HT NEW DELHI, MUMBAI, BENGALURU, KOLKATA, CHENNAI, AHMEDABAD, HYDERABAD, CHANDIGARH*, PUNE*, LUCKNOW* VOL. 18 NO. 28

Thursday, February 1, 2024

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NDA goals and wins in Union budget showcase ▶P1

RBI bars deposits, top-ups at Paytm Payments Bank ▶P1

THE MADHYA PRADESH STATE MINING CORPORATION LIMITED

Paryawas Bhawan, Block'A', 2nd Floor, Jail Road
Arera Hills, Bhopal, Madhya Pradesh - 462011
Phone : 0755-2763391, 2763392, 2763393 & Fax: 0755-2763394
E-mail : info.mpsmc@mp.gov.in

RFENo. MPSMCL/Geology/26/2023-24/129 Bhopal, Dated : 30.01.2024

NOTICE FOR REQUEST FOR PROPOSAL

"Selection of Service Provider for Preparation of Forest Diversion Proposal and to facilitate obtaining approval of Diversion of Forest land (Forest Clearance Stage I)"

MPSMCL hereby invites proposals (RFP) for Selection of Service Provider for Preparation of Forest Diversion Proposal and to facilitate obtaining approval of Diversion of Forest land (Forest Clearance Stage I) from MOEF&CC, GOI for Dadartola Dadar Bauxite block and Jariyari Bauxite block in Madhya Pradesh.

Eligibility conditions, timelines, terms and conditions etc. for participating in the tender are provided in the RFP Document which can be downloaded from the M.P. Tender portal **https://mptenders.gov.in** from **31.01.2024** onwards.

M.P. Madhyam/113519/2024 **MANAGING DIRECTOR**

ग्रेटर नौएडा औद्योगिक विकास प्राधिकरण

प्लॉट नं.–1, नॉलेज पार्क–IV, ग्रेटर नौएडा सिटी, गौतमबुद्धनगर
वेबसाइट : www.greaternoidaauthority.in, ई–मेल : authority@gnida.in

पत्रांक: स्वा0वि0 / 2024 / 94 दिनांक 31 / 01 / 2024

ई–निविदा आमंत्रण सूचना

प्रभारी (निविदा सेल), ग्रेटर नौएडा औद्योगिक विकास प्राधिकरण द्वारा मुख्य कार्यपालक अधिकारी, ग्रेटर नौएडा की ओर से ई–निविदा आमंत्रण सूचना संख्या–स्वा०वि० / 2024 / 93, दिनांक 31.01.2024 के माध्यम से उल्लेखित क्रम सं0: 1 से 2 में अंकित कार्य की ई–निविदा आमंत्रित की जाती है। ई–निविदा की समस्त नियम व शर्तें ग्रेटर नौएडा प्राधिकरण की वेबसाइट: www.greaternoidaauthority.in पर ई–निविदा लिंक एवं ई–पोर्टल https://etender.up.nic.in पर उपलब्ध है। किसी परिवर्तन, संशोधन व अतिरिक्त सूचनाओं के लिए उक्त वेबसाइटें देखते रहें।

क्र.सं.	कार्य का नाम / वर्क सर्किल	अनुमानित लागत
1	Sweeping of Service Roads & Side Verge of Main Roads by Quick Response Team (QRT). (Part-1)	रू० 273.73 लाख
2.	Sweeping of Service Roads & Side Verge of Main Roads by Quick Response Team (QRT). (Part-2)	रू० 276.15 लाख

उक्त कार्यों की निविदा दिनांक 01.02.2024 से 14.02.2024 को 17:00 बजे तक अपलोड किया जा सकता है एवं प्राप्त ई–निविदाओं की प्री–क्वालिफिकेशन दिनांक 16.02.2024 को 11:00 बजे खोली जायेगी। प्र. वरिष्ठ प्रबन्धक (निविदा सेल)

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NILKAMAL LIMITED

@home THE MEGA HOME STORE

CIN : L25209DN1985PLC000162

Registered Office: Survey No. 354/2 & 354/3, Near Rakholi Bridge, Silvassa-Khanvel Road, Village-Vasona, Silvassa-396 230. (D & N H)
Website: www.nilkamal.com • **Email:** investor@nilkamal.com

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2023

(₹ in Lakh)

Sr. No	Particulars	STANDALONE			CONSOLIDATED		
		Quarter Ended 31/12/2023	Quarter Ended 31/12/2022	Nine Months Ended 31/12/2023	Quarter Ended 31/12/2023	Quarter Ended 31/12/2022	Nine Months Ended 31/12/2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Revenue from Operations	78,163.02	73,742.44	2,31,357.30	80,345.05	75,429.20	2,36,213.42
2	Net Profit for the period before Tax, Exceptional and Extraordinary items	3,099.50	3,753.51	9,613.76	3,590.49	4,097.80	10,543.21
3	Net Profit for the period before Tax, after Exceptional and Extraordinary items	3,099.50	3,753.51	9,613.76	3,590.49	4,097.80	10,543.21
4	Net Profit for the period after Tax, after Exceptional and Extraordinary items	2,310.44	2,841.66	7,175.04	2,936.42	3,319.30	8,686.26
5	Total Comprehensive Income for the Period [Comprising Profit for the Period (after tax) and Other Comprehensive Income (after tax)]	2,321.97	2,866.68	7,180.89	2,947.79	3,376.52	8,777.90
6	Equity Share Capital (Face Value of ₹ 10 per Share)	1,492.25	1,492.25	1,492.25	1,492.25	1,492.25	1,492.25
7	Earnings Per Share (Face value of ₹ 10 each) Basic and Diluted (not annualised) (in ₹)	15.48	19.04	48.08	19.64	22.24	58.13

Notes :
(1) The above is an extract of the detailed format of Quarterly / Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the above Quarterly / Annual Financial Results are available on the Stock Exchange Websites (www.bseindia.com) and (www.nseindia.com) and on Company's website (www.nilkamal.com).

By order of the Board
For **Nilkamal Limited**
Sd/-
Hiten V. Parekh
Managing Director

Place: Mumbai
Date: 31st January, 2024

Government of India
Ministry of Corporate Affairs

भारत सरकार
कारपोरेट कार्य मंत्रालय
त्वरित कॉर्पोरेट समापन प्रसंस्करण केंद्र (सी-पेस)
आई.आई.सी.ए. बिल्डिंग, 7वी मंजिल,
प्लाट P-6, 7, 8, से.-5, आई.एम.टी. मानेसर,
गुडगाँव, हरियाणा-122050
Email: roc.cpace@mca.gov.in

सत्यमेव जयते

Centre for Processing Accelerated Corporate Exit (C-PACE)
IICA Building, 7th Floor,
Plot P-6, 7, 8, Sector-5, IMT Manesar,
Gurgaon, Haryana - 122050
Email: roc.cpace@mca.gov.in

FORM No. STK -- 6
PUBLIC NOTICE

[Pursuant to sub-section (2) and sub-section (4) of section 248 of the Companies Act, 2013 and rule 7 of the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016]

Public Notice ROC/C-PACE/STK-2/248(2)/776 **Date: 09.01.2024**

Reference:

(1) In the matter of striking off or removal of names of **(38)** companies in Delhi state/ Roc under section 248 of the Companies Act, 2013 in respect- of:

S. No.	Work Item	CIN	Company Name
1	AA6430027	U74899DL1989PTC036237	DHALL LEASING AND FINANCE PRIVATE LIMITED
2	AA6527441	U74899DL1995PLC070615	ASHA SECURITIES LIMITED
3	AA6232979	U65910DL1998PTC095551	AMBA FINLEASE PVT LTD
4	AA6503745	U45201DL2006PTC147909	PADAM BUILDWELL PRIVATE LIMITED
5	AA6281217	U24233DL2006PTC149726	OMISH PHARMACEUTICALS PRIVATE LIMITED
6	AA6490911	U45200DL2010PTC207762	APAC INFRA PROJECTS PRIVATE LIMITED
7	AA6518113	U24100DL2010PTC198947	INDIA MANUFACTURING CORPORATION PRIVATE LIMITED
8	AA6502485	U25191DL2009PTC192986	KREUZ HYDRAULICS PRIVATE LIMITED
9	AA6523102	U93000DL2012PTC240118	INTEGRATED PEARL TECHNOLOGIES PRIVATE LIMITED
10	AA6059216	U51398DL2013PTC257359	MANYA SHOP PRIVATE LIMITED
11	AA6216786	U74999DL2015PTC275481	ADA ENERGY PRIVATE LIMITED
12	AA6400640	U22100DL2015OPC276120	KD TECH (OPC) PRIVATE LIMITED
13	AA6400475	U74900DL2015PTC280528	PARAMOUNT MATRIMONY PRIVATE LIMITED
14	AA6302897	U74999DL2015PTC276770	DREAMWEB TECHNOLOGY PRIVATE LIMITED
15	AA6378417	U01100DL2017PTC310591	ARYAMAN AGRO FARMS PRIVATE LIMITED
16	AA6469874	U74110DL2012PTC238853	METRO MARKETING AVENUES PRIVATE LIMITED
17	AA6484760	U93090DL1969GOI005018	CENTRAL SOCIAL WELFARE BOARD
18	AA6269535	U72900DL2018PTC329721	NETISH TECHNOLOGIES PRIVATE LIMITED
19	AA6368245	U74110DL1983PLC015666	SEVEN SEAS LEASING LTD
20	AA6364648	U15100DL2018PTC331844	RAVEERA BREWERIES PRIVATE LIMITED
21	AA6451861	U72200DL2019PTC351581	CONCEPTIVE SOLUTIONS PRIVATE LIMITED
22	AA6390894	U55100DL2019PTC357786	HK FOODS AND HOSPITALITY PRIVATE LIMITED
23	AA6236183	U80900DL2020PTC372663	TEERNA EDUCATION PRIVATE LIMITED
24	AA6432227	U51909DL2020PTC373205	SAIPREET IMPEX PRIVATE LIMITED
25	AA6503925	U72900DL2021PTC381291	SWADESI LAUNCHPAD PRIVATE LIMITED
26	AA6465929	U74999DL2021PTC380398	SS FILLING STATION PRIVATE LIMITED
27	AA6376597	U70109DL2021PTC385304	SVJ ESTATE PRIVATE LIMITED
28	AA6487285	U72900DL2021PTC384567	INFLUENCEZEN TECHNOLOGIES PRIVATE LIMITED
29	AA6435699	U92490DL2021PTC391625	WEDOMOTION DESIGN PRIVATE LIMITED
30	AA6511995	U72900DL2022PTC393988	LOTSTER GAMES PRIVATE LIMITED
31	AA6358523	U63030DL2021PTC390301	SARAZ TRAVEL PRIVATE LIMITED
32	AA6390160	U72200DL2013PTC262316	SANAROO TECHNOLOGIES PRIVATE LIMITED
33	AA6489398	U21000DL2022PTC401822	RODRANSH GLOBAL PAPER MILLS PRIVATE LIMITED
34	AA6393002	U72900DL2022PTC402989	MOTION ZERO PRIVATE LIMITED
35	AA6450198	U72900DL2022PTC403308	SK INFOTEC DATA SERVICES PRIVATE LIMITED
36	AA6494515	U72900DL2022PTC398508	CREWCODER PRIVATE LIMITED
37	AA6450522	U74999DL2022PTC406882	INVGRO FUND PRIVATE LIMITED
38	AA6518523	U59111DL2023PTC413583	LAZY ARTIST'S PALATE PRIVATE LIMITED

(2) Notice is hereby given that the Registrar of Companies had received applications from the above-mentioned companies under section 248(2) of the Companies Act, 2013 for removal of its/their name(s) from the register of companies either on the ground that they have failed to commence business within one year of their incorporation or on the ground that the company(ies) is/are not carrying on any business or operation for a period of two immediately preceding financial years and has/have not made any application(s) within such period for obtaining the status of a dormant company under section 455 of the Companies Act, 2013 or the company(ies) have obtained the status of dormant company/subscribers to the memorandum have not paid the subscription which they had undertaken to pay at the time of incorporation of a company and a declaration to this effect has not been filed within one hundred and eighty days of its incorporation under subsection (1) of section 10A/ have not been carrying on any business or operations, as revealed after the physical verification carried out under sub-section (9) of section 12, but it/they do not wish to continue its/their registration as companies and have, therefore, requested for removal/ strike off of its/their names from the register of companies.

(3) Accordingly, the Registrar of Companies proposes to remove or strike off the names of the above-mentioned companies from the Register of Companies.

(4) Any person objecting to the proposed removal or striking off of name of the companies from the register of companies may send his or her objection to the office address mentioned here above within thirty days from the date of publication of this notice.

(Harihara Sahoo)
REGISTRAR
CBC 07123/11/0330/2324 **Centre for Processing Accelerated Corporate Exit**

JINDAL STEEL & POWER LIMITED

JINDAL PANTHER — JINDAL STEEL & POWER

(CIN: L27105HR1979PLC009913)
Regd. Office: O. P. Jindal Marg, Hisar-125005 (Haryana)
Corporate Office: Jindal Centre, 12 Bhikaiji Cama Place, New Delhi -110066
Tel: +91 11 4146 2000 | Fax: +91 11 2616 1271 | Email: jsplinfo@jindalsteel.com
Website: www.jindalsteelpower.com

jsplcorporate | Jindal Steel & Power Ltd. | jsplcorporate | jsplcorporate

EXTRACT OF CONSOLIDATED UN-AUDITED FINANCIAL RESULTS FOR THE 3RD QUARTER AND NINE MONTHS ENDED ON DECEMBER 31, 2023

(Rs. In crores except for Shares and EPS)

S. No.	Particulars	Quarter Ended December 31, 2023	Quarter ended September 30, 2023	Quarter ended December 31, 2022	Year to date ended December 31, 2023	Year to date ended December 31, 2022	Financial Year ended March 31, 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Total Income from Operations (net)	11,736.40	12,282.04	12,469.50	36,662.05	39,060.54	52,768.23
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	1,926.95	1,384.27	1,440.72	5,077.75	4,895.97	5,854.95
3	Net Profit / (Loss) for the period before tax (after Exceptional items)	1,926.95	1,384.27	1,062.33	5,077.75	3,679.99	4,485.49
4	Net Profit / (Loss) for the period after tax (after Exceptional items)	1,927.99	1,390.10	518.27	5,009.86	2,727.53	3,193.21
5	Total Comprehensive Income for the period [Comprising Profits /(Loss) for the period (after tax) and other Comprehensive Income (after tax)	1,987.79	1,383.04	208.38	5,011.99	2,710.85	3,171.25
6	Paid up Equity Share Capital (Face Value of Re.1/- each)	100.24	100.50	100.50	100.24	100.50	100.50
7	Other equity (excluding Revaluation Reserve)	-	-	-	-	-	38,606.09
8	Earnings Per Share (Face Value of Re. 1/- each) (for continuing and discontinued operations)-						
	Basic:	19.21	13.81	5.16	49.81	26.93	31.54
	Diluted:	19.21	13.81	5.16	49.81	26.93	31.54

Notes:
1. The above is an extract of the detailed format of Un-Audited Financial Results for the 3rd quarter and nine months ended on December 31, 2023, filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Un-Audited Financial Results for the 3rd quarter and nine months ended on December 31, 2023, is available on the website of Stock Exchanges at (www.bseindia.com / www.nseindia.com) as well as on the Company's Website at (www.jindalsteelpower.com).
2. These Un-Audited Financial Results have been reviewed by the Audit Committee in its meeting held on January 31, 2024 and were approved by the Board of Directors in their meeting held on January 31, 2024.

KEY NUMBERS OF FINANCIAL RESULTS ON STANDALONE BASIS

(Rs. in crores)

S. No.	Particulars	Quarter Ended December 31, 2023	Quarter ended September 30, 2023	Quarter ended December 31, 2022	Year to date ended December 31, 2023	Year to date ended December 31, 2022	Financial Year ended March 31, 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Turnover	11,545.44	12,107.71	11,841.91	35,977.72	37,826.39	51,228.99
2	Profit /(Loss) before Tax	1,993.74	1,525.58	(5,886.25)	5,388.90	1,770.25	2,872.07
3	Profit / (Loss) after Tax	1,483.68	1,108.57	(4,512.27)	3,991.77	1,637.63	2,426.83

By Order of the Board

Place: New Delhi
Dated: January 31, 2024

Bimlendra Jha
Managing Director

The Nashik District Central Cooperative Bank Ltd. Nashik

NDCC

Head Office: Old Agra road, front of Hotel Samrat Near State Bank of India, Nashik
Post Box No.1206 (Janvaidyanagar Post Office) Telephone No: 2504381, 2594382, 2504383, 2504384, 2549373, 2591977, 2595637, 2501191. | Fax No: (0253) 2595525. E-Mail ID: ceo@nashikdccbank.com

TENDER NOTICE FOR SALE OR LEASE OF EXCESS LAND OF NASHIK SAHAKARI SAKHAR KARKHANA LTD., PALASE TAL. DIST. NASHIK

The Nashik District Central Co.op.Bank Ltd., Nashik hereby invites Bids/offer in two sealed envelop for Sale or Lease of Excess land of Nashik Sahakari Sakhar Karkhana Ltd., Palase Tal. Dist. Nashik. As per the provisions of the SECURITIZATION AND RECONSTRUCTION OF FINANCIAL ASSESTS & ENFORCEMENT OF SECURITY INTEREST ACT 2002. The Detailed Term & Condition, guidelines and further details are available on banks official website www.nashikdccbank.in from 05/02/2024 onwards.

The Schedule of program are as follows.

Sr. No.	Details	Date
1	Buy/Download Tender Document	05/02/2024 to 20/02/2024
2	Inspection of property (Except on public holiday)	05/02/2024 to 20/02/2024 (by 10:00 am - 5.00 pm)
3	Submission of Tender	On or Before 21/02/2024 (Before 05.00 pm)
4	Bid Opening Date	For Sale: 22/02/2024 at 12:00 pm For Lease: 23/02/2024 at 12.00 pm
A	Technical Bid Opening Date & Time	For Sale: 22/02/2024 at 12:00 pm For Lease: 23/02/2024 at 12.00 pm
B	Financial Bid Opening Date & Time	For Sale: 22/02/2024 at 12:00 pm For Lease: 23/02/2024 at 12.00 pm

STATUTORY NOTICE UNDER SARFAESI ACT 2002

Borrowers and Guarantors are advise to pay the total outstanding balance of The Nashik District Central Co.operative Bank before opening the tender. Otherwise the loan will be recover by renting or selling the seized property. It should also be noted that if full recovery is not received from the sale / rental amount, the remaining outstanding debt will be recover from you along with interest and other expenses.

Sd/-
(Deepak M. Patil)
Authorised Officer, Nashik Sahakari Sakhar Karkhana Ltd., Palase
And
General Manager, Nashik Dist. Central Co.op. Bank Ltd., Nashik
(Mob. No. 9422769090)

Date : 01/02/2024
Place : Nashik

पावरग्रिड POWERGRID

NOTICE

Invitation for Bids (IFB) for Package-I: Establishment of SLDC cum REMC for UT of Ladakh under consultancy assignment for Establishment of SLDC cum REMC for UT of Ladakh; Spec No.: CC/NT/W-SCADA/DOM/A00/23/08709

Single Stage Two Envelope (SSTE) Bidding Procedure **(Funding : Domestic)**

DOMESTIC COMPETITIVE BIDDING **Date: 01/02/2024**

POWERGRID invites online bids through e-portal **https://etender.powergrid.in** for the following Package:

Details/Site/Salient Particulars of Works	Downloading of Bidding Documents / Cost of Bidding Documents	Deadline for Bid Submission (Soft Copy & Hard Copy Part)
Package-I: Establishment of SLDC cum REMC for UT of Ladakh under consultancy assignment for Establishment of SLDC cum REMC for UT of Ladakh.	Till 15/02/2024 upto 1100Hrs. INR 25,000/-	Soft Copy Part: 15/02/2024 up to 1100Hrs & Hard Copy Part: Not Applicable

1. For further details including addendum/changes in bidding program, if any, please visit procurement portal https://etender.powergrid.in
2. The First Envelope (Techno-Commercial part) of the bid shall be opened on the same day of the deadline for Bid Submission (Soft Copy part) i.e at 1130hrs onwards.
3. The complete Bidding Documents are also available on our website http://www.powergrid.in for the purpose of reference only.
4. The NIT/IFB has already been published on e-portal https://etender.powergrid.in on 12/09/2023.
5. For any other information, please contact: 0124-282-2383/2366; 9650089825/ 9501102051

PG/CC/NIT-25/Ad-78/2023-24

POWER GRID CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)
Registered Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110 016
Corporate Office : Saudamini, Plot No.2, Sector-29, Gurugram, Haryana - 122 001
Website: www.powergrid.in, CIN: L40101DL 1989GOI038121

A Maharatna PSU

HT NEW DELHI, MUMBAI, BENGALURU, KOLKATA, CHENNAI, AHMEDABAD, HYDERABAD, CHANDIGARH*, PUNE*, LUCKNOW* VOL. 18 NO. 28

Thursday, February 1, 2024

mint

Think Ahead. Think Growth.

mint primer

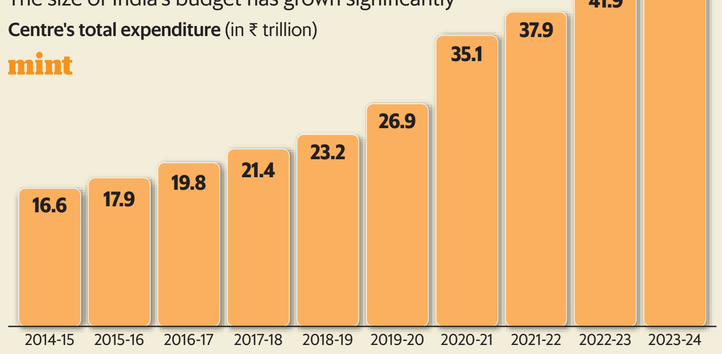
Five numbers to help you unlock the Union budget

BY SUMANT BANERJI

Finance minister Nirmala Sitharaman presents her sixth annual budget, albeit an interim one, today, likely furnishing a report card on the government's performance in the past five years. Here are five key numbers to watch out for and cut through the economic jargon:

Report card

The size of India's budget has grown significantly



Revised estimate used for 2022-23 and budget estimate for 2023-24.

Source: Budget documents

PRANAY BHARDWAJ/MINT

1 Nominal GDP growth

The budget could highlight how India remains poised to outpace every other nation as the fastest growing economy, projecting around 11% growth in nominal GDP for FY25. Last year's budget had projected a growth rate of 10.5% while the first advance estimate by National Statistical Office put it at 8.9% for FY25. After very high nominal GDP growth of 18.4% in 2021-22 and 16.1% in 2022-23, the tapering off is a reflection of normalizing base effect. In 2020-21, the economy had contracted by 1.4% due to the pandemic, lowering the base. The high growth projection for next fiscal would help lower fiscal deficit.

2 Capital expenditure

Over the past few years, the country's economy has grown on the back of some heavy lifting by the government, which increased capital expenditure amid subdued private investment sentiment. In the Union budget of 2023-24, capital expenditure was increased by over 33% to a record ₹10 trillion. For the next financial year, capex is likely to go up further—albeit at a lower pace—to over ₹11 trillion. There are, however, some signs of a cooling in investment as some analysts say the government may have missed the ₹10 trillion target for 2023-24. In an election year, the expenditure typically takes a breather and that may have a bearing, too.

PTI

3 Tax mop-up

Good tax buoyancy provides a cushion for the government to spend more on welfare while keeping the fiscal deficit in check. In the last two fiscals, tax receipts exceeded estimates. For the current year, they are again likely to exceed estimates—at around ₹25 trillion against the budgeted ₹23.3 trillion. However, don't expect the government to be too adventurous while setting a target for the next fiscal.

4 Fiscal deficit

Having deviated from the fiscal glide path during the pandemic, one thing that's worth watching is how close to 5% the Centre projects the fiscal deficit for FY25. While the recommended glide path was 2.5% by FY23, the deficit shot up from 3.8% in FY20 to 9.2% in FY21 as the Centre grappled with the pandemic. The government then vowed to bring it down to 4.5% by FY26 and projected a deficit of 5.9% in FY24. The budget is expected to show it has met that target and present a lower number of around 5.3% even as capex could increase.

5 Disinvestment

The government has a patchy disinvestment record with stake sales in public sector units delayed. The past few years have seen the target getting reduced but still not achieved. Post 2017-18, when divestment proceeds hit a record ₹1 trillion, and 2018-19 when proceeds exceeded estimates, the government has hiked targets only to miss them. For 2023-24, the target was fixed at ₹51,000 crore, more than 20% lower than 2022-23, and it is likely to be missed by 60%. In the budget, the target is likely to be pruned further.

QUICK EDIT

Market defiance

Just before Thursday's budget, the Centre cut import duty on some parts used for making mobile phones to 10% from 15%, helping lower their cost of domestic assembly. The move bolsters an incentive scheme in a "Make in India" field that has shown high export promise. There's no word yet on a wider lowering of tariffs. India's policy focus, after all, is on champion sectors, as these happen to be hand-picked. However, the broad idea defies what free-market champs would recommend. A lesson of the Soviet failure was that markets mostly know better than central planners how resources are best allocated. In this view, market distortion is a hidden risk that outweighs the apparent gains of factory-booster subsidies, overall, and so, the state should not intervene. Yet, China's rise and the world's climate imperative have spurred rethinks. Intervention is in, even in the US. But it doesn't mean all the right bets are being placed by central resource directors. Supporting diverse sectors can mitigate our policy-portfolio risk, of course, and success in just a fraction of them can justify budget props. Their use must not go awry, though, even if the smartphone story is more widely replicable.

BUDGET EXPECTATIONS

I think the 2024 interim budget will help deepen NBFCs' contribution to India's sustainable economic growth, aligned with the goal of becoming a $5 trillion economy. This budget should lay emphasis on offering liquidity assistance to galvanize the lending ecosystem. I hope for more progressive policies to strengthen fintech and digital lending ecosystem and enhancing digital skills, as well as supporting and ensuring a robust regulatory framework for NBFCs.

ABHAY BHUTADA
MANAGING DIRECTOR, POONAWALLA FINCORP

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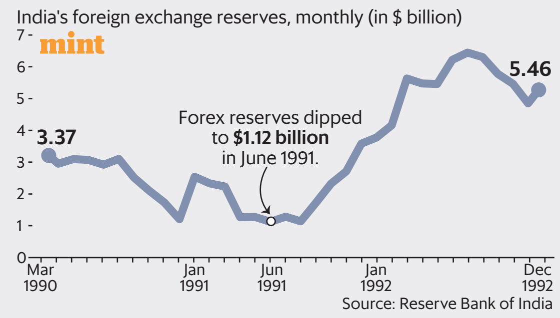
PLAIN FACTS

In charts: A rewind of India's Union budgets

BY SHUJA ASRAR

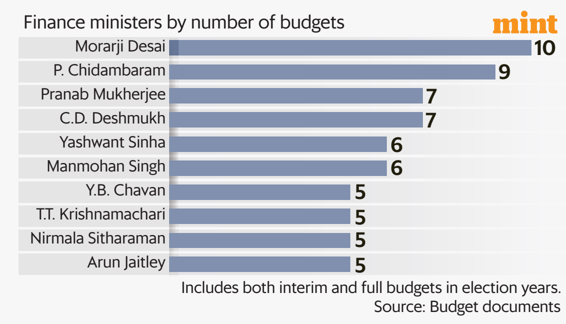
The Union budget has come a long way since the first one of independent India was presented by then finance minister R. K. Shanmukham Chetty in 1947. The annual exercise has paved the way for several pivotal moments in India's economic history. Ahead of Nirmala Sitharaman's last budget before the general elections, which she will present on Thursday, *Mint* looks back at key highlights of India's budget-making through the years, in numbers and charts.

Epochal Budget



ON 24 July 1991, the then finance minister Manmohan Singh tabled a Union budget that would set the tone for India's economic growth for years to come. A balance of payments crisis, the collapse of the Soviet bloc, double-digit inflation and an over-reliance on imports had left the country on the verge of economic collapse. India's foreign exchange reserves had dwindled to just ₹2,500 crore then. Three decades on, the iconic budget continues to find favour across the political spectrum.

India's Budgeteers



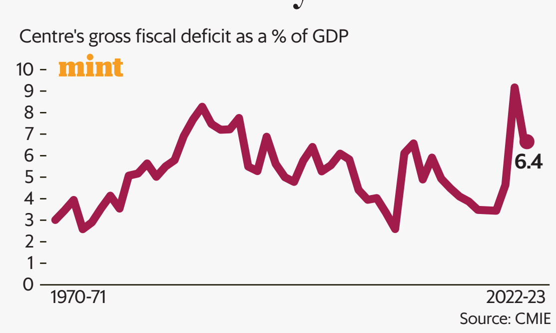
SINCE INDEPENDENCE, 89 Union budgets—12 of them interim—have been presented. Nirmala Sitharaman will table her sixth and India's 90th budget on Thursday. Among finance ministers, Morarji Desai has tabled the highest number of budgets (10), followed by Congress' P. Chidambaram (9). Congress-led governments have presented 75% of the Union budgets since Independence, while BJP-led governments have tabled 19% of them.

The Long and Short of It

18,650

THAT WAS the number of words in Manmohan Singh's 1991 budget speech—the longest still in terms of number of words. But Nirmala Sitharaman's budget speech of 2020—of 2 hours and 42 minutes—was the longest in its duration. She broke her own record of the previous year. The shortest budget speech was delivered by Hirubhai M. Patel, who was finance minister in the Morarji Desai government. His 1977 interim budget speech was just 800 words long.

The Deficit Story



INDIA'S FISCAL deficit, a measure of the health of a government's finances, has seen lots of ups and downs. Cautious spending in early years kept it below 5% of GDP. But in the 1980s, it shot up to 8.3%. However, after the 1991 reforms, efforts were made to keep it at a sustainable level, and a 2003 law gave guidelines to bring it down to 3% of GDP by 2007-08. The aim remains elusive. Currently, the government is trying to bring it down to 4.5% by 2025-26.

Interim Formalities

Difference between interim and main budget in election years (in ₹ crore)

mint

	Interim→ Main	Non-debt receipts	Expenditure	Fiscal deficit
2004	NDA-I→ UPA-I	19,440	20,395	955
2009	UPA-I→ UPA-II	-554	67,607	68,161
2014	UPA-II→ NDA-II	29,132	31,678	2,546
2019	NDA-II→ NDA-III	2,388	2,149	-239

A negative figure shows that the full budget estimated a lower figure.

Source: Budget documents

INTERIM BUDGETS, which help manage spending until a new government is elected, are conservative in general. Four interim budgets have been presented since 2000: two by governments that retained power, and as many by the new incumbents. Headline figures showed negligible variation on the two occasions when the government continued. However, the targets of the main budget, presented after the elections, were slightly higher when power changed hands.

Stand-in FMs

3 times

THAT'S THE number of times the Union budget was presented by a sitting prime minister. Jawaharlal Nehru did it in 1958, Indira Gandhi in 1970, and Rajiv Gandhi in 1987, in each case after the resignations of their respective finance ministers. Nehru also held the office for two other very brief periods in the absence of a regular finance minister—in 1948 for 36 days and in 1956 for 37 days—but those tenures did not include the budget exercise.

Then and Now

Major earning and expenditure streams, 1947-48 vs 2023-24 (% share in total)

mint

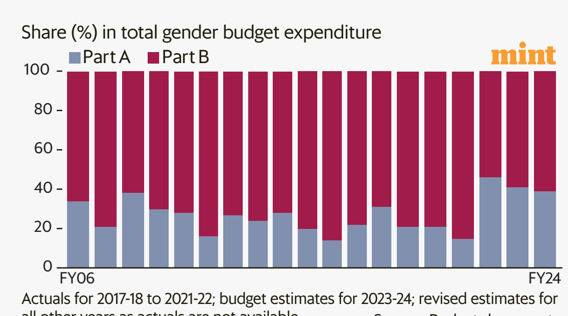
Earnings	1947-48		2023-24
Income tax	37	Borrowings and other liabilities	34
Customs	25	GST and others	17
Corporation tax	21	Corporation tax	15
Central excise duties	11	Income tax	15
Expenditure			
Defence services	47	Interest payments	20
Subsidy on imported foodgrains	11	Defence	8
Expenditure on refugees	11	Subsidies	7

Budget estimates used for 2023-24.

Source: Budget documents

THE FIRST budget of independent India aimed to earn more than 80% of the government's income from taxes. Partition had left government finances in dire straits. The budget marked nearly 70% of its spending on defence, resettlement of refugees, and providing food to the displaced. As much as 10% of the budget was marked to repay debt and another 10% on administration. Today, the expenditure on defence is 8%, and borrowings and other liabilities form one-third of overall receipts.

Gender Lens



INDIA INTRODUCED gender budgeting in 2005-06 to present the government's policies from a gender lens. The budget has hovered around 5% of the total expenditure since. It peaked at 5.8% in 2011-12. The gender budget has dedicated a quarter of the total to Part A (100% women-specific schemes and programmes), and the rest to Part B (which includes schemes with at least 30% but not fully allocated for women).

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PARAS JAIN/MINT

PEANUTS by Charles M. Schulz

HT NEW DELHI, MUMBAI, BENGALURU, KOLKATA, CHENNAI, AHMEDABAD, HYDERABAD, CHANDIGARH*, PUNE*, LUCKNOW* VOL. 18 NO. 28 Rs. 10.00 . Price with Hindustan Times Rs. 15.50 18 PAGES

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Prospect of Trump 2.0 has Europe scrambling ▶P10

Apple tops India smartphone revenue in 2023 ▶P3

SENSEX 71,752.13 ↑ 612.23 NIFTY 21,725.70 ↑ 203.60 DOLLAR ₹83.04 ↑ ₹0.07 EURO ₹89.88 ↑ ₹0.12 OIL $81.49 ↑ $0.16 POUND ₹105.21 ↑ ₹0.19

NDA goals and wins in budget showcase

The budget will list policy priorities for the next government

Gireesh Chandra Prasad & Subhash Narayan

NEW DELHI

Finance minister Nirmala Sitharaman's sixth budget speech on Thursday will capture how the government has set the stage for sustained growth over the medium term by tackling structural problems in the economy and by investing in infrastructure.

It will also list policy priorities for the National Democratic Alliance (NDA) that is seeking a return to office, two people aware of the budget-making process this year said.

These priorities include higher investment in skilling and education, creating more employment opportunities for women, mainstreaming the most backward districts in the country, building on the domestic demand resilience amid sluggish global trade, and climate action, they said.

On the first day of the budget session on Wednesday, Prime Minister Narendra Modi said the government will follow the convention of not bringing out a full budget ahead of the national election. Sitharaman's budget on Thursday will give guidance and direction. The full budget will be presented after the polls, Modi said.

The interim budget will highlight India's economic performance and fiscal health, and how targeted social transfers have helped in reducing income inequality and 'multidimensional poverty' measured on the basis of health, education and standard of living, said the first of the two persons cited above on condition of anonymity.

The promises delivered and

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POWER POINTS

The policy priorities for the NDA government include:

- **SPENDING** on building infrastructure
- **HIGHER** investment in skilling and education
- **CREATING** more employment opportunities for women
- **BUILDING** on domestic demand resilience amid sluggish global trade
- **MAINSTREAMING** the most backward districts of India

NIRMALA SITHARAMAN

SETTING THE STAGE

INTERIM budget will highlight fiscal health, economic growth

PROMISES delivered, future policy goals will be captured in speech

THE full budget will be presented after the Lok Sabha polls

IND.AI SURGE INTERIM BUDGET 2024

RBI bars deposits, top-ups at Paytm Payments Bank

Shayan Ghosh

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MUMBAI

Customers of Paytm Payments Bank will not be able to make fresh deposits or top up wallets, FASTags and mobility cards issued by it after a month, as the central bank cracked down following an audit that revealed "persistent non-compliances" and "continued material supervisory concerns" at the payments bank.

However, customers can freely withdraw their money, the Reserve Bank of India (RBI) said in a statement. Interest payments, cashbacks and refunds can continue to be credited to these accounts. But it cannot provide any banking service or facility other than fund transfers, bill payments and UPI (Unified Payments Interface) from 1 March.

"For all practical purposes, the above notifications end the operations of Paytm Payments Bank. This is a definite negative development and adds to the already heavy regulatory overhang on the business," analysts at Bernstein said in a note on Wednesday.

RBI clamped down under Section 35A of the Banking Regulation Act. The section relates to the central bank's power to issue directions in public interest or to prevent the affairs of any bank being conducted in a manner detrimental to the interests of the depositors, besides others.

The new restrictions come nearly two years after the payments bank was barred from signing up new customers. Also, in October, RBI had fined it ₹5.39 crore for non-compliance with some provisions of KYC (know your client) guidelines, cybersecurity frame-

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BANK CHECK

- **CUSTOMERS** can't deposit money into their accounts or FASTags after 29 February
- **BUT** they can extinguish their balance or withdraw the amount from their accounts
- **THE** payments bank has not been able to add new customers since March 2022
- **NODAL** accounts for merchant transactions will be terminated, but not point-of-sale devices

Fiscal deficit moderates; GST revenue soars in Jan

Rhik Kundu & Gireesh Chandra Prasad

NEW DELHI

Two sets of data released by the government on the eve of the interim budget painted a picture of healthy fiscal performance.

The central government's fiscal deficit in the first nine months of the current financial year stood at ₹9.82 trillion, or 55% of the annual estimate of ₹17.87 trillion, a moderation from the comparable period in the year before, according to data released by the Controller General of Accounts (CGA). Separately, central and state governments collected ₹1.72 trillion in goods and services tax (GST) revenue in January, the second highest since the indirect tax was rolled out more than six years ago, the finance ministry said, quoting the revenue collection up to 5pm on Wednesday.

The fiscal deficit for the first nine months of the last financial year was at ₹9.93 trillion, or 59.8% of the annual estimate of ₹16.61 trillion for FY23. The decline in the fiscal deficit despite a jump in government spending to fuel economic

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DON'T MISS

MINT

For Flipkart's top execs, one more year without pay hikes

Many top executives of Flipkart will have to go without a pay hike for the second year in a row in 2024, three people aware of the matter said. The senior management has been informally told not to expect pay hikes. >P6

Maruti Suzuki rides SUV sales to lift profits in December quarter

Rising SUV sales are helping Maruti Suzuki offset a continued weakness in its 'bread and butter' small-car segment, as buyers at the bottom of the income pyramid battle inflation, while the better-off upgrade to more premium vehicles. >P5

Jha, Mathew, Rajadhyaksha, Ghosh in finance commission

A.N. Jha, Annie George Mathew and Niranjan Rajadhyaksha will be the new full-time members of the sixteenth finance commission, while Soumya Kanti Ghosh will be a part-time member, a Union gazette notification showed. >P9

Sebi weighs stress tests for small, mid-cap mutual funds

India's markets regulator Sebi is looking at whether local mutual fund schemes investing in small and mid-cap stocks would be able to withstand sharp falls in stock prices or sudden outflows, according to two sources. >P4

Burmans' Religare stake past key 25%

Ranjani Raghavan

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MUMBAI

Burman family entities on Wednesday acquired an extra 4% stake in Religare Enterprises Ltd to raise their holding to 25.18%, securing veto rights on special resolutions at the financial services company.

Before this, the four entities of the Burman family held around 21.18%.

Crossing the 25% mark is significant as it gives the Burmans a say in every major decision; special resolutions that require 75% of shareholder approval will need approval from the Burman family.

Under the Securities and Exchange Board of India's (Sebi) takeover rules, shares purchased during an open offer period go into an escrow account, and the acquirer will be able to exercise voting rights on them only after the offer ends. Hence, the Burmans, who made an open offer for Religare on 25 September, will get voting rights for Wednesday's purchase only

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Mohit Burman, chairman of Dabur India.

Cognizant snags top Wipro client

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BENGALURU

In a blow to Bengaluru-based information technology (IT) services major Wipro Ltd, a $400 million, 10-year outsourcing contract that the company won in 2014 has now gone to its rival Cognizant Technology Solutions Corp.

Nasdaq-listed Cognizant announced last week that it would manage the IT infrastructure of Japan's Takeda Pharmaceutical Co. Ltd, Asia's biggest healthcare company. Cognizant did not disclose the financials and the tenure of the contract.

"Cognizant's long-standing relationship with Takeda combined with our digital transformation expertise will ensure that we are able to support Takeda's aspiration to become one of the most trusted, science-driven, digital biopharmaceutical companies," said Surya Gummadi, executive vice-president and president of Cognizant Americas, in a 25 January statement.

Mint could not independently ascertain why Takeda

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Cognizant CEO S. Ravi Kumar.

Global luxury clocks glitzy year in India

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NEW DELHI

Luxury brands LVMH, Hermès and Christian Dior clocked sharply higher India sales in 2023, as connoisseurs of apparel, bags and accessories flocked to local stores after the covid pandemic ruined foreign travel. Alongside, a clutch of luxury malls came up in top cities, designed to serve the wealthy and the well-travelled.

Louis Vuitton India Retail Pvt. Ltd, the Indian unit of LVMH instantly recognizable with its LV monogram and Damier check patterns, clocked over ₹719 crore sales in FY23, up 33% from the previous year's ₹539.28 crore. Net profit rose 37% to ₹140 crore, up from ₹102.4 crore in FY22. In FY20 and FY19, its net profit had stood at ₹25.3 crore and 16.1 crore, respectively, filings with the Registrar of Companies, accessed through business information platform Tofler showed.

Rival Hermès, which runs its India business through a local partner under Hermes India Retail and Distributors, reported 42% higher sales at ₹249.4 crore in FY23, against ₹175.4 crore the previous year. It clocked a profit of ₹54.3 crore, up 31% from the previous year's ₹41.4 crore. In FY19, it had recorded revenue from operations of ₹109.6 crore and a net profit of ₹18.7 crore. Hermès keeps a very limited production line, controls distribution, and sells exclusive bags like the Birkin and Kelly, all at steep price tags.

Similarly, Christian Dior, which retails under Christian Dior Trading India Pvt. Ltd, reported revenue of ₹183.22 crore in FY23, up 20% from the previous year's ₹152.6 crore. However, profit fell to ₹32.13 crore from ₹35.59 crore in the previous year, as expenses rose. In contrast, the company had clocked a net loss of ₹26.7 crore in FY19. In 2023, a majority of its business came from leather goods, with the company selling ₹102.1

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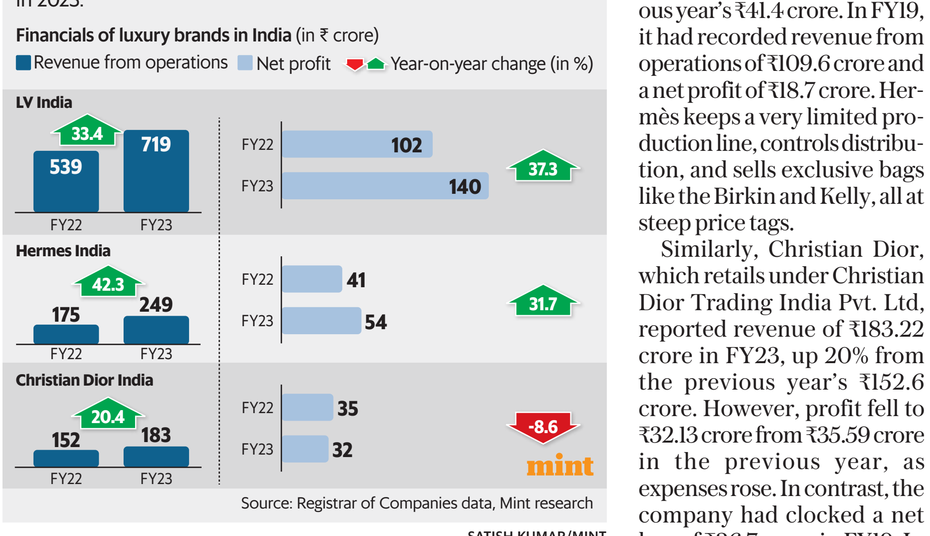
Rich pickings

Luxury brands registered sharply higher sales in the country in 2023.



Source: Registrar of Companies data, Mint research

SATISH KUMAR/MINT

Core sector growth at 3.8% in Dec, slowest in 14 months

Coal output grew 10.6%, the lowest since May 2023, which may reflect slow industrial activity.

Dhirendra Kumar & Rhik Kundu
NEW DELHI

Output in the eight core infrastructure sectors that account for two-fifths of India's industrial output expanded at a sluggish clip of 3.8% in December, official data released on Wednesday showed.

This was its slowest monthly growth in this financial year and marked a 14-month low, even as all major sectors barring crude oil saw some degree of production growth. In the same month a year earlier, core sector output grew at a revised rate of 8.3%.

Commerce ministry data showed that coal production grew in double digits in December. Steel, natural gas, refinery products, cement and fertilizers grew at a single digit.

Crude oil output declined 1%, while electricity grew 0.6%.

Growth in India's manufacturing activity fell to an 18-month low in December as output growth and new orders softened, a private survey released earlier this month said.

According to the HSBC India Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, manufacturing PMI fell to 54.9 in December from 56 in November and 55.5 in October.

A reading of 50 separates expansion


Crude oil output declined 1%, while electricity grew 0.6%. REUTERS

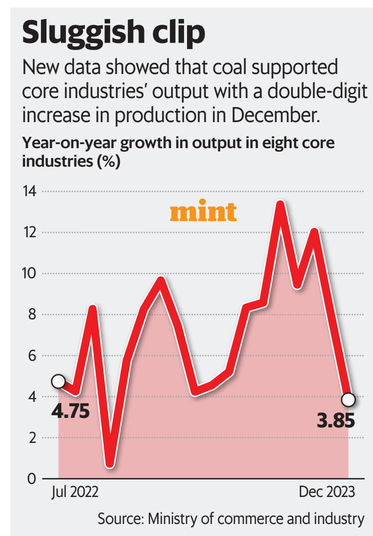
from contraction.

The new data showed that coal supported core industries' output with a double-digit increase in production in December, while crude oil production contracted.

1.3% growth in cement production, seen as weak

Freight loading through Indian Railways recorded an annual growth in December, registering 138.99 million tonnes (mt) due to the movement of coal and goods, up from 130.66 mt during the same period of the previous year.

"Growth of eight core industries in December 2023 was the slowest in 14 months. Production of steel, coal, oil and gas and electricity have all declined



PRANAY BHARDWAJ/MINT

consistently since October 2023," said Prof Biswajit Dhar, an economist Delhi's Jawaharlal Nehru University.

"This trend could adversely affect the growth rate of the manufacturing sector in Q3, given the substantial weight of these industries," Dhar added.

5.7% expansion in steel production in December

Cement production saw a weak growth of 1.3%, reflecting lower demand for construction, though the base effect was high as growth stood at 9.5% during December last year.

The core sector output numbers assume significance as the eight industries—coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity—contribute 40.27% to the index of industrial production (IIP).

Among the eight industries, coal output recorded 10.6% growth, the lowest since May 2023. This growth may be because of mining in anticipation of greater demand in the winter.

A slowdown in coal production reflects slower industrial activity. In the corresponding month of the previous financial year, coal output grew 12.3%.

Steel production expanded 5.7% in December, down from 9.4% in November. The sector had seen 12.3% growth in December 2022. Electricity generation grew 0.6% in December 2023 against 10.4% in December 2022. Refinery products' production growth stood at 2.6% in December 2023, while the production of fertiliser grew by 5.8% in December.

"As expected, the core sector growth slowed to a 14-month low of 3.8% in December weighed by base normalization. While seven out of eight sectors witnessed a year-on-year increase in output, growth was seen moderating in most sectors," said Rajani Sinha, chief economist, CARE Ratings Ltd. "The positive aspect was the improvement in cement output with growth of 1.3% following contraction seen in the previous month. With the base turning unfavourable, we expect the industrial output to record a muted growth in range of 1-2% in December."

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Govt wants to know if businesses are women-friendly

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NEW DELHI

A jump in women's employment has prompted the government to launch a survey that it said would give it the granular data needed to improve working conditions for women and even rate businesses on how female-friendly they are.

The Periodic Labour Force Survey Report for 2022-23 released last October showed that the female labour force participation rate has improved by 4.2 percentage points to 37% in 2023, as per the 'usual status' concept of measuring labour force participation.

Now the labour ministry has joined hands with the ministry of women and child development (WCD) to conduct a survey that will seek further information on women at work.

As part of the survey, the Employee Provident Fund Organization (EPFO) will send out survey forms that will also help to rate employers on their support for women workers.

"The employers rating survey will help us gauge the progress and efforts of employers based on specific facilities. This initiative is a step towards accountability and recognition of those who actively contribute to more inclusive work environment," said a senior official from the WCD ministry.


The survey asked whether women can work remotely or with flexible hours. MINT

The extensive questionnaire requests information about whether the organization has late-night transportation, child care centres, and an internal committee for handling sexual harassment complaints. In addition, the survey asked whether women can work remotely or with flexible hours, and whether male and female employees receive "equal pay for equal work."

The EPFO has sent out the survey questionnaire to all its 300 million subscribers.

"This is not an easy survey to be part of... Now data and feedback from female employees will be robust," WCD minister Smriti Irani said at a "Women in the Workforce for Viksit Bharat" event on Tuesday.

The minister said the government has asked employers to give registered women road construction workers paid maternity leave for up to two deliveries for 26 weeks.


President Droupadi Murmu addresses the Parliament. PTI

Youth, poor, farmers, women, top priorities: Murmu

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Setting the stage for the budget presentation, President Droupadi Murmu on Wednesday outlined that the priorities of the government that would rest on four pillars—youth power, women power, farmers and poor.

The President, whose address comes in the last Parliament session before general elections slated for later this year, said the government has lifted 250 million peole out of poverty.

"My government believes the grand edifice of a developed India will stand on four strong pillars of youth power, women power, farmers, poor and so it is constantly working to strengthen these pillars. The government has spent a significant portion of the tax revenues to empower these pillars," Murmu said.

She said 2023 was a historic year for the country when it maintained the tag of being the fastest-growing major economy.

High growth had helped in reducing poverty, Murmu said, adding that while the slogan of 'Garibi Hatao' had been heard since childhood, "it is only now that we are witnessing eradication of poverty on a massive scale".

"According to Niti Aayog, in the last one decade of my government, about 25 crore (250 million) countrymen have been lifted out of poverty. This is something that instils great confidence among the poor," the President said.

Talking about Nari Shakti—one of the key pillars identified by the government as it attempts to make India a developed nation by 2047—the President said the government is working at every level to strengthen women empowerment and enlarge the role of daughters "everywhere: in water, land, sky and space while enhancing women's economic participation".

She said the government is laying stress on making farming more profitable with the aim to reduce the cost of farming while increasing profits.

India to aid 'mindfulness city' airport

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NEW DELHI

India and Bhutan are in talks to expand and develop Gelephu airport near their border, according to two people aware of the matter, amid plans by the landlocked Himalayan kingdom to make Gelephu a South Asian investment hub.

According to media reports in Bhutan, a master plan for the airport, which currently stands at over 500 acres, proposes expanding its size, including the length of the runway. The Airports Authority of India is in talks with Bhutan to help develop the airport, one of the two people, an Indian official, confirmed. Talks are in their early stages, the official said.

Queries mailed to the ministry of external affairs and the Airports Authority of India went unanswered.

Gelephu has become the focus of Bhutan's efforts to reach out to the global economy. During last year's National Day address, King Jigme Khesar Namgyel Wangchuk laid out plans for a new Gelephu Mindfulness City.

"South Asia is experiencing an unprecedented economic transformation. This is a period


According to Bhutan media reports, a master plan for the airport proposes expanding its size, including length of the runway. MINT

of growth and a period of immense opportunities for our region, which is home to around two billion people. The land connection from Gelephu or Samdrup Jongkhar through Assam and Northeast Indian states, to Myanmar, Thailand, Cambodia, Laos, Vietnam, Malaysia, and Singapore is a vibrant economic corridor linking South Asia to Southeast Asia," King Wangchuk had said in the course of his remarks.

The Gelephu project requires greater physical connectivity with India, through road and railway linkages. The plan to expand and develop Gelephu airport with support from India is believed to be in line with these ambitions.

The Gelephu project requires greater physical connectivity with India, through road and railway linkages

The proposed Special Administrative Region (SAR) in Gelephu could reshape Bhutan's economic landscape, with plans to give it autonomy and legal independence to secure investments and develop the 1,000 sq. km project.

Bhutan is seeking Indian investments for essential physical infrastructure, including an airport and roads, to develop the SAR.

Mint had earlier reported that Bhutan is in discussions with GMR to develop the SAR, complete with infrastructure required to push the region to becoming a key economic centre.

Bhutan has four airports—Paro, Gelephu, Bathapalathang and Yongphulla. Currently, the country operates all its international flights from Paro airport via state carrier Druk Air.

Cooperation on aviation is not new. In 1968, the Indian Border Roads Organisation built an airstrip in the Paro valley, initially used for on-call helicopter operations by the Indian Armed Forces on behalf of the Royal government of Bhutan.

The initial work for domestic airport of Gelephu was completed in 2012 but the airport has faced several financial and operational challenges over the years.

Recently, the airport received aerodrome certificate from the Bhutan Civil Aviation Authority in September 2023 for international flights.

Govt cuts duty on parts to spur mobile phone manufacturing

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NEW DELHI

The Centre has slashed the duty on imported mobile phone components to 10% from 15% in a move designed to push mobile phone manufacturing in India.

The government notified lower duties for inputs used in making battery covers, main lens, back cover, antennae, SIM sockets and mechanical items of plastic and metal.

Industry welcomed the decision, which came just ahead of finance minister Nirmala Sitaraman presenting the interim budget on 1 February.

Telecom minister Ashwini Vaishnaw said the duty cut will "bring much needed certainty and clarity for the industry and in customs processes. I thank Hon'ble PM and FM for this step towards strengthening the mobile phone manufacturing ecosystem."

"This is a welcome policy intervention by the government towards making mobile manufacturing competitive in India. Building scale, riding on low input tariffs is key to trans-


Cost efficiency in production will help exports. ISTOCKPHOTO

forming India into a global hub for electronics manufacturing and exports," said Pankaj Mohindroo, chairman of Indian Cellular and Electronics Association.

Xiaomi India president Muralikrishnan B said the move will help bridge the duty gap, which can provide a further fillip to local manufacturing. "Over time, such moves will help accelerate domestic value addition and facilitate India's growth as an electronic manufacturing destination," he said.

Analysts said the move can help India compete with manufacturing countries like Vietnam and Mexico, as it aims to lure global value chains away from China.

"This initiative is in line with growing scale for facilities, production of key components in India, with an intent to elevate local manufacturing and reduce dependency on China. This will possibly ensure that the end-cost of production is reduced in India, compared to China, with an end objective that the critical ecosystem players currently based out of China, may start thinking of shifting the production base to India," said Navkendar Singh, associate vice-president at IDC India.

He noted that end-pricing of mobile phones can come down by 1-2% if vendors were to pass on the cost reduction to consumers. However, the cost efficiency in production will certainly help exports.

At present, Apple and Samsung are the big players that are major exporters from India but duty changes like this will push other brands also to start shifting export bases to India, he added.

MINT SHORTS

Hindu deities worship allowed in Gyanvapi mosque cellar

New Delhi: The Varanasi district court on Wednesday granted a priest the right to worship Hindu deities in the Gyanvapi mosque cellar, Hindu side counsel Madan Mohan Yadav said. The order was passed by judge A.K. Vishvesha who directed the district magistrate to make arrangements within seven days to facilitate puja there by Shailendra Kumar Pathak. PTI


PTI

SC nod for consultation on environment issues

New Delhi: The Supreme Court on Wednesday granted its approval to a permanent body of experts set up by the Centre for consultation on issues linked to environment and forest cases, replacing the two-decade-old Central Empowered Committee. A three-judge bench headed by Justice B.R. Gavai, however, said that the top court would continue to exercise judicial review, particularly in environmental matters, whenever necessary. PTI

Reached mutual visa deal with Maldives: China


AP

Beijing: China on Wednesday said it has worked out a "comprehensive mutual visa cooperation" agreement with 23 countries, including the Maldives. Beijing is currently trying to work out either visa-free or liberalized visa procedures with various countries to boost the declining number of international tourists to China and to enable its citizens to travel abroad more freely. PTI

Above normal temperature forecast for wheat


PTI

New Delhi: Major wheat-growing areas in the north, as well as other parts of the country, could experience above normal temperatures in February, IMD said on Wednesday, raising concerns about crop yields. Unfavourable weather conditions in the world's biggest wheat producer after China could oblige India to import the staple to ensure affordable supplies. REUTERS

New rule of Sengol procession ahead of President's address


PTI

New Delhi: Setting a new practice, President Droupadi Murmu on Wednesday entered the new parliament building escorted by Rajya Sabha chairman Jagdeep Dhankhar and Lok Sabha speaker Om Birla with an official carrying the 'Sengol', adopted as a cultural symbol by the government. PTI

Imran Khan sentenced for 2nd time ahead of elections

Pakistan's former prime minister Imran Khan and his political party's woes deepened on Wednesday after a court handed him another lengthy prison sentence—his second in two days. An anti-graft court sentenced Khan and his wife to 14 years in jail for dealings related to state gifts while he was in power. BLOOMBERG

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MINT SHORTS

Samsung's profit falls again on uneven chip demand recovery

Samsung Electronics Co. posted its fourth straight quarter of profit decline in the holiday quarter, after a long-awaited recovery in chip and electronics demand delivered few returns for the world's biggest memory maker. South Korea's most valuable company said net income fell 74% in the last three months of the year to 6.02 trillion won ($4.5 billion), after its mainstay chip operations posted a loss of 2.18 trillion won — bigger than what analysts projected. A tax credit of 2.82 trillion won helped lift Samsung's bottom line to nearly double what analysts estimated. BLOOMBERG

p0 secures seed funding from Lightspeed, Alchemy Ventures

ISTOCKPHOTO

Bengaluru: p0 has raised $6.5 million (₹54 crore) in a seed funding round from Lightspeed Venture Partners and Alchemy Ventures. The startup will use the capital for product development, hiring talent and expanding its user base. Founded by Kunal Agarwal, and Prakash Sanker, p0's proprietary technology uses large language models (LLMs) to identify safety and security issues in software before it is ever run in a production environment. "Across the world, recent software failures have led to real-world impact on human life and poor business outcomes. Using AI, we can go further than traditional software reliability and security tools to ensure society sees the benefits of technology with less risk," said Sanker, co-founder and chief technology officer, p0. K. AMOGHAVARSHA

S2G Partners back Aquaconnect in its pre-Series B funding round

Bengaluru: Coastal Aquaculture Research Institute Pvt. Ltd, which operates aquaculture technology platform Aquaconnect has raised $4 million (₹33 crore) in a pre-Series B funding round led by US-based S2G Ventures. The funding will be utilised to expand its presence across India and scale its operations, according to the startup's statement. It will also use the funding to increase its partner network in the next six months and expand its product portfolio. Aquaconnect, set up by Rajamanohar Somasundaram in 2017 uses artificial intelligence AI and satellite remote sensing to bring transparency and efficiency to the aquaculture value chain. K. AMOGHAVARSHA

The company reported a revenue of around ₹1,325 crore in FY23, a fourfold increase from the previous fiscal. ISTOCKPHOTO

Wiz Freight raises more capital in Series B round

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NEW DELHI

Tiger Global-backed supply chain startup Wiz Freight plans to raise an additional amount in the second close of its Series B funding round after securing ₹125 crore ($15 million), a top executive told *VCCircle*.

The company, which made the initial close of its Series B round earlier this month, intends to raise another ₹125 crore ($15 million) from existing investors, said Ramkumar Govindarajan, co-founder and chief executive officer of Wiz.

The first round, led by Japan-based SBI Investment, valued Wiz Freight at $175 million, post-money, with participation from Tiger Global,

Nippon Express Holdings, Axilor Technologies Fund, Foundamental, Arali Investments, Unikon Shipping Ventures, and several family offices.

The current fund raise is a part of the larger round that the company intends to close this year at a post-money valuation of over $200 million.

The capital injection is expected to fortify the company's financials and drive expansion efforts, particularly in overseas markets. Wiz Freight aims to use this fund to bolster its operations in South-east Asia, Middle East, and US, with an emphasis on technological advancements in its logistics solutions. The Chennai-based firm plans to extend its footprint into five more countries—Saudi Arabia, Vietnam, China, Malaysia, and parts of Europe.

"Wiz Freight is set to double its workforce at the technology and R&D Centre in Chennai, currently home to 200 employees," co-founder and chairman Ramkumar Ramachandran said. "The primary focus is on scaling up the tech platform for enhanced efficiency and innovations which are already in the pipeline."

VCCIRCLE

The company is looking to expand in the logistics and warehousing space through small and medium acquisitions, he added.

Wiz Freight raised a Series A funding of ₹275 crore ($36 million) in March 2022, led by Tiger Global. It had closed a $3.5 million seed round, led by Axilor Ventures, in August 2021.

The company reported a revenue of around ₹1,325 crore in FY23, a fourfold increase from the previous fiscal, and aims to top the ₹2,000-crore mark in FY25.

"Our intention is to conserve cash for organic growth initiatives and outline a plan for an IPO in 4-5 years," Govindarajan told *VCCircle*.

'We delayed profit by design'

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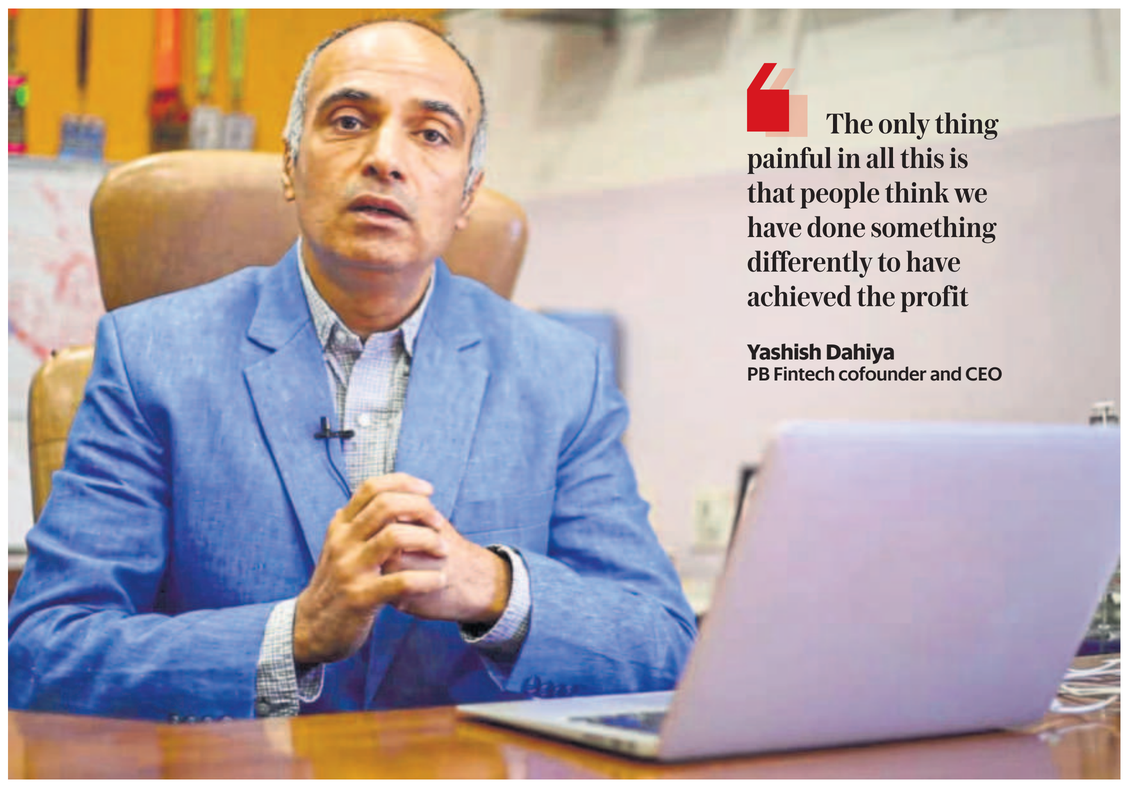

PB Fintech, the parent company of online insurance aggregator Policybazaar, clocked its first ever profitable quarter for the period ending 31 December 2023. The company clocked a profit after tax of ₹37.2 crore as against a loss of ₹87 crore a year ago. This profit came on the back of a 43% revenue growth to ₹871 crore. The company saw its share price cross the initial public offer (IPO) price of ₹980 a share on Wednesday. The company, while delivering strong premium growth amid lower commissions, is expected to grow on the back of its online sales which grew more than 39% year on year for Q3FY24.

The new initiatives of the company will increasingly add to the bottom line but it is the core business that is likely to drive its growth sustainably, said Yashish Dahiya, cofounder and chief executive of PB Fintech in an interview. *Edited excerpts:*

You have managed to turn a profit. How did you do this?

The only thing painful in all this is that people think we have done something differently to have achieved the profit. The profit was inevitable. What we did was we delayed the profit by design. And why did we do that? We built out new initiatives during the IPO. Before that, in 2021, we didn't have anything like new initiatives. In FY 2022, 2023 and 2024, we have launched new initiatives, and even in 2024, we will have ₹170 crore loss from new initiatives which did not exist in 2021. So, all we have done is got into new business which created incremental losses. Our core business, by the way, was almost at breakeven at the time of IPO itself.

INTERVIEW

The second thing that happened was we awarded employee stock ownership plans (Esops) which for the last two years had cost us around ₹650 crore, this year it was ₹330 crore and next year it will be about ₹150 crore and the year after it will be about ₹50-60 crore.

It's those pieces that pushed the profits behind. Now, why was profit inevitable? Because the core business was going to turn significantly profitable. It was new initiatives and Esop charges. So, as the Esop charge allocation has become more real and as the new business grows, the core business profits have grown so that they have now started dwarfing the new initiative losses and losses have also been coming down.

So will the new initiatives become your growth driver, going forward?

They are important for us, not just for growth, but also strategically scale is important. They have now added 33% of revenues. They are a significant part of our revenue and growth, and will be in the future as well. These new initiatives are majorly the new agent aggregator platform that we have added.

Your credit business is facing headwinds. What is the strategy to wade through this?

Look, the RBI put out a guidance asking lenders to be more careful on unsecured credit, especially the low ticket unsecured credit below ₹50,000. That is only 5% of our business anyway. And credit itself is 15% of the total revenues, so you can appreciate it's like 0.6% revenue right, so it doesn't bother us too much.

A lot has been written about the disruption that Bima Sugam by IRDA is going to create in this world of online-first sales. How worried are you?

See, if the regulator says it's a day, can a regulated entity say its night, even if it truly is a night? No, right? So, it's a day.

Between the three businesses under PB Fintech, which is expected to grow at a faster clip over the next 24-36 months and why?

I think all three will be growing at pretty much the same rate as today. Be it credit, core business or whether it's point of sales business (POSB), over a three-year period, I expect all three to pretty much grow at the same rate.

Apple tops India smartphone sector revenue in '23, nears $10 bn

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iPhone-maker Apple marked 2023 as the first year when it topped the smartphone market revenue chart in India, according to a report by market researcher Counterpoint India on Wednesday. Two industry officials who consult multiple smartphone brands said that Apple's India revenue from iPhones fell just short of the $10 billion-mark, but was enough to topple Korean electronics brand Samsung's longtime hold at the top spot in terms of revenue from smartphone sales in India.

Apple's record smartphone revenue comes in a year of continued lack of enthusiasm among consumers towards smartphones. Counterpoint's report said that shipments of smartphones in India remained flat through 2023 at 152 million units. Apple, in comparison, shipped more than 10 million iPhones for the first time, growing at over 50% year-on-year (YoY).

Mint had reported on 30 October that Apple had led India's smartphone market by revenue in the first half of 2023, and after strong festive period sales, was on track to top the smartphone market revenue by approaching the $10 billion mark in 2023.

"Apple continues to see strong consumer demand, and is likely to maintain a strong double-digit shipment growth in 2024 as well. In comparison, the overall smartphone market could see a small 5% YoY growth through this calendar year—although much of this will depend on how global macroeconomic conditions play out through the rest of this year," said Tarun Pathak, research director at Counterpoint.

This market share for Apple comes off the back of multiple consecutive quarterly revenue records from its iPhone sales in India.

On 4 November, *Mint* reported that Apple, in its September quarter earnings, disclosed its sixth consecutive quarterly revenue record—with its volume-wise market share crossing 6% for the very first time. Pathak said that Apple is likely to be the sixth

most popular brand in India, with a 6.6% market share in terms of shipments at the end of 2023.

Interestingly, Apple is projected to have pipped Samsung to the top spot in terms of revenue with almost one-third of Samsung's total shipment volume—while Apple is said to have shipped just over 10 million iPhones last year, Samsung shipped over 27.3 million to capture 18% of the market. However, Apple's average selling price (ASP) is 3x that of market leader Samsung—in comparison to a $950 (₹78,000) per-device price for Apple, Samsung's ASP is around $350 (₹29,000).

Samsung, on its part, is also pushing for more premium devices in the market. However, Pathak said that Samsung's bulk market share in the sub-₹20,000 budget price ranges has considerably declined, which has contributed to Apple overtaking it in terms of annual revenue.

The rise of demand for iPhones in India is likely to continue in the short term, as multiple financing options, bank-linked discounts and strong resale programmes offered by organized refurbished smartphone sellers are boosting sales of premium smartphones in India. Industry experts expect this growth to sustain for three calendar years, before Apple's double-digit growth tapers off.

Navkendar Singh, associate vice-president at market researcher IDC India, told *Mint* in October that due to its high ASP, Apple is likely to hit a glass ceiling—beyond which it may struggle to continue selling incrementally higher iPhones every year in a value-conscious market.

Index	Close	Percent change	Previous close	Open	High	Low
S&P BSE Sensex	71,752.11	0.86	71,139.90	71,073.04	71,851.39	70,846.04
Nifty 50	21,725.70	0.95	21,522.10	21,487.25	21,741.35	21,448.85
Nifty 500	19,802.10	1.16	19,574.20	19,574.15	19,813.30	19,546.40
Nifty Next 50	55,299.25	0.86	54,826.20	54,916.10	55,346.55	54,800.10
Nifty 100	22,051.55	0.94	21,846.20	21,823.15	22,067.15	21,783.40
S&P BSE Mid-cap	38,774.50	1.57	38,175.88	38,291.63	38,797.40	38,187.59
S&P BSE Small Cap	45,722.58	1.83	44,900.90	45,123.42	45,763.05	45,099.12

MINT SHORTS

Dollar bond sales in Asia see worst start to year since 2016

Dollar bond sales in Asia are off to their weakest start in eight years, bucking a strong global trend as regional borrowers raise cheaper funds at home and wait for the Federal Reserve to cut interest rates. High borrowing costs prompted Philippines property firm Vista Land & Lifescapes Inc. to postpone its sale, contributing to the 28% year-on-year drop in US-currency debt issuance. Sales in ex-Japan Asia has totalled just $18.2 billion since 2024 began, *Bloomberg*-compiled data show. This is in stark contrast to the US and Europe, where issuers have smashed records amid a deals bonanza. Thanks to the Fed's historic monetary tightening campaign, Asian companies and governments have found it less expensive to sell debt locally, especially in China where authorities have stepped up policy easing to cure an ailing economy. Global concerns rise about rising financial stress in the world's No. 2 economy. BLOOMBERG

TheGDP expanded 3.2% in 2023 in Hong Kong, reflecting a disappointing economic period. ISTOCKPHOTO

Hong Kong GDP growth disappoints in 2023

Hong Kong's economy grew at a slower-than-expected pace last year, underscoring the challenges facing the city's post-pandemic recovery as China's slowdown and higher interest rates abroad drag on growth. Gross domestic product expanded 3.2% in 2023, according to advanced estimates announced by the Census and Statistics Department on Wednesday. That compared with economists' forecast of 3.4% growth. The number reflects a disappointing economic period since the Asian financial hub reopened after years of self-imposed covid isolation. The government earlier last year predicted that the economy would grow within a range of 4% to 5%, but revised down its projection after an initial surge in tourism and consumption fizzled out. GDP rose 4.3% in the October-to-December quarter from a year earlier. The rise was worse than economists' estimate of a 4.7% expansion. The 2023 figure matched the government's November forecast. BLOOMBERG

L&T: Margin woes cloud Q3 positives

Dipti Sharma & Harsha Jethmalani
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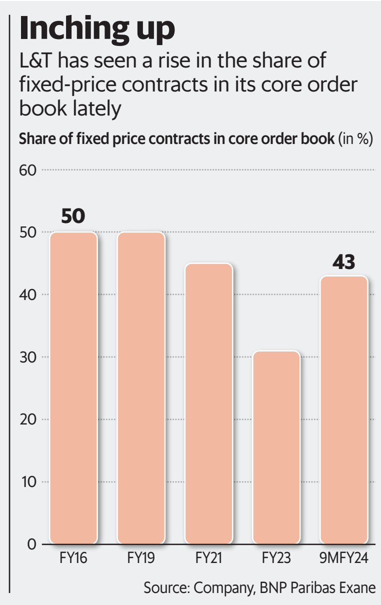
Shares of engineering giant Larsen & Toubro Ltd hit a 52-week high of ₹3,737.90 apiece on Tuesday on new order wins. But the excitement fizzled out on Wednesday, after the third-quarter operating performance of L&T's core engineering and construction (E&C) business disappointed.

Margin fell 90 basis points year-on-year in the December quarter to 7.6%, missing analysts' expectations. The company is executing legacy orders secured in FY21 and the first half of FY22, while execution of new orders is yet to reach a margin recognition threshold, depressing the core margin.

E&C margin has been in low single digits in the previous three quarters, and the pain may not be over yet. L&T has lowered its E&C margin guidance range to 8.25-8.5%, from 8.5-9%. Although the cut in the guidance is not sharp, it was enough for investors to cream off profits, dragging the stock down by 4% on Wednesday.

It is worth noting that the Mumbai-based construction major has entered into more fixed- price contracts incrementally over the previous few quarters. Such contracts tend to witness more margin volatility, especially in a scenario of commodity inflation. For L&T, fixed-price contracts accounted for 42-43% of its order book in the first nine months of FY24, as against a typical 33-35%.



PRANAY BHARDWAJ/MINT

That said, the management expects legacy contracts to largely conclude by FY24. L&T believes execution in FY25 will have a high share of new orders with better margins. The company anticipates a gradual improvement in core Ebitda margin over the next four-five quarters, with a focus on achieving a double-digit margin.

"We expect the overhang of legacy projects to persist longer into H1FY25, but post that with newer projects crossing margin recognition threshold, core Ebitda margins can largely normalize," said Priyankar Biswas, India analyst at BNP Paribas.

He expects that a larger portion of revenues from the real estate business, known for its high margins, in FY25 and FY26 will aid further margin recovery.

For now, concerns on margin have overshadowed the positives on Q3FY24 earnings. L&T's order inflow grew 25% year-on-year to ₹76,000 crore. The orderbook stood at around ₹4.7 trillion, up 22% y-o-y, at the end of Q3FY24.

FOREIGN ELEMENT

EXPORT orders shot up y-o-y driven by mega order wins in West Asia

ELECTION-related slowdown is feared to hurt L&T's domestic ordering in Q4FY24 and Q1FY25

While domestic order inflows disappointed, exports orders shot up year-on-year, driven by mega order wins in West Asia. In fact, the share of international projects in the total order book increased to 39% in Q3FY24, with Saudi Arabia accounting for nearly 29% of the order book.

Thanks to a robust order book, L&T has raised its revenue growth guidance to high-teens from 15% earlier for FY24, and order inflow will grow 20% year-on-year compared to over 12% earlier. The company said it has a robust prospects pipeline of about ₹6.3 trillion in the near term, which bodes well for revenue visibility. Over the past year, the stock of the industry bellwether has rallied 64%.

However, a near-term risk lingers. The L&T management has cautioned about election-related slowdown impact on domestic order execution and inflows for Q4FY24 and Q1FY25.

Valuations are barely comforting. According to analysts at Kotak Institutional Equities, the L&T stock trades at an expensive 33x one-year forward core E&C earnings-per-share multiple. "Recent/upcoming events make it difficult to be liberal on multiples, given the growing share of overseas business, Saudi Aramco halting growth plans, share of fixed contracts going up, domestic ordering continuing to disappoint and case for fiscal consolidation from FY2025," Kotak said in its report on 31 January.

Vodafone Idea needs capital infusion to reconnect with investors

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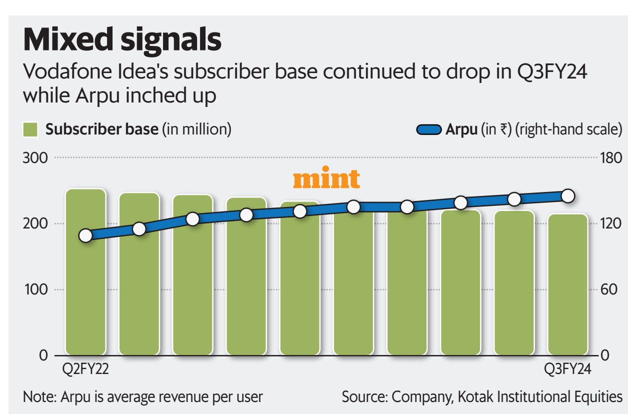
Telecom operator Vodafone Idea Ltd faces a daunting set of challenges, with a thinning subscriber base a key concern. In the December quarter (Q3FY24), the service provider saw its subscriber loss widen to 4.6 million, from 1.6 million in the previous quarter, leaving it with 215.2 million customers at the end of December. Additionally, there was a sequential drop in data usage per customer in Q3.

This indicates that some of the heavy users of data could be porting out of Vodafone Idea, possibly to take advantage of 5G services offered by Bharti Airtel and Reliance Jio, said an Axis Capital report dated 30 January.

Clearly, the company needs to make investments in network infrastructure to contain subscriber loss. However, its high debt level complicates matters. As of December-end, Vodafone Idea's net debt stood at a whopping ₹2.1 trillion, up nearly 1% from September end. With about ₹5,400 crore in debt repayments due over the next year, and an annualized Q3 Ebitda (pre Ind AS 116) of around ₹8,600 crore, the company's financial position is precarious.

"The significant amount of cash required to service debt leaves limited upside opportunities for equity holders, despite the high operating leverage opportunity from any source of Arpu (average revenue per user) increase," said analysts at Motilal Oswal Financial Services in a report on 30 January.



PRANAY BHARDWAJ/MINT

In short, it is high time that Vodafone Idea raises funds. In fact, capital expenditure (capex) required to expand 4G coverage and launch 5G services hinges on fundraise. Capex levels are currently falling, and spending stood at ₹330 crore in Q3, down about 37% sequentially. Once the funds are raised, the company would take six to seven months to roll out 5G.

On the other hand, peers Reliance Jio and Bharti Airtel have already rolled out 5G. The delay in 5G capex by Vodafone Idea could hurt subscriber base, which is already declining.

Amid this gloom, a bright spot is that Vodafone Idea's Arpu has been growing steadily, helped by changes in entry-level plans and subscriber upgrades. In Q3, Arpu stood at ₹145, up 2% sequentially, whereas growth in Jio's Arpu was flat.

But at a time when competition is intensifying and the company continues to lose market share, fundraise is critical to revive investor sentiment, which has been battered.

Shares of the company have fallen 22% from a 52-week high of ₹18.40 apiece seen in early January.

Besides fund-raise, tariff hikes could be another significant trigger for the stock.

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

PVR capex on track, south India in focus

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NEW DELHI

PVR Inox is on track to open 170 new screens in the financial year 2024 at an investment of ₹600-700 crore, the multiplex chain said on Wednesday.

The Gurugram-based company has already launched 97 screens, and expects to add another 70-75 this quarter. The expansion includes 20% premium formats such as ICE and 4DX. A significant focus is on South India, which the company has identified as a key growth area and will account for 40-45% of new openings.

PVR Inox on Wednesday reported a 20% year-on-year decline in its consolidated net profit to ₹12.8 crore for the third quarter of FY24. The company's revenue jumped 64% to ₹1,546 crore.

The company recorded 36.5 million admissions with an average ticket price, or ATP, of ₹271, up 14% year-on-year. Its spend per head (SPH) rose 8% to ₹132. For the nine months ended 31 December, profit and revenue touched ₹204.5 crore and ₹4,913.3 crore, respectively. Despite some underperformers, December emerged as the highest-grossing month of 2023, thanks to Hindi action film *Animal*, which collected more than ₹650 crore, the cinema chain said. Other notable releases during the month included *Salaar*, which grossed ₹480 crore, *Dunki* ₹270 crore, and *Sam Bahadur* ₹ 110 crore till date.

Ajay Bijli, managing director, PVR Inox Ltd.

"The World Cup played on the minds of the film fraternity that reduced the number of releases during this quarter. However, when movies did release, some of them did far better than expectations," Ajay Bijli, managing director, PVR Inox Ltd, said in a post-earnings interview.

Bijli referred to the unexpected success of small-scale films such as *12th Fail* and *Sam Bahadur*. The Shah Rukh Khan-starrer *Dunki* may not have crossed the numbers of *Jawan* and *Pathaan*, his other 2023 hits, but it did find a draw, he added. He said the quarter missed a regular pipeline of Hollywood releases because of the writers' and actors' strike in the US, while southern language films have also not managed to break out. Bijli added that the 14% increase in average ticket price does not pinch consumers who are conscious of how they spend their time. Besides, average ticket price appears higher because of the inclusion of rates at premium luxury cinema formats.

Regulator cracks whip on Paytm bank

FROM PAGE 1

work, etc.

Paytm Payments Bank is an associate company of listed One97 Communications Ltd, which held a 49% stake in it as on 31 March 2023. Shares of One97 Communications closed at ₹761 on the BSE on Wednesday, unchanged from a day ago. The RBI announcement came after market hours.

Experts said the FASTag business of the company would be severely impacted as customers would now need to look for an alternative issuer.

The regulator also asked the bank to terminate all nodal accounts of One97 Communications and Paytm Payments Services by the end of February. All transactions in the pipeline and nodal accounts that were initiated by end-February need to be completed by 15 March.

A nodal account acts as a link between merchants, customers and intermediaries like payment aggregators and payment gateways. Money paid by customers is sent to the nodal accounts before being settled with the merchant or seller.

Experts said the RBI order on nodal accounts would not impact the point-of-sale business of Paytm

Experts, however, said that the RBI order on nodal accounts would not impact the point-of-sale (PoS) business of Paytm. "My reading is that nodal accounts that One97 Communications would have with Paytm Payments Bank will have to be terminated. One97 may have nodal accounts with other banks, which I believe would continue and, therefore, the primary business of One97—PoS terminals—would not get impacted," said Parijat Garg, a fintech expert.

A former RBI official said the regulator takes a grave view of repeated non-compliance, which would have been the case with Paytm. "It would have not been able to rectify deficiencies pointed out by the regulator despite extending the deadline to do so. RBI does not take these things lightly," the former official said, adding that central bank has depositor interest to keep in mind.

Others compared the RBI action to a moratorium on Paytm Payments Bank, except that there is no bar on withdrawal of deposits.

"It could mean further erosion of deposits if its consumers start withdrawing from the bank. The RBI restriction would leave the company in a difficult position as it would no longer be able to cross-sell products on its platform and customers might not be interested in keeping money in their accounts when they cannot use it," said Srinath Sridharan, a policy researcher and corporate advisor. He added that since banking is all about consumer trust, it looks like Paytm Payments Bank has to build it with the regulator.

Bank of Baroda Q3 profit increases 19 %

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State-owned Bank of Baroda (BoB) on Wednesday posted a 19 % increase in profit at ₹4,579 crore for third quarter ended December 2023.

The bank had earned a net profit of ₹3,853 crore in the same quarter a year ago.

Total income increased to ₹31,416 crore during the quarter under review from ₹27,092 crore in the same period last year, BoB said in a regulatory filing. Interest income of the bank rose to ₹28,605 crore from ₹23,540 crore in the third quarter of previous fiscal.

Gross Non-Performing Assets (NPAs) of the bank declined to 3.08% of gross loans by the end of December 2023 from 4.53% a year ago.

Similarly, net NPAs or bad loans came down to 0.70 % from 0.99% at the end of third quarter of the previous fiscal.

Total income increased to ₹31,416 cr in the quarter. MINT

Markets regulator reviews small, mid-cap funds' stress tests

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India's markets regulator is looking at whether local mutual fund schemes investing in small and mid-cap stocks would be able to withstand sharp falls in stock prices or sudden outflows, according to two sources with direct knowledge of the matter.

Such funds have seen heavy inflows over the past year, pushing up the prices of small and mid-cap stocks and raising the risks of a steep correction should market conditions suddenly deteriorate.

In talks with the Association of Mutual Funds in India (Amfi) this month, the Securities and Exchange Board of India (Sebi) asked for small and mid-cap funds' internal stress tests so it could determine if they would have adequate liquidity to meet any large outflows, the sources said.

A Sebi request to review the results of funds' stress tests is rare. While Sebi has completed one round of stress test reviews, it wants funds to test for more adverse scenarios, said one of the sources. The sources declined to be identified as discussions with the regulator were confidential.

Sebi and Amfi did not respond to requests for comment. Strong economic growth has propelled the benchmark BSE Sensex 20% higher over the past 52 weeks, but the BSE small-cap index has shot up 65% and the mid-cap index has surged 59% as investors latch on to stocks that they see as having greater upside potential.

Sebi is assessing whether these funds would be able to withstand a steep correction in stock prices. HT

There have been record inflows into small and mid-cap funds, said the second source.

Mutual funds that invest in small-cap stocks saw inflows of ₹432.8 billion ($5.2 billion) in 2023, more than double the previous year, according to Value Research.

Inflows into mid-cap funds climbed by a fifth to ₹248.8 billion. Mutual funds tend to keep between 1% and 5% of their assets as cash as a prudent measure to meet outflows, according to public documents.

There is, however, no minimum regulatory requirement. Funds need to invest at least 65% of their assets in small-cap stocks to be categorised as a small-cap fund and the remaining 35% can either be in cash or invested in large-cap stocks. The rule is similar for mid-cap funds. "Very early-stage discussions have happened on whether increasing cash in portfolio and having a buffer of large-cap stocks can help in stress events as a defensive measure," said one of the sources. In India, small-cap stocks are defined as those with market caps of less than ₹50 billion while mid-cap stocks are those with market values of between ₹50 billion to ₹200 billion.

SUV sales drive up Maruti's Dec quarter profit by 33%

The company has reported a standalone net profit of ₹3,130 crore for the December quarter

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Maruti Suzuki sold 501,207 vehicles in the December quarter, of which 429,422 units were sold in the domestic market. MINT

Rising SUV (sports utility vehicles) sales are helping Maruti Suzuki offset a continued weakness in its 'bread and butter' small-car segment, as aspirational customers increasingly look to upgrade to premium vehicles.

A 6% increase in the average selling price (ASP) of its vehicles, on account of a higher contribution of pricier SUVs to its total sales, helped the company offset the impact of deep discounts during the December quarter, a period of festivities during which firms typically cut prices to lure customers.

The Gurugram-based company reported a standalone net profit of ₹3,130 for the quarter ended December, a 33% year-on-year jump, driven by increased SUV sales even as small-car offtake remained subdued.

Maruti Suzuki sold 501,207 vehicles during the quarter, out of which 429,422 units were sold in the domestic market and 71,785 were exported, the highest-ever for any quarter.

The company's standalone revenue from operations in Q3FY24 increased 14.68% to ₹33,308.7 crore from ₹29,044.3 crore a year earlier, benefiting from strong demand for its more expensive and profitable SUV segment, which consists of 7 models at present, including the mid-SUV Grand Vitara and the crossover Fronx, both of which have surpassed 1 lakh units each in cumulative sales, the company told stock exchanges on Wednesday.

14.68% Rise in stand-alone revenue from operations in Q3

The company said higher sales volume, cost reduction efforts, slightly favorable commodity prices, and higher non-operating incomes aided its revenue growth.

In the April-December period, Maruti Suzuki had an SUV segment share of nearly 21%, according to wholesale data compiled by the Society of Indian Automobile Manufacturers (SIAM).

The company told analysts that it had a "very healthy and low closing stock at the end of the quarter at less than 45,000 units", with dealerships prepared to receive new stock. "So we started the new year light and ready to receive many more cars in the dealerships", Rahul Bharti, chief investor relations officer, Maruti Suzuki, told analysts in a post-earnings conference call.

The company expects its Ebit margin, which improved to 9.9% versus 7.6% in the corresponding period last year, but declined 130 basis points sequentially, to get a boost from the recent price hikes taken by the company, favourable commodity prices, and lower discounts.

"Discounts were up in Q3FY24, so that impacted Ebit margins by about 70 basis points. Advertisement cost was up by about 30 basis points, so that there was a net negative about 210 basis points (quarter-on-quarter)... On the other hand, we gained somewhat on foreign exchange and royalty at about 30 basis points. So on the whole, sequentially, on Ebit, we had about 130 basis points fall from 11.2% in Q2 to 9.9% in this quarter", Bharti said.

6% The rise in average selling price for Maruti in Dec qtr

The company is looking to double its production capacity to 4 million units by the turn of the decade, and is set to begin production of its maiden BEV (battery electric vehicle) for the Indian and export markets in this calendar year, Maruti Suzuki said. Maruti Suzuki's first EV launch will be in the 'upmarket SUV' segment, positioned above the Grand Vitara mid-sized SUV, with a range of 550 kilometers and a 60 kilowatt hour battery capacity.

"So, of course, the range anxiety is something that we've taken care of extremely well. So it's a high spec vehicle and we are hopeful that customers will receive it well", Bharti told investors.

According to auto industry body SIAM, while this financial year is likely to record 4.18-4.20 million units in passenger vehicle sales, the high base set in FY24 points to a more benign growth outlook of close to 4.3 million units in sales in FY25.

Sun Pharma net up 16.5% at ₹2,524 crore on robust sales

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Dilip Shanghvi, MD, Sun Pharmaceutical Industries Ltd. BLOOMBERG

Sun Pharmaceutical Industries Ltd on Wednesday posted a consolidated net profit of ₹2,523.75 crore, an increase of 16.5% year-on-year (y-o-y), on the back of robust sales, volume growth, and new product launches in key regions.

It reported a consolidated revenue of ₹12,380.7 crore in the December quarter, against ₹11,240.97 crore a year ago. Analysts polled by *Bloomberg* had estimated revenues of ₹12,339.9 crore and a net profit of ₹2,464.8 crore.

"We are pleased by our continued broad-based growth including in global specialty. We are keenly looking forward to the EMA filing of Nidlegy in the coming months. Once approved, Nidlegy will significantly expand our oncoderm franchise in Europe," said Dilip Shanghvi, managing director of Sun Pharmaceutical Industries Ltd, in an exchange filing.

Earnings before interest, taxes, depreciation, and amortization (Ebitda) stood at ₹3,476.8 crore, which is up 15.8% y-o-y, with an Ebitda margin of 28.1% during the quarter. The company's expenditure on research and development (R&D) for the third quarter was ₹824.5 crore.

"Our R&D efforts span across both specialty and generic businesses, and we continue to invest in strengthening product pipeline for various markets. Our specialty R&D pipeline comprises six molecules undergoing clinical studies," the company added.

The Mumbai-based company that specializes in specialty, generics, and consumer healthcare products, reported a revenue of ₹3,778.5 crore from the sales of formulations in India, up 11.4% from the year-ago period. Sales from the Indian formulations segment accounted for 31% of the total sales of the company in the quarter.

Global specialty sales stood at $296 million, including the $20 million milestone received in the quarter, which means a growth of 24.2% y-o-y, ex-milestones. The global specialty sales accounted for 19.1% of the total sales, it added.

"The phase two study for GL0034, being developed for diabetes indication, will start in the second half of 2024, the candidate is also being evaluated for its potential use in multiple indications," the company said in the post-earnings call, in response to whether GL0034 will be used for obesity indications. The company also said that its product Nidlegy™ will be filed with the European authorities during the first half of the current year. "Once approved, it will enhance our offerings in skin cancer and synergize. We also expect to start phase three trials for MM-II, by the second half of 2024, while the focus remains to look at opportunities for GLP-1 which we can license from the innovator companies. Our own GLP-1 is in the early stage of development and just completed phase one trials," the management said in the earnings call.

Sun Pharma reported a consolidated revenue of ₹12,380.7 cr in Q3, from ₹11,240.97 cr a year ago

US formulations reported a revenue of $477 million, a growth of 13.2% y-o-y. This includes revenues from the recently-acquired Taro Pharmaceuticals as well. Sales from formulation in the US accounted for 33% of total sales in Q3FY24. Taro reported a revenue of $157 million in Q3, up 12.9% year-on-year, with a net profit of $20.2 million, against $7.3 million in the corresponding quarter a year ago.

The company earlier in the month had signed a definitive merger agreement with Taro to acquire the remaining stake that it doesn't already own for approximately $347.8 million. "The agreed price of $43 per share is poised to deliver a 48% premium to the unaffected price on 25 May 2023. The merger agreement is subject to various closing conditions including shareholder approval," it added.

Formulation sales in emerging markets stood at $252 million in Q3, a 2.3% decline due to adverse currency movements.

Dabur eyes polls to bolster rural recovery

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Mohit Malhotra, CEO, Dabur India. MINT

India's rural markets, where demand for packaged consumer goods has remained subdued for several quarters, could show signs of recovery as the coming general elections are likely to spur demand, said Mohit Malhotra, chief executive officer, Dabur India Ltd.

On Wednesday, Dabur reported a 6% year-on-year jump in domestic volumes. The maker of Real drinks and Vatika shampoo reported a 8% jump in the December quarter consolidated net profit to ₹514.2 crore. The company's revenue from operations increased 7% to ₹3,255.06 crore during the same period. Dabur India had reported revenues of ₹3,043.17 crore in the corresponding quarter of the previous fiscal.

Meanwhile, rural demand for Dabur grew 200 basis points ahead of urban markets, bucking trends reported by competitors such as Hindustan Unilever and Marico that reported soft demand for their products in villages in the quarter gone by. Rural markets reported a growth of 6–6.5% in the December quarter for Dabur, while urban markets grew 3.8% year-on-year.

Investment in distribution footprint expansion in villages helped demand from the hinterland bounce back for Dabur, said Malhotra. The company has also "curated" a rural portfolio at accessible prices across its top-selling brands. "Rural growth has gone down in the past two quarters now, my hypothesis is because food inflation has started once again, or has not abated. So if you see fruits, vegetables, spices, cereal, etc., we have seen inflation pick up in the range of around double-digit now. In rural areas, where per capita incomes are lower, their incomes are skewed towards consumption of essentials, and therefore, discretionary spending gets impacted. We have given very contrarian results because of village expansion, our outlet expansion, and our portfolio curation. That's why we could beat what the market is saying. But that said, there is year-on-year growth, as far as rural is concerned," he said at the company's post-earnings call on Wednesday.

Rural demand for Dabur grew 200 bps ahead of urban markets in Q3, bucking trends reported by competitors

Malhotra said consumer sentiment in rural India is showing signs of improvement. The upcoming elections could help spur demand. "If you look at the consumer sentiment in the market where rural plays a very big part, that is improving...and elections are approaching. So I think there will be a lot of government investments on infrastructure, which will help rural areas and also some dole-outs will be given by the government in rural areas which will only increase their disposable income," he said.

Jubilant FoodWorks' Q3 profit slips 18%

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Jubilant's revenue from operations grew 3.47% to ₹1,378.11 crore in Q3 against ₹1,331.81 crore reported in the year-ago period. MINT

Jubilant FoodWorks Ltd on Wednesday reported a 18.2% dip in consolidated net profit for the three months ended 31 December.

Profit for the period stood at ₹65.7 crore; the company that operates Domino's restaurants in India had reported a profit of ₹80 crore in the year-ago period. Meanwhile, revenue from operations grew 3.47% to ₹1,378.11 crore against ₹1,331.81 crore reported in the year-ago period.

Revenue growth was driven by Domino's delivery channel sales which increased by 6.2%. Growth in delivery was partially offset by decline in dine-in, the company said.

Like-for-like sales growth for Domino's was down 2.9% largely impacted by dine-in. The company reported the highest ticket in the last nine quarters organically—without taking a price increase since the last six quarters.

"A series of proactive, strategic decisions being taken on a continual basis is helping us navigate the muted demand environment well. The successful creation of a dedicated spending pool via Project Vijay for pizza category development, sharpening our on-ground executional capabilities, accelerated expansion of Popeyes network, and the continual reinforcement of our competitive strengths in delivery, technology, and supply chain are all key elements that will reignite the growth engine for our India business. The accretive DP Eurasia acquisition marks a new chapter of utilizing Domino's experience to aid their business and also in the process create additional value for our shareholders," Sameer Khetarpal, CEO and MD, Jubilant FoodWorks Ltd said.

With the addition of 40 new stores and entry in 10 new cities, Domino's India expanded its network to 1,928 stores across 407 cities. The company stepped up the pace of network expansion in Popeyes with the opening of 10 new restaurants and entry in four new cities—Mysuru, Mangaluru, Kadalur and Mohali—taking the network tally to 32 restaurants (Popeyes) across 10 cities. In Hong's Kitchen, new stores and entry in one new city enhanced the network to 22 stores across four cities.

The promoters of HT Media Ltd, which publishes Mint, and Jubilant Foodworks are closely related. There are, however, no promoter cross-holdings.

Wistron to set up laptop unit in Karnataka

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Taiwan's Wistron Corp has signed a non-binding agreement to invest ₹1,500 crore ($180.7 million) in setting up a laptop manufacturing unit in the Indian state of Karnataka, the local government said on Wednesday.

The proposed plant is expected to create around 3,000 jobs and also produce electric vehicle-related parts, a statement from the government said.

Large and medium industries minister M.B. Patil said the company has sought 32 acres of land for the proposed project, and the government is considering providing the required land in the surroundings of the Bengaluru region.

Wistron plans to start manufacturing laptops at the plant from January 2026 and export more than half of the laptops made at the unit. The deal comes months after Wistron approved sale of its unit that made Apple iPhones in the country to salt-to-software conglomerate Tata Group in an estimated $125 million deal.

In November 2023, India granted incentives to companies like Dell, HP and Foxconn to make IT hardware locally as part of its bid to become a powerhouse in the global electronics supply chain.

The south Indian state of Karnataka is being seen as a lucrative ground to set up manufacturing facilities as companies such as Foxconn look for ways to diversify away from China following covid-19 disruptions and geopolitical tensions.

For Flipkart's top execs, one more year without pay hikes

However, many senior executives enjoy large stock options which promise riches in an IPO

Devina Sengupta & Ranjani Raghavan
MUMBAI

Many top executives of Flipkart will have to go without a pay hike for the second year in a row in 2024, three people aware of the matter said, as the online marketplace drives to cut costs and raise efficiency.

Chief executive officer (CEO) Kalyan Krishnamurthy told staff last week that the company has not taken any decision; however, the senior management has been informally told not to expect pay hikes, the people cited above said on condition of anonymity.

"They are mulling no hikes for the top brass," said one of the three people cited above.

Flipkart has around 22,000 employees in all, and a big chunk of its salary payout goes out to senior management executives, who are designated director, senior director, vice-president and senior vice-president.

"The senior management has a large amount of stock options and that is the attractive component of the salary, which is expected to work out after a public listing. There are discussions that the top brass will skip the hikes this year," the second person added.

A third person, however, said the no-hike plan will apply only to 30% of the senior management, and may extend to more than a year as the company clamps down on expenses. This will make it the second year without a pay hike for the top Flipkart executives.

While global technology enterprises were firing staff last year, Flipkart felt it could curb expenses by cutting hikes for senior staff, the second person added.

Flipkart has around 22,000 employees in all, and a big chunk of its salary payout goes out to senior management executives. MINT

"The discussion last year was whether there should be layoffs or no salary hikes or bonuses. It looks like more of the same this year as well," the person added.

Queries sent to a Flipkart spokesperson remained unanswered.

At Flipkart's quarterly town hall meeting on 25 January, Krishnamurthy told employees that the company had reduced cash burn and reported growth in verticals such as grocery, but does not expect an initial public offering (IPO) this year.

Another company executive said that when a question about pay hikes was asked, Krishnamurthy said the firm will take a call around March.

Flipkart is also creating centralized teams that can offer their resources to those working on the product and category segments, according to two of the people cited above. The aim is to reduce the flab, employee costs and streamline operations.

Initially, Flipkart had a technology vertical that would collaborate with all other verticals, but this was creating bottlenecks. As a result, the other business verticals began hiring their own tech staff—and created a dual reporting structure (one to the business head and one to the tech head). Over time, this led to an unwieldy organization structure. Now, Flipkart is building a central tech team that will prioritize jobs and processes for all of the other verticals.

The firm is also changing its organization structure to make it more "agile".

"There may not be any dedicated teams for every category and one will have to work across functions to meet their deadlines. Until now, each category had all its functions under one umbrella and another category a similar set of functions. Now, the team with generalist roles will work across categories," said the first executive quoted above. Flipkart has common teams for categories including legal, compliance and tech.

In December 2022, Flipkart executives were offered an employee stock option (Esop) buyback plan of $700 million as part of the separation with PhonePe. In the same year, it rolled out increments to nearly 4,000 senior managers to bring in pay parity within the firm.

The e-commerce firm has been on an efficiency drive for the past couple of years, and according to recruiters, it is still hiring for senior roles, offering packages of over ₹1 crore.

Most of these are positions to replace team members who have recently left. In December, it also recruited from the Indian Institutes of Technology, offering ₹20-25 lakh for developer profiles.

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LONG WAIT

WHILE global tech enterprises were firing staff last year, Flipkart felt it could curb expenses	**CEO** Krishnamurthy said Flipkart will take a call on pay hikes around March, said a company executive	**IN** December 2022, Flipkart executives were offered an Esop buyback plan of $700 million	**IN** 2022, Flipkart gave increments to nearly 4,000 senior managers to bring in pay parity

Bombay HC gives split verdict in Fact Check Unit case

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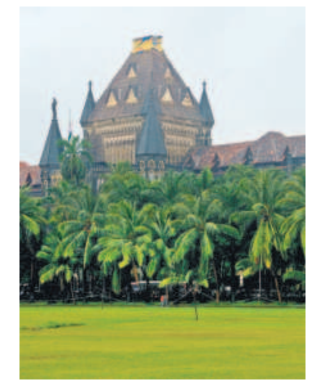
It comes after the 6 April amendments to the IT rules. MINT

The Bombay high court on Wednesday gave a split verdict on petitions challenging the amendments to the Information Technology Rules that allow the Centre to set up a 'Fact Check Unit' (FCU) to keep a tab on 'fake news' that are frequently spread on social media.

"There is a disagreement between us; we have passed separate judgments with divergent views. We were not able to concur," a division bench led by Justice G.S. Patel said. Justice Patel called the amendment 'unconstitutional' while Justice Neela Kedar Gokhale upheld the validity to the proposed amendments.

The bench has instructed its registry to present the pleas before chief justice Devendra Kumar Upadhyaya for referral to a third judge.

Pertinently, the FCUs, which are to detect fabricated news about the government posted online, will not be notified for 10 days, the Centre told the high court.

The bench has instructed its registry to present the pleas before chief justice Devendra Kumar Upadhyaya

"The impugned amendment makes the government's chosen FCU the sole authority to decide what piece of user-content relating to the undefined and unknowable 'business of the government' is or is not fake, false or misleading," Justice Patel held in his order on Wednesday. "The lack of definition of these words: business of the government; fake; false; and misleading makes the amendment both 'vague and overbroad'".

He added that "there is little achieved in saying that the guidelines will come later. There is no assurance of that either and they should have been in place by now if there was such an intent".

However, Justice Gokhale held: "No content is restrained by the impugned rule, unless the content is patently false, untrue and is communicated with 'actual malice', i.e., with knowledge of its falsehood and with reckless disregard for the truth, and is deceptively passed off as a statement of truth. In this context, the impugned rule does not bring any chilling effect on the right of either the intermediary or the user."

The decision comes after the Centre announced on 6 April amendments to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, including a fact check unit to identify misleading online content related to the government.

Fiscal deficit cools; GST revenue at 2nd highest in Jan

FROM PAGE 1


The finance ministry said overall GST receipts touched ₹16.69 trillion in Apr-Jan. MINT

growth was due to higher tax and non-tax revenue.

The Centre aims to reduce the fiscal deficit—the difference between the government's income and expenditure—to 5.9% of gross domestic product during FY24, from 6.4% in FY23, and is committed to lowering it to 4.5% of gross domestic product (GDP) by FY26. A higher fiscal deficit leads to a higher debt burden and more spending on debt servicing, which can be unhealthy for an economy and risks devaluing the currency and impacting private investments.

The robust GST revenue collection will be a shot in the arm for the government preparing to deliver its interim budget, in which a roadmap for fiscal consolidation is expected. This is the third time GST revenue receipt has crossed ₹1.7 trillion this financial year, which started off with a historic high revenue mobilization of ₹1.87 trillion in April. GST receipts for January shows a 10.4% annual growth over the ₹1.56 trillion collected in the same time a year ago.

The finance ministry said that in the April-January period this fiscal, overall GST receipts have touched ₹16.69 trillion, recording an annual growth of 11.6%. The ministry said since the latest figures only represent revenue collected till 5pm on Wednesday, the final collection for the month would be higher.

Experts said that administrative steps and strong economic growth contributed in the robust revenue receipts, which would provide more headroom for the next stage of GST reforms. "These collections relate to supply transactions of goods and services during December 2023 where there was considerable emphasis on completing audits and investigations relating to earlier years," said M.S. Mani, a partner at Deloitte India. The same tax collection trajectory in the next two months will ensure that tax collection targets are comfortably surpassed, said Mani.

CGA data showed that capital expenditure rose to ₹6.74 trillion during April-December FY24, or 67.3% of the annual estimate, from ₹4.9 trillion in the same period in FY23. Total receipts during the same period stood at ₹20.72 trillion, or 76.3% of the annual estimate, of which tax receipts stood at ₹17.3 trillion, or 74.2% of the annual estimate. Non-tax revenue stood at ₹3.12 trillion, or 103.5% of the annual estimate.

CGA data showed that capital expenditure rose to ₹6.74 trillion during the April-December period of FY24

Total expenditure rose to ₹30.54 trillion, or 67.8% of the annual estimate, from ₹28.18 trillion in the corresponding period in FY23.

While the Centre has accelerated coverage and extended tenures of its flagship welfare programmes ahead of the upcoming general election, experts expect it to exceed its spending targets marginally during the ongoing fiscal year.

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Global luxury clocks glitzy year

FROM PAGE 1

crore worth of bags and shoes. It sold ready-to-wear products of ₹21.7 crore and accessories worth ₹12.7 crore.

"Indian luxury is still running on the covid halo led by millennial and Gen Z buyers, a lot of whom are now buying in India and not just abroad," said Raahuul Kapoor, founding partner, Luxury Ampersand Frolics, a luxury retail company and consultancy. "Buyers are using these luxury brands to define themselves, though a lot of the money for these purchases is still coming from Gen X (the demographic cohort following the Baby Boomers and preceding millennials or the parents of these generations)," Kapoor said, adding that LV's India success could have been helped by its online shopping vertical.

According to Euromonitor International, India's luxury goods market is among the world's fastest-growing, projected to reach $8.5 billion in 2023, up $2.5 billion from 2021. India has witnessed a

In 2023, a majority of Christian Dior's business in India came from leather goods, with bags and shoes worth ₹102.1 crore sold. MINT

remarkable rise in the number of ultra-high-net-worth Individuals—individuals with net assets exceeding $30 million. This affluent class possesses significant disposable income and a growing appetite for luxury goods and experiences.

"A lot of the sales are now happening from towns that were earlier not even considered by these brands. There has been rapid growth in the number of buyers, too. The evolved or the 'old money' rich, on the other hand, are moving to 'quiet luxury' where they want to showcase their brands less and less with fewer logos and monograms, for instance, brands like Stefano Ricci and Brunello Cucinelli, which are also experiencing 200 times the growth they were during covid," Kapoor of Luxury Ampersand Frolics added.

On 7 December, *Mint* reported that a dozen luxury brands were close to opening their first India stores, or looking to scale up their presence in the country, including Dolce & Gabbana, Golden Goose, Balenciaga and Jacquemus. The growth has also been aided by the rise of luxury malls in top cities.

Burmans' stake in Religare crosses key 25% threshold

FROM PAGE 1

once its offer is concluded.

"They (Burmans) needed Competition Commission of India (CCI) approval to acquire this tranche, which came in last week," one person with knowledge of the transaction said. The CCI cleared the Burmans' offer on 23 January, and on Wednesday, the Burman entities acquired additional shares at around ₹233.98, amounting to around Rs 309 crore.

"Any resolutions on capital structure changes, compensation increases and Esops (employee stock options) or even reappointment of independent directors will require Burman approval," said Shriram Subramanian, founder of Ingovern Research Services.

This is significant as the Religare board and its chairperson Rashmi Saluja have faced criticism from the Burmans over compensation and stock options. Religare has no shareholder representation on its board.

Religare shares rose 4.74% on Wednesday to close at ₹237.6 on the National Stock Exchange, while the benchmark Nifty index rose 0.95%. The Burmans' open offer price for Religare is ₹235 per share.

The Burmans' proposal to acquire Religare still requires approval from the Reserve Bank of India, the Insurance Regulatory and Development Authority of India and Sebi, before the open offer can proceed.

The Burmans initially signalled their intention to acquire control of Religare Enterprises on 25 September

"We are happy to inform that we have increased our stake to 25.18% in Religare Enterprises Ltd (REL). We reiterate our commitment towards the acquisition of REL. We now eagerly await the remaining approvals necessary to consummate the open offer and look forward to cooperation by the REL board," Mohit Burman, member of the Burman family, said in a statement.

The Burmans, who are promoters of consumer goods company Dabur India Ltd, initially signalled their intention to acquire control of Religare on 25 September.

The Burman family owns shares in Religare Enterprises through MB Finmart, Puran Associates, VIC Enterprises, and Milky Investment and Trading Co., entities belonging to cousins Anand and Mohit Burman.

The family built up its shareholding over five years after acquiring an 9.9% stake in April 2018. They had increased their stake to 14% in June 2021 and then acquired an additional 7.5% in August 2023.

After top executives, Wipro loses top client to Cognizant

FROM PAGE 1

chose Cognizant over Wipro, but some analysts believe it is on account of a more stable leadership at Cognizant and also the latter's strength in the life sciences segment.

"Cognizant's gain with Takeda is definitely Wipro's loss and can be attributed to its stronger leadership in the life sciences market, its clearer narrative and vision for its life sciences business, backed up with recent investments," said Phil Fersht, chief executive officer of US-based research firm HFS Research.

Cognizant reported $1.41 billion in revenue from its health sciences business segment in the July-September period, accounting for 29% of its $4.9 billion total revenue. In contrast, healthcare clients brought in $369.7 million, or about 14%, of Wipro's $2.66 billion revenue in the third quarter, according to the company's quarterly results.

In addition, Wipro has struggled with senior leadership attrition since the incumbent chief executive officer (CEO) took charge about three years ago.

Queries sent to Cognizant, Wipro and Takeda were unanswered till press time.

New Jersey-headquartered Cognizant's latest deal win underscores how under CEO S. Ravi Kumar the company is looking to get both talent and business from homegrown IT giants.

Less than a week after he took over as CEO in January 2023, Ravi Kumar outlined the importance of large deals in an internal note to staff. "It just takes a few quick wins to create a positive momentum flywheel,


The setback for Wipro comes as CEO Thierry Delaporte struggles to bring about a turnaround at the firm he joined in 2020. BLOOMBERG

and I believe that flywheel can drive a multiplier effect for our company: to capture an extraordinary market opportunity, to become the employer of choice for our industry," he wrote in the memo dated 15 January.

Cognizant, which follows a January-December financial year, expects revenue to grow at best 1% in the current financial year. So far, in the January-September 2023 period, revenues of $14.595 billion have barely topped the $14.589 billion of the year-ago period.

Net income fell 11% in the same period to $1.57 billion year-on-year.

Meanwhile, Cognizant has hired at least eight senior executives from Indian IT giants, including two from Wipro, over the past 12 months.

In August, Cognizant hired Mohd Haque, a former head of the healthcare and medical devices business segments for the Americas region at Wipro. This was followed by Wipro's former chief financial officer Jatin Dalal, who quit to join Cognizant in December.

Cognizant has hired at least eight senior executives from Indian IT giants over the past 12 months

Wipro subsequently filed legal cases against Haque in a New Jersey court and against Dalal in Bengaluru, seeking to enforce employment agreements that have a non-compete clause with rival firms.

In contrast, this setback to Wipro comes as CEO Thierry Delaporte battles to retain senior management and struggles to bring about a turnaround at the firm he joined in July 2020.

At the heart of troubles inside Wipro is the reported leadership style of Delaporte, the lack of the company's ability to win a single large mega deal (IT contract valued at over $1 billion) in the past three years, and an exodus of top-level talent.

At least 22 executives of senior vice president and above have left Wipro under Delaporte's watch. Wipro, which follows an April-March financial year, expects its full-year revenue to decline 2-3% from $11.2 billion in FY23. In the April-December 2023 period, revenue growth is down 2.3% year-on-year.

CAT-III runways in Navi Mumbai

Greenfield airports get hi-tech to face adverse weather

Anu Sharma
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NEW DELHI

As unpredictable weather continues to disrupt travel in different parts of the country, greenfield airports are taking measures to tackle adverse weather conditions such as fog.

"As per the Master Plan, our South runway is CAT-II and North runway is going to be CAT-III," a Navi Mumbai international airport spokesperson told *Mint*.

"The Mumbai metropolitan region unlike Delhi-National Capital Region and other cities in the country doesn't experience fog like conditions as on date. However, the region experiences dense rainfall and changing climatic conditions hence having category II and III runways improves runway operations and safety during such times," he added.

Fog disrupted flights at various airports this winter. PTI

In aviation, Category III, or CAT III, refers to a type of instrument landing system (ILS) approach that allows aircraft to land in conditions of very low visibility, such as fog, rain, or snow with runway visual range of 50-200 metres. Separately, CAT-II is precision instrument approach with a runway visual range not less than 350m.

Currently, India has only six airports with capability to allow landings in conditions of extremely low visibility or CAT-IIIB conditions.

"In 2014, we had only one airport that had CAT-III approval and that was Delhi. Today we have six airports that are CAT-III including Lucknow, Kolkata, Amritsar, Jaipur, Bengaluru and Delhi," Union civil aviation minister Jyotiraditya Scindia had said last week.

"This is an evolving phenomenon. We have a number of airports that are CAT-I, II enabled for example Ayodhya is already CAT-1 enabled. This will keep evolving. Many runways which are CAT-II enabled will become CAT-III...This is an evolving scenario, one that we are pushing as far as possible," Scindia said.

Traditionally, the lack of CAT-III compliant runways has severely affected landing and take-offs at Indian airports in the northern and western parts of the country during fog. However, the recent winter season witnessed unusual fog conditions at Chennai and Hyderabad as well. This affected thousands of flights in this month causing delays and cancellations.

The Navi Mumbai airport is expected to complete the entire infrastructure work by end of December and is likely to be ready for commercial operations by March 2025, a senior executive aware of the development said.

"We are in dialogue with all domestic airlines for flight connectivity. In the international segment, Middle East airlines are showing strong interest in starting flights," he said.

The Adani Group had achieved financial closure for Navi Mumbai International Airport Private Ltd, a subsidiary of Adani Enterprises Ltd for the greenfield international airport project in March 2022.

The Adani Group acquired a 74% stake in Mumbai's international airport in July 2021 by picking up GVK Group's 50.5% stake and a 23.5% stake from ACSA Global Ltd and Bid Services Division (Mauritius) Ltd (Bidvest). As a result, the group also gets to build and operate the Navi Mumbai airport. In February 2019, the Gautam Adani-led group had won bids for six AAI airports, including Lucknow, Mangaluru, Ahmedabad, Jaipur, Guwahati and Thiruvananthapuram.

Engg goods trade with Russia up at $1 bn: EEPC

Dhirendra Kumar
dhirendra.kumar@livemint.com
NEW DELHI

As trade denominated in rupees with Russia and Sri Lanka is gaining momentum, India's annual export of machinery, auto parts and other engineering goods to these countries witnessed significant growth in the nine months of FY24.

In an exclusive interview with *Mint*, Arun Kumar Garodia, hairman of the Engineering Export Promotion Council of India (EEPC), said that the trade of engineering goods with Russia has doubled to over $1 billion in nine months (April-December 2023). By the end of the current fiscal, Indian exporters are expected to receive their payments in rupees from Russia which will be worth over one billion dollars, said Garodia, who represents over 12,000 small engineering goods exporters. India is yet to officially release the figures of bilateral trade settlements in local currency.

India and Russia have maintained close trade and defence relations for decades. HT

Following the sanctions imposed on Moscow by the West after Russia invaded Ukraine in February 2022, Russia has signed deals with many countries like Iran and India to trade in local currencies, instead of the dollar.

"There is a manifold increase in the export of engineering goods to Russia and demand of our engineering products in other countries is rising," he said on Wednesday.

The trade in rupee currency will become very common in the coming years as there are several countries, like African nations, that are showing interest in doing trade via rupee payment mechanisms, he said.

India and Russia have had close trade and defence relations for decades.

On the crisis in the Red Sea, he said, "The disturbances have affected every country. India is not the only country that is facing challenges of exponential rise in freight cost as ships are using longer trade routes through Cape of Good Hope."

By March-end, Indian exporters are expected to receive their payments in rupees from Russia

India's engineering exports to Russia recorded 88% year-on-year growth in December, and in April-December, they jumped 130% to $1.03 billion, EEPC said.

Engineering exports to Russia, including auto parts, electrical equipment and machinery, are expected to touch $1.5 billion by 31 March, he said.

India's total exports to Russia rose 46.2% year-on-year to $2.7 billion in the first eight months of fiscal year 2023/24 ending in March while imports rose 54.8% to $40.5 billion in the same period, commerce ministry data showed.

Decline in cumulative engineering exports narrowed to 0.44% with the growth achieved in December 2023. It was recorded at $79.51 billion in April-December 2023 as against $79.86 billion in April-December 2022.

Exporters face challenges on the supply side, too, dealing with high prices of metals and logistical issues.

The shipping crisis in the Red Sea is causing a lot of problems. About 80% of India's goods trade with Europe, worth $14 billion per month, goes via the Red Sea. The crisis is not only causing delays but is increasing the cost of exports.

यमुना एक्सप्रेसवे औद्योगिक विकास प्राधिकरण
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सार्वजनिक सूचना

निम्नलिखित भूमि यमुना एक्सप्रेसवे औद्योगिक विकास प्राधिकरण द्वारा आपसी सहमति के आधार पर काश्तकारों से क्रय किया जाना प्रस्तावित है। क्रय हेतु काश्तकार, गाटा संख्या, क्षेत्रफल व काश्तकार का हिस्सा निम्नलिखित तालिका में अंकित है –

(सैक्टर–21, ग्राम रबूपुरा, फिल्म सिटी)

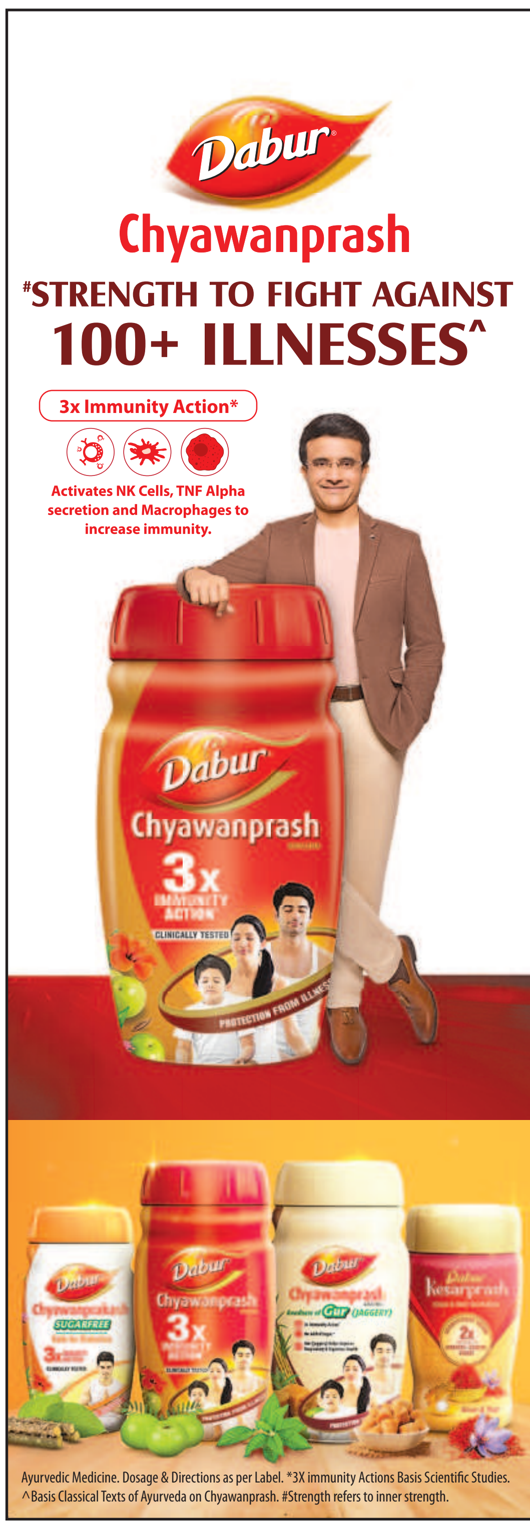
क्रम सं.	खाता संख्या	खसरा संख्या	गाटे का कुल क्षेत्रफल (हे.में)	तहसील की आख्यानुसार काश्तकार का भाग	तहसील की आख्यानुसार काश्तकार का हिस्सा	काश्तकार का नाम
1	60	1109	0.8380	में से	0.0975	फाजिल खॉन पुत्र इकबाल खॉन नि.मौ. नाईरंगरेजान कस्बा रबूपुरा

उटरावली

क्रम सं.	खाता संख्या	खसरा संख्या	गाटे का कुल क्षेत्रफल (हे.में)	तहसील की आख्यानुसार काश्तकार का भाग	तहसील की आख्यानुसार काश्तकार का हिस्सा	काश्तकार का नाम
2	159	551मि	0.4810	में से	0.3967	पूरन पुत्र मनफूला नि. ग्राम उटरावली

उपरोक्त भूमि क्रय किये जाने में यदि किसी व्यक्ति को कोई आपत्ति है तो वह लिखित रूप में 15 दिवस के अंदर यमुना एक्सप्रेसवे प्राधिकरण के कार्यालय/सी.आर. सैल में अपनी आपत्ति प्रस्तुत कर सकता है।

विशेष कार्याधिकारी, यमुना एक्सप्रेसवे प्राधिकरण



Dabur India Limited

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CIN: L24230DL1975PLC007908,
Tel No. 011-23253488, Fax No. 011-23222051
Website: www.dabur.com e-mail: corpcomm@dabur.com

Q3 Consol. CC Revenue Up 10%
Q3 Consol. Operating Profit Up 9.5%

(₹ in crores, except ratios)

Extract of unaudited consolidated financial results for the quarter and nine months ended 31 December, 2023

S. No.	Particulars	Quarter ended (31/12/2023)	Corresponding quarter ended (31/12/2022)	Previous year ended (31/03/2023)
1	Revenue from operations	3,255.06	3,043.17	11,529.89
2	Net Profit for the period / year (before tax, exceptional items and share of (loss) / profit of joint venture)	661.81	620.92	2,220.31
3	Net Profit for the period / year before tax (after exceptional items and share of (loss) / profit of joint venture)	661.41	620.16	2,218.68
4	Net Profit for the period / year after tax and share of (loss) / profit of joint venture	506.44	476.65	1,701.33
5	Net Profit for the period / year after tax (after non controlling interest and share of (loss) / profit of joint venture)	514.22	475.94	1,707.15
6	Total Comprehensive Income for the period {comprising profit for the period / year (after tax) and other comprehensive income (after tax) }	525.98	401.62	1,481.66
7	Paid-up equity share capital (Face Value of ₹ 1 each)	177.20	177.18	177.18
8	Reserves (excluding Revaluation Reserve)	9,360.50	8,579.80	8,796.08
9	Securities Premium Account	534.27	520.95	520.95
10	Net worth	9,537.70	8,756.99	8,973.26
11	Outstanding Debt	1,844.63	1,546.60	1,173.79
12	Debt Equity Ratio	0.19	0.18	0.13
13	Earnings per share (Face value of ₹ 1 each) (not annualised)			
	(a) Basic	2.90	2.69	9.64
	(b) Diluted	2.90	2.68	9.61
14	Debt Service Coverage Ratio	17.04	23.46	22.72
15	Interest Service Coverage Ratio	21.80	37.57	33.35
16	Other Equity	9,360.50	8,579.80	8,796.08

Notes:

1. Additional information on standalone financial results is as follows:

Particulars	Quarter ended (31/12/2023)	Corresponding quarter ended (31/12/2022)	Previous year ended (31/03/2023)
Revenue from operations	2,414.36	2,298.26	8,684.35
Profit before tax	557.29	522.16	1,828.67
Profit after tax	428.12	394.34	1,373.26

2. The above is an extract of the detailed format of unaudited consolidated financial results for the quarter and nine months ended 31 December, 2023 filed with the stock exchanges under Regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the standalone and consolidated financial results for the quarter and nine months ended 31 December, 2023 are available on the Stock Exchange websites (www.nseindia.com and www.bseindia.com) and Company's website (www.dabur.com).

For and on behalf of Board of Directors
Mohit Burman
Chairman
DIN : 00021963

Place: New Delhi
Date: 31 January, 2024

JUBILANT FOODWORKS LIMITED

JUBILANT FoodWorks

CIN: L74899UP1995PLC043677
Regd. Office : Plot No. 1A, Sector – 16A, Noida – 201301, Uttar Pradesh
Corporate Office – 15th Floor, Tower-E, Skymark One, Plot No. H-10/A, Sector-98, Noida– 201301, Uttar Pradesh
Contact No: +91-120-6927500; +91-120-6935400, E-mail: investor@jublfood.com, Website: www.jubilantfoodworks.com

STATEMENT OF STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED DECEMBER 31, 2023

(Figures-INR in million, Unless Otherwise Stated)

Sr. No.	PARTICULARS	STANDALONE RESULTS						CONSOLIDATED RESULTS					
		For the quarter ended			For the nine months ended		For the year ended	For the quarter ended			For the nine months ended		For the year ended
		31st Dec 2023	30th Sept 2023	31st Dec 2022	31st Dec 2023	31st Dec 2022	31st March 2023	31st Dec 2023	30th Sept 2023	31st Dec 2022	31st Dec 2023	31st Dec 2022	31st March 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Total Income from Operations (net)	13,550.58	13,448.29	13,166.44	40,095.50	38,436.81	50,959.92	13,781.17	13,686.32	13,318.15	40,812.91	38,884.00	51,582.47
2	Net Profit for the period/ year (before Tax, Exceptional and / or Extraordinary items)	818.75	962.68	1,194.19	2,795.28	4,455.04	5,384.71	858.40	1,205.31	1,114.64	2,606.90	4,353.18	4,887.31
3	Net Profit for the period/year before Tax (after Exceptional and / or Extraordinary items)	818.75	962.68	1,194.19	2,795.28	4,188.65	4,918.32	858.40	1,205.31	1,114.64	2,606.90	4,353.18	4,887.31
4	Net Profit for the period/ year after Tax (after Exceptional and / or Extraordinary items) (Refer Note 3)	609.52	721.48	885.69	2,082.82	3,086.86	3,562.12	657.09	972.02	803.64	1,918.28	3,244.80	3,530.34
5	Total Comprehensive Income for the period/ year [comprising Profit for the period after Tax and Other Comprehensive Income after Tax]	355.19	1,006.88	408.67	2,168.23	2,124.47	1,518.88	440.96	987.86	172.86	1,757.37	2,334.33	1,839.35
6	Equity Share Capital	1,319.69	1,319.69	1,319.69	1,319.69	1,319.69	1,319.69	1,319.69	1,319.69	1,319.69	1,319.69	1,319.69	1,319.69
7	Reserves excluding Revaluation Reserve as at Balance Sheet date						20,135.03						19,058.21
8	Earnings per share (after exceptional items) (of INR. 2/- each)												
	a) Basic (in INR.)	0.92	1.09	1.34	3.16	4.68	5.40	1.00	1.47	1.22	2.91	4.92	5.35
	b) Diluted (in INR.)	0.92	1.09	1.34	3.16	4.68	5.40	1.00	1.47	1.22	2.91	4.92	5.35

Notes:

1. These unaudited financial results have been prepared in accordance with the recognition and measurement principles as laid down in the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time, to the extent applicable. The above standalone and consolidated unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on January 31, 2024. The statutory auditor's report on review of interim standalone and consolidated unaudited financial results for the quarter and nine months ended December 31, 2023 is being filed with the BSE Limited and National Stock Exchange of India Limited.
2. The Company's business activity falls within a single business segment i.e. Food and Beverages in terms of Ind AS 108 on Segment Reporting.
3. The Company has investment in its wholly owned subsidiary viz Jubilant FoodWorks Lanka (Private) Limited (JFLPL) having operations in Sri Lanka. Considering challenging economic environment of Sri Lanka with sustained inflation, depreciation of currency and depletion of forex reserves, the management had recorded an impairment charge of INR 266.39 million in nine months period ended December 31, 2022 (total INR 466.39 million in previous year) which is shown under exceptional items.
4. The above is an extract of detailed format of unaudited financial results for the quarter and nine months ended December 31, 2023 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the unaudited financial results are available on the Stock Exchanges websites (www.bseindia.com and www.nseindia.com) and on Company's website (www.jubilantfoodworks.com).

For and on behalf of the Board of Directors of
JUBILANT FOODWORKS LIMITED
Sd/-
SHYAM S. BHARTIA
CHAIRMAN & DIRECTOR
DIN No. 00010484

Place: Noida
Date: January 31, 2024

TORRENT POWER LIMITED INVITES BIDS FOR PROCUREMENT OF POWER ON SHORT TERM BASIS

Torrent Power Limited (TPL), a distribution licensee intends to procure power on short term basis for distribution license areas in the state of Gujarat. TPL invites bids on e-Tender and e-reverse auction basis from interested parties.

Tender No.	Last date for submission of non-financial technical Bid and Financial Bids
Torrent Power Limited/Short/23-24/ET/219	6th February 2024

All the bidders have to submit their offers on **www.mstcecommerce.com**

Detailed terms & conditions are available in RFP and draft PPA which can be downloaded from DEEP Portal (**www.mstcecommerce.com** → Download NIT/Corrigendum section) by the registered bidders. For any assistance on E-tendering, please contact MSTC on 011-23217850

TPL reserves the right to reject all or any Bids or cancel the RFP or Tender notice without assigning any reason whatsoever without any liability.

Further details may be obtained from:
Vice President (Commercial)
Torrent Power Limited
Naranpura Zonal Office, Sola Road,
Naranpura, Ahmedabad – 380013, Gujarat.
Phone- 07927492222 Ext: 5730
powerpurchase@torrentpower.com

Date: 01-02-2024

www.torrentpower.com

torrent POWER

Microsoft earnings jump as AI demand boosts cloud unit

Tom Dotan
feedback@livemint.com

Microsoft recorded its highest profit growth in more than two years as excitement about artificial intelligence helped power the growing demand for its cloud services. Microsoft's net income rose 33% to $21.9 billion in the three months through December. That is the strongest quarterly expansion for the company since the quarter ended September 2021.

The company has been on a run since last year. It has been at the vanguard of current investor enthusiasm that new AI-driven products will transform the industry, helping Microsoft to dethrone Apple as the company with the highest market value in the world. It climbed above $3 trillion in market capitalization last week, becoming only the second company after Apple to reach that mark. "A growing body of evidence makes clear the role AI will play in transforming work," Microsoft Chief Executive Satya Nadella said on an earnings call.

The Microsoft results on Tuesday came in a week of much-watched quarterly reports from the biggest tech companies at a time when stock prices in the industry have soared. Google parent Alphabet, which also reported on Tuesday, said that its revenue rose more than 13% in the latest quarter, driven by a rebound in its core ad-sales business, but that ad growth fell short of analysts' estimates, causing its shares to slide after hours.

Microsoft said revenue for its fiscal second quarter was $62 billion, up 18% from a year earlier

Microsoft shares have surged nearly 70% over the last 12 months while the tech-heavy Nasdaq Composite Index rose less than 40%. Shares slipped in after-hours trading Tuesday.

The company's Azure cloud business grew 30%, beating analysts' estimates of 27%. Behind that demand has been the continuing interest in cloud AI services that Microsoft has been leaning into as part of its partnership with Open AI, the startup behind ChatGPT. Microsoft said 6 percentage points of Azure's growth came from AI demand. That doubled the amount AI contributed to Azure in the previous quarter.

Google and Microsoft are fierce rivals in the realm of new generative AI, and investors have been keen for indications of how that nascent technology is affecting their businesses. Google Chief Financial Officer Ruth Porat said AI was increasingly contributing to growth in the cloud division, without giving specific financial numbers.

Microsoft said revenue for its fiscal second quarter was $62 billion, up 18% from a year earlier and above analysts' estimates for 16% growth

The quarterly earnings of the Redmond, Wash., company incorporated results from the videogame maker Activision Blizzard, which Microsoft completed buying late in the quarter. Activision sales lifted overall revenue by 4 percentage points.

Microsoft is one of the first technology titans to report quarterly results. Like many in tech, it had to manage a sharp slowdown and reduce staff and other costs after years of high growth when the pandemic shifted work and life online.

Last year, Microsoft went through a period of significant layoffs, reducing head counts that had ballooned during the pandemic. The slimming has continued in 2024, with companies like Google and Salesforce still cutting employees—although far less dramatically than they did a year earlier. Microsoft laid off 8%, or 1,900 employees, of its videogaming staff after completing its acquisition of Activision Blizzard.

THE WALL STREET JOURNAL.

Beyond cloud services provided by Azure, the engines behind Microsoft's AI strategy are a series of AI software assistants called Copilot, powered by the same technology behind ChatGPT. Late last year, Microsoft rolled out Copilot for its popular workplace software suite Microsoft 365, which features apps like Word, Excel and Teams.

Analysts are optimistic that businesses will sign up for Copilot, which can perform tasks like summarizing transcripts of video calls and generating emails, and that the AI-powered upgrades will become a significant new revenue stream.

Microsoft's AI products are "significantly more advanced than what is available from their competitors," said Mark Moerdler, an analyst at Bernstein. "It's not a marketing pitch; it's proof points."

For the current quarter, the third in the company's fiscal year, Microsoft is projecting overall sales will be between $60 billion and $61 billion, which is in line with analysts' expectations of $61 billion. Not all of Microsoft's AI tools have been hits. The company's much-hyped first release, an AI-powered chatbot for its Bing search engine announced nearly one year ago, failed to make any inroads in challenging Google's search dominance.

Microsoft has invested around $13 billion in OpenAI to gain a 49% stake in the profits of the startup's for-profit arm. That relationship, along with the investments that other tech giants have made in AI startups, has come under scrutiny from regulators in the U.S. and U.K.

Google's ad sales fall short of Wall Street's lofty expectations

Stock declines despite rebound in advertising

Miles Kruppa
feedback@livemint.com

Google's advertising sales fell short of Wall Street's expectations, sending shares tumbling despite strong growth in other areas of the search giant's business.

Google recorded $65.5 billion of total advertising sales in the fourth quarter, an increase of 11% from the same period last year. Those financial results missed analyst expectations but were a marked turnaround from a year ago, when Google reported its first drop in ad revenue since the beginning of the pandemic.

THE WALL STREET JOURNAL.

Alphabet, parent company of Google, reported fourth-quarter revenue of $86.3 billion, up more than 13% from the same period last year. The results marked the company's fourth straight quarter of accelerating sales growth. Google's ad and cloud-computing businesses have faced heightened scrutiny following recent earnings reports, as the company attempts to overcome the perception that it has fallen behind rivals in artificial intelligence while trying to maintain business growth.

Google recorded $65.5 billion of total advertising sales in the fourth quarter. AFP

Sales in Google's cloud-computing business climbed 26%, recovering somewhat following a disappointing third quarter that some investors viewed as a sign of weak demand for the company's AI services. Revenue in that unit increased to $9.2 billion, reversing a slowdown in growth.

Alphabet's shares, which had gained about 10% this year through Tuesday's close, dropped more than 5% in after-hours trading.

The company is pouring resources into artificial-intelligence systems, an area that has also captivated fellow tech giants such as Meta Platforms and Microsoft. Chief Financial Officer Ruth Porat said AI was increasingly contributing to growth in the cloud division, without giving specific financial numbers.

Alphabet reported operating income of $23.7 billion, an increase of 30% from the fourth quarter last year.

The company recently signaled plans to continue a cost-cutting drive that has stretched for more than a year. It laid off hundreds of employees this month, including in its digital assistant and hardware divisions.

Alphabet Chief Executive Sundar Pichai told employees this month they should expect additional cuts throughout the year, though the reductions won't reach the same scale as last year's layoffs affecting 12,000 employees.

Speaking to analysts Tuesday, Pichai cited the reorganization of the hardware division as an example of efforts to simplify the company, saying the changes would help the company pool resources behind its own line of phones and smartwatches.

Porat said X, a division that develops new companies in high-tech areas, would be spinning out more startups as independent businesses with backing from external investors. In the past, the incubation unit had largely spun out new startups under Alphabet's ownership.

Porat said she expects capital expenditures, which include hardware such as the chips powering AI programs, to be "notably larger" in 2024 compared with last year.

Alphabet reported full-year revenue of $307.4 billion, up 8.7% from the previous 12 months. The company's operating profit rose 13% to $84.3 billion for the full year. YouTube, the Google-owned video platform, made advertising revenue of $9.2 billion, an increase of 16% from the same period last year.

Pichai said the company's annual subscription revenue reached $15 billion, an increase of five times in the same number of years. That includes services like the online cable bundle YouTube TV and Google One, a consumer cloud-storage offering.

Elon Musk's $55.8 billion Tesla pay package struck down by judge

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A Delaware judge struck down Elon Musk's multibillion-dollar pay package at Tesla after finding the process for securing its approval "deeply flawed," a major setback for the chief executive of the world's most valuable automaker.

The decision, issued Tuesday in the Delaware Court of Chancery, calls into question how Tesla's board plans to compensate Musk, a serial entrepreneur with an array of other business interests.

It also raises questions about whether his ties to his board are too close, and puts greater attention on Musk's personal wealth. Musk doesn't accept a salary from Tesla, and while in recent years he has ranked as the world's richest person, most of his assets are tied up in shares of his companies.

Tesla, as a publicly traded company, is a financial pillar of his business empire. Musk has also borrowed against his stake in the electric-car maker.

"The process leading to the approval of Musk's compensation plan was deeply flawed," Chancellor Kathaleen McCormick wrote in the opinion, citing Musk's "extensive ties" with board members who negotiated his most recent pay deal, which shareholders approved in 2018. The pay package was valued at a maximum of $55.8 billion, McCormick wrote.

"Musk was the paradigmatic 'Superstar CEO,' who held some of the most influential corporate positions (CEO, Chair, and founder), enjoyed thick ties with the directors tasked with negotiating on behalf of Tesla, and dominated the process that led to board approval of his compensation plan," she wrote. Tesla shares fell more than 2% in after-hours trading Tuesday.

THE WALL STREET JOURNAL.

The ruling could mean the electric-vehicle maker will have to draft a new compensation package for the chief executive, throwing into question how Musk, deeply tied to the automaker's early days, should be rewarded.

In the weeks before the opinion landed, Musk had begun pushing for greater control over Tesla, where he is the largest shareholder with 13% ownership.

Tesla is a financial pillar of Elon Musk's business empire. AFP

He said he felt uncomfortable transforming Tesla into a leader in artificial intelligence and robotics without controlling around 25% of the company. At the time, Musk said the Tesla board was waiting for a decision in the Delaware case before revisiting his compensation.

"Never incorporate your company in the state of Delaware," Musk tweeted Tuesday after the decision was released. An attorney for the plaintiff praised the decision.

Musk's 2018 pay package, which consisted of 12 tranches of stock options, has fully vested, though he has yet to exercise any of those options. The compensation package is the largest ever granted to a CEO of a publicly traded U.S. company, according to Equilar.

"Rarely, if ever, does a Delaware court rescind a compensation agreement," said Charles Elson, a corporate governance expert at the University of Delaware. "To my memory it hasn't happened."

The board can appeal the decision to the Delaware Supreme Court, he said. If the board ends up negotiating a new compensation package, the directors involved are going to be highly scrutinized and it could be "very hard" for them to give Musk what he wants, Elson added.

Musk wouldn't lose any Tesla shares he already owns if the decision is upheld.

The judge spent considerable time detailing the relationships between Musk and some of Tesla's board members at the time, saying several were beholden to the CEO. At one point, she described board Chair Robyn Denholm's approach to her oversight obligations as "lackadaisical."

"The board never asked the $55.8 billion question: Was the plan even necessary for Tesla to retain Musk and achieve its goals?" the judge wrote.

In 2018, a Tesla shareholder, Richard Tornetta, asked Delaware's business-law court to cancel the pay deal, alleging the Tesla CEO controlled the approval process and that the board misled investors, who signed off on it. Musk has said he didn't dictate the terms of his pay plan. The case went to trial in late 2022.

The compensation plan Tesla's board devised was highly unorthodox: no cash and a dozen tranches of stock options that would vest when the company achieved a combination of operational and market valuation milestones.

For all 12 tranches to vest, Tesla—valued at less than $60 billion at the time and bleeding money—needed to reach a market capitalization of at least $650 billion while also hitting various revenue and profit targets. The company cleared the last of those hurdles in 2022.

When Tesla's board presented the plan for shareholder approval in 2018, it described those milestones as difficult to achieve. The likelihood Tesla would meet several of the targets in Musk's compensation package was a key point of contention at trial.

Attorneys for the plaintiff displayed records showing the company was forecasting it would soon hit three of the performance milestones. Musk and others said they viewed the goals as difficult to achieve.

The nonjury trial unfolded in the weeks after Musk acquired X, a tumultuous period in which the takeover drew the CEO's attention away from Tesla. Musk also runs rocket company SpaceX and is a founder of neuroscience company Neuralink and tunneling firm Boring Co.

Musk's outside commitments were top of mind as Tesla's board began contemplating a new pay package for him in 2017, board member and compensation committee chair Ira Ehrenpreis testified at trial. "I was thinking about how do we keep him engaged at Tesla?" Ehrenpreis said.

Musk's level of control over Tesla's board also took center stage during a 2021 trial in Delaware over the company's acquisition of SolarCity, another Musk business. The judge in that case sided with Musk, finding that the board meaningfully vetted the deal for the solar company, though Musk was too involved.

Sean McLain contributed to this article.

A new solution for CO_2 emissions: Bury them at sea

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Ship operators have a radical idea for industrial companies that are searching for ways to dispose of carbon emissions: Take the captured CO out to sea and bury it deep under the ocean floor. But first, supercool the carbon emissions to temperatures so low that they become a liquid.

HD Hyundai Heavy Industries, the world's largest shipyard, and Greece-based shipowner Capital Product Partners have designed a specialized vessel to carry liquefied CO. They envision such ships transporting their cargo to depleted offshore oil-and-gas wells, where it would be pumped in and entombed for permanent storage. Capital Product Partners signed a deal for four such ships, to be delivered in 2025 and 2026, that together cost more than $300 million.

"Ships move everything from oil to our furniture, clothes and toothpaste. Now they'll move our emissions, which is in effect waste management," said Jerry Kalogiratos, chief executive of U.S.-listed Capital Product Partners, which operates more than 100 cargo vessels.

The strategy still faces unknowns on its safety and environmental impact, as storing large volumes of CO under the seabed long-term hasn't been tested and research is inconclusive on the effects if it escapes.

THE WALL STREET JOURNAL.

In some countries, big corporate emitters must pay taxes for their CO discharges, which they try to minimize by trapping them before they hit the atmosphere. This leaves companies with millions of metric tons of CO that they need to store.

In some areas, inland facilities for storing captured CO, such as depleted oil wells, are gradually running out of room and becoming increasingly expensive, prompting emitters and cargo-ship owners to look for an offshore solution.

A typical voyage of the CO-carrying ship, which will have a reinforced hull and special tanks, would start at a terminal with gas-liquefaction facilities. Cooled to minus 50 degrees Celsius (minus 58 Fahrenheit), carbon dioxide becomes a liquid more than 600 times denser than gas, enabling the transportation of large volumes. The vessels are built to each move up to 25,400 metric tons of CO per trip, according to Capital Product Partners.

Liquefied natural gas has long been transported by ship, but liquefied carbon dioxide is heavier than LNG and moved under higher pressure and temperatures, requiring different storage tanks and overall ship design.

The ships would take their cargo of liquefied CO to terminals in Northern Europe where it could be pumped into inland oil wells through a series of pipes. Or, they would head out to sea, where they would use the pumps in offshore rigs to transfer the CO into disused offshore oil-and-gas wells and designated caverns under the seabed.

Hyundai Heavy Industries made a vessel to move CO2. BLOOMBERG

The vessels will be fitted with aft and bow thrusters to make them more maneuverable and keep them steady in high seas.

They will also capture their own emissions or burn ammonia that doesn't emit carbon. During loading or unloading, they will plug into power sources onshore to minimize fuel consumption. Capital Product Partners said that the overall volumes of carbon emissions destined to be buried will be multiple times higher than the emissions produced in liquefying and transporting the CO by sea.

Capital Product Partners said it invested in the vessels after talks with some of its biggest clients, including major energy companies, utilities and commodity traders. Kalogiratos said he is convinced that seaborne CO transportation will take off in coming years as many areas lack inland wells to store the emissions.

The global carbon-capture, utilization and storage market is expected to grow to $5.2 billion by 2026 from $2.6 billion in 2021, at a compound annual growth rate of around 15%, according to Boston-based BCC Research. In the European Union, carbon storage is expected to rise to 80 million metric tons of CO in 2030 and reach at least 300 million metric tons in 2040, according to the EU Commission.

Cement and building materials companies such as Heidelberg Materials and Holcim, chemical giants like BASF, and energy companies including BP, Denmark's Ørsted and Norway's Equinor plan to build their own carbon-capture plants. They aim to dispose of their emissions inland and offshore, for instance in undersea caves off Norway and in the North Sea, potentially using the specialized ships. Some big EU companies plan to build their own berths to load CO waste for transport. Smaller ones could use a network of pipelines with access to terminals.

Other big polluters such as Japan and South Korea might also make plans to store CO under the waters off Australia, Indonesia and Malaysia, according to industry executives in those countries.

The concept still faces hurdles. Storing CO under the seabed hasn't been conclusively tested, and inland storage is still at a relatively early stage. Geologists and naval architects of offshore rigs say one risk associated with storage is that seals on depleted wells may erode over time, and the CO could escape.

"The wells are sealed with a fast drying mix of concrete and sand. If there is a leak inland the gas could end up back in the atmosphere, but there is no conclusive research about what will happen if it escapes in the water," said Fotis Pagoulatos, a naval engineer in Athens. "The consensus for now is that pollution risk at sea from leaked CO is low."

Accidental leakage while the CO is pumped underwater into the wells or caves through pipelines is also a concern, he said. In that case, the liquefied gas could potentially reach the water's surface and cause respiratory problems for crews.

CO leaks can form plumes that rise through the water to the surface, according to George Dimopoulos and Christos Papadopoulos, two marine engineering professors at the National Technical University of Athens. "These plumes can affect marine life, depending on their concentration and composition. High concentrations of CO can displace oxygen in the water, which can be harmful or deadly to fish and other organisms," they said in an email. In some cases the injection of liquefied fluids in deep geological formations can cause earthquakes, they added. The risk of induced quakes from CO injections is still being evaluated, but tremors are more likely to happen at onshore storage sites rather than underwater, they said.

Kalogiratos said Capital Product Partners is aware of the safety concerns but none of its potential clients has raised any such issues.

While no contracts have been signed, Kalogiratos said Capital Product Partners is in talks with a number of European emitters as well as big energy companies in Japan and South Korea. The Japanese government recently committed to capturing 13 million metric tons of CO a year by the year 2030, using local and cross-border storage.

NEWS IN NUMBERS

3.8%
THE YEAR-on-year increase in the output of India's 8 key infrastructure industries including coal, crude oil, steel and cement in December, according to govt data.

97
THE NUMBER of new screens already launched by PVR Inox so far as part of its plan to open 170 screens this financial year, with total investment of ₹600-700 cr.

20.8 mn
THE NUMBER of viewing hours garnered by Ranbir Kapoor's Animal on Netflix in the first 72 hours of its debut on the platform, according to Sacnilk.

₹135 cr
THE AMOUNT FMCG major Dabur India plans to invest to set up a new facility in south India, which accounts for 18-20% of its domestic business.

₹9.82 tn
INDIA'S FISCAL deficit for the first nine months of FY 2024, which is 55% of the estimate for the whole year, per government data.

HOWINDIALIVES.COM

Gold demand to rise in 2024: WGC

India's gold demand is expected to be subdued in the first quarter of 2024 due to lower jewellery sales, but annual demand is anticipated to rise as consumers adjust to higher prices, the World Gold Council (WGC) said on Wednesday.

Higher purchases in the world's second-biggest gold consumer could support prices which are trading near record highs. Rising demand for imports could also widen India's trade deficit and put pressure on the rupee.

India's gold demand has been stuck between 700 and 800 metric tons in the past five years, but it is expected to break out of this range and rise to between 800 and 900 tons in 2024, Somasundaram P.R., CEO of WGC's Indian operations told *Reuters*.

"Given the fact that high prices have now been absorbed and economic growth is robust, demand is resetting its base to 800 to 900 tons," he said. REUTERS

The company's net profit was ₹487.88 cr in the October-December quarter of FY23. REUTERS

Ambuja Cements profit rises two-fold

Ambuja Cements Ltd on Wednesday reported nearly a two-fold rise in its consolidated net profit to ₹1,089.55 crore for the third quarter ended December 2023, helped by higher sales and lower fuel and raw material costs. The company had clocked a net profit of ₹487.88 crore in the October-December quarter a year ago, according to a regulatory filing by Ambuja Cements, now a part of the Adani Group. Its consolidated revenue from operations increased 2.8% to ₹8,128.80 crore during the quarter under review. It was ₹7,906.74 crore in the corresponding period last fiscal.

"The business has seen notable progress in every financial matrix. Ebitda (earnings before interest, taxes, depreciation, and amortisation), Ebitda PMT and Ebitda margins have grown higher than revenue growth given the sharp improvement in operating costs. Ebitda margin at 21.3% for Q3 FY24 is the highest in the last 10 quarters," said an earning statement from Ambuja Cements. During the quarter, its kiln fuel cost was "down by 25%", it added. PTI

AHEAD OF THE BUDGET

Union finance minister Nirmala Sitharaman with ministers of state Pankaj Chaudhary (seated, left) and Bhagwat Karad (seated, right) and her team of officials a day before the presentation of the interim budget for 2024, at her North Block office in New Delhi, on Wednesday. PTI

SFC members named, to tackle issues such as high debt to GDP

Three full-time and one part-time member will put in their report by 31 October 2025.

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Three full-time members and one part-time member of the sixteenth finance commission (SFC) were announced in a gazetted notification signed by President Droupadi Murmu released late on Tuesday night.

The full-time members are A.N. Jha, former expenditure secretary and member of the 15th finance commission; former special secretary in the department of expenditure Annie George Mathew; and Niranjan Rajadhyaksha, executive director of Artha Global, a Mumbai-based independent policy think tank. SBI's group chief economic advisor Soumya Kanti Ghosh has been appointed part-time member. Former VC of NITI Aayog, Arvind Panagariya, was earlier appointed chairman of the SFC. The finance ministry's joint secretary Ritvik Ranjanam Pandey will be the secretary. Experts said the SFC faces several challenges, including high public debt to GDP both at the Centre and the states, while the indicators for devolution to be used by the SFC are also unclear in the absence of detailed terms of reference. "The issue of high public debt to GDP ratio has to be addressed quickly by the SFC, which has to come up with a medium-term roadmap to address the challenge," said N.R. Bhanumurthy, vice chancellor at Dr B.R. Ambedkar School of Economics University, Bengaluru. "The SFC will also have to find a balance between the equity-efficiency trade-off." The SFC will have to give its recommendations by 31 October 2025, and they will be valid for five years starting 1 April 2026, the government notification said. The previous, 15th Finance Commission's recommendations run till 31 March 2026. An autonomous body under the government, SFC makes recommendations on the distribution of the net proceeds of taxes between the Union and the states. The recommendations are advisory and not binding on the government, albeit most past recommendations have been accepted. Interestingly, the share of net proceeds recommended for devolution to states has increased from 29.5% during the 11th finance commission to 42% in the 14th finance commission. However, after the carving out of Jammu and Kashmir into two union territories, the final report of the 15th finance commission recommended a 41% rate.

The indicators for devolution to be used by the SFC are also unclear in the absence of detailed terms of reference

Adani Wilmar Q3 profit declines 18%

Edible oil major Adani Wilmar Ltd (AWL) on Wednesday reported an 18% decline in its consolidated net profit to ₹200.89 crore for the December quarter, mainly due to lower income amid a fall in prices of cooking oils.

Its net profit stood at ₹246.16 crore in the year-ago period.

Total income declined to ₹12,887.60 crore in the third quarter of this fiscal from ₹15,515.55 crore in the corresponding period of the previous year, according to a regulatory filing.

"We continued to witness the growth momentum in packaged staple foods driven by a shift in consumer preferences for hygienic and quality products," Angshu Mallick, managing director and CEO of AWL, said.

In the edible oil segment, Adani Wilmar said the volume was flat in the third quarter annually and grew by 8% year-on-year during the first nine months of this fiscal. PTI

Net profit was at ₹10.11 cr, a turnaround from the net loss recorded in the same period last year. MINT

Piramal Pharma Q3 revenue up 14%

Piramal Pharma Ltd on Wednesday reported a 14% year-on-year (y-o-y) rise in its consolidated revenue from operations to ₹1,959 crore in the December ended quarter (Q3FY24), driven by strong performance across its verticals. Net profit was at ₹10.11 crore, a turnaround from the net loss recorded in the same period last year.

Earnings before interest, tax, depreciation, and amortization (Ebitda) for the quarter stood at ₹330 crore, up 94% y-o-y, with Ebitda margin at 17%. Margin improvement was the result of operational leverage, reduced costs of raw materials and energy, cost-efficiency measures, and initiatives aimed at operational excellence.

"...Our CDMO business is delivering healthy growth with robust order inflows, especially for differentiated offerings and innovation-related work," said Nandini Piramal, chairperson, Piramal Pharma. NAMAN SURI

JSPL profit jumps to ₹1,923 crore in Q3

Steel maker Jindal Steel and Power Ltd (JSPL) on Wednesday posted close to a four-fold jump in consolidated profit to ₹1,923 crore in the December quarter, aided by reduced expenses.

It had clocked a "total profit" of ₹518.27 crore in the year-ago period, the company said in an exchange filing.

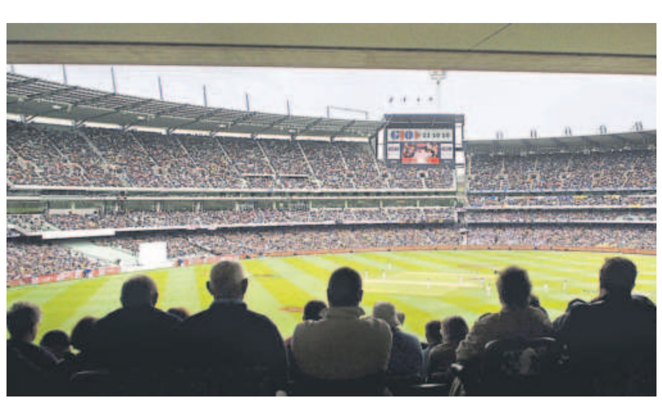
The company's total income fell to ₹11,736.40 crore from Rs 12,469.50 crore in the year-ago quarter. JSPL trimmed expenses to ₹9,809.57 crore from ₹11,028.27 crore in the October-December period of the last fiscal.

In a statement, JSPL chairman Naveen Jindal said, "We achieved several important milestones during the quarter, which includes commissioning of the Utkal C thermal coal mines, state-of-the-art hot strip mill and International EPD certifications for Hot Rolled plates/coils and structural steel." PTI

New league set up for retired cricketers gets notice from rival

It's a clash of legends, literally. A new league of retired Asian cricketers has bee launched in India. This one, organized by World Sports Group Private Limited, will be called Asian Legends League (ALL) and would be on very similar lines to its existing competitor, Legends League Cricket (LLC) that was launched in 2022. But, in response to the launch, LLC has sent a legal notice to the owners of the new league. The notice said the idea of the retired crickets league was set up by them in 2022 and that they had already hosted the tournament over three seasons. It added that the organizers had deliberately and intentionally used a similar name deceptively and fraudulently with a view to gain unfair advantage. The five-team format of ALL will be a round-robin one over a 10-day period, and will air before the Indian Premier League.

"We are evaluating options for a broadcast partner. We have already identified captains for our five teams at present and will likely be televised by mid-March," said league commissioner and former BCCI selector Chetan Sharma. *Mint* has learnt that company will tie up with Viacom-18 Sports18 and JioCinema for the broadcast and digital rights. VARUNI KHOSLA



The notice said the idea of the retired crickets league was set up by them in 2022. BLOOMBERG

NTPC gets DIPAM nod to list NGEL

State-owned power giant NTPC has received approval from the department of investment and public asset management (DIPAM) to list its green energy arm NTPC Green Energy Ltd (NGEL) to raise up to ₹10,000 crore, according to a source.

NGEL is expected to go public to raise up to ₹10,000 crore anytime after March, the source told *PTI*. The NTPC's proposal for NGEL listing was approved by the DIPAM, as per the source. The company is planning to utilize the funds towards energy transition and setting up green energy projects, including solar and green hydrogen. PTI

Interim budget to set fiscal, economic and welfare agenda for NDA

FROM PAGE 1

future policy goals will be captured in the budget speech, said the second person, who also spoke on condition of not being named.

Two hundred and fifty million people coming out of multidimensional poverty in the past 10 years, ₹3 trillion so far being transferred to the accounts of farmers under the income support scheme launched in 2019, 40 million houses given to poor households in the past 10 years, and over 60 million people getting treated under the Ayushman Bharat health insurance scheme are examples of this, the second person said.

Queries sent to the spokespersons of the finance ministry and the Prime Minister's Office on Tuesday remained unanswered till press time.

"President Droupadi Murmu's assurance in Parliament on Tuesday that the government was working tirelessly to empower the youth, women, farmers and the poor—the four pillars of a developed India—signals the attention these sections of society are likely to get in the interim budget," said A.K. Verma, director, Centre for Study of Society and Politics, an independent think tank.

Verma added that while the Centre is committed to inclusive development, implementation of the welfare schemes at the grassroot level requires more efficiency at least in some states.

Industry leaders expect the government's thrust on capital expenditure to continue. "We expect the government to continue its support to capex-led projects, infrastructure improvements and production-linked incentives, as budgeted," said Anil G. Verma, chief executive officer and executive director of Godrej & Boyce. "The government must take steps to accelerate the growth of the rural economy by providing suitable enablers. Spending on targeted welfare measures for the underprivileged needs to continue."

Both persons quoted above said the fiscal consolidation roadmap will be central to the interim budget. The finance minister had said in her budget speech for FY22 that the government would pursue a fiscal deficit lower than 4.5% of gross domestic product (GDP) by FY26. The fiscal deficit had shot up to 9.2% in the pandemic year of FY21, twice the level seen in the year before, and tempered thereafter.

The budget is expected to increase the allocation for schemes for farmers. MINT

EY chief policy advisor D.K. Srivastava said in a note issued on Tuesday that the fiscal deficit target of 5.9% of GDP for FY24 is likely to be met. This can be further reduced in incremental steps of 5.2%, 4.5% and 4% by FY27. Eventually, a fiscal deficit of 3% of GDP would have to be reached as per the FRBM (Fiscal Responsibility and Budget Management Act, 2003) target, he said.

While balancing the deficit, the interim budget is expected to continue its path to provide larger allocations to infrastructure sector ministries, particularly for building roads and highways, and adding speed to and expanding the railway network in the country.

The people cited above said allocations of both the road and railway ministries would be raised by at least 25% to well above ₹3 trillion. The infrastructure focus may also see the Centre's capex spend rising once again from the ₹10 trillion budgeted for FY24, so that expenditure is maintained at 4.5% of GDP.

Industry leaders expect the central government's thrust on capital expenditure to continue

States would also be supported in the budget for building infrastructure through higher allocation under Special Assistance to States for Capital Investment, an interest-free, long-term loan scheme. The scheme, which has already sanctioned over 80% of its ₹1.3 trillion corpus in the first nine months of FY24, has created capital investment projects in states covering health, education, irrigation, water supply, power, roads and railways.

Women-specific schemes and the expansion of existing ones would also form part of the budget proposals. In November, the government had cleared a scheme to give drones to women self-help groups as livelihood support.

This year's Republic Day celebrations saw *nari shakti* in full display and the budget is likely to continue with the government's programme to add more women to the country's labour force. The move would involve incentivizing enrolment of women while issuing advisories to government companies to increase their participation in the overall workforce. The ministry of road transport and highways has already issued an advisory to encourage the participation of women in the workforce in highway construction.

The budget is also expected to increase the allocation for schemes meant for farmers. The farm sector has been impacted by erratic monsoon this fiscal year, leading to the statistics ministry forecasting a 1.8% output growth in FY24, down from 4% growth in FY23.

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PROSPECT OF TRUMP 2.0 HAS EUROPE SCRAMBLING

Some of America's staunchest allies in Europe are pushing their neighbours to spend more on defence

Republican presidential candidate and former US President Donald Trump speaks at a campaign rally ahead of the Republican caucus in Las Vegas, Nevada, US, on 27 January. REUTERS

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THE WALL STREET JOURNAL.

The prospect of Donald Trump returning as president is prompting some of America's staunchest allies in Europe to push their neighbors that are more reluctant to spend into further action on defense and security.

Results are slowly emerging, but the question dogging Europe is whether the continent can convince Trump it isn't free-riding, as he has said it is. Campaigning in Las Vegas on Saturday, Trump criticized Europeans for insufficient military spending. "We're paying for NATO and we don't get so much out of it," he said, predicting European allies wouldn't support the U.S. in an emergency. "If we ever needed their help—let's say we were attacked—I don't believe they would be there."

Senior European leaders are starting to discuss how to prepare for and react to a potential change of U.S. administration, but are struggling to agree on the steps to take, say people involved in the discussions.

Defense ministers from the European Union's 27 members will discuss expanding their industrial base when they meet on Wednesday in Brussels. The issue will also be central to a mid-February meeting of the North Atlantic Treaty Organization's defense ministers and their close partners.

In a sign that European officials are starting to address their armaments shortages, NATO Secretary-General Jens Stoltenberg on Jan. 23 announced a $1.2 billion multicountry contract for 200,000 155-millimeter artillery shells, a type being heavily used in Ukraine. The shells will be produced in France and Germany and purchased by Spain, Belgium and Lithuania.

EU Industry Commissioner Thierry Breton said Monday that thanks to increased artillery production, the bloc will soon have capacity to supply Ukraine with one million shells annually.

Many European NATO countries say their increases in military spending were prompted more by Russia's initial 2014 invasion of Ukraine and subsequent hostility than by Trump's threats. Last year, nine of NATO's 29 European members met the alliance's target of spending 2% of gross domestic product on defense by 2024, compared with just two in 2014 when NATO set the threshold. About half are expected to hit the target this year.

For the countries that have been spending most on defense and warning about security, the recent shift is a welcome change.

Polish President Andrzej Duda, whose country is spending roughly 4% of GDP on defense, said Trump's argument made sense.

Poland's richer neighbors "want the American taxpayer to pay for their safety," Duda said. "As president, I would have raised the same argument."

When Trump was president, he repeatedly criticized U.S. allies in Europe for insufficient military spending. He floated the idea of demanding repayment for past U.S. defense of the continent and urged Europeans to act more in their own security, including by cutting reliance on Russian gas. On several occasions he raised doubts about his commitments to NATO.

Today, Trump's campaign website advocates "fundamentally re-evaluating NATO's purpose and NATO's mission."

> To prepare for a potential Trump presidency, European governments are contacting political and business figures in the US to understand who might join his administration.

European leaders are struggling to align against what many see as a severe potential threat to the postwar order and the prosperity that Washington's security umbrella has brought to the continent. NATO, which turns 75 in April, has allowed Europeans to focus on economic development, confident that the U.S. would repel threats from Moscow or elsewhere.

Europeans largely cheered the election of President Biden and his more trans-Atlantic perspective. They are now rushing to prepare for a Trump presidency because he is likely to secure the Republican nomination and some opinion polls show him leading Biden.

One potential step for Europeans is to endorse Dutch Prime Minister Mark Rutte as Stoltenberg's successor in NATO when his term expires in September. In 2018, Rutte—who is among Europe's longest-serving national leaders—bluntly contradicted Trump at an on-camera White House appearance, something few foreign politicians were willing to do.

European diplomats say that kind of backbone is one reason Rutte is emerging as the top candidate for the NATO job. The Dutch Defense Ministry has said military spending will hit 2% of GDP this year. It was 1.7% of GDP last year, according to NATO.

Rutte recently told Bloomberg Television that Trump "was completely right in forcing us to live up to the 2% commitment."

Despite increased European military spending, high-level talks are failing to deliver big results in part because the cost of shifting from U.S.-backed security to a more independent stance would be enormous. European economic growth has been weak for years, crimping many countries' ability to significantly boost military spending.

European leaders are placing new focus on a possible Trump administration not just because he is the clear Republican front-runner for the presidency, but also because aid to Ukraine in its fight against Russia is being blocked in Congress by Republican representatives who are closely allied to Trump.

European politicians understand that Trump's outspoken wariness of the war in Ukraine and skepticism about European resolve to defend itself are shared by a vocal and powerful minority of U.S. legislators, who are influencing public opinion.

Sweden, which hopes to join NATO this year and already spends more than 2% of GDP on defense, is urging allies in the EU to align more closely with the U.S., and not only on arms spending.

"If the European Union wants the U.S. to remain interested in what's going on in our part of Europe and in Ukraine, we have to show similar interest in what's important to the U.S. from a strategic point of view," said Swedish Foreign Minister Tobias Billström, pointing to China, Taiwan and the South China Sea.

"We really have to keep very close to the focus being put by Congress—not just the administration—on China," said Billström, who said he does so. "I encourage my colleagues all the time to do the same."

To prepare for a potential Trump presidency, European governments are contacting political and business figures in Washington and across the U.S. to understand who might join his administration, the officials said.

Some European leaders are also working to show the U.S. that they take military spending seriously. German Chancellor Olaf Scholz, who announced days after Russia's large-scale invasion of Ukraine two years ago that Germany would meet NATO's 2% target, recently urged other European countries to increase their military aid to Kyiv, which he said was insufficient.

"The planned weapons deliveries to Ukraine of most EU member states are not enough," Scholz said.

Russia's invasion of Ukraine, one year after Trump left office, brought a brutal, deadly war to Europe's doorstep. It intensified talks about military spending and prompted EU members to significantly shrink their reliance on Russian energy supplies—as Trump had advocated.

But while Europe has given Ukraine financial support that is roughly equivalent to the value of weapons that the U.S. has supplied, European countries haven't managed to strengthen their defenses or defense industries.

"We have to reorganize ourselves so we don't work along national lines," said Dutch Defense Minister Kajsa Ollongren, criticizing nationalism in Europe's defense industry. "We have to find new ways to meet our target."

mint SHORT STORY

WHAT

Senior European leaders are starting to discuss how to prepare for and react to a potential change of US administration, but are struggling to agree on the steps to take.

WHY

Trump may return as president of the US. In his earlier stint, he repeatedly criticized US allies in Europe for insufficient military spending, raised doubts about his commitments to NATO.

BUT

High-level talks are failing to deliver big results in part because the cost of shifting from US-backed security to a more independent stance would be enormous.

Trump could abandon Taiwan if he wins: China

Bloomberg
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China said a victory by Donald Trump in the presidential election later this year could lead to the US abandoning Taiwan, comments intended to sow doubt over Washington's commitment to the island.

"The US will always pursue America first, and Taiwan can change from a chess piece to a discarded chess piece at any time," Chen Binhua, spokesman for the office in Beijing that handles matters related to the island, said at a regular press briefing on Wednesday.

Chen was responding to a question about an interview Trump gave Fox News in July in which he avoided directly answering a query over whether as president he'd defend Taiwan if China attacked.

"If I answer that question, it'll put me in a very bad negotiating position," Trump said at the time. "With that being said, Taiwan did take all of our chip business."

China frequently suggests that the US isn't a reliable partner for Taiwan, a line that's aimed at undermining the island's confidence that it'll be able to withstand an invasion. The US has traditionally adopted a policy of strategic ambiguity, acknowledging China's historical claims to sovereignty over Taiwan, while maintaining only unofficial relations with Taipei and pledging defensive assistance.

Still, President Joe Biden has repeatedly said the US would defend Taiwan if it came under attack. Washington is Taipei's main military supporter, and in late 2022 it authorized as much as $10 billion in weapons sales to Taiwan over five years. Beijing has responded to the weapons sales by hitting defense firms with largely symbolic sanctions. China has vowed to bring the democratically run island of 23 million people under its control someday, by force if that's what it takes.

When asked about Chen's remarks, a spokesman for Trump's campaign referred to comments he made while president that acknowledged China was a security threat.

Taiwan's vice president and president-elect Lai Ching-te AP

The spokesman also pointed to a precedent-breaking conversation that Taiwan President Tsai Ing-wen had with Trump when he was president-elect in 2016. The call was the closest a Taiwanese leader has come to getting formal US recognition since Washington established relations with the Communist government in Beijing some four decades ago.

The US and China fought a trade war during Trump's term, when ties between the nations frayed over a range of issues, including the origins of the coronavirus, espionage, technology and human rights.

China has maintained its pressure on Taiwan since the island elected the US-friendly Vice President Lai Ching-te as its next leader on 13 January. Days afterward, Beijing peeled off one of Taiwan's few remaining diplomatic allies, Nauru, and its ties with another Pacific ally, Tuvalu, are at risk after an election there.

On Tuesday, China changed a civil aviation route without consulting Taiwan, which lodged what it said was a "strong protest" with Beijing. The move essentially normalizes the flight of Chinese civilian aircraft closer to the island.

How CAMS/KFIN help you in managing family portfolios

Self-declaration form allows family members to transact with a single phone number, email id

Anil Poste
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Financial planning is gaining credence the world over, especially since people want to make their aspirations come true. Over the years, people have turned to investing in mutual funds, rather than traditional savings schemes, to meet their financial goals, be it for education, marriage or retirement. They are also encouraging other family members to do so. But managing multiple phone numbers, bank accounts and email IDs associated with such investment portfolios is no easy task, especially where it concerns investments that help you meet financial goals. And it gets all the more difficult when you are planning for the entire family.

For most people, managing multiple PANs (Permanent Account Numbers, issued by the income tax department) of family members for making investments in mutual fund accounts can often be a cumbersome task. But there is help at hand. Registrar and transfer agents (RTAs), such as MYCAMS and KFIN, offer self-declaration forms that allow investors a more convenient way to handle their investments under common credentials. In this story, *Mint* provides you a comprehensive guide on how to manage multiple PANs effectively on MYCAMS/KFIN.

RTAs are essentially third-party companies appointed by businesses to manage the ownership records of their shares or securities. They play a crucial role in ensuring the smooth and accurate functioning of shareholding and transactions. Many companies, especially those publicly traded, are required to appoint an RTA.Investors can contact the RTA directly for matters related to their shareholding, such as updating their address or requesting a duplicate certificate.

Self-declaration forms

Investors who do not have any valid phone numbers or email IDs, either because they have switched numbers or forgotten their email passwords, have faced hurdles in conducting online transactions in mutual funds since 1 October 2022. To rectify this, RTAs introduced self-declaration forms that enable investors to update essential contact details across all fund houses. Here is how you can do this in three steps:

1. Obtain self-declaration forms: Start by acquiring the form from the fund house where you and your family hold mutual fund investments or directly from the RTA office.

2. Provide basic details: Fill in essential information such as the fund house name, folio number, and PAN.

3. Acknowledgement: Your family member must indicate their relation by selecting the appropriate category, such as self, spouse, guardian, dependent children, dependent siblings, or dependent parents, to specify the ownership of the provided email and mobile number and sign the form.

Timeframe: The process typically takes about seven working days , ensuring a swift update of your contact details across all fund houses.

Mode of form submission: The process can be done both online and offline. In online mode, you can visit the CAMS/KFIN website to complete the process. When it comes to submission via physical mode, plan a visit to your nearest RTA (CAMS/KFIN) or the office of the asset management company that you are associated with to submit the necessary documents.

Centralized management

The self-declaration forms allow an individual to have a comprehensive overview of the family's investment portfolio. Opting for this facility offers numerous advantages:

Ease of transactions: Conduct basic transactions such as purchase, redemption, switch, and non-financial transactions like updating bank details or KYC (know your customer) details under one umbrella for your entire family.

Simplified communication: With common contact details, you no longer need to juggle multiple email IDs or phone numbers for updates and notifications.

Centralized reporting: Manage all your investment reports conveniently under a single set of credentials, providing a unified view of your family's portfolio across various fund houses. This also helps with tax filing.

However, in the event of family disagreements or individual updates, members can submit a separate contact details form directly to the respective RTA.

Self-declaration forms allow a comprehensive overview of the family's investment portfolio

Tax clubbing?

In simple terms, tax clubbing typically refers to the combining of incomes or profits of family members in the hands of the earning member. However, in the context of a family declaration for mutual fund investments, it's merely a matter of stating relationships and not about actual income or profit. In other words, declaring family members for mutual fund management doesn't automatically mean their incomes or profits will be combined for tax purposes. It's just about clarifying who the investments belong to and so doesn't affect taxation directly.

"There is no question of tax clubbing here because it is just a matter of declaration and not income or profit" Says Nitesh Buddhadev, a chartered accountant and founder of Nimit Consultancy.

Family declaration

It's important to note that there are challenges associated with the physical mode of submission, such as form rejection due to signature mismatches. Alternatively, there is an online process available for family declaration. Yet, challenges such as website failing to load due to server problems or delayed receipt of one-time passwords sent to your mobile number.

There are limited family options available, which may not accurately represent all scenarios. For example, if you are managing the mutual fund investment of someone who is not dependent on you, such as grown-up children, parents, or spouse, the system forces them to be shown as dependents. Additionally, there is no option to add relations like in-laws or partners and friends, further limiting the flexibility of the system

Manage your family's MF portfolio on CAMS/KFIN

Here is how to use a single phone number and email id to oversee a family mutual fund portfolio.

How does the process work?

Obtain the Self-declaration form
Mr A visits the fund house or RTA office

Provide basic details
Mr A fills required details like fund house, PAN, folio

Family member acknowledgement
Mr A gets the signatures of all the family dependents and ticks the applicable relationship

Submit the form
Mr A physically submits form to AMC or RTA office

Wait for completion
7 working days to update across all fund houses.

Process complete
Mr A manages funds for the whole family

Benefits of centralized management

Ease of transactions
Purchase, switch, redeem with ease.

Simplified communication
Consolidate contact info for all updates, reduce confusion.

Centralised reporting
Unified view of investment reports.

Streamlined experience
Hassle-free management for family finances.

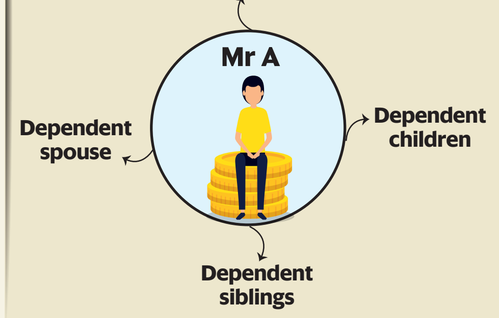
Issues

- There are limited family options available, which may not accurately represent all scenarios. For example, if you are managing the mutual fund investment of someone who is not dependent on you, such as independent children, parents, or spouse, the system forces them to be shown as dependents
- Additionally, there is no option to add relations like in-laws or partners/friends further limiting the flexibility of the system

mint

Illustration

LET'S consider Mr A wants to manage all his family investments under common contact details. He must submit the family declaration form signed by all the family members in the nearby AMC or RTA. Process is completed after seven working days.



PARAS JAIN/MINT

MINT 20* MUTUAL FUND SCHEMES TO INVEST IN

mint 20BEST FUNDS

We have hand-picked 20 mutual funds for your portfolio that have jumped through hoops of good returns, low risk, good portfolio hygiene and our own qualitative research. We have restricted the choice universe to 10 categories out of the total 37 and given you at least two options to pick from each.

EQUITY	3-years return (%)	5-years return (%)	Corpus (₹ cr)
LARGE-CAP			
UTI Nifty Index Fund - Growth	17.81	16.28	15,002
HDFC Index Fund - Nifty 50 Plan	17.66	16.05	11,887
Category average	16.97	15.82	
EQUITY FLEXICAP			
Canara Robeco Flexi Cap	18.10	17.68	11,491
Parag Parikh Flexi Cap	23.29	23.46	52,007
Category average	19.16	17.73	
EQUITY SMALL AND MIDCAP			
Axis Midcap	20.83	20.66	24,564
SBI Small Cap	26.92	24.93	23,717
Category average Midcap	26.80	22.37	
Category average Smallcap	32.69	25.56	
EQUITY (TAXSAVER)			
Canara Robeco Equity Tax Saver	19.09	19.45	7,033
Mirae Asset Tax Saver	20.39	19.95	20,431
Category average	20.91	18.14	
HYBRID			
BALANCED ADVANTAGE			
Edelweiss Balanced Advantage	13.51	14.45	10,203
ICICI Prudential Balanced Advantage	13.69	12.98	53,483
Category average	13.14	12.43	
ARBITRAGE			
Kotak Equity Arbitrage	5.51	5.33	34,593
Tata Arbitrage	5.17	5.31	8,740
Category average	5.17	5.05	

OUT OF THE BOX	Returns since launch	Date of launch	Corpus (₹ cr)
BHARAT Bond ETF - April 2031	4.96	23-Jul-20	13,061
Motilal Oswal S&P 500 Index Fund	17.59	28-Apr-20	2,996

Returns as on 29 January 20024; Corpus data as of December 2023; Growth option in regular plans has been used
Absolute returns for 'Out of box', CAGR for the rest. For detailed methodology refer to:
Keep a smart, flexible and minimalist MF portfolio
https://www.livemint.com/money/personal-finance/keep-a-smart-flexible-and-minimalist-mf-portfolio-11638378827521.html
Download mint app for latest in Business News - https://bit.ly/32XEfFE
*Debt funds can be viewed in the full table online
Data and analysis by CRISIL Research
Compiled by Neil Borate

How to optimize investment strategy for future planning?

Harshad Chetanwala

I am 44 years old and have two children, aged 11 and 8. I own life insurance policies that offer guaranteed returns of 5.5-6% per annum, including bonuses. I've been paying premiums for three years now and have four more years of payments remaining.My rental income stands at ₹40,000 per month from two properties, with an EMI of ₹28,000 for one of them. While I have not directly invested in the stock market or mutual funds due to perceived high risks, I want to ensure that my approach is sound.

—Name withheld on request

ISTOCKPHOTO

ASK MINT
INVESTMENT

Your investments in real estate and life insurance policies are not easy to liquidate. You must try to evaluate the returns your real estate investment is giving along with the rental yield. Many investors look at it from an absolute returns' perspective and not annual returns. When they calculate annual returns, they get to know the potential returns from their property investments. You should also factor in the interest you are paying on your loan to build one of the properties. If you factor in this part, the returns from your real estate investment will reduce. The returns from life insurance policies are closer to that of low or mid-duration debt instruments.

As for investing in stock markets, there have been multiple analyses where the possibility of negative returns is extremely rare if the investment is held for more than 5 to 7 years. All your goals are long-term in nature and so you should consider investing in the stock market. One of the best ways to do so is to invest in equity mutual funds. This will also allow your portfolio to generate higher returns over the long term and also bring the element of liquidity which is missing in your present portfolio. You can redeem your mutual funds at any time in case of an emergency.

It will also add a very important aspect of diversification to your overall assets. Since you will be investing in mutual funds for the first time, you can look at starting your investment in UTI Nifty 50 Index Fund, Nippon India Growth Fund , ICICI Prudential Bluechip Fund, Parag Parikh Flexi Cap Fund and HDFC Large & Mid Cap Fund.

Harshad Chetanwala is a co-founder at MyWealthGrowth.com

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

APPLYING THE UNION BUDGET FRAMEWORK TO YOUR PERSONAL FINANCES

POWER POINT
VISHAL DHAWAN

Respond to this column at
feedback@livemint.com

An interim budget or vote on account, as is the norm in an election year, will be presented on Thursday. Essentially, the Union Budget has a detailed breakdown of the government's income and expenses from multiple sources and also tries to look at how these incomes can be used for both routine expenses as well as developmental expenses that can provide multi-year benefits. This is an excellent way for you to look at your family's financial planning as well.

Your estimated sources of income for the family, which is where your rupee comes from, could include the following:

Professional, salary or business income that comes to you on a monthly basis; bonuses or variable compensation that you receive, which could be less predictable than your main income and may come to you annually or quarterly depending on how it is structured. This could come to you in the form of cash or stock options; interest income from your deposits and bank accounts; capital gains income from your investments, including in mutual funds; rental income from any residential or commercial real estate that you own; dividend income from stocks; and miscellaneous income or other sources of income from teaching, consulting, royalty, etc.

It is important to estimate growth rates on these incomes during the year and also factor in possible events that could temporarily disrupt these incomes—for example, a sabbatical from work for a partner or an upcoming lease renewal that could mean rental income stops for a few months as you seek a new tenant, etc. For items like variable income, it is also a good idea to be conservative as you may end up getting less than what you had imagined.

Your estimated expenses for the family, which is where your rupee goes, could include the following:

Taxes: these could include direct taxes on your professional income, capital gains tax, income from house property, and taxes on other income, which could be at different rates of tax. These could also include indirect taxes like goods and service tax that you pay on products and services that you use, or customs duties that you may incur on certain items when you bring them into the country when you travel overseas.

Interest: these could be costs incurred on loans that you may have, on your home or your car or a personal loan or credit card or an education loan for your child. Do remember to separate the interest component of the equated monthly instalment (EMI) in the loan component, as only a part of the EMI is going towards an interest payment, and the rest is going towards principal reduction.

Revenue expenditure: just like the government has expenses like salaries and other costs that allow it to run on a daily basis, your revenue expenses could include day-to-day living expenses like rent, groceries, utility bill payments, domestic help and support costs, and commuting costs, among others. Do not forget to include lumpy expenses that may not come in each month, but are routine expenses nevertheless like school fees, doctor fees, medical costs, clothes and wellness expenses. Do not forget to add domestic or international travel costs in this pool of expenses.

Capital expenditure: these could include upgrading your child's laptop, your washing machine, your car every few years, etc . It is very critical to include development expenditure in this bucket like upgrading professional skills to keep you at the cutting edge of your profession.

A good way to estimate these expenses is to look at your credit card and bank statements carefully for the last two years. Additionally, there is a need to account for inflation on these expenses, which considering the country's targeted range of 4%+-2% for consumer inflation, could be estimated at 6% per annum for a large portion of your expenses. Do remember that you will also be exposed to lifestyle inflation on some items, ie upgrades which are higher than normal inflation.

It is crucial to keep your deficits under control for your long-term goals

It is crucial to keep your deficits under control, that is, the difference between your income and your expenses so that you can save and invest towards your long-term goals like retirement, and education for the children, among others. Additionally, deficits are often needed to be supported by borrowings, which can damage your long-term finances.

Even as you watch out for the interim budget announcements this week and track any changes that are getting announced, I encourage you to use the budget framework for your personal finances, to open the doors of *Amrit Kaal* to realize the vision you have for yourself and your family's future in 2047.

Vishal Dhawan is the founder and CEO of Plan Ahead Wealth Advisors, a Sebi-registered investment advisery firm.

OUR VIEW

MINT

Has disinvestment lost priority or got held up?

The government's programme to offload equity stakes and other assets has shown paltry progress. We await clarity on why so little emphasis is placed on this deficit-bridging path

India's market-embracing effort to disinvest in non-strategic sectors of the economy seems to have dropped down the government's list of policy priorities. It has only raised ₹12,504 crore by way of stake sales so far in 2023-24, as against the budgeted ₹51,000 crore. With just two months to go, bridging that gap would be a tall order. Notably, this year isn't an exception, with data pointing to a steady slide in disinvestment aims. After climbing at first under the Narendra Modi government until 2020-21, the targets set for offloading stakes dropped for three years in a row—a trend marker. And barring 2017-18 and 2018-19, in all years, actual mop-ups from stake sales fell short of their budget estimates by large margins. This is at odds with the stance of the government having 'no business doing business,' as Prime Minister Modi has often stated. "Its job is to think about food for the poor, make houses and toilets for them, get them clean drinking water, make health facilities available to them, make roads... to think about the small farmers," Modi said in 2022. The pace of the Centre's extrication from the businesses it runs, however, does not reflect due urgency.

No doubt, disinvestment is easier said than done, as it is fraught with hurdles ranging from regulatory okays to labour relations. But this government, with its parliamentary strength and reform-friendly posture, was expected to accelerate that agenda. Progress, unfortunately, has been inexplicably slow. A political calculus may have played a role. Amid opposition tirades over 'state jewels' being given away, resistance along this path could have risen. Power turfs and gravy trains, though, would not be hard for a determined administration to stare down and roll back. Moreover, the market embrace this policy represents seems like an odd candidate for sacrifice at the altar of politics. Still, perhaps the rationale needs to be pitched better. While sell-offs clearly help bridge fiscal gaps, the idea must be judged by its larger economic benefits. Private participation in an economy goes with greater efficiency, as market competition and investor diversification gain sway. Privatizing state-held enterprises, as with Air India, would serve that end. Even their exposure to market discipline, as with LIC, could alter management incentives for the better. And as more firms get competitive, it will favour the whole economy.

One temptation for New Delhi is to sell only under-performers and retain dividend givers. In 2023-24, such payouts have joined buoyant tax collections to act as a harness against fiscal slippage. But for the whole economy to benefit, what matters is the state ceding commercial space. With this clarity, sell-off choices can be made by asset saleability as a big operative criterion. The basic conditions for it have been convergent: Private demand for Indian assets has been robust and our public finances must be tightened after the fiscal expansion brought on by covid. And while it's good to command high sale prices, we should not rule out selling state assets cheaply if they attract weak investor interest. That bargain-price offloading may be needed explains why doubling down on the agenda takes political confidence. This aspect heightens the wonder over why the programme has languished. It seems forlorn, if not entirely adrift. For the sake of reforms, we hope this is just a pause and not a reflection of a rethink on its value as a policy thrust. And even though an interim budget may not be the best platform for this, the government would do well to clarify its position and outline the way forward on it.

GUEST VIEW

Indian banks can make 2024-25 a year to remember: Here's how

They should step up digital efforts, expand market coverage, boost green finance and foster talent

PEEYUSH DALMIA
is a senior partner in McKinsey & Company's Mumbai office and leader of its banking practice.

The approach of a new fiscal year is a time for reflection. As India's banking leaders look back, they have reason to be pleased. In 2023-24, the sector's profitability recovered to above pre-pandemic levels, largely due to better net interest margins and lower credit costs. Credit continues to grow strongly and Indian banks' return on assets reached the highest level in a decade. Banks are also well capitalized—well above regulatory requirements—and have a strong risk profile.

While Indian economic growth is expected to be relatively strong in 2024-25 too, the outlook is uneven. Other risks to profitability include slow deposit growth, higher operational costs and greater competition, particularly from fintech players.

So it won't be smooth sailing; it never is. Even so, when a McKinsey analysis estimated retail and wholesale banking growth through 2027, it concluded that both would likely see moderate to high revenue growth in every segment. Demand exists and the Indian market is stepping up to meet it.

Different banks face different challenges, but there is a common element: the need for resilience. A McKinsey analysis of 1,100 public companies found that in times of crisis and economic downturns, resilient companies delivered greater returns—and then extended their market lead.

Indian banks have ridden through recent macroeconomic and interest rate volatility with flair. Still, they need to address other challenges to stay robust. Here are three ways India's banks could improve the present while building strength for the future.

Improve digital infrastructure: Many banks have improved their customers' digital journeys; among leading banks, 40-60% of retail asset loans are digitally sourced, and 80-90% of personal loans. India is a global leader in digital payments and investment in digital capabilities is growing fast. But the back-ends of many banks still run on legacy systems and there are areas of friction. Among them: security, privacy and core modernization. Broadly, the industry needs to work with regulators to build the infrastructure and policies that can prevent data breaches. Individually, banks need to prepare to comply with the new Data Protection law and install robust cybersecurity functions.

Expand service to new customers and markets: Financial inclusion has broadened greatly over the last decade, and this is a true success story; for example, rural credit demand has grown by more than 10% over the past few years. But India largely remains a credit underpenetrated market; only about half of the eligible population is covered by formal lenders. There is a potential retail lendable base of 320-340 million people, based on factors like age, income and wealth. Formal lenders (including banks and NBFCs) have extended active loans to only 120-140 million. This means that millions of Indians are missing a chance to invest in themselves—and banks are leaving profits on the table. The unmet opportunity is greatest in rural areas and smaller cities and towns. To capture it, banks could focus on creating customized rural products like cluster financing options, enable digital processing of loans via agri-tech partnerships, and work on improving outreach.

Think green: Sustainability-related investments offer great potential. At the moment, only 25% of the green finance investment needed for India to reach its goal of net zero by 2070 is being met. It's true that many important use cases, such as green hydrogen and carbon capture, are still out of the money. Nevertheless, banks could be more prepared. In general, they lack the expertise to identify new green business opportunities and have limited capacity to underwrite and price climate risk. Only 47% have an environmental, social, governance (ESG) strategy.

Fill the talent pool: Banks depend on two things: trust and people. Despite blips, trust has deepened as banks have successfully reached more and more Indians. But the sector is acutely vulnerable to cybercrime, and every breach erodes trust. To perform better, the right talent is needed for specialist functions, primarily in tech, digital and analytics roles, and India's banks are falling short on this front. One major concern is the weak credentials of employees and contractual workers; another is that attrition rates are high. Public-sector banks have difficulties; for cost reasons, they are often unable to pay for the quality of service they need to offer.

To draw the right talent, banks may need to rethink their employee value proposition. In addition to compensation, they could consider empowering employees and encouraging collaboration, mentoring new colleagues in a structured approach, and also improve the work environment. One place to start is by asking current employees about their needs and level of satisfaction; 'talent strategy' should be a routine topic for C-suite discussions.

Complacency is not an option. In fact, it would be a huge mistake. History demonstrates, time and again, that the good times do not always keep rolling. All in all, Indian banks have had a good year and are financially strong. But as our javelin champions Neeraj Chopra and Annu Rani can attest, it takes relentless work to stay ahead.

10 YEARS AGO

MINT METRIC

by Bibek Debroy

A Chinese woman is rich,
Her will has a remarkable pitch.
Ignored by offspring during ill health,
Pet dogs and cats inherit her wealth.
Perhaps a trustee, to ensure no glitch.

MY VIEW | WORLD APART

Education: It's a long haul for no child to be left behind

RAHUL JACOB

is a Mint columnist and a former Financial Times foreign correspondent.

The release of the Annual Status of Education Report (ASER) a fortnight ago in New Delhi seemed to harken an early arrival of spring. It took place in a conference hall by the city's magnificent Lodhi Gardens. The staff of Pratham, the educational NGO behind the extensive survey (of the 14-18 age group this year), were mostly in radiantly colourful clothing. Pratham's film of teenagers across the country, interviewed presumably during its survey across one or two districts in every state, was similarly upbeat. The montages of rural India were idyllic. One charismatic teenager from Bengal spoke of her desire to pursue higher studies to become independent, but underlined that she was in a race against time because her family would soon pressure her to get married. An incredibly studious teenager in Haryana, between his duties tending to the family buffalo, was articulate about how much he needed to study and how he used lessons on YouTube as free tuition. He planned to prepare for the civil service exams. The film also included an articulate youngster in rural Jharkhand talking about how he watched soap operas about lawyers and dreamt of becoming one himself.

Contrary to the grim newspaper headlines on the report's findings, there were plenty of 'glass half full' slides in the power-point presentation of the 2023 survey that followed. As Rukmini Banerji, CEO of Pratham Education Foundation, pointed out, more than 10 years after the Right to Education Act was passed, elementary school-level enrolment is almost universal. Rebutting predictions of children dropping out after the pandemic struck, the report made it clear that it did not happen. But, of course, being forced to study from home led to lower levels of learning. Still, the move from elementary to secondary school (class IX onwards) is now 88% nationally. This is a remarkable milestone. As Banerji observes, "Today, more children in India have more years of schooling than ever before." And this transition to secondary school is practically gender-neutral.

ASER last year also studied the effects of smartphone dispersal. Almost 90% of youth said they had access to a smartphone at home. The number of girls who own a smartphone is significantly lower than the boys who do, but otherwise smartphone usage and capabilities among teenagers measured by gender in rural India is not that far apart, though far from gender balanced. More than two-thirds of girls and boys in rural India in the 14-to-18 age cohort browse the net for information using smartphones, regardless of whether they own the phone or not, while upwards of three-quarters find YouTube videos easily enough. As Pratham's co-founder Madhav Chavan asserts, entertainment is "a great motivator." Platforms like WhatsApp and YouTube "have helped youngsters learn to use technology without a gender bias." While it is clearly true that social hurdles remain—there is a wide proficiency gap between male and female teenagers in using Google Maps, for example—this is mostly heartening news.

We're falling short on a key objective even though tech enablers could aid efforts to boost learning

In India, however, rays of hope always coexist with looming shadows. The presentation's shift to the aggregate learning levels of our ambitious, more worldly and digitally savvy rural teenagers featured in the film was an alarming reality check. Learning levels in grade VII show little difference with those of children a couple of classes behind. Worse, as the report notes, "Levels of basic learning in standard V-VIII have not seen much improvement in the last decade. As far as basic math is concerned, a comprehensive strategy for learning improvement, starting with basic skills, is urgently needed for the upper primary grades (similar trends are visible for reading as well)." The scary statistic in the next day's newspapers was indeed alarming: More than half the kids in class VIII cannot divide a three-digit number by a single-digit number. In 2017, 77% of children in the 14-18 age group could read a standard class II level text; by 2023, that number declined to 74%. What this also shows is that while dispersal of smartphones may help broaden life skills like setting an alarm or finding one's way around a city, it is not doing very much for classroom learning.

Or at least not yet. While it is easy to dismiss the need for simple division when every smartphone has a calculator, basic problem solving in many aspects of life does require such foundational skills. Many kids struggled to calculate length on a measuring scale when the marker for the beginning point was moved further down the ruler. Many in the commerce stream could not calculate the relative merits of loans hypothetically offered by banks with differing interest rates. Many could be left at the mercy of telecallers offering "interest-free" loans till usurious rates kick in.

There is a lot of naivete in glib discussions about Digital India leaping ahead, but education is an area where social entrepreneurs who harness technology enablers could bring about improvement. We would still need much better teaching in government schools, though. In *Invisible China: How the Urban-Rural Divide Threatens China's Rise*, Natalie Hell and Scott Rozelle point out that only 30% of Chinese had high school or higher education (2015 census). These numbers put China behind all other large middle-income countries, including South Africa. Their research team found that half of rural Chinese children, victims of undernourishment and worm infections, were unlikely to get far academically. You won't hear this at Davos-style conclaves, but China and India still have a long way to go.

THEIR VIEW

The challenge is to get our mix of fiscal and monetary policy right

India is at an inflection point in its growth-inflation dynamics. A judicious budget deficit will give RBI more policy space

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

REUTERS

With the interim budget for the fiscal year 2024-25 just a few days away, it is a good time to reflect on what can be best described as a perennial problem in macroeconomic policy formulation; a problem the budget exercise exemplifies—arriving at the right mix of fiscal and monetary policy. The Goldilocks Mean, if you will.

After all, the foremost objective of macroeconomic policy in any country is to achieve sustainable economic growth with price stability and a healthy external sector. This is possible only if the two main policy instruments available to policymakers to achieve this objective—monetary and fiscal policy—work in tandem, rather than at cross-purposes. At least over the long-term, even if they seem to be at odds with each other in the short-term.

It is a truism that neither monetary nor fiscal policy acts in a vacuum; each impacts the other and is in turn impacted. Nonetheless, the most direct interaction between monetary and fiscal policies is in the financing of the fiscal deficit. An International Monetary Fund working paper (WP 98, 25 March 1998), sums it up well: "In the long term, the policy coordination problem rests on how to design a balanced monetary and fiscal policy mix that is conducive to maintaining the economy on its equilibrium growth path—controlling inflation and promoting financial conditions for sustainable growth. This implies limiting the fiscal deficit to a level that can be financed through the operation of the capital markets without creating distortions in the allocation of resources in the economy, without having recourse to direct monetary financing from the central bank, and without relying on an excessive level of external borrowing."

This brings us to the crux of the problem. What is the right level of the fiscal deficit? In India, the Fiscal Responsibility and Budget Management Act, 2003, put it at 3% of GDP, a level that has remained on paper well after the original deadline, March 2008. Sure, there have been extenuating circumstances like the 2008 global financial crisis and 2020 pandemic, and the Act itself allows for relaxations in exceptional circumstances.

However, the reality is that, in common with many countries, monetary policy has long been subservient to fiscal policy in India too. This is understandable. In a poor developing country with limited tax revenues, the demands on government far exceed its means. In the early years, therefore, the Reserve Bank of India (RBI) had to finance the fiscal deficit, or excess of government expenditure over revenue. Not surprisingly, this introduced an inflationary bias. High inflation was the bane of the 1970s and 1980s. Till, finally, in 1994, under C. Rangarajan as RBI governor and Manmohan Singh as finance minister, the government took its first step towards ending the automatic monetization of the deficit by terminating the practice of issuing ad-hoc treasury bills.

Since then, we have come a long way. Today, governments are cognizant of the fact that large fiscal deficits extract an enormous cost. Both size and quality matter. The effect on inflation and output depends not only on the deficit's size, but also on the way the gap is financed. The financing needs of the government and its funding strategy constrain the operational independence of RBI. The latter's monetary stance, in turn, affects the capacity of the government to finance the budget deficit by altering the rate of interest (cost of debt service) and by limiting or expanding the available sources of financing.

Thus, the capacity of the government to borrow at a low financial cost depends to a large degree on the stance of monetary policy. An expansionary monetary policy would initially permit it to borrow in the market at low interest rates. However, if inflation follows the implementation of such a lax monetary policy (as it invariably does), or if the deficit grows rapidly, given the government's temptation to borrow even more at the prevailing low interest rate, nominal interest rates would eventually have to rise, as investors demand higher remuneration to cover higher perceived risks. Debt service costs would climb, and the government would have to reduce the deficit, often by cutting back on essential expenditure, and economic growth would suffer as a result.

On the other hand, a monetary policy that is too restrictive extracts its own cost, apart from increasing the cost of debt service for the government. It would also cramp private investment. But once inflation is entrenched, tight monetary policy is often the only solution. If pursued in tandem with a responsible fiscal policy, it can help build credibility and eventually lead to lower interest rates and better sustained development of domestic financial markets and the economy.

Today, we are at an inflection point. Though growth is expected to slow in 2024-25, it is likely to remain reasonably strong. On the inflation front, however, the outlook is less clear. Both because RBI's actions effectively impact only a relatively small part of the consumption basket—other than food and fuel—and because, unlike fiscal policy, monetary policy is strongly influenced by the actions of other central banks, notably the US Federal Reserve. More importantly, for a government heading into elections, inflation poses a much bigger threat than slowing growth.

To the BJP government's credit, it has largely walked the talk on adherence to fiscal discipline. Barring the covid years, when the deficit ballooned, the broad direction has been towards lowering the deficit. So, expect more of the same on Thursday. And expect RBI to lend a helping hand by doing its bit to keep inflation under control when its rate-setting committee meets a week later.

MINT CURATOR

Dear Elon Musk, please keep the internet out of our brains

A layer of friction between thought and online action is necessary

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Neuralink's brain insert could launch an era of bio-connectivity ISTOCKPHOTO

A lucky individual has become the first human to receive a brain implant from Neuralink, Elon Musk's startup, marking a bold step towards being able to steer computers with our minds. The device, called Telepathy, is about the size of a quarter-dollar coin and was inserted with hundreds of wires and electrodes just under the skull. Its aim is to take "control of your phone or computer, and through them almost any device, just by thinking," according to Elon Musk. All this sounds great, so long as the device doesn't plug people's brains into the time-sucking matrix of distraction that we call the internet. Far from enhancing our lives, that could prove a step too far in being 'connected.'

Neuralink seems to be far ahead of its peers in terms of technological prowess. While rival devices have roughly 16 electrodes for gathering brain data, Neuralink's implant has more than 1,000, and it doesn't need wiring to a bulky battery that's implanted into a person's chest, according to a recent deep dive on the company by Bloomberg's Ashlee Vance. Musk, who wants Neuralink to perform surgeries on more than 22,000 people by 2030, will likely be the first to go mainstream, even if his "maniacal sense of urgency" means it may not be the most reliable product.

Musk has a history of over-promising milestones for his products, but he's still managed to sell cars that partly drive themselves. There's every reason to think that in the next five years or so, many more people will have his coin-sized computer interface in their brains. That will have profound implications for how we define human identity and connection, especially if these gadgets plug our minds directly into the web.

The internet has transformed over the last decade from a place filled with curated forums and niche websites, to a noisy mess of algorithms enticing you to click hundreds of other links, while social media has sucked people down rabbit holes of distraction. Imagine how much harder it will be to resist the lure of algorithms if you don't even have to click a mouse or swipe a thumb to open a post. Now imagine doing that on the internet in five or ten years' time, when it's teeming with more AI-generated content than ever before, along with hyper-personalized algorithms that pull you in as many directions as possible.

Today's keyboard and mouse act as healthy layers of friction between the thought of wanting to do something on the internet and doing it. And even then, people often find themselves jumping into behaviours that they wouldn't do in the real world, like tweeting inept comments on Musk's public town square, X (formerly Twitter).

When I reported on the exploits of Hacktivists Anonymous years ago, some online vigilantes told me that the barrier between what they thought and what they actually did in online forums was dauntingly thin as they fell deeper into groupthink and egged each other on to hack websites—before ultimately getting arrested. When there's virtually no barrier between thinking and acting on the internet, people often proceed in ways they shouldn't.

History is filled with visionaries whose grand plans for technology didn't pan out exactly as they had dreamt. Mark Zuckerberg wanted to connect the world with Facebook, but ended up dividing people into political silos. OpenAI chief executive officer Sam Altman has said he wants to bring "trillions" of dollars of economic abundance to humanity, but so far, he's mostly helped enrich his own company and Microsoft with his company's generative AI products.

Musk's goal for Neuralink is to prevent a future AI apocalypse by making our brains bionic. His reasoning is that a digital superintelligence will eventually become so powerful that it will out-think us, so we'll need to add some digital smarts to our limbic system and neo-cortex to address that existential risk. "If you can't beat them, join 'em," the billionaire says.

Another potential benefit of the device would be helping those with paralysis. That would follow a long history of gadgets—from the computer mouse to text-to-speech—that first sought to assist people with disabilities before going mass market.

But there's an obvious paradox here, as putting powerful AI into our skulls also brings its risks closer home. Giving our brains a direct connection to the web could make us far more vulnerable to its addictive pull, too. Neuralink may give awe-inspiring freedom to the world's disabled, but as we marvel at Musk's technological progress, we may also find ourselves sleepwalking into a new era where we wish we weren't quite so plugged in.

MY VIEW | OTHER SPHERE

Band-aids will not suffice to heal India's health system

ANURAG BEHAR

is CEO of Azim Premji Foundation.

During the first eight years of my professional career, I worked in the health sector. My role entailed helping finance healthcare providers, mostly through loans. From tiny clinics in small towns to the largest hospital chains in the country. What I learnt during those days has been the foundation of my career.

What made that role unusual was that people seeking our financing would eagerly share their methods of making money, including their darkest secrets. They wanted to prove that our money was safe with them and that we would get good returns. Unethical practices were the main financial driver for far too many. Unnecessary diagnostic tests and treatments, including drugs and hospitalization, along with overpricing, was standard. This was rampant abuse of power over patients and families dependent on them for relief and often their lives. These unethical practices ranged from the criminally brazen to the subtle, things that could be passed off as 'professional judgement.'

While I did come across ethical and competent people and hospitals, they were a smaller proportion, perhaps about 20%, while the rest were on the spectrum from brazen to subtle malpractice.

Its only later that I read Kenneth Arrow's seminal paper, 'Uncertainty and the Welfare Economics of Medical Care.' Arrow's framework abstracted what I experienced every day. Some of these aspects were: When healthcare services are required is uncertain; i.e., you don't know when and what illness will strike. It is unclear that a given diagnostic test and/or therapy will lead to a sustained positive outcome, or cure. You can't shop around and switch doctors like soap. And doctors have enormously more knowledge than patients, so it is a relationship with a grossly asymmetric distribution of power. This let corruption and malpractice grow.

Four years ago, we began expanding our Foundation's work into health, and then covid tore up our step-by-step plans, throwing us into the deep end. Two decades after my initial stint in this sector, I was back, and the detrimental effects of the weak foundations of our healthcare system could not have been more apparent. For all the transformations India has witnessed over the past two decades, its basics were unchanged.

First, a fundamentally flawed assumption that lies at the core of our approach. Clinical interventions and medicines to cure ailments are not the same as a system that fosters healthy individuals and communities. Medical services can only be a subset of a robust health system. In our country, over the past few decades, we have equated medicalized healthcare with health. This overmedicalization of health has economic and well-being consequences for our entire society.

> **We need to work on the basics of India's health sector for substantive progress to be achieved**

Second is the direct implication of overmedicalization: woefully inadequate attention to and investment in nutrition, preventive and community health, and primary healthcare, while great pride is taken in a few large tertiary care hospitals. This structure essentially means that the system does not do much to keep people healthy. Then when they get ill, the system does not take care of them quickly or early enough. And when things become really bad, some of these people find their way into big hospitals. Most aren't as fortunate. Such a system is structurally costly and ineffective in both economic and human terms.

Third, we have failed to develop front-line human capacity, ranging from community health workers to doctors, and empower it. Many issues plague this most important of matters. There is little importance given to the critical role of front-line workers and their working conditions. There are limitations of quality and capacity in the education system that prepares them. And they play their roles in difficult conditions, with a paucity of resources, given the system's weak support and culture of indifference. Then there are dysfunctional and unreal professional licensing norms that stunt the real scope of roles. For instance, even a pill of paracetamol can only be prescribed by MBBS doctors.

Fourth is the heavy overdependence on private healthcare providers. Not just the large gleaming tertiary hospitals, but the small ramshackle ones, as also the seedy clinics in by-lanes and quacks who go by many names. This phenomenon is also fed by chronic under-investment in the health sector and the inadequacy of our public health system in the country, with a few states as notable exceptions.

Fifth, the outcome of weak public services and over-dependence on the private sector is egregiously unequal access to healthcare across economic classes and geographies; for example, rural versus urban and eastern versus southern states.

Sixth, with the absence of quality healthcare facilities, health insurance doesn't solve the problems of healthcare, let alone of health. If you don't have a hospital or doctor to go to nearby, how can insurance help? And when the methods of a large proportion of private players are well known, which insurance system will trust their claims, unless there is collusion?

Seventh is the widespread rot of professional corruption that I described.

Without doubt, many things have been done to help improve the health system in India in the past few years. But we need to transform these basics to ensure good health for all our people. Which, along with good education and high-quality jobs, form the foundation of societal well-being.

Artworks that you simply must not miss at the India Art Fair 2024

From unique sculptures to installation art, the works on view at the 15th edition of the fair this year present a snapshot of art in the Global South

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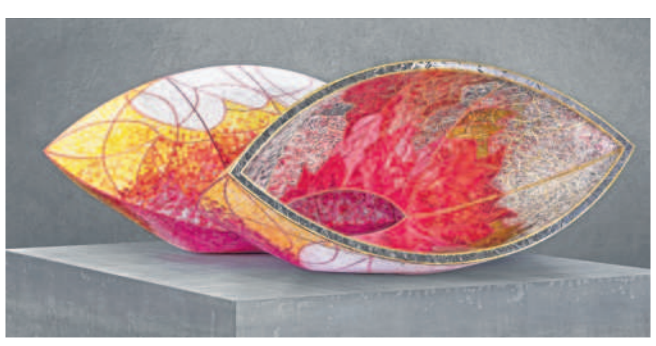
SHOWCASING MASTERS

DAG is presenting previously unseen works by masters—both pre-modern and modern— of Indian art, spanning 18th to 21st centuries, in India Past and Present. There are two works that really stand out. One is *Muharram* by Sewak Ram, who hailed from the Company school of painting. The other is M.F. Husain's *Portrait of a Painter, Surrounded by His Own Images*.

STORIES IN TEXTILE

Jhaveri Contemporary is presenting artists that use textile patterns to create evocative narratives around environmental and spiritual phenomena. One of the highlights is Monika Correa's monochrome triptych, *Banyan Tree*. The other work that you must not miss is *H (Night)* in glazed ceramic by London-based artist Shezad Dawood, who is inspired by ecology and nature and calls his practice 'imagineering'. His practice spans painting, textile, sculpture and digital media.



IRANIAN TRADITION IN A MODERN IDIOM

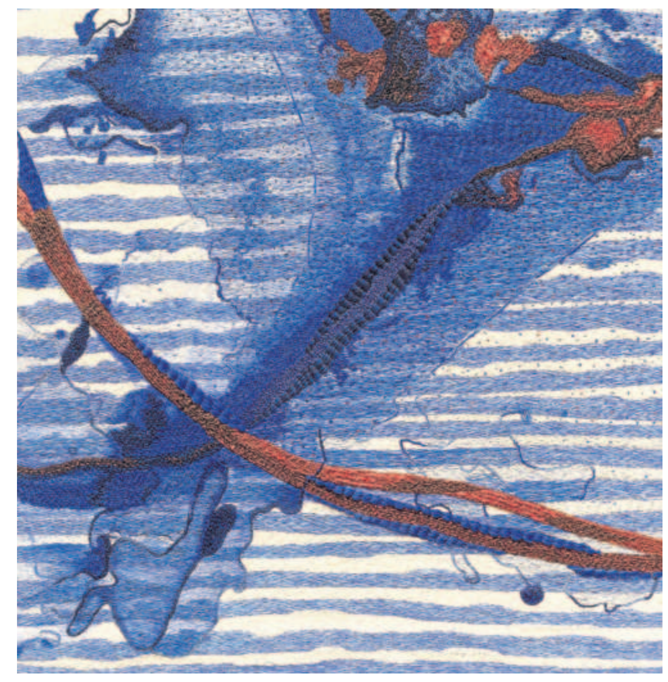
Pune-based gallery, Vida Heydari Contemporary, is presenting Iranian artist Pooya Aryanpour's work, *Fruit of Elysian*, at the fair. The Tehran-based artist brings together sculptural and architectural practices with painting and traditional Iranian ornamentation techniques such as mirror-work.

RESPONDING TO THE TIMES

Shrine Empire is presenting, among other works, Baaraan Ijlal's First came the fluttering of wings in my ears. This 2024-acrylic on canvas carries forth the artist's engagement with the ideas of memory, nostalgia and unacknowledged histories. The visuals seem fable-like, and yet there is an urgency within them to document testimonies of loss both from within the artist herself and people around her.

FINDING JOY IN SIMPLICITY

Siddhartha Kararwal's Tug of War, on showcase at Mumbai-based Sakshi Gallery's booth, seems like a visual out of a Lewis Carroll book. The Jaipur-based conceptual artist finds joy in simple objects such as toys, jigsaw puzzles, kinetic sculptures, and more.



AN EMBROIDERED MESSAGE

At the fair ground, one will get to see a five-metre-long embroidered work, *Water Matters*, by Franco-Cameroonian artist Barthélémy Toguo. The imagery shows a man receiving and offering water, and is being presented in front of a table with a hundred engraved bottles filled with water from all over the world. The work is being presented by the French Institute in India and is a collaboration with the Chanakya School of Craft. In his practice, Toguo combines modern language with ancestral knowledge.

UNIQUE MATERIALITY

Akara Contemporary, a new space by Akara which opened last year to showcase the next generation of artists, is making its debut at the fair. Its inaugural showcase features some rather interesting sculptures by Keita Miyazaki.

The artist, who works between London and Tokyo, brings together unique combinations of materials such as metal against light and fragile paper and felt. The booth will also feature works by Brazilian artist Rebecca Sharp, Bhagyashree Suthar, Utkarsh Makwana, Dhruva Mistry, and more.

AN EXPERIENTIAL PROJECT

The Kiran Nadar Museum of Art is showcasing artist Gigi Scaria's *Elevator from the Subcontinent*, a video/installation work. This experiential project takes forward the artist's engagement with migration, displacement and the way people interact with the city. "Economic growth in India brought in high- rise buildings. The elevator became the metaphor for the everyday for those negotiating these heights, travelling in and out, stranded without its functional presence," states a note by the KNMA.

The artist as a witness to the global climate crisis

For its new exhibition, Khoj invited artists to undertake journeys along the 28th parallel north latitude

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On the cold foggy day of 22 December 2022, artist Atul Bhalla addressed the camera placed close to the India-Nepal border. Akin to a TV reporter, he gave an update from the ground. But rather than airing his political views, he focused on the weather and the air quality index. Bhalla's dispatch was meant to feed into Khoj International Artists' Association's two-year long 'weather reporting' project, which forms part of the World Weather Network—a coalition of 28 arts organisations across the world created in response to the climate crisis.

In April 2022, Khoj, a not-for-profit contemporary arts organisation, invited artists Atul Bhalla, Mithu Sen, Raqs Media Collective, Shahana Rajani and Zahra Malkani to form its Weather Station situated along the 28th parallel north latitude. They were called upon to undertake journeys in areas adjacent to the latitude and share "weather reports" in the form of notations, images, and other ruminations. The outcome of these itinerant and durational observatories is on display in the exhibition 28° North and Parallel Weathers, which runs till 12 March at Khoj Studios. The exhibition also features projects from two other weather stations: *Listening through the Dead Zones* by Jana Winderen from IHME Helsinki, and *Ngā Raraunga o te Mākū: the data of moisture* by Ron Bull, Stefan Marks, Janine Randerson, and Rachel Shearer from Te Tuhi in New Zealand. The projects pose the question: What worlds open up to us when we think of our bodies as a site for "attuned sensing"?

Bhalla's proposal that on the solstices and equinox he would be present at locations along the 28th parallel north. His journey, starting June 2022, was slated to begin at Neemrana and stretch from the town of Nanapara on the Nepal border to Ranjeetpura village near Pakistan. Along with photographs, videos and sound footage, Bhalla decided to collect stones on the way, which would act as a trope for the weather. Why stones? Bhalla invokes the Russian writer and poet Osip Mandelstam, who regarded the stone as a metaphor for the weather.

In his installation *False Clouds and Real Deluges*, Bhalla documents the extreme weather events he experienced in Bikaner, when it rained in June, normally considered the hottest month in the year. But equally Bhalla's project is about the political climate and the polarized times we find ourselves in. Giveaway bags emblazoned with "Truth Was", and a cloud printed on them, will be made available at Khoj studios, along with badges bearing words such as "false", "clouds," "real", "deluges".

COURTESY: KHOJ INTERNATIONAL ARTISTS' ASSOCIATION

'Hamare Siyal Rishte/Our Watery Relations' by, Shahana Rajani and Zahra Malkani

Raqs Media Collective's expansive journey also took them to deserts and water bodies. It extended from the banks of the river Teesta in Sikkim and the step wells in Rajasthan to a farm in Ikisé, and the Osun-Osogbo sacred grove, both in Nigeria. Ruminating on their experiences, they share, "Over the past two years we have watched, listened, learnt. We have tried to think with wells and rivers. We have returned to a farm and to a forest" adding, "Ours has been a humid meditation on the conditions that make life."

Raqs's preoccupation with the "paradox of a thirsty planet," where there is both a plentitude and lack of water, is reflected in their immersive installation *Na-Bam (Measure without Measure)*. It features video, text, spoken word, images and drawings.

Elaborating on the title of their work, they note, "Fishermen speak of water in some places as *na-bam*, where depth has no measure." *Na-Bam* traverses the following categories: 'Land. River. Sea. Storm. Sacred. Rain. Forest. Thirst. Profane. Harvest.' It does so as to think about thirst and flood, both of which evoke the idea of a measure without measure.

Mithu Sen agreed to be a part of the weather station because she believed it was a much-needed and timely intervention. "The added element of potential adventure in chasing a specific geographical site, possibly a river, enhances the project's appeal," she says. Sen plotted an arc from her studio on the Delhi-Faridabad border at one end of the latitude to Arunachal Pradesh at the other. She decided to follow the course of the river Brahmaputra, which traverses three countries and is known by myriad names.

She says, "The marginalization of the Brahmaputra River in the historical narrative of the North-East is apparent. Despite its significant proportions, it lacks the attention afforded to rivers like the Ganga and Yamuna. This marginalization is a consequence of its geographical location in the Northeast, often disregarded as a passive appendage to the Indian mainland."

In *Hamare Siyal Rishte/Our Watery Relations*, extending from June 2022 to June 2023, Pakistani artists Shahana Rajani and Zahra Malkani continued their long-term research on the aquatic landscapes of Karachi. They conducted a series of experimental, site-specific workshops in collaboration with community/activist organisations such as the Pakistan Fisherfolk Forum and the Indigenous Rights Alliance. These highlighted not just the rapidly changing ecologies and oceanic terrain but also the rich traditions of resistance and ongoing protection of these regions.Their final report envisages a narrative sound piece drawing from indigenous folktales and storytelling traditions.

By placing their bodies at various sites and connecting with local habitats and environments, the artists attest to the changing climatic conditions caused by global warming. Their projects visually bring to the fore how clouds, rivers and the weather transcend manmade borders and boundaries. This makes it all the more imperative for us to band together collectively to avert a global climate catastrophe.