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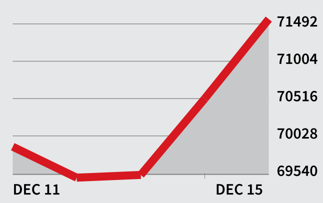
SENSEX 71483.75 (+1658.15)



IN FOCUS

	Week's close	Week's change
Nifty 50	21456.65	+487.25
P/E Ratio (Sensex)	25.32	+0.60
US Dollar (in ₹)	82.99	-0.39
Gold Std 10 gm (in ₹)	62117.00	-49
Silver 1 kg (in ₹)	74273.00	+562

PSB CONSOLIDATION LIKELY. The number of PSBs may come down to 10, going by the agenda of the Lok Sabha's Committee on Subordinate Legislation **p10**

GOOD SAVINGS. With 15 ministries spending less than 30% in Apr-Oct, FinMin sees 'substantial' savings this fiscal **p2**

MONDAY SPECIALS.

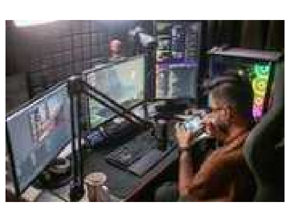
CORPFILE

2023 was a mixed bag for India Inc

It's been a year of varied fortunes for Indian industry. While the auto sector was in full throttle, the IT sector's performance was lacklustre. FMCG marketers battled food inflation and aviation players met with strong headwinds. **p6**

SPARK

The rise of the virtual Indian champ, Esport



Thousands of youngsters have made a career out of electronic sports. Government recognition, including the participation of an official Indian team in the newly inducted esports segment at the 19th Asian Games in Hangzhou (China), have fuelled the popularity. **p8**

NPS pension funds shine with 16.94% equity gain in 1 year

BULLISH RUN. NPS assets top ₹10.7-lakh crore amidst soaring subscriber base

KR Srivats
New Delhi

Riding on a roaring bull market, pension funds have clocked a robust average 16.94 per cent annual return in equities (as of December 8), latest PFRDA data show.

This is more than double the return of about 7 per cent seen in corporate bonds; 7.10 per cent in government securities; and about 8.2 per cent in central and state government schemes.

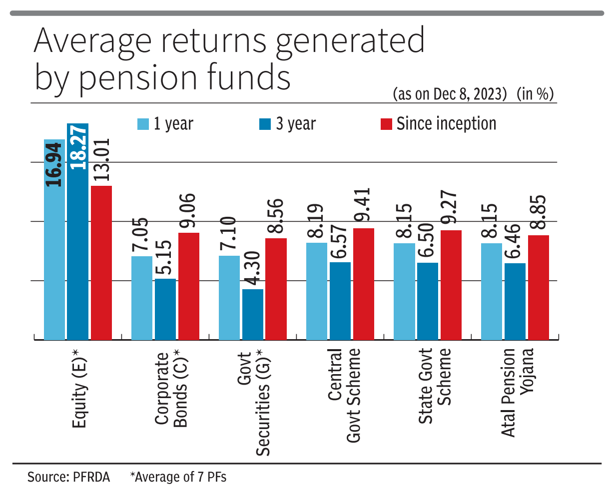
Over the last three-year period, the seven pension funds have generated an average return of 18.27 per cent in monies deployed in equities. The average return from equities since inception of NPS stood at 13.01 per cent.

Meanwhile, overall National Pension System (NPS) assets — including Atal Pension Yojana — surpassed a new milestone of ₹10.5-lakh crore, touching ₹10.7-lakh crore as of December 9, up 25.95 per cent on a year-on-year basis.

Of the total NPS AUM of ₹10.7-lakh crore, the total NPS monies parked in equities stood at about ₹1.9-lakh crore.

On December 9 last year, NPS assets stood at ₹8.5-lakh crore.

PFRDA Chairman Deepak Mohanty has already expressed confidence that NPS assets will touch ₹11-12 lakh crore by end-March 2024.



Source: PFRDA *Average of 7 PFs

POSITIVE OUTLOOK

Most analysts have strong outlook for equities in 2024 with many contending that the ongoing bull run still has some distance to go given the robust macroeconomic situation and expectations of likely continuity of current dispensation in upcoming 2024 general elections.

A Jefferies note on Asia Outlook 2024 recently highlighted that notwithstanding any big external shock, the current market multiples in India (Nifty at 18.8x one-year forward) can sustain given the strong domestic flow.

"We expect the Nifty to hit new all time highs in 2024," said Mahesh Nandurkar, Equity Analyst, and Abhinav Sinha, Equity Analyst at Jefferies in their 2024 Outlook: India Strategy note.

India's economic outlook is robust with 7 per cent multi-year GDP growth likely, as the broader capex cycle is in early stages.

Foreign investor positioning is light, and hence, corrections will likely get bought into, it added.

SUBSCRIBERS UP

The robust growth in NPS assets this fiscal was aided by strong show on the 'corporate' and 'all citizens model' categories, which grew 35.55 per cent and 34.49 per cent, respectively.

As many as 4.54 lakh new subscribers enrolled in NPS under these two categories in aggregate this fiscal. Of this 4.54 lakh new subscribers, as many as 3.60 lakh subscribers came in through the 'all citizens model'.

The total number of NPS and APY subscribers as of December 9 stood at 6.92 crore, up 16 per cent over 5.97 crore in year ago. PFRDA, this fiscal year, expects at least 13 lakh new subscribers from both 'corporates' and 'all citizens' categories.

Call for fuel price cut gets shriller as global crude dips below $80/bbl

Our Bureau
New Delhi

The demand to slash retail prices of petrol and diesel has gained momentum as international crude oil prices dipped below $80 per barrel last week, stabilising in the $76-77 range. The clamour for a cut in prices has become stronger given the impressive performance of oil marketing companies (OMCs) from April to September 2023 and with retail inflation in November 2023 staying within the RBI's comfort zone.

A senior government official said a price cut could take place by January 2024.

"There was discussion on fuel price revision during the Budget (vote on account) consultation process of Ministries, but at that point, oil prices were volatile at round $81-82 per barrel. Now, they have fallen to below $80, which is within the OMCs' comfort level. The price cut could be more for petrol as the margin gain is higher, and can be utilised to partially compensate for losses on diesel," the official said.

It is not immediately clear whether there will be a cut in excise duty like in November 2021 and May 2022, or the government will resume the daily fuel price revision exercise, which has been suspended since April 6, 2022.

'MARKET STILL VOLATILE'

"There is a case for price cut considering inflation is down, global prices are in the $76-77 range and OMCs are in a more comfortable position financially than in H1 FY23. However, there is considerable volatility in the market due to uncertainty over global demand. If prices sustain even at $80 into the new year, it will further support the price cut narrative," the official explained.

Marketing margins of OMCs would be impacted if Brent sustains at $85 per barrel, the source said.

Trade sources said that OPEC+ will aim to keep prices in the $80 per barrel range, which is the fiscal breakeven price for Saudi Arabia, the No 1 exporter.

According to a JM Financial report, at spot Brent price and actual product cracks, OMCs' gross auto-fuel marketing margin has risen to ₹6.4 per litre (vs historical margin of ₹3.5 a litre) and gross auto-fuel integrated margin has gone up to ₹15.2 per litre (vs historical margin of ₹11.4).

Similarly, Prabhudas Lilladher expects OMCs — Indian Oil Corporation, Bharat Petroleum Corporation and Hindustan Petroleum Corporation — to witness a strong Q3 FY24 on the back of improvement in gross marketing margins (GMMs) on petrol and diesel.

OMCs' GMMs on petrol and diesel in Q2 FY24 stood at ₹7.6 per litre and ₹1 a litre, respectively. Gross margins on diesel, which were negative in August-October 2023, turned positive in November.

"GMM on petrol stands at ₹8.2 a litre in Q3 till date, while there is a gross marketing loss of ₹0.6 a litre on diesel. In the week ended November 28, GMMs on petrol and diesel stood at ₹9.7 a litre and ₹4.7, respectively. However, sustainability of higher-than-normal GMMs is questionable in light of the upcoming elections," the brokerage added.

IHCL plans Taj hotels in S-E Asia, Europe

Aneesh Phadnis
Mumbai

Indian Hotels Company Ltd (IHCL) is planning a wider global footprint for its luxury Taj brand which completed 120 years on Saturday.

The first Taj Mahal Palace hotel opened in Mumbai in 1903. Today, the Tata group-owned chain has a portfolio of 280 hotels, in operation and pipeline, spread across eleven countries. Further expansion is being planned in countries which are popular tourist destinations or home to strong Indian diaspora.

IHCL Managing Director & CEO Puneet Chhatwal said the company is evaluating development opportunities for the Taj brand in West Asia, South-East Asia and gateway cities in Europe.

"We have been making significant strides in international markets. Our hotels in


IHCL MD & CEO Puneet Chhatwal

New York and London are our global brand ambassadors. We are expanding our presence and following the Indian diaspora wherever they are present in large numbers," Chhatwal told *businessline*.

ASSET-LIGHT MODEL

The company will continue to pursue an asset-light model and will not infuse own funds in buying overseas properties as it did in the past. Instead, the focus will be on management contracts or operating leases.

In the past 12 months, IHCL has signed deals for hotels in Bangladesh, Bhutan, Germany and Saudi Arabia. The Taj Exotica Resort and Spa opened in Dubai last March and Bombay Brasserie restaurant began operations in Singapore last December.

International properties accounted for around 22 per cent of IHCL's enterprise revenue in FY23. Strong Rev-Par growth (revenue per available room) in key markets such as Dubai, Maldives and London resulted in profit in its international business last fiscal. The US market, however, continues to struggle and Taj properties in New York and San Francisco are yet to reach pre-Covid level.

STRONGER HOME TURF

The domestic business continues to remain strong. "The Indian hospitality sector is poised to witness remarkable growth in 2023 with the sector witnessing double-digit revenue growth," Chhatwal said. Growth has been led by big-ticket events such as cricket world cup and weddings.

At a consolidated level, IHCL reported 18 per cent and 37 per cent year-on-year increase in revenue and net profit in Q2 FY24.

All its top properties reported growth in revenue and operating profits. The Taj Mahal Palace in Mumbai saw 19 per cent y-o-y increase in revenue in the second quarter.

"We remain committed to offering the quintessential Taj service with genuine warmth, and care in the years ahead," said Ritesh Sharma, General Manager, Taj Mahal Palace, Mumbai on the hotel's 120th year celebration.

A NEW SPARKLE

A DIAMOND FOREVER. A view of the ₹3,400-crore Surat Diamond Bourse (SDB) inaugurated by Prime Minister Narendra Modi in Gujarat on Sunday. Modi said the bourse will not only act as a "one-stop-centre" for diamond trade but will also help boost the country's share of global exports of gems and jewellery to double digits. Spread over 67 lakh sq ft, the SDB is now the world's largest office building PTI

Chennai's *istriwalahs* im'press' with LPG switch

With change in ironing practices, many have saved on coal cost and boosted their income

TE Raja Simhan
Chennai

Chennai's *istriwalahs* (people who iron clothes for a living) are replacing their coal-fired iron boxes with LPG-fuelled ones, spurred on by an NGO. The green shift has helped them increase their monthly net income, says a study by Azim Premji University.

Udhyam Vyapaar's Istri Project is pressing for change in ironing practices that guzzle fossil fuel. By getting *istriwalahs* to shift to LPG iron boxes, it aims to improve their economic status as well as introduce a sustainable alternative. The programme is currently running in Chennai and Bengaluru and has impacted the lives of over 5,000+ ironing men. The Azim Premji study evaluated the impact of the Istri Project in Chennai by assessing productivity, incomes, fuel consumption and expenditure and net returns over a period of 15 months.


GOING GREEN. Satya, who irons using LPG, in Chennai

INCOME UP

The study reveals that monthly incomes have risen by 18 per cent, while fuel expenditure has fallen by 45 per cent, resulting in a 28 per cent increase in average monthly net return. With retail coal price increased by ₹5 recently, the shift to LPG will be a boon. The survey was done among 1,331 ironing *vyapaaris* in Chennai which included those who did not opt for LPG-based iron boxes.

The survey found that 85 per cent of the *istriwalahs* saw an increase in their daily productivity by 23.3 per cent. In other words, they could iron 29 more clothes per day on average. Nearly 80 per cent of them saw an increase in their average daily incomes by approximately 23.6 per cent or ₹184.5. This was an 18 per cent increase in monthly income or by ₹3,080.25

The survey recorded a 45 per cent fall in fuel consumption leading to an increase in their average monthly net return by 28 per cent or by ₹4,210, the report said.

Krishnan Ranganathan, Director, Udhyam Vyapaar, said in the Istri Project, the impact extends beyond convenience and financial prosperity. The project has resulted in an annual reduction of 2,500 tonnes of coal consumption.

U Nachimuthu, a launderer in Anna Nagar, says that switching to LPG iron box has helped improve both his health and income.

According to S Kaladevi, who irons at her house in Shenoy Nagar, the LPG box is easy for women to use.

Zee seeks extension of date for wrapping up merger with Sony

Our Bureau
Mumbai

Zee Entertainment has sought an extension of the date for the merger with Sony. The deadline for the merger to be completed was December 21.

In an exchange filing, the broadcaster said that it has requested Culver Max Entertainment (formerly called Sony Pictures Networks India) and Bangla Entertainment to "extend the date required to make the scheme effective."

The merger agreement was signed on December 22, 2021.

Both sides are engaged in a tussle over the appointment of Punit Goenka as the head of the proposed merged entity that will create a $10-billion media conglomerate. Goenka, backed by Zee, is keen to take over the CEO position while Sony is trying to get him to agree to a non-executive role.

Ananya Birla's Svatantra Microfin close to roping in PE investor to fund Chaitanya buy

Hamsini Karthik
Mumbai

Months after closing in on the most significant acquisition in the microfinance space, highly placed sources say Ananya Birla-promoted Svatantra Microfin is in advanced stages of sealing its maiden equity funding deal.

While talks are said to be on with a few large private equity firms, negotiations with Multiples Alternate Asset Management may have reached some finality.

"Critical rounds of due-diligence are done with, and the deal may be in its final stages," said a highly placed source with knowledge of the transaction.

At ₹1,500 crore, this is likely the largest private equity transaction in the MFI space post the pandemic.

The private equity investor is expected to get a 20-30 per cent stake in Svatantra along with board seats. Equity capital


Ananya Birla

flowing into Svatantra through the deal may be deployed for funding the Chaitanya India Fin Credit acquisition which was concluded by the former in October this year.

Chaitanya India Fin Credit, backed by Sachin Bansal-promoted Navi Finserv Ltd and Navi Technologies Ltd, was acquired by Svatantra in an all-cash deal for ₹1,479 crore.

Svatantra will retain Chaitanya as its wholly owned subsidiary.

An email sent to Svatantra Microfin seeking confirmation of the deal remained unanswered till press time.

LISTING IN 2025

With assets under management of ₹12,874 crore as on June 30, 2023, Svatantra is now the second largest NBFC-MFI, post the acquisition.

Considering a worthy improvement in stature and positioning among pure-play MFI players, sources say the lender is aiming for a listing in the equity market in 2025

"With a private equity investor coming on board, listing is the next target for the company," said one of the sources quoted above. In fact, the top management team of Chaitanya, including founder Anand Rao, is said to have been retained post the acquisition.

"The earlier plan was that Anand and his leadership team would move out, handing over the operations to Svatantra. Now, they will work with the parent for its listing," said a CEO of an NBFC-MFI who didn't want to be named.