OPINION, P6

ISHTIAQUE AHMED

PLI scheme will help India nurture manufacturing giants

SUNIL JAIN

There have been some **reforms** in the last few months, but much more needed to move the needle

NATION, P4

MINING REFORMS

At least 500 blocks to be auctioned in 2-3 years: Mines minister

INTERNATIONAL, P14

US PRESIDENTIAL ELECTION

Trump backtracks on acknowledging Biden won, concedes 'nothing'

NEW DELHI, MONDAY, NOVEMBER 16, 2020

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SPECTRUM AUCTION

DoT sticks to Trai prices; Cabinet to take final call

With the burden of AGR dues & no procurement of Chinese gears, telcos make a case for lowering rates

KIRAN RATHEE
New Delhi, November 15

WITH THE DEPARTMENT of telecommunications (DoT) not proposing a reduction in reserve prices for spectrum auction, which is likely to take place sometime during the January-March period, it is the Union Cabinet which would decide on the matter when the issue is put up before it.

Sources said that the DoT has prepared a draft Cabinet note in which it has outlined the reserve price for auctions which also includes 4G spectrum, as recommended by the Telecom Regulatory Authority of India (Trai). It has also mentioned that it had asked the Trai to lower the prices but the latter stood its ground.

Sources said that given the circumstances, it is the Union Cabinet which would take a call whether prices should be reduced or not.

- Spectrum quantum as proposed by Trai: **About 8,300 MHz**

The airwaves are valued worth **₹5.22 lakh cr** at reserve price

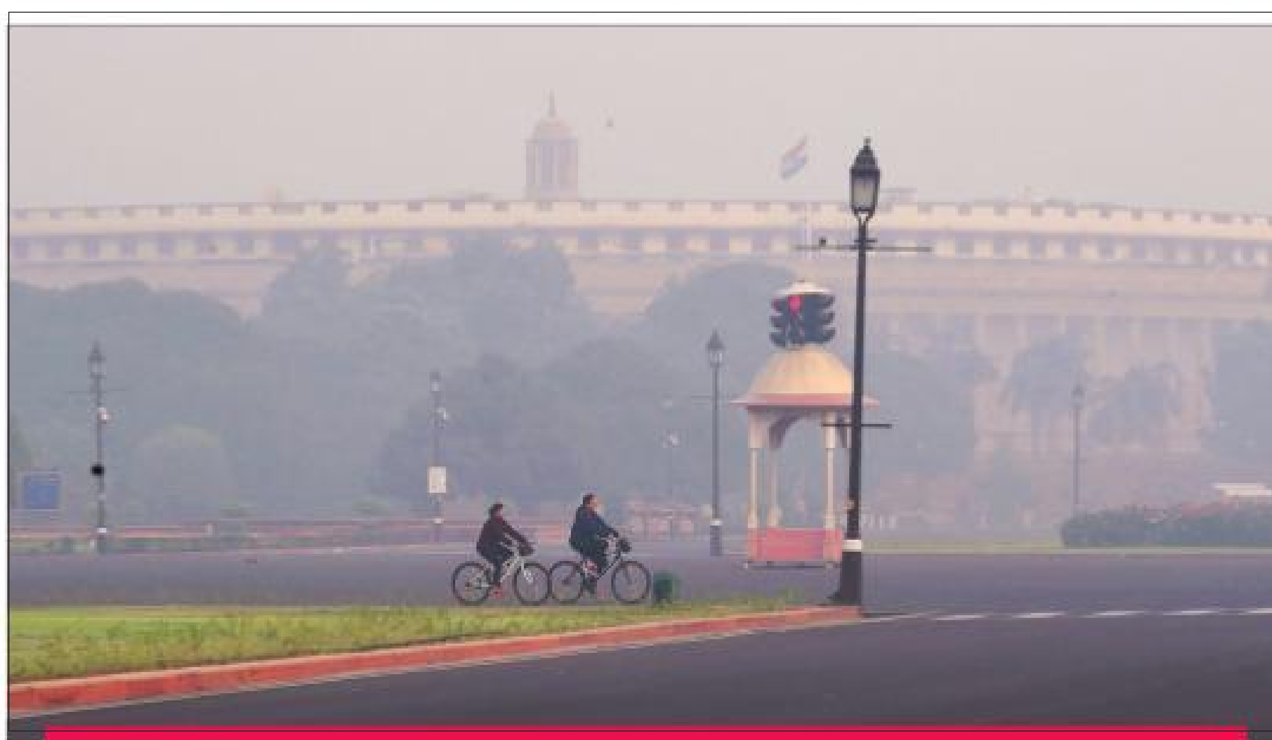
- **Bands proposed for auction:** 700 MHz, 800 MHz, 900 MHz, 1,800 MHz, 2,100 MHz, 2,300 MHz, 2,500 MHz, 3,300-3,400 MHz, 3,400-3,600 MHz
- But spectrum in 3,300-3,400 MHz, 3,400-3,600 MHz, used for 5G services, is not likely to be auctioned

Reserve price for spectrum in 700 MHz used for 4G services: **₹6,568 cr per MHz**

- In the last auction held in 2016, a total of 2353 MHz spectrum was put on sale but only **965 MHz got sold**

In the past, the Cabinet has formed an inter-ministerial panel to look into such issues of pricing and payment modalities to ease the burden on the telecom companies.

Continued on Page 2



TOXICITY

Parliament building engulfed in smog, in New Delhi on Sunday. Delhi recorded the worst air quality in four years the day after Diwali as pollution levels in the city and its suburbs crossed the 'emergency' threshold on Sunday due to stubble burning and firecrackers

SWEARING-IN

Kumar to take oath as Bihar CM today

NITISH KUMAR ON Sunday met Bihar governor Phagu Chauhan, after being unanimously elected as the leader of the NDA, and staked claim for the formation of the new government in Bihar, reports **PTI**.

Kumar said the swearing-in will take place on Monday and parried questions about details like whether BJP leader Sushil Kumar Modi would be returning as his deputy. "The governor was handed over the letter of support from all four constituents of the NDA. As per his direction, we shall be taking oath at the Raj Bhavan, tomorrow, around 4-4.30 PM," said Kumar.

IT'S A DEAL

Reliance Retail adds Urban Ladder to cart

ASMITA DEY
New Delhi, November 15

RELIANCE RETAIL VENTURES (RRVL) has snapped up struggling furniture e-retailer Urban Ladder, a sign of increasing consolidation in the e-commerce space. The start-up was losing ground well before the pandemic set in and had given up 40% of its value between 2018 and 2019, sector watchers said.

RRVL will buy a 96% stake for ₹182 crore. Urban Ladder's turnover in FY19 was ₹434 crore while the profits were ₹49.41 crore. In FY18, the company reported a loss ₹118.66 crore. Even as several online businesses thrive and Goldman Sachs estimates India's internet will have a gross transaction value of $180 billion by FY25, a three-fold growth over current levels, the number of burnouts too is going up.

ILLUSTRATION: SHYAM KUMAR PRASAD

Continued on Page 2

TRADE WINDS

RCEP pact clinched, coup for China; India may join later

US response to decide if 15-nation bloc changes regional dynamics in favour of China

FE BUREAU & AGENCIES
New Delhi/Hanoi, November 15

CHINA AND 14 other countries agreed on Sunday to set up the world's largest trading bloc, encompassing nearly a third of all economic activity, in a deal many in Asia are hoping will help hasten a recovery from the shocks of the pandemic, *AP* reported from Hanoi. The Regional Comprehensive Economic Partnership, or RCEP, was signed virtually on Sunday on the sidelines of the annual summit of the 10-nation Association of Southeast Asian Nations.

Tough India surprised participants late last year by abandoning the agreement, the partners have made it clear New Delhi is welcome to rejoin the pact. Prime Minister Narendra Modi said he pulled out over concerns about how RCEP would affect the livelihoods of Indians, particularly the most vulnerable. "The clause allowing India to join at a later date is symbolic and shows China's desire to build economic bridges with the region's third-largest economy," Bloomberg quoted Shaun Roache, Asia Pacific chief economist at S&P Global Ratings, as saying.

Continued on Page 2

New worry: Exports to West and South Asia crash, may delay recovery

IT'S NOT JUST a Covid-induced slowdown in key markets — the US and the EU — that is troubling Indian exporters, reports **Banikinkar Pattanayak** in **New Delhi**. The oil revenue-dependent West Asian nations, traditionally the third-largest destination, contributed the most to India's export contraction this fiscal. ■ **Page 2**

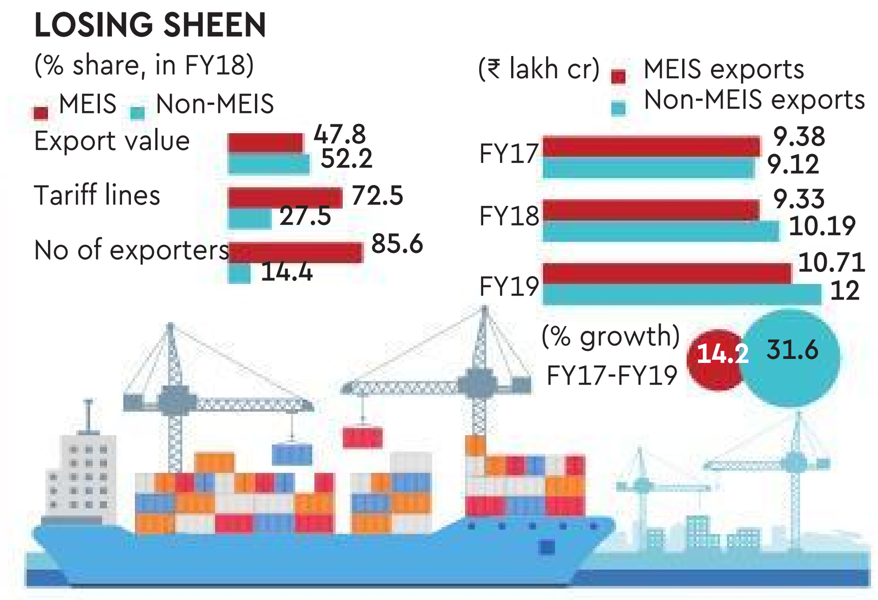
Misplaced focus: Surging export aids fail to boost shipments

BANIKINKAR PATTANAYAK
New Delhi, November 15

EVEN AS INDIA'S export promotion schemes have been under attack for several years in multilateral forums for their subsidy content, these have also been a disincentive for firms to grow. Consider the latest variant, the Merchandise Exports From India Scheme (MEIS), which is already on its way out. Between FY17 and FY19, while exports covered under the MEIS grew just 14.2% in rupee term, non-MEIS shipments rose at a much faster pace of 31.6%, according to an *FE* analysis.

The below-par performance of the scheme can also be gauged from the fact that while MEIS beneficiaries comprised a vast majority of the exporter community (86% in FY18), their exports stagnated at just about half of the overall outbound merchandise shipments.

Continued on Page 2



DELHI DEBACLE

Large hospitals barely have spare capacity

Ventilators and ICUs available only in small hospitals

ISHAAN GERA
New Delhi, November 15

THE DELHI HIGH Court, last week, vacated its stay order and allowed the Delhi government to reserve capacity in 33 Delhi hospitals to cope with rising infections. While this may help pull Delhi back from the brink, with the capital recording over 7,000 cases daily, it is unlikely to alleviate the situation.

The occupancy rates of hospitals beds, ICUs and ventilators across the capital have been steadily increasing. Hospital bed occupancy, which was only 45% until two months ago, has risen to 53%, whereas ICU bed occupancy and ventilator beds occupancy has been teetering around 88%. Until two months ago, only 72% of ICU beds and 60% of ventilators were occupied.

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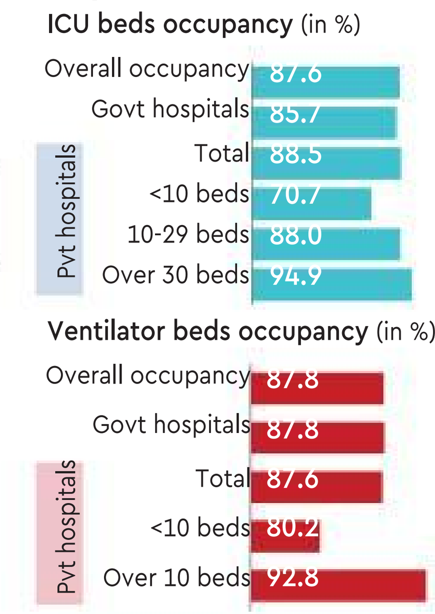


Infections in Gurgaon rising faster than Delhi

GIVEN THE DRAMATIC rise in Covid infections in Delhi, the capital is now in focus, reports **Ishaan Gera** in **New Delhi**. However, a closer analysis reveals adjoining cities are facing as much a crisis. Delhi's rate of growth in infections is lower than that in Gurgaon. ■ **Page 4**

FE SPECIALS

■ **BRANDWAGON, P10**

Offbeat and online

Is e-commerce a viable model for niche categories such as liquor and art supplies in the long run?

■ **eFE, P8**

Changing growth orbits

Polycab is using Oracle Cloud Infrastructure to quickly test and deploy new applications

■ **PERSONAL FINANCE, P9**

Know all about flexi-cap category

The new category will bring stability to investors' portfolio as multi-cap funds can now be rebranded as flexi-cap funds

■ **INFRASTRUCTURE, P11**

A new lease of life for HAM projects

With the govt addressing concerns pertaining to its execution, the model is expected to draw road developers once again

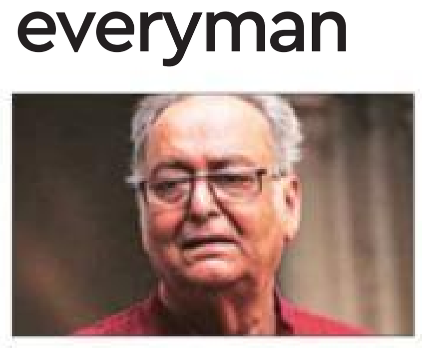
■ **SCIENCE & TECH, P12**

Getting 2FA right

As smartphone adoption picks up, banks need to look for other methods for multi-factor authentication

END OF AN ERA

Ray's go-to actor, our everyman



SOUMITRA CHATTERJEE
1935-2020

SHUBHRA GUPTA
New Delhi, November 15

A FEW MONTHS back, a photograph from 1965 surfaced on social media platforms. It had four beautiful people, posing on the red carpet at Berlinale (Berlin International Film Festival), at which Satyajit Ray's period classic *Charulata* won the Best Director prize, and Madhur Jaffrey got Best Actress for James Ivory's *Shakespeare-wallah*, whose music was scored by Ray.

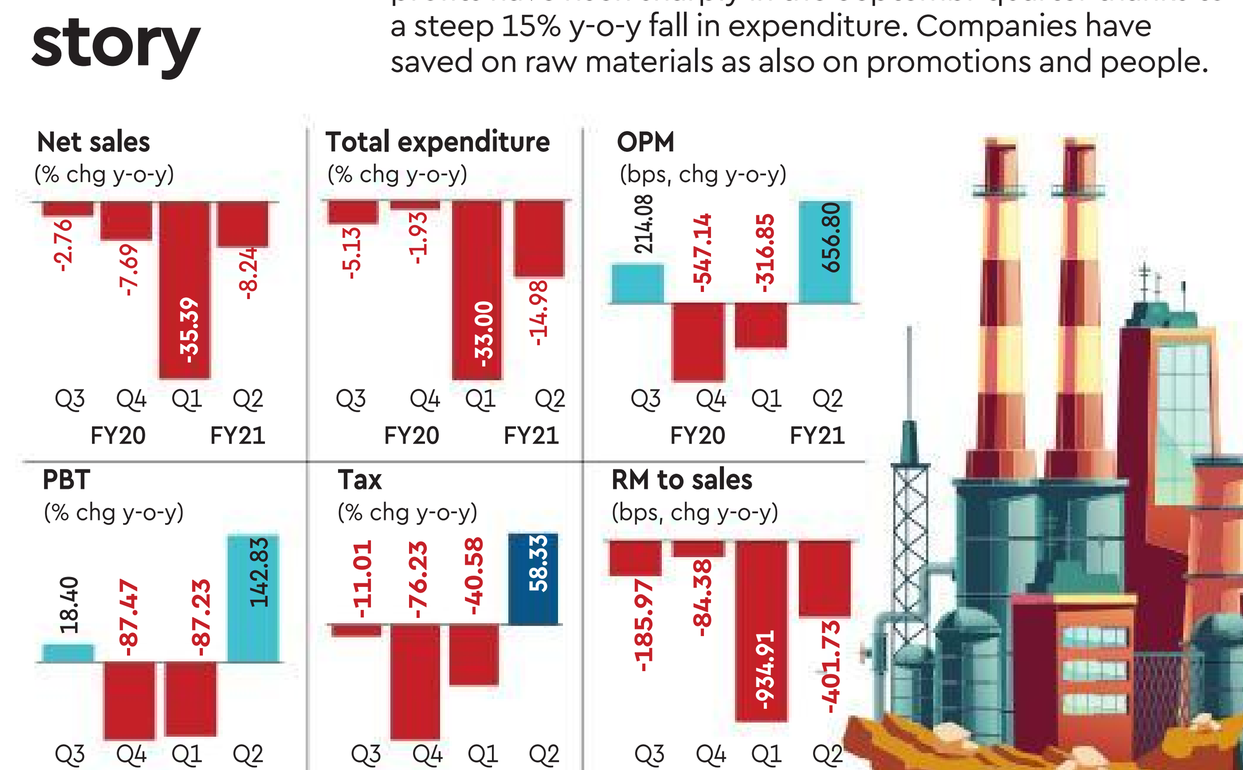
In the frame, flanking Felicity Kendal and Jaffery, resplendent respectively in a gown and a sari, were two very swish gentlemen: Shashi Kapoor in a sherwani and Soumitra Chatterjee in a *bandhgala*, competing equally on the dapper-and-debonair stakes. The clean-cut Kapoor's dimpled charm was a familiar thing, but it was Chatterjee, a cigarette held to his lips, looking impossibly handsome, who took our collective breaths away.

Continued on Page 4

Q2FY21 earnings FE BUREAU

Cost-side story

Despite reporting a drop inrevenues, India Inc's operating profits have risen sharply in the Septembr quarter thanks to a steep 15% y-o-y fall in expenditure. Companies have saved on raw materials as also on promotions and people.



Sample of 2,334 companies (excluding banks & financials) Source: Capitaline

NEW CENTRAL LAWS

Corp entities scale up crop purchases from farmers

PRABHUDATTA MISHRA
New Delhi, November 15

CORPORATE ENTITIES AND large traders have increased their direct purchases of crops from farmers, thanks to the new central laws concerning marketing of agricultural produce, according to trading sources. Of their total purchases, up to 85% are now via the direct purchase route in states where such purchases were allowed even before the latest laws; even in many other states, up to a half of their requirements seems to be met through direct transactions with farmers, with the APMC mandis catering to only the other balance demand.

"In Madhya Pradesh, Maharashtra and Rajasthan, we used to procure 30% of soyabean from our own network and the remaining from APMC mandis. Now that the new laws have come into force, we are meeting 85% of our requirement from purchases outside mandis," said Rajanikant Rai, CEO of ITC's agri-business division.

Continued on Page 4

Purchase rates tad higher than mandi prices

TRADERS AND CORPORATE houses are purchasing from farmers at rates a tad higher than the local mandi prices in the cases of many crops such as paddy, bajra and soyabean, reports **fe Bureau** in **New Delhi**. At least a part of the savings on mandi fees/taxes and arhatiya commission are being passed on to farmers by these entities. ■ **Page 4**

QuickPicks

Fake invoices for GST credit: Govt may invoke COFEPOSA

AFTER A nationwide drive against fake invoices that tend to mar the GST system, the government is examining if the offenders can be booked under COFEPOSA (Conservation of Foreign Exchange and Prevention of Smuggling Activities Act), apart from taking action against them under GST laws, I-T Act and PMLA, sources said, reports **fe Bureau** in **New Delhi**. **PAGE 2**

BPCL privatisation: Bid closes today, all eyes on Reliance

INITIAL BIDS for privatisation of BPCL will close on Monday amid indications of supermajors UK's BP Plc, Total of France and Saudi Aramco unlikely to bid, reports **PTI**. The Centre had on four occasions extended the date of putting in the preliminary EoIs. The current deadline is November 16. **PAGE 3**

A FAIR DEAL FOR THE FAIR SEX

Women take up jobs left by migrant male workers

SHUBHRA TANDON
Mumbai, November 15

THE REVERSE-MIGRATION of male workers to their villages has seen women stepping into the breach. The packaging and mobile manufacturing sectors today employ many more women; their count has nearly doubled in the last seven months and they now account for 11-12% of the workforce from 5-6% earlier.

That the processes in these sectors have become more digitised and automated has helped. Sudeep Sen, business head, TeamLease Services, told *FE* that e-commerce and warehousing companies are now open to enrolling women, having realised they are equally capable of doing the job. "There is no pushing and pulling required in warehouses anymore, there are machines to do that. However, you require people to manage the work flow and this can be done even by women," Sen said.

The good news is that some of them have been able to work their way up to assume managerial roles and earn just as much as their male counterparts. They are managing inventory, stores, material and also working as customer service officers. Women have become scanning specialists and data entry operators apart from doing other jobs like sticking and packing and labeling.

ILLUSTRATION: ROHNIT PHORE

Continued on Page 2

Economy

MONDAY, NOVEMBER 16, 2020

MINING REFORMS

Pralhad Joshi, coal and mines minister

We want to bring these reforms very shortly...In another month or so reforms (proposed mining reforms) should come out.

NEW WORRY

Shipments to West Asia decrease by nearly 50%

BANIKINKAR PATTANAYAK
New Delhi, November 15

IT'S NOT JUST a Covid-induced slowdown in key markets — the US and the EU — that is troubling Indian exporters. The oil revenue-dependent West-Asian nations, traditionally the third-largest destination, contributed the most to India's export contraction this fiscal.

The country's outbound shipment to West Asia crashed by more than 46% on year in the April-August period of this fiscal to \$11.9 billion, way above a 27% contraction in its overall merchandise exports to \$97.7 billion. Similarly, exports to politically-sensitive South Asia plunged by 35% from a year before, show the latest DGCIS data.

Consequently, the share of West Asian nations in India's exports dropped to just over 12% in the first five months of this fiscal, against 17% a year before. Even south Asian countries made up for only 6.1% of India's exports, against 6.9% a year earlier.

Key destinations

(Apr-Aug, FY21)	Exports ($ bn)	% change (y-o-y)
US	16.8	24.6 ↓
NE Asia*	16.3	0.5 ↑
EU	15.9	31.6 ↓
West Asia	11.9	46.3 ↓
South Asia	6	35 ↓
Total goods	97.7	26.6 ↓

*China made up for 55% of the exports

Source: DGCIS

If the situation persists, it can potentially delay an export recovery. As such, merchandise exports, which grew in September after seven successive months of decline, lost the momentum again in October and recorded a 5.4% fall, highlighting fragile external demand.

Exporters say the Covid outbreak accentuated a demand slowdown caused by subdued oil prices in the West-Asian region, mainly the UAE and Iran, while frosty political ties with Nepal and Pakistan has hit supplies to South Asia.

Interestingly, a 27% year-on-year jump in exports to China in the April-August period, despite the pandemic and a border clash, has driven up India's shipment marginally to North-eastern Asia, which has now replaced the EU as New Delhi's largest export destination after the Americas. Exports to the EU dropped by almost 32% to \$15.9 billion up to August this fiscal.

In West Asia, exports to the UAE plunged the most, by 59% to \$5.2 billion until August this fiscal, while those to Iran dropped by 49% to \$907 million and Saudi Arabia by 13% to \$2 billion.

India usually supplies basmati rice, textiles and garments, capital goods, automobiles, gem and jewellery and organic chemicals in large volumes.

In South Asia, Nepal, which usually depends heavily on Indian supplies, cut down on purchases amid a row with New Delhi even as its leadership cosied up to Beijing. Exports to Nepal crashed by over 47% to \$1.6 billion until August, while those to Pakistan, unsurprisingly, declined by 85% to just \$93 million.

Trade with Pakistan has taken a massive beating after New Delhi stripped Islamabad of the most-favoured nation status unilaterally granted by it, in the wake of the Pulwama terror attack and the Balakot airstrike last year. Of course, exports to Bangladesh dropped at a slower pace of 19% to \$2.5 billion between April and August. India exports a broad range of items to South Asian nations, including petroleum products, cereals, cotton, organic chemicals, phamaceuticals, steel and capital goods.

India's exports had witnessed a record 61% crash in April in the wake of the lockdown, although the contraction subsequently narrowed to 12.7% in August. However, the contraction in October after a rise in the previous month, reflected the bumps in the path to recovery.

Fake invoices for GST credit: Govt may invoke COFEPOSA against offenders

FE BUREAU
New Delhi, November 15

AFTER A NATIONWIDE drive against fake invoices that tend to mar the Goods and Services Tax (GST) system, the government is examining if the offenders can be booked under COFEPOSA (Conservation of Foreign Exchange and Prevention of Smuggling Activities Act), apart from taking action against them under GST laws, Income Tax Act and Prevention of Money Laundering Act, sources said.

The government is also examining whether businesses whose owners or promoters do not have commensurate income tax payment records may require physical and financial verification before their companies can be allowed GST registration.

During the current month itself, at least 25 persons have been arrested including two kingpins and two professionals in some 350 cases booked for issuance of fake invoices against 1,180 entities.

"Actual amount of fake input tax credit (ITC) claims involved is being ascertained. Search and investigation are on to identify and apprehend the other persons who were involved in the racket and also the beneficiaries who have used the fake invoices to evade GST, income tax, and are engaged in money laundering," sources said.

The fraudulent practises are primarily related to transactions in MS/SS scrap, articles of iron and steel, copper rod and wire, waster and scrap of non-ferrous metals, plastic granules, PVC resin, readymade garments, gold and silver, construction services, works contract, agro products, milk products, mobile, manpower supply services, advertisement and animation services among others, sources said.

Govt seeks feedback on draft rules under Code on Social Security

PRESS TRUST OF INDIA
New Delhi, November 15

Provision has also been made in the rules regarding gratuity to an employee who is on fixed-term employment

THE MINISTRY OF Labour and Employment has sought feedback from stakeholders on draft rules under the Code on Social Security, 2020.

The feedback is required to be provided within 45 days from November 13, 2020.

Union ministry of labour and employment has notified the draft rules under the Code on Social Security, 2020 on November 13, 2020, inviting objections and suggestions, if any, from the stakeholders, the ministry said in a statement.

The draft rules provide for operationalisation of provisions in the Code on Social Security, 2020 relating to Employees' Provident Fund Organisation (EPFO), Employees' State Insurance Corporation (ESIC), gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganised workers, gig workers and platform workers.

The draft rules also provide for Aadhaar-based registration including self-registration by unorganised workers, gig workers and platform workers on the portal of the Central government, the statement said.

The ministry of labour and employment has already initiated action for development of such portal.

For availing any benefit under any of the social security schemes framed under the Code, an unorganised worker or a gig worker or platform worker shall be required to be registered on the portal with details as may be specified in the scheme, it said.

The rules further provide for Aadhaar-based registration of building and other construction workers on the specified portal of the Central government and the state government or the State Welfare Board.

From the Front Page

Misplaced focus: Surging export aids fail to boost shipments

THE OVERWHELMING NUMBER of MEIS beneficiaries has obviously been on account of the scheme's misplaced focus on small and marginal ones in 'job-sensitive sectors".

It is worth noting that MEIS benefits (export scrips) more than doubled to ₹39,298 crore in FY19 from ₹18,117 crore in FY17.

Not for nothing that the government is shifting away from the long-standing MSME bias in its export strategy; its new product-linked incentives (PLI) — which are estimated to be worth ₹2 lakh crore over a five-year period – are targeted mainly at large corporations in 13 critical sectors with massive export potential. Exports from seven key labour-intensive sectors, ranging from textiles & garments to agriculture and gem & jewellery, barely grew — from \$120.6 billion in FY17 to \$124.6 billion in FY19. In FY20, these exports, in fact, dropped to just \$114.1 billion.

The Niti Aayog has argued that the MEIS is a "highly-fragmented" scheme that doesn't incentivise high-volume and high-value production, nor does it boost exports significantly. Finance ministry officials, too, have endorsed such a view.

The lacklustre performance of the MEIS has warranted a change in the way the compensation structure for boosting exports is designed. The government has already announced that it will roll out the so-called Remission of Duties and Taxes on Exported Products (RoDTEP) scheme from January 2021 to replace the MEIS and make the outbound shipments zero-rated. The scheme is essentially aimed at reimbursing even embedded taxes (that are not subsumed by the GST) paid on inputs consumed in exports.

The production-linked incentives are aimed at promoting manufacturing and exports in 13 sectors, including electronics/mobile phones, auto, battery cell, pharma, telecom networking, food and textiles. Through the PLI schemes, the government also marks a renewed focus on Make in India and a shift away from a long-standing MSME bias; while local manufacturing is the ostensible objective, there will be implicit impetus for large-scale exports.

The Niti Aayog, which has mooted the PLI concept, has been pitching for boosting exports through the creation of champion sectors under the PLI schemes. The broader export community, meanwhile, feels that while a focussed approach may be desirable, the government must not leave out a vast number of exporters in the lurch by scrapping incentives to them once MEIS is phased out. Therefore, the RoDTEP must not just be launched once the MEIS is scrapped but its coverage must not be narrowed. After all, exports must be zero-rated, in sync with global best practices and the incentives, be it under the MEIS and the RoDTEP, aren't strictly subsidies, they argue.

A Niti Aayog proposal in August had pegged the potential outgo under the proposed RoDTEP scheme to just about ₹10,000 crore a year. Niti had suggested that once the RoDTEP scheme replaced the MEIS, the annual "savings" of ₹40,000 crore be utilised to roll out PLI schemes in "sectors of strength to create global champions".

But Niti's estimate of the RoDTEP outlay is only a fraction of the annual benefits of ₹50,000 crore that the government had envisaged when the government had announced this scheme in September last year.

Of course, a committee set up under former commerce secretary GK Pillai to suggest RoDTEP benefit rates is yet to finalise its report. However, exporters say any massive reduction in either the coverage of sectors or the reimbursement rates under this scheme may dent export recovery, especially at a time when external demand remains fragile in the wake of the Covid-19 pandemic.

Spectrum auction: DoT sticks to Trai prices; Cabinet to take final call

THERE ARE TWO reasons due to which the Cabinet may look at reducing the reserve price. The first being that now it is known exactly how much operators like Bharti Airtel and Vodafone need to pay as their adjusted gross revenue (AGR) dues over the next 10 years, and second, since the operators are not supposed to buy equipment from Chinese vendors, their procurement prices may increase by around 15-20%.

According to industry observers, the high reserve price for spectrum is likely to be dampener as operators will find it hard to raise that much money. Due to the precarious financial condition of the telcos, the government had last year in November announced a moratorium of two years for installment payments for the past auctions.

The Trai in August 2018 had recommended reserve price for the next round of auctions, which were considerably lower than what was fixed for the 2016 auctions but it was still seen on the higher end, considering the industry's financial position.

For instance, for the 5G band in the 3,300-3,600 MHz where the prices were given for the first time, at ₹492 crore per MHz, for a pan-India minimum block of 20 MHz, operators will have to shell out ₹9,840 crore, which is seen as steep. However, 5G auctions are not on the cards next year so a call on its final pricing may not be taken at this point of time by the Cabinet.

It is the premium 4G spectrum where the pricing matters. Here, while the Trai had reduced the reserve price by 43% compared to 2016 auctions, at ₹6,568 crore per MHz, for a pan-India 5 MHz block, still operators would have to shell out ₹32,840 crore, which is seen as quite high.

In the 2016 auctions, the government had mopped a total amount of ₹65,789 crore, 4% over the reserve price, from the country's six operators who participated in the bidding. However, this was a lukewarm response as only 965 MHz spectrum got sold against a total of 2,353 MHz put up on sale, meaning that only 40% got sold.

RCEP pact clinched, seen as coup for China; India may join later

MALAYSIA RECOGNISES THE difficulties India is facing, Prime Minister Muhyiddin Yassin said in a speech on Sunday, it added.

The pact will which cover 2.2 billion people with a combined GDP of \$26.2 trillion. It is expected to give a fillip to the partner economies by reducing tariffs, strengthening supply chains with defined rules of origin, and framing of new e-commerce rules.

The accord is also a coup for China, by far the biggest market in the region with more than 1.3 billion people, allowing Beijing to cast itself as a "champion of globalisation and multilateral cooperation" and giving it greater influence over rules governing regional trade, Gareth Leather, senior Asian economist for Capital Economics, said in a report.

Among the benefits of the agreement include a tariff elimination of at least 92% on traded goods among participating countries, as well as stronger provisions to address non-tariff measures, and enhancements in areas such as online consumer and personal information protection, transparency and paperless trading, according to a statement issued on Sunday by Singapore's ministry of trade and industry. It also includes simplified customs procedures while at least 65% of services sectors will be fully open with increased foreign shareholding limits. *Bloomberg* added:

"Whether RCEP changes regional dynamics in favour of China depends on the US response, experts said. The agreement underscores how US President Donald Trump's 2017 decision to withdraw from a different Asia Pacific trade pact — the Trans-Pacific Partnership or TPP – diminished America's ability to offer a counterbalance to China's growing regional economic influence."

According to *AP*, "The accord will take already low tariffs on trade between member countries still lower, over time, and is less comprehensive than an 11-nation trans-Pacific trade deal that President Donald Trump pulled out of shortly after taking office. Apart from the 10-member Association of Southeast Asian Nations, it includes China, Japan, South Korea, Australia and New Zealand, but not the US. (The bloc) is not expected to go as far as the European Union in integrating member economies but does build on existing free trade arrangements. The deal has powerful symbolic ramifications, showing that nearly four years after Trump launched his "America First" policy of forging trade deals with individual countries, Asia remains committed to multi-nation efforts towards freer trade that are seen as a formula for future prosperity," *AP* reported.

It added: China's official *Xinhua News Agency* quoted Premier Li Keqiang hailing the agreement as a victory against protectionism, in remarks delivered via a video link. Now that Trump's opponent Joe Biden has been declared president-elect, the region is watching to see how US policy on trade and other issues will evolve.

Analysts are sceptical Biden will push hard to rejoin the trans-Pacific trade pact or to roll back many of the US trade sanctions imposed on China by the Trump administration given widespread frustration with Beijing's trade and human rights records and accusations of spying and technology theft.

Critics of free trade agreements say they tend to encourage companies to move manufacturing jobs overseas. So, having won over disaffected rust-belt voters in Michigan and western Pennsylvania in the November 3 election, Biden is "not going to squander that by going back into TPP", Michael Jonathan Green of the Centre for Strategic and International Studies said in a web seminar.

But given concerns over China's growing influence, Biden is likely to seek much more engagement with Southeast Asia to protect US interests, he said.

The fast-growing and increasingly affluent Southeast Asian market of 650 million people has been hit hard by the pandemic and is urgently seeking fresh drivers for growth.

Delhi debacle: Large hospitals barely have spare capacity

A HOSPITAL-WISE ANALYSIS shows that most of the capacity is available in government hospitals; data from November 15 shows that while 14.3% of ICU beds were vacant in government hospitals, the ICU bed vacancy in private hospitals was 11.5%. More important, even among these most of the capacity was available in smaller hospitals. The average vacancy in hospitals with ten or fewer ICU beds — there are 222 beds in such hospitals — was 29.3%, whereas, for the mid-sized hospitals (10-29 ICU beds), which have a total capacity of 610 beds, only 73 beds or 12% were available. The situation is worse for bigger hospitals, which have over 30 ICU beds. For the 13 hospitals, which account for 663 ICU beds, the occupancy was 95%.

Among these, only four hospitals Fortis Escorts Okhla, Max East/West Block, Indraprastha Apollo Hospital, Sarita Vihar and Shri Balaji Action Medical Institute, Paschim Vihar had 34 beds available between them.

In the case of ventilators, however, both government and private hospitals had a vacancy of 12% each. But within private hospitals, there was a wide disparity. Smaller hospitals with less than ten ventilator beds had 197 ventilators in total and an occupancy of 16.8%, whereas in the bigger hospitals, vacancy was a lower 9.3%. Of the 16 hospitals that account for a total of 279 beds, only four had ventilators available. On Sunday, as Delhi recorded 7,340 cases, active infections in the capital increased to 44,456. Until a month ago, Delhi had 21,903 active infections. With the government projecting cases to rise to 12,000 daily, active cases are only expected to increase, so are hospitalisations.

A fair deal for the fair sex: Women take up jobs left by migrant male workers

IN THE MOBILE manufacturing industry, they are assemblers and also do work like sticking, packing, testing and assorting. Depending on which city or town they are located in, the average pay ranges between ₹13,000 and ₹15,000.

The demand for employees in these sectors is expected to go up given the increase in online shopping and companies are now expected to run additional shifts to cope with the spike in orders. And even though male migrants are returning the women employed are unlikely to lose their jobs though the night shifts are likely to be staffed primarily by men.

Reliance Retail adds Urban Ladder to cart

Large players with deep pockets are scouting for good brands with weak balance sheets.

Among the sectors doing well are grocery, food delivery, edtech and gaming.

The gross merchandise value for the online furniture market is estimated to touch \$700 million by CY2020 from about an estimated \$310 million in CY2019, according to RedSeer Consulting. Analysts at the firm said the market has been growing at a CAGR of about 80-85% led primarily by the metros and tier one cities. In a study published last year, the firm said Flipkart increased its market share in the space to 41% in Q2 2019 from about 31% in the year-ago period. The rest of the market is split between players like Pepperfry and Amazon.

In a recent interview, Ambareesh Murthy, co-founder & CEO at Pepperfry, said retail furniture was a tough category since one was not selling a standard product. "Many start-ups found it tough in the furniture sector. It's a sector where money doesn't decide whether you succeed or not but the processes and operations do." RRVL said in a stock exchange filing it has an option of acquiring the remaining stake in Urban Ladder, taking its shareholding to 100%.

RIL TIGHT-LIPPED

Privatisation of BPCL: Bid closes today

PRESS TRUST OF INDIA
New Delhi, November 15

INITIAL BIDS FOR privatisation of Bharat Petroleum Corp (BPCL) will close on Monday amid indications of supermajors UK's BP, Total of France and Saudi Aramco unlikely to bid.

The government, which is selling its entire 52.98% stake in India's second largest oil refining and marketing company, had on four occasions extended the date of putting in the preliminary expression of interest (EoI). The current deadline is November 16.

Department of investment and public asset management (Dipam) secretary Tuhin Kanta Pandey had last month told *PTI* that there would be no further extension.

Sources said BP as well as Total are unlikely to bid for the stake and there are reports of even Russian energy giant Rosneft or its affiliates and Saudi Arabian Oil Company (Saudi Aramco) not very keen on bidding, given the asking price of close to $10 billion required to buy the firm at a time when the world is moving away from conventional fuel. Also, the pandemic has led to demand destruction of conventional fuels and may hasten transition towards cleaner fuels such as hydrogen and battery-operated EVs.

Given the uncertain demand scenario, the investors are weighing if BPCL acquisition makes sense, they said.

At Friday's closing price of ₹412.70 on the BSE, the government's 52.98% stake in BPCL is worth ₹47,430 crore. Also, the acquirer would have to make an open offer for buying another 26% stake from the public, which would cost ₹23,276 crore.

Sources said BPCL annually makes a profit of about ₹8,000 crore and at this pace, it would take 8-9 years for the investor to recover the bid amount of over ₹70,000 crore.

The acquisition makes sense for companies which can double the profit by growing the business as well as through operational efficiencies and synergies with existing business in half that time frame.

Billionaire Mukesh Ambani-led Reliance Industries, which operates the world's largest single location oil refining complex at Jamnagar in Gujarat and has fledgling ambitions to retail fuel, can be one such company.

Reliance has so far remained tight-lipped about its intentions for BPCL. RIL, which had recently hired former BPCL chairman Sarthak Behuria, a few weeks back got former IOC chairman Sanjiv Singh.

Nitish meets Bihar Guv, new govt's swearing-in today

PRESS TRUST OF INDIA
Patna, November 15

BIHAR CHIEF MINISTER Nitish Kumar on Sunday met Governor Phagu Chauhan, after being unanimously elected as the leader of the NDA, and staked claim for the formation of the new government in the state.

Talking to reporters outside his residence upon returning from the Raj Bhavan, Kumar said the swearing-in will take place on Monday evening and parried questions about details like whether BJP leader Sushil Kumar Modi would be returning as his deputy.

"The governor was handed over the letter of support from all four constituents of the NDA. As per his direction, we shall be taking oath at the Raj Bhavan, tomorrow (Monday), around 4-4.30 pm," said Kumar, who is on course to become the longest-serving chief minister of Bihar.

"After the swearing-in, we will convene the meeting of the cabinet where a decision on convening the assembly session will be taken", said Kumar but evaded queries as to whether the BJP, which has won more seats than the Chief Minister's JD(U), has sought a greater representation in the cabinet.

Asked about Sushil Kumar Modi, known to be close to Kumar, he quipped "all things will be settled".

Speculations have been rife that Modi may be replaced and these intensified after the senior BJP leader did not accompany Kumar to the Raj Bhavan but went to the State Guest House along with defence minister Rajnath Singh, who has flown down as an observer of the BJP.

Covid: More ICU beds, testing in Delhi, says Amit Shah

TO DEAL WITH the recent spike in coronavirus cases in Delhi, the Centre on Sunday said it will soon make available 300 additional ICU beds and double the number of daily RTPCR tests in the national capital.

Union home minister Amit Shah said some of the hospitals under the municipal corporations of Delhi will be converted into dedicated COVID hospitals and doctors and paramedics of paramilitary forces will be deployed in the national capital to deal with the shortage of manpower.

Shah said to save more lives, the Centre will also provide oxygen, high-flow nasal cannula and other health equipment to Delhi. **PTI**

EXPRESS Careers

Proposed mining reforms in a month: Pralhad Joshi

PRESS TRUST OF INDIA
New Delhi, November 15

THE CENTRE IS planning to come out with proposed mining reforms in a month or so and the auction of mineral blocks will kickstart two to three months after the amendments take place, Coal and Mines Minister Pralhad Joshi has said. The mines ministry had earlier sought suggestions from the general public, the mining industry and other stakeholders on the proposed reforms in the Mines and Minerals (Development and Regulation) Act, 1957.

"We want to bring these reforms very shortly ... In another month or so reforms (proposed mining reforms) should come out," Joshi said in an interview to PTI.

The government, he said, is looking into the feedback it has received on the proposed reforms and stressed that the Centre wishes to auction at least 500 mineral blocks in two to three years.

The slew of reform proposals include amending the contentious provisions of 10A(2)(b) and 10A(2)(c) of the MMDR Act, a move that would pave the way for auctioning of around 500 potential leases stuck in legacy issues.

Section 10A(2)(b) deals with leases where reconnaissance permit or prospecting licences were granted, while 10A(2)(c) relates to grant of mining leases. Joshi said there is mixed opinion on the two sections of the Act, and stressed that it does not want to go into the details of the same.

MARKET DYNAMICS EVOLVING

Direct purchase rates marginally higher than local mandi prices

FE BUREAU
New Delhi, November 15

TRADERS AND CORPORATE houses are purchasing from farmers at rates marginally higher than the local mandi prices in the case of many crops such as paddy, bajra and soyabean. At least a part of the savings on mandi fees/taxes and arhatiya commission are being passed on to farmers by them.

The entire benefit, however, is not transferred to farmers as the outside-mandi transactions involve higher expenses on labour, cleaning and grading of commodities and commission to the village-level aggregators. In mandis, the labour charge is shared by traders and farmers in 50:50 ratio, while traders are bearing these costs when buying at the village level.

"We are paying at least 1% more than the local mandi rates wherever we are buying outside mandis. The rates are even higher depending on the location of the collection centres and quality of the crops," said Kapil Biyani, a trader in Haryana. Farmers are also saving on hamali charges and freight when they are selling crops at their villages, he said.

Mandi tax has been reduced to 1% about a month ago from 4% (market fee and development cess 2% each) earlier in Haryana, while Punjab continues to levy 3% each as market fee and rural development fee.

Currently, there are apprehensions among traders and corporate firms after farmers' protests over the Centre's laws in Haryana and Punjab. Corporate entities have not shown adequate interest as they do not want to get into any controversy, said Biyani, who has been into buying paddy for large corporate.

"Farmers are getting ₹1,400/quintal outside while mandi rate is about ₹1,350/quintal in the case of bajra," said RK Bansal, a commission agent in Hathras mandi of Uttar Pradesh. He admitted that there was a decline in mandi arrivals of bajra last month. According to Agmarknet portal, the bajra arrivals dropped 67% to 1,075 tonne from the year-ago period in Hathras during October.

Traders are perplexed as to why bajra rates are depressed — 38% below MSP in October — when there is also speculation that the kharif output this year would be lower than last season. Prices of bajra could be depressed due to drop in business at mandis, which are helping the cattlefeed manufacturers even if they pay higher than mandi rates outside, said a trader in Alwar. Some other traders said that farmers were holding up the crops in expectation of higher rates after few months (last year the bajra price was over ₹1,700/quintal in October). The arrivals of bajra in Alwar mandi last month was over 50% lower than the year-ago period, while daily arrivals now recorded at an average 125 tonne.

"I was offered a higher rate than the price in mandi and sold some of my crops to the gram vyapari (aggregator). I also checked the rate from the arhatiya," said Rajendra Tomar, a farmer in Alwar, one of the leading mandis of bajra.

Even in the case of soyabean, farmers producers' organisations (FPOs) are paying higher than mandi rates to the farmers. For instance, Ranban Agro Producer Company, an FPO, paid farmers at ₹4,020/quintal last month when soyabean was traded at ₹3,980 in Latur APMC mandi in Maharashtra. Local processors in Sri Ganganagar, Rajasthan, are paying ₹6,700/quintal for moong on direct purchase whereas the average rate in local mandi is ₹6,600. Sri Ganganagar is a major producing hub in Rajasthan, which is India's biggest producer of moong.

"Unless the government provides a credible alternative to farmers to check the benchmark rates, the reforms will be incomplete and the growers will be exploited," said the Alwar-based trader, who is now ready to buy directly from farmers outside mandis for large traders on commission basis. He said Rajasthan's bajra producers are getting higher prices for their produce from Haryana's cattle feed manufacturers as the state government started buying bajra at MSP. Farmers across the country have been protesting against the laws demanding incorporation of minimum support price (MSP) as a legal right. Already Punjab, Rajasthan and Chhattisgarh have passed Bills in their respective assemblies to negate the impact of Central laws. Some other states like Jharkhand, West Bengal and Maharashtra are said to have been mulling to pass similar Bills.

Mandi prices of seven among the 10 key summer-sown crops like jowar, bajra, maize, moong and soyabean were 8-38% below their minimum support prices (MSPs) during first fortnight of last month, indicating that procurement by the designated agencies hasn't yet gathered momentum after kharif harvesting season started from October 1. However, prices of soyabean inched up later and currently at par with its MSP of ₹3,880/quintal or higher in most of the places. Though the all-India weighted average mandi rate for paddy (common variety) is at par with MSP of ₹1,868/quintal, in Uttar Pradesh and Bihar farmers are selling at ₹1,100-1,300 and in Chhattisgarh and Odisha ₹1,400-1,550.

India rate cuts bets fall as gains hold

SWATI BHAT
Mumbai, November 15

NEGATIVE REAL RATES in India and recovering growth alongside high inflation suggest its central bank has little room for more monetary stimulus, but policy is likely to stay accommodative, economists and analysts said.

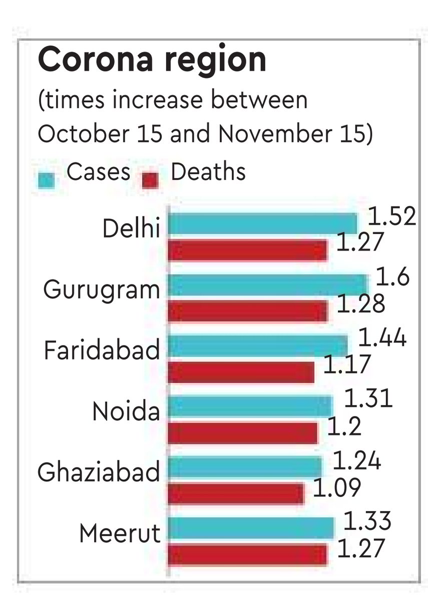
Industrial production in September grew for the first time in six months while green shoots are also visible in rising goods and services tax collections, higher energy consumption, and an uptick in the purchasing managers' index, among other gauges.

With inflation staying above 7% in October for a second straight month, well above the RBI's medium-term target of 4%, views that India is near the end of the current rate cutting cycle have become more pronounced. "The inflation rate has been consistently ahead of not only your target rate but the upper end of your target range as well. Ideally, you should be looking at rate hikes right now," said Sameer Narang, chief economist at Bank of Baroda.

Though the central bank is unable to hike rates due to the impact of the pandemic on economic activity, it would still be mindful of the long-term impact of negative real interest rates on the economy, economists believe. High inflation is a risk the RBI cannot afford to ignore, Nomura economists wrote in a note. **REUTERS**

Infections in Gurgaon rising faster than Delhi

ISHAAN GERA
New Delhi, November 15



GIVEN THE DRAMATIC rise in Covid-19 infections in Delhi, the capital is now in focus. However, a closer analysis reveals adjoining cities are facing as much a crisis.

While Delhi certainly has a larger number of infections than its adjoining regions, the rate of growth is lower than that in Gurgaon.

Infections in Delhi increased 1.52 times in the last one month from 3,17,548 to 4,82,170, whereas in Gurgaon, which has one-tenth the cases than the national capital the growth was 1.60 times from 24,334 to 38,886. On Friday, while Delhi had a positivity of 14.8%, Gurgaon recorded a higher 17% positivity.

Cases in Faridabad grew a bit lower 1.44 times between October 15 and November 15, but the average positivity was a higher 18%. While deaths in the capital increased 1.27 times over a month, in Gurgaon, the increase was 1.28 times.

On the Uttar Pradesh side, while the case growth was not as high as in Delhi, but still the growth in cases of areas adjoining Delhi was higher than the rest of the state. Since October 15, while cases in UP have risen 1.15 times, in Noida, the case growth was 1.31 times. It was 1.24 times in Ghaziabad and 1.33 times in Meerut.

Meerut had a higher rate of increase in deaths than Delhi, despite having a lower-case growth during the period.

'India remains supportive of Palestinians' aspirations'

INDIA REMAINS SUPPORTIVE of the aspirations of Palestinians in their pursuit of statehood, peace and prosperity, external affairs minister S Jaishankar said as he wished the state of Palestine on their Declaration of Independence Day.

On November 15, 1988, the Palestine National Council, the legislative body of the Palestine Liberation Organization, issued the Palestinian Declaration of Independence. The announcement of Palestinian Declaration of Independence was made by then Palestinian leader Yasser Arafat from Algeria.

"Greetings to FM Dr Riyad Al-Maliki and the Government and people of the State of Palestine on their Declaration of Independence Day. India remains supportive to the aspirations of Palestinians in their pursuit of statehood, peace and prosperity," Jaishankar tweeted. **PTI**

From the Front Page

End of an era: Ray's go-to actor to our everyman

IT WAS hard to believe that this glamour-oozing Chatterjee was the same person we had grown up watching, perfectly embodying the everyman in film after film.

The 85-year-old actor passed away on Sunday morning after over a month long battle with multiple ailments, including Covid-19. Chief minister Mamata Banerjee visited the hospital where Chatterjee was admitted on hearing of his death.

The thing is, Chatterjee himself may have quirked a disbelieving eyebrow at that red-carpet look, as he was convinced he was "not very photogenic". Whether that was a forgivable conceit of a legendary actor, or that he genuinely believed so, was never contested, because it came from a man whose sincerity was never in question. Right from his 1959 debut Apur Sansar, the final part of Ray's iconic Apu trilogy (after Pather Panchali and Aparajito), Chatterjee's quality of sincerity was his most abiding trait.

Of course it had be to Ray who gave Chatterjee his first film. Between the two men, there was a startling similarity of thought. The director with an unerring eye for creating instantly believable landscapes and characters needed a leading man who matched the setting. Their long, fruitful collaboration resulted in 14 memorable features, which include, apart from Apur Sansar, Charulata, Ghare Baire, Aranyer Din Ratri, the Feluda films (Sonar Kella and Joi Baba Felunath), Ashani Sanket, Hirak Rajar Deshe and Ganashatru.

In My Years With Apu, Ray writes about how he passed on Chatterjee, then "a radio announcer but with an intense interest in acting", for the adolescent Apu in Aparajito because he looked "too old"."He was then 20 and just out of college, so I sent him away. Then I sent for him again, and offered him the lead role in Apur Sansar." An early scene, in which the penniless, jobless Apu is using a fly-flecked mirror on a wall to shave, is done with economy: a landlord demanding his dues enters the frame, Apu fends him off; the landlord leaves, snapping off the light-switch; Apu walks up to the door, switches it back on, greeting the light with the faintest hint of smile. Round one, to Apu.

This playfulness was part of Chatterjee's arsenal, especially when essaying the part of Feluda, the beloved sleuth. We see Chatterjee donning a series of outlandish disguises, sporting patently false-looking beards, and solving quirky cases with the help of his two faithful associates, and it is all a lot of fun. In a very different film, Aranyer Din Ratri (1970), where he is one of four young men, clearly the most sophisticated in his spiffy dark shades, this streak shows up again, most clearly when he is trying his luck with the lovely Sharmila Tagore in her very up-to-the-minute bouffant updos and cat-eyed liners.

Chatterjee's own deep sense of innate decency seeped into some of his most complex characters, especially in his playing of Ray's interlopers, who act as disrupters in the households they enter, more so in Charulata, than in Ghaire Baire. Both are chamber pieces based on works of Rabindranath Tagore, both look at the upliftment of women, and in both Chatterjee shows up as the third wheel. As the youthful, poetry-loving Amal, who has much more in common with his sister-in-law Charulata, than her husband, and as the revolutionary Sandip in Ghare Baire, who attracts his best friend Nikhilesh's wife Bimala, with his fiery ideals and animation, both characters are shown stepping into forbidden territory, but neither crosses the line.

Chatterjee worked with a clutch of other respected directors, too: in Mrinal Sen's Aakash Kusum (1965) he is a middle-class executive trying, duplicitously, to better his station. In Tapan Sinha's Kshudhita Pashan (1960), based on a Tagore story, he plays a tax collector posted in a small-town, grappling with a haunted building, and old wives' tales. And yes, he has famously sung-and-danced too, in Teen Bhubaner Pare (1969), directed by Ashutosh Bandyopadhyay: that lilting song Jiboney ki paabo na invariably finds its way into any boisterous guitar-strumming-sing-along get-togethers even today, and not just in Bengali households.

But there was no doubt in his mind, as well as ours, that his work with Ray is what gave him wings, and that's the body of work we remember him most for. There was just one role that got away from him, though: he didn't get the coveted lead in Nayak, which went to Uttam Kumar, whose pole position as Bengal's hugely popular star remained unchallenged by Chatterjee's strong but quieter presence. If you had to cast someone whom delirious young women would throw themselves at, whom would you choose? Ray was right to opt for Uttam Kumar as the charismatic matinee idol, and though Chatterjee always claimed he understood why, his words were laced with a tinge of regret.

Chatterjee's long years as a performer, both on stage (he never gave up theatre) and on screen, were studded with awards: two National Awards, the Padma Bhushan, the Sangeet Natak Akademi, the Dada Saheb Phalke. He was also the first Indian actor to receive the French Legion of Honour. But he wore his honours lightly, and continued to work, in some films which were good, some plain indifferent. In the 2015 Belaseshe, a high-on-melodrama family drama, he was the marquee name along with his Ghare Baire co-star Swatilekha Sengupta. When asked why he did certain films, he would say, with grace, that he was just doing his job: acting, after all, is a great deal of jobbery. And that's what he was, an actor at work, right till the end.

New central laws: Corporate entities scale up crop purchases from farmers

SINCE ITC already has its e-Choupal network, it is easier to scale up operations. The company has also started buying paddy through e-Choupal, he added.

However, most of the other large trading companies like Adani group, Cargill and Glencore do not have e-Choupal infrastructure and are currently availing the services of traders, who in turn are directly buying from farmers.

"We already have a network of traders through which we have been buying commodities. While earlier we were buying 100% from mandis, we have now decided to buy at least half of the requirement directly from the farmers," a senior executive of a global trading firm having large presence in wheat, cotton and pulses trading said, requesting not to be identified. "Depending on the situation, we are planning to shift from mandis completely as there will be a savings on market fees and arhatiya commission," this source said.

Many other corporate firms are on wait and watch mode in Rajasthan, Haryana and Punjab after farmers' protests against the Centre's three laws and given the Bills passed by Rajasthan and Punjab assemblies, ostensibly to counter the central laws. While Punjab and Haryana are two major producers of paddy, Rajasthan is the top producer of bajra and moong among kharif crops.

"I think mandis will become irrelevant in two years. Existing licence holders will start dealing outside APMC under central law," said food policy expert Vijay Sardana.

ROYAL INDIA CORPORATION LIMITED

CIN : L45400MH1984PLC032274
Regd. Off : 62, 6th Floor, C-Wing, Mittal Tower, Nariman Point, Mumbai - 400 021.
Website : www.ricl.in | **E-mail:** info@ricl.in

EXTRACT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED 30THSEPTEMBER, 2020

(Rs. In Lakhs)

Sr. No.	Particulars	For the Quarter Ended: Three Months ended 30.09.2020 (Unaudited)	Preceding three Months ended 30.06.2020 (Unaudited)	Corresponding three months ended 30.09.2019 (Unaudited)	For the Year Ended 31.03.2020 (Audited)
1.	**Income**				
	(a) Revenue from operations	87.51	-	19,163.96	20,969.10
	(b) Other income	9.70	9.36	7.61	30.82
	Total income	97.21	9.36	19171.57	20,999.92
2.	**Expenses**				
	(a) Cost of materials consumed	-	-	-	-
	(b) Purchases of traded goods	88.79	-	19,143.82	20,959.98
	(c) Increase/decrease in inventories of finished goods, work-in-process and traded goods	(26.47)	-	(239.52)	(314.55)
	(d) Excise duty	-	-	-	-
	(e) Employee benefits expense	4.99	5.11	7.23	30.24
	(f) Finance costs	291.97	284.33	274.14	1,075.81
	(g) Depreciation and amortisation expense	0.01	0.06	0.01	0.10
	(h) Other expenses	4.68	4.24	4.21	1,093.29
	Total expenses	**363.98**	**293.74**	**19,189.88**	**21,944.86**
3.	Profit before tax (1-2)	(266.78)	(284.38)	(18.31)	(1,844.94)
4.	Tax Expenses				
	Current Tax	-	-	-	-
	Deferred Tax	-	-	-	322.06
	Total tax Expenses	-	-	-	322.06
5.	Net Profit for the period (3-4)	(266.78)	(284.38)	(18.31)	(1,522.88)
6.	Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-
	(a) Re—measurement gains/(losses) on defined benefit obligations	-	-	-	-
	(b) Income tax relating to items not to be reclassified to profit or loss in subsequent periods	-	-	-	-
7.	Total comprehensive income for the period (5+6)	(266.78)	(284.38)	(18.31)	(1,522.88)
8.	Paid-up equity share capital (Face value of Re. 10/— each)	2300.00	2300.00	2300.00	2300.00
9.	Other Equity	-	-	-	-
10.	Earnings per share				
	Basic (amount in INR)	(1.16)	(1.23)	(0.08)	(6.60)
	Diluted (amount in INR)	(1.16)	(1.23)	(0.08)	(6.60)

Notes : The above is an extract of the detailed format of Quarterly and Half-Yearly Unaudited Financial Results ended 30thSeptember, 2020 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015 approved by the Board of Directors at their meeting held on 14thNovember, 2020. The full format of the Quarterly Financial Results is available on the websites of the Stock Exchange and the Company on www.ricl.in. The Auditors of the Company have limited reviewed the above Financial Results.

By order of the Board
For Royal India Corporation Limited
Sd/-
Mr. NitinGujral
(Managing Director)
DIN: 08184605

Place: Mumbai
Date: 14.11.2020

WHITE ORGANIC AGRO LIMITED

(Formerly known as White Diamond Industries Limited)
Reg Off: 312A, Kailas Plaza, Vallabh Baug Lane, Ghatkopar (East), Mumbai - 400 077; India
CIN: L01100MH1990PLC055860

(Rs. In Lacs)

Particulars	Extract of Standalone Unaudited Financial Results for the Half Year ended September 30, 2020 (Rs. In Lacs except EPS)			Extract of Consolidated Unaudited Financial Results for the Half Year ended September 30, 2020 (Rs. In Lacs except EPS)		
	September 30, 2020		September 30, 2019	September 30, 2020		September 30, 2019
	Current Quarter ended (Unaudited)	Half Year ending (Unaudited)	Previous Year corresponding Quarter (Unaudited)	Current Quarter ended (Unaudited)	Half Year ending (Unaudited)	Previous Year corresponding Quarter (Unaudited)
Total income from operations (net)	1857.89	3460.37	3866.97	2425.78	4264.2	5,346.75
Net Profit / (Loss) from ordinary activities after tax	40.624	151.794	362.43	53.53	208.51	387.03
Net Profit / (Loss) for the period after tax (after Extraordinary items)	40.624	151.794	362.43	53.53	182.99	387.03
Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)] *	151.794	151.794	723.02	53.53	182.99	361.01
Equity Share Capital	3500	3500	3500	3500	3500	3500
Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)	1194.20	1194.20	-	3616.64	0.00	0.00
Earnings Per Share (before extraordinary items) (of Rs. 10/- each)	0.12	0.43	2.07	0.52	0.52	1.03
Basic:	0.12	0.43	2.07	0.52	0.52	1.03
Diluted:	0.12	0.43	2.07	0.52	0.52	1.03
Earnings Per Share (after extraordinary items) (of Rs. 10/- each)						
Basic:	0.12	0.43	2.07	0.52	0.52	1.03
Diluted:	0.12	0.43	2.07	0.52	0.52	1.03

Note: The above is an extract of the detailed format of Quarterly/Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly/Annual Financial Results are available on the Stock Exchange websites. - www.bseindia.com and on the website of the Company: http://whiteorganicagro.com/

By and on behalf of the Board of Directors
For White Organic Agro Limited
Sd/-
Darshak Rupani
Managing Director
DIN: 03121939

13-Nov-20

WHITE ORGANIC RETAIL LIMITED

(Formerly known as White ORGANIC RETAIL PRIVATE Limited)
Reg Off: 312A, Kailas Plaza, Vallabh Baug Lane, Ghatkopar (East), Mumbai - 400 077; India
CIN: U67190MH1999PTC118368

Extract of Un-Audited Financial Results for the half year ended 30th September 2020

(Rs. In Lacs)

Particulars	Current Half Year ended 30th September, 2020 (Unaudited)	Previous Half Year ended 30th September 2019 (Unaudited)
Total income from operations (net)	803.85	2979.87
Net Profit / (Loss) from ordinary activities after tax	56.72	69.39
Net Profit / (Loss) for the period after tax (after Extraordinary items)	56.72	69.39
Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	56.72	69.39
Equity Share Capital	1090.80	545.40
Other Equity (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)*	0.00	0.00
Earnings Per Share (before extraordinary items) (of Rs. 10/- each)		
Basic:	0.52	1.27
Diluted:	0.52	1.27
Earnings Per Share (after extraordinary items) (of Rs. 10/- each)		
Basic:	0.52	1.27
Diluted:	0.52	1.27

Note: The above is an extract of the detailed format of Half yearly /Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Half Yearly /Annual Financial Results are available on the Stock Exchange websites. - www.bseindia.com and on the website of the Company: http:// www.whiteorganics.co.in

By and on behalf of the Board of Directors
For White Organic Retail Limited
Sd/-
Darshak Rupani
Managing Director
DIN: 03121939

13-Nov-20

WINRO COMMERCIAL (INDIA) LIMITED

CIN: L51226MH1983PLC165499
Regd. Office: 209/210, Arcadia Building, 2nd Floor, 195, Nariman Point, Mumbai - 400 021.**Telephone:** 022-40198600, **Fax:** 40198650, | **Email Id:** winro.investor@gcvl.in,

NOTICE OF THE THIRTY SEVENTH (37TH) ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Thirty Seventh (37th)** Annual General Meeting ("AGM") of the Company will be held on **Wednesday, 16th day of December, 2020 at 11.30 A.M.** via Video Conference / Other Audio Visual Means in compliance with the provisions of the Companies Act, 2013 read with to General circular Nos. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 to transact the business as set out in the notice convening the AGM ("Notice").

The Notice of the AGM along with the Annual Report for the Financial Year 2019-20 will be sent only by electronic mode to members whose email addresses are registered with the Company/Depositories Participants ("DP's")/ Registrar and Transfer Agent viz. TSR Darashaw Consultants Private Limited ("RTA"), in accordance with the aforesaid MCA Circulars and SEBI Regulations. In case members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, TSR Darashaw Consultants Private Limited at 6-10 Haji Moosa Patrawala Industrial Estate, 20 Dr. E Mosses Road, Mahalaxmi, Mumbai- 400011.

The Notice and the Annual Report will also be available on the website of the company at www.winrocommercial.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. Members can attend and participate in the AGM only through VC/OAVM. In case of any queries write an email at evoting@nsdl.co.in or contact NSDL team - Mr. Sagar Ghosalkar or Ms. Sarita Mote at Tel no.: 1800-222-990 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the above mentioned email address or the registered office address.

The procedure and instructions for joining AGM through VC/OAVM and detailed procedure and instructions for casting votes through remote e-voting or e-voting during the AGM for all Members (including the Members holding shares in physical form/ whose email addresses are not registered with the DPs/Company/RTA) are stated in the Notice.

For Winro Commercial (India) Limited

Place: Mumbai
Date: 16th November, 2020

Urja Karia
Company Secretary

FRANKLIN TEMPLETON

Franklin Templeton Mutual Fund
Indiabulls Finance Center, Tower 2, 12th and 13th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013

Dividend in the Schemes of Franklin Templeton Mutual Fund

The Trustees of Franklin Templeton Mutual Fund have decided to distribute the following Schemes/Plans/Options:

Name of the Schemes / Plans	Face Value per Unit (₹)	Amount of Dividend per Unit# (₹)	NAV per Unit as on November 12, 2020 (₹)
Franklin India Fixed Maturity Plans - Series 2 - Plan A (1224 days) (FIFMP-2-A)			
FIFMP-2-A- Dividend	10.00	0.74	10.8749
FIFMP-2-A - Dividend- Direct			10.9014
FIFMP-2-A- Quarterly Dividend	10.00	0.17	10.2956
FIFMP-2-A - Quarterly Dividend- Direct			10.3203
Franklin India Fixed Maturity Plans - Series 4 - Plan C (1098 days) (FIFMP-4-C)			
FIFMP-4-C - Quarterly Dividend	10.00	0.19	10.5437
FIFMP-4-C- Quarterly Dividend- Direct			10.5516
Franklin India Fixed Maturity Plans - Series 5 - Plan B (1244 Days) (FIFMP-5-B)			
FIFMP-5-B –Dividend	10.00	0.84	11.4045
FIFMP-5-B – Quarterly Dividend		0.19	10.7432
Franklin India Fixed Maturity Plans - Series 5 - Plan F (1203 days) (FIFMP-5-F)			
FIFMP-5-F - Quarterly Dividend	10.00	0.19	10.7003
FIFMP-5-F - Quarterly Dividend- Direct			10.7402

The Record Date for the same will be November 20, 2020 (Friday). If in case the Record Date falls on a non-Business Day, the immediately following Business Day shall be the Record Date. All the Unitholders / Beneficial Owners of the dividend plan / option of the scheme whose names appear in the records of Registrar / Depositories as on the Record Date shall be entitled to receive dividend. The investors in the dividend re-investment plan/option will be allotted units for the dividend amount at the NAV of next Business Day after the Record Date.

Please note that the dividend payout shall be subject to the availability of distributable surplus and if the available distributable surplus as on the record date is lower than the aforementioned dividend rate, then the available distributable surplus shall be paid out. The payout shall be subject to tax deducted at source i.e. TDS, as applicable.

Pursuant to payment of dividend, the NAV of the scheme would fall to the extent of payout and statutory levy (as applicable)

For **Franklin Templeton Asset Management (India) Pvt. Ltd.**
(Investment Manager of Franklin Templeton Mutual Fund)

Sd/-
Sanjay Sapre
President

Date: November 14, 2020

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

LYKIS LIMITED

CIN: L74999WB1984PLC038064
Registered Office:57B, C.R. Avenue, 1st Floor, Kolkata 700 012
Tel: +91 22 4069 4069 Fax: +91 22 3009 8128 E-mail: cs@lykis.in Website: www.lykis.in

EXTRACT OF UN-AUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020.

(₹ in Lakhs)

Sl. No.	Particulars	Standalone: Quarter ended September 30, 2020 (Unaudited)	Standalone: Half Year ended September 30, 2020 (Audited)	Standalone: Quarter ended September 30, 2019 (Unaudited)	Consolidated: Quarter ended September 30, 2020 (Unaudited)	Consolidated: Half Year ended September 30, 2020 (Audited)	Consolidated: Quarter ended September 30, 2019 (Unaudited)
1.	Total Income from Operations	1077.32	1621.92	2014.98	1077.32	1621.92	2014.98
2.	Net (Loss) before Tax from Continuing Operations	(197.52)	(362.99)	(50.56)	(197.89)	(363.36)	(55.46)
3	Profit / Loss from Discontinuing Operations after Tax	126.89	(323.10)	1.61	126.89	(323.10)	1.61
4.	Net (Loss) after Tax	(70.63)	(686.08)	(48.95)	(71.00)	(686.45)	(53.85)
5.	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(49.94)	(649.48)	(30.37)	(50.31)	(649.85)	(35.27)
6.	Paid up Equity Share Capital (Face Value ₹ 10/- each)	1,992.70	1,992.70	1,992.70	1,992.70	1,992.70	1,992.70
7.	Earnings Per Share(of ₹ 10/- each) (for continuing operations)						
1.	Basic:						
2.	Diluted:	(1.02)	(1.87)	(0.26)	(1.02)	(1.88)	(0.29)
8.	Earnings Per Share (of ₹ 10/- each) (for discontinued operations)						
1.	Basic:						
2.	Diluted:	0.65	(1.67)	0.01	0.65	(1.67)	0.01

Notes:

a) The above is an extract of the detailed format of Un-audited Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Un-audited Financial Results are available on the website of the Bombay Stock Exchange (www.bseindia.com).

b) The above financial results have been reviewed and recommended by the Audit Committee and have been approved and taken on record by the Board of Directors at its meeting held on November 14, 2020.

c) The limited review as required under regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been completed by the auditors of the company.

By order of Board of Directors
For Lykis Limited
Sd/-
Mr. Nadir Umedali Dhrolia
Director

Place: Kolkata
Date : November 14, 2020

KUMAR AGRO PRODUCTS PRIVATE LIMITED

CIN: U45100PN1991PTC064416
Regd off: 2413, East Street, Kumar Capital, Pune 411 001

Statement of Standalone and consolidated un-audited Results for the half year Ended 30/09/2020

(Amount in Rs.)

Sr. No.	Particulars	Standalone: 6 Months ended 30/09/2020 Unaudited	Standalone: 6 Months (Corresponding 6 months in the previous year) ended 30/09/2019 Unaudited	Consolidated: 6 Months ended 30/09/2020 Unaudited	Consolidated: 6 Months (Corresponding 6 months in the previous year) ended 30/09/2019 Unaudited	Standlone: Year to date for previous year ended 31/03/2019 Audited	Consolidated: Year to date for previous year ended 31/03/2019 Audited
01.	Total Income from Operations (Net)	293,435,811.00	272,909,214.00	310,233,459.00	317,482,167.00	628,555,695.00	628,555,695.00
02.	Net Profit/(Loss) from operations before exceptional items & tax	70,010,186.00	34,902,934.00	86,807,834.00	79,475,887.00	174,316,785.00	174,316,785.00
03.	Net Profit/(Loss) from operations after exceptional items & tax	74,567,934.00	34,099,578.00	86,998,193.00	78,672,531.00	175,482,246.00	175,482,246.00
04.	Total other comprehensive income for the period (Comprising Profit/(Loss)) for the period (after tax) & other Comprehensive Income (after tax)	74,567,934.00	34,099,578.00	88,998,193.00	78,672,530.00	175,482,246.00	259,608,735.00
05.	Equity Share Capital	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
06.	Reserves	91,895,504.00	5,705,772.00	108,793,152.00	50,278,725.00	-28,393,805.00	-28,393,805.00
07.	Debentures Redemption Reserve	0.00	0.00	0.00	0.00	0.00	0.00
08.	Earning Per Share (of Rs.100/- each)						
	a. Basic	74,568.00	34,099.58	86,998.00	78,672.53	175,482.00	175,482.00
	b. Diluted	0.00	0.00	0.00	0.00	0.00	0.00
09.	Debt Equity Ratio	46.64	713.00	39.44	82.00	-146.00	-146.00
10.	Debt Service Coverage Ratio	1.34	1.11	1.42	1.31	0.51	0.51
11.	Interest Service Coverage Ratio	1.33	1.16	1.33	1.37	1.41	1.41
12.	Asset Cover	102.26	100.14	102.67	101.22	99.31	99.31

Notes:
(1) The above results were approved by the Board of Directors of the Company at their meeting held on 13th November 2020. The financial results have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable and disclosed information required to be disclosed in terms of regulation 52 of SEBI (Listing Obligations and Disclosure Requirements), 2015 (as amended).
(2) As the companies main activity falls within single primary business segment, the disclosure requirement of AS 17 are not applicable.
(3) There are no exceptions & extraordinary items.
(4) Prior period figures are regrouped / rearranged wherever necessary.
(5) CARE Ratings has affirmed the Company's rating at B+(SO); Stable for its debentures issued on 11th December 2017 of Rs. 80,00,00,000/- vide letter dated 28th March 2019.
(6) Non convertible debentures are secured by:
(i) Immovable property or any interest therein.
(ii) Movable property
(iii) Guarantee of Promoters viz. Mr. Manish Jain, Mr. Kewalkumar Jain, Mr. Hitesh Jain and Mr. Ameya Jain.
(7) The above is an extract of the detailed format of Half yearly and Annual Audited Financial Results filed with Stock Exchange under Regulation 52 of the Security Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015. The full format of the Unaudited Financial Results for the half year eneded September 30, 2020 is available on the website of stock exchange at www.bseindia.com and on company's website.

For and on behalf of the Board of Directors
of Kumar Agro Products Private Limited
Sd/-
Kewalkumar Jain
Chairman & Director
DIN: 00034883

Place : Pune
Date : 13.11.2020

TERA SOFTWARE LIMITED

TERA SOFT

Regd. Office: #8-2-293/82/A/1107, Plot No 1107, Road No 55, Jubilee Hills, Hyderabad-33.
CIN: L72200TG1994PLC018391, Website: www.terasoftware.com, Tel: 040 2354 7447

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER ENDED 30th SEPTEMBER, 2020

Rupees in Lakhs

Sl. No	Particulars	Quarter ended 30-09-2020 Unaudited	Preceding Quarter ended 30-06-2020 Unaudited	Corresponding 3 Months ended in the previous year 30-09-2019 Unaudited	Figures for the year ended 31-03-2020 Audited
1	Total Income from operations	5,620.67	1,660.00	7,042.87	27,198.94
2	Net Profit / (Loss) for the period (before tax,Exceptional and Extraordinary items)	15.11	(157.92)	208.76	986.50
3	Net Profit / (Loss) for the period (before tax after Exceptional and Extraordinary items)	15.11	(157.92)	208.76	986.50
4	Net Profit / (Loss) for the period after tax (after Exceptional and Extraordinary items)	11.91	(123.74)	139.13	652.47
5	Total Comprehensive income for the period {Comprising Profit/(Loss) for the period (after Tax) and other comprehensive income (aftertax)}	11.91	(123.74)	139.13	635.24
6	Equity Share Capital	1,251.19	1,251.19	1,251.19	1,251.19
7	Reserves (excluding Revaluation Reserve as shown in the Audited Balance Sheet of current year)	9,519.28	9,507.37	9,295.79	9,631.11
8	Earning Per Share (of Rs 10/- each) (for continuing and discontinued operations)				
	Basic	0.10	(0.99)	1.11	5.21
	Diluted	0.10	(0.99)	1.11	5.21

Notes: 1. The above is an extract from the detailed format of Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the website of the Stock Exchange(s) **www.bseindia.com**, **www.nseindia.com** and the Company website **www.terasoftware.com**
2. In view of the uncertainity caused non-realisation of bills from AP Fiber Grid project for operation and maintenance work being executed by the company, the Company is recognising the revenue only to the extenet of cost incurred for the project. **3.** Bank guarantee invoked by "Andhra Pradesh State Fibernet limited" of Rs.4.28 Crores. The said action was challenged by the company before the division bench of Andhra Pradesh High Court, Amaravathi, which is pending. Based on the legal opinion given by the counsel, the company has not made any provision in its books of accounts.

for **TERA SOFTWARE LIMITED**
Sd/- T. Gopichand
Vice Chairman & Managing Director
DIN : 00107886

Place: Hyderabad
Date: 14.11.2020

Opinion

MONDAY, NOVEMBER 16, 2020

A FIERCE REPLY

Prime Minister Narendra Modi

"India believes in a policy of understanding and making others understand... but if an attempt to test our resolve is made, then the country will give a fierce reply"

RationalExpectations

SUNIL JAIN

sunil.jain@expressindia.com
@thesuniljain

Stirrings of reform, but just about that

The last few months have seen reforms restarting, but till these are followed up with a lot more, it won't really move the needle

THOUGH ALL INDICATORS are the government has not spent enough to counter the contractionary impact of Covid-19 *(bit.ly/35oFnXa)*—as compared to an average of 2.5% for even Baa-rated peers, India has spent 1.8% of GDP—the real issue is whether PM Narendra Modi has used the opportunity to unleash reforms as encouraging investments is a sure-shot way of boosting the economy. Certainly, the last few months have seen more reforms than those seen in a long time.

In September, the Centre passed three agriculture Bills that included scrapping the monopoly of APMC-*mandis*, giving farmers the right to move produce across states and making contract farming easier; there was also an attempt to make the Essential Commodities Act (ECA) less stringent. Several reforms to the Centre's myriad labour laws—several states are also trying to do this—followed this; the most important one was the introduction of fixed-term contracts. Along with the sharp cut in corporate taxes last year, this promised a new deal for those wanting to, for instance, relocate from China.

As part of the post-Covid stimulus, the finance minister said a list of strategic sectors would be made where a maximum of four PSUs would be retained; all non-strategic PSUs would be sold. And, in an unusual break from past policies where the attempt was to cosset small firms, a Production Linked Incentive (PLI) was announced for mobile phone manufacture to attract global biggies like Samsung and Apple to set up/consolidate operations in India; last week, a similar scheme was announced for 10 other sectors.

After years of blowing hot and cold, commercial coal mines have just been auctioned and, folllowing the experiment with freight trains, private-sector passenger trains will also start. Indeed, the fact that the BJP won so handsomely in Bihar is testimony to not just Modi's undented appeal but also to his policies of direct benefit transfers, providing cooking gas to the poor, housing assistance, toilets, subsidised insurance, Jan Dhan bank accounts, etc; for the country's poor, these are the reforms that really matter.

Whether this will move the needle as far as investors are concerned, of course, is the question. A definitive answer is difficult since, as the government keeps pointing out, absolute FDI inflows are rising. The fact that overall investment—measured as a share of GDP, as it should, FDI is also falling—continues to fall, from 31.9% of GDP in Q1FY15 when Modi came to power to 22.3% in Q1FY21 suggests investors remain mostly unconvinced.

Gas-price reforms are only for new output, onion stock limits put despite ECA reforms, Uday-2 still has no real plan to punish states, strategic PSU list still not out, farm sector reforms incomplete ...

This is becauses, though they took so long in coming, the last set of reforms are just a first step, and need considerable following up to deliver the desired results. Allowing farmers to sell via non-APMC *mandis* is good, but the alternative *mandis* must be funded and provided land; farmers in states like Punjab and Haryana must be weaned away from wheat and rice, and efforts must be made to get those in other states to grow these crops. Farmers need good-quality seeds but a Monsanto—which brought India's cotton revolution—has virtually been hounded out of the country. Agriculture also needs a lot more public sector capex, yet the government fritters away its money in useless subsidies. And despite all the promises made to not restrict farm exports or to cut back on the use of the ECA, once onion prices started rising, the government imposed stocking limits!

The strategic sector PSU policy was announced in May, but the list is still not out; in the past, in fact, PSUs have been asked to buy other PSUs, been forced to give more dividends, even to buy back their shares. And if the oil sector is considered 'strategic', will nine of its 13 PSUs be sold or will they just be merged? It is true Covid-19 played havoc with privatisation plans of BPCL and LIC's listing, but the failed Air India sale was largely due to the government's refusal to make the offer attractive enough two years ago. And even after the sick BSNL got a ₹78,000-crore bailout, the government continues to play havoc with its plans to set up a 4G network; aren't PSUs supposed to have more autonomy?

At the end of the day, reforms must take place 24x7. If they are episodic—as PSU privatisation is—a Covid-19-like event can derail them fast; surely the government could sell a fixed number of shares of various PSUs on the first of every month, never mind their price? No serious attempt has been made to free PSUs either by amending the Constitution to say they are not 'instrumentalities of state'. The decision-making process—and this is absolutely critical—continues to be hobbled by the fear of a CBI knock on your door despite so many amendments to the Prevention of Corruption Act (PCA); each time we have been told the latest iteration will fix things! Thus, decisions that can quickly spur investments, such as slashing telecom and petroleum levies, have been delayed for years.

Even routine housekeeping, like freeing the working class from high-cost EPFO and ESI (the latter has accumulated over ₹90,000 crore of reserves by over-charging low-income workers for years), continues to hang fire. As in the case of the PCA, gas and oil prices have been 'freed' several times but, amazingly, these don't apply to most existing production; if producers can't make money now, how are they to invest in future exploration? Around the time the PM was wooing foreign investors a few weeks ago, the Supreme Court cleared the Centre's request to stay the $1.2-billion award to be paid by its Antrix Corporation to Devas Multimedia; and the Centre has not ruled out appealing the Vodafone award though doing so will signal its desire to bury the retrospective tax.

And despite all the talk, little has been done to clear the lakhs of crore rupees of central government dues. Indeed, on September 9, the finance ministry issued a detailed rebuttal to an *FE* story "Forget the stimulus, just clear your dues". *FE* had written about ₹117,000 crore of SEB dues, to which the ministry said ₹90,000 crore of liquidity infusion had been "proactively conceptualized" and ₹45,000 crore of this would be released "within a fortnight"; on Thursday, the FM announced that while ₹118,000 crore had been sanctioned, ₹31,100 crore had been disbursed; if suppliers can't even get their dues from the government on time, how are they going to trust its larger promises? On the flipside, the ₹65,000-crore of extra fertiliser-spend the FM announced on Thursday was to clear old dues of the fertilizer industry; the firms are happy to get their money, but it underscores the serious delays in clearing dues.

PrettyPOLLUTING

Crackers aren't worth the health damage they cause, but banning seems a difficult solution to implement

AIR QUALITY IN the national capital worsening sharply the day after Diwali—the National Green Tribunal's ban on crackers was conspicuously violated—is evidence of the environmental harm of firecrackers. Similar harm has been recorded elsewhere; the authorities in UK have reported a marked deterioration of the air quality and a sharp spike in particulate matter pollution around the Guy Fawkes night (November 5), observed to mark thefoiling of the Gunpowder Plot in 1605. Fourth of July fireworks in the US, Girona's (Spain) Sant Joan celebrations, even crackers lit during soccer celebrations in Germany—all these periodic use of fireworks have been linked to sudden surges in particulate pollution tied to long-term health damage.

From colourants to propellants, the heavy doses of chemicals cause untold damage in exchange for a few hours of fun; green crackers may be less polluting, but they are polluting nonetheless. In 2010, researchers from King's College, London, and University of Birmingham had found that pollutants from Diwali and Guy Fawkes night fire crackers depleted lung defences much more severely than vehicular pollutants. While, on paper, a total cracker ban should help, the fact is, in India, the crackers industry employs nearly 10 lakh people and accounts for ₹5,000 crore of manufacturing output. Investors, workers will need to be rehabilitated before such a step is taken. Then, there is the headache of the communalisation of the cracker-ban. Till these are navigated successfully, crackers will continue to choke the masses.

TRUMPING SENSE

THE UPHEAVAL NOT ONLY ENDANGERS THE US'S DOMESTIC SECURITY, BUT ALSO COULD TRIGGER FOREIGN POLICY DISRUPTIONS WITH SERIOUS CONSEQUENCES FOR THE ENTIRE WORLD

Trump's Pentagon shuffling raises anxieties

NICHOLAS KRISTOF

NYT

A PRESIDENTIAL TRANSITION can be a perilous time in the world. That's particularly true when the departing president denies that he is departing and fires America's top defence officials.

President Donald Trump dismissed defense secretary Mark Esper and several other top national security officials across the government. At the Pentagon, he has appointed four new top officials, one of them an extremist who had publicly called president Barack Obama a "terrorist leader." Another hard-liner was installed at the National Security Agency over its director's objections, and two senior officials at the department of homeland security have been forced out.

Rumours fly that the purge may continue with the removal of FBI director Christopher Wray and CIA director Gina Haspel. The president's oldest son, Donald Trump Jr., denounced Haspel a few days ago as "a trained liar."

The new appointments may increase the risk of aggressive action toward Iran. And the upheaval certainly undermines our national security in a transition period that is already fraught.

"Trump has figuratively decapitated our operational civilian leadership in the Pentagon," James Stavridis, a retired admiral and supreme allied commander of NATO, told me in an email. "Jubilant high-fives are the order of the day in Beijing, Moscow, Tehran and Pyongyang."

He added: "I worry about a North Korean or Iranian miscalculation, thinking the US is too distracted to respond appropriately to a fresh tanker seizure in the Arabian Gulf or a new long-range ballistic missile test—something either might do to gain leverage in negotiations with the incoming administration. Similarly, China could move even more aggressively on Hong Kong or even worse Taiwan, while Russia might be tempted to launch a significant cyberattack."

The greatest risks may be in Asia. North Korea still hasn't demonstrated that it has a warhead capable of surviving re-entry into the earth's atmosphere—and Kim Jong-un may feel that this is the time to do so, thus presenting Joe Biden with a *fait accompli*.

Most experts believe that Iran entertains hopes of getting a fresh start with Biden—unless it is provoked by some aggressive step concocted by the hard-liners newly installed in the Pentagon by Trump

North Korea has probably absorbed the lesson that nobody pays attention to it when it is calm and reasonable, and that it gets rewards only when it threatens mayhem. On the plus side, a negotiated deal is easier to imagine now than a few years ago, and after Trump's meetings with Kim, it may be more difficult for Republicans to denounce Biden for negotiating with North Korea.

The scariest possibility would be a Chinese move on Taiwan.

President Xi Jinping may want to signal to the United States and Taiwan alike that any deepening of ties will carry a steep price. If so, Xi might prefer to lay down that marker in the transition so that Biden isn't forced to respond.

The risk isn't so much an all-out invasion of Taiwan as it is a lesser step meant as a warning shot across the bow: snipping of undersea telecommunications cables that carry the internet to Taiwan, turning out the lights with a cyberattack, impeding oil tankers in ways that alarm investors and tank the stock market—and, from Xi's point of view, teach Taiwan a lesson. Clashes could quickly escalate, for Taiwan would want China to pay a price for such bullying.

"Beijing might calculate that the time is ripe for a move on one of Taiwan's outer islands, but it would sacrifice any opportunity for a moderated US position toward China once President-elect Biden takes office," noted Elizabeth Economy, a China expert with Stanford University's Hoover Institution. Beijing should also realise that any provocation could backfire and result in closer ties between the United States and Taiwan, plus pressure to boycott the Beijing Winter Olympics in 2022.

One not-so-reassuring sign, Economy noted, is that China recently proved willing to sacrifice its larger relationship with India over a border dispute.

As for Iran, most experts believe that it will be on good behavior in hopes of getting a fresh start with Biden—unless it is provoked by some aggressive step concocted by the newly installed hard-liners in the Pentagon. In other words, any dangerous provocation is more likely to originate in Washington, not Tehran.

Another risk is that Israel may conclude that the next two months offer a last chance to strike Iranian nuclear sites with support from Washington. The ensuing storm would reverberate through the region and might make it impossible for Biden to get Iran back into the nuclear accord.

Robert Malley, president of the International Crisis Group, said that one risk generally is that governments may prefer to take aggressive steps now, while the United States is distracted.

For example, Ethiopia's prime minister has ignited a civil war and Azerbaijan began an offensive against an ethnic Armenian enclave. There's no proof that the timing for either was shaped by events in Washington—but if you're an autocrat, this is not a bad time to start a war.

"Any transitional period presents foreign policy risks," Malley said, "but a transitional period involving Trump by definition magnifies them."

PLI scheme: Nurturing global giants

A key benefit of the PLI Scheme is that it can be implemented in a very targeted manner to attract investments in areas of strength and to strategically enter certain segments of global value chains

ISHTIYAQUE AHMED

IRS officer, presently working in NITI Aayog as Advisor, Industries
Views are personal

MANUFACTURING HAS BEEN the backbone of all developed and developing nations. It has pioneered almost every historic breakthrough in concepts, tools and methodologies over the last two centuries. It has also been the biggest contributor to employment across both skilled and unskilled labour force.

The world of manufacturing is now more interconnected than ever before with all major industries—automobile, electronics, pharmaceuticals, textiles, etc—operating as a global value-chain, with multiple countries adding value at different points. A simple apparel at a department store in the United States is likely to be designed in France or Italy, stitched at a manufacturing centre in India or Bangladesh with man-made fabric sourced from China and shipped by a German logistics company.

In order to integrate India as a pivotal part of this modern economy, there is a strong need to step up our manufacturing capabilities in sectors of high growth, including the cutting edge technology sectors. A strong, vigorous and dynamic manufacturing sector will fuel India's economic growth by allowing companies producing in India to penetrate effectively into the global supply chains across various sectors. Apart from enhancing exports, it will also reduce our import dependencies and spur domestic consumption.

The call for 'Atmanirbhar Bharat' has once again brought manufacturing to the centre stage and emphasised its significance in driving India's growth and creating jobs in the country at a large scale. India offers an attractive domestic market, with a large population in the educated and earning segment. It also has a strong institutional framework which allows for a smooth functioning of the industry.

A concerted effort towards attracting substantial investments for the creation of large manufacturing facilities, combined with a sharp focus on efficiency and economies of scale, can help Indian companies and manufacturers become globally competitive and integrate with the global markets.

The Production Linked Incentive (PLI) Scheme is designed to incentivise incremental production for a limited number of eligible anchor entities in each of the selected sectors who will invest in technology, plant & machinery, as well as in R&D. The scheme will also have beneficial spillover effects by the creation of a widespread supplier base for the anchor units established under the scheme. Along with the anchor unit, these supplier units will also help to generate massive primary and secondary employment opportunities. A key benefit of the PLI Scheme is that it can be implemented in a very targeted manner to attract investments in areas of strength and to strategically enter certain segments of global value chains (GVCs). This will help bring scale and size in key sectors and create and nurture global champions.

We have precedence from our competing economies, offering incentives liberally under various heads such as R&D, skilling support, amongst others, to encourage international and domestic firms to move to their countries and scale up their production capabilities. As a consequence, major multinational companies shifted major parts of their manufacturing to these geographies.

The sectors for PLI have been shortlisted on the basis of their potential for economic growth, revenue and employment generation. The extent of benefit to the rural economy and its criticality in the next few decades has also been considered while finalising the sectors.

With a focus on building a forward-looking manufacturing segment, the scheme incentivises upcoming technologies that represent the biggest economic opportunities of the 21st century. These include Advanced Cell Chemistry Batteries, Electronic & Technology Products and Solar Photovoltaic Modules. These are crucial sectors for sustaining rapid growth in digital economy, electric vehicles and renewable energy. Extremely strong manufacturing capabilities in these are also essential for taking on the Asian competitors who have made blinding progress in one or more of these sectors. It will also aid rural upliftment in India by ensuring continuous electricity availability and digital connectivity.

Secondly, the scheme intends to generate large-scale employment by incentivising the development of traditional, labour intensive sectors like Food Processing and Textiles. The current basket of Indian manufacturing constitutes of large volume of low-value products. The scheme aims to correct this by encouraging large manufacturers to bring technology and to build capabilities for high value output thereby providing higher returns to the upstream producers. It will also enable increase in exports.

Finally, the scheme envisages a globally-integrated manufacturing in sectors such as automobile and auto components, pharmaceuticals, telecommunications, white goods and steel. These are crucial sectors in terms of their strategic importance, contribution to the GDP and employment-generation potential. The scheme aims to further strengthen these sectors to enable creation of global champions who will bring in technological upgradation and enhance the value of export basket of the country. It will also encourage these manufacturers to seize the emerging international opportunities, given the changing geo-political orientation of the world.

Each of these sectors will have specific criteria of investment, production volumes, export focus with ingredients of domestic value addition and employment. The beneficiaries will be shortlisted based on their level of commitment towards achieving scale while meeting other specified performance parameters such as minimum investments, minimum incremental growth etc. The performance of the overall scheme as well as the shortlisted beneficiaries will be reviewed periodically during operation of the scheme.

Given the scale of incentives, which is around ₹1,96,000 crore, the manufacturing sector of the country is set to transform in the next few years. Its contribution to the GDP will significantly improve, leading to unprecedented investment and job creation.

LETTERS TO THE EDITOR

Housing focus for Stimulus 3.0

It refers to " Stimulus 3.0: Reforms hold the key". In its third stimulus package since the lockdown, the Modi government has targeted the housing sector as its engine of economic revival. Homebuyers will be entitled to income tax relief under Pradhan Mantri Awas Yojna for flats under ₹2 crore. Since all home finance companies and banks are offering very low housing loans interest rates, the latest decision of the government should make home buyers really go for their dream home now. But, there is one aspect which the government has still overlooked and should not have done so. Ideally, smaller units should have been included in the emergency linked credit guarantee schemes for restructuring as they remain the most vulnerable section of the businesses given their dependency on informal credit resources is quite high. Besides, during these times of pandemic, they have taken a huge beating. The finance minister would do well to look into this urgently and not let them suffer anymore.

— Bal Govind, Noida

More pain ahead?

The third instalment of the Atmanirbhar Bharat package unveiled by the Union finance minister Nirmala Sitharaman has a multi-pronged approach to deal with the economic crisis wrought by the Covid pandemic. Its focus on generating employment, encouraging formalisation of work force in urban areas and expanding the scope of distress employment provided in rural areas, etc, are steps in the right direction. But, there are several challenges to a robust economic recovery. While the Centre believes a durable economic recovery is taking place with easing of restrictions, it is not yet clear whether the current pace of economic recovery can be sustained. Significant risks such as relentless pressure of inflation, poor global growth following a second wave of Covid-19 and intensifying stress among households and firms.

— M Jeyaram, Sholavandan

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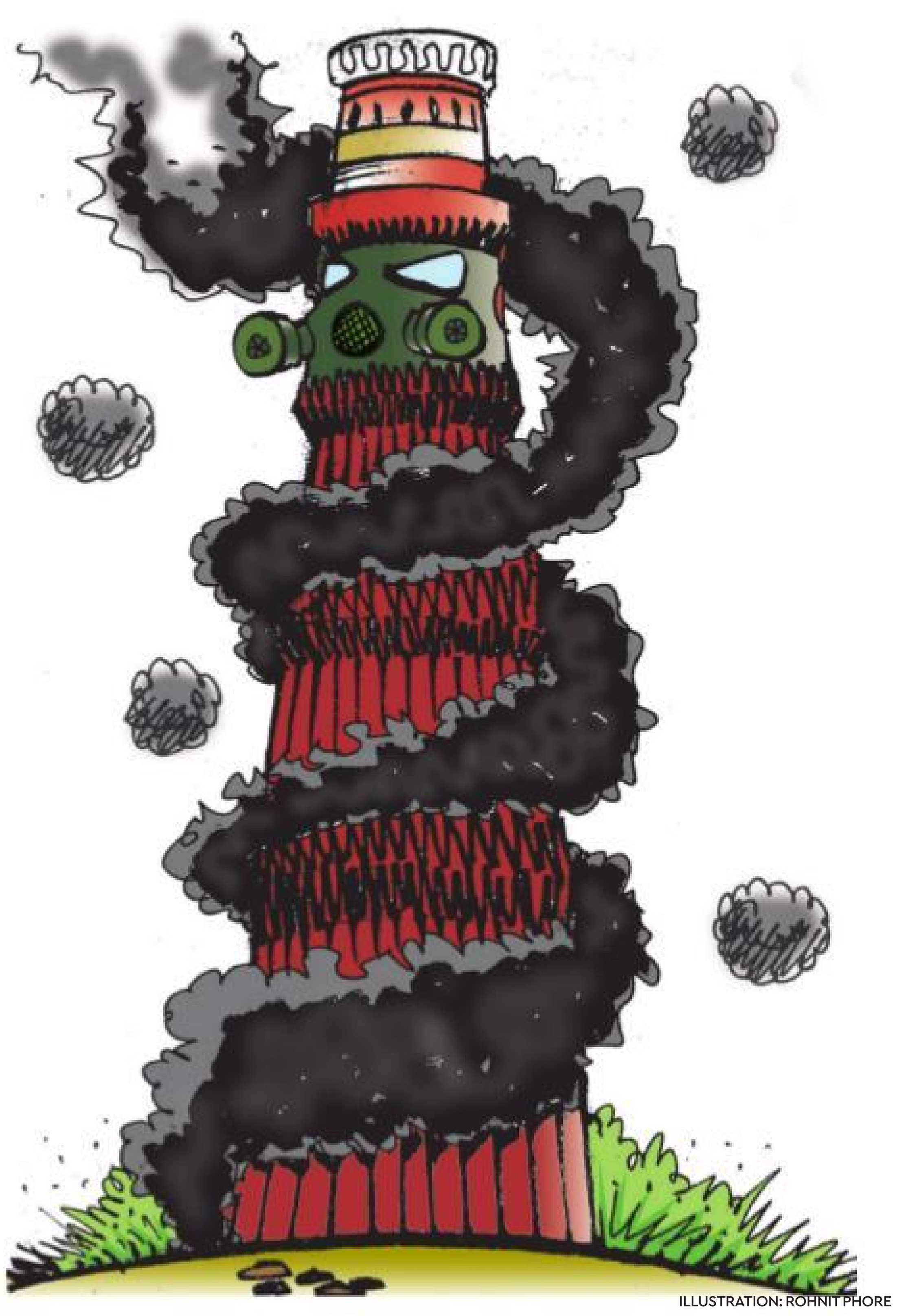

ILLUSTRATION: ROHNIT PHORE

MAHUA ACHARYA & AMIT KAPUR

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Gasping for air, again

While a regulatory regime is needed to control air pollution, actual mitigation with change in commercial and consumer behaviour is achieved when the command and control regime is accompanied by appropriate market mechanisms (like renewable purchase obligations, tradeable renewable energy certificates, and tradeable energy savings under the PAT scheme)

AS WE WRITE THIS, Delhi's air pollution index has been over 500 and climbing closer to 700. From experience, this will climb further in a matter of weeks. Discussions about the problem have resurfaced, but sadly much of the discussion continues to be around who is at fault—where the pollution is coming from and what activity causes it.

In a PIL filed regarding the deteriorating air quality in the National Capital Region (NCR), on October 16, 2020, the Supreme Court appointed a former judge of the Supreme Court to monitor the prevention of stubble burning in the states of Punjab, Haryana, Uttar Pradesh and NCR of Delhi, and submit fortnightly reports. Ten days later, the Union of India told the Court that it proposed a legislation to tackle the problem highlighted in the PIL. The Commission for Air Quality Management in the National Capital Region and Adjoining Areas Ordinance was notified on October 28. On October 29, the Court-appointed monitoring was put in abeyance. The ordinance is reported to have been placed before the Supreme Court and the matter is now listed next on December 8, 2020.

The ordinance dissolved the 22-year-old Environment Pollution (Prevention & Control) Authority and provided for the formation of an 18-member commission for comprehensive protection and improvement of air quality in the air-shed of the NCR, adopting a collaborative approach across various sectors and the five states of Delhi, Punjab, Haryana, Rajasthan and Uttar Pradesh. The commission has been directed to focus on prevention/mitigation of air pollution activities such as stubble burning, industrial emissions, road dust, vehicular pollution, construction activities, biomass burning, etc. The ordinance envisages at least three subcommittees of the commission, dealing with (1) monitoring and identification of causes of air pollution, (2) safeguarding of air quality and enforcement of pollution prevention/mitigation measures, and (3) promoting research and development.

The commission has been vested with extensive planning, regulatory, investigation and enforcement powers focused on preventing air pollution and improving air quality. It has the power to establish codes, parameters and standards; undertake inspections; issue directives to defaulting industries/units including closure and prohibitory orders; an overarching jurisdiction over various statutory, executive and judicially appointed ad hoc authorities; and power to enforce and penalise defaulters. Orders issued by the commission are appealable before the National Green Tribunal.

While all these enforcement measures are good, the law misses an explicit assertion of combining enforcement with a market-based approach to tackle air pollution (a techno-socio-economic issue) by nudging behavioural change.

In economics, an externality occurs when the producer does not have to pay its full cost, and when it affects another party either positively or negatively. If the cost to the society is greater than the cost the consumer is paying for it, then the externality is negative because it imposes this extra cost on the society, which can lead to market inefficiencies. Solving the problem of negative externalities can be costly on its own, as it is often difficult to assign responsibility. Pollution is one of the most common forms of negative externalities present in the world economy. Typically, the party that owns the property rights to the polluted area is responsible for paying the cost, but alternative strategies include taxing the producer. A tried and tested mechanism of polluter-pays is to limit overall pollution and allow parties to trade amongst themselves—through an emissions trading system. By economic theory, the traded price discovered is the price of the externality provided the market is efficient.

Air pollution is neither a new problem nor India's alone. A trading scheme works by setting a 'cap' on the total amount of pollutants considered acceptable. Such a cap should steadily be reduced over time until the total pollution reaches the desired long-term target. Emissions are quantified as tonnes of pollutant gases, and a limited number of permits are issued to market players over a set time period. Polluters are required to hold permits equal to their emissions with any shortfalls in permits with respect to actual emissions attracting 'polluter-pays' penalty.

While a cap & trade scheme is not the only way to address the challenge, it does offer a market-based economically-efficient pathway to achieving pollution reduction. Its impact is more promising because of competitive forces and the use of markets. Such markets have evolved over decades in the European Union, the US, the UK, and other developed regions.

The US has traditionally used market-based solutions to address many problems. Their Environmental Protection Agency (EPA) embraced the theory of trading in 1976, with the introduction of the 'offset policy' that allowed major polluters an alternative means of complying with the Clean Air Act of 1963. The EPA today runs programmes that reduce air pollution from power plants to address several environmental problems, including acid rain and ozone. For example, smog in Los Angeles used to be so bad that people thought it was a Japanese gas attack. California was one of the first to install emissions trading scheme to control air pollution and its success is uncontested: in 2017, California's GHG emissions declined by over 13% since 2006, its carbon intensity by 30%, while its economic growth increased by over 20%.

> **A trading scheme works by setting a cap on the amount of pollutants considered acceptable. Such a cap should steadily be reduced over time until the set target is achieved**

The past several decades of experience of handling air pollution has shown that while a strong and effective regulatory regime with notified norms and standards is needed, actual mitigation and prevention with change in commercial and consumer behaviour is achieved when the command and control regime is accompanied by appropriate market mechanisms (like renewable purchase obligations, tradeable renewable energy certificates, and tradeable energy savings under the PAT scheme). A similar system could be tried in India, as some have been contemplating, for reduction in GHG emissions that cause climate change—a much more difficult problem to solve.

An overall cap on pollutant gases such as SOx and NOx could be set, which would decline over time to some (ideally, scientifically determined) acceptable level. Facilities under this cap would be identified, and given some permits. The total number of permits corresponds to the overall cap for the year. These permits could be distributed for free to begin with, or auctioned for a price—the revenue for which could cover the scheme's administrative costs. Decisions on temporal flexibility could also be made, i.e. whether allowances may be banked, or must be retired in that year. To get the market going, a pilot or regulatory sandbox of, say, two years could be established for pre-identified facilities, and a floor price set through a market fund capitalised through grants or other sources of finance to evolve and stabilise a mechanism suitable for India.

Such a mechanism will facilitate better access to green finance and provide incentive to Indian enterprises to adopt pollution preventing and mitigating processes. It is desirable the law must provide for appointment of environmental economists, financial experts and market players to the commission and sub-committees; and require the commission to evolve a suitable market mechanism to enable trading in air pollution.

Taxing the digital economy

JIGER SAIYA

The author is partner & leader, Tax & Regulatory Services, BDO India

MNCs must assess impact of digital taxes in their main operating jurisdictions

SCALE WITHOUT MASS, reliance on intangibles, use of ICT and multi-sided business models are characteristics of new-age businesses. Digitalisation of businesses has exposed vulnerabilities in existing tax framework, designed over a hundred years ago, and prone to base erosion and profit shifting. Governments globally have recognised the need to revisit concepts of source and residence or characterisation of income for tax purposes. The BEPS project, initiated by the OECD and the G20 in 2013, was a step in resolving this conundrum.

OECD Inclusive Framework

The OECD has released Two-Pillar Approach blueprint. Proposals under Pillar One seek to reallocate taxing rights to market jurisdictions in case of automated digital services (ADS) and consumer-facing businesses (CFB). Pillar Two recommends rules to ensure profits of globally-operating businesses are subject to a minimum rate of effective tax.

The UN alternative

The UN has proposed a simplified alternative by releasing a draft of Article 12B, which could be included in tax treaties between countries through a multilateral convention. The draft proposes to allocate partial taxing rights on income from ADS (excluding royalties and fees for technical services) to market jurisdictions. It allows an option for taxpayers to choose between gross and net basis taxation and accordingly subject to tax/withholding at specified rates.

Consensus on resolution

While final reports on Two-Pillar Approach are expected in mid-2021, it will be a daunting task to have a global/political consensus. The biggest impediment is agreement on the 'one size fits all' approach under Pillar One. Uncertainties exist on the applicability of Pillar One (agreement to thresholds; classification of profits into routine and non-routine before arriving at the share of profits to market jurisdictions; quantum of incremental tax revenue that would be collected vis-à-vis the efforts involved). Regarding Pillar Two, setting a global minimum tax rate may allow economically stronger countries to force a minimum rate agenda on smaller economies, which may have an economic impact on them.

Assuming consensus is reached, absence of harmonised adoption would give rise to mismatches. Early this year, the US withdrew from discussions on Inclusive Framework. As against this, the acceptability and time to implement the UN alternative provides no immediate redressal; the resolution may be farther than it appears.

Triggered by the desire to protect tax base and uncertainty about a mutually-accepted solution, several countries introduced unilateral measures like equalisation levy, withholding tax, digital services tax, VAT/GST, etc. While these measures may/may not fill coffers of governments, they add to the complexity of doing business for a global corporation. Besides additional compliance and tax cost, they add to risks from non-compliance, unintended litigation, increased efforts and ultimately increased cost of doing business.

While these developments from the OECD and the UN are steps to resolve tax challenges on digital economy, businesses should assess the impact of digital taxes in their main operating jurisdictions. All global businesses should relook at existing business models considering current tax laws, interim measures and resolution propositions. The key is to have a holistic perspective on local and international developments, and maintain consistency in positions, documentation, reporting and compliances across regulations and countries. Businesses must gather adequate technical and tech support to implement the imminent changes in their infrastructure to identify, track and manage complex computations and compliances. It would be worthwhile to assess capabilities of existing ERP systems to track/map the digital activities and resulting revenues/costs. Resourcing, trainings and reskilling of tax teams will be necessary to cater to additional compliance requirements. Rethinking tax functions is imperative, as taxation complexities are likely to stay.

(With inputs from Kedarnadh Suram, manager, Tax & Regulatory Services, BDO India)

CRISPR-CAS9 GENE EDITING

A valuable tool for agriculture

Gene editing can benefit global agriculture through rapid development of crop varieties with diverse desirable traits

RS PARODA

The author is the founding chairman of the Trust for Advancement of Agricultural Sciences

IN A FIRST, this year's Nobel Prize in Chemistry was awarded jointly to two women scientists and an all-women team—France's Emmanuelle Charpentier and the US's Jennifer Doudna—for developing the CRISPR/Cas9 gene-editing technique. CRISPR/Cas9 is considered to be a revolutionary finding and one of the most exciting innovations primarily for being precise and the sharpest tool for gene editing.

By recognising viral genetic sequences and targeting their destruction, the Clustered Regularly Interspaced Short Palindromic Repeats (CRISPR) gene sequences occurring in nature provide the bacteria immunity from viral infections. Charpentier and Doudna isolated the components of the CRISPR/Cas9 system and used these to cut any DNA molecule at a specific site. This programmable gene-editing system allows scientists to make targeted changes in the genome of an organism, be it insertion, deletion, modification or replacement of gene sequences. In the case of insertion and replacement, the sequence/fragment can be from the same (cis) or different (trans) species.

Potential application in agriculture

Gene editing can have a profound impact on global agriculture through rapid development of crop varieties with diverse desirable traits. This can lead to enhancement in productivity, nutritional quality of produce and climate adaptation, thereby ensuring sustainability of production systems and nutritional security for the underprivileged. Genetic variations, whether occurring naturally or created through artificial means, are the foundation for crop improvement. Utilising genetic variation to develop new crop varieties through conventional breeding need several years of effort comprising cross-pollination, rigorous selection of progeny for individuals with desired traits while avoiding undesirable traits and further cycles of pollination and selection to produce a variety fit to be released for cultivation by farmers.

On the contrary, gene editing through CRISPR/Cas9 can create desired variations more precisely and without affecting other characters of a variety. This enables new varieties to be produced quicker and can enable breeders to significantly cut down on time, labour and cost.

CRISPR/Cas9 and other genome-editing techniques are being used by scientists all over the world to incorporate desirable traits in different crops, including cereals, pulses, oilseeds, fruits and vegetables. Although the first genome-edited crops in the market were improved for consumer-related traits like improved soybean oil and non-browning mushrooms, the technology is being harnessed for incorporating multiple traits that would help farmers improve both production and incomes. These include varieties requiring low inputs like fertilisers, water, insecticides, fungicides or those that have better nutritional qualities. Examples are pest-resistant crops (resistant to citrus greening and panama disease of banana), climate-resilient crops that can grow well under higher temperatures, submergence and saline soils (wheat, rice), plants with architecture suited for efficient farming systems indoors or in the field (tomatoes, ground cherries) and crops with improved nutrition or lower anti-nutritional traits (cassava, rice, wheat, millets, mustard).

The technology is being improved with the discovery of better enzymes and engineering inducible gene-editing system as well as improved methods for delivery of gene-editing machinery to avoid any foreign/undesirable DNA insertion.

Research and regulation

The Department of Biotechnology (DBT) and the Indian Council of Agricultural Research (ICAR) have recognised the enormous potential of gene-editing technology. The DBT's National Agri-Food Biotechnology Institute, Mohali (Punjab), was among the first in India to use CRISPR/Cas9 to carry out a change in the phytoene desaturase (fruit ripening) gene of banana cv Rasthali. ICAR institutes are involved in application of CRISPR technology for enhancing stress tolerance and nutritional quality in a number of crops.

To harness the benefits of international advances in CRISPR technology for crop improvement, the ICRISAT (India) has signed a Master Alliance Agreement with Corteva AgriScience to provide access to CRISPR-related resources to the ICRISAT. Corteva AgriScience holds the licence for MIT and Harvard CRISPR technologies.

Similar international partnerships for acquisition of other gene-editing technologies need to be built by other Indian public and private sector organisations engaged in crop improvement.

The DBT has also developed a draft regulatory framework and risk-assessment guidelines for genome-edited organisms. Dividing the edited organisms on the types of alterations made, the guidelines based on the recommendations of the National Academy of Agricultural Sciences (NAAS) have clearly defined the data requirements for different categories of gene insertions, with only one specific category where gene is truly transgenic (DNA from unrelated genera or species) requiring the developer to generate comprehensive data in line with the existing biosafety/hydrology protocols.

These guidelines, when cleared by the Genetic Engineering Appraisal Committee (GEAC) and approved by the government, will accelerate the process of plant breeding and provide enormous benefits to smallholder farmers as well as to the nation. It will also align with a large number of countries who have taken a position on gene editing and make international seed trade seamless as well as justify attempts by the Indian government to make India a global seed hub.

Need for public education

Often, lack of information can mislead people. It is, thus, important the masses are kept informed about the essential elements of gene-editing technology, as well as of its safety and development process, and its likely benefits to the society.

Accelerated efforts both by the public and private sector institutions involved in the agricultural research for development (AR4D) programmes shall be critical to achieve the UN Sustainable Development Goals (SDGs) by 2030. In this context, increased investments will have to be made for up-scaling and out-scaling disruptive innovations such as CRISPR/Cas9 and other plant-breeding processes. These are critical for higher production and productivity of crops, and for household food, nutrition and environmental security.

eFE

MONDAY, NOVEMBER 16, 2020

MISPLACED FEARS

Kris Gopalakrishnan, Co-founder, Infosys

"Don't fear AI. The technology will lead to long-term job growth; 50% of employees will need re-skilling by 2025."

CLOUD FOCUS

Changing growth orbits with the cloud

Polycab, one of India's largest cables and wires makers and a rapidly growing electrical goods brand, is using Oracle Cloud Infrastructure to quickly test and deploy new applications

SUDHIR CHOWDHARY

STARTING WITH JUST a small electrical retail shop in Mumbai a few decades back, Polycab has evolved into one of India's leading manufacturers of cables and wires and allied products. It has recently ventured into consumer electrical products such as fans, switches, switchgear, LED lights and luminaries, solar inverters and pumps.

With 18% market share, Polycab is on a mission to accelerate business growth. Its 30-member strong IT team has played a key role in Polycab's technology modernisation, innovation and growth journey. Says Vivek Khanna, executive-president and CIO, Polycab India, "Technology has contributed significantly towards improving our overall performance. These include customer experience, ease of working, operational efficiencies, pace of manufacturing and process automation, amongst others. As a result, we have been able to greatly optimise our resources overall."

"We want to make sure our IT teams get freed from managing routine, operational tasks and can instead develop an innovation mindset."

—VIVEK KHANNA, EXECUTIVE VICE-PRESIDENT & CIO, POLYCAB INDIA

Digital-first mindset

Looking to transform into a digital-first business, Polycab has stepped up focus on digitalisation in the last 2-3 years. Every business function is supported with some standard or custom-built technology stack, and all of them have been integrated into the core ERP platform. "Essentially, we are trying to digitalise our core. We started with stabilising our ERP system, which also includes critical business processes. Another key focus is driving advanced automation of some of our processes," adds Khanna.

Data-driven decisions

Polycab is now in a better position to unearth deeper insights from data to aid better business decisions, something the IT team expects will further strengthen the company's digital capabilities. By capturing accurate data at source and interlinking with necessary applications and functions, seamless movement of data throughout Polycab has become possible.

A major project for the IT team was creating a robust dealer management platform to usher in greater transparency. "With the platform now live, our distributors are able to book sales orders, view status on outstandings, check relevant price lists and catalogues, retrieve balance information, etc.,—essentially covering all elements that channel partners need support for from a manufacturing organisation. This portal today accounts for over 80% of our overall orders booked via channel sales," says Khanna.

Faster innovation with cloud

The cables and wires firm has turned to the cloud to accelerate innovation and growth. Polycab started its cloud journey by moving its disaster recovery environment for Oracle ERP to the second generation Oracle Cloud Infrastructure (OCI). "With OCI, we have realised superior cloud economics, improved flexibility and experienced easy scalability. Encouraged by this success, we have started using OCI for our entire testing environment. This has helped us create workloads faster. Further, owing to easy scaling features, we have also saved tremendously on our Test\QA costs," he adds.

Polycab is also using Oracle Mobile Supply Chain Application (MSCA) to enable real time data capture from the shopfloor. It is now extending this application to the rest of its units and depots. It has started using Artificial Intelligence and Machine Learning (AI/ML) to better streamline processes and further improve operations. Among the initial AI-based applications rolled out for users are a smart travel and expense management solution. It plans to use AI/ML, chatbots more widely in the coming months, especially in making customer-facing applications more intelligent and user-friendly. Currently, the IT team is looking to extend AI/ML capabilities to the secondary sales platform and document management system to further improve process efficiencies. Next on the cards is digitalising warehouse and transportation management systems, using RFID and GPRS technologies.

REMOTE DIAGNOSIS

Why telehealth matters

Vikram Thaploo

COVID-19 HAS PUSHED healthcare to the forefront of every organisation's agenda. The pandemic is set to cause 4.5% permanent loss to India's GDP, according to experts. If we want to achieve health improvements and minimise economic losses, then we need to shift the focus to preventive care. A large percentage of economic benefits can be achieved with safer work environments, by encouraging workers to adopt healthier lifestyles, and by increasing access to medicines and preventive care. The rest will come from timely treatment of diseases with proven treatments.

The pandemic has also highlighted the importance of tackling non-communicable diseases (NCDs), which have been one of the leading causes of disease complications. NCDs are responsible for 61% of deaths in the country, and we need to focus on scaling up NCD screening programmes and awareness drives to address chronic conditions like diabetes, hypertension, obesity, heart and lung diseases, stroke, and cancer. A paradigm shift in focus to preventive care can be realised at a low cost and the implementation costs will be more than offset by the gains to productivity in healthcare delivery.

Time to rethink healthcare architecture

The pandemic has demonstrated that it is possible to rethink healthcare service delivery. Rethinking workforce and patient flow in Covid-19 wards and a transition to teleconsultations are just two notable transitions. People are already demonstrating that it is not that difficult to induce a behavioural change by demonstrating their readiness to wear masks, prioritise hand hygiene, and reduce person-to-person interactions to help curtail the spread of the virus.

The pandemic has also fast-tracked innovation and collaboration by scientists across the globe. If this is sustained, it can help us address major health conditions like cardiovascular diseases, cancers, and mental health disorders. As of September 2020, scientists have shared more than 50,000 genome sequences and close to 200 vaccines are in different stages of development. Pharma giants, healthcare providers, and the medical tech industry are an integral part of the pandemic response. They should further come up with ways to build on the innovations and help do their part in the ongoing remodeling of healthcare systems, ensuring alignment of incentives and efficient collaboration to improve the overall health and prosperity of the population.

Corporate world needs to adapt

Companies outside the healthcare domain are also adapting to the crisis by revamping their organisational workflow and operation models. There is a strong economic case to be made for the need to invest in the health of their employees. In today's fast-paced and hectic corporate world, the occupational risks are increasingly linked to mental health triggers, sleep hygiene, and the level of physical activity, with mental health fast becoming a concern as the economic uncertainty associated with the pandemic is beginning to take its toll. Companies should seriously consider providing greater access to mental health services and more flexible working hours.

Encouraging workers to take advantage of telehealth and virtual programmes is the first step. Times like these bring a lot of uncertainty and anxiety, and people feel the need to talk to a counselor. That is precisely where telehealth comes into play. It will help people cope better in times of crises, and induce a behavioural change in their attitudes towards seeking remote help.

By offering telehealth benefits, organisations will have an engaged and productive workforce while employees benefit from a convenient and readily accessible form of healthcare. It will be an integral component of employee well-being plans in the future.

The writer is CEO, Apollo TeleHealth

Tech Bytes

Alok Ohrie, president and managing director, Dell Technologies India

Developing future workforce

DELL TECHNOLOGIES IN partnership with American India Foundation (AIF), National Skill Development Corporation (NSDC) and University of Mumbai has launched 'Project Future Ready' to equip the workforce with career skills. With AIF as an implementation partner and NSDC as the skilling partner, the project is set to impact over 100,000 students in Mumbai and Delhi NCR, of which 60% are female. The project aims to provide skills development for these students through career mentoring, leveraging online skilling platforms and providing market aligned skills training for employability and inculcating entrepreneurial mind-set. On completion of the programme, the students will receive a certification from NSDC and University of Mumbai. Alok Ohrie, president and managing director, Dell Technologies India said, "Technology is a powerful tool that can break down barriers and create new possibilities. With 'Project Future Ready', we want to encourage students to enhance their skillsets, be future job-creators and contribute towards a brighter and a prosperous India."

SAP & Wipro to work on cloud tech for real estate

IT SERVICES MAJOR Wipro will co-innovate with SAP SE on cloud-based solutions for the real estate industry. Building on the Intelligent Enterprise strategy, SAP is expanding its vertical solutions to fill the whitespace in its portfolio with an ecosystem of industry cloud applications that leverage SAP Cloud Platform with advanced technologies, and are interoperable with SAP Business Network and the intelligent suite. To start with, Wipro has launched the Tenant Acquisition Management (TAM) solution for the real estate industry. Anchored with technologies such as robotic process automation, AI and machine learning, the TAM solution enables faster deal conversion with respect to tenant leasing by providing a seamless, real time and consistent experience for leasing agents to perform 'Lead to Lease' activities. "Wipro and SAP's collaboration will spur innovation to help customers solve real world business challenges. This initiative will help real estate businesses to constantly innovate and differentiate themselves in the marketplace," said Srinivas Sai Nidadhavolu, vice-president and Global Practice Head - SAP Services.

Gadgets

SAMSUNG GALAXY S20 FE

This is a phone that has it all

Galaxy S20 FE is a sturdy handset with good display, powerful processor, slick cameras and all-day battery life

SUDHIR CHOWDHARY

WHEN IT COMES to the quality of the product, after-sales service and most important, trust in the brand—Samsung ticks all the boxes right; the South Korean consumer electronics major stands tall over others in the mobile phone market, across segments. The company has a razor-sharp focus on what the consumer wants—continuously listening to evolving consumer preferences, usage and habits and aspirations—and that's what gives it an edge. The ethos is to make every new product relevant for the consumer.

Samsung Galaxy S20 FE (Fan Edition) is an outcome of that. "Galaxy S20 FE is the flagship smartphone that is designed by the fans, for the fans," says Aditya Babbar, director, Mobile Business, Samsung India. "It includes all the innovations our consumers love the most." Basically, the company has picked select features of the Galaxy S20 series, such as the super-smooth scrolling display, an AI-powered camera, advanced chipset, hyper-fast connectivity, all-day battery and more, in order to create the all-new Galaxy S20 FE. The result is a surprisingly good smartphone. Let us dig deeper to find out more.

Galaxy S20 FE is priced at ₹40,999 for the 128GB variant and ₹44,999 for the 256 GB variant (festive season offers, valid till November 17). It is available in five bold colours—Cloud Red, Cloud Lavender, Cloud Mint (our trial unit), Cloud Navy and Cloud White. We have been using the device for some time now and frankly we were quite impressed with its design and build quality. It is an attractive looking device that is sturdy and features an interesting texture haze effect that minimises fingerprints and smudges.

The bezel-less design of the Galaxy S20 FE's full screen is eye-catching, too. So is its screen that itself is top-notch. The Galaxy S20 FE comes with a 6.5-inch FHD+ Infinity-O display. It is pretty bright with great colours and good contrast. A super-smooth 120Hz refresh rate and 240Hz touch report rate ensures fluid scrolling and seamless gaming. In real-time usage, the screen indeed is silky-smooth.

Under the hood, Galaxy S20 FE is powered by a 7nm Exynos 990 processor and comes with a 4500mAh battery that lasts all day. It features wireless power share and wireless fast charging and supports 25W Super-Fast charging. The phone ensures end-to-end hardware and software security with enhanced Knox Security. It is IP68 certified which makes it dust and water resistant. It has 8GB RAM and 128GB/256 storage with upto 1TB microSD card support.

Moving on to the camera side, the Galaxy S20 FE brings a pro-grade triple camera along with the 32MP selfie Camera including tetra-binning technology that lets you instantly capture a post-worthy picture. With the device's large image sensors including multi-frame processing, you can take richer, more vibrant images—even in low light—so you can simply snap and go. Night mode multi-frame processing with AI frame integration stabilises motion in-shot while you record, so you can focus on having fun. And while you may not always be physically close to the action, the Galaxy S20 FE's powerful 30X Space Zoom 3 lets you get close enough to capture the shot.

Frankly speaking, Galaxy S20 FE is a phone that has it all— it is sturdy and has good build quality, there's a premium design with top-notch display, powerful processor, slick cameras and all-day battery life. Highly recommended.

SPECIFICATIONS

- Display: 6.5-inch FHD+ Super AMOLED Infinity-O display
- Processor: 7nm Exynos 990 processor
- Operating system: Android 10
- Memory & storage: 8GB RAM, 128/256GB internal storage (upto 1TB microSD card support)
- Camera: 12MP + 12MP + 8MP rear, 32MP front camera
- Battery: 4500mAh
- Estimated street price: ₹40,999 (128GB), ₹44,999 (256 GB)

SENNHEISER CX 400BT

These Buds deliver pro-level audio quality

The CX 400BT True Wireless offer great sound quality, all-day comfort and long battery life

SUDHIR CHOWDHARY

THERE ARE PLENTY of wireless earbuds out there in the market, available across a wide range of prices. The reason for their growing popularity is that they tend to be water and sweat-resistant, while allowing you to control them via Bluetooth for hands-free operation. Needless to say, they are a perfect companion for your workout and gym sessions.

Sennheiser's new CX 400BT True Wireless earbuds can be a great choice if you're on the lookout for a good, high-end, in-the ear audio device. They come with intuitive customisable controls, all-day comfort and seven-hour battery life that can be extended to up to 20 hours using the supplied charging case. The CX 400BT True Wireless comes in black and white colours and carries a price tag of ₹16,990.

In the box, you'll get the CX 400BT True Wireless earbuds, silicone ear adapter sets (XS, S, M, L), charging case and a USB-C cable. For a perfect fit in the ear that keeps the earbuds securely in place and effectively attenuates outside noise, adapters are provided in a choice of four sizes. Basically, the CX 400BT True Wireless has been created for fast-paced, always-on lifestyles. They have an ergonomic design created for all-day comfortable wearing.

Set up is simple but before you do that, download the Sennheiser Smart Control, a free app that is compatible with most iOS and Android systems. With this app, it is also possible to tailor the sound experience to one's personal preference via the built-in equaliser. Support for codecs such as SBC, AAC and aptX assures great sound quality with both iOS and Android mobile devices.

Switched on, activated and connected to the mobile device, the CX 400BT True Wireless delivers very good performance thanks to Sennheiser's 7mm dynamic drivers which are also featured in the hugely popular Momentum's True Wireless 2 earphones that were introduced earlier this year. The bespoke drivers of the CX 400BT True Wireless deliver high-fidelity sound with deep bass, natural mids and a clear, detailed treble. I reckon they are ideal for those who enjoy diving into a long playlist, a lively audiobook or a long conference call.

For phone calls and when using smart assistants, the CX 400BT True Wireless earbuds feature ambient noise reduction microphones to make voice interactions sound natural and crystal clear.

Lastly, with seven hours battery life and up to 20 hours available when charging on-the-go with the supplied case, the CX 400BT True Wireless is quite dependable throughout the day. I wore these wireless earbuds around for a few days and they deliver strong performance for voice calls, movie watching and music listening. All in all, they deliver a good bang for your buck.

- Estimated street price: ₹16,990

Investor

MONDAY, NOVEMBER 16, 2020

EXPERT VIEW

MSS is well-positioned to benefit from demand recovery as well as efficiency improvement at the greenfield plants. It is our preferred bet to play global recovery in Auto

—Motilal Oswal

Revised forecast (Consol) (₹ million)

	FY21E Rev	FY21E Old	FY21E Chg (%)	FY22E Rev	FY22E Old	FY22E Chg (%)
Net Sales	5,92,697	5,89,880	0.5	7,02,287	6,98,750	0.5
Ebitda	45,673	40,075	14.0	74,305	71,920	3.3
Ebitda (%)	7.7	6.8	90bp	10.6	10.3	30bp
Adj. PAT	5,464	3,556	53.6	18,696	17,419	7.3
EPS (₹)	1.7	1.1	53.6	5.9	5.5	7.3

Source: Company, MOFSL

MOTHERSON SUMI RATING: **BUY**

Demand recovery drove Q2 showing

Global operations surprised positively while India missed estimates; FY22e EPS up 7% to factor in stronger revival in SMRPBV and PKC; 'Buy' maintained with TP of ₹150

MOTHERSON SUMI'S (MSS)'S Q2FY21 operating performance was driven by strong demand recovery and improved efficiencies. SMP's greenfield plants achieved Ebitda breakeven. MSS is well-positioned to benefit from demand recovery as well as efficiency improvement at the greenfield plants. We upgrade our FY22e EPS by 7%, factoring in stronger recovery in SMRPBV and PKC. MSS is our preferred bet to play global recovery in Auto. Maintain **Buy**, with TP of ₹150 (Dec'22 SOTP).

Operating performance led by global demand recovery: MSS reported financials, excluding the DWH (Wiring Harness) business, and classified it as discontinued operations in the wake of restructuring. All of our numbers are like-to-like and include DWH to showcase the complete picture. Q2FY21 consolidated revenues/Ebitda/adj PAT changed by -2/ 18/3% y-o-y to ₹156.7/15.5/3.72 bn. H1FY21 consol revenues/Ebitda declined ~26/64%, and reported adj. loss stood at ₹4.4 bn.

India business sales/Ebitda/ adj. PAT changed by ~4/12/-1% y-o-y to ~₹17/2.8/1.7 bn. SMP revenues declined 9.5% y-o-y to ~EUR915 m. Ebitda margins expanded 300bp y-o-y to 7.2%. Greenfield plants turned Ebitda-positive, with EUR3 m Ebitda (EUR19 m loss in Q1FY21; EUR175 m loss in FY20).

SMR revenues fell 10% to EUR350 m and Ebitda margins expanded 240bp to 13.4%. PKC revenues declined 14% y-o-y to EUR263 m and Ebitda margins contracted 300bp to 8.7%. However, demand is picking up on the back of an increase in Class-8 truck orders. Net debt declined on a q-o-q basis to ~₹75.2 bn (v/s ₹90.8 bn).

Highlights from commentary

Status of operations: Neither plant shutdowns (due to lockdown), nor any changes in schedule by clients were reported. ~80% of plants are running at capacity of >75%. Strong demand has been cited for Q3FY21; mgmt expects EU demand recovery to continue despite the second wave of lockdown. **SMP:** Greenfield plants could see further revenue growth, driven by new model and variant launches. **PKC:** The off-take was lower during the quarter for the US (-40% y-o-y), Europe (-30%), and Brazil (-39%); only China was positive. However, demand is picking up on the back of an uptick in NA Class-8 orders.

SMP's greenfield plants achieved Ebitda breakeven in the quarter. The company is well-positioned to benefit from demand recovery as well as efficiency improvement at the greenfield plants

Valuation and view

Our positive view on MSS remains intact (turnaround in greenfield plant + execution of strong order book of SMRPBV + industry recovery). Maintain **Buy**.

MOTILAL OSWAL

TATA POWER

RATING: **OVERWEIGHT**

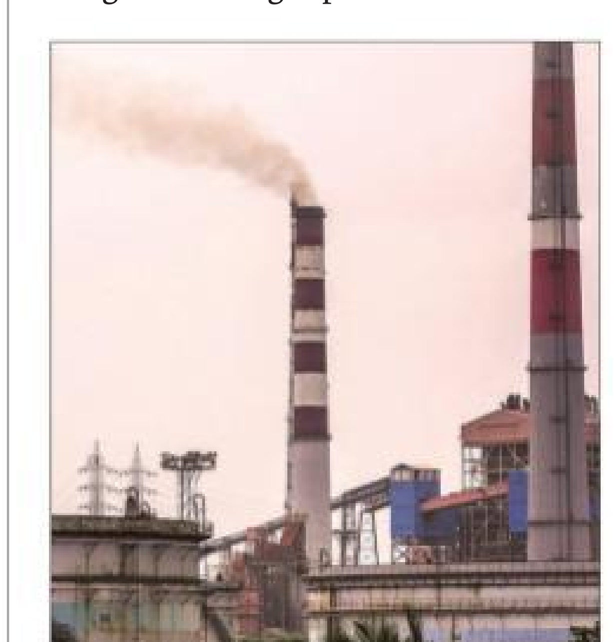
Operationally a strong second quarter

Beat in Q2 and interest cost savings are expected to drive consensus upgrades; 'Overweight' maintained

TPWR REPORTED REVENUE and Ebitda growth of 15% and 11% y-o-y, respectively. TPWR's revenue, Ebitda and adjusted PAT were 13%, 17% and 5%, respectively vs. our estimates and 12%, 10% and -6% vs. consensus. PBT was 160% above our forecast driven by Ebitda beat and higher other income; however, effective tax rate was high leading to marginal beat at the adjusted PAT level.

Corporate updates

(i) Preferential issue of new equity shares to promoters was concluded at ₹26 bn; (ii) the plan of Renewable Invit is progressing well as a non-binding agreement has been signed and due diligence by investors is underway. Management is hopeful of closing the deal in the next two to three months; (iii) sale of Defence business was completed for EV of ₹10.8 bn (cash received ₹5.4 bn balance towards debt) in F3Q21; (iv) on merger with specified subsidiaries, TPWR has received approvals from SEBI and RBI, but NCLT approval is awaited (could take three to six months); (v) Arutmin coal mine licence extended for an initial period of 10 years; (vi) Crisil has upgraded long-term rating of TPWR to AA/Stable and ICRA has revised long-term rating to positive from stable.



Cash flows and balance sheet

(i) CFO in F1H21 was ₹46.6 bn (F1H20 ₹32.7 bn); (ii) net debt reduced from ₹436 bn (F4Q20) to ₹368 bn (F2Q21). Debt reduced q-o-q: standalone by ₹29.1 bn, Coal SPV's ₹5.3 bn, renewable ₹3.6 bn and other businesses ₹4.5 bn; (iii) net debt/equity and net debt/Ebitda have improved to 1.52x and 4x, respectively; (iv) TPWR has incurred capex of ₹12.7 bn (F2021 guidance ₹38 bn).

Mundra plant

PLF was 79% (+1,400bp y-o-y). Fuel under recoveries decreased to ₹0.3/unit (F2Q20 ₹0.52) – lower spot coal prices and competitive shipments. As of F2Q, Mundra debt was ₹80.8 bn and management infused cash of ₹26 bn in Oct-20 and will infuse a further ₹15 bn in Nov-20, thus bringing external debt to ₹40 bn and making the project sustainable.

As of F2Q, Mundra debt was ₹80.8 bn and mgmt infused cash of ₹26 bn in Oct-20 and will infuse a further ₹15 bn in Nov-20, bringing external debt to ₹40 bn

Indonesian coal unit: Production and sales were -11% and -4% y-o-y, respectively. Net realisation after royalty and cost of production (including inventory) were -21% and -15% y-o-y, respectively, leading to gross proft/ton going down by 38% y-o-y. Coal companies are working with contractors to reduce mining costs.

Solar EPC business: Order book is ₹92.7 bn as of date (2.2GW orders). TPWR is targeting to execute the same over the next 12-18 months and margins are expected to be in high-single-digit levels. Management noted 50% of the order book is captive in nature.

MORGAN STANLEY

Y/E MARCH	2020	2021E	2022E	2023E
ModelWare EPS (₹)	3.88	4.10	5.80	7.20
Prior Model Ware EPS (₹)	—	—	—	—
EPS (₹) (Consen)	4.12	4.70	6.04	7.67
Revenue, net (₹ mn)	289,690	300,484	324,491	340,202
Ebitda (₹ mn)	77,755	77,210	84,279	90,553
ModelWare net inc (₹ mn)	10,490	13,119	18,557	23,006
P/E	8.4	13.8	9.8	7.9
P/BV	0.5	0.8	0.7	0.7
RNOA (%)	6.2	6.3	6.7	7.1
ROE (%)	5.7	6.7	8.1	9.4
EV/Ebitda	5.5	6.4	6.0	5.2
Div yield (%)	4.7	2.7	2.7	2.7
FCF yield ratio (%)	1.5	5.9	(5.6)	13.9
Leverage (EOP) (%)	164.6	127.4	120.1	96.9

Source: Morgan Stanley research

IPCA LABORATORIES

RATING: **BUY**

Margins were higher than estimated

FY21/22e EPS up 17/10% on growth outlook, margin guidance; TP raised to ₹2757

IPCA REPORTED A 7% miss in revenue, driven by a dip in India anti-malarial season and UK payment issues. Adjusting for these one-off effects, revenue was in line. At 25%, margins came in better than expected, driven by all-round cost savings. Management has guided for improvement in India business growth for H2 and 25-27% margins for remaining FY21/22/23 on the back of sustainable cost savings. We upgrade FY21/22e EPS by 17/10%. **BUY**

India business recovers, (ex-malarial) sales up 6% y-o-y: Total domestic revenue was flat y-o-y, largely due to base erosion in anti-malarial drugs that registered sales of ₹560 m vs ₹950 m last year. Excluding anti-malarial drugs, domestic business was up 6% y-o-y, as Pain & Analgesics, which accounts for more than half the domestic revenue, was up 10% y-o-y. Management guided for 10-11% domestic revenue growth for the next two quarters and we factor this in our model.

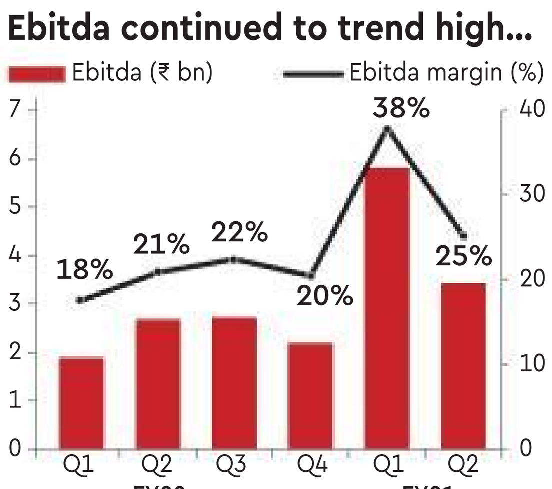
API strength to continue: Ipca's export API business revenue has grown by 43% over H1FY21/H2FY20. Q1FY21 reflected HCQS sales but it has normalised in Q2. The company has guided to 18-20% growth in API business for rest of FY21.

Better visibility on margins, in line with peers: Several pharma companies have guided that margin improvement as seen in H1FY21 is sustainable. In case of Ipca, this is driven by operating leverage as well as reduced marketing spends.

We retain Buy; value company at 29.8x FY22e EPS with a PT of ₹2,757.

JEFFERIES

Ebitda continued to trend high...



Source: Company data, Jefferies

Personal Finance

MUTUAL FUNDS

Know all about the new flexi-cap category

The new category will bring stability to retail investors' portfolio as multi-cap funds can now be just rebranded as flexi-cap funds

SAIKAT NEOGI

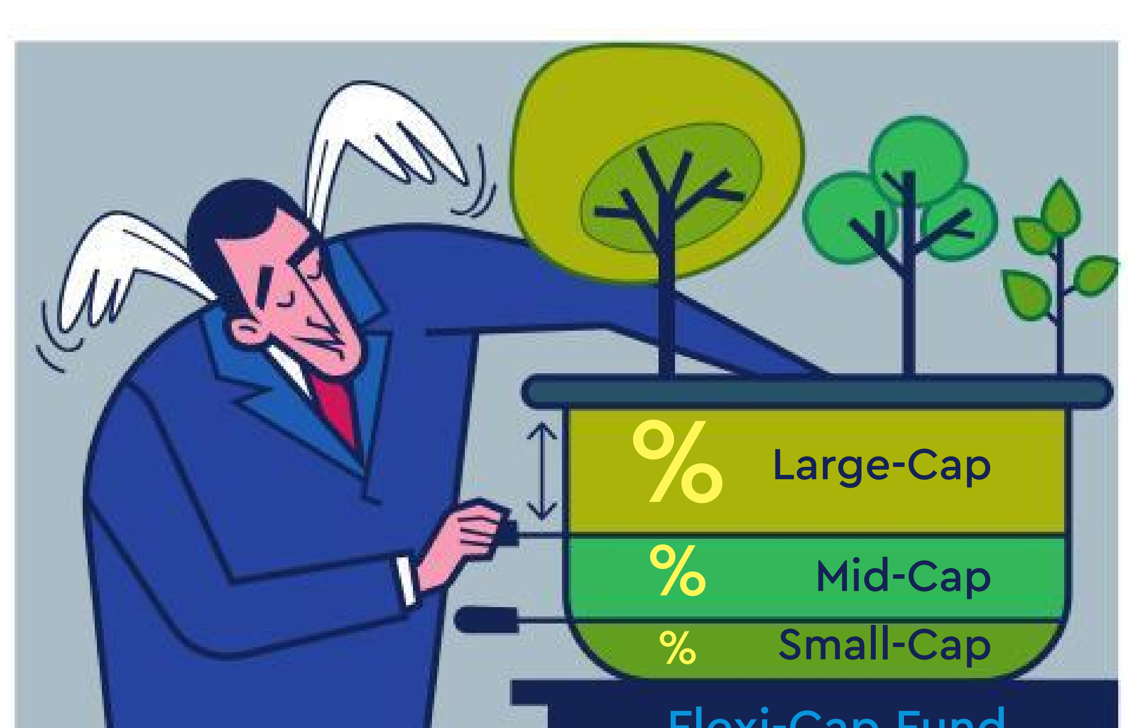


ILLUSTRATION: SHYAM KUMAR PRASAD

THE MARKET REGULATOR has introduced a new category of equity mutual fund scheme called 'flexi-cap fund'. It will be an open-ended dynamic equity scheme investing across large-cap, mid-cap and small-cap stocks. The minimum investment in equity and equity-related instruments will be 65% of total assets. Asset management companies (AMCs) will have the option to convert an existing scheme into a flexi-cap fund.

The introduction of flexi-cap fund by Securities and Exchange Board of India (Sebi's) comes as a big relief to fund managers of multi-cap funds as the regulator's September 11 directive prescribed a minimum 25% allocation to large-, mid- and small-cap stocks each. This was done to make multi-cap schemes more diversified and fund houses will have to align their portfolios to these new limits by January 31, 2021. Multi-cap funds had average assets under management of ₹1.45 lakh crore as of October.

A large part of multi-cap funds are invested in large-cap stocks as there was no limit on market cap allocation. A research note from Crisil says most multi-cap funds will have to sell off their large-cap investments to meet the new investment limits for mid- and small-cap stocks. This could have resulted in ₹41,000 crore of net outflows from large caps and net inflows of ₹13,000 crore and ₹28,000 crore in mid-cap and small-cap segments, respectively. "Finding that order of investments in lower caps could be an uphill task for fund managers, especially given the illiquidity in the segment and the downbeat economic forecasts amid the Covid-19 pandemic," the note says.

What flexi-cap means?

AMCs through Association of Mutual Funds in India had urged Sebi to create a new flexi-cap category. There were apprehensions whether the regulator would oblige as there is already a focused fund category that allows flexible investments, albeit for a concentrated portfolio.

So, with the introduction of the flexi-cap scheme, fund managers who either had to reshuffle the multi-cap portfolio or merge with other schemes can now just rebrand their scheme as a flexi-cap fund. Investors will only see a change in the fund category. Analysts say the flexi-cap category will help fund managers to invest freely across market capitalisation.

Fund houses can launch a scheme under this new category with immediate effect or convert an existing scheme into a flexi-cap fund subject to compliance with Sebi norms for change in fundamental attributes of the scheme.

Relief for investors

For retail investors, the new category will help to bring in stability to the portfolio as any forced reduction in allocation to large-caps and increasing allocation to mid-and small-caps in multi cap funds would have had an impact on the returns. Analysts say flexi-cap funds will be good for those investors who want complete flexibility in ownership of companies across market cap buckets.

With introduction of flexi-cap category investors the tax implications of switching has also been taken care of. Switching from multi-cap to another scheme would have had tax implications especially for investors with less than one-year holding period. Further, even for investors with a long-term investment horizon, capital gains of more than ₹1 lakh per year is subject to long-term capital gains tax.

The Sebis circular says AMCs will have to ensure that a suitable benchmark is adopted for the flexi-cap fund. For easy identification and to bring uniformity in names of schemes for a particular category across mutual funds, the scheme name will be the same as the scheme category.

Investors must keep track of the changes by fund houses in multi-cap funds till January 31 next. If the changes are just limited to the scheme name, then one can stick to the fund as the fund managers will have a large exposure to large-caps stocks initially. Later, when the economy revives, fund managers may increase allocation to mid and small-cap stocks.

LIFE INSURANCE

Premium collections of pvt life insurers' up 15%

Revival in ULIPs, rise in sales via agency channels & strong traction in non-par savings segments drive growth in October

LIFE INSURERS REPORTED 14% year-on-year (y-o-y) growth in individual annualised premium equivalent (APE) in October 2020 compared to 4% y-o-y in September 2020 and 6-40% y-o-y decline over April-August 2020. Gradual revival in unit-linked insurance plans (ULIPs), increase in sales through agency channels and strong traction in non-par savings segments are likely drivers.

Individual APE increased 14% y-o-y in October 2020 for private players while group APE was up 24% y-o-y, translating to 15% y-o-y growth in overall APE. On a sequential basis, this was up from 4% y-o-y in September 2020 from 7% y-o-y decline over June-August 2020.

Even as protection growth has likely slowed down from peak levels (ratio of individual non-single sum assured to individual non-single premium was broadly flat y-o-y at 31X; 41X for 7MFY21 compared to 32X in 7MFY20), pick-up in ULIPs, traction in non-par savings and gradual revival in group credit business (11% y-o-y growth in group sum assured against 37% y-o-y decline in 7MFY21 and 30% y-o-y decline in September 2020) led to strong growth in overall APE. LIC's individual APE was up 6% y-o-y; overall APE was up 7% y-o-y on the back of 9% y-o-y growth in the group business.

Private insurers gain momentum

HDFC Life reported 45% y-o-y increase in individual APE in October 2020 (up 43% y-o-y in September 2020); individual sum assured was up 6% y-o-y (up 4% y-o-y in September 2020 and 11% yoy in 7MFY21) in October 2020. Overall APE was up 47% (up 45% y-o-y in September 2020) on the back of strong growth in the group business (group APE was up 60% y-o-y compared to 55% in September 2020); credit life has likely picked up. Growth in individual business was likely driven by strong traction in the flagship traditional businesses. HDFC Life's strategy to toggle between product classes has helped it deliver better than industry.

ILLUSTRATION: SHYAM KUMAR PRASAD

ICICI Prudential Life reported 22% y-o-y decline in individual APE in October 2020 (down 24% y-o-y in September 2020). It continues to report lower-than-industry growth owing to pressure on ULIPs and likely slowdown at ICICI Bank. Individual sum assured was down 3% y-o-y reflecting moderation in protection product. While ULIPs have likely picked up sequentially, it remains weak on a y-o-y basis.

SBI Life's individual APE was up 14% y-o-y in October 2020 (decline of 4-14% y-o-y over July-August 2020). Overall APE was up 13% y-o-y. Individual sum assured was up 10% y-o-y while group sum assured was up 45% y-o-y; credit life has likely held on well.

Max Life' individual APE was up 49% y-o-y while individual sum assured was up 25% y-o-y. Traction in the non-par savings business continued to support growth in Q2FY21. Max Life has fared better than most peers during the pandemic. Group APE was up 35% y-o-y while group sum assured increased 1.1X y-o-y; credit life has likely revived.

Edited extracts from Kotak Institutional Equities Research report

BrandWagon

MONDAY, NOVEMBER 16, 2020

NUMEROLOGY

$55 bn - estimated value of India's M&E industry in 2024
$2.7 bn - size of India's SVoD market in 2024
$3.2 bn - estimated size of India's gaming market in 2024

— PwC India report

DEBATE

Offbeat and online

Several non-traditional categories such as liquor, bottled water, gourmet foods and art supplies have moved to online channels in recent months. Devika Singh asks experts if e-commerce will prove to be a viable model for these niche products in the long run.

'Trials let producers build new sales channels'

THE PANDEMIC PROVIDED an excellent opportunity to capture the imagination of the digitally savvy consumer. Away from normal distractions and deprived of regular sources of fun, people were willing to buy from sources that they were not used to. They were conducting trials on a new channel of online buying outside the big players. Will they continue to buy from the digital cottage industry once everything returns to 'normal'? Yes and no.

Alagu Balaraman
Partner & MD, CGN & Associates

The trials gave producers a rare opportunity to build new sales channels in a short span of time. Producers of unique clothing will probably get a huge and lasting benefit. Consumers who tried an online purchase would have realised lower prices of direct purchase from producers. Both consumers and producers would have formed networks that didn't exist earlier. Those businesses that provided distinctive value, but lacked access because of poor trials, will continue to benefit from this Covid shopping period. This could be distinctive design, crafting or pricing. On the other hand, any passing amusement to get over the lockdown boredom will die out. Just like tourists who buy gimcrack novelties on holidays, only to wonder what to do with that stuff later.

'Mix of niche, standard products a must for scale'

THE EMERGENCE OF online niche categories including environment-friendly products, organic beauty products, pet products, ayurvedic products, superfoods and bespoke beverages and high-end gadgets is a recent trend. Prior to entering niche categories, companies will need to address two key questions. One, if it is a fad or a trend; a short-term or a long-term bet. Two, if the product resonates with the consumer sentiment (product zeitgeist fit). Many niche product categories gain importance for a very short period or are too early an entrant in a nascent product category and are unable to build a sustainable model.

Ankur Pahwa
E-commerce Sector Leader, EY India

While there are distinct advantages to being part of a niche product segment, to reach scale, companies in this space may need to explore ancillary product categories that have broader appeal, while continuing to grow their niche product category. Finding a mix of niche hero products and standard growth products is essential. That apart, building an extremely loyal customer base, enabling greater reach with lower acquisition costs, and being able to command premium pricing are critical. While d2c has helped niche products find their zeitgeist moment, to find reach and scale requires deeper thinking on adjacencies for growth.

'Art supplies, liquor will see increased sales online'

THE PANDEMIC HAS accelerated the pace of digital adoption and several new and non-traditional categories have emerged on e-commerce. While it's reasonable to expect that consumers will return to physical retail after restrictions ease, it's safe to assume that in-store visits will reduce significantly, perhaps even next year. And hence omnichannel is the way forward. For experience-led categories such as fine-dining and gourmet food, consumers will return to restaurants, but are less likely to return to the old habit of standing in queues and shopping. So, categories that do not require much browsing are likely to remain online.

Partho Chakrabarti
Managing Director, Faber-Castell India

Liquor delivery, with regulatory easing in some states, will now see significant sales online. Art supplies have seen increased sales on online channels as consumers are spending more time pursuing their hobbies. E-commerce's contribution to the overall stationery segment was in low-single digits before, but has now grown fivefold. However, challenges await niche markets on e-commerce channels — absence of online identity, delivering an omnichannel experience, maintaining customer loyalty, the problem of data security, and the struggle of competing on price. Also, companies need to be careful about falling back to their old ways once normalcy returns.

F&B

Cheers without beers

A slew of non-alcoholic beverages has sprouted in the Indian market

VENKATA SUSMITA BISWAS

BEVERAGE BRANDS ARE in a rush to please teetotalers and those looking for 'healthier' alternatives to alcohol and carbonated drinks. United Breweries, the maker of Kingfisher beer, launched two products under its non-alcoholic beverage portfolio — Kingfisher Radler and Heineken 0.0. The former, introduced in India in 2018, is a malt and fruit juice mix, while Heineken 0.0, launched in 2019, is a non-alcoholic beer. AB InBev, the makers of Budweiser beer, forayed into the non-alcoholic beer segment in 2019 with Budweiser 0.0 and Hoegaarden 0.0.

Brands have also been experimenting with creating non-alcoholic clones of popular alcoholic drinks like gin and tonic, and rum and Coke. Svami is one such brand. After dabbling in the mixers category, it has developed three non-alcoholic ready-to-drink beverages. Ginger ale is another popular non-alcoholic beverage among those looking for healthy alternatives to alcoholic drinks. Brands like Schweppes, Jade Forest, O'Smart and Sepoy & Co. have added ginger ale to their portfolio of products.

Can these new beverage variants disrupt the carbonated soft drinks category?

Making a pint

According to research by Mintel, 38% of Indians wish to switch from standard-strength beer to low- or no-alcohol versions (LNA). This trend is especially prominent among younger consumers in the 25-34 age group — 41% of young beer drinkers are willing to switch to low/ no-alcohol beers.

Ramesh Viswanathan, chief new business officer, United Breweries, says that adult consumers are looking for "refreshing alternatives to current non-healthy choices in the market".

While the novelty of these products could help them cut through the clutter of 'better-for-you' carbonated drinks, pricing is what will determine how quickly they achieve scale in India. "These brands are nowhere close to competing with the cola makers on price," observes Prabhtej Singh Bhatia, founder, Simba, a craft beer company.

Brands are also experimenting with creating non-alcoholic clones of popular alcoholic drinks like gin and tonic, and rum and Coke

In terms of price, these brands have slotted themselves snugly between cola drinks in cans and bottled beers. For example, a 300 ml can of Kingfisher Radler costs ₹45 — ₹5 more than the price of a 300 ml can of Diet Coke. Svami's ready-to-drink, zero-alcohol beverages are priced at ₹95 per 200 ml bottle. "We expect our products to be consumed occasionally, and not as frequently as carbonated drinks. We have chosen to put ourselves in the same bracket as Red Bull and non-alcoholic beer," says Aneesh Bhasin, co-founder, Svami.

Kingfisher Radler and Budweiser 0.0 claim to have 30% less sugar, and Heineken 0.0 60% less sugar, than carbonated soft drinks. Despite this, these beverages are, by and large, positioned as alternatives to alcoholic drinks. Hence, their pricing is competitive when compared to alcoholic beers. "As the demand for LNA beers increases and more mainstream beverage brands enter this category, non-alcoholic beers can start competing with adjacent categories such as carbonated soft drinks and juices," says Rushikesh Aravkar, food and drink analyst, Mintel India.

Sober strategy?

A nascent segment that targets a niche clientele may find it hard to achieve scale in a price-conscious country like India. Creating awareness, experts say, will be critical.

Brands like Budweiser 0.0 and Hoegaarden 0.0 are available across all modern retail outlets and e-commerce portals in the top urban centres. United Breweries, which stocks its products in 40,000-50,000 retail outlets, is undertaking widespread sampling to boost sales. It has tied-up with Swiggy and Faasos to let customers sample Heineken 0.0 for free.

Because of the non-alcoholic nature of the product, Svami's Bhasin hopes to build awareness by making the beverages available at airports and movie theatres.

In The News

WPP merges AKQA and Grey

WPP'S AKQA AND Grey are merging to launch a new network model, AKQA Group. 'With heightened demand for digital transformation and technology-driven capabilities, the combination will create a powerful new proposition for clients as a leading creative solutions company with a worldwide footprint', says the official announcement. Ajaz Ahmed, founder of AKQA, and Michael Houston, CEO, Grey Worldwide will partner to lead the new group.

Publicis' Saurabh Varma launches Wondrlab

THE FORMER CEO of Publicis Communications, Saurabh Varma, has partnered with Vandana Verma and Rakesh Hinduja to launch martech company Wondrlab. The platform-first start-up has three key verticals — content, experience and digital business transformation. Wunderman Thompson's Ajeeta Bharadwaj has been roped in as chief strategy officer.

L&T Realty gets Mirum on board

L&T REALTY, FROM the Larsen & Toubro Group, has appointed Mirum India as its marketing automation services partner. Mirum India, a Salesforce Gold Consulting Partner, will be responsible for providing managed services for Salesforce Marketing Cloud.

GroupM launches supply path optimisation initiative

GROUPM HAS LAUNCHED a supply path optimisation project to give brands and advertisers across the Asia Pacific region more visibility into the programmatic supply chain. This practice, the agency says, will allow buying more transparently, as also unlocking efficiencies of scale.

Tilt Brand Solutions wins a new account

TRUST GROUP HAS roped in Tilt Brand Solutions as its brand and communication consultancy. The agency will drive and manage strategy and creative for the group, both online and offline.

Mogaé partners with Versa

VERSA, MELBOURNE-BASED voice and conversational AI agency, is expanding into India through a JV with Mogaé. Tanya Goyal will be Versa India's chairperson.

Motobahn

LOCATION TECHNOLOGY

Leveraging the power of 'where'

Managing supply chain volatility with location intelligence

ANKUSH CHATTERJEE

THE PERIOD JUST before Diwali to the New Year is when you see a surge in the sale of products and services across categories. This buoyant consumer demand can put supply chains in a tough spot (running out of inventory, logistical friction, shortage of in-storage space). Here, location technology can help businesses navigate the challenges related to supply chain volatility during the festive season.

1. Managing warehouse: The surge in demand for products can make it difficult to calculate how much temporary storage space might be needed. This is true of small-sized enterprises and start-ups. Location tech such as trackers and indoor positioning infrastructure can help managers chart out floor-by-floor 3D maps of factories where assets are located, as well as ensure capacities are judiciously allocated between departments. Managers can also pinpoint the optimal positioning of these sensors to fit factory employees' movements. IoT-based sensor tech can enable tracing of product inventory within the warehouse or factory—saving energy and resources used otherwise to trace 'lost' inventory.

2. Transforming fleet operations: Seasonal increase and accelerated flux in inventories can test the mettle of fleet services infrastructure and third-party logistics and distribution providers. It's critical for fleets to operate at peak capacity. Leveraging route planning GPS software can aid planning, efficiency and monitoring of delivery routes that minimise excess mileage, stop-start traffic and doubling back on routes already taken, thus saving fuel. By analysing traffic flows based on live and historical patterns, fleet drivers can avoid congestion hotspots, accidents and construction zones. All this can enhance customer satisfaction scores as well.

3. Supporting customers and optimising business costs: Agreeing upon the right service level agreements (SLAs) with customers and ensuring brand loyalty is critical. But SLAs are dependent on a core metric (location), which can influence the time taken to deliver the orders. Insights from location analytics can help companies to decrease the turnaround time by pinpointing pickup and drop-off points (or loading/unloading centres).

4. Going paperless: A challenge for supply chain managers due to seasonal fluctuations in customer demand is the industry's heavy reliance on analogue processes like data entry. With Covid-19 and a lot of people working from home, businesses can leverage location-based digital tools to gain transparency into supply chain processes while reducing their carbon footprint. Take the case of the German freight company Dachser—using geo-aware and predictive location analytics and real-time disruption alerts throughout the chain, their client documents can be requested, displayed and executed digitally. They have full access to supply and demand data via a transport and warehouse management system, thereby allowing real savings and a 360-degree 'factory-to-sale' visibility.

5. Local expansion: Covid-19 lockdowns have exposed many deficiencies in the global supply chains of big retailers. This has meant newer opportunities for local producers as well as bricks-and-mortar stores to expand to previously unserved areas. Integrating Covid-19 datasets or even external data such as weather, mobility, traffic and satellite data on top of the existing internal data can help map demand and make value-based strategic business decisions.

Supply chain managers must understand the power of 'where' that affects demand and supply planning. Incorporating location-aware technologies and analytics provides a new perspective to the supply chain team and network.

The author is head, Product Portfolio Management, Asia Pacific, HERE Technologies

SMART PARKING

A start-up wants to ease urban parking challenges

Corporate office complexes are a major area for Park+, followed by shopping malls

VIKRAM CHAUDHARY

Park+, founded by Amit Lakhotia (right), offers a solution that lets organisations manage parking areas

WITH AN INCREASING number of people expected to use their own vehicles to commute to offices—instead of public transport or ride-sharing—this may lead to parking problems at corporate complexes. Amit Lakhotia, the founder of Park+, sees this as an opportunity.

The start-up has a solution that lets you find a parking space, as well as book it in advance. "We are trying to get cars off the street into existing and under-utilised parking spaces. Parking at the right places can turn decongest our streets," Lakhotia says.

Park+ not only helps a driver find parking space, in case you have an idle parking space you can rent it out as well. The solution is both for four-wheelers and two-wheelers.

The basic infrastructure needed to install the Park+ solution is an RFID reader at the entry point of a parking area, and then one can opt for multiple layers such as a traffic light kind of signal, or even a barrier. The current users include corporate office complexes, residential societies and shopping malls/hotels. "Some of the biggest shopping malls such as Infinity, Inorbit and Forum use our solutions," Lakhotia adds.

Park+ makes money based on the number of gates the user has, as well as the number of vehicles.

Corporate office complexes, in particular, are a promising area for Park+. "Our solution saves time, as there are no parking issues once it's up and running. For the corporates, this means a lot. For example, even 10 minutes of parking time saved for every employee in a 100-employee company, this adds up to substantial time savings. This is also a feel-good factor for employees," he says.

This solution, Lakhotia adds, isn't a clone of parking solutions developed in the West, but is India-specific. "Most cities in developed countries are designed keeping cars in mind. But that isn't the case with India. So, India needs unique parking solutions. And especially so because in the last 15-odd years the number of cars has increased manifold," he says.

At the same time, he also foresees its application in markets outside India. "In a year's time we will start catering to other markets as well, as parking problems are in every country."

Infrastructure

MONDAY, NOVEMBER 16, 2020

EXPERT VIEW

Traded volumes in the day-ahead marker on the Indian Energy Exchange were up 15% m-m and 62% y-y in Oct'20. Prices in the day ahead market (DAM) rose to 8-month highs, with the average price of ₹2.74/unit being 2% higher than in Sept'20

—CARE Ratings

HIGHWAY SECTOR

A new lease of life for HAM projects

With the govt addressing concerns pertaining to its execution, the model is expected to draw road developers once again

SURYA SARTHI RAY

THE INTRODUCTION OF investor-friendly changes in the model concession agreement (MCA) for highway building under the hybrid annuity model (HAM) has been welcomed by the industry, with experts saying the route is likely to become attractive for developers once again.

Among the measures taken to revive interest in HAM, which came into existence in 2015-16, is the government's decision to double the frequency of payment of upfront construction support (40% of the project cost) to 10 from five earlier. The move to change the way interest is calculated on annuities paid to developers and reduce the equity lock-in period post the construction period to 6 months from two years are other positives expected to boost investor interest.

As is known, HAM is a kind of win-win model for both the government and the concessionaires; unlike in the Engineering Procurement and Construction (EPC) model, the government does not need to bear the entire cost of construction in HAM; and a developer's skin in the game is far less in HAM than under the Build-Operate-Transfer (BOT) model. However, the share of HAM in the highway project awards by the National Highways Authority of India (NHAI) has been sliding, falling from a peak of 55% in 2016-17 to 28% in 2019-20.

As part of the new rules, the first tranche of upfront payment will be released after 5% of progress in construction work and the second one after 10% progress. Similarly, the last instalment of the upfront payment will be disbursed after 90% of physical progress has been achieved. The measure will help concessionaires better manage their working capital needs and should also provide more comfort to lenders in the event of termination.

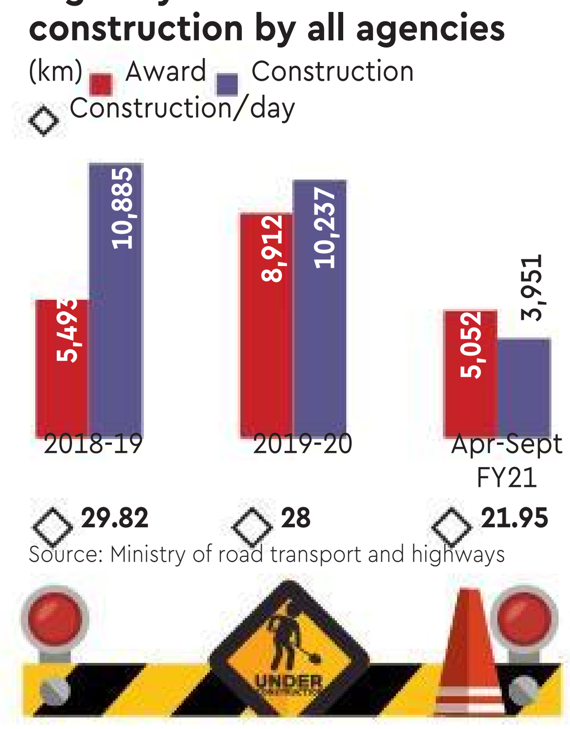
For the remaining 60% of the project cost paid to the developer as annuities over the operations period along with interest thereon, the new rules say interest shall be due and payable on the reducing balance of completion cost at an interest rate equal to the average of one-year marginal cost of funds-based lending rate (MCLR) of the top five scheduled commercial banks plus 1.25%. Earlier, the interest rate was linked to the Reserve Bank of India (RBI) bank rate plus 300 basis points.

Commenting on this measure, Crisil's Akshay Purokayastha says, "linking the interest payable to the MCLR instead of the RBI bank rate is a major positive. Reducing the equity lock-in period to 6 months post the construction period rather than two years is another positive as it will lead to better utilisation of capital."

Rajeshwar Burla of ICRA has said, "recent changes in MCA with a shift to MCLR from bank rate earlier for computing interest on annuities is a very positive development. The interest on annuities for HAM projects is sizeable, amounting to around 45% of overall inflows during the concession period. Until now, the low bank rate reduced the overall inflows for a HAM project. The second problem was related to delayed interest rate transmission. The transmission of reduced interest rates happened with a lag for the project loan. This is also evident from the widening difference between weighted average lending rate and RBI bank rate in the current year."

Mohit Kumar, senior vice president, DAM Capital, says the new MCA has incorporated all the concerns that had cropped up since the implementation of HAM in 2016. "The changes are likely to result in a better environment – less working capital need, faster dispute resolution, and higher interest payment on annuities. All in all, it's very positive for road developers," he says.

Highway award and construction by all agencies

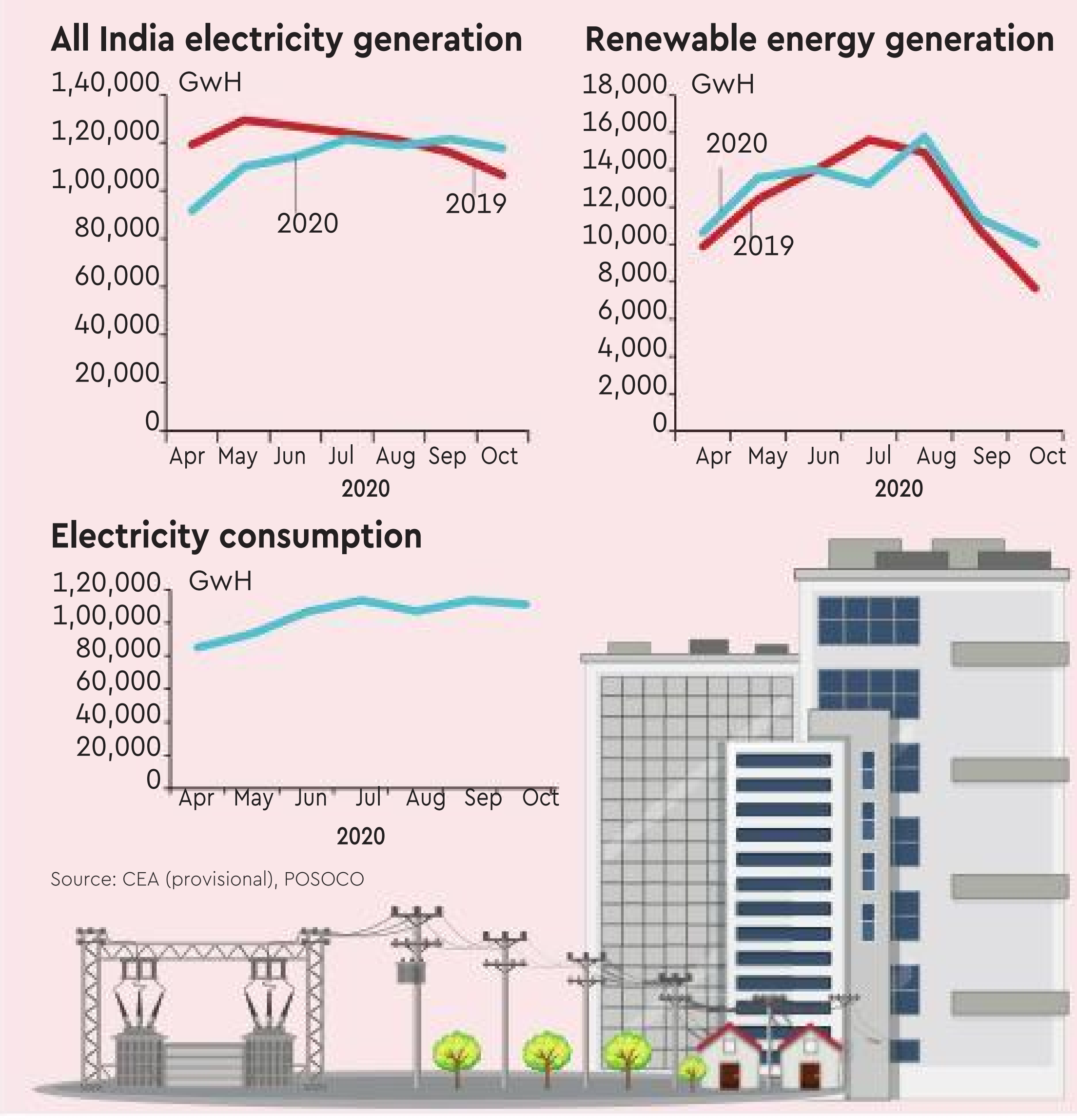


Source: Ministry of road transport and highways

DATA MONITOR

Coal-based power output at 9-month high

Electricity generation registered year-on-year growth (3%) for the second consecutive month in October'20 though it was 3% lower than in Sept'20. Generation of coal-based power rose to the highest level in nine months (5% m-o-m and 15% y-o-y). Power demand witnessed nearly 13% y-o-y growth in Oct'20. However, demand was 2% lower on a m-o-m basis.



Source: CEA (provisional), POSOCO

Quick View

19 auctioned blocks to generate ₹7,000 cr revenue, says minister

THE AUCTION OF coal mines for commercial mining had witnessed "fierce competition" and the 19 blocks that went under the hammer could generate total revenues of around ₹7,000 crore per annum and create more than 69,000 jobs once they are operationalised, Coal Minister Pralhad Joshi said last Monday. The auction of blocks for commercial mining has opened India's coal sector to private players. "With a combined peak-rated capacity reaching 51 MT per annum, it is expected that these 19 mines will generate a total revenue of nearly about ₹7,000 crore," the minister said. The auction of these mines witnessed fierce competition and companies had offered great premiums. "Out of 38 mines put on auction, 19 mines were successfully auctioned. The success of the auction is 50%," he said.

States may cut infra outlay by up to 40% in FY21: ICRA

IMPACTED BY THE COVID-19 pandemic, states are likely to cut capital outlay on infrastructure by up to 40%, rating agency ICRA said on Tuesday. States account for 37-40% of the total infrastructure capital expenditure. The rating agency said major states together had a budgeted capital outlay of over ₹5.7 lakh crore for 2020-21, as against the revised estimate of ₹5.1 lakh crore in 2019-20. "However, with COVID-19 severely impacting revenues of state governments, and additional expenditure towards healthcare and public welfare, the capital outlay on infrastructure by states could decline 10-40% in FY2021," ICRA said in a statement.

IREDA okayed loans worth ₹12,696 crore in 2019-20

THE INDIAN RENEWABLE Energy Development Agency Ltd (IREDA) sanctioned loans worth ₹12,696 crore and disbursed ₹8,785 crore, supporting capacity addition of 5,673 MW during 2019-20, a Ministry of New & Renewable Energy statement has said. At the 33rd AGM of IREDA, a PSU, held on November 11, Pradip Kumar Das, CMD, IREDA, highlighted that the loans including co-financed projects/takeover loans would support capacity addition of 5,673 MW, as against 3,266 MW in 2018-19.

Startups

INTERVIEW: **ISHPREET SINGH GANDHI,** Founder & Managing Partner, Stride Ventures

We want a long-term strategic partnership with startups we fund

The venture debt sector is nascent in India, with only a handful of players, but Stride Ventures has not only tackled the impact of Covid on this sector but capitalised on it, with a series of investments through the lockdown. Launched in July 2019, Stride has funded 10 companies so far. With a target corpus of ₹350 crore, it is set to close its first fund in the coming months. **Ishpreet Singh Gandhi**, *founder and managing partner, Stride Ventures, tells* **Sudhir Chowdhary** *about Stride's investment strategy in the Covid environment. Excerpts:*

What is the corpus size of your first fund?

Stride's maiden fund has a target corpus size of ₹350 crore with a greenshoe option to raise an additional ₹150 crore. The fund has recently a commitment of up to ₹85 crore from SIDBI. We expect to close the fund in December 2020. Our goal is to become an all encompassing institution for all credit solutions for a startup. The partners have deep domain expertise across corporate banking and help the portfolio companies leverage their banking network. The fund works closely with various foreign and domestic banks to provide comprehensive credit solutions.

While investors are wary due to the current uncertainty, venture debt has witnessed increased demand as startups look to delay further equity rounds

What is the average size of your funding in a startup? How much interest do you charge startups and what is the repayment tenure?

Stride's ticket size ranges from ₹5 crore to ₹20 crore. The interest rate is 15-17% depending on each deal. Our maximum tenor does not exceed 18 months. Within that, we provide flexible tenors to our portfolio companies, mirroring their requirements. We do not follow a one-size-fits-all approach. However, the aim of the fund is to become long-term strategic partners with startups and innovate continuously to cater to the distinctive requirements of each startup.

How many startups have you funded so far? Are you sector-agnostic?

Stride has funded 10 companies so far. We have two more term sheets signed which would take our portfolio to 12 companies soon. We are sector-agnostic. We have a well-diversified portfolio spread across sectors: Stellapps (end-to-end dairy tech company using data analytics to improve quality; SUGAR (colour cosmetics brand); Miko (robotics company); LetsTransport (urban logistics service provider); Bulk MRO (B2B marketplace for industrial supplies); Ziploan (online lending platform for SMEs); HomeLane (interior design solutions).

How has the pandemic impacted investments and fund raising?

It is an exciting time for venture debt, as an asset class. Its growth is set to see an acceleration, as valuations and equity cheques slide across the venture ecosystem due to the ripple effects of the Covid-19 pandemic. Furthermore, no delays or defaults in the portfolio in addition to flexible structuring of our debt products have led to a considerable increase in deal flow. This has allowed us to cherry-pick high quality startups where we would like to invest.

Towards fund raising, while investors are wary due to the current uncertainty venture debt has witnessed increased demand as startups look to delay further equity rounds. We have capitalised on the opportunity and have been active in our deployments. Furthermore, our model has been validated by our banking partners, who work closely with us and our portfolio companies. This has vastly bolstered investors' confidence. Hence, there has been no adverse impact on fundraising.

From whom do you typically raise funds?

Our investors are a mix of HNIs, family offices and institutions, both domestic and international. Our team, which is a mix of experienced bankers and VCs, ensures that our capital is well-protected while having a strong equity upside.

ASKSID.AI

Shopping gets a tech push

AskSid.AI is a conversational AI full-stack solution for the retail and consumer goods industry

SRINATH SRINVASAN

BENGALURU-BASED ASKSID.AI leverages conversational AI to enable retail brands improve their conversion rates, that is, turning visitors into paying customers. The company does it with a combination of AI and analytics. "When visitors chat with our chatbot, we take their utterances and train our systems. Our systems today are capable of creating their own utterances which then are carefully identified by our data scientists to train the system in turn," says Sanjoy Roy, co-founder, AskSid.AI. This further translates to contextually understanding what the user is asking for that may not be present on a product page of the shopping site and providing necessary information from the knowledge base in the backend, ensuring the customer checks out with the product.

"We create a knowledge base by working with the brand, getting their product catalogs, databases and so on. Then we update it with data from the chat sessions with users coming to the brand's site," says Roy. AskSid promises a seven-day conversion window and has closed deals with big retail names in India and Europe.

While the brand does not co-develop products via any partnership, its proprietary technology is integrated with the client's systems after necessary customisations and workarounds. "This helps us give them specific analytical capabilities that they ask for. It could be related to the products, customer purchases or any other metric," says Roy, adding, "We are also able to add value to the brands by giving them insights directly from the chats their customers have with our chatbots. A lot of things which we would assume that users may or may not want to know, come to light with their queries."

Sanjoy Roy, co-founder, AskSid.AI

AskSid's annual revenue last year was in the sub-₹5 crore range and by next 12-18 months the company aimss to grow by 2-3 times, given the increased demand from retail brands for solutions that can provide expertise-led guided shopping experience to their online consumers 24/7 and across channels. It also plans to conclude its funding round in the next 6-8 months for an undisclosed amount. "We are getting angel funding from four angel investors—Rajan Anandan, Krishnakumar Natarajan, Parthasarathy NS and Radha R," he says. With a short-term aim of expanding the business, it wants to create a complete digital retail assistant like chatbot experience in the long term.

"With time, we will have enough data to improve accuracy in responses and deeper integration with our clients' systems which can unlock more use cases," says Roy. At the moment, the format of input is not a matter of serious concern, however, Roy believes that with more and more voice assistants in the rise, it will create new opportunities. "Today we deal with text primarily. With Amazon, Alexa is gaining momentum. Clients may adopt several other assistants and we will be able to interface with them," he adds.

Quick View

Port traffic falls again, de-growth of 12.4% in April-Oct period

INDIA'S 12 MAJOR ports registered a 12.43% decline in cargo traffic during the April-October period of the current fiscal amid COVID-19-related disruptions, according to ports' apex body IPA. Cargo volumes at the major ports also declined for the seventh straight month in October 2020. These ports, which handle about 61% of the country's total cargo traffic, handled 354.81 MT of cargo between April and October, as against 405.20 MT last year. Defying the broader trend, however, Mormugao port saw an increase of 16.47% during the April-October period. Traffic at Kamarajar Port (Ennore) nosedived 30.56%, while ports like Chennai, Cochin and Mumbai saw their cargo volumes drop about 20% during the said period. JNPT and Kolkata ports suffered sharp declines of 18% and 14%, respectively.

Discoms' outstanding dues up 28% to ₹1.38 trn in Sept

THE TOTAL DUES of distribution companies to power producers rose over 28% year-on-year to ₹1,38,479 crore in September 2020, reflecting stress in the sector. Distribution companies (discoms) owed a total of ₹1,07,930 crore to power generation firms in September 2019, according to portal PRAAPTI. In September 2020, the total overdue amount, which was not cleared even after the 45 days of grace period offered by generators, stood at ₹1,26,661 crore, as against ₹85,790 crore in the year-ago period. The total outstanding dues in September increased on a month-on-month basis as well. The total outstanding dues of discoms stood at ₹1,34,928 crore in August.

Cap on flights raised to 70% of pre-Covid levels

THE CAP ON the number of domestic flights that Indian airlines are permitted to operate was increased from 60% to 70% of their pre-COVID levels on Wednesday, said Civil Aviation Minister Hardeep Singh Puri. The ministry had earlier on September 2 allowed Indian airlines to operate a maximum 60% of their pre-COVID domestic passenger flights. "Domestic operations recommenced with 30K passengers on 25 May and have reached 2.06 lakh on 8 Nov 2020," Puri tweeted.

Education

MONDAY, NOVEMBER 16, 2020

HOW NEP CHANGED EDUCATION

Saurabh Kumar, director, Academics, Vidyamandir Classes

"The NEP will change the education landscape of the country. We can have a student studying physics and arts at the same time; a student studying mathematics can play guitar at the same time; you can choose your career and hobby at the same time. This change is welcome."

THE BIG QUESTION

Is a college degree still worth it?

There could be substantial changes among smaller colleges with less brand name associated with them. Among large institutions that are predominantly online, the competition is going to change; there will be disruption

Romesh Ratnesar: You're the president of National University, a non-profit private university based in San Diego with a student population of 25,000, many of them working adults. One question that students, families and workers have is whether a college degree is still worth it. How do we evaluate value in higher education? In your view, is a traditional college degree still worth the investment?

David Andrews: It depends on the degree, the discipline and the institution itself. A highly ranked degree from a highly ranked institution probably has the right kind of return on the investment. But a degree from a lesser known institution in a discipline that historically has not led to a better job—I think we have to start questioning the value. Students should be wise consumers and institutions should be more sensitive to the return on the investment for the students that they recruit.

One of the things that people don't really pay enough attention to is the role of selectivity in the value of a degree. The more selective a school is, the better you can assure a return on that investment because you get to pick your team—you pick people that have demonstrated a capacity to take advantage of their degree once they enter the workforce. In open-access institutions like mine, we end up with such heterogeneous students. Our student body is all over the place in terms of its racial backgrounds, economic backgrounds, military history. The majority of our students are under-represented minorities. Some come to us with as many as 100 credit hours earned from 3-5 other institutions. If we don't think about each of those students as an individual and work to give them a personalised education to get the highest return on investment, then we're not really doing our job.

RR: Given the pandemic and the downturn in the labour market, is there more pressure on an institution like yours to deliver that return on investment? Are your hearing students say they want to see more evidence that they're going to get something out of this?

DA: We're hearing it not just from students but employers. They're saying, Can you deliver students or graduates with the right type of skills for the positions that we have open? Because there's a mismatch between the number of people that are graduating and the kind of positions that we need to fill. If we're not flexible enough to build and promote programs in areas where there's a shortage of people with that credential, then we'll miss the opportunity for your students.

The other side is: Is college worth it based on the overall cost of the tuition? We've committed to a 25% reduction in tuition during the pandemic. We offered free classes for the first four months of the pandemic to students who were adversely affected in their home institutions by the cancellation of courses. For our own students, we put in place a number of new scholarships that allow us to reduce the impact of tuition. That includes incentive-based scholarships—the more you consume in terms of coursework, or the better progress you're making toward your degree, the cheaper it gets. So for every three courses you accumulate in a one-month format, you get a fourth course for free. These are working adults who often have a job, who have two kids, three kids, many times taking care of elderly parents. Now with the pandemic, they're at home doing their job with two or three kids trying to have access to a computer in a private space. It's a real challenge. And if we don't help them adapt, then it's probably not worth their commitment of time, energy and the tuition that's necessary to get over the finish line.

David Andrews, President, National University, California, US

RR: The college student population is older than what we think of as typical undergraduates. The average age of your student body is 33. Does the current system work for adult learners, who have responsibilities outside of school?

DA: The way the current system works, we're more concerned about how much time you spent trying to learn something than documenting what you've learned; working adults don't have the luxury of fixed time frames to commit to learning.

We need competency-based micro-credentials so that there's more proximal value to the workforce. Some of our students take 10 years to graduate, because they're working or serving in the military. They're taking courses when they can, they're accumulating courses every year. And at the end of that they might be the first student from their family to graduate from college and so they're incredibly proud of that accomplishment. But they have to wait eight to 10 years to realise any value from the accumulation of those courses. As we work with industry, we're finding ways for us to do micro-credentials that are stackable towards a degree—but which may help you in your current position, or a future position that you aspire to, and which you can actually take advantage of earlier than just waiting to get a degree.

RR: What's the barrier for industry to move toward recognising and hiring based on these alternatives to traditional degrees? Is it that there aren't great tools for assessing the merits or the value of a given credential?

DA: We've got to have much more conversation and agreement on the assessments. We have a lot of confidence in fixed time frames, because we've done it for so long. You know, if you spent a certain amount of time trying to learn something, and you actually got a passing grade, we've all kind of agreed over the years that we can live with that. But we're in new space now where we're trying to break it down to a more modular view of credentials, and it puts more pressure on the assessments.

I think we're moving away from a period of time where we told students, You should come to our university because we have all of the knowledge, we have the content in our professors' heads and in books and in libraries. The idea was you had to go to university because that's how you got access to content. But we can't do that anymore, because content is free and ubiquitous. Now, what we're trading on is the credential and the value of that credential itself—which makes us have to dig deeper into backing it up with evidence. If we're going to use something other than degrees, or in addition to degrees, how much confidence can we build in that?

RR: You've been an educator since you were in high school and previously served as the dean of the School of Education at Johns Hopkins University. What made you decide to devote your life not just to teaching but studying education as a discipline?

DA: I've always had a passionate concern for children and their education. And then it grew into a better understanding of lifelong learners. I went into psychology and developmental psychology because I was interested in the developmental side of psychology. And I've always just been fascinated with the question of, How do we make education available, in its highest form, to the hardest-to-reach populations?

RR: There are big differences in the populations served by an elite, traditional school like Johns Hopkins and an institution like National University. What are some of the similarities?

DA: Part of the work we were doing in the School of Education at Johns Hopkins was focused on hard-to-reach populations in East Baltimore. And the realisation we had was that a one-size-fits-all approach to learning is not going to get it done. You have to personalise it. I was totally unfamiliar with National University when I interviewed for the position, but it looked like an incredible opportunity because of the heterogeneity of the student body and because it's a pretty gritty, open-access institution. It's one of the few places where I think we can make these transformations in the educational model to provide a much more personalised and precision-based approach. The traditional institutions are going to be really, really hard to change in this respect. But there are institutions like National University and Western Governors University and Southern New Hampshire University who are focused on these incredibly diverse populations and that have an appetite to do this.

I keep going back to the question of what's the primary purpose of education—whether it's a university or a K-12 school. It should be to serve the students, not to sort the students. I constantly focus on how we're serving students in terms of their specific goals.

RR: Since the start of the pandemic there have been a lot of discussion about the future of higher ed, and whether we're going to see major disruptions in the business models of colleges in the US. Do you think this is a real inflection point?

DA: You're going to see the possibility of some substantial changes and disruptions among smaller colleges with less brand name associated with them. Among large institutions that are predominantly online, the competition is going to change, so there will be disruption in that sector. It's going to take a long time for the traditionals to change because, again, their brand is built upon that reputation of selectivity. There's still this tendency to want to belong to the country club that won't let you in and you can't afford. And is there still an envy of that among a certain population. But that's not the majority of college students. College-going students now are trying for a workforce-relevant leg up. If there's a sea change, as some are predicting, in competency-based hiring, I think we're gonna see some pretty disruptive things happening in that space. If people start to hire based upon credentials other than a degree, then you'll see a mad scramble to align to those hiring practices.

RR: So, what colleges need to do to help students derive more value?

DA: We have to get out of our silos so it's not just a handoff at the end of the degree. That means we have to start aligning these curricular conversations early in the process, and work together with employers to serve students and build the pipeline for those students to get better jobs, or to advance within the within the companies that they're already in. Universities have to change their mind-set: They have to cocreate and co-own a curriculum with those in [industry]. Else, employers will create their own. The relevance of the university is going to diminish, especially in this sector that's focusing on workforce preparation, if we're not in lockstep agreement about what these credentials look like.

BLOOMBERG

NEWS BRIEF

You can 'fail to learn' with Kidzpreneur

Kidzpreneur, the learning platform for students 10th onwards, has started 'Fail to Learn' to promote entrepreneurship amongst young minds. It focuses on teambuilding, validation tools, shaping ideas, investments & negotiations soft skills. The goal is to catch them young and lead them towards analytical/logical thinking. "We aim to support ideas that show promise for business aptitude by investing real money and offering both our experience and practical exposure with the financial freedom to execute under the 'Fail to Learn' programme," said Shishir Miglani, founder, Kidzpreneur.

Sheffield offers 50 UG scholarships

The University of Sheffield, UK, is offering 50 UG merit scholarships in 2021. These are awards worth 50% of the tuition fee for a UG degree starting in autumn 2021. The deadline for applications is May 17, 2021, and results will be announced on June 11, 2021.

GeeksforGeeks starts free course

Edtech platform GeeksforGeeks is starting a three-month biweekly workshop series on algorithms and data structures. Starting from the third week of November till late in January, this free workshop intends to provide learning around the most fundamental topic of computer science.

PlayShifu in top list at Nasscom awards

PlayShifu has won a place in the League of 10 at Emerge 50 awards by Nasscom. Apart from PlayShifu, others that made it to the League of 10 are Foyr Neo, Khatabook, INCREFF, DEVNAGRI, REPIO, Yulu Miracle, Corestack, Dozee and Pandocorp. Vivek Goyal, CEO & co-founder, PlayShifu, said, "We are making unparalleled learning experiences for Gen-Alpha (3-11-year-olds). This award validates the path we have chosen."

Students of IIT-ISM Dhanbad rewarded

Samsung India has conducted the 10th Samsung Innovation Award at IIT-ISM Dhanbad to reward innovations by student-faculty teams that have the potential to revolutionise everyday living.

NMIMS's new MBA (Business Analytics)

Centre of Excellence in Analytics & Data Science, NMIMS, has opened admissions to Business Analytics MBA. Students can apply for the two-year course till December 14.

FE BUREAU

Science & tech

Kanishk Gaur

Readying the Indian consumer

In India, consumer cyber safety is a ticking time bomb

THE INDIAN BUSINESS market for cybersecurity services and product companies is booming during the pandemic with startups reaching $100 million valuations.

However, an ordinary person is still suffering as fraudsters can easily access her digital wallet, internet banking and newly created UPI identity. There's no solution for such frauds, as there is no central authority to respond to cybercrime.

State Police handles Cybercrime-related matters, but fraudsters are sitting miles away, sometimes outside the state or union territory and many a time outside India. So, what recourse can an individual take if she has been duped online or harassed by scamsters via encrypted VOIP calls? While such crime can be reported on the national portal set up by the ministry of home affairs, ultimately it falls within the state police's domain. And, there is little to no co-ordination between police authorities across state lines. The police of that state could shield the local mafia, and the police where the crime occurred would have little authority over the matter.

Another issue is tracing money sources. When it comes to vishing crimes, fraudsters use bank accounts of people who are either not aware of the entire operation or agree to such scams for a share.

The Netflix series Jamtara was one such example of organised vishing crime. However, there are plenty of Jamtara like towns in India.

Another type of attack is lottery schemes where vishing techniques are used by sending videos on WhatsApp, and users are duped into calling an unknown WhatsApp number. When users call this number, an initial deposit is requested from users to collect the lottery amount. Fraudsters request an initial payment of ₹25,000-30,000.

Open source intelligence analysis reveals geolocation of criminals to be remote villages in states of Maharashtra, Jharkhand, Bihar, Chhattisgarh, West Bengal and the modus of operandi is to target consumers of another state.

Since there is no central cybercrime coordinating or responding agency in India, resources with the states police departments are also limited.

Organised cybercrime is mushrooming in India at an exponential pace.

Hence to tackle and respond to such frauds services providers, such as telcos, insurances companies, banks will have to bundle security services with leading security companies. Since not everyone in India could pay extra for digital security, the government also needs to step in.

Multiple government schemes enabled for Digital Payments must have a strong mechanism to report frauds. Similarly, companies linking digital payment methods enabled by the government such as UPI must have some liability in case frauds happen due to security weaknesses in their systems. Programmes to make consumers are aware of security-related risks must be launched, informing users of new cybercrime trends and making her aware of such practices. The regulatory bodies such as RBI, NPCI need to expand their security monitoring capability and update their security guidelines to tackle threats.

Author is founder, India Future Foundation. Views are personal

EAVESDROPPER

Getting 2FA right

As smartphone adoption picks up, banks need to look for other methods for multi-factor authentication

ISHAAN GERA

LAST WEEK, TWO crore BigBasket users were informed that their data was stolen from BigBasket and uploaded for sale on the dark web for $50,000. While the company reassured users that the financial information (saved credit and debit card stored on servers) was out of reach of hackers—most companies tend to use separate servers for this purpose—and the password data was hashed, it still raises concerns over cyber-readiness of Indian start-ups.

There is little doubt that given the increasing bouts of attacks, companies need to spend more on cybersecurity, and this cannot be achieved until they are asked to commit a certain percentage of expenditure. But there is also a need to steer them to other alternatives and ask for greater collaboration. Banks, for instance, have adopted the two or three-factor authentication. However, these are not too safe either.

SMS and email, the two modes of authentication used by banks, were not built keeping in mind the safety aspect. Although companies have evolved safer email systems, one-time authentication messages are still the least safe aspect as message communication can easily be intercepted. Receiving a message over WhatsApp can be a solution, but it is again not too safe, and the costs are prohibitive.

Then there is the issue of duplication of passwords. Given the multiplicity of accounts, most users tend to use the same password across services. So, if a hacker gains access to one account, it's easier to gain access to another. While many banks have eliminated the need for passwords with regard to smartphone apps, internet pin is still a requirement for all.

And, it is not surprising if the password is the same across the email service and bank account. Password generators and password managers are one solution. But an article published in *Forbes*, quoting Microsoft's director of Identity Security, Alex Weinert, details, passwords, even the most complex ones, are not entirely safe.

While Weinert discusses the use of biometric identifiers as the safest means, not many banks or Indian companies have been open to that idea. Despite having a mobile-first strategy, most are averse to having a biometric identifier as a login option. One because these methods are not entirely reliable. Two, the consumer mindset also needs to change.

A better option, however, which has still remained unexplored is the use of authenticators. While such services verify password information and can carry out 2FA without an OTP with data saved on phone memory, they haven't found wide acceptance. Hardware components like password keys or USBs have also failed to take off.

The trend is picking up in the western world, and Indian companies need to take advantage of this as well. More services need to integrate with the likes of Microsoft, Google or LastPass to enable two-factor authentication.

Google and Microsoft are already doing this for their emails and logins, but other services like banks, utilities and digital wallets need to collaborate as well. Collaboration is the key for a safer cyberspace

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Trump concedes 'nothing' on election; Biden team says smooth transition essential

REUTERS
November 15

PRESIDENT DONALD TRUMP appeared to acknowledge publicly for the first time on Sunday that Democrat Joe Biden won the November 3 US presidential election but asserted that it was "rigged", reiterating his false claims of widespread voting fraud.

Biden defeated Trump by winning a series of battleground states that the Republican incumbent had won in 2016.The Democratic former vice president also won the national popular vote by more than 5.5 million votes, or 3.6 percentage points.

Trump seemed to acknowledge Biden's victory in a Twitter post in which he listed unsubstantiated allegations of fraud. "He won because the Election was Rigged," Trump wrote on Twitter on Sunday morning, not referring to Biden by name.

"NO VOTE WATCHERS OR OBSERVERS allowed, vote tabulated by a Radical Left privately owned company, Dominion, with a bad reputation & bum equipment that couldn't even qualify for Texas (which I won by a lot!), the Fake & Silent Media, & more!"

Trump's campaign has filed lawsuits seeking to overturn the results in multiple states, though without success, and legal experts say the litigation stands little chance of altering the election outcome.

Election officials of both parties have said there is no evidence of major irregularities. Democrats and other critics have accused Trump of trying to delegitimise Biden's victory and undermine public confidence in the American electoral process.

Trump's refusal to concede did not change the fact that Biden was the president-elect, but it has stalled the government's normal process of preparing for a new presidential administration.

The Trump administration's decision not to recognise Biden as the winner has prevented Biden and his team from gaining access to government office space and to funding normally afforded to an incoming administration to ensure a smooth transition.

The federal agency in charge of providing those resources, the General Services Administration, has yet to recognize Biden's victory.

Biden has won 306 votes in the state-by-state Electoral College system that determines the presidential winner, according to Edison Research, far more than the 270 needed to secure a majority.

Trump earned the same number of electoral votes in 2016 over Democratic candidate Hillary Clinton, a victory he has called a "landslide" despite the fact that she won the national popular vote by about 3 million ballots.

Breakthrough needed in post-Brexit talks this week: UK & Ireland

THERE HAS TO be a breakthrough this week on a post-Brexit trade agreement, British and Irish ministers said on Sunday, as London's top negotiator went back into talks saying progress had been made in recent days.

Without a deal, around $1 trillion worth of trade would be at risk of disruption through tariffs and tougher rules after the December 31 expiry of Britain's transition period for leaving the European Union.

That would deliver a fresh economic shock just as Britain and the EU are struggling to contain the economic fallout from the Covid-19 pandemic.

"This needs to be a week when things move, when we break through some of these difficult issues and get a resolution and at least have some sort of headlines, if you like, of an agreement," British environment secretary George Eustice told *Sky News*.

Irish foreign minister Simon Coveney said time was running out for a deal. "We have got to make big progress this week," Coveney told Sky.

—REUTERS