month could be good for long-term financial planning and strengthening your financial status by using all available resources efficiently. There can be more power and resources available to you to establish a secure financial status. Areas of work would expand, leading you to better earning opportunities as the month advances. Though the outlook will improve gradually, you may also require to make systematic investments to derive desired financial growth. The period around the mid-month can be a very resourceful one, when you have much more energy for new money-making projects or for expansion of existing ones.

A Subdued 2024 For ONGC Stock

The company will be under constant pressure, thanks to influence of Saturn and Moon.

A public sector undertaking of the Union government, Oil and Natural Gas Corporation (ONGC) is governed by the Ministry of Petroleum and Natural Gas.

Astrological Observations

The Saturn and the Moon are located in the eighth house of the ONGC natal chart. It consequently constantly faces difficulties with regard to policies pertaining to charitable activity, the stock market, Capital Gains Tax and speculative endeavours. The government may potentially raise taxes and impose other limitations, which would reduce the company's earnings.

Important Timeframes

- Bhagya Bhava will be from natal Ketu.
- There will be a down trend throughout the year.
- There will be support from 16-03-2024 to 31-03-2024. There is no support anywhere else for the rest of the full year.
- Selling pressure will persist until 27-02-2024.

It is a second homecoming for Arvind Panagariya this new year. The eminent economist, who teaches political economy at Columbia University in New York, has recently been appointed the chairman of the 16th Finance Commission. Mr Panagariya – who was the first vice-chairman of the NITI Aayog between 2015 and 2017 – will once again have to take on many challenges in his current role.

Challenges, of course, are hardly new to the 71-year-old professor, who has travelled quite a distance from a small town in Rajasthan right up to the world-renowned university in New York. Born in Bhilwara in 1952, young Arvind completed his BA from University of Rajasthan, Jaipur, and later did his PhD in economics from Princeton University, New Jersey. Joining Columbia University as professor of political economy, Mr Panagariya collaborated with his eminent Indian economist colleague and professor, Jagdish Bhagwati, to publish many research papers and books jointly.

AT THE HELM

ARVIND PANAGARIYA

In between his teaching career, Mr Panagariya had been chief economist of the Asian Development Bank. Besides, he held important positions at the World Bank, the International Monetary Fund and the World Trade Organization.

When the Planning Commission of the Socialist-era India was replaced by the NITI Aayog as the new policy-making body by Prime Minister Narendra Modi in 2014, Mr Panagariya was the natural choice to head it. The eminent professor took a sabbatical from Columbia University and took over as the NITI Aayog's first vice-chairman in January 2015.

And now a decade later, Mr Panagariya is back in the policy-making realm with his new appointment. The 16th Finance Commission, which Mr Panagariya now chairs, has been tasked to submit its report for the five-year period between 2026-27 and 2030-31to the President by October 31, 2025. The Finance Commission is a constitutional body that provides recommendations to the government on the Centre-State financial relations. The 15th Finance Commission under former top bureaucrat N K Singh had recommended that States be given 41 per cent of the divisible tax pool of the Centre during the five-year period of 2021-22 to 2025-26.

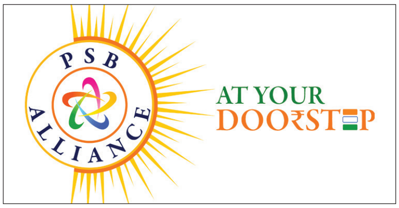
FACTS FOR YOU

PSB ALLIANCE

Public sector banks (PSBs) have been providing a variety of online services as good as their competitors in the private sector. In 2022, the 12 PSBs joined hands and formed a private entity, PSB Alliance, to offer more and better online services to their customers in a collective effort.

Way back in 2010, banking body Indian Banks' Association had set up CORDEx India, an entity floated by the PSBs for exchange of operational risk loss data among the lenders. In 2022, CORDEx India was converted into PSB Alliance to provide a boost to online banking services.

The main objective of incorporating PSB Alliance was to have a common IT and business process platform. It began functioning as an intermediary for all the PSBs by creating a common platform by drawing on the experience and inputs from the State-run banks. A year ago, PSB Alliance had launched doorstep banking through universal touch points.



PSB Alliance is entering supply chain financing to primarily help small businesses.

The combined scale of operations is a big advantage to PSB Alliance. It helps the PSBs to lower their cost of acquiring new business platforms and technologies. Besides, it also benefits the banks' customers to have access to the latest technology, coupled with standard robust processes.

PSB Alliance is now entering supply chain financing to primarily help small businesses. The combined entity aims to tap 5 per cent of the total credit market. For the new venture of supply chain financing, the combined entity has recently formed

Meanwhile, as the new finance panel gets down to business, it will have to work through quite a few challenges to devise a new finances-sharing formula. These are particularly tough times with fiscal federalism under severe strain. Lower-income States of north and east India get a larger share of the divisible pool of resources. Southern States have been expressing grievance of getting an unfair deal and being penalised for their development and better population and fiscal management. Most of the States are also unhappy with the Goods and Services Tax (GST), which, they claim, has denied them many important sources of income.

The finance panel will have to take all these concerns on board and come up with solutions that balance concerns of all stakeholders concerned. Mr Panagariya will perhaps have to summon all his impeccable academic credentials and rich administrative experience and come up with innovative solutions acceptable to all.

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a strategic technical collaboration with a supply chain-focused fintech player, Veefin Solutions. The partnership with Veefin will help deploy and operate a unified cloud-based supply chain finance ecosystem which will go live from the early next year and get commercialised from the early next financial year.

The online platform will enable micro, small and medium enterprises (MSMEs) to get financing through PSBs in the initial stages. There are plans to onboard private banks and non-banking financial companies (NBFCs) onto the platform at a later date. In a very short span, PSB Alliance has been able to match the services offered by fintechs and other private entities.

SPIRITUAL CORNER

Purusharth, Bhrant Purusharth & Prarabdha

Dadashri: *What is* prarabdha*? It is not in our hands (*satta*). It is under the control of another, and yet if we believe that it is in our control, that is our* purusharth. *"I did this, I did that". Although you are not the one doing it, you claim that you are. This is your misconception which is a* purusharth. *It is called an illusory effort (*bhrant purusharth*). And from the moment the awareness that 'I am not the doer' arises, the illusory effort (*bhrant purusharth*) stops, and the* purusharth *towards* moksha *begins.*

Questioner: *Will the feeling of "I am not the 'doer'" occur only if it is in the destiny?*

Dadashri: *It will only occur if it is in the destiny. However, it will not work just by saying that it is all in the destiny. After attaining the* Atma *(the Self), the real* purusharth *begins. If not, there is always the illusory effort! There is the illusory effort of the illusion (that 'I am Chandubhai*'), and there is the real* purusharth *of* Gnan *(that 'I am pure Soul'). Both continue to occur. The* purusharth *of* Gnan *will take you to* moksha*, and the* purusharth *of the illusion will make you wander around interminably in the worldly life.*

Questioner: Prayatna *(effort),* prarabdha *and* purusharth *– are all three the same?*

Dadashri: Prarabdha *and* prayatna *are the same thing. They are both 'children' of the same 'parents'. And what is considered real* purusharth*? It is that which is not mixed. It is integral. It does not need anything else. In real* purusharth*, you are not dependent on anything. It can be done whenever you want to do it; whereas, for the so-called* purusharth *of this worldly life, you can only get to the station if your legs are in good shape (healthy). You can only function properly, providing you do not have a headache. So you can say that everything is dependent on other factors. It is with expectations (*sapeksha*), whereas, real* purusharth *is independent and without expectation. You will find solutions to everything, if you come into real* purusharth.

Questioner: *I was on the* Kramic *path, and today my focus (*dhyan*) has turned towards the* Akram *path. So should I consider that as my* purusharth *or the effect of my destiny?*

Dadashri: *That is considered as fruition of your merit* karma *(*punya*). Your destiny (*bhagya *– unfolding of* karma*) brought you here. Then 'we' gave you* Gnan. *Which made you a* Purush*, and now having become a* Purush*, Your* purusharth *has begun. As long as there is the belief of 'I am doing', it cannot be considered* purusharth. *After you attained the knowledge of the Self, you have learnt how to 'See and Know'. After you know that you are the knower (*Gnata*), and Chandubhai* is* gneya *(the object to be known), the real* purusharth *begins. There is only the Self (*Atma*) and the non-Self (*prakruti*). The* prakruti *is dependent on* karmic *effect (*prarabdha*). The inner intent (*bhaav*) naturally arises because of* kriya *(actions of the* prakruti*). This inner intent (*bhaav*) is the* purusharth *for the next life. But people do not know that it is illusory effort (*bhrant purusharth*)! That which charges* karma *for the next life is illusory effort (*bhrant purusharth*), and all the rest are* prarabdha *(effect of* karma *in this life).*

**The reader should read his own name.*

To be Continued…

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

A CA's Recipe

A chartered accountant (CA) by training and a restaurateur by passion, Sonal Barmecha revels in serving healthy and tasty cuisine to her customers. The dynamic managing director of Sante Hospitality firmly believes that healthy food can be both wholesome and delectable. Ms Barmecha has made it her mission in life to empower as many women as possible. No wonder, most of Sante franchises in India are owned and operated by women. Ms Barmecha – who also owns La Magia and Yumma Swami – is of the strong opinion that both health and indulgence can harmoniously coexist. In fact, the mouth-watering cuisine in her restaurants goes on to prove this without a shred of doubt. In a free-wheeling chat with ***Sharmila Chand****, Ms Barmecha opens up about her likes, dislikes, passions and hobbies.*

SONAL BARMECHA
Founder & Managing Director
Sante Hospitality

How do you define yourself?
Compassionate, bold and a strong woman

What is your philosophy of life?
Zero expectations and giving unconditional love

What is your passion in life?
Empowering women and making them independent and serving healthy food to the whole world

What is your management *mantra*?
Respect everyone, whatever may be their designation. What you give is what you get.

What is your work philosophy?
My work is worship.

A business leader you admire the most...
The one and only Mr Ratan Tata

Your source of inspiration...
Sudha Murthy and Kiran Bedi

You are a tough, serious boss or…
I am tough if people mess up with ethics. Otherwise, I am very down to earth.

What do you enjoy the most in life?
Dancing and meditation

How do you de-stress?
I am a Shiva *bhakt* (devotee). Spending time in solace with Mahadev is my pure de-stress.

What is your fitness regime?
Gym and weight training thrice a week; 108 Surya Namaskars once a week; and cycling and outdoor cardio twice

Your *mantra* for success...
Self-competitiveness and self-confidence

Your dream...
To make many women independent financially and seeing my restaurant brand, Sante, going global

Ten years from now, where do we see you?
I see Sante worldwide, and I would make at least 100 women financially independent. ■

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