QUICKLY.

Search committee set up to shortlist names for CEC

New Delhi: The government has set up a search committee under Union Law Minister Arjun Ram Meghwal to shortlist names for the appointment of the next Chief Election Commissioner, sources said on Monday, citing an order. The Departments of Finance and Personnel and Training Secretaries are the other two members on the panel. So far, the seniormost Election Commissioner was elevated as Chief Election Commissioner (CEC) following the retirement of the incumbent. PTI

TP Solar bags ₹455 crore order for solar modules

New Delhi: Tata Power's step-down arm TP Solar has secured a ₹455 crore order from Maharashtra State Power Generation Company to supply 300 MWp solar modules. The modules will be delivered this year, according to a statement. TP Solar operates India's largest single-location solar cell and module manufacturing plant in Tirunelveli, Tamil Nadu. PTI

FIITJEE hopes 'to resume operations' amid challenges

CASH DRAIN. With profits declining 77 per cent on a three-year basis, the company is facing severe financial burden

Abhishek Law
New Delhi

On Saturday, January 25, FIITJEE — one of the largest training institutes in India primarily for engineering aspirants — said it was working to "resume operations at all places within a reasonable time." This came after its centres pan-India, but primarily across Delhi-NCR, Uttar Pradesh and Madhya Pradesh, closed down overnight leaving several students in the lurch.

A glance at FIITJEE's last available finances indicate some stress with declining profits — down 77 per cent on a three-year basis (FY21-23), falling EBITDA (earnings before interest, tax, depreciation and amortisation), and drop in revenues by 8 per cent (for a three-year basis).

As per filings with the RoC and also available with Tracxn — the global start-up data platform — the last financial reports are updated till FY23. In FY23, the company, as per Tracxn, had a negative cash flow from activities to the tune of ₹18 crore, and cash flow from financing activities was also in the negative at ₹8.2 crore. Cash and cash equivalents for the period were ₹5.3 crore.

SHRINKING TEAM. There has also been a fall in its teaching staff numbers. The last available numbers with Tracxn show that it had 1,431 employees in September 2024, down 37 per cent

NUMBER GAME

The data reveal FY23 revenues were up 22 per cent up year-on-year to ₹481.1 crore from ₹394.4 crore in FY22 (a year partly impacted by Covid). Profits peaked (in the five-year review period) in FY21 to ₹57 crore, but there was a sharp decline a year later to ₹0.4 crore in FY22. In FY23, the company had slipped into losses of ₹71 crore, as per Tracxn data.

FIITJEE is yet to respond to queries from *businessline*; or share a turnaround plan.

There has also been a fall in its teaching staff numbers. The last available numbers with Tracxn shows that it had 1,431 employees in September 2024, down 37 per cent. In fact, the employee count has been going down on a sequential basis too. As of April, there were 1,689 staff (down from 2,042 in March), and since then the headcount went down to 1,670 in May, to 1,495 in June, and so on till there was a slight jump in August at 1,466. The company has an authorised capital of ₹62.7 crore and a paid-up capital of ₹42.5 crore.

TEMPORARY TURMOIL

The Delhi-based company issued an official statement last week pointing out that the current turmoil is because of "overnight desertion of the centre by the Centre Managing Partner along with the entire team" and that the "present turmoil in the institution is temporary".

Explaining the financial set-up FIITJEE said, every managing partner is responsible for the P&L of the centre. And all centre-level operational decisions (strategy & planning for business growth, management, revenue generation, administration, infrastructure, costs & expenses) are managed and executed at the "exclusive discretion and judgement" of the managing partners-cum-centre heads.

"The corporate office in Delhi only follows the advise of the Managing Partners to grow the business," it said adding that managing partners have a profit-sharing model (besides getting a regular salary).

Squarely blaming the managing partners, the company said, "owing to mismanagement and exploitation...FIITJEE's financial situation worsened in January 2024. Group CFO forecasted that after 6 months, the company might run into operational cash crunch."

In February 2024, the company had told its managing partners to "optimise excess manpower" while outlining a strategy for bouncing back.

Focus on skill development, employment generation to continue in Budget: Deloitte

Our Bureau
New Delhi

The government will likely continue to prioritise and enhance efforts towards skill development and employment generation, picking up the momentum from last year's efforts, global consultancy firm Deloitte said on its expectations from the General Budget 2025.

JOB CREATION

This would help harness the demographic dividend, drive economic growth from both supply and demand sides and boost consumption through higher incomes, said Deloitte.

In the report, the multinational professional services network stated that the previous budget emphasised employment generation and skill development, with initiatives such as Employment Linked Incentives and internship programmes.

UNEMPLOYMENT RATE

According to the Periodic Labour Survey, the quarterly results for June 2024 show an increase in the Labour Force Participation Rate (LFPR) for both men and women, rising to 74.7 per cent and 25.2 per cent, respectively, from 73.5 per cent and 23.2 per cent in June 2023.8 Additionally, the unemployment rate has been steadily declining.

LABOUR CODES

On another important issue, Deloitte believes that four labour codes, The Code on Wages, 2019; Industrial Relations Code, 2020; Code on Social Security, 2020; and the Occupational Safety, Health, and Working Conditions Code, 2020, will be made effective, considering aspects such as the changing workforce, the need for consistency in interpretation and enhancements in ease of business and technology use.

The regulatory environment must be upgraded to support social security and the labour code, and aligned with tax and related regulations available for the general employee class.

SOCIAL SECURITY

The labour codes also bring in additional and newer types of workforce within the social security umbrella thereby increasing coverage of the country's working population.

This call for an urgent need to enforce the pending Labour Codes at the earliest, Deloitte said.

RIL to set up 5,000-acre integrated industrial township in Navi Mumbai

Janaki Krishnan
Mumbai

Reliance Industries is planning massive investments in Navi Mumbai to set up an industrial township that will have an entire ecosystem, including industries, logistics facilities, data centres and retail and allied facilities, sources said.

The township will be built in Navi Mumbai by IIA Pvt Ltd, an entity set up by the Maharashtra government in 2004 to develop an integrated industrial area spread over over 5,000 acres. It was designated as a Special Planning Authority by the State government.

Last year, RIL acquired a 74 per cent stake in Navi Mumbai IIA Pvt Ltd from Dronagiri Infrastructure Pvt Ltd, a 99.97 per cent subsidiary of Urban Infrastructure Holdings, in which Jai Corp held 32 per cent stake and promoter group of RIL held 33 per cent. RIL had acquired the stake for a modest ₹1,628 crore. The remaining stake of 26 per cent stake is held by the City and Industrial Development Corporation.

BLUEPRINT

Insiders said that RIL is in the process of drawing up a blueprint for the project. This will be done in close collaboration with the State government, which is looking for support from the conglomerate to develop the zone, which was designated an SEZ. The proposed development will also include hotels and convention centres so that it will become a self-contained hub. RIL did not respond to an email sent seeking comments.

Last week, in Davos, Switzerland, the State government signed an agreement with RIL for investments worth over ₹3 lakh crore, across sectors. Sources said that a significant part of this investment will be in NMIIA, which has the advantage of being in close proximity to Nariman Point, via the Mumbai Trans-Harbour Link, and being near Jawaharlal Nehru Port and the upcoming Navi Mumbai airport.

The location of the NMIIA is on the Pune-Mumbai-Thane corridor.

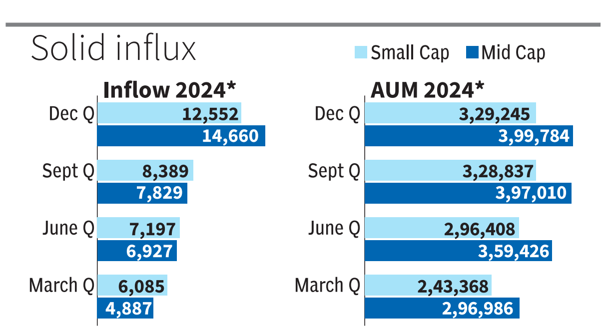
Inflows into small, mid-cap MF schemes remain strong despite SEBI's concerns

Suresh P. Iyengar
Mumbai

Notwithstanding the concerns raised by SEBI and measures implemented by leading fund houses, inflows into small- and mid-cap funds remain strong as investors continue to bet big on the India growth story. The net inflows into small-cap funds have more than doubled in the December quarter to ₹12,552 crore against ₹6,085 crore in the March quarter.

Similarly, investments in the mid-cap funds nearly tripled last year to ₹14,660 crore (₹4,887 crore in March quarter).

The sharp inflows into these sectors can be traced to better stock performance of these companies. While the Sensex gained just 8 per cent last year to 78,139 points against 72,240 points in 2023, the BSE Small-cap index has jumped 29 per cent to 55,181 points (42,673 points) in the same period.



*Inflows & AUM in ₹ cr Source: AMFI

Nikhil Rungta, Co-Chief Investment Officer, LIC Mutual Fund said, mid- and small-cap companies will play a key role in achieving the government's $5-trillion economy target over the next five years and the premium valuation is justified from the fact that some of the emerging sectors are represented only in this segment.

However, he added that there are definitely concerns among the top 50-60 companies in this sector but real 'value-for-money' stocks can be identified as the market in this segment is very deep.

Many leading fund houses, including ICICI MF, Kotak MF, Nippon India MF, SBI MF and Tata MF, have capped or completely stopped lumpsum investment in small-cap schemes due to difficulty in deployment of funds amid stretched valuation. Mutual funds are largely recommending investment through SIPs in small- and mid-cap funds.

Anirudh Garg, Partner and Fund Manager at Invasset PMS said investors' confidence in small-caps stems from their significant growth potential and the strong performance of these funds in recent years.

BETTER RETURNS

Small-cap companies often operate in niche markets or emerging industries, providing opportunities for higher returns as they expand. Also, small-caps have demonstrated the ability to generate alpha through active stock selection and diversification, which has further reassured investors, he said.

It is crucial to acknowledge that small- and mid-cap stocks are trading at elevated valuations, which raises the risk of corrections, a major part of which was in the last quarter, he added.

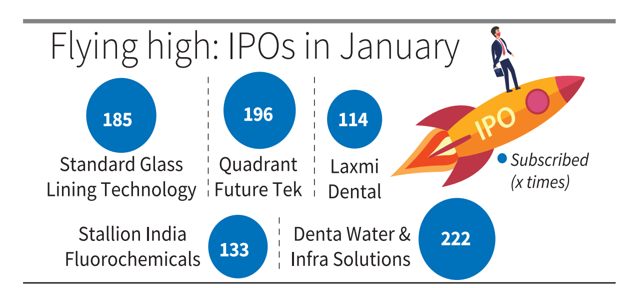
Investor interest rebounds in IPOs after brief lull

Ashley Coutinho
Mumbai

Initial public offerings are back on investors' radar after a brief lull in October and November. Twenty offerings have hit the market since December, collectively mopping up over ₹27,000 crore. Of these, seven have been subscribed over 100 times, another five over 50 times and three over 20 times. This is despite the volatility in the secondary market, which has seen the Nifty slip 4.3 per cent during this period.

Most of these IPOs have seen healthy participation from institutional and wealthy investors. Barring Carraro India, Ventive Hospitality, Concord Enviro, Sanathan Textiles, Sai Life Sciences and Vishal Mega Mart, retail participation has been robust as well.

In contrast, 10 out of 13 IPOs between October 15 and November had seen an overall subscription of less than 2.5 times. Most of these IPOs had also received a dismal response from retail and wealthy investors.



Source: Exchange/reports

"The IPO market has been quite buoyant and investors remain optimistic as new IPOs continue to open for subscription. The market's resilience, even after previous corrections, highlights opportunities for investors," said a note by Pantomath Capital Advisors.

INVESTMENTS FROM FPIs

According to Pranav Haldea, Managing Director, PRIME Database, foreign portfolio investors have continued to invest in IPOs despite turning net sellers in the secondary market.

"Domestic money has continued to pour in. What's more, in the recent past, mutual funds are leading the price discovery and, given their heft, are also driving a hard bargain to ensure reasonable valuations. This has meant more money on the table, which has made the offerings attractive," he said.

FPIs have invested ₹6,638 crore in the 20 offerings since December, compared to ₹9,682 crore invested by domestic institutional investors, data from primedatabase.com showed.

To be clear, many of the recent offerings have been small — 12 of the last 20 IPOs had an offer size of less than ₹800 crore. IPO momentum has also slowed somewhat — January will see six offerings, compared with 15 in December.

Thirty-five companies have regulatory approval for an IPO, while another 71 are awaiting a nod. Together, these could raise about ₹1.78 lakh crore from the market.

"We are confident about the sustained momentum and positive returns, supported by strong subscription trends. The market is well-positioned for continued growth, presenting ample opportunities for both investors and issuers in the months ahead," said the note by Pantomath Capital Advisors.

Calendar 2024 was a landmark year for IPOs, with over 90 companies collectively raising ₹1.62 lakh crore — more than double the ₹49,436 crore raised in 2023.

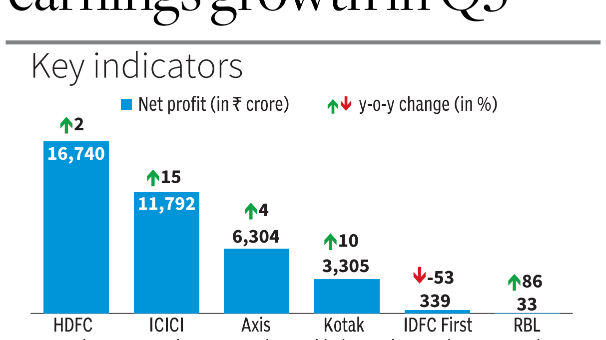
Rise in NPAs, shrinking margins hit private banks' earnings growth in Q3

Piyush Shukla
Mumbai

Private banks reported muted earnings growth in Q3FY25 due to rising bad loans and contracting margins, with ICICI Bank and Kotak Mahindra Bank being the only outliers posting double-digit growth in profitability.

HDFC Bank posted 2 per cent year-on-year (y-o-y) rise in Q3FY25 net profit at ₹16,740 crore. Net interest margin, a key indicator of profitability, was down 3 basis points (bps) sequentially at 3.43 per cent in Q3. Gross and net non-performing asset ratio (GNPA, NNPA) rose 6 bps y-o-y and 5 bps sequentially to 1.42 per cent and 0.46 per cent in Q3, respectively, with NPAs largely emanating from seasonal agriculture loans.

Axis Bank's Q3 PAT was up 4 per cent y-o-y at ₹6,304 crore, but down 9 per cent on quarter. NIM moderated by 6 bps sequentially to 3.93 per cent. Fresh slippages rose to ₹5,432 crore in Q3 from ₹4,443 crore last quarter, with bulk of NPAs from retail unsecured segment.



Source: Banks

THE OUTLIERS

Meanwhile, ICICI Bank and Kotak Bank were outliers, posting double-digit growth in profit. ICICI Bank posted 15 per cent rise in net profit — highest among large private banks — for Q3FY25 at ₹11,792 crore.

Kotak Bank, meanwhile, posted 10 per cent growth in Q3 net profit at ₹3,305 crore, despite the banking regulator's embargo on bank's digital and credit card initiatives. Anticipated reversal of the RBI's ban will aid Kotak's business growth and maintain healthy margins.

IDFC First Bank reported a 53 per cent fall in Q3 profit at ₹339 crore, due to a spike in provisions, especially for micro loans. Overall provisions rose 104 per cent y-o-y to ₹1,338 crore in Q3.

RBL Bank's net fell 86 per cent at ₹33 crore, led by higher micro loan and credit card slippages. Fresh slippages stood at ₹1,309 crore, leading provisions to nearly double to ₹1,189 crore.

Asian opportunity in healthcare will come from innovative solutions: BCG report

PT Jyothi Datta
Mumbai

Despite being home to 60 per cent of the global population, Asia accounts for only 22 per cent of global healthcare spending — opening an opportunity for innovation and technology to bridge the gap differently from the manner of "legacy" infrastructure, points out a recent Boston Consulting Group (BCG) report.

Pointing out the constrained resources of hospital beds and specialist doctors, Priyanka Aggarwal, Managing Director and Senior Partner at BCG, said, there is an opportunity for new infrastructure to come up, without replicating the legacy infrastructure.

This infrastructure will need to be in tune with changing demographics (including an ageing population); how patients consume healthcare, and at a cost "which is vastly different from how developed nations built their healthcare infrastructure," Aggarwal, a co-author on *The Unmissable Asia Healthcare Opportunity* report told *businessline*.

The innovation could be in terms of decentralised, distributed, care, specialised care, value-based care and flexible insurance products, she said, citing "remote ICUs" and enabling nurses with technology, for example, as viable models.

Smruthi Suryaprakash, Partner at BCG, added that a similar innovative and tech-enabled approach can help the region leapfrog in the drug discovery segment, as well.

MARKET DISPARITIES

Contract development and manufacturing organisations (CDMO) in the region would also benefit from scaling up globally and with more complex products, she pointed out.

Outlining the heterogeneous Asian market, the report pointed to the different healthcare spending of countries.

"For instance, Indonesia spends only 3.7 per cent of its GDP on healthcare compared to more developed markets like Singapore at 5.5 per cent. Another metric that proves this disparity is the spending per capita, with countries like India spending only $74, falling significantly behind nations such as Thailand and Malaysia, spending $364 and $487 per capita respectively," the report said.

Despite the fluid geo-political situation, the report said, Asia was on track to get to $5 trillion by 2030, driving 40 per cent of the global sector growth. And this would be buoyed by "rapid demographic shifts, investment influxes, and ground-breaking technology applications," it added.

Further, the report pointed out, that healthcare services were projected to grow from the current $1.0-1.5 trillion to $2.0-2.5 trillion by 2028. The pharmaceutical and medtech sectors were expected to see growth of 9 per cent and 8 per cent, respectively, over five years, it added.

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THE UGAR SUGAR WORKS LIMITED
Regd. Office : Mahaveernagar (Wakhar Bhag), SANGLI - 416416
CIN: L15421PN1939PLC006738
NOTICE
NOTICE is hereby given that, the meeting of the Board of Directors of the Company will be held on **Wednesday, the 5th February, 2025 at Ugar Khurd or through Video Conference / AVC** to approve and take on record Un-Audited Financial Results and Segment-wise Revenue Results for the Quarter ended, **31st December,2024.**
Further in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. We have already announced Prohibitions of Trading by Insiders, the Trading Window for dealing in the securities of the Company shall remain Closed for the Directors, Designated Employees and insiders from 1st January, 2025 to till 48 hour after the declaration of financial Result (both days inclusive).
Sangli
27-01-2025
For The Ugar Sugar Works Ltd.
Tushar V Deshpande
Company Secretary
Nupur Ads