Digital Competition Bill: Stoking Concerns

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India Business Journal

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DEFYING DOWNTURN

As Indian IT industry stares at another lacklustre year, unlikely ally AI promises a remarkable revival of its fortunes.


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The RBI's action follows some serious shortcomings at Kotak Bank's IT systems over the last two years.

RBI Cracks The Whip Again

Kotak Mahindra Bank is the latest financial institution to come under the Reserve Bank of India's (RBI) lens. The central bank's recent directive bars the Mumbai-based lender from signing up new customers digitally or issuing new credit cards.

The RBI's action follows some serious shortcomings at Kotak Bank's IT systems over the last two years. According to the central bank, there have been serious deficiencies and non-compliance by the bank related to IT inventory, patch and change, user access and vendor risk management. There have also been gaps in data security and data leak prevention strategy, business continuity and disaster recovery rigour and drill, adds the RBI.

The banking regulator discloses that the private sector lender has not built in adequate operational resilience in its IT systems and controls to match the growth in the business. It points out that the less-than-robust infrastructure has resulted in frequent and significant outages over the last two years.

Kotak Bank is the latest addition to the list of financial services entities that have been reprimanded for multiple shortcomings. HDFC Bank, Bank of Baroda, Paytm, JM Financial and IIFL are some of the organisations that have at the receiving end of the RBI's regulatory strictures.

The recent crackdown on Kotak Bank poses a substantial challenge to the bank's high-profile digital arm, Kotak 811. The digital subsidiary is a major driving force for the bank's credit card and savings account business. Kotak 811 is a critical part of the lender's digital business, accounting for nearly 95 per cent of personal loan disbursal, 99 per cent of credit card sales and 79 per cent of new business enrolment.

If Kotak fails to address the central bank's concerns quickly, it can hurt the lender's digital banking ambitions and put the lender behind aggressive competitors, such as ICICI Bank, HDFC Bank and State Bank of India. Besides, the central bank's action will impact the lender's co-branded card deals and the bank's growth prospects in the short term.

The central bank's regulatory action may seem to be harsh. But it was a required step. Kotak Bank has failed to fix its IT systems even after having been reminded for two years. So, tough curbs are called for. As banking becomes more technology-driven, the risks associated with it are rising rapidly. Consequently, the regulator has little choice but to be more vigilant and act if it believes that if any lender's IT system is not secure.

The RBI's recent actions against regulated entities clearly show that the regulator keen very is to enforce good risk management, compliance with regulatory guidelines, effectiveness of boards, fairness to customers and good governance. Besides, the regulatory measures are not implemented out of the blue. When issues arise, the RBI engages in bilateral discussions with the lenders concerned for at least a year. The central bank further gives enough time for the entities to rectify their shortfalls. It is only after all these opportunities that the RBI puts restrictions on the entities until they comply with its directives.

Banks are today investing heavily in technology, including artificial intelligence. However, they do not seem to be paying adequate attention in beefing up their basic IT infrastructure. It would not be surprising if more entities are pulled up for similar lapses. In their rush to fulfil their ambitious targets and gain market share, banks seem to be forgetting to adhere to basic norms.

Banks are today investing heavily in technology, including artificial intelligence. However, they do not seem to be paying adequate attention in beefing up their basic IT infrastructure. It would not be surprising if more entities are pulled up for similar lapses.

Vikas Lifecare Board Allots Equity Shares To Srestha Finvest Against Warrants

Vikas Lifecare Limited (BSE: 542655, NSE: VIKASLIFE) has announced that in its board meeting held on April 05, 2024, the company has allotted equity shares against conversion of warrants to Srestha Finvest Ltd. Vikas Lifecare converted 5,20,00,000 warrants and allotted the same number of equity shares.

Recently, Vikas Lifecare had announced that the company had acquired a considerable stake in Benchmark News Lab Private Limited. The company has invested Rs 150 million to acquire 7.5 per cent equity in the popular news channel, Bharat Express News. The company may enhance its stakes in the venture and also the relevant industry during the upcoming financial year 2024-25. Pursuing the expansion plans and in order to broadbase its business interests, Vikas Lifecare recently ventured into the media and entertainment business industry and has been exploring various options to set a firm foothold in the industry via acquisitions and mergers while also eyeing to evaluate and start an independent business division to enhance its business in the relevant segment.

Vikas Lifecare is an ISO 9001:2015 certified company, conventionally engaged in manufacturing and trading of polymer and rubber compounds and speciality additives for plastics, synthetic and natural rubbers. Manufacturing up-cycled compounds from industrial and post-consumer waste materials like EVA, PVC, PP and PE, etc, Vikas Lifecare actively contributes to the environment protection initiatives from the Government of India and fulfils the mandated EPR obligations for the conglomerates consuming hundreds of thousands of tonnes of plastic products and packaging materials.

The company is also a Del-Credere agent of ONGC (Oil and Natural Gas Corporation Ltd) Petro Additions Limited, a public sector undertaking producing a wide variety of base polymers and commodity plastic raw materials. Vikas Lifecare's subsidiary, M/s Genesis Gas Solutions Pvt Ltd is engaged in the business of smart gas meters being supplied to all the major gas distribution companies for domestic and commercial consumers. Genesis pioneers in smart gas and water metering and commands about a 20 per cent share of the domestic gas metering business in India.

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

The company is spreading its arms in the entertainment sector with a new venture in film production.

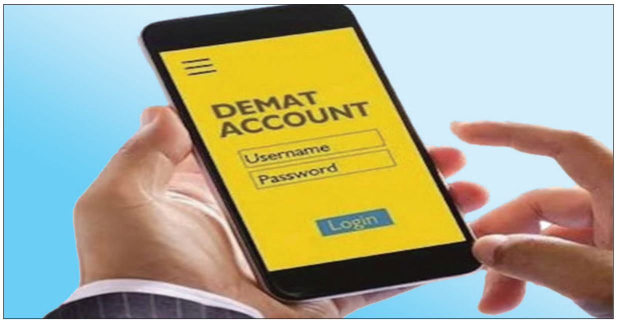
Vikas Lifecare has ventured into the entertainment sector and acquired SKY 2.0 Club. It is a revolutionary standalone nightclub anchored in the heart of Dubai Design District, UAE. Innovative and experiential, SKY 2.0 provides an interactive experience by employing modern technology in the venue. Another recent acquisition in the entertainment sector is PME Entertainment, headquartered in the UAE, a leader in the rapidly-evolving entertainment industry with expertise in music production and event management facilitating connections with global talents, fostering a network and ensuring the success of shows through continuous support from audiences and clients.

The company continues spreading its arms under entertainment sector with a new venture in film production. This strategic move marks Vikas Lifecare's entry into the dynamic world of cinema, leveraging its expertise in creativity and innovation to deliver captivating and thought-provoking content and memorable experiences for audiences across the globe.

Vikas Lifecare intends establishing or acquiring businesses in these segments, thereby expanding its footprint across the country and beyond.

MISCELLANEOUS

FY24 passenger vehicle sales at 42.30 lakh units- Driven by robust demand for sports utility vehicles (SUVs), passenger vehicle sales in the country soared to a record high in FY24 with despatch of over 42 lakh units. The overall passenger vehicle despatches from manufacturers to dealers in the last financial year rose to 42.30 lakh units, an increase of 9 per cent over 38.90 lakh units in FY23. The surge in record passenger vehicle sales came on the back of record sales by domestic manufacturers. The share of SUVs in the overall passenger vehicle despatches rose to 50.4 per cent in the last financial year as compared to 43 per cent in FY23.



Total demat accounts hit 15.14 crore in FY24 Sustained market rally in 2023-24 saw healthy growth in opening of demat accounts, which propelled total number of such accounts to 15.14 crore till March 2024. Total number of demat accounts at the end of February 2024 had stood at 14.83 crore, leading to a rise of 31 lakh demat accounts in March 2024. In March, Central Depository Services (CDSL) continued to gain market share in terms of the total number of demat accounts and also recorded an increase in the market share on a month-on-month basis. However, National Securities Depository (NSDL) lost 3.90 and 5.70 per cent market share in total and incremental demat accounts respectively on a year-on-year basis.

India's FY24 exports to China rise by 8.07% Even though China's imports from the world declined in FY24, India managed to increase its exports to its northern neighbour by 8.07 per cent on the year in 2023-24 to $16.67 billion, according to the Commerce Ministry's data. India's imports from China recorded moderate growth of 3.29 per cent to $101.75 billion in the last financial year. In calendar year 2023, while China's merchandise imports fell by 5.5 per cent, India's exports to the country had gone up by 7.1 per cent on the year. China's merchandise exports too had contracted by 4.6 per cent in dollar terms in 2023 for the first time since 2016.

$500-bn capex to power transmission by '50 India's power transmission capital expenditure (capex) requirement will be over $500 billion by FY50, 30 per cent of the overall energy transition capital outlay, Goldman Sachs estimates. "Power transmission is the key to India's energy transition and global new energy cost leadership ambitions. India's large, highly-integrated grid enables the utilisation of least-cost renewable generation sites, and by keeping the central grid access free, the government is assisting the viability of renewable projects via indirect financial support worth $270 billion," Goldman Sachs has said in a report. Goldman expects revamped distribution system scheme to drive $37-billion capex in the next five years.

India net importer of finished steel in FY24 India was a net importer of finished steel during 2023-24, according to provisional government data. The country imported 8.3 mt of finished steel between April 2023 and March 2024, up by 38.1 per cent from a year earlier, the data showed. India's steel mills have called for government interventions and safeguard measures against surging imports. However, the Union Ministry of Steel has resisted calls for curbs, citing strong local demand. The world's second-biggest crude steel producer remains a bright spot globally with robust demand from its construction and automotive sectors. Steel consumption in India jumped by 13.4 per cent to 136 mt in FY24.

India, Mauritius ink pact to amend DTAA India and Mauritius have signed a protocol to amend the Double Taxation Avoidance Agreement (DTAA), which includes a principal purpose test (PPT) to decide whether a foreign investor is eligible to claim treaty benefits. Tax experts have said that a new article has been added to the protocol, Article 27B Entitlement to Benefits. The amended protocol was signed on March 7. The introduction of the PPT aims to curtail tax avoidance by ensuring that treaty benefits are only granted for transactions with a bona fide purpose. The amendment represents a move by India to align with global efforts against treaty abuse, particularly under the BEPS Action 6 framework.

Renewable energy capacity rises by 21% India has added a record renewable energy capacity of 18.48 gw in 2023-24, which is over 21 per cent higher than 15.27 gw a year ago, according to the latest data of the Ministry of New and Renewable Energy. However, industry experts point out that there is a need to add at least 50 gw of renewable energy capacity annually for the next six years to meet the ambitious target of 500 gw of renewables by 2030. India's installed renewable energy capacity is 143.64 gw as of March 31, 2024, excluding 47 gw of large hydropower capacity (each plant is more than 25 gw or above).

Consumer goods companies ride heat wave Consumer goods companies such as makers of cooling systems, beer and ice cream are attempting to capitalise on a hotter-than-usual summer season by launching new products and ramping up spending on marketing. India, the world's most populous nation expects 10 to 20 heat wave days, which it describes as temperatures hitting at least 40 degrees Celsius in the plains. Blue Star has launched dozens of new home air conditioners as it targets a 25 per cent jump in revenue this summer versus just a 5 per cent increase last year. US-based ice cream brand Baskin Robbins has launched 20 new products in India ahead of the summer season.

Bengaluru airport clocks highest-ever traffic With 3.75 crore passengers and 4,39,524 tonnes of cargo passing through its terminals in 2023-24, Kempegowda International Airport witnessed the highest-ever annual passenger traffic and cargo volume. The Bengaluru airport catered to 3.29 crore domestic passengers and 46 lakh international passengers during this period against 3.19 crore passengers in 2022-23, 1.63 crore in FY22, 1.09 crore in FY21 and 3.24 crore in FY20. As demand for air travel has surged, the airport has emerged as the south Indian gateway connecting travellers to 108 destinations – 80 domestic and 28 international. The airport also saw an increase in air traffic movements at 2,45,880 during FY24.

Centre's nod for 99,150 mt of onion exports The Central government has allowed export of 99,150 mt of onion to six countries – Bangladesh, the UAE, Bhutan, Bahrain, Mauritius and Sri Lanka. The decision comes against the backdrop of lower estimated Kharif and Rabi crops in 2023-24 compared to those of the previous year, coupled with increased demand in the international market. National Cooperative Exports (NCEL) has been designated as the agency responsible for exporting onions to these countries. NCEL will be sourcing the onions from domestic producers through an e-platform at competitive prices. ■

Verbatim...

"Unemployment numbers are high. Disguised unemployment is even higher. Labour force participation is low. Female labour force participation is really alarmingly low. Share of agriculture in employment is increasing in recent times. People with PhDs are applying for jobs as peons in railways."

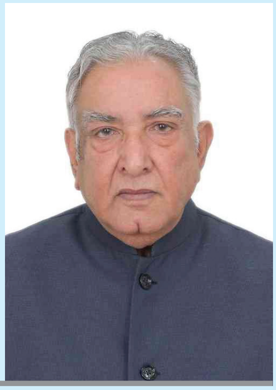
Raghuram Rajan
EX-GOVERNOR, RBI

"India can become the third-largest economy. But it's not a celebration. We are a large economy because we are 1.40 billion people, and people are a factor of production. But we are still a poor country."

Duvvuri Subbarao
EX-GOVERNOR, RBI

"Large developers have already strengthened their credit profiles by deleveraging balance sheets via robust sales and collections over the past two financial years. They are now focussing more on asset light models through joint ventures and joint development."

Pallavi Singh
ASSOCIATE DIRECTOR, CRISIL



"The relevance of the Interest Equalisation Scheme is much more today as buyers are asking for longer periods of credit due to slowdown in demand and offtake from the shelves. Exporters are also looking for larger credit due to increase in costs."

Ashwani Kumar
PRESIDENT, FIEO

FINANCE

IRDAI rolls out new surrender value rules Insurance Regulatory and Development Authority of India (IRDAI) has notified a host of regulations, including on surrender charges, wherein insurers have to disclose such charges upfront. The IRDAI (Insurance Products) Regulations, 2024, merge six regulations into a unified framework. This is aimed at enabling insurers to respond to evolving market demands swiftly, enhancing the ease of conducting business and boosting insurance penetration. These regulations, which will be effective April 1, 2024, stipulate that the surrender value is expected to remain the same or even lower if policies are surrendered within three years of the purchase. These regulations also promote good governance in product design and pricing.

Govt to borrow Rs 7.5 l cr in H1 of FY25 The Centre plans to raise Rs 7.5 lakh crore through market borrowing in the April-September (H1) period of 2024-25 to fund the revenue gap, the Finance Ministry has said. Of the gross market borrowing of Rs 14.13 lakh crore estimated for 2024-25, Rs 7.5 lakh crore, or 53 per cent, is planned to be borrowed in the first half, an official statement has said. The fundraise will be done through dated securities, including Rs 12,000 crore through issuance of sovereign green bonds (SGBs). Based on market feedback and in line with global market practices, it has been decided to introduce a new dated security of 15-year tenure.

RBI puts off new forex trade rules to May 3 The RBI has deferred the deadline to implement new rules for exchange-traded foreign exchange (forex) derivatives to May 3. The new rules were supposed to kick in from April 5. The rules are expected to force out most of the market's most active players, drying up volumes that reached $5 billion a day. Brokerages have started asking clients to close out contracts after exchanges reaffirmed the ruling from the central bank that participants must have an actual foreign-exchange exposure. "At least 70 per cent or more of the volume will dry up – half the market is arbitragers," notes Sajal Gupta, the executive director of Nuvama Institutional.

RBI keeps Repo Rate unchanged at 6.50% The RBI has decided to keep the key Repo Rate unchanged at 6.5 per cent as its focus remains on bringing inflation under control. This is the seventh straight time that the central bank's six-member Monetary Policy Committee (MPC) has decided to keep the key policy rates unchanged. RBI Governor Shaktikanta Das has said that the MPC has voted in favour of keeping the key lending rates unchanged. "After a detailed assessment of the evolving macroeconomic and the outlook, the Reserve Bank MPC decided by a majority of 5 to 1 to keep the policy Repo Rate unchanged at 6.50 per cent," Mr Das has said.

IRDAI scraps age cap of 65 for health cover The IRDAI has removed the age limit of 65 years for individuals buying health insurance policies. The insurance regulator's decision is aimed at widening the market and fostering adequate protection from healthcare expenses. This marks a significant departure from the conventional constraints that limited individuals in securing comprehensive coverage. By abolishing the maximum age restriction on purchasing health insurance plans, the IRDAI aims to foster a more inclusive and accessible healthcare ecosystem. According to the earlier guidelines, individuals were allowed to purchase a new insurance policy only till the age of 65. With the recent amendment, anyone is eligible to buy a new health insurance policy.

RBI unveils new norms for universal banks The RBI has released a set of criteria that small lenders need to achieve, including performance metrics and market listing, to become a universal bank and provide comprehensive services to both retail and corporate clients. The criteria include a five-year track record of satisfactory performance, a net worth of Rs 1,000 crore, meeting capital requirements, recent profitability and limited non-performing assets, the RBI has said. Existing promoters can continue without new additions, and approved shareholding plans will remain unchanged, while diversified loan portfolios are favoured. Small finance banks face limitations in terms of their customer base and are restricted from granting large loans.

Hindujas enter MF business via Invesco deal IndusInd International Holdings (IIHL) will buy a 60 per cent share in Invesco Asset Management. Invesco will keep a 40 per cent investment in the fund house, and both IIHL and Invesco will hold sponsor status. The amount of the transaction remains undisclosed. Invesco is the fifth-largest global asset manager and the 17th largest domestic asset manager in India, boasting a combined onshore and offshore advisory and assets under management (AUM) totalling Rs 85,393 crore as of March 31, 2024. The company maintains operations in 40 different locations across the nation. The transaction marks the Hinduja Group's entry into the mutual fund business.

APPOINTMENTS

The RBI has approved the appointment of **Ajith Kumar K,** the current chief human resources officer of Federal Bank, as managing director and chief executive of Dhanlaxmi Bank for three years.

The board of Axis Bank has approved the re-appointment of **Amitabh Chaudhry** as its MD and CEO for another three-year term from January 1, 2025. He will continue to serve in this role up to December 31, 2027.

LKP Securities Reports Stellar Earnings For Q4FY24, PAT Jumps 249% QoQ

LKP Securities Limited (BSE: 540192), a leading financial services provider, has reported stellar earnings for Q4FY24 and FY24. For the quarter ended March 31, 2024 (consolidated), the revenue from operations was reported at Rs 3,278 lakh, an increase of 34.20 per cent quarter on quarter (QoQ). EBITDA jumped 76.63 per cent QoQ from Rs 1,405 lakh (Q3FY24) to Rs 1,831 lakh (Q4FY24). PAT grew 249 per cent QoQ from Rs 159.44 lakh (Q3FY24) to Rs 556.57 lakh (Q4FY24).

For the year ended March 31, 2024 (consolidated), the revenue from operations was reported at Rs 9,735 lakh, an increase of 23.32 per cent year on year (YoY). EBITDA jumped 37.17 per cent YoY from Rs 3,177 lakh (FY23) to Rs 4,358 lakh (FY24). PAT grew 155 per cent YoY from Rs 372 lakh (FY23) to Rs 950 lakh (FY24).

LKP Securities, a distinguished financial services provider since 1948, stands firm on the belief that trust, investment and growth are the cornerstone principles of successful wealth creation. Dedicated to the prosperity of its clients, it offers tailored investment solutions designed to advance clients towards their financial goals, whether novices or veterans.

By integrating cutting-edge technologies and investing in ongoing research and development, LKP Securities remains committed to pioneering advancements in the financial landscape. As the market evolves, the company continuously refines its services and offerings in order to remain competitive.

LKP Securities, a distinguished financial services provider, has been operating since 1948.

LKP Securities' mission is to become the leading financial services provider you can trust and rely on. The firm aims to provide its clients with innovative investment solutions that are backed by exceptional customer service, state-of-the-art technology and meticulous research.

LKP Securities empowers its clients to achieve their financial aspirations through a culture of integrity, transparency and collaboration. Dedicated to excellence, its team empowers clients and communities to achieve positive impact.

PUBLIC SECTOR

IFFCO to make and sell nano urea plus IFFCO is set to begin production of nano urea plus fertiliser and its commercial sale. Nano urea plus is a new version of nano urea meant for meeting crop nitrogen requirements at critical growth phases. Currently, IFFCO offers nano urea with 1-5 per cent of nitrogen content by weight. However, the nano urea plus fertiliser has 16 per cent nitrogen content by weight. The production of nano urea plus will begin at IFFCO's three plants, each with the capacity to produce 2 lakh bottles every day. The government has already notified the specifications of the nano urea plus fertiliser, and IFFCO will manufacture it for three years.

NTPC awards JSW 700-mw solar project JSW Neo Energy has received a letter of award (LoA) for setting up of 700 mw of ISTS-connected solar power project from NTPC. The project is received from NTPC against tariff-based competitive bid for setting up 1,500 mw ISTS-connected solar power projects. Subsequent to this project, the company's total locked-in generation capacity increases to 13.3 gw, of which 3.1 gw comprises of solar power. The company's current installed generation capacity is 7.2 gw, and it expects to have 9.8 gw of installed capacity by CY24. The power generation company aims to reach 20 gw of generation capacity and 40 gwh of energy storage capacity before 2030.

THDCIL's Rs 12,000-crore plant in UP State-owned THDCIL aims to make its coal-based power plant operational by September 2024, marking an entry into the domestic thermal energy sector. THDCIL is setting up a 1,320-mw (2X660 mw) super thermal power project in Bulandshahr district in Uttar Pradesh. The Uttarakhand-based entity has an installed power generation capacity of around 1,587 mw, of which 1,424 mw is hydropower, 113 mw wind and 50 mw solar. The first unit of the project, comprising 660 mw, is set to be operational by September this year, and the second one will be operational by March 2025. The cost of the project is around Rs 12,000 crore.

Setback for GAIL in Gazprom deal A former unit of Russia's Gazprom has rejected State-owned GAIL's demand for compensation for non-delivery of LNG supplies in the aftermath of Russia's invasion of Ukraine. GAIL has said that SEFE Marketing Trading Singapore has stated that it does not owe anything other than the defaulted cargoes. GAIL in December last year had filed an arbitration claim before the London Court of International Arbitration, seeking $1.8 billion for "non-supply of LNG cargoes under a long-term contract". This included compensation for non-supply besides making up for the defaulted volumes. GAIL in 2012 had signed a 20-year deal with Gazprom to buy 2.85 mtpa of LNG.

PSBs' FY25 dividend payout at Rs 15,000 cr Public sector banks (PSBs) are likely to pay a dividend over Rs 15,000 crore for FY24 on the back of improved profitability, according to sources. In the first three quarters of the current financial year, all 12 PSBs had earned a total profit of Rs 98,000 crore, only Rs 7,000 crore less than the entire of FY23. PSBs earned the highest-ever aggregate net profit of Rs 1.05 lakh crore during FY23 compared to Rs 66,539.98 crore earned in 2021-22. The government had earned a dividend of Rs 13,804 crore in FY23, 58 per cent higher than the Rs 8,718 crore paid out in the previous financial year.

NTPC eyes 40-mt coal output for FY25 National Thermal Power Corporation (NTPC) has announced that it has set a 40-mt target for coal production from its owned mines by 2024-25. According to an NTPC statement, the ambitious goal will assist NTPC in achieving a notable 17 per cent annual growth in captive coal output. Through captive mines, this will meet more than 15 per cent of the coal requirement for FY25. As of March 31, 2024, the company had produced 34.38 mt of coal, with a coal despatch of 34.15 mt. NTPC has employed several tactics and innovations to attain consistent expansion in the output of coal.

HAL wins 97 LCA Mark 1A fighter jets order The Ministry of Defence has put out a tender for Hindustan Aeronautics (HAL) for procurement of 97 made-in-India LCA Mark 1A fighter jets. This deal is estimated to exceed Rs 65,000 crore and is poised to become the biggest purchase of domestically-produced military equipment by the government. The Defence Ministry has granted the public sector company a three-month period to respond. This move is aimed at assisting the Indian Air Force in replacing its outdated or soon-to-be-phased-out MiG-21s, MiG-23s and MiG-27s, according to a report by the ANI. The indigenous fighter aircraft programme is expected to be a major catalyst for promoting indigenous manufacturing.

Govt open to selling stakes in GIC, LIC The government is open to a minority stake sale in General Insurance Corporation of India (GIC) and Life Insurance Corporation of India (LIC) in 2024-25 after assessing investors' appetite, according to a government source. "The government has received good feedback in investors' roadshows for GIC and is open to selling its 10 per cent stake in tranches," the official adds. The sale of 10 per cent stake in GIC will garner about Rs 5,700 crore ($683 million). For LIC, the government plans to stick to its target of offloading 10 per cent stake over 7 years and 25 per cent over 10 years since the listing in 2022.

OK Play India Reports Robust Earnings For Q4FY24, EBITDA Jumps 126% QoQ

OK Play India Ltd, a leading player engaged in production of plastic-molded furniture, outdoor play equipment, point-of-purchase products, automotive components, and electric vehicles, has announced robust earnings for the quarter and the year ended March 31, 2024.

For the quarter ended March 31, 2024 (Standalone), the company reported QoQ growth of 45 per cent in its revenue at Rs 4,838.46 lakh. EBITDA jumped by 126 per cent QoQ from Rs 252.05 lakh (Q3FY24) to Rs 571.83 lakh (Q4FY24). PAT recorded robust growth and stood at Rs 426.33 lakhs (Q4FY24).

The company recently executed a split of its equity shares in the ratio of 1:10, i.e., division of every 1 equity share of nominal/face value of Rs 10 each into 10 equity shares of nominal/face value of Re 1 each.

Earlier, the company had announced that through its recently-acquired wholly-owned subsidiary, MRH Technologies Private Limited, it had entered into an agreement with MANN+HUMMEL Filter Private Limited (MHIN), a subsidiary of the MANN+HUMMEL Group, Germany, to act as its sole and exclusive distributor to promote, distribute, supply, install and service its revolutionary new product –PureAir Mobile Fine Dust Particle Filter Roof Box – designed to combat life-threatening, hazardous menace of air pollution.

MANN+HUMMEL is a 4.8-billion euro German MNC having operations in over 80 countries and present in India since the last 18 years. Leveraging its advanced filtration techniques and the state-of-the-art technology, MANN+HUMMEL has developed a dependable and potent product in combating fine dust pollution by efficiently capturing hazardous fine dust particles, including PM2.5 and PM10, from ambient air. It has been successfully productionised and tested. The product has been designed to be mounted on vehicles as well as placed at stationary locations.

Commenting on the agreement, Mr Rajan Handa, the Managing Director of OK Play India, said: “We are extremely delighted to announce our arrangement with MANN+HUMMEL, a prominent global leader and recognised authority in the field of air filtration solutions. This agreement holds significant importance not only for the company but also for the nation as it has the potential to be a transformative remedy for addressing air pollution in India. Air pollution poses significant detrimental consequences on public health and the environment. The well-documented adverse effects of particulate matter include detrimental impacts on respiratory systems, cardiovascular health and overall quality of life. Moreover, the elevated levels of Air Quality Index (AQI) pose a serious threat to the youth and future generations, necessitating an urgent and strategic response. Additionally, according to a report published by Dalberg Advisors, Blue Sky Analytics and the Confederation of Indian Industry (CII), Indian businesses incur losses of over Rs 7 lakh crore annually as government imposes restrictions on construction and manufacturing activities to curb the effects of air pollution.”

Established in 1989, OK Play India is a company dedicated to production of plastic-molded furniture, outdoor play equipment, point-of-purchase products, automotive components and electric vehicles (EVs). Furthermore, the company boasts of a leading market position in the manufacturing of plastic fuel tanks for heavy commercial vehicles. Within the automotive components division, the company specialises in crafting plastic fuel tanks, urea tanks and water tanks for use in commercial vehicles, tractors and construction equipment industries.

Since 2015, the company has actively participated in the EV sector, amassing a diverse portfolio of over 12 distinct electric three-wheeler variants across L3 and L5 categories. With a strong foothold in the EV domain, the company is strategically positioned to harness the increasing EV market penetration and secure a substantial market share in India. The shares of OK Play India Limited are listed on BSE (526415).

The company has been in the EV sector since 2015, with a diverse portfolio of over 12 distinct electric three-wheeler variants.

CORPORATE

Dixon to acquire 50% in Ismartu India Dixon Technologies, India's largest contract manufacturer, is acquiring a majority stake in Ismartu India, a manufacturing unit of Chinese phone-maker Transsion Holdings. In an exchange filing, the company has said that the deal involves a two-part acquisition. In the first tranche, Dixon will purchase 50.1 per cent of Ismartu India for Rs 238.36 crore in cash. This translates to 1,38,73,846 equity shares of Ismartu India. The sellers include Ismartu Singapore, Transsion Technology and 5A Advisors. Following the initial purchase, Dixon has the option to acquire an additional 1.60 to 5.90 per cent stake in Ismartu India, depending on the company's performance in 2025-26.

SC sets aside Rs 8,000-cr award to RInfra Anil Ambani's Reliance Infrastructure has suffered a setback as the Supreme Court has set aside a Rs 8,000-crore arbitral award granted in favour of its subsidiary, Delhi Airport Metro Express (DAMEPL). The apex court has asked DAMEPL to refund any amount submitted by Delhi Metro Rail Corporation (DMRC). The case pertains to an agreement between the two companies signed in 2008. According to the agreement, the two companies were supposed to design, install, operate and maintain the airport express line in Delhi over a period of 30 years. DAMEPL had suspended the operations in 2012 after finding defects in the viaduct under the purview of DMRC.

DLF to build Rs 2,200-cr mall in Gurugram DLF has started construction of its

One in seven iPhones made in India In around three years, India has emerged as a major centre for Apple for manufacturing iPhones. In FY24, the company had produced smartphones worth $14 billion, which was double the number it had manufactured in the previous financial year. This means one in every seven iPhones in the world is now assembled in India. According to sources, over 70 per cent of this $14-billion production has been exported from India across countries in Europe, the US and Asia. FY24 is also the first year when Apple had averaged over $1 billion of production each month, compared with FY23, where it had averaged $620 million per month.

new 27-lakh sq ft shopping mall in Gurugram at a cost of around Rs 2,200 crore. The project is a part of DLF's expansion plan amid rebound in retail consumption post-COVID pandemic. At present, DLF has a retail footprint of around 42 lakh sq ft comprising nine properties, including malls and shopping centres, mainly across Delhi-NCR. Around 3.4 lakh sq ft of retail portfolio is under DLF and the rest under the DLF Cyber City Developers, a joint venture between DLF and Singapore sovereign wealth fund GIC. DLF is one of India's biggest property developers across residential, commercial and retail properties.

Reliance buys 26% in Adani's power plant In a first collaboration between rival billionaires, Mukesh Ambani's Reliance Industries has picked up a 26 per cent stake in a Madhya Pradesh power project of Gautam Adani and signed a pact to use the plant's 500 mw of electricity for captive use. Reliance will pick up 5 crore equity shares in Mahan Energen, a wholly-owned subsidiary of Adani Power, of face value Rs 10 at par (Rs 50 crore) and will use 500 mw of generation capacity for captive use, the two companies have said in separate stock exchange filings. The two businessmen hailing from Gujarat have often been pitted by media and commentators against each other.

Sandur Manganese to buy Arjas Steel The board of Sandur Manganese & Iron Ores (SMIORE) has approved purchase of an 80 per cent stake in Arjas Steel by entering into a share purchase pact. The company has not revealed the financial details of the deal. However, the enterprise value of Arjas Steel is Rs 3,000 crore. "The board of directors has approved strategic business acquisition through purchase of 80 per cent equity share capital of Arjas Steel by entering into a share purchase agreement," the company has said in a BSE filing. Additionally, 19.12 per cent of stake in the steel company will be acquired by BAG Holdings.

ePlane Company's flying e-taxi by March 2025 Chennai-based startup The ePlane Company expects to develop a certifiable prototype of a flying electric taxi (e-taxi) by March next year as it works on ways to alleviate urban congestion. Incubated out of IIT Madras, the company also aims to initially commercialise its drones that can carry a payload of 2-6 kg in the coming months, according to a senior executive. The ePlane Company's founder and CEO Satya Chakravarthy has said that it is developing an eVTOL (electric Vertical Takeoff and Landing) aircraft, and to begin with, it will be a three- or four-seater plane which can be converted into an air ambulance.

Ola Cabs CEO Hemant Bakshi calls it quits Ola Cabs CEO Hemant Bakshi has quit just four months after joining the company. The development comes at a time when the company is planning a restructuring exercise that will see around 10 per cent reduction in its workforce, impacting around 200 employees. Sources have said that Mr Bakshi's resignation comes into effect immediately, and the day-to-day operations of the company will now be overseen by co-founder Bhavish Aggarwal. Ola Cabs is also preparing to file a DRHP with the SEBI for an IPO. Recently, it had shut down its international operations in markets like the UK, Australia and New Zealand.

CELLECOR GADGETS LIMITED

After Conquering Home Appliances Market, Cellecor Steps Into Air Conditioner Range

Cellecor Gadgets Limited, an emerging consumer durables company on India's fastest-growing electronic goods landscape, is pleased to announce launch of air conditioner (AC) range.

Over the years, Cellecor has provided a diverse range of products such as mobiles, smart TVs, washing machines, kitchen appliances, smart wearables and hearables, ensuring customer satisfaction. After having conquered the home appliances market, Cellecor is now aggressively tapping into the surging demand for ACs. Cellecor's dedication to offering a comprehensive tech solution has led it to unveil a diverse range of ACs.

As a part of its long-term business growth plans, Cellecor had ventured into the home appliances sector and has experienced remarkable growth in this segment. This success has prompted Cellecor to broaden its product offerings. This April, Cellecor is planning to introduce its new line of ACs, providing affordable comfort to its valued customers.

As summer has begun to sneak in and mercury has begun to go up, the demand for ACs will soar high. So, to provide more cooling and more smiles, Cellecor has come up with a range of ACs.

With the lifestyle landscape evolving, ACs have become a necessity rather than a luxury good. So, the company is venturing into this space with a mission to provide comfort in both rural and urban areas. It has also been noticed that the per capita income has increased, which signifies that people have more to spend on their comfort. That's the reason why ACs have become affordable to numerous people.

One of the major reasons why Cellecor will ace this product category is that it provides its ACs at nominal rates, and going if the past trends, prices of fans and coolers have risen, but prices of ACs are comparatively constant. So, this has made ACs a better deal to buy.

Moreover, now electricity has reached every corner of India and there are no frequent power cuts. Even if there are power cuts in some areas, people have the option of inverters which can run heavy appliances like ACs as well. Cellecor products are affordable, and the company expects an average of Rs 50 crore to Rs 60 crore in sales growth for ACs. To make it more convenient for the masses, Cellecor also provides EMI options.

To start with, Cellecor ACs will be available in two distinct capacities, precisely 1and 1.5 tonnes, and they boast of an array of impressive features. Very soon, Cellecor will be launching window ACs as well and will be expanding the total range of ACs with 12 to 15 models across categories. The ACs that the company will be launching soon are split units that will enhance cooling and comfort.

Cellecor will soon be launching window ACs and expanding the total range of its ACs with 12 to 15 models across categories.

Cellecor assures customers about electricity expenses, as the ACs include a power-saving mode that enables significant savings. These ACs are equipped with smart technology and have a three-star energy rating. Additionally, they offer an adjustable 4-in-1 mode, allowing customisation of cooling experience. Cellecor ACs will be available online and offline across the country.

Cellecor began operations in 2012 as M/s Unity Communications, set up by its founder Ravi Agarwal as a proprietorship firm. The company is promoted and managed with an enduring sustainable business strategy. Today, Cellecor is a leading name in the consumer electronics industry, known for its innovative and cutting-edge technology. The securities of the company are listed on NSE EMERGE (SME Platform of National Stock Exchange of India Limited) with Scrip Code: CELLECOR.

CORPORATE

Force Motors shuts down tractor business

Pune-based Force Motors has closed down its agricultural tractors business and related activities. The company has attributed the decision to its product-rationalisation programme, under which it will focus on its core segments. “The company has, under its product-rationalisation programme, decided to focus mainly on its core segments such as shared mobility transportation, last-mile mobility, goods and transportation, manufacturing of high-technology critical aggregates for premium luxury OEMs and creation of special vehicles for civil and defence applications, and a decision has been taken to exit the tractor business from the product portfolio of the company,” Force Motors has said in an exchange filing.

SEBI finds Adani’s investors flouting norms

Markets regulator has found that a dozen offshore funds invested in Adani Group companies were in violation of disclosure rules and in breach of investment limits, two people with direct knowledge of the matter have said. The Reuters had first reported that the SEBI had uncovered violation of rules on disclosures by listed entities and limits on the holdings of offshore funds in August last year. The regulator was also looking into the Adani Group’s ties with one of the funds to determine whether it could be seen acting “in concert” with the conglomerate’s key shareholders, an accusation Adani has rejected in the past.

Srinivas Pallia is Wipro’s new MD & CEO Wipro has announced appointment of Srinivas Pallia as its new managing director and CEO, succeeding Thierry Delaporte, who has resigned from the post. The Bengaluru-based IT company has said in a statement that

Mr Pallia will be assuming the role of MD and CEO, effective immediately. Mr Pallia is a Wipro veteran, having spent over three decades at the company. Most recently, he served as the CEO for Americas 1. He has managed various industry sectors, set their goals and executed plans to expand, l eading to higher market shares in those sectors.

Mr Pallia, who joined Wipro in 1992, also serves on its executive board.

Maruti expands Manesar plant capacity Maruti Suzuki has expanded manufacturing capacity at its Manesar plant in Haryana by 1 lakh units per year, the company has informed stock exchanges. With the addition, the total manufacturing capability at Manesar now stands at 9 lakh vehicles per year. “We aim to nearly double our capacity to 4 million (40 lakh) vehicles per annum over the next seven to eight years, and this capacity addition of 1,00,000 vehicles per year is a step towards this goal. It will help us enhance our overall capability to manufacture up to 23.50 lakh units per annum,” Maruti Suzuki India MD and CEO Hisashi Takeuchi has said.

Walmart’s dedicated page for Indian sellers

Multinational retailer Walmart has announced launch of a dedicated page for Indian sellers to register and sell on the company’s marketplace site. The company has recently hosted a global sellers’ meet in Jaipur, kicking off a series of regional events to help prospective sellers with insights and knowledge on consumer and category trends and assist with on-boarding support and catalogue setup, a Walmart release has said. “India is a priority market for Walmart, and the dedicated landing page builds upon our commitment to Indian sellers. Walmart Marketplace strives to unlock the potential of Indian businesses by giving sellers access to customers around the world,” the release adds.

APPOINTMENTS

Bharat Forge has appointed **Amit Kalyani,** the deputy managing director of the energy and defence company, as its vice-chairman and joint managing director.

Pride Hotels opens Biznotel in Himmatnagar

The Pride Hotels Group has launched Biznotel by Pride in Himmatnagar, a town in Gujarat with a blend of historical significance, natural beauty and also a well-known business hub. Named after King Himmat Singh, the town is noted for its best horse training facilities all over Asia and distinctive religious and historical sites. Himmatnagar’s addition to the Pride Hotels Group portfolio highlights the region’s growing appeal as a multifaceted destination, the Mumbai-based luxury hotel chain has said in a media release. Biznotel by Pride, Himmatnagar will offer a luxurious array of amenities, including exquisitely-designed rooms, a versatile all-day dining restaurant and much more, the release adds.

Tesla chief Elon Musk puts off India visit Elon Musk, the head of Tesla and SpaceX, has pushed back his much-anticipated visit to India, originally slated for April 21 and 22. Citing pressing commitments at Tesla, Mr Musk reassured on social media that he intended to reschedule his visit later this year. This delay throws a curveball into a highly-anticipated visit that had sparked speculation about Tesla and Starlink, Mr Musk’s satellite internet venture, making inroads into the Indian market. The trip was seen as an opportunity to clarify the companies’ plans for the world’s largest democracy. Incidentally,

Mr Musk visited China and met Prime Minister Li Qiang shortly after cancelling his India tour.

Sarveshwar Foods Launches Free Certified Sona Masuri Paddy Seeds Distribution Initiative In J&K

IBJ BUREAU

Sarveshwar Foods Ltd has announced a pioneering initiative aimed at supporting farmers in the Jammu & Kashmir (J&K) Union Territory through free distribution of certified Sona Masuri paddy seeds known for their high quality and yield potential to farmers across the region. Sarveshwar aims to empower the farming community by providing the seeds of export-oriented rice varieties.

Free distribution of certified seeds of Sona Masuri paddy will be done at Sarveshwar procurement facilitation centre under this programme. This initiative reflects Sarveshwar Foods' dedication to empowering local farming communities and promoting agricultural development in the area.

In light of the economic challenges confronting farmers in Jammu & Kashmir, Sarveshwar Foods Chairman Rohit Gupta has announced a compassionate initiative. Under the supervision of the Agriculture Specialist team, Sarveshwar has resolved to distribute paddy seeds free of cost. This distribution will specifically target non-Basmati growing areas of Jammu. The primary aim of this programme is to extend support to farmers, prioritising their welfare and interests in the Union Territory.

Sona Masuri rice is a variety of medium-grain rice mainly grown in Southern India. One of the unique features of Sona Masuri rice is its ability to absorb flavours and spices easily, making it an ideal ingredient for preparing a variety of Indian dishes. Additionally, it has a lower glycemic index compared to other varieties of rice, making it a healthier choice for people with diabetes. Sona Masuri rice, due to its increasing popularity, is also finding its position in the international market, mostly exported to countries with a large Indian diaspora.

The distribution will benefit around 1,000 farmers across various regions, including Paragwal, Mirpur, Garkhal, Akhnoor East, Panjtoot, Khour, Jourian, Bakour, Hamirpur in Akhnoor West, Paharpur, Maharajpur, Haripur, Chadwal and Hariachak in the Kathua Sector. By targeting these areas, Sarveshwar Foods aims to maximise the outreach of its initiative and ensure that farmers in need receive essential support for their agricultural endeavours.

The company's initiative is a significant step towards enhancing agricultural sustainability and rural development.

Sarveshwar Foods' initiative to distribute certified Sona Masuri paddy seeds free of charge in the Jammu & Kashmir Union Territory represents a significant step towards enhancing agricultural sustainability and rural development in the region. By leveraging its expertise and resources, Sarveshwar Foods is not only supporting local farmers but also contributing to food security and economic growth in the area.

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

The company is engaged in the business of manufacturing, trading, processing and marketing of branded and unbranded Basmati and non-Basmati rice in the domestic and international markets. Its operations are based out of the Jammu region. The company has sustainable and eco-positive legacy of serving healthy and tasty rice for more than130 years and in the last couple of decades, proliferated its heritage to other premium categories of FMCG and organic products.

Sareveshwar belongs to the lands in foothills of Himalayas which is nourished by fertile, mineral-rich soil, organic manure and snow-melted waters of river Chenab, wherein without using any artificial fertilsers and chemicals, it produces a full range of organic products, being sold with the brand name 'NIMBARK' – conceptualised to spread the philosophy of the 'SATVIK'-conscious lifestyle.

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

Quick-Mover Advantage

With their unique business model, quick-commerce platforms are giving their bigger e-commerce rivals a run for their money.

SHIVANAND PANDIT

Rapid growth of quick commerce has presented a challenging landscape for established e-commerce giants. Despite their dominance in traditional online retail, industry titans like Amazon, Walmart, Reliance and Tata have struggled to carve out a significant portion of the quick-commerce market, capturing only about 12 per cent collectively. The bulk of the market, a substantial 88 per cent, is currently dominated by innovative startups. According to Datum Intelligence, Zomato's Blinkit leads with 34.7 per cent, followed closely by Swiggy's Instamart at 28.5 per cent and Zepto at 24.8 per cent.

While larger players initially dismissed quick commerce as unsustainable, the success of these startups has spurred them to action. However, their efforts have largely fallen short. For instance, Flipkart, backed by Walmart, is preparing to launch a rapid delivery system promising 15-minute delivery in 10 cities. It marks Flipkart's third attempt at quick commerce after the closure of its previous initiatives, Flipkart SuperMart and Flipkart Quick.

Meanwhile, BigBasket, now under Tata Digital, has heavily invested in BBNow, its ultra-fast delivery service launched in 2022. BBNow aims to deliver orders within 18-20 minutes across more than 20 cities, securing a 9 per cent market share since its inception. Reliance's JioMart also briefly entered the quick-commerce arena before discontinuing its service within a year. Similarly, Dunzo, backed by Reliance, launched DunzoDaily, which failed to gain traction.

Journey to success

In the early stages, quick commerce encountered profitability challenges, with startups initially grappling with financial losses. However, by the end of the third quarter of 2023-24, Blinkit saw a substantial increase in revenue to Rs 644 crore, up from Rs 505 crore in the previous quarter. Simultaneously, it managed to reduce its EBITDA-adjusted loss from Rs 125 crore to Rs 89 crore. By December 2023, Blinkit reported revenue of Rs 1,533 crore and aims to achieve EBITDA-adjusted breakeven by the first quarter of 2024–25.

Similarly, Zepto significantly reduced its net loss margin from 277 to 63 per cent and expects to reach EBITDA-level profitability within the next two-and-a-half quarters. Gearing up for its IPO, Swiggy attained profitability in 2023-24 and anticipates Instamart to follow suit shortly. Swiggy's Instamart witnessed a surge in revenue to Rs 3,221.40 crore from fast-moving consumer goods (FMCG) sales, marking a 39.7 per cent increase from the sales of the previous financial year.

Quick-commerce platforms are broadening their horizons into sectors like cosmetics and apparel in a bid to boost their profitability. Redseer's analysis of India's quick-commerce revolution reveals that despite a sluggish consumption trend in 2023, quick commerce sustained its upward trajectory, witnessing remarkable 77 per cent growth in gross merchandise value (GMV) compared to that of the preceding year. These platforms are extending their product range beyond conventional goods like fruits, vegetables and FMCG, and entering into wider retail segments such as beauty, electronics, home decor and wellness items.

Moving forward

Established brands like Amazon, BigBasket and JioMart are cautiously stepping into the quick-commerce arena. One of their primary concerns is the potential dip in average order values (AOVs) associated with this

Indian quick commerce market is projected to grow at CAGR of 27.42% to $9 billion by 2027-28.

model. Maintaining specific inventories in facilities like dark stores may result in lower AOVs, whereas stocking a wide range of products could lead to excess inventory. For instance, Amazon's AOV in the second quarter of 2023–24 stood at Rs1,000, compared to Blinkit's Rs635, as reported by Vumonics Data Labs.

Quick delivery services typically cater to smaller, more frequent purchases, which contrasts with the higher AOV model favoured by larger brands. Additionally, major players prefer not to compete directly with quick-commerce startups, prioritising a comprehensive product and service range. They opt to coexist in the e-commerce landscape while exploring quick commerce without directly challenging startups and focusing solely on ultra-fast delivery within 10-15 minutes. Companies like Zepto, Blinkit and Instamart predominantly operate in tier-I and -II cities, whereas JioMart and BigBasket have a broader presence, extending even to remote areas. While startups like Zepto may struggle to establish dark stores in tier-II and -III cities due to lower demand, bigger brands have the resources to set up warehouses and fulfil orders conveniently.

Quick commerce and traditional e-commerce pursue distinct objectives. Quick-commerce platforms aim to boost AOVs at the hyperlocal level, especially in tier-I cities, while e-commerce giants focus on expanding their user base, particularly in tier-II and -III cities. Moreover, established brands are hesitant to fully embrace quick commerce due to the advantage startups possess in making swift decisions and adapting rapidly. The agility required for quick execution distinguishes startups like Blinkit and Zepto from larger players such as JioMart and Amazon Fresh.

A brilliant future?

Since its inception, quick commerce has posed significant challenges due to issues like cash burn and dark-store management. Many startups in this sector experienced substantial losses by the end of 2022-23. However, industry analysts foresee a revolution in the Indian quick commerce market, projecting compounded annual growth rate (CAGR) of 27.42 per cent from 2023-24 to 2027-28, with an expected market size of $9 billion by 2027-28.

E-commerce giants like Amazon, Flipkart and JioMart are struggling to gain quick commerce market share, stuck at about 12%.

ACCORDING TO A BANK OF AMERICA REPORT, LEADING QUICK-COMMERCE PLAYERS IN INDIA COULD POTENTIALLY REACH 2.5 CRORE HOUSEHOLDS, WITH AN AVERAGE MONTHLY EXPENDITURE OF RS 4,000-5,000 PER HOUSEHOLD. THIS FORECAST INDICATES PROMISING PROSPECTS FOR QUICK-COMMERCE FIRMS.

According to a Bank of America report, leading quick-commerce players in India could potentially reach 2.5 crore households, with an average monthly expenditure of Rs 4,000-5,000 per household. This forecast indicates promising prospects for quick-commerce firms. To maintain a competitive edge, startups are rapidly innovating and strategising to achieve profitability. For instance, Zepto recently introduced Zepto Pass, a subscription-based membership programme offering free deliveries and discounts to its members. Additionally, the company has implemented a platform fee of Rs 2 for select users, while others opted for nominal charges for deliveries, handling or convenience.

The crucial question for quick-commerce players is whether consumers are willing to pay for the convenience. Despite India being a price-sensitive market, the adoption of quick commerce has been significant. Consumers are demonstrating a readiness to invest in it.

A recent PwC report titled, How India Shops Online, reveals that Gen Z in India prefers making smaller-value purchases, prioritising quick delivery over concerns about additional charges. Approximately 50 per cent of consumers in metro and tier-I cities value quick deliveries and the associated convenience.

For quick-commerce startups, maintaining momentum necessitates expansion into higher-margin categories, boosting AOV and improving unit economics by expanding dark stores in major cities. On the other hand, e-commerce giants must innovate to compete effectively with startups in the quick-commerce domain or risk losing market share, particularly in urban areas. ■

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

Eraaya Lifespaces Acquires Luxury Staycation Property And Commercial Retail Spaces

IBJ BUREAU

Eraaya Lifespaces Ltd (BSE: 531035) has acquired a luxury staycation property in Lonavala with an investment of about Rs 30 million. The hospitality company has also purchased commercial retail spaces with an investment of about Rs 470 million in the largest mall located near the international airport in Mohali, the satellite city of Chandigarh. Eraaya's acquisition in the heart of Punjab, one of the country's richest States, demonstrates its strong commitment to expanding its hospitality business and diversifying its portfolio in the growth potential business areas.

Eraaya Lifespaces is a lifestyle and hospitality company.

Eraaya Lifespaces' selection of locations for its designer, luxury staycation properties demonstrates an intense understanding of the booming leisure tourism market and a strategic approach to meeting the needs of discerning travellers.

Situated amidst lush greenery of the Western Ghats and conveniently located near major urban centres like Mumbai and Pune, Lonavala is a popular destination for weekend getaways and leisure trips. The serene surroundings, pleasant climate and a range of recreational activities make it an ideal location for a luxury staycation property. Eraaya Lifespaces' investment in a luxury cottage located in the pristine surroundings will help cater to the demand from urban dwellers seeking a luxurious escape from city life without having to travel far.

By ensuring that its boutique staycation property in Lonavala will be ready and operational by the middle of the current year, Eraaya Lifespaces shows its commitment to meeting the demands of travellers eager to explore exceptional destinations. Whether guests are seeking a serene retreat amidst nature or an indulgent urban escape, Eraaya Lifespaces' properties will be designed to offer unforgettable experiences tailored to their preferences and desires.

Market size of the Indian hospitality industry is estimated at \$247.31 billion in 2024 and is expected to reach \$475.37 billion by 2029, growing at CAGR of 13.96 per cent during the forecast period of 2024-2029.

Eraaya Lifespaces has invested in commercial and retail spaces to buy 17,415 sq ft space in prime location at The CP 67 Mall, the largest mall in Mohali, Punjab. Eraaya will lease out these spaces to reputed domestic and international quick service restaurant (QSR) chains or brands, including Haldiram's, Burger King, Dominos, Pizza Hut and many more. These QSR brands have evolved to become an integral part of the overall shopping and dining experience for visitors in malls and other retail environment.

"Eraaya Lifespaces' recent developments in its hospitality business showcase a robust strategy aimed at expansion and diversification. The acquisition of luxury Staycation asset in Lonavala, along with the investment in commercial and retail spaces in Mohali, Punjab, reflects the company's forward-thinking approach to tap into high-growth markets and capitalise on emerging opportunities," notes young entrepreneur Ms Sukriti Garg, the CEO and promoter of Eraaya Lifespaces. "This move not only enhances Eraaya Lifespaces' presence in the hospitality sector but also underscores its commitment to delivering exceptional experiences to customers while driving long-term value for stakeholders," she further adds.

Eraaya Lifespaces is a premier lifestyle and hospitality company, dedicated to curating unforgettable experiences worldwide. Rooted in a passion for excellence, the hospitality company's portfolio celebrates India's rich culture and heritage, offering unique escapes in iconic destinations. ■

Lorenzi Apparels Receives Trading Approval For Listing Of Its Bonus Shares

Lorenzi Apparels Ltd (BSE: 540952, NSE: LAL), a prominent player in the realm of manufacturing, designing and marketing readymade garments, has announced that it has received the trading approval for listing its bonus shares from NSE and BSE effective April 16, 2024.

Lorenzi Apparels Ltd is a prominent player in the realm of manufacturing, designing and marketing readymade garments, catering to the diverse fashion needs of both men and

Lorenzi engages in strategic partnerships with third-party contractors for garment production on a job-work basis.

women. With a comprehensive array of formal, semi-formal and casual wear, it prides itself on delivering quality attire that resonates with contemporary trends and timeless styles. Operating through retail outlets and e-commerce platforms, the company ensures accessibility and convenience for its clientele.

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

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

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

Take One

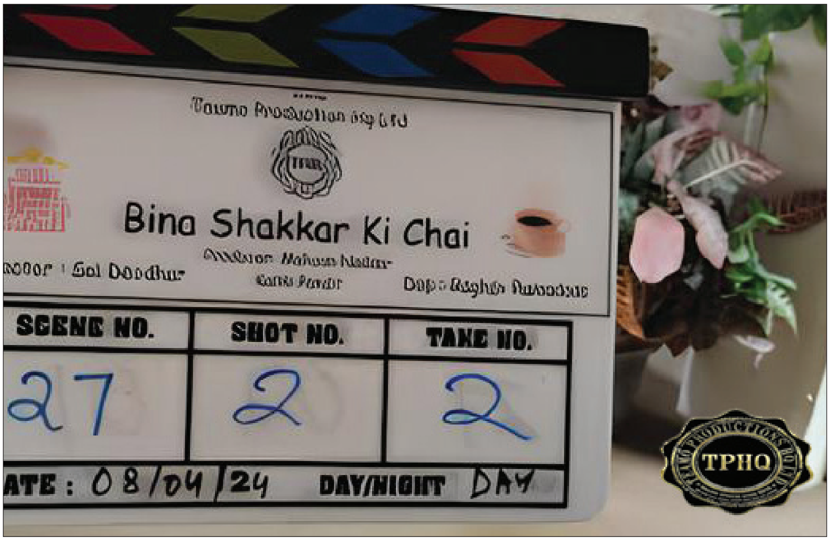
Teamo Productions wraps up the first shooting schedule of its latest movie, *Bina Shakkar Ki Chai*.

IBJ BUREAU

Teamo Productions HQ Limited, under the leadership of producer Mohaan Nadaar, has successfully completed the first shooting schedule of its latest cinematic endeavour, Bina Shakkar Ki Chai, a film that intricately weaves together the myriad emotions that colour life's canvas. The ongoing project will cost about Rs 40 million and is expected to generate Rs 55-60 million in revenue for the company. The shooting for the project will be completed by May 5, 2024. The movie is scheduled to be projected / showcased at vivid festival circuits starting May 31, 2024, and thereafter will be released across various platforms.

Mohaan Nadaar, the managing director of Teamo Productions HQ Limited, has expressed profound admiration for the directorial prowess of Sai Deodhar, affirming: "We are immensely proud of Sai Deodhar, whose directorial vision breathes life into this enchanting narrative. Bina Shakkar Ki Chai is not just a story; it's a testament to the indomitable spirit of individuals who dare to dream. As we embark on this cinematic journey, we are thrilled to announce the successful completion of the first shooting schedule, setting the stage for what promises to be a truly captivating film experience."

Director Sai Deodhar, reflecting on the essence of the film, shares his views: "With Bina Shakkar Ki Chai, we aim to craft a poignant tale that resonates with audiences on a deeply human level. I am filled with gratitude for the dedication and talent of our ensemble cast and crew." The cast comprises of the legendary Revathi, Seema Sajdeh, Rajesh Sharma, Shruti Prakash, Revathi Pillai (of the Kota Factory fame) and Lalit Prabhakar, among others. Ketki Pandit, the co-founder and producer at Teamo Productions, notes: "As we celebrate the completion of the first shooting schedule, we are excited to witness the magic unfold on screen, touching hearts and inspiring audiences." Shrabani Deodhar, the CEO of Teamo Productions and National Award-winning filmmaker, comments: "We look forward to bringing this slice of life to audiences, reminding them that amidst life's challenges, joy and fulfilment can be found."



Teamo Productions' *Bina Shakkar Ki Chai* promises to be a delightful blend of laughter, tears and introspection.

Bina Shakkar Ki Chai promises to serve audiences a delightful blend of laughter, tears and introspection, inviting them to savour life's experiences, whether sweetened or unsweetened. The film commenced its shooting journey on April 8, 2024, at a picturesque location in Mumbai, adorned with a vintage charm and lush greenery, marking the completion of its first shooting schedule. The film has already started with the second schedule with Revathi and Seema Sajdeh.

Teamo Productions HQ Limited is engaged in the business of film production, distribution and allied businesses in addition to its other conventional businesses. The company's business activities includes developing, producing, distribution, marketing and financing of all kinds of commercial feature films, content production, animation, graphics, CGI movies, AI-powered features films, making of OTT films, cine films, talkie films, telefilms, advertising films, documentaries, animation, TV serials, music production, music composition, recording studio, advertisers and other allied and related activities in India and abroad.

The securities of the company are listed on both the stock exchanges – BSE: 533048 and NSE: TPHQ ■

GRM Secures Maiden Govt Order To Supply Premium Basmati Rice To Oman

GRM Overseas Limited (GRM) has received its first order from the Ministry of Agricultural, Fisheries Wealth & Water Resources, Sultanate of Oman, to supply 4,500 MT of premium Basmati rice. The order is worth Rs 465 million.

The government entities in the Middle East and North Africa (MENA) region open up a significant target market for GRM Overseas with approximate total size of over 7,00,000 MT of import of Basmati rice.

The MENA region is the largest importer of Basmati rice, having a lion's share 78 per cent of the total exports from India in FY23, while Europe contributes 6.9 per cent and the US and Canada contribute 6.6 per cent (FY23). GRM Overseas has positioned itself strategically as 95 per cent of its export business is to the MENA region and has established itself among the top-five Basmati rice exporters in the MENA region.

From humble inception in 1974 to redefining itself in the form of GRM, the company has travelled a long way since then. Initially set up as a rice processing and trading house, GRM is growing to become a consumer staples organisation. During the initial years, GRM exported rice to the Middle East, the UK and the US. Gradually expanding its reach, GRM has developed a market for its rice in 42 countries, thereby achieving the title of the third leading rice exporter in India. GRM has three rice processing units with an overall annual production capacity of 4,40,800 MT based out of Panipat (Haryana), Naultha (Haryana) and Gandhidham (Gujarat). Additionally, the company has a warehousing facility of 1.75 lakh sq ft adjacent to the Gandhidham plant, facilitating speedy shipments from Kandla and Mundra ports.

GRM sells products under its brands, namely IOX, Himalaya River and Tanoush, and also sells

The company has established itself among the top-five Basmati rice exporters in the MENA region.

Managing Director Atul Garg reveals: "We are thrilled to have received this maiden order from the Sultanate of Oman, one of the largest consumers of Indian Basmati rice. This signifies Oman's recognition of the quality of our Basmati rice and its growing demand in the country. We see this order as a gateway to regular business opportunities in the Middle East, the largest consumer region of Basmati rice. We look forward to further strengthening our presence in this region and diversifying our business."

through private label arrangements under customers' brands. GRM has endeavoured to reach consumers directly with its brands and products in recent years. By placing its products on the shelves of several major retailers in India and abroad, GRM has ensured that the end consumer always has easy access to their high-quality products. The company aims to deliver the best quality products to customers with stringent and proactive quality control procedures in place according to international requirements.

Some Concerns

Ex-ante norms and hefty penalties in the proposed Digital Competition Bill stoke fears of deterring investors from the digital world.

SHIVANAND PANDIT

Amid excitement over elections and dynamic currents of Corporate India, a compelling dialogue is taking the centrestage, igniting fervour across the business realm. The proposed Digital Competition Bill drafted by the government has generated big debates. Although still in its preliminary phase after an inter-ministerial committee's report, this legislative initiative holds the potential to redefine India's digital terrain. With the digital economy projected to surge to $1 trillion by 2025-26, the ramifications of this Bill are profound, aiming to mould the trajectory of digital supremacy and market competition in India.

The draft of the Bill outlines a vision for a harmonised digital landscape, aiming to rein in the dominance of the Big Tech, while nurturing an environment conducive to innovation, particularly for startups and smaller players. By establishing a precedent for a fairer digital sphere, the Digital Competition Bill, once enacted, will introduce measures to regulate the Big Tech proactively.

The Parliamentary Standing Committee on Finance and the Committee on Digital Competition Law, under the Ministry of Corporate Affairs, have recommended the legislation that incorporates proactive measures to tackle the increasing prevalence of anti-competitive practices among prominent digital companies.

These practices encompass bundling or tying products to established networks, favouring their products, hindering third-party products, monopolising data usage, offering deep discounts in e-commerce, forming exclusive partnerships, manipulating search and ranking results, restricting third-party app usage and employing unfair advertising policies. They argue that such behaviours solidify the dominance of major players, potentially leading to irreversible bias in their favour. Recognising the fast-paced nature of the digital realm, they advocate for an approach that targets companies with significant market presence and influence in the Indian digital market, emphasising pre-emptive measures over reactive ones.

This proposed legislation bears resemblance to the European Union's (EU) Digital Markets Act of 2022, which categorises major online platforms as gatekeepers and suggests regulations to curb practices such as self-preferencing, leveraging market power in related markets, impeding third-party access and ensuring platform interoperability. However, the suggestion of ex-ante regulation raises concerns that the regulatory framework may mirror the restrictive licence and inspector regimes of the past, potentially curbing the freedoms that have characterised the sector thus far. Ex-ante regulations are pre-emptive measures that aim to disallow or discourage certain practices.

Key features of the Bill

The Bill grants authority to the Competition Commission of India (CCI) to designate group enterprises involved, directly or indirectly, in providing Certain Digital Services (CDS) with Significant Social or Economic Influence (SSEI) as Associate Digital Enterprises (ADEs). Enterprises required to notify under this Bill must also notify their relevant group entities involved in the CDS provision, allowing the CCI flexibility in designating appropriate entities.

The Bill establishes overarching principle-based obligations for both SSEIs and ADEs. The specifics of these obligations will be determined by the CCI through regulation. Recognising variations in market influence among SSEIs and ADEs, the CCI is empowered to tailor obligations for each CDS based on factors like business models and user base size.

The CCI is authorised to exempt SSEIs from certain obligations under the Bill, such as in cases of cyber security or legal requirements. Detailed exemptions will be outlined through regulations, customised for each CDS. Additionally, the Central government can exempt enterprises from the Bill's applicability based on grounds like public interest or national security.

The procedural framework for enforcement in the Bill draws heavily from the Competition Act. The National Company Law Appellate Tribunal (NCLAT) serves as the appellate authority under this Bill.

Penalties for non-compliance with obligations outlined in the Bill, aligned with the Competition Act, are capped at a maximum of 10 per cent of the SSEI's global turnover. Failure to provide information or providing inaccurate information may result in penalties of up to 1 per cent of the enterprise's turnover. Importantly, if the SSEI is a part of a group of enterprises, the cap on penalties is calculated based on the entire group's turnover. Penalty amounts will be determined by the CCI by guidelines specified in the Bill.

Reassessing penalties

The recent competition regulation, including those concerning settlement, commitment, 'leniency plus', and global turnover, will apply to ongoing investigations by the CCI. The CCI had issued guidelines in March 2024, outlining how monetary penalties for violations of competition law will be determined. Under these guidelines, fines can amount to 30 per cent of the average relevant turnover or income, capped at 10 per cent of the company's global turnover. This can significantly impact companies with global operations as it aims to deter violations and encourage commitments, settlements or leniency.

A significant precedent was set by the Supreme Court in 2017 in the case of Excel Crop Care Vs CCI, affirming the use of 'relevant turnover' rather than 'total turnover' for calculations of penalty in the Indian antitrust law. However, the actual recovery of fines in India has been minimal, with many cases stuck in legal processes or facing reductions on procedural grounds. This undermines the effectiveness of penalties and wastes the CCI's resources in defending its decisions.

The CCI will have to ensure a balance between enforcement and facilitating ease of doing business.

To enhance enforcement, the current framework for imposition of fine and recovery needs to be more proactive. Section 39 of the Competition Act allows for recovery of penalty under the Income Tax Act, which could be utilised more effectively once cases are finalised through appeals. Additional resources and a dedicated wing within the CCI may be necessary for this purpose.

Actual recovery of fines in India has been minimal, with many cases stuck in legal processes.

Considering the preamble of the Competition Act, which emphasises economic development, it is crucial to analyse the impact of these regulations on foreign direct investment (FDI). India remains an attractive FDI destination due to its robust economic growth, large consumer market, stable policies and friendly investment environment. However, fines based on global turnovers could deter multinational firms operating across multiple markets, potentially leading to double jeopardy.

Compared with other jurisdictions, such as the EU and the UK, India's penalty guidelines also consider factors like the nature of the violation, market share and cooperation with investigations. However, capacity building is essential to implement these guidelines effectively, especially as sunrise sectors like semiconductor manufacturing, renewable energy and defence equipment play a significant role in India's future economic growth.

In conclusion, the CCI's role as a market regulator will be critical in ensuring a balance between enforcement and facilitating ease of doing business, particularly as India aims to attract more investment and foster growth in emerging sectors. The CCI should embrace a resilient strategy aligned with the government's vision of "minimum government, maximum governance", presenting a fresh approach to overseeing the digital network economy effectively. ■

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

DEFYING DOWNTURN

As Indian IT industry stares at another lacklustre year, unlikely ally AI promises a remarkable revival of its fortunes.

IBJ RESEARCH BUREAU

Chiefs of Indian information technology (IT) companies are feeling the chill even in this sweltering summer. They are worried that FY24 has closed on a depressing note. Industry body NASSCOM (National Association of Software and Service Companies) estimates the sector's revenue to grow by a tepid rate of 3.70 per cent to about $254 billion in FY24. The growth rate pales when compared to 8.40 per cent rise in revenue at around $245 billion in FY23.

The disappointing increase in the IT and business process management (BPM) industry's sales comes at a time when the Indian economy remains a shining spot amid global gloom. With over 6 per cent expansion, India continues to be the fastest-growing economy in the world, plagued by lower uptick in Gross Domestic Product (GDP).

Domestic growth, however, does little to boost the prospects of the global economy-driven Indian IT sector. About 78 per cent of total billing of domestic IT and BPM companies happens from overseas projects. On the other hand, India contributes a mere 22 per cent of the IT sector's total revenues. No wonder then that domestic software and BPM companies' exports in FY24 went up by a paltry 3.11 per cent to $199 billion in FY24. These companies had clocked 11.40 per cent year-on-year sales at $193 billion in FY23. Besides, their revenues from projects in India also rose at a flat rate of 5.77 per cent from $52 billion in FY23 to $55 billion in FY24.

The slump in the IT sector is mainly driven by an economic downturn in the US, which makes up a whopping 55 per cent of Indian IT industry's earnings. Moreover, the Big Three of the IT industry – TCS, Infosys and Wipro – earn anywhere between 65 to 70 per cent of their total revenues from the US. The downswing in the US economy is a result of the US Federal Reserve's (US Fed) interest rate hikes to cool down an overheated economy which saw an unprecedented surge in inflation after COVID-19.

The situation is equally dire across the European Union (EU) and other non-EU European economies, which collectively account for around 25 per cent of Indian IT industry's revenues. The European Central Bank (ECB) too has followed the US Fed in raising policy interest rate to bring down record inflation, resulting in a downturn in the eurozone.

These macroeconomic headwinds in the western world have led to banks and corporations across the US and the EU slashing their discretionary spending on IT projects. Economic uncertainty has also resulted in IT deals stretching over long periods and impacting Indian companies' revenues. In fact, global technology spending has almost halved from 8.20 per cent in 2022 to 4.40 per cent in 2023.

The viral pandemic had pushed clients across sectors – especially retail and banking, financial services and insurance (BFSI) – to enhance their digital investments amid curbs on movement. However, those clients have cut back on investments in the backdrop of global macroeconomic uncertainties since 2023. A crisis and collapse of some US banks, such as Silicon Valley Bank and Signature Bank, in early 2023 have further soured investors' sentiments. Spending cuts have put pressure on the pricing of deals, leading to a paradox of high volume of deals not translating into equivalent growth in revenue.

"The past financial year was

IT Industry Snapshot

$254+ billion
Market size

1,70,000+
No of IT companies

54,30,000+
Total headcount

7.5%
Share of GDP

53%
Share of services exports

$199 billion
FY24 exports

$55 billion
FY24 domestic revenue

78%
Share of IT exports

22%
Share of domestic market

IT's Slowdown Saga

- Industry revenue up by a tepid rate of 3.70% to $254 billion in FY24 against 8.40% expansion in FY23
- A paltry 3.11% rise in exports in FY24 to $199 billion compared with 11.40% surge in FY23
- FY25 IT revenue growth too bleak in a low range of 5-7%, according to CRISIL Ratings
- Downswing in IT mainly driven by economic downturn in US (55%) and Europe (25%), together accounting for 80% of Indian IT revenue
- Huge cuts in tech spending in US and EU dented by rising interest rates, economic uncertainty and other macroeconomic headwinds
- Global technology spending almost halved from 8.20% in 2022 to 4.40% in 2023
- Pricing pressure on deals leading to a paradox of high volume of deals not translating into equivalent growth in revenue
- Only a little over 60,000 new jobs created in FY24 compared with more than 2.90 lakh new personnel hired in FY23
- Sharp fall in headcount of the Big Six IT companies by 73,600 for the first time in a decade
- Concerns over AI-led automation leading to fewer employees being hired in next three to five years

Macroeconomic headwinds in the western world have led to a low single-digit rise in IT revenue, with no respite in FY25 either.

marked by a lot of uncertainties and slow decision-making process. A project that should have got started in a quarter got pushed down by six months, and you are seeing that impact on revenue growth. There was a correction in spending after COVID-related boom," notes Sangeetha Gupta, the senior vice-president of NASSCOM.

Shrinking headcount

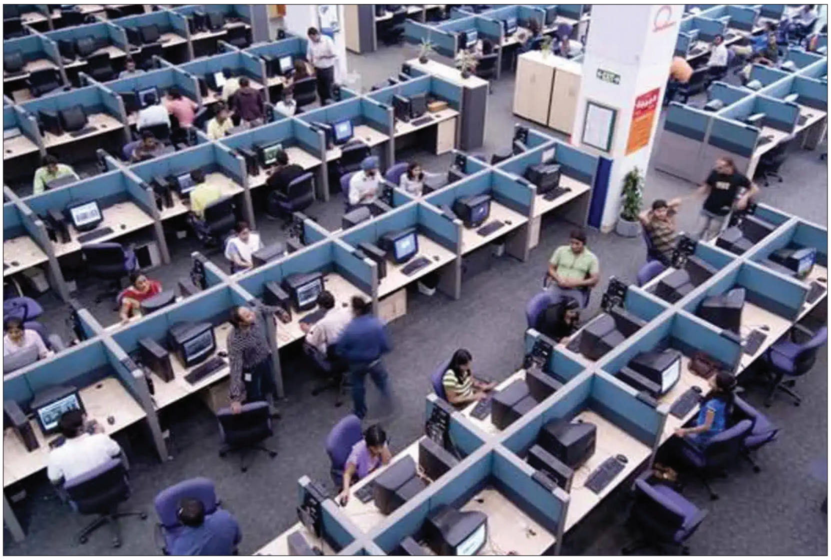
A downtrend in the IT sector is certainly a cause for concern. The software services industry is too significant to ignore, given its contribution to the economy. The Indian IT industry, which began to bloom in the early 1970s with Tata Consultancy Services (TCS) - India's largest software services company - has been booming since the beginning of this millennium.

In fact, economic liberalisation of 1991 and the Y2K (Year 2000) glitch – fears of computers reading the stored data wrongly in the year 2000 by misreading the year as 1900 and leading to crisis – helped the Indian IT industry make its mark across the world. Infosys – the country's second-largest software company – Wipro, HCLTech, LTIMindtree, Tech Mahindra and over 1,70,000 big, medium and small IT companies have mastered the outsourcing or offshoring model and transformed into billion-dollar businesses.

From a peak of 9.5 per cent in FY15, the IT and BPM sector currently contributes a tad lower 7.5 per cent to the country's GDP. Despite the drop, the IT sector's share of the Indian economy is still quite sizeable. At $199 billion, the IT industry accounts for a meaty 53 per cent share in India's services exports.

Revenues apart, FY24 has been very dismal in terms of new job creation by the IT sector. A NASSCOM report reveals that only a little over 60,000 new jobs were created in the last financial year, taking the total industry headcount to about 54.30 lakh employees in FY24 from 53.70 lakh employees in FY23. New jobs in FY24 are a pale shadow of more than 2.90 lakh new personnel hired in FY23, pointing to a troublesome trend in the industry.

Another concerning factor is the post-COVID layoffs in the IT and broader technology industry. Large-scale retrenchment by IT and oth-



Layoffs apart, attrition rate in IT has slid from 27% in 2022 to 16% in 2023, leaving few job options for employees.

"The past financial year was marked by a lot of uncertainties and slow decision-making process. There was a correction in spending after COVID-related boom, and you are seeing that impact on revenue growth."

SANGEETHA GUPTA
Senior V-P, NASSCOM

"There was a lot of over-hiring done during the COVID year. So, we are seeing some level of correction happening, which is expected and needed for the industry."

DEBJANI GHOSH
President, NASSCOM

Economic uncertainty has led to a fall in spending in BFSI sector, accounting for a huge 30% share of IT revenue.

er sectors in the western world is quite alarming. Although India may not have gone so far as the West in showing its employees the door, the sheer scale of layoffs is rather unsettling. And the trend is not confined to startups alone. In FY24, headcount of the largest-six IT companies – TCS, Infosys, Wipro, HCLTech, LTIMindtree and Tech Mahindra – has fallen sharply by 73,600 for the first time in a decade. This is a stark pointer to the extent of trouble in the Indian IT industry.

"There was a lot of over-hiring done during the COVID year. So, we are seeing some level of correction happening, which is expected and needed for the industry," points out NASSCOM President Debjani Ghosh.

Moreover, what makes the situation more precipitous is a substantial drop in the attrition rates. IT and information technology-enabled services (ITeS) sectors have seen a significant fall in the attrition level from a little over 27 per cent in 2022 to about 16 per cent in 2023. In other words, there are no new jobs, and as a result, a fewer number of employees is quitting, and there is no rush to fill up existing positions either.

AI: boon or bane?

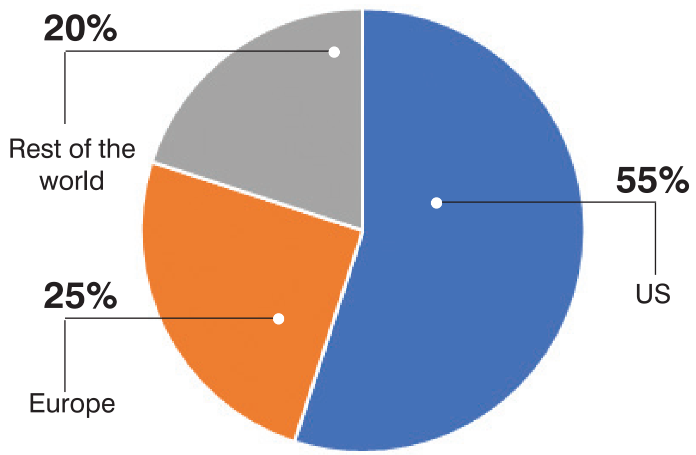
Calendar year 2024 has begun on an alarming note, with layoffs roiling the global technology sector. Four months into 2024, and approximately 32,000 tech employees have already lost their jobs, according to Layoffs.fyi – a website monitoring tech industry job cuts. The large-scale job losses have been led by major technology companies like Google, Amazon, Meta and Cisco, among others.

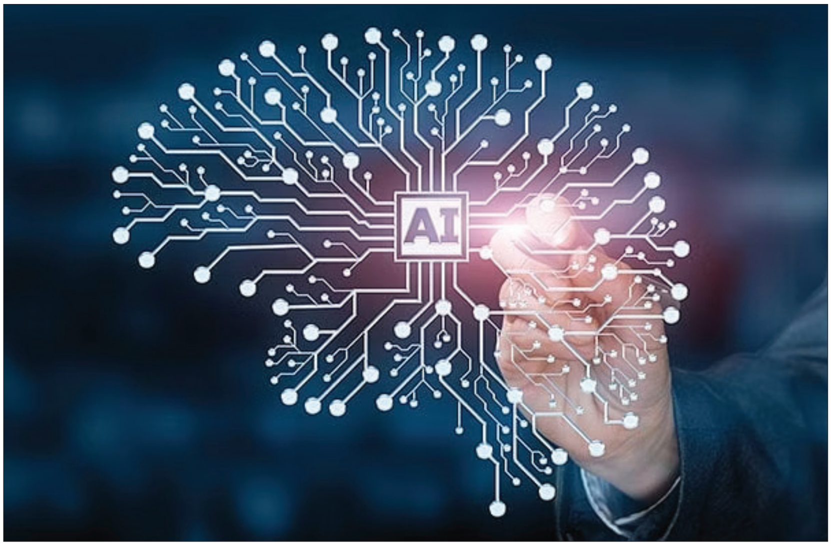
Many companies attribute job cuts to cost-saving measures and restructuring initiatives. However, analysts tracking the technology sector opine that artificial intelligence (AI) remains a primary driver behind these layoffs. They add that AI tools, like ChatGPT, are reducing the need for number of employees involved in doing something. Besides, companies are shutting down a few projects and reallocating resources to teams that are involved in developing generative AI technologies.

A recent comment by Jensen Huang, the CEO of Nvidia – a US-

Break-Up Of Export Market

IT companies are actively reducing their dependence on the Western market – the US and Europe together make up about 80 per cent of the IT industry's revenue.





Indian IT companies' expenditure on AI grew by 30% to around $130 billion in 2023.

based dominant global supplier of AI hardware and software – seems to confirm the worst fears about AI. "ChatGPT, Gemini and Copilot are going to be so good at writing code that it will make this particular skill of knowing a programming language like C++ and Java redundant." Mr Huang stops short of stating that AI will lead to job losses, but his comments do hint at them.

Some analysts of the Indian technology sector stress that automation will lead to fewer employees being hired in the next three to five years. They add that with increasing adoption of generative AI, companies will enhance their efficiency. Simultaneously, they will slash some of the traditional jobs, such as those of programmers and the like.

Vineet Nayar, the former CEO of HCLTech, believes that AI will result in IT companies requiring 70 per cent fewer employees. "The skills of employees for coding, testing, maintenance and responding to trouble tickets, all those will be taken over by AI, and these skills will become obsolete," predicts Mr Nayar.

Analyst Neil Shah, the vice-president of Counterpoint Research, echoes Mr Nayar's views and sees AI impacting certain jobs in the IT sector. "Some bigger tech giants could implement sophisticated AI systems which will automate lots of low-level coding and related tasks such as testing, quality assurance and so forth," adds Mr Shah.

But not all analysts and industry experts are pessimistic. A few of them are bullish about AI's impact on IT jobs. They argue that AI may make an employee's daily life easier, and IT companies will still not be ready to replace humans. Replacing experienced employees with cheaper alternatives such as hiring fresh graduates and training them in AI skills may appear as a convenient and cost-effective solution. However, such a strategy would have disastrous effects on the IT sector in the long run. Better sense may finally prevail, and companies may desist from tak-

"Some bigger tech giants could implement sophisticated AI systems which will automate lots of low-level coding and related tasks such as testing, quality assurance and so forth."

NEIL SHAH
V-P, Counterpoint Research

"The skills of employees for coding, testing, maintenance and responding to trouble tickets, all those will be taken over by AI, and these skills will become obsolete."

VINEET NAYAR
Ex-CEO, HCLTech

"Our investment in AI and GenAI is not just about staying current. It is about setting the pace, leveraging these technologies to transform client businesses and our own operational models."

K KRITHIVASAN
CEO, TCS

ing such destructive steps, they hope.

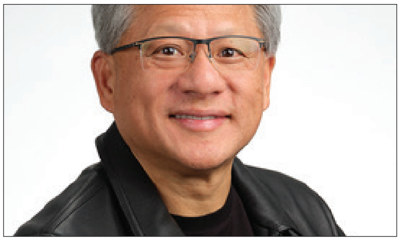
"It is unlikely that tech companies in India will entirely replace human coders with AI in the near future. Companies can automate coding tasks, but human coders are needed for complex problem-solving, algorithm design and understanding business requirements," points out Thomas George of CyberMedia Research.

AI is a reality in the IT industry, willy-nilly. According to NASSCOM, activities related to generative AI have increased by nine times year on year in 2023. Similarly, technology spending in AI has grown by 30 per cent to around $130 billion in 2023. The industry body reveals that over 6.5 lakh employees are being trained in AI-centric nascent technologies.

TCS has doubled down on its commitment to AI and significantly enhanced its deal pipeline in AI-related areas. Other software services companies are also seeing strong traction in the generative artificial intelligence segment. "Our investment in AI and GenAI (generative AI) is not just about staying current. It is about setting the pace, leveraging these technologies to transform client businesses and our own operational models," emphasises TCS CEO K Krithivasan.

Demand for mid-level job roles in Indian IT companies remains strong, with active efforts to hire and re-skill employees through training and retraining initiatives. Amid the raging debate over disastrous impact of AI, it is crystal clear that upskilling is the way forward, and the IT industry and its employees alike explicitly agree on it.

NASSCOM further reveals that the industry has committed 60-100 hours per year per employee on upskilling. NASSCOM is also designing a curriculum in collaboration with the industry and over 200 universities to bridge the employability-skill gap. "Hiring is moving towards jobs in AI, big data, cloud, cyber security



"ChatGPT, Gemini and Copilot are going to be so good at writing code that it will make this particular skill of knowing a programming language like C++ and Java redundant."

JENSEN HUANG, CEO, Nvidia

"It is unlikely that tech companies in India will entirely replace human coders with AI in the near future. Companies can automate coding tasks, but human coders are needed for complex problem-solving, algorithm design and understanding business requirements."

THOMAS GEORGE
CyberMedia Research

and so on. The frontier technologies are where we are seeing the demand growing right now," adds Ms Ghosh.

The way forward

Meanwhile, the slump that has engulfed the software services sector will not fade away anytime soon. CRISIL Ratings forecasts that the IT industry is staring at a second consecutive year of muted revenue growth in FY25 too. The rating agency adds that IT revenue will grow in a low range of 5 to 7 per cent in the current financial year on the back of ongoing economic slowdown across the US and Europe and modest rise in tech spends.

High interest rates and economic downturn in major client markets of the US and Europe have led to a modest single-digit growth in tech spends by companies. Tech spending by the BFSI sector – which accounts for a huge 30 per cent share in the total revenue of the IT sector – is down to a trickle. Besides, clients in retail (15 per cent share of total IT revenue), technology (10 per cent) and communication and media (10 per cent) have slashed their budgets drastically. These four sectors – collectively accounting for nearly 67 per cent of the industry's total revenue – will see subdued growth in spending of around 5 per cent in FY25, adds CRISIL Ratings, further

India's IT spending is set to hit $124.609 billion in 2024, with a chunk of expenditure going into high-end AI tools.

Realising the significance of upskilling, over 6.5 lakh employees are being trained in AI-centric nascent technologies.

"Emerging markets such as Africa, Middle East, India, South-East Asia and others will grow at CAGR of 8-10 per cent over next two to three years. Top-tier IT companies have started increasing focus on these regions outside the West to stall the downswing."

GAURAV VASU
CEO, UnearthInsight

"As Indian organisations accelerate the adoption of digital technologies such as AI, machine learning, secure access service edge, there will be a greater implementation of cloud services, resulting in growth for both software and IT services."

NAVEEN MISHRA
Vice-President, Gartner

prolonging the pain in the IT sector.

As the downslide-hit IT industry braces itself for further setbacks, software services companies will continue to eye acquisitions, especially in small- and mid-size segments, to enhance their product baskets and increase their digital capabilities. Meanwhile, IT companies are also actively reducing their dependence on the Western market – the US and Europe together make up about 80 per cent of the IT industry's revenue.

"Emerging markets such as Africa, Middle East, India, South-East Asia and others will grow at CAGR of 8-10 per cent over next two to three years. Top-tier IT companies have started increasing focus on these regions outside the West to stall the downswing," notes Gaurav Vasu, the founder and CEO of UnearthInsight, a market intelligence and research firm.

In fact, the non-Western market – including India, with a share of total IT revenue of about 20 per cent – offers a great opportunity for the software services sector to diversify its client base and grow fast even in these troubled times. The Indian market is particularly interesting with the country's IT spending projected to touch \$124.609 billion in 2024, an increase of 10.70 per cent from \$112.554 billion in 2023, with high-end AI tools contributing a chunk of the investments, according to consulting firm Gartner.

"As Indian organisations accelerate the adoption of digital technologies such as AI, machine learning, secure access service edge (SASE), there will be a greater implementation of cloud services, resulting in growth for both software and IT services," points out Naveen Mishra, a vice-president of Gartner.

These are indeed interesting and challenging times for the Indian IT industry. A slowdown in the major Western markets opens a window of opportunity for Indian IT companies to explore new clients across newer territories. FY24 has also been a bleak year for the industry in terms of layoffs and job creations. But ironically, AI and its high-end tools – perceived in some quarters as the biggest threat to jobs – hold out bright prospects for large-scale, high-value jobs.

Besides, AI is where all the action is, and so are big investments and big-time hiring too. However, the key to unlocking the big benefits of AI lies in upskilling the workforce. An earnest effort at upskilling has already begun. IT companies would do well not to heed to the temptation of letting go of their employees in favour of AI tools. Man and machine instead of man versus machine would be the best way forward for both IT companies and their employees. ■

Hazoor Board Approves Rs 4,860-Million Fund-Raising Through Preferential Issue

Hazoor Multi Projects Ltd (BSE: 532467), a leader in engineering, procurement and construction (EPC) contracting services, has announced that its board has approved a fund-raising of Rs 4,860 million through preferential issue of fully-convertible warrants at an issue price of Rs 300 per warrant, subject to necessary member and statutory approvals. The proposed allottees include foreign institutional investors (FIIs) and other investors from non-promoter group. The board has also approved the increase in authorised share capital and the constitution of a fund-raising committee.

Hazoor Multi Projects stands at the forefront of India's rapidly-evolving infrastructure landscape, having strategically ventured into the development of a business vertical dedicated to providing high-quality and reliable EPC contracting services. Responding to the escalating demand in the nation-building process, Hazoor has swiftly emerged as a key player in the industry.

Over the past few years, Hazoor has achieved remarkable milestones by successfully undertaking leading projects for the Maharashtra State Road Development Corporation (MSRDC), utilising both EPC and Hybrid Annuity Model (HAM) execution methods. Notably, the successful completion of the Wakan Pali highway in 2019, despite the challenges posed by the COVID-19 pandemic, marked a pivotal moment for Hazoor. The company further solidified its presence by taking on Package 11 of the prestigious Samruddhi Expressway and contributing to the NH 48 highway project, demonstrating a commitment to excellence in project execution.

The journey thus far has been characterised by Hazoor's ability to forge successful partnerships essential for the triumph of the projects undertaken. A robust management team, proficient in both technical and commercial aspects, has been instrumental in steering the company towards consistent growth and success. The foundation of Hazoor was built on a commitment to meeting timely schedules, maintaining high-quality standards and prioritising safety – principles that have guided every endeavour.

The EPC company stands at the forefront of India's rapidly-evolving infrastructure landscape.

Recognising the importance of collaboration, Hazoor has successfully synergised commercial and technical capabilities to deliver the best value services to key clients, including MSRDC and the National Highways Authority of India (NHIA). In just four years, Hazoor has cultivated a highly-satisfied client base within the country's highway-building programme.

Looking ahead, Hazoor is poised for further expansion. The company envisions diversifying into other verticals of infrastructure EPC contracts, aligning with the ongoing infrastructure boom in India. Additionally, Hazoor aims to explore opportunities in overseas contracts, providing professional services in infrastructure development. The journey ahead promises to be as dynamic and successful as the path traversed thus far, solidifying Hazoor's position as a pioneering force in the infrastructure sector.

Order Boost

Rs 500-million orders for rice put Vikas Lifecare on a fast track of growth.

IBJ BUREAU

Vikas Lifecare Limited has announced that it has secured significant orders for its Agro Products Division. The division has bagged an order for rice, valued at about Rs 500 million, bolstering its presence in the premium and organic rice segments. Of these present orders, Rs 400 million are attributed to premium rice varieties, while the remaining Rs 100 million represent orders for organic breeds of rice.

The company's Agro Products Division has set an ambitious target of Rs 4,500 million for the current financial year as compared to Rs 3,600 million achieved in the preceding financial year, targeting over 20 per cent growth on a YoY basis.

With a goal to enhance the growth trajectory, Vikas Lifecare is continually exploring opportunities to expand its businesses via acquiring going businesses and processing facilities. The company had earlier acquired agro products processing facilities in Karnataka and Uttar Pradesh which has helped fast-track the company's capacities and capabilities and enabled it to cater to a wider market.

Earlier, the company had said that the Department of Economy and Tourism, Dubai, UAE (the DET), Government of Dubai, had approved incorporation of a wholly-owned subsidiary of the company in the name of VIKASH LIFE CARE INVESTMENT MANAGEMENT LLC and issued a Certificate of Incorporation for the same.

As a part of its commitment to providing the best service and products to its customers, Vikas Lifecare continues to innovate and adapt to changing market dynamics. The company's dedication to quality, sustainability and customer satisfaction remains unwavering, driving its continued success in the agro-products industry.

Vikas Lifecare is an ISO 9001:2015 certified company, conventionally engaged in manufacturing and trading of polymer and rubber compounds and speciality additives for plastics, synthetic and natural rubbers. Manufacturing up-cycled compounds from industrial and post-consumer waste materials like EVA, PVC, PP and PE, etc, Vikas Lifecare actively contributes to the environment protection initiatives from the Government of India and fulfils the mandated EPR obligations for the conglomerates consuming hundreds of thousands of tonnes of plastic products and packaging materials.

The company is also a Del-Credere agent of ONGC (Oil and Natural Gas Corporation Ltd) Petro Additions Limited, a public sector undertaking producing a wide variety of base polymers and commodity plastic raw materials. Vikas Lifecare's subsidiary M/s Genesis Gas Solutions Pvt Ltd is engaged in the business of smart gas meters being supplied to all the major gas distribution companies for domestic and commercial consumers. Genesis pioneers in smart gas and water metering and commands about a 20 per cent share of the domestic gas metering business in India.

The company is conventionally engaged in manufacture and trade of polymer and rubber compounds.

The company has been very open-minded and is aggressively exploring various industrial and services business markets, including tourism, hospitality and entertainment to fuel business growth. Vikas Lifecare intends establishing or acquiring businesses in these segments, thereby expanding its footprint in the country and beyond. The securities of the company are listed on both the stock exchanges, BSE (Scrip Code: 542655) and NSE (Symbol: VIKASLIFE). ■

ONE POINT ONE SOLUTIONS LIMITED

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

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

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

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

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

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

1POINT1

BUSINESS PROCESS PARTNERS

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

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

"Every Debit Has A Credit Entry"

> "Honesty, transparency and trust serve as the bedrock of any successful managerial endeavour as they lay the groundwork for fostering robust relationships within the team and beyond."

Amit Patjoshi has had a distinguished career across reputed organisations. Having served at national auditor Comptroller and Auditor General of India (CAG of India) as well as E&Y, KPMG, Accenture and PwC, Mr Patjoshi is currently the CEO of Palladium India. In his present role, the Palladium India chief collaborates in key areas, such as agriculture, economic growth, climate, health and disaster risk management, to drive sustainable development. ***Sharmila Chand*** meets up with Mr Patjoshi and is impressed with his enlightened views on management principles and practices.

Your management *mantras*

Well, I've got a few *mantras* which encapsulate the ethos that underpin my management philosophy. Firstly, I prioritise maintaining a positive outlook, understanding the profound impact it has on both individual and team performance. Embracing curiosity is equally essential as it fosters an environment of continuous learning and innovation, essential for staying ahead in today's dynamic landscape. Resilience, as I see it, is not merely bouncing back from setbacks but evolving stronger from each challenge encountered.

Moreover, honesty, transparency and trust serve as the bedrock of any successful managerial endeavour as they lay the groundwork for fostering robust relationships within the team and beyond. Finally, nurturing a collective belief in the transformative power of sincere effort is paramount, propelling both personal and organisational growth.

A game that helps you in your work

I am a professional Badminton player and have played across various levels during my earlier years. What's truly remarkable is how each challenge I face in life triggers memories and strategies from my time on the court. Through the game, I've internalised the importance of positivity, curiosity, resilience, honesty and belief – the principles that have seamlessly woven themselves into my management approach and everyday life. So, I can say that Badminton isn't just a sport for me; it's a philosophy, a source of inspiration that continues to propel me forward on my journey.

Turning point in your career life

After eight years of my tenure at the CAG of India, my career took a significant turn when I made the decision to prepare for the CAT (Common Admission Test exam. I realised the need for a fresh challenge and a higher order of growth. The decision to pursue CAT was not merely about seeking academic advancement but about embarking on a transformative journey towards realising my full potential. This pivotal moment not only tested my capabilities but also marked a significant turning point in both my personal and professional lives.

Secret of your success

The secret of my success lies in a simple life: being content with what I have while aspiring for more, not because someone else is ahead of me, but because I strive for the betterment of myself, my family, friends, team and society at large. This philosophy guides my approach to life and work. I am grateful for the blessings I already possess, recognising the value of every opportunity and achievement, no matter how big or small.

Your philosophy of work

At work, I believe in aspiring towards success and embracing growth. However, it's crucial not to succumb to despair when faced with failure. Rather than fearing failure, I advocate for resilience and the ability to bounce back stronger after each setback. It's essential to live life in the present moment, seizing the opportunities and joys it presents. Every situation, whether positive or negative, can serve as a source of inspiration and learning. I firmly believe in the philosophy that for every debit in life, there exists a corresponding credit entry, signifying that even in challenging times, there are valuable lessons and opportunities for growth.

A person you admire

I find inspiration from every individual I encounter, whether through work, learning or daily interactions. However, if I were to highlight specific figures, it would undoubtedly be my parents. Despite facing numerous hardships, they exemplify resilience and perseverance, guiding me through life's challenges while instilling confidence in my abilities. Their support and solid foundation they have provided have played a pivotal role in shaping me into the person I am today.

AMIT PATJOSHI
CEO, Palladium India

alising complex concepts, this approach serves as an indispensable tool for problem-solving and decision-making. Once I have first-hand clarity on the problem – worst-case solution and best-case solution – I then bounce it with close family, friends and colleagues and course-correct as I move towards the solution.

Your favourite books

The Seagull by Anton Chekov and *Believe In Yourself* (by Dr Joseph Murphy)

Your fitness regime

I see myself as a work in progress, constantly striving to improve and maintain my fitness regime given my demanding work life. My fitness centres on the principle of a healthy mind in a healthy body, and it is a deadly combination. So, I integrate morning walks with my other activities. Further, I attempt to take time for relaxation with music, movies and playing with my son to keep both my body and mind in check.

What message on management would you like to convey to youngsters?

Embrace challenges, pain and bottlenecks as invaluable teachers in life. These experiences not only build resilience but also foster growth and development. Embracing criticism with honesty and positivity is crucial for personal and professional advancement. Besides, continuously invest in yourself by seeking opportunities for improvement and self-discovery, remembering the importance of authenticity in a world where individuality is prized. When facing adversity in your career, find motivation within yourself to persevere. Discovering your passion and finding joy in your work will keep you energised and motivated. Lastly, and most importantly, stay relevant by committing to lifelong learning and growth, ensuring that you continue to evolve and thrive in an ever-changing world.

"Embrace challenges, pain and bottlenecks as invaluable teachers in life. These experiences not only build resilience but also foster growth and development. Embracing criticism with honesty and positivity is crucial for personal and professional advancement."

Best advice you have got

Everything is impossible until it isn't. This advice encourages me to challenge conventional thinking, push boundaries and pursue my goals with unwavering determination, knowing that what may seem impossible at first can indeed become achievable through dedication, hard work and persistence.

Your sounding board

My sounding board is undoubtedly my whiteboard and my long walks. It's where I find clarity and direction amidst complexity. The moment I articulate my problems and challenges on its blank surface and a blank mind, half of the solution becomes clear. Whether it's brainstorming ideas, mapping out strategies, or visu-

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Energy Mission Machineries Plans To Raise Rs 41.15 Cr From Public Issue; IPO Opens On May 9

IBJ BUREAU

Ahmedabad-based Energy Mission Machineries (India) Ltd, a leading company in designing and manufacturing of a diverse range of sheet metal machinery is planning to raise up to Rs 41.15 crore from its SME public issue. The company has received approval to launch its public issue on NSE Emerge Platform of National Stock Exchange.

The public issue opens for subscription on May 9 and closes on May 13. The proceeds of the issue will be utilised to fund the company's expansion plans, including civil construction work, new plant and machinery at existing manufacturing unit in Sanand, Gujarat, meeting the working capital requirements and general corporate purposes. Hem Securities Limited is the book-running lead manager of the issue.

The initial public offering (IPO) comprises of a fresh issue of 29.82 lakh equity shares of face value of Rs 10 each in the price band of Rs 131 to Rs 138 per equity share for the public issue. Of the issue proceeds of Rs 41.15 crore, the company plans to utilise Rs 6.86 crore towards civil construction work at existing manufacturing unit located in Sanand in Ahmedabad district of Gujarat, Rs 7.43 crore towards installation of new plant and machineries and Rs 15 crore towards working capital requirements.

Minimum lot size for the application is 1,000 shares which translate into investment of Rs 1.38 lakh per application. Retail investor quota for the IPO is kept at not less than 35 per cent of the net offer, HNI quote is set at not less than 15 per centof the offer and QIB portion is reserved at not more than 50 per cent of the net offer. Market-maker portion is kept at 1.50 lakh equity shares.

The company designs and manufactures CNC, NC and conventional metal forming machines for metal fabrication solutions.

Energy Mission Machineries (India) designs and manufactures CNC, NC and conventional metal forming machines that cater to the industrial sector's need for metal fabrication solutions. The company's range of metal forming machines includes press brake machines, shearing machines, plate rolling machines, iron-worker machines, hydraulic presses and busbar bending, cutting and punching machines. The company's machines are used across various industries, including automotive, steel, pre-engineered buildings, furniture, HVAC, agricultural equipment, road construction equipment, elevators, food processing machinery and metal-working workshops, etc.

The company's manufacturing facility is situated in Sanand, spread over 18,234 sq metres. The facility is ISO 9001:2015-certified and has installed capacity to produce 900 machines annually. The company has sold its products in 20 States and 2 Union Territories in India, with a major share of the revenue coming from Maharashtra, Gujarat and Karnataka. It has also exported its products to several countries worldwide, including the US, Switzerland, Russia, Nepal, Kenya, Uganda, the UAE, Saudi Arabia and other countries in the Middle East.

The company has reported operational and financial performance over years. For the nine months of FY24, ended December 2023, the company has reported consolidated total income of Rs 83.99 crore, EBITDA of Rs 12.71 crore and net profit of Rs 6.74 crore. For the full year of FY23, the company has reported total income of Rs 100.66 crore, EBITDA of Rs 13.61 crore and net profit of Rs 7.90 crore. As of December 2023, the net worth of the company was reported at Rs 30.28 crore, with reserves and surplus of Rs 21.93 crore. ■

Ashapuri Gold Ornament Ltd. To Launch A Rs 48.74-Crore Rights Issue On May 08

Ashapuri Gold Ornament Limited (BSE - AGOL), one of the prominent manufacturers and wholesalers of gold jewellery, is scheduled to open its Rs 48.74-crore rights issue on May 08, 2024. The funds raised through the issue will be utilised to meet the working capital requirements to fund the company's expansion plans, entering new geographies and for general corporate purposes.

The rights issue is priced at Rs 5.85 per share – a 57.57 per cent discount to the closing share price on April 10, 2024 – the rights issue announcement date which is considered as the base date. The rights issue closes on May 27, 2024. The rights entitlement ratio for the proposed issue is fixed at 1:3 (1 equity share of face value of Re 1 for every 3 equity shares of Re 1 each held by equity shareholders on the record date – April 18, 2024). The last date for on-market renunciation of rights entitlements is May 21, 2024.

Team Ashapuri Gold Ornament: The company, one of the leading manufacturers and wholesalers of gold ornaments, has been in the business for over 28 years.

Commenting on the development, Ashapuri Gold Ornament Managing Director Dinesh Kumar Soni said: "The company has taken important strategic initiatives in the recent past with a focus to expand production capacities, launching new product lines and collections for different markets. Our long-term focus continues to be investing in team development, participating in India's largest exhibitions like IIJS Premiere, Signature and Tritiya Shows and foraying further into strengthening our footprint in the southern markets. The proceeds of the issue will further strengthen the company's balance sheet and help fund its expansion plans and strategic growth initiatives."

After the rights issue, total outstanding shares of the company should increase to 33,33,14,666 equity shares from 24,99,86,000 equity shares prior to the rights issue.

Ashapuri Gold Ornament, one of the leading manufacturers and wholesalers of gold ornaments, has been in the business for over 28 years and has been a trailblazer in the gold jewellery industry. The company's manufacturing unit in Ahmedabad is spread over 14,000 sq ft, and it has a branch office in Bangalore.

The company offers a range of collections catering to various customer segments, from the high-end connoisseurs to the discerning mid-market shoppers. It has three collections – named MAAYIN, KAAVIS and ARZISH – which cater to diverse customer segments from high-end to mid-market and value-market segments. The company's product range includes necklace, bangles, bridal jewellery, choker and pendant set, etc. Its premium collection includes Pota jewellery and Kundan jewellery.

The Ashapuri Gold Ornament factory employs more than 200 jewellery artisans and has a capacity for 400 artisans. All mould manufacturing and kundan processes are done under one roof. The company also manufactures plain antique South and traditional heritage jewellery. Its prestigious clientele includes India's big corporate giants like, The Titan Company, Tanishq, Malabar Gold & Diamonds, Kalyan Jewellers India Limited, Senco Gold Limited and many others.

Ashapuri Gold Ornament reported sales of Rs 165.06 crore for FY24, registering 4.46 per cent growth as against sales of Rs 158 crore in FY23. EBITDA grew by 165 per cent to Rs 9.62 crore, while net profit registered a 317 per cent rise to Rs 7.42 crore during FY24. The company has achieved strong CAGR of 6.48 per cent in sales and 74 per cent in net profit during the last five years with an improving return ratio.

The promoter group holding in the company is 64.08 per cent as on March 31, 2024. The company came up with an IPO on the BSE SME platform in March 2019 and migrated to the main board of BSE in July 16, 2021. On July 18, 2023, there has been a stock split from Rs 10 per equity share to Re 1 per equity share.

Microsoft to put $2.9 bn in AI

Microsoft will be investing $2.9 billion over two years to expand its cloud and AI infrastructure in Japan, the latest in a series of overseas expansions by large tech firms to support the development of AI. The investment – the company's largest in the 46 years of its operations in the country – will also go towards skilling three million people in AI and setting up a Microsoft Research Asia lab in Tokyo. Server operators are expanding their data centres and cloud computing assets globally to support a boom in AI applications and workloads after the late 2022 launch of ChatGPT.

ECB holds rates at a record high

The European Central Bank (ECB) has held interest rates at a record high but has signalled it may cut rates at its next meeting in June. The announcement is the fifth consecutive pause since October and was widely expected. The interest rate on the main refinancing operations will remain unchanged at 4.50 per cent. The interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.75 and 4.00 per cent respectively. The bank's rate-setting council has said that it will wait for confirmation that rapidly-receding inflation is firmly under control before deciding to cut interest rates.

World trade to rise 3.3% in 2024

The World Trade Organization (WTO) has said that it expects global trade to rebound gradually this year before rising further in 2025 as the impacts of higher inflation fall into the rear-view mirror. In its latest Global Trade Outlook and Statistics report, the WTO forecasts that total global trade volumes will increase by 2.6 per cent in 2024, and by a further 3.3 per cent in 2025. It follows a larger-than-expected 1.2 per cent decline in 2023 as inflationary pressures and higher interest rates have weighed on international trade. The trade rebound is expected to be "broad-based", including across Europe, which has experienced the deepest fall in trade volumes.

Apple to lay off 600 in California

Apple is laying off 614 workers in California, the company's first significant round of job cuts since the COVID pandemic. The affected Apple employees worked at eight different facilities in Santa Clara, according to the WARN notice posted by California. The workers were officially informed of the cuts on March 28 and the changes are effective from May 27, the company has said. Apple has not been forced into the same kind of downsizing as its tech peers, largely because the iPhone-maker grew more slowly than rivals during the pandemic. The filing comes weeks after Apple had cancelled a long-running project to build an electric, self-driving car.

Global growth may hit 2.8% by 2030

Global economic growth will reach just 2.8 per cent by 2030, a full percentage point below the historical average unless major reforms are made to boost productivity and leverage technologies such as artificial intelligence, the International Monetary Fund (IMF) has warned. The IMF has released a chapter of its forthcoming World Economic Outlook (WEO) that shows further declines in the global growth rate, which has slowed steadily since the 2008-2009 global financial crisis. "Without ambitious steps to enhance productivity, global growth is set to fall far below its historical average," the IMF has said, adding that expectations of weak growth could discourage investment.

Lockheed wins $17-bn US contract

Lockheed Martin has won a $17-billion contract to develop the next generation of interceptors to defend the US against an intercontinental ballistic missile attack, the US Missile Defense Agency has said. The interceptor programme is aimed at defeating current ballistic missile threats and future technological advances from countries such as North Korea and Iran. The win represents a shot in the arm for Lockheed after the US had said that it wanted to reduce F-35 orders, and the US Army in February had abandoned development of a Future Attack Reconnaissance Aircraft, a next-generation helicopter for which Lockheed had submitted a design.

IMF chief Georgieva wins 2nd term

Kristalina Georgieva has won a second five-year term as the head of the IMF, allowing her to continue leading the crisis lender as it confronts challenges, including lower global growth prospects, climate change and distressed debt in developing nations. The decision has come after several discussions between Ms Georgieva, who was the sole candidate for the job, and the IMF executive board, the fund has said in a statement. The board has commended Ms Georgieva's "strong and agile leadership" and said that it looks forward to continuing to work with her. The announcement was made just before IMF and World Bank spring meetings in Washington next week.

Tesla cuts prices by $2,000

Tesla is slashing prices in the US, China and Germany as the electric vehicle (EV)-maker battles slowing sales and an increasingly competitive market for EVs. In the US, the company has cut the prices of three of its five models by $2,000. Prices for the Model 3 and Cybertruck are unchanged at $38,990 and $81,895 respectively. Tesla has not immediately responded to a request for comment. The price cut in China – the Model 3 now sells for about $1,930 less – is particularly noteworthy, given that Tesla faces stiff competition against more than a dozen EV rivals there, including Li Auto, Nio and BYD.

Aramco seeks $1.5-bn stake in Hengli

Saudi Aramco has started talks to buy a 10 per cent stake in China's Hengli Petrochemical as it looks to secure a long-term market for its oil. State-owned Aramco and the Chinese company have signed an initial agreement to explore a potential transaction, according to a statement from the Saudi company. No financial details or a timeline have been provided. The 10 per cent stake in Hengli, based in the Chinese port city of Dalian, has market value of around $1.5 billion. Chinese energy demand has contributed to oil's gain this year as the country's industries recover from a longer-than-expected slowdown following the Coronavirus pandemic.

Biden signs TikTok ban Bill into law

President Joe Biden has signed a foreign aid package that includes a Bill that will ban TikTok if China-based parent company ByteDance fails to divest the app within a year. The divest-or-ban Nill is now law, starting the clock for ByteDance to make its move. The company has an initial nine months to sort out a deal, though the president could extend that by another three months if he sees progress. While just recently, the legislation seemed like it would stall out in the Senate after being passed as a standalone bill in the House, political manoeuvring helped usher it through to Mr Biden's desk.

IMF flags high global debt levels

The IMF has urged countries to rein in fiscal spending and rebuild their buffers, but has said that it could prove difficult in the world's biggest-ever election year. A record 88 countries, home to more than half of the world's population, have held or are holding national elections in 2024, the IMF has said, noting that governments tend to spend more and tax less during election years. "The most acute risk to public finances arises from the record number of elections being held in 2024, which has led to it being dubbed the Great Election Year," the IMF has said in its new Fiscal Monitor publication.

Microsoft unveils Phi-3 AI model

Microsoft has launched a lightweight artificial intelligence (AI) model as it looks to attract a wider client base with cost-effective options. The new version called Phi-3-mini is the first of the three small language models (SLM) to be released by the company as it stakes its future on a technology that is expected to have a wide-ranging impact on the world and the way people work. "Phi-3 is not slightly cheaper, it's dramatically cheaper, we're talking about a 10x cost difference compared to the other models out there with similar capabilities," Sebastien Bubeck, Microsoft's vice-president of GenAI research has said. SLMs are designed to perform simpler tasks.

Toshiba to slash 5,000 jobs

Toshiba is considering a significant reduction in its domestic workforce, with plans to cut approximately 5,000 jobs, which accounts for about 7 per cent of its total workforce in Japan, according to a report. These reductions, focusing primarily on back-office roles within the company's headquarters, will be achieved through voluntary retirements. This move marks the largest cut in personnel since the 2015 scandal over accounting irregularities. According to the report, the workforce reduction is expected to result in a loss of roughly 100 billion yen ($646 million), attributed to special retirement benefits and outplacement services. This restructuring aligns with Toshiba's broader strategy to consolidate its operations.

US Steel nod to acquisition by Nippon

US Steel has approved its proposed $14.9-billion acquisition by Japan's Nippon Steel as expected, taking the merger one step closer to completion even as political opposition to the deal mounts. US Steel has said that over 98 per cent of the votes were in favour of the deal, under which Nippon will pay $55 per share, an amount that represented a hefty premium when the takeover was announced in December. Since then, however, several US lawmakers have come out in opposition to the deal, citing national security concerns. President Joe Biden has said that US Steel must remain a domestically-owned American company.

Anglo American spurns BHP's offer

Anglo American's management does not consider a proposed $39-billion takeover offer from the BHP Group attractive, two sources have said as some investors and analysts have dismissed it as opportunistic. BHP had offered Anglo's shareholders 25.08 pounds ($31.39) per share. It would take over Anglo after a spin-off of two assets. Speaking on condition of anonymity because the matter was private, one of the sources has said that the offer does not address the complexities of demerging the Anglo American Platinum and Kumba Iron Ore businesses in South Africa. BHP has until May 22 to come back with a binding bid.

How Small Becomes Big

Rama Bijapurkar shows how India is made up of lots and lots of small consumers, each earning and spending just a little bit that adds up to a lot.

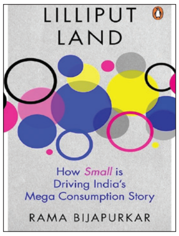
One of the largest consumer markets of the world, India is made up of lots and lots of small consumers, each earning and spending just a little bit that adds up to a lot. It is served by millions of small suppliers oozing innovation and customer intimacy and is powered by digital infrastructure that does billions of unique and small transactions every day.

For companies looking at India, author Rama Bijapurkar's latest book is a must read. Ms Bijapurkar is a veteran consumer expert who has provided business strategy advice to numerous companies, served on the boards of the best-of-best companies and taught a specially-curated consumer-focussed business strategy course at leading business schools. This is her fourth book and this diminutive-looking book packs a lot of learning.

The author presents the Lilliput Land concept in three broad sections that she has labelled Consumer India Structure Story, Consumer Behaviour Story and Supply Side Story. The big premise the book presents is that India should be seen as a country of millions of small consumers who add up to a big number, hence the title Lilliput Land. Each of the sections provides readers valuable lessons to take home to help craft better strategies.

Aspirational India is a tectonic shift from the pre-liberalisation days when one would often hear consumers of lower-income groups telling: "This is not for me. This is for the badey log (big people)." Now, there is a strong statement of: "I want to have something like that, be it products or experiences." A car is obviously not affordable, but a bike and a taxi for special

LILLIPUT LAND



Author: Rama Bijapurkar

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All About AI

Artificial intelligence (AI) is, as the name suggests, artificial and fundamentally different to human intelligence. Yet often, the goal of AI is to fake human intelligence. This deceit has been there from the very beginning. We have been trying to fake it since Alan Turing answered the question 'Can machines think?' by proposing that machines pretend to be humans.

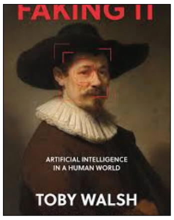
Now, we are starting to build AI that truly deceives us. Powerful AIs such as ChatGPT can convince us that they are intelligent and blur the distinction between what is real and what is simulated. In reality, they lack true understanding, sentience and common sense. But this does not mean that they cannot change the world.

Can AI systems ever be creative? Can they be moral? What can we do to ensure that they are not harmful? In this fun and fascinating book, Prof Toby Walsh explores all the ways AI fakes it, and what this means for humanity – now and in the future.

Consisting of 10 chapters covering a range of issues from faking intelligence to faking creativity to sharing possible solutions to combat fakery, this book conveys complex ideas in accessible language. The book is absolutely timely and also successful at highlighting the ability and limits of machine and predictive intelligence.

Prof Walsh's book is refreshingly clear-eyed. It is an insightful and intelligent book that is a must for those looking for facts about AI and its hype. This book will help navigate the AI revolution.

FAKING IT



Author: Toby Walsh

Publisher: The History Press

Pages: 248

Price: Rs 2,291

About the author

Toby Walsh *is one of the world's leading researchers in AI. He is a professor of AI at the University of New South Wales and leads a research group at Data61, Australia's Centre of Excellence for ICT Research. He has been elected a fellow of the Association for the Advancement of AI for his contributions to AI research and has won the prestigious Humboldt research award. He regularly appears on the BBC and writes for* The Guardian*, the* New Scientist *and* The New York Times.

family outings are fine. Now, having what celebrities have has become easy with the social media, writes the author.

The management thinker and author strongly stresses India's diversity as she navigates the complexities and opportunities of the Indian consumer market. She borrows the straightforward interpretation of Jonathan Swift's classic Gulliver's Travels to establish India's position in the global market as "a land of small-size people together overpowering the giant". She champions India's consumer market as the "story of lots and lots of small consumers earning and spending just a little bit individually that add up to an enormous amount" who are served by millions of small suppliers in return.

In a bold move, Ms Bijapurkar breaks down the country's consumer demographics by using income instead of the usual expenditure. Since income is connected to a country's GDP, especially for India whose image is based on its high GDP rank, it becomes harder to face reality when the real numbers are much lower than what economists would like.

Although an information overload, the first half of the book shows Ms Bijapurkar's expertise in understanding the consumers of India as she deftly connects occupation with education, income and consequently the class hierarchy and its movement in India, while also performing in-depth analyses of consumers based on geography – rural, urban and peri-urban. One of the key reasons why small suppliers have done so well in the Indian market is that large companies often tend to target the richest 20 per cent without understanding how the income structure of households affects a consumer's lifestyle and thus their consumption basket.

The book presents powerful arguments on how to look at the numbers behind consumer India. Ms Bijapurkar dismisses the easy and simplistic view of the Indian demographic and embraces all the complexities and opportunities that new India has to offer.

About the author
Rama Bijapurkar *is a business adviser, independent director on boards of blue-chip corporate entities and academic institutions, researcher, and academic. She describes her work as bringing the "people view" to business strategy and public policy.*

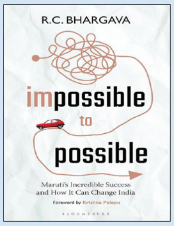
The Maruti Story

In 1981, a company was formed that, quite unbelievably, led to the creation of a modern car industry in India. The company was Maruti and its experiences have relevance far beyond the car industry, extending to the entire manufacturing segment. Its success is all the more remarkable as Maruti started out as a public sector company but with a Japanese partner, an almost certain recipe for failure given the cumbersome bureaucratic procedures and socialistic ideology that were prevalent. Moreover, the component industry needed to support its ambitious plans - 1,00,000 cars annually - was fragmented and technologically obsolete.

Today India has become the third-largest automotive market in the world and a major exporter of cars. Maruti itself ranks among the biggest manufacturers and is set to double its capacity to 40 lakh cars by 2030. Mr Bhargava, who has been with the company from its inception, emphasises that lessons from Maruti apply not just to one industry but, more crucially, to India's growth aspirations.

Manufacturing is the cornerstone of the company, and this is one of the most important books to come out on management and development.

IMPOSSIBLE TO POSSIBLE



Author:
R C Bhargava

Publisher:
Bloomsbury India

Pages:
256

Price:
Rs 519

About the author
R C Bhargava *is the chairman of Maruti Suzuki. He joined Maruti Udyog, as it was known then, in 1981 after 25 years in the Indian Administrative Service (IAS). Managing director of Maruti from 1985, Mr Bhargava was appointed chairman and managing director in 1990 and after retirement he was inducted as the non-executive chairman from December 2007. He was awarded the Padma Bhushan in 2016 and lives in Noida, Uttar Pradesh, with his wife.*

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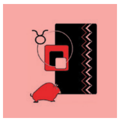
Aries

Mar 21-Apr 20

In the beginning of this month, some old money matters will concern you the most. You will constantly keep worrying about some commitments. If you don't have clarity, then you should let someone know who can help you instead of getting confused. As the month advances, the impact of planets will make you greedy. In an attempt to raise your financial status, you tend to take faster decisions which can lead you to unnecessary problems.

Taurus

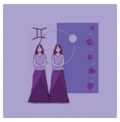
Apr 21-May 20



This month may begin with some disruptions in your financial planning. If possible, increase the reserve of funds for some unforeseen expenses. Gradually, you can fix your priorities right and hence will be able to manage your resources wisely. As the month advances, there will be opportunities to earn extra money or get a share in someone else's business. It may seem that golden rain is pouring on you.

Gemini

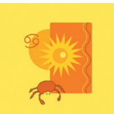
May 22-Jun 21



As the month begins, you will have good income flow. You should save more money as you will earn more than enough. Don't go on an overspending spree, and do not overburden yourself with unnecessary financial debt. Here you need to continue to be responsible with your finances, and whenever you feel that you are headed in the wrong direction, correct it immediately. Calculative investments in share market can be beneficial, but you will have to take decisions very cautiously.

Cancer

Jun 22-Jul 21



Your income is likely to increase this month due to your sustained efforts. It would also bring some moments of amusement and bliss. The planetary support may provide you the opportunities to resolve some pending matters. But there will be some challenges due to some unexpected financial issues around the middle of this month. So, your financial planning has to be proper and all financial obligations, purchases and expenses have to be controlled. During the latter half of the month, planetary aspects are to remain favourable for finances. Money flow will be unhindered and plenty.

Leo

Jul 23-Aug 23

You will see your financial condition improving during this month and find your friends and well-wishers extending support to your cause. However, the period around the mid-month might not work in your favour financially. Therefore, you have to stay a little cautious about your spending. The flow of money will be stable during the latter part of this month, and you will find relief from a past loan or some debt issues. You should be wary during this phase though as some problems might arise out of the blue. You will see your plans getting executed smoothly as the month approaches its end.

Virgo

Aug 24-Sep 23

As the month begins, you would be enjoying most of comforts and worldly pleasures. It would be a period of fortune and auspicious happenings when you will be able to achieve your financial goals. The planets may prompt you to think out of the box. Driven by the desire to succeed and accomplish something, you will be driven strongly to fulfil your desires. But be careful. Expenses may increase as well. During the latter half, planets may set stage for increase in inflow of money. You are likely to get many opportunities to strengthen your financial status.

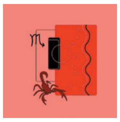
Libra

Sep 24-Oct 23

This will be the month to make a good financial plan and implement it in stepwise manner to strengthen your financial status. The favourable impact of planets will help you work towards attaining your goals. Expenses may increase as the month progresses. There will be steady improvement in your financial conditions around the mid-month. This will be a period of happiness and comfort. This will be an equally good phase to invest money, and your old investments may also bring handsome rewards. Some pressure

Scorpio

Oct 24-Nov 23



Some disruptions in your financial planning may force you to resort to rectification in the beginning of this month. You may have to drop everything and pay immediate attention to ensuing matters. You will now need to think creatively to enhance your financial strength and to achieve higher growth in your pursuit. The planetary influence is going to present varied options. However, there is going to be some discontent initially. The influence of planets may bring some good earning opportunities and is likely to empower your financial fortune. It is good to grab the opportunities and earn money, but overdoing it can disrupt your planning.

Sagittarius

Nov 24-Dec 21

The beginning of this month may bring good impact on your finances. You will be able to handle resources efficiently and may add on to your financial strength. You will have the barrage of ideas which will help you strengthen your finances. Some old issues related to your investments or tax payments may come to the surface. Do not make any major hasty commitment. Around the mid-month, there may be some pressure on your income due to some unexpected expenses. During the latter half of the month, conditions may not be very friendly. But the month-end may bring some good news about old investments.

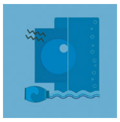
Capricorn

Dec 22-Jan 20

The beginning of this month will be good for your financial status. Your financial position will stay satisfying. It may help you fetch good financial gains from your past investments. Your productivity will also improve. You are likely to adopt a more systematic approach, and this may prove to be a good move. There may be some expenses for family commitments, but it may not have any major impact on your budget. You will have good savings and security, and this will keep you on a stable ground. Opportunities to earn extra may come your way around the mid-month, and you will take them up.

Aquarius

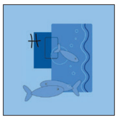
Jan 21-Feb 18



The stars in the beginning of this month indicate that money flow will be slow. But your financial intelligence and prospects may improve radically as the month advances. Speculations and investments will add to the income. Adding monetary sources will be on your agenda. Money will come from professional sources and your old investments. Financial prosperity will be aided by family members. But you will need to have due deliberation before taking any major decision around the mid-month. You may be induced to take decisions quickly to progress fast which may land you in trouble.

Pisces

Feb 19-Mar 20



The beginning of this month is good for accumulation of wealth. Overall, income flow will increase and gains are also favourable. However, it is highly advisable to follow strict financial discipline and strategic financial planning to boost your finances. Planetary forces indicate success, stability and prosperity on the financial front. However, don't be over-confident as the period around the mid-month indicates somewhat negative signs for your overall financial management. Your impulsive or over-ambitious attempt may drag you to unnecessary problems.

Cipla Looks Good For The Long Term

Cipla is an Indian multinational corporation which manufactures medicines and bio-products. The company, headquartered in Mumbai, manufactures medicines mainly for ailments dealing with respiration, heart, diabetes, weight control, depression and others.

Astrological Observations

Cipla's horoscope is strengthened by three factors – the Sun is in its own house; there is the Guru-Mangalya Yog of Jupiter-Mars; and the Saturn is residing in its own house. There will be good movement in the pharmaceutical sector as the Sun is well placed in the horoscope. Besides, the good point is that the lords of the house of finance are together. Therefore, Lagnesh, Karmesh and Dhanesh provide positive energy to the horoscope.

The lords of the house of finance are together and provide positive energy to the company's horoscope.

Important Timeframes

In short, this year is good in the long term for the Cipla stock.

The period between May 16, 2024, and July 30, 2024, is a bit tricky as the stock will go on the downside again and again compared to the Nifty's rise.

2023 was quite an eventful year for Xiaomi India. Early that year, the Indian subsidiary of the Chinese smartphone-maker was dislodged from the top spot as India's largest-selling smartphone company by South Korean rival Samsung. Bengaluru-headquartered Xiaomi India then further slid to the fourth spot. But by the end of 2023, Xiaomi India, which sells smartphones under Mi, Redmi and other top brands, was back to the number two position.

Fierce competition in India – the second-largest mobile phone market in the world after China – and the government's strict scrutiny of Xiaomi because of its Chinese origin have not bogged down the smartphone and consumer electronics company. Instead, Xiaomi India has been facing adversities boldly and even charting out its way out of crisis, thanks to its President Muralikrishnan B and his enterprising team.

In charge of Xiaomi India since August 2022, Mr Muralikrishnan has led his company through high volatility back to the second spot last year. The Xiaomi India president, a veteran in the consumer technology domain with over 25 years of experience, has drawn up plans to put the smartphone manufacturer back in the number one position.

AT THE HELM

B MURALIKRISHNAN

Mr Muralikrishnan – an alumnus of IIM-Calcutta, with a mechanical engineering degree from Osmania University, Hyderabad – has been associated with the Chinese smartphone brand since 2018. As chief operating officer (COO) earlier and as president of Indian operations since 2022, Mr Muralikrishnan has been instrumental in the brand's growth across offline sales, service and operations. Before Xiaomi, he was among the top brass at eBay India and had also played a vital role at Jabong as its COO.

With competition heating up, the Xiaomi India chief has kicked off 2024 with a three-year strategy to become India's most preferred smartphone brand. "With the reset, recharge, refresh strategy and Xiaomi getting its mojo back in 2023, we now have a three-year gameplan to play with, wherein we want to be the aspirational Indian's most preferred and pioneering smartphone and AIoT (artificial internet of things) brand," discloses Mr Muralikrishnan.

The three pillars of Xiaomi India's three-year gameplan involve premiumisation, fostering an integrated smartphone and

FACTS FOR YOU

INHERITANCE TAX

Sam Pitroda, the man behind India's telecom revolution in the 1980s, recently resurrected the ghost of Inheritance Tax. In a recent interview, Mr Pitroda suggested that Inheritance Tax in the US was an interesting proposition for redistribution of wealth and could be debated in India. Campaigning in the ongoing general election, Prime Minister Narendra Modi has warned people that the Congress Party would grab the hard-earned wealth of Indians in the name of Inheritance Tax.

So, what is Inheritance Tax, and how does it work? India did have Inheritance Tax, which was also called Estate Duty or Death Tax. The tax was introduced in 1953 and was abolished in 1985 by the government of Rajiv Gandhi.

Inheritance Tax would appeal to those advocating for its use to mitigate inequality of wealth.

The Estate Duty in India was a tax on inheritance of wealth with a threshold of Rs 1 lakh with progressive rates from 5 to 40 per cent on the principal value of the estate. The 40 per cent tax rate was levied on the value of wealth of Rs 20 lakh. Estates valued over Rs 20 lakh were subject to a very high duty rate of 85 per cent.

The introduction of Inheritance Tax could appeal to those advocating for its use to mitigate inequality of wealth and prevent concentration of wealth. Proceeds from such a tax would also help finance the government's social and economic initiatives and establish a robust social security framework.

However, the tax had quite a few drawbacks. The yield from Estate

AIoT experience for users and synergising the omnichannel sales strategy. The handset-maker is looking to capture a significant market share by focusing on premium brand. Xiaomi India has placed a huge bet on the smartphone-AIoT integrated strategy, which the company believes that it is uniquely positioned to deliver. The company is executing this strategy right from the beginning of this year with 5G becoming pervasively available. As a part of the revival plan, Xiaomi is also expanding its offline retail presence and balancing it with online channel and moving ahead with the omnichannel sales strategy. Beyond premium handsets, Xiaomi is also increasing its focus on non-handset businesses in India, including tablets.

Mr Muralikrishnan's three-pillar strategy spread across three years has already begun paying rich dividend in the very first year. Xiaomi has clawed back into the second position after slipping to the fourth spot within a year. ■

Duty was only about Rs 20 crore, while its cost of administration was relatively high. Besides, as it often happens in India, wealth of the rich was often divided among different people to escape the tax threshold. There was also the problem of benami (property of an individual, illegally parked with unrelated people). So, it became difficult to tax the actual value of the property or wealth.

Different countries across the world continue to levy Inheritance Tax. A call for such a tax at higher rates has been getting louder across the world, given the widening inequality of wealth across the world. But barring the sound and fury of poll times, governments across political parties would desist from bringing back the tax. ■

SPIRITUAL CORNER

Shraddha (Faith)

Blind Faith – Ignorant Faith

Dadashri: *A superintendent of a large farm once told me that he did not believe in blind faith (*andha-shraddha*). I made a mental note of what he said. Then while we were strolling in his farm, we came across a patch of land that was 50 feet wide and covered with tall grass. As we crossed the patch, he leaped along with four-foot long strides. I asked him: "You had no idea that there might be snakes or scorpions in the grass, so how come you put your feet in it?" What tremendous blind faith that is!*

*Without blind faith you cannot even eat, board a ship or sit in a taxi! With what sort of faith (*shraddha*) do you sit in a taxi? You do not have faith in the fact that there will not be an accident. When you drink water at home, do you ever check to see whether any lizards or insects have fallen into your tank or whether your neighbors have dumped germicides in it? Therefore, it is not possible to do anything without blind faith (*andha shraddha*).*

*What you understand or call blind faith is not really blind faith. It is ignorant faith (*agnya-shraddha*). The entire world lies in ignorant faith. When children play with dolls and toys, it is with ignorant faith; likewise, there is ignorant faith in religion.*

"Even ignorance cannot be attained without faith. Faith is a 'cause' and Gnan is the 'result'. After attaining the knowledge of the Self, what should You become? You should become the embodiment of faith!" – Dadashri

Gnani Purush *alone is without blind faith. His physical body however, is in blind faith. Shortly, even 'we' will go home and drink water without checking it, but 'we' do not have the ownership of this body.*

Atma Shraddha – Prabhu Shraddha

Questioner: *What is the difference between faith in the Self (*Atma shradd ha*) and faith in God (*prabhu shraddha*)?*

Dadashri: *In* prabhu shraddha, *there is a belief that 'the Lord is separate, and I am separate.' And in* Atma shraddha, *one becomes the Self, and then worships the Self. This is direct (*pratyaksh*) worship, and the other is considered indirect (*paroksh*) worship. The one who has not attained the Self does not realise that the Lord he refers to is his own Soul. That is why he worships in the name of the Lord, but it reaches his own Soul indirectly.*

Faith – Gnan

Questioner: *Can one attain* Gnan *without faith (*shraddha*) or not?*

Dadashri: *Even ignorance cannot be attained without faith. Faith is a 'cause' and* Gnan *is the 'result'. After attaining the knowledge of the Self, what should You become? You should become the embodiment of faith! People will have faith in you at the mere sight of you. It is indeed very rare to find such a model of faith!*

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

The HR Edge

An out-and-out outdoor person, Amneet Kaur loves to trek and be amid nature. The director of operations of Outsized India – a UK-based consulting firm – is a double post-graduate with an MBA in human resources (HR) and a master's in labour law. With over 12 years of experience in leadership roles with brands, like Skechers and the Future Group, Ms Kaur has been in charge of Outsized India's operations for nearly seven years. In a frank and freewheeling chat with **Sharmila Chand**, *Ms Kaur opens up about her personal and professional lives.*

How would you define yourself in one sentence?

A dedicated HR leader and assertive thinker, passionate about family, travel, cultural exploration and inspiring the next generation through shared wisdom

How do you set out your priorities to keep your work and personal lives balanced?

- **Daily to-do lists:** I create lists for work and personal tasks, ensuring clarity and focus, and divide the tasks in the order of criticality.
- **Learn to delegate:** I share responsibilities at work and home to prevent overload.
- **Tech-free time:** I designate device-free periods to connect with family and unwind.
- **Regular reflection:** Weekly assessments help adjust priorities based on evolving needs.
- **Effective communication:** Open dialogue with colleagues and family helps manage expectations.

AMNEET KAUR
Director Of Operations,
Outsized India

- **Healthy breaks:** I incorporate short breaks during work hours for a mental reset.
- **Say 'no' when needed:** Prioritise tasks and politely decline additional commitments when necessary.

What keeps you fit and healthy?

I practise Yoga thrice a week and love to exercise and eat healthy.

How do you rejuvenate and de-stress?

By reading books, listening to spiritual music (mostly gurbani keertan), and also meditating 30 minutes a day in the morning

Do you play any game that helps your work?

As someone with a strong affinity for the outdoors, I avoid video games in favour of engaging with nature. My love for treks and hikes reflects a deep connection with the environment. The valuable lesson I have learned from these adventurous activities is that you set your own limits and must continually strive to extend them to embrace new challenges.

What is the secret of your success?

Hard work, focus and resilience

Where do we see you ten years from now?

I see myself excelling in a leadership role, contributing to innovative projects and driving positive change. ■

The author is a professional writer and freelance journalist. _chand.sharmila@gmail.com

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