

Upper hand for Congress in Karnataka: Exit polls

Voter turnout may be lower than the record 72% seen in previous election

ARCHIS MOHAN
New Delhi, 10 May

Most exit polls predicted that the Congress would edge past the ruling Bharatiya Janata Party (BJP) in a tight contest for the 224-member Karnataka Assembly, polling for which concluded on Wednesday.

The final polling data would be available on Thursday, said the Election Commission, but it appeared that turnout could fall short of its all-time best voter turnout of 72.13 per cent recorded in 2018. The Election Commission of India (EC) recorded a 66.46 per cent turnout until an hour before the close of polling at 6 pm.

After the experience of urban apathy towards voting reducing the turnout to 55 per cent in Bengaluru city in 2018, the EC fixed Wednesday as the polling day to prevent people from taking an extended holiday, which was the case in 2018 as the polling took place on a Saturday. However, Bengaluru's voting percentage hovered around a poor 50 per cent until 5 pm.

Among the exit polls, India Today-Axis My India predicted a clear majority for the Congress of 122-140 seats with a 43 per cent vote share, an increase of five per cent over 2018. It gave the BJP 62-80 seats with 35 per cent of the votes, a percentage point lesser than the last elections. The agency predicted a sharper decline for the regional Janata Dal (Secular). It said the party, influential primarily in the old Mysuru region, might get 20-25 seats with a drop of 3 per cent in its vote share.

In 2018, the Congress had led the vote share at 38 per cent with 80 seats, but the BJP emerged the single largest party winning 104 seats despite getting 2 per cent lesser vote share. The JD(S), with an 18 per cent vote share, won 37 seats. The exit polls, if they turn out correct, would be consistent with Karnataka's voting behaviour. The state has not repeated a government in nearly four decades.

Today's Chanakya also predicted a majority for the Congress with 120 seats and a sharp uptick in its vote share, as against 92 seats for the BJP and 12 for the JD(S). ABP News-CVoter predicted 100-112 seats for the Congress, 83-95 for the

PREDICTIONS BY MAJOR POLLSTERS

	BJP	CONGRESS	JD(S)	OTHERS
India Today-Axis My India	62-80	122-140	20-25	0-3
ABP News-CVoter	83-95	100-112	21-29	2-6
Today's Chanakya	92 (+/- 11)	120 (+/- 11)	12 (+/- 7)	0-3
News Nation-CGS	114	86	21	3
Republic TV-PMarq	85-100	94-108	24-32	2-6
Suvarna News-Jan ki Baat	94-117	91-106	14-24	0-2
Times Now-ETG	85	113	23	3



ALL SMILES: (From left) Finance Minister Nirmala Sitharaman, IT industry veteran N R Narayana Murthy and wife Sudha Murthy after casting their votes, on Wednesday PHOTOS: PTI

BJP, and 21-29 for the JD(S). Most others indicated that the Congress could emerge as the single largest party but fall short of the majority mark of 113.

Meanwhile, some other polls gave the BJP the lead. A poll by News Nation-CGS said the BJP would get 114 seats, the Congress 86, and the JD(S) 21. The Suvarna News-Jan Ki Baat forecast that the BJP was likely to win 94-117, Congress 91-106 and the JD(S) 14-24.

The Congress fears a rerun of 'Operation Kamala', through which the BJP had mustered the support of rival MLAs, if it manages only a wafer-thin majority.

The JD(S) still hopes to play king-maker if there is a hung verdict, like it did in 2018.

Echoes of the Karnataka Assembly

polls were heard in Rajasthan during Prime Minister Narendra Modi's visit to the northern state's Abu Road, including references to Bajrang Bali and the evacuation from Sudan members of the Hakki Pikki tribe. BJP leaders presented Modi with an idol of Lord Hanuman.

The PM slammed the Congress for publicly flagging the need for evacuating members of the Hakki Pikki tribe from Sudan. He said the Congress exposed their identity, putting their lives at risk. The PM said the "biggest fraud" of the last 50 years was the Congress' "guarantee", which it promised people in the 1970s, to alleviate poverty or *garibi hatao*.

The Congress is fighting the Karnataka polls on the promise of its 'five guarantees', including a monthly allowance of ₹2,000 to female heads of households.

ED searches Deloitte, BSR offices in IL&FS money-laundering case

SHRIMI CHOUDHARY
New Delhi, 10 May

The Enforcement Directorate (ED) on Wednesday carried out searches at Mumbai offices of two audit companies — Deloitte Haskins and Sells and KPMG-affiliated firm BSR & Associates — in connection with a money-laundering probe into alleged financial irregularities at IL&FS, a senior official told *Business Standard*.

The searches were also conducted at the office and residences of former partners of these two audit firms responsible for statutory audit of IL&FS Financial Services (IFIN), a group company of IL&FS, who filed for bankruptcy in 2018.

This is following the Supreme Court order setting aside a Bombay High Court verdict that quashed an SFIO probe against the two companies, paving the way for action against them under the Companies Act and allowing the National Company Law Tribunal (NCLT) to take forward its enquiry against them.

The ED had initiated the money-laundering probe into the alleged financial irregularities at IL&FS in 2019

Manappuram's biz prospects may get tarnished by ED searches : Fitch

The Enforcement Directorate's searches at Manappuram Finance (Manappuram) could hurt the gold loan company's reputation and endanger its business prospects, according to rating agency Fitch.

Such risks may constrict funding access due to reduced market confidence, potentially affecting an issuer's credit profile — even if no wrongdoing is identified.

Manappuram (BB-/Stable) has disclosed that the Enforcement Directorate searched its premises in Kerala's Thrissur last week in connection with legacy non-compliant activities at its branches up until 2012, said Fitch in a statement.

ABHIJIT LELE

after the federal agency took cognisance of a Delhi Police Economic Offences Wing (EOW) FIR filed against IRL, ITNL (group companies of IL&FS), and their key managerial personnel (KMPs).

The ED also took cognisance of a complaint filed by the SFIO against IFIN and its officials.

According to ED, statutory audit of IFIN has been made by Deloitte Haskins & Sells LLP between FY09 and FY18 and by BSR & Associates for FY18.

"Udayan Sen (CA) and Kalpesh Mehta (CA) were the engagement partners of Deloitte Haskins & Sells LLP

and N Ganesh Sampath was the partner of BSR & Associates. Both audit firms were appointed by IFIN to make statutory audits and identify errors, omissions, and irregularities in books of accounts of the company and to ensure financial statements of the company are in compliance with widely accepted accounting rules," the ED said.

The agency's findings showed that both auditors were aware of funding provided by IFIN to defaulting borrowers through their group companies repeatedly. The auditors were also aware of the NPA of IFIN, suppres-

sion of provisioning of NPA, non-write-off of loan loss investments by IFIN and other dubious and illegal practices being adopted at IFIN through the coterie of the KMPs of IFIN.

"The auditors, despite being aware of all the dubious and illegal practices adopted by the KMPs of IFIN for their own personal illegal gain, did not report the same despite being statutorily obliged to do so," the ED said.

This led to the auditor conniving and colluding with the key managerial personnel of IFIN to conceal material information and in knowingly and fraudulently falsifying the books of accounts and financial statements from FY14 to FY18, the agency findings said.

The ED is of view that the auditors deliberately and knowingly did not report the true state of affairs of the company and helped in ever-greening of loans availed IL&FS Group, which resulted in causing loss to the creditors of the company who had lent and invested in the NCDs of the company.

Sen, Mehta, and Ganesh were accused in the complaint of SFIO.

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31 MARCH 2023

(Rupees in Crore)

Particulars	Quarter Ended			Year Ended
	31.03.2023 (Un-Audited)	31.03.2022 (Un-Audited)	31.12.2022 (Refer Note 6) (Un-Audited)	31.12.2022 (Audited)
Revenue From Operations	1,293.89	1,235.70	1,176.01	4,774.49
Net Profit after tax	202.50	228.40	193.32	815.15
Equity Share Capital	494.56	494.56	494.56	494.56
Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)]	202.50	228.40	192.11	814.21
Earnings Per Share (EPS) (Face value of share of Rs. 5/- each) (Rs.) (Basic and Diluted) (Not Annualised) *	2.05 *	2.31 *	1.95 *	8.24

Notes :

- The above is an extract of the detailed format of quarterly financial results filed with the stock exchanges under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The full format of quarterly financial results is available on the stock exchange websites (www.bseindia.com and www.nseindia.com) and the Company's website (https://www.castrol.com/en_in/india/investors/financial-results.html).
- The financial results have been prepared in accordance with Indian Accounting Standards ("IND AS") notified under section 133 of the Companies Act ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 09 May 2023.
- The above results have been subjected to "Limited Review" by the Statutory Auditors of the Company.
- The Company's business segment consists of a single segment of "Lubricants" in accordance with the requirements of Indian Accounting Standard (Ind AS) - 108 Operating Segment. Accordingly, no separate segment information has been provided.
- The figures of the quarter ended December 31, 2022 are the balancing figures between audited figures in respect of the full financial year ended 2022 and the published year to date figures up to September 30, 2022
- The Company has invested Rs 487.50 Crores in Ki Mobility Solutions Pvt. Ltd (Subsidiary of TVS Automobile Solutions Pvt Ltd) through Equity and Compulsory Convertible Preference Shares (CCPS). During the previous quarter, the first tranche of Rs 325 Crores was invested on 8 December, 2022, the second & final tranche of Rs 162.5 Crores was invested on 10 January 2023.
- The Parliament of India has approved the Code on Social Security, 2020 (the Code) which may impact the contributions by the Company towards provident fund, gratuity and ESIC. The Code has been published in the Gazette of India however, the effective date has not yet been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective, if any.

FOR CASTROL INDIA LIMITED

Sd/-

Sandeep Sangwan

Managing Director

DIN : 08617717

Place: Mumbai
Date: 09 May 2023

CRISIL SME TRACKER

Lean inventory will shore up chemical units' profits in FY24

CRISIL RESEARCH EXPECTS the chemicals industry's revenue to grow 5-7 per cent in 2023-24 (FY24), supported by micro, small and medium enterprises (MSMEs) in the specialty chemicals segment. These MSMEs — comprising 28-30 per cent of the overall sector and catering mainly to dyes and pigments, agrochemicals, and some niche chemicals — are expected to see revenue growth of 2-4 per cent in FY24.

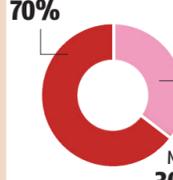
But, their profits may be hurt by headwinds such as geopolitical tensions, even as robust domestic demand partially offsets weak exports. The specialty chemicals segment constituted 19-21 per cent of the overall chemicals industry in FY22 and is expected to grow 7-9 per cent in FY24, led by construction chemicals and agrochemicals, where the end-

users are expected to log double-digit revenue growth.

Dyes and pigments are expected to grow in single digits in FY24, because of a major natural calamity in Turkey followed by a potential slowdown in major economies such as the US and Europe. Exports, which constitute 48-50 per cent of Indian production by value, have declined by 25-30 per cent, with Turkey accounting for some 10 per cent of the dyes and pigments industries' total exports. Revenue growth for some specialty

chemicals sub-segments is expected to moderate, in line with the correction in feedstock prices. Also, rising global inflation, interest rate hikes by central banks, and volatility in European markets have led to negative growth in the overall chemicals industry. In FY23, raw material prices rose 18-20 per cent, hurting margins. To preserve margins in the current fiscal year, MSMEs are resorting to lean inventory and renewal of new contracts on an ex-factory basis to avoid the impact of fluctuating freight costs and higher working capital needs.

CHEMICAL INDUSTRY REVENUE SHARE Non-MSME 70%



Note: Data for FY22
Source: CRISIL Research



